

**City of Wilton Manors, Florida Pension Plan for
General Employees and Police**

**Financial Statements
Years Ended September 30, 2009 and 2008**



Goldstein Schechter Koch
CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS

**City of Wilton Manors, Florida Pension Plan for
General Employees and Police
Table of Contents**

Independent Auditors' Report	1 - 2
Management's Discussion and Analysis (Required Supplementary Information)	3 - 7
Financial Statements:	
Statements of Plan Net Assets	8
Statements of Changes in Plan Net Assets	9
Notes to Financial Statements	10 - 18
Required Supplementary Information	
Schedule 1 – Schedule of Funding Progress	19
Schedule 2 – Schedule of Contributions by Employer and Other Contributing Entity	19
Schedule 3 – Statements of Plan Net Assets by Class of Participants.....	20 - 21
Schedule 4 – Statements of Changes in Plan Net Assets by Class of Participants	22 - 23



Independent Auditors' Report

Board of Trustees
City of Wilton Manors, Florida Pension Plan for
General Employees and Police
Wilton Manors, Florida

We have audited the accompanying statements of plan net assets of the City of Wilton Manors, Florida Pension Plan for General Employees and Police (the "Plan") at September 30, 2009 and 2008, and the related statements of changes in plan net assets for the years then ended. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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 Wilton Manors, Florida Pension Plan for General Employees and Police as of September 30, 2009 and 2008 and the changes in their net plan assets for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Our audits were made for the purpose of forming an opinion on the financial statements taken as a whole. The financial statements in Schedules 3 and 4 are presented for purposes of additional analysis and are not a required part of the financial statements of the City of Wilton Manors, Florida Pension Plan for General Employees and Police. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly presented in all material respects in relation to the financial statements taken as a whole.



Goldstein Schechter Koch
CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS

Management's discussion and analysis on pages 3 – 7 and the supplementary information, as listed in the accompanying table of contents are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and do not express an opinion on it. The required supplementary information for the years ended September 30, 2004 through 2007 was reported on by Koch Reiss & Company, P.A., whose report states that they did not audit this information and did not express an opinion on it.

Goldstein Schechter Koch, P.A.

Hollywood, Florida
May 4, 2010



City of Wilton Manors Pension Plan for General Employees & Police

TRUSTEES

Brenda J. Clanton, Chairperson
Shawn Chadwick, Secretary
Raymond Briant, Trustee
Richard Foss, Vice-Chair
Michael O'Connor, Trustee

524 NE 21 Court
Wilton Manors, FL 33305
Phone: 954-390-2100
Fax: 954-390-2199

Management's Discussion and Analysis (Required Supplementary Information - Unaudited)

Our discussion and analysis of the City of Wilton Manors, Florida Pension Plan for General Employees and Police (the "Plan") financial performance provides an overview of the Plan's financial activities for the fiscal years ended September 30, 2009 and 2008. Please read it in conjunction with the financial statements, which follow this discussion.

Financial Highlights

- The Plan's assets exceeded liabilities at the close of the fiscal years ended September 30, 2009 and 2008 by \$19,667,121 and \$20,470,356, respectively, (reported as net assets held in trust for pension benefits). Net assets are held in trust to meet future benefit payments. The decrease of \$803,235 and the decrease of \$4,130,855, of the respective years have resulted primarily from the changes in the fair value of the Plan's investments due to volatile financial markets.

- The Plan's funded ratio, a comparison of the actuarial value of assets to the actuarial accrued pension liability, changed from 75.2% as of the October 1, 2006 actuarial valuation to 76.3% as of October 1, 2007 valuation and 75.6% as of October 1, 2008 valuation.

- For the fiscal year ended September 30, 2009, receivables decreased by \$381,790 (or 79.2%) primarily due to a decrease in contribution receivable from employer.

For the fiscal year ended September 30, 2008, receivables increased by \$214,172 (or 44.5%) primarily due to an increase in contribution receivable from employer.

- For the fiscal year ended September 30, 2009, liabilities increased by \$443,529 (or 28.8%) primarily due to an increase in deferred retirement option plan payable.

For the fiscal year ended September 30, 2008, liabilities increased by \$272,916 (or 17.7%) primarily due to an increase in deferred retirement option plan payable.

- For the fiscal year ended September 30, 2009, employer contributions to the Plan decreased by \$52,180 (or 4.1%) based on the actuarial valuation. Actual employer contributions were \$1,211,419 and \$1,263,599 for 2009 and 2008, respectively.

For the fiscal year ended September 30, 2008, employer contributions to the Plan increased by \$33,708 (or 2.7%) based on the actuarial valuation. Actual employer contributions were \$1,263,599 and \$1,229,891 for 2008 and 2007, respectively.

