



# Comprehensive Annual Financial Report

Fiscal Year Ended September 30, 2008

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

**Fiscal Year Ended  
September 30, 2008**



**prepared by the  
Finance Department**

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

CITY OF SUNRISE, FLORIDA  
 COMPREHENSIVE ANNUAL FINANCIAL REPORT  
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2008

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

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



March 2, 2009

To the Honorable Mayor and members of the City Commission:

State law requires that all general-purpose local governments publish within six months of the close of each fiscal year a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the comprehensive annual financial report of the City of Sunrise, Florida (the City) for the fiscal year ended September 30, 2008.

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

Rachlin LLP, a firm of licensed certified public accountants, has audited the City's financial statements. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City for the fiscal year ended September 30, 2008, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit and the reports of other auditors, that there was a reasonable basis for rendering an unqualified opinion that the City's financial statements for the fiscal year ended September 30, 2008, are fairly presented in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the City was part of a broader federal and state mandated “Single Audit” designed to meet the special needs of the federal and state grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government’s internal controls over financial reporting and compliance and other matters.

GAAP require that management provide a narrative introduction overview and analysis to accompany the basic financial statements in the form of Management’s Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The City’s MD&A can be found immediately following the report of the independent auditors.

### **City Profile**

The City of Sunrise, incorporated in 1961, is located in southeastern Florida in Broward County. The City encompasses an area of approximately 18 square miles with an approximate population of 90,000 (23rd largest of Florida’s 400+ municipalities). The City is convenient to three international airports and two deep-water ports, and hosts more than 25 million visitors each year.

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

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

The annual budget serves as the foundation for the City’s financial planning and control. All departments of the City are required to submit requests for appropriation to the city manager. The city manager uses these requests as the starting point for developing a proposed budget. The city manager then presents this proposed budget to the city commission prior to August 1 of each year. The city commission is required to hold public hearings on the proposed budget and to adopt a final budget by September of each year. The appropriated budget is prepared by fund, function (e.g., Public Safety), and

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

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

## **Economic Outlook and Financial Condition**

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

### **Local Economy**

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

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

- Sunrise is home to a diversified group of businesses, including corporate offices, financial services and research and development (R & D) companies. A strong endorsement of the City's business appeal is that corporations, hotels, restaurants, office parks and attractions already located in our community continue to expand and invest in the area. The City is a job growth leader, consistently ranking at the top of Broward County municipalities in the creation of new employment opportunities. A significant level of corporate business and development activity occurred during the year. Western Union opened their South American headquarters in Sunrise; Research in Motion, the makers of Blackberry, opened a 60,000 square foot office, which will employ 200 people. Other key business relocations to Sunrise included defense contractor General Dynamics Corporation, Comcast, and FoxConn, a China based technology conglomerate.

- Sunrise’s four major industrial parks consist of Sawgrass International Corporate Park with 612 acres, Sunrise Commerce Center with 550 acres, Broward Lakes Business Center with 120 acres and Sawgrass Technology Park with 100 acres. The Sawgrass International Corporate Park is the most significant of these, ranking as the largest corporate office park in South Florida and the 6<sup>th</sup> largest office park in the State of Florida. The latest addition to the Sawgrass International Corporate Park is Lakeshore Office Plaza II, a five-story, 145,000 square foot class A office building completed in 2008. This building is Broward’s first LEED Certified “Green Office Building”. The first tenant for the building is T-Mobile Communications, which has signed a letter of intent to occupy 25,000 square feet and employ 120 people. The Stiles Corporation received approvals to move forward with plans for a major mixed-use development called Westerra. The proposed Westerra project will feature 1.6 million square feet of class A office space, 1,500 luxury high-rise residential units, 400,000 square feet of upscale retail, and a boutique hotel.
- Sawgrass Mills Mall, a 2.7 million square foot shopping mall and entertainment complex located in the City, is second only to Walt Disney World as a tourist attraction in Florida. Besides Sawgrass Mills Mall, another major amenity drawing visitors to the City is the 20,000 seat Bank Atlantic Center, in which the Sinatra Theater is housed. The Bank Atlantic Center is one of the finest arenas in the country and home to the NHL’s Florida Panthers. Both of these regional destinations remained significant contributors to the City’s economy, with over 25 million visitors a year.

On June 21, 2007, House Bill 1B was signed into law during Special Legislative Session. This bill limited maximum millage levies for fiscal year 2008, and the City reduced taxes below what was required. Tax reform legislation known as Amendment 1, will take effect October 2008 and will impact the city’s property tax revenues. These are described in more detail in the MD & A on page 19 and in Note H on page 69.

During the past ten years, the City’s expenses related to public safety have increased not only in amount, but also as a percentage of total expenses (a ten-year increase of 9 percent). Much of the increase reflects a trend that has seen the salaries and benefits of police and firefighters growing at a faster rate than those of other categories of public-sector employees.

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

Unreserved, undesignated fund balance in the general fund (48.1 percent of the general fund original adopted budget) falls within the policy guidelines set by the city commission for budgetary and planning purposes (i.e., one-twelfth of the general fund original adopted budget).

## Major Initiatives

The City has seen moderate and steady growth over the past ten years. Growth in the commercial sector has been sluggish this past year and is expected to remain so in response to the national slowdown. The City's total office space inventory was pegged at 3 million square feet in 2008, with an approximate vacancy rate of 13.2%.

A proposed project is an 11-story Sunrise Residence Inn/Courtyard Hotel, which will be part of the planned Everglades Corporate Park; this project continues to move through the permitting process. It will include 500,000 square feet of office space and some specialty retail.

Additional Sawgrass area development plans include two major projects called "Metropica" and "Artesia".

Metropica would be a first-class, mixed-use project consisting of approximately 500,000 square feet of class A office buildings with structured parking, several full service restaurants, upscale specialty retail boutiques and nearly 400 luxury high-rise residences.

Ongoing construction continues on Artesia, an upscale, gated community which, upon completion, will be comprised of approximately 1,400 residences. Artesia will capture the color and character of such resort areas as Palm Beach (Florida), Marbella (Spain) and Portofino (Italy). Artesia's multi-family residences are expected to set a new benchmark for luxury, resort-style living in South Florida.

The Tao Condominium project was completed this year and has received a certificate of occupancy from the City. The twin 26-story residential towers features 396 luxury units. Sales of individual units have been hurt by a multitude of conditions, culminating from a weak U. S. housing market and an over supply of condominiums in South Florida.

The BankAtlantic Center, located in the heart of the City's Sawgrass area, received permission from Broward County to begin exploring the possibility of developing a massive entertainment based, mixed-use project adjacent to the arena. The project could include retail, restaurants, hotel, office, residential units, meeting facilities and additional entertainment venues. The firm of Beyer Blinder Belle, has been hired for the initial planning stage.

The City is committed to enhancing the quality of life for its residents. In an effort to expand leisure time activities, the City will once again host a pro tennis tournament in 2009. The "BMW Tennis Championship" will be held at the Sunrise Tennis Center and will feature some of the world's top ranked tennis players. This tournament will be one of only three major ATP tournaments held in the state of Florida.

## **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, 2007. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

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

Respectfully submitted,

*Laura Toebe*

Laura Toebe  
Director of Finance

*Wendy Friedman*

Wendy Friedman  
Assistant Finance Director

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Sunrise  
Florida

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
September 30, 2007

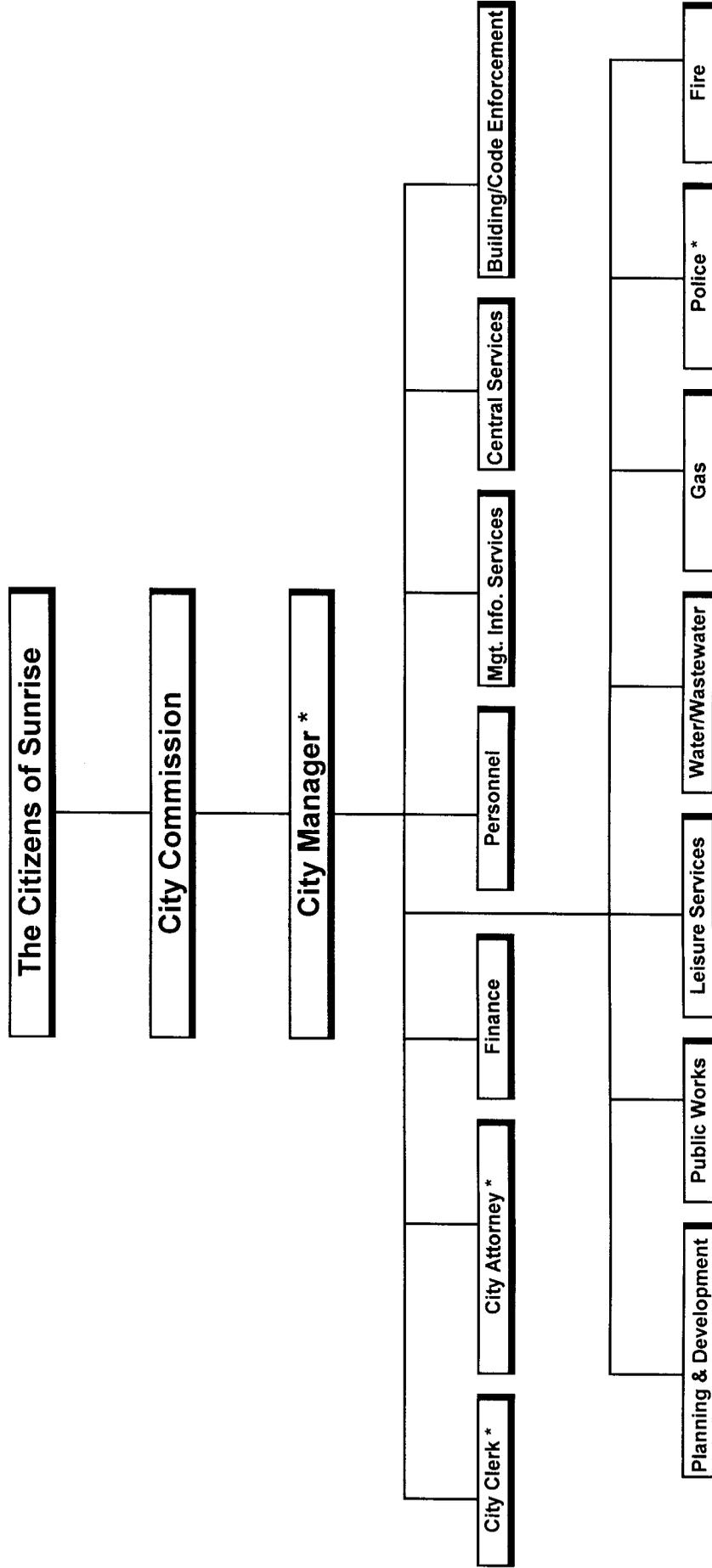
A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards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



President

Executive Director

Organization Chart  
 City of Sunrise, Florida  
 September 30, 2008



\* Charter Officer

**City of Sunrise, Florida  
List of City Officials  
September 30, 2008**

**Elected Officials**

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

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

**Principal Officials**

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

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

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

**REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS**

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Sunrise, Florida (the City) as of and for the year ended September 30, 2008, which collectively comprise the City's basic financial statements, as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these basic financial statements based on our audit. We did not audit the financial statements of the Pension Trust Funds, which represent 72% of the total assets of the aggregate remaining fund information. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinions, insofar as it relates to the amounts included for the Pension Trust Funds are based upon the reports of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The financial statements of the Pension Trust Funds were not audited in accordance with *Government Auditing Standards* issued by the Comptroller of the United States. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the report of other auditors provide a reasonable basis for our opinions.

In our opinion, based on our audit and the reports of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City, as of September 30, 2008, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the general fund for the year then ended in conformity with accounting principles generally accepted in the United States.



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

In accordance with *Government Auditing Standards*, we have also issued a report dated March 2, 2009 on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Management's Discussion and Analysis on pages 13 through 24 and the Schedules of Funding Progress on pages 82 and 83 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States. We and the other auditors have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining and individual fund financial statements and schedules and the statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards and state financial assistance is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; and Chapter 10.550, Rules of the Auditor General. The combining and individual fund financial statements and schedules and the schedule of expenditures of federal awards and state financial assistance projects have been subjected to the auditing procedures applied by us and the other auditors in the audit of the basic financial statements and, in our opinion, based on our audit and the reports of the other auditors, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The information identified in the table of contents as the Introductory and Statistical Sections have not been subjected to the auditing procedures applied by us and the other auditors in the audit of the basic financial statements, and, accordingly, we express no opinion thereon.

*Rachlin LLP*

Fort Lauderdale, Florida  
March 2, 2009

## **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, 2008. Please read it in conjunction with the letter of transmittal which can be found on pages 1-6 of this report and the City's financial statements, which follow this section.

### **FINANCIAL HIGHLIGHTS**

#### **General Fund**

- At the end of the current fiscal year, undesignated fund balance for the general fund was \$44,637,852 or 54.1% of general fund revenues and 51.4% of total general fund expenditures. The undesignated fund balance increased by \$84,043 from fiscal year 2007.
- General fund revenues and other financing sources decreased by \$2,696,181, a decrease of 2.7% from fiscal year 2007.
- General fund expenditures and other financing uses increased by \$924,534, or 1% higher than last fiscal year.

#### **Governmental Activities**

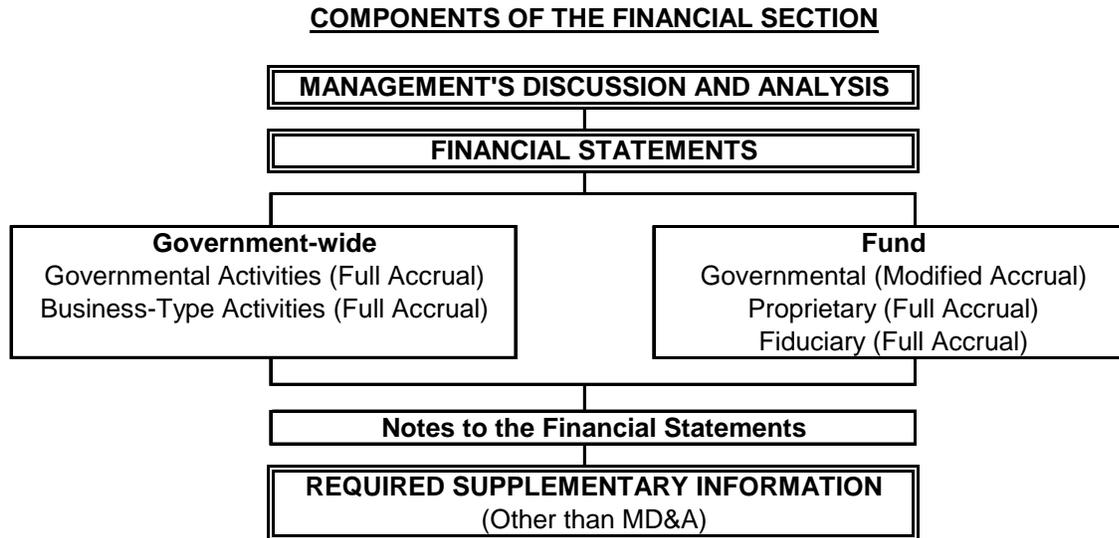
- On a government-wide basis for governmental activities, the City's general revenues of \$74,869,422 were \$1,784,737 less than the \$76,654,159 of expenses net of program revenue.
- As of September 30, 2008, the City's governmental activities reported total ending net asset balances of \$310,950,587. Approximately 53.5% of this total amount, \$166,333,000, is unrestricted and available for use within the City's designation and policies.

#### **Entity-wide**

- The City's total net assets, on a government-wide basis, totaled \$587,974,937 at September 30, 2008, a decrease of 1.4% over September 30, 2007. Of this amount, \$269,708,663 is unrestricted.

## USING THE FINANCIAL SECTION OF THIS COMPREHENSIVE ANNUAL FINANCIAL REPORT

The City's basic financial statements are presented within the financial section of this Comprehensive Annual Financial Report (CAFR). As illustrated in the following chart, the financial section has three components: management's discussion and analysis (this section), the basic financial statements and required supplementary information.



### GOVERNMENT-WIDE STATEMENTS

The government-wide financial statements, the Statement of Net Assets and the Statement of Activities, report information about the City as a whole using accounting methods similar to those used by private-sector companies; they provide both long-term and short-term information about the City's overall financial status. The Statement of Net Assets includes all of the City's assets and liabilities, reported using the full accrual basis of accounting. The Statement of Activities accounts for all of the current year's revenues and expenses, regardless of when cash is received or paid.

The government-wide financial statements report the City's net assets and changes in them. The City's net assets - the difference between assets and liabilities - is one way to measure the financial health, or financial position, of the City. Over time, increases or decreases in net assets are an indicator of whether the financial position of the City is improving or deteriorating. However, in order to assess the overall health of the City, other non-financial factors such as changes in the City's property tax base and condition of the infrastructure must be considered.

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

**Governmental activities** – Most of the City's basic services are reported here, such as police, fire and other public safety services, culture and recreation, public works and general administration. Property, utility service and sales taxes, charges for services, franchise fees, and state/federal grants finance most of these activities. Three legal entities for which the City is financially accountable - Special Recreation District Phase I, Special Recreation District Phase II and Special Tax District No. 1 – are reported here as blended component units.

**Business-type activities** – The City's water, wastewater and gas, sanitation, recycling, stormwater and golf course operations are reported here. Fees are charged to customers to recover all or a significant portion of the costs of providing these services.

## **FUND FINANCIAL STATEMENTS**

The fund financial statements provide more information about the City's most significant funds – not the City as a whole. The fund financial statements focus on the individual parts of the City government, reporting the City's operations in more detail than the government-wide statements. The City has three types of funds:

### **Governmental Funds**

General, special revenue, debt service and capital projects funds are governmental funds, funds which focus on 1) near-term inflows and outflows of spendable resources and 2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps the reader determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, additional information follows the governmental funds statements that explains the differences between them.

The City maintains nineteen individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the general fund, Public Service Tax debt service fund and Capital Improvements capital projects fund, all of which are considered to be major funds. Data from the other sixteen governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

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

## **Proprietary Funds**

Services for which the City charges customers a fee are generally reported in proprietary funds. These funds, like the government-wide statements, provide both long-term and short-term financial information. The City's enterprise funds (one type of proprietary fund) are the same as its business-type activities, but the fund financial statements provide more detail and additional information, such as cash flows. The City uses enterprise funds to account for its water, wastewater and gas, sanitation, recycling, stormwater and golf course operations. The City uses an internal service fund (the other type of proprietary fund) to report activities that provide services for the City's other programs and activities. The Workers' Compensation fund is the City's only internal service fund. Because this service predominately benefits governmental rather than business-type functions, it has been included within governmental activities in the government-wide financial statements.

The proprietary fund financial statements provide separate information for the water, wastewater and gas utility system and the sanitation funds, both of which are considered to be major funds of the City. Data from the other three proprietary funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor proprietary funds is provided in the form of combining statements elsewhere in this report.

## **Fiduciary Funds**

The City is the trustee, or fiduciary, for its employees' pension plans. The City is responsible for ensuring that the assets reported in these funds are used for their intended purpose. All of the City's fiduciary activities are reported in a separate Statement of Fiduciary Net Assets and Statement of Changes in Fiduciary Net Assets. The City excludes these activities from the City's government-wide financial statements because the City cannot use these assets to finance its operations. The accounting used for fiduciary funds is similar to accounting used for proprietary funds. Data from the three pension trust funds are combined into a single aggregated presentation. Individual fund data is provided in the form of combining statements elsewhere in this report.

## FINANCIAL ANALYSIS OF THE CITY AS A WHOLE

### Statement of Net Assets

The following table presents the condensed Statement of Net Assets:

	Governmental Activities		Business-type Activities		Total	
	2008	2007	2008	2007	2008	2007
Current and other assets	\$ 210,371	\$ 197,900	\$ 157,981	\$ 169,241	\$ 368,352	\$ 367,141
Capital assets	<u>211,191</u>	<u>222,323</u>	<u>337,865</u>	<u>339,440</u>	<u>549,056</u>	<u>561,763</u>
Total assets	<u>421,562</u>	<u>420,223</u>	<u>495,846</u>	<u>508,681</u>	<u>917,408</u>	<u>928,904</u>
Current and other liabilities	16,597	15,188	28,557	30,542	45,154	45,730
Long-term liabilities	<u>94,014</u>	<u>93,965</u>	<u>190,265</u>	<u>193,166</u>	<u>284,279</u>	<u>287,131</u>
Total liabilities	<u>110,611</u>	<u>109,153</u>	<u>218,822</u>	<u>223,708</u>	<u>329,433</u>	<u>332,861</u>
Net assets:						
Invested in capital assets, net of related debt	128,420	140,514	159,866	159,819	288,286	300,333
Restricted	16,198	11,936	13,782	16,825	29,980	28,761
Unrestricted	<u>166,333</u>	<u>158,620</u>	<u>103,376</u>	<u>108,329</u>	<u>269,709</u>	<u>266,949</u>
Total net assets	<u>\$ 310,951</u>	<u>\$ 311,070</u>	<u>\$ 277,024</u>	<u>\$ 284,973</u>	<u>\$ 587,975</u>	<u>\$ 596,043</u>

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. As of September 30, 2008, assets exceeded liabilities by \$587,975 thousand.

The majority of the City's net assets reflect its investment in capital assets (49%), less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City's net assets (5.1%) represents resources that are subject to external restrictions on how they may be used, such as debt or capital projects. The remaining balance of unrestricted net assets (45.9%) may be used to meet the City's ongoing obligations to its citizenry.

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

There was a decrease in net assets of \$7,949 thousand for business-type activities and a decrease of \$119 thousand for governmental activities for the current fiscal year, resulting in a combined decrease of \$8,068 in net assets. This decrease is primarily due to a sanitation rate decrease effective October 1, 2007, downward spiraling investment rates, decrease in market value for State Board of Administration (SBA) Fund B investments (described in more detail in Note IV A on page 56), and operating expense increases.

## Statement of Activities

The following table provides a condensed comparative summary of the City's operations for the fiscal years ended September 30, 2008 and 2007:

	<b>Changes in Net Assets</b>					
	<b>For the Fiscal Years Ended September 30, 2008 and 2007</b>					
	<b>(in thousands)</b>					
	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
<b>Revenues</b>						
Program revenues:						
Charges for services	\$ 29,743	\$ 30,915	\$ 82,834	\$ 79,063	\$112,577	\$109,978
Operating grants and contributions	10,905	5,143	82	241	10,987	5,384
Capital grants and contributions	1,814	1,836	3,273	2,534	5,087	4,370
General revenues:						
Property taxes	35,683	38,095	-	-	35,683	38,095
Insurance premium taxes	1,509	1,375	-	-	1,509	1,375
Utility service tax	6,765	6,589	-	-	6,765	6,589
Communications services tax	5,897	4,381	-	-	5,897	4,381
Local business tax	2,162	2,116	-	-	2,162	2,116
Franchise fees	9,916	9,950	-	-	9,916	9,950
Grants and contributions not restricted to specific programs	7,726	8,289	-	-	7,726	8,289
Unrestricted investment earnings	3,783	9,541	2,921	8,166	6,704	17,707
Miscellaneous	1,335	1,674	721	579	2,056	2,253
Gain on sale of capital assets	94	70	-	-	94	70
<b>Total revenues</b>	<u>117,332</u>	<u>119,974</u>	<u>89,831</u>	<u>90,583</u>	<u>207,163</u>	<u>210,557</u>
<b>Expenses</b>						
General government	17,448	17,106	-	-	17,448	17,106
Public safety	60,153	55,627	-	-	60,153	55,627
Physical environment	5,616	3,826	-	-	5,616	3,826
Economic development	1,919	1,310	-	-	1,919	1,310
Human services	42	5	-	-	42	5
Transportation	14,231	13,340	-	-	14,231	13,340
Culture and recreation	15,107	14,080	-	-	15,107	14,080
Interest on long-term debt	4,600	4,683	-	-	4,600	4,683
Water and wastewater	-	-	68,032	63,377	68,032	63,377
Gas	-	-	9,249	8,023	9,249	8,023
Sanitation	-	-	14,889	15,821	14,889	15,821
Recycling	-	-	565	520	565	520
Stormwater	-	-	1,843	1,635	1,843	1,635
Golf Course	-	-	1,537	1,449	1,537	1,449
<b>Total expenses</b>	<u>119,116</u>	<u>109,977</u>	<u>96,115</u>	<u>90,825</u>	<u>215,231</u>	<u>200,802</u>
Increase (decrease) in net assets before transfers	(1,784)	9,997	(6,284)	(242)	(8,068)	9,755
Transfers	1,665	(1,584)	(1,665)	1,584	-	-
Change in net assets	(119)	8,413	(7,949)	1,342	(8,068)	9,755
Net assets – beginning	<u>311,070</u>	<u>302,657</u>	<u>284,973</u>	<u>283,631</u>	<u>596,043</u>	<u>586,288</u>
Net assets – ending	<u>\$310,951</u>	<u>\$311,070</u>	<u>\$277,024</u>	<u>\$284,973</u>	<u>\$587,975</u>	<u>\$596,043</u>

## Revenues

For the fiscal year ended September 30, 2008, revenues from governmental activities totaled \$117,332 thousand.

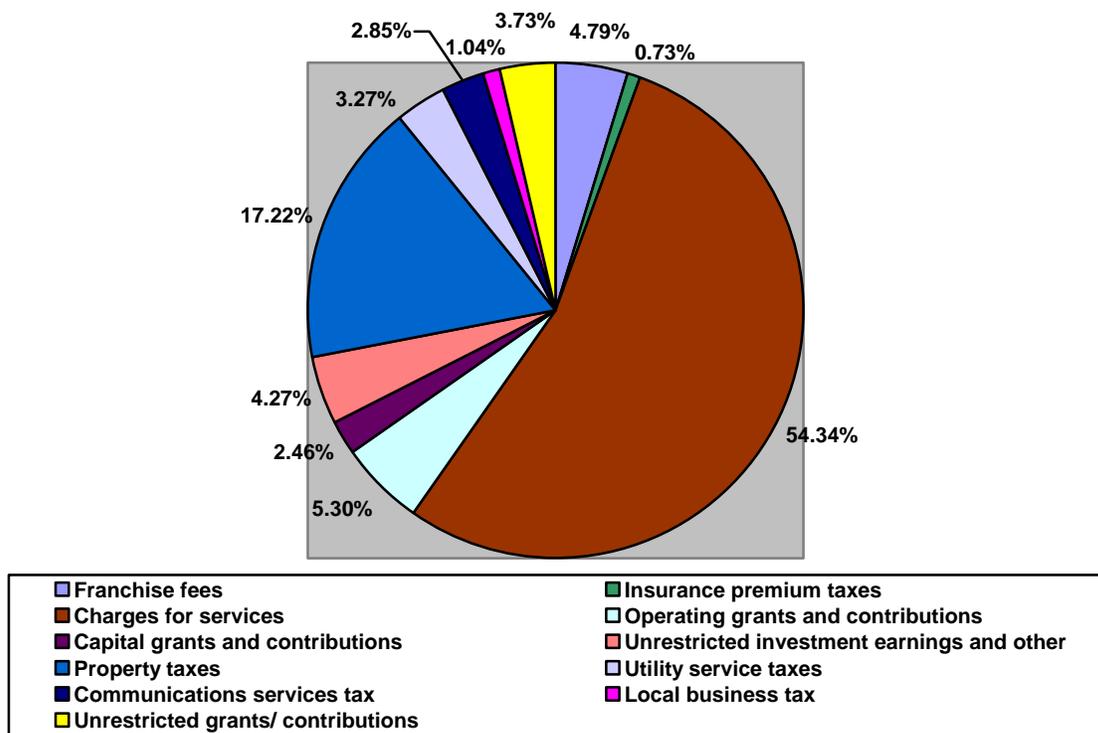
General property taxes were \$35,683 thousand, a decrease of \$2,412 thousand as compared to fiscal year 2007. The decrease in tax revenues is primarily attributable to Chapter 2007-321, Laws of Florida (House Bill 1B), which was passed June 21, 2007. This bill revised the method for computing the rolled-back rate. Due to this legislation, the City was required to reduce the 2007-08 operating millage rate to 5.2455 mills per \$1,000 of taxable assessed property valuation; however, the City opted to reduce that rate further to 5.1232 mills.

Charges for services increased by \$2,599 thousand primarily due to an increase in user fees for water and sewer rates.

Operating grants and contributions increased by \$5,603 thousand primarily due to increased asset sharing funds received for forfeiture confiscation.

Unrestricted investment earnings decreased by \$11,003 thousand due to the following: utilization of fair value for the investments in the SBA Fund B (a write-down from historical cost of approximately \$2,470 thousand) and a decline in the average interest rate from approximately 5.4% in fiscal year 2007 to approximately 2.9% in fiscal year 2008.

