

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

**Financial Statements
Years Ended September 30, 2011 and 2010**



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
Management's Discussion and Analysis (Required Supplementary Information - Unaudited)	2 - 6
Financial Statements:	
Statements of Plan Net Assets	7
Statements of Changes in Plan Net Assets	8
Notes to Financial Statements	9 - 17
Required Supplementary Information - Unaudited:	
Schedule 1 - Schedule of Funding Progress	18
Schedule 2 - Schedule of Contributions by Employer	18
Other Supplementary Schedules:	
Schedule 1 - Statements of Plan Net Assets by Class of Participants.....	19 - 20
Schedule 2 - Statements of Changes in Plan Net Assets by Class of Participants	21 - 22
Schedule 3 - Schedules of Investment Expenses.....	23
Schedule 4 - Schedules of Administrative Expenses.....	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, 2011 and 2010, 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, 2011 and 2010 and the changes in its net plan assets for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Management's discussion and analysis and the required 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, 2006 and 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.

Our audits were conducted for the purpose of forming an opinion on the basic financial statements of the Plan. The accompanying other supplementary schedules 1 through 4 as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. The other supplementary schedules have been subjected to auditing procedures applied in the audit of the basic financial statements, and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Goldstein Schechter Koch, P.A.

Hollywood, Florida
March 6, 2012

City of Wilton Manors Pension Plan for General Employees & Police

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Management's Discussion and Analysis (Required Supplementary Information - Unaudited) September 30, 2011 and 2010

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 and funding conditions for the fiscal years ended September 30, 2011 and 2010. Its purpose is to provide explanations and insights into the information presented in the financial statements, notes to the financial statements and required supplementary information. 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, 2011 and 2010 by \$19,300,255 and \$20,272,538, 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 \$972,283 and the increase of \$605,417, 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 75.6% as of October 1, 2008 actuarial valuation to 73.1% as of October 1, 2009 valuation and 67.6% as of October 1, 2010 valuation.
- For the fiscal year ended September 30, 2011, receivables increased by \$54,290 (or 52.4%) primarily due to an increase in proceeds for securities sold.

For the fiscal year ended September 30, 2010, receivables increased by \$3,575 (or 3.6%) primarily due to an increase in interest and dividends receivable.

- For the fiscal year ended September 30, 2011, liabilities increased by \$428,039 (or 24.5%) primarily due to an increase in deferred retirement option plan payable.

For the fiscal year ended September 30, 2010, liabilities increased by \$518,436 (or 26.1%) primarily due to an increase in deferred retirement option plan payable.

- For the fiscal year ended September 30, 2011, employer contributions to the Plan increased by \$212,516 (or 15.9%) based on the actuarial valuation. Actual employer contributions were \$1,550,528 and \$1,338,012 for 2011 and 2010, respectively.

For the fiscal year ended September 30, 2010, employer contributions to the Plan increased by \$126,593 (or 10.5%) based on the actuarial valuation. Actual employer contributions were \$1,338,012 and \$1,211,419 for 2010 and 2009, respectively.

Management's Discussion and Analysis
(Required Supplementary Information - Unaudited)
September 30, 2011 and 2010

Financial Highlights - continued

- For the fiscal year ended September 30, 2011, employee contributions decreased by \$12,605 (or 12.8%). Actual employee contributions were \$86,178 and \$98,783 for 2011 and 2010, respectively. Employee contributions have fluctuated from year to year, based on the number of active members.

For the fiscal year ended September 30, 2010, employee contributions decreased by \$55,541 (or 36.0%). Actual employee contributions were \$98,783 and \$154,324 for 2010 and 2009, respectively. Employee contributions have fluctuated from year to year, based on the number of active members.

