



**CITY OF
WILTON MANORS, FLORIDA**

**Comprehensive Annual
Financial Report
Fiscal Year Ended
September 30, 2003**



**CITY OF WILTON MANORS, FLORIDA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FISCAL YEAR ENDED SEPTEMBER 30, 2003**

City Council

**Mayor
Vice Mayor
Councilmember
Councilmember
Councilmember**

**Scott Newton
Craig Sherritt
Joe Angelo
Ted Galatis
Gary Resnick**

**City Manager
Joseph L. Gallegos**

**Finance Director
Lisa C. Rabon**

**City Clerk
Angela D. Scott**

**Report Prepared By The
Finance Department**

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**CITY OF WILTON MANORS, FLORIDA
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 FOR THE YEAR ENDED SEPTEMBER 30, 2002**

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INTRODUCTORY SECTION

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WILTON MANORS, *Island City*
524 NORTHEAST 21ST COURT, WILTON MANORS, FLORIDA 33305

FINANCE DEPARTMENT

(954) 390-2143
FAX (954) 390-2199
www.wiltonmanors.com

Mayor Scott Newton
Vice Mayor Craig Sherritt
Councilmember Joe Angelo
Councilmember Ted Galatis
Councilmember Gary Resnick

Dear Mayor and Councilmembers:

It is our pleasure to submit the Comprehensive Annual Financial Report of the City of Wilton Manors, Florida for the year ended September 30, 2003, pursuant to Section 218.39 of the State of Florida Statutes. This report was prepared by the City's Finance Department. Although the financial statements were audited by independent certified public accountants, the responsibility for the accuracy and completeness of the data, the fairness of presentation, as well as the disclosures made in this report rests with the City. We believe the data as presented is accurate in all material respects; that it is presented in a manner designed to fairly communicate the financial position and results of operations of the City as measured by the financial activity of its various funds; and that all disclosures necessary to enable the reader to obtain a general understanding of the City's financial activity have been included.

Organization and Content

This report has been prepared in conformance with generally accepted accounting principles and conforms to the new reporting method promulgated by the Governmental Accounting Standards Board (GASB) Statement No. 34. This is the first year of implementation of the new reporting model. The City's Comprehensive Annual Financial Report is divided into three major sections and a supplementary section. Those three major sections are:

Management's Discussion and Analysis (MDA) - This is a new section of the report and is considered to be required supplementary information (RSI). Although the MDA section is required as supplementary information, it precedes the financial statement presentation. It is intended to provide an easily understandable discussion of the current year's financial results. This discussion discusses both positive and negative aspects of the financial condition of the City.

Basic Financial Statements - This section contains perhaps the most significant changes compared to prior year financial reports. There are now government-wide financial statements and the traditional fund-based financial statements. Government-wide financial statements use the accrual basis of accounting. This is the first time that accrual accounting has been applied to purely governmental, tax supported activities. Fund-based financial statements resemble the traditional governmental accounting as reported in years prior to 2002-2003. The intent and differences of these two financial reporting methodologies is discussed in greater detail in the management discussion and analysis section.

Required Supplementary Information - The following types of Required Supplementary Information (RSI) other than Management's Discussion and Analysis (MDA) are required to be presented:

Budgetary comparisons and combined statements for the nonmajor individual special revenue funds, unless presented elsewhere as a basic, governmental fund financial statement. This information is provided on pages 49 through 56.

Pension trend data. The financial reports for the City's general employees and police have been reproduced within this CAFR and are presented on pages 27 and 28.

Statistical Section - This section presents both accounting and nonaccounting data which covers more than one fiscal year. The purpose of this section is to communicate socio-economic and demographic trends related to the City to give the reader a more complete picture of the City of Wilton Manors.

Other Reports of Independent Auditors - This section contains the auditors' reports related to financial assistance, internal control and compliance with laws and regulations. It includes the Schedule of Expenditures of State Financial Assistance for the City for the year ended September 30, 2003.

Broward County Economic Climate

The City of Wilton Manors is located in Broward County, on the extreme southeastern coast of Florida between Palm Beach County, to the north, and Miami-Dade County to the south. The tri-county area is commonly referred to as Florida's "Gold Coast." Broward has the second largest county population in the State of Florida with an estimated 1.8 million residents in 2002. The County's total land area is 1,197 square miles of which 787 square miles lie in a conservation area and can not be developed. The 410 remaining square miles that may be developed have 30 municipalities and 23 miles of beaches.

The unemployment rate was 5.08% in Broward County on September 30, 2003. In 2000, 36% of the workforce was employed in the service sector, 27% in the retail sector, and 13% in the governmental sector. Data from the U.S. Bureau of Labor Statistics show Broward County has a civilian resident labor force of more than 812,000 (September 2001). Broward County's labor force is more than ten percent of the State's labor force of 7.8 million. Compared to other counties, Broward has the second largest labor force in the state. Broward County's labor force grew by 17.4% between 1990 and 2000. This growth rate exceeded the state and national rates of 15.8% and 11.9%, respectively. During this same time period, the County's population increased by 29.3%. Overall, the labor force participation rate in Broward is 64.5%. The male participation rate is 71.9% and the female participation rate is 57.9%. Broward County is truly one of the most vibrant counties in the United States. There are over 50 major festivals annually. The County serves as a stopover for the Whitbread Round-the-World Race. Pompano Park is the winter capital of harness racing. Gulfstream Racetrack is located in Hallandale. The National Hockey League Florida Panthers' home rink is in Sunrise. Sawgrass Mills Outlet Mall, the largest outlet mall in the United States, is also located in Sunrise. Significant business operations of leading companies operating in Broward County include Alamo Rent-A-Car, American Express, Anilam Electronics Corp., Arby's, Embraer Aircraft Corp., Citrix Systems, Racal-Data Group, Republic Industries, Motorola, Sound Advice, Sunglass Hut International, Inc. and the Sports Authority, Inc.

Broward County Population

Each of the three counties in southeast Florida are among the fastest growing counties in the United States. Broward County is projected to add 633,000 residents in the next fifteen years, according to the Bureau of the Census.

The Reporting Entity

Wilton Manors was incorporated as a village in September 1947, and under legislative authority, it became a city in June 1953. The history of the City's development is one of community pride and effort on the part of its residents. The first town meetings were held in a small store building on Wilton Drive. Later, the Wilton Manors Civic Association was organized and a meeting hall was built by volunteer labor from materials given by many of its residents on land donated by the City's first mayor. This building now houses the Wilton Manors Public Library. The library also evolved through the efforts of individuals and groups, and had its beginning through a citywide book drive with space donated in the first grocery store. The original building was enlarged and improved after the present City Hall was built in 1957. The library is now recognized as a fine cultural asset with an excellent reputation in library circles.

The recreation program, recognized by county, state and national organizations as a model, was created by volunteers, including the Wilton Manors Sports Club, which developed Mickel Field on land leased from the City's second mayor. Hagen Park was begun with a resident's gift of land, and was completed through the effort and donations of various civic organizations and many residents.

Major Initiatives

Wilton Manors is located in east-central Broward County, Florida, 2.5 miles due north of downtown Ft. Lauderdale. This section of the County contains the older cities. The eastern cities, consequently, have the oldest infrastructure. The City purchases treated water from the City of Ft. Lauderdale, and pays Ft. Lauderdale to treat its wastewater. Wilton Manors continually monitors and repairs its water and wastewater transmission lines and is in the forefront of eastern Broward cities in this area.

The City previously issued a \$ 3,350,000 General Obligation Bond, the proceeds of which are to be utilized for a redesigned library, parkland acquisition and park improvements at four designated park sites, including Hagen Park, mentioned earlier. The entire length of Wilton Drive, the City's main artery, is currently being redeveloped. Wilton Manors maintains its image of a small hometown while existing in the middle of one of the nation's largest and fastest growing metropolitan areas.

The City previously acquired four parcels of property to be used for park space and voters unanimously approved referendums to develop and improve some of this land and to completely renovate the library. Included in the referendums were \$ 906,000 in funds to be used to acquire even more land to be used for park space. The City has budgeted \$ 290,000 of its funds to be matched by approximately \$ 580,000 in Broward County funds to develop 26th Street from Five Points east to Federal Highway (US1), which is another major City thoroughfare. Wilton Manors is currently experiencing major redevelopment. There are several major retail/residential multimillion dollar projects under construction, and many more in the planning stages.

Cash Management

The City operates under the equity in pooled cash system. Under this system, all cash not needed for immediate operations is deposited with the State Board of Administration (SBA) Local Government Surplus Trust Fund as authorized by Florida Statute 166.261. The SBA administers a sophisticated investment mechanism which invests in various short and long-term portfolios on each member city's behalf. Withdrawals are paid electronically on demand with no penalty.

The Pension Fund's cash is administered by the Pension Board, which has contracted with Invesco MIM, Incorporated to maintain the investment portfolio.

Risk Management

The City previously became a member of the Florida League of Cities Risk Pool. This pool is a nonassessable governmental risk pool with several hundred members throughout the State of Florida. The City is currently insured for property, casualty, and workers' compensation with the Florida Municipal Insurance Trust.

Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Wilton Manors, Florida for its comprehensive annual financial report for the year ended September 30, 2002. This was the fifth consecutive year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

Acknowledgements

The Comprehensive Annual Financial Report is the result of the combined efforts of several different departments and their personnel, without which, this report would not have been possible. Appreciation is extended to Allen Feinberg, Linda Peterson, Charles Matthews, Joy Rossy and Judy Hoekstra of the City's Finance Department for its dedicated effort in assembling this report; Ann Barnes and Kim Holinko of the Community Services Department for its assistance with certain statistical information, the City's external auditors for their assistance in reviewing the report, and all of the governmental entities who assisted this City in locating the data and information necessary for this report.

Respectfully,



Lisa C. Rabon, Finance Director
March 22, 2004

Government Finance Officers Association
Certificate of Achievement

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**City of Wilton Manors,
Florida**

**For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
September 30, 2002**

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



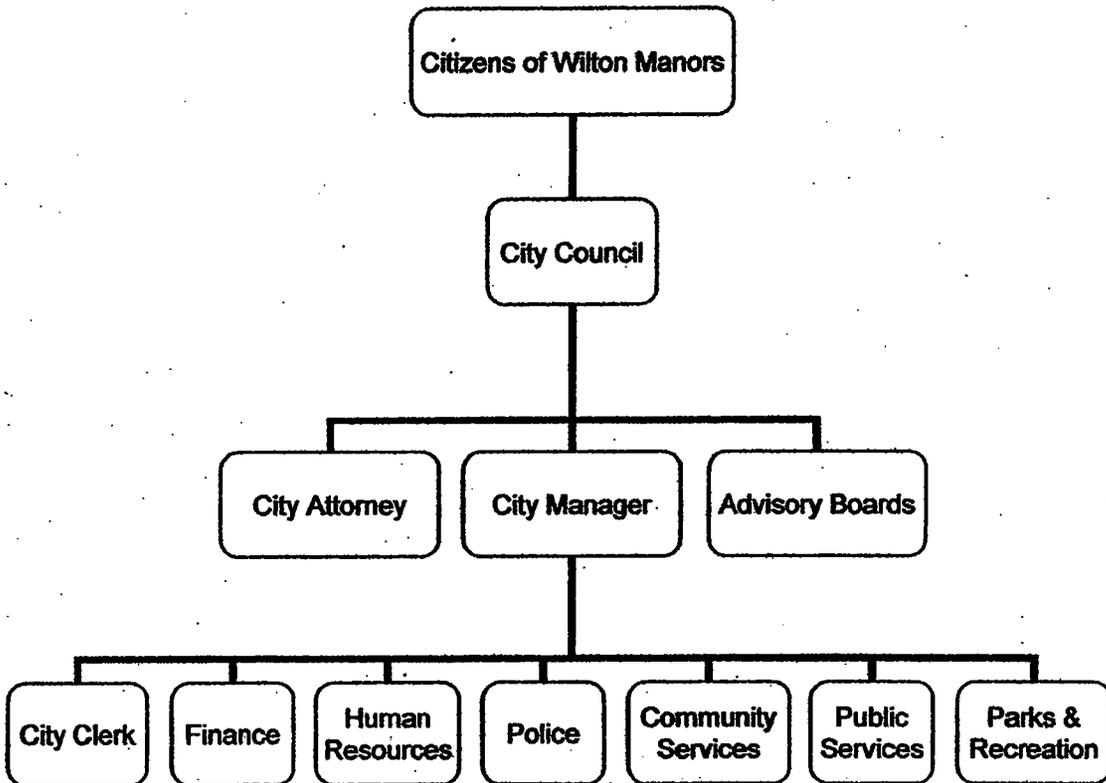
Edward Haney

President

Jeffrey R. Emer

Executive Director

CITY OF WILTON MANORS



CITY OF WILTON MANORS, FLORIDA
LIST OF PRINCIPAL OFFICIALS
September 30, 2003

Mayor	Scott Newton
Vice Mayor	Craig Sherritt
Councilmember	Joe Angelo
Councilmember	Ted Galatis
Councilmember	Gary Resnick
City Manager	Joseph L. Gallegos
City Attorney	Kerry Ezrol
City Clerk	Angela D. Scott
Community Services Director	Harold Horne
Finance Director	Lisa C. Rabon
Police Chief	Richard F. Wierzbicki
Library Director	Marcia Ellington
Public Services Director	David Archacki
Parks and Recreation Director	Richard Rothe
Human Resources Director	Brenda Clanton

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FINANCIAL SECTION

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KEEFE, MCCULLOUGH & CO., LLP
CERTIFIED PUBLIC ACCOUNTANTS

JOHN R. KEEFE, C.P.A.
JOHN E. MCCULLOUGH, C.P.A. (RETIRED)
THOMAS T. CARPENTER, C.P.A.
PAUL B. SNEIDER, C.P.A. (RETIRED)
STEVEN H. WOODS, C.P.A.
DAVID T. WILLIAMS, C.P.A.

JOSEPH D. LEO, C.P.A.
WILLIAM G. BENSON, C.P.A.
BRIAN D. PINNELL, C.P.A.
KENNETH G. SMITH, C.P.A.
LOUIS R. PROIBITTO, C.P.A.
CYNTHIA L. CALVERT, C.P.A.

CHRISTOPHER L. COLLINS, C.P.A.
CHARLES K. RUMPF, C.P.A.
ISRAEL J. GOMEZ, C.P.A.

NICHOLAS A. GROSS, C.P.A.
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INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor and Councilmembers
City of Wilton Manors, Florida
Wilton Manors, Florida

We have audited the accompanying financial statements of the governmental activities, business-type activities, each major fund and the aggregate remaining fund information of City of Wilton Manors, Florida (the City), as of and for the year ended September 30, 2003, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express an opinion on these financial statements based on our audit. We did not audit the financial statements of the Pension Trust Fund. That financial statement was audited by other auditors whose report thereon has been furnished to us, and in our opinion, insofar as it relates to the amounts included for the Pension Trust Fund, is based solely on the report of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit 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 basic financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the basic financial statements referred to above, present fairly, in all material respects, the respective financial positions of the governmental activities, business-type activities, each major fund and the aggregate remaining fund information of the City of Wilton Manors, Florida at September 30, 2003, the respective changes in financial positions and cash flows, where applicable, and the respective budgetary comparison for the General Fund, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As discussed in Note 1 to the financial statements, effective October 1, 2002, the City of Wilton Manors, Florida adopted Governmental Accounting Standards Board (GASB) Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - For State and Local Governments*, GASB Statement No. 37, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments: Omnibus*, GASB Statement No. 38, *Certain Financial Statement Note Disclosures*, GASB Statement No. 41, *Budgetary Comparison Schedules - Perspective Differences* and GASB Interpretation No. 6, *Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements*.

City of Wilton Manors, Florida

In accordance with Government Auditing Standards, we have also issued our report dated February 10, 2004, on our consideration of the City of Wilton Manor's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

Management's Discussion and Analysis is not a required part of the basic financial statements, but is supplementary information required by the GASB. We have applied certain limited procedures, which consist principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements of the City of Wilton Manors, Florida taken as a whole. The accompanying schedule of state financial assistance is presented for purposes of additional analysis as required by the Florida Single Audit Act, and is not a required part of the basic financial statements. The individual fund statements and schedules, as listed in the table of contents, are also presented for purposes of additional analysis and are not a required part of the basic financial statements. All such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly presented, in all material respects, in relation to the basic financial statements taken as a whole.

The introductory, other financial information and statistical sections of this report have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Keefe, McCullough & Co., LLP
KEEFE, McCULLOUGH & CO., LLP

Fort Lauderdale, Florida
February 10, 2004

**MANAGEMENT'S DISCUSSION
AND ANALYSIS**
(NOT COVERED BY
INDEPENDENT AUDITORS' REPORT)

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CITY OF WILTON MANORS, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
September 30, 2003

This section of the Comprehensive Annual Financial Report (CAFR), entitled Management's Discussion and Analysis (MDA), is presented as a method to assist the reader in better understanding the financial position of the City of Wilton Manors, Florida (the City) as of the date of this report in accordance with the Government Accounting Standards Board (GASB) Statement Number 34 which was implemented this year. Items noted in this section are:

1. How the City arrived at its current financial position by identifying key changes to the components of the financial position, examples include special grants, special assessments, bond referendums passed during the fiscal year, disasters, etc.
2. Operational performance - how the City performed during the past fiscal year when comparing planned results to actual results. Are trends developing that may alter forecasts?

The main focus of the MDA is that of the current fiscal year. The Letter of Transmittal, included in a previous section of this CAFR, discusses other relevant items that impact the overall financial condition of the City. The Letter of Transmittal should be read in conjunction with Management's Discussion and Analysis and the City's financial statements.

Because the City is implementing new reporting standards for this fiscal year with significant changes in content and structure, much of the information is not easily comparable to prior years. However, in future years, comparisons will be more meaningful and will go further in explaining the City's financial position and results of operations.