**Sources of Revenue: Government-wide  
for FY 2008**

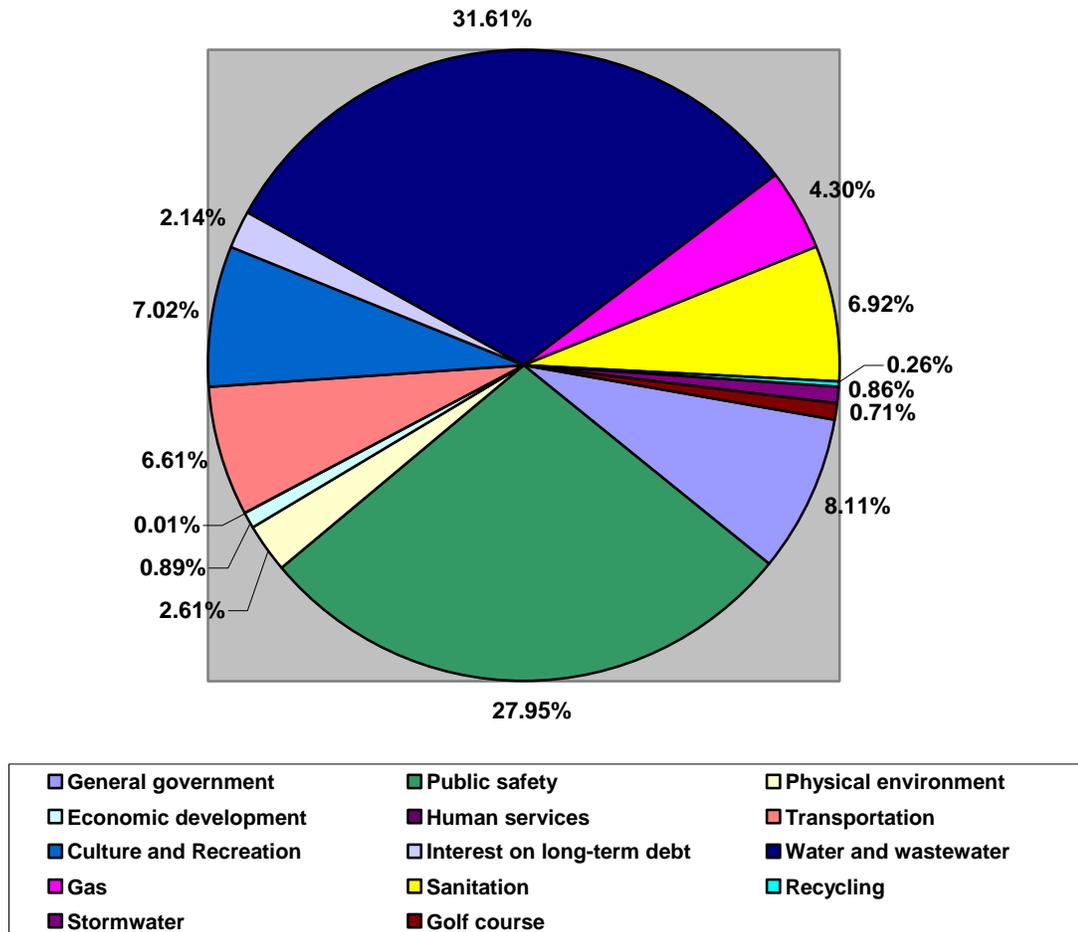


## Expenses

For the fiscal year ended September 30, 2008, expenses for governmental activities totaled \$119,116 thousand, which includes increases for employee compensation expenses.

Expenses for the City's business-type activities, which provide water, wastewater and gas, sanitation, recycling and stormwater services and golf course operations, totaled \$96,115 thousand, an increase of \$5,290 thousand from fiscal year 2007. This increase is due to increases for employee compensation.

### Functional Expenses: Government-wide for FY 2008



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

For the fiscal year ended September 30, 2008, the governmental funds reflect a combined fund balance of \$182,377,579, an increase of \$12,543,713 in comparison with the prior year. Approximately 99 percent of this total amount (\$180,559,542) constitutes unreserved fund balance. The remainder of fund balance is reserved to indicate that it is not available for new spending because it has already been committed for advances (\$800,327) or for a variety of other restricted purposes (\$1,017,710). This year's increase in fund balance is due to a number of reasons. The general fund's revenues and other financing sources were \$3,718,513 in excess of its expenditures and other financing uses mainly due to increased transfers from other funds. Differences between actual revenues and the final budget occurred in a variety of revenue sources. Specifically, tax revenues increased approximately \$419 thousand due to increased ad valorem and business license tax collections, as well as penalties associated with these tax revenues; intergovernmental revenues decreased approximately \$3.3 million primarily due to anticipated grant funds from Broward County not being received; investment earnings decreased by \$1,067 thousand due to a declining interest rate environment and the write-down to fair value of SBA Fund B investments; franchise fees decreased \$246 thousand due to reduced solid waste franchise fees; miscellaneous revenues increased by approximately \$1.1 million due in large part to the City's pro-rata share of revenues from resource recovery from solid waste of \$773,932. In addition, total expenditures were approximately \$9.2 million less than final budget, mainly due to position vacancies and less than anticipated capital spending. The fund balance of the Capital Improvements capital projects fund increased by \$1,293,416 due to operating transfers. The other governmental funds fund balance increased by \$9,777,215. This was due primarily to revenues and other financing sources exceeding expenditures and other financing uses in the Police Confiscation (\$5,881,980), Emergency Management (\$3,269,646) and Vehicle Replacement (\$1,735,891) special revenue funds.

## **GENERAL FUND BUDGETARY HIGHLIGHTS**

Differences between the original budget and the final amended budget totaled a \$5,582,476 increase in appropriations. Of this increase, \$2,975,236 was funded from the return on investment from the water, wastewater and gas utility system, \$126,512 was funded through various grants, \$1,508,690 was funded through insurance premium taxes, \$7,220 was fund from police donations, and \$964,818 was funded from the general fund unreserved fund balance. Highlights of the supplemental appropriation follow:

- \$574,230 in increases for general government activities. Main component of the increase was supplemental appropriations of \$294,512 for the purchase of computer equipment and \$196,947 for leave payouts and pension benefits.
- \$1,590,347 in increases allocated to public safety. Included in this amount was a supplemental appropriation of \$1,508,690 to fund contributions to the Police and Firefighters' Pension Plans.
- \$10,361 in increases for culture and recreation
- \$3,407,538 in increases for transfers out to Economic and Job Growth fund. The additional funding was transferred to the Emergency Management fund to set up a reserve for disasters and emergencies

**General Fund  
FY 2008  
(in thousands)**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>
Revenues and other financing sources			
Taxes	\$ 35,834	\$ 37,342	\$ 37,761
Permits and fees	5,123	5,123	5,051
Franchise fees	4,023	4,023	3,777
Intergovernmental	11,774	11,901	8,610
Charges for services	13,457	13,457	13,655
Other	<u>13,445</u>	<u>13,452</u>	<u>13,712</u>
Total	<u>83,656</u>	<u>85,298</u>	<u>82,566</u>
 Expenditures	 <u>93,871</u>	 <u>96,046</u>	 <u>86,887</u>
 Excess (deficiency) of revenues Over (under) expenditures	 <u>(10,215)</u>	 <u>(10,748)</u>	 <u>(4,321)</u>
 Other financing sources (uses)			
Transfers in	10,001	12,976	12,976
Transfers out	(1,699)	(5,106)	(5,106)
Sale of capital assets	<u>-</u>	<u>-</u>	<u>169</u>
Total	<u>8,302</u>	<u>7,870</u>	<u>8,039</u>
 Net change in fund balances	 <u><u>\$ (1,913)</u></u>	 <u><u>\$ (2,878)</u></u>	 <u><u>\$ 3,718</u></u>

Original budgeted revenues exceeded actual general fund revenues by \$1,090 thousand. This decrease is due to receipt of \$218 thousand less than anticipated in state revenue sharing funds, \$497 thousand less in state sales tax, and a decrease in fair value of SBA Fund B investments of \$426 thousand. The original budget was amended to account for insurance premium tax revenue and additional grant awards. Revenue collections were less than the final budget by \$2,732 thousand primarily due to grant awards budgeted, mainly the Broward County Disaster Recovery Initiative Grant - \$2,152 million, and revenue not realized yet. Actual general fund expenditures were less than the final budget by \$9,159 thousand primarily due to position vacancies resulting in salary and related payroll cost savings and minimal spending of grant funds.

## CAPITAL ASSETS

At the end of fiscal year 2008, the City's governmental activities had invested \$211,191,271 in a variety of capital assets and infrastructure, which represents a net decrease of \$11,131,635. The City's investment in capital assets for its business-type activities amounts to \$337,865,533, which represents a net decrease of \$1,575,010. The following table reflects the components of capital assets and their changes:

	<b>Government-wide Change in Capital Assets (in thousands)</b>					
	<u>Governmental Activities</u>			<u>Business-type Activities</u>		
	<u>Balance, 10/1/07</u>	<u>Net Additions/ Deletions</u>	<u>Balance, 9/30/08</u>	<u>Balance, 10/1/07</u>	<u>Net Additions/ Deletions</u>	<u>Balance, 9/30/08</u>
Non-depreciable assets:						
Land	\$ 14,227	\$ (26)	\$ 14,201	\$ 10,985	\$ -	\$ 10,985
Construction in progress	19,095	1,088	20,183	29,350	(20,003)	9,347
Other capital assets:						
Intangibles	473	194	667	481	309	790
Buildings and system	76,265	-	76,265	416,817	29,187	446,004
Improvements other than buildings	23,694	3,861	27,555	3,769	525	4,294
Machinery and equipment	9,239	685	9,924	6,329	499	6,828
Vehicles	15,615	567	16,182	6,107	257	6,364
Infrastructure	327,579	-	327,579	-	-	-
Accumulated depreciation on other capital assets	<u>(263,864)</u>	<u>(17,501)</u>	<u>(281,365)</u>	<u>(134,398)</u>	<u>(12,349)</u>	<u>(146,747)</u>
Totals	<u>\$ 222,323</u>	<u>\$(11,132)</u>	<u>\$ 211,191</u>	<u>\$339,440</u>	<u>\$ (1,575)</u>	<u>\$337,865</u>

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

- The 18,000 square foot Village Multipurpose Center, located adjacent to City Park on Sunset Strip was completed. The Village Multipurpose Center features classroom space, a gymnasium, and lighted parking lot. As part of this approximately \$5.8 million neighborhood enhancement project, City Park also received a new playground with a shade canopy. As part of a separate project, Flamingo Park received \$441,293 in improvements including a new playground.
- The City recently completed various streetscape improvements totaling over \$3 million along Flamingo Road, Panther Parkway and a section of Pine Island Road. A second section along Pine Island Road is nearing completion.
- The City made several public safety purchases including twenty-four new police vehicles for \$569,327, one fire engine at a cost of \$439,429, and one hazmat truck at a cost of \$476,619. A new utility cargo wheelchair van was also purchased for the Senior Center.
- Various system additions and improvements were completed in the Water, Wastewater, and Gas Utility System at a cost of \$27,598,349.

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

- Park Improvements: Three new parks are in the works on almost 24 acres and will increase the City's total park acreage by over 16%.
- Buildings: Construction of a new state-of-the-art Public Safety Headquarters, which will include a new fire station #72, as well as a public works facility that will include a City vehicle automotive repair garage.

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 \$271,199,217. Of this amount, \$243,094,217 represents bonds secured solely by specified revenue sources, \$3,460,000 comprises public improvement bonds (bank notes), and \$24,645,000 is ad valorem tax bonds. More detailed information about the City's long-term liabilities is presented in Note IV.F and IV.G to the financial statements.

The City's governmental activities revenue bonds have an insured rating of "Aa3" and "Baa1" by Moody's Investor Service while the ad valorem tax bonds have an insured rating of "Aa3". Standard and Poor's have given an insured rating of "AAA" and "AA1" for the revenue bonds and an insured rating of "AAA" for the ad valorem tax bonds. The utility revenue bonds have an insured rating of "Baa1" from Moody's Investor Service and an insured rating of "A-" from Standard and Poor's. The public improvement bonds (bank notes) are not rated.

## **ECONOMIC FACTORS**

In the last five years for which data is available from the U. S. Department of Labor Bureau of Labor Statistics, the City's resident labor force increased over 2,905, with total resident employment increasing to 48,060. As of September 2008, the City's resident unemployment rate was 6%, comparing favorably to the County and State's resident unemployment rate of 6.1% and 6.9%, respectively.

As of September 2008 (the latest data available from the U. S. Census Bureau), the City's median household income was \$52,380, comparing favorably to the State's median household income of \$47,804.

## **REQUEST FOR INFORMATION**

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

## ***BASIC FINANCIAL STATEMENTS***

CITY OF SUNRISE, FLORIDA  
STATEMENT OF NET ASSETS  
SEPTEMBER 30, 2008

	Governmental Activities	Business-type Activities	Total
<b>ASSETS</b>			
Cash and cash equivalents	\$ 104,943,457	\$ 48,712,403	\$ 153,655,860
Investments	94,913,671	45,777,092	140,690,763
Receivables, net of allowance for uncollectibles	9,215,385	12,648,273	21,863,658
Internal balances	678,534	(678,534)	-
Inventories	102,825	1,872,791	1,975,616
Prepays	260,239	13,750	273,989
Deferred charges	256,136	1,602,781	1,858,917
Restricted assets:			
Cash and cash equivalents	-	36,664,731	36,664,731
Investments	-	11,367,395	11,367,395
Capital assets (net of accumulated depreciation):			
Land	14,200,664	10,985,086	25,185,750
Intangibles	245,469	467,269	712,738
Buildings and system	59,622,632	309,640,088	369,262,720
Improvements other than buildings	15,973,477	3,261,903	19,235,380
Machinery and equipment	2,872,554	2,558,329	5,430,883
Vehicles	5,410,264	1,606,050	7,016,314
Infrastructure	92,683,305	-	92,683,305
Construction in progress	20,182,906	9,346,808	29,529,714
Total assets	<u>421,561,518</u>	<u>495,846,215</u>	<u>917,407,733</u>
<b>LIABILITIES</b>			
Accounts payable and other current liabilities	2,426,626	5,808,598	8,235,224
Retainage payable	634,008	-	634,008
Intergovernmental payable	60,102	2,132,306	2,192,408
Matured bonds and interest payable	7,799,289	-	7,799,289
Accrued liabilities	1,888,351	354,687	2,243,038
Unearned revenue	1,828,831	61,236	1,890,067
Other liabilities	1,959,319	-	1,959,319
Liabilities payable from restricted assets	-	20,200,000	20,200,000
Non-current liabilities:			
Due within one year	9,422,239	7,809,562	17,231,801
Due in more than one year	84,592,166	182,455,476	267,047,642
Total liabilities	<u>110,610,931</u>	<u>218,821,865</u>	<u>329,432,796</u>
<b>NET ASSETS</b>			
Invested in capital assets, net of related debt	128,420,363	159,866,417	288,286,780
Restricted:			
Debt service	11,090,522	-	11,090,522
Renewal and replacement	-	7,837,361	7,837,361
Operations and maintenance	-	5,944,909	5,944,909
Capital projects	1,304,768	-	1,304,768
Community development projects	1,600,425	-	1,600,425
Other purposes	2,201,509	-	2,201,509
Unrestricted	166,333,000	103,375,663	269,708,663
Total Net Assets	<u>\$ 310,950,587</u>	<u>\$ 277,024,350</u>	<u>\$ 587,974,937</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, 2008

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Assets		
	Expenses	Charges for Services	Operating	Capital	Governmental Activities	Business-type Activities	Total
			Grants and Contributions	Grants and Contributions			
<b>Governmental activities:</b>							
General government	\$ 17,448,298	\$ 6,221,654	\$ 23,125	\$ -	\$ (11,203,519)	\$ -	\$ (11,203,519)
Public safety	60,152,949	13,886,094	7,990,030	61,854	(38,214,971)	-	(38,214,971)
Physical environment	5,616,096	8,316,019	-	38,261	2,738,184	-	2,738,184
Economic development	1,918,783	-	1,656,526	-	(262,257)	-	(262,257)
Human services	42,441	-	42,441	-	-	-	-
Transportation	14,231,150	18,997	1,177,817	725,258	(12,309,078)	-	(12,309,078)
Culture and recreation	15,106,718	1,300,725	15,021	988,201	(12,802,771)	-	(12,802,771)
Interest on long-term debt	4,599,747	-	-	-	(4,599,747)	-	(4,599,747)
<b>Total governmental activities</b>	<b>119,116,182</b>	<b>29,743,489</b>	<b>10,904,960</b>	<b>1,813,574</b>	<b>(76,654,159)</b>	<b>-</b>	<b>(76,654,159)</b>
<b>Business-type activities:</b>							
Water and wastewater	68,032,116	56,115,889	81,864	3,272,683	-	(8,561,680)	(8,561,680)
Gas	9,248,540	9,779,418	624	-	-	531,502	531,502
Sanitation	14,889,338	14,189,961	-	-	-	(699,377)	(699,377)
Recycling	564,707	170,265	-	-	-	(394,442)	(394,442)
Stormwater	1,842,738	2,013,498	-	-	-	170,760	170,760
Golf course	1,537,059	565,554	-	-	-	(971,505)	(971,505)
<b>Total business-type activities</b>	<b>96,114,498</b>	<b>82,834,585</b>	<b>82,488</b>	<b>3,272,683</b>	<b>-</b>	<b>(9,924,742)</b>	<b>(9,924,742)</b>
<b>Total</b>	<b>\$ 215,230,680</b>	<b>\$ 112,578,074</b>	<b>\$ 10,987,448</b>	<b>\$ 5,086,257</b>	<b>(76,654,159)</b>	<b>(9,924,742)</b>	<b>(86,578,901)</b>
<b>General revenues:</b>							
Property taxes					35,683,030	-	35,683,030
Insurance premium taxes					1,508,690	-	1,508,690
Utility service tax					6,764,876	-	6,764,876
Communications services tax					5,896,566	-	5,896,566
Local business tax					2,161,515	-	2,161,515
Franchise fees					9,916,270	-	9,916,270
Grants and contributions not restricted to specific programs					7,726,461	-	7,726,461
Unrestricted investment earnings					3,782,898	2,920,620	6,703,518
Miscellaneous					1,334,886	720,750	2,055,636
Gain on sale of capital assets					94,230	-	94,230
Transfers					1,664,873	(1,664,873)	-
<b>Total general revenues and transfers</b>					<b>76,534,295</b>	<b>1,976,497</b>	<b>78,510,792</b>
<b>Change in net assets</b>					<b>(119,864)</b>	<b>(7,948,245)</b>	<b>(8,068,109)</b>
<b>Net assets - beginning</b>					<b>311,070,451</b>	<b>284,972,595</b>	<b>596,043,046</b>
<b>Net assets - ending</b>					<b>\$ 310,950,587</b>	<b>\$ 277,024,350</b>	<b>\$ 587,974,937</b>

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

CITY OF SUNRISE, FLORIDA  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2008

	General	Debt Service	Capital Projects	Other Governmental Funds	Total Governmental Funds
		Public Service Tax	Capital Improvements		
<b>ASSETS</b>					
Cash and cash equivalents	\$ 29,169,864	\$ 525,483	\$ 36,539,440	\$ 34,966,040	\$ 101,200,827
Investments	29,492,052	5,339,810	27,180,401	30,304,075	92,316,338
Receivables, net of allowance for uncollectibles:					
Interest	134,282	4,818	94,790	90,544	324,434
Taxes	-	504,565	-	-	504,565
Franchise fees	-	-	-	623,230	623,230
Accounts receivable	452,901	-	-	-	452,901
Special assessments	-	-	-	4,199,012	4,199,012
Other	-	-	-	14,233	14,233
Due from other funds	516,984	649,876	450,000	-	1,616,860
Interfund	205,616	-	-	-	205,616
Intergovernmental	1,566,684	1,220,210	-	301,373	3,088,267
Prepaid items	260,239	-	-	-	260,239
Inventories	65,472	-	-	37,353	102,825
Advances to other funds	800,327	-	-	-	800,327
Total assets	<u>\$ 62,664,421</u>	<u>\$ 8,244,762</u>	<u>\$ 64,264,631</u>	<u>\$ 70,535,860</u>	<u>\$ 205,709,674</u>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>Liabilities:</b>					
Accounts payable	\$ 1,029,894	\$ 1,416	\$ 503,867	\$ 429,917	\$ 1,965,094
Accrued liabilities	1,869,548	-	12,265	6,538	1,888,351
Retainage payable	-	-	317,815	316,193	634,008
Intergovernmental payable	56,138	-	-	3,964	60,102
Due to other funds	1,151,574	450,000	3,295	2,371	1,607,240
Interfund payable	-	-	-	130,639	130,639
Matured bonds payable	-	5,080,000	-	1,795,000	6,875,000
Matured interest payable	-	255,028	-	669,261	924,289
Unearned revenue	1,828,831	-	-	-	1,828,831
Other	1,021,087	-	-	938,232	1,959,319
Deferred revenue	-	1,220,210	-	4,199,012	5,419,222
Advances from other funds	-	-	-	40,000	40,000
Total liabilities	<u>6,957,072</u>	<u>7,006,654</u>	<u>837,242</u>	<u>8,531,127</u>	<u>23,332,095</u>
<b>Fund balances:</b>					
<b>Reserved for:</b>					
Inventories	65,472	-	-	37,353	102,825
Prepaid items	260,239	-	-	-	260,239
Advances	800,327	-	-	-	800,327
Recreation	-	-	-	158,439	158,439
Public safety	-	-	-	62,099	62,099
Fire equipment	-	-	-	342,456	342,456
Median strips	-	-	-	91,652	91,652
<b>Unreserved, designated for, reported in:</b>					
Encumbrances	3,036,950	-	4,512,184	-	7,549,134
<b>Encumbrances:</b>					
Special revenue funds	-	-	-	1,386,191	1,386,191
Debt service funds	-	-	-	7,000	7,000
Subsequent year's expenditures	3,771,083	-	58,680,465	-	62,451,548
Planning Department capital	-	-	-	-	-
Building Department capital	3,127,930	-	-	-	3,127,930
Tennis Center capital	7,496	-	-	-	7,496
Special revenue funds	-	-	-	13,472,095	13,472,095
Debt service funds	-	-	-	220,000	220,000
<b>Unreserved, undesignated, reported in:</b>					
General fund	44,637,852	-	-	-	44,637,852
Special revenue funds	-	-	-	35,831,768	35,831,768
Debt service funds	-	1,238,108	-	8,819,095	10,057,203
Capital projects funds	-	-	234,740	1,576,585	1,811,325
Total fund balances	<u>55,707,349</u>	<u>1,238,108</u>	<u>63,427,389</u>	<u>62,004,733</u>	<u>182,377,579</u>
Total liabilities and fund balances	<u>\$ 62,664,421</u>	<u>\$ 8,244,762</u>	<u>\$ 64,264,631</u>	<u>\$ 70,535,860</u>	<u>\$ 205,709,674</u>

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

CITY OF SUNRISE, FLORIDA  
RECONCILIATION OF THE BALANCE SHEET  
TO THE STATEMENT OF NET ASSETS -  
GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2008

<b>Fund balances - total governmental funds</b>	<b>\$</b>	<b>182,377,579</b>
 <b>Amounts reported for governmental activities in the statement of net assets are different because:</b>		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		211,191,271
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.		5,419,222
The internal service fund is used by management to charge the costs of workers' compensation to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net assets.		1,804,810
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.		<u>(89,842,295)</u>
<b>Net assets of governmental activities</b>	<b>\$</b>	<b><u>310,950,587</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, 2008

	General	Debt Service	Capital Projects	Other Governmental Funds	Total Governmental Funds
		Public Service Tax	Capital Improvements		
<b>REVENUES</b>					
Taxes:					
Property	\$ 33,285,665	\$ -	\$ -	\$ 2,397,365	\$ 35,683,030
Local option fuel	-	-	-	1,624,496	1,624,496
Insurance premium	1,508,690	-	-	-	1,508,690
Utility service	-	6,764,876	-	-	6,764,876
Communications services	804,723	3,871,633	-	-	4,676,356
Local business	2,161,515	-	-	-	2,161,515
Permits and fees	5,051,122	-	-	-	5,051,122
Franchise fees	3,777,042	-	-	6,139,228	9,916,270
Intergovernmental	8,610,308	-	980,000	1,593,929	11,184,237
Charges for services	13,654,942	-	-	-	13,654,942
Administrative charges	4,692,231	-	-	-	4,692,231
Judgments, fines and forfeitures	430,585	-	-	7,162,317	7,592,902
Special assessments	4,817,421	-	-	549,000	5,366,421
Impact fees	-	-	-	138,514	138,514
Investment earnings	1,380,493	101,188	1,236,875	1,158,483	3,877,039
Miscellaneous	2,391,140	-	11,575	213,976	2,616,691
Total revenues	<u>82,565,877</u>	<u>10,737,697</u>	<u>2,228,450</u>	<u>20,977,308</u>	<u>116,509,332</u>
<b>EXPENDITURES</b>					
Current:					
General government	15,966,752	-	-	36,969	16,003,721
Public safety	53,726,275	-	-	1,362,831	55,089,106
Physical environment	3,748,891	-	-	-	3,748,891
Economic development	-	-	-	1,881,096	1,881,096
Human services	-	-	-	42,441	42,441
Transportation	-	-	-	876,030	876,030
Culture and recreation	10,342,798	-	-	-	10,342,798
Debt service:					
Principal	-	5,080,000	-	1,795,000	6,875,000
Interest	-	510,055	-	1,338,523	1,848,578
Other	-	20,128	-	68,343	88,471
Capital outlay	3,101,896	-	6,985,034	1,116,362	11,203,292
Total expenditures	<u>86,886,612</u>	<u>5,610,183</u>	<u>6,985,034</u>	<u>8,517,595</u>	<u>107,999,424</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(4,320,735)</u>	<u>5,127,514</u>	<u>(4,756,584)</u>	<u>12,459,713</u>	<u>8,509,908</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	12,976,426	-	6,050,000	8,507,538	27,533,964
Transfers out	(5,106,110)	(7,372,945)	-	(11,190,036)	(23,669,091)
Sale of capital assets	168,932	-	-	-	168,932
Total other financing sources (uses)	<u>8,039,248</u>	<u>(7,372,945)</u>	<u>6,050,000</u>	<u>(2,682,498)</u>	<u>4,033,805</u>
Net change in fund balances	3,718,513	(2,245,431)	1,293,416	9,777,215	12,543,713
Fund balances - beginning (restatement)	<u>51,988,836</u>	<u>\$ 3,483,539</u>	<u>\$ 62,133,973</u>	<u>\$ 52,227,518</u>	<u>169,833,866</u>
Fund balances - ending	<u>\$ 55,707,349</u>	<u>\$ 1,238,108</u>	<u>\$ 63,427,389</u>	<u>\$ 62,004,733</u>	<u>\$ 182,377,579</u>

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, 2008

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

Net change in fund balances -- total governmental funds	\$ 12,543,713
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.	(11,004,000)
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, write-offs and donations) is to increase/(decrease) net assets.	(127,635)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	1,220,210
The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	4,123,831
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.	(4,283,094)
Revenues reported in the funds that relate to prior periods are not reported in the statement of activities.	(558,485)
Internal service funds are used by management to charge the costs of workers' compensation to individual funds. The net revenue of certain activities of the internal service fund is reported with governmental activities.	<u>(2,034,404)</u>
Change in net assets of governmental activities	<u>\$ (119,864)</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, 2008

REVENUES	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>Taxes:</b>				
Property	\$ 33,050,648	\$ 33,050,648	\$ 33,285,665	\$ 235,017
Insurance premium	-	1,508,690	1,508,690	-
Communications services	758,000	758,000	804,723	46,723
Local business	2,025,000	2,025,000	2,161,515	136,515
Permits and fees	5,123,325	5,123,325	5,051,122	(72,203)
Franchise fees	4,023,291	4,023,291	3,777,042	(246,249)
Intergovernmental	11,773,995	11,900,507	8,610,308	(3,290,199)
Charges for services	13,456,603	13,456,603	13,654,942	198,339
Administrative charges	4,684,523	4,684,523	4,692,231	7,708
Judgments, fines and forfeitures	360,000	360,000	430,585	70,585
Special assessments	4,686,223	4,686,223	4,817,421	131,198
Investment earnings	2,447,593	2,447,593	1,380,493	(1,067,100)
Miscellaneous	1,266,428	1,273,648	2,391,140	1,117,492
<b>Total revenues</b>	<b>83,655,629</b>	<b>85,298,051</b>	<b>82,565,877</b>	<b>(2,732,174)</b>
<b>EXPENDITURES</b>				
<b>Current:</b>				
<b>General government:</b>				
City Commission	596,695	620,466	620,466	-
City Manager	834,244	1,031,191	1,031,191	-
City Clerk	424,034	428,034	404,571	23,463
City Attorney	726,402	720,402	594,697	125,705
Finance	2,518,843	2,502,943	2,328,049	174,894
Personnel	1,054,706	1,044,206	917,198	127,008
Management Information Services	2,309,164	2,026,849	1,829,666	197,183
Central Services	2,325,376	2,317,361	1,821,663	495,698
Planning and Development	5,850,791	5,912,900	2,520,701	3,392,199
Non-departmental	4,194,162	4,187,053	3,898,550	288,503
<b>Total general government</b>	<b>20,834,417</b>	<b>20,791,405</b>	<b>15,966,752</b>	<b>4,824,653</b>
<b>Public safety:</b>				
Police	29,982,344	30,522,164	29,696,054	826,110
Fire	19,353,835	20,202,462	19,821,810	380,652
Building	3,479,888	3,454,158	3,182,710	271,448
Code Enforcement	1,142,173	1,123,673	1,025,701	97,972
<b>Total public safety</b>	<b>53,958,240</b>	<b>55,302,457</b>	<b>53,726,275</b>	<b>1,576,182</b>
<b>Physical environment:</b>				
Central Services - Facility Management	1,640,668	1,587,118	1,412,951	174,167
Public Works	2,482,601	2,478,101	2,335,940	142,161
<b>Total physical environment</b>	<b>4,123,269</b>	<b>4,065,219</b>	<b>3,748,891</b>	<b>316,328</b>
<b>Culture and recreation:</b>				
Leisure Services	11,174,525	11,008,226	10,342,798	665,428

(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, 2008

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Capital outlay:				
General government:				
City Commission	1,000	9,752	9,752	-
City Manager	-	12,050	9,329	2,721
City Clerk	-	1,300	1,160	140
City Attorney	-	9,000	5,677	3,323
Finance	4,500	20,400	18,308	2,092
Personnel	1,200	11,700	9,245	2,455
Management Information Services	246,925	765,740	386,913	378,827
Central Services	3,598	30,748	29,313	1,435
Planning and Development	9,000	22,775	22,151	624
Non-departmental	200	200	-	200
Public safety:				
Police	747,929	833,229	773,824	59,405
Fire	2,165,882	2,282,482	1,285,275	997,207
Building	37,360	63,090	27,009	36,081
Code Enforcement	19,500	38,000	7,121	30,879
Physical environment:				
Central Services - Facility Management	75,592	129,142	116,593	12,549
Public Works	4,500	9,000	8,117	883
Culture and recreation:				
Leisure Services	463,488	640,148	392,109	248,039
Total capital outlay	<u>3,780,674</u>	<u>4,878,756</u>	<u>3,101,896</u>	<u>1,776,860</u>
Total expenditures	<u>93,871,125</u>	<u>96,046,063</u>	<u>86,886,612</u>	<u>9,159,451</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(10,215,496)</u>	<u>(10,748,012)</u>	<u>(4,320,735)</u>	<u>6,427,277</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	10,001,190	12,976,426	12,976,426	-
Transfers out	(1,698,572)	(5,106,110)	(5,106,110)	-
Sale of capital assets	-	-	168,932	168,932
Total other financing sources (uses)	<u>8,302,618</u>	<u>7,870,316</u>	<u>8,039,248</u>	<u>168,932</u>
Net change in fund balances	<u>(1,912,878)</u>	<u>(2,877,696)</u>	<u>3,718,513</u>	<u>6,596,209</u>
Fund balances - beginning (restatement)	<u>51,988,836</u>	<u>51,988,836</u>	<u>51,988,836</u>	<u>-</u>
Fund balances - ending	<u>\$ 50,075,958</u>	<u>\$ 49,111,140</u>	<u>\$ 55,707,349</u>	<u>\$ 6,596,209</u>

