

CITY OF SUNRISE, FLORIDA
POLICE OFFICERS' RETIREMENT PLAN
(a pension trust fund of the City of Sunrise)

COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEARS ENDED
September 30, 2003 and 2002

PREPARED BY: THE PLAN ADMINISTRATOR

CITY OF SUNRISE, FLORIDA
POLICE OFFICERS' RETIREMENT PLAN
(a pension trust fund of the City of Sunrise)
Years Ended September 30, 2003 and 2002

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City of Sunrise, Florida



POLICE OFFICERS' RETIREMENT PLAN

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January 20, 2004

Robert J. Dom, Chairman
& Police Pension Board Members
13790 NW 4 Street, Suite 105
Sunrise, Florida 33325

We are pleased to submit for your review the Comprehensive Annual Financial Report (CAFR) for the City of Sunrise Police Pension Fund (the Plan) for the fiscal year ended September 30, 2003. This report is a full and complete disclosure of the structure and financial status of the Plan. It has been prepared by the Board's Plan Administrator in accordance with accounting principles generally accepted in the United States of America established by the Governmental Accounting Standards Board (GASB). The Plan Administrator is responsible for the accuracy of the data and the completeness and fairness of its presentation (including all disclosures).

This CAFR is divided into five sections. These sections are described below:

Introductory Section - includes this Letter of Transmittal, a description of the Plan's administrative structure, a summary of major Plan provisions, and a list of Board members (trustees and staff).

Financial Section - includes the independent auditor's report. Management's Discussion and Analysis (MD & A), financial statements for the Plan and certain required supplementary information related to the Plan.

Investment Section - includes the investment activity report, a summary of investment policies, and reports related to investment performance and various other investment related schedules.

Actuarial Section - contains the consulting actuary's Certification Letter as well as the results of the annual actuarial valuation report.

Statistical Section - includes trend information that is considered statistical and/or financial in nature.

Plan History and Description

In 1972 the City Commission created the authority for the City's Pension Fund by local Ordinance. The Plan at that juncture was under one umbrella and included all three classifications of city employees (General Employees, as well as Police & Fire Employees. In 1989, the City Commission by local Ordinance created three individual pension boards, each of the foregoing classifications cited.

Chapter 185 of the Florida Statutes (F.S.) (which was initially enacted in 1963 to establish minimal requirement for local plans) in part defines standards for the organizational, operational and actuarial structure of the Plan.

There have been several amendments to the Ordinance since its passage in 1989. In recent years amendments have increased the final average compensation, by reducing the average from the best five continuous years, to the best three-year average. Another amendment increased the healthcare supplement payment from \$125.00 per month to \$200.00 per month.

Currently, normal retirement can be at any age with a minimum of 20 years continuous service or age 53 with 10 continuous years of service. Retirees today receive a normal benefit of 60% (4% per year for the first ten years and 2% thereafter) of their average monthly salary (times credited service). Additionally, today's Plan provides for a 13th and 14th check for Plan members who retired after October 1, 2001. The 13th and 14th check is provided in years when there is a net actuarial gain.

Plan Administration

Administration and responsibility for the Plan is vested with the Board of Trustees (the Board). The Plan is a single employer defined benefit plan covering all full-time City Police Officers. Florida Statute (F.S.) Chapter 185 requires the Board to be comprised of five trustees serving concurrent two-year terms. By majority vote, trustees elect from among themselves a chairman and secretary. Composition of the Board is specified in F.S. Chapter 185 as follows:

Two City residents, who are members of the Plan, are appointed by the City Commission;

Two Police Officers elected by a majority of the actively employed Plan participants; and,

One member chosen by a majority of the other four members, and ministerially appointed by the City Commission, which may be an active or retired member of the Plan.

Two individuals serve the Board in staff positions. Included in these positions are the Pension Administrator and the Recording Secretary. Funding of these positions are paid for by the Plan and are reimbursed Actuarially by the City, who is responsible for all of the administrative costs.

The Board has a fiduciary responsibility to the Plan and its participants and, as such, must exercise prudent judgment in its oversight and administration of the Trust Fund. The Board and staff regularly participate in educational conferences to keep themselves abreast of pension industry directional changes, technical concepts and approaches to plan management, plan structure and asset management.

The Board meets at least quarterly with the Performance Measurement Consultant (the Consultant) to review the performance of each manager, asset class and the fund investments in aggregate. When appropriate, the Board terminates existing money managers and hires replacement or additional managers. When necessary, the Board directs the Consultant to conduct an asset allocation study (typically every three to five years) and reallocations of assets are implemented, if deemed appropriate.

The Board also evaluates disability retirement applications and conducts public hearings to determine if a permanent disability exists, if the disability is a line of duty or non-line of duty disability and whether the disability prohibits the participant from performing the necessary duties of the position within certain parameters and conditions of the Plan.

Additionally, the Board employs an enrolled Actuarial Consultant (the Actuary) to perform an annual actuarial valuation of the plan to determine the funded status, funding requirements and to monitor trends related to assumptions, expectations and actual results.

Generally, the Consultant and Actuary services are reviewed periodically and requests for proposals issued at least every five years.

Beyond providing staff support for all administrative needs and serving as the liaison with all investment managers and consultants, the Plan Administrator also provides the following services on behalf of the Board:

- Pre-retirement **counseling**;
- Timely processing of **benefit claims**;
- Monthly processing and distribution of **benefit checks**; and
- Accounting and financial reporting**.

BOARD ACTION

During the past year, the Pension Board closely monitored the portfolio performance and target to actual allocations. One investment manager was deemed to be under performing. As such a search was conducted and the manager was replaced. This was a positive move, and certainly contributed to the positive returns of the Plan.

FINANCIAL INFORMATION

Controls

In developing and evaluating the Plan's accounting system, consideration is given to the adequacy of internal accounting controls. Internal accounting controls are designed to provide reasonable, but not absolute, assurance regarding the following:

Safeguarding of assets against loss from unauthorized use or disposition;
and Reliability and adequacy of accounting records.

The concept of reasonable assurance recognizes that the cost of control should not exceed the benefits likely to be derived. Reasonable assurance also recognizes that valuation of costs and benefits require estimates and judgments by management.

All internal control evaluations occur within the above framework. The Plan's internal accounting controls adequately safeguard assets and provide assurance that financial transactions are properly recorded. Key controls are continually tested and evaluated by the Plan Administrator.

Financial controls are maintained in the account group level within program or project appropriations. Trustee related costs are also closely monitored in an effort to be reasonable and prudent. Benefits and refunds are not budgeted as they are considered participant rights. Primarily, Trustee costs represent investment-related costs. Money manager and Master Custodian (the ACustodian') fees are asset and activity based and considered investment costs. Consultant fees are also considered investment costs. Contributions to the Plan are estimated annually as they represent expenditures/expenses of other funds.

Assets, liabilities, revenues and expenses are recorded using the accrual basis of accounting. Revenues and expenses are recorded when earned or incurred, regardless of collection or disbursement. The Plan is actuarially evaluated using the entry age normal method.

Revenues and Expenses

Revenues essential to the sound funding of the Plan are from contributions and net investment earnings. Contributions are made to the Plan from the following:

Budgeted City Funds - based on the actuarially determined rates in accordance with F.S. Chapter 112 and in consideration of the insurance premium;

Allocated Property Insurance Premium Taxes - received from the State pursuant to F.S. Chapter 185; and

Active Plan Participants - based on collective bargaining agreement, members contribute 7.15% of their pay. If the City's cost exceeds 10% of covered payroll, the Plan members and the City share the overage 50/50. For fiscal year October 1, 2003, the City's cost was set at 15.26%. As such, the member's contribution was increased to 9.78% and the City's cost reduced to 12.63%.

The actual return of (15.5)% for the current year was substantially above the actuarial average interest rate assumption of 8.5%. Additional information about investment activity is addressed in the MD&A (see pages 8 - 9) and in the Investment Section of the CAFR. Plan expenses include recurring benefit payments and administrative costs.

Market Smoothing

In 1989, the Board adopted a market smoothing approach for actuarial asset valuation purposes. This approach spreads cyclical market variations over a rolling four-year forward period as discussed on page 50.

Variations in investment income on an actuarial basis from year to year reflect realized gains and losses and the effects of market smoothing. Therefore, annual fluctuations in investment income, as used in the Actuary's annual funding calculations, are not necessarily indicative of good or poor investment results for the current period.

OTHER INFORMATION

Independent Audit

Florida Statutes require an annual independent audit of the Plan's financial statements. The opinion of Davidson, Jamieson & Cristini, P.L. related to the accompanying statements has been included in this report.

Professional Services

Professional consultants are appointed by the Board to perform professional services considered essential to the effective and efficient operation of the Plan. Letters from Actuary and Consultant are included in this report. The type of consultants appointed by the Board and their respective expenses are listed on page 44 of this CAFR.

Reporting Achievement

This is the inaugural year the City of Sunrise Police Pension Plan has sought the prestigious Government Finance Officers Association of the United States and Canada (GFOA) award. Certificate of Achievement for Excellence in Financial Reporting for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended September 30, 2003.

It is understood that in order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized CAFR, the contents of which conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements.

It is further understood that a Certificate of Achievement is valid for a period of one year only. It is believed our report conforms to Certificate of Achievement Program requirements, and is submitting it to GFOA to determine its eligibility for certification.

Acknowledgments

This report reflects the combined efforts of the Board of Trustees, and Board Staff, Plan advisors and consultants. It is intended to provide complete and reliable information regarding stewardship for the assets of the Plan. Additionally, the report provides a basis for making management decisions. The information can also be used as a means of determining compliance with legal provisions.

On behalf of the Board of Trustees, we would like to take this opportunity to express our gratitude to the personnel involved in the compilation of this report.

We hope that this year's report will be of interest to you. It has been designed to help the reader understand and evaluate the operations and financial status of the Plan.

Respectfully submitted,



David M. Williams, *Plan Administrator*

FOR THE BOARD

**CITY OF SUNRISE, FLORIDA
POLICE OFFICERS' RETIREMENT PLAN
September 30, 2003**

BOARD OF TRUSTEES

<u>Trustees' Name</u>	<u>Board Position</u>	<u>Method of Selection (1)</u>	<u>City Position</u>
Robert Dorn	Chairman	Elected	Lieutenant
Gerald Eddy	Secretary	Elected	Lieutenant
Charles Vitale	Trustee	Appointed	Lieutenant
Miles Robinson	Trustee	Appointed	Detective
Robert Misiti	Trustee	5 th Member	Captain

STAFF

<u>Staff Name</u>	<u>Position</u>
David M. Williams	Plan Administrator
Eve Litner	Recording Secretary

CONSULTANTS

Attorney	Christensen & Dehner, P.A.
Actuary	Gabriel, Roeder, Smith & Company
Performance Monitor	Gabriel, Roeder, Smith & Company
Custodian	Fiduciary Trust Company International
Investment Manager	Budkhead Capital Management, L.L.C.
Investment Manager	Davis, Hamilton, Jackson & Associates
Investment Manager	Invesco Capital Management, Inc.

(1) Members are elected /appointed for two-year terms ending March 15 every other year.

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Davidson, Jamieson & Cristini, P.L.

Certified Public Accountants

1956 Bayshore Boulevard
Dunedin, Florida 34698-2503
(727)734-5437 or 736-0771
FAX (727) 733-3487

Members of the Firm

John N. Davidson, CPA*, CVA
Harry B. Jamieson, CPA*
Richard A. Cristini, CPA*, CPPT, CGFM

Member
American Institute of
Certified Public Accountants
Florida Institute of
Certified Public Accountants

*Regulated by the
State of Florida

The Board of Trustees
City of Sunrise, Florida Police Officers' Retirement Plan
(a pension trust fund of the City of Sunrise)
Sunrise, Florida

INDEPENDENT AUDITOR'S REPORT

We have audited the accompanying statements of plan net assets of the City of Sunrise, Florida Police Officers' Retirement Plan (Plan) (a pension trust fund of the City of Sunrise) as of September 30, 2003 and 2002, and the related statements of changes in plan net assets for the years then ended. These financial statements are the responsibility of the Board of Trustees. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. 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 audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the plan net assets of the City of Sunrise, Florida Police Officers' Retirement Plan as of September 30, 2003 and 2002, and the changes in plan net assets for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

The Board of Trustees
City of Sunrise, Florida Police Officers' Retirement Plan
(a pension trust fund of the City of Sunrise)

Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying management's discussion and analysis and the required supplementary information on pages 16 through 18 of the City of Sunrise Police Officers' Retirement Plan is required by the Governmental Accounting Standards Board Statement No. 25 and is not a required part of the basic financial statements. The additional information on page 19 is presented for purposes of additional analysis and is also not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

The investment, actuarial, and statistical sections listed in the accompanying table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The investment, actuarial, and statistical sections have not been subjected to the auditing procedures applied in the audits of the basic financial statements and, accordingly, we express no opinion on them.

Davidson, Jamison & Cristine, P.C.

November 11, 2003

MANAGEMENT'S DISCUSSION AND ANALYSIS

The discussion and analysis of the Sunrise Police Pension Fund's financial performance provides an overview of the financial activities and funding conditions for the fiscal year ended September 30, 2003. Please review it in conjunction with the transmittal letter (see page ii - vii) and the Financial Statements, which begin on page 10.

FINANCIAL HIGHLIGHTS

The Plan's net assets increased by \$4.35 million (or 13.3%) as a result of the fiscal year's activities.

The required contributions from the City, the Florida State excise tax rebate (excluding the excess frozen amount) and employee sources, in total, increased by \$453 thousand (or 27.2%).

Net investment income increased by \$7.21 million (or 270%) resulting from a \$3.6 million gain in fiscal year 2002-2003 and a \$3.6 million loss for fiscal year 2001-2002.

Benefit payments increased by 117 thousand (or 6.0%) over the prior year.

PLAN HIGHLIGHTS

The decline in the equity markets in fiscal year 2002-2003 resulted in positive investment results for the Police Plan. Despite the fact that the portfolio's actual allocation was slightly under committed to equities (as compared to the asset allocation), the relative return of 15.1% exceeded its benchmark target of 14.6% by .40% (for more information see page 37).

The actuarially smoothed investment return takes the difference between actual return and the anticipated 8.5% return (for this year a \$3.19 million loss) and allocates one fifth to the current year and to each of the next four years. The impact of the negative returns for fiscal years 2002 and 2001 were dampened by the actuarially smoothed positive returns from the 2003 year.

Although the plans funding level declined from 96.4% to 89.2%, nonetheless, that level indicates the fund remains in a reasonable well-funded financial condition (see page 7).

USING THE ANNUAL REPORT

The financial statements, which reflect the activities of the Police Officers' Retirement Plan are reported in the Statements of Plan Net Assets (see page 10) and the Statements of Changes in Plan Net Assets (see page 11). These statements are presented on a full accrual basis and reflect all trust activities as incurred.

A discussion of the actual components of this annual report, including the financial statements, is presented in the transmittal letter on page ii.

PLAN NET ASSETS

The table below shows a comparative summary of Plan Net Assets that demonstrates that the pension trust is primarily focused on the cash and investments and the restricted net assets.