FINANCIAL HIGHLIGHTS

The following are the highlights of financial activity for the fiscal year ended September 30, 2003:

- The City's net assets which is total assets less liabilities, were \$ 21,641,926. Governmental net assets were \$ 14,177,764 and business-type net assets were \$ 7,464,162.
- Governmental activities revenues were approximately \$ 14,882,000. The expenses of governmental activities were approximately \$ 10,502,000.
- Business-type activities revenue was \$ 4,401,372 and net results amounted to \$ 642,660.
- In the General Fund, tax revenues generated during the fiscal year were slightly short of the amount budgeted. The City traditionally collects an average of 96.5% of what is billed for municipal property taxes.
- Business-type revenues, which consist of water, wastewater and drainage charges for services, continued a steady increase. The utility transmission lines used to transport treated water and sewage, operated at a high level of efficiency attributable to increased levels of maintenance.
- The total expenses of all City programs was \$ 14,018,640.
- The General Fund, which accounts for the vast majority of the operations of the government, expended 95.78% of the final, budgeted appropriations.

CITY HIGHLIGHTS

The City completed construction of a new library at a total cost of approximately \$ 764,000. The library project began in March 1999. Funding sources for this project consisted principally of \$ 350,000 of General Obligation Bond Fund revenue, interest income of \$ 48,000 and \$ 300,000 of State of Florida grants.

CITY OF WILTON MANORS, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
(continued)
September 30, 2003

The City also completed construction of the Island City Park Preserve at a total cost of approximately \$ 2,081,000. This park consists of a boardwalk, park space, offices and meeting rooms. Principal funding sources for this project included Federal Block Grants totaling \$ 512,000, State of Florida grants totaling \$ 400,000, Broward County Challenge Grants totaling \$ 441,000, interest income of \$ 72,000 and \$ 500,000 of General Obligation Bond proceeds.

Hagen Park is in its final phases of construction. The park includes six tennis courts, a multi-purpose court, offices, park space and meeting rooms. Total costs as of September 30, 2003 were \$ 2,190,000. Funding sources for this project included General Obligation Bond proceeds totaling \$ 500,000, Broward County Challenge Grant revenue totaling \$ 150,000, and interest income totaling \$ 74,000.

During the year, the City purchased a site to house its Public and Community Services Departments. The site was charged to the Utility Fund and is reflected as such at September 30, 2003. The total purchase price was approximately \$ 2,100,000 including \$ 1,463,000 estimated as the value of land.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other required supplementary information in addition to the basic financial statements themselves.

Government-wide statements:

The government-wide financial statements, which consist of the following two statements, are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private sector business.

The statement of net assets presents information on all the City's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The statement of activities presents information showing how the City's net assets changed during the year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

The government-wide financial statements can be found on pages 12-14 of this report.

Fund financial statements:

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City categorizes funds into three basic fund types: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as balances of spendable resources available at the end of the year. Such information may be useful in evaluating the City's near-term financing requirements.

CITY OF WILTON MANORS, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
 (continued)
 September 30, 2003

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the City's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances (deficit) provide reconciliations to facilitate this comparison between governmental funds and governmental activities.

The governmental fund financial statements can be found on pages 15-28 of this report.

Proprietary funds (beginning on page 23) are comprised of the enterprise funds which are the equivalent of business-type activities in the government-wide statements. These include the Utility Fund and the Drainage Fund.

The fiduciary fund (on page 27), which is not included in the government-wide statements, is presented in this section as the General Employees and Police Pension Fund.

The City cannot use the assets in the pension plan to finance its operations, therefore the activities of the Plan are excluded from the City's financial statements. The City is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

Notes to the financial statements:

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 29-46 of this report.

Other financial information:

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City's adopted budgets to actual results. Required supplementary information can be found on pages 53-59 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The City's combined net assets totaled \$ 21,641,926 as of September 30, 2003. Governmental Activities net assets totaled \$ 14,177,764, and Business-type Activities net assets totaled \$ 7,464,162. The following table presents a condensed Statement of Net Assets:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total Primary Government</u>
CURRENT AND OTHER ASSETS	\$ 2,855,467	\$ 4,223,917	\$ 7,079,384
CAPITAL ASSETS (NET)	<u>15,738,312</u>	<u>12,520,018</u>	<u>28,258,330</u>
Total assets	<u>18,593,779</u>	<u>16,743,935</u>	<u>35,337,714</u>
LONG-TERM DEBT	2,919,090	8,567,646	11,486,736
OTHER LIABILITIES	<u>1,496,925</u>	<u>712,127</u>	<u>2,209,052</u>
Total liabilities	<u>4,416,015</u>	<u>9,279,773</u>	<u>13,695,788</u>
NET ASSETS:			
Invested in capital assets, net of debt	12,948,670	4,016,222	16,964,892
Restricted	--	2,991,488	2,991,488
Unrestricted	<u>1,229,094</u>	<u>456,452</u>	<u>1,685,546</u>
Total net assets	<u>\$ 14,177,764</u>	<u>\$ 7,464,162</u>	<u>\$ 21,641,926</u>

CITY OF WILTON MANORS, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
(continued)
September 30, 2003

Unrestricted net assets is that portion of net assets that can be used to finance daily operations without constraints established by debt covenants, enabling legislation, or other legal requirements, equaled \$ 1,685,546 on September 30, 2003. It appears that there will be a moderate increase in unrestricted net assets during the ensuing fiscal year. Tax revenues have been moderately increasing as property values continue to rise in most sections of the City. Intergovernmental revenue from nongrant sources, which includes state revenue sharing and half-cent sales tax, continue to decline. The decrease in these intergovernmental revenues reflects the City's decrease in population compared to Broward County as a whole. The City of Wilton Manors has been built-out for many years, but Broward County's total population continues to grow at a staggering rate.

Intergovernmental grant revenue increased greatly due to capital projects funded by grants. Grant funds are used extensively in park improvements.

Business-type activities net assets increased by approximately 9% in 2003 from \$ 6,821,502 to \$ 7,464,162. This increase is the result of increasing efficiencies of the water and sewer transmission lines attributable to continuous and higher levels of maintenance.

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total Primary Government</u>
REVENUES:			
Program revenues:			
Charges for services	\$ 2,049,320	\$ 4,401,372	\$ 6,450,692
Grants	6,374,063	--	6,374,063
General revenues:			
Property taxes	3,466,811	--	3,466,811
Other taxes and fees	2,508,288	--	2,508,288
Other general revenues	<u>55,610</u>	<u>186,248</u>	<u>241,858</u>
Total revenues	<u>14,454,092</u>	<u>4,587,620</u>	<u>19,041,712</u>
PROGRAM EXPENSES:			
General government	1,371,346	--	1,371,346
Public safety	6,078,529	--	6,078,529
Culture and recreation	2,140,185	--	2,140,185
Public services	781,664	--	781,664
Interest	130,076	--	130,076
Water and wastewater	--	3,222,515	3,222,515
Drainage	<u>--</u>	<u>294,325</u>	<u>294,325</u>
Total expenses	<u>10,501,800</u>	<u>3,516,840</u>	<u>14,018,640</u>
Excess before transfers	3,952,292	1,070,780	5,023,072
TRANSFERS	<u>428,120</u>	<u>(428,120)</u>	<u>--</u>
Change in net assets	\$ <u>4,380,412</u>	\$ <u>642,660</u>	\$ <u>5,023,072</u>

CITY OF WILTON MANORS, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
(continued)
September 30, 2003

The City experienced an increase in net assets in both the governmental and business-type activities. Tax revenues have steadily increased in association with increased property values. The tax millage rate was 6.1005 mills net of referendum supported general obligation debt millage, which was 0.4784 mills during the past fiscal year. The ad valorem (property tax) rate has decreased from 6.2467 mills during the 2001-2002 fiscal year. One mill of tax equals one dollar for each one thousand dollars of assessed property value as determined by the Broward County Property Assessor. Property values have increased an average of 13.16% over the past five years, which has helped offset the reduction in State of Florida Shared Revenues. Preliminary indications are that property values will increase 18.3% during the 2003-2004 year. This increase is indicative of demographic changes taking place in the City and the development of large, private enterprise projects.

General discussion on revenues:

Several areas can be identified which directly impact this current reporting period and the next fiscal year's revenues. The millage rate established by the City Council during the budget process determines how much property tax revenue is generated in the General Fund. Property tax revenue is the major revenue source in the General Fund, accounting for 44.44% of all revenue in that Fund in 2002-2003. The millage rate is a rate charged per thousand dollars of assessed property value net of exemptions.

During the past fiscal year, the City received approximately \$ 5,050,000 in grant revenue from various Federal, state, and county programs. The City anticipates grant revenue to continue to be a significant source of revenue during the next fiscal year.

The City's financial condition is affected by economic conditions. During prosperous economic periods, property values generally increase which correspondingly increase property tax revenue. One other contributing factor leading to increased property values is the amount of land available for development in Broward County. As the County becomes built out, property values begin to rise. Broward County recently imposed a building moratorium to curb any threat to wetland development. The City of Wilton Manors has led most of Broward County in increased property values as a percentage over the previous year, despite the fact that it has been built-out since the early 1970s.

General discussion on expenses:

Expenses were \$ 10,501,800 in the Governmental activities and \$ 3,516,840 in the business-type activities. The City is predominantly a service provider, and therefore its major expense is salaries and benefits. The salaries are specifically affected by cost of living and merit adjustments, while benefit costs are closely linked to health insurance rates.

The number of personnel has remained stable over the past five years despite increasing demands by residents for increased services. The City administration will not be able to increase future year services without increasing the number of personnel employed.

ANALYSIS OF THE GOVERNMENT'S FUNDS

The City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**CITY OF WILTON MANORS, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS**

(continued)

September 30, 2003

Governmental funds:

The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the City of Wilton Manors' governmental funds reported a combined ending fund balance of \$ 1,850,469. Over one-half of this total amount (\$ 1,032,772) constitutes unreserved fund balance and is available for spending at the City's discretion (undesignated fund balance). The remaining fund balance is reserved to indicate that these funds are not available for new spending because they are already committed to liquidate contracts and purchase orders of the prior year (\$ 525,323) or for other restricted purposes (\$ 292,374).

The General Fund is the chief operating fund of the City of Wilton Manors. At the end of the current fiscal year, unreserved and undesignated fund balance of the General Fund was \$ 1,363,934, while total fund balance was \$ 1,788,017. As a measure of the General Fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved and undesignated fund balance represents approximately fifteen percent of the expenditures in the General Fund, while total fund balance represents approximately twenty percent of that same amount.

The total fund balance in the City's General Fund decreased from \$ 2,091,020 to \$ 1,788,017 during the current fiscal year, a difference of \$ 303,003. The primary reason for the decrease is because \$ 140,773 of unreserved fund balance was appropriated in the original budget (a) to partially fund the future city hall capital improvement project (\$ 125,000); and (b) in anticipation of cost overruns for the Hagen Park construction project which is financed with general obligation bonds (\$ 15,773). Other key factors in this change are included in the next section entitled, "General Fund Budgetary Highlights."

Fund balance of the General Obligation Bond Fund decreased by \$ 1,817,675 due to construction costs related to the following projects: Wilton Manors Elementary School, Wilton Manors Library, Island City Park Preserve, Donn Eisele Park, Colohatchee Park, Hagen Park and other parkland acquisitions. The fund balance at year end reflected a deficit of \$ 297,719. The City of Wilton Manors has applied for additional grant funding for these projects, however, any remaining deficiency will be funded by the General Fund.

Proprietary Funds:

The City of Wilton Manors' proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. Net assets of the Utility Fund amounted to \$ 6,621,733 at the end of the current year, an increase of \$ 603,805 over the prior fiscal year. Net assets in the City's other proprietary fund, the Drainage Fund, amounted to \$ 842,429 at year end which also reflects an increase over the prior fiscal year of \$ 38,855. Other factors concerning the finances of these two funds are covered in more detail in the discussion of the City of Wilton Manors' business-type activities in the Government-wide Financial Analysis section on pages 5 and 6.

**CITY OF WILTON MANORS, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
(continued)
September 30, 2003**

GENERAL FUND BUDGETARY HIGHLIGHTS

General Fund revenues came in \$ 298,417 less than the final budget projections but this amount was offset by total expenditures which came in \$ 385,264 less than projected. Major variances between budgeted and actual amounts in the General Fund are as follows:

- a. Communication service tax receipts fell \$ 199,488 below anticipated revenues due to a reduction in fees from a large international internet service provider located within the City.
- b. Revenues received exceeded budgeted amounts for licenses and permits (\$ 43,847) and fines and forfeitures (\$ 78,276).
- c. Ad valorem tax receipts fell \$ 74,421 below anticipated revenues, a two percent variance.
- d. Personal expenditures in the Police Department for overtime exceeded budgeted costs by \$ 102,976.
- e. Budgeted expenditures that were not fully expended during the year were found in the following departments: nondepartmental (\$ 116,629), police (\$ 155,593), and parks and recreation (\$ 105,465).

The difference between the original General Fund budget and the final amended budget was \$ 324,504 (increases in appropriations) and can be summarized as follows:

\$ 27,666	in increased allocations to the general government departments
189,896	in increased allocations to the public safety departments
41,125	in increased allocations to the culture and recreation departments
65,817	in increased allocations to the nondepartmental department.

The majority of the appropriations increase is due to open encumbrances from the prior fiscal year (\$ 111,819). Other significant increases relate to (a) a Wilton Drive irrigation project (\$ 30,000); (b) an interstate exit ramp beautification project (\$ 30,000); (c) matching funds for a police grant (\$ 78,213); and economic development initiatives (\$ 46,900).

CAPITAL ASSETS AND DEBT ADMINISTRATION

The City had \$ 40,355,683 net of depreciation invested in capital assets on September 30, 2003. The following schedule summarizes net capital asset activity over the past fiscal year:

	Capital Assets (Net) September 30, 2003 and 2002					
	Governmental Activities		Business-type Activities		Totals	
	2003	2002	2003	2002	2003	2002
Land	\$ 6,212,947	\$ 2,645,296	\$ 1,512,973	\$ --	\$ 7,725,920	\$ 2,645,296
Infrastructure	--	--	13,375,068	12,789,770	13,375,068	12,789,770
Buildings	3,104,965	1,859,023	597,688	8,893	3,702,653	1,867,916
Improvements other than buildings	7,707,489	3,726,693	4,304,721	4,189,239	12,012,210	7,915,932
Machinery and equipment	2,767,598	2,495,244	762,234	698,225	3,529,832	3,193,469
Construction in progress	--	1,883,565	--	--	--	1,883,565
Total	\$ 19,792,999	\$ 12,609,821	\$ 20,542,684	\$ 17,686,127	\$ 40,355,683	\$ 30,295,948

CITY OF WILTON MANORS, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
(continued)
September 30, 2003

The City will continue its capital outlay efforts with the groundbreaking for the new City Hall anticipated in the spring of 2004. Water and wastewater line improvements are a constant process and the amount spent on these infrastructure improvements will remain fairly consistent from year to year. Capital projects completed during the 2002-2003 fiscal year included the following:

- Island City Park Preserve
- Hagen Park
- Donn Eisele Park
- Library

Debt:

The City had debt totaling approximately \$ 11.5 million at September 30, 2003. Total debt outstanding at the end of the prior fiscal year was \$ 12.34 million. The decrease of \$.84 million is attributable to the retirement of principal (net of any amortization of discount).

	Outstanding Debt September 30, 2003 and 2002					
	Governmental Activities		Business-type Activities		Totals	
	2003	2002	2003	2002	2003	2002
General obligation bonds (backed by the City)	\$ 2,919,090	\$ 3,043,237	\$ --	\$ --	\$ 2,919,090	\$ 3,043,237
Revenue bonds (backed by specific revenue streams)	--	--	8,567,646	9,298,796	8,567,646	9,298,796
Total	\$ 2,919,090	\$ 3,043,237	\$ 8,567,646	\$ 9,298,796	\$ 11,486,736	\$ 12,342,033

During the 2003-2004 fiscal year, the amount of debt outstanding will begin to decline. The City had, in prior fiscal years, issued General Obligation Debt for park land acquisition and improvement of \$ 3.35 million, and \$ 3.36 million in 2001-2002 for a new City Hall. Revenue bonds, the other major source of debt, will continue to decline also. Of the \$ 8.0 million in revenue debt, \$ 7.2 million relates to water, wastewater and drainage projects funded and completed in the mid-1990's.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

Economic factors:

The City's primary sources of revenue are property taxes and utility charges for services. State shared revenues, which include telecommunication taxes, account for another large source of revenue. South Florida continued to experience outstanding economic performance, with property values increasing approximately 14% over the previous year. Unemployment in Broward County was 4.7% on September 30, 2003. While Wilton Manors has been significantly build out since 1970, the City's proximity to downtown Ft. Lauderdale, coupled with extensive renovation throughout the City, have created an economic renaissance. The center of the City is a mecca for upwardly mobile urban and suburban professionals. Scores of retail outlets and restaurants have opened in the past two years, with several new businesses schedule to open in the ensuing year.

**CITY OF WILTON MANORS, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
(continued)
September 30, 2003**

REQUESTS FOR INFORMATION

This entire report has been prepared by the finance department of the City of Wilton Manors, Florida with the assistance of the City's external auditors. Every effort has been made to make this report understandable to the reader. Any questions or comments about this report are welcome and may be directed to the City's Assistant Finance Director at (954) 390-2143, fax (954) 390-2199, or by mail to the City of Wilton Manors, Assistant Finance Director, 524 NE 21st Court, Wilton Manors, Florida 33305.