Management's Discussion and Analysis (Required Supplementary Information - Unaudited)

Financial Highlights – continued

- For the fiscal year ended September 30, 2009, employee contributions decreased by \$20,069 (or 11.5%). Actual employee contributions were \$154,324 and \$174,393 for 2009 and 2008, respectively. Employee contributions have fluctuated from year to year, based on the number of active members.

For the fiscal year ended September 30, 2008, employee contributions decreased by \$278,691 (or 159.8%). Actual employee contributions were \$174,393 and \$453,084 for 2008 and 2007, respectively. Employee contributions have fluctuated from year to year, based on the number of active members.

- For the fiscal year ended September 30, 2009, net investment income increased by \$3,414,851 (or 100.4%). Actual results were \$(444,916) and \$(4,230,958) of net depreciation in fair value of investments for 2009 and 2008, respectively, and \$629,431 and \$758,608 of income from interest and dividends for 2009 and 2008, respectively. Investment income (loss) was reduced by earnings (losses) allocated to deferred retirement option plan participants' in the amount of \$89,300 and \$(91,719) for 2009 and 2008, respectively, and to the Firefighters Retirement System in the amount of \$5,963 and \$(94,920) for 2009 and 2008, respectively. Investment expenses decreased by \$39,888 or (35.0%).

For the fiscal year ended September 30, 2008, net investment income decreased by \$6,162,908 (or 181.3%). Actual results were \$(4,230,958) and \$2,266,185 of net (depreciation) appreciation in fair value of investments for 2008 and 2007, respectively, and \$758,608 and \$725,711 of income from interest and dividends for 2008 and 2007, respectively. Investment (loss) income was reduced by (losses) earnings allocated to deferred retirement option plan participants' in the amount of \$(91,719) and \$44,419 for 2008 and 2007, respectively, and to the Firefighters Retirement System in the amount of \$(94,920) and \$70,490 for 2008 and 2007, respectively. Investment expenses increased by \$210 or (0.2%).

- For the fiscal year ended September 30, 2009, benefit payments and refunds of contributions decreased by \$95,888 (or 4.6%).

For the fiscal year ended September 30, 2008, benefit payments and refunds of contributions increased by \$272,238 (or 13.1%).

- For the fiscal year ended September 30, 2009, administrative expenses increased by \$110,870 (or 120.0%) from 2008 primarily due to an increase in fees for professional services and education.

For the fiscal year ended September 30, 2008, administrative expenses decreased by \$59,014 (or 63.9%) from 2007 primarily due to a decrease in fees for professional services and education.

Management's Discussion and Analysis (Required Supplementary Information - Unaudited)

Plan Highlights

For the fiscal year ended September 30, 2009, the total return of the portfolio was 1.4%. Actual investment income in 2009 was \$15,226 compared with losses of \$(3,399,625) in 2008.

For the fiscal year ended September 30, 2008, the total return of the portfolio was -13.2%. Actual investment losses in 2008 were \$(3,399,625) compared with income of \$2,763,283 in 2007.

Using the Audited Financial Statements

The financial statements, which reflect the activities of the Plan, are reported in the Statement of Plan Net Assets and the Statement of Changes in Plan Net Assets. These statements are presented on a full accrual basis and reflect all Plan activities as incurred and are based on a snapshot in time of account balances of investments at fiscal year end.

Statement of Plan Net Assets

The following condensed comparative Statement of Plan Net Assets demonstrates the investment position of the Plan:

	2009	2008	2007
Cash and cash equivalents	\$ 973,769	\$ 914,575	\$ 1,557,867
Receivables	100,030	481,820	267,648
<u>Investments</u>	<u>20,576,779</u>	<u>20,613,889</u>	<u>24,042,708</u>
Total assets	21,650,578	22,010,284	25,868,223
Liabilities	1,983,457	1,539,928	1,267,012
<u>Net assets held in trust for pension benefits</u>	<u>\$ 19,667,121</u>	<u>\$ 20,470,356</u>	<u>\$ 24,601,211</u>

Management's Discussion and Analysis
(Required Supplementary Information - Unaudited)

Statement of Changes in Plan Net Assets

The Statement of Changes in Plan Net Assets, displays the effect of pension fund transactions that occurred during the fiscal year, where Additions – Deductions = Net Increase (or decrease) in Net Assets. The table below reflects a condensed comparative summary of the changes in net assets and reflects the activities of the Plan.