TABLE 1
PLAN NET ASSETS

	As of September 30,		
	<u>2003</u>	<u>2002</u>	<u>2001</u>
Investments	\$ 36,837,815	\$ 32,675,176	\$ 35,697,302
Receivables	331,536	611,805	306,764
Equipment	9,280	12,321	9,839
Plan Net Assets	37,178,631	33,299,302	36,013,905
Liabilities	61,047	531,513	50,909
Total Liabilities	61,047	531,513	50,909
Plan Net Assets	\$ 37,117,584	\$ 32,767,789	\$ 35,962,996

The net increase of \$4.35 million (or 13.3%) reflects a net change in trust activities.

CHANGES IN PLAN NET ASSETS

The following comparative summary of the changes in net assets reflects the activities of the trust.

TABLE 2
CHANGES IN PLAN NET ASSETS

	For the Years Ended September 30,		
	<u>2003</u>	<u>2002</u>	<u>2001</u>
Additions:			
Contributions	\$ 1,748,768	\$ 1,338,876	\$ 1,232,947
State Excise Tax Rebate	374,160	323,404	280,803
Investment income (loss) (net)	4,541,902	(2,655,811)	(4,171,454)
Plan Additions (Reductions)	6,664,830	(993,531)	(2,657,704)
Deductions:			
Pension Benefits	2,094,413	1,977,312	2,111,630
Other	220,622	224,364	176,358
Total Deductions	2,315,035	2,201,676	2,287,988
Net Change	\$ 4,349,795	\$ (3,195,207)	\$ (4,945,692)

Contribution rates are established for participants and the City and are impacted by excise tax rebates from the state. The state excise tax collected and remitted is controlled by statute.

The Plan's investment activity, measured as of the end of any quarter or year, is a function of the underlying marketplace for the period measured and the investment policy's asset allocation. There was opportunity for positive returns on investment of a diversified portfolio for this fiscal year as can be seen in the schedule on page 40. The actual returns remained the same at a positive 10.3% return for 2002-2003.

The benefit payments are a function of changing payments to retirees, their beneficiaries (if the retiree is deceased) and new retirements during the period.

PLAN MEMBERSHIP

The following table reflects the Plan membership as of the beginning and ending of the year.

TABLE 3
CHANGES IN PLAN MEMBERSHIP

	<u>September 30,</u>			<u>2002-2003</u>	<u>2001-2003</u>
	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>Change</u>	<u>Change</u>
Active Participants:					
Vested	55	54	48	1	6
Non-vested	107	108	111	(1)	(3)
Retirees & Beneficiaries	69	67	66	2	1
Terminated Vested	1	6	2	(5)	4

While the table above reflects changes in active participants, the number of sworn police officers on the City payroll, the following table demonstrates the changes in retirees and beneficiaries.

TABLE 4
CHANGES IN RETIREES & BENEFICIARIES

Beginning (10/01/2002)	67
Retirements & Beneficiaries	2
Death (Expiration) of Retirees & Beneficiaries	-
Ending (09/30/2003)	69

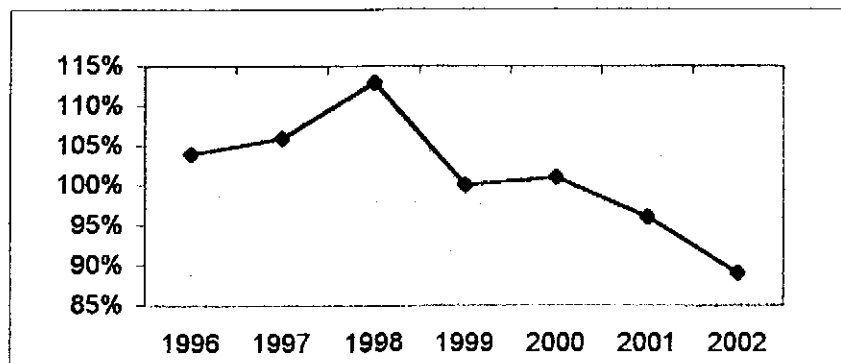
FUNDING STATUS

Of primary concern to most pension plan participants is the amount of money available to pay benefits. Historically, pension plans have been under-funded when the employer failed to make annual actuarially required contributions to the Plan. The City has traditionally contributed the annual required contribution (ARC) as determined by the Plan's Actuary. Therefore, a net pension obligation (NPO) has never existed for the Plan. This is due in large part to implementation of conservative business practices and to the funding requirements established in Florida law.

In 1968, Florida became the first state to constitutionally require local governments to fund pension obligations in a reasonable and systematic manner. Additionally, F.S. Chapter 112 requires local pension plans to be funded based upon actuarial valuations prepared in conformance to industry standards and by enrolled actuaries. To endure this, the State has an actuary on staff. Each actuarial report must be submitted to and accepted by the State. State acceptance must be obtained before the actuarial report and its proposed contribution rate is authorized for use.

An indicator of funding status is the ratio of the actuarial value of the assets to the actuarial accrued liability (AAL). An increase in this percentage over time usually indicates a plan is becoming financially stronger. However, a decrease will not necessarily indicate a plan is in financial decline. Changes in actuarial assumptions can significantly impact the AAL. Performance in the stock and bond markets can have a material impact on the actuarial value of assets.

TABLE 5
SCHEDULE OF FUNDING PROGRESS
FUNDED RATIO
(As of October 1, 2002)



The actuary uses a five-year forward fair value smoothing method (see pages 24 - 26 in the notes) to establish the actuarial value of the assets (used to determine the funded ratio). As of September 30, 2002, the Actuarial Value of the Assets exceeded the actual Fair Value of assets by \$3.3 million as a result of the smoothing methodology (see page 24 in the notes).

ASSET ALLOCATION

The following table indicates the policy target asset allocation for September 30, 2003, 2002 and 2001.

TABLE 6
ASSET ALLOCATION POLICY
(by %)

		September 30,		
		<u>2003</u>	<u>2002</u>	<u>2001</u>
EQUITY				
Domestic:		60%	60%	60%
Value	27%	26%	26%	
Growth	26	27	28	
International	7	7	6	
BONDS		40	40	40
Aggregate	40	40	40	
TOTAL		<u>100%</u>	<u>100%</u>	<u>100%</u>

The 7% direct allocation to International was made to allow the Plan's passive (indexed) manager to also hold international equities as appropriate, and remain within the recent statutory authority of 10% maximum.

INVESTMENT ACTIVITIES

Investment income is vital to the Plan's current and continued financial stability. Therefore, Trustees have a fiduciary responsibility to act prudently and discretely when making Plan investment decisions. To assist the Board in this area, a comprehensive formal investment policy is updated periodically. As managers and asset classes have been added, specific detailed investment guidelines have been developed, adopted, and included as an addendum to each manager's Investment Advisory Agreement. The Investment Policy Statement was last amended in May 2003 to incorporate changes or clearly address statutory requirements adopted by the Florida State Legislature. The Policy generally follows Employee Retirement Income Security Act (ERISA) private sector diversification guidelines and is periodically reviewed, modified (if necessary) and ratified. Significant and atypical limitations (although recently reduced) are placed on the Board's investment authority by F.S. Chapter 185.

Portfolio performance is reviewed quarterly by the Board and its Consultant. Performance is evaluated individually by money manager style, collectively by investment type and for the aggregate portfolio. Investment types include both domestic and international equities and fixed income.

The total fund investment performance for fiscal year 2003 yielded a real positive return of 15.5%, which was above the long-term net 8.5% actuarial return assumption target for the year. However, on both a three-year and five-year basis, the average return of -1.1% and 4.1%, respectively, reasonably compare to the benchmarks. These lower returns are viewed, at this time, to be cyclical and the 8.5% assumption is still deemed reasonable in the long-term. However, as with all the actuarial assumptions, it is monitored annually.

A schedule reflecting five individual years, three year and five year average performance (with comparable indexes) is available on page 42.

ECONOMIC FACTORS

The primary function of the pension trust is to (a) appropriately award and pay benefits and (b) manage investments. The opportunity available considering various investment choices is invaluable in the asset allocation and money manager oversight. The table on page 40 indicates that alternative index returns are reflective of the market environment available.

CONTACTING THE PLAN'S FINANCIAL MANAGEMENT

The financial report is designed to provide citizens, taxpayers, plan participants and the marketplace's credit analysis with an overview of the Plan's finances and the prudent exercise of the Board's oversight. If you have any questions regarding this report or need additional information, please contact the Board's Plan Administrator, 13790 NW 4th Street, Suite 105, Sunrise, Florida 33325.

CITY OF SUNRISE, FLORIDA POLICE OFFICERS' RETIREMENT PLAN
(a pension trust fund of the City of Sunrise)

STATEMENTS OF PLAN NET ASSETS
September 30, 2003 and 2002

	<u>Assets</u>	
	2003	2002
Receivables:		
Plan members	\$ 41,818	\$ 35,876
Employer	72,507	38,987
Intergovernmental revenue	-	323,404
Interest	168,114	189,259
Dividends	17,832	17,194
Due from broker-dealers	24,125	-
Other	110	696
Total receivables	324,506	605,416
Prepaid insurance	7,030	6,389
Investments at fair value:		
U.S. Government securities	2,633,321	3,575,037
U.S. Government agencies	7,362,295	5,818,737
Corporate bonds	5,066,295	4,939,398
Domestic stocks	18,176,361	14,324,653
Foreign pooled equity funds	2,603,571	2,109,162
Temporary investment funds	995,972	1,908,189
Total investments	36,837,815	32,675,176
Equipment, at cost, net of accumulated depreciation of \$18,320 and \$13,914 as of September 30, 2003 and 2002, respectively	9,280	12,321
Total assets	37,178,631	33,299,302
	<u>Liabilities</u>	
Accounts payable	61,047	56,352
Accounts payable, broker-dealers	-	475,161
Total liabilities	61,047	531,513
Plan net assets held in trust for Pension benefits (A schedule of funding progress for this Plan is presented on page 16)	\$ 37,117,584	\$ 32,767,789

See Notes to Financial Statements.

CITY OF SUNRISE, FLORIDA POLICE OFFICERS' RETIREMENT PLAN
(a pension trust fund of the City of Sunrise)

STATEMENTS OF CHANGES IN PLAN NET ASSETS
Years Ended September 30, 2003 and 2002

	2003	2002
Additions:		
Contributions:		
Employer	\$ 1,019,184	\$ 708,249
Plan members	729,584	637,963
Total contributions	1,748,768	1,346,212
Intergovernmental revenue:		
State excise tax rebate	374,160	323,404
Investment income (loss):		
Net appreciation (depreciation) in fair value of investments	3,636,022	(3,653,972)
Interest	816,345	931,916
Dividends	271,433	249,134
Commission recapture	14,931	11,950
Other	-	397
Investment income (loss)	4,738,731	(2,460,575)
Less investment expenses	196,829	202,572
Net investment income (loss)	4,541,902	(2,663,147)
Total additions (reductions)	6,664,830	(993,531)
Deductions:		
Benefits:		
Age and service	1,871,927	1,801,548
Disability	222,486	159,586
DROP payment	-	16,178
Refunds of contributions	41,272	80,813
Administrative expenses	179,350	143,551
Total deductions	2,315,035	2,201,676
Net increase (decrease)	4,349,795	(3,195,207)
Plan net assets held in trust for pension benefits:		
Beginning of year	32,767,789	35,962,996
End of year	\$ <u>37,117,584</u>	\$ <u>32,767,789</u>

See Notes to Financial Statements.

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CITY OF SUNRISE, FLORIDA POLICE OFFICERS' RETIREMENT PLAN
(a pension trust fund of the City of Sunrise)

NOTES TO FINANCIAL STATEMENTS
September 30, 2003 and 2002

1. Description of Plan

The following brief description of the City of Sunrise Police Officers' Retirement Plan (Plan) is provided for general information purposes only. Participants should refer to the Plan Ordinance for more complete information.

General - The Plan is a single employer defined benefit pension plan covering all full-time sworn police officers of the City of Sunrise, Florida (City). Participation in the Plan is required as a condition of employment. Originally established in 1972 and amended in 1989, 1990, 2001 and 2002 the Plan provides for pension, death and disability benefits. The Plan is subject to provisions of Chapter 185 of the State of Florida Statutes.

The Plan, in accordance with the above statute, is governed by a five member pension board. Two police officers who are elected by a majority of the members of the Plan, two are current members of the Plan or former Police employees who are vested in the Plan and are appointed by the City and a fifth member elected by the other four members constitute the pension board. The City and the Plan participants are obligated to fund all Plan costs based upon actuarial valuations. The City is authorized to establish benefit levels and the Board of Trustees approves the actuarial assumptions used in the determination of contribution levels.

At September 30, 2003, the Plan's membership consisted of:

Retirees and beneficiaries:	
Currently receiving benefits	69
Terminated employees entitled to benefits but not yet receiving them	<u>1</u>
Total	<u>70</u>
Current employees:	
Vested	55
Nonvested	<u>107</u>
Total	<u>162</u>

At September 30, 2002, the date of the most recent actuarial valuation, there were 73 retirees and beneficiaries receiving benefits.

CITY OF SUNRISE, FLORIDA POLICE OFFICERS' RETIREMENT PLAN
(a pension trust fund of the City of Sunrise)

NOTES TO FINANCIAL STATEMENTS
September 30, 2003 and 2002

1. Description of Plan (Continued)

Pension Benefits - Under the Plan, participants with 10 or more years of continuous service are entitled to annual pension benefits beginning at normal retirement age (53) or before age 53 if they have completed 20 continuous years of service. Benefits are equal to 4% of the participants average final compensation for each of the first 10 years of service and 2% of average final compensation for each year of credited service thereafter provided however, in no event if a participant is employed after January 1, 1980 shall the monthly benefit exceed 100% of average final compensation. Average final compensation is the participant's average salary of the three (3) best contributing years. A participant's monthly retirement benefit ceases at death (Single Life Annuity). A participant who terminates prior to 10 continuous years of service forfeits the right to receive all benefits he/she has accumulated. However, he/she retains the right of refund of all personal contributions made to the Plan. An additional benefit of \$10.00 per year of service per month, up to a maximum of \$200 per month, shall be paid to all retirees who retired after October 1, 2000 through age 65. This payment is reduced to \$6.25 per year of credited service up to a maximum of \$125 per month after age 65 and is payable for life.

A participant with 10 or more years of credited service is eligible for early retirement. These benefits begin upon application on or after reaching age 47 and are computed the same as normal retirement, based upon the participant's final average salary and credited service at the date of termination. Such benefits will be reduced by 3% for each year by which the participant's age at retirement precedes the age of 53.

Deferred Retirement Option Plan - Any Plan participant who is eligible to receive a normal retirement pension may elect to participate in a deferred retirement option plan (DROP) while continuing his or her active employment as a police officer. Upon participation in the DROP, the participant becomes a retiree for all Plan purposes so that he or she ceases to accrue any further benefits under the pension plan. 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 his or her termination of employment. Participation in the DROP ceases for a Plan participant after the earlier of 5 years or the attainment of his/her earliest normal retirement date. There were four participants in the DROP as of September 30, 2003.

Supplemental Pension Distributions - Any participant of the Police Officers' Retirement Plan who terminates employment with immediate eligibility for early or normal retirement benefits or enters the DROP on or after August 14, 2001 is eligible for a 13th check. Participants in the DROP are not eligible for a 14th check.

