

**CITY OF
WILTON MANORS, FLORIDA**

**Comprehensive Annual
Financial Report
Fiscal Year Ended
September 30, 2005**



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**CITY OF WILTON MANORS, FLORIDA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FISCAL YEAR ENDED SEPTEMBER 30, 2005**

City Commission

**Mayor
Vice Mayor
Commissioner
Commissioner
Commissioner**

**Scott Newton
Ted Galatis
Joe Angelo
Craig Sherritt
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, 2005**

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INTRODUCTORY SECTION

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FINANCE DEPARTMENT

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

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

Dear Mayor and Commissioners:

It is our pleasure to submit the Comprehensive Annual Financial Report of the City of Wilton Manors, Florida for the fiscal year ended September 30, 2005, pursuant to Section 218.39 of the State of Florida Statutes and the Rules of the Florida Auditor General, Chapter 10.550. 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 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. Management has established *internal controls* to ensure that the City fulfills its fiduciary responsibility as custodian of public monies. The purpose of internal controls is to provide reasonable, but not absolute, assurance that City assets are safeguarded against loss through unauthorized use or disposition. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived and the valuation of costs and benefits requires estimates and judgments by management.

The financial statements have been audited by Keefe, McCullough & Co., LLP, Certified Public Accountants. The independent auditor has issued an unqualified opinion that this report fairly presents the financial position of the City and complies with all reporting standards noted above. Additionally, the City has received the Certificate of Achievement for Excellence in Financial Reporting from the Governmental Finance Officers Association of the United States and Canada for the fiscal year ended September 30, 2004.

Organization and Content

This report has been prepared in conformance with generally accepted accounting principles and conforms to the reporting method promulgated by the Governmental Accounting Standards Board (GASB). The report is divided into three major sections and a supplementary section. These major sections are:

Management's Discussion and Analysis (MDA) - This section is intended to provide an easily understandable discussion of the current year's financial results.

Basic Financial Statements - This section provides the detailed financial results of the year's operations. It is organized to reflect the governmental-wide operations for the year utilizing the accrual basis of accounting. It is a way of looking at the City using an economic resources measurement focus on the whole unit rather than a group of separately operated funds. It allows our reports to be more easily compared to a private sector's financial reports.

Notes to the Financial Statements - The notes are an integral part of the financial report and provide various disclosures to ensure that a complete picture of the financial position of the City is provided to the reader of the financial statements.

Required Supplementary Information - The following types of RSI are presented in addition to the MDA:

Budgetary comparisons allow the comparison of the budget original and amended, with the actual results of the year for the general fund and other major special revenue funds.

Trend data on pension funding allows the monitoring of the progress of the actuarial accrued liability pension benefits with the actuarial value of the accumulated plan assets.

In addition to the major sections reflected above, a statistical section is provided reflecting accounting and nonaccounting data covering multiple fiscal years. It allows for a better understanding of the social-economic and demographic trends affecting the City.

The City

Wilton Manors was incorporated as a village in September 1947, and under its legislative authority, became a city in June 1953. 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 which 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 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. The recreation area of the City was recently expanded with the acquisition of the Richardson property which is in the process of being converted to a major recreation and community gathering spot for the City.

The City is physically 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. Downtown City of Fort Lauderdale lies 2.5 miles 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. The County's total land area is 1,197 square miles of which 787 lie in a conservation area and can not be developed. The 410 remaining miles, that may be developed, have 31 municipalities and 23 miles of beaches.

The County enjoys a diverse and growing economy reflecting its active tourism and construction industries, sea and airport facilities and other industrial sectors. Unemployment was 3.5% in 2005 comparing favorably with the State of Florida at 3.7% and the United States at 4.8%.

The City purchases its treated water from the City of Fort Lauderdale and is a member of the Central Regional Wastewater System operated by the City of Fort Lauderdale which treats its effluent. Wilton Manors continually monitors and repairs its water and wastewater transmission lines and directly serves its residents

Although the entire length of Wilton Drive, the City's main thoroughfare, is undergoing major redevelopment, the City strives to maintain its image of a small hometown.

Cash Management

The City's operating funds are maintained under the equity in pooled cash system. Under this system, all cash not needed for immediate operations is deposited with the Florida 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 immediate portfolios on each member's behalf. Withdrawals are paid electronically with no penalty.

The Pension Fund's cash is administered by the Pension Board which has contracts with independent money managers for the separate management of its funds.

Risk Management

The City is 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 CAFR for the year ended September 30, 2004. This was the sixth consecutive year that the City has received this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized CAFR.

A Certificate of Achievement is valid for a period of one year only. We believe that our current CAFR 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.

Acknowledgments

The CAFR is the result of the combined efforts of many people without which this report would not have been possible. Appreciation is extended to members of the Finance Department for their assistance in the preparation of the report and the City's external auditors for their assistance in reviewing the report.

Respectfully,



Lisa C. Rabon, Finance Director
July 27, 2006

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, 2004

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.



Carla E. Perry

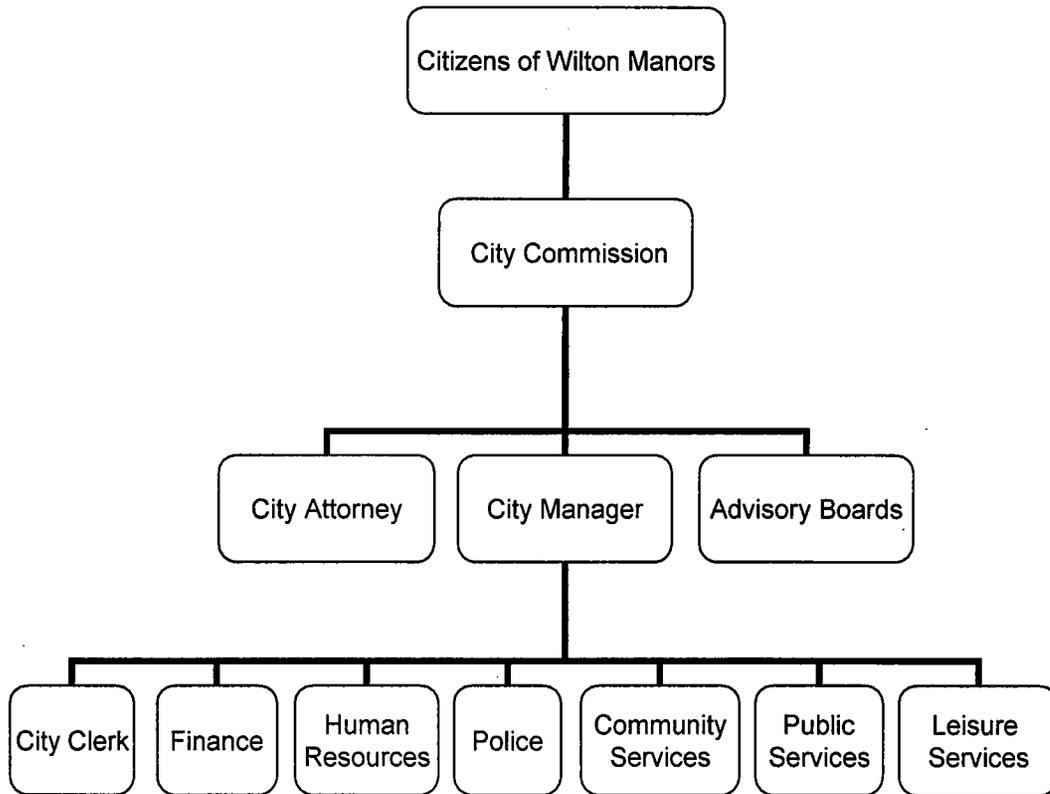
President

Jeffrey R. Emer

Executive Director

CITY OF WILTON MANORS

City Government Structure



CITY OF WILTON MANORS, FLORIDA
LIST OF PRINCIPAL OFFICIALS
September 30, 2005

Mayor	Scott Newton
Vice Mayor	Ted Galatis
Commissioner	Joe Angelo
Commissioner	Craig Sherritt
Commissioner	Gary Resnick
City Manager	Joseph L. Gallegos
City Attorney	Kerry Ezrol
City Clerk	Angela D. Scott
Community Services Director	Wayne Thies
Finance Director	Lisa C. Rabon
Police Chief	Richard E. Perez
Public Services Director	David Archacki
Leisure Services Director	Patrick Cann
Human Resources Director	Brenda Clanton

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.

CHARLES K. RUMPF, C.P.A.
ISRAEL J. GOMEZ, C.P.A.

JOSEPH D. LEO, C.P.A.
WILLIAM G. BENSON, C.P.A.
BRIAN D. PINNELL, C.P.A. (RETIRED)
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INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor and Commissioners
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, 2005, 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 Funds. Those financial statements were 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 Funds, are 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, 2005, the respective changes in financial positions and cash flows, where applicable, and the respective budgetary comparison for the General Fund and Fire Assessment Fund, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated June 20, 2006, 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 and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

City of Wilton Manors, Florida

Management's Discussion and Analysis is not a required part of the basic financial statements, but is supplementary information required by accounting principles generally accepted in the United States of America. 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 combining and 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
June 20, 2006

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

CITY OF WILTON MANORS, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
September 30, 2005

This section is intended to provide the reader of this report with a general overview of the financial activities of the City during the fiscal year ended September 2005. The information in this section should be considered only in context with the Letter of Transmittal at the beginning of the report, as well as the financial statements and notes to the financial statements which follow.

FINANCIAL HIGHLIGHTS

- At the end of our fiscal year, the City's net assets increased by \$ 2,337,864 (9.9%) from \$ 23,612,856 to \$ 25,950,720. This increase was split between governmental activities and business-type activities in the amounts of \$ 1,708,711 and \$ 629,153, respectively.
- Governmental activities revenue of \$ 13,721,694 exceeded expenses of \$ 12,012,983 by \$ 1,708,711.
- Business-type activities revenue of \$ 4,986,546 exceeded expenses of \$ 4,357,393 by \$ 629,153.
- 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 \$ 15,842,142.
- The General Fund, which accounts for the vast majority of the operations of the government, expended 96 % of the final, budgeted appropriations.

CITY HIGHLIGHTS

Redevelopment has become a significant factor within the City and continued into the current fiscal year. It is occurring throughout and is often accompanied with growth in population reflecting the diversity of types of redevelopment. Impact fees are in place with the revenues being accumulated to expand our infrastructure where needed most to properly serve the growth.

The City is expanding its efforts in the appropriation of grant revenues to assist with the infrastructure improvements. Many grant applications have been submitted to various agencies and we feel that we stand a good chance at significant financial assistance.

OVERVIEW OF THE FINANCIAL STATEMENTS

This financial section consists of three parts: 1) Management's Discussion and Analysis (this section), 2) the Basic Financial Statement comprised of three components: a) government-wide financial statements, b) fund financial statements, and c) notes to the financial statements, and 3) Required Supplementary Information.

CITY OF WILTON MANORS, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
(continued)
September 30, 2005

Government-wide statements:

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

1. 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.
2. 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 through 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.

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 provide reconciliations to facilitate this comparison between governmental funds and governmental activities.

The governmental fund financial statements can be found on pages 15 through 29 of this report.

Proprietary funds (beginning on page 24) 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 funds (on pages 28 and 29), which are not included in the government-wide statements, are presented in this section as the General Employees, Police and Volunteer Firefighters Pension Funds.

