

**City of Wilton Manors  
Volunteer Firefighters Retirement System  
Financial Statements  
Years Ended September 30, 2010 and 2009**



**Goldstein Schechter Koch**  
CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS

**City of Wilton Manors Volunteer Firefighters Retirement System**  
**Table of Contents**

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<b>Independent Auditors' Report .....</b>	<b>1</b>
<b>Management's Discussion and Analysis (Required Supplementary Information - Unaudited) .....</b>	<b>2 - 4</b>
<b>Financial Statements:</b>	
Statements of Plan Net Assets .....	5
Statements of Changes in Plan Net Assets .....	6
<b>Notes to Financial Statements .....</b>	<b>7 - 14</b>
<b>Required Supplementary Information - Unaudited:</b>	
Schedule 1 - Schedule of Funding Progress .....	15
Schedule 2 - Schedule of Contributions by Employer and Other Contributing Entity .....	15
<b>Other Supplementary Schedules:</b>	
Schedule 1 - Schedules of Administrative Expenses .....	16



**Independent Auditors' Report**

Board of Trustees  
City of Wilton Manors  
Volunteer Firefighters Retirement System  
Wilton Manors, Florida

We have audited the accompanying statements of plan net assets of the City of Wilton Manors Volunteer Firefighters Retirement System (the "System") at September 30, 2010 and 2009, and the related statements of changes in plan net assets for the years then ended. These financial statements are the responsibility of the System's trustees. 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 Volunteer Firefighters Retirement System as of September 30, 2010 and 2009 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.

Management's discussion and analysis on pages 2 - 5 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, 2005 through 2007 was reported 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 of administrative expenses (other supplementary schedules) 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 1, 2011

# The City of Wilton Manors Volunteer Firefighter Retirement System

## TRUSTEES

Richard Rothe, Chairperson  
David Archacki, Trustee  
Ed Kalis, Trustee  
Tim Keffe, Trustee  
Jim Rideout, Trustee

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Wilton Manors, FL 33305  
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## Management's Discussion and Analysis (Required Supplementary Information - Unaudited)

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Our discussion and analysis of the City of Wilton Manors Volunteer Firefighters Retirement System (the "System") financial performance provides an overview of the System's financial activities for the fiscal years ended September 30, 2010 and 2009. Please read it in conjunction with the System's financial statements, which follow this discussion.

### Financial Highlights

- The System's assets exceeded liabilities at the close of the fiscal years ended September 30, 2010 and 2009 by \$788,303 and \$707,144 (reported as net assets held in trust for pension benefits). Net assets are held in trust to meet future benefit payments. The increases of \$81,159 and \$5,128 of the respective years have resulted primarily from the changes in the fair value of the System's investments due to volatile financial markets.
- The System's funded ratio, a comparison of the actuarial value of assets to the actuarial accrued pension liability, changed from 60.9% as of October 1, 2007 actuarial valuation to 63.0% as of October 1, 2008 valuation and 62.4% as of October 1, 2009 valuation.
- For the fiscal year ended September 30, 2010, receivables increased by \$10,109 (or 33.5%) primarily due to an increase in receivable due from contributing entity.

For the fiscal year ended September 30, 2009, receivables decreased by \$40,539 (or 57.3%) primarily due to a decrease in receivable due from contributing entity.

- For the fiscal year ended September 30, 2010, liabilities decreased by \$105 (or 31.6%) primarily due to a decrease in payable for securities purchased.

For the fiscal year ended September 30, 2009, liabilities decreased by \$1,119 (or 77.1%) primarily due to a decrease in payable for securities purchased.

- For the fiscal year ended September 30, 2010, entity contributions to the System increased by \$33,909 (or 43.6%) from 2009. Actual entity contributions were \$111,648 and \$77,739 for 2010 and 2009, respectively.

For the fiscal year ended September 30, 2009, entity contributions to the System decreased by \$77,311 (or 49.9%) from 2008. Actual entity contributions were \$77,739 and \$155,050 for 2009 and 2008, respectively.

- For the fiscal year ended September 30, 2010, net investment income increased by \$57,445. Actual results were \$39,843 and (\$14,378) of net appreciation (depreciation) in fair value of investments for 2010 and 2009, respectively, and \$23,565 and \$20,341 in income from interest and dividends for 2010 and 2009, respectively.