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**BASIC
FINANCIAL STATEMENTS**

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CITY OF WILTON MANORS, FLORIDA
STATEMENT OF NET ASSETS
September 30, 2003

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS:			
Equity in pooled cash	\$ 1,978,904	\$ 380,176	\$ 2,359,080
Accounts receivable	205,146	515,804	720,950
Due from other governments	491,817	--	491,817
Inventory	72,329	61,873	134,202
Unamortized bond discounts and financing costs	--	63,850	63,850
Capital assets (net)	15,738,312	12,520,018	28,258,330
Restricted cash and cash equivalents	--	3,180,296	3,180,296
Other assets	<u>107,271</u>	<u>21,918</u>	<u>129,189</u>
Total assets	<u>18,593,779</u>	<u>16,743,935</u>	<u>35,337,714</u>
LIABILITIES:			
Current:			
Accounts payable	490,929	149,391	640,320
Accrued expenses	302,539	17,977	320,516
Compensated absences payable	449,328	--	449,328
Deferred revenues	151,129	--	151,129
Current portion of debt	129,448	793,325	922,773
Accrued interest payable	42,599	207,012	249,611
Customer deposits	--	313,975	313,975
Net long-term liabilities:			
Compensated absences payable	60,401	23,772	84,173
Long-term debt	<u>2,789,642</u>	<u>7,774,321</u>	<u>10,563,963</u>
Total liabilities	<u>4,416,015</u>	<u>9,279,773</u>	<u>13,695,788</u>
NET ASSETS:			
Invested in capital assets (net of related debt)	12,948,670	4,016,222	16,964,892
Restricted for:			
Debt service	--	2,566,488	2,566,488
Renewal and replacement	--	425,000	425,000
Unrestricted	<u>1,229,094</u>	<u>456,452</u>	<u>1,685,546</u>
Total net assets	\$ <u>14,177,764</u>	\$ <u>7,464,162</u>	\$ <u>21,641,926</u>

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

CITY OF WILTON MANORS, FLORIDA
STATEMENT OF ACTIVITIES
For the Year Ended September 30, 2003

	Expenses	Charges for Services	Program Revenues	
			Operating Grants and Contributions	Capital Grants and Contributions
FUNCTIONS/PROGRAMS:				
Primary government:				
Governmental activities:				
General government	\$ 1,371,346	\$ --	\$ --	\$ --
Public safety	6,078,529	1,197,519	--	--
Culture and recreation	2,140,185	220,893	--	6,374,063
Public services	781,664	630,908	--	--
Interest expense	130,076	--	--	--
	<u>10,501,800</u>	<u>2,049,320</u>	<u>--</u>	<u>6,374,063</u>
Business-type activities:				
Water and wastewater	3,222,515	4,122,190	--	--
Drainage	294,325	279,182	--	--
	<u>3,516,840</u>	<u>4,401,372</u>	<u>--</u>	<u>--</u>
Total business-type activities				
	<u>14,018,640</u>	<u>6,450,692</u>	<u>--</u>	<u>6,374,063</u>

General revenues:

Taxes:

 Ad valorem taxes

 Franchise fees

 Utility service taxes

Interest income

Miscellaneous

Transfers

Total general revenues and transfers

Change in net assets

Net assets at beginning of year, as restated

Net assets at end of year

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

Net (Expenses) Revenues and
Changes in Net Assets

<u>Primary Government</u>		
<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
\$ (1,371,346)	\$ --	\$ (1,371,346)
(4,881,010)	--	(4,881,010)
4,454,771	--	4,454,771
(150,756)	--	(150,756)
<u>(130,076)</u>	<u>--</u>	<u>(130,076)</u>
<u>(2,078,417)</u>		<u>(2,078,417)</u>
--	899,675	899,675
<u>--</u>	<u>(15,143)</u>	<u>(15,143)</u>
--	884,532	884,532
<u>(2,078,417)</u>	<u>884,532</u>	<u>(1,193,885)</u>
3,466,811	--	3,466,811
889,986	--	889,986
1,618,302	--	1,618,302
--	70,580	70,580
55,610	115,668	171,278
<u>428,120</u>	<u>(428,120)</u>	<u>--</u>
<u>6,458,829</u>	<u>(241,872)</u>	<u>6,216,957</u>
4,380,412	642,660	5,023,072
<u>9,797,352</u>	<u>6,821,502</u>	<u>16,618,854</u>
\$ <u>14,177,764</u>	\$ <u>7,464,162</u>	\$ <u>21,641,926</u>

CITY OF WILTON MANORS, FLORIDA
BALANCE SHEET
GOVERNMENTAL FUNDS
September 30, 2003

	<u>Major Governmental Funds</u>			<u>Total Governmental Funds</u>
	<u>General Fund</u>	<u>General Obligation Bond Fund</u>	<u>Nonmajor Governmental Funds</u>	
ASSETS:				
Equity in pooled cash	\$ 1,082,818	\$ --	\$ 896,086	\$ 1,978,904
Accounts receivable	68,832	--	136,314	205,146
Due from other governments	--	482,994	8,823	491,817
Due from other funds	891,762	--	--	891,762
Inventory	39,722	--	32,607	72,329
Advance to other fund	208,045	--	--	208,045
Other assets	<u>106,615</u>	<u>--</u>	<u>656</u>	<u>107,271</u>
Total assets	\$ <u>2,397,794</u>	\$ <u>482,994</u>	\$ <u>1,074,486</u>	\$ <u>3,955,274</u>
LIABILITIES AND FUND BALANCES (DEFICIT):				
Liabilities:				
Accounts payable	\$ 162,106	\$ 167,778	\$ 161,045	\$ 490,929
Accrued expenditures	268,196	--	34,343	302,539
Due to other funds	--	612,935	278,827	891,762
Deferred revenue	119,074	--	32,055	151,129
Accrued compensated absences	60,401	--	--	60,401
Advance from other fund	<u>--</u>	<u>--</u>	<u>208,045</u>	<u>208,045</u>
Total liabilities	<u>609,777</u>	<u>780,713</u>	<u>714,315</u>	<u>2,104,805</u>
Fund balances (deficit):				
Reserved for:				
Advance to other fund	208,045	--	--	208,045
Encumbrances	176,316	242,757	106,250	525,323
Inventory	39,722	--	32,607	72,329
Unreserved:				
Designated for subsequent years' expenditures, reported in:				
Special Revenue Funds	--	--	12,000	12,000
Undesignated (deficit), reported in:				
General Fund	1,363,934	--	--	1,363,934
General Obligation Bond Fund	--	(540,476)	--	(540,476)
Special Revenue Funds	<u>--</u>	<u>--</u>	<u>209,314</u>	<u>209,314</u>
Total fund balances	<u>1,788,017</u>	<u>(297,719)</u>	<u>360,171</u>	<u>1,850,469</u>
Total liabilities and fund balances	\$ <u>2,397,794</u>	\$ <u>482,994</u>	\$ <u>1,074,486</u>	\$ <u>3,955,274</u>

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

CITY OF WILTON MANORS, FLORIDA
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET ASSETS
September 30, 2003

AMOUNTS REPORTED FOR GOVERNMENTAL ACTIVITIES IN THE STATEMENT OF NET ASSETS ARE DIFFERENT BECAUSE:

Total fund balance of governmental funds in the balance sheet, Page 17		\$ 1,850,469
Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds:		
The cost of capital assets is	\$ 19,792,999	
Accumulated depreciation is	<u>(4,054,687)</u>	15,738,312
Long-term liabilities, including bonds payable, accrued interest, and compensated absences are not due and payable in the current period and therefore are not reported in the funds.		<u>(3,411,017)</u>
NET ASSETS OF GOVERNMENTAL ACTIVITIES, PAGE 12		\$ <u>14,177,764</u>

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

CITY OF WILTON MANORS, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES (DEFICIT)
GOVERNMENTAL FUNDS
For the Year Ended September 30, 2003

	<u>Major Governmental Funds</u>			<u>Total Governmental Funds</u>
	<u>General Fund</u>	<u>General Obligation Bond Fund</u>	<u>Nonmajor Governmental Funds</u>	
REVENUES:				
Ad valorem taxes	\$ 3,215,278	\$ --	\$ --	\$ 3,215,278
Ad valorem taxes for debt service	251,533	--	--	251,533
Franchise fees	575,751	--	314,235	889,986
Utility service taxes	1,618,302	--	--	1,618,302
Licenses and permits	480,347	--	--	480,347
Intergovernmental revenues	1,117,576	4,920,748	335,739	6,374,063
Charges for services	220,893	--	197,682	418,575
Fines and forfeitures	284,776	--	47,334	332,110
Special assessments	--	--	818,288	818,288
Miscellaneous	36,652	3,481	15,477	55,610
Total revenues	<u>7,801,108</u>	<u>4,924,229</u>	<u>1,728,755</u>	<u>14,454,092</u>
EXPENDITURES:				
Current:				
General government	1,252,320	--	--	1,252,320
Public safety	4,796,790	--	850,950	5,647,740
Culture and recreation	1,870,392	--	--	1,870,392
Public services	327,556	--	311,539	639,095
Nondepartmental	38,114	--	--	38,114
Debt service:				
Principal retirement	124,147	--	--	124,147
Interest	131,888	--	--	131,888
Capital outlay	278,718	6,741,904	509,357	7,529,979
Total expenditures	<u>8,819,925</u>	<u>6,741,904</u>	<u>1,671,846</u>	<u>17,233,675</u>
Excess (deficiency) of revenues over expenditures before other financing sources (uses)	<u>(1,018,817)</u>	<u>(1,817,675)</u>	<u>56,909</u>	<u>(2,779,583)</u>
OTHER FINANCING SOURCES (USES):				
Operating transfers in	812,243	--	--	812,243
Operating transfers out	(96,429)	--	(287,694)	(384,123)
Total other financing sources (uses)	<u>715,814</u>	<u>--</u>	<u>(287,694)</u>	<u>428,120</u>
Excess of revenues over (under) expenditures	(303,003)	(1,817,675)	(230,785)	(2,351,463)
FUND BALANCES AT BEGINNING OF YEAR	<u>2,091,020</u>	<u>1,519,956</u>	<u>590,956</u>	<u>4,201,932</u>
FUND BALANCES (DEFICIT) AT END OF YEAR	\$ <u>1,788,017</u>	\$ <u>(297,719)</u>	\$ <u>360,171</u>	\$ <u>1,850,469</u>

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

CITY OF WILTON MANORS, FLORIDA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
For the Year Ended September 30, 2003

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS, PAGE 17

\$ (2,351,463)

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is depreciated over their estimated useful lives:

Expenditures for capital assets	\$	7,183,178	
Less current year depreciation expense		<u>(611,123)</u>	6,572,055

Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net assets. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. This is the amount of debt repayments.

Principal payments	124,147
--------------------	---------

Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds:

Increase in interest payable	1,813		
Increase in long-term compensated absences		<u>33,860</u>	<u>35,673</u>

CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES, PAGE 14

\$ 4,380,412

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

CITY OF WILTON MANORS, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND

For the Year Ended September 30, 2003

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Ad valorem taxes:				
Current	\$ 3,265,196	\$ 3,265,196	\$ 3,215,278	\$ (49,918)
Delinquent	20,000	20,000	--	(20,000)
Debt service	<u>256,036</u>	<u>256,036</u>	<u>251,533</u>	<u>(4,503)</u>
	<u>3,541,232</u>	<u>3,541,232</u>	<u>3,466,811</u>	<u>(74,421)</u>
Franchise fees:				
Electric	566,025	566,025	556,251	(9,774)
Miscellaneous	<u>19,500</u>	<u>19,500</u>	<u>19,500</u>	<u>--</u>
	<u>585,525</u>	<u>585,525</u>	<u>575,751</u>	<u>(9,774)</u>
Utility service taxes:				
Electricity	713,415	713,415	722,462	9,047
Gas	43,450	43,450	45,694	2,244
Water	228,500	228,500	243,154	14,654
Communication service tax	<u>806,480</u>	<u>806,480</u>	<u>606,992</u>	<u>(199,488)</u>
	<u>1,791,845</u>	<u>1,791,845</u>	<u>1,618,302</u>	<u>(173,543)</u>
Licenses and permits:				
Occupational licenses	130,000	130,000	131,256	1,256
Building permits	275,000	275,000	302,227	27,227
Residential rental licenses	20,000	20,000	22,422	2,422
Other licenses and permits	<u>11,500</u>	<u>11,500</u>	<u>24,442</u>	<u>12,942</u>
	<u>436,500</u>	<u>436,500</u>	<u>480,347</u>	<u>43,847</u>
Intergovernmental revenues:				
State revenue sharing	364,897	364,897	365,430	533
State sales tax	722,578	722,578	739,968	17,390
Mobile home licenses	200	200	293	93
Alcoholic beverage licenses	<u>12,939</u>	<u>12,939</u>	<u>11,885</u>	<u>(1,054)</u>
	<u>1,100,614</u>	<u>1,100,614</u>	<u>1,117,576</u>	<u>16,962</u>
Charges for services:				
Recreation fees	199,836	199,836	218,402	18,566
Other charges	<u>4,625</u>	<u>4,625</u>	<u>2,491</u>	<u>(2,134)</u>
	<u>204,461</u>	<u>204,461</u>	<u>220,893</u>	<u>16,432</u>

This statement continued on next page

CITY OF WILTON MANORS, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND

(continued)

For the Year Ended September 30, 2003

	Budgeted Amounts			
	Original	Final	Actual	Variance
Fines and forfeitures:				
Court and parking fines	190,000	190,000	263,018	73,018
Library fines	6,500	6,500	5,660	(840)
Code enforcement	10,000	10,000	16,098	6,098
	206,500	206,500	284,776	78,276
Miscellaneous:				
Interest income	66,525	66,525	28,846	(37,679)
Rental revenue	2,500	2,500	2,142	(358)
Prior year appropriation	140,773	140,773	--	(140,773)
Sale of fixed assets	16,000	16,000	--	(16,000)
Miscellaneous revenue	7,050	7,050	5,664	(1,386)
	232,848	232,848	36,652	(196,196)
Total revenues	8,099,525	8,099,525	7,801,108	(298,417)
Expenditures:				
General government:				
Mayor and Council				
Personal services	50,498	50,498	43,495	7,003
Operating expenditures	39,012	39,112	32,103	7,009
Capital outlay	--	--	623	(623)
	89,510	89,610	76,221	13,389
City Management:				
Personal services	366,486	366,486	384,495	(18,009)
Operating expenditures	66,280	66,480	68,711	(2,231)
Capital outlay	15,300	28,540	25,792	2,748
	448,066	461,506	478,998	(17,492)
Finance:				
Personal services	429,893	429,893	459,340	(29,447)
Operating expenditures	104,183	112,892	85,423	27,469
Capital outlay	5,300	10,717	13,243	(2,526)
	539,376	553,502	558,006	(4,504)
City Attorney:				
Operating expenditures	125,496	125,496	167,692	(42,196)
	125,496	125,496	167,692	(42,196)
Total general government	1,202,448	1,230,114	1,280,917	(50,803)

This statement continued on next page

CITY OF WILTON MANORS, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND

(continued)

For the Year Ended September 30, 2003

	<u>Budgeted Amounts</u>			
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Variance</u>
Public safety				
Police:				
Personal services	3,267,253	3,267,253	3,425,601	(158,348)
Operating expenditures	420,076	425,474	411,196	14,278
Capital outlay	<u>156,454</u>	<u>289,280</u>	<u>(10,384)</u>	<u>299,664</u>
	<u>3,843,783</u>	<u>3,982,007</u>	<u>3,826,414</u>	<u>155,593</u>
Emergency medical services (EMS):				
Operating expenditures	<u>242,326</u>	<u>242,326</u>	<u>228,103</u>	<u>14,223</u>
Community services:				
Personal services	419,296	419,296	427,152	(7,856)
Operating expenditures	266,229	313,411	299,990	13,421
Capital outlay	<u>7,176</u>	<u>11,666</u>	<u>6,883</u>	<u>4,783</u>
	<u>692,701</u>	<u>744,373</u>	<u>734,025</u>	<u>10,348</u>
Total public safety	<u>4,778,810</u>	<u>4,968,706</u>	<u>4,788,542</u>	<u>180,164</u>
Culture and recreation:				
Library				
Personal services	278,948	278,948	279,988	(1,040)
Operating expenditures	53,514	55,084	63,557	(8,473)
Capital outlay	<u>33,675</u>	<u>65,487</u>	<u>36,574</u>	<u>28,913</u>
	<u>366,137</u>	<u>399,519</u>	<u>380,119</u>	<u>19,400</u>
Parks and recreation:				
Personal services	1,239,872	1,237,872	1,160,322	77,550
Operating expenditures	376,917	383,173	369,752	13,421
Capital outlay	<u>63,261</u>	<u>66,748</u>	<u>52,253</u>	<u>14,495</u>
	<u>1,680,050</u>	<u>1,687,793</u>	<u>1,582,328</u>	<u>105,465</u>
Total culture and recreation	<u>2,046,187</u>	<u>2,087,312</u>	<u>1,962,448</u>	<u>124,864</u>
Public services:				
Personal services	134,410	134,410	139,757	(5,347)
Operating expenditures	174,338	174,338	188,395	(14,057)
Capital outlay	<u>43,600</u>	<u>43,600</u>	<u>9,790</u>	<u>33,810</u>
Total public services	<u>352,348</u>	<u>352,348</u>	<u>337,942</u>	<u>14,406</u>

This statement continued on next page

CITY OF WILTON MANORS, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND

(continued)

For the Year Ended September 30, 2003

	Budgeted Amounts		Actual	Variance
	Original	Final		
Nondepartmental:				
Operating expenditures	(207,231)	(207,896)	(165,184)	(42,712)
Capital outlay	386,731	453,213	293,871	159,344
Total nondepartmental	179,500	245,317	128,687	116,629
Debt service:				
Principal retirement	124,148	124,148	124,147	1
Interest	131,888	131,888	131,838	--
Total debt service	256,036	256,036	256,035	1
Total expenditures	8,815,329	9,139,833	8,754,569	385,264
Excess (deficiency) of revenues over expenditures before other financing sources (uses)	(715,804)	(1,040,308)	(953,457)	86,851
OTHER FINANCING SOURCES (USES):				
Operating transfers in	812,233	812,233	812,243	(10)
Operating transfers out	(96,429)	(96,429)	(96,429)	--
Total other financing sources (uses)	715,804	715,804	715,814	(10)
Excess of revenues over (under) expenditures	--	(324,504)	(237,663)	86,841
FUND BALANCE AT BEGINNING OF YEAR	--	324,504	1,849,356	1,524,852
FUND BALANCE AT END OF YEAR	\$ --	\$ --	\$ 1,611,693	\$ 1,611,693

This statement continued from previous page

CITY OF WILTON MANORS, FLORIDA
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
September 30, 2003