**CITY OF WILTON MANORS, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
(continued)
September 30, 2005**

The City cannot use the assets in the pension plans to finance its operations, therefore the activities of the Plans 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 30 through 49 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 and other financial information can be found on pages 50 through 64 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The City's combined net assets totaled \$ 25,950,720 as of September 30, 2005. Governmental Activities net assets totaled \$ 17,496,924 and Business-type Activities net assets totaled \$ 8,453,796. The following table presents condensed Statements of Net Assets:

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total Primary Government</u>	
	<u>2005</u>	<u>2004</u>	<u>2005</u>	<u>2004</u>	<u>2005</u>	<u>2004</u>
CURRENT AND OTHER ASSETS	\$ 4,830,515	\$ 4,014,687	\$ 3,734,353	\$ 3,845,196	\$ 8,564,868	\$ 7,859,883
CAPITAL ASSETS (NET)	<u>16,611,822</u>	<u>16,235,403</u>	<u>12,681,443</u>	<u>12,607,204</u>	<u>29,293,265</u>	<u>28,842,607</u>
Total assets	<u>21,422,337</u>	<u>20,250,090</u>	<u>16,415,796</u>	<u>16,452,400</u>	<u>37,858,133</u>	<u>36,702,490</u>
LONG-TERM LIABILITIES	2,969,900	3,098,466	6,344,786	7,097,985	9,314,686	10,196,451
OTHER LIABILITIES	<u>975,513</u>	<u>1,363,411</u>	<u>1,617,214</u>	<u>1,529,772</u>	<u>2,592,727</u>	<u>2,893,183</u>
Total liabilities	<u>3,945,413</u>	<u>4,461,877</u>	<u>7,962,000</u>	<u>8,627,757</u>	<u>11,907,413</u>	<u>13,089,634</u>
NET ASSETS:						
Invested in capital assets, net of related debt	13,957,754	13,445,955	5,631,174	4,844,075	19,588,928	18,290,030
Restricted	--	--	1,559,205	1,613,939	1,559,205	1,613,939
Unrestricted	<u>3,539,170</u>	<u>2,342,258</u>	<u>1,263,417</u>	<u>1,366,629</u>	<u>4,802,587</u>	<u>3,708,887</u>
Total net assets	\$ <u>17,496,924</u>	\$ <u>15,788,213</u>	\$ <u>8,453,796</u>	\$ <u>7,824,643</u>	\$ <u>25,950,720</u>	\$ <u>23,612,856</u>

CITY OF WILTON MANORS, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
(continued)
September 30, 2005

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, and it equaled \$ 4,802,587 on September 30, 2005. It appears that there will be a moderate increase in unrestricted net assets during the ensuing fiscal year. Tax revenues have been increasing as property values continue to rise in most sections of the City. Intergovernmental revenue from non-grant sources, which includes state revenue sharing and half-cent sales tax increased slightly on the strength of a stronger economy. The strength of the local economy offsets the fact that the City of Wilton Manor's share of local tax revenue has generally declined over the years. On the positive side, the City is enjoying a redevelopment of existing properties which will ultimately increase its population.

Business-type activities net assets increased by approximately 8% in 2005 from \$ 7,824,643 to \$ 8,453,796. This increase is the result of redemptions in bonds payable and projects being capitalized.

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2005</u>	<u>2004</u>	<u>2005</u>	<u>2004</u>	<u>Primary Government</u>	
					<u>2005</u>	<u>2004</u>
REVENUES:						
Program Revenues:						
Charges for services	\$ 3,427,188	\$ 2,594,188	\$ 4,853,844	\$ 4,529,242	\$ 8,281,032	\$ 7,123,430
Grants	2,011,535	2,041,279	--	--	2,011,535	2,041,279
General Revenues:						
Property taxes	4,753,466	4,016,062	--	--	4,753,466	4,016,062
Other taxes and fees	2,589,539	2,476,395	--	--	2,589,539	2,476,395
Other general revenues	<u>411,732</u>	<u>98,941</u>	<u>132,702</u>	<u>112,074</u>	<u>544,434</u>	<u>211,015</u>
Total revenues	<u>13,193,460</u>	<u>11,226,865</u>	<u>4,986,546</u>	<u>4,641,316</u>	<u>18,180,006</u>	<u>15,868,181</u>
PROGRAM EXPENSES:						
General government	\$ 1,680,856	\$ 1,414,246	\$ --	\$ --	\$ 1,680,856	\$ 1,414,246
Public safety	6,708,570	6,302,204	--	--	6,708,570	6,302,204
Culture and recreation	2,593,071	2,063,604	--	--	2,593,071	2,063,604
Public services	911,806	965,435	--	--	911,806	965,435
Interest	118,680	124,502	--	--	118,680	124,502
Water and wastewater	--	--	3,561,575	3,441,063	3,561,575	3,441,063
Drainage	--	--	<u>267,584</u>	<u>299,732</u>	<u>267,584</u>	<u>299,732</u>
Total expenses	<u>12,012,983</u>	<u>10,869,991</u>	<u>3,829,159</u>	<u>3,740,795</u>	<u>15,842,142</u>	<u>14,610,786</u>
Increase in net assets before transfers	1,180,477	356,874	1,157,387	900,521	2,337,864	1,257,395
TRANSFERS	<u>528,234</u>	<u>540,040</u>	<u>(528,234)</u>	<u>(540,040)</u>	<u>--</u>	<u>--</u>
Change in net assets	<u>\$ 1,708,711</u>	<u>\$ 896,914</u>	<u>\$ 629,153</u>	<u>\$ 360,481</u>	<u>\$ 2,337,864</u>	<u>\$ 1,257,395</u>

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

(continued)

September 30, 2005

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 6.3800 mills which when combined with the general obligations debt millage of .4135 mills produced an effective total millage rate of 6.7935. This is an increase from the 2003/04 combined millage rate of 6.5140 due to an increase in the operating millage rate from 6.1005 to 6.3800. 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 13.5% over the past five years, which has helped offset the general stagnation in State of Florida Shared Revenues. Preliminary indications are that property values will increase 20% during the 2005-2006 year. This increase is indicative of demographic changes taking place in the overall housing market within the area and the development of large, private enterprise projects replacing older underutilized properties.

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 Commission 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 approximately 45% of fund revenues in 2004-2005. 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 \$ 613,516 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 has 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 approximately \$ 12,013,000 in the governmental activities and approximately \$ 3,829,000 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 only increased slightly over the past five years in response to demands by residents for increased services. The City continues to look for automation and increased efficiencies to keep the number of personnel employed to an efficient and moderate level.

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, 2005

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 \$ 4,055,104. Over forty percent of this total amount or \$ 1,635,118 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 of \$ 212,608 or for other restricted or designated purposes in the amount of \$ 2,207,378.

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 \$ 2,242,281 while total fund balance was \$ 3,564,947. 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 twenty-two percent of the expenditures in the General Fund, while total fund balance represents approximately thirty-five percent of that same amount.

The total fund balance in the City's General Fund increased from \$ 2,345,768 to \$ 3,564,947 during the current fiscal year, a difference of \$ 1,219,179. The primary reason for the increase is because of increased property tax revenues and building permits. 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 increased by \$ 64,051 principally due to transfers in the amount of \$ 54,039. The fund balance at year end reflected a deficit of \$ (486,403). The City of Wilton Manors has applied for additional grant funding for 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 \$ 7,498,317 at the end of the current year, an increase of \$ 534,303 over the prior fiscal year. Net assets in the City's other proprietary fund, the Drainage Fund, amounted to \$ 955,479 at year end, which also reflects an increase over the prior fiscal year of \$ 94,850. 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 through 7.

GENERAL FUND BUDGETARY HIGHLIGHTS

General Fund revenues came in \$ 917,196 more than the final budget projections. In addition, total expenditures which came in \$ 394,856 under budget. Major variances between budgeted and actual amounts in the General Fund are as follows:

CITY OF WILTON MANORS, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
(continued)
September 30, 2005

- a. Communication service tax receipts of \$ 595,709 exceeded anticipated revenues due to increased user fees.
- b. License and permit revenues materialized due to major construction activity which resulted in budgeted revenues being exceeded by \$ 432,738.
- c. Franchise fees exceeded budget by \$ 52,976 due to slightly stronger electrical demand within the City.
- d. Intergovernmental revenues exceeded budget by \$ 102,664. The following fiscal year intergovernmental revenues for disaster assistance from the State of Florida and the U.S. Government for financial relief are expected due to Hurricane Wilma which struck the City early in fiscal year 2006.
- e. Significant budgeted expenditure savings during the year were found in the following departments: police (\$ 123,856) and culture and recreation (\$ 285,840).

The difference between the original and the final General Fund budget was due to minor changes in line items within departments.

CAPITAL ASSETS AND DEBT ADMINISTRATION

The City had \$ 43,626,288 invested in capital assets on September 30, 2005. The following schedule summarizes capital asset held by the City:

	Capital Assets					
	September 30, 2005 and 2004					
	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2005</u>	<u>2004</u>	<u>2005</u>	<u>2004</u>	<u>2005</u>	<u>2004</u>
Land	\$ 6,212,947	\$ 6,212,947	\$ 1,502,973	\$ 1,486,048	\$ 7,715,920	\$ 7,698,995
Infrastructure	--	--	13,983,255	13,657,605	13,983,255	13,657,605
Buildings	3,104,965	3,104,965	636,912	634,883	3,741,877	3,739,848
Improvements other than buildings	8,847,917	8,662,828	4,678,706	4,610,014	13,526,623	13,272,842
Machinery and equipment	<u>3,808,073</u>	<u>2,926,561</u>	<u>850,541</u>	<u>772,585</u>	<u>4,658,614</u>	<u>3,699,146</u>
Total	\$ <u>21,973,902</u>	\$ <u>20,907,301</u>	\$ <u>21,652,387</u>	\$ <u>21,161,135</u>	\$ <u>43,626,289</u>	\$ <u>42,068,436</u>

Waste and wastewater line improvements are a constant process and the amount spent on these infrastructure improvements will remain fairly consistent from year to year.

Additional information on the City's capital assets can be found in Note F on pages 42 through 43.

**CITY OF WILTON MANORS, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
(continued)
September 30, 2005**

Debt:

The City had debt totaling approximately \$ 9.7 million at September 30, 2005. Total debt outstanding at the end of the prior fiscal year was \$ 10.6 million. The decrease of \$.85 million is attributable to the retirement of principal (net of any amortization of discount).

**Outstanding Debt
September 30, 2005 and 2004**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2005</u>	<u>2004</u>	<u>2005</u>	<u>2004</u>	<u>2005</u>	<u>2004</u>
General obligation bonds (backed by the City)	\$ 2,654,068	\$ 2,789,448	\$ --	\$ --	\$ 2,654,068	\$ 2,789,448
Revenue bonds (backed by specific revenue streams)	<u> --</u>	<u> --</u>	<u>7,091,149</u>	<u>7,809,849</u>	<u>7,091,149</u>	<u>7,809,849</u>
Total	\$ <u>2,654,068</u>	\$ <u>2,789,448</u>	\$ <u>7,091,149</u>	\$ <u>7,809,849</u>	\$ <u>9,745,217</u>	\$ <u>10,599,297</u>

During the 2005-2006 fiscal year, the amount of debt outstanding will continue to decline. In 1999, the City had issued \$ 3.35 million in general obligation debt for park land acquisition and improvement.

Revenue bonds, the other major source of debt, will also continue to decline. Of the \$ 7 million of revenue debt, \$ 5.3 million relates to water, wastewater and drainage projects funded and completed in the mid-1990's.

Additional information on the City's long-term debt can be found in Note I on pages 45 through 47 of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

Economic factors:

The City's primary sources of revenue are property taxes, franchise and regulatory fees 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 11% over the previous year. Unemployment in Broward County was 3.5% on September 30, 2005. While Wilton Manors has been significantly built 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 scheduled to open in the ensuing year. Significant growth and redevelopment will be coming online in the next fiscal year.

CITY OF WILTON MANORS, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
(continued)
September 30, 2005

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.