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

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### Financial Highlights - continued

For the fiscal year ended September 30, 2009, net investment income increased by \$100,883 (or 106.3%). Actual results were \$14,378 and \$115,657 of net depreciation in fair value of investments for 2009 and 2008, respectively, and \$20,341 and \$20,737 in income from interest and dividends for 2009 and 2008, respectively.

- For the fiscal year ended September 30, 2010, benefit payments increased by \$4,872 (or 11.4%).

For the fiscal year ended September 30, 2009, benefit payments increased by \$15,520 (or 56.8%).

- For the fiscal year ended September 30, 2010, administrative expenses increased by \$10,451 (or 29.2%) primarily due to increase in fees for professional services.

For the fiscal year ended September 30, 2009, administrative expenses increased by \$16,783 (or 88.5%) primarily due to increase in fees for professional services.

### Plan Highlights

For the fiscal year ended September 30, 2010, the total return of the portfolio was 8.4%. Actual net return from investments increased in 2010 to \$63,408 from \$5,963 in 2009.

For the fiscal year ended September 30, 2009, the total return of the portfolio was 1.4%. Actual net return from investments increased in 2009 to \$5,963 compared with losses of \$(94,920) in 2008.

### Using the Audited Financial Statements

The financial statements, which reflect the activities of the System, 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, reflect all System 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 System.

	2010	2009	2008
Cash and cash equivalents	\$ 18,948	\$ 30,605	\$ 26,881
Receivables	40,270	30,161	70,700
Investments	729,312	646,710	605,886
Total assets	788,530	707,476	703,467
Liabilities	227	332	1,451
Net assets held in trust for pension benefits	\$ 788,303	\$ 707,144	\$ 702,016

**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 summary of the changes in net assets and reflects the activities of the System.

	2010	2009	2008
<b>Additions:</b>			
<b>Contributions</b>			
Contributing entity	\$ 111,648	\$ 77,739	\$ 155,050
Net investment income (loss)	63,408	5,963	(94,920)
<b>Total additions</b>	<b>175,056</b>	<b>83,702</b>	<b>60,130</b>
<b>Deductions:</b>			
<b>Benefits paid</b>			
Administrative expenses	47,702	42,830	27,310
<b>Total deductions</b>	<b>46,195</b>	<b>35,744</b>	<b>18,961</b>
<b>Net increase</b>	<b>81,159</b>	<b>5,128</b>	<b>13,859</b>
<b>Net assets held in trust for pension benefits</b>			
at beginning of year	707,144	702,016	688,157
<b>Net assets held in trust for pension benefits</b>			
at end of year	<b>\$ 788,303</b>	<b>\$ 707,144</b>	<b>\$ 702,016</b>

The System'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, 2009 and 2008.

**Asset Allocation**

For the fiscal year ended September 30, 2010, the equity portion comprised 55.8% (\$417,242) of the total portfolio. The allocation to fixed income securities was 37.4% (\$279,830), while cash and cash equivalents was 2.5% (\$18,948). The portion of investment allocated to international equity was 4.3% (\$32,240).

For the fiscal year ended September 30, 2009, the equity portion comprised 54.5% (\$369,048) of the total portfolio. The allocation to fixed income securities was 36.4% (\$246,668), while cash and cash equivalents was 4.5% (\$30,605). The portion of investment allocated to international equity was 4.6% (\$30,994).

The target asset allocation range was for the Years Ended September 30, 2010 and 2009 was as follows:

	2010	2009
Domestic equity	25 - 60%	25% - 60%
International equity	0 - 25%	0% - 20%
Fixed income	25 - 50%	25% - 50%
Cash equivalents	0 - 20%	0% - 20%

**Contacting the System'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 System's finances and to demonstrate the System'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 Volunteer Firefighters Retirement System, 2020 Wilton Drive, Wilton Manors, FL 33305.

**City of Wilton Manors**  
**Volunteer Firefighters Retirement System**  
**Statements of Plan Net Assets**  
**September 30, 2010 and 2009**

	2010	2009
<b>Assets</b>		
Cash and cash equivalents <sup>(a)</sup>	\$ 18,948	\$ 30,605
Receivables:		
Due from contributing entity	36,850	27,017
Interest and dividends receivable <sup>(a)</sup>	3,420	3,144
Total receivables	40,270	30,161
Investments <sup>(a)</sup> , at fair value:		
Common stock	337,592	301,287
Corporate bonds and notes	132,592	121,248
Domestic equity funds	79,650	67,761
U.S. government securities	147,238	125,420
International equity funds	32,240	30,994
Total investments	729,312	646,710
<b>Total assets</b>	<b>788,530</b>	<b>707,476</b>
<b>Liabilities</b>		
Payable for securities purchased <sup>(a)</sup>	227	332
<b>Net assets held in trust for pension benefits</b>		
<b>(a schedule of funding progress is presented on page 15)</b>	<b>\$ 788,303</b>	<b>\$ 707,144</b>