CITY OF SUNRISE, FLORIDA POLICE OFFICERS' RETIREMENT PLAN
(a pension trust fund of the City of Sunrise)

NOTES TO FINANCIAL STATEMENTS
September 30, 2003 and 2002

1. Description of Plan (Continued)

The amount of the 13th check is determined in November and is paid on or before December 15 each year based on the cumulative net actuarial gain for the plan as identified in the most recent actuarial report. The amount of the 13th check shall not exceed 100% of a participant's monthly retirement benefit.

In the event that the cumulative net actuarial gain exceeds the amount distributed by the 13th check and the City's required contribution to the Plan a 14th check will be distributed during the following year.

Death Benefits - For any deceased employee who had been an actively employed participant eligible for early, normal or delayed retirement, the benefit payable shall be at least equal to the annuity of ten years calculated as of the date of death. Benefits payable under service-connected death for participants ineligible for early retirement shall be payable to the designated beneficiary at the rate of 100%, 75%, 66⅔% or 50% of the participant's regular monthly retirement benefit per month until death.

Disability Benefits - Benefits payable to participants under service-incurred disability shall be monthly installments of 75% of participant's regular monthly base salary in effect at the date of disability. The benefit shall be paid from the date of disability until recovery or death of the participant. Should a participant become disabled due to a nonservice-incurred cause, benefits of a minimum of 25% and a maximum of 50% of the participant's average final compensation shall be paid monthly from the date of the disability until recovery or death. This non-service connected benefit is only available to participants with ten years or more of creditable service.

Notwithstanding the foregoing, the benefits for service connected disabilities cannot be reduced below the greater of the participant's accrued benefit or 42% of average final compensation, not to exceed 75% of regular base salary.

Refund and Compulsory Contributions - Nonvested participants, upon termination, may request return of their compulsory contributions or leave them on deposit with the Plan for not more than five years. The Plan does not pay any interest on compulsory account balances or contributions returned.

Covered officers are required to contribute 7.45% and 7.15% of their salary to the Plan for the years ended September 30, 2003 and 2002, respectively. If an officer retires, dies, becomes disabled, or terminates employment with the City, accumulated contributions are refunded to the officer or his/her designated beneficiary.

CITY OF SUNRISE, FLORIDA POLICE OFFICERS' RETIREMENT PLAN
(a pension trust fund of the City of Sunrise)

NOTES TO FINANCIAL STATEMENTS
September 30, 2003 and 2002

2. Summary of Significant Accounting Policies

Basis of Accounting - Basis of accounting is the method by which revenues and expenses are recognized in the accounts and are reported in the financial statements. The accrual basis of accounting is used for the Plan. Under the accrual basis of accounting, revenues are recognized when they are earned and collection is reasonably assured, and expenses are recognized when the liability is incurred. Plan member contributions are recognized in the period in which the contributions are due. City contributions to the plan, as calculated by the Plan's actuary, are recognized as revenue when due and the City has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

Basis of Presentation - The accompanying financial statements are presented in accordance with Governmental Accounting Standards Board (GASB) Statement 25, *Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans* and the Codification of Governmental Accounting and Financial Reporting Standards which covers the reporting requirements for defined benefit pensions established by a governmental employer. The accompanying financial statements include solely the accounts of the Plan which include all programs, activities and functions relating to the accumulation and investment of the assets and related income necessary to provide the service, disability and death benefits required under the terms of the Plan and the amendments thereto.

Valuation of Investments - Investments in common stock and bonds traded on a national securities exchange are valued at the last reported sales price on the last business day of the year; 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; investments in securities not having an established market value are valued at fair value as determined by the Board of Trustees. The fair value of an investment is the amount that the Plan could reasonably expect to receive for it in a current sale between a willing buyer and a willing seller, other than in a forced or liquidation sale. Purchase and sales of investments are recorded on a trade date basis.

Investment income is recognized on the accrual basis as earned. Unrealized appreciation in fair value of investments includes the difference between cost and fair value of investments held. The net realized and unrealized investment appreciation or depreciation for the year is reflected in the Statement of Changes in Plan Net Assets.

Custody of Assets - Custodial and certain investment services are provided to the Plan under contracts with a custodian having trust powers in the State of Florida. The Plan's investment policies are governed by Florida State Statutes and ordinances of the City of Sunrise, Florida.

CITY OF SUNRISE, FLORIDA POLICE OFFICERS' RETIREMENT PLAN
(a pension trust fund of the City of Sunrise)

NOTES TO FINANCIAL STATEMENTS
September 30, 2003 and 2002

2. Summary of Significant Accounting Policies (Continued)

Authorized Plan Investments - The Board recognizes that the obligations of the Plan are long-term and that its investment policy should be made with a view toward performance and return over a number of years. The general investment objective is to obtain a reasonable total rate of return defined as interest and dividend income plus realized and unrealized capital gains or losses commensurate with the prudent investor rule and Chapter 185 of the Florida Statutes.

Permissible investments include obligations of the U.S. Treasury and U.S. agencies, high capitalization common or preferred stocks, pooled equity funds, high quality bonds or notes and fixed income funds. In addition, the Board requires that Plan assets be invested within a range of no more than 70% in stocks and fixed income securities measured at market.

In addition, the Plan limits investment in common stock (equity investments) as follows:

- a. No more than five percent of the Plan's assets may be invested in the common or capital stock of any single corporation.
- b. The Plan's investment in the common stock of any single corporation shall not exceed five percent of such corporation's outstanding common or capital stock.

Further information regarding the permissible investments for the Plan can be found in the Plan's Statement of Investment Policy.

Funding Policy - Participants are required to contribute 7.45% of their annual earnings to the Plan through September 30, 2003 and 9.78% beginning October 1, 2003. Prior to January 1, 1990, contributions to the System were made on an after-tax basis. Subsequent to this date, contributions are made on a pre-tax basis pursuant to an amendment to the Plan. These contributions are designated as employee contributions under Section 414(h)(2) of the Internal Revenue Code. Contribution requirements of the Plan's participants are established and may be amended by the City of Sunrise, Florida.

A rehired member may buy back one or more years of continuous past service by paying into the Plan the amount of contributions that the participant would otherwise have paid for such continuous past service, plus the interest that would have been earned had such funds been invested by the Plan during that time.

CITY OF SUNRISE, FLORIDA POLICE OFFICERS' RETIREMENT PLAN
(a pension trust fund of the City of Sunrise)

NOTES TO FINANCIAL STATEMENTS
September 30, 2003 and 2002

2. Summary of Significant Accounting Policies (Continued)

The City's funding policy is to make actuarially computed contributions to the Plan in amounts, such that when combined with participants' contributions and the State insurance excise tax rebate, all participants' benefits will be fully provided for by the time that they retire. If the actuarially calculated City contribution exceeds 10% of the budgeted payroll, the participants and the City will equally fund the excess required contribution.

The City's actuarially determined contribution rate for the year ended September 30, 2003 was 10.45%. This rate consists of 5.60% of member salaries to pay normal costs plus 4.85% to amortize the unfunded actuarially accrued liability pursuant to the September 30, 2002 actuarial valuation.

Administrative Costs - All administrative costs of the Plan are financed through investment earnings and charges against the DROP accounts and supplemental distributions. The Plan has no undue investment concentrations.

Cash - The Plan considers broker-dealer deposits as cash. Temporary investments shown on the balance sheet are composed of investments in short-term custodial and broker-dealer proprietary money market funds.

Federal Income Taxes - The Plan has not applied for a favorable determination letter from the Internal Revenue Service indicating that the Plan is qualified and exempt from Federal income taxes. The Board believes that the Plan is designed and continues to operate in compliance with the applicable requirements of the Internal Revenue Code.

Actuarial Cost Method - Under the Frozen Entry Age Actuarial Cost method the present value of benefits for each individual included in an actuarial valuation is allocated on a level basis over the earnings or service of the participant between the age of entry into the plan and expected retirement.

Reporting Entity - Governmental Accounting Standards Board Statement No. 14 requires that this financial statement present the City of Sunrise Police Officers' Retirement Plan (the component unit) and disclose its primary government, the City of Sunrise, Florida. Component units generally are legally separate entities for which a primary government is financially accountable. In addition the primary government is able to impose its will upon the component unit, or there is a possibility that the component unit may provide specific financial benefits or impose specific financial burdens on the primary government. The Plan has determined that it is a component unit of the City of Sunrise, Florida.

Equipment - Equipment is recorded at cost; depreciation is recorded on the straight-line method over a ten year estimated useful life.

CITY OF SUNRISE, FLORIDA POLICE OFFICERS' RETIREMENT PLAN
(a pension trust fund of the City of Sunrise)

NOTES TO FINANCIAL STATEMENTS
September 30, 2003 and 2002

2. Summary of Significant Accounting Policies (Continued)

Use of Estimates - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Restatement - Certain figures for the year ended September 30, 2002 have been restated to conform to the financial statement presentation for the year ended September 30, 2003.

3. Deposits and Investments

Deposits

Fiduciary Trust Company International ("Fiduciary Trust"), and the Merrill Lynch Investment Account periodically hold uninvested cash in their respective capacities as custodians for the Plan. These funds exist temporarily as cash in the process of collection from the sale of securities.

Investments

The Plan's investments are categorized as either (1) insured or registered or for which the securities are held by the Plan or its agent in the Plan's name, (2) uninsured and unregistered for which the securities are held by the counterparty's (Bank's) trust department or agent in the Plan's name or (3) uninsured and unregistered for which the securities are held by the broker or dealer, or by their Bank's trust department, or agent but not in the Plan's name. Investments that are not evidenced by securities that exist in physical or book-entry form include investments in open-ended mutual funds.

The Plan's investments are segregated into three separate accounts and managed under separate investment agreements with INVESCO, Davis Hamilton Jackson and Associates and Buckhead Capital Management. These accounts give Fiduciary Trust International of the South (FTIOS) the custodianship, but give INVESCO, Davis Hamilton Jackson and Associates and Buckhead Capital Management the authority to manage the investments. One other account is managed by the Trustees and is held by Merrill Lynch. These assets are invested in accordance with the specific guidelines as set forth in the Plan's Statement of Investment Policy. Investment management and custodial fees are calculated quarterly as a percentage of the fair market value of the Fund's assets managed.

CITY OF SUNRISE, FLORIDA POLICE OFFICERS' RETIREMENT PLAN
(a pension trust fund of the City of Sunrise)

NOTES TO FINANCIAL STATEMENTS
September 30, 2003 and 2002

3. Deposits and Investments (Continued)

Investments (Continued)

Except for the investments managed by Merrill Lynch the Plan's investments are uninsured and unregistered and are held in custodians' accounts in the Plan's name as described above. Accordingly, they are all classified as category one investments. Investments managed by Merrill Lynch are open-ended mutual funds and are not subject to categorization.

Individual investments that individually represent 5% or more of the Plan's net assets available for benefits as of September 30, 2003 are as follows:

American Euro	
EuroPacific Growth	<u>\$ 1,670,550</u>

4. Net Increase (Decrease) in Realized and Unrealized Appreciation (Depreciation) of Investments

The Plan's investments appreciated (depreciated) in value during the years ended September 30, 2003 and 2002 as follows:

	2003		
	Realized Appreciation (Depreciation)	Unrealized Appreciation (Depreciation)	Total
Investments at fair value as determined by quoted market price:			
U.S. Government securities	\$ 210,600	\$ (279,498)	\$ (68,898)
U.S. Government agencies	143,668	(220,016)	(76,348)
Corporate bonds	(9,060)	(24,352)	(33,412)
Domestic stocks	622,283	2,712,194	3,334,477
Foreign pooled equity funds	-	480,203	480,203
Net increase in realized and unrealized appreciation (depreciation) of investments	<u>\$ 967,491</u>	<u>\$ 2,668,531</u>	<u>\$ 3,636,022</u>

CITY OF SUNRISE, FLORIDA POLICE OFFICERS' RETIREMENT PLAN
(a pension trust fund of the City of Sunrise)

NOTES TO FINANCIAL STATEMENTS
September 30, 2003 and 2002

4. Net Increase (Decrease) in Realized and Unrealized Appreciation (Depreciation) of Investments (Continued)

	2002		
	<u>Realized Appreciation (Depreciation)</u>	<u>Unrealized Appreciation (Depreciation)</u>	<u>Total</u>
Investments at fair value as determined by quoted market price:			
U.S. Government securities	\$ 132,599	\$ (2,515)	\$ 130,084
U.S. Government agencies	99,992	47,087	147,079
Corporate bonds	(115,620)	60,013	(55,607)
Domestic stocks	(1,792,679)	(1,689,415)	(3,482,094)
Foreign pooled equity funds	-	(393,434)	(393,434)
	<hr/>	<hr/>	<hr/>
Net increase in realized and unrealized appreciation (depreciation) of investments	<u>\$ (1,675,708)</u>	<u>\$ (1,978,264)</u>	<u>\$ (3,653,972)</u>

The calculation of realized gains and losses is independent of the calculation of net appreciation (depreciation) in the fair value of plan investments.

Unrealized gains and losses on investments sold in 2003 that had been held for more than one year were included in net appreciation (depreciation) reported in the prior year.

CITY OF SUNRISE, FLORIDA POLICE OFFICERS' RETIREMENT PLAN
(a pension trust fund of the City of Sunrise)

NOTES TO FINANCIAL STATEMENTS
September 30, 2003 and 2002

4. Net Increase (Decrease) in Realized and Unrealized Appreciation (Depreciation) of Investments (Continued)

	2002		
	Realized Appreciation (Depreciation)	Unrealized Appreciation (Depreciation)	Total
Investments at fair value as determined by quoted market price:			
U.S. Government securities	\$ 132,599	\$ (2,515)	\$ 130,084
U.S. Government agencies	99,992	47,087	147,079
Corporate bonds	(115,620)	60,013	(55,607)
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Foreign pooled equity funds	-	(393,434)	(393,434)
Net increase in realized and unrealized appreciation (depreciation) of investments	<u>\$ (1,675,708)</u>	<u>\$ (1,978,264)</u>	<u>\$ (3,653,972)</u>

The calculation of realized gains and losses is independent of the calculation of net appreciation (depreciation) in the fair value of plan investments.

Unrealized gains and losses on investments sold in 2003 that had been held for more than one year were included in net appreciation (depreciation) reported in the prior year.

CITY OF SUNRISE, FLORIDA POLICE OFFICERS' RETIREMENT PLAN
(a pension trust fund of the City of Sunrise)

NOTES TO FINANCIAL STATEMENTS
September 30, 2003 and 2002

7. Plan Amendments

During the fiscal year ended September 30, 2002, the ordinance providing for the creation and operation of the Plan was amended. A description of that amendment is summarized as follows:

Deletes the provision pertaining to the selection of a third actuary in the event that the Plan's actuary and the City's actuary do not agree on the increase in the required City contribution resulting from State legislation or Agency action.

This amendment resulted in no actuarial impact to the Plan.

8. Mortgage-Backed Securities

The Plan invests in mortgage-backed securities representing interests in pools of mortgage loans as part of its interest rate risk management strategy. The mortgage-backed securities are not used to leverage investments in fixed income portfolios. The mortgage-backed securities held by the Plan were guaranteed by federally sponsored agencies such as: Government National Mortgage Association, Federal National Mortgage Association and Federal Home Loan Mortgage Corporation.