**BASIC
FINANCIAL STATEMENTS**

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CITY OF WILTON MANORS, FLORIDA
STATEMENT OF NET ASSETS
September 30, 2005

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS:			
Equity in pooled cash	\$ 3,405,350	\$ 605,636	\$ 4,010,986
Cash held by third party	18,483	--	18,483
Accounts receivable	345,763	445,046	790,809
Due from other governments	874,911	--	874,911
Inventory	66,706	80,849	147,555
Unamortized bond discounts and financing costs	--	40,880	40,880
Capital assets, non-depreciable	6,212,947	1,502,973	7,715,920
Capital assets, depreciable (net)	10,398,875	11,178,470	21,577,345
Restricted cash and cash equivalents	3,000	2,535,925	2,538,925
Other assets	<u>116,302</u>	<u>26,017</u>	<u>142,319</u>
Total assets	<u>21,442,337</u>	<u>16,415,796</u>	<u>37,858,133</u>
LIABILITIES:			
Accounts payable	525,583	309,103	834,686
Accrued expenses	119,236	8,656	127,892
Unearned revenues	89,793	--	89,793
Accrued interest payable	38,731	172,793	211,524
Customer deposits	--	339,975	339,975
Due to other governments	6,919	4,297	11,216
Due within one year:			
Compensated absences payable	53,880	--	53,880
Bonds payable	141,371	782,390	923,761
Due in more than one year:			
Compensated absences payable	457,203	36,027	493,230
Bonds payable	<u>2,512,697</u>	<u>6,308,759</u>	<u>8,821,456</u>
Total liabilities	<u>3,945,413</u>	<u>7,962,000</u>	<u>11,907,413</u>
NET ASSETS:			
Invested in capital assets (net of related debt)	13,957,754	5,631,174	19,588,928
Restricted for:			
Debt service	--	1,240,767	1,240,767
Renewal and replacement	--	318,438	318,438
Unrestricted	<u>3,539,170</u>	<u>1,263,417</u>	<u>4,802,587</u>
Total net assets	<u>\$ 17,496,924</u>	<u>\$ 8,453,796</u>	<u>\$ 25,950,720</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, 2005

		Program Revenues		
Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
FUNCTIONS/PROGRAMS:				
Primary government:				
Governmental activities:				
General government	\$ 1,680,856	\$ --	\$ --	\$ --
Public safety	6,708,570	2,616,628	189,981	1,821,554
Culture and recreation	2,593,071	244,850	--	--
Public services	911,806	565,710	--	--
Interest expense	<u>118,680</u>	<u>--</u>	<u>--</u>	<u>--</u>
Total governmental activities	<u>12,012,983</u>	<u>3,427,188</u>	<u>189,981</u>	<u>1,821,554</u>
Business-type activities:				
Water and wastewater	3,561,575	4,561,813	--	--
Drainage	<u>267,584</u>	<u>292,031</u>	<u>--</u>	<u>--</u>
Total business-type activities	<u>3,829,159</u>	<u>4,853,844</u>	<u>--</u>	<u>--</u>
Total primary government	\$ <u>15,842,142</u>	\$ <u>8,281,032</u>	\$ <u>189,981</u>	\$ <u>1,821,554</u>

General revenues:

Taxes:

Ad valorem taxes

Franchise fees

Utility service taxes

Interest income

Miscellaneous

Contributions

Transfers

Total general revenues
and transfers

Change in net assets

Net assets at beginning of year

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		
Primary Government		
Governmental Activities	Business-Type Activities	Total
\$ (1,680,856)	\$ --	\$ (1,680,856)
(2,080,407)	--	(2,080,407)
(2,348,221)	--	(2,348,221)
(346,096)	--	(346,096)
<u>(118,680)</u>	<u>--</u>	<u>(118,680)</u>
<u>(6,574,260)</u>	<u>--</u>	<u>(6,574,260)</u>
	1,000,238	1,000,238
<u>--</u>	<u>24,447</u>	<u>24,447</u>
<u>--</u>	<u>1,024,685</u>	<u>1,024,685</u>
<u>(6,574,260)</u>	<u>1,024,685</u>	<u>(5,549,575)</u>
4,753,466	--	4,753,466
946,635	--	946,635
1,642,904	--	1,642,904
82,583	70,967	153,550
234,580	61,735	296,315
94,569	--	94,569
<u>528,234</u>	<u>(528,234)</u>	<u>--</u>
<u>8,282,971</u>	<u>(395,532)</u>	<u>7,887,439</u>
1,708,711	629,153	2,337,864
<u>15,788,213</u>	<u>7,824,643</u>	<u>23,612,856</u>
\$ <u>17,496,924</u>	\$ <u>8,453,796</u>	\$ <u>25,950,720</u>

CITY OF WILTON MANORS, FLORIDA
BALANCE SHEET
GOVERNMENTAL FUNDS
September 30, 2005

	Major Governmental Funds				
	General Fund	Fire Assessment Fund	General Obligation Bond Fund	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS:					
Equity in pooled cash	\$ 2,275,613	\$ 148,382	\$ 126,697	\$ 854,658	\$ 3,405,350
Cash held by third party	--	18,483	--	--	18,483
Restricted cash	3,000	--	--	--	3,000
Accounts receivable	234,869	--	--	110,894	345,763
Due from other governments	181,616	--	--	693,295	874,911
Advance to other funds	1,030,459	--	--	--	1,030,459
Inventory	45,183	--	--	21,523	66,706
Other assets	<u>116,302</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>116,302</u>
Total assets	<u>\$ 3,887,042</u>	<u>\$ 166,865</u>	<u>\$ 126,697</u>	<u>\$ 1,680,370</u>	<u>\$ 5,860,974</u>
LIABILITIES AND FUND BALANCES (DEFICIT):					
Liabilities:					
Accounts payable	\$ 140,867	\$ 6,307	\$ --	\$ 378,409	\$ 525,583
Accrued expenditures	112,781	3,304	--	3,151	119,236
Advance from other funds	--	--	612,935	417,524	1,030,459
Unearned revenues	34,567	10,104	--	45,122	89,793
Accrued compensated absences	33,880	--	--	--	33,880
Due to other governments	<u>--</u>	<u>184</u>	<u>165</u>	<u>6,570</u>	<u>6,919</u>
Total liabilities	<u>322,095</u>	<u>19,899</u>	<u>613,100</u>	<u>850,776</u>	<u>1,805,870</u>
Fund balances (deficit):					
Reserved for:					
Contingency	634,430	--	--	--	634,430
Vehicles	193,978	--	--	--	193,978
Advance from other fund	1,030,459	--	--	--	1,030,459
Encumbrances	81,730	--	--	130,878	212,608
Inventory	45,183	--	--	21,523	66,706
Public safety	53,507	--	--	--	53,507
Culture/recreation	175,141	--	--	--	175,141
Fire truck	--	18,483	--	--	18,483
Unreserved:					
Designated for subsequent years' expenditures, reported in:					
Special Revenue Funds	--	7,500	--	27,174	34,674
Undesignated (deficit), reported in:					
General Fund	1,350,519	--	--	--	1,350,519
General Obligation Bond Fund	--	--	(486,403)	--	(486,403)
Special Revenue Funds	<u>--</u>	<u>120,983</u>	<u>--</u>	<u>650,019</u>	<u>771,002</u>
Total fund balances	<u>3,564,947</u>	<u>146,966</u>	<u>(486,403)</u>	<u>829,594</u>	<u>4,055,104</u>
Total liabilities and fund balances	<u>\$ 3,887,042</u>	<u>\$ 166,865</u>	<u>\$ 126,697</u>	<u>\$ 1,680,370</u>	<u>\$ 5,860,974</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, 2005

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 15		\$ 4,055,104
Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds:		
The cost of capital assets is	\$ 21,973,902	
Accumulated depreciation is	<u>(5,362,080)</u>	16,611,822
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>(3,170,002)</u>
NET ASSETS OF GOVERNMENTAL ACTIVITIES, PAGE 12		\$ <u>17,496,924</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, 2005

	Major Governmental Funds			Nonmajor Governmental Funds	Total Governmental Funds
	General Fund	Fire Assessment Fund	General Obligation Bond Fund		
REVENUES:					
Ad valorem taxes	\$ 4,464,191	\$ --	\$ --	\$ --	\$ 4,464,191
Ad valorem taxes for debt service	289,275	--	--	--	289,275
Franchise fees	663,526	--	--	283,109	946,635
Utility service taxes	1,642,904	--	--	--	1,642,904
Licenses and permits	1,237,688	--	--	--	1,237,688
Intergovernmental revenues	1,226,642	--	10,000	774,894	2,011,536
Charges for services	236,824	44,706	--	331,128	612,658
Fines and forfeitures	284,415	--	--	26,072	310,487
Impact fees	225,654	--	--	--	225,654
Special assessment	--	1,031,773	--	8,930	1,040,703
Donations	63,053	--	--	31,516	94,569
Miscellaneous	129,489	12,487	672	174,512	317,160
Total revenues	<u>10,463,661</u>	<u>1,088,966</u>	<u>10,672</u>	<u>1,630,161</u>	<u>13,193,460</u>
EXPENDITURES:					
Current:					
General government	1,447,311	--	660	--	1,447,971
Public safety	5,347,270	772,159	--	328,911	6,448,340
Culture and recreation	2,035,576	--	--	125,864	2,161,440
Public services	340,077	--	--	485,999	826,076
Nondepartmental	85,646	--	--	--	85,646
Capital outlay	525,819	540,638	--	235,998	1,302,455
Debt service:					
Principal retirement	135,380	--	--	--	135,380
Interest	120,656	--	--	--	120,656
Total expenditures	<u>10,037,735</u>	<u>1,312,797</u>	<u>660</u>	<u>1,176,772</u>	<u>12,527,964</u>
Excess (deficiency) of revenues over expenditures	<u>425,926</u>	<u>(223,831)</u>	<u>10,012</u>	<u>453,389</u>	<u>665,496</u>
OTHER FINANCING SOURCES (USES):					
Transfers in	948,323	--	54,039	8,200	1,010,562
Transfers out	(155,070)	(50,557)	--	(276,701)	(482,328)
Total other financing sources (uses)	<u>793,253</u>	<u>(50,557)</u>	<u>54,039</u>	<u>(268,501)</u>	<u>528,234</u>
Net change in fund balances	1,219,179	(274,388)	64,051	184,888	1,193,730
FUND BALANCES (DEFICIT) AT BEGINNING OF YEAR	<u>2,345,768</u>	<u>421,354</u>	<u>(550,454)</u>	<u>644,706</u>	<u>2,861,374</u>
FUND BALANCES (DEFICIT) AT END OF YEAR	<u>\$ 3,564,947</u>	<u>\$ 146,966</u>	<u>\$ (486,403)</u>	<u>\$ 829,594</u>	<u>\$ 4,055,104</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, 2005

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS, PAGE 17 \$ 1,193,730

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	\$ 1,082,997	
Less current year depreciation expense	<u>(690,182)</u>	392,815

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		135,380
--------------------	--	---------

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:

Decrease in interest payable	1,976	
Increase in long-term compensated absences	<u>(15,190)</u>	<u>(13,214)</u>

CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES, PAGE 14 \$ 1,708,711

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, 2005

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Ad valorem taxes:				
Current	\$ 4,438,011	\$ 4,438,011	\$ 4,457,979	\$ 19,968
Delinquent	10,000	10,000	6,212	(3,788)
Debt service	<u>287,575</u>	<u>287,575</u>	<u>289,275</u>	<u>1,700</u>
	<u>4,735,586</u>	<u>4,735,586</u>	<u>4,753,466</u>	<u>17,880</u>
Franchise fees:				
Electric	591,050	591,050	628,226	37,176
Miscellaneous	<u>19,500</u>	<u>19,500</u>	<u>35,300</u>	<u>15,800</u>
	<u>610,550</u>	<u>610,550</u>	<u>663,526</u>	<u>52,976</u>
Utility service taxes:				
Electricity	722,465	722,465	729,751	7,286
Gas	45,700	45,700	44,764	(936)
Water	275,083	275,083	272,680	(2,403)
Communication service tax	<u>567,614</u>	<u>567,614</u>	<u>595,709</u>	<u>28,095</u>
	<u>1,610,862</u>	<u>1,610,862</u>	<u>1,642,904</u>	<u>32,042</u>
Licenses and permits:				
Occupational licenses	131,250	131,250	124,280	(6,970)
Building permits	627,500	627,500	1,052,044	424,544
Residential rental licenses	22,000	22,000	22,488	488
Other licenses and permits	21,000	21,000	38,376	17,376
Payment in lieu of landscaping	3,200	3,200	--	(3,200)
Letters of determination	<u>--</u>	<u>--</u>	<u>500</u>	<u>500</u>
	<u>804,950</u>	<u>804,950</u>	<u>1,237,688</u>	<u>432,738</u>
Intergovernmental revenues:				
State revenue sharing	420,649	420,649	425,485	4,836
State sales tax	690,189	690,189	751,268	61,079
Mobile home licenses	200	200	157	(43)
Alcoholic beverage licenses	12,940	12,940	14,378	1,438
Bash Grant - Department of Agriculture	--	--	7,390	7,390
Federal Disaster Assistance	--	--	7,756	7,756
State disaster assistance	--	--	209	209
EMS shared revenues	--	--	2,445	2,445
Broward boating	<u>--</u>	<u>--</u>	<u>17,554</u>	<u>17,554</u>
	<u>1,123,978</u>	<u>1,123,978</u>	<u>1,226,642</u>	<u>102,664</u>
Charges for services:				
Recreation fees	218,600	218,600	222,387	3,787
Other charges	<u>10,625</u>	<u>10,625</u>	<u>14,437</u>	<u>3,812</u>
	<u>229,225</u>	<u>229,225</u>	<u>236,824</u>	<u>7,599</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 BALANCE - BUDGET AND ACTUAL
GENERAL FUND
(continued)
For the Year Ended September 30, 2005

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		
Fines and forfeitures:				
Court and parking fines	325,000	325,000	267,119	(57,881)
Library fines	8,025	8,025	8,025	--
Code enforcement	<u>16,000</u>	<u>16,000</u>	<u>9,271</u>	<u>(6,729)</u>
	<u>349,025</u>	<u>349,025</u>	<u>284,415</u>	<u>(64,610)</u>
Miscellaneous:				
Interest income	40,000	40,000	82,581	42,581
Rental revenue	11,000	11,000	14,114	3,114
Impact fees	20,000	20,000	225,654	205,654
Donations	150	150	63,053	62,903
Miscellaneous revenue	<u>11,139</u>	<u>11,139</u>	<u>32,794</u>	<u>21,655</u>
	<u>82,289</u>	<u>82,289</u>	<u>418,196</u>	<u>335,907</u>
Total revenues	<u>9,546,465</u>	<u>9,546,465</u>	<u>10,463,661</u>	<u>917,196</u>
Expenditures:				
General government:				
Mayor and Commission:				
Personal services	54,834	54,834	47,508	7,326
Operating expenditures	<u>37,204</u>	<u>37,204</u>	<u>24,737</u>	<u>12,467</u>
	<u>92,038</u>	<u>92,038</u>	<u>72,245</u>	<u>19,793</u>
City Management:				
Personal services	454,147	454,147	445,082	9,065
Operating expenditures	74,135	74,569	69,375	5,194
Capital outlay	<u>3,929</u>	<u>3,495</u>	<u>2,524</u>	<u>971</u>
	<u>532,211</u>	<u>532,211</u>	<u>516,981</u>	<u>15,230</u>
Financial Services:				
Personal services	533,121	545,318	544,819	499
Operating expenditures	103,993	103,993	101,583	2,410
Capital outlay	<u>2,000</u>	<u>2,000</u>	<u>850</u>	<u>1,150</u>
	<u>639,114</u>	<u>651,311</u>	<u>647,252</u>	<u>4,059</u>
City Attorney:				
Operating expenditures	<u>140,231</u>	<u>215,265</u>	<u>215,265</u>	<u>--</u>
	<u>140,231</u>	<u>215,265</u>	<u>215,265</u>	<u>--</u>
Total general government	<u>1,403,594</u>	<u>1,490,825</u>	<u>1,451,743</u>	<u>39,082</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 BALANCE - BUDGET AND ACTUAL
GENERAL FUND

(continued)

For the Year Ended September 30, 2005

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		
Public safety:				
Police:				
Personal services	3,755,383	3,712,383	3,709,931	2,452
Operating expenditures	499,682	499,682	421,286	78,396
Capital outlay	<u>114,959</u>	<u>157,959</u>	<u>114,951</u>	<u>43,008</u>
	<u>4,370,024</u>	<u>4,370,024</u>	<u>4,246,168</u>	<u>123,856</u>
Emergency medical services:				
Operating expenditures	<u>245,821</u>	<u>245,821</u>	<u>227,105</u>	<u>18,716</u>
	<u>245,821</u>	<u>245,821</u>	<u>227,105</u>	<u>18,716</u>
Community services:				
Personal services	515,259	515,259	509,985	5,274
Operating expenditures	488,562	487,037	482,171	4,866
Capital outlay	<u>26,482</u>	<u>28,007</u>	<u>35,593</u>	<u>(7,586)</u>
	<u>1,030,303</u>	<u>1,030,303</u>	<u>1,027,749</u>	<u>2,554</u>
Total public safety	<u>5,646,148</u>	<u>5,646,148</u>	<u>5,501,022</u>	<u>145,126</u>
Culture and recreation:				
Library				
Personal services	364,855	364,855	328,763	36,092
Operating expenditures	56,097	56,097	46,312	9,785
Capital outlay	<u>23,000</u>	<u>23,000</u>	<u>20,456</u>	<u>2,544</u>
	<u>443,952</u>	<u>443,952</u>	<u>395,531</u>	<u>48,421</u>
Parks and recreation:				
Personal services	1,354,164	1,355,664	1,281,590	74,074
Operating expenditures	411,751	418,151	375,399	42,752
Capital outlay	<u>428,579</u>	<u>420,679</u>	<u>300,086</u>	<u>120,593</u>
	<u>2,194,494</u>	<u>2,194,494</u>	<u>1,957,075</u>	<u>237,419</u>
Total culture and recreation	<u>2,638,446</u>	<u>2,638,446</u>	<u>2,352,606</u>	<u>285,840</u>
Public services:				
Personal services	174,637	174,637	179,785	(5,148)
Operating expenditures	176,009	176,009	160,971	15,038
Capital outlay	<u>13,600</u>	<u>13,600</u>	<u>3,135</u>	<u>10,465</u>
Total public services	<u>364,246</u>	<u>364,246</u>	<u>343,891</u>	<u>20,355</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 BALANCE - BUDGET AND ACTUAL
GENERAL FUND

(continued)

For the Year Ended September 30, 2005

	Budgeted Amounts		Actual	Variance
	Original	Final		
Nondepartmental:				
Personal service	44,087	44,087	42,327	1,760
Operating expenditures	36,946	45,894	45,894	--
Capital outlay	12,454	12,420	13,582	(1,162)
Total nondepartmental	93,487	102,401	101,803	598
Debt service:				
Principal retirement	135,380	135,380	135,380	--
Interest	120,656	120,656	120,656	--
Total debt service	256,036	256,036	256,036	--
Total expenditures	10,401,957	10,498,102	10,007,101	491,001
Excess (deficiency) of revenues over expenditures	(855,492)	(951,637)	465,560	1,408,197
 OTHER FINANCING SOURCES (USES):				
Transfers in	948,323	948,323	948,323	--
Transfers out	(92,831)	(155,070)	(155,070)	--
Total other financing sources (uses)	855,492	793,253	793,253	--
Net change in fund balance	--	(158,384)	1,249,813	1,408,197
 FUND BALANCE AT BEGINNING OF YEAR	2,233,404	2,233,404	2,233,404	--
 FUND BALANCE AT END OF YEAR	\$ 2,233,404	\$ 2,075,020	\$ 3,483,217	\$ 1,408,197

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

CITY OF WILTON MANORS, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
FIRE ASSESSMENT FUND
For the Year Ended September 30, 2005

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Charges for services	\$ 47,200	\$ 47,200	\$ 44,706	\$ (2,494)
Special assessments	1,070,159	1,070,159	1,031,773	(38,386)
Miscellaneous	<u>3,000</u>	<u>3,000</u>	<u>12,487</u>	<u>9,487</u>
Total revenues	<u>1,120,359</u>	<u>1,120,359</u>	<u>1,088,966</u>	<u>(31,393)</u>
EXPENDITURES:				
Public safety:				
Operating expenditures	880,496	880,496	771,675	108,821
Capital outlay	<u>189,306</u>	<u>540,638</u>	<u>540,638</u>	<u>--</u>
Total expenditures	<u>1,069,802</u>	<u>1,421,134</u>	<u>1,312,313</u>	<u>108,821</u>
Excess (deficiency) of revenues over expenditures	50,557	(300,775)	(223,347)	77,428
OTHER FINANCING SOURCES (USES):				
Transfers out	<u>(50,557)</u>	<u>(50,557)</u>	<u>(50,557)</u>	<u>--</u>
Net change in fund balance	--	(351,332)	(273,904)	77,428
FUND BALANCE AT BEGINNING OF YEAR	<u>420,870</u>	<u>420,870</u>	<u>420,870</u>	<u>--</u>
FUND BALANCE AT END OF YEAR	\$ <u>420,870</u>	\$ <u>69,538</u>	\$ <u>146,966</u>	\$ <u>77,428</u>

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

CITY OF WILTON MANORS, FLORIDA
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
September 30, 2005

ASSETS:	Business-Type Activities - Enterprise Funds		
	Major Fund	Nonmajor Fund	Total
	Utility Fund	Drainage Fund	
Current assets:			
Equity in pooled cash	\$ 230,556	\$ 375,080	\$ 605,636
Accounts receivable	429,905	15,141	445,046
Prepaid expenses	25,443	574	26,017
Inventory	80,849	--	80,849
Restricted cash and cash equivalents	1,295,158	--	1,295,158
Total current assets	2,061,911	390,795	2,452,706
Noncurrent assets:			
Restricted cash and cash equivalents	1,240,767	--	1,240,767
Capital assets, depreciable net	10,609,354	569,116	11,178,470
Capital assets, non-depreciable	1,502,973	--	1,502,973
Unamortized bond discount and financing costs	40,880	--	40,880
Total noncurrent assets	13,393,974	569,116	13,963,090
Total assets	\$ 15,455,885	\$ 959,911	\$ 16,415,796
LIABILITIES:			
Current liabilities (payable from unrestricted assets):			
Accounts payable	\$ 308,111	\$ 992	\$ 309,103
Accrued expenses	7,175	1,481	8,656
Due to other governments	4,297	--	4,297
Current liabilities (payable from restricted assets):			
Bonds payable	782,390	--	782,390
Accrued interest payable	172,793	--	172,793
Customer deposits	339,975	--	339,975
Total current liabilities	1,614,741	2,473	1,617,214
Noncurrent liabilities:			
Compensated absences payable	34,068	1,959	36,027
Bonds payable	6,308,759	--	6,308,759
Total noncurrent liabilities	6,342,827	1,959	6,344,786
Total liabilities	7,957,568	4,432	7,962,000
NET ASSETS:			
Invested in capital assets, net of related debt	5,062,058	569,116	5,631,174
Restricted for:			
Debt service	1,240,767	--	1,240,767
Renewal and replacement	300,000	18,438	318,438
Unrestricted	895,492	367,925	1,263,417
Total net assets	7,498,317	955,479	8,453,796
Total liabilities and net assets	\$ 15,455,885	\$ 959,911	\$ 16,415,796