<sup>(a)</sup>held by City of Wilton Manors, Florida Pension Plan for General Employees and Police, see Note 7

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

**City of Wilton Manors**  
**Volunteer Firefighters Retirement System**  
**Statements of Changes in Plan Net Assets**  
**For the Years Ended September 30, 2010 and 2009**

	2010	2009
<b>Additions:</b>		
Contributions		
Contributing entity	\$ 111,648	\$ 77,739
Investment income:		
Net appreciation (depreciation) in fair value of investments	39,843	(14,378)
Interest and dividends	23,565	20,341
Net investment income	63,408	5,963
Total additions	175,056	83,702
<b>Deductions:</b>		
Benefits paid	47,702	42,830
Administrative expenses	46,195	35,744
Total deductions	93,897	78,574
Net increase	81,159	5,128
<b>Net assets held in trust for pension benefits</b>		
Beginning of year	707,144	702,016
End of year	\$ 788,303	\$ 707,144

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

**City of Wilton Manors Volunteer Firefighters Retirement System**  
**Notes to Financial Statements**  
**September 30, 2010 and 2009**

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**Note 1 - Description of the Plan**

*Organization*

The City of Wilton Manors Volunteer Firefighters Retirement System (the "System") is a single-employer defined benefit plan established by the City of Wilton Manors, Florida (the "City") pursuant to the provisions and requirements of Chapter 21 of the City of Wilton Manors Code of Ordinances. Since the System is sponsored by the City, the System is included as a pension trust fund in the City's comprehensive annual financial report as part of the City's financial reporting entity.

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

*Participants*

All active members of the Wilton Manors Volunteer Fire Department are members of the System.

*Membership*

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

	2009	2008
Retirees and beneficiaries currently receiving benefits	2	2
Active plan participants	8	8
<u>Total participants</u>	<u>10</u>	<u>10</u>

*Funding Requirements*

Members are not required to contribute to the System and benefits are not compensation related.

Pursuant to Florida Statutes, Chapter 175, 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 ("contributing entity") contribution is used to reduce the City's contribution for Firefighters when received. The City is expected to contribute such additional amounts as are necessary on an actuarial basis to fund the System's expenses, normal cost and to amortize the unfunded actuarial accrued liability.

*Pension Benefits*

Normal Retirement:

The normal retirement date for a member shall be the first day of the month coinciding with or next following the attainment of the earlier of the member's fifty-fifth (55<sup>th</sup>) birthday, or the member's fiftieth (50<sup>th</sup>) birthday and completion of 20 years of continuous service as an active member of the Wilton Manors Volunteer Fire Department. A member will be 100% vested at the attainment of his normal retirement date regardless of any other provisions of the System.

**City of Wilton Manors Volunteer Firefighters Retirement System**  
**Notes to Financial Statements**  
**September 30, 2010 and 2009**

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**Note 1 - Description of the Plan - continued**

*Pension Benefits - continued*

Members will receive a monthly pension benefit equal to \$56 (\$50 prior to November 14, 2006) multiplied by the years of creditable service.

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

*Investments*

The System's investments are commingled with those of the City of Wilton Manors, Florida Pension Plan for General Employees and Police as more fully describe in Note 7. Due to the fact that the System's investments are commingled as discussed above, the System's investment policy, monitoring, authorization and allocation is the same as that of the City of Wilton Manors, Florida Pension Plan for General Employees and Police.

The System's investment policy is determined and approved by the Board of Trustees and is implemented by investment managers. In addition, the System's investments are monitored by an investment advisor. The City Code stipulates that the trustees shall, in acquiring, investing, reinvesting, exchanging, retaining, selling and maintaining property for the benefit of the System exercise the judgment and care under the circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs.

The trustees are authorized to acquire and retain various kinds of property, real, personal or mixed, and various types of investments specifically including, but not by way of limitation, bonds, debentures and other corporate obligations, and stocks, preferred or common, which persons of prudence, discretion and intelligence acquire or retain for their own account. The investment of funds shall be in a manner that is consistent with the applicable sections of the City Code as well as State and Federal laws within the allocation percentages established by the trustees.