CITY OF SUNRISE, FLORIDA  
STATEMENT OF NET ASSETS  
PROPRIETARY FUNDS  
SEPTEMBER 30, 2008

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Fund
	Water, Wastewater and Gas Utility System	Sanitation	Other Enterprise Funds	Total	Workers' Compensation
<b>ASSETS</b>					
<b>Current assets:</b>					
Cash and cash equivalents	\$ 47,737,036	\$ 54,246	\$ 921,121	\$ 48,712,403	\$ 3,742,630
Investments	45,103,115	11,350	662,627	45,777,092	2,597,333
Interest receivable	210,318	-	2,532	212,850	8,743
Accounts receivable, net of allowance for uncollectibles	9,741,230	2,323,806	180,665	12,245,701	-
Assessments receivable, net	59,963	-	-	59,963	-
Other receivables	-	-	1,765	1,765	-
Due from other funds	73,692	-	-	73,692	-
Intergovernmental receivable	44,670	-	83,324	127,994	-
Inventories	1,807,748	-	65,043	1,872,791	-
Prepaid items	12,000	-	1,750	13,750	-
Restricted cash and cash equivalents:					
Revenue bond covenant accounts	12,042,749	-	-	12,042,749	-
<b>Total current assets</b>	<b>116,832,521</b>	<b>2,389,402</b>	<b>1,918,827</b>	<b>121,140,750</b>	<b>6,348,706</b>
<b>Noncurrent assets:</b>					
Restricted cash, cash equivalents and investments:					
Customer deposits	7,408,286	742,365	-	8,150,651	-
Revenue bond covenant accounts	27,838,726	-	-	27,838,726	-
Deferred charges	1,602,781	-	-	1,602,781	-
Capital assets:					
Land	9,761,786	-	1,223,300	10,985,086	-
Intangibles	789,886	-	-	789,886	-
Buildings and system	445,248,470	-	756,271	446,004,741	-
Improvements other than buildings	3,285,633	-	1,008,330	4,293,963	-
Machinery and equipment	6,076,704	-	751,087	6,827,791	-
Vehicles	5,707,016	-	656,855	6,363,871	-
Construction in progress	7,135,567	-	2,211,241	9,346,808	-
Less accumulated depreciation	(145,289,663)	-	(1,456,950)	(146,746,613)	-
<b>Total capital assets, net of accumulated depreciation</b>	<b>332,715,399</b>	<b>-</b>	<b>5,150,134</b>	<b>337,865,533</b>	<b>-</b>
<b>Total noncurrent assets</b>	<b>369,565,192</b>	<b>742,365</b>	<b>5,150,134</b>	<b>375,457,691</b>	<b>-</b>
<b>Total assets</b>	<b>486,397,713</b>	<b>3,131,767</b>	<b>7,068,961</b>	<b>496,598,441</b>	<b>6,348,706</b>

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Fund
	Water, Wastewater and Gas Utility System	Sanitation	Other Enterprise Funds	Total	Workers' Compensation
<b>LIABILITIES</b>					
<b>Current liabilities:</b>					
Accounts payable	3,661,048	1,902,950	151,515	5,715,513	27,559
Accrued liabilities	321,426	-	33,261	354,687	-
Due to other funds	422,371	179,358	8,641	610,370	-
Interfund payable	-	-	74,977	74,977	-
Compensated absences	294,538	-	25,024	319,562	-
Intergovernmental payable	2,131,002	-	1,304	2,132,306	-
Current liabilities payable from restricted assets:					
Revenue bonds payable	7,260,000	-	-	7,260,000	-
Accrued interest payable	4,782,749	-	-	4,782,749	-
<b>Total current liabilities</b>	<b>18,873,134</b>	<b>2,082,308</b>	<b>294,722</b>	<b>21,250,164</b>	<b>27,559</b>
<b>Noncurrent liabilities:</b>					
Revenue bonds payable (net of unamortized discounts, premiums and deferred amount on refunding)	184,797,112	-	-	184,797,112	-
Compensated absences	3,001,082	-	251,607	3,252,689	-
Other post employment benefits	819,413	-	95,732	915,145	-
Retiree subsidy	873,120	-	107,410	980,530	-
Advances from other funds	-	-	760,327	760,327	-
Claims and judgments	-	-	-	-	3,915,974
Unearned revenue	61,236	-	-	61,236	-
Noncurrent liabilities payable from restricted assets:					
Retainage payable	6,600	-	-	6,600	-
Customer deposits payable	7,408,286	742,365	-	8,150,651	-
<b>Total noncurrent liabilities</b>	<b>196,966,849</b>	<b>742,365</b>	<b>1,215,076</b>	<b>198,924,290</b>	<b>3,915,974</b>
<b>Total liabilities</b>	<b>215,839,983</b>	<b>2,824,673</b>	<b>1,509,798</b>	<b>220,174,454</b>	<b>3,943,533</b>
<b>NET ASSETS</b>					
Invested in capital assets, net of related debt	154,716,283	-	5,150,134	159,866,417	-
Restricted for:					
Renewal and replacement	7,837,361	-	-	7,837,361	-
Operations and maintenance	5,944,909	-	-	5,944,909	-
Unrestricted	102,059,177	307,094	409,029	102,775,300	2,405,173
<b>Total net assets</b>	<b>\$ 270,557,730</b>	<b>\$ 307,094</b>	<b>\$ 5,559,163</b>	<b>276,423,987</b>	<b>\$ 2,405,173</b>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.				600,363	
<b>Net assets of business-type activities</b>				<b>\$ 277,024,350</b>	

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

CITY OF SUNRISE, FLORIDA  
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2008

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Fund
	Water, Wastewater and Gas Utility System	Sanitation	Other Enterprise Funds	Total	Workers' Compensation
<b>Operating revenues:</b>					
<b>Charges for sales and services:</b>					
Water sales	\$ 25,853,541	\$ -	\$ -	\$ 25,853,541	\$ -
Wastewater service	27,659,758	-	-	27,659,758	-
Gas sales	9,680,926	-	-	9,680,926	-
Fees	-	14,189,961	2,749,317	16,939,278	-
Service charges	650,676	-	-	650,676	2,342,862
Guaranteed revenues	1,037,325	-	-	1,037,325	-
Administrative charges	553,280	-	-	553,280	-
<b>Total operating revenues</b>	<b>65,435,506</b>	<b>14,189,961</b>	<b>2,749,317</b>	<b>82,374,784</b>	<b>2,342,862</b>
<b>Operating expenses:</b>					
<b>Costs of sales and services:</b>					
Power, water and wastewater purchases	4,789,335	-	79,734	4,869,069	-
Natural gas purchases	5,095,048	-	-	5,095,048	-
Chemical purchases	2,227,809	-	122,588	2,350,397	-
Solid waste/sludge removal	1,879,009	14,189,961	-	16,068,970	-
Recycling charges	-	-	499,360	499,360	-
Materials and supplies	889,526	-	102,776	992,302	-
Repairs and maintenance	6,471,011	-	82,061	6,553,072	-
Salaries, wages and employee benefits	18,490,720	-	2,032,665	20,523,385	-
Insurance and other expenses	8,429,396	569	311,468	8,741,433	498,325
Claims expense	-	-	-	-	1,791,223
Administrative fees	4,077,881	673,339	471,166	5,222,386	-
Depreciation	12,725,763	-	190,680	12,916,443	-
<b>Total operating expenses</b>	<b>65,075,498</b>	<b>14,863,869</b>	<b>3,892,498</b>	<b>83,831,865</b>	<b>2,289,548</b>
<b>Operating income (loss)</b>	<b>360,008</b>	<b>(673,908)</b>	<b>(1,143,181)</b>	<b>(1,457,081)</b>	<b>53,314</b>

	<b>Business-type Activities - Enterprise Funds</b>				<b>Governmental Activities - Internal Service Fund</b>
	<b>Water, Wastewater and Gas Utility System</b>	<b>Sanitation</b>	<b>Other Enterprise Funds</b>	<b>Total</b>	<b>Workers' Compensation</b>
<b>Non-operating revenues (expenses):</b>					
Investment earnings	2,850,196	30,239	37,247	2,917,682	123,926
Interest expense	(11,746,494)	(25,469)	(47,593)	(11,819,556)	-
Loss on sale of capital assets	(5,879)	-	(6,103)	(11,982)	-
Sale of recyclable materials	-	-	326,491	326,491	-
Other	465,367	516	10,864	476,747	-
<b>Total non-operating revenues (expenses)</b>	<b>(8,436,810)</b>	<b>5,286</b>	<b>320,906</b>	<b>(8,110,618)</b>	<b>123,926</b>
Income (loss) before contributions and transfers	(8,076,802)	(668,622)	(822,275)	(9,567,699)	177,240
Capital contributions	3,272,683	-	-	3,272,683	-
Transfers in	-	698,339	1,000,233	1,698,572	-
Transfers out	(3,363,445)	-	-	(3,363,445)	(2,200,000)
Change in net assets	(8,167,564)	29,717	177,958	(7,959,889)	(2,022,760)
Total net assets - beginning	278,725,294	277,377	5,381,205		4,427,933
Total net assets - ending	<u>\$ 270,557,730</u>	<u>\$ 307,094</u>	<u>\$ 5,559,163</u>		<u>\$ 2,405,173</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.				11,644	
Change in net assets of business-type activities				<u>\$ (7,948,245)</u>	

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, 2008

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Fund
	Water, Wastewater and Gas Utility System	Sanitation	Other Enterprise Funds	Total	Workers' Compensation
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Receipts from customers and users	\$ 64,836,426	\$ 13,254,774	\$ 3,074,534	\$ 81,165,734	\$ 2,342,862
Receipts from interfund services provided	553,280	-	-	553,280	-
Payments to suppliers	(30,623,339)	(13,943,551)	(1,423,023)	(45,989,913)	(2,379,260)
Payments to and for employees	(15,910,737)	-	(1,700,060)	(17,610,797)	-
Payments for interfund services used	(4,511,267)	(673,339)	(545,425)	(5,730,031)	-
Net cash provided (used) by operating activities	<u>14,344,363</u>	<u>(1,362,116)</u>	<u>(593,974)</u>	<u>12,388,273</u>	<u>(36,398)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>					
Payments of advances from other funds	-	-	-	-	-
Transfer from other funds	-	698,339	1,000,233	1,698,572	-
Transfer to other funds	(3,363,445)	-	-	(3,363,445)	(2,200,000)
Net cash provided (used) by noncapital financing activities	<u>(3,363,445)</u>	<u>698,339</u>	<u>1,000,233</u>	<u>(1,664,873)</u>	<u>(2,200,000)</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>					
Capital contributions	1,105,917	-	-	1,105,917	-
Acquisition and construction of capital assets	(8,171,773)	-	(1,077,025)	(9,248,798)	-
Principal paid on capital debt	(7,050,000)	-	-	(7,050,000)	-
Interest paid on capital debt	(9,671,532)	-	(47,593)	(9,719,125)	-
Proceeds from sales of capital assets	11,638	-	1,857	13,495	-
Advances from other funds	-	-	(71,237)	(71,237)	-
Net cash (used) by capital and related financing activities	<u>(23,775,750)</u>	<u>-</u>	<u>(1,193,998)</u>	<u>(24,969,748)</u>	<u>-</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Proceeds from sales and maturities of investments	37,647,108	1,411,236	389,012	39,447,356	1,266,071
Purchase of investments	(91,113,500)	(1,460,452)	(1,070,448)	(93,644,400)	(3,919,652)
Interest and dividends received	3,728,097	38,104	53,524	3,819,725	171,431
Net cash provided by investing activities	<u>(49,738,295)</u>	<u>(11,112)</u>	<u>(627,912)</u>	<u>(50,377,319)</u>	<u>(2,482,150)</u>
<b>Net increase (decrease) in cash and cash equivalents</b>	<u>(62,533,127)</u>	<u>(674,889)</u>	<u>(1,415,651)</u>	<u>(64,623,667)</u>	<u>(4,718,548)</u>
<b>Cash and cash equivalents, October 1</b> (including \$47,490,978 and (\$3,111) for the utility system and sanitation funds, respectively, reported in restricted accounts)	<u>143,150,213</u>	<u>749,488</u>	<u>2,336,772</u>	<u>146,236,473</u>	<u>8,461,178</u>
<b>Cash and cash equivalents, September 30</b> (including \$32,880,050 and \$20,353 for the utility system and sanitation funds, respectively, reported in restricted accounts)	<u>\$ 80,617,086</u>	<u>\$ 74,599</u>	<u>\$ 921,121</u>	<u>\$ 81,612,806</u>	<u>\$ 3,742,630</u>

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Fund
	Water, Wastewater and Gas Utility System	Sanitation	Other Enterprise Funds	Total	Workers' Compensation
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:					
Operating income (loss)	\$ 360,008	\$ (673,908)	\$ (1,143,181)	\$ (1,457,081)	\$ 53,314
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Miscellaneous operating income from re-evaluation of capital assets	48,654	-	-	48,654	-
Miscellaneous non-operating income from by-products of recycling activities	-	-	326,491	326,491	-
Miscellaneous non-operating income	464,675	(24,953)	10,864	450,586	-
Depreciation expense	12,725,763	-	190,680	12,916,443	-
(Increase) decrease in accounts receivable	(176,710)	157,916	5,211	(13,583)	3,538
Decrease in other receivables	-	107,453	203	107,656	-
(Increase) in due from other funds	(31,184)	-	-	(31,184)	-
(Increase) decrease in intergovernmental receivables	142,389	-	(10,982)	131,407	-
(Increase) in inventories	(332,532)	-	(12,768)	(345,300)	-
(Increase) decrease in prepaid items	37,198	-	(50)	37,148	-
Increase in customer deposits	252,255	53,465	-	305,720	-
Increase (decrease) in accounts payable	788,555	139,526	(114,651)	813,430	(2,930)
Increase (decrease) in accrued liabilities	(21,766)	-	7,485	(14,281)	-
Increase (decrease) in due to other funds	27,467	(208)	6,294	33,553	-
(Decrease) in intergovernmental payables	(485,529)	-	(223)	(485,752)	-
(Decrease) in other liabilities, current	-	(1,121,407)	(23)	(1,121,430)	-
(Decrease) in retainage payable	(1,553,378)	-	(103,644)	(1,657,022)	-
Increase in compensated absences payable	405,965	-	41,178	447,143	-
Increase in other post employment benefits payable	819,413	-	95,732	915,145	-
Increase in retiree subsidy payable	873,120	-	107,410	980,530	-
(Decrease) in claims and judgments	-	-	-	-	(90,320)
Total adjustments	13,984,355	(688,208)	549,207	13,845,354	(89,712)
Net cash provided by (used in) operating activities	\$ 14,344,363	\$ (1,362,116)	\$ (593,974)	\$ 12,388,273	\$ (36,398)
Noncash investing, capital and financing activities:					
Contributions of capital assets	\$ 2,166,766	\$ -	\$ -	\$ 2,166,766	\$ -
Capital asset trade-ins	3,500	-	-	3,500	-
Net decrease in fair value of investments	1,006,826	2,866	18,809	1,028,501	56,248

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

**CITY OF SUNRISE, FLORIDA  
STATEMENT OF FIDUCIARY NET ASSETS  
FIDUCIARY FUNDS  
SEPTEMBER 30, 2008**

	<b>Pension Trust Funds</b>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 14,047,019
Receivable from sale of securities	381,904
Interest and dividends receivable	730,264
Due from other funds	527,058
Other receivables	19,633
Investments, at fair value:	
U.S. government and agency securities	28,089,337
Corporate bonds	13,355,411
Mutual funds	42,422,096
Common stocks	99,505,978
International equity funds	13,363,764
Total investments	196,736,586
Prepaid items	8,989
Equipment, net of accumulated depreciation of \$25,871	1,611
Total assets	212,453,064
<b>LIABILITIES</b>	
Accounts payable	441,195
Prepaid contribution	187,451
Total liabilities	628,646
<b>NET ASSETS</b>	
Held in trust for pension benefits	\$ 211,824,418

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

**CITY OF SUNRISE, FLORIDA  
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS  
FIDUCIARY FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2008**

	<b>Pension Trust Funds</b>
<b>ADDITIONS</b>	
<b>Contributions:</b>	
Employer	\$ 10,715,830
Plan members	5,076,049
Other sources	1,508,690
Total contributions	<u>17,300,569</u>
<b>Investment earnings:</b>	
Interest	2,358,589
Dividends	3,382,312
Net increase in fair value of investments	(35,555,582)
Other	40,070
Total investment earnings	<u>(29,774,611)</u>
Less investment expense	1,176,380
Net investment earnings	<u>(30,950,991)</u>
Total additions	<u>(13,650,422)</u>
<b>DEDUCTIONS</b>	
Benefits	10,777,664
Refunds of contributions	199,936
Administrative expenses	537,489
Total deductions	<u>11,515,089</u>
Change in net assets	(25,165,511)
Net assets - beginning	<u>236,989,929</u>
Net assets - ending	<u><u>\$ 211,824,418</u></u>

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

**CITY OF SUNRISE, FLORIDA**  
**INDEX TO THE NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2008**

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**CITY OF SUNRISE, FLORIDA**  
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**SEPTEMBER 30, 2008**

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

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

#### Blended component units

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

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

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

The City Commission establishes rates for special assessments and ad valorem taxes for the special districts described above.

## CITY OF SUNRISE, FLORIDA

Separate financial statements are not required or prepared for the special districts. The special districts' financial statements are included in the debt service funds, as well as the capital projects fund for the Special Tax District No. 1, of the City.

### **B. Government-wide and fund financial statements**

The financial statements of the City have been prepared in accordance with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the standard setting body for governmental accounting and financial reporting. Pronouncements of the Financial Accounting Standards Board (FASB) issued prior to December 1, 1989 are followed in both the government-wide and proprietary fund financial statements to the extent that these standards do not conflict with or contradict guidance of the GASB. Governments also have the option of following subsequent FASB pronouncements for their business-type activities and enterprise funds subject to this same limitation. The City has elected not to follow subsequent FASB guidance.

In June 2004, the GASB issued *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions* (Statement No. 45). In September 2006, the GASB issued *Sales and Pledges of Receivables and Future Revenues and Intra-Entity Transfers of Assets and Future Revenues* (Statement No. 48). In May 2007, the GASB issued *Pension Disclosures – an amendment of GASB Statements No. 25 and No. 27* (Statement No. 50). The City has applied the requirements of Statement No. 45, Statement No. 48 and Statement No. 50 effective October 1, 2007.

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been eliminated from these statements. Exceptions to this are administrative charges where the amounts are reasonably equivalent in value to the interfund services provided and other charges between the City's water and sewer function and various other functions of the City. The net residual amounts due between governmental and business-type activities are presented as internal balances in the statement of net assets. Amounts reported in the funds as receivable from or payable to fiduciary funds are included in the statement of net assets as receivable from and payable to external parties, rather than as internal balances.

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

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

## CITY OF SUNRISE, FLORIDA

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

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

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

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

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

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

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

## CITY OF SUNRISE, FLORIDA

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

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

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

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

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

The City reports the following major proprietary funds:

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

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

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

Additionally, the City reports the following fund types:

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

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

Amounts reported as program revenues include 1) charges to customers for goods, services or privileges provided, 2) operating grants and contributions and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues, rather than as program revenues. General revenues include all taxes.

Certain indirect costs are included in the program expense reported for business-type activities.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operation. The principal operating revenues of the City's enterprise funds and internal service fund are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative fees, general expenses and

## CITY OF SUNRISE, FLORIDA

depreciation on capital assets. Operating expenses for the internal service fund include claims and general expenses. All revenues and expenses not meeting these definitions are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, and then unrestricted resources as they are needed.

### **D. Assets, liabilities and net assets or equity**

#### **1. Cash and cash equivalents**

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

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

The City invests surplus funds in a variety of investment vehicles. One such vehicle is the LGIP, 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. During the year, the SBA reported that the pool was exposed to potential risks due to indirect exposure to sub-prime mortgages. Consequently, the SBA placed restrictions on how participants could access portions of their surplus funds and ultimately restructured the pool into two separate pools (LGIP and Fund B). The LGIP is governed by Chapter 19-7 of the Florida Administrative Code and Chapters 215 and 218 of the Florida Statutes. These rules provide guidance and establish the policies and general operating procedures for the administration of the LGIP. The LGIP 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 the LGIP is equal to the value of the pool shares. The investments in the LGIP are not insured by FDIC or any other governmental agency.

Another investment vehicle used by the City is FLSAFE, a structured stable value investment pool designed to meet the investment needs of local governments. The trust is governed by sections 218.415 and 163.01 of Florida Statutes and is structured to maintain a net asset value (NAV) of \$1.00 per share.

## CITY OF SUNRISE, FLORIDA

### 2. Investments

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

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

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

SBA's Fund B is governed by Chapter 19-7 of the Florida Administrative Code and Chapters 215 and 218 of the Florida Statutes. These rules provide guidance and establish the policies and general operating procedures for the administration of Fund B. The fund is accounted for as a fluctuating NAV pool. Fund B principally consists of segregated securities, which are securities originally purchased for the LGIP that (1) defaulted in the payment of principal and interest; (2) were extended; (3) were restructured or otherwise subject to workout; (4) experienced elevated market illiquidity; or (5) did not meet the criteria of Standard and Poor's rating organization. Fund B is not subject to participant withdrawal requests. Fund B's primary objective is to maximize the present value of distributions from Fund B. Distributions from Fund B, as determined by the SBA, are effected by transferring eligible cash or securities to the LGIP, consistent with the pro rata allocation of pool shareholders of record at the creation of Fund B. One hundred percent of such distribution from Fund B are available as liquid balance within the LGIP. The investments in Fund B are not insured by FDIC or any other governmental agency. As of September 30, 2008, the fair value factor for Fund B was \$ .798385 per share.

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

## **CITY OF SUNRISE, FLORIDA**

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

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

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate they are not available for appropriation and are not expendable available financial resources.

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

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

All City inventories are maintained on a consumption basis of accounting where items are purchased for inventory and charged as an expenditure/expense as the items are consumed. The reported governmental fund type inventories are offset by a fund balance reserve that indicates that they do not constitute available spendable resources. Inventories held by the general fund consist of fuel and tires. Inventories included in the special revenue funds consist of irrigation parts and road materials. Inventories included in the enterprise funds consist of chemicals, meters, fuel and parts and supplies. Governmental fund inventories are stated at cost, using the first-in/first-out (FIFO) method. The chemicals and fuel inventories in the enterprise funds are stated at lower of cost or market, using the FIFO method; the meters and parts and supplies inventories are stated at lower of cost or market, using the weighted average method.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

### **5. Restricted assets**

Certain proceeds of the City’s enterprise fund revenue bonds, as well as certain resources set aside for their repayment, are classified as restricted assets on the balance sheet because their use is limited by applicable bond covenants. The “revenue bond operations and maintenance” account is used to report resources set aside to pay operating and maintenance expenses. The “revenue bond construction” account is used to report those proceeds of revenue bond issuances that are restricted for capital expenses. The “revenue bond debt service” account is used to segregate resources accumulated for debt service payments over the next twelve months. The “revenue bond reserve” account is used to report resources set aside to make up potential future deficiencies in the revenue bond debt service account. The “revenue bond renewal and replacement” account is used to report resources set aside to cure deficiencies in the debt service account or the reserve account, or to fund asset renewals and replacements.

## CITY OF SUNRISE, FLORIDA

### 6. Capital assets

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

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest expense related to borrowings used for construction projects is expensed as incurred in the Water, Wastewater, and Gas Utility System enterprise fund. Rate regulation precludes recovery of such costs in future periods and therefore, capitalization of interest is inappropriate in accordance with FASB Statement No. 71, "Accounting for the Effects of Certain Types of Regulation".

Capital assets are depreciated using the straight-line method over the following estimated useful lives.

Intangibles	5 years
Buildings	25 – 50 years
Improvements other than buildings	5 – 20 years
Water and wastewater plant	30 – 50 years
Gas plant	25 – 50 years
Deep well injection system	50 years
Machinery & equipment	3 – 10 years
Vehicles	5 – 10 years
Public domain infrastructure	30 – 50 years

Contributions of funds from federal, state or local sources for the purpose of purchasing property, plant and equipment and connection fees intended to recover the cost of connecting new customers to the system are recorded as capital contributions on the proprietary statement of revenues, expenses, and changes in fund net assets.

### 7. Compensated absences

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

## CITY OF SUNRISE, FLORIDA

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

### **8. Long-term obligations**

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities or proprietary fund type statement of net assets. Bond premiums/discounts, issuance costs and future appreciated principal (on capital appreciation bonds) are deferred and amortized over the life of the bonds using the straight-line method, which approximates the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

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

### **9. Net assets or fund equity**

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt represent the City's investment in capital assets. Net assets are reported as restricted when there are limitations imposed to meet the various covenants as may be specified and defined in the revenue bond indenture or other legal document.

## CITY OF SUNRISE, FLORIDA

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

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

The governmental fund balance sheet includes a reconciliation between *fund balances – total governmental funds* and *net assets of governmental activities* as reported in the government-wide statement of net assets. One element of that reconciliation explains that “long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds”. The details of this \$89,842,295 are as follows:

Bonds payable	\$ 76,896,269
Less: Deferred charge for issuance costs (to be amortized over life of debt)	(256,136)
Compensated absences	9,406,411
Other post employment benefits	2,432,132
Retiree subsidy	<u>1,363,619</u>
Net adjustment to reduce <i>fund balances - total governmental funds</i> to arrive at <i>net assets of governmental activities</i>	<u><u>\$ 89,842,295</u></u>

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

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between *net change in fund balances – total governmental funds* and *change in net assets of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation explains that “Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense”. The details of this \$(11,004,000) difference are as follows:

Capital outlay	\$ 11,203,292
Depreciation expense	(19,222,928)
Capitalized operating expenditures	47,959
Non-capitalized capital outlay expenditures	<u>(3,032,323)</u>
Net adjustment to decrease <i>net change in fund balances - total governmental funds</i> to arrive at <i>change in net assets of governmental activities</i>	<u><u>\$ (11,004,000)</u></u>

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Another element of that reconciliation states that “the net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, write-offs and donations) is to increase/(decrease) net assets”. The details of this \$(127,635) difference are as follows:

In the statement of activities, only the gain on the sale of capital assets is reported. However, in the governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net assets differs from the change in fund balance by the cost of the capital assets sold.	\$ (101,433)
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.	48,500
The statement of activities reports losses arising from the write-off of capital assets. Governmental funds do not report any loss resulting from a capital asset write-off.	<u>(74,702)</u>
Net adjustment to decrease <i>net change in fund balances - total governmental funds</i> to arrive at <i>change in net assets of governmental activities</i>	<u><u>\$ (127,635)</u></u>

Another element of that reconciliation states that “the issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets”. The details of this \$4,123,831 difference are as follows:

Amortization of bond issuance costs	\$ (19,703)
Capital appreciation bonds accretion	(2,731,466)
Principal repayments:	
Bond repayments	<u>6,875,000</u>
Net adjustment to increase <i>net change in fund balances - total governmental funds</i> to arrive at <i>change in net assets of governmental activities</i>	<u><u>\$ 4,123,831</u></u>

Another element of that reconciliation states that "some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds". This \$(4,283,094) represents the increase in compensated absences (\$487,343) and the first year’s cost of other post employment benefits (\$2,432,132) and retiree subsidy (\$1,363,619).

## CITY OF SUNRISE, FLORIDA

Another element of that reconciliation states that “revenues reported in the funds that relate to prior periods are not reported in the statement of activities”. The details of this \$(558,485) are as follows:

Special Recreation District Phase I special assessment	\$ (275,471)
Special Recreation District Phase II special assessment	<u>(283,014)</u>
Net adjustment to decrease <i>net change in fund balances - total governmental funds</i> to arrive at <i>change in net assets of governmental activities</i>	<u>\$ (558,485)</u>

### III. Stewardship, Compliance and Accountability

#### A. Budgetary information

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

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

Expenditures/expenses may not legally exceed appropriations at the individual fund level; exception is the general fund expenditures, which may not exceed appropriations at the department level. Supplemental appropriations for operating and capital expenditures of \$532,516 for the general fund, \$4,936,612 for the special revenue funds, \$566 for the debt service funds and \$360,000 for the capital projects funds were approved during the year and are included in the final budget. The City follows these procedures in establishing the legally adopted budgetary data:

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

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

**CITY OF SUNRISE, FLORIDA**

**IV. Detailed Notes on all Funds**

**A. Deposits and investments**

As of September 30, 2008, the fair value of the City’s deposits and investments, exclusive of the Pension trust funds, was \$116,949,942 in U.S. Treasuries, \$39,000,000 in certificates of deposit, \$71,766,455 in the SBA LGIP, \$9,782,275 in the SBA Fund B investment pool, \$11,896,162 in FLSAFE, and \$52,522,695 in two money market mutual funds (PFM Commonwealth Cash Reserve Fund and Goldman Sachs Financial Square Government Fund). The investments in the LGIP, FLSAFE, and two money market funds have a maturity of less than one year and are classified as cash and cash equivalents. Additionally, cash and cash equivalents is comprised of \$63,316 on hand, \$28,355,155 with qualified public depositories and \$12,042,749 with authorized depositories pursuant to fiduciary agreements related to its utility bonds.