All of the Plan's financial investments are carried at fair value on the Statement of Plan Net Assets included in investments. The gain or loss on financial instruments is recognized and recorded on the Statement of Changes in Plan Net Assets as part of investment income.

9. Plan Termination

Although it has not expressed an intention to do so, the City may terminate the Plan at any time by a written ordinance of the City Commission of Sunrise, duly certified by an official of the City. In the event that the Plan is terminated or contributions to the Plan are permanently discontinued, the benefits of each police officer in the Plan at such termination date would be non-forfeitable. The order of benefit distribution would be as follows:

- a. Benefits to retired or disabled police officers under the early, normal or delayed retirement or disability provisions of the Plan.
- b. Benefits to vested police officers (including former members entitled to deferred benefits) under the early, normal or delayed retirement provisions of the Plan.

CITY OF SUNRISE, FLORIDA POLICE OFFICERS' RETIREMENT PLAN
(a pension trust fund of the City of Sunrise)

NOTES TO FINANCIAL STATEMENTS
September 30, 2003 and 2002

9. Plan Termination (Continued)

- c. Benefits attributable to police officers' contributions.
- d. Benefits to nonvested police officers under normal retirement provisions of the Plan.

10. Commitments

As described in Note 1, certain members of the Plan are entitled to refunds of their accumulated contributions, without interest, upon termination of employment with the City prior to being eligible for pension benefits. At September 30, 2003, aggregate contributions from active members of the Plan were approximately \$4,409,472. The portion of these contributions which are refundable to participants who may terminate with less than ten years of service has not been determined.

11. Lease Agreement

The Plan exercised its option to extend the noncancelable operating lease agreement on its office facilities during the year ended September 30, 2003. The extended lease term covers the period from April 1, 2002 through March 31, 2005. Future minimum annual maturities under this lease agreement are summarized as follows:

<u>Year Ended</u> <u>September 30</u>	
2004	\$23,160
2005	\$11,580

Office rent expense, which includes additional maintenance costs, for the years ended September 30, 2003 and 2002 was \$22,860 and \$20,757, respectively.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF SUNRISE, FLORIDA POLICE OFFICERS' RETIREMENT PLAN

(a pension trust fund of the City of Sunrise)

SCHEDULE OF FUNDING PROGRESS

September 30, 1996 through September 30, 2002

Actuarial Valuation Date September 30	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio a/b	Covered Payroll (c)	UAAL as Percentage of Covered Payroll (b-a)/(c)
1996	\$ 24,322	\$ 23,333	\$ (989)	104.2%	\$ 6,613	(15.0)%
1997	27,830	26,336	(1,494)	105.7	7,170	(20.8)
1998	31,671	28,002	(3,669)	113.1	7,838	(46.8)
1999	35,269	35,448	179	99.5	7,357	2.4
2000	37,513	37,216	(297)	100.8	7,771	(3.8)
2001	40,151	41,667	1,516	96.4	9,295	16.3
2002	39,138	43,861	4,723	89.2	9,383	50.3

Dollar amounts are in thousands.

Analysis of the dollar of actuarial value of assets, actuarial accrued liability, or unfunded actuarial accrued liability in isolation can be misleading. Expressing the actuarial value of assets as a percentage of the actuarial accrued liability provides one indication of the system's funded status on a going-concern basis. Analysis of this percentage over time indicates whether the system is becoming financially stronger or weaker. Generally, the greater this percentage, the stronger the plan.

The unfunded actuarial accrued liability and annual covered payroll are both affected by inflation. Expressing the unfunded actuarial accrued liability as a percentage of covered payroll approximately adjusts for the effects of inflation and aids analysis of the progress being made in accumulating sufficient assets to pay benefits when due. Generally, the smaller this percentage, the stronger the plan.

CITY OF SUNRISE, FLORIDA POLICE OFFICERS' RETIREMENT PLAN
(a pension trust fund of the City of Sunrise)

SCHEDULE OF CONTRIBUTIONS FROM THE CITY
September 30, 1996 through September 30, 2003

Year Ended <u>September 30</u>	<u>City</u>	
	<u>Annual Required Contribution</u>	<u>Actual Percentage Contributed</u>
1996	\$ 314,845	100.0%
1997	343,282	100.0
1998	413,775	100.0
1999	277,685	100.0
2000	735,149	100.0
2001	652,379	100.0
2002	700,913	100.0
2003	1,019,184	100.0

CITY OF SUNRISE, FLORIDA POLICE OFFICERS' RETIREMENT PLAN
(a pension trust fund of the City of Sunrise)

NOTES TO THE ADDITIONAL SCHEDULES
September 30, 1996 through September 30, 2003

The information presented in the required supplementary schedules on pages 16 and 17 was determined as part of the actuarial valuations at the dates indicated. Additional information as of the latest actuarial valuation follows:

Valuation date	October 1, 2002
Actuarial cost method	Frozen entry age
Amortization method	Level dollar
Remaining amortization period	17 years, closed
Asset valuation method	5 year smoothed market
Actuarial assumptions:	
Investment rate of return	8.5%
Projected salary increases	5.2% to 8.5% depending on age
Inflation and other general increases	4%
Cost-of-living adjustments	Not applicable
Mortality	1983 Group Annuity Mortality Table for males and females

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ADDITIONAL INFORMATION

CITY OF SUNRISE, FLORIDA POLICE OFFICERS' RETIREMENT PLAN
(a pension trust fund of the City of Sunrise)

SCHEDULES OF ADMINISTRATIVE AND INVESTMENT EXPENSES
Years ended September 30, 2003 and 2002

Administrative and investment expenses for the years ended September 30, 2003 and 2002 are summarized as follows:

	<u>2003</u>		<u>2002</u>	
	<u>Expenses</u>		<u>Expenses</u>	
	<u>Administrative</u>	<u>Investment</u>	<u>Administrative</u>	<u>Investment</u>
Actuary	\$ 30,553	\$ -	\$ 16,955	\$ -
Administrator	41,440	-	36,909	-
Audit	6,300	-	6,300	-
Custodial fees	-	18,961	-	17,437
Depreciation expense	4,406	-	3,859	-
Dues and subscriptions	410	-	869	-
Education and training*	25,728	-	12,367	-
Electric	810	-	723	-
Insurance	10,951	-	9,859	-
Investment manager fees:				
Fixed income	-	81,781	-	87,457
Equity	-	78,181	-	85,506
Legal	17,549	-	20,236	-
Office rent	22,860	-	20,757	-
Office supplies and expense	3,640	-	4,177	-
Performance monitor	-	17,906	-	12,172
Postage	878	-	1,102	-
Printing and stationery	540	-	1,166	-
Repairs and maintenance	675	-	752	-
Secretarial	9,200	-	5,550	-
Telephone	3,410	-	1,970	-
TOTALS	\$ <u>179,350</u>	\$ <u>196,829</u>	\$ <u>143,551</u>	\$ <u>202,572</u>
 Percent of Net Assets	 <u>48%</u>	 <u>53%</u>	 <u>44%</u>	 <u>62%</u>

* It is the Board's policy to pay education and training costs with earnings from the Plan's commission recapture program. Commission recapture revenue for the years ended September 30, 2003 and 2002 was \$14,931 and \$11,950, respectively.

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GRS ASSET CONSULTING GROUP

A Division of Gabriel, Roeder, Smith & Company

Consultants & Actuaries

Chairman Robert J. Dorn, Chairman
City of Sunrise, Florida, Police Officers'
Retirement System
13790 NW 4th Street, Suite 105
Sunrise, Florida 33325

Dear Chairman Dorn:

GRS Asset Consulting Group, a division of Gabriel Roeder Smith and Company, serves as the pension consultant for the Police Officers Retirement Fund and provides ongoing performance measurement relating to the individual investment managers, each asset class component of the investment portfolio, and for the investment portfolio as a whole. The Board strives to achieve a market rate of return as measured against appropriate benchmarks/indexes, while limiting risk to an acceptable level. GRS Asset Consulting group recommends replacement of individual managers mainly when situations arise related to individual performance, unacceptable changes to the investment management firms' organizational structure and/or the managers' substantive deviation from the investment style for which the were hired.

As the schedule shows on page (41), the portfolio is diversified by investment type, as well as by sector and manager style. This diversification serves to reduce risk that could result from concentration in single investment categories. As of September 30, 2003, the target allocation is 50% US Equities, 40% Bonds, and 10% International Equities.

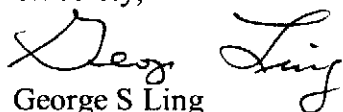
Performance is measured and reviewed on a quarterly basis and accumulated for trailing annual periods, as well as for trailing three and five year periods. Risk-adjusted performance is also measured and reviewed. This approach provides the Board with adequate detail to measure results and determine whether goals/benchmarks are being achieved. The performance measurement is in conformance with AIMR standards; the return is solely that of the Plan and not that of a composite. In addition, the performance method is based on monthly linking and when appropriate, intra-month linking, i.e. time-weighted.

The schedule on page (42) of this report is based on data prepared by the prior consultant but which we believe to be accurate, and represents the pension fund performance for each of the past five fiscal years and the annualized returns for three-year and five-year periods. The performance for the total fund for the year ended September 30, 2003 was 0.9% above that of the shadow benchmark composite reference fund and 0.9% below that of the composite universe median. Annualized total fund performance for the trailing

three-year period was 0.4% above the shadow composite reference fund and 0.1% above the composite universe median. Trailing five-year performance was 0.3% below the shadow composite reference fund and 0.6% below the composite universe median. Relatively weak equity performance had an unfavorable affect on total fund performance over this period.

The overall results have been average to somewhat below average over the longer periods of time.

Sincerely,

A handwritten signature in cursive script, appearing to read "George S Ling".

George S Ling

Director of Investment Consulting Services

The Sunrise Police Officers' Pension Plan has been created and funded to provide retirement benefits for those employees who through their years of service have earned a right to a pension benefit. The purpose of this fund is to provide for the accumulation and distribution of money in an actuarially sound fashion over the years of the employees' service and subsequent retirement. This document is designed to set forth the policies and guidelines for those who administer and invest the funds in the portfolio.

Although this fund is not subject to the Employee Retirement Income Security Act (ERISA), Florida Statutes state that the Board and all of its agents comply with the standards set forth in the Act of 1974 at 29 U.S.C. 1104(a)(1)(A)-(C). Therefore, all of the individuals associated with the plan should act within the confines of that statute. Where not specifically indicated, the actions and/or decisions of the individuals are to be governed by the prudent man rule.

This investment policy shall cover the entire portfolio as well as all investment managers.

REGULATORY REQUIREMENTS

Since the Sunrise Police Officers' Pension Fund is a qualified defined benefit plan as defined and set forth by Florida Statutes Chapter 185, investment procedures and restrictions stipulated under these regulations must be followed.

Additionally:

EVERY FIDUCIARY SHALL:

- Discharge his or her duties for the exclusive purpose of providing benefits to the Sunrise Police Officers' Pension Fund members and their beneficiaries;
- Act with care, skill prudence and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with such matters use in the conduct of an enterprise of like character and with like aims;
- Diversify investments of the Sunrise Police Officers' Pension Fund so as to minimize the risk of large losses unless under the circumstances it is clearly not prudent to do so, and;
- Operate in accordance with the Sunrise Police Officers' Pension Fund procedures, documents and instruments.

• **NO FIDUCIARY SHALL:**

- Deal with the Sunrise Police Officers' Pension Fund assets for his or her own account or his or her own interest, and/or;
- Act in any matter affecting the retirement system on behalf of any person or organization whose interests are adverse to the interests of the Sunrise Police Officers' Pension Fund, its members or beneficiaries.

The Fund shall be governed by a set of written internal controls and operational procedures that shall be periodically reviewed by the Fund's Certified Public Accountant.

The Board shall retain an independent Certified Public Accountant on an annual basis as well as require reports from the Fund's investment consultant quarterly. This policy is designed to safeguard the Fund from losses that might arise from fraud, error or misrepresentation by third parties, or imprudent action by the Board or employees of the plan sponsor.

OVERALL GOAL

In accordance with the Fund's most recent actuarial report, the Trustees have established long-term goals for the overall investment portfolio consistent with the liabilities of the Fund. At a minimum, the Fund in aggregate needs to earn a compound annualized rate of return over time of 8.5%.

While the Trustees acknowledge that market conditions can produce periods where such returns are difficult to achieve, the advisor is expected to contribute to meeting the long term objectives of the plan as well as others set forth in this document.

ASSET ALLOCATION

The Pension Board has adopted the following asset allocations:

	<u>% allocated</u>	<u>Corresponding Index</u>
Domestic Stocks	50.0%	S&P 500 Index
Domestic Bonds	40.0%	Lehman Aggregate Bond Index
International Stocks	10.0%	MSCI EAFE Index

Although cash is not included in the asset allocation of the Fund, the Trustees realize the need to provide liquidity to pay obligations as they come due. Surplus cash flows, additional contributions, and investment manager cash will be utilized to pay obligations of the Fund and periodic re-balancing of the assets. The Fund's investment manager(s) shall be kept informed of the liquidity requirements of the Fund, and to the extent possible, avoid untimely sales of assets which could be detrimental to the performance of the Plan.

MANAGEMENT STRUCTURE

To diversify plan assets so as to minimize the risk associated with dependence on the success on one enterprise, the Pension Board has decided to employ a multi-manager team approach to investing plan assets.

Asset managers will be employed to utilize individual expertise within their assigned area of responsibility. Each manager will be governed by individual investment guidelines. Separate manager guidelines for each investment manager shall serve as addenda to the Policy and are included in the Statistical Section of this report.

The asset management structure is currently as follows:

	<u>Target</u>	<u>Minimum</u>	<u>Maximum</u>
<u>Domestic Stocks</u>	<u>50.0%</u>	<u>40%</u>	<u>60%</u>
Buckhead Capital Mgmt. (Value)	25.0	20.0	30.0
Davis, Hamilton & Jackson (Growth)	25.0	20.0	30.0
<u>Domestic Bonds</u>	<u>40.0%</u>	<u>30%</u>	<u>50%</u>
Invesco	20.0	15.0	25.0
Davis, Hamilton & Jackson	20.0	15.0	25.0
<u>International Stocks</u>	<u>10.0%</u>	<u>0.0%</u>	<u>12.0%</u>
Putnam Int'l Growth Fund	10.0	0.0	12.0

MASTER REPURCHASE AGREEMENTS

All approved institutions that transact repurchase agreements on behalf of the Fund, including short-term investments by the Fund custodian, shall execute and adhere to the requirements of the Master Repurchase Agreement.

PROXY VOTING

Responsibility for the exercise of ownership through proxy solicitation shall rest solely with the investment managers. Guidelines for voting proxies will be listed in individual manager guidelines.