- For the fiscal year ended September 30, 2011, net investment loss was \$160,983 compared to net investment income of \$1,503,960. Actual results were \$(830,595) and \$1,122,750 of net (depreciation) appreciation in fair value of investments for 2011 and 2010, respectively, and \$744,664 and \$664,051 of income from interest and dividends for 2011 and 2010, respectively. Investment (loss) income was increased (reduced) by earnings (losses) allocated to deferred retirement option plan participants' in the amount of \$(44,229) and \$111,800 for 2011 and 2010, respectively, and to the Firefighters Retirement System in the amount of \$(3,251) and \$63,408 for 2011 and 2010, respectively. Investment expenses increased by \$14,899 or (13.8%).

For the fiscal year ended September 30, 2010, net investment income was \$1,503,960 compared to net investment income of \$15,226. Actual results were \$1,122,750 and \$(444,916) of net appreciation (depreciation) in fair value of investments for 2010 and 2009, respectively, and \$664,051 and \$629,431 of income from interest and dividends for 2010 and 2009, respectively. Investment income was reduced by earnings allocated to deferred retirement option plan participants' in the amount of \$111,800 and \$89,300 for 2010 and 2009, respectively, and to the Firefighters Retirement System in the amount of \$63,408 and \$5,963 for 2010 and 2009, respectively. Investment expenses increased by \$33,607 or (45.4%).

- For the fiscal year ended September 30, 2011, benefit payments and refund of contributions increased by \$96,504 (or 4.4%).

For the fiscal year ended September 30, 2010, benefit payments increased by \$237,071 (or 12.0%).

- For the fiscal year ended September 30, 2011, administrative expenses increased by \$16,164 (or 13.8%) from 2010 primarily due to an increase in fees for professional services.

For the fiscal year ended September 30, 2010, administrative expenses decreased by \$85,937 (or 42.3%) from 2009 primarily due to a decrease in fees for professional services.

Plan Highlights

For the fiscal year ended September 30, 2011, the total return of the portfolio was -0.7%. Actual net investments (loss) income in 2011 and 2010 were \$(160,983) and \$1,503,960, respectively.

For the fiscal year ended September 30, 2010, the total return of the portfolio was 8.4%. Actual investment income in 2010 was \$1,503,960 compared with \$15,226 in 2009.

Management's Discussion and Analysis

(Required Supplementary Information - Unaudited)

September 30, 2011 and 2010

Overview of the Financial Statements

The basic financial statements include the Statements of Plan Net Assets and Statements of Changes in Plan Net Assets and Notes to the Financial Statements. The Plan also includes in this report additional information to supplement the financial statements.

The Plan presents two types of required supplementary schedules, which provide historical trend information about the Plan's funding. The two types of schedules include a schedule of funding progress and a schedule of employer contributions.

The Plan prepares its financial statements on the accrual basis of accounting and in accordance with generally accepted accounting principles in the United States of America. These statements provide information about the Plan's overall financial status.

Description of the Financial Statements

The *Statement of Plan Net Assets* presents information that includes all of the Plan's assets and liabilities, with the balance representing the Net Assets Held in Trust for Pension Benefits. It is a snapshot of the financial position of the Plan at that specific point in time and reflects the resources available to pay members, retirees and beneficiaries at that point in time.

The *Statement of Changes in Plan Net Assets* reports how the Plan's net assets changed during the fiscal year. The additions and deductions to net assets are summarized in this statement. The additions include contributions to the retirement plan from employer (City) and net investment income (loss), which includes interest, dividends, investment expenses, and the net appreciation or depreciation in the fair value of investments. The deductions include benefit payments, refunds of member contributions, and administrative expenses.

The *Notes to the Financial Statements* are presented to provide the information necessary for a full understanding of the financial statements. They include additional information not readily evident in the statements themselves such as a description of the Plan, contributions, significant accounting policies, funding policy, and investment risk disclosure.

There are also two *Required Supplementary Schedules* included in this report as required by the Governmental Accounting Standards Board. The *Schedule of Funding Progress* presents historical trend information about the actuarially determined funded status of the Plan from a long-term, ongoing plan perspective, and the progress made in accumulating sufficient assets to fund benefit payments as they become due. The *Schedule of Employer Contributions* presents historical trend information about the annual required contributions of employers and percentage of such contributions in relation to actuarially determined requirements for the years presented.