	2009	2008	2007
Additions:			
Contributions			
Employer	\$ 1,211,419	\$ 1,263,599	\$ 1,229,891
Employee	154,324	174,393	453,084
Total	1,365,743	1,437,992	1,682,975
Net investment (loss) income	15,226	(3,399,625)	2,763,283
Total (reductions) additions	1,380,969	(1,961,633)	4,446,258
Deductions:			
Benefits paid	1,980,928	1,812,886	1,308,394
Participants' contributions refunded	-	263,930	496,184
Administrative expenses	203,276	92,406	151,420
Total deductions	2,184,204	2,169,222	1,955,998
Net (decrease) increase	(803,235)	(4,130,855)	2,490,260
Net assets held in trust for pension benefits at beginning of year	20,470,356	24,601,211	22,110,951
Net assets held in trust for pension benefits at end of year	\$ 19,667,121	\$ 20,470,356	\$ 24,601,211

The Plan's investment activity, measured as of the end of any month, quarter or year, is a function of the underlying marketplace for the period measured and the investment policy's asset allocation. Actual returns increased from those of fiscal year ended September 30, 2008, and decreased from those of fiscal year ended September 30, 2007.

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

Management's Discussion and Analysis **(Required Supplementary Information - Unaudited)**

Asset Allocation

For the fiscal year ended September 30, 2009, the domestic equity portion comprised 54.5% (\$11,742,222) of the total portfolio. The allocation to fixed income securities was 36.4% (\$7,848,392), while cash and cash equivalents was 4.5% (\$973,769). The portion of the investments allocated to international equity was 4.6% (\$986,165) of the total portfolio.

For the fiscal year ended September 30, 2008, the domestic equity portion comprised 58.8% (\$12,659,326) of the total portfolio. The allocation to fixed income securities was 32.1% (\$6,914,529), while cash and cash equivalents was 4.3% (\$914,575). The portion of the investments allocated to international equity was 4.8% (\$1,040,034) of the total portfolio.

The target asset allocation range at September 30, 2009 and 2008 was as follows:

Equity	25% - 70%
Fixed income	25% - 65%
Cash equivalents	0% - 50%

Contacting the Plan's Financial Management

This financial report is designed to provide the Retirement Board, our membership, taxpayers, investors, and creditors with a general overview of the Plan's finances and to demonstrate the Plan's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact the City of Wilton Manors, Florida Pension Plan for General Employees and Police, 2020 Wilton Drive, Wilton Manors, FL 33305.

**City of Wilton Manors, Florida Pension Plan for
General Employees and Police**

**Statements of Plan Net Assets
September 30, 2009 and 2008**

	2009	2008
Assets		
Cash and cash equivalents	\$ 973,769	\$ 914,575
Receivables		
Employer contribution	-	396,197
Interest and dividends receivable	100,030	85,623
Total receivables	100,030	481,820
Investments, at fair value		
Common stock	9,586,238	10,438,267
U.S. government securities	3,990,575	5,129,130
Domestic equity funds	2,155,984	2,221,059
Corporate bonds and notes	3,857,817	1,785,399
International equity funds	986,165	1,040,034
Total investments	20,576,779	20,613,889
Total assets	21,650,578	22,010,284
Liabilities		
Accounts payable	27,643	30,116
Due to Firefighters Retirement System	680,126	633,832
Deferred retirement option plan payable	1,179,517	740,994
Prepaid City contribution	85,623	85,623
Payable for securities purchased	10,548	49,363
Total liabilities	1,983,457	1,539,928
Net assets held in trust for pension benefits	\$ 19,667,121	\$ 20,470,356

(a schedule of funding progress is presented on page 19)

The accompanying notes are an integral part of these financial statements.

**City of Wilton Manors, Florida Pension Plan for
General Employees and Police**
Statements of Changes in Plan Net Assets
September 30, 2009 and 2008

	2009	2008
Additions:		
Contributions		
Employer	\$ 1,211,419	\$ 1,263,599
Employee	154,324	174,393
Total contributions	1,365,743	1,437,992
Investment income		
Net depreciation in fair value of investments	(444,916)	(4,230,958)
Interest and dividends	629,431	758,608
Total investment income (loss)	184,515	(3,472,350)
Less: Investment expenses	74,026	113,914
Deferred retirement option plan participants' earnings (losses)	89,300	(91,719)
Earnings (losses) allocated to Firefighters Retirement System	5,963	(94,920)
Net investment income (loss)	15,226	(3,399,625)
Total additions (reductions)	1,380,969	(1,961,633)
Deductions:		
Benefits paid	1,980,928	1,812,886
Participants' contributions refunded	-	263,930
Administrative expenses	203,276	92,406
Total deductions	2,184,204	2,169,222
Net decrease	(803,235)	(4,130,855)
Net assets held in trust for pension benefits		
Beginning of year	20,470,356	24,601,211
End of year	\$ 19,667,121	\$ 20,470,356

The accompanying notes are an integral part of these financial statements.

**City of Wilton Manors, Florida Pension Plan
For General Employees and Police
Notes to Financial Statements
September 30, 2009 and 2008**

Note 1 – Description of the Plan

Organization

The City of Wilton Manors, Florida Pension Plan for General Employees and Police (the “Plan”) is a single-employer defined benefit plan established by the City of Wilton Manors, Florida (the “City” or “Employer”) pursuant to the provisions and requirements of Section 13 of the City of Wilton Manors Code of Ordinances. Since the Plan is sponsored by the City, the Plan is included as a pension trust fund in the City’s comprehensive annual financial report as part of the City’s financial reporting entity.