**Note 2 - Summary of Significant Accounting Policies**

*Basis of Accounting*

The System's financial statements are prepared using the accrual basis of accounting. Employer contributions are recognized as revenues when due pursuant to actuarial valuations. State contributions ("Other Contributing Entity") are recognized as revenue in the period in which they are approved by the State. Interest and dividend income are recorded as earned. Benefits are recognized when due and payable in accordance with the terms of the System.

*Cash and Cash Equivalents*

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

**City of Wilton Manors Volunteer Firefighters Retirement System**  
**Notes to Financial Statements**  
**September 30, 2010 and 2009**

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**Note 2 - Summary of Significant Accounting Policies - continued**

*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, 2010 and 2009. 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.

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. Dividends and interest income are recognized as earned. 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 System 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 System 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 events through March 1, 2011, the date which the financial statements were available to be issued.

**City of Wilton Manors Volunteer Firefighters Retirement System**  
**Notes to Financial Statements**  
**September 30, 2010 and 2009**

**Note 3 - Funding Requirements and Contributions**

The valuation as of October 1, 2009 required a contribution of \$68,752 for the year ended September 30, 2010 and the valuation as of October 1, 2008 required a contribution of \$76,864 for the year ended September 30, 2009. For the years ended September 30, 2010 and 2009, the actual entity contributions were \$111,648 and \$77,739, respectively. The required contributions cover the following:

	2010	2009
Normal Cost	\$ 35,533	\$ 31,656
Amortization of the unfunded actuarial accrued liability	33,219	45,208
<b>Total</b>	<b>\$ 68,752</b>	<b>\$ 76,864</b>

**Note 4 - Funded Status and Funding Progress**

The funded status of the System as of October 1, 2009, 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
10/01/09	\$666,307	\$1,067,712	\$401,405	62.4%	N/A	N/A

Valuation date	10/01/09
Actuarial cost method	Entry age, normal actuarial cost method
Amortization method	Level dollar amount
Equivalent single amortization period	29 years
Asset valuation method	Smoothed Market Value
Actuarial assumptions:	
Investment rate of return*	8.0%
Projected salary increases	N/A
Cost of living adjustments	N/A

\*Includes inflation and other general increases at 3.5%

**City of Wilton Manors Volunteer Firefighters Retirement System**  
**Notes to Financial Statements**  
**September 30, 2010 and 2009**

**Note 5 - Deposit and Investment Risk Disclosures**

*Investment Authorization*

The System's investment policy is determined and approved by the Board of Trustees. The policy has been identified by the Board to conduct the operations of the System in a manner so that the assets will provide the pension and other benefits provided under applicable laws, including City ordinances, thereby fulfilling the System'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 System's total asset value, with no more than 5% of the System'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.

Managers should not purchase fixed income securities rated less than "A" by a nationally recognized rating agency. Except for U.S. treasury and U.S. Agency obligation, no manager should invest more than 5% of the System 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 System investment policy authorize the Trustees to invest funds in various investments. The current maximum target allocation of these investments is as follows:

	2010		2009	
	Maximum target % of portfolio	Actual % of portfolio	Maximum target % of portfolio	Actual % of portfolio
Authorized investments				
Domestic equity	60%	55.8%	60%	54.5%
International equity	25%	4.3%	20%	4.6%
Fixed income	50%	37.4%	50%	36.4%
Cash equivalents	20%	2.5%	20%	4.5%

*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 System 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.

**City of Wilton Manors Volunteer Firefighters Retirement System**  
**Notes to Financial Statements**  
**September 30, 2010 and 2009**

**Note 5 - Deposit and Investment Risk Disclosures - continued**

*Interest Rate Risk - continued*

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

		2010			
		Investment Maturities (in years)			
Investment Type	Fair Value	Less than 1	1 to 5	6 to 10	More than 10
U.S. treasuries	\$ 5,683	-	\$ -	\$ 5,683	\$ -
U.S. agencies	126,909	-	33,255	27,739	65,915
Corporate bonds	147,238	-	-	136,259	10,979
<b>Total fixed income securities</b>	<b>\$ 279,830</b>	<b>-</b>	<b>\$ 33,255</b>	<b>\$ 169,681</b>	<b>\$ 76,894</b>

		2009			
		Investment Maturities (in years)			
Investment Type	Fair Value	Less than 1	1 to 5	6 to 10	More than 10
U.S. treasuries	\$ 4,033	\$ 4,033	\$ -	\$ -	\$ -
U.S. agencies	121,387	1,980	19,144	64,546	35,717
Corporate bonds	121,248	-	17,757	96,321	7,170
<b>Total fixed income securities</b>	<b>\$ 246,668</b>	<b>\$ 6,013</b>	<b>\$ 36,901</b>	<b>\$ 160,867</b>	<b>\$ 42,887</b>

*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 System's investment policy utilizes portfolio diversification in order to control this risk.