Additional information is presented as part of *Other Supplementary Schedules*. This section is not required but management has chosen to include it. It includes *Schedules of Investment Expenses and Administrative Expenses*. The *Statements of Plan Net Assets by Class of Participants and the Statements of Changes in Plan Net Assets by Class of Participants* reflects a reporting column for the assets, liabilities, and the activities in the General Employees and Police Plan. The *Schedule of Investment Expenses* presents the expenses incurred in managing and monitoring the investments of the Plan and include financial management, consultant, and custodial fees. The *Schedule of Administrative Expenses* presents the expenses incurred in the administration of the Plan.

Management's Discussion and Analysis
(Required Supplementary Information - Unaudited)
September 30, 2011 and 2010

Statements of Plan Net Assets

The table below reflects condensed comparative statements of plan net assets as of September 30:

	2011	2010	2009
Cash and cash equivalents	\$ 888,566	\$ 574,057	\$ 973,769
Receivables	157,895	103,605	100,030
Investments	21,212,340	22,096,769	20,576,779
Assets allocated to Firefighters Retirement System	(780,066)	(751,452)	(680,126)
Total assets	21,478,735	22,022,979	20,970,452
Liabilities	2,178,480	1,750,441	1,303,331
Net assets held in trust for pension benefits	\$ 19,300,255	\$ 20,272,538	\$ 19,667,121

Statements of Changes in Plan Net Assets

The table below reflects a condensed comparative summary of the changes in net assets and reflects the activities of the Plan for the fiscal years ended September 30:

	2011	2010	2009
Additions:			
Contributions			
Employer	\$ 1,550,528	\$ 1,338,012	\$ 1,211,419
Employee	86,178	98,783	154,324
Total	1,636,706	1,436,795	1,365,743
Net investment (loss) income	(160,983)	1,503,960	15,226
Total additions	1,475,723	2,940,755	1,380,969
Deductions:			
Benefits paid	2,247,164	2,217,999	1,980,928
Refund of contributions	67,339	-	-
Administrative expenses	133,503	117,339	203,276
Total deductions	2,448,006	2,335,338	2,184,204
Net (decrease) increase	(972,283)	605,417	(803,235)
Net assets held in trust for pension benefits at beginning of year	20,272,538	19,667,121	20,470,356
Net assets held in trust for pension benefits at end of year	\$ 19,300,255	\$ 20,272,538	\$ 19,667,121

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 for fiscal year ended September 30, 2011 decreased from those of fiscal year ended September 30, 2010.

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)
September 30, 2011 and 2010

Asset Allocation

For the fiscal year ended September 30, 2011, the domestic equity portion comprised 57.3% (\$12,662,638) of the total portfolio. The allocation to fixed income securities was 38.7% (\$8,549,702), while cash and cash equivalents was 4.0% (\$888,656).

For the fiscal year ended September 30, 2010, the domestic equity portion comprised 55.8% (\$12,641,643) of the total portfolio. The allocation to fixed income securities was 37.4% (\$8,478,310), while cash and cash equivalents was 2.5% (\$574,057). The portion of the investments allocated to international equity was 4.3% (\$976,816) of the total portfolio.

The target asset allocation range at September 30, 2011 and 2010 was as follows:

	2011	2010
Domestic equity	25 – 70%	25 - 60%
International equity	0 – 25%	0 - 25%
Fixed income	25 – 65%	25 - 50%
Cash equivalents	0 – 50%	0 - 20%

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, 2011 and 2010**

	2011	2010
Assets		
Cash and cash equivalents	\$ 888,566	\$ 574,057
Receivables		
Receivable for securities sold	37,036	-
Interest and dividends receivable	120,859	103,605
Total receivables	157,895	103,605
Investments, at fair value		
Common stock	10,423,417	10,228,393
U.S. government securities	4,490,455	4,017,283
Domestic equity funds	2,239,221	2,413,250
Corporate bonds and notes	4,059,247	4,461,027
International equity funds	-	976,816
Total investments	21,212,340	22,096,769
Assets Allocated to Firefighters Retirement System	(780,066)	(751,452)
Total assets	21,478,735	22,022,979
Liabilities		
Accounts payable	34,557	28,648
Deferred retirement option plan payable	2,058,301	1,629,303
Prepaid City contribution	85,622	85,622
Payable for securities purchased	-	6,868
Total liabilities	2,178,480	1,750,441
Net assets held in trust for pension benefits	\$ 19,300,255	\$ 20,272,538