	<u>Business-Type Activities - Enterprise Funds</u>		
	<u>Major Fund</u>	<u>Nonmajor Fund</u>	<u>Total</u>
	<u>Utility Fund</u>	<u>Drainage Fund</u>	
ASSETS:			
Current assets:			
Equity in pooled cash	\$ --	\$ 380,176	\$ 380,176
Restricted cash and cash equivalents	1,230,356	83,956	1,314,312
Accounts receivable	499,188	16,616	515,804
Inventory	61,873	--	61,873
Other assets	21,918	--	21,918
Due from other funds	--	93,474	93,474
Total current assets	<u>1,813,335</u>	<u>574,222</u>	<u>2,387,557</u>
Noncurrent assets:			
Restricted cash and cash equivalents	1,865,984	--	1,865,984
Capital assets, net	12,149,286	370,732	12,520,018
Unamortized bond discount and financing costs	63,850	--	63,850
Total noncurrent assets	<u>14,079,120</u>	<u>370,732</u>	<u>14,449,852</u>
Total assets	<u>\$ 15,892,455</u>	<u>\$ 944,954</u>	<u>\$ 16,837,409</u>
LIABILITIES:			
Current liabilities (payable from unrestricted assets):			
Accounts payable	\$ 138,659	\$ 10,732	\$ 149,391
Accrued expenses	14,351	3,626	17,977
Due to other funds	93,474	--	93,474
Current liabilities (payable from restricted assets):			
Bonds payable	711,325	82,000	793,325
Accrued interest payable	205,056	1,956	207,012
Customer deposits	313,975	--	313,975
Total current liabilities	<u>1,476,840</u>	<u>98,314</u>	<u>1,575,154</u>
Noncurrent liabilities:			
Compensated absences payable	19,561	4,211	23,772
Bonds payable	7,774,321	--	7,774,321
Total noncurrent liabilities	<u>7,793,882</u>	<u>4,211</u>	<u>7,798,093</u>
Total liabilities	<u>9,270,722</u>	<u>102,525</u>	<u>9,373,247</u>
NET ASSETS:			
Invested in capital assets, net of related debt	3,727,490	288,732	4,016,222
Restricted for:			
Debt service	2,482,532	83,956	2,566,488
Renewal and replacement	425,000	--	425,000
Unrestricted (deficit)	(13,289)	469,741	456,452
Total net assets	<u>6,621,733</u>	<u>842,429</u>	<u>7,464,162</u>
Total liabilities and net assets	<u>\$ 15,892,455</u>	<u>\$ 944,954</u>	<u>\$ 16,837,409</u>

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

CITY OF WILTON MANORS, FLORIDA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS
PROPRIETARY FUNDS
For the Year Ended September 30, 2003

	<u>Business-Type Activities - Enterprise Funds</u>		
	<u>Major Fund</u>	<u>Nonmajor Fund</u>	<u>Total</u>
	<u>Utility Fund</u>	<u>Drainage Fund</u>	
OPERATING REVENUES:			
Charges for services	\$ <u>4,122,190</u>	\$ <u>279,182</u>	\$ <u>4,401,372</u>
OPERATING AND ADMINISTRATIVE EXPENSES:			
Water purchases and contracted sewer services	1,478,863	--	1,478,863
Maintenance and repair	81,485	39,259	120,744
Administrative costs	8,657	2,043	10,700
Accounting services	16,380	--	16,380
Personal services	347,596	84,393	431,989
Depreciation expense	399,230	117,894	517,124
Amortization expense	35,197	1,874	37,071
General expenses	<u>409,819</u>	<u>43,077</u>	<u>452,896</u>
Total operating and administrative expenses	<u>2,777,227</u>	<u>288,540</u>	<u>3,065,767</u>
Operating income (loss)	<u>1,344,963</u>	<u>(9,358)</u>	<u>1,335,605</u>
NONOPERATING REVENUES (EXPENSES):			
Interest income	62,802	7,778	70,580
Interest expense	(445,288)	(5,785)	(451,073)
Other	<u>115,668</u>	<u>--</u>	<u>115,668</u>
Total nonoperating revenues (expenses)	<u>(266,818)</u>	<u>1,993</u>	<u>(264,825)</u>
Changes in net assets before transfers	<u>1,078,145</u>	<u>(7,365)</u>	<u>1,070,780</u>
OPERATING TRANSFERS:			
In	77,964	74,977	152,941
Out	<u>(552,304)</u>	<u>(28,757)</u>	<u>(581,061)</u>
	<u>(474,340)</u>	<u>46,220</u>	<u>(428,120)</u>
Change in net assets	603,805	38,855	642,660
NET ASSETS AT BEGINNING OF YEAR	<u>6,017,928</u>	<u>803,574</u>	<u>6,821,502</u>
NET ASSETS AT END OF YEAR	\$ <u>6,621,733</u>	\$ <u>842,429</u>	\$ <u>7,464,162</u>

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

CITY OF WILTON MANORS, FLORIDA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended September 30, 2003

	<u>Business-Type Activities - Enterprise Funds</u>		
	<u>Major Fund</u>	<u>Nonmajor Fund</u>	<u>Total</u>
	<u>Utility Fund</u>	<u>Drainage Fund</u>	
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash received from customers and users	\$ 4,106,792	\$ 279,065	\$ 4,385,857
Cash paid to employees for services	(347,596)	(84,393)	(431,989)
Cash paid to suppliers for goods and services	<u>(2,032,574)</u>	<u>(73,852)</u>	<u>(2,106,426)</u>
Net cash provided by operating activities	<u>1,726,622</u>	<u>120,820</u>	<u>1,847,442</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Other revenues	115,668	-	115,668
Transfers in from other funds	77,964	(18,497)	59,467
Transfers out to other funds	<u>(458,830)</u>	<u>(28,757)</u>	<u>(487,587)</u>
Net cash provided (used) by noncapital financing activities	<u>(265,198)</u>	<u>(47,254)</u>	<u>(312,452)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Bond principal payments	(680,253)	(79,000)	(759,253)
Interest paid	(460,522)	(7,669)	(468,191)
Purchase of capital assets	(2,692,876)	(163,681)	(2,856,557)
(Increase) decrease in restricted assets	<u>(4,862)</u>	<u>(1,116)</u>	<u>(5,978)</u>
Net cash provided (used) by capital and related financing activities	<u>(3,838,513)</u>	<u>(251,466)</u>	<u>(4,089,979)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Interest received	<u>62,802</u>	<u>7,778</u>	<u>70,580</u>
Net cash provided (used) by investing activities	<u>62,802</u>	<u>7,778</u>	<u>70,580</u>
Net increase (decrease) in equity in pooled cash	(2,314,287)	(170,122)	(2,484,409)
EQUITY IN POOLED CASH AT BEGINNING OF YEAR	<u>2,314,287</u>	<u>550,298</u>	<u>2,864,585</u>
EQUITY IN POOLED CASH AT END OF YEAR	\$ <u> --</u>	\$ <u>380,176</u>	\$ <u>380,176</u>

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

CITY OF WILTON MANORS, FLORIDA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
(continued)

For the Year Ended September 30, 2003

	Business-Type Activities - Enterprise Funds		
	Major Fund	Nonmajor Fund	Total
	Utility Fund	Drainage Fund	
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES:			
Operating income (loss)	\$ <u>1,344,963</u>	\$ <u>(9,358)</u>	\$ <u>1,335,605</u>
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:			
Amortization expense	35,197	1,874	37,071
Depreciation expense	399,230	117,894	517,124
(Increase) decrease in accounts receivable	(23,388)	(117)	(23,505)
(Increase) decrease in inventory	(13,526)	--	(13,526)
Increase (decrease) in other assets	(20,965)	377	(20,588)
Increase (decrease) in accounts payable	(3,989)	9,978	5,989
Increase (decrease) in accrued expenses	1,110	172	1,282
Increase (decrease) in customer deposits	<u>7,990</u>	<u>--</u>	<u>7,990</u>
Total adjustments	<u>381,659</u>	<u>130,178</u>	<u>511,837</u>
Net cash provided by operating activities	\$ <u><u>1,726,622</u></u>	\$ <u><u>120,820</u></u>	\$ <u><u>1,847,442</u></u>

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

CITY OF WILTON MANORS, FLORIDA
STATEMENT OF FIDUCIARY NET ASSETS
GENERAL EMPLOYEES AND POLICE PENSION FUNDS
September 30, 2003

ASSETS

	<u>General Employees</u>	<u>Police</u>	<u>Total</u>
ASSETS:			
Cash and cash equivalents	\$ 373,036	\$ 316,240	\$ 689,276
Investments	9,365,503	7,939,561	17,305,064
Receivable for investments sold	14,690	13,560	28,250
Accrued investment income	45,367	41,325	86,692
Due from participants	<u>9,314</u>	<u>6,568</u>	<u>15,882</u>
Total assets	<u>9,807,910</u>	<u>8,317,254</u>	<u>18,125,164</u>

LIABILITIES AND NET ASSETS HELD IN TRUST FOR PENSION BENEFITS

LIABILITIES:			
Accounts payable	22,261	20,278	42,539
Due to Firefighters Retirement System	133,521	121,624	255,145
DROP payable	760,077	75,462	835,539
Payable for investments purchased	<u>9,916</u>	<u>9,212</u>	<u>19,128</u>
Total liabilities	<u>925,775</u>	<u>226,576</u>	<u>1,152,351</u>
Total net assets held in trust for pension benefits	\$ <u>8,882,135</u>	\$ <u>8,090,678</u>	\$ <u>16,972,813</u>

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

CITY OF WILTON MANORS, FLORIDA
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
GENERAL EMPLOYEES AND POLICE PENSION FUNDS
For the Year Ended September 30, 2003

	<u>General Employees</u>	<u>Police</u>	<u>Total</u>
ADDITIONS:			
Contributions:			
Employer	\$ 293,838	\$ 278,378	\$ 572,216
Employee	<u>248,013</u>	<u>170,376</u>	<u>418,389</u>
Total contributions	<u>541,851</u>	<u>448,754</u>	<u>990,605</u>
Investment income (loss):			
Net appreciation in fair value of investments	1,077,831	971,655	2,049,486
Interest and dividends	267,645	241,279	508,924
Earnings (losses) allocated to Firefighters Retirement System	(20,268)	(17,974)	(38,242)
DROP	(96,362)	(8,674)	(105,126)
Less: Investment expenses	<u>(56,910)</u>	<u>(51,316)</u>	<u>(108,226)</u>
Total investment income	<u>1,171,936</u>	<u>1,134,880</u>	<u>2,306,816</u>
DEDUCTIONS:			
Retirement benefits and refunds	470,418	299,450	769,868
Administrative expenses	<u>35,971</u>	<u>32,435</u>	<u>68,406</u>
Total deductions	<u>506,389</u>	<u>331,885</u>	<u>838,274</u>
Net change	1,207,398	1,251,749	2,459,147
NET ASSETS HELD IN TRUST FOR PENSION BENEFITS:			
Beginning of year	<u>7,674,737</u>	<u>6,838,929</u>	<u>14,513,666</u>
End of year	\$ <u>8,882,135</u>	\$ <u>8,090,678</u>	\$ <u>16,972,813</u>

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

CITY OF WILTON MANORS, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2003

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the City of Wilton Manors, Florida (the City) have been prepared in accordance with generally accepted accounting principles (GAAP) applicable to governmental units. Generally accepted accounting principles (GAAP) includes all relevant Governmental Accounting Standards Board (GASB) pronouncements. For the fiscal year ended September 30, 2003, the City implemented the new financial reporting requirements of GASB Statements No. 34 and related pronouncements. The following is a summary of the more significant accounting policies of the City:

Reporting entity

The City of Wilton Manors, in Broward County, was incorporated in 1947, and was created as a municipality under Chapter 165, Florida Statutes and named the Village of Wilton Manors. The Laws of Florida, 1953, Chapter 29609 established the present municipality, designated it the City of Wilton Manors and enacted its Charter. The City operates under the Mayor/Council form of government and provides the following services as authorized by its Charter - general government, public safety, public services and culture and recreation. As required by generally accepted accounting principles, these financial statements present the City of Wilton Manors (the primary government).

The criteria used for including component units consists of identification of legally separate organizations for which the elected officials of the City are financially accountable. This criteria also includes identification of organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's general purpose financial statements to be misleading or incomplete. Based upon this review, there were no potential component units or related organizations of the City.

Government-wide and fund financial statements:

The Government-wide financial statements (the statement of net assets and statement of changes in net assets) report information on all of the nonfiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities of the reporting entity, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those expenses that are clearly identifiable with a specific function or segment. Amounts reported as program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues. When both restricted and unrestricted resources are available for use, and it is the City's policy to use restricted resources first, then unrestricted resources as they are needed.

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

CITY OF WILTON MANORS, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2003

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The City reports the following major governmental funds:

The General Fund is the City's general operating fund. It accounts for all financial resources except those required to be accounted for in other funds.

The General Obligation Bond Fund is a special revenue fund used to account for the expenditures associated with park acquisitions and improvements funded by the proceeds derived from the 1999 General Obligation Bond and associated grants.

The City reports the following major proprietary fund:

The Utility Fund is used to account for the financial operations of maintaining the financial operations of the City's water and wastewater transmission lines.

Additionally, the government reports the following other special revenue fund types:

The Recycling Fund is used to account for the revenues and expenditures associated with solid waste disposal and recycling.

The Fire Assessment Fund is used to account for financial transactions associated with fire prevention, suppression and emergency medical services.

The Local Law Enforcement Block Grant Fund accounts for grant monies to be utilized to compensate officers for law enforcement and crime prevention activity.

The Police Training and Education Fund accounts for monies received for training and professional development.

The Police Forfeiture Fund accounts for financial transactions involving confiscations through forfeitures. Monies spent out of this fund must first be legally appropriated by the City Council.

The Jenada Assessment Fund accounts for special assessment collections and payments of principal and interest on a note, the proceeds of which were used to fund construction of a neighborhood gatehouse. This assessment is limited to residents located in the Jenada Isles neighborhood.

The Miscellaneous Grants Fund accounts for Federal, state and local grants.

The Road Improvement Fund is used to account for the financial resources to be used to pave streets, perform right-of-way grounds maintenance, and purchase and repair equipment.

Measurement focus, basis of accounting and financial statement presentation:

Measurement focus refers to what is being measured; basis of accounting refers to when revenues and expenses/expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

CITY OF WILTON MANORS, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2003

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The government-wide statements are prepared using the economic resources measurement focus and the accrual basis of accounting. This differs from the manner in which governmental fund financial statements are prepared. Therefore, governmental fund financial statements require reconciliations with a brief explanation to better identify the relationship between the government-wide statements and the statements for governmental funds.

Fund financial statements:

All governmental fund types use the modified accrual basis of accounting under which revenue is recognized in the accounting period in which it becomes susceptible to accrual (i.e., when it becomes both measurable and available). "Measurable" means the amount of the transaction can be determined, and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The City considers property taxes as available if they are collected within sixty days after year end. Licenses and permits, fines and forfeitures, charges for services, and other revenues (except investment earnings) are recorded as revenues when received in cash because they are generally not measurable until actually received. Investment income is recorded as revenue when earned. Special assessments are recorded as revenues only to the extent that individual installments are considered available.

The accrual basis of accounting is followed in the Pension Trust Fund. Under this method of accounting, additions are recognized in the accounting period in which they are earned and deductions are recognized in the period in which they are incurred. The Pension Trust Fund is accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and liabilities associated with the operation of this fund are included on the statement of fiduciary net assets.

Expenditures are generally recognized when the related fund liability is incurred except for principal and interest on long-term debt which are recognized as expenditures on the due date.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues for the proprietary funds include the sale of water and wastewater services for the Utility Fund and user fees for the Drainage Fund. Operating expenses for the enterprise funds include the cost of sales and services, administrative expenses, and depreciation of capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Based on the accounting and reporting standards set forth in Government Accounting Standards Board (GASB) Statement No. 20, Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities that use Proprietary Fund Accounting, the City has elected to apply only the accounting and reporting pronouncements used by the Financial Accounting Standards Board prior to November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements. Governments have the option of following subsequent private sector guidance for business activities and proprietary funds subject to the same limitation. The City has chosen not to follow such guidance.

CITY OF WILTON MANORS, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2003

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Estimates:

The preparation of the basic financial statements in conformity with GAAP requires management to make use of estimates that affect reported amounts in the basic financial statements. Actual results could differ from estimates.

Capital assets:

Capital assets, which include land, buildings, improvements, infrastructure, and machinery and equipment, are reported in the governmental or business-type activities columns in the government-wide financial statements. The government defines capital assets as assets with an initial, individual cost of more than \$ 500 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed.

Interest incurred during the construction phase of capital assets is reflected in the capitalized value of the asset constructed, net of interest earned on the invested proceeds over the same period in proprietary funds.

Property, plant and equipment is depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Infrastructure	40-50
Improvements other than buildings	10-20
Buildings	50
Machinery and equipment	6-15

GASB No. 34 requires the City to report and depreciate new infrastructure assets effective with the beginning of the current year. Infrastructure assets include roads, bridges, underground pipe (other than those related to utilities), traffic signals, etc. These infrastructure assets are likely to be the largest asset class of the City. Neither their historical cost nor related depreciation has historically been reported in the financial statements. The retroactive reporting of infrastructure is subject to an extended implementation period and is first effective for fiscal years ending in 2006. The City has elected to implement the general provisions of GASB No. 34 in the current year, therefore, infrastructure assets acquired or constructed in the current year have been included in the statement of net assets. The City will implement the retroactive infrastructure provisions by the fiscal year ending September 30, 2007.

Long-term debt:

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Bond premiums, discounts and issuance costs are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable premiums and discounts. Issuance costs are reported as deferred charges.

CITY OF WILTON MANORS, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2003

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

In the fund financial statements, governmental fund types recognized bond premiums and discounts, as well as bond issuance costs, during the current period. Bond proceeds are reported as an other financing source net of the applicable premium or discount. Issuance costs, even if withheld from the actual net proceeds received, are reported as debt service expenditures. For proprietary fund types, bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bond issue. Bonds payable are reported net of the applicable bond premium or discount. Issuance costs are reported as deferred charges. Bond discounts and financing costs in the Proprietary Fund are amortized over the life of the bonds outstanding using the straight-line method.