**City of Wilton Manors Volunteer Firefighters Retirement System**  
**Notes to Financial Statements**  
**September 30, 2010 and 2009**

**Note 5 - Deposit and Investment Risk Disclosures - continued**

*Credit Risk - continued*

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

	2010		2009	
	Fair Value	Percentage of Portfolio	Fair Value	Percentage of Portfolio
U.S. government guaranteed*	\$ 132,592	47.38%	\$ 125,420	50.85%
Quality rating of credit risk debt securities:				
AA+	13,576	4.85	7,362	2.98
AA	13,651	4.88	8,862	3.59
AA-	-	-	4,133	1.68
A+	13,967	4.99	7,096	2.88
A	27,170	9.71	38,983	15.80
A-	54,160	19.36	48,405	19.62
BBB	24,714	8.83	6,407	2.60
Total credit risk debt securities	147,238	52.62	121,248	49.15
Total fixed income securities	\$ 279,830	100.00%	\$ 246,668	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 System 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, 2010 and 2009.

*Custodial Credit Risk*

This is the risk that in the event of the failure of the counterparty, the System will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Consistent with the System's investment policy, the investments are held by City of Wilton Manors, Florida Pension Plan for General Employees and Police (the "Plan") custodial bank and registered in the Plan's name.

**City of Wilton Manors Volunteer Firefighters Retirement System**  
**Notes to Financial Statements**  
**September 30, 2010 and 2009**

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**Note 6 - Due from Contributing Entity**

Subsequent to September 30, 2010, the State of Florida Division of Retirement released the sum of a supplemental check in the amount of \$36,850.

Subsequent to September 30, 2009, the State of Florida Division of Retirement released the sum of a supplemental check in the amount of \$27,017.

The System is non-contributory and is not intended to require any City or member contributions.

**Note 7 - Management Agreement**

The System has an agreement with the City of Wilton Manors, Florida Pension Plan for General Employees and Police (the "Plan") 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, 2010 and 2009, \$751,452 and \$680,126 respectively, of the System's assets are included as assets on the Plan's combined statements of plan net assets with \$751,452 and \$680,126 reflected as a liability due to the Firefighters Retirement System on the Plan's combined statement of plan net assets for each of those years. The System reflects the prorata allocation of these amounts each year within the various asset categories on the statements of plan net assets.

**City of Wilton Manors Volunteer Firefighters Retirement System**  
**Required Supplementary Information**  
**Schedule of Funding Progress and**  
**Schedule of Contributions by Employer and Other Contributing Entity - Unaudited**  
**September 30, 2010**

**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	\$ 338,383	\$ 683,195	\$ 344,812	49.5%	N/A	N/A
10/1/05	397,713	742,650	344,937	53.6	N/A	N/A
10/1/06	482,457	917,677	435,220	52.6	N/A	N/A
10/1/07	593,576	974,213	380,637	60.9	N/A	N/A
10/1/08	646,453	1,025,746	379,293	63.0	N/A	N/A
10/1/09	666,307	1,067,712	401,405	62.4	N/A	N/A

**Schedule "2" - Schedule of Contributions by Employer and Other Contributing Entity**

Year Ended September 30,	Annual Required Contribution	Percentage Contributed
2005	\$ 46,877	185%
2006	52,014	180
2007	84,459	100
2008	84,187	100
2009	76,864	100
2010	68,752	100

**City of Wilton Manors**  
**Volunteer Firefighters Retirement System**  
**Other Supplementary Schedules of Administrative Expenses**  
**For the Years Ended September 30, 2010 and 2009**

	2010	2009
Professional services		
Actuarial	\$ 26,834	\$ 17,726
Administrative secretary	676	640
Audit	11,500	9,500
Bookkeeper	385	694
Legal	6,800	7,184
<b>Total administrative expenses</b>	<b>\$ 46,195</b>	<b>\$ 35,744</b>