(a schedule of funding progress is presented on page 18)

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

For the Years Ended September 30, 2011 and 2010

	2011	2010
Additions:		
Contributions		
Employer	\$ 1,550,528	\$ 1,338,012
Employee	86,178	98,783
Total contributions	1,636,706	1,436,795
Investment (loss) income		
Net appreciation (depreciation) in fair value of investments	(830,595)	1,122,750
Interest and dividends	744,664	664,051
Total investment (loss) income	(85,931)	1,786,801
Less: Investment expenses		
Deferred retirement option	122,532	107,633
plan participants' (loss) earnings	(44,229)	111,800
(Loss) earnings allocated to Firefighters Retirement System	(3,251)	63,408
Net investment (loss) income	(160,983)	1,503,960
Total additions	1,475,723	2,940,755
Deductions:		
Benefits paid	2,247,164	2,217,999
Refund of contributions	67,339	-
Administrative expenses	133,503	117,339
Total deductions	2,448,006	2,335,338
Net (decrease) increase	(972,283)	605,417
Net assets held in trust for pension benefits		
Beginning of year	20,272,538	19,667,121
End of year	\$ 19,300,255	\$ 20,272,538

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, 2011 and 2010

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.

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:

	2010	2009
Retirees and beneficiaries currently receiving benefits and terminated employees entitled to benefits but not yet receiving them		
Police Officers	32	31
General Employees	42	42
	74	73
Active plan participants		
Police Officers	4	5
General Employees	11	13
	15	18
Total participants	89	91

Funding Requirements

Member Contributions:

Member contributions are equal to 10% of basic compensation for police officers and 11% of basic compensation for general employees.

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, 2011 and 2010**

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. The Plan is currently involved in legal proceedings with the State of Florida in order to resolve the issue at hand.

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, 2011 and 2010**

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 the contributions are due. Employer contributions are recognized as revenues when due pursuant to actuarial valuations. Interest income is recorded as earned and dividend income is recorded as of the ex-dividend date. Benefits and refunds are recognized when due and payable in accordance with the terms of the Plan.

Cash and Cash Equivalents

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

Investments

Plan investments are reported at fair value. Quoted market prices, when available, have been used to value investments. The fair value of quoted investments is based on the closing sales price or bid price as reported by recognized security exchanges. The market values for securities that have no quoted market price represent estimated fair value. Many factors are considered in arriving at that value. International equities are valued based upon quoted foreign market prices and translated into U.S. dollars at the exchange rate in effect at September 30, 2011 and 2010. In general, corporate debt securities have been valued at quoted market prices or, if not available, values are based on yields currently available on comparable securities of issuers with similar credit ratings.

**City of Wilton Manors, Florida Pension Plan
For General Employees and Police
Notes to Financial Statements
September 30, 2011 and 2010**

Note 2 - Summary of Significant Accounting Policies - continued

Investments - continued

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 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 March 6, 2012, 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, 2011 and 2010**

Note 3 - Funding Requirements and Contributions

Actual Contributions

The actual employer contributions for active employees for the years ended September 30, 2011 and 2010 were \$1,550,528 and \$1,338,012, respectively, and the actual amount of covered payroll was approximately \$808,000 and \$924,000 respectively. Employer contributions consisted of the following:

	2011		2010	
	Amount	Percent of actual covered annual payroll	Amount	Percent of actual covered annual payroll
Employer contribution	\$ 1,550,528	191.90%	\$ 1,338,012	144.81%

For the years ended September 30, 2011 and 2010, employee contributions were \$86,178 and \$98,783, respectively.