Effective August 1, 2007, the Plan elected to participate in the Florida Retirement System (FRS) and closed the Plan to new members hired on or after August 1, 2007. Current members have 30 days to elect whether to stay in the Plan or to transition to FRS.

The following brief description of the Plan is provided for general information purposes only. Participants should refer to the plan agreement for more detailed and comprehensive information.

Participants

Participants include general employees (excluding elected officials, persons appointed to fulfill elected positions and retained professionals and consultants for the City) and police officers employed by the City of Wilton Manors, Florida on a full-time basis.

Membership

As of October 1, membership in the Plan consisted of:

	2008	2007
Retirees and beneficiaries currently receiving benefits and terminated employees entitled to benefits but not yet receiving them		
Police Officers	29	24
General Employees	38	32
	67	56
Active plan participants		
Police Officers	7	12
General Employees	18	25
	25	37
Total participants	92	93

Funding Requirements

Member Contributions:

Member contributions are equal to 10% of basic compensation for police officers and 11% of basic compensation for general employees. The required member contributions are being picked up by the City.

Any member terminating membership in the Plan with less than one year of credited service shall receive a return of contributions with no interest. A member who has completed more than one, but less than five years of credit service, shall receive a return of contributions plus 3.0% of the gross amount.

**City of Wilton Manors, Florida Pension Plan
For General Employees and Police
Notes to Financial Statements
September 30, 2009 and 2008**

Note 1 – Description of the Plan - continued

Funding Requirements - continued

Member Contributions - continued:

After completion of five years of credited service, the terminated member will be entitled to a deferred vested benefit commencing on his or her normal retirement date, if living at such time.

City and State Contributions:

Pursuant to Florida Statutes, Chapters 185, contributions from the State of Florida Department of Insurance consist of an excise tax imposed by the City upon certain casualty insurance companies on the gross amount of receipts of premiums from policy holders on all premiums collected on casualty insurance policies covering property within the City. The allowable portion of the State contribution is used to reduce the City's contribution for Police when received. The City is expected to contribute such additional amounts as are necessary on an actuarial basis to fund the Plan's expenses, normal cost and to amortize the unfunded actuarial accrued liability.

At the present time, the State of Florida is withholding contributions payable to the Plan under Chapter 185, Florida Statutes. The State's contention is that the Plan must be severed into two independent retirement plans.

Pension Benefits

Normal Retirement:

The date upon which the member completed twenty years of credited service regardless of age or the date upon which the member attains age sixty with five years of credited service may retire on a normal retirement benefit.

Members will receive a monthly pension benefit equal to 3.0% of the Average Monthly Compensation times the years of credit service.

Early retirement, disability, death and other benefits are also provided.

Deferred Retirement Option Plan:

Members who continue employment with the City past normal retirement date may freeze their accrued benefit and enter the Deferred Retirement Option Plan (DROP). Maximum participation in the DROP shall be six years (five years prior to August 1, 2007).

For members electing participation in the DROP, an individual DROP account shall be created. Payment shall be made by the Plan into the employee's DROP account in an amount equal to the regular monthly retirement benefit which the participant would have received had the participant separated from service and commenced receipt of pension benefits, plus interest. Interest shall be based on the actual earnings of the Plan for the preceding year. Upon termination of employment, a member may receive distribution from the DROP account as a lump sum or defer payment in accordance with the Internal Revenue Code.

**City of Wilton Manors, Florida Pension Plan
For General Employees and Police
Notes to Financial Statements
September 30, 2009 and 2008**

Note 1 – Description of the Plan - continued

Pension Benefits - continued

Deferred Retirement Option Plan - continued:

A DROP participant shall not be entitled to receive a disability retirement for pension purposes. If a member shall die during participation in the DROP, the member shall be treated as any other vested member in the Plan that dies prior to retirement.

Post Retirement Supplement:

Effective October 1, 2003, all employees retiring as members of this Plan shall be entitled to receive a monthly supplemental payment at the rate of ten dollars for each year of credited service, which shall not exceed two hundred dollars per month. This benefit shall commence on the first day of the month following separation from service, providing the member is retired and receiving an early, normal or disability pension. The post retirement supplement shall not be paid to terminated vested members or to members who retired prior to October 1, 2003.

Cost-of-Living Adjustment:

Effective October 1, 2004, an Ordinance providing for a temporary cost-of-living adjustment (COLA) was created for members of the police bargaining unit and non-sworn members participating in the General Employees Plan. The COLA will apply to police personnel who are in the DROP plan prior to October 1, 2002. The annual COLA adjustment will be 3%. The provisions of this ordinance shall expire after September 30, 2005. Police officers with ten or more years of service as of October 1, 2006 will receive an annual 3% COLA, to begin six years after retirement.