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, 2005

	Business-Type Activities - Enterprise Funds		
	Major Fund	Nonmajor Fund	Total
	Utility Fund	Drainage Fund	
OPERATING REVENUES:			
Charges for services	\$ <u>4,561,813</u>	\$ <u>292,031</u>	\$ <u>4,853,844</u>
OPERATING AND ADMINISTRATIVE EXPENSES:			
Water purchases and contracted sewer services	1,972,726	--	1,972,726
Maintenance and repair	82,622	31,855	114,477
Administrative costs	15,224	4,518	19,742
Accounting services	26,721	--	26,721
Personal services	421,995	92,944	514,939
Depreciation expense	311,948	105,066	417,014
Amortization expense	33,014	--	33,014
General expenses	<u>335,591</u>	<u>33,201</u>	<u>368,792</u>
 Total operating and administrative expenses	 <u>3,199,841</u>	 <u>267,584</u>	 <u>3,467,425</u>
 Operating income	 <u>1,361,972</u>	 <u>24,447</u>	 <u>1,386,419</u>
NONOPERATING REVENUES (EXPENSES):			
Interest income	65,864	5,103	70,967
Interest expense	(361,734)	--	(361,734)
Miscellaneous	<u>61,735</u>	<u>--</u>	<u>61,735</u>
 Total nonoperating revenues (expenses)	 <u>(234,135)</u>	 <u>5,103</u>	 <u>(229,032)</u>
 Income before transfers	 <u>1,127,837</u>	 <u>29,550</u>	 <u>1,157,387</u>
TRANSFERS:			
In	51,308	96,239	147,547
Out	<u>(644,842)</u>	<u>(30,939)</u>	<u>(675,781)</u>
 Total transfers in (out)	 <u>(593,534)</u>	 <u>65,300</u>	 <u>(528,234)</u>
 Changes in net assets	 534,303	 94,850	 629,153
NET ASSETS AT BEGINNING OF YEAR	<u>6,964,014</u>	<u>860,629</u>	<u>7,824,643</u>
NET ASSETS AT END OF YEAR	\$ <u>7,498,317</u>	\$ <u>955,479</u>	\$ <u>8,453,796</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, 2005

	Business-Type Activities - Enterprise Funds		
	Major Fund	Nonmajor Fund	Total
	Utility Fund	Drainage Fund	
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash received from customers and users	\$ 4,652,855	\$ 291,129	\$ 4,943,984
Cash received from other services	61,735	--	61,735
Cash paid to employees for services	(421,996)	(92,944)	(514,940)
Cash paid to suppliers for goods and services	<u>(2,419,585)</u>	<u>(63,819)</u>	<u>(2,483,404)</u>
Net cash provided by operating activities	<u>1,873,009</u>	<u>134,366</u>	<u>2,007,375</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Transfers in from other funds	51,308	189,713	241,021
Transfers out to other funds	<u>(734,019)</u>	<u>(30,939)</u>	<u>(764,958)</u>
Net cash provided (used) by noncapital financing activities	<u>(682,711)</u>	<u>158,774</u>	<u>(523,937)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Bond principal payments	(745,874)	--	(745,874)
Interest paid	(377,882)	--	(377,882)
Purchase of capital assets	<u>(373,960)</u>	<u>(117,292)</u>	<u>(491,252)</u>
Net cash used by capital and related financing activities	<u>(1,497,716)</u>	<u>(117,292)</u>	<u>(1,615,008)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Interest received	<u>65,864</u>	<u>5,103</u>	<u>70,967</u>
Net cash provided by investing activities	<u>65,864</u>	<u>5,103</u>	<u>70,967</u>
Net increase (decrease) in equity in pooled cash, restricted cash and cash equivalents	(241,554)	180,951	(60,603)
EQUITY IN POOLED CASH, RESTRICTED CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>3,008,035</u>	<u>194,129</u>	<u>3,202,164</u>
EQUITY IN POOLED CASH, RESTRICTED CASH AND CASH EQUIVALENTS AT END OF YEAR	\$ <u><u>2,766,481</u></u>	\$ <u><u>375,080</u></u>	\$ <u><u>3,141,561</u></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, 2005

RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:	Business-Type Activities - Enterprise Funds		
	Major Fund	Nonmajor Fund	Total
	Utility Fund	Drainage Fund	
Operating income and other income	\$ <u>1,423,707</u>	\$ <u>24,447</u>	\$ <u>1,448,154</u>
Adjustments to reconcile operating income to net cash provided by operating activities:			
Amortization expense	33,014	--	33,014
Depreciation expense	311,948	105,066	417,014
(Increase) decrease in accounts receivable	72,052	3,896	75,948
(Increase) decrease in prepaid expenses	(23,120)	200	(22,920)
(Increase) decrease in inventory	(18,976)	--	(18,976)
Increase (decrease) in accounts payable	60,676	638	61,314
Increase (decrease) in accrued expenses	1,108	119	1,227
Increase (decrease) in customer deposits	<u>12,600</u>	<u>--</u>	<u>12,600</u>
Total adjustments	<u>449,302</u>	<u>109,919</u>	<u>559,221</u>
Net cash provided by operating activities	\$ <u><u>1,873,009</u></u>	\$ <u><u>134,366</u></u>	\$ <u><u>2,007,375</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, POLICE AND VOLUNTEER
FIREFIGHTERS PENSION FUNDS
September 30, 2005

ASSETS:	
Cash and cash equivalents	\$ 859,837
Investments:	
Common stocks	14,350,529
U.S. government securities	4,984,231
Corporate bonds	<u>1,133,994</u>
Total investments	21,328,591
Receivable for investments sold	27,293
Accrued investment income	72,160
Due from State	<u>30,847</u>
Total assets	<u>21,458,891</u>
LIABILITIES:	
Accounts payable	29,669
DROP payable	262,644
Payable for investments purchased	61,250
Employee contribution	<u>19,350</u>
Total liabilities	<u>372,913</u>
NET ASSETS HELD IN TRUST FOR PENSION BENEFITS	\$ <u>21,085,978</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', POLICE AND VOLUNTEER
FIREFIGHTERS' PENSION FUNDS
For the Year Ended September 30, 2005

ADDITIONS:	
Contributions:	
Employer	\$ 486,954
Employee	799,497
State	<u>84,258</u>
Total contributions	<u>1,370,709</u>
Investment income (loss):	
Net appreciation in fair value of investments	1,222,172
Interest and dividends	602,430
Earnings (losses) allocated to DROP Program	(40,070)
Investment expenses	<u>(105,502)</u>
Total investment income	<u>1,679,030</u>
Total additions	<u>3,049,739</u>
DEDUCTIONS:	
Retirement benefits and refunds	967,286
Administrative expenses	<u>131,999</u>
Total deductions	<u>1,099,285</u>
Change in net assets	1,950,454
NET ASSETS HELD IN TRUST FOR PENSION BENEFITS:	
Beginning of year	<u>19,135,524</u>
End of year	\$ <u>21,085,978</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, 2005

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. 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/Commission 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 basic 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. All interfund activity, except interfund services provided and used, have 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, 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, 2005

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

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 nonmajor special revenue funds:

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

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 Commission.

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.

Another fund includes the Fiduciary Fund which accounts for the activities of General Employees' Pension Trust, Police Officers Pension Trust and Volunteer Firefighters Trust that accumulates resources for pension benefit payments to qualifying city employees and volunteer firefighters.

CITY OF WILTON MANORS, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2005

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

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, 2005

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 other than buildings, 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 October 1, 2002. 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 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, 2005

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

In the fund financial statements, governmental fund types recognize 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. 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, 2005

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Unearned revenue:

Governmental funds report unearned 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. Unearned revenues at the government-wide level arise only when the City receives resources before it has a legal claim to them.

Interfund transactions:

Interfund services provided and used 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 interfund services provided and used and reimbursements, are reported as transfers.

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

Unbilled revenues:

The Utility Fund recognizes revenues on services which have been rendered to customers whether billed or not. Such amount totaled \$ 189,252 at September 30, 2005 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, 2005

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 \$ 3,170,002 difference are as follows:

Bonds payable	\$	2,654,068
Compensated absences		477,203
Accrued interest		<u>38,731</u>
Net adjustment to reduce fund balance (deficit) - total governmental funds to arrive at net assets - governmental activities	\$	<u>3,170,002</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 \$ 16,611,822 difference are as follows:

Capital asset costs	\$	21,973,902
Accumulated depreciation		<u>(5,362,080)</u>
Net adjustment to increase fund balance (deficit) - total governmental funds to arrive at net assets - governmental activities	\$	<u>16,611,822</u>

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

The Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balances (Deficit) requires 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 \$ 392,815 difference are as follows:

Capital outlay	\$	1,082,997
Depreciation expense		<u>(690,181)</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>392,815</u>

CITY OF WILTON MANORS, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2005

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

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 differences include only principal repayments on bonds of \$ 135,380.

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	\$ (15,190)
Change in accrued interest payable	<u>1,976</u>
Net adjustment to decrease net	
changes in fund balances (deficit) -	
governmental funds to	
arrive at changes in net assets	
of governmental activities.	
	\$ <u>(13,214)</u>

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 Commission 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 Commission. 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.

CITY OF WILTON MANORS, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2005

NOTE C - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (continued)

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.

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 is necessary to compare the fund balances of the General Fund for 2005:

Statement of revenues, expenditures and changes in fund balances - page 17	\$ 3,564,947
Encumbrances recorded in	<u>(81,730)</u>
Statement of revenues, expenditures and changes in fund balances - budget and actual - page 22	\$ <u>3,483,217</u>

NOTE D - DEPOSITS AND INVESTMENTS

Governmental and Proprietary Funds:

Deposits

The City's deposits must be placed with financial institutions that are qualified as public depositories in compliance with Florida Statutes Chapter 280. These deposits are insured by the Federal Deposit Insurance Corporation up to \$ 200,000, \$ 100,000 for demand deposits and \$ 100,000 for savings deposits. Monies deposited in amounts greater than the insurance coverage are covered by the participation of the bank in the Florida Security for Public Deposits Act. At year end, the carrying amount of the City's deposits was \$ 484,861 and the bank balance was \$ 460,422. Accordingly, the bank balances are considered to be insured for risk disclosure purposes.

Investments:

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). The City has established a maximum maturity of five years on any investment. A total of 100% of the City's governmental and proprietary portfolio was placed in the State of Florida Local Government Investment Pool with a value at year end of \$ 6,065,050.

CITY OF WILTON MANORS, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2005

NOTE D - DEPOSITS AND INVESTMENTS

Interest Rate Risk

The City's investment policy is designed to minimize the risk that the market value of securities in the portfolio will fall due to changes in general interest rates, by:

- Investing operating funds primarily in shorter-term securities, money market mutual funds, or similar investment pools.
- Structuring the investment portfolio so that securities do not have to be sold prior to maturity to meet cash flow requirements

The State Investment Pool has an average maturity over the last five years of less than ninety days.

Credit Risk

The City's investment policy specifically sets parameters to minimize the City's credit risk by:

- Limiting investments to the safest types of securities
- Pre-qualifying the financial institutions, broker/dealers, intermediaries, and advisors with which the City will do business
- Diversifying the investment portfolio so that potential losses on individual securities will be minimized

The City's investment in the State of Florida Local Governmental Investment Pool was unrated as of September 30, 2005.

Fiduciary Funds:

Investment Authorization

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

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

The fixed income portfolio shall be comprised of securities rated "A" or higher by a nationally recognized rating agency. Except for United States treasury and Agency obligation, no manager should invest more than 5% of the Plan assets in the securities of a single issuer. No issues may be purchased with more than fifteen years to maturity.