BROKERAGE

Investment managers shall use their best efforts to ensure that portfolio transactions are placed on a best execution basis. Notwithstanding the foregoing, the Trustees reserve the right to direct any or all of the brokerage commissions associated with the portfolio for the purposes of securing research and related services for the benefit of the Plan and its participants. Brokerage transactions should not be directed to any firm if in doing so, taking all factors into consideration, the Fund will incur a disadvantage with respect to the market price of the security. Further, irrespective of any obligations to pay for services engaged by either the advisor or the Trustees, only transactions that would normally be made for the Fund in the absence of such obligations should be executed.

THIRD-PARTY CUSTODIAL AGREEMENTS

The Board shall retain a third party to custody of the fund's assets. All securities shall be designated as an asset of the Board and no withdrawal of securities, in whole or in part, shall be made from safekeeping except by an authorized member of the Board or the Board's designee. Securities transactions between a broker-dealer and the custodian involving purchase or sale of securities by transfer of money or securities must be made on a "delivery versus payment" basis, if applicable, to ensure that the custodian will have the security or money, as appropriate in hand at the conclusion of the transaction.

CONTINUING EDUCATION

The Fund acknowledges that continuing education for trustees is required at least once per term by Florida Statutes. To that end, the Trustees are to attend educational conferences in connection with their duties and responsibilities and investment related topics as Trustees.

REPORTING

The Fund's investment consultant shall provide quarterly reports of the Fund's investment activities. These reports shall be public records and shall be submitted to the plan sponsor as required by law.

There were no material amendments or changes to the Investment Policy during the reporting period.

At all times, the Fund's investments are subject to the limitations set forth in Florida Statute Sections 215.47 (1-8), (10), and (16) except as otherwise permitted by Chapter 185 or by local ordinance. Compliance with these provisions shall be the responsibility of the Board of Trustees.

CITY OF SUNRISE, FLORIDA POLICE OFFICERS' RETIREMENT PLAN

INVESTMENT PERFORMANCE

Year ended September 30, 2003

Total Fund

Last quarter, the total aggregate portfolio returned 2.0%. That performance ranked in the 51st percentile of the Independent Consultant's Cooperative's (ICC) universe of balanced funds. The return for the last twelve months was 15.5% ranking the portfolio in the 56th percentile. Since March 1998, the fund gained 21.8%, returning 3.7% per annum, which ranked in the 52nd percentile.

Equities

Last quarter, the stocks in the aggregate portfolio returned 3.6% ranking in the 59th percentile, 1.0% above the S&P 500's 2.6% return. The return for the trailing year was 24.3%, placing this component in the 65th percentile, which was just 0.1% below the index. Since March 1998, the aggregate stocks fell 3.6% (a 0.7% annualized loss) and ranked in the 85th percentile, 0.3% per year behind the S&P 500's 0.4% annualized loss.

Bonds

The aggregate fixed income segment recorded a third quarter return of -0.3% and ranked in the 81st percentile of the fixed income universe. That performance was 0.1% below the Lehman Aggregate Bond index's return of -0.2%. The return for the trailing year was 5.5%, which ranked below the median in the 65th percentile. Since March 1998, the bonds earned 48.4% (7.4% per annum) and ranked in the 40th percentile; the annualized return beat the annualized index return (7.3%) by 0.1%.

International Equities

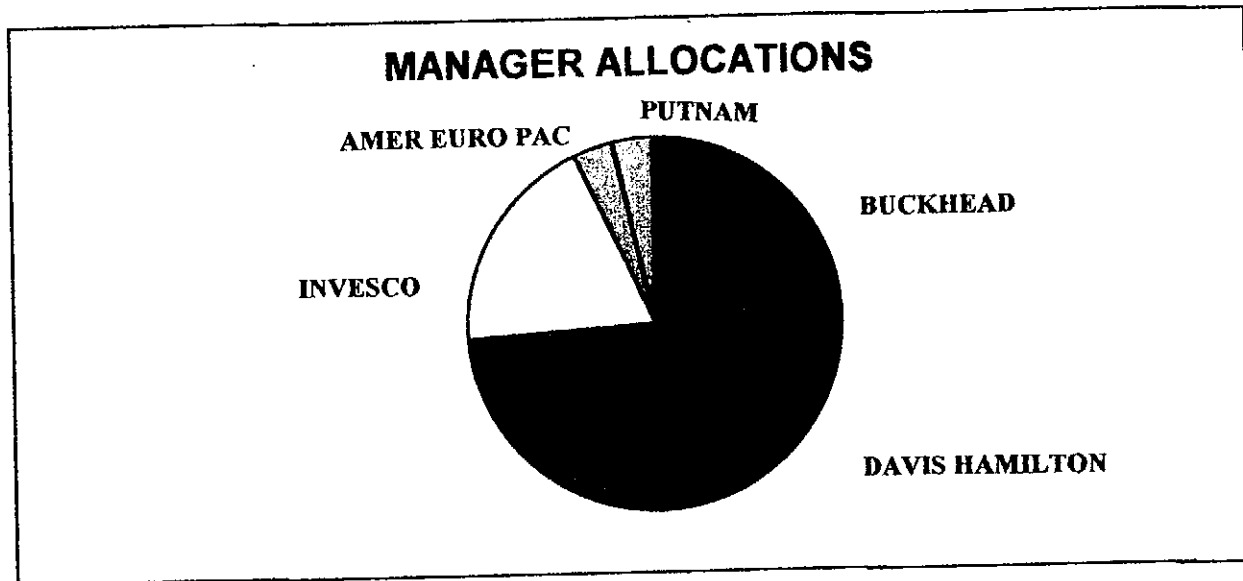
The American Euro Pacific and Putnam accounts together returned 7.4% for the September quarter, ranking in the 55th percentile of the ICC universe of international equity funds, but still trailed the EAFE index (8.2%) by 0.8%. Over the last twelve months, the international equities segment gained 23.4% ranking in the 64th percentile, again below the index (26.5%).

INTERNATIONAL EQUITY RANKINGS		
%TILE	QUARTER	YEAR
5	13.51	37.98
25	9.79	29.63
50	7.84	25.46
75	5.88	21.99
95	4.29	16.24

ASSET ALLOCATION

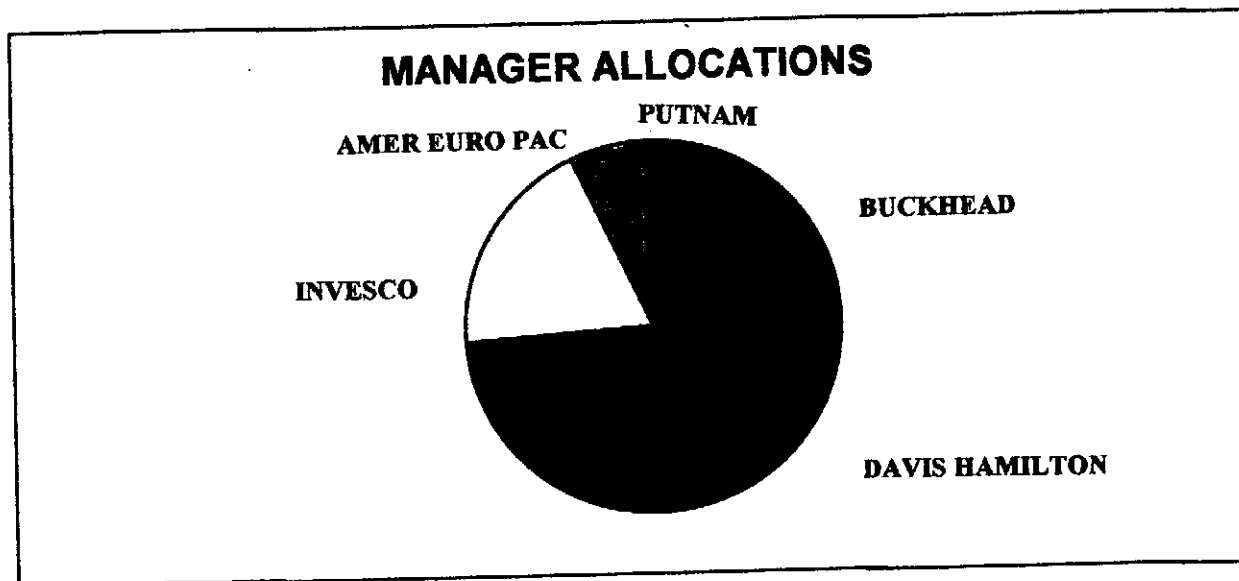
At the end of the third quarter, equities comprised 49.1% of the total portfolio (\$18.2 million), while bonds totaled 41.1% (\$15.2 million). The account's international equity component comprised 7.0% (\$2.6 million), while the remaining 2.8% was comprised of cash & equivalents (\$1.0 million).

**CITY OF SUNRISE, FLORIDA POLICE OFFICERS' RETIREMENT PLAN
MANAGER ALLOCATIONS
SEPTEMBER 30, 2003**



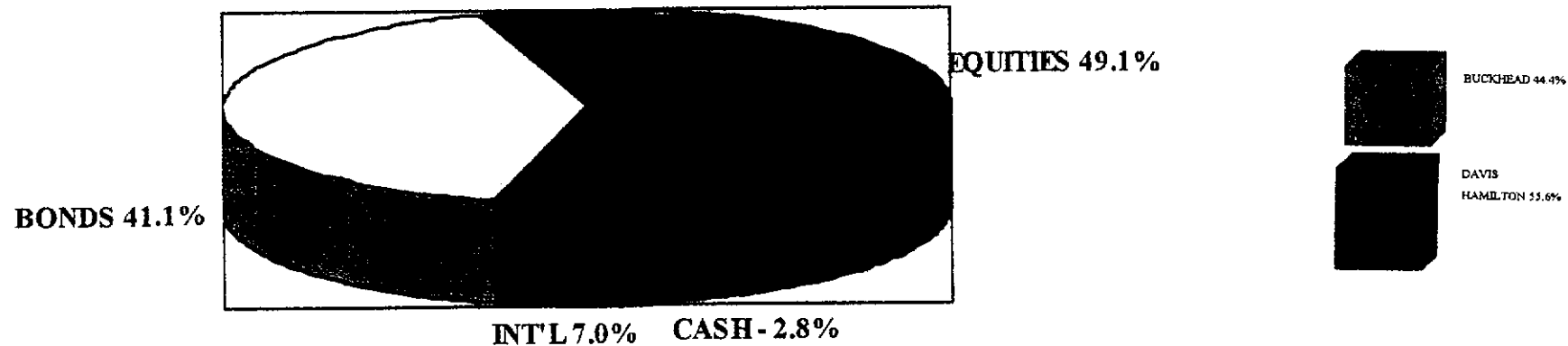
MANAGER		MARKET VALUE	(PERCENT)
	BUCKHEAD	\$ 8,335,988	(22.5%)
□	DAVIS HAMILTON	\$ 18,836,518	(51.2%)
	INVESCO	\$ 7,061,695	(19.0%)
	AMER EURO PAC	\$ 1,313,493	(3.5%)
	PUTNAM	\$ 1,290,121	(3.5%)
TOTAL FUND		\$ 36,837,815	(100.0%)

**CITY OF SUNRISE, FLORIDA POLICE OFFICERS' RETIREMENT PLAN
MANAGER ALLOCATIONS
SEPTEMBER 30, 2003**



MANAGER		MARKET VALUE	(PERCENT)
	BUCKHEAD	\$ 8,335,988	(22.5%)
□	DAVIS HAMILTON	\$ 18,836,518	(51.2%)
	INVESCO	\$ 7,061,695	(19.3%)
	AMER EURO PAC	\$ 1,313,493	(3.5%)
	PUTNAM	\$ 1,290,121	(3.5%)
	TOTAL FUND	\$ 36,837,815	(100.0%)

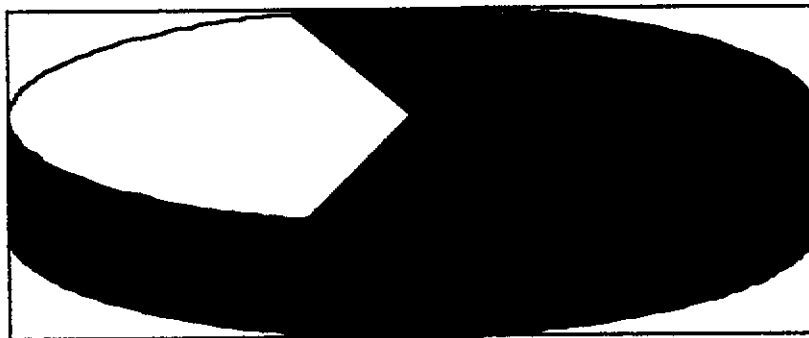
**CITY OF SUNRISE, FLORIDA POLICE OFFICERS' RETIREMENT PLAN
EQUITY MANAGER PERFORMANCES
SEPTEMBER 30, 2003**



RETURNS & RANKINGS FOR PERIOD ENDING 9/30/03													
MANAGER	QUARTER		2 QTRS		YTD		1 YEAR		3 YEAR		5 YEAR		EQUITY MARKET VALUE
BUCKHEAD	4.1	(51)	23.9	(41)	19.5	(39)	—	---	—	—	—	---	\$ 8,061,888
DAVIS HAMILTON	3.2	(65)	14.8	(94)	12.4	(91)	19.6	(87)	-13.1	(81)	1.4	(76)	\$ 10,114,470
TOTAL EQUITY	3.6	(59)	18.5	(71)	15.1	(68)	24.3	(65)	-10.0	(65)	0.1	(93)	\$ 18,176,360
S&P 500	2.6	(81)	18.4	(77)	14.7	(77)	24.4	(63)	-10.1	(68)	1.0	(84)	---
RUSSELL 1000	3.0	(68)	19.2	(66)	15.7	(64)	25.2	(54)	-10.3	(72)	1.5	(75)	---
RUSS 1000 GRO	3.9	(54)	18.8	(69)	17.5	(51)	25.9	(49)	-19.1	(94)	-2.5	(99)	---
RUSS 1000 VAL	2.1	(87)	19.7	(63)	13.9	(84)	24.4	(63)	-2.0	(36)	4.0	(57)	---
RUSSELL 3000	3.4	(62)	20.2	(60)	16.6	(57)	25.9	(49)	-9.7	(62)	1.9	(71)	---

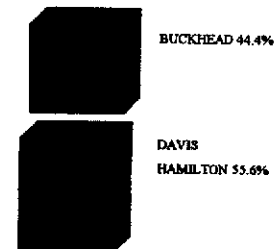
**CITY OF SUNRISE, FLORIDA POLICE OFFICERS' RETIREMENT PLAN
EQUITY MANAGER PERFORMANCES
SEPTEMBER 30, 2003**

BONDS 41.1%



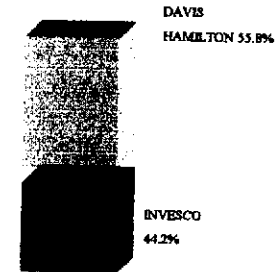
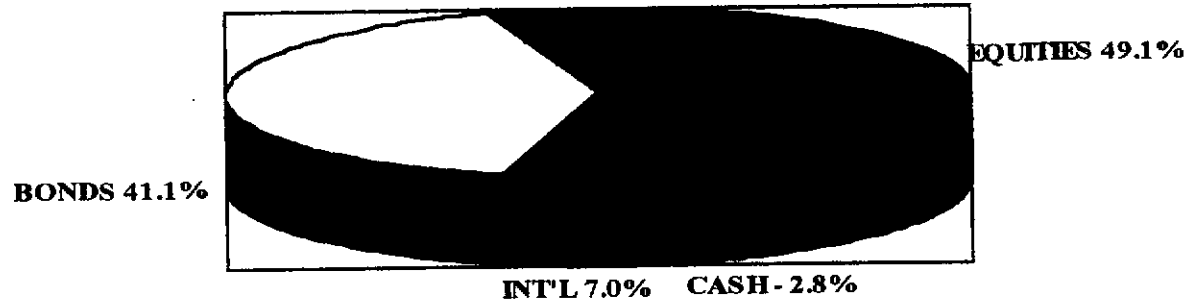
INT'L 7.0% CASH - 2.8%