The SBA’s Fund B has a maturity of greater than one year. The original investment of \$12,252,585 was adjusted to a fair value of \$9,782,275, resulting in an unrealized loss of \$2,470,310. The actual realized loss cannot be determined until full maturity of investments, liquidation, or sales of the investments occur.

As of September 30, 2008, the City had the following investments in the General Employees’ Pension trust fund:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Investment Maturities (In Years)</u>		
		<u>1-5</u>	<u>6-10</u>	<u>More than 10</u>
Corporate bonds	\$ 603,850	\$ 395,269	\$ 179,485	\$ 29,096
Bond mutual funds	<u>31,193,172</u>	-	<u>31,193,172</u>	-
	<u>\$ 31,797,022</u>	<u>\$ 395,269</u>	<u>\$31,372,657</u>	<u>\$ 29,096</u>

The City’s Police Officers’ Pension trust fund contained the following investments as of September 30, 2008:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Effective Duration (Years)</u>	<u>Lehman Aggregate Bond Rating</u>
U.S. Treasuries	\$ 1,447,024	3.60	AAA
U.S. agencies	14,303,438	3.60	AAA
Corporate bonds	<u>4,575,095</u>	4.30	A-AAA
Total fair value	<u>\$20,325,557</u>		
Portfolio weighted effective duration		3.76	

At September 30, 2008, the City’s Firefighters’ Pension trust fund had the following investments:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Investment Maturities (In Years)</u>			
		<u>Less than 1</u>	<u>1-5</u>	<u>6-10</u>	<u>More than 10</u>
U.S. Treasuries	\$ 1,982,638	\$ -	\$ 468,559	\$ 300,907	\$1,213,172
U.S. agencies	10,356,237	40,959	2,629,365	3,210,240	4,475,673
Corporate bonds	<u>8,176,466</u>	<u>195,055</u>	<u>3,494,957</u>	<u>2,849,887</u>	<u>1,636,567</u>
	<u>\$20,515,341</u>	<u>\$ 236,014</u>	<u>\$ 6,592,881</u>	<u>\$6,361,034</u>	<u>\$7,325,412</u>

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Interest rate risk. The City, exclusive of the Pension trust funds, manages its exposure to declines in fair value by limiting the weighted average duration of its investment portfolio to less than 18 months. The weighted average days to maturity of the SBA LGIP at September 30, 2008 was 8.5 days. The weighted average life of SBA Fund B at September 30, 2008 was 9.36 years. The weighted average maturity for FLSAFE and PFM Commonwealth Cash Reserve Fund is not to exceed 60 days. The weighted average maturity for Goldman Sachs Financial Square Government Fund is 46 days. To limit exposure to interest rate risk, the City and its three Pension Plans: the General Employees', Firefighters' and Police Officers' diversify investments by security type and institution, and limit holdings in any one type of investment with any one issuer with various durations of maturity. In addition, the Police Officers' Pension Plan manages its exposure to declines in fair values by limiting the effective duration of its investment portfolio through the adoption of the Lehman Brothers Government/Credit Intermediate Index.

Credit risk. The City's investments, exclusive of the Pension trust funds, that are invested in U.S. government obligations are considered to have no credit risk. Consistent with State law, the SBA LGIP, 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. The LGIP is rated AAAM by Standard and Poor's; Fund B is not rated by a nationally recognized statistical rating agency. FLSAFE is rated AAAM by Standard and Poor's. PFM Commonwealth Cash Reserve Fund and the Goldman Sachs Financial Square Government Fund (money market mutual funds) are both rated AAAM by Standard and Poor's and Aaa by Moodys. Of the General Employees' Pension Plan's investments at September 30, 2008, \$22,026,743 were rated AAA, \$4,118,568 were rated AA, \$91,504 were rated A+, \$2,659,871 were rated A, \$51,265 were rated A-, \$2,686,415 were rated BBB and \$162,656 were rated BB. The credit ratings of investments in the Firefighters' Pension Plan at September 30, 2008 were: \$79,927 rated AA+, \$1,236,257 rated AA-, \$2,822,979 rated A+, \$2,712,873 rated A, \$881,009 rated A-, \$280,135 rated BBB+ and \$21,000 rated BBB; U. S. Government guaranteed obligations of \$12,338,875 are considered to have no credit risk.

Concentration of credit risk. The City's investment policy limits the investment in any single issuer to no more than 10% of the value of the portfolio, except for U.S. Government and Agency instruments, Government Sponsored Enterprise (GSE) securities or fully insured certificates of deposit. As of September 30, 2008, the City's investment in Fifth Third Bank certificates of deposit amounted to \$25,000,000, which represents 8% of the total portfolio. The LGIP fund investment pool's exposure to a single non-governmental issuer is limited to 5% and exposure to any single money market mutual fund will not exceed 10% of the LGIP 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.

## CITY OF SUNRISE, FLORIDA

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

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

### B. Receivables

Receivables at September 30, 2008, are as follows:

	<u>Interest</u>	<u>Taxes/ Franchise Fees</u>	<u>Accounts</u>	<u>Special Assess- ments</u>	<u>Other</u>	<u>Intergov- ernmental</u>	<u>Total Receivables</u>
Governmental activities:							
General	\$ 134,282	\$ -	\$ 452,901	\$ -	\$ -	\$1,566,684	\$ 2,153,867
Public Service Tax	4,818	504,565	-	-	-	1,220,210	1,729,593
Capital Improvements	94,790	-	-	-	-	-	94,790
Workers’ Compensation	8,743	-	-	-	-	-	8,743
Other governmental	<u>90,544</u>	<u>623,230</u>	<u>-</u>	<u>4,199,012</u>	<u>14,233</u>	<u>301,373</u>	<u>5,228,392</u>
Total – governmental Activities	<u>\$ 333,177</u>	<u>\$1,127,795</u>	<u>\$ 452,901</u>	<u>\$4,199,012</u>	<u>\$ 14,233</u>	<u>\$3,088,267</u>	<u>\$ 9,215,385</u>
Amounts not scheduled for collection during the subsequent year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$3,637,525</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,637,525</u>
Business-type activities:							
Water, Wastewater & Gas Utility System	\$ 210,318	\$ -	\$ 9,891,230	\$ 59,963	\$ -	\$ 44,670	\$ 10,206,181
Sanitation	-	-	2,323,806	-	-	-	2,323,806
Other proprietary	<u>2,532</u>	<u>-</u>	<u>180,665</u>	<u>-</u>	<u>1,765</u>	<u>83,324</u>	<u>268,286</u>
Gross receivables	212,850	-	12,395,701	59,963	1,765	127,994	12,798,273
Less:							
Uncollectibles	<u>-</u>	<u>-</u>	<u>(150,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(150,000)</u>
	<u>\$ 212,850</u>	<u>\$ -</u>	<u>\$12,245,701</u>	<u>\$ 59,963</u>	<u>\$ 1,765</u>	<u>\$ 127,994</u>	<u>\$ 12,648,273</u>

**CITY OF SUNRISE, FLORIDA**

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

Uncollectibles related to water and wastewater sales	\$ 47,423
Uncollectibles related to gas sales	16,242
Uncollectibles related to recycling services	119
Uncollectibles related to stormwater services	<u>1,332</u>
Total uncollectibles for the current fiscal year	<u>\$ 65,116</u>

Governmental funds report deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of deferred revenue and unearned revenue reported in the governmental funds were as follows:

	<u>Unavailable</u>	<u>Unearned</u>
Special assessments not yet due (Special Recreation District Phase I)	\$2,794,573	\$ -
Special assessments not yet due (Special Recreation District Phase II)	1,404,439	-
Communications Services Tax (public service tax fund)	1,220,210	
Prepaid license fees (general fund)	-	1,468,086
Prepaid inspection fees (general fund)	-	304,962
Grant proceeds prior to meeting all eligibility requirements (general fund)	<u>-</u>	<u>55,783</u>
Total deferred/unearned revenue for governmental funds	<u>\$5,419,222</u>	<u>\$1,828,831</u>

**CITY OF SUNRISE, FLORIDA**

**C. Capital assets**

Capital asset activity for the year ended September 30, 2008 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Governmental activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 14,226,978	\$ 2,220,930	\$ (2,247,244)	\$ 14,200,664
Construction in progress	19,094,271	4,979,076	(3,890,441)	20,182,906
Total capital assets, not being depreciated	<u>33,321,249</u>	<u>7,200,006</u>	<u>(6,137,685)</u>	<u>34,383,570</u>
Capital assets, being depreciated:				
Intangibles	472,592	201,526	(6,769)	667,349
Buildings and system	76,265,406	-	-	76,265,406
Improvements other than buildings	23,694,632	3,866,412	(6,062)	27,554,982
Machinery and equipment	9,238,771	1,297,704	(612,735)	9,923,740
Vehicles	15,615,539	1,741,839	(1,175,392)	16,181,986
Infrastructure	327,578,552	-	-	327,578,552
Total capital assets, being depreciated	<u>452,865,492</u>	<u>7,107,481</u>	<u>(1,800,958)</u>	<u>458,172,015</u>
Less accumulated depreciation for:				
Intangibles	(337,534)	(86,800)	2,454	(421,880)
Buildings and system	(14,536,639)	(2,106,135)	-	(16,642,774)
Improvements other than buildings	(9,019,470)	(2,566,885)	4,850	(11,581,505)
Machinery and equipment	(6,634,197)	(981,180)	564,191	(7,051,186)
Vehicles	(10,435,059)	(1,487,617)	1,150,954	(10,771,722)
Infrastructure	(222,900,936)	(11,994,311)	-	(234,895,247)
Total accumulated depreciation	<u>(263,863,835)</u>	<u>(19,222,928)</u>	<u>1,722,449</u>	<u>(281,364,314)</u>
Total capital assets, being depreciated, net	<u>189,001,657</u>	<u>(12,115,447)</u>	<u>(78,509)</u>	<u>176,807,701</u>
Governmental activities capital assets, net	<u>\$ 222,322,906</u>	<u>\$ (4,915,441)</u>	<u>\$ (6,216,194)</u>	<u>\$ 211,191,271</u>

## CITY OF SUNRISE, FLORIDA

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Business-type activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 10,985,086	\$ -	\$ -	\$ 10,985,086
Construction in progress	29,350,383	9,306,206	(29,309,781)	9,346,808
Total capital assets, not being depreciated	<u>40,335,469</u>	<u>9,306,206</u>	<u>(29,309,781)</u>	<u>20,331,894</u>
Capital assets, being depreciated:				
Intangibles	480,470	371,961	(62,545)	789,886
Buildings and system	416,817,100	29,187,641	-	446,004,741
Improvements other than buildings	3,769,123	527,280	(2,440)	4,293,963
Machinery and equipment	6,329,140	914,645	(415,994)	6,827,791
Vehicles	6,107,200	372,457	(115,786)	6,363,871
Total capital assets, being depreciated	<u>433,503,033</u>	<u>31,373,984</u>	<u>(596,765)</u>	<u>464,280,252</u>
Less accumulated depreciation for:				
Intangibles	(274,988)	(108,738)	61,109	(322,617)
Buildings and system	(124,847,979)	(11,516,674)	-	(136,364,653)
Improvements other than buildings	(772,514)	(261,742)	2,196	(1,032,060)
Machinery and equipment	(4,081,510)	(576,649)	388,697	(4,269,462)
Vehicles	(4,420,968)	(452,640)	115,787	(4,757,821)
Total accumulated depreciation	<u>(134,397,959)</u>	<u>(12,916,443)</u>	<u>567,789</u>	<u>(146,746,613)</u>
Total capital assets, being depreciated, net	<u>299,105,074</u>	<u>18,457,541</u>	<u>(28,976)</u>	<u>317,533,639</u>
Business-type activities capital assets, net	<u>\$ 339,440,543</u>	<u>\$ 27,763,747</u>	<u>\$ (29,338,757)</u>	<u>\$ 337,865,533</u>

At September 30, 2008, amounts included in governmental activities recorded under capital leases include original amounts of \$23,365 of improvements other than buildings, \$1,070,431 of machinery and equipment and \$3,096,259 of vehicles; those included in business-type activities include \$219,747 of machinery and equipment and \$375,118 of vehicles.

At September 30, 2008, the capital assets of the pension trust funds consist of machinery, equipment, furniture and fixtures of \$27,482 less accumulated depreciation of \$25,871. Depreciation expense for the year ended September 30, 2008 is \$1,611.

## CITY OF SUNRISE, FLORIDA

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

Governmental activities:	
General government	\$ 771,631
Public safety	2,349,330
Physical environment	115,258
Transportation, including depreciation of general infrastructure assets	11,994,312
Culture and recreation	3,992,397
Total depreciation expense - governmental activities	<u>\$ 19,222,928</u>
Business-type activities:	
Water, wastewater, and gas	\$ 12,725,763
Recycling	1,163
Stormwater	154,608
Golf course	34,909
Total depreciation expense - business-type activities	<u>\$ 12,916,443</u>

### **D. Construction commitments**

At September 30, 2008, the City had in process various uncompleted construction projects with remaining balances totaling \$11,015,721. Funding of these projects is to be made primarily through the proceeds of the related bond issues and future taxes.

### **E. Interfund receivables, payables and transfers**

The general fund advanced \$1,450,000 to the Stormwater Utility enterprise fund in the 1996-1997 fiscal year. This advance was made to enable capital purchases at the inception of the Stormwater Utility enterprise fund. This advance bears interest at the annual rate of 5.25% and is payable over 20 years. The general fund reserves fund balance for \$760,327, the non-current portion of the loan. The current portion of the loan is recorded as an interfund receivable/payable.

The general fund advanced \$40,000 to the CDBG Grant special revenue fund. This advance was made to enable initial expenditures in this fund prior to grant reimbursement. The general fund reserves fund balance for \$40,000. Additionally, the general fund advanced \$58,448 as a short-term loan to fund operations.

The general fund advanced \$72,191 to the UASI 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, 2008, is as follows.

<u>Fund</u>	<u>Interfund receivables</u>	<u>Interfund payables</u>
General fund	\$ 205,616	\$ -
Non-major governmental funds:		
Special revenue funds:		
Community Development Block Grant		58,448
Urban Area Security Initiative Grant		72,191
Total non-major governmental funds	-	130,639
Non-major enterprise fund:		
Stormwater	-	74,977
Total interfund receivables/payables	<u>\$ 205,616</u>	<u>\$ 205,616</u>

<u>Fund</u>	<u>Advance from</u>	<u>Advance to</u>
General fund	\$ 800,327	\$ -
Non-major governmental fund:		
Special revenue fund: CDBG Grant	-	40,000
Non-major enterprise fund:		
Stormwater	-	760,327
Total advances	<u>\$ 800,327</u>	<u>\$ 800,327</u>

<u>Fund</u>	<u>Due from other funds</u>	<u>Due to other funds</u>	<u>Purpose</u>
General fund	\$ 516,984	\$ 1,151,574	1,2,3,4,5
Debt service fund:			
Public Service Tax	649,876	450,000	2
Capital projects fund:			
Capital Improvements	450,000	3,295	2,3
Non-major governmental funds:			
Special revenue funds:			
CDBG Grant	-	847	3
Emergency Management	-	614	1,3
Fuel and Roadway	-	191	3
SHIP Grant	-	484	3
Debt service fund:			
Special Tax District No. 1	-	235	5
Total non-major governmental funds	-	2,371	
Enterprise funds:			
Water, Wastewater, and Gas Utility System	73,692	422,371	1,2,3
Sanitation	-	179,358	4
Non-major enterprise funds:			
Recycling	-	154	3
Stormwater	-	5,202	1,3
Golf Course	-	3,285	1,3
Total non-major enterprise funds	-	8,641	
Pension trust funds:			
General Employees' Pension	245,268	-	3
Police Officers' Pension	49,813	-	3
Firefighters' Pension	231,977	-	3
Total pension trust funds	527,058	-	
Total due to/due from	<u>\$ 2,217,610</u>	<u>\$ 2,217,610</u>	

- The reasons for the due to/due from other funds are:
- 1) Salary, fringe benefit, operating expense reimbursements
  - 2) Utility service taxes
  - 3) Pension plan funding
  - 4) Franchise fee receivable/payable
  - 5) Property taxes

## CITY OF SUNRISE, FLORIDA

### Interfund transfers:

	Transfer out:					Total
	General fund	Public Service Tax debt service fund	Non-major governmental funds	Water, Waste- water and Gas Utility System enterprise fund	Workers' Comp internal service fund	
Transfer in:						
General fund	\$ -	\$ 4,872,945 <sup>a</sup>	\$ 4,740,036 <sup>a</sup>	\$ 3,363,445 <sup>a</sup>	\$ -	\$12,976,426
Capital Improvements capital projects fund	-	2,500,000 <sup>b</sup>	1,350,000 <sup>b</sup>	-	2,200,000 <sup>b</sup>	6,050,000
Non-major governmental funds	3,407,538 <sup>a</sup>	-	5,100,000 <sup>b</sup>	-	-	8,507,538
Sanitation enterprise fund	698,339 <sup>c</sup>	-	-	-	-	698,339
Non-major enterprise funds	<u>1,000,233 <sup>c</sup></u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,000,233</u>
Total	<u>\$ 5,106,110</u>	<u>\$ 7,372,945</u>	<u>\$11,190,036</u>	<u>\$ 3,363,445</u>	<u>\$ 2,200,000</u>	<u>\$29,232,536</u>

The reasons for these transfers are set forth below:

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

### F. Leases

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

### G. Long-term debt

Revenue bonds and other long-term liabilities directly related to and intended to be paid from proprietary funds are included in the accounts of such funds. Utility system revenue bonds are collateralized by a lien on the revenues earned by the utility system.

General Long-Term Debt Bonds are collateralized by multiple sources. The Public Facilities refunding revenue bonds are collateralized by a lien on and a pledge of a tax upon purchases within the city of electricity, metered and bottled gas, water service and telegraph and telecommunications service. The Sunrise Lakes Phase I and Phase II Special Recreation Districts' public improvement refunding bonds are collateralized by a general obligation pledge by the Districts of their full faith and credit; if the payments to the City as paying agent are insufficient to meet the bond requirements, the bonds will be paid from taxes to be levied and collected on all property in the respective Districts. The Special Tax District No. 1 ad valorem tax bonds and ad valorem tax refunding bonds are collateralized by voted debt service ad valorem taxes to be levied upon all taxable property within the District.

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

**CITY OF SUNRISE, FLORIDA**

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

Year Ending September 30	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2009	\$ 5,110,000	\$ 480,455	\$ 7,490,000	\$ 9,338,172
2010	5,140,000	448,885	7,730,000	9,094,388
2011	5,175,000	415,285	7,990,000	8,837,462
2012	5,210,000	379,380	8,215,000	8,618,253
2013	5,250,000	341,100	8,345,000	8,484,602
2014-2018	26,905,000	1,042,050	48,235,000	35,861,550
2019-2023	18,550,000	56,525	62,305,000	21,757,300
2024-2028	-	-	47,390,000	5,049,000
	<u>71,340,000</u>	<u>3,163,680</u>	<u>197,700,000</u>	<u>107,040,727</u>
Plus/(less):				
Unappreciated accretion	<u>(22,548,731)</u>	<u>-</u>	<u>(3,397,052)</u>	<u>-</u>
Sub-total	48,791,269	3,163,680	194,302,948	107,040,727
Bond premium	-	-	502,393	-
Bond discount	-	-	(173,983)	-
Deferred amount on refunding	-	-	(9,834,246)	-
Total	<u>\$ 48,791,269</u>	<u>\$ 3,163,680</u>	<u>\$ 184,797,112</u>	<u>\$ 107,040,727</u>

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

Year Ending September 30	Principal	Interest
2009	\$ 1,865,000	\$ 1,270,510
2010	1,930,000	1,197,639
2011	2,005,000	1,120,067
2012	2,090,000	1,036,509
2013	2,175,000	947,226
2014-2018	11,015,000	3,298,088
2019-2021	7,025,000	700,320
Total	<u>\$ 28,105,000</u>	<u>\$ 9,570,359</u>

**CITY OF SUNRISE, FLORIDA**

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

	<u>Purpose of Issue</u>	<u>Amount Issued</u>	<u>Principal Outstanding</u>	<u>Interest Rate</u>
<b>Governmental activities</b>				
Public Facilities refunding revenue bonds, Series 1992A and 1992B	Refunding and fund certain municipal capital improvements			
Serial bonds		\$ 21,865,000	\$ -	3.30-6.20%
Term bonds		11,490,000	-	6.55%
Capital appreciation serial bonds		14,184,465	38,211,269	6.70-6.80%
Series 1999				
Serial bonds		25,485,000	6,125,000	3.00-4.625%
Term bonds		4,455,000	4,455,000	4.75%
Sunrise Lakes Phase I Special Recreation District public improvement refunding bonds, Series 1998	Refunding			
Bank Note		3,635,000	2,220,000	4.413%
Sunrise Lakes Phase II Special Recreation District public improvement refunding bonds, Series 1998	Refunding			
Bank note		3,125,000	1,240,000	4.316%
Special Tax District No. 1 ad valorem tax refunding bonds, Series 2001	Refunding			
Serial bonds		26,660,000	19,375,000	2.70%-5.00%
ad valorem tax bonds, Series 2003	Fund certain District capital improvements			
Serial bonds		<u>6,770,000</u>	<u>5,270,000</u>	1.25-4.60%
Total governmental activities bonds		<u>\$117,669,465</u>	<u>\$ 76,896,269</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	1,855,000	5.60%
Capital appreciation bonds		7,194,299	12,185,175	5.55-5.80%
Series 1996	Refunding and fund			
Serial bonds	utility system projects	43,155,000	10,610,000	3.60-5.80%
Series 1996A	Fund utility system			
Term bonds	improvements	130,840,000	-	5.75-5.90%
Capital appreciation bonds		10,643,069	4,012,773	4.80-5.80%
Series 1998	Refunding and fund			
Serial bonds	utility system	13,935,000	7,240,000	3.60-5.50%
Term bonds	improvements	143,650,000	143,650,000	5.06-5.20%
Series 1998A	Refunding and fund			
Term bonds	utility system improvements	<u>15,195,000</u>	<u>14,750,000</u>	5.50%
Total business-type activities bonds		<u>\$ 377,567,368</u>	<u>\$ 194,302,948</u>	

## CITY OF SUNRISE, FLORIDA

### Defeased debt

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

Summarized below are the refunded bonds of the City's business-type activities:

<u>Type</u>	<u>Series</u>	<u>Year Refunded</u>	<u>Outstanding as of 9/30/08</u>
Utility System revenue bonds	1976	1983	\$ 5,765,000
	1976A	1983	500,000
	1976B	1983	2,145,000
	1976C	1983	495,000
	1976D	1983	530,000
	1976E	1983	1,035,000
	1976F	1983	665,000
	1983A	1985	680,000
	1983C	1985	980,000
	1997	1998	<u>10,855,000</u>
Total outstanding defeased debt			<u>\$ 23,650,000</u>

## CITY OF SUNRISE, FLORIDA

### Change in long-term liabilities

Long-term liability activity for the year ended September 30, 2008, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Bonds payable	\$ 81,039,803	\$ 2,731,466 *	\$ (6,875,000)	\$ 76,896,269	\$ 6,975,000
Compensated absences	8,919,068	487,343	-	9,406,411	637,492
Other post employment benefits	-	2,432,132	-	2,432,132	-
Retiree subsidy	-	1,363,619	-	1,363,619	-
Claims and judgments	4,006,294	-	(90,320)	3,915,974	1,809,747
Governmental activity long-term liabilities	<u>\$ 93,965,165</u>	<u>\$ 7,014,560</u>	<u>\$ (6,965,320)</u>	<u>\$ 94,014,405</u>	<u>\$ 9,422,239</u>
Business-type activities:					
Bonds payable:					
Revenue bonds	\$ 200,515,523	\$ 1,047,425 *	\$ (7,260,000)	\$ 194,302,948	\$ 7,490,000
Less deferred amounts:					
For issuance discounts	(218,748)	44,765	-	(173,983)	-
For issuance premiums	552,173	-	(49,780)	502,393	-
On refunding	(10,807,902)	973,656	-	(9,834,246)	-
Total bonds payable	190,041,046	2,065,846	(7,309,780)	184,797,112	7,490,000
Compensated absences	3,125,108	447,143	-	3,572,251	319,562
Other post employment benefits	-	915,145	-	915,145	-
Retiree subsidy	-	980,530	-	980,530	-
Business-type activity long-term liabilities	<u>\$ 193,166,154</u>	<u>\$ 4,408,664</u>	<u>\$(7,309,780)</u>	<u>\$ 190,265,038</u>	<u>\$ 7,809,562</u>

\* due to future appreciated principal accretion

For governmental activities, other including capital leases and compensated absences are generally liquidated by the general fund. Claims and judgments are liquidated by the Workers' Compensation internal service fund.

### H. Property taxes

The State of Florida permits the City to levy taxes up to 10 mills of assessed property valuation for the general fund except for special benefits and debt service obligations which may be issued with the approval of those taxpayers subject to ad valorem taxes. The operating millage rate levied by the City and budgeted for the 2008-2009 fiscal year is 5.4397 mills. On January 29, 2008, the Florida electorate approved an amendment to the Florida Constitution relative to property taxation. This amendment (referred to as Amendment 1) was placed on the ballot by the Florida Legislature at a special session held during 2007 and became effective October 1, 2008. Amendment 1 increased the current \$25,000 homestead exemption by an additional \$25,000 (for property values between \$50,000 - \$75,000), except for school district taxes. Since the new \$25,000 homestead exemption does not apply to school district taxes, this effectively amounts to a \$15,000 increase to the existing homestead exemption, resulting in an estimated annual savings of \$240 for the average homeowner. Amendment 1 also provided "portability", allowing property owners to transfer up to \$500,000 of their "Save Our Homes" benefits to their next homestead when they move. "Save Our Homes" became effective in 1995 and limits

## CITY OF SUNRISE, FLORIDA

(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, 2008 were approximately 99% of the total tax levy, net of discounts allowed.

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

Property tax revenue is recorded when it becomes available. Available means due and collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. No accrual for the property tax levy becoming due in November 2008 is included in the financial statements since such taxes are collected to finance expenditures of the subsequent period.

The City Commission establishes the tax levy of the City. The adoption of the final millage rate occurred September 26, 2007. Under Florida law, the assessment of all properties and the collection of all county, municipal, special district and school board property taxes are provided by Broward County's Property Appraiser and Tax Collector, who are elected County officials.

The property tax calendar for revenues billed and received for the fiscal year ended September 30, 2008 is shown as follows:

Lien date	January 1, 2007
Levy date, tax bills mailed	November 1, 2007
Last date for 4% discount on taxes paid	November 30, 2007
Last date for 3% discount on taxes paid	December 31, 2007
Last date for 2% discount on taxes paid	January 31, 2008
Last date for 1% discount on taxes paid	February 29, 2008
Final due date of payment of taxes	March 31, 2008
First date for auctioning tax certificates on delinquent accounts	June 1, 2008

### **I. Restatement of fund balances**

The City has restated beginning fund balances for the General Fund and Economic and Job Growth Fund. The Economic and Job Growth Fund should have been classified as a special revenue fund but was previously reported as part of the General Fund. The amount of this restatement of fund balance is \$23,251,995. This restatement did not impact the government-wide statements.

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### V. Other Information

#### A. Risk management

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

All departments of the City participate in the program and make payments to the fund based on actuarial estimates of the amounts needed to pay prior and current year claims (including allocated loss adjustment expenses). The claims liability of \$3,915,974, which is discounted at 4%, is reported in the fund at September 30, 2008 and is based on the requirements of GASB Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the claim can be reasonably estimated.

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

	Year ended <u>9/30/07</u>	Year ended <u>9/30/08</u>
Unpaid claims, beginning of fiscal year	\$ 3,794	\$ 4,006
Incurred claims (and estimate changes)	212	(90)
Claim payments	<u>-</u>	<u>-</u>
Unpaid claims, end of fiscal year	<u>\$ 4,006</u>	<u>\$ 3,916</u>

#### B. Contingent liabilities

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

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

## CITY OF SUNRISE, FLORIDA

### C. Employee retirement systems and pension plans

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

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

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

City Ordinance 124-X-02-B, approved March 12, 2002, established a retirement incentive program for firefighters. During a "window period" of thirty calendar days, beginning February 27, 2002, eligible firefighters could have made an irrevocable election to participate in this program. The eligible firefighters must have retired and separated from City employment no later than April 15, 2002. Eligible firefighters who elected the Program could have also elected to participate in a DROP for up to thirty-six months or, alternatively, elect a BAC-DROP option for up to eighteen months. Beginning four years after retirement or entry into the DROP, a 2% annual increase in retirement benefits is applicable for all members. As of January 1, 2004, eligible firefighters can now participate in the DROP for a maximum period of sixty months. As of September 30, 2008, twenty firefighters were participating in this program.

## CITY OF SUNRISE, FLORIDA

Effective September 13, 1999, the General Employees' Pension Plan distinguished between general employees, management and senior management. DROP was implemented for management and senior management effective June 12, 2001 and for general employees effective January 1, 2004. Participation in the DROP is limited to a maximum 60 months prior to termination of employment, except senior management who are limited to a maximum 72 months. As of September 30, 2008, there were eighty-three participants in the DROP. Beginning one year after retirement or entry into the DROP, an annual increase in retirement benefits of 2% for management members and 2.5% for senior management who reach early or normal retirement age and begin receiving benefits after June 12, 2001, is applicable. For eligible general employees, a supplemental pension distribution in the form of an optional 13<sup>th</sup> check, based on the cumulative net actuarial gain is available; effective January 1, 2004, a minimum of one-half of the 13<sup>th</sup> check is guaranteed payable, notwithstanding actuarial gains.