CITY OF WILTON MANORS, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2005

NOTE D - DEPOSITS AND INVESTMENTS (continued)

Types of Investments

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

<u>Authorized investments</u>	<u>Maximum target % of portfolio</u>	<u>Actual % of portfolio</u>
Equity	70%	67%
Fixed income	65%	29%
Cash equivalents	50%	4%

Interest Rate Risk

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

Information about the sensitivity of the fair values of the Plan's investment to market interest rate fluctuations is provided by the following table that shows the distribution of the Plan's investments by maturity at September 30, 2005:

<u>Investment Type</u>	<u>Investment Maturities (In Years)</u>				
	<u>Fair Value</u>	<u>Less Than 1</u>	<u>1 to 5</u>	<u>6 to 10</u>	<u>More Than 10</u>
United States Treasuries	\$ 561,538	\$ --	\$ --	\$ 561,538	\$ --
United States Agencies	4,422,693	112,155	2,852,660	1,402,981	54,897
Corporate bonds	<u>1,133,994</u>	<u>--</u>	<u>982,759</u>	<u>151,235</u>	<u>--</u>
Total fixed income securities	\$ <u>6,118,225</u>	\$ <u>112,155</u>	\$ <u>3,835,419</u>	\$ <u>2,115,754</u>	\$ <u>54,897</u>

Credit Risk

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

CITY OF WILTON MANORS, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2005

NOTE D - DEPOSITS AND INVESTMENTS (continued)

The following table discloses credit ratings by investment type, at September 30, 2005, as applicable:

	<u>Fair Value</u>	<u>Percentage of Portfolio</u>
United States government guaranteed*	\$ <u>4,984,231</u>	<u>81.46%</u>
Quality rating of credit risk debt securities		
AAA	71,796	1.17
AA	146,082	2.39
A+	763,269	12.48
A	<u>152,847</u>	<u>2.50</u>
 Total credit risk debt securities	 <u>1,133,994</u>	 <u>18.54</u>
 Total fixed income securities	 \$ <u><u>6,118,225</u></u>	 <u>100.00%</u>

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

Concentration of Credit Risk

The investment policy of the Plan contains limitations on the amount that can be invested in any one issuer as well as maximum portfolio allocation percentages. There were no individual investments that represent 5% or more of combined plan net assets at September 30, 2005.

Custodial Credit Risk

This is the risk that in the event of the failure of the counterparty, the Plan will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Consistent with the Plan's investment policy, the investments are held by Plan's custodial bank and registered in the Plan's name.

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, 2004, upon which the 2004-2005 levy was based, was approximately \$ 726,000,000.

CITY OF WILTON MANORS, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2005

NOTE E - PROPERTY TAXES (continued)

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, 2005 was 6.7935 per \$ 1,000.

NOTE F - CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2005 was as follows:

	<u>Balance October 1, 2004</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance September 30, 2005</u>
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ <u>6,212,947</u>	\$ <u> --</u>	\$ <u> --</u>	\$ <u>6,212,947</u>
Total capital assets, not being depreciated	<u>6,212,947</u>	<u> --</u>	<u> --</u>	<u>6,212,947</u>
Capital assets, being depreciated:				
Buildings	3,104,965	--	--	3,104,965
Improvements other than buildings	8,662,828	185,089	--	8,847,917
Machinery and equipment	<u>2,926,561</u>	<u>897,908</u>	<u>16,396</u>	<u>3,808,073</u>
Total capital assets being depreciated	<u>14,694,354</u>	<u>1,082,997</u>	<u>16,396</u>	<u>15,760,955</u>
Less accumulated depreciation for:				
Buildings	1,241,721	62,197	--	1,303,918
Improvements other than buildings	1,574,301	354,588	--	1,928,889
Machinery and equipment	<u>1,855,876</u>	<u>273,397</u>	<u> --</u>	<u>2,129,273</u>
Total accumulated depreciation	<u>4,671,898</u>	<u>690,182</u>	<u> --</u>	<u>5,362,080</u>
Total capital assets, being depreciated, net	<u>10,022,456</u>	<u>392,815</u>	<u>16,396</u>	<u>10,398,875</u>
Governmental activities, capital assets, net	\$ <u><u>16,235,403</u></u>	\$ <u><u>392,815</u></u>	\$ <u><u>16,396</u></u>	\$ <u><u>16,611,822</u></u>

CITY OF WILTON MANORS, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2005

NOTE F - CAPITAL ASSETS (continued)

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

Governmental activities:	
General government	\$ 141,055
Public safety	194,542
Culture and recreation	273,612
Public services	<u>80,973</u>
Total depreciation expense - governmental activities	\$ <u><u>690,182</u></u>

	<u>Balance October 1, 2004</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance September 30, 2005</u>
Business-type activities:				
Capital assets, not being depreciated:				
Land	\$ <u>1,486,048</u>	\$ <u>16,926</u>	\$ <u>--</u>	\$ <u>1,502,973</u>
Total capital assets, not being depreciated	<u>1,486,048</u>	<u>16,926</u>	<u>--</u>	<u>1,502,973</u>
Capital assets, being depreciated:				
Infrastructure	13,657,605	325,650	--	13,983,255
Improvements other than buildings	4,610,014	68,692	--	4,678,706
Buildings	634,883	2,028	--	636,912
Machinery and equipment	<u>772,585</u>	<u>77,996</u>	<u>--</u>	<u>850,541</u>
Total capital assets being depreciated	<u>19,675,087</u>	<u>474,326</u>	<u>--</u>	<u>20,149,414</u>
Less accumulated depreciation for:				
Infrastructure	4,898,901	136,951	--	5,035,852
Improvements other than buildings	3,293,832	259,465	--	3,553,297
Buildings	16,487	10,909	--	26,177
Machinery and equipment	<u>344,709</u>	<u>10,909</u>	<u>--</u>	<u>355,618</u>
Total accumulated depreciation	<u>8,553,929</u>	<u>417,014</u>	<u>--</u>	<u>8,970,943</u>
Total capital assets, being depreciated, net	<u>11,121,156</u>	<u>57,312</u>	<u>--</u>	<u>11,178,470</u>
Total business-type activities, capital assets, net	\$ <u><u>12,607,204</u></u>	\$ <u><u>74,237</u></u>	\$ <u><u>--</u></u>	\$ <u><u>12,681,443</u></u>

Depreciation expense was charged to Utility services and Stormwater drainage functions in the amounts of \$ 311,948 and \$ 105,066, respectively.

CITY OF WILTON MANORS, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2005

NOTE G - INTERFUND TRANSACTIONS

Interfund advances and transfers are as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>			<u>Total</u>
	<u>General Obligation Bond Fund</u>	<u>Miscellaneous Grants Fund</u>	<u>Road Improvement Fund</u>	
General Fund	\$ <u>612,935</u>	\$ <u>278,827</u>	\$ <u>138,697</u>	\$ <u>1,030,459</u>

Interfund advances were necessary to provide additional funds to complete projects and programs and supply match funds for grants used for such projects and programs. These amounts will not be paid until funds become available in the General Fund which is not anticipated in the upcoming year.

<u>Transfer out</u>	<u>Transfer In</u>					<u>Total</u>
	<u>General Fund</u>	<u>General Obligation Bond Fund</u>	<u>Road Improvement Fund</u>	<u>Drainage Fund</u>	<u>Utility Fund</u>	
General Fund	\$ --	\$ 54,039	\$ 8,200	\$ 92,831	\$ --	\$ 155,070
Recycling Fund	200,830	--	--	3,408	--	204,238
Fire Assessment Fund	50,557	--	--	--	--	50,557
Road Improvement Fund	72,463	--	--	--	--	72,463
Utility Fund	593,534	--	--	--	51,308	644,842
Drainage Fund	<u>30,939</u>	--	--	--	--	<u>30,939</u>
Totals	\$ <u>948,323</u>	\$ <u>54,039</u>	\$ <u>8,200</u>	\$ <u>96,239</u>	\$ <u>51,308</u>	\$ <u>1,158,109</u>

Interfund transfers allow for appropriate allocation of resources when one fund is providing resources for another or a project calls for multiple sources of funds. Transfers are used to move unrestricted revenues collected to finance various programs accounted for in other funds in accordance with budgetary authorizations.

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, 2005 relating to this agreement totaled approximately \$ 907,000.

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.

CITY OF WILTON MANORS, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2005

NOTE H - COMMITMENTS AND CONTINGENCIES (continued)

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 \$ 500,000. The City did not expend Federal or state monies exceeding this threshold during the year ended September 30, 2005.

The following summarizes grant activity for the year ended September 30, 2005:

<u>Grant</u>	<u>Revenues</u>	<u>Expenses/ Expenditures</u>	<u>Receivable</u>
Cops More 02	\$ 203,090	\$ 203,090	\$ 179,595
Hurricane Relief - Federal	164,866	164,866	13,397
Spirited Girls 2 & 3	36,450	36,450	26,480
Community Development Block Grant	52,730	52,730	
Library and Information Services	6,545	6,545	
Hurricane Relief - State	25,323	25,323	
Broward Boating Improvement	26,660	26,660	9,106
Confiscated Property Assistance Grant	14,734	14,734	
Broward Beautiful	9,140	9,140	
Bash Grant	7,390	7,390	
Enhanced Marine Law Enforcement	12,302	12,302	2,534
Comprehensive Inter-local Agreement	6,160	6,160	
United States Department of Justice Grant	1,626	1,626	
Urban Forestry Grant	7,500	7,500	7,500
Broward Beautiful 04/06	1,500	1,500	1,500
Florida Inland Navigation District - Dredging	37,500	37,500	37,500

NOTE I - DEBT

The following is a summary of the changes in the debt of the City from October 1, 2004 through September 30, 2005:

	<u>Balance at October 1, 2004</u>	<u>Debt Additions</u>	<u>Debt Retired</u>	<u>Balance at September 30, 2005</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	\$ 2,789,448	\$ --	\$ 135,380	\$ 2,654,068	\$ 141,371
Compensated absences	<u>500,192</u>	<u>533,036</u>	<u>522,145</u>	<u>511,083</u>	<u>53,880</u>
Total governmental activities, debt	<u>3,289,640</u>	<u>533,036</u>	<u>657,525</u>	<u>3,165,151</u>	<u>195,251</u>

CITY OF WILTON MANORS, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2005

NOTE I - DEBT (continued)

	<u>Balance at October 1, 2004</u>	<u>Debt Additions</u>	<u>Debt Retired</u>	<u>Balance at September 30, 2005</u>	<u>Due Within One Year (Net of Discounts)</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 \$ 62,972 in 2004 and \$ 55,100 in 2005)	2,527,027	7,872	--	2,534,899	--
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 \$ 154,421 in 2004 and \$135,119 in 2005)	5,282,822	19,302	745,874	4,556,250	782,390
Compensated absences	<u>34,010</u>	<u>2,017</u>	<u>--</u>	<u>36,027</u>	<u>--</u>
Total business-type activities	<u>7,843,859</u>	<u>29,191</u>	<u>745,874</u>	<u>7,127,176</u>	<u>782,390</u>
Total governmental and business-type activities	<u>\$ 11,133,499</u>	<u>\$ 562,227</u>	<u>\$ 1,403,399</u>	<u>\$ 10,292,327</u>	<u>\$ 957,641</u>

The following are the requirements to amortize all debt at September 30, 2005, including unamortized discounts of \$ 55,100 and deferred bond refunding costs of \$ 135,119.