EQUITIES 49.1%



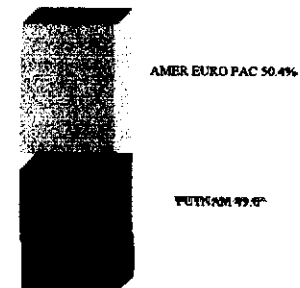
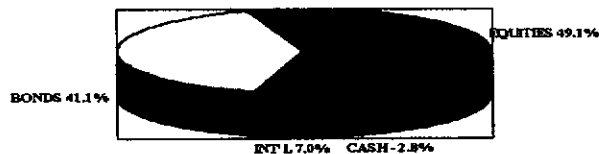
RETURNS & RANKINGS FOR PERIOD ENDING 9/30/03													
MANAGER	QUARTER		2 QTRS		YTD		1 YEAR		3 YEAR		5 YEAR		EQUITY MARKET VALUE
BUCKHEAD	4.1	(51)	23.9	(41)	19.5	(39)	—	—	—	—	—	—	\$ 8,061,888
DAVIS HAMILTON	3.2	(65)	14.8	(94)	12.4	(91)	19.6	(87)	-13.1	(81)	1.4	(76)	\$ 10,114,470
TOTAL EQUITY	3.6	(59)	18.5	(71)	15.1	(68)	24.3	(65)	-10.0	(65)	0.1	(93)	\$ 18,176,360
S&P 500	2.6	(81)	18.4	(77)	14.7	(77)	24.4	(63)	-10.1	(68)	1.0	(84)	—
RUSSELL 1000	3.0	(68)	19.2	(66)	15.7	(64)	25.2	(54)	-10.3	(72)	1.5	(75)	—
RUSS 1000 GRO	3.9	(54)	18.8	(69)	17.5	(51)	25.9	(49)	-19.1	(94)	-2.5	(99)	—
RUSS 1000 VAL	2.1	(87)	19.7	(63)	13.9	(84)	24.4	(63)	-2.0	(36)	4.0	(57)	—
RUSSELL 3000	3.4	(62)	20.2	(60)	16.6	(57)	25.9	(49)	-9.7	(62)	1.9	(71)	---

**CITY OF SUNRISE, FLORIDA POLICE OFFICERS' RETIREMENT PLAN
FIXED INCOME MANAGER PERFORMANCES
SEPTEMBER 30, 2003**



RETURNS & RANKINGS FOR PERIOD ENDING 9/30/03													
MANAGER	QUARTER		2 QTRS		YTD		1 YEAR		3 YEAR		5 YEAR		FIXED INCOME MARKET VALUE
DAVIS HAMILTON	-0.3	(80)	2.5	(60)	4.2	(57)	6.1	(54)	9.3	(40)	6.7	(50)	\$ 8,503,942
INVESCO	-0.5	(87)	2.0	(79)	3.5	(77)	4.6	(79)	9.6	(33)	6.7	(57)	\$ 6,725,788
TOTAL FIXED INCOME	-0.3	(81)	2.4	(67)	3.9	(64)	5.5	(65)	9.4	(36)	6.6	(55)	\$ 15,229,730
LEHMAN AGG	-0.2	(74)	2.3	(70)	3.8	(68)	5.4	(68)	8.9	(54)	6.6	(55)	---
GOV/CREDIT	-0.5	(88)	3.0	(38)	4.7	(46)	6.5	(48)	9.6	(33)	6.7	(50)	---
AGGREGATE A+	-0.2	(74)	1.9	(81)	3.1	(82)	4.4	(81)	8.8	(57)	6.6	(55)	---
GOV/CREDIT A+	-0.7	(91)	2.3	(70)	3.7	(71)	5.0	(74)	9.4	(37)	6.6	(55)	---
INT AGGREGATE	0.2	(42)	2.1	(77)	3.4	(78)	5.0	(74)	8.5	(64)	6.7	(50)	---
INT GOV/CREDIT	0.0	(51)	2.7	(53)	4.2	(57)	6.0	(55)	9.0	(50)	6.5	(63)	---

**CITY OF SUNRISE, FLORIDA POLICE OFFICERS' RETIREMENT PLAN
INTERNATIONAL EQUITY MANAGER PEERPERFORMANCE
SEPTEMBER 30, 2003**



RETURNS & RANKINGS FOR PERIOD ENDING 9/30/03													INT'L EQUITY MARKET VALUE
MANAGER	QUARTER		2 QTRS		YTD		1 YEAR		3 YEAR		5 YEAR		
AMER EURO PAC	9.3	(39)	28.9	(48)	16.5	(56)	25.6	(50)	-6.6	(49)	---	---	\$ 1,313,478
PUTNAM	5.6	(80)	23.0	(89)	12.2	(91)	21.3	(78)	-9.8	(82)	---	---	\$ 1,290,062
TOTAL INT'L EQUITY	7.4	(55)	25.9	(67)	14.3	(70)	23.4	(64)	-8.2	(66)	---	---	\$ 2,603,540
EAFE	8.2	(46)	29.4	(42)	18.8	(41)	26.5	(44)	-8.4	(69)	0.9	(91)	---

CITY OF SUNRISE, FLORIDA POLICE OFFICERS' RETIREMENT PLAN

PERFORMANCE SUMMARY Quarter ended September 30, 2003									
							3/1988 Through 9/2003		
Rate of Return	Quarter	(rank)	Y-T-D	(rank)	12 Mos.	(rank)	CUMUL	Annual	(rank)
Total Portfolio	2.0%	(51)	10.3%	(58)	15.5%	(56)	21.8%	3.7%	(52)
SHADOW INDEX	1.7		9.3		14.6		21.1	3.5	
Equities	3.6	(59)	15.1	(68)	24.3	(65)	-3.6	-0.7	(85)
S&P 500	2.6		14.7		24.4		-2.2	-0.4	
RUSSELL 1000	3.0		15.7		25.2		-0.8	-0.2	
RUSS 1000 VAL	2.1		13.9		24.4		8.0	1.4	
RUSS 1000 GRO	3.9		17.5		25.9		-16.1	-3.1	
RUSSELL 2000	9.1		28.6		36.5		9.3	1.6	
RUSS 2000 GRO	10.5		31.8		41.7		-16.1	-3.1	
RUSS 2000 VAL	7.7		25.5		31.7		32.4	5.2	
RUSSELL 3000	3.4		16.6		25.9		-0.5	-0.1	
Bonds	-0.3	(81)	3.9	(64)	5.5	(65)	48.4	7.4	(40)
LEHMAN AGG	-0.2		3.8		5.4		47.0	7.3	
GOV/CREDIT	-0.5		4.7		6.5		48.9	7.5	
INTL GOV/CREDIT	0.0		4.2		6.0		45.0	7.0	
Intl Equities	7.4	(55)	14.3	(70)	23.4	(64)	*****	*****	
EAFE	8.2		18.8		26.5		-9.4	-1.8	

ASSET ALLOCATION		
Equities	49.1%	\$ 18,176,359
Bonds	41.1%	15,229,729
Cash	2.8%	1,020,054
Real Estate	0.0%	0
Intl Equities	7.0%	2,603,540
Small Cap	0.0%	0
Other	0.0%	0
Total Portfolio		\$ 37,029,700

INVESTMENT RETURN	
Market Value 6/03	\$ 36,119,088
Contribs/ Withdrwls	170,801
Income	275,800
Capital Gains/ Losses	464,011
Market Value 9/03	37,029,700

CITY OF SUNRISE, FLORIDA POLICE OFFICERS' RETIREMENT PLAN

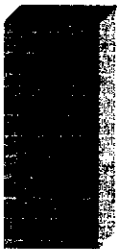
ASSET ALLOCATION

September 30, 2003

LAST QUARTER



CURRENT



EQUITIES

BONDS

CASH AND CASH EQUIVALENTS

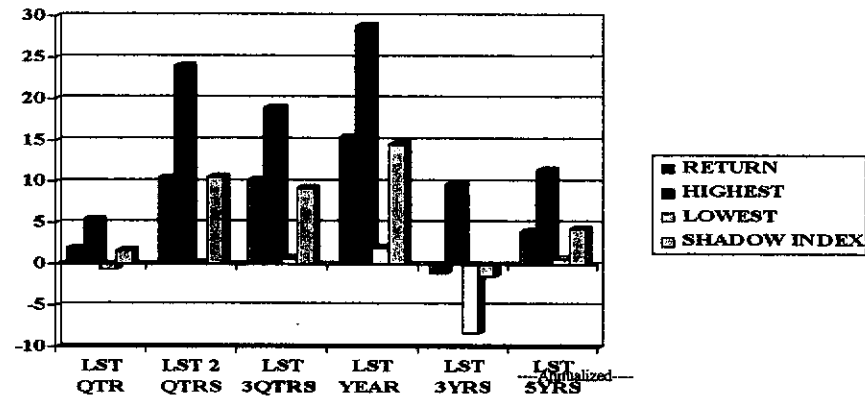
INTL EQUITIES

		<u>VALUE</u>	<u>PERCENT</u>	<u>TARGET</u>	<u>DIFFERENCE</u> + -
EQUITIES	\$	18,176,360	49.1%	50.0%	-0.9%
BONDS		15,229,730	41.1%	40.0%	1.1%
CASH & EQUIV		1,020,054	2.8%	0.0%	2.8%
INTL EQUITIES		2,603,540	7.0%	10.0%	3.0%
<hr/>					
TOTAL FUND	\$	37,029,700	100.0%		

CITY OF SUNRISE, FLORIDA POLICE OFFICERS' RETIREMENT PLAN

TOTAL RATE OF RETURN Year Ended September 30, 2003

	LST QTR	LST 2 QTRS	LST 3 QTRS	LST YEAR	----ANNUALIZED----	
					LST 3 YRS	LST 5 YRS
RETURN	2.0	10.6	10.3	15.5	- 1.1	4.1
(RANK)	51	65	58	56	50	62
HIGHEST	5.5	24.0	19.0	29.0	9.8	11.5
25 TH %ILE	3.2	16.8	13.7	21.0	2.8	5.9
MEDIAN	2.1	12.4	10.9	16.4	- 1.2	4.7
75 TH %ILE	1.1	8.9	7.7	11.2	- 3.2	3.6
LOWEST	-0.6	0.3	0.7	2.1	- 8.4	0.7
				14.6		
SHADOW INDEX	1.7	10.7	9.3		- 1.5	4.4



CITY OF SUNRISE, FLORIDA POLICE OFFICERS' RETIREMENT PLAN
LIST OF LARGEST ASSETS HELD
September 30, 2003

TOP TEN EQUITY HOLDINGS
(By Fair Value)

<u>RANK</u>	<u>SHARES</u>	<u>NAME</u>	<u>FAIR VALUE</u>	<u>% EQUITY</u>	<u>RETURN</u>
1	19,412	INTEL CORP	\$ 534,026	2.94%	32.3%
2	16,487	HOME DEPOT INC	424,879	2.34%	-3.6%
3	18,533	MICROSOFT CORP	378,080	2.08%	8.5%
4	8,918	EXXON MOBIL COPR	362,340	1.99%	2.6%
5	9,367	CITIGROUP INC	342,827	1.89%	6.8%
6	8,900	PFIZER INC	340,256	1.87%	-10.6%
7	23,063	CISCO SYSTEMS INC	333,030	1.83%	16.7%
8	12,027	WENDY'S INTERNATIONAL	325,099	1.79%	11.7%
9	13,271	US BANCORP	311,870	1.72%	-1.3%
10	7,833	ALTRIA GROUP INC	308,790	1.70%	-2.2%

TOP TEN BOND HOLDINGS
(By Fair Value)

<u>PAR</u>	<u>BONDS</u>	<u>COUPON</u>	<u>MATURITY</u>	<u>FAIR VALUE</u>
Government				
\$ 825,000	Federal National Mortgage Assoc. Note	7.000%	7/15/2005	\$ 905,200
465,000	Federal Home Loan Mortgage Note	5.500	7/15/2006	507,594
295,000	United States Treasury Notes	7.125	2/15/2023	377,877
355,000	Federal National Mortgage Assoc. Note	4.375	2/15/2006	377,637
325,000	Federal Home Loan Mortgage Note	5.750	4/15/2008	363,032
355,000	United States Treasury Notes	3.000	11/15/2007	362,419
315,000	United States Treasury Notes	4.750	11/15/2008	343,215
300,000	United States Treasury Notes	4.250	8/15/2013	307,629
300,000	United States Treasury Notes	3.250	12/31/2003	301,781
Corporate				
230,000	General Electric Capital Corp. Note	7.375	1/19/2010	273,477

CITY OF SUNRISE, FLORIDA POLICE OFFICERS' RETIREMENT PLAN
SCHEDULE OF FEES
Year ended September 30, 2003

	Assets Under Management	Fees
Investment Managers:		
Fixed income	\$ 16,057,839	\$ 81,781
Equity	18,176,362	78,181
International equities	<u>2,603,614</u>	<u>-</u>
Total assets and fees (1)	<u>\$ 36,837,815</u>	159,962
Other Investment Service Fees:		
Custodian		18,961
Performance monitor		<u>17,906</u>
Total fees		<u>\$ 196,829</u>

- (1) Does not include investments in which the Board has invested the plan assets which have multifaceted fee or compensation components and which are deducted from the assets when determining plan unit values.