The Governmental Money Purchase Plan and Trust (Purchase Plan) was established for senior managers who are members of the General Employees' Pension Plan. The Purchase Plan was subsequently amended on March 12, 2003 by Ordinance 715-X-03-A, to additionally include all management employees with more than 10 years of City service and city commissioners. The City contributes 3% of earnings each plan year (calendar year) on behalf of each eligible management employee, 6% of earnings each plan year on behalf of each senior management employee and each city commissioner and 12% of earnings each plan year on behalf of the city manager and city attorney; the eligible employees are not required to make contributions. The ICMA Retirement Corporation serves as administrator for this Purchase Plan. The City recognized expenditures/expenses of \$323,947 for the fiscal year ended September 30, 2008 for the sixty-one employees covered under the plan. The Purchase Plan was amended on June 5, 2001 to include all City employees, at no cost to the City. City ordinance provides the authority to establish and amend benefit provisions and contribution requirements for the Governmental Money Purchase Plan and Trust.

The City, under Ordinance No. 715-X-98-C and amended by Ordinance No. 715-X-00-C and Ordinance No. 715-X-03-A, established a retiree subsidy of \$200 per month for all general executive management and supervisory/professional employees who retired after September 28, 1999, except that senior managers who retired directly from the City after January 1, 2001, receive an amount equivalent to 80% of the total cost of family coverage under the City's health insurance program. Effective October 1, 1999, the City agreed to establish a subsidy of \$200 per month for all general employees, per the Collective Bargaining Agreement between the City and the Federation of Public Employees. The subsidy commenced at the same time the General Employees' Retirement Plan member began to receive normal or early retirement benefits and continues until the plan member reaches age 65. Upon attaining age 65, bargaining unit employees will receive 75% of the \$200 per month subsidy, except that senior managers will receive 75% of the benefit received immediately prior to attaining age 65. If a general executive management or supervisory/professional employee dies before age 65, the health insurance subsidy continues to be paid to that member's spouse until the date that member would have reached age 65. Effective October 1, 2006, eligible general employees who retire and separate employment will be paid a monthly subsidy of \$250, which shall continue for the life of the retiree. Eligible general employees who retire and separate employment after

## CITY OF SUNRISE, FLORIDA

February 26, 2008 will be paid a monthly subsidy of \$350, which shall continue for the life of the retiree. There were eighty-five participants during the fiscal year ended September 30, 2008.

Effective September 28, 1999, under Ordinance No. 715-X-99-A, the City established a preservation of benefits plan as a deferred compensation plan for managers and senior managers who are members of the General Employees' Pension Plan. This plan, which is administered by the City, was established as a qualified governmental excess benefits arrangement pursuant to section 415(m) of the U. S. Internal Revenue Code. For each eligible payee, the City will provide a supplemental retirement benefit equal to the reduction of retirement benefits due to the application of section 401(a)(17) or section 415(b) of the U. S. Internal Revenue Code. There were three eligible payees covered during the fiscal year ended September 30, 2008.

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

**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' and Firefighters' Pension Plans. The General Employees' Pension Plan amortizes its unfunded actuarial liability as a level dollar over a period of thirty years. City contributions to the plans, as calculated by the plans' actuaries, are recognized as revenue when due and the City has made a formal commitment

## CITY OF SUNRISE, FLORIDA

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 exceeds 19.2% for the Firefighters' Pension Plan, the employees and the City are each required to fund 50% of the excess over the 19.2% amount. If the City's calculated contribution, excluding the cost of post September 13, 1999 management and senior management benefits, exceeds 14% for the General Employees' Pension Plan, member contributions, as well as the City contribution, are increased by half of the excess percentage of payroll. The following schedule summarizes the required contribution rates for the City and its plan members:

	General Employees' <u>Pension Plan</u>	Police Officers' <u>Pension Plan</u>	Firefighters' <u>Pension Plan</u>
Contributions:			
Contribution rates:			
City	23.05%	30.31%	16.30%
Plan members		9.84%	10.63%
General employees	9.51%		
Management, senior management	11.21%		
Annual pension costs	\$ 8,679,525	\$ 5,282,004	\$ 3,339,040
Contributions made:			
City	\$ 5,977,714	\$ 3,452,681	\$ 1,285,435
Plan members	2,701,811	1,261,700	1,112,538
Other	-	567,623 <sup>1</sup>	941,067 <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 \$1,508,690 for the year ended September 30, 2008: \$941,067 for property insurance contracts for firefighters under Chapter 175 and \$567,623 for casualty insurance contracts for police officers under Chapter 185. These amounts are recognized as insurance premium revenues and public safety expenditures in the General Fund.

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

**CITY OF SUNRISE, FLORIDA**

**Actuarial methods and assumptions:** The annual required contributions for the current year were determined as part of the October 1, 2006 actuarial valuation for the Firefighters', General Employees', and Police Officers' Pension Plans. Additional information as of the latest actuarial valuation date of October 1, 2007 for the Firefighters', General Employees', and Police Officers' Pension Plans follows.

	<u>General Employees' Pension Plan</u>	<u>Police Officers' Pension Plan</u>	<u>Firefighters' Pension Plan</u>
Actuarial cost method	Entry age normal	Frozen entry age	Entry age
Amortization method	Level percent	Level percent, closed	Level percent, closed
Remaining amortization period	27 years	29 years	30 years
Actuarial assumptions:			
Investment rate of return	8.25%	8.5%	8.25%
Inflation rate	3.5%	4%	4.25%
Projected salary increases *	5.9%	5.2%-8.5%	4.25%-9.25%
Cost of living adjustments	2% for eligible management employees, 2.5% for eligible senior management employees	2% for eligible employees	2% for eligible employees
Asset valuation:			
Reporting	Fair value	Fair value	Fair value
Actuarial valuation	5 year smoothed market without phase-in	5 year smoothed market	5 year smoothed market
Non-government investment in excess of 5%	None	None	None

\*Projected salary increases include inflation.

The actuarial accrued liability (AAL) for the retiree subsidy and preservation of benefits plan was projected to September 30, 2008 based on the assumptions presented below. The results are not based on the assumption that all members terminate service as of the valuation date but rather on the assumptions about future disablement, future mortality, future termination of employment, and future retirement continuing to be operative. Benefits are assumed to be unfunded.

Actuarial valuation date	September 30, 2008
Actuarial cost method	Projected unit credit
Amortization method	Level dollar
Remaining amortization period	30 years
Actuarial assumptions:	
Investment rate of return	4.0%
Inflation rate	3.5%
Projected salary increases	4.0%
Asset valuation method	n/a

**CITY OF SUNRISE, FLORIDA**

**Funded status and funding progress:** The funded status of the three defined benefit pension plans as of September 30, 2008 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>						
10/1/07	\$100,966	\$ 136,198	\$ 35,232	74.1%	\$ 26,316	133.9%
<b>Police Officers' Pension Fund</b>						
10/1/07	\$ 50,977	\$ 75,421	\$ 24,444	67.6%	\$ 12,497	195.6%
<b>Firefighters' Pension Fund</b>						
10/1/07	\$ 63,807	\$ 81,055	\$ 17,248	78.7%	\$ 9,758	176.7%

The funded status of the retiree subsidy and preservation of benefits plan as of September 30, 2008 was as follows (dollar amounts in thousands):

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability (AAL)</u>	<u>Unfunded (UAAL)</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>UAAL as % of Covered Payroll</u>
09/30/08	-	\$ 16,678	\$ 16,678	0.0%	\$ 51,288	32.5%

The schedules 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.

For the fiscal year ended September 30, 2008, the \$2,611,203 cost of the retirees' subsidy and preservation of benefits plan is equal to the annual required contribution. The contributions made by the City were \$267,054 resulting in a net pension obligation of \$2,344,149.

**CITY OF SUNRISE, FLORIDA**

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

	<u>Fiscal Year Ending</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
General Employees' Pension Plan:	9/30/06	\$ 6,513,506	100%	\$0
	9/30/07	6,678,642	100	0
	9/30/08	8,679,525	100	0
Police Officers' Pension Plan:	9/30/06	\$ 3,444,785	100%	\$0
	9/30/07	4,437,488	100	0
	9/30/08	5,282,004	100	0
Firefighters' Pension Plan:	9/30/06	\$ 3,028,219	100%	\$0
	9/30/07	3,248,078	100	0
	9/30/08	3,339,040	100	0

Only one year of trend information is available for the retiree subsidy and preservation of benefits plan as follows:

	<u>Fiscal Year Ending</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Retiree Pension Obligation</u>
Retiree plan	9/30/08	\$ 2,611,203	10.2%	\$ 2,344,149

**D. Other post-employment benefits**

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

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

**CITY OF SUNRISE, FLORIDA**

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

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

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

Annual required contribution	\$ 3,640,248
Interest on net OPEB obligation	-
Adjustment to annual required contribution	-
Annual OPEB cost (expense)	<u>3,640,248</u>
Contributions made	<u>(292,971)</u>
Increase in net OPEB obligation	3,347,276
Net OPEB obligation – beginning of year	-
Net OPEB obligation – ending of year	<u>\$ 3,347,276</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, 2008 is listed below. Since GASB Statement No. 45 was effective this year, the two preceding years' information is not available.

Fiscal Year	Annual	Percentage of OPEB	Net OPEB
<u>Ending</u>	<u>OPEB Cost</u>	<u>Cost Contributed</u>	<u>Obligation</u>
09/30/08	\$3,640,248	8.0%	\$3,347,276

**CITY OF SUNRISE, FLORIDA**

**Funded status and funding progress:** The funded status of the plan as of September 30, 2008 was as follows:

Actuarial accrued liability (AAL)	\$ 41,072,789
Actuarial value of plan assets	-
Unfunded actuarial accrued liability	41,072,789
Funded ratio	0.00%
Annual covered payroll	51,287,956
Unfunded actuarial accrued liability as a percentage of covered payroll	80.08%

\*Payroll as of 10/1/07 increased to 9/30/08 with 4% assumed payroll growth.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future disablement, future mortality, future termination of employment, future retirement, and healthcare cost trend. Amounts determined regarding the status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits. Due to this being the first year of implementation, for fiscal year ending September 30, 2008, no prior year information is available.

**Actuarial methods and assumptions:** Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the type of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial calculations reflect a long-term perspective. The annual health care cost trend rate was assumed to decline gradually over the next several years from 8% at October 1, 2007, to an ultimate rate of 6% on and after 2012. Benefits are assumed to be unfunded.

Actuarial valuation date	September 30, 2008
Actuarial cost method	Projected unit credit
Amortization method	Level dollar
Remaining amortization period	30 years
Actuarial assumptions:	
Investment rate of return	4.0%
Inflation rate	3.5%
Projected salary increases	4.0%
Asset valuation method	n/a

## CITY OF SUNRISE, FLORIDA

### **E. Subsequent events**

#### **Property Tax Amendment**

Effective January 1, 2009, Amendment 1 limits (caps) the annual increase in assessed value to ten percent (10%), except for school district taxes, for non-homesteaded property (businesses, industrial property, rental property, second homes, etc.). At present, there is no accurate way to determine the impact of the assessment cap in terms of potential loss of property tax revenues.

#### **Future Pronouncements**

Effective October 1, 2008, the City will implement GASB Statement No. 49, *Accounting and Financial Reporting for Pollution Remediation Obligations*.

**CITY OF SUNRISE, FLORIDA**

**Required Supplementary Information  
(unaudited)**

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

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability (AAL) Entry Age*</u>	<u>Unfunded (UAAL)</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>UAAL as % of Covered Payroll</u>
<b>General Employees' Pension Fund</b>						
10/1/05	\$ 81,222	\$ 105,624	\$ 24,402	76.9%	\$ 23,805	102.5%
10/1/06	89,523	123,029	33,506	72.8	25,558	131.1
10/1/07	100,966	136,198	35,232	74.1	26,316	133.9
<b>Police Officers' Pension Fund</b>						
10/1/05	\$ 42,541	\$ 60,812	\$ 18,271	70.0%	\$ 11,323	161.4%
10/1/06	45,227	68,978	23,751	65.6	11,686	203.2
10/1/07	50,977	75,421	24,444	67.6	12,497	195.6
<b>Firefighters' Pension Fund</b>						
10/1/05	\$ 52,871	\$ 64,242	\$ 11,371	82.3%	\$ 8,965	126.8%
10/1/06	57,336	71,894	14,558	79.8	10,095	144.2
10/1/07	63,807	81,055	17,248	78.7	9,758	176.7

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

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability (AAL)</u>	<u>Unfunded (UAAL)</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>UAAL as % of Covered Payroll</u>
<b>Retirees' Subsidy and Preservation of Benefits Plan</b>						
09/30/08	-	\$ 16,678	\$ 16,678	0.0%	\$ 51,288	32.5%

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

**CITY OF SUNRISE, FLORIDA**

**(unaudited)**

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

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability (AAL)</u>	<u>Unfunded (UAAL)</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>UAAL as % of Covered Payroll</u>
09/30/08	-	\$ 41,073	\$ 41,073	0.0%	\$ 51,288	80.1%

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

<u>Fiscal Year Ended</u>	<u>Employer Contributions</u>	<u>Annual Required Contribution</u>	<u>Percent Contributed</u>
09/30/08	\$ 292,971	\$ 3,640,248	8.0%

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

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# *Nonmajor Governmental Funds*

## *Special Revenue Funds*

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

*Community Development Block Grant Fund*

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

*Impact Fees Fund*

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

*Open Space Preservation Fund*

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

*Economic & Job Growth Fund*

*Accounts for economic and job growth funding within the City.*

*Emergency Management Fund*

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

*Urban Area Security Initiative Grant Fund*

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

*Fuel & Roadway Fund*

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

*Vehicle Replacement Fund*

*Accounts for funding for vehicle replacement.*

*State Housing Initiative Partnership Grant Fund*

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

*Police Confiscation Fund*

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

## ***Debt Service Funds***

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

***Public Improvement Fund***      *Accumulates electric franchise fee monies for Public Improvement Revenue Bonds.*

***Special Recreation  
District Phase I Fund***      *Accumulates special district assessment revenue for Sunrise Lakes Phase I Special Recreation District Public Improvement Bonds, maturing on October 1, 2017.*

***Special Recreation  
District Phase II Fund***      *Accumulates special district assessment revenue for Sunrise Lakes Phase II Special Recreation District Public Improvement Bonds, maturing on October 1, 2013.*

***Special Tax District No. 1 Fund***      *Accumulates voted debt service ad valorem tax monies for Special Tax District No. 1 of the City of Sunrise, Florida Ad Valorem Tax Bonds, maturing on October 1, 2021.*

## ***Capital Projects Funds***

*Capital projects funds are used to account for the acquisition and construction of major capital facilities other than those financed by proprietary funds and trust funds.*

***Public Facilities Fund***      *Accounts for the acquisition and construction in the Community Enrichment Plan.*

***Special Tax District No. 1 Fund***      *Accounts for the construction of a parking garage and additional public works improvements for Special Tax District No. 1.*

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CITY OF SUNRISE, FLORIDA  
 COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS  
 SEPTEMBER 30, 2008

	Special Revenue	Debt Service	Capital Projects	Total Nonmajor Governmental Funds
<b>ASSETS</b>				
Cash and cash equivalents	\$ 31,600,498	\$ 1,523,779	\$ 1,841,763	\$ 34,966,040
Investments	20,859,763	9,393,436	50,876	30,304,075
Interest receivable	68,265	22,102	177	90,544
Franchise fees receivable	-	623,230	-	623,230
Special assessments receivable	-	4,199,012	-	4,199,012
Other receivables	14,233	-	-	14,233
Intergovernmental receivable	301,373	-	-	301,373
Inventories	37,353	-	-	37,353
<b>Total assets</b>	<b>\$ 52,881,485</b>	<b>\$ 15,761,559</b>	<b>\$ 1,892,816</b>	<b>\$ 70,535,860</b>
<b>LIABILITIES</b>				
Accounts payable	\$ 377,923	\$ 51,956	\$ 38	\$ 429,917
Accrued liabilities	6,538	-	-	6,538
Retainage payable	-	-	316,193	316,193
Intergovernmental payable	3,964	-	-	3,964
Due to other funds	2,136	235	-	2,371
Interfund payable	130,639	-	-	130,639
Matured bonds payable	-	1,795,000	-	1,795,000
Matured interest payable	-	669,261	-	669,261
Other	938,232	-	-	938,232
Deferred revenue	-	4,199,012	-	4,199,012
Advances from other funds	40,000	-	-	40,000
<b>Total liabilities</b>	<b>1,499,432</b>	<b>6,715,464</b>	<b>316,231</b>	<b>8,531,127</b>
<b>FUND BALANCES</b>				
Reserved for inventories	37,353	-	-	37,353
Reserved for recreation	158,439	-	-	158,439
Reserved for public safety	62,099	-	-	62,099
Reserved for fire equipment	342,456	-	-	342,456
Reserved for median strips	91,652	-	-	91,652
Unreserved, designated for encumbrances	1,386,191	7,000	-	1,393,191
Unreserved, designated for subsequent year's expenditures	13,472,095	220,000	-	13,692,095
Unreserved, undesignated	35,831,768	8,819,095	1,576,585	46,227,448
<b>Total fund balances</b>	<b>51,382,053</b>	<b>9,046,095</b>	<b>1,576,585</b>	<b>62,004,733</b>
<b>Total liabilities and fund balances</b>	<b>\$ 52,881,485</b>	<b>\$ 15,761,559</b>	<b>\$ 1,892,816</b>	<b>\$ 70,535,860</b>

CITY OF SUNRISE, FLORIDA  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
 NONMAJOR GOVERNMENTAL FUNDS  
 FOR THE YEAR ENDED SEPTEMBER 30, 2008

	Special Revenue	Debt Service	Capital Projects	Total Nonmajor Governmental Funds
<b>REVENUES</b>				
Taxes:				
Property	\$ -	\$ 2,397,365	\$ -	\$ 2,397,365
Local option fuel	1,624,496	-	-	1,624,496
Franchise fees	-	6,139,228	-	6,139,228
Intergovernmental	1,593,929	-	-	1,593,929
Judgments, fines and forfeitures	7,162,317	-	-	7,162,317
Special assessments	-	549,000	-	549,000
Impact fees	138,514	-	-	138,514
Investment earnings	856,333	239,047	63,103	1,158,483
Miscellaneous	213,976	-	-	213,976
Total revenues	<u>11,589,565</u>	<u>9,324,640</u>	<u>63,103</u>	<u>20,977,308</u>
<b>EXPENDITURES</b>				
Current:				
General government	36,969	-	-	36,969
Public safety	1,362,831	-	-	1,362,831
Economic development	1,881,096	-	-	1,881,096
Human services	42,441	-	-	42,441
Transportation	876,030	-	-	876,030
Debt service:				
Principal	-	1,795,000	-	1,795,000
Interest	-	1,338,523	-	1,338,523
Other	-	68,343	-	68,343
Capital outlay	1,115,895	-	467	1,116,362
Total expenditures	<u>5,315,262</u>	<u>3,201,866</u>	<u>467</u>	<u>8,517,595</u>
Excess of revenues over expenditures	<u>6,274,303</u>	<u>6,122,774</u>	<u>62,636</u>	<u>12,459,713</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in:				
General fund	3,407,538	-	-	3,407,538
Special revenue funds:				
Economic & Job Growth	3,400,000	-	-	3,400,000
Capital projects fund:				
Public Facilities	1,700,000	-	-	1,700,000
Transfers out:				
General fund	-	(4,740,036)	-	(4,740,036)
Special revenue fund:				
Emergency Management	(3,400,000)	-	-	(3,400,000)
Vehicle Replacement	-	-	(1,700,000)	(1,700,000)
Capital projects fund:				
Capital Improvement	(1,350,000)	-	-	(1,350,000)
Total other financing sources and (uses)	<u>3,757,538</u>	<u>(4,740,036)</u>	<u>(1,700,000)</u>	<u>(2,682,498)</u>
Net change in fund balances	10,031,841	1,382,738	(1,637,364)	9,777,215
Fund balances - beginning (restatement)	<u>41,350,212</u>	<u>7,663,357</u>	<u>3,213,949</u>	<u>52,227,518</u>
Fund balances - ending	<u>\$ 51,382,053</u>	<u>\$ 9,046,095</u>	<u>\$ 1,576,585</u>	<u>\$ 62,004,733</u>

CITY OF SUNRISE, FLORIDA  
 COMBINING BALANCE SHEET  
 NONMAJOR SPECIAL REVENUE FUNDS  
 SEPTEMBER 30, 2008

	Community Development Block Grant	Impact Fees	Open Space Preservation	Economic & Job Growth	Emergency Management	Urban Area Security Initiative Grant	Fuel and Roadway	Vehicle Replacement	State Housing Initiatives Partnership Grant	Police Confiscation	Total Nonmajor Special Revenue Funds
<b>ASSETS</b>											
Cash and cash equivalents	\$ -	\$ 381,013	\$ 966,064	\$ 13,556,088	\$ 4,229,211	\$ -	\$ 888,143	\$ 4,517,046	\$ 860,016	\$ 6,202,917	\$ 31,600,498
Investments	-	272,684	716,688	10,069,814	2,645,097	-	566,392	3,376,161	744,047	2,468,880	20,859,763
Interest receivable	-	949	2,497	35,104	8,715	-	1,805	11,799	2,821	4,575	68,265
Other receivables	-	-	-	-	-	-	14,233	-	-	-	14,233
Intergovernmental receivable	131,777	-	-	-	-	-	167,220	-	-	2,376	301,373
Inventories	-	-	-	-	-	-	37,353	-	-	-	37,353
<b>Total assets</b>	<b>\$ 131,777</b>	<b>\$ 654,646</b>	<b>\$ 1,685,249</b>	<b>\$ 23,661,006</b>	<b>\$ 6,883,023</b>	<b>\$ -</b>	<b>\$ 1,675,146</b>	<b>\$ 7,905,006</b>	<b>\$ 1,606,884</b>	<b>\$ 8,678,748</b>	<b>\$ 52,881,485</b>
<b>LIABILITIES</b>											
Accounts payable	\$ 25,939	\$ -	\$ -	\$ -	\$ 54	\$ 6,604	\$ 127,495	\$ 8,445	\$ 4,218	\$ 205,168	\$ 377,923
Accrued liabilities	2,653	-	-	-	1,781	-	597	-	1,507	-	6,538
Intergovernmental payable	3,714	-	-	-	-	-	-	-	250	-	3,964
Due to other funds	847	-	-	-	614	-	191	-	484	-	2,136
Interfund payable	58,448	-	-	-	-	72,191	-	-	-	-	130,639
Other	176	-	-	-	-	-	-	-	-	938,056	938,232
Advances from other funds	40,000	-	-	-	-	-	-	-	-	-	40,000
<b>Total liabilities</b>	<b>131,777</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,449</b>	<b>78,795</b>	<b>128,283</b>	<b>8,445</b>	<b>6,459</b>	<b>1,143,224</b>	<b>1,499,432</b>
<b>FUND BALANCES</b>											
Reserved for inventories	-	-	-	-	-	-	37,353	-	-	-	37,353
Reserved for recreation	-	158,439	-	-	-	-	-	-	-	-	158,439
Reserved for public safety	-	62,099	-	-	-	-	-	-	-	-	62,099
Reserved for fire equipment	-	342,456	-	-	-	-	-	-	-	-	342,456
Reserved for median strips	-	91,652	-	-	-	-	-	-	-	-	91,652
Unreserved, designated for encumbrances	-	-	-	-	-	-	934,650	247,065	33,934	170,542	1,386,191
Unreserved, designated for subsequent year's expenditures	-	-	1,500,000	1,500,000	5,130,190	-	300,000	2,498,747	1,566,491	976,667	13,472,095
Unreserved, undesignated	-	-	185,249	22,161,006	1,750,384	(78,795)	274,860	5,150,749	-	6,388,315	35,831,768
<b>Total fund balances</b>	<b>-</b>	<b>654,646</b>	<b>1,685,249</b>	<b>23,661,006</b>	<b>6,880,574</b>	<b>(78,795)</b>	<b>1,546,863</b>	<b>7,896,561</b>	<b>1,600,425</b>	<b>7,535,524</b>	<b>51,382,053</b>
<b>Total liabilities and fund balances</b>	<b>\$ 131,777</b>	<b>\$ 654,646</b>	<b>\$ 1,685,249</b>	<b>\$ 23,661,006</b>	<b>\$ 6,883,023</b>	<b>\$ -</b>	<b>\$ 1,675,146</b>	<b>\$ 7,905,006</b>	<b>\$ 1,606,884</b>	<b>\$ 8,678,748</b>	<b>\$ 52,881,485</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, 2008

	Community Development Block Grant	Impact Fees	Open Space Preservation	Economic & Job Growth	Emergency Management	Urban Area Security Initiative Grant	Fuel and Roadway	Vehicle Replacement	State Housing Initiatives Partnership Grant	Police Confiscation	Total Nonmajor Special Revenue Funds
<b>REVENUES</b>											
Local option fuel tax	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,624,496	\$ -	\$ -	\$ -	\$ 1,624,496
Intergovernmental	905,419	-	-	-	-	-	-	-	688,510	-	1,593,929
Judgments, fines and forfeitures	-	-	-	-	-	-	-	-	-	7,162,317	7,162,317
Impact fees	-	138,514	-	-	-	-	-	-	-	-	138,514
Investment earnings	-	18,347	32,108	451,473	93,526	-	22,839	143,826	35,497	58,717	856,333
Miscellaneous	56,617	-	-	-	-	-	131,455	1,036	17,657	7,211	213,976
<b>Total revenues</b>	<b>962,036</b>	<b>156,861</b>	<b>32,108</b>	<b>451,473</b>	<b>93,526</b>	<b>-</b>	<b>1,778,790</b>	<b>144,862</b>	<b>741,664</b>	<b>7,228,245</b>	<b>11,589,565</b>
<b>EXPENDITURES</b>											
<b>Current:</b>											
General government	-	-	-	-	-	-	-	36,969	-	-	36,969
Public safety	72,240	-	-	-	215,570	-	-	-	-	1,075,021	1,362,831
Economic development	794,488	-	-	50,000	-	-	-	-	1,036,608	-	1,881,096
Human services	42,441	-	-	-	-	-	-	-	-	-	42,441
Transportation	52,867	-	-	-	-	-	823,163	-	-	-	876,030
Capital outlay	-	-	-	-	8,310	78,795	685,544	72,002	-	271,244	1,115,895
<b>Total expenditures</b>	<b>962,036</b>	<b>-</b>	<b>-</b>	<b>50,000</b>	<b>223,880</b>	<b>78,795</b>	<b>1,508,707</b>	<b>108,971</b>	<b>1,036,608</b>	<b>1,346,265</b>	<b>5,315,262</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>-</b>	<b>156,861</b>	<b>32,108</b>	<b>401,473</b>	<b>(130,354)</b>	<b>(78,795)</b>	<b>270,083</b>	<b>35,891</b>	<b>(294,944)</b>	<b>5,881,980</b>	<b>6,274,303</b>
<b>OTHER FINANCING SOURCES (USES)</b>											
<b>Transfers in:</b>											
General fund	-	-	-	3,407,538	-	-	-	-	-	-	3,407,538
Special revenue fund:											
Economic & Job Growth	-	-	-	-	3,400,000	-	-	-	-	-	3,400,000
Capital projects fund:											
Public Facilities	-	-	-	-	-	-	-	1,700,000	-	-	1,700,000
<b>Transfers out:</b>											
Special revenue fund:											
Emergency Management	-	-	-	(3,400,000)	-	-	-	-	-	-	(3,400,000)
Capital projects fund:											
Capital Improvement	-	(1,350,000)	-	-	-	-	-	-	-	-	(1,350,000)
<b>Total other financing sources and (uses)</b>	<b>-</b>	<b>(1,350,000)</b>	<b>-</b>	<b>7,538</b>	<b>3,400,000</b>	<b>-</b>	<b>-</b>	<b>1,700,000</b>	<b>-</b>	<b>-</b>	<b>3,757,538</b>
<b>Net change in fund balances</b>	<b>-</b>	<b>(1,193,139)</b>	<b>32,108</b>	<b>409,011</b>	<b>3,269,646</b>	<b>(78,795)</b>	<b>270,083</b>	<b>1,735,891</b>	<b>(294,944)</b>	<b>5,881,980</b>	<b>10,031,841</b>
<b>Fund balances - beginning (restatement)</b>	<b>-</b>	<b>1,847,785</b>	<b>1,653,141</b>	<b>23,251,995</b>	<b>3,610,928</b>	<b>-</b>	<b>1,276,780</b>	<b>6,160,670</b>	<b>1,895,369</b>	<b>1,653,544</b>	<b>41,350,212</b>
<b>Fund balances - ending</b>	<b>\$ -</b>	<b>\$ 654,646</b>	<b>\$ 1,685,249</b>	<b>\$ 23,661,006</b>	<b>\$ 6,880,574</b>	<b>\$ (78,795)</b>	<b>\$ 1,546,863</b>	<b>\$ 7,896,561</b>	<b>\$ 1,600,425</b>	<b>\$ 7,535,524</b>	<b>\$ 51,382,053</b>

CITY OF SUNRISE, FLORIDA  
 COMBINING BALANCE SHEET  
 NONMAJOR DEBT SERVICE FUNDS  
 SEPTEMBER 30, 2008

	Public Improvement	Special Recreation District Phase I	Special Recreation District Phase II	Special Tax District No. 1	Total Nonmajor Debt Service Funds
<b>ASSETS</b>					
Cash and cash equivalents	\$ 1,039,690	\$ 227,310	\$ 256,779	\$ -	\$ 1,523,779
Investments	2,924,868	-	-	6,468,568	9,393,436
Interest receivable	15,825	-	-	6,277	22,102
Franchise fees receivable	623,230	-	-	-	623,230
Special assessments receivable	-	2,794,573	1,404,439	-	4,199,012
<b>Total assets</b>	<b>\$ 4,603,613</b>	<b>\$ 3,021,883</b>	<b>\$ 1,661,218</b>	<b>\$ 6,474,845</b>	<b>\$ 15,761,559</b>
<b>LIABILITIES</b>					
Accounts payable	\$ 40	\$ 29	\$ 28	\$ 51,859	\$ 51,956
Due to other funds	-	-	-	235	235
Matured bonds payable	-	170,000	220,000	1,405,000	1,795,000
Matured interest payable	-	52,735	31,507	585,019	669,261
Deferred revenue	-	2,794,573	1,404,439	-	4,199,012
<b>Total liabilities</b>	<b>40</b>	<b>3,017,337</b>	<b>1,655,974</b>	<b>2,042,113</b>	<b>6,715,464</b>
<b>FUND BALANCES</b>					
Unreserved, designated for encumbrances	-	-	-	7,000	7,000
Unreserved, designated for subsequent year's expenditures	-	-	-	220,000	220,000
Unreserved, undesignated	4,603,573	4,546	5,244	4,205,732	8,819,095
<b>Total fund balances</b>	<b>4,603,573</b>	<b>4,546</b>	<b>5,244</b>	<b>4,432,732</b>	<b>9,046,095</b>
<b>Total liabilities and fund balances</b>	<b>\$ 4,603,613</b>	<b>\$ 3,021,883</b>	<b>\$ 1,661,218</b>	<b>\$ 6,474,845</b>	<b>\$ 15,761,559</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, 2008