Compensated absences

Accumulated unpaid vacation and sick pay are accrued when incurred. Such amounts are not accrued in governmental funds until it is believed amounts will be paid out of current funds. The liability for these compensated absences in the General Fund is recorded as a liability in the government-wide statement of net assets. In the case of termination, an employee is paid for up to 160 hours for general employees and 250 hours for police officers of accumulated vacation pay. Sick pay is paid only to employees who retire from the City.

Inventory:

Inventories, for all fund types, are valued at cost, using the average cost method. Reported inventories are equally offset by a reservation of fund balance in the governmental fund statements. Inventories of business-type and governmental activities are expensed as consumed.

Investments:

Investments are stated at their fair value.

Restricted assets:

Certain proceeds of enterprise funds revenue bonds, as well as certain resources set aside for their repayment, are classified as restricted assets on the statement of net assets because their use is limited by the applicable bond indenture covenants. Restricted assets also include certain amounts collected from customers as deposits for water and wastewater services.

Amortization of bond discount and issuance costs:

Bond discount and bond issuance costs are amortized over the life of the bond issue, on a straight-line basis in the government-wide financial statements. Such costs are expensed as incurred in the fund financial statements.

Cash and cash equivalents:

In connection with the statement of cash flows, the City has defined cash and cash equivalents to include demand deposits and deposits with the Florida State Board of Administration, which excludes restricted cash in the enterprise funds. Additionally, in accordance with GASB Statement No. 9, each fund's equity in the City's investment pool is considered to be a cash equivalent since the individual funds can deposit or effectively withdraw cash at any time without prior written notice or penalty.

CITY OF WILTON MANORS, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2003

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Deferred revenue:

Governmental funds report deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. Deferred revenues at the government-wide level arise only when the City receives resources before it has a legal claim to them.

Interfund transactions:

Quasi-external transactions are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures or expenses initially made which are applicable to another fund, are recorded as expenditures or expenses in the reimbursing fund and as reductions of expenditures or expenses in the fund that is reimbursed.

All other interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers. All other interfund transfers are reported as operating transfers.

Advances to other funds are typically long-term in nature (Note G).

Interfund advances are transfers of funds that are expected to be repaid beyond one year.

Unbilled revenues:

The Utility Fund recognizes revenues on services which have been rendered to customers whether billed or not. Such amount totaled \$ 210,391 at September 30, 2003 and is included in accounts receivable in the accompanying statement of net assets.

Equity classifications:

Government-wide statements

Equity is classified as net assets and displayed in three components:

- a. Invested in capital assets, net of related debt - consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, or other borrowings that are attributable to the acquisition, construction or improvement of those assets.
- b. Restricted net assets - consists of net assets with constraints placed on their use either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments, or 2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net assets - all other net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt."

Fund statements

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

CITY OF WILTON MANORS, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2003

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Change in accounting principle

Effective October 1, 2002, the City adopted the new financial reporting requirements of GASB Statement No. 34, "Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments" and other subsequent pronouncements which must be adopted at the same time. As a result, beginning net assets for government activities have been restated to reflect the following changes:

Total fund balances (deficit) - governmental funds, September 30, 2002, as previously reported	\$ 4,201,932
Capital assets, net of accumulated depreciation	9,166,257
Debt and related accrued interest	(3,087,648)
Compensated absences	<u>(483,189)</u>
 Total net assets - governmental activities, September 30, 2002, as restated	 \$ <u>9,797,352</u>

NOTE B - RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

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

The governmental fund balance sheet requires a reconciliation between fund balance (deficit) - total governmental funds and net assets - governmental activities as reported in the government-wide statement of net assets. One element of that reconciliation explains that "long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds." The details of this \$ 3,411,017 difference are as follows:

Bonds payable	\$ 2,919,090
Compensated absences	449,328
Accrued interest	<u>42,599</u>
 Net adjustment to reduce fund balance (deficit) - total governmental funds to arrive at net assets - governmental activities	 \$ <u>3,411,017</u>

Another element of that reconciliation explains that "capital assets used in governmental activities are not financial resources and therefore are not reported in the funds." The details of this \$ 15,738,312 difference are as follows:

Capital asset costs	\$ 19,792,999
Accumulated depreciation	<u>(4,054,687)</u>
 Net adjustment to reduce fund balance (deficit) - total governmental funds to arrive at net assets - governmental activities	 \$ <u>15,738,312</u>

CITY OF WILTON MANORS, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2003

NOTE B - RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS
(continued)

Explanation of certain differences between the governmental statement of revenues, expenditures and changes in fund and the government-wide statement of activities:

The Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balances (Deficit) require a reconciliation between changes in net assets of governmental activities as reported in the government-wide statement of activities. One element of that reconciliation explains that "governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense." The details of this \$ 6,572,055 difference are as follows:

Capital outlay		\$ 7,183,178
Depreciation expense		<u>(611,123)</u>
Net adjustment to increase net changes in fund balances (deficit) - total governmental funds to arrive at net changes in net assets - governmental activities		\$ <u>6,572,055</u>

Another element of that reconciliation states that "the issuance of long-term debt provides current financial resources while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither of these transactions has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, where as these amounts are deferred and amortized in the statement of activities. The details of these differences are as follows:

Principal repayments on bonds		\$ <u>124,147</u>
Net adjustment to decrease net changes in fund balances (deficit) - governmental fund to arrive at changes in net assets of governmental activities.		\$ <u>124,147</u>

Another element of that reconciliation states that "some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds." The details of changes in items recorded in the government-wide financial statements and the governmental funds financial statements, because they do not require current financial resources, are as follows:

Change in compensated absences		\$ 33,860
Change in accrued interest payable		<u>1,813</u>
Net adjustment to increase net changes in fund balances (deficit) - governmental funds to arrive at changes in net assets of governmental activities.		\$ <u>35,673</u>

CITY OF WILTON MANORS, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2003

NOTE C - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgets and budgetary accounting:

The City follows these procedures in establishing the budgetary data reflected in the financial statements.

1. Prior to September 1, the City Manager submits to the City Council a proposed operating budget for the fiscal year commencing the following October 1. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted to obtain taxpayer comments.
3. Prior to October 1, the budget is legally enacted through passage of two resolutions - one fixing a millage rate and another adopting the final budget. Property taxes are payable from November 1 to March 31 and become delinquent on April 1.
4. Appropriations which are neither expended, encumbered or specifically designated to be carried over lapse at the end of the fiscal year.
5. The City prepares and adopts a budget for the General Fund, Recycling Fund, Fire Assessment Fund, Jenada Assessment Fund, Road Improvement Fund, Utility Fund and Drainage Fund. The budgets are adopted on a basis consistent with generally accepted accounting principles. Budgeted amounts are as originally adopted, or as amended by the City Council. Changes to or amendments to total budgeted revenues or expenditures or changes to character expenditures within any of the City's departments must be approved by the director of the respective department. The level of control (level of which expenditures may not exceed the budget) is at the departmental level.

Encumbrances:

Encumbrance accounting, under which purchase orders and other commitments for the expenditures of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration in the governmental fund financial statements. Encumbrances outstanding at year-end are reported as reservations of fund balance.

The following supplemental appropriations were necessary during the current fiscal year:

General Fund	
City Management	\$ 17,492
Finance	42,196
City Attorney	50,803
Recycling Fund	
Public Services	28,225
Jenada Assessment Fund	
Public Services	2,229

The supplemental appropriations were necessitated by unexpected administrative costs and operating expenditures.

CITY OF WILTON MANORS, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2003

NOTE C - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (continued)

Comparison of budget to actual results:

The budgetary process provides for the inclusion of encumbrances as expenditures in the current year in the fund financial statements. Accordingly, budget and actual amounts are not comparable unless encumbrances outstanding at the end of the year are included as expenditures, therefore, the applicable columns of the statement of revenues, expenditures and changes in fund balance - budget and actual exclude amounts relating to unbudgeted funds. The following summary of adjustments necessary to compare the fund balances of the General Fund for 2003:

Statement of revenues, expenditures and changes in fund balances - page 17	\$	1,788,017
Encumbrances recorded in		<u>(176,316)</u>
Statement of revenues, expenditures and changes in fund balances - budget and actual - page 22	\$	<u>1,611,693</u>

NOTE D - CASH AND CASH EQUIVALENTS AND INVESTMENTS

As required by Chapter 280.03, Florida Statutes, all deposits of the City during the year ended September 30, 2003, including time deposit accounts, demand deposit accounts and money market accounts, were held in institutions designated by the Treasurer of the State of Florida as "qualified public depositories" and were accordingly covered by a collateral pool as required by that Statute. Therefore, in accordance with GASB Codification 150.110, the deposits are treated as insured for classification purposes. The year-end balances are collateralized as follows:

	<u>Carrying Amount</u>		<u>Bank Balance</u>
Insured by F.D.I.C.	\$ 100,000	\$	100,000
Collateral pool	<u>5,439,376</u>	<u>\$</u>	<u>5,439,376</u>
	<u>\$ 5,539,376</u>	<u>\$</u>	<u>5,539,376</u>

Florida Statutes and City Ordinance authorize City officials to invest pooled funds in United States bonds and obligations, guaranteed United States agency issues, Florida county, municipal and district general, excise and revenue obligations, Florida bank certificates of deposit, bankers acceptances, reverse repurchase agreements and prime commercial paper issues. Investments in the enterprise funds are allowed to be comprised of U.S. Treasury State and Local Government Series Securities (SLGS). In addition, the Pension Trust Fund is authorized to invest in corporate bonds, stocks, mutual funds, money market funds, mortgages and notes.

The City's investments are categorized by type to give an indication of the level of credit risk assumed by the City at year end. Category 1 included investments that are insured or registered or for which the securities are held by the City or its agent in the City's name. Category 2 includes uninsured and unregistered securities held by the financial institution's trust department or agent in the City's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the City's custodian but not in the City's name.

CITY OF WILTON MANORS, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2003

NOTE D - CASH AND CASH EQUIVALENTS AND INVESTMENTS (continued)

At September 30, 2003, the City's investments in pension plans are carried at fair value as follows:

	CATEGORY			CARRYING AND FAIR VALUE
	1	2	3	
U.S. government securities	\$ 3,595,306	--	\$ --	\$ 3,595,306
Common stocks	11,602,391	--	--	11,602,391
Corporate bonds	<u>2,107,367</u>	--	--	<u>2,107,367</u>
	<u>\$ 17,305,064</u>	\$ --	\$ --	<u>\$ 17,305,064</u>

NOTE E - PROPERTY TAXES

Property taxes are levied and become a lien on real and personal property prior to September 30, and are payable November 1, with discounts of one to four percent if paid prior to March 1 of the following calendar year. All unpaid taxes on real and personal property become delinquent on April 1, and bear interest of eighteen percent from April 1 until a tax sale certificate is sold at auction.

Assessed values are established by the Broward County Property Appraiser at just values. The assessed value of property at January 1, 2003, upon which the 2002-2003 levy was based, was approximately \$ 645,000,000.

The City is permitted by Article 7, Section 8 of the Florida Constitution to levy taxes up to \$ 10 per \$ 1,000 of assessed valuation for general governmental services (other than the payment of principal and interest on general obligation long-term debt). In addition, unlimited amounts may be levied for the payment of principal and interest on general obligation long-term debt subject to a limitation on the amount of debt outstanding. The tax rate to finance general governmental services and debt service requirements for the year ended September 30, 2003 was 6.5789 per \$ 1,000.

NOTE F - CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2003 was as follows:

Governmental activities:	Balance October 1, 2002	Increases	Decreases	Balance September 30, 2003
Capital assets, not being depreciated:				
Land	\$ 2,645,296	\$ 3,567,651	\$ --	\$ 6,212,947
Construction in progress	<u>1,883,565</u>	<u>--</u>	<u>1,883,565</u>	<u>--</u>
Total capital assets, not being depreciated	<u>4,528,861</u>	<u>3,567,651</u>	<u>1,883,565</u>	<u>6,212,947</u>

CITY OF WILTON MANORS, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2003

NOTE F - CAPITAL ASSETS (continued)

Governmental activities:	Balance October 1, 2002	<u>Increases</u>	<u>Decreases</u>	Balance September 30, 2003
Capital assets, being depreciated:				
Buildings	1,859,023	1,245,942	--	3,104,965
Improvements other than buildings	3,726,693	3,980,796	--	7,707,489
Machinery and equipment	<u>2,495,244</u>	<u>272,354</u>	--	<u>2,767,598</u>
Total capital assets being depreciated	<u>8,080,960</u>	<u>5,499,092</u>	--	<u>13,580,052</u>
Less accumulated depreciation for:				
Buildings	1,127,381	51,045	--	1,178,426
Improvements other than buildings	990,505	284,514	--	1,275,019
Machinery and equipment	<u>1,325,678</u>	<u>275,564</u>	--	<u>1,601,242</u>
Total accumulated depreciation	<u>3,443,564</u>	<u>611,123</u>	--	<u>4,054,687</u>
Total capital assets, being depreciated, net	<u>4,637,396</u>	<u>4,887,969</u>	--	<u>9,525,365</u>
Governmental activities, capital assets, net	\$ <u>9,166,257</u>	\$ <u>8,455,620</u>	\$ <u>1,883,565</u>	\$ <u>15,738,312</u>

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

Governmental activities:	
General government	\$ 114,772
Public safety	174,280
Culture and recreation	255,766
Public services	<u>66,305</u>
Total depreciation expense - governmental activities	\$ <u>611,123</u>

Business-type activities:	Balance October 1, 2002	<u>Increases</u>	<u>Decreases</u>	Balance September 30, 2003
Capital assets, not being depreciated:				
Land	\$ --	\$ 1,502,973	\$ --	\$ <u>1,502,973</u>
Total capital assets, not being depreciated	<u>--</u>	<u>1,502,973</u>	--	<u>1,502,973</u>
Capital assets, being depreciated:				
Infrastructure	12,789,770	585,298	--	13,375,068
Improvements other than buildings	4,189,239	115,482	--	4,304,721
Buildings	8,893	588,795	--	597,688
Machinery and equipment	<u>698,225</u>	<u>64,009</u>	--	<u>762,234</u>
Total capital assets being depreciated	<u>17,686,127</u>	<u>1,353,584</u>	--	<u>19,039,711</u>

CITY OF WILTON MANORS, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2003

NOTE F - CAPITAL ASSETS (continued)

Business-type activities:	Balance October 1, 2002	<u>Increases</u>	<u>Decreases</u>	Balance September 30, 2003
Less accumulated depreciation for:				
Infrastructure	4,453,526	218,708	--	4,672,234
Improvements other than buildings	2,745,524	275,424	--	3,020,948
Buildings	--	4,016	--	4,016
Machinery and equipment	<u>306,492</u>	<u>18,976</u>	<u>--</u>	<u>325,468</u>
Total accumulated depreciation	<u>7,505,542</u>	<u>517,124</u>	<u>--</u>	<u>8,022,666</u>
Total capital assets, being depreciated, net	<u>10,180,585</u>	<u>826,457</u>	<u>--</u>	<u>11,007,045</u>
Total business-type activities, capital assets, net	\$ <u>10,180,585</u>	\$ <u>2,339,433</u>	\$ <u>--</u>	\$ <u>12,520,018</u>

Depreciation expense was charged to Utility services and Stormwater drainage functions in the amounts of \$ 399,230 and \$117,894, respectively.

NOTE G - INTERFUND TRANSFERS AND BALANCES

Interfund balances and transfers are as follows:

<u>Due from:</u>	<u>General Fund</u>	<u>Drainage Fund</u>
Major funds:		
Utility Fund	\$ --	\$ 93,474
General Obligation Bond Fund	612,935	--
Nonmajor funds:		
Miscellaneous Grants Fund	<u>278,827</u>	<u>--</u>
Total	\$ <u>891,762</u>	\$ <u>93,474</u>

<u>Transfer out</u>	<u>Transfer in</u>		
	<u>General Fund</u>	<u>Utility Fund</u>	<u>Drainage Fund</u>
General Fund	\$ --	\$ 24,991	\$ 71,438
Recycling Fund	139,052	39,729	3,539
Fire Assessment Fund	43,310	--	--
Road Improvement Fund	62,064	--	--
Utility Fund	552,304	--	--
Drainage Fund	<u>15,513</u>	<u>13,244</u>	<u>--</u>
Totals	\$ <u>812,243</u>	\$ <u>77,964</u>	\$ <u>74,977</u>

CITY OF WILTON MANORS, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2003

NOTE G - INTERFUND TRANSFERS AND BALANCES (continued)

All transfers are used to reimburse funds for expenditures incurred for the respective fund.

NOTE H - COMMITMENTS AND CONTINGENCIES

The City has entered into an agreement with the City of Fort Lauderdale to provide it with Fire and EMS services through September 30, 2005. The expenditures by the City for the year ended September 30, 2003 relating to this agreement totaled approximately \$ 843,000.

The Broward County Wastewater Plan requires the City to use the City of Fort Lauderdale wastewater facilities through the year 2021. The City has a contract to purchase water from the City of Fort Lauderdale which expires in 2005.

The City is involved in several ongoing litigation matters. The ultimate outcome of these matters, in the opinion of the City Attorney, will not have a material effect on the financial condition of the City.

The City does not provide post-retirement benefits to retired employees.

Grants Compliance

The City receives financial assistance from Federal, state and local governmental agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and may be subject to audit by the grantor agencies. In accordance with OMB Circular A-133, Audits of States, Local Governments, and Nonprofit Organizations and the Florida Single Audit Act, the City may be required to conduct "single audits" when such funding exceeds the required thresholds which are both currently \$ 300,000. The City expended state monies exceeding this threshold during the year ended September 30, 2003.