Actuarially Determined Contributions

The Plan contributions required from the City of Wilton Manors for the fiscal years ended September 30, 2011 and 2010 were actuarially determined, using a valuation date of October 1, 2010 and 2009, to be \$1,550,528 and \$1,338,012 respectively. The actuarially computed covered annual payroll was \$919,415 and \$1,121,175 for fiscal years ended September 30, 2011 and 2010, respectively. The required contributions cover the following:

	2011		2010	
	Amount	Percent of actuarially computed covered portfolio	Amount	Percent of actuarially computed covered portfolio
Normal cost	\$ 365,043	39.70%	\$ 415,927	37.10%
Amortization of the unfunded actuarial accrued liability	\$ 1,185,485	128.94%	922,085	82.24
Total	\$ 1,550,528	168.64%	\$ 1,338,012	119.34%

**City of Wilton Manors, Florida Pension Plan
For General Employees and Police
Notes to Financial Statements
September 30, 2011 and 2010**

Note 4 - Funded Status and Funding Progress

The funded status of the Plan as of October 1, 2010, 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
10/01/10	\$ 22,793,489	\$ 33,732,064	\$ 10,938,575	67.6%	\$ 919,415	1,189.7%

Valuation date	10/01/010
Contribution Rates:	
Employer (and State)	168.64%
Plan Members	10.67%
Actuarial cost method	Entry age, normal cost
Amortization method	Level dollar amount
Equivalent single amortization period	
General members	19 years
Police members	13 years
Asset valuation method	5-year smoothed market with phase-in
Actuarial assumptions:	
Investment rate of return*	7.5%
Projected salary increases*	5.5%
Cost of living adjustments	N/A
*Includes inflation and other general increases at	3.0%

Note 5 - 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 60% (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.

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

Notes to Financial Statements
September 30, 2011 and 2010

Note 5 - Deposit and Investment Risk Disclosures - continued

Investment Authorization - continued

Investment managers should not invest in fixed income securities rated less than “A” 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 allocations of these investments are as follows at September 30:

	2011		2010	
	Maximum target % of portfolio	Actual % of portfolio	Maximum target % of portfolio	Actual % of portfolio
Authorized investments				
Domestic equity	70%	57.3%	60%	55.8%
International equity	25%	0.0%	25%	4.3%
Fixed income	65%	38.7%	50%	37.4%
Cash equivalents	50%	4.0%	20%	2.5%

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	2011 Investment Maturities (in years)			
		Less than 1	1 to 5	6 to 10	More than 10
U.S. treasuries	\$ 182,826	\$ -	\$ -	\$ 182,826	\$ -
U.S. agencies	4,307,629	-	840,149	464,804	3,002,676
Corporate bonds	4,059,247	-	-	4,059,247	-
Total fixed income securities	\$ 8,549,702	\$ -	\$ 840,149	\$4,706,877	\$ 3,002,676

**City of Wilton Manors, Florida Pension Plan
For General Employees and Police
Notes to Financial Statements
September 30, 2011 and 2010**

Note 5 - Deposit and Investment Risk Disclosures - continued

Interest Rate Risk - continued

Investment Type	Fair Value	2010 Investment Maturities (in years)			
		Less than 1	1 to 5	6 to 10	More than 10
U.S. treasuries	\$ 172,199	\$ -	\$ -	\$ 172,199	\$ -
U.S. agencies	3,845,084	-	1,007,558	840,439	1,997,087
Corporate bonds	4,461,027	-	-	4,128,386	332,641
Total fixed income securities	\$ 8,478,310	\$ -	\$ 1,007,558	\$ 5,141,024	\$ 2,329,728

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:

	2011		2010	
	Fair Value	Percentage of Portfolio	Fair Value	Percentage of Portfolio
U.S. government guaranteed*	\$ 4,490,455	52.52%	\$ 4,017,283	47.38%
Quality rating of credit risk debt securities:				
AA+	417,650	4.88	411,331	4.85
AA	-	-	413,607	4.88
AA-	419,004	4.90	-	-
A+	810,526	9.48	423,166	4.99
A	1,585,882	18.55	823,199	9.71
A-	826,185	9.67	1,640,949	19.36
BBB+	-	-	748,775	8.83
Total credit risk debt securities	4,059,247	47.48	4,461,027	52.62
Total fixed income securities	\$ 8,549,702	100.00%	\$ 8,478,310	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, 2011 and 2010.