Note 2 – Summary of Significant Accounting Policies

Basis of Accounting

The Plan's financial statements are prepared using the accrual basis of accounting. Member contributions are recognized as revenues in the period in which employee services are performed. Employer contributions are recognized as revenues when due pursuant to actuarial valuations. Interest and dividend income are recorded as earned. Benefits and refunds are recognized when due and payable in accordance with the terms of the Plan.

New Pronouncements

During the year ended September 30, 2008, the Plan adopted Government Accounting Standards Board (GASB) Statement No. 50 "Pension Disclosures" (GASB 50) which amends GASB Statements No. 25, "Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans", and No. 27, "Accounting for Pensions by State and Local Governmental Employers". GASB 50 requires disclosure in the notes to the financial statements of pension plans and certain employer governments of the current funded status of the plan and other actuarial information which had previously been provided as required supplementary information. The adoption of GASB 50 had an impact on the presentation of the notes to the financial statements but no impact on net assets.

**City of Wilton Manors, Florida Pension Plan
For General Employees and Police
Notes to Financial Statements
September 30, 2009 and 2008**

Note 2 – Summary of Significant Accounting Policies - continued

Cash and Cash Equivalents

The Plan considers all highly liquid investments with an original maturity of three months or less when purchased, to be cash equivalents.

Investments

The fair value of quoted investments is based on the closing sales price or bid price as reported by recognized security exchanges. Bonds are reported at established fair value. Securities that have no quoted market price are presented at estimated fair value as provided by the custodial bank and investment counsel.

Unrealized gains and losses are presented as net appreciation (depreciation) in fair value of investments on the statement of changes in plan net assets along with the gains and losses realized on sales of investments. Purchases and sales of investments are recorded on a trade-date basis.

Given the inherent nature of investments, it is reasonably possible that changes in the value of those investments will occur in the near term and that such changes could materially affect the amounts reported in the statements of plan net assets.

Income Tax Status

The Plan is exempt from Federal income taxes under the Internal Revenue Code and, therefore, has recorded no income tax liabilities or expense.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Risks and Uncertainties

Contributions to the Plan and the actuarial information included in the required supplementary information (RSI) are reported based on certain assumptions pertaining to the interest rates, inflation rates and member compensation and demographics. Due to the changing nature of these assumptions, it is at least reasonably possible that changes in these assumptions may occur in the near term and, due to the uncertainties inherent in settling assumptions, that the effect of such changes could be material to the financial statements.

Subsequent Events

Management has evaluated subsequent events through May 4, 2010, the date which the financial statements were available for issue.

**City of Wilton Manors, Florida Pension Plan
For General Employees and Police
Notes to Financial Statements
September 30, 2009 and 2008**

Note 4 - Funding Requirements and Contributions

Actuarially Determined Contributions

The Plan contributions required from the City of Wilton Manors for the fiscal years ended September 30, 2009 and 2008 were actuarially determined, using a valuation date of October 1, 2008 and 2007, to be \$1,211,419 and \$1,263,599 respectively. The actuarially computed covered annual payroll was \$1,570,672 and \$2,355,661 for fiscal years ended September 30, 2009 and 2008, respectively. The required contributions cover the following:

	2009		2008	
	Amount	Percent of actuarially computed covered portfolio	Amount	Percent of actuarially computed covered portfolio
Normal cost	\$ 707,860	45.07%	\$ 504,671	21.42%
Amortization of the unfunded actuarial accrued liability	503,559	32.06	758,928	32.22
Total	\$ 1,211,419	77.13%	\$1,263,599	53.64%

Actual Contributions

The actual City contributions for active employees for the years ended September 30, 2009 and 2008 were \$1,211,419 and \$1,263,599, respectively, and the actual amount of covered payroll was approximately \$1,443,000 and \$1,639,000 respectively. City contributions consisted of the following:

	2009		2008	
	Amount	Percent of actual covered annual payroll	Amount	Percent of actual covered annual payroll
City contribution	\$ 1,211,419	83.95%	\$1,263,599	77.10%
Total	\$ 1,211,419	83.95%	\$1,263,599	77.10%

For the years ended September 30, 2009 and 2008, member contributions were \$154,324 and \$174,393, respectively.