The following summarizes grant activity for the year ended September 30, 2003:

<u>Grant</u>	<u>Revenues</u>	<u>Expenses/ Expenditures</u>	<u>Receivable</u>
Property Interlocal Agreement	\$ 1,939,086	\$ 1,939,086	\$ --
Florida Community Trust	1,656,394	1,656,394	--
Broward County Challenge Grant	657,032	657,032	216,647
Library and Information Services	300,000	300,000	120,000
Florida Recreation Development Assistance Program	293,236	293,236	97,197
Broward Boating Improvement Program	75,000	75,000	--
Community Development Block Grant	54,566	54,566	49,150
Confiscated Property Assistance Grant	36,579	--	--
Local Law Enforcement Block Grant	23,040	23,040	8,823
Food Program	11,782	11,782	--
Broward Beautiful	5,148	5,148	--

CITY OF WILTON MANORS, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2003

NOTE I - DEBT

The following is a summary of the changes in the debt of the City from October 1, 2002 through September 30, 2003:

	<u>BALANCE AT OCTOBER 1, 2002</u>	<u>DEBT ADDITIONS</u>	<u>DEBT RETIRED</u>	<u>BALANCE AT SEPTEMBER 30, 2003</u>	<u>DUE WITHIN ONE YEAR (NET OF DISCOUNTS)</u>
Governmental activities:					
1999 General Obligation bonds interest at 4.378% and principal payable annually of \$ 256,036, due in June 2019	\$ <u>3,043,237</u>	\$ <u> --</u>	\$ <u>124,147</u>	\$ <u>2,919,090</u>	\$ <u>129,448</u>
Total governmental activities, debt	<u>3,043,237</u>	<u> --</u>	<u>124,147</u>	<u>2,919,090</u>	<u>129,448</u>
Business-type activities:					
Series 1989 Water and Sewer Refunding and Improvement Revenue Bonds, 5.5% term bonds, payable semi-annually, due in the year 2012 (net of unamortized bond discounts of \$ 78,715 in 2002 and \$ 70,843 in 2003)	2,511,285	7,871	--	2,519,156	--
Series 1992 Water and Sewer Revenue Bonds, various interest rates, ranging from 3.7% to 5.55%, payable semi-annually, due serially through the year 2003 (net of unamortized bond discounts of \$ 1,763 in 2002 and \$ 835 in 2003)	265,717	928	135,000	131,645	131,645
Series 1998 Water and Sewer Revenue Bonds, 4.33% term bonds, interest payable semi-annually, principal payable annually in varying amounts through 2012 (net of unamortized deferred bond refunding costs of \$ 193,026 in 2002 and \$ 173,724 in 2003)	6,360,795	19,303	545,253	5,834,845	552,022
Series 1993 Stormwater Utility Revenue Bonds, 4.77% interest payable semi-annually, due in various amounts through 2003	<u>161,000</u>	<u> --</u>	<u>79,000</u>	<u>82,000</u>	<u>82,000</u>
Total business-type activities	<u>9,298,797</u>	<u>28,102</u>	<u>759,253</u>	<u>8,567,646</u>	<u>765,667</u>
Total governmental and business-type activities	\$ <u>12,342,034</u>	\$ <u>28,102</u>	\$ <u>883,400</u>	\$ <u>11,486,736</u>	\$ <u>895,115</u>

CITY OF WILTON MANORS, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2003

NOTE I - DEBT (continued)

The following are the requirements to amortize all debt at September 30, 2003, including unamortized discounts of \$ 71,678 and deferred bond refunding costs of \$ 173,724.

Fiscal year ending	General Obligation Bonds Payable		Enterprise Funds Revenue Bonds	
	Principal	Interest	Principal	Interest
2004	\$ 129,448	\$ 126,588	\$ 765,667	\$ 414,011
2005	135,177	120,859	802,183	377,883
2006	141,160	114,876	854,304	345,586
2007	147,408	108,628	938,448	311,709
2008	153,932	102,104	1,019,600	276,790
2009 - 2013	878,088	402,092	4,187,444	629,521
2014 - 2018	1,086,008	194,172	--	--
2019 - 2023	247,869	8,168	--	--
Total	<u>\$2,919,090</u>	<u>\$1,177,487</u>	<u>\$8,567,646</u>	<u>\$2,355,500</u>

The Indentures of Mortgage and Trust relating to the business-type revenue bonds establish a number of financial limitations and restrictions which must be followed by the City. The City is in compliance with all significant aspects of such limitations and restrictions.

The series Water and Sewer Revenue Bonds are secured by a first lien on the net revenues of the Utility Fund.

The City previously issued \$ 1,470,000 of Series 1993 Stormwater Utility Revenue Bonds. The bonds bear interest at 4.77%. The net revenues of the Drainage Fund are pledged as security for these bonds.

The City has irrevocably deposited cash in escrow solely for satisfying scheduled payments of both principal and interest on the 1987 Water and Sewer Revenue Refunded Bonds. The refunded bonds and related investments are not reflected on the City's statement of net assets. The outstanding principal balance of such bonds at September 30, 2003 was \$ 6,780,000.

The City previously issued \$ 8,066,930 in Series 1998 Water and Sewer Revenue Bonds with an average interest rate of 4.33% to advance refund \$ 7,845,000 of outstanding 1989 and 1992 Water and Sewer Revenue Bonds. The net proceeds were used to purchase U.S. Government securities which together with interest earned will be sufficient to retire the defeased bonds as they mature. Those securities were deposited with an escrow agent to provide for all future debt service payments, therefore the 1989 and 1992 series bonds are considered to be defeased and the liability for those bonds has been removed from the Utility Fund. The outstanding principal balance on these defeased bonds was \$ 6,110,000 at September 30, 2003

NOTE J - PENSION TRUST

Plan description

The Pension Plan for General Employees and Police (Plan) is a single-employer defined benefit plan. All full-time employees (excluding elected officials, persons appointed to fulfill elected positions and retained professionals and consultants for the City) and police officers shall become participants in the Plan on their start of service. The Plan provides retirement, death and disability benefits. The benefit provisions are established and may be amended under the authority of City ordinance. The Plan does not currently provide for post retirement benefit increases.

CITY OF WILTON MANORS, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2003

NOTE J - PENSION TRUST (continued)

Plan assets

The City utilizes the frozen entry age actuarial cost method. The asset valuation method is a five year moving average.

Additional information as of the latest actuarial valuation includes:

An assumed annual inflation rate of 3.5%; an annual investment rate of return of 8.00%; projected annual salary increases of 5.5%; no post retirement benefit increases; the amortization method is level dollar, closed; the amortization period is 30 year, closed.

On October 1, 2002 (the last plan year valuation date), Plan membership consisted of:

	<u>General</u>	<u>Police</u>
Retirees and beneficiaries receiving benefits	28	12
Active plan members	<u>54</u>	<u>30</u>
Total	<u>82</u>	<u>42</u>

Plan members are required to contribute 11% (10% for police officers) of their salary to the Plan. Contribution requirements of the Plan members and the City are established and may be amended by City ordinance. The City is required to fund any annual unfunded amount as actuarially determined.

The Plan previously established a deferred retirement option provision (DROP). Members with twenty or more years are eligible to participate. Upon electing this option, a member makes no more contributions and a separate account is established. As of September 30, 2003, \$ 835,539 is held for DROP participants.

Administrative costs of the Plan are financed through current or prior investment earnings. The contribution requirements of covered payroll and actual contributions made for the fiscal year ended 2003 and the two preceding years were as follows:

	<u>FY 2003</u>	<u>FY 2002</u>	<u>FY 2001</u>
Contribution Requirements	\$ 572,216	\$ 359,836	\$ 290,022
Contributions Made (100%)	\$ 572,216	\$ 359,836	\$ 290,022
Total Covered Payroll	\$ 3,895,000	\$ 3,719,000	\$ 3,622,000
Percent of Covered Payroll	14.69%	9.68%	8.01%
Net Pension Obligation	\$ NONE	\$ NONE	\$ NONE

Plan Financial Report

The City has issued stand-alone financial statements for the Plan which may be obtained from the City of Wilton Manors Finance Department.

CITY OF WILTON MANORS, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2003

NOTE K - RISK MANAGEMENT

Wilton Manors previously joined the Risk Management Associates Preferred Governmental Insurance Trust Program (the program). The program provides the City with first dollar coverage for property, casualty and workers' compensation claims with the exception of a \$ 1,000 deductible per occurrence on property claims. The workers' compensation is underwritten by a trust agreement authorized by the State of Florida. Prior to October 1, 2002, the property and casualty areas were fully insured by an insurance company. Effective October 1, 2002, the Preferred Governmental Insurance Trust and the member entities, insured under it, executed a new trust agreement for property and casualty, also authorized by the State of Florida. All City coverages remain the same under this new agreement.

NOTE L - INDIVIDUAL FUND DISCLOSURES

At September 30, 2003, the following Special Revenue Funds had deficit fund balances. The City expects to seek and obtain additional grant funding to reduce certain of these and any remaining deficiency will be funded by the General Fund.

	<u>Deficit Fund Balance</u>
Special Revenue Fund:	
General Obligation Bond Fund	\$ 297,719
Miscellaneous Grants Fund	270,004
Fire Assessment Fund	31,730

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**REQUIRED SUPPLEMENTARY
INFORMATION**

CITY OF WILTON MANORS, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
PENSION PLAN FOR GENERAL EMPLOYEES AND POLICE
SCHEDULE OF FUNDING PROGRESS
For the Last Six Fiscal Years
(\$ amounts in 000's)

(1)	(2)	(3)	(4)	(5)	(6)	(7)
<u>Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Frozen Actuarial Accrued Liability</u>	<u>Unfunded Frozen Actuarial Accrued Liability</u>	<u>Funded Ratio</u>	<u>Annual Covered Payroll</u>	<u>Unfunded Frozen Actuarial Accrued Liability as % of Payroll</u>
10/01/97	\$ 11,584	\$ 12,927	\$ 1,343	89.6	\$ 3,380	39.7
10/01/98	13,584	14,579	1,370	90.6	3,376	40.6
10/01/99	14,964	16,344	1,380	91.7	3,433	40.2
10/01/00	16,513	17,902	1,389	92.2	3,622	38.4
10/01/01	17,353	18,747	1,393	92.6	3,719	37.5
10/01/02	17,310	18,691	1,381	92.6	3,895	35.5

(1) A deferred retirement option plan (DROP) provision was implemented in 1996.

CITY OF WILTON MANORS, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CONTRIBUTIONS FROM THE EMPLOYER
AND OTHER CONTRIBUTING ENTITIES
For the Last Six Fiscal Years

Total General Employees and Police Retirement System

<u>Fiscal Year Ended</u>	<u>Member</u>		<u>City</u>		<u>State of Florida</u>	
	<u>Annual Required Contribution</u>	<u>Percentage Contributed</u>	<u>Annual Required Contribution</u>	<u>Percentage Contributed</u>	<u>Annual Required Contribution</u>	<u>Percentage Contributed</u>
09/30/98	\$ 454,992	100%	\$ 248,742	100%	\$ 71,394	100%
09/30/99	328,375	100%	362,429	100%	35,072	100%
09/30/00	337,190	100%	311,563	100%	--	--
09/30/01	361,913	100%	290,022	100%	--	--
09/30/02	403,528	100%	359,836	100%	--	--
09/30/03	418,389	100%	572,216	100%	--	--

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COMBINING FINANCIAL STATEMENTS NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Recycling Fund

The Recycling Fund accounts for revenues and expenditures associated with solid waste management, disposal, and recycling. The City shares a 50% division of revenues derived from recycled material delivered to the Multi Recycling Facility (MRF) with its private refuse collector.

Fire Assessment Fund

The Fire Assessment Fund accounts for the financial transactions associated with fire prevention, suppression, and emergency medical services (EMS).

Local Law Enforcement Block Grant Fund

This fund accounts for grant monies to be utilized to compensate officers for law enforcement and crime prevention activity.

Police Training and Education Fund

This fund is used to account for monies received for training and professional development.

Police Forfeiture Fund

This fund accounts for financial transactions involving confiscations through forfeitures. Monies spent out of this fund must first be legally appropriated by the City Council.

Jenada Assessment Fund

The Jenada Assessment Fund accounts for special assessment collections and payments of principal and interest on a note, the proceeds of which were used to fund construction of a neighborhood gatehouse. This assessment is limited to residents located in the Jenada Isles neighborhood.

Miscellaneous Grants Fund

The Miscellaneous Grants Fund accounts for Federal, State, and Local grants.

Road Improvement Fund

The Road Improvement Fund accounts for revenues generated through the State and Local Gas Tax. The revenue received from this tax is used to pave streets, perform right-of-way grounds maintenance and purchase and repair equipment used for these purposes.

CITY OF WILTON MANORS, FLORIDA
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
September 30, 2003

	<u>Recycling Fund</u>	<u>Fire Assessment Fund</u>	<u>Local Law Enforcement Block Grant Fund</u>	<u>Police Training and Education Fund</u>	<u>Police Forfeiture Fund</u>
ASSETS:					
Equity in pooled cash	\$ 427,360	\$ 21,110	\$ 25,261	\$ 58,796	\$ 60,868
Accounts receivable	123,052	--	--	--	--
Inventory	20,158	--	--	--	--
Due from other governments	--	--	--	--	--
Other assets	--	--	--	656	--
Total assets	\$ <u>570,570</u>	\$ <u>21,110</u>	\$ <u>25,261</u>	\$ <u>59,452</u>	\$ <u>60,868</u>
LIABILITIES AND FUND EQUITY (DEFICIT):					
Liabilities:					
Accounts payable	\$ 140,326	\$ 14,934	\$ 296	\$ --	\$ --
Accrued expenditures	28,226	5,851	266	--	--
Due to other funds	--	--	--	--	--
Deferred revenue	--	32,055	--	--	--
Advance from other fund	--	--	--	--	--
Total liabilities	<u>168,552</u>	<u>52,840</u>	<u>562</u>	<u>--</u>	<u>--</u>
Fund equity (deficit):					
Fund balance (deficit):					
Reserved for encumbrances	7,931	22,634	--	--	--
Reserved for inventory	20,158	--	--	--	--
Unreserved:					
Designated for subsequent year expenditures	--	6,000	--	--	--
Undesignated (deficit)	<u>373,929</u>	<u>(60,364)</u>	<u>24,699</u>	<u>59,452</u>	<u>60,868</u>
Total fund equity (deficit)	<u>402,018</u>	<u>(31,730)</u>	<u>24,699</u>	<u>59,452</u>	<u>60,868</u>
Total liabilities and fund equity (deficit)	\$ <u>570,570</u>	\$ <u>21,110</u>	\$ <u>25,261</u>	\$ <u>59,452</u>	\$ <u>60,868</u>

<u>Jenada Assessment Fund</u>	<u>Miscellaneous Grants Fund</u>	<u>Road Improvement Fund</u>	<u>Total</u>
\$ 737	\$ --	\$ 301,954	\$ 896,086
--	--	13,262	136,314
--	--	12,449	32,607
--	8,823	--	8,823
<u>--</u>	<u>--</u>	<u>--</u>	<u>656</u>
\$ <u>737</u>	\$ <u>8,823</u>	\$ <u>327,665</u>	\$ <u>1,074,486</u>
\$ 27	\$ --	\$ 5,462	\$ 161,045
--	--	--	34,343
--	278,827	--	278,827
--	--	--	32,055
<u>--</u>	<u>--</u>	<u>208,045</u>	<u>208,045</u>
<u>27</u>	<u>278,827</u>	<u>213,507</u>	<u>714,315</u>
--	17,476	58,209	106,250
--	--	12,449	32,607
--	--	6,000	12,000
<u>710</u>	<u>(287,480)</u>	<u>37,500</u>	<u>209,314</u>
<u>710</u>	<u>(270,004)</u>	<u>114,158</u>	<u>360,171</u>
\$ <u>737</u>	\$ <u>8,823</u>	\$ <u>327,665</u>	\$ <u>1,074,486</u>

CITY OF WILTON MANORS, FLORIDA
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES (DEFICIT)
For the Year Ended September 30, 2003

	<u>Recycling Fund</u>	<u>Fire Assessment Fund</u>	<u>Local Law Enforcement Block Grant Fund</u>	<u>Police Training and Education Fund</u>	<u>Police Forfeiture Fund</u>
REVENUES:					
Franchise fees	\$ 314,235	\$ --	\$ --	\$ --	\$ --
Intergovernmental revenues	--	--	18,827	--	--
Charges for services	150,561	47,121	--	--	--
Fines and forfeitures	--	--	--	10,755	36,579
Special assessments	--	813,787	--	--	--
Miscellaneous	<u>5,849</u>	<u>2,571</u>	<u>410</u>	<u>--</u>	<u>3,081</u>
Total revenues	<u>470,645</u>	<u>863,479</u>	<u>19,237</u>	<u>10,755</u>	<u>39,660</u>
EXPENDITURES:					
Current					
Public safety	--	799,205	20,043	7,893	19,195
Public services	234,751	--	--	--	--
Capital outlay	<u>9,852</u>	<u>70,463</u>	<u>--</u>	<u>--</u>	<u>151,769</u>
Total expenditures	<u>244,603</u>	<u>869,668</u>	<u>20,043</u>	<u>7,893</u>	<u>170,964</u>
Excess (deficiency) of revenues over expenditures before other financing sources (uses)	226,042	(6,189)	(806)	2,862	(131,304)
OTHER FINANCING SOURCES (USES):					
Operating transfers out	<u>(182,320)</u>	<u>(43,310)</u>	<u>--</u>	<u>--</u>	<u>--</u>
Excess of revenues over (under) expenditures	43,722	(49,499)	(806)	2,862	(131,304)
FUND BALANCES (DEFICIT) AT BEGINNING OF YEAR	<u>358,296</u>	<u>17,769</u>	<u>25,505</u>	<u>56,590</u>	<u>192,172</u>
FUND BALANCES (DEFICIT) AT END OF YEAR	\$ <u>402,018</u>	\$ <u>(31,730)</u>	\$ <u>24,699</u>	\$ <u>59,452</u>	\$ <u>60,868</u>