	Public Improvement	Special Recreation District Phase I	Special Recreation District Phase II	Special Tax District No. 1	Total Nonmajor Debt Service Funds
<b>REVENUES</b>					
Property taxes	\$ -	\$ -	\$ -	\$ 2,397,365	\$ 2,397,365
Franchise fees	6,139,228	-	-	-	6,139,228
Special assessments	-	271,200	277,800	-	549,000
Investment earnings	96,350	2,936	3,118	136,643	239,047
<b>Total revenues</b>	<u>6,235,578</u>	<u>274,136</u>	<u>280,918</u>	<u>2,534,008</u>	<u>9,324,640</u>
<b>EXPENDITURES</b>					
<b>Debt service:</b>					
Principal	-	170,000	220,000	1,405,000	1,795,000
Interest	-	105,471	63,014	1,170,038	1,338,523
Other	480	523	340	67,000	68,343
<b>Total expenditures</b>	<u>480</u>	<u>275,994</u>	<u>283,354</u>	<u>2,642,038</u>	<u>3,201,866</u>
<b>Excess (deficiency) of revenues     over (under) expenditures</b>	<u>6,235,098</u>	<u>(1,858)</u>	<u>(2,436)</u>	<u>(108,030)</u>	<u>6,122,774</u>
<b>OTHER FINANCING USES</b>					
<b>Transfers out:</b>					
General fund	<u>(4,740,036)</u>	-	-	-	<u>(4,740,036)</u>
<b>Net change in fund balances</b>	<u>1,495,062</u>	<u>(1,858)</u>	<u>(2,436)</u>	<u>(108,030)</u>	<u>1,382,738</u>
Fund balances - beginning	<u>3,108,511</u>	<u>6,404</u>	<u>7,680</u>	<u>4,540,762</u>	<u>7,663,357</u>
Fund balances - ending	<u>\$ 4,603,573</u>	<u>\$ 4,546</u>	<u>\$ 5,244</u>	<u>\$ 4,432,732</u>	<u>\$ 9,046,095</u>

CITY OF SUNRISE, FLORIDA  
 COMBINING BALANCE SHEET  
 NONMAJOR CAPITAL PROJECTS FUNDS  
 SEPTEMBER 30, 2008

	Public Facilities	Special Tax District No. 1 Capital Projects	Total Nonmajor Capital Projects Funds
<b>ASSETS</b>			
Cash and cash equivalents	\$ 68,574	\$ 1,773,189	\$ 1,841,763
Investments	50,876	-	50,876
Interest receivable	177	-	177
<b>Total assets</b>	<b>\$ 119,627</b>	<b>\$ 1,773,189</b>	<b>\$ 1,892,816</b>
<b>LIABILITIES</b>			
Accounts payable	\$ -	\$ 38	\$ 38
Retainage payable	-	316,193	316,193
<b>Total liabilities</b>	<b>-</b>	<b>316,231</b>	<b>316,231</b>
<b>FUND BALANCES</b>			
Unreserved, undesignated	119,627	1,456,958	1,576,585
<b>Total liabilities and fund balances</b>	<b>\$ 119,627</b>	<b>\$ 1,773,189</b>	<b>\$ 1,892,816</b>

**CITY OF SUNRISE, FLORIDA  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
 NONMAJOR CAPITAL PROJECTS FUNDS  
 FOR THE YEAR ENDED SEPTEMBER 30, 2008**

	<b>Public Facilities</b>	<b>Special Tax District No. 1 Capital Projects</b>	<b>Total Nonmajor Capital Projects Funds</b>
<b>REVENUES</b>			
Investment earnings	\$ 10,366	\$ 52,737	\$ 63,103
<b>EXPENDITURES</b>			
Capital outlay	-	467	467
Excess of revenues over expenditures	10,366	52,270	62,636
<b>OTHER FINANCING USES</b>			
Transfers out:			
Special revenue fund:			
Vehicle Replacement	(1,700,000)	-	(1,700,000)
Net change in fund balances	(1,689,634)	52,270	(1,637,364)
Fund balances - beginning	1,809,261	1,404,688	3,213,949
Fund balances - ending	\$ 119,627	\$ 1,456,958	\$ 1,576,585

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, 2008

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
<b>REVENUES</b>			
Intergovernmental	\$ 1,745,822	\$ 905,419	\$ (840,403)
Miscellaneous	75,000	56,617	(18,383)
<b>Total revenues</b>	<u>1,820,822</u>	<u>962,036</u>	<u>(858,786)</u>
<b>EXPENDITURES</b>			
Current:			
Public safety	72,240	72,240	-
Economic development	1,648,573	794,488	854,085
Human services	57,000	42,441	14,559
Transportation	53,305	52,867	438
<b>Total expenditures</b>	<u>1,831,118</u>	<u>962,036</u>	<u>869,082</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(10,296)</b>	<b>-</b>	<b>10,296</b>
Fund balances - beginning	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances - ending	<u>\$ (10,296)</u>	<u>\$ -</u>	<u>\$ 10,296</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, 2008**

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
<b>REVENUES</b>			
Impact fees	\$ 30,900	\$ 138,514	\$ 107,614
Investment earnings	80,000	18,347	(61,653)
<b>Total revenues</b>	<b>110,900</b>	<b>156,861</b>	<b>45,961</b>
<b>Excess of revenues over expenditures</b>	<b>110,900</b>	<b>156,861</b>	<b>45,961</b>
<b>OTHER FINANCING USES</b>			
Transfers out	(1,350,000)	(1,350,000)	-
<b>Net change in fund balances</b>	<b>(1,239,100)</b>	<b>(1,193,139)</b>	<b>45,961</b>
<b>Fund balances - beginning</b>	<b>1,847,785</b>	<b>1,847,785</b>	<b>-</b>
<b>Fund balances - ending</b>	<b>\$ 608,685</b>	<b>\$ 654,646</b>	<b>\$ 45,961</b>

**CITY OF SUNRISE, FLORIDA**  
**OPEN SPACE PRESERVATION SPECIAL REVENUE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2008**

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
<b>REVENUES</b>			
Investment earnings	\$ -	\$ 32,108	\$ 32,108
<b>EXPENDITURES</b>			
Capital outlay	1,500,000	-	1,500,000
Excess (deficiency) of revenues over (under) expenditures	(1,500,000)	32,108	1,532,108
Fund balances - beginning	1,653,141	1,653,141	-
Fund balances - ending	\$ 153,141	\$ 1,685,249	\$ 1,532,108

**CITY OF SUNRISE, FLORIDA  
ECONOMIC & JOB GROWTH  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
FOR THE YEAR ENDED SEPTEMBER 30, 2008**

	<u>Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
<b>REVENUES</b>			
Investment earnings	\$ -	\$ 451,473	\$ 451,473
<b>EXPENDITURES</b>			
Current:			
Economic development	<u>1,500,000</u>	<u>50,000</u>	<u>1,450,000</u>
Excess (deficiency) of revenues over (under) expenditures	(1,500,000)	401,473	1,901,473
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	3,407,538	3,407,538	-
Transfers out	<u>(3,400,000)</u>	<u>(3,400,000)</u>	-
Total other financing sources (uses)	<u>7,538</u>	<u>7,538</u>	-
Net change in fund balances	(1,492,462)	409,011	1,901,473
Fund balances - beginning (restatement)	<u>23,251,995</u>	<u>23,251,995</u>	-
Fund balances - ending	<u>\$ 21,759,533</u>	<u>\$ 23,661,006</u>	<u>\$ 1,901,473</u>

**CITY OF SUNRISE, FLORIDA  
EMERGENCY MANAGEMENT SPECIAL REVENUE FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
FOR THE YEAR ENDED SEPTEMBER 30, 2008**

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
<b>REVENUES</b>			
Intergovernmental	\$ 500,000	\$ -	\$ (500,000)
Investment earnings	-	93,526	93,526
<b>Total revenues</b>	<u>500,000</u>	<u>93,526</u>	<u>(406,474)</u>
<b>EXPENDITURES</b>			
Current:			
Public safety	6,252,456	215,570	6,036,886
Capital outlay	8,325	8,310	15
<b>Total expenditures</b>	<u>6,260,781</u>	<u>223,880</u>	<u>6,036,901</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	(5,760,781)	(130,354)	5,630,427
<b>OTHER FINANCING SOURCES</b>			
Transfers in	3,400,000	-	(3,400,000)
<b>Net change in fund balances</b>	(2,360,781)	(130,354)	2,230,427
Fund balances - beginning	3,610,928	3,610,928	-
Fund balances - ending	<u>\$ 1,250,147</u>	<u>\$ 3,480,574</u>	<u>\$ 2,230,427</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, 2008**

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
<b>REVENUES</b>			
Intergovernmental	\$ 353,369	\$ -	\$ (353,369)
<b>EXPENDITURES</b>			
Capital outlay	420,247	78,795	341,452
Deficiency of revenues under expenditures	(66,878)	(78,795)	(11,917)
Fund balances - beginning	-	-	-
Fund balances - ending	<u>\$ (66,878)</u>	<u>\$ (78,795)</u>	<u>\$ (11,917)</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, 2008

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
<b>REVENUES</b>			
Local option fuel tax	\$ 1,650,000	\$ 1,624,496	\$ (25,504)
Investment earnings	75,000	22,839	(52,161)
Miscellaneous	98,000	131,455	33,455
<b>Total revenues</b>	<u>1,823,000</u>	<u>1,778,790</u>	<u>(44,210)</u>
<b>EXPENDITURES</b>			
Current:			
Transportation	970,796	823,163	147,633
Capital outlay	1,690,731	685,544	1,005,187
<b>Total expenditures</b>	<u>2,661,527</u>	<u>1,508,707</u>	<u>1,152,820</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	(838,527)	270,083	1,108,610
Fund balances - beginning	1,276,780	1,276,780	-
Fund balances - ending	<u>\$ 438,253</u>	<u>\$ 1,546,863</u>	<u>\$ 1,108,610</u>

CITY OF SUNRISE, FLORIDA  
 VEHICLE REPLACEMENT SPECIAL REVENUE FUND  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
 FOR THE YEAR ENDED SEPTEMBER 30, 2008

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
<b>REVENUES</b>			
Investment earnings	\$ 55,601	\$ 143,826	\$ 88,225
Miscellaneous	-	1,036	1,036
Total revenues	<u>55,601</u>	<u>144,862</u>	<u>89,261</u>
<b>EXPENDITURES</b>			
Current:			
General government	55,601	36,969	18,632
Capital outlay	7,254,988	72,002	7,182,986
Total expenditures	<u>7,310,589</u>	<u>108,971</u>	<u>7,201,618</u>
Excess (deficiency) of revenues over (under) expenditures	(7,254,988)	35,891	7,290,879
<b>OTHER FINANCING SOURCES</b>			
Transfers in	<u>1,700,000</u>	<u>1,700,000</u>	-
Net change in fund balances	(5,554,988)	1,735,891	7,290,879
Fund balances - beginning	<u>6,160,670</u>	<u>6,160,670</u>	-
Fund balances - ending	<u>\$ 605,682</u>	<u>\$ 7,896,561</u>	<u>\$ 7,290,879</u>

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, 2008

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
<b>REVENUES</b>			
Intergovernmental	\$ 805,395	\$ 688,510	\$ (116,885)
Investment earnings	85,000	35,497	(49,503)
Miscellaneous	150,000	17,657	(132,343)
Total revenues	<u>1,040,395</u>	<u>741,664</u>	<u>(298,731)</u>
<b>EXPENDITURES</b>			
Current:			
Economic development	<u>2,935,764</u>	<u>1,036,608</u>	<u>1,899,156</u>
Excess (deficiency) of revenues over (under) expenditures	(1,895,369)	(294,944)	1,600,425
Fund balances - beginning	<u>1,895,369</u>	<u>1,895,369</u>	<u>-</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ 1,600,425</u>	<u>\$ 1,600,425</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, 2008

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
<b>REVENUES</b>			
Judgments, fines and forfeitures	\$ -	\$ 7,162,317	\$ 7,162,317
Investment earnings	-	58,717	58,717
Miscellaneous	30,000	7,211	(22,789)
Total revenues	<u>30,000</u>	<u>7,228,245</u>	<u>7,198,245</u>
<b>EXPENDITURES</b>			
Current:			
Public safety	1,422,618	1,075,021	347,597
Capital outlay	453,185	271,244	181,941
Total expenditures	<u>1,875,803</u>	<u>1,346,265</u>	<u>529,538</u>
Excess (deficiency) of revenues over (under) expenditures	(1,845,803)	5,881,980	7,727,783
Fund balances - beginning	1,653,544	1,653,544	-
Fund balances - ending	<u>\$ (192,259)</u>	<u>\$ 7,535,524</u>	<u>\$ 7,727,783</u>

CITY OF SUNRISE, FLORIDA  
PUBLIC IMPROVEMENT DEBT SERVICE FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
FOR THE YEAR ENDED SEPTEMBER 30, 2008

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
<b>REVENUES</b>			
Franchise fees	\$ 6,425,000	\$ 6,139,228	\$ (285,772)
Investment earnings	235,000	96,350	(138,650)
<b>Total revenues</b>	<b>6,660,000</b>	<b>6,235,578</b>	<b>(424,422)</b>
<b>EXPENDITURES</b>			
Debt service:			
Principal	995,000	-	995,000
Interest	921,264	-	921,264
Bond issuance costs	449,648	-	449,648
Other	3,700	480	3,220
<b>Total expenditures</b>	<b>2,369,612</b>	<b>480</b>	<b>2,369,132</b>
<b>Excess of revenues over expenditures</b>	<b>4,290,388</b>	<b>6,235,098</b>	<b>1,944,710</b>
<b>OTHER FINANCING SOURCES (USES)</b>			
Revenue bonds issued	449,648	-	(449,648)
Transfers out	(4,740,036)	(4,740,036)	-
<b>Total other financing sources (uses)</b>	<b>(4,290,388)</b>	<b>(4,740,036)</b>	<b>(449,648)</b>
<b>Net change in fund balances</b>	<b>-</b>	<b>1,495,062</b>	<b>1,495,062</b>
Fund balances - beginning	3,108,511	3,108,511	-
Fund balances - ending	<b>\$ 3,108,511</b>	<b>\$ 4,603,573</b>	<b>\$ 1,495,062</b>

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, 2008

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
<b>REVENUES</b>			
Special assessments	\$ 271,200	\$ 271,200	\$ -
Investment earnings	2,936	2,936	-
Total revenues	<u>274,136</u>	<u>274,136</u>	<u>-</u>
<b>EXPENDITURES</b>			
Debt service:			
Principal	170,000	170,000	-
Interest	105,471	105,471	-
Other	523	523	-
Total expenditures	<u>275,994</u>	<u>275,994</u>	<u>-</u>
Deficiency of revenues under expenditures	(1,858)	(1,858)	-
Fund balances - beginning	<u>6,404</u>	<u>6,404</u>	<u>-</u>
Fund balances - ending	<u>\$ 4,546</u>	<u>\$ 4,546</u>	<u>\$ -</u>

CITY OF SUNRISE, FLORIDA  
SPECIAL RECREATION DISTRICT PHASE II DEBT SERVICE FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
FOR THE YEAR ENDED SEPTEMBER 30, 2008

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
<b>REVENUES</b>			
Special assessments	\$ 277,800	\$ 277,800	\$ -
Investment earnings	3,118	3,118	-
Total revenues	<u>280,918</u>	<u>280,918</u>	<u>-</u>
<b>EXPENDITURES</b>			
Debt service:			
Principal	220,000	220,000	-
Interest	63,014	63,014	-
Other	340	340	-
Total expenditures	<u>283,354</u>	<u>283,354</u>	<u>-</u>
Deficiency of revenues under expenditures	(2,436)	(2,436)	-
Fund balances - beginning	<u>7,680</u>	<u>7,680</u>	<u>-</u>
Fund balances - ending	<u>\$ 5,244</u>	<u>\$ 5,244</u>	<u>\$ -</u>

CITY OF SUNRISE, FLORIDA  
SPECIAL TAX DISTRICT NO. 1 DEBT SERVICE FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
FOR THE YEAR ENDED SEPTEMBER 30, 2008

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
<b>REVENUES</b>			
Property taxes	\$ 2,456,023	\$ 2,397,365	\$ (58,658)
Investment earnings	-	136,643	136,643
<b>Total revenues</b>	<u>2,456,023</u>	<u>2,534,008</u>	<u>77,985</u>
<b>EXPENDITURES</b>			
Debt service:			
Principal	1,405,000	1,405,000	-
Interest	1,170,038	1,170,038	-
Other	70,985	67,000	3,985
<b>Total expenditures</b>	<u>2,646,023</u>	<u>2,642,038</u>	<u>3,985</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(190,000)</b>	<b>(108,030)</b>	<b>81,970</b>
<b>Fund balances - beginning</b>	<u>4,540,762</u>	<u>4,540,762</u>	<u>-</u>
<b>Fund balances - ending</b>	<u><u>\$ 4,350,762</u></u>	<u><u>\$ 4,432,732</u></u>	<u><u>\$ 81,970</u></u>

CITY OF SUNRISE, FLORIDA  
PUBLIC SERVICE TAX DEBT SERVICE FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
FOR THE YEAR ENDED SEPTEMBER 30, 2008

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
<b>REVENUES</b>			
Utility service taxes	\$ 6,680,000	\$ 6,764,876	\$ 84,876
Communications services taxes	3,650,000	3,871,633	221,633
Investment earnings	150,000	101,188	(48,812)
Total revenues	<u>10,480,000</u>	<u>10,737,697</u>	<u>257,697</u>
<b>EXPENDITURES</b>			
Debt service:			
Principal	2,197,372	5,080,000	(2,882,628)
Interest	3,392,683	510,055	2,882,628
Other	20,128	20,128	-
Total expenditures	<u>5,610,183</u>	<u>5,610,183</u>	<u>-</u>
Excess of revenues over expenditures	4,869,817	5,127,514	257,697
<b>OTHER FINANCING USES</b>			
Transfers out	<u>(7,372,945)</u>	<u>(7,372,945)</u>	<u>-</u>
Net change in fund balances	(2,503,128)	(2,245,431)	257,697
Fund balances - beginning	<u>3,483,539</u>	<u>3,483,539</u>	<u>-</u>
Fund balances - ending	<u>\$ 980,411</u>	<u>\$ 1,238,108</u>	<u>\$ 257,697</u>

CITY OF SUNRISE, FLORIDA  
PUBLIC FACILITIES CAPITAL PROJECTS FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
FOR THE YEAR ENDED SEPTEMBER 30, 2008

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
<b>REVENUES</b>			
Investment earnings	\$ -	\$ 10,366	\$ 10,366
<b>EXPENDITURES</b>			
Current:			
General government	500	-	500
Excess (deficiency) of revenues over (under) expenditures	(500)	10,366	10,866
<b>OTHER FINANCING USES</b>			
Transfers out	(1,700,000)	(1,700,000)	-
Net change in fund balances	(1,700,500)	(1,689,634)	10,866
Fund balances - beginning	1,809,261	1,809,261	-
Fund balances - ending	<u>\$ 108,761</u>	<u>\$ 119,627</u>	<u>\$ 10,866</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, 2008

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
<b>REVENUES</b>			
Investment earnings	\$ -	\$ 52,737	\$ 52,737
<b>EXPENDITURES</b>			
Capital outlay	1,297,465	467	1,296,998
Excess (deficiency) of revenues over (under) expenditures	(1,297,465)	52,270	1,349,735
Fund balances - beginning	1,404,688	1,404,688	-
Fund balances - ending	<u>\$ 107,223</u>	<u>\$ 1,456,958</u>	<u>\$ 1,349,735</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, 2008

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
<b>REVENUES</b>			
Intergovernmental	\$ 2,482,043	\$ 980,000	\$ (1,502,043)
Investment earnings	2,500,000	1,236,875	(1,263,125)
Miscellaneous	-	11,575	11,575
<b>Total revenues</b>	<u>4,982,043</u>	<u>2,228,450</u>	<u>(2,753,593)</u>
<b>EXPENDITURES</b>			
Current:			
General government	9,139	-	9,139
Capital outlay	86,710,528	6,985,034	79,725,494
<b>Total expenditures</b>	<u>86,719,667</u>	<u>6,985,034</u>	<u>79,734,633</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	(81,737,624)	(4,756,584)	76,981,040
<b>OTHER FINANCING SOURCES</b>			
Revenue bonds issued	20,000,636	-	(20,000,636)
Transfers in	6,050,000	6,050,000	-
<b>Total other financing sources</b>	<u>26,050,636</u>	<u>6,050,000</u>	<u>(20,000,636)</u>
<b>Net change in fund balances</b>	(55,686,988)	1,293,416	56,980,404
Fund balances - beginning	62,133,973	62,133,973	-
Fund balances - ending	<u>\$ 6,446,985</u>	<u>\$ 63,427,389</u>	<u>\$ 56,980,404</u>

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# *Nonmajor Proprietary Funds*

## *Enterprise Funds*

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

### *Recycling Fund*

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

### *Stormwater Fund*

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

### *Golf Course Fund*

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

CITY OF SUNRISE, FLORIDA  
 COMBINING STATEMENT OF NET ASSETS  
 NONMAJOR ENTERPRISE FUNDS  
 SEPTEMBER 30, 2008

	Recycling	Stormwater	Golf Course	Total Nonmajor Enterprise Funds
<b>ASSETS</b>				
<b>Current assets:</b>				
Cash and cash equivalents	\$ 339,732	\$ 305,633	\$ 275,756	\$ 921,121
Investments	298,788	182,908	180,931	662,627
Interest receivable	1,184	697	651	2,532
Accounts receivable, net of allowance for uncollectibles	10,601	170,064	-	180,665
Other receivables	-	892	873	1,765
Intergovernmental receivable	83,324	-	-	83,324
Inventories	-	63,277	1,766	65,043
Prepaid items	-	-	1,750	1,750
Total current assets	<u>733,629</u>	<u>723,471</u>	<u>461,727</u>	<u>1,918,827</u>
<b>Noncurrent assets:</b>				
<b>Capital assets:</b>				
Land	-	-	1,223,300	1,223,300
Buildings and system	-	756,271	-	756,271
Improvements other than buildings	-	994,504	13,826	1,008,330
Machinery and equipment	12,109	390,938	348,040	751,087
Vehicles	18,223	603,908	34,724	656,855
Construction in progress	-	2,211,241	-	2,211,241
Less accumulated depreciation	(27,426)	(1,198,455)	(231,069)	(1,456,950)
Total capital assets, net of accumulated depreciation	<u>2,906</u>	<u>3,758,407</u>	<u>1,388,821</u>	<u>5,150,134</u>
Total assets	<u>736,535</u>	<u>4,481,878</u>	<u>1,850,548</u>	<u>7,068,961</u>
<b>LIABILITIES</b>				
<b>Current liabilities:</b>				
Accounts payable	87,478	4,413	59,624	151,515
Accrued liabilities	164	16,773	16,324	33,261
Due to other funds	154	5,202	3,285	8,641
Interfund payable	-	74,977	-	74,977
Compensated absences	206	14,962	9,856	25,024
Intergovernmental payable	-	-	1,304	1,304
Total current liabilities	<u>88,002</u>	<u>116,327</u>	<u>90,393</u>	<u>294,722</u>
<b>Noncurrent liabilities:</b>				
Compensated absences	8,737	169,163	73,707	251,607
Other post employment benefits	2,008	56,904	36,820	95,732
Retiree subsidy	2,350	61,975	43,085	107,410
Advances from other funds	-	760,327	-	760,327
Total noncurrent liabilities	<u>13,095</u>	<u>1,048,369</u>	<u>153,612</u>	<u>1,215,076</u>
Total liabilities	<u>101,097</u>	<u>1,164,696</u>	<u>244,005</u>	<u>1,509,798</u>
<b>NET ASSETS</b>				
Invested in capital assets, net of related debt	2,906	3,758,407	1,388,821	5,150,134
Unrestricted	632,532	(441,225)	217,722	409,029
Total net assets	<u>\$ 635,438</u>	<u>\$ 3,317,182</u>	<u>\$ 1,606,543</u>	<u>\$ 5,559,163</u>

**CITY OF SUNRISE, FLORIDA**  
**COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS**  
**NONMAJOR ENTERPRISE FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2008**

	<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>				
<b>Fees</b>	<b>\$ 170,265</b>	<b>\$ 2,013,498</b>	<b>\$ 565,554</b>	<b>\$ 2,749,317</b>
<b>Operating expenses:</b>				
<b>Costs of sales and services:</b>				
Power, water and wastewater purchases	-	6,821	72,913	79,734
Chemical purchases	-	35,231	87,357	122,588
Recycling charges	499,360	-	-	499,360
Materials and supplies	238	24,721	77,817	102,776
Repairs and maintenance	-	47,374	34,687	82,061
Salaries, wages and employee benefits	35,011	1,082,698	914,956	2,032,665
Insurance and other expenses	119	150,371	160,978	311,468
Administrative fees	28,822	291,404	150,940	471,166
Depreciation	1,163	154,608	34,909	190,680
<b>Total operating expenses</b>	<b>564,713</b>	<b>1,793,228</b>	<b>1,534,557</b>	<b>3,892,498</b>
<b>Operating income (loss)</b>	<b>(394,448)</b>	<b>220,270</b>	<b>(969,003)</b>	<b>(1,143,181)</b>
<b>Non-operating revenues (expenses):</b>				
Investment earnings	15,007	14,749	7,491	37,247
Interest expense	-	(47,593)	-	(47,593)
Loss on sale of capital assets	-	(3,074)	(3,029)	(6,103)
Sale of recyclable materials	326,491	-	-	326,491
Other	-	1,636	9,228	10,864
<b>Total non-operating revenues (expenses)</b>	<b>341,498</b>	<b>(34,282)</b>	<b>13,690</b>	<b>320,906</b>
<b>Income (loss) before transfers</b>	<b>(52,950)</b>	<b>185,988</b>	<b>(955,313)</b>	<b>(822,275)</b>
<b>Transfers in</b>	<b>-</b>	<b>-</b>	<b>1,000,233</b>	<b>1,000,233</b>
<b>Change in net assets</b>	<b>(52,950)</b>	<b>185,988</b>	<b>44,920</b>	<b>177,958</b>
<b>Total net assets - beginning</b>	<b>688,388</b>	<b>3,131,194</b>	<b>1,561,623</b>	<b>5,381,205</b>
<b>Total net assets - ending</b>	<b>\$ 635,438</b>	<b>\$ 3,317,182</b>	<b>\$ 1,606,543</b>	<b>\$ 5,559,163</b>

CITY OF SUNRISE, FLORIDA  
 COMBINING STATEMENT OF CASH FLOWS  
 NONMAJOR ENTERPRISE FUNDS  
 FOR THE YEAR ENDED SEPTEMBER 30, 2008

	Recycling	Stormwater	Golf Course	Total Nonmajor Enterprise Funds
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Receipts from customers and users	\$ 485,616	\$ 2,014,480	\$ 574,438	\$ 3,074,534
Payments to suppliers	(529,931)	(482,503)	(410,589)	(1,423,023)
Payments to and for employees	(33,824)	(880,728)	(785,508)	(1,700,060)
Payments for interfund services used	(29,074)	(342,231)	(174,120)	(545,425)
Net cash provided (used) by operating activities	<u>(107,213)</u>	<u>309,018</u>	<u>(795,779)</u>	<u>(593,974)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Transfer from other funds	-	-	1,000,233	1,000,233
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Acquisition and construction of capital assets	-	(1,028,949)	(48,076)	(1,077,025)
Interest paid on capital debt	-	(47,593)	-	(47,593)
Proceeds from sales of capital assets	-	381	1,476	1,857
Advances from other funds	-	(71,237)	-	(71,237)
Net cash (used) by capital and related financing activities	<u>-</u>	<u>(1,147,398)</u>	<u>(46,600)</u>	<u>(1,193,998)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Proceeds from sales and maturities of investments	148,614	163,877	76,521	389,012
Purchase of investments	(453,099)	(357,008)	(260,341)	(1,070,448)
Interest and dividends received	19,520	24,275	9,729	53,524
Net cash provided by investing activities	<u>(284,965)</u>	<u>(168,856)</u>	<u>(174,091)</u>	<u>(627,912)</u>
Net increase in cash and cash equivalents	(392,178)	(1,007,236)	(16,237)	(1,415,651)
Cash and cash equivalents, October 1	<u>731,910</u>	<u>1,312,869</u>	<u>291,993</u>	<u>2,336,772</u>
Cash and cash equivalents, September 30	<u>\$ 339,732</u>	<u>\$ 305,633</u>	<u>\$ 275,756</u>	<u>\$ 921,121</u>