**City of Wilton Manors, Florida Pension Plan
For General Employees and Police
Notes to Financial Statements
September 30, 2011 and 2010**

Note 5 - 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 6 - 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, 2011 and 2010, \$780,066 and \$751,452, respectively, of the System's assets are included as assets on the Plan's statements of plan net assets with \$780,066 and \$751,452 reflected as a contra-asset account, to Assets Allocated to 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

Schedule of Funding Progress and Schedule of Contributions by Employer - Unaudited September 30, 2011

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
10/1/05	\$ 20,284,630	\$ 28,865,915	\$ 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
10/1/09	23,490,652	32,154,562	8,663,910	73.1	1,121,175	772.8
10/1/10	22,793,489	33,732,064	10,938,575	67.6	919,415	1,189.7

Schedule "2" - Schedule of Contributions by Employer

Year Ended September 30,	Annual Required Contribution	Percentage Contributed
2006	\$ 1,081,629	100%
2007	1,229,891	100
2008	1,263,599	100
2009	1,211,419	100
2010	1,338,012	100
2011	1,550,528	100

Other Supplementary Schedules

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

**Schedule 1 - Statement of Plan Net Assets by Class of Participants
September 30, 2011**

	General Employees	Police	Total
Assets			
Cash and cash equivalents	\$ 448,882	\$ 439,684	\$ 888,566
Receivables			
Proceeds from securities sold	18,650	18,386	37,036
Interest and dividends receivable	60,862	59,997	120,859
Total receivables	79,512	78,383	157,895
Investments, at fair value			
Common stock	5,265,652	5,157,765	10,423,417
U.S. government securities	2,268,467	2,221,988	4,490,455
Domestic equity funds	1,131,199	1,108,022	2,239,221
Corporate bonds and notes	2,050,631	2,008,616	4,059,247
Total investments	10,715,949	10,496,391	21,212,340
Assets Allocated to Firefighters Retirement System	(392,823)	(387,243)	(780,066)
Total assets	10,851,520	10,627,215	21,478,735
Liabilities			
Accounts payable	17,402	17,155	34,557
Deferred retirement option plan payable	1,082,270	976,031	2,058,301
Prepaid City contribution	32,697	52,925	85,622
Total liabilities	1,132,369	1,046,111	2,178,480
Net assets held in trust for pension benefits	\$ 9,719,151	\$ 9,581,104	\$ 19,300,255
(a schedule of funding progress is presented on page 18)			

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

**Schedule 1 - Statement of Plan Net Assets by Class of Participants - continued
September 30, 2010**

	General Employees	Police	Total
Assets			
Cash and cash equivalents	\$ 295,462	\$ 278,595	\$ 574,057
Receivables			
Interest and dividends receivable	53,323	50,282	103,605
Investments, at fair value			
Common stock	5,264,462	4,963,931	10,228,393
U.S. government securities	2,067,660	1,949,623	4,017,283
Domestic equity funds	1,242,078	1,171,172	2,413,250
Corporate bonds and notes	2,296,051	2,164,976	4,461,027
International equity funds	502,758	474,058	976,816
Total investments	11,373,009	10,723,760	22,096,769
Assets Allocated to Firefighters Retirement System	(386,755)	(364,697)	(751,452)
Total assets	11,335,039	10,687,940	22,022,979
Liabilities			
Accounts payable	14,744	13,904	28,648
Deferred retirement option plan payable	850,013	779,290	1,629,303
Prepaid City contribution	32,945	52,677	85,622
Payable for securities purchased	3,535	3,333	6,868
Total liabilities	901,237	849,204	1,750,441
Net assets held in trust for pension benefits	\$ 10,433,802	\$ 9,838,736	\$ 20,272,538