CITY OF SUNRISE, FLORIDA POLICE OFFICERS' RETIREMENT PLAN
SCHEDULE OF COMMISSIONS
Year ended September 30, 2003

<u>Brokerage Firm</u>	<u>Number of Shares Traded</u>	<u>Total Commissions</u>	<u>Commissions Per Share</u>
Bear Stearns & Co.	3,400	\$ 170	\$ 0.02
Sanford C. Bernstein	740	37	0.05
Capital Institutional Services Corp.	399,108	21,917	0.05
Cowen & Co.	1,600	80	0.05
Donaldson - Pershing	30,176	1,509	0.05
First Boston Corp.	890	44	0.05
Goldman Sachs & Co.	700	35	0.05
Griswold - Donaldson	625	31	0.05
Legg Mason	1,200	60	0.05
Merrill Lynch	45,033	2,691	0.06
Morgan Stanley	22,574	1,175	0.05
Raymond James	900	45	0.05
Salomon Smith Barney	102,469	5,157	0.05
Sun Trust Capital Markets	98,032	4,898	0.05
William Blair	2,400	120	0.05
	<u>709,847</u>	<u>\$ 37,969</u>	<u>\$ 0.05</u>

CITY OF SUNRISE, FLORIDA POLICE OFFICERS' RETIREMENT PLAN
INVESTMENT SUMMARY
September 30, 2003

<u>Type of Investment</u>	<u>Fair Value September 30, 2003</u>	<u>Percent of Total Fair Value</u>
Fixed Income:		
U.S. Government securities	\$ 2,633,321	7.11%
U.S. Government agencies	7,362,295	19.87
Corporate bonds	5,066,295	13.67
Total fixed income	15,061,911	40.65
Common Stock:		
Energy	781,734	2.11
Materials	267,363	0.72
Industrials	2,434,335	6.58
Consumer discretionary	3,906,517	10.54
Consumer staples	1,700,792	4.59
Health care	3,463,064	9.35
Financials	2,369,990	6.41
Information technology	3,076,810	8.30
Telecommunication services	175,756	0.47
Total common stock	18,176,361	49.07
Foreign Pooled Equity Funds	2,603,571	7.03
Short-Term Investment:		
Temporary investment funds	995,972	2.68
Total short-term investment	995,972	2.68
Receivables and Other:		
Pending trade purchases	(51,028)	(0.13)
Pending trade sales	75,153	0.20
Accrued income	186,056	0.50
Total receivables and other	210,181	0.57
Total	\$ 37,047,996	100.00%



GABRIEL, ROEDER, SMITH & COMPANY

Consultants & Actuaries

301 East Las Olas Blvd. • Suite 200 • Ft. Lauderdale, FL 33301-2254 • 954-527-1616 • FAX 954-525-0083

December 22, 2003

Board of Trustees
City of Sunrise Police Officers
Retirement Plan (the Plan)
Sunrise, Florida

Dear Trustees:

The funding objective of the Plan is to establish contribution rates, expressed as percents of active member payroll, that will remain approximately level from year to year. Changes in Plan benefits and differences between actual and expected experience will cause the contribution rate to change.

Contributions that satisfy the funding objective are determined by annual actuarial valuations. These valuations determine a normal (current service) cost as a level percentage of payroll, plus level percentage of payroll amortization of the unfunded actuarial accrued liability.

The most recent actuarial valuation is dated October 1, 2002, based on information provided by the Board's staff, the Board's auditor and the City. We have relied on this information to perform our valuation, and we have conducted a number of checks for reasonableness of the data.

A list of supporting schedules is as follows:

- Summary of actuarial assumptions and methods
- Schedule of active and retired member data
- Solvency tests
- Analysis of financial experience
- Summary of plan provisions and changes
- Schedule of revenue and expenses
- Schedule of benefit expenses by type
- Schedule of retired members by type of benefit
- Schedule of average benefit payments

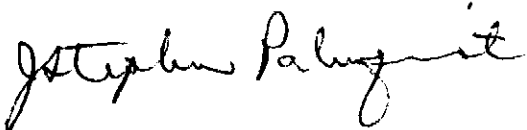
We compiled all the information in these supporting schedules.

To the best of our knowledge, the assumptions and methods being utilized conform to the Government Accounting Standards Board (GASB) Statements No. 25 and No. 27.

Board of Trustees
City of Sunrise Police Officers
Retirement Plan (the Plan)
December 22, 2003
Page Two

On the basis of the October 1, 2002 Actuarial Valuation, it is our opinion that the Plan continues to fund its pension obligations in a manner consistent with the stated funding objective and with generally accepted actuarial principles.

Sincerest regards,

A handwritten signature in cursive script, reading "J. Stephen Palmquist". The signature is written in dark ink and is positioned above the printed name and title.

J. Stephen Palmquist, ASA., MAAA, FCA, EA
Senior Consultant and Actuary

CITY OF SUNRISE, FLORIDA POLICE OFFICERS' RETIREMENT PLAN

Summary Actuarial Assumptions and Methods

A. Mortality Rates

The 1983 Group Annuity Mortality Tables for males and females. For disabled lives, regular mortality rates are set forward five years.

B. Investment Return (including inflation)

8.5% per year, compounded annually; net rate after investment related expenses.

C. Allowances for Expenses

Expenses paid out of the fund other than investment related expenses are assumed to be equal to the average of actual expenses over the previous two years.

D. Employee Turnover Rates

See Table below.

E. Disability Rates

See Table below. The assumed incidence of disabilities is 75% service incurred and 25% as non-service incurred.

F. Salary Increase Rates (including inflation)

See Table below.

<u>Age</u>	<u>Turnover</u>	<u>Disability</u>	<u>Salary Increases</u>
20	6.0%	0.28%	8.5%
25	5.7	0.30	8.5
30	5.0	0.36	8.3
35	3.8	0.46	7.2
40	2.6	0.60	5.2
45	1.6	1.02	5.2
50	0.8	2.00	5.2
55	0.3	3.10	5.2

CITY OF SUNRISE, FLORIDA POLICE OFFICERS' RETIREMENT PLAN

Summary Actuarial Assumptions and Methods (Continued)

G. Assumed Retirement Age

<u>Annual Rate of Retirement</u>	
For each year eligible for early retirement	5%
For year when normal retirement date is attained	80%
For each of four years after normal retirement date	15%
For fifth year after normal retirement date	100%

H. Valuation of Assets

The method used for determining the actuarial value of assets phases in the difference between the expected and actual return on assets at the rate of 20% per year. The actuarial value of assets will be further adjusted to the extent necessary to fall within the corridor whose lower limit is 80% of the fair market value of plan assets and whose upper limit is 120% of the fair market value of plan assets.

I. Inflation

4.0% per year.

J. Increase in Covered Payroll

4% (Average over most recent 10 years exceeds 4%.)

CITY OF SUNRISE, FLORIDA POLICE OFFICERS' RETIREMENT PLAN

Summary Actuarial Assumptions and Methods (Continued)

K. Cost Methods

Frozen Entry Age Actuarial Cost Method. Under this method the excess of the Actuarial Present Value of Projected Benefits of the group included in the valuation, over the sum of the Actuarial Value of Assets, the Unfunded Frozen Actuarial Accrued Liability and the Actuarial Present Value of Future Member Contributions (if any) is allocated as a level percentage of earnings of the group between the valuation date and the assumed retirement age.

This allocation is performed for the group as a whole, not as a sum of individual allocations. The portion of this Actuarial Present Value allocated to a specific year is called the Employer Normal Cost. Under this method actuarial gains (losses) reduce (increase) future Normal Costs.

L. Changes Since Previous Valuation

None

M. Choice of Assumptions and Methods

The actuarial assumptions and methods are recommended by the actuary and adopted by the Board of Trustees at various times. Unless otherwise indicated (above) the actuarial assumptions were adopted prior to 2001. The recommendations are based on a review of actual plan experience, although a recent formal experience study has not been performed.

CITY OF SUNRISE, FLORIDA POLICE OFFICERS' RETIREMENT PLAN

Schedule of Active and Retiree Valuation Data

Active Members

Valuation Date	Number	Annual Payroll	Average Pay	% Increase
10/01/1997	141	\$ 7,170,493	\$ 50,855	1.5 %
10/01/1998	153	7,837,902	51,228	0.7
10/01/1999	145	7,357,096	50,739	(1.0)
10/01/2000	143	7,770,678	54,340	7.1
10/01/2001	160	9,295,368	58,096	6.9
10/01/2002	159	9,383,281	59,014	1.6

Retirant and Beneficiary Data

Annual Allowances

Valuation Date	Number Added	Number Removed	Number	Added to Roll	Removed From Roll	Total	% Increase in Annual Allowances	Average Annual Allowances
10/01/1997	4	0	32	\$ 143,788	\$ -	\$ 818,500	16.8 %	\$ 25,578
10/01/1998	1	0	33	43,644	-	862,144	5.3	26,126
10/01/1999	32	1	64	1,338,819	30,274	2,170,689	151.8	33,917
10/01/2000	2	0	66	43,966	165,568	2,049,085	(5.6)	31,047
10/01/2001	0	0	66	-	-	2,049,085	0.0	31,047
10/01/2002	7	2	71	266,221	43,223	2,272,083	10.9	32,001

CITY OF SUNRISE, FLORIDA POLICE OFFICERS' RETIREMENT PLAN

Solvency Test

Valuation Date	(1) Active Member Contributions	(2) Retirants and Beneficiaries	(3) Active Members (Employer Financed Portion)	Actuarial Value of Assets	Portion of Accrued Liability Covered by Assets			
					(1)	(2)	(3)	
10/01/1997	\$ 3,293,960	\$ 9,087,606	\$ 13,954,742	\$ 27,830,337	100.0	%	100.0	%
10/01/1998	3,678,116	9,494,714	14,829,182	31,671,180	100.0		100.0	
10/01/1999	2,622,176	23,350,263	9,475,496	35,269,226	100.0		100.0	98.1
10/01/2000	2,918,405	22,551,943	11,746,059	37,512,699	100.0		100.0	100.0
10/01/2001	3,490,341	22,402,604	15,774,030	40,151,353	100.0		100.0	90.4
10/01/2002	3,665,028	24,454,513	15,741,003	39,137,722	100.0		100.0	70.0

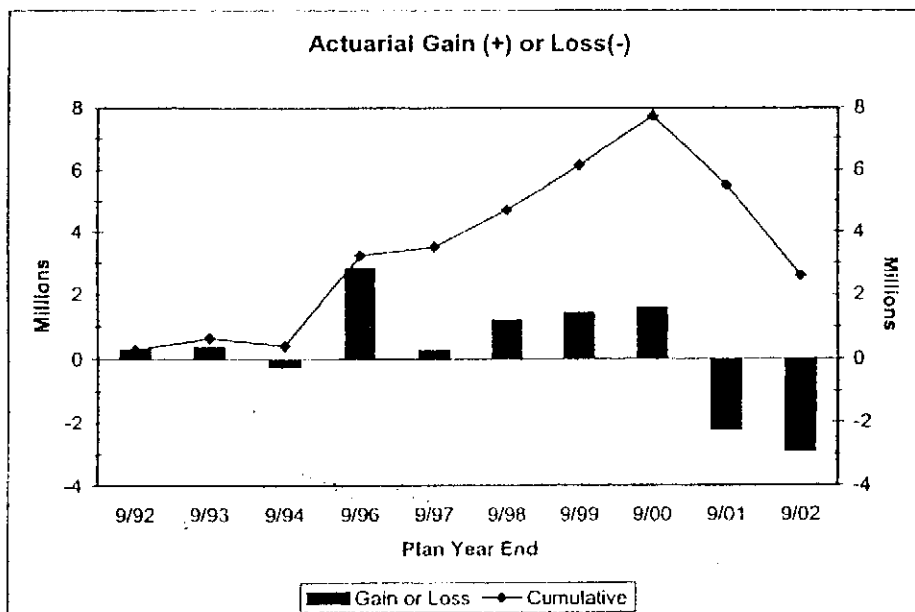
CITY OF SUNRISE, FLORIDA POLICE OFFICERS' RETIREMENT PLAN

Analysis of Financial Experience

	Gain (Loss) For Year					
	1997	1998	1999	2000	2001	2002
Gain (or loss) During Year From Financial Experience	\$ 1,085,590	\$ 1,231,383	\$ 1,597,929	\$ 1,866,078	\$ 247,717	\$ (3,704,651)
Gain (or Loss) During Year Due to Liabilities	(811,284)	(33,257)	(163,732)	(276,505)	(2,472,765)	792,173
Composite Gain (or Loss) During Year	274,306	1,198,126	1,434,197	15,589,573	(2,225,048)	(2,912,478)

CITY OF SUNRISE, FLORIDA POLICE OFFICERS' RETIREMENT PLAN

Actuarial Gain(+) or Loss(-)



CITY OF SUNRISE, FLORIDA POLICE OFFICERS' RETIREMENT PLAN

Summary of Plan Provisions and Changes

A. Effective Date

July 1, 1972

B. Eligibility Requirements

All full-time police officers. Participation is mandatory.

C. Creditable Service

Full-time service with the City during which time prescribed employee contributions are made. Under certain conditions, military service is includable.

D. Salary

Gross pay, excluding payouts of accrued benefits upon termination of employment.

E. Average Final Compensation (AFC)

Average salary for the three best years.

F. Normal Retirement

Eligibility - Age 53 and 10 years of service or 20 years of service regardless of age.

Benefits - 4% of AFC for each of first 10 years of Service plus 2% of AFC for each year thereafter. In addition, those who retire after August 14, 2001 will receive a supplemental monthly benefit equal to \$10 per year of service with a maximum supplement of \$200 per month until age 65 and \$6.25 per year with a maximum of \$125 per month thereafter.

Form of Benefit - Life annuity (ceasing upon death), with other options available.

CITY OF SUNRISE, FLORIDA POLICE OFFICERS' RETIREMENT PLAN

Summary of Plan Provisions and Changes (Continued)

G. Early Retirement

Eligibility - Age 47 and 10 years of service.

Benefit - Accrued benefit reduced by 3% for each year by which early retirement date precedes normal retirement date. Supplemental benefit described above is also payable.

H. 13th and 14th Checks

In years when there is a net actuarial gain, 13th and 14th checks may be payable to retirees.

I. Vesting

Upon completion of 10 years of Creditable Service, Members are fully vested in their accrued benefits. Should such a Member terminate employment and leave his own contributions in the Fund, he would be entitled to his accrued benefit beginning at his Normal Retirement Age. Members who terminate before completion of 10 years receive a refund of their own contributions without interest.

J. Service Incurred Disability

Eligibility - A total and permanent disability which impairs a member from his regular continuous duty within his job classification.

Benefit - 75% of Salary in effect on date of disability less certain amounts paid by Workers' Compensation and in certain cases, earnings from other sources such as salaries and self-employment income.

K. Non-Service Incurred Disability

Eligibility - A total and permanent disability which impairs a member from rendering efficient service to the City.

Benefit - The accrued retirement benefit with a minimum of 25% and a maximum of 50% of AFC.

CITY OF SUNRISE, FLORIDA POLICE OFFICERS' RETIREMENT PLAN

Summary of Plan Provisions and Changes (Continued)

L. Preretirement Death Benefits

In the event of the death of a nonvested member, his accumulated contributions shall be paid to his beneficiary. Upon the death of a vested member, the beneficiary shall receive a benefit in accordance with the member's written election of an optional form of payment; such benefit begins on the earliest date the member could have retired.

M. Deferred Retirement Option Plan (DROP)

Members who continue in employment past normal retirement date may either accrue larger pensions or freeze their accrued benefit and enter the DROP. Each participant in the DROP has an account credited with benefits not received and investment earnings.

N. Contributions

Members -	7.15% of Salary.
State -	Premium Tax Refunds for the benefit of police officers.
City -	Each year the City will contribute at least the difference between the total cost of the system and the sum of State contributions and member contributions.
Adjustment -	In the event that the required City contribution exceeds 10% of covered payroll, the City pays half of the excess of 10% and members pay the other half.

O. Recent Changes

Ordinances Passed (Beginning 2001):

Ordinance No. 124-X-01-C - Creating a Deferred Retirement Option Plan (including revised rates of retirement), providing a thirteenth and fourteenth check and amending the supplemental monthly benefit to age 65 from \$6.25 per year of service to \$10 per year of service.