**City of Wilton Manors, Florida Pension Plan
For General Employees and Police**
Notes to Financial Statements
September 30, 2009 and 2008

Note 5 – Funded Status and Funding Progress

The funded status of the Plan as of October 1, 2008, the most recent actuarial valuation date, is as follows:

Actuarial Valuation Date	Actuarial Value of Assets (AVA)	Actuarial Accrued Liability (AAL)	Unfunded Actuarial Accrued Liability (UAAL)	Funded Ratio	Annual Covered Payroll	UAAL as a % of Covered Payroll
10/01/08	\$ 23,978,668	\$ 31,698,304	\$ 7,719,636	75.6%	\$ 1,570,672	491.5%

Valuation date	10/01/08
Contribution Rates:	
Employer (and State)	77.13%
Plan Members	10.67%
Actuarial cost method	Entry age, normal cost
Amortization method	Level dollar amount
Equivalent single amortization period	
General members	22 years
Police members	14 years
Asset valuation method	5-year smoothed market with phase-in
Actuarial assumptions:	
Investment rate of return*	8.0%
Projected salary increases*	5.5%
Cost of living adjustments	N/A
*Includes inflation and other general increases at	3.5%

Note 6 – Deposit and Investment Risk Disclosures

Investment Authorization

The Plan's investment policy is determined by the Board of Trustees. The policy has been identified by the Board to conduct the operations of the Plan in a manner so that the assets will provide the pension and other benefits provided under applicable laws, including City ordinances, thereby fulfilling the Plan's main objective of capital preservation with capital appreciation and some level of current income. The Trustees are authorized to acquire and retain every kind of property, real, personal or mixed, and every kind of investment specifically including, but not by way of limitation, bonds, debentures, and other corporate obligations, and stocks, preferred or common.

Investment in common stock or capital stock shall be limited to those listed on a major U.S. stock exchange and limited to no more than 70% (at market) of the Plan's total asset value, with no more than 5% of the Plan's total assets, at cost, invested in the common stock of any one company. Moreover, not more than 20% of each portfolio shall be invested in any single industry at cost.

**City of Wilton Manors, Florida Pension Plan
For General Employees and Police**
Notes to Financial Statements
September 30, 2009 and 2008

Note 6 – Deposit and Investment Risk Disclosures - continued

Investment Authorization - continued

The fixed income portfolio shall be comprised of securities rated “A” or higher by a nationally recognized rating agency. Except for U.S. Treasury and U.S. Agency obligations, no manager should invest more than 5% of the Plan assets in the securities of a single issuer.

No issues may be purchased with more than 15 years to maturity.

Types of Investments

Florida statutes and Plan investment policy authorize the Trustees to invest funds in various investments. The current maximum target allocation of these investments is as follows at September 30:

	2009		2008	
	Maximum target % of portfolio	Actual % of portfolio	Maximum target % of portfolio	Actual % of portfolio
Authorized investments				
Equity	70%	59.1%	70%	63.6%
Fixed income	65%	36.4%	65%	32.1%
Cash equivalents	50%	4.5%	50%	4.3%

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment the greater the sensitivity of its fair value to changes in market interest rates. As a means of limiting its exposure to interest rate risk, the Plan diversifies its investments by security type and institution, and limits holdings in any one type of investment with any one issuer with various durations of maturities.

Information about the sensitivity of the fair values of the Plan’s investment to market interest rate fluctuations is provided by the following tables that show the distribution of the Plan’s investment by maturity at September 30:

Investment Type	Fair Value	2009 Investment Maturities (in years)			
		Less than 1	1 to 5	6 to 10	More than 10
U.S. treasuries	\$ 128,320	\$ 128,320	\$ -	\$ -	\$ -
U.S. agencies	3,862,255	62,997	609,106	2,053,704	1,136,448
Corporate bonds	3,857,817	-	564,973	3,064,722	228,122
Total fixed income securities	\$ 7,848,392	\$ 191,317	\$ 1,174,079	\$ 5,118,426	\$ 1,364,570

**City of Wilton Manors, Florida Pension Plan
For General Employees and Police**
Notes to Financial Statements
September 30, 2009 and 2008

Note 6 – Deposit and Investment Risk Disclosures – continued

Interest Rate Risk - continued

Investment Type	Fair Value	2008 Investment Maturities (in years)			
		Less than 1	1 to 5	6 to 10	More than 10
U.S. treasuries	\$ 187,455	\$ -	\$ -	\$ 187,455	\$ -
U.S. agencies	4,941,675	131,134	925,708	2,492,323	1,392,510
Corporate bonds	1,785,399	-	704,040	979,744	101,615
Total fixed income securities	\$ 6,914,529	\$ 131,134	\$ 1,629,748	\$ 3,659,522	\$ 1,494,125

Credit Risk

Credit risk is the risk that a security or a portfolio will lose some or all of its value due to a real or perceived change in the ability of the issuer to repay its debt. This risk is generally measured by the assignment of a rating by a nationally recognized statistical rating organization. The Plan's investment policy utilizes portfolio diversification in order to control this risk.