Fiscal year ending	<u>General Obligation Bonds Payable</u>		<u>Enterprise Funds Revenue Bonds</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2006	\$ 141,371	\$ 114,665	\$ 782,390	\$ 328,647
2007	147,628	108,408	806,438	294,249
2008	154,162	101,874	848,056	258,430
2009	160,985	95,051	877,377	221,074
2010	168,111	87,925	924,567	182,062
2011 - 2014	958,968	321,212	2,852,321	248,801
2015 - 2019	<u>922,843</u>	<u>92,551</u>	<u>--</u>	<u>--</u>
Total	<u>\$ 2,654,068</u>	<u>\$ 921,685</u>	<u>\$ 7,091,149</u>	<u>\$ 1,533,263</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.

CITY OF WILTON MANORS, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2005

NOTE I - DEBT (continued)

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, 2005 was \$ 5,500,000.

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 \$ 4,691,368 at September 30, 2005.

NOTE J - PENSION TRUST

Description

The City of Wilton Manors has two defined benefit plans: The Pension Plan for General Employees and Police Officers (the Plan) and the Volunteer Firefighters Retirement System (the System). Both the Plan and the System are single-employer defined benefit plans. In the current year, the Volunteer Firefighters Retirement System was separated and disclosed separately. Amounts in this plan were reported in prior years as part of the Pension Plan for General Employees and Police Officers and therefore no adjustment was necessary to beginning amounts. 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. All active members of the volunteer fire department are members of the System.

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, 2004 (the last plan year valuation date), Plan membership consisted of:

	<u>General</u>	<u>Police</u>	<u>Volunteer Firefighters</u>
Retirees and beneficiaries receiving benefits	32	12	1
Active plan members	<u>59</u>	<u>30</u>	<u>9</u>
Total	<u><u>91</u></u>	<u><u>42</u></u>	<u><u>10</u></u>

CITY OF WILTON MANORS, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2005

NOTE J - PENSION TRUST (continued)

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. System members are not required to make contributions and benefits are not compensation related. 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, 2005, \$ 262,644 is held for DROP participants.

Administrative costs of the Plan and the System are financed through current or prior investment earnings. The contribution requirements for the Plan for the covered payroll and actual contributions made for the fiscal year ended September 30, 2005 and the two preceding years were as follows:

	<u>FY 2005</u>	<u>FY 2004</u>	<u>FY 2003</u>
Contribution Requirements	\$ 799,497	\$ 719,459	\$ 572,216
Contributions Made (100%)	799,497	719,459	572,216
Total Covered Payroll	4,497,000	4,151,363	3,895,000
Percent of Covered Payroll	17.78%	17.33%	14.69%
Net Pension Obligation	NONE	NONE	NONE

The contribution requirements made for the System for the fiscal year ended September 30, 2005 and the preceding two years are as follows:

	<u>FY 2005</u>	<u>FY 2004</u>	<u>FY 2003</u>
Contribution Requirements	\$ 46,877	\$ 43,306	\$ 14,537
Contributions Made	84,258	80,211	67,406
Net Pension Obligation	NONE	NONE	NONE

The Systems investments are commingled with those of the Plan. The System's investment policy, monitoring, authorization, and allocation are the same as the Plan.

Financial Report

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

NOTE K - RISK MANAGEMENT

The City is exposed to various risks of loss related to tort; theft of, damage to and destruction of assets, errors and omissions; and natural disasters. In order to limit its exposure to these risks, the City is a participant in the Florida League of Cities (a not-for-profit corporation) self-insurance program for workers' compensation, general and auto liability, and property insurance. This self-insurance program purchases excess and specific coverages from third party insurance carriers. Participants in the program are billed annually for their portion of the cost of the program adjusted for actual experience during the period of coverage. Participants are not assessed for unanticipated losses incurred by the program. Premiums paid by the City during the year totaled \$ 465,905.

CITY OF WILTON MANORS, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2005

NOTE L - INDIVIDUAL FUND DISCLOSURES

At September 30, 2005, 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	\$ 486,403
Miscellaneous Grants Fund	111,653

NOTE M - SUBSEQUENT EVENT

Powerful winds and heavy rains from Hurricane Wilma struck in the City of Wilton Manors on October 24, 2005. This severe weather event caused damage to City buildings and landscaping and generally left significant storm debris in the City's rights-of-way. In addition to the insurance payments made directly by the carrier, the City anticipates receiving approximately \$ 1.35 million from the Federal Emergency Management Agency and \$ 213,000 from the State of Florida as reimbursement for debris clearance, protective measures, and property repairs.

**REQUIRED SUPPLEMENTARY
INFORMATION**

CITY OF WILTON MANORS, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF FUNDING PROGRESS
PENSION PLAN FOR GENERAL EMPLOYEES AND POLICE
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>
10/01/99	\$ 14,964	\$ 16,344	\$ 1,380	91.6	\$ 3,104	44.5
10/01/00	16,512	17,901	1,389	92.2	3,433	40.5
10/01/01	17,353	18,746	1,393	92.6	3,719	37.5
10/01/02	17,310	18,691	1,381	92.6	3,895	35.4
10/01/03	19,018	19,824	805	95.9	4,151	19.4
10/01/04	19,595	23,306	3,711	84.1	4,497	82.5

CITY OF WILTON MANORS, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF FUNDING PROGRESS
VOLUNTARY FIREFIGHTERS RETIREMENT SYSTEM
For the Last Six Fiscal Years

(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>
10/01/99*	\$ --	\$ --	\$ --	--	\$ --	\$ --
10/01/00*	--	--	--	--	--	--
10/01/01	122,981	204,733	81,752	60.1	N/A	N/A
10/01/02*	--	--	--	--	--	--
10/01/03*	--	--	--	--	--	--
10/01/04	338,383	683,195	344,812	49.5	N/A	N/A

(*) The System is only required to value assets every three years. Data is not available.

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

<u>Fiscal Year Ended</u>	<u>Total General Employees and Police Retirement System</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>
09/30/00	\$ 298,915	100%	\$ --	--
09/30/01	278,248	100%	--	--
09/30/02	359,836	100%	--	--
09/30/03	572,216	100%	--	--
09/30/04	719,459	100%	--	--
09/30/05	799,497	100%	--	--

<u>Fiscal Year Ended</u>	<u>Total Volunteer Firefighter Retirement System</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>
09/30/00	\$ --	--	\$ 5,588	385.31
09/30/01	--	--	5,588	840.93
09/30/02	--	--	14,537	387.45
09/30/03	--	--	14,537	463.69
09/30/04	--	--	43,306	185.22
09/30/05	--	--	46,877	179.74

OTHER FINANCIAL INFORMATION

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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.

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 Commission.

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
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
September 30, 2005

	<u>Recycling 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	\$ 563,505	\$ 13,812	\$ 52,475	\$ 48,090
Accounts receivable, net	110,894	--	--	--
Due from other governments	403,611	--	1,549	--
Inventory	<u>13,921</u>	<u>--</u>	<u>--</u>	<u>--</u>
Total assets	\$ <u><u>1,091,931</u></u>	\$ <u><u>13,812</u></u>	\$ <u><u>54,024</u></u>	\$ <u><u>48,090</u></u>
 LIABILITIES AND FUND BALANCES (DEFICIT):				
Liabilities:				
Accounts payable	\$ 337,953	\$ --	\$ --	\$ --
Accrued expenditures	1,897	1,254	--	--
Advance from other funds	--	--	--	--
Unearned revenue	25,000	--	--	--
Due to other government	<u>--</u>	<u>6,570</u>	<u>--</u>	<u>--</u>
Total liabilities	<u>364,850</u>	<u>7,824</u>	<u>--</u>	<u>--</u>
 Fund balances (deficit):				
Reserved for encumbrances	33,124	--	--	--
Reserved for inventory	13,921	--	--	--
Unreserved:				
Designated for subsequent year expenditures	--	--	--	--
Undesignated (deficit)	<u>680,036</u>	<u>5,988</u>	<u>54,024</u>	<u>48,090</u>
Total fund balances (deficit)	<u>727,081</u>	<u>5,988</u>	<u>54,024</u>	<u>48,090</u>
Total liabilities and fund balances (deficit)	\$ <u><u>1,091,931</u></u>	\$ <u><u>13,812</u></u>	\$ <u><u>54,024</u></u>	\$ <u><u>48,090</u></u>

<u>Jenada Assessment Fund</u>	<u>Miscellaneous Grants Fund</u>	<u>Road Improvement Fund</u>	<u>Total</u>
\$ 2,915	\$ (77,767)	\$ 251,628	\$ 854,658
--	--	--	110,894
301	269,647	18,187	693,295
<u>--</u>	<u>--</u>	<u>7,602</u>	<u>21,523</u>
\$ <u>3,216</u>	\$ <u>191,880</u>	\$ <u>277,417</u>	\$ <u>1,680,370</u>
\$ 210	\$ 4,584	\$ 35,662	\$ 378,409
--	--	--	3,151
--	278,827	138,697	417,524
--	20,122	--	45,122
<u>--</u>	<u>--</u>	<u>--</u>	<u>6,570</u>
<u>210</u>	<u>303,533</u>	<u>174,359</u>	<u>850,776</u>
--	40,313	57,441	130,878
--	--	7,602	21,523
--	--	27,174	27,174
<u>3,006</u>	<u>(151,966)</u>	<u>10,841</u>	<u>650,019</u>
<u>3,006</u>	<u>(111,653)</u>	<u>103,058</u>	<u>829,594</u>
\$ <u>3,216</u>	\$ <u>191,880</u>	\$ <u>277,417</u>	\$ <u>1,680,370</u>

CITY OF WILTON MANORS, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES (DEFICIT)
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended September 30, 2005

	<u>Recycling 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	\$ 283,109	\$ --	\$ --	\$ --
Intergovernmental revenues	182,225	--	--	--
Charges for services	331,128	--	--	--
Fines and forfeitures	--	--	11,338	14,734
Special assessments	--	--	--	--
Donations	--	--	--	--
Miscellaneous	<u>10,295</u>	<u>452</u>	<u>1,321</u>	<u>1,390</u>
Total revenues	<u>806,757</u>	<u>452</u>	<u>12,659</u>	<u>16,124</u>
EXPENDITURES:				
Current				
Public safety	--	24,379	17,354	33,074
Culture and recreation	--	--	--	--
Public services	401,636	--	--	--
Capital outlay	<u>44,134</u>	<u>--</u>	<u>5,070</u>	<u>--</u>
Total expenditures	<u>445,770</u>	<u>24,379</u>	<u>22,424</u>	<u>33,074</u>
Excess (deficiency) of revenues over expenditures	360,987	(23,927)	(9,765)	(16,950)
OTHER FINANCING SOURCES (USES):				
Transfers in	--	--	--	--
Transfers out	<u>(204,238)</u>	<u>--</u>	<u>--</u>	<u>--</u>
Total other financing sources (uses)	<u>(204,238)</u>	<u>--</u>	<u>--</u>	<u>--</u>
Net change in fund balances	156,749	(23,927)	(9,765)	(16,950)
FUND BALANCES (DEFICIT) AT BEGINNING OF YEAR	<u>570,333</u>	<u>29,915</u>	<u>63,789</u>	<u>65,040</u>
FUND BALANCES (DEFICIT) AT END OF YEAR	\$ <u><u>727,082</u></u>	\$ <u><u>5,988</u></u>	\$ <u><u>54,024</u></u>	\$ <u><u>48,090</u></u>