Passed by the City September 25, 2001

Ordinance No. 124-X-01-D - Amending the definition of average final compensation to the average salary of the three best contributing years of service from the average salary of the three best consecutive contributing years of service.

Passed by the City November 13, 2001

STATISTICAL SECTION

CITY OF SUNRISE, FLORIDA POLICE OFFICERS' RETIREMENT SYSTEM

Schedule of Revenue by Source and Expenses by Type

Revenue by Source

Year Ending	Member Contributions	Employer Contributions			State Contributions*	Investment Income	Total
		Dollars	% of Annual Covered Payroll				
9/30/1997	\$ 506,493	\$ 343,282	4.8%	\$	311,098	\$ 6,754,640	\$ 7,915,513
9/30/1998	535,142	416,155	5.3		307,312	3,104,484	4,363,093
9/30/1999	619,687	277,685	3.8		295,625	4,496,570	5,689,567
9/30/2000	601,351	746,594	9.6		264,311	4,231,796	5,844,052
9/30/2001	580,568	652,379	7.0		280,803	(4,171,454)	2,657,704
9/30/2002	637,963	708,249	7.5		323,404	(2,663,147)	(993,531)

Expenses by Type

Year Ending	Benefit Payments	Employer Contributions			Miscellaneous	Total
		Administrative Expenses	Refunds			
9/30/1997	\$ 715,371	\$ 82,984	\$ 21,719	\$	-	\$ 820,074
9/30/1998	887,337	90,703	46,630		-	1,024,670
9/30/1999	1,653,640	119,011	84,071		-	1,856,722
9/30/2000	3,893,913	130,854	97,923		3,225	4,125,915
9/30/2001	2,111,630	151,016	25,342		-	2,287,988
9/30/2002	1,977,312	143,551	80,813		-	2,201,676

- Actual revenue before limitation imposed by Chapter 185, Florida Statutes

STATISTICAL SECTION

CITY OF SUNRISE, FLORIDA POLICE OFFICERS' RETIREMENT SYSTEM

Schedule of Benefit Expenses by Type

Year Ending	Age & Service Benefits			Disability Benefits		Refunds		Total
	Retirants*	Survivors	Death in Service Benefits	Retirants	Survivors	Death	Separation	
1997	\$ 568,448	\$ 15,678	\$ -	\$ 131,245	\$ -	\$ -	\$ 21,719	\$ 737,090
1998	623,831	18,661	-	244,845	-	-	46,630	933,967
1999	1,448,955	18,661	-	186,024	-	-	84,071	1,737,711
2000	3,716,422	18,661	-	158,830	-	-	97,923	3,991,836
2001	1,907,562	18,661	-	185,407	-	-	25,342	2,136,972
2002	1,912,414	42,241	-	159,586	-	-	80,813	2,195,054

* Payments to survivor beneficiaries are included in this column

** Includes the following DROP Benefits:

Lump Sum Payment to DROP Retirant \$ 16,178

Retirement payments to the account of DROP

Retirants recorded as designated plan net assets 136,929

Total DROP Benefits \$ 153,107

STATISTICAL SECTION

CITY OF SUNRISE, FLORIDA POLICE OFFICERS' RETIREMENT SYSTEM

Schedule of Retired Members by Type October 1, 2002

Amount of Monthly Benefit	Number of Retirants	Type of Retirement**			Option Selected #		
		1	2	3	Life	Opt. 1	Opt. 2
Deferred	1	-	-	1	1	-	-
\$1-500	-	-	-	-	-	-	-
501-1,000	3	3	-	-	2	1	-
1,001-1,500	6	6	-	-	4	2	-
1,501-2000	8	6	2	-	7	1	-
2,001-2,500	13	12	1	-	8	5	-
2,501-3,000	19	19	-	-	10	9	-
3,001-3,500	8	8	-	-	3	4	1
3,501-4,000	10	9	1	-	9	1	-
Over 4,000	4	4	-	-	3	1	-
Totals	72	67	4	1	47	24	1

**Type of Retirement

Option Selected

- 1 - Normal Early and DROP retirement
including survivor beneficiaries
- 2 - Disability retirement
- 3 - Former member with deferred future benefits

- Life Annuity - Normal form
- Opt. 1 - Joint & Survivor
- Opt. 2 - 10 years certain & life

STATISTICAL SECTION
CITY OF SUNRISE, FLORIDA POLICE OFFICERS' RETIREMENT SYSTEM
Schedule of Average Benefit Payments

RETIREMENT EFFECTIVE DATES		YEARS OF CREDITED SERVICE							
For Fiscal Years Ended September 30		0-5	5-10	10-15	15-20	20-25	25-30	30+	Total
1997									
Average Monthly Benefit	\$	-	\$ 2,124	\$ 1,613	\$ 1,994	\$ 2,534	\$ 2,963	\$ -	\$ 2,132
Average Final Average Salary	\$	-	\$ 2,932	\$ 3,539	\$ 3,750	\$ 4,074	\$ 4,223	\$ -	\$ 3,750
Number of Active Retirants		-	3	9	7	12	1	-	32
Total Benefits Paid									\$ 818,499
1998									
Average Monthly Benefit	\$	-	\$ 2,124	\$ 1,613	\$ 1,994	\$ 2,619	\$ 2,963	\$ -	\$ 2,177
Average Final Average Salary	\$	-	\$ 2,932	\$ 3,539	\$ 3,750	\$ 4,179	\$ 4,223	\$ -	\$ 3,802
Number of Active Retirants		-	3	9	7	13	1	-	33
Total Benefits Paid									\$ 862,144
1999									
Average Monthly Benefit	\$	-	\$ 2,124	\$ 1,764	\$ 2,850	\$ 2,985	\$ 4,593	\$ -	\$ 2,826
Average Final Average Salary	\$	-	\$ 2,932	\$ 3,707	\$ 4,559	\$ 4,519	\$ 5,854	\$ -	\$ 4,465
Number of Active Retirants		-	3	11	28	16	6	-	64
Total Benefits Paid									\$ 2,170,689
2000									
Average Monthly Benefit	\$	-	\$ 2,124	\$ 1,678	\$ 2,590	\$ 2,809	\$ 4,183	\$ -	\$ 2,587
Average Final Average Salary	\$	-	\$ 2,932	\$ 3,612	\$ 4,599	\$ 4,519	\$ 5,854	\$ -	\$ 4,424
Number of Active Retirants		-	3	13	28	16	6	-	66
Total Benefits Paid									\$ 2,049,087
2001									
Average Monthly Benefit	\$	-	\$ 2,124	\$ 1,678	\$ 2,590	\$ 2,809	\$ 4,183	\$ -	\$ 2,587
Average Final Average Salary	\$	-	\$ 2,932	\$ 3,612	\$ 4,599	\$ 4,519	\$ 5,854	\$ -	\$ 4,424
Number of Active Retirants		-	3	13	28	16	6	-	66
Total Benefits Paid									\$ 2,049,087
2002									
Average Monthly Benefit	\$	-	\$ 2,131	\$ 1,583	\$ 2,539	\$ 3,161	\$ 4,183	\$ -	\$ 2,667
Average Final Average Salary	\$	-	\$ 2,992	\$ 3,612	\$ 4,522	\$ 5,053	\$ 5,854	\$ -	\$ 4,575
Number of Active Retirants		-	2	13	30	20	6	-	71
Total Benefits Paid									\$ 2,272,085

**SUNRISE POLICE OFFICERS'
PENSION FUND**

**Addendum #1
Summary of Investment Management Guidelines
for:**

Davis, Hamilton, Jackson & Associates

I. STYLE DESIGNATION

The Board places great importance on risk reduction through asset and style diversification. The manager should realize that it will operate as part of a larger multi-manager allocation strategy. The manager is advised that it has been selected to perform investment services based in part on its particular investment style characteristics and the diversification benefits such style may produce in relationship to the style characteristics of other managers retained by the board. The manager should therefore endeavor to maintain a consistent style, subject at times to its full discretion and continued fiduciary obligations.

The manager has been retained to pursue a balanced portfolio featuring a Growth Equity style. The manager's particular style is generally characterized by a portfolio with price to earnings and price to book ratios greater than the S&P 500 Index and dividend yields lower than the S&P 500 Index.

II PERFORMANCE OBJECTIVES

The Board will review performance on a quarterly basis. Normally, performance will be evaluated over a three to five year time horizon. These periods are considered sufficient to accommodate the different market cycles commonly experienced with investments, but shorter-term results will be regularly reviewed and earlier action taken if in the best interest of the plan.

Investment performance objectives are not the sole reason for retention or termination of a manager.

Equity Objectives:

- Over a three to five year time horizon, equity performance should be equal or greater than the return of the S&P 500 Index. At times, performance may be compared to other equity indices denoting an appropriate style bias to better explain returns. (i.e., S&P/Barra Growth, Russell 1000 Growth, etc.)
- Over a three to five year time horizon, equity performance should be greater than the median return (50th percentile) of an appropriate equity universe. Placing above the 50th percentile is not a condition of retention.

Fixed Income Objectives:

- Over a three to five year time horizon, fixed income performance should be equal or greater than the return of the Lehman Intermediate Government/Credit Index.
- Over a three to five year time horizon, fixed income performance should be greater than the median (50th percentile) of an appropriate fixed income universe. Placing above the 50th percentile is not a condition of retention.

III. ASSET ALLOCATION

The manager shall adhere to the following target asset allocation in investing the funds allocated to it by the Board.

Equities	55.0%
Fixed Income	45.0%

The actual allocation can, however, vary at any time within ranges specified below, as a result of gains and losses in the portfolio or as a result of deliberate action of manager based upon its view of prospective market conditions:

	<u>Maximum</u>	<u>Minimum</u>
Equities	65.0%	45.0%
Fixed Income	55.0%	35.0%
Cash	10.0%	0.0%

**SUNRISE POLICE OFFICERS'
PENSION FUND**

**Addendum #2
Summary of Investment Management Guidelines
for:**

**Buckhead Capital Management
Large Capitalization Value**

I. STYLE DESIGNATION

The Board places great importance on risk reduction through asset and style diversification. The manager should realize that it will operate as part of a larger multi-manager allocation strategy. The manager is advised that ?? been selected to perform investment services based in part on its particular investment style characteristics and the diversification benefits such style may produce in relationship to the style characteristics of other managers retained by the board. The manager should therefore endeavor to maintain a consistent style, subject at times to its full discretion and continued fiduciary obligations.

The manager has been retained to pursue a portfolio featuring a Value Equity style. The manager's particular style is generally characterized by a portfolio with price to earnings and price to book ratios lower than the S&P 500 Index and dividend yields higher than the S&P 500 Index.

II PERFORMANCE OBJECTIVES

The Board will review performance on a quarterly basis. Normally, performance will be evaluated over a three to five year time horizon. These periods are considered sufficient to accommodate the different market cycles commonly experienced with investments, but shorter-term results will be regularly reviewed and earlier action taken if in the best interest of the plan.

Investment performance objectives are not the sole reason for retention or termination of a manager.

- Over a three to five year time horizon, equity performance should be equal or greater than the return of the S&P 500 Index. At times, performance may be compared to other equity indices denoting an appropriate style bias to better explain returns. (i.e., S&P/Barra Value, Russell 1000 Value, etc.)
- Over a three to five year time horizon, equity performance should be greater than the median return (50th percentile) of an appropriate equity universe. Placing above the 50th percentile is not a condition of retention.

III. ASSET ALLOCATION

The manager shall adhere to the following target asset allocation in investing the funds allocated to it by the Board.

Equities 100%

The actual allocation can, however, vary at any time within ranges specified below, as a result of gains and losses in the portfolio or as a result of deliberate action of manager based upon its view of prospective market conditions:

	<u>Maximum</u>	<u>Minimum</u>
Equities	100.0%	95.0%
Cash	5.0%	0.0%

**SUNRISE POLICE OFFICERS'
PENSION FUND**

**Addendum #3
Summary of Investment Management Guidelines
for:**

Invesco
Fixed Income Guidelines

I. STYLE DESIGNATION

The Board places great importance on risk reduction through asset and style diversification. The manager should realize that it will operate as part of a larger multi-manager allocation strategy. The manager is advised that he has been selected to perform investment services based in part on its particular investment style characteristics and the diversification benefits such style may produce in relationship to the style characteristics of other managers retained by the board. The manager should therefore endeavor to maintain a consistent style, subject at times to its full discretion and continued fiduciary obligations.

The manager has been retained to pursue a Fixed Income style.

II PERFORMANCE OBJECTIVES

The Board will review performance on a quarterly basis. Normally, performance will be evaluated over a three to five year time horizon. These periods are considered sufficient to accommodate the different market cycles commonly experienced with investments, but shorter-term results will be regularly reviewed and earlier action taken if in the best interest of the plan.

Investment performance objectives are not the sole reason for retention or termination of a manager.

- Over a three to five year time horizon, fixed income performance should be equal or greater than the return of the Lehman Aggregate Index.
- Over a three to five year time horizon, fixed income performance should be greater than the median (50th percentile) of an appropriate fixed income universe. Placing above the 50th percentile is not a condition of retention.

III. ASSET ALLOCATION

The manager shall adhere to the following target asset allocation in investing the funds allocated to it by the Board.

Fixed Income 100%

The actual allocation can, however, vary at any time within ranges specified below, as a result of gains and losses in the portfolio or as a result of deliberate action of the manager based upon its view of prospective market conditions:

	<u>Maximum</u>	<u>Minimum</u>
Fixed Income	100%	95%
Cash	5%	0%

**SUNRISE POLICE OFFICERS'
PENSION FUND**

**Addendum #4
Summary of Investment Management Guidelines
for:**

**Putnam Fiduciary Trust Company
International Equity (Commingled)**

I. STYLE DESIGNATION

The Board places great importance on risk reduction through asset and style diversification. The manager should realize that it will operate as part of a larger multi-manager allocation strategy. The manager is advised that it has been selected to perform investment services based in part on its particular investment style characteristics and the diversification benefits such style may produce in relationship to the style characteristics of other managers retained by the board. The manager should therefore endeavor to maintain a consistent style, subject at times to its full discretion and continued fiduciary obligations.

The manager has been retained to pursue a portfolio featuring an International Equity style.

II PERFORMANCE OBJECTIVES

The Board will review performance on a quarterly basis. Normally, performance will be evaluated over a three to five year time horizon. These periods are considered sufficient to accommodate the different market cycles commonly experienced with investments, but shorter-term results will be regularly reviewed and earlier action taken if in the best interest of the plan.

Investment performance objectives are not the sole reason for retention or termination of a manager.

- Over a three to five year time horizon, equity performance should be equal or greater than the return of the MSCI EAFE Index.
- Over a three to five year time horizon, equity performance should be greater than the median return (50th percentile) of an appropriate International equity universe. Placing above the 50th percentile is not a condition of retention.

III. ASSET ALLOCATION

The manager shall adhere to the following target asset allocation in investing the funds allocated to it by the Board.

International Equities	100%
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Since the investment selected is a commingled vehicle, all monies allocated to the manager shall be invested solely in accordance with the investment management agreement and the commingled vehicle's guidelines, notwithstanding any other provision of this document. The Sunrise Police Officers' Pension Fund has chosen the following Putnam Investments product(s) with the following allocations:

Putnam International Trust	100%
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