The following tables disclose credit ratings by investment type, at September 30, as applicable:

	2009		2008	
	Fair Value	Percentage of Portfolio	Fair Value	Percentage of Portfolio
U.S. government guaranteed*	\$ 3,990,575	50.85%	\$ 5,129,130	74.18%
Quality rating of credit risk debt securities:				
AA+	234,266	2.98	106,648	1.54
AA	281,965	3.59	122,884	1.78
AA-	131,514	1.68	-	-
A+	225,768	2.88	346,106	5.01
A	1,240,342	15.80	1,026,121	14.84
A-	1,540,119	19.62	59,875	0.86
BBB+	203,843	2.60	123,765	1.79
Total credit risk debt securities	3,857,817	49.15	1,785,399	25.82
Total fixed income securities	\$ 7,848,392	100.00%	\$ 6,914,529	100.00%

*Obligations of the U.S. government or obligations explicitly guaranteed by the U.S. government are not considered to have credit risk and do not have purchase limitations.

Concentration of Credit Risk

The investment policy of the Plan contains limitations on the amount that can be invested in any one issuer as well as maximum portfolio allocation percentages. There were no individual investments that represent 5% or more of plan net assets at September 30, 2009 and 2008.

**City of Wilton Manors, Florida Pension Plan
For General Employees and Police
Notes to Financial Statements
September 30, 2009 and 2008**

Note 6 – Deposit and Investment Risk Disclosures – continued

Custodial Credit Risk

Deposits are exposed to custodial risk if they are uninsured and uncollateralized. Custodial risk is the risk that, in the event of the failure of the counterparty, the Plan will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Investment securities are exposed to custodial risk if the securities are uninsured, are not registered in the name of the Plan and are held either by the counterparty or the counterparty's trust department or agent but not in the Plan's name.

Consistent with the Plan's investment policy, the investments are held by the Plan's custodial bank and registered in the Plan's name. All of the Plan's deposits are insured and or collateralized by a financial institution separate from the Plan's depository financial institution.

Note 7 – Management Agreement

The Plan has an agreement with the City of Wilton Manors Firefighters Retirement System (the "System") to keep custody of and manage the assets of the System. The Plan is providing this service as an accommodation and does not incur any fiduciary obligation to the System separate and apart from the fiduciary responsibility of the professional custodian and money managers to the Plan. For the years ended September 30, 2009 and 2008, \$680,126 and \$633,832 respectively, of the System's assets are included as assets on the Plan's statements of plan net assets with \$680,126 and \$633,832 reflected as a liability due to the Firefighters Retirement System on the Plan's statements of plan net assets for each of those years.

Required Supplementary Information

**City of Wilton Manors, Florida Pension Plan
For General Employees and Police
Required Supplementary Information
September 30, 2009
(Unaudited)**

Schedule "1" – Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (AVA)	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as % of Covered Payroll
10/1/04	\$ 19,595,445	\$ 23,306,822	\$ 3,711,277	84.1%	\$ 4,497,194	82.5%
10/1/05	20,284,630	26,608,015	6,323,385	76.2	4,118,048	153.6
10/1/06	21,700,713	28,865,915	7,165,202	75.2	4,882,290	146.8
10/1/07	23,215,211	30,442,727	7,227,516	76.3	2,355,661	306.8
10/1/08	23,978,668	31,698,304	7,719,636	75.6	1,570,672	491.5

Schedule "2" – Schedule of Contributions by Employer and Other Contributing Entity

Year Ended September 30,	Annual Required Contribution	Percentage Contributed
2004	\$ 719,459	100%
2005	799,497	100
2006	1,081,629	100
2007	1,229,891	100
2008	1,263,599	100
2009	1,211,419	100

**City of Wilton Manors, Florida Pension Plan for
General Employees and Police**
Statement of Plan Net Assets by Class of Participants
September 30, 2009

Schedule "3"

	General Employees	Police	Total
Assets			
Cash and cash equivalents	\$ 505,617	\$ 468,152	\$ 973,769
Receivables			
Employer contribution	-	-	-
Interest and dividends receivable	52,169	47,861	100,030
Total receivables	52,169	47,861	100,030
Investments, at fair value			
Common stock	4,977,531	4,608,707	9,586,238
U.S. government securities	2,072,054	1,918,521	3,990,575
Domestic equity funds	1,119,467	1,036,517	2,155,984
Corporate bonds and notes	2,003,121	1,854,696	3,857,817
International equity funds	512,053	474,112	986,165
Total investments	10,684,226	9,892,553	20,576,779
Total assets	11,242,012	10,408,566	21,650,578
Liabilities			
Accounts payable	14,417	13,226	27,643
Due to Firefighters Retirement System	354,711	325,415	680,126
Deferred retirement option plan payable	578,888	600,629	1,179,517
Prepaid City contribution	31,346	54,277	85,623
Payable for securities purchased	5,501	5,047	10,548
Total liabilities	984,863	998,594	1,983,457
Net assets held in trust for pension benefits	\$ 10,257,149	\$ 9,409,972	\$ 19,667,121
(a schedule of funding progress is presented on page 19)			

The accompanying notes are an integral part of these financial statements.