(a schedule of funding progress is presented on page 18)

**City of Wilton Manors, Florida Pension Plan for
General Employees and Police**
Schedule 2 - Statement of Changes in Plan Net Assets by Class of Participants
For the Year Ended September 30, 2011

	General Employees	Police	Total
Additions:			
Contributions			
Employer	\$ 592,109	\$ 958,419	\$ 1,550,528
Employee	58,893	27,285	86,178
Total contributions	651,002	985,704	1,636,706
Investment income			
Net depreciation in fair value of investments	(422,992)	(407,603)	(830,595)
Interest and dividends	379,230	365,434	744,664
Total investment loss	(43,762)	(42,169)	(85,931)
Less: Investment expenses	62,401	60,131	122,532
Deferred retirement option plan participants' losses	(25,220)	(19,009)	(44,229)
Loss allocated to Firefighters Retirement System	(1,656)	(1,595)	(3,251)
Net investment loss	(79,287)	(81,696)	(160,983)
Total additions	571,715	904,008	1,475,723
Deductions:			
Benefits paid	1,151,039	1,096,125	2,247,164
Refund of contributions	67,339	-	67,339
Administrative expenses	67,988	65,515	133,503
Total deductions	1,286,366	1,161,640	2,448,006
Net decrease	(714,651)	(257,632)	(972,283)
Net assets held in trust for pension benefits			
Beginning of year	10,433,802	9,838,736	20,272,538
End of year	\$ 9,719,151	\$ 9,581,104	\$ 19,300,255

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

**Schedule 2 - Statement of Changes in Plan Net Assets by Class of Participants - continued
For the Year Ended September 30, 2010**

	General Employees	Police	Total
Additions:			
Contributions			
Employer	\$ 514,830	\$ 823,182	\$ 1,338,012
Employee	69,698	29,085	98,783
Total contributions	584,528	852,267	1,436,795
Investment income			
Net appreciation in fair value of investments	581,647	541,103	1,122,750
Interest and dividends	344,015	320,036	664,051
Total investment income	925,662	861,139	1,786,801
Less: Investment expenses			
Deferred retirement option plan participants' earnings	55,760	51,873	107,633
Earnings allocated to Firefighters Retirement System	60,240	51,560	111,800
	32,849	30,559	63,408
Net investment income	776,813	727,147	1,503,960
Total additions	1,361,341	1,579,414	2,940,755
Deductions:			
Benefits paid	1,123,900	1,094,099	2,217,999
Administrative expenses	60,788	56,551	117,339
Total deductions	1,184,688	1,150,650	2,335,338
Net increase	176,653	428,764	605,417
Net assets held in trust for pension benefits			
Beginning of year	10,257,149	9,409,972	19,667,121
End of year	\$10,433,802	\$ 9,838,736	\$20,272,538

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

**Other Supplementary Schedules of Investment Expenses and Administrative Expenses
For the Years Ended September 30, 2011 and 2010**

	2011	2010
Schedule "3" - Schedule of Investment Expenses		
Financial management expenses		
Buckhead Capital	\$ 25,487	\$ 23,727
Garcia Hamilton & Associates	44,048	42,705
Wentworth, Hauser & Violich	23,235	14,006
Total financial management expenses	92,770	80,438
Investment consultant fees		
Southeastern Advisory Services	16,324	13,875
Investment custodial fees		
Fiduciary Trust International	13,438	13,320
Total investment expenses	\$ 122,532	\$ 107,633

Schedule "4" - Schedule of Administrative Expenses		
Professional services		
Actuarial	\$ 40,083	\$ 22,809
Administrative secretary	665	1,720
Audit	14,250	14,500
Bookkeeper	2,596	4,069
Legal	49,390	46,491
Total professional services	106,984	89,589
Other		
Insurance	6,068	6,050
Office expense	3,147	1,715
Trustee expense	17,304	19,985
Total other	26,519	27,750
Total administrative expenses	\$ 133,503	\$ 117,339



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