<u>Jenada Assessment Fund</u>	<u>Miscellaneous Grants Fund</u>	<u>Road Improvement Fund</u>	<u>Total</u>
\$ --	\$ --	\$ --	\$ 314,235
--	75,708	241,204	335,739
--	--	--	197,682
4,501	--	--	47,334
51	--	--	818,288
<u>4,552</u>	<u>--</u>	<u>3,515</u>	<u>15,477</u>
<u>4,552</u>	<u>75,708</u>	<u>244,719</u>	<u>1,728,755</u>
--	4,614	--	850,950
7,084	--	69,704	311,539
<u>--</u>	<u>56,474</u>	<u>220,799</u>	<u>509,357</u>
<u>7,084</u>	<u>61,088</u>	<u>290,503</u>	<u>1,671,846</u>
(2,532)	14,620	(45,784)	56,909
<u>--</u>	<u>--</u>	<u>(62,064)</u>	<u>(287,694)</u>
(2,532)	14,620	(107,848)	(230,785)
<u>3,242</u>	<u>(284,624)</u>	<u>222,006</u>	<u>590,956</u>
\$ <u>710</u>	\$ <u>(270,004)</u>	\$ <u>114,158</u>	\$ <u>360,171</u>

**CITY OF WILTON MANORS, FLORIDA
 RECYCLING FUND
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL
 For the Year Ended September 30, 2003**

	Budgeted Amounts				
	Original	Final	Actual	Variance	
REVENUES:					
Franchise fees	\$ 230,230	\$ 230,230	\$ 314,235	\$ 84,005	
Intergovernmental revenues	2,000	2,000	--	(2,000)	
Charges for services	79,125	79,125	150,561	71,436	
Miscellaneous	17,949	17,949	5,849	(12,100)	
Prior year surplus	113,473	153,473	--	(153,473)	
Total revenues	442,777	482,777	470,645	(12,132)	
EXPENDITURES:					
Current:					
Public services					
Operating expenditures	214,457	214,457	242,682	(28,225)	
Capital outlay	46,000	86,000	9,852	76,148	
Total expenditures	260,457	300,457	252,534	47,923	
Excess of revenues over expenditures before other financing sources (uses)	182,320	182,320	218,111	35,791	
OTHER FINANCING SOURCES (USES):					
Operating transfers out	(182,320)	(182,320)	(182,320)	--	
Excess of revenues over expenditures	--	--	35,791	35,791	
FUND BALANCE AT BEGINNING OF YEAR	235,608	235,608	358,466	122,858	
FUND BALANCE AT END OF YEAR	\$ 235,608	\$ 235,608	\$ 394,257	\$ 158,649	

**CITY OF WILTON MANORS, FLORIDA
FIRE ASSESSMENT FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE (DEFICIT) - BUDGET AND ACTUAL
For the Year Ended September 30, 2003**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Charges for services	\$ 46,000	\$ 46,000	\$ 47,121	\$ 1,121
Special assessments	804,243	804,243	813,787	9,544
Miscellaneous	11,575	11,575	2,571	(9,004)
Prior year surplus	<u>110,362</u>	<u>127,971</u>	<u>--</u>	<u>(127,971)</u>
Total revenues	<u>972,180</u>	<u>989,789</u>	<u>863,479</u>	<u>(126,310)</u>
EXPENDITURES:				
Current:				
Public safety:				
Operating expenditures	818,019	818,128	801,099	17,029
Capital outlay	<u>110,850</u>	<u>128,350</u>	<u>91,092</u>	<u>37,258</u>
Total expenditures	<u>928,869</u>	<u>946,478</u>	<u>892,191</u>	<u>54,287</u>
Excess (deficiency) of revenues over expenditures before other financing sources (uses)	43,311	43,311	(28,712)	(72,023)
OTHER FINANCING SOURCES (USES):				
Operating transfers out	<u>(43,311)</u>	<u>(43,311)</u>	<u>(43,311)</u>	<u>--</u>
Excess of revenues over (under) expenditures	--	--	(72,023)	(72,023)
FUND BALANCE AT BEGINNING OF YEAR	<u>--</u>	<u>--</u>	<u>19,040</u>	<u>19,040</u>
FUND BALANCE (DEFICIT) AT END OF YEAR	\$ <u><u>--</u></u>	\$ <u><u>--</u></u>	\$ <u><u>(52,983)</u></u>	\$ <u><u>(52,983)</u></u>

CITY OF WILTON MANORS, FLORIDA
 JENADA ASSESSMENT FUND
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL
 For the Year Ended September 30, 2003

	Budgeted Amounts		Actual	Variance
	Original	Final		
REVENUES:				
Special assessments	\$ 4,461	\$ 4,461	\$ 4,501	\$ 40
Miscellaneous	394	394	51	(343)
Total revenues	4,855	4,855	4,552	(303)
 EXPENDITURES:				
Current:				
Public services				
Operating expenditures	4,855	4,855	7,084	(2,229)
Total expenditures	4,855	4,855	7,084	(2,229)
Excess of revenues over (under) expenditures	--	--	(2,532)	(2,532)
FUND BALANCE AT BEGINNING OF YEAR	--	--	3,242	3,242
FUND BALANCE AT END OF YEAR	\$ --	\$ --	\$ 710	\$ 710

CITY OF WILTON MANORS, FLORIDA
ROAD IMPROVEMENT FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended September 30, 2003

	Budgeted Amounts		Actual	Variance
	Original	Final		
REVENUES:				
Intergovernmental revenues	\$ 245,504	\$ 245,504	\$ 241,204	\$ (4,300)
Miscellaneous	--	--	3,515	3,515
Prior year surplus	115,430	177,538	--	(177,538)
Total revenues	360,934	423,042	244,719	(178,323)
 EXPENDITURES:				
Current:				
Public services				
Operating expenditures	94,696	94,696	69,704	24,992
Capital outlay	204,174	266,282	229,008	37,274
Total expenditures	298,870	360,978	298,712	62,266
Excess (deficiency) of revenues over expenditures before other financing sources (uses)	62,064	62,064	(53,993)	(116,057)
 OTHER FINANCING SOURCES (USES):				
Operating transfer out	(62,064)	(62,064)	(62,064)	--
Excess of revenues over (under) expenditures	--	--	(116,057)	(116,057)
FUND BALANCE AT BEGINNING OF YEAR	101,945	101,945	181,251	79,306
FUND BALANCE AT END OF YEAR	\$ 101,945	\$ 101,945	\$ 65,194	\$ (36,751)

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OTHER FINANCIAL INFORMATION

CITY OF WILTON MANORS, FLORIDA
SCHEDULE OF CAPITAL ASSETS -
BY FUNCTION AND ACTIVITY
September 30, 2003

	<u>Land</u>	<u>Buildings</u>
GENERAL GOVERNMENT	\$ <u>246,279</u>	\$ <u>638,226</u>
PUBLIC SAFETY:		
Police	--	705,667
Fire	<u>21,289</u>	<u>244,601</u>
Total public safety	<u>21,289</u>	<u>950,268</u>
CULTURE AND RECREATION	<u>5,945,379</u>	<u>1,516,471</u>
PUBLIC SERVICES	<u>--</u>	<u>--</u>
Total general fixed assets	\$ <u>6,212,947</u>	\$ <u>3,104,965</u>

<u>Improvements Other Than Buildings</u>	<u>Machinery and Equipment</u>	<u>Total</u>
\$ <u>179,531</u>	\$ <u>1,139,225</u>	\$ <u>2,203,261</u>
--	821,158	1,526,825
<u>5,200</u>	<u>353,494</u>	<u>624,584</u>
<u>5,200</u>	<u>1,174,652</u>	<u>2,151,409</u>
<u>6,479,720</u>	<u>169,827</u>	<u>14,111,397</u>
<u>1,043,038</u>	<u>283,894</u>	<u>1,326,932</u>
\$ <u>7,707,489</u>	\$ <u>2,767,598</u>	\$ <u>19,792,999</u>

CITY OF WILTON MANORS, FLORIDA
SCHEDULE OF CHANGES IN CAPITAL ASSETS -
BY FUNCTION AND ACTIVITY
For the Year Ended September 30, 2003

	General Fixed Assets October 1, 2002	Additions	Deletions	General Fixed Assets September 30, 2003
GENERAL GOVERNMENT	\$ <u>2,116,187</u>	\$ <u>87,074</u>	\$ <u>--</u>	\$ <u>2,203,261</u>
PUBLIC SAFETY:				
Police	1,453,737	73,088	--	1,526,825
Fire	<u>624,585</u>	<u>--</u>	<u>--</u>	<u>624,885</u>
Total public safety	<u>2,078,322</u>	<u>73,088</u>	<u>--</u>	<u>2,151,410</u>
CULTURE AND RECREATION	7,242,767	6,868,630	--	14,111,397
PUBLIC SERVICES	<u>1,172,545</u>	<u>154,386</u>	<u>--</u>	<u>1,326,931</u>
Total general fixed assets	\$ <u>12,609,821</u>	\$ <u>7,183,178</u>	\$ <u>--</u>	\$ <u>19,792,999</u>

STATISTICAL SECTION

(NOT COVERED BY INDEPENDENT AUDITORS' REPORT)

CITY OF WILTON MANORS, FLORIDA
GENERAL GOVERNMENTAL EXPENDITURES BY FUNCTION (1)
LAST TEN FISCAL YEARS

<u>Fiscal Year</u>	<u>General Government</u>	<u>Public Safety</u>	<u>Culture and Recreation</u>
1993/94	\$ 379,434	\$ 3,087,407	\$ 1,283,916
1994/95	304,900	3,264,409	1,350,720
1995/96	786,069	3,484,699	1,440,386
1996/97	915,243	3,986,882	1,542,360
1997/98	828,132	4,033,746	1,514,720
1998/99	889,177	4,041,467	1,468,988
1999/00	854,352	4,325,040	1,555,934
2000/01	974,183	4,869,360	1,619,160
2001/02 (2)	1,062,337	5,315,079	1,615,994
2002/03	1,252,320	5,647,740	1,870,392

NOTES: (1) Includes all governmental fund types
(2) Excludes Expendable Trust Funds

TABLE 1

<u>Public Services</u>	<u>Non-departmental</u>	<u>Capital Outlay</u>	<u>Debt Service</u>	<u>Total</u>
\$ 464,418	\$ --	\$ 667,540	\$ 244,901	\$ 6,127,616
477,228	--	635,628	258,064	6,290,949
725,730	--	329,789	235,283	7,001,956
627,946	--	1,270,039	209,339	8,551,809
607,047	--	1,029,723	207,238	8,220,606
644,684	--	482,545	183,283	7,710,144
674,097	--	845,750	352,816	8,607,989
716,318	--	1,717,805	335,189	10,232,015
844,989	--	2,718,605	256,036	11,813,040
639,095	38,114	7,529,979	256,035	17,233,675

CITY OF WILTON MANORS, FLORIDA
GENERAL REVENUES BY SOURCE (1)
LAST TEN FISCAL YEARS

<u>Fiscal Year</u>	<u>Ad Valorem Taxes</u>	<u>Ad Valorem Debt Service</u>	<u>Franchise Fees</u>	<u>Utility Taxes</u>	<u>Licenses and Permits</u>	<u>Inter-governmental Revenues</u>
1993/94	\$ 1,811,134	\$ --	\$ 684,925	\$ 1,153,110	\$ 213,074	\$ 1,235,666
1994/95	1,822,133	--	685,699	1,148,672	224,263	1,371,456
1995/96	1,881,149	--	711,151	1,178,557	258,517	1,256,276
1996/97	1,850,700	--	841,110	1,223,780	277,091	1,871,808
1997/98	1,941,523	--	873,999	1,266,604	336,709	2,170,740
1998/99	2,189,922	--	870,888	1,343,341	329,425	1,395,850
1999/00	2,314,278	259,054	862,597	1,319,725	318,427	1,414,960
2000/01	2,672,012	257,114	980,430	1,370,149	402,046	1,564,344
2001/02	(2) 2,882,851	255,937	849,180	1,688,156	384,516	2,410,034
2002/03	(2) 3,215,278	251,533	889,986	1,618,302	480,347	6,374,063

NOTES: (1) Includes all governmental fund types

TABLE 2

<u>Charges for Services</u>	<u>Fines and Forfeitures</u>	<u>Special Assessments</u>	<u>Allocated Service Reimbursements</u>	<u>Miscellaneous</u>	<u>Total</u>
\$ 284,242	\$ 164,762	\$ --	\$ --	\$ 81,047	\$ 5,627,960
311,809	254,871	--	--	119,282	5,938,185
313,147	189,712	--	--	729,699	6,518,208
295,967	165,969	694,217	593,335	125,166	7,939,143
327,168	219,189	837,890	620,475	149,796	8,744,093
293,251	225,977	880,052	654,737	234,574	8,418,017
306,145	205,146	893,026	629,719	602,221	9,125,298
239,880	324,065	694,739	672,126	403,168	9,580,073
333,633	347,045	709,541	757,501	131,486	10,749,880
418,575	332,110	818,288	--	55,610	14,454,092

**CITY OF WILTON MANORS, FLORIDA
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS**

TABLE 3

<u>Fiscal Year</u>	<u>Property Tax Levy</u>	<u>(1) Property Tax Collections</u>	<u>% Net Tax Levy</u>
1993/94	\$ 2,109,134	\$ 2,041,718	96.80
1994/95	2,141,609	2,047,206	95.59
1995/96	2,219,025	2,114,813	95.30
1996/97	2,182,926	2,088,058	95.65
1997/98	2,280,822	2,187,535	95.91
1998/99	2,261,554	2,189,922	96.83
1999/00	2,658,875	2,573,332	96.78
2000/01	3,002,920	2,929,126	97.54
2001/02	3,234,729	3,138,788	97.03
2002/03	3,541,232	3,466,811	97.90

SOURCE: Broward County, Florida, Department of Revenue Collections

NOTE: (1) Florida Law allows up to a 4% discount for timely payment of property taxes.

CITY OF WILTON MANORS, FLORIDA
ASSESSED VALUE OF TAXABLE PROPERTY (1)
LAST TEN FISCAL YEARS

TABLE 4

<u>Fiscal Year</u>	<u>Real Property</u>	<u>Personal Property</u>	<u>Total</u>
1993/94	\$ 300,271,554	\$ 29,641,436	\$ 329,912,990
1994/95	307,007,880	27,984,987	334,992,867
1995/96	313,588,369	27,118,694	340,707,063
1996/97	317,623,299	26,524,020	344,147,319
1997/98	330,436,825	25,219,168	355,655,993
1998/99	350,345,622	24,518,311	374,863,933
1999/00	366,960,351	33,695,956	400,656,307
2000/01	398,535,946	34,598,392	433,134,338
2001/02	435,088,423	40,544,045	475,632,468
2002/03	607,249,416	37,766,647	645,016,063

SOURCE: Broward County, Florida, Property Appraiser

NOTE: (1) Florida Law requires all property to be assessed at current fair market value.

CITY OF WILTON MANORS, FLORIDA
PROPERTY TAX MILLAGE RATES - DIRECT AND OVERLAPPING GOVERNMENTS
(PER \$ 1,000 OF TAXABLE VALUE)
LAST TEN FISCAL YEARS

<u>Fiscal Year</u>	<u>Tax Roll Year</u>	<u>(1) City</u>	<u>County</u>	<u>Schools</u>	<u>Children's Service Council of Broward County</u>
1993/94	1993	6.3930	8.1327	9.8197	0.0000
1994/95	1994	6.3930	8.0343	10.0259	0.0000
1995/96	1995	6.5130	8.1165	10.0366	0.0000
1996/97	1996	6.3430	7.7524	9.9400	0.0000
1997/98	1997	6.4130	7.8380	9.9745	0.0000
1998/99	1998	6.0330	7.5710	9.7256	0.0000
1999/00	1999	6.6363	7.5710	9.1283	0.0000
2000/01	2000	6.9330	7.5250	8.9553	0.0000
2001/02	2001	6.8009	7.4005	8.7541	0.3055
2002/03	2002	6.5789	7.3650	8.8825	0.3316

SOURCE: Broward County, Florida, Property Appraiser

NOTE: (1) Includes debt service millage

TABLE 5

<u>South Florida Water Management District</u>	<u>Florida Inland Navigation District</u>	<u>North Broward Hospital District</u>	<u>Total</u>
0.5970	0.0510	2.4753	27.4687
0.5970	0.0490	2.4459	27.5451
0.6470	0.0400	2.4327	27.7858
0.6720	0.0380	2.4200	27.1654
0.6970	0.0500	2.4087	27.3812
0.6970	0.0470	2.5000	26.5736
0.6970	0.0440	2.4895	26.5661
0.6970	0.0410	2.4803	26.6316
0.6970	0.0385	2.4803	26.4768
0.6970	0.0385	2.4803	26.3738

**CITY OF WILTON MANORS, FLORIDA
RATIO OF NET BONDED DEBT TO ASSESSED
VALUE AND NET BONDED DEBT PER CAPITA
LAST TEN FISCAL YEARS**

TABLE 6

<u>Fiscal Year</u>	<u>(1) Population</u>	<u>Assessed Taxable Value</u>	<u>Net Bonded Debt</u>	<u>Ratio Of Net Bonded Debt To Assessed Value (Percentage)</u>	<u>Net Bonded Debt Per Capita</u>
1993/94	11,925	\$ 329,912,990	\$ 711,294	.22	\$ 60
1994/95	11,950	334,992,867	589,110	.18	49
1995/96	11,980	340,707,063	478,082	.14	40
1996/97	12,000	344,147,319	370,716	.11	31
1997/98	11,837	355,655,993	263,349	.07	22
1998/99	11,886	374,863,933	3,505,983	.94	295
1999/00	11,900	400,656,307	3,352,571	.84	282
2000/01	12,697	433,134,338	3,162,123	.73	247
2001/02	12,790	475,632,468	3,043,237	.64	238
2002/03	12,697	645,016,063	2,919,090	.45	230

SOURCE: Bureau of Economic Research, University of Florida
U.S. Department of Commerce, Bureau of Census (1999/2000)

NOTE: (1) Includes all Governmental Fund debt

CITY OF WILTON MANORS, FLORIDA
COMPUTATION OF LEGAL DEBT MARGIN
September 30, 2003

TABLE 7

The City Charter does not establish a legal debt margin nor does Florida Statute Chapter 166 which grants home rule authority to municipalities.