**City of Wilton Manors, Florida Pension Plan for
General Employees and Police**
Statement of Plan Net Assets by Class of Participants
September 30, 2008

Schedule "3" (continued)

	General Employees	Police	Total
Assets			
Cash and cash equivalents	\$ 478,200	\$ 436,375	\$ 914,575
Receivables			
Employer contribution	150,516	245,681	396,197
Interest and dividends receivable	45,019	40,604	85,623
Total receivables	195,535	286,285	481,820
Investments, at fair value			
Common stock	5,457,809	4,980,458	10,438,267
U.S. government securities	2,681,845	2,447,285	5,129,130
Domestic equity funds	1,161,315	1,059,744	2,221,059
Corporate bonds and notes	933,524	851,875	1,785,399
International equity funds	543,798	496,236	1,040,034
Total investments	10,778,291	9,835,598	20,613,889
Total assets	11,452,026	10,558,258	22,010,284
Liabilities			
Accounts payable	15,834	14,282	30,116
Due to Firefighters Retirement System	333,256	300,576	633,832
Deferred retirement option plan payable	281,548	459,446	740,994
Prepaid City contribution	32,528	53,095	85,623
Payable for securities purchased	25,954	23,409	49,363
Total liabilities	689,120	850,808	1,539,928
Net assets held in trust for pension benefits	\$ 10,762,906	\$ 9,707,450	\$ 20,470,356
(a schedule of funding progress is presented on page 19)			

The accompanying notes are an integral part of these financial statements.

**City of Wilton Manors, Florida Pension Plan for
General Employees and Police**
Statement of Changes in Plan Net Assets by Class of Participants
For the Year Ended September 30, 2009

Schedule "4"

	General Employees	Police	Total
Additions:			
Contributions			
Employer	\$ 443,499	\$ 767,920	\$ 1,211,419
Employee	109,832	44,492	154,324
Total contributions	553,331	812,412	1,365,743
Investment (loss) income			
Net depreciation in fair value of investments	(233,003)	(211,913)	(444,916)
Interest and dividends	329,634	299,797	629,431
Total investment income	96,631	87,884	184,515
Less: Investment expenses	38,768	35,258	74,026
Deferred retirement option plan participants' earnings	45,026	44,274	89,300
Earnings allocated to Firefighters Retirement System	3,123	2,840	5,963
Net investment loss	9,714	5,512	15,226
Total additions	563,045	817,924	1,380,969
Deductions:			
Benefits paid	962,346	1,018,582	1,980,928
Participants' contributions refunded	-	-	-
Administrative expenses	106,456	96,820	203,276
Total deductions	1,068,802	1,115,402	2,184,204
Net decrease	(505,757)	(297,478)	(803,235)
Net assets held in trust for pension benefits			
Beginning of year	10,762,906	9,707,450	20,470,356
End of year	\$ 10,257,149	\$ 9,409,972	\$ 19,667,121

The accompanying notes are an integral part of these financial statements.

**City of Wilton Manors, Florida Pension Plan for
General Employees and Police**
Statement of Changes in Plan Net Assets by Class of Participants
For the Year Ended September 30, 2008

Schedule "4" (continued)

	General Employees	Police	Total
Additions:			
Contributions			
Employer	\$ 480,045	\$ 783,554	\$ 1,263,599
Employee	115,825	58,568	174,393
Total contributions	595,870	842,122	1,437,992
Investment (loss) income			
Net depreciation in fair value of investments	(2,243,306)	(1,987,652)	(4,230,958)
Interest and dividends	402,224	356,384	758,608
Total investment loss	(1,841,082)	(1,631,268)	(3,472,350)
Less: Investment expenses	60,399	53,515	113,914
Deferred retirement option plan participants' losses	(37,393)	(54,326)	(91,719)
Losses allocated to Firefighters Retirement System	(50,328)	(44,592)	(94,920)
Net investment loss	(1,813,760)	(1,585,865)	(3,399,625)
Total reductions	(1,217,890)	(743,743)	(1,961,633)
Deductions:			
Benefits paid	890,516	922,370	1,812,886
Participants' contributions refunded	214,287	49,643	263,930
Administrative expenses	48,995	43,411	92,406
Total deductions	1,153,798	1,015,424	2,169,222
Net decrease	(2,371,688)	(1,759,167)	(4,130,855)
Net assets held in trust for pension benefits			
Beginning of year	13,134,594	11,466,617	24,601,211
End of year	\$ 10,762,906	\$ 9,707,450	\$ 20,470,356

The accompanying notes are an integral part of these financial statements.