	Recycling	Stormwater	Golf Course	Total Nonmajor Enterprise Funds
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>				
Operating income (loss)	\$ (394,448)	\$ 220,270	\$ (969,003)	\$ (1,143,181)
<b>Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:</b>				
Miscellaneous non-operating income from by-products of recycling activities	326,491	-	-	326,491
Miscellaneous non-operating income	-	1,636	9,228	10,864
Depreciation expense	1,163	154,608	34,909	190,680
(Increase) decrease in accounts receivable	(39)	2,314	2,936	5,211
(Increase) decrease in other receivables	-	(142)	345	203
(Increase) in intergovernmental receivables	(10,982)	-	-	(10,982)
(Increase) in inventories	-	(11,644)	(1,124)	(12,768)
(Increase) in prepaid items	-	-	(50)	(50)
Increase (decrease) in accounts payable	(30,333)	(105,491)	21,173	(114,651)
Increase (decrease) in accrued liabilities	(425)	3,795	4,115	7,485
Increase in due to other funds	79	3,800	2,415	6,294
(Decrease) in intergovernmental payables	-	-	(223)	(223)
(Decrease) in other liabilities, current	-	-	(23)	(23)
(Decrease) in retainage payable	-	(103,644)	-	(103,644)
Increase (decrease) in compensated absences payable	(3,077)	24,637	19,618	41,178
Increase in other post employment benefits payable	2,008	56,904	36,820	95,732
Increase in retiree subsidy payable	2,350	61,975	43,085	107,410
Total adjustments	287,235	88,748	173,224	549,207
<b>Net cash provided by (used in) operating activities</b>	<b>\$ (107,213)</b>	<b>\$ 309,018</b>	<b>\$ (795,779)</b>	<b>\$ (593,974)</b>
<b>Noncash investing activities:</b>				
Net decrease in fair value of investments	5,697	10,223	2,889	18,809

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# *Fiduciary Funds*

## *Pension Trust Funds*

*Pension trust funds are used to report resources that are required to be held in trust for the members and beneficiaries of defined benefit pension plans, defined contribution plans, other postemployment benefit plans, or other employee benefit plans.*

*General Employees',  
Police Officers' and  
Firefighters' Pension  
Trust Funds*

*Account for the accumulation of resources to be used for retirement benefit payments to City employees.*

CITY OF SUNRISE, FLORIDA  
 COMBINING STATEMENT OF FIDUCIARY NET ASSETS  
 FIDUCIARY FUNDS  
 SEPTEMBER 30, 2008

	Employee Retirement Funds			
	General Employees' Pension	Police Officers' Pension	Firefighters' Pension	Total Pension Trust Funds
<b>ASSETS</b>				
Cash and cash equivalents	\$ 7,496,656	\$ 1,622,488	\$ 4,927,875	\$ 14,047,019
Receivable from sale of securities	313,611	68,293	-	381,904
Interest and dividends receivable	134,881	253,366	342,017	730,264
Due from other funds	245,268	49,813	231,977	527,058
Other receivables	1,888	17,745	-	19,633
Investments, at fair value:				
U.S. government and agency securities	-	15,750,462	12,338,875	28,089,337
Corporate bonds	603,850	4,575,095	8,176,466	13,355,411
Mutual funds	31,193,172	-	11,228,924	42,422,096
Common stocks	52,027,615	27,439,509	20,038,854	99,505,978
International equity funds	8,573,784	-	4,789,980	13,363,764
Total investments	<u>92,398,421</u>	<u>47,765,066</u>	<u>56,573,099</u>	<u>196,736,586</u>
Prepaid items	-	8,989	-	8,989
Equipment, net of accumulated depreciation of \$25,871	-	1,611	-	1,611
Total assets	<u>100,590,725</u>	<u>49,787,371</u>	<u>62,074,968</u>	<u>212,453,064</u>
<b>LIABILITIES</b>				
Accounts payable	73,223	280,528	87,444	441,195
Prepaid contribution	-	-	187,451	187,451
Total liabilities	<u>73,223</u>	<u>280,528</u>	<u>274,895</u>	<u>628,646</u>
<b>NET ASSETS</b>				
Held in trust for pension benefits	<u>\$ 100,517,502</u>	<u>\$ 49,506,843</u>	<u>\$ 61,800,073</u>	<u>\$ 211,824,418</u>

CITY OF SUNRISE, FLORIDA  
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS  
FIDUCIARY FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2008

	Employee Retirement Funds			
	General Employees' Pension	Police Officers' Pension	Firefighters' Pension	Total Pension Trust Funds
<b>ADDITIONS</b>				
Contributions:				
Employer	\$ 5,977,714	\$ 3,452,681	\$ 1,285,435	\$ 10,715,830
Plan members	2,701,811	1,261,700	1,112,538	5,076,049
Other sources	-	567,623	941,067	1,508,690
Total contributions	<u>8,679,525</u>	<u>5,282,004</u>	<u>3,339,040</u>	<u>17,300,569</u>
Investment earnings:				
Interest	38,855	1,080,769	1,238,965	2,358,589
Dividends	2,008,695	522,372	851,245	3,382,312
Net increase (decrease) in fair value of investments	(17,721,971)	(7,747,904)	(10,085,707)	(35,555,582)
Other	19,679	14,164	6,227	40,070
Total investment earnings	<u>(15,654,742)</u>	<u>(6,130,599)</u>	<u>(7,989,270)</u>	<u>(29,774,611)</u>
Less investment expense	522,187	350,052	304,141	1,176,380
Net investment earnings	<u>(16,176,929)</u>	<u>(6,480,651)</u>	<u>(8,293,411)</u>	<u>(30,950,991)</u>
Total additions	<u>(7,497,404)</u>	<u>(1,198,647)</u>	<u>(4,954,371)</u>	<u>(13,650,422)</u>
<b>DEDUCTIONS</b>				
Benefits	5,720,937	3,006,815	2,049,912	10,777,664
Refunds of contributions	112,607	84,048	3,281	199,936
Administrative expenses	170,504	219,904	147,081	537,489
Total deductions	<u>6,004,048</u>	<u>3,310,767</u>	<u>2,200,274</u>	<u>11,515,089</u>
Change in net assets	(13,501,452)	(4,509,414)	(7,154,645)	(25,165,511)
Net assets - beginning	<u>114,018,954</u>	<u>54,016,257</u>	<u>68,954,718</u>	<u>236,989,929</u>
Net assets - ending	<u>\$ 100,517,502</u>	<u>\$ 49,506,843</u>	<u>\$ 61,800,073</u>	<u>\$ 211,824,418</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.

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	<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. The City implemented GASB Statement 34 in 2002; schedules presenting government-wide information include information beginning in that year.

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

	FISCAL YEAR						
	2002	2003	2004	2005	2006	2007	2008
<b>Governmental activities:</b>							
Invested in capital assets, net of related debt	\$ 162,976,540	\$ 164,268,482	\$ 165,271,477	\$ 151,152,286	\$ 142,898,601	\$ 140,513,904	\$ 128,420,363
Restricted	15,238,693	9,689,016	9,598,418	12,064,472	13,272,982	11,935,865	16,197,224
Unrestricted	87,060,179	106,482,615	112,476,433	126,209,452	146,486,034	158,620,682	166,333,000
<b>Total governmental activities net assets</b>	<u>\$ 265,275,412</u>	<u>\$ 280,440,113</u>	<u>\$ 287,346,328</u>	<u>\$ 289,426,210</u>	<u>\$ 302,657,617</u>	<u>\$ 311,070,451</u>	<u>\$ 310,950,587</u>
<b>Business-type activities:</b>							
Invested in capital assets, net of related debt	\$ 152,873,729	\$ 155,695,678	\$ 157,063,189	\$ 156,539,235	\$ 157,516,304	\$ 159,819,328	\$ 159,866,417
Restricted	22,184,305	22,469,209	24,746,175	24,745,436	24,017,536	16,824,604	13,782,270
Unrestricted	98,566,646	92,708,563	94,262,479	99,351,532	102,097,084	108,328,663	103,375,663
<b>Total business-type activities net assets</b>	<u>\$ 273,624,680</u>	<u>\$ 270,873,450</u>	<u>\$ 276,071,843</u>	<u>\$ 280,636,203</u>	<u>\$ 283,630,924</u>	<u>\$ 284,972,595</u>	<u>\$ 277,024,350</u>
<b>Total:</b>							
Invested in capital assets, net of related debt	\$ 315,850,269	\$ 319,964,160	\$ 322,334,666	\$ 307,691,521	\$ 300,414,905	\$ 300,333,232	\$ 288,286,780
Restricted	37,422,998	32,158,225	34,344,593	36,809,908	37,290,518	28,760,469	29,979,494
Unrestricted	185,626,825	199,191,178	206,738,912	225,560,984	248,583,118	266,949,345	269,708,663
<b>Total net assets</b>	<u>\$ 538,900,092</u>	<u>\$ 551,313,563</u>	<u>\$ 563,418,171</u>	<u>\$ 570,062,413</u>	<u>\$ 586,288,541</u>	<u>\$ 596,043,046</u>	<u>\$ 587,974,937</u>

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

	FISCAL YEAR						
	2002	2003	2004	2005	2006	2007	2008
<b>EXPENSES</b>							
<b>Governmental activities:</b>							
General government	\$ 11,396,263	\$ 14,229,369	\$ 12,728,139	\$ 20,725,080	\$ 22,398,846	\$ 17,106,530	\$ 17,448,298
Public safety	34,541,724	38,025,336	40,380,723	43,259,422	48,553,871	55,627,059	60,152,949
Physical environment	2,814,202	3,085,732	4,032,579	4,038,713	3,894,066	3,825,714	5,616,096
Economic development	1,642,634	1,334,180	1,356,125	1,599,428	1,220,839	1,309,622	1,918,783
Human services	53,049	52,064	53,100	53,309	50,112	5,212	42,441
Transportation	11,461,887	11,588,816	11,890,181	12,997,637	13,860,838	13,339,526	14,231,150
Culture and recreation	9,206,968	10,472,065	10,803,739	11,786,699	12,736,376	14,079,998	15,106,718
Interest on long-term debt	3,660,203	5,268,949	5,240,076	4,989,173	4,834,649	4,683,165	4,599,747
<b>Total governmental activities expenses</b>	<b>74,776,930</b>	<b>84,056,511</b>	<b>86,484,662</b>	<b>99,449,461</b>	<b>107,549,597</b>	<b>109,976,826</b>	<b>119,116,182</b>
<b>Business-type activities:</b>							
Water and wastewater	51,741,868	55,269,517	55,057,974	57,507,387	61,235,920	63,377,515	68,032,116
Gas	5,105,765	6,080,350	6,789,424	8,018,044	8,373,066	8,023,304	9,248,540
Sanitation	10,918,700	11,076,177	11,503,114	12,863,087	15,954,628	15,821,262	14,889,338
Recycling	292,845	294,905	275,659	367,695	430,064	519,441	564,707
Stormwater	1,182,701	1,453,683	1,470,516	1,439,906	2,028,070	1,634,407	1,842,738
Golf course	827,609	874,593	1,106,687	1,301,732	1,283,287	1,449,282	1,537,059
<b>Total business-type activities expenses</b>	<b>70,069,488</b>	<b>75,049,225</b>	<b>76,203,374</b>	<b>81,497,851</b>	<b>89,305,035</b>	<b>90,825,211</b>	<b>96,114,498</b>
<b>Total expenses</b>	<b>\$ 144,846,418</b>	<b>\$ 159,105,736</b>	<b>\$ 162,688,036</b>	<b>\$ 180,947,312</b>	<b>\$ 196,854,632</b>	<b>\$ 200,802,037</b>	<b>\$ 215,230,680</b>
<b>PROGRAM REVENUES</b>							
<b>Governmental activities:</b>							
<b>Charges for services:</b>							
General government	\$ 5,569,332	\$ 5,942,012	\$ 6,414,067	\$ 6,726,315	\$ 6,211,713	\$ 6,687,788	\$ 6,221,654
Public safety	9,395,510	9,952,259	11,157,111	13,211,164	15,739,691	14,982,473	13,886,094
Physical environment	7,037,802	7,289,397	7,505,414	7,554,593	7,988,216	7,995,686	8,316,019
Transportation	22,757	22,780	22,333	22,526	17,456	17,796	18,997
Culture and recreation	1,001,572	1,028,431	1,167,287	1,202,142	1,154,083	1,231,116	1,300,725
Operating grants and contributions	3,741,364	4,270,507	4,623,175	4,435,546	12,861,054	5,142,577	10,904,960
Capital grants and contributions	1,280,167	9,003,291	2,586,429	1,503,241	1,313,595	1,835,698	1,813,574
<b>Total governmental activities program revenues</b>	<b>28,048,504</b>	<b>37,508,677</b>	<b>33,475,816</b>	<b>34,655,527</b>	<b>45,285,808</b>	<b>37,893,134</b>	<b>42,462,023</b>
<b>Business-type activities:</b>							
<b>Charges for services:</b>							
Water and wastewater	49,968,998	51,216,884	52,027,790	52,462,626	52,853,098	52,454,892	56,115,889
Gas	5,686,691	6,658,908	7,013,495	7,900,934	9,591,125	8,832,133	9,779,418
Sanitation	10,571,840	10,719,375	11,153,684	12,545,084	15,433,205	14,997,289	14,189,961
Recycling	151,318	144,211	152,392	153,154	153,142	161,604	170,265
Stormwater	1,061,246	1,231,066	1,671,023	1,717,023	2,010,632	2,021,492	2,013,498
Golf course	400,796	328,475	364,268	552,802	508,397	595,702	565,554
Operating grants and contributions	-	41,906	105,917	143,486	821,187	240,685	82,488
Capital grants and contributions	6,932,935	5,703,599	7,288,180	6,860,165	3,457,391	2,534,123	3,272,683
<b>Total business-type activities program revenues</b>	<b>74,773,824</b>	<b>76,044,424</b>	<b>79,777,013</b>	<b>82,335,274</b>	<b>84,828,177</b>	<b>81,837,920</b>	<b>86,189,756</b>
<b>Total program revenues</b>	<b>\$ 102,822,328</b>	<b>\$ 113,553,101</b>	<b>\$ 113,252,829</b>	<b>\$ 116,990,801</b>	<b>\$ 130,113,985</b>	<b>\$ 119,731,054</b>	<b>\$ 128,651,779</b>
<b>NET (EXPENSE)/REVENUE</b>							
Governmental activities	\$ (46,728,426)	\$ (46,547,834)	\$ (53,008,846)	\$ (64,793,934)	\$ (62,263,789)	\$ (72,083,692)	\$ (76,654,159)
Business-type activities	4,704,336	995,199	3,573,639	837,423	(4,476,858)	(8,987,291)	(9,924,742)
<b>Total (expense)/revenue</b>	<b>\$ (42,024,090)</b>	<b>\$ (45,552,635)</b>	<b>\$ (49,435,207)</b>	<b>\$ (63,956,511)</b>	<b>\$ (66,740,647)</b>	<b>\$ (81,070,983)</b>	<b>\$ (86,578,901)</b>

(continued)

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

	FISCAL YEAR						
	2002	2003	2004	2005	2006	2007	2008
<b>GENERAL REVENUES AND OTHER CHANGES IN NET ASSETS</b>							
<b>Governmental activities:</b>							
Taxes:							
Property taxes	\$ 23,987,933	\$ 25,746,842	\$ 27,977,882	\$ 30,235,087	\$ 33,661,644	\$ 38,094,551	\$ 35,683,030
Insurance premium taxes	654,089	789,625	982,897	1,025,038	1,088,921	1,374,674	1,508,690
Utility service tax	6,382,415	6,426,592	6,405,548	6,543,281	6,616,716	6,588,897	6,764,876
Communications services tax	4,486,487	3,954,630	4,048,653	4,219,407	4,490,037	4,381,503	5,896,566
Local business tax	1,648,575	1,760,897	1,807,780	1,934,455	1,998,601	2,116,164	2,161,515
Franchise fees	7,436,246	7,493,198	8,036,229	8,870,918	9,930,871	9,949,711	9,916,270
Grants and contributions not restricted to specific programs	6,741,054	7,115,228	7,356,386	8,143,618	8,595,154	8,289,334	7,726,461
Unrestricted investment earnings	2,128,012	1,821,562	1,715,265	3,858,495	7,463,841	9,541,466	3,782,898
Surplus earnings on escrow fund	826,640	-	-	-	-	-	-
Miscellaneous	488,594	105,341	1,048,071	1,229,848	1,360,116	1,674,423	1,334,886
Gain on sale of capital assets	796,403	-	-	-	22,929	69,974	94,230
Transfers	1,179,000	6,498,620	536,350	813,669	266,366	(1,584,171)	1,664,873
<b>Total governmental activities</b>	<b>56,755,448</b>	<b>61,712,535</b>	<b>59,915,061</b>	<b>66,873,816</b>	<b>75,495,196</b>	<b>80,496,526</b>	<b>76,534,295</b>
<b>Business-type activities:</b>							
Unrestricted investment earnings	3,169,461	2,258,665	1,928,288	4,163,362	7,322,643	8,165,982	2,920,620
Miscellaneous	338,112	493,526	232,816	377,244	415,302	578,809	720,750
Transfers	(1,179,000)	(6,498,620)	(536,350)	(813,669)	(266,366)	1,584,171	(1,664,873)
<b>Total business-type activities</b>	<b>2,328,573</b>	<b>(3,746,429)</b>	<b>1,624,754</b>	<b>3,726,937</b>	<b>7,471,579</b>	<b>10,328,962</b>	<b>1,976,497</b>
<b>Total</b>	<b>\$ 59,084,021</b>	<b>\$ 57,966,106</b>	<b>\$ 61,539,815</b>	<b>\$ 70,600,753</b>	<b>\$ 82,966,775</b>	<b>\$ 90,825,488</b>	<b>\$ 78,510,792</b>
<b>CHANGE IN NET ASSETS</b>							
Governmental activities	\$ 10,027,022	\$ 15,164,701	\$ 6,906,215	\$ 2,079,882	\$ 13,231,407	\$ 8,412,834	\$ (119,864)
Business-type activities	7,032,909	(2,751,230)	5,198,393	4,564,360	2,994,721	1,341,671	(7,948,245)
<b>Total</b>	<b>\$ 17,059,931</b>	<b>\$ 12,413,471</b>	<b>\$ 12,104,608</b>	<b>\$ 6,644,242</b>	<b>\$ 16,226,128</b>	<b>\$ 9,754,505</b>	<b>\$ (8,068,109)</b>

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

	FISCAL YEAR									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
General fund										
Reserved	\$ 1,527,414	\$ 1,918,321	\$ 2,455,407	\$ 1,296,851	\$ 1,247,921	\$ 1,566,180	\$ 1,543,783	\$ 1,075,367	\$ 1,223,176	\$ 1,126,038
Unreserved	26,885,447	30,391,886	38,246,077	38,853,721	47,495,863	52,984,220	62,965,388	66,826,236	74,017,655	54,581,311
<b>Total general fund</b>	<b>\$ 28,412,861</b>	<b>\$ 32,310,207</b>	<b>\$ 40,701,484</b>	<b>\$ 40,150,572</b>	<b>\$ 48,743,784</b>	<b>\$ 54,550,400</b>	<b>\$ 64,509,171</b>	<b>\$ 67,901,603</b>	<b>\$ 75,240,831</b>	<b>\$ 55,707,349</b>
All other governmental funds										
Reserved	\$ 4,033,274	\$ 4,215,943	\$ 4,299,431	\$ 5,047,982	\$ 6,433,516	\$ 5,780,628	\$ 6,066,066	\$ 6,061,626	\$ 6,439,674	\$ 691,999
Unreserved, reported in:										
Special revenue funds	10,748,036	12,371,742	13,571,830	18,827,090	19,214,304	20,080,788	20,762,692	20,880,009	16,213,389	50,690,054
Debt service funds	2,954,293	751,439	2,079,747	3,251,854	2,807,170	3,650,096	4,957,563	6,937,339	6,592,050	10,284,203
Capital projects funds	33,197,372	41,777,949	37,563,065	34,212,750	44,903,895	40,581,913	42,174,762	58,018,378	65,347,922	65,003,974
<b>Total all other governmental funds</b>	<b>\$ 50,932,975</b>	<b>\$ 59,117,073</b>	<b>\$ 57,514,073</b>	<b>\$ 61,339,676</b>	<b>\$ 73,358,885</b>	<b>\$ 70,093,425</b>	<b>\$ 73,961,083</b>	<b>\$ 91,897,352</b>	<b>\$ 94,593,035</b>	<b>\$ 126,670,230</b>

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

	FISCAL YEAR									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
<b>REVENUES</b>										
Taxes	\$ 30,901,818	\$ 33,532,679	\$ 36,174,441	\$ 38,784,060	\$ 40,324,133	\$ 42,893,805	\$ 45,631,850	\$ 49,542,416	\$ 54,209,097	\$ 52,418,963
Permits and fees	4,557,119	3,162,085	3,405,961	3,679,296	4,023,318	4,096,212	6,148,918	7,882,904	6,374,505	5,051,122
Franchise fees	6,526,752	6,678,780	7,161,812	7,436,246	7,493,198	8,036,229	8,870,918	9,930,871	9,949,711	9,916,270
Intergovernmental	7,655,510	9,707,709	8,774,293	8,999,772	9,757,317	11,375,915	11,100,519	19,316,393	11,527,526	11,184,237
Charges for services	9,597,238	10,205,014	10,754,112	10,971,032	11,414,114	12,135,714	12,635,252	13,224,635	13,529,185	13,654,942
Administrative charges	2,784,100	3,010,167	3,261,939	4,047,448	4,381,711	4,476,018	4,320,031	4,552,456	5,000,000	4,692,231
Judgments, fines and forfeitures	257,725	258,275	395,039	794,834	1,205,272	1,167,604	968,624	953,751	927,842	7,592,902
Special assessments	3,120,480	3,026,085	3,049,269	4,890,609	4,671,832	5,656,950	5,636,307	4,903,789	5,350,078	5,366,421
Impact fees	316,361	388,024	393,140	433,952	268,215	51,351	204,408	346,571	184,880	138,514
Investment earnings	3,897,942	5,668,165	5,294,511	2,249,217	1,783,009	1,762,267	3,963,045	7,641,401	9,683,248	3,877,039
Surplus earnings on escrow fund	-	-	-	826,640	-	-	-	-	-	-
Miscellaneous	881,941	2,054,259	1,248,176	1,028,544	1,241,880	1,886,830	2,057,288	2,610,919	3,467,993	2,616,691
<b>Total revenues</b>	<b>70,496,986</b>	<b>77,691,242</b>	<b>79,912,693</b>	<b>84,141,650</b>	<b>86,563,999</b>	<b>93,538,895</b>	<b>101,537,160</b>	<b>120,906,106</b>	<b>120,204,065</b>	<b>116,509,332</b>
<b>EXPENDITURES</b>										
General government	8,177,405	8,743,326	9,688,589	10,919,336	11,185,998	12,127,408	13,479,575	21,641,863	16,599,655	16,003,721
Public safety	26,837,089	27,269,469	28,742,670	32,337,503	35,458,207	38,043,714	41,130,920	46,056,731	53,965,850	55,089,106
Physical environment	2,105,659	2,285,393	2,223,088	2,392,809	2,440,773	2,555,451	2,897,245	2,873,367	3,407,318	3,748,891
Economic development	497,017	1,482,305	1,178,040	1,642,271	1,262,414	1,351,080	1,597,849	1,159,943	1,307,126	1,881,096
Human services	4,799	-	-	52,468	51,951	53,100	53,309	50,112	5,212	42,441
Transportation	714,941	794,098	820,006	826,680	844,718	850,358	866,615	834,399	916,432	876,030
Culture and recreation	5,829,422	5,806,094	7,079,285	7,429,318	7,975,533	8,178,149	8,852,681	9,301,665	10,291,099	10,342,798
Capital outlay	8,213,810	12,452,258	17,028,754	16,081,426	10,801,736	17,663,643	9,111,365	7,566,421	13,333,051	11,203,292
Debt service:										
Interest	4,484,218	4,615,526	3,657,185	3,660,203	3,244,866	3,101,227	2,731,027	2,422,956	2,107,375	1,848,578
Principal	5,876,297	6,416,270	5,790,445	7,466,887	7,060,958	7,565,000	7,796,191	7,943,085	6,658,084	6,875,000
Refunding bond issuance costs	-	-	841,706	-	-	-	-	-	-	-
Current refunding sinking fund	-	-	1,823,164	-	-	-	-	-	-	-
Bond issuance costs	-	-	-	-	379,053	-	-	-	-	-
Other	445,525	78,393	75,370	95,837	94,651	92,179	78,765	80,756	84,497	88,471
<b>Total expenditures</b>	<b>63,186,182</b>	<b>69,943,132</b>	<b>78,948,302</b>	<b>82,904,738</b>	<b>80,800,858</b>	<b>91,581,309</b>	<b>88,595,542</b>	<b>99,931,298</b>	<b>108,675,699</b>	<b>107,999,424</b>
Excess (deficiency) of revenues over (under) expenditures	7,310,804	7,748,110	964,391	1,236,912	5,763,141	1,957,586	12,941,618	20,974,808	11,528,366	8,509,908
<b>OTHER FINANCING SOURCES (USES)</b>										
Refunding bonds issued	29,353,529	-	26,357,846	-	-	-	-	-	-	-
Payment to refunded bond escrow agent	(12,170,008)	-	(24,867,846)	-	-	-	-	-	-	-
Ad valorem tax bonds issued	-	-	-	-	6,770,000	-	-	-	-	-
Discount on ad valorem tax bonds	-	-	-	-	(63,749)	-	-	-	-	-
Liquidation of revenue note	(7,081,495)	-	-	-	-	-	-	-	-	-
Capital leases	1,668,682	1,646,651	-	93,469	-	-	-	-	-	-
Sale of capital assets	629,203	315,787	661,409	771,936	1,627,145	47,220	71,142	87,527	90,716	168,932
Transfers in	17,630,738	27,144,801	19,794,562	25,807,602	22,447,491	15,723,309	14,657,202	33,214,851	20,430,298	27,533,964
Transfers out	(18,219,927)	(24,773,905)	(16,122,085)	(24,635,228)	(15,931,607)	(15,186,959)	(13,843,533)	(32,948,485)	(22,014,469)	(23,669,091)
<b>Total other financing sources (uses)</b>	<b>11,810,722</b>	<b>4,333,334</b>	<b>5,823,886</b>	<b>2,037,779</b>	<b>14,849,280</b>	<b>583,570</b>	<b>884,811</b>	<b>353,893</b>	<b>(1,493,455)</b>	<b>4,033,805</b>
<b>Net change in fund balances</b>	<b>\$ 19,121,526</b>	<b>\$ 12,081,444</b>	<b>\$ 6,788,277</b>	<b>\$ 3,274,691</b>	<b>\$ 20,612,421</b>	<b>\$ 2,541,156</b>	<b>\$ 13,826,429</b>	<b>\$ 21,328,701</b>	<b>\$ 10,034,911</b>	<b>\$ 12,543,713</b>
Debt service as a percentage of noncapital expenditures	19.1%	18.6%	18.6%	16.7%	15.2%	14.2%	13.0%	11.0%	9.2%	8.8%

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
1999	\$ 19,476,877	\$ 286,055	\$ 592,933	\$ 2,702,579	\$ 1,450,908	\$ 6,392,466	\$ 30,901,818
2000	20,639,001	1,528,824	531,053	3,087,227	1,468,330	6,278,244	33,532,679
2001	22,375,613	1,702,420	548,688	3,634,731	1,570,350	6,342,639	36,174,441
2002	23,987,933	1,648,575	654,089	4,486,487	1,624,561	6,382,415	38,784,060
2003	25,746,842	1,760,897	789,625	3,954,630	1,645,547	6,426,592	40,324,133
2004	27,977,882	1,807,780	982,897	4,048,653	1,671,045	6,405,548	42,893,805
2005	30,235,087	1,934,455	1,025,038	4,219,407	1,674,582	6,543,281	45,631,850
2006	33,661,644	1,998,601	1,088,921	4,490,037	1,686,497	6,616,716	49,542,416
2007	38,094,551	2,116,164	1,374,674	4,381,503	1,653,308	6,588,897	54,209,097
2008	35,683,030	2,161,515	1,508,690	4,676,356	1,624,496	6,764,876	52,418,963
<b>Change 1999-2008</b>	<b>83.2%</b>	<b>655.6%</b>	<b>154.4%</b>	<b>73.0%</b>	<b>12.0%</b>	<b>5.8%</b>	<b>69.6%</b>

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

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

FISCAL YEAR	REAL PROPERTY				LESS EXEMPTIONS:		TOTAL TAXABLE ASSESSED VALUE	TOTAL DIRECT TAX RATE	ESTIMATED ACTUAL TAXABLE VALUE	ASSESSED VALUE AS A PERCENTAGE OF ESTIMATED ACTUAL VALUE
	RESIDENTIAL PROPERTY	COMMERCIAL PROPERTY	INDUSTRIAL PROPERTY	PERSONAL PROPERTY	REAL PROPERTY	PERSONAL PROPERTY				
1999	\$ 2,218,285	\$ 974,494	\$ 153,338	\$ 334,421	\$ 816,877	\$ 655	\$ 2,863,006	6.3500	\$ 3,680,538	77.79%
2000	2,238,332	1,192,303	173,707	338,354	925,104	634	3,016,958	6.3250	3,942,696	76.52%
2001	2,346,842	1,407,852	205,088	351,325	1,025,498	499	3,285,110	6.3000	4,311,107	76.20%
2002	2,502,198	1,568,304	227,344	370,117	1,119,999	477	3,547,487	6.2750	4,667,963	76.00%
2003	2,884,455	1,699,896	262,818	379,161	1,358,074	337	3,867,919	6.2500	5,226,330	74.01%
2004	3,360,001	1,824,965	272,795	426,984	1,580,825	273	4,303,647	6.2370	5,884,745	73.13%
2005	3,876,930	2,122,925	305,828	432,174	2,084,960	457	4,652,440	6.2240	6,737,857	69.05%
2006	4,706,346	2,288,922	338,339	427,150	2,557,520	925	5,202,312	6.2100	7,760,757	67.03%
2007	6,079,698	2,557,213	372,884	428,874	3,338,191	1,067	6,099,411	6.1100	9,438,669	64.62%
2008	6,789,546	2,888,822	425,349	397,691	3,767,781	738	6,732,889	5.1232	10,501,408	64.11%