CITY OF WILTON MANORS, FLORIDA
COMPUTATION OF DIRECT AND OVERLAPPING DEBT
 September 30, 2003

TABLE 8

<u>Jurisdiction</u>	<u>Net Debt Outstanding</u>	<u>Percentage Applicable to Wilton Manors (1)</u>	<u>Amount Applicable to Wilton Manors</u>
DIRECT DEBT:			
General Obligation Debt: City of Wilton Manors	\$ <u>2,919,090</u>	<u>100.00</u>	\$ <u>2,919,090</u>
Total direct debt	<u>2,919,090</u>	<u>100.00</u>	<u>2,919,090</u>
OVERLAPPING DEBT:			
General Obligation Debt: Broward County	334,095,000	0.07	233,867
Broward District Schools	<u>125,882,000</u>	<u>0.07</u>	<u>88,117</u>
Total overlapping debt	<u>459,977,000</u>		<u>321,984</u>
Total direct and overlapping debt	\$ <u>462,896,090</u>		\$ <u>3,241,074</u>

SOURCE: Broward County, Florida, Budget Office

NOTE: (1) Based on Ratio of Assessed Taxable Value

CITY OF WILTON MANORS, FLORIDA
RATIO OF ANNUAL DEBT SERVICE EXPENDITURES
FOR GENERAL BONDED DEBT
TO TOTAL GENERAL GOVERNMENTAL EXPENDITURES
LAST TEN FISCAL YEARS

TABLE 9

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>	<u>(1) Total Governmental Expenditures</u>	<u>Ratio of Debt Service To Total Governmental Expenditures (Percentage)</u>
1993/94	\$ 122,185	\$ 35,085	\$ 157,270	\$6,127,616	2.57
1994/95	122,185	41,984	164,169	6,290,949	2.61
1995/96	111,028	33,729	144,757	7,001,956	2.07
1996/97	107,366	26,169	133,535	8,551,809	1.56
1997/98	105,892	19,519	125,411	8,220,606	1.53
1998/99	164,746	18,537	183,283	7,710,144	2.38
1999/00	158,168	194,648	352,816	8,607,988	4.10
2000/01	191,681	143,508	335,189	10,232,015	3.28
2001/02 (2)	118,886	137,150	256,036	11,813,040	2.17
2002/03 (2)	124,147	131,888	256,035	17,233,675	1.49

NOTES: (1) Includes the General Fund, Special Revenue Funds, Expendable Trust and Capital Projects Funds (where applicable)
(2) Excludes Expendable Trust Funds

**CITY OF WILTON MANORS, FLORIDA
PRINCIPAL TAXPAYERS
FISCAL YEAR 2002/03**

TABLE 10

<u>Name</u>	<u>Type of Business</u>	<u>Assessed Value</u>	<u>Taxes Levied</u>
1. Manor Pines Realty	Retirement Home	\$ 11,465,590	\$ 77,976
2. American Equities	Shopping Center	4,393,910	29,833
3. McRealty Group	Real Estate	3,768,270	25,628
4. Greystone Palm Court	Real Estate	3,461,960	23,544
5. American Equities	Apartment Rentals	3,027,470	20,590
6. William Thies & Sons	Wholesale Distributor	3,004,950	20,436
7. Schmitt, Kathleen - Revocable Trust	Securities	2,939,360	19,990
8. Wilton Manors Shopping	Apartment Rentals	2,363,020	16,071
9. Rodnic Associates	Apartment Rentals	2,130,270	14,488
10. Impsat, USA	Apartment Rentals	<u>1,379,340</u>	<u>9,381</u>
Total		\$ <u>37,934,140</u>	\$ <u>257,937</u>

SOURCE: Broward County Tax Rolls, 2002

NOTE: (1) Ad Valorem Taxes Only

**CITY OF WILTON MANORS, FLORIDA
PROPERTY VALUE AND CONSTRUCTION
LAST TEN FISCAL YEARS**

TABLE 11

<u>Fiscal Year</u>	<u>(1) Property Value</u>	<u>Estimated Value of Construction</u>
1993/94	\$ 329,912,990	\$ 2,762,099
1994/95	334,992,867	3,813,081
1995/96	340,707,063	3,330,517
1996/97	344,147,319	3,885,059
1997/98	355,655,993	8,057,660
1998/99	374,863,933	5,120,678
1999/00	400,656,307	6,712,610
2000/01	433,134,338	6,720,647
2001/02	475,632,468	13,016,673
2002/03	645,016,063	26,012,317

SOURCE: City of Wilton Manors Building Department

NOTE: (1) Assessed Value From Table 4

**CITY OF WILTON MANORS, FLORIDA
REVENUE BOND COVERAGE
LAST TEN FISCAL YEARS**

TABLE 12

<u>Fiscal Year</u>	<u>Gross Revenue</u>	<u>(1) Operating Expenses</u>	<u>Net Revenue Available For Debt Service</u>	<u>(2) Debt Service</u>	<u>Coverage</u>
1993/94	\$3,769,569	\$2,105,474	\$1,664,095	\$1,098,695	1.51
1994/95	4,078,247	2,105,094	1,973,153	1,187,225	1.66
1995/96	4,362,085	2,303,888	2,058,197	1,188,605	1.73
1996/97	4,335,236	2,458,479	1,876,757	1,188,018	1.58
1997/98	4,773,577	2,066,375	2,707,202	1,420,516	1.91
1998/99	4,525,059	2,561,117	1,963,942	999,716	1.96
1999/00	4,554,820	2,811,801	1,743,019	1,098,722	1.59
2000/01	4,507,981	2,742,623	1,765,358	1,182,650	1.49
2001/02	4,408,369	2,786,674	1,621,695	1,176,293	1.38
2002/03	4,587,620	2,511,572	2,076,048	1,210,326	1.72

NOTES: (1) Total operating expenses excluding depreciation, amortization and interest expenses
(2) Includes principal and interest

CITY OF WILTON MANORS, FLORIDA
DEMOGRAPHIC AND MISCELLANEOUS STATISTICS
 September 30, 2003

TABLE 13

Date of Incorporation: September 1947

Date of Adoption of City Charter: June 4, 1953

Form of City Government: City Council/Manager

Area:

Square Miles	2.67
Miles of streets	47.00
Miles of waterways	13.70
Miles of sidewalks	6.20
Miles of sanitary sewers	34.00
Miles of storm drainage	2.50

Population Per U.S. Census:

1960	8,257
1970	10,948
1980	12,742
1990	11,804
2000	12,697

Building Permits:

Permits issued	1,873
Value of construction	\$ 26,012,317

Schools Located in City:

Public:

Number of teachers	27
Number of students	630

Private:

Number of teachers	10
Number of students	268

City Employees (full time):

Finance and administrative	8
Police	44
Fire	1
Building	2
Code enforcement	4
Public works	29
Library	3
Recreation	5
	<u>96</u>

Police Department:

Stations	1
Uniformed officers	33
Nonuniformed officers	11

Recreation and open space (approximately 40 acres):

- Island City Park Preserve
- Colohatchee Park
- Mickel Field
- Donn Eisele Park
- Hagen Park
- Veteran's Park
- Jaycee Park
- Coral Gardens Park
- Rachel Richardson Park

Water and Sewer Utilities:

	<u>Water</u>	<u>Sewer</u>
Active accounts	3,972	3,856
Miles of mains	--	3
Fire hydrants	234	--
Waste pump Stations	--	13

**CITY OF WILTON MANORS, FLORIDA
SPECIAL ASSESSMENT BILLINGS AND COLLECTIONS
LAST TEN FISCAL YEARS**

TABLE 14

<u>Fiscal Year</u>	<u>Balance, October 1</u>	<u>Net Assessments Levied During Fiscal Year</u>	<u>Assessments Collected During Fiscal Year</u>	<u>Balance, September 30</u>
1996/97	\$ --	\$ 762,798	\$ 694,217	\$ 68,581
1997/98	68,581	837,890	817,758	88,713
1998/99	88,713	825,468	880,052	34,129
1999/00	34,129	885,155	872,653	46,631
2000/01	46,631	686,484	694,739	38,376
2001/02	38,376	702,506	709,541	31,341
2002/03	31,341	808,704	818,288	21,757

NOTE: The City began levying special assessments for a gatehouse built on City right of way, Fire and EMS Services during the 1996/97 fiscal. For the four years prior to October 1, 1996, there were no special assessments receivable due the City.

OTHER REPORTS OF INDEPENDENT AUDITORS AND RELATED SCHEDULES

Independent Auditors' Report on Compliance and on Internal Control over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards

Independent Auditors' Report on Compliance and on Internal Control over Compliance Applicable to Each Major State Financial Assistance Project

Independent Auditors' Report to City Management

Schedule of State Financial Assistance

Schedule of Findings and Questioned Costs

Schedule of Reportable Condition

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PAUL B. SNEIDER, C.P.A. (RETIRED)
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**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE AND
ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED
ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Honorable Mayor and Councilmembers
City of Wilton Manors, Florida
Wilton Manors, Florida

We have audited the financial statements of the City of Wilton Manors, Florida, as of and for the year ended September 30, 2003, and have issued our report thereon dated February 10, 2004. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Compliance

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

Internal Control over Financial Reporting

In planning and performing our audit, we considered the City of Wilton Manors, Florida's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

City of Wilton Manors, Florida

This report is intended for the information of City management, the Auditor General of the State of Florida and pass-through entities. However, this report is a matter of public record and its distribution is not limited.

Keefe, McCullough & Co., LLP
KEEFE, McCULLOUGH & CO., LLP

Fort Lauderdale, Florida
February 10, 2004

KEEFE, MCCULLOUGH & CO., LLP
CERTIFIED PUBLIC ACCOUNTANTS

JOHN R. KEEFE, C.P.A.
JOHN B. MCCULLOUGH, C.P.A. (RETIRED)
THOMAS T. CARPENTER, C.P.A.
PAUL B. SNEIDER, C.P.A. (RETIRED)
STEVEN H. WOODS, C.P.A.
DAVID T. WILLIAMS, C.P.A.

JOSEPH D. LEO, C.P.A.
WILLIAM G. BENSON, C.P.A.
BRIAN D. FINNELL, C.P.A.
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**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE AND
INTERNAL CONTROL OVER COMPLIANCE APPLICABLE TO EACH
MAJOR STATE FINANCIAL ASSISTANCE PROJECT**

To the Honorable Mayor and Councilmembers
City of Wilton Manors, Florida
Wilton Manors, Florida

Compliance

We have audited the compliance of the City of Wilton Manors, Florida with the types of compliance requirements described in the Executive Office of the Governor's State Projects Compliance Supplement, that are applicable to its major state financial assistance projects for the year ended September 30, 2003. The City of Wilton Manors, Florida's major state financial assistance projects are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs on page 84. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major state financial assistance projects are the responsibility of the City of Wilton Manors, Florida's management. Our responsibility is to express an opinion on the City of Wilton Manors, Florida's compliance based on our audit.

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

In our opinion, the City of Wilton Manors, Florida complied, in all material respects, with the requirements referred to above that are applicable to its major state financial assistance projects for the year ended September 30, 2003.

Internal Control over Compliance

The management of the City of Wilton Manors, Florida is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to state financial assistance projects. In planning and performing our audit, we considered the City of Wilton Manors, Florida's internal control over compliance with requirements that could have a direct and material effect on a major state financial assistance project in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with Chapter 10.550, Rules of the Auditor General.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major state financial assistance project being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operations that we consider to be material weaknesses.

This report is intended for the information of City management, the Office of the Auditor General of the State of Florida and other grantor agencies. However, this report is a matter of public record and its distribution is not limited.

Keefe, McCullough & Co., LLP
KEEFE, McCULLOUGH & CO., LLP

Fort Lauderdale, Florida
February 10, 2004

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INDEPENDENT AUDITORS' REPORT TO CITY MANAGEMENT

To the Honorable Mayor and Councilmembers
City of Wilton Manors, Florida
Wilton Manors, Florida

We have audited the financial statements of City of Wilton Manors, Florida as of and for the year ended September 30, 2003, and have issued our report thereon dated February 10, 2004

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, Audits of States, Local Governments, and Nonprofit Organizations. We have issued our Independent Auditor's Report on Compliance and Internal Control over Financial Reporting, Independent Auditor's Report on Compliance and Internal Control over Compliance Applicable to its Major State Financial Assistance Projects, and schedule of findings and questioned costs. Disclosures in those reports and schedule which are dated February 10, 2004, should be considered in conjunction with this report to management.

Additionally, our audit was conducted in accordance with Chapter 10.550, Rules of the Auditor General. Those rules (Section 10.554(1)(g)1.a) require that we address in the report to City management, if not already addressed in the auditors' report on compliance and internal controls, whether or not inaccuracies, irregularities, shortages, defalcations, fraud, and/or violations of laws, rules, regulations, and contractual provisions reported in the preceding annual financial audit report have been corrected. There were no inaccuracies, irregularities, shortages, defalcations, fraud, and/or violations of laws, rules, regulations, and contractual provisions disclosed in the preceding annual financial audit report.

The Rules of the Auditor General (Section 10.554(1)(g)1.b.) require that we address in the report to City management, if not already addressed in the auditors' report on compliance and internal controls, whether or not recommendations made in the preceding annual financial audit report have been followed. There were no recommendations made in the preceding annual financial audit report.

As required by the Rules of the Auditor General (Section 10.554(1)(g)2.), the scope of our audit included a review of the provisions of Section 218.415., Florida Statutes, regarding the investment of public funds. In connection with our audit, we determined that the City complied with Section 218.415, Florida Statutes.

The Rules of the Auditor General (Section 10.554(1)(g)4.) require disclosure in the report to City management of the following matters if not already addressed in the auditors' report on compliance and internal controls: (1) violations of laws, rules, regulations, and contractual provisions that have occurred, or are likely to have occurred; (2) improper or illegal expenditures; (3) improper or inadequate accounting procedures (e.g., the omission of required disclosures from the financial statements); (4) failures to properly record financial transactions; and (5) other inaccuracies, shortages, defalcations, and instances of fraud discovered by, or that come to the attention of, the auditor. Our audit disclosed no matters requiring disclosure in the report to City management or the financial statements.

The Rules of the Auditor General (Section 10.554(1)(g)5.) also require that the name or official title and legal authority for the primary government and each component unit, if applicable, of the reporting entity be disclosed in the report to City management, unless disclosed in the notes to the financial statements. The City of Wilton Manors, Florida was established in 1953 under the laws of the State of Florida. The City does not have any component units.

As required by the Rules of the Auditor General (Section 10.554(1)(g)6.a.), the scope of our audit included a review of the provisions of Section 218.503(1), Florida Statutes, regarding financial emergencies. In connection with our audit, we determined that the City is not in a state of financial emergency as a consequence of the conditions described in Section 218.503(1), Florida Statutes.

As required by the Rules of the Auditor General (Section 10.554(1)(g)6.b.), we determined that the annual financial report for the City for the year ended September 30, 2003, filed with the Department of Banking and Finance pursuant to Section 218.32, Florida Statutes, is in agreement with the annual financial audit report for the year ended September 30, 2003.

As required by the Rules of the Auditor General (Section 10.554(g)(6)c., and 10.556), we applied financial condition assessment procedures. It is management's responsibility to monitor the entity's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same.

This report to management is intended solely for the information of management and the Auditor General of the State of Florida, and is not intended to be and should not be used by anyone other than these specified parties. This restriction is not intended to limit the distribution of this report, which is a matter of public record.

Keefe, McCullough & Co., LLP
KEEFE, McCULLOUGH & CO., LLP

Fort Lauderdale, Florida
February 10, 2004

CITY OF WILTON MANORS, FLORIDA
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
 For the Year Ended September 30, 2003

<u>State Agency Pass-through Entity, State Project</u>	<u>CSFA Number</u>	<u>Contract/Grant Number</u>	<u>Expenditures</u>	<u>Transfers to Subrecipients</u>
STATE AGENCY NAME				
Direct Projects:				
Florida Communities Trust - Florida Preservation 2000 Act	* 52.001	01-CT-1C-00-10-A1-055	\$ 1,656,394	\$ -
Florida Department of State - Public Library Construction Program	* 45.020	01-PLC-04	300,000	-
Department of Environmental Protection - Florida Recreation Development Assistance Program	37.017	F1215	150,000	-
Department of Environmental Protection - Florida Recreation Development Assistance Program	37.017	M99029	106,927	-
Department of Environmental Protection - Florida Recreation Development Assistance Program	37.017	F1216	<u>36,310</u>	<u>-</u>
Total State Agency			<u>2,249,631</u>	<u>-</u>
Total Expenditures of State Financial Assistance			<u>\$ 2,249,631</u>	<u>\$ -</u>

* Denotes a major project

CITY OF WILTON MANORS, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended September 30, 2003

A. SUMMARY OF AUDITORS' RESULTS

1. The auditors' report expresses an unqualified opinion on the financial statements.
2. No reportable conditions relating to the audit of the financial statements are reported in the Independent Auditors' Report on Compliance and on Internal Control over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards.
3. No instances of noncompliance material to the financial statements of the City of Wilton Manors, Florida were disclosed during the audit.
4. No reportable conditions relating to the audit of the major state financial assistance projects are reported in the Independent Auditors' Report on Compliance and Internal Control over Compliance Applicable to each Major State Financial Assistance Project.
5. The auditors' report on compliance for the major state financial assistance projects for the City of Wilton Manors, Florida expresses an unqualified opinion.
6. No audit findings relative to the major state financial assistance projects for the City of Wilton Manors, Florida are reported in this schedule.
7. The projects tested as major projects include the following:

State Project	State CSFA No.
Florida Preservation 2000 Act	52.001
Public Library Construction Program	45.020
8. The threshold for distinguishing Types A and B projects was \$ 300,000 for the major state financial assistance projects.
9. The City of Wilton Manors, Florida was determined not to be a low-risk auditee.

B. FINDING - FINANCIAL STATEMENT AUDIT

NONE.

C. FINDINGS AND QUESTIONED COSTS - STATE FINANCIAL ASSISTANCE PROJECTS AUDIT

There were no findings and questioned costs and a separate management letter was not issued.