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
1999	1998	\$ 6.3500	\$ 9.4650	\$ 7.5710	\$ 9.7256	\$ -	\$ 0.6970	\$ 0.0470	\$ 2.5000
2000	1999	6.3250	8.4000	7.5710	9.1283	-	0.6970	0.0440	2.4895
2001	2000	6.3000	8.0250	7.5250	8.9553	-	0.6970	0.0410	2.4803
2002	2001	6.2750	8.4350	7.4005	8.7541	0.3055	0.6970	0.0385	2.4803
2003	2002	6.2500	8.2000	7.3650	8.8825	0.3316	0.6970	0.0385	2.4803
2004	2003	6.2370	6.4869	7.1880	8.4176	0.3920	0.6970	0.0385	2.5000
2005	2004	6.2240	5.6525	7.0230	8.2695	0.4231	0.6970	0.0385	2.4803
2006	2005	6.2100	5.5069	6.7830	8.0623	0.4231	0.6970	0.0385	2.1746
2007	2006	6.1100	5.1572	6.0661	7.8687	0.4073	0.6970	0.0385	1.8317
2008	2007	5.1232	4.7113	5.2868	7.6484	0.3572	0.6240	0.0345	1.6255

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	2008			1999		
	TAXABLE ASSESSED VALUE	RANK	PERCENTAGE OF TOTAL CITY TAXABLE ASSESSED VALUE	TAXABLE ASSESSED VALUE	RANK	PERCENTAGE OF TOTAL CITY TAXABLE ASSESSED VALUE
Sunrise Mills LTD Partner	\$ 318,071,080	1	5.21%	\$ 177,215,220	1	6.19%
Sawgrass Mills Phase III LP	86,172,580	2	1.41%	-	-	-
N/S Sawgrass Office Associates LLC	73,607,540	3	1.21%	-	-	-
MGI Flamingo Palms LTD Partner	50,215,900	4	0.82%	24,111,420	5	0.84%
Florida Power & Light Co.	46,970,146	5	0.77%	-	-	-
TMW Weltfonds 1500 Concord Terrance LP	44,316,280	6	0.73%	-	-	-
Sawgrass Lakes Center LLC	42,702,590	7	0.70%	-	-	-
Wal-Mart Stores Inc.	40,643,660	8	0.67%	-	-	-
L/M #3	37,106,000	9	0.61%	15,981,480	9	0.56%
IKEA Property Inc.	35,557,720	10	0.58%	-	-	-
Sawgrass Mills Phase II LTD	-	-	-	36,300,910	2	1.27%
ACP Office I LLC	-	-	-	33,278,050	3	1.16%
MNYX Sawgrass Corporation	-	-	-	29,069,900	4	1.01%
California State Teachers' Retirement	-	-	-	19,368,630	6	0.68%
NTC Realty Incorporation	-	-	-	17,003,500	7	0.59%
Eastrich #187 Corporation	-	-	-	16,221,190	8	0.57%
Wisconsin State Investment Board	-	-	-	14,945,330	10	0.52%
<b>Totals</b>	<b>\$ 775,363,496</b>		<b>12.71%</b>	<b>\$ 383,495,630</b>		<b>13.39%</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
1999	1998	\$ 17,920,627	\$ 17,821,159	99.4%	\$ 5,576	\$ 17,826,735	99.5%
2000	1999	18,932,243	18,829,025	99.5%	21,425	18,850,450	99.6%
2001	2000	20,543,256	20,391,026	99.3%	86,204	20,477,230	99.7%
2002	2001	21,851,913	21,650,071	99.1%	6,192	21,656,263	99.1%
2003	2002	23,683,909	23,509,371	99.3%	54,120	23,563,491	99.5%
2004	2003	26,226,056	26,063,547	99.4%	43,420	26,106,967	99.6%
2005	2004	28,601,183	28,398,767	99.3%	4,017	28,402,784	99.3%
2006	2005	32,173,202	31,962,583	99.3%	46,213	32,008,796	99.5%
2007	2006	36,867,170	36,667,960	99.5%	76,126	36,744,086	99.7%
2008	2007	34,357,047	34,021,196	99.0%	-	34,021,196	99.0%

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

Source: Broward County Property Appraiser

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

FISCAL YEAR	GOVERNMENTAL ACTIVITIES							BUSINESS-TYPE ACTIVITIES			TOTAL	PERCENTAGE OF ESTIMATED ACTUAL TAXABLE VALUE OF REAL PROPERTY <sup>a</sup>	PER CAPITA <sup>b</sup>
	PUBLIC IMPROVEMENT BONDS	PUBLIC FACILITIES REVENUE BONDS	PUBLIC IMPROVEMENT BONDS	AD VALOREM TAX BONDS	SPECIAL ASSESSMENT BONDS	REVENUE NOTE	CAPITAL LEASES	UTILITY SYSTEM REVENUE BONDS	CAPITAL LEASES				
1999	\$ 8,370,000	\$ 65,790,592	\$ 6,465,000	\$ 26,176,250	\$ 725,000	\$ -	\$ 4,193,042	\$ 240,261,296	\$ 2,665,591	\$ 354,646,771	10.60%	4,523	
2000	7,450,000	64,617,087	6,185,000	25,593,750	430,000	-	4,277,462	236,397,404	2,486,020	347,436,723	9.64%	4,050	
2001	6,440,000	63,358,775	5,890,000	26,660,000	300,000	-	2,941,736	231,951,280	2,079,878	339,621,669	8.58%	3,919	
2002	5,345,000	61,863,206	5,585,000	25,405,000	-	-	1,853,318	227,311,765	1,656,766	329,020,055	7.66%	3,784	
2003	4,150,000	60,108,540	5,275,000	31,250,000	-	-	937,360	222,452,843	1,218,397	325,392,140	6.71%	3,719	
2004	2,850,000	58,078,284	4,940,000	30,005,000	-	-	377,360	217,363,501	803,651	314,417,796	5.76%	3,534	
2005	1,470,000	55,791,727	4,595,000	28,725,000	-	-	111,169	212,021,998	410,000	303,124,894	4.81%	3,378	
2006	-	53,473,717	4,230,000	27,410,000	-	-	28,084	206,416,408	-	291,558,209	3.98%	3,251	
2007	-	51,139,803	3,850,000	26,050,000	-	-	-	200,515,523	-	281,555,326	3.12%	3,141	
2008	-	48,791,269	3,460,000	24,645,000	-	-	-	194,302,948	-	271,199,217	2.68%	3,011	

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, 2008**

<b>GOVERNMENTAL UNIT</b>	<b>DEBT OUTSTANDING</b>	<b>ESTIMATED PERCENTAGE APPLICABLE*</b>	<b>ESTIMATED SHARE OF OVERLAPPING DEBT</b>
<b>Debt repaid with property taxes</b>			
Broward County School Board	\$ 1,903,179,000	3.86%	\$ 73,462,709
Broward County	489,659,216	3.86%	<u>18,900,846</u>
<b>Subtotal, overlapping debt</b>			<b>92,363,555</b>
<b>City direct debt</b>			<u>76,896,269</u>
<b>Total direct and overlapping debt</b>			<u><b>\$ 169,259,824</b></u>

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

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

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

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

**UTILITY SYSTEM REVENUE BONDS**

FISCAL YEAR	GROSS REVENUES	LESS: OPERATING EXPENSES	LESS: R & R TRANSFERS	NET AVAILABLE REVENUE	DEBT SERVICE		COVERAGE
					PRINCIPAL	INTEREST	
1999	\$ 50,513,180	\$ 23,469,695	\$ 2,395,524	\$ 24,647,961	\$ 3,875,000	\$ 11,454,728	1.61
2000	54,243,876	27,329,035	2,524,564	24,390,277	5,120,000	11,289,113	1.49
2001	57,082,184	29,383,696	2,691,498	25,006,990	5,720,000	11,109,663	1.49
2002	56,513,990	30,899,897	2,775,455	22,838,638	5,910,000	10,916,703	1.36
2003	58,393,801	33,355,809	2,843,436	22,194,556	6,125,000	10,703,908	1.32
2004	59,418,209	34,856,640	3,008,642	21,552,927	6,350,000	10,477,269	1.28
2005	61,512,753	37,224,030	3,019,429	21,269,294	6,595,000	10,235,038	1.26
2006	64,491,864	40,671,062	3,203,700	20,617,102	6,850,000	9,975,723	1.23
2007	63,629,661	38,947,095	3,219,289	21,463,277	7,050,000	9,777,567	1.28
2008	66,955,767	42,101,213	4,869,537	19,985,017	7,260,000	9,565,498	1.19

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

	<u>FRANCHISE TAXES</u>			
1999	\$ 3,509,356	\$ 845,000	\$ 450,750	2.71
2000	3,418,234	920,000	412,725	2.56
2001	3,956,870	1,010,000	370,405	2.87
2002	4,104,164	1,095,000	322,935	2.89
2003	4,257,169	1,195,000	270,375	2.91
2004	4,639,444	1,300,000	211,820	3.07
2005	5,292,515	1,380,000	146,820	3.47
2006	5,928,168	1,470,000	76,440	3.83
2007	-	-	-	-
2008	-	-	-	-

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

	<u>UTILITY SERVICE TAXES</u>			
1999	\$ 8,527,708	\$ 2,355,000	\$ 1,742,859	2.08
2000	8,794,373	2,780,000	1,973,555	1.85
2001	9,129,938	2,975,000	1,833,780	1.90
2002	10,104,066	3,330,000	1,677,420	2.02
2003	9,745,647	3,715,000	1,498,745	1.87
2004	9,685,829	4,125,000	1,294,005	1.79
2005	9,996,948	4,525,000	1,060,880	1.79
2006	10,368,556	4,710,000	884,635	1.85
2007	10,188,206	4,890,000	705,655	1.82
2008	10,636,509	5,080,000	510,055	1.90

**PUBLIC IMPROVEMENT BONDS**

	<u>SPECIAL ASSESSMENT COLLECTIONS</u>			
1999	\$ 508,598	\$ 265,000	\$ 293,988	0.91
2000	508,224	280,000	282,439	0.90
2001	550,080	295,000	270,237	0.97
2002	558,600	305,000	257,384	0.99
2003	550,440	310,000	244,094	0.99
2004	563,040	335,000	230,584	1.00
2005	559,680	345,000	215,985	1.00
2006	560,280	365,000	200,949	0.99
2007	555,300	380,000	185,045	0.98
2008	549,000	390,000	168,485	0.98

(continued)

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

**SPECIAL ASSESSMENT BONDS**

FISCAL YEAR	SPECIAL ASSESSMENT		DEBT SERVICE		COVERAGE
	COLLECTIONS	PRINCIPAL	INTEREST		
1999	\$ 244,697	\$ 215,000	\$ 77,550		0.84
2000	231,724	295,000	59,813		0.65
2001	223,538	130,000	35,475		1.35
2002	207,963	300,000	24,750		0.64
2003	-	-	-		-
2004	-	-	-		-
2005	-	-	-		-
2006	-	-	-		-
2007	-	-	-		-
2008	-	-	-		-

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

SPECIAL TAX DISTRICT NO. 1

	PROPERTY TAX				
	COLLECTIONS				
1999	\$ 2,158,667	\$ 552,500	\$ 1,688,261		0.96
2000	2,301,087	582,500	1,657,409		1.03
2001	2,513,608	48,750	948,492		2.52
2002	2,864,139	1,255,000	1,245,551		1.15
2003	2,969,782	925,000	1,154,298		1.43
2004	2,727,033	1,245,000	1,329,398		1.06
2005	2,542,561	1,280,000	1,295,214		0.99
2006	2,493,444	1,315,000	1,257,840		0.97
2007	2,444,361	1,360,000	1,216,240		0.95
2008	2,397,365	1,405,000	1,170,038		0.93

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

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

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

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

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

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

<b>YEAR</b>	<b>POPULATION</b>	<b>TOTAL POPULATION INCOME (AMOUNTS IN THOUSANDS)</b>	<b>PER CAPITA INCOME</b>	<b>UNEMPLOYMENT RATE</b>
1999	78,413	Not available	Not available	3.8%
2000	85,779	1,605,182	18,713	4.0%
2001	86,664	1,807,377	20,855	4.4%
2002	86,941	1,771,249	20,373	5.8%
2003	87,489	1,699,299	19,423	5.6%
2004	88,976	1,772,580	19,922	4.8%
2005	89,736	1,922,055	21,419	3.5%
2006	89,669	2,094,040	23,353	3.1%
2007	89,633	2,094,096	23,363	3.6%
2008	90,081	Not available	Not available	6.0%

**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 THREE YEARS AGO**

<u>EMPLOYER</u>	<u>2008</u>			<u>2005</u>		
	<u>EMPLOYEES</u>	<u>RANK</u>	<u>PERCENTAGE OF TOTAL CITY EMPLOYMENT</u>	<u>EMPLOYEES</u>	<u>RANK</u>	<u>PERCENTAGE OF TOTAL CITY EMPLOYMENT</u>
Broward County School Board	1,523	1	3.17%	-	-	-
City of Sunrise	1,062	2	2.21%			
Vista Health Plans	900	3	1.87%	-	-	-
United Healthcare	750	4	1.56%	750	2	1.57%
AT & T	700	5	1.46%	500	3	1.05%
Pediatrix	500	6	1.04%	325	7	0.68%
Research in Motion	500	7	1.04%	-	-	-
Nortel	300	8	0.62%	400	4	0.84%
Comcast	300	9	0.62%	-	-	-
Publix	300	10	0.62%	-	-	-
ABN Amro Financial	-	-	-	824	1	1.73%
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>6,835</b>		<b>14.21%</b>	<b>4,374</b>		<b>9.17%</b>

Source: City Economic Development Office

Note: Information prior to 2005 is not available.

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

FUNCTION	FISCAL YEAR									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
<b>General government</b>										
Management Information Services	*	*	*	*	14	14	15	14	12	16
Finance	*	*	*	*	26	28	27	26	27	25
Central Services	*	*	*	*	18	16	18	18	17	17
Planning	*	*	*	*	29	28	30	29	31	31
Other <sup>a</sup>	*	*	*	*	29	30	29	30	29	28
<b>Public safety</b>										
Police										
Officers	158	170	181	163	167	174	171	170	167	175
Civilians	89	105	117	118	81	75	72	78	79	83
Fire										
Firefighters and officers	136	123	126	135	134	130	137	139	139	146
Civilians	23	15	12	12	12	13	12	14	15	15
Building	*	*	*	*	24	24	26	26	27	31
Code Enforcement	*	*	*	*	11	11	13	16	15	15
<b>Physical environment</b>										
Public Works	*	*	*	*	29	31	33	29	32	34
Other	*	*	*	*	7	9	10	8	10	10
<b>Culture and recreation</b>										
Water	*	*	*	*	96	97	94	99	99	101
Wastewater	*	*	*	*	88	90	87	91	92	94
Gas	*	*	*	*	25	24	25	23	24	25
Golf Course	*	*	*	*	10	16	17	16	16	15
Recycling	*	*	*	*	1	1	1	1	1	1
Stormwater	*	*	*	*	9	8	7	6	6	7

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

\*Not available

Source: City Finance Department

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

	FISCAL YEAR									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
<b>FUNCTION</b>										
<b>Public safety</b>										
<b>Police</b>										
Physical arrests	3,004	2,683	2,744	2,483	3,974	2,460	2,305	2,269	3,196	3,044
Parking violations	*	*	*	2,153	1,852	1,841	1,039	1,299	1,084	742
Traffic violations	12,915	13,440	18,639	23,043	24,241	21,459	16,636	15,867	11,293	13,490
<b>Fire</b>										
Number of calls answered	12,000	12,294	12,361	12,000	11,501	11,649	12,013	12,274	11,766	11,807
Inspections	*	*	*	7,899	7,964	7,774	7,654	5,916	8,297	9,057
<b>Transportation</b>										
Street resurfacing (miles)	*	41	55	14	12	30	15	13	18	15
Potholes repaired	416	416	312	260	156	104	26	20	51	61
<b>Culture and recreation</b>										
Athletic field permits issued	2,600	2,400	2,100	1,900	1,750	1,600	2,931	2,540	2,490	2,490
Athletic club memberships	1,414	1,345	972	815	797	1,071	981	1,243	1,110	1,050
<b>Water</b>										
New connections	1,534	2,661	1,608	1,029	634	908	620	222	189	143
Water main breaks	80	39	49	23	42	19	59	52	66	34
Average daily consumption (thousands of gallons)	23,120	22,809	23,401	22,895	23,810	21,593	24,121	24,527	22,775	21,546
<b>Wastewater</b>										
Average daily sewage treatment (thousands of gallons)	19,523	20,544	21,194	21,400	21,573	21,302	22,420	22,011	22,489	24,265
<b>Gas</b>										
Average daily usage (CCF's)	12,114	13,073	13,146	12,705	12,481	12,758	12,456	12,313	12,459	12,499
<b>Golf course</b>										
Memberships	138	116	120	136	91	114	80	154	101	95
<b>Stormwater</b>										
Commercial equivalent residential units (ERU's)	28,938	29,457	29,610	30,476	31,328	32,147	34,683	34,830	35,206	34,994
Residential equivalent residential units (ERU's)	34,917	35,120	35,206	36,100	36,191	36,385	36,626	36,686	37,113	37,619

\*Not available

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

FUNCTION	FISCAL YEAR									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
<b>Public safety</b>										
<b>Police:</b>										
Stations	1	1	1	1	1	1	1	1	1	1
Sub-stations	2	3	3	3	3	3	3	3	3	3
Patrol units	163	193	205	211	211	211	215	215	215	216
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)	3,711	3,729	3,745	3,790	3,790	3,790	3,790	3,790	3,792	3,792
<b>Culture and recreation</b>										
Parks	5	5	5	10	10	12	12	13	13	13
Park acreage	111	111	111	145	145	145	169	177	177	177
Swimming pools	4	4	4	4	4	4	5	5	5	5
Tennis courts	6	21	21	21	21	21	21	21	21	21
Community centers	6	6	7	7	7	7	7	7	7	8
<b>Water</b>										
Water mains (miles)	500	510	523	547	592	624	631	636	700	706
Maximum daily capacity (thousands of gallons)	31,000	31,000	31,000	41,500	41,500	47,500	47,500	44,000	44,000	44,000
<b>Wastewater</b>										
Sanitary sewers (miles)	612	614	629	629	629	677	692	695	723	725
Maximum daily treatment capacity (thousands of gallons)	24,990	30,990	30,990	30,990	30,990	30,990	30,990	30,450	30,450	30,450
Gas mains (miles)	170	170	172	172	174	175	175	176	177	178
Golf Course	1	1	1	1	1	1	1	1	1	1
<b>Stormwater</b>										
Pump stations	7	7	7	7	7	7	7	7	7	7
Storm sewers (miles)	378	380	390	390	390	390	390	390	390	390

Sources: Various city departments.

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

*Section IV*  
*City of Sunrise, Florida*  
*Compliance Audit Section*

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

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

We have audited the financial statements of the governmental activities, the business-type activities and each major fund and the aggregate remaining fund information of the City of Sunrise, Florida (the City), as of and for the year ended September 30, 2008, which collectively comprise the City's basic financial statements, and have issued our report thereon dated March 2, 2009. Our report was modified to include a reference to the reports of other auditors as it relates to the Pension Trust Funds. We conducted our audit in accordance with auditing standards generally accepted in the United States and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Other auditors audited the financial statements of the Pension Trust Funds as described in our report on the City's financial statements. The financial statements of the Pension Trust Funds were not audited in accordance with *Government Auditing Standards*.

**Internal Control over Financial Reporting**

In planning and performing our audit, we considered the City's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over financial reporting.

A *control deficiency* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the City's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the City's financial statements that is more than inconsequential will not be prevented or detected by the City's internal control.

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

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



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

### **Compliance and Other Matters**

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

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



Fort Lauderdale, Florida  
March 2, 2009

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

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

Compliance

We have audited the compliance of the City of Sunrise, Florida (the City) with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement*, and the requirements described in the Executive Office of the Governor's State Projects Compliance Supplement, that are applicable to each of its major federal awards programs and state financial assistance projects for the fiscal year ended September 30, 2008. The City's major federal awards programs and state financial assistance projects are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs and state financial assistance projects is the responsibility of the City's management. Our responsibility is to express an opinion on the City's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; and Chapter 10.550, Rules of the Auditor General. Those standards, OMB Circular A-133, and Chapter 10.550, Rules of the Auditor General, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program or a state project occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the City's compliance with those requirements.

In our opinion, the City complied, in all material aspects, with the requirements referred to above that are applicable to each of its major federal programs and its state financial assistance projects for the fiscal year ended September 30, 2008.



Internal Control over Compliance

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

A *control deficiency* in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program or state financial assistance project on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program or state financial assistance project such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program or state financial assistance project that is more than inconsequential will not be prevented or detected by the entity's internal control.

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

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

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

*Rachlin LLP*

Fort Lauderdale, Florida  
March 2, 2009

# CITY OF SUNRISE, FLORIDA

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

YEAR ENDED SEPTEMBER 30, 2008

Federal/State Agency, Pass-through Entity <u>Federal Program/State Project</u>	<u>CFDA/ CSFA No.</u>	<u>Contract/ Grant No.</u>	<u>Expenditures</u>
<b><u>FEDERAL</u></b>			
<b>United States Department of Homeland Security</b>			
Indirect Programs:			
Passed through Broward County - State Domestic Preparedness Equipment Support Program	97.004	05DS-11-16-01	\$ 9,638
Passed through State of Florida Division of Emergency Management - Disaster Grants - Public Assistance	97.036	08-FA-C2-11-16-00-547	71,216
Passed through City of Miramar - Homeland Security Grant Program	97.067	07DS-5N-11-16-02-259	78,795
Passed through State of Florida Department of Management Services - Homeland Security Grant Program	97.067	08-DS-60-13-00-16-319	<u>15,000</u>
<b>Total United States Department of Homeland Security</b>			<u>174,649</u>
<b>United States Department of Housing and Urban Development</b>			
Direct Programs:			
Community Development Block Grants/Entitlement Grants	14.218	B-05-MC-120035	223,851
Community Development Block Grants/Entitlement Grants	14.218	B-06-MC-120035	738,185
Indirect Programs:			
Passed through State of Florida and Broward County - Community Development Block Grants			
State's program and Non-Entitlement Grants in Hawaii	14.228	07DB-3V-11-16-01-Z08	122,475
Passed through Broward County - Home Investment Partnerships Program	14.239	2003 - 2004	40,184
Passed through Broward County - Home Investment Partnerships Program	14.239	2004 - 2005	<u>80,190</u>
<b>Total United States Department of Housing and Urban Development</b>			<u>1,204,885</u>
<b>United States Department of Justice</b>			
Direct Programs:			
Federal Equitable Sharing	16.000		1,026,977
Bulletproof Vest Partnership Program	16.607		22,672
Public Safety Partnership and Community Policing Grants	16.710	2003UMWX0225	4,167
Indirect Programs:			
Passed through Broward Sheriff's Office - Edward Byrne Memorial Justice Assistance Grant	16.738	2005-DJ-BX-1692	1,850
Passed through Broward Sheriff's Office - Edward Byrne Memorial Justice Assistance Grant	16.738	2006-DJ-BX-1134	<u>18,957</u>
<b>Total United States Department of Justice</b>			<u>1,074,623</u>

(Continued)

See notes to schedule.

# CITY OF SUNRISE, FLORIDA

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

YEAR ENDED SEPTEMBER 30, 2008

Federal/State Agency, Pass-through Entity <u>Federal Program/State Project</u>	<u>CFDA/ CSFA No.</u>	<u>Contract/ Grant No.</u>	<u>Expenditures</u>
<b>FEDERAL</b> (Continued)			
<b>United States Department of Transportation</b>			
Indirect Programs:			
Passed through Florida Department of Transportation - Highway Planning and Construction	20.205	AOJ90	35,000
Passed through Florida Department of Transportation - Highway Planning and Construction	20.205	AOJ93	45,000
Passed through Florida Department of Transportation - Florida Child Safety Seat Distribution Program			<u>1,545</u>
<b>Total United States Department of Transportation</b>			<u>81,545</u>
<b>United States Department of Treasury</b>			
Direct Program:			
Federal Equitable Sharing	16.000		<u>155,722</u>
<b>Total United States Department of Treasury</b>			<u>155,722</u>
<b>Total Expenditures of Federal Awards</b>			<u>\$ 2,691,424</u>
<b>STATE</b>			
<b>Florida Department of Community Affairs</b>			
Indirect Project:			
Passed through Florida Housing Finance Corporation - State Housing Initiatives Partnership Program	52.901	52-202250001-52980100-00-10504500	<u>\$ 1,036,608</u>
<b>Total Florida Department of Community Affairs</b>			<u>1,036,608</u>
<b>Florida Department of Law Enforcement</b>			
Direct Project:			
Violent Crime Investigations	71.004		<u>26,525</u>
<b>Total Florida Department of Law Enforcement</b>			<u>26,525</u>
<b>Total Expenditures of State Financial Assistance</b>			<u>1,063,133</u>
<b>Total Expenditures of Federal Awards and State Financial Assistance</b>			<u>\$ 3,754,557</u>

See notes to schedule.

# CITY OF SUNRISE, FLORIDA

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

YEAR ENDED SEPTEMBER 30, 2008

### **NOTE 1. GENERAL**

The accompanying schedule of expenditures of federal awards and state financial assistance projects (the Schedule) presents the activities of all federal programs and state projects of the City of Sunrise, Florida (the City) for the year ended September 30, 2008. The City's reporting entity is described in Note 1 of the financial statements. All federal awards and state financial assistance received directly or from pass-through entities from federal and state agencies are included in the Schedule.

### **NOTE 2. BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards and state financial assistance projects of the City of Sunrise is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and Chapter 10.550, *Rules of the Auditor General*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

# CITY OF SUNRISE, FLORIDA

## SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED SEPTEMBER 30, 2008

### SECTION I – SUMMARY OF AUDITOR’S RESULTS

#### Financial Statements

*Unqualified Opinion*

Type of auditor’s report issued:

Internal control over financial reporting:

Material weakness(es) identified? \_\_\_\_\_ Yes  X  No

Significant deficiency(ies) identified not considered to be material weakness? \_\_\_\_\_ Yes  X  None reported

Non-compliance material to financial statements noted? \_\_\_\_\_ Yes  X  No

#### Federal Awards Programs and State Financial Assistance Projects

Internal control over major federal awards programs and state financial assistance projects:

Material weakness(es) identified? \_\_\_\_\_ Yes  X  No

Significant deficiency(ies) identified not considered to be material weakness? \_\_\_\_\_ Yes  X  None reported

Type of auditor’s report issued on compliance for major federal awards programs and state financial assistance projects:

*Unqualified Opinion*

Any audit findings disclosed that are required to be reported in accordance with Circular A-133, Section .510(a) or Chapter 10.550, Rules of the Auditor General? \_\_\_\_\_ Yes  X  No

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

Federal Awards Programs

Federal CFDA No.

Community Development Block Grants/Entitlement Grants

14.218

State Assistance Projects

State CSFA No.

State Housing Initiative Partnership Program

52.901

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

Federal \$300,000

State \$300,000

Auditee qualified as low-risk auditee? \_\_\_\_\_ Yes  X  no

# CITY OF SUNRISE, FLORIDA

## SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)

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

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

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

There were no current year findings or questioned costs for the year ended September 30, 2008.

**CITY OF SUNRISE, FLORIDA**

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**

**FISCAL YEAR ENDED SEPTEMBER 30, 2008**

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

None.

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

None.

*Section V*  
*City of Sunrise, Florida*  
*Management Letter*



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

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

We have audited the financial statements of the Sunrise, Florida (the City), as of and for the fiscal year ended September 30, 2008, and have issued our report thereon dated March 2, 2009, which was modified to refer to the report of other auditors with regards to the Pension Trust Funds.

We conducted our audit in accordance with auditing standards generally accepted in the United States; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. The financial statements of the Pension Trust Funds were not audited in accordance with *Government Auditing Standards*. We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and Compliance and Other Matters, Independent Auditor's Report on Compliance with Requirements Applicable to each Major Federal Program and State Project and on Internal Control over Compliance, and Schedule of Findings and Questioned Costs. Disclosures in those reports and schedule, which are dated March 2, 2009, should be considered in conjunction with this management letter.

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

- Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. There were no previous year findings or recommendations.
- Section 10.554(1)(i)2., Rules of the Auditor General, requires our audit to include a review of the provisions of Section 218.415, Florida Statutes, regarding the investment of public funds. In connection with our audit, we determined that the City complied with Section 218.415, Florida Statutes.
- Section 10.554(1)(i)3., Rules of the Auditor General, requires that we address in the management letter any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.
- Section 10.554(1)(i)4., Rules of the Auditor General, requires that we address violations of laws, regulations, contracts or grant agreements, or abuse that have occurred, or are likely to have occurred, that have an effect on the determination of financial statement amounts that is less than material but more than inconsequential. In connection with our audit, we did not have any such findings.



- Section 10.554(1)(i)5., Rules of the Auditor General, provides that the auditor may, based on professional judgment, report the following matters that are inconsequential to the determination of financial statement amounts, considering both quantitative and qualitative factors: (1) violations of laws, regulations, contracts or grant agreements, or abuse that have occurred, or are likely to have occurred, and (2) control deficiencies that are not significant deficiencies, including, but not limited to: (a) improper or inadequate accounting procedures (e.g., the omission of required disclosures from the annual financial statements); (b) failures to properly record financial transactions; and (c) inaccuracies, shortages, defalcations, and instances of fraud discovered by, or that come to the attention of, the auditor. In connection with our audit, we did not have any such findings.
- Section 10.554(1)(i)6., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. The City was established under Chapter 61-2902 in 1961. The City included the following blended component units: (Special Recreation District Phase I, Special Recreation District Phase II, and Special Tax District No. 1).
- Section 10.554(1)(i)7.a., Rules of the Auditor General, requires a statement be included as to whether or not the local governmental entity has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and identification of the specific condition(s) met. In connection with our audit, we determined that the City did not meet any of the conditions described in Section 218.503(1), Florida Statutes.
- Section 10.554(1)(i)7.b., Rules of the Auditor General, requires that we determine whether the annual financial report for the City for the fiscal year ended September 30, 2008, filed with the Florida Department of Financial Services pursuant to Section 218.32(1)(a), Florida Statutes, is in agreement with the annual financial audit report for the fiscal year ended September 30, 2008. In connection with our audit, we determined that these two reports were in agreement.
- Pursuant to Sections 10.554(1)(i)7.c. and 10.556(7), Rules of the Auditor General, we applied financial condition assessment procedures. It is management's responsibility to monitor the City's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same.

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

*Rachlin LLP*

Fort Lauderdale, Florida  
March 2, 2009