<u>Jenada Assessment Fund</u>	<u>Miscellaneous Grants Fund</u>	<u>Road Improvement Fund</u>	<u>Total</u>
\$ --	\$ --	\$ --	\$ 283,109
--	345,919	246,750	774,894
--	--	--	331,128
--	--	--	26,072
8,930	--	--	8,930
--	31,516	--	31,516
<u>94</u>	<u>137,090</u>	<u>23,870</u>	<u>174,512</u>
<u>9,024</u>	<u>514,525</u>	<u>270,620</u>	<u>1,630,161</u>
--	254,104	--	328,911
--	67,275	58,590	125,864
7,627	--	76,735	485,999
<u>--</u>	<u>97,159</u>	<u>89,635</u>	<u>235,998</u>
<u>7,627</u>	<u>418,538</u>	<u>224,960</u>	<u>1,176,772</u>
1,397	95,987	45,660	453,389
--	--	8,200	8,200
<u>--</u>	<u>--</u>	<u>(72,463)</u>	<u>(276,701)</u>
<u>--</u>	<u>--</u>	<u>(64,263)</u>	<u>(268,501)</u>
1,397	95,987	(18,603)	184,888
<u>1,608</u>	<u>(207,640)</u>	<u>121,661</u>	<u>644,706</u>
\$ <u><u>3,005</u></u>	\$ <u><u>(111,653)</u></u>	\$ <u><u>103,058</u></u>	\$ <u><u>829,594</u></u>

CITY OF WILTON MANORS, FLORIDA
COMBINING SCHEDULE OF FIDUCIARY NET ASSETS
GENERAL EMPLOYEES, POLICE AND VOLUNTEER
FIREFIGHTERS PENSION FUNDS
September 30, 2005

	<u>General Employees</u>	<u>Police</u>	<u>Volunteer Firefighters</u>	<u>Total</u>
ASSETS:				
Cash and cash equivalents	\$ 438,749	\$ 404,502	\$ 16,586	\$ 859,837
Investments:				
Common stocks	7,322,645	6,751,068	276,816	14,350,529
U.S. Government securities	2,593,414	2,390,817	96,144	4,984,231
Corporate bonds	578,643	533,477	21,874	1,133,994
Receivable for investments sold	13,951	12,816	526	27,293
Accrued investment income	36,884	33,884	1,392	72,160
Due from state	--	--	30,847	30,847
	<u>10,934,176</u>	<u>10,080,530</u>	<u>444,185</u>	<u>21,458,891</u>
Total assets				
LIABILITIES:				
Accounts payable	15,146	13,913	610	29,669
DROP payable	116,247	146,397	--	262,644
Payable for investments purchased	31,307	28,762	1,181	61,250
Employee contribution	<u>12,034</u>	<u>7,316</u>	<u>--</u>	<u>19,350</u>
	<u>174,734</u>	<u>196,388</u>	<u>1,791</u>	<u>372,913</u>
Total liabilities				
NET ASSETS HELD IN TRUST FOR PENSION BENEFITS				
	\$ <u>10,759,442</u>	\$ <u>9,884,142</u>	\$ <u>442,394</u>	\$ <u>21,085,978</u>

CITY OF WILTON MANORS, FLORIDA
COMBINING SCHEDULE OF CHANGES IN FIDUCIARY NET ASSETS
GENERAL EMPLOYEES, POLICE AND VOLUNTEER
FIREFIGHTERS PENSION FUNDS
For the Year Ended September 30, 2005

	<u>General Employees</u>	<u>Police</u>	<u>Volunteer Firefighters</u>	<u>Total</u>
ADDITIONS:				
Contributions:				
Employer	\$ 299,299	\$ 187,655	\$ --	486,954
Employee	497,204	302,293	--	799,497
State	<u>--</u>	<u>--</u>	<u>84,258</u>	<u>84,258</u>
Total contributions	<u>796,503</u>	<u>489,948</u>	<u>84,258</u>	<u>1,370,709</u>
Investment income (loss):				
Net appreciation in fair value of investments	623,101	574,300	24,771	1,222,172
Interest and dividends	307,138	283,082	12,210	602,430
Earnings (losses) allocated to DROP	(29,210)	(10,860)	--	(40,070)
Less: Investment expenses	<u>(54,900)</u>	<u>(50,602)</u>	<u>--</u>	<u>(105,502)</u>
Total investment income	<u>846,129</u>	<u>795,920</u>	<u>36,981</u>	<u>1,679,030</u>
Total additions	<u>1,642,632</u>	<u>1,285,868</u>	<u>121,239</u>	<u>3,049,739</u>
DEDUCTIONS:				
Retirement benefits and refunds	578,116	369,944	19,226	967,286
Administrative expenses	<u>58,998</u>	<u>54,377</u>	<u>18,624</u>	<u>131,999</u>
Total deductions	<u>637,114</u>	<u>424,321</u>	<u>37,850</u>	<u>1,099,285</u>
Change in net assets	1,005,518	861,547	83,389	1,950,454
NET ASSETS HELD IN TRUST FOR PENSION BENEFITS:				
Beginning of year	<u>9,753,924</u>	<u>9,022,595</u>	<u>359,005</u>	<u>19,135,524</u>
End of year	\$ <u>10,759,442</u>	\$ <u>9,884,142</u>	\$ <u>442,394</u>	\$ <u>21,085,978</u>

CITY OF WILTON MANORS, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
RECYCLING FUND
For the Year Ended September 30, 2005

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Franchise fees	\$ 263,000	\$ 263,000	\$ 283,109	\$ 20,109
Charges for services	197,931	197,931	331,128	133,197
Intergovernmental	--	--	182,225	182,225
Miscellaneous	<u>4,000</u>	<u>4,000</u>	<u>10,295</u>	<u>6,295</u>
Total revenues	<u>464,931</u>	<u>464,931</u>	<u>806,757</u>	<u>341,826</u>
EXPENDITURES:				
Current:				
Public services				
Operating expenditures	235,844	413,092	413,092	--
Capital outlay	<u>24,850</u>	<u>57,078</u>	<u>57,078</u>	<u>--</u>
Total expenditures	<u>260,694</u>	<u>470,170</u>	<u>470,170</u>	<u>--</u>
Excess of revenues over expenditures	204,237	(5,239)	336,587	341,826
OTHER FINANCING SOURCES (USES):				
Transfers out	<u>(204,237)</u>	<u>(204,237)</u>	<u>(204,238)</u>	<u>(1)</u>
Net change in fund balance	--	(209,476)	132,349	341,825
FUND BALANCE AT BEGINNING OF YEAR	<u>561,609</u>	<u>561,609</u>	<u>561,609</u>	<u>--</u>
FUND BALANCE AT END OF YEAR	\$ <u>561,609</u>	\$ <u>352,133</u>	\$ <u>693,958</u>	\$ <u>341,825</u>

CITY OF WILTON MANORS, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
JENADA ASSESSMENT FUND
For the Year Ended September 30, 2005

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		
Special assessments	\$ 8,862	\$ 8,862	\$ 8,930	\$ 68
Miscellaneous	<u>20</u>	<u>20</u>	<u>94</u>	<u>74</u>
Total revenues	<u>8,882</u>	<u>8,882</u>	<u>9,024</u>	<u>142</u>
EXPENDITURES:				
Current:				
Public services				
Operating expenditures	<u>8,882</u>	<u>8,882</u>	<u>7,627</u>	<u>1,255</u>
Total expenditures	<u>8,882</u>	<u>8,882</u>	<u>7,627</u>	<u>1,255</u>
Excess of revenues over expenditures	--	--	1,397	1,397
FUND BALANCE AT BEGINNING OF YEAR	<u>1,608</u>	<u>1,608</u>	<u>1,608</u>	<u>--</u>
FUND BALANCE AT END OF YEAR	\$ <u><u>1,608</u></u>	\$ <u><u>1,608</u></u>	\$ <u><u>3,005</u></u>	\$ <u><u>1,397</u></u>

CITY OF WILTON MANORS, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
ROAD IMPROVEMENT FUND
For the Year Ended September 30, 2005

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Intergovernmental revenues	\$ 242,688	\$ 242,688	\$ 246,750	\$ 4,062
Miscellaneous	3,515	11,715	23,870	12,155
Appropriation fund balance	<u>37,500</u>	<u>37,500</u>	<u>--</u>	<u>(37,500)</u>
Total revenues	<u>283,703</u>	<u>291,903</u>	<u>270,620</u>	<u>(21,283)</u>
EXPENDITURES:				
Current:				
Culture and recreation	60,700	60,700	58,590	2,110
Public services	45,641	45,641	78,390	(32,749)
Capital outlay	<u>104,899</u>	<u>113,099</u>	<u>89,635</u>	<u>23,464</u>
Total expenditures	<u>211,240</u>	<u>219,440</u>	<u>226,615</u>	<u>(7,175)</u>
Excess of revenues over expenditures	<u>72,463</u>	<u>72,463</u>	<u>44,005</u>	<u>28,458</u>
OTHER FINANCING SOURCES (USES):				
Transfer in	--	--	8,200	8,200
Transfer out	<u>(72,463)</u>	<u>(72,463)</u>	<u>(72,463)</u>	<u>--</u>
Total other financing sources (uses)	<u>(72,463)</u>	<u>(72,463)</u>	<u>(64,263)</u>	<u>8,200</u>
Excess of revenues over (under) expenditures	--	--	(20,258)	(20,258)
FUND BALANCE AT BEGINNING OF YEAR	<u>65,875</u>	<u>65,875</u>	<u>65,875</u>	<u>--</u>
FUND BALANCE AT END OF YEAR	\$ <u><u>65,875</u></u>	\$ <u><u>65,875</u></u>	\$ <u><u>45,617</u></u>	\$ <u><u>(20,258)</u></u>

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CITY OF WILTON MANORS, FLORIDA
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
SCHEDULE OF CAPITAL ASSETS -
BY FUNCTION AND ACTIVITY
September 30, 2005

	<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 capital assets	\$ <u><u>6,212,947</u></u>	\$ <u><u>3,104,965</u></u>

<u>Improvements Other Than Buildings</u>	<u>Machinery and Equipment</u>	<u>Total</u>
\$ <u>661,285</u>	\$ <u>1,149,618</u>	\$ <u>2,695,408</u>
5,090	1,142,728	1,853,485
<u>53,588</u>	<u>860,106</u>	<u>1,179,584</u>
<u>58,678</u>	<u>2,002,834</u>	<u>3,033,069</u>
<u>7,020,393</u>	<u>178,029</u>	<u>14,660,272</u>
<u>1,107,561</u>	<u>477,592</u>	<u>1,585,153</u>
\$ <u>8,847,917</u>	\$ <u>3,808,073</u>	\$ <u>21,973,902</u>

CITY OF WILTON MANORS, FLORIDA
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
SCHEDULE OF CHANGES IN CAPITAL ASSETS -
BY FUNCTION AND ACTIVITY
For the Year Ended September 30, 2005

	<u>Assets</u> <u>October 1,</u> <u>2004</u>	<u>Additions</u>	<u>Deletions</u>	<u>Capital</u> <u>Assets</u> <u>September 30,</u> <u>2005</u>
GENERAL GOVERNMENT	\$ <u>2,634,429</u>	\$ <u>60,978</u>	\$ <u>--</u>	\$ <u>2,695,407</u>
PUBLIC SAFETY:				
Police	1,526,825	343,056	16,396	1,853,485
Fire	<u>672,973</u>	<u>506,611</u>	<u>--</u>	<u>1,179,584</u>
Total public safety	<u>2,199,798</u>	<u>849,667</u>	<u>16,396</u>	<u>3,033,069</u>
CULTURE AND RECREATION	<u>14,561,262</u>	<u>99,010</u>	<u>--</u>	<u>14,660,272</u>
PUBLIC SERVICES	<u>1,511,812</u>	<u>73,342</u>	<u>--</u>	<u>1,585,154</u>
Total capital assets	\$ <u>20,907,301</u>	\$ <u>1,082,997</u>	\$ <u>16,396</u>	\$ <u>21,973,902</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>
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 (2)	1,252,320	5,647,740	1,870,392
2003/04 (1)	1,271,701	6,127,273	1,856,161
2004/05 (1)	1,447,971	6,448,340	2,161,440

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>
\$	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
	889,533	37,131	1,031,700	256,036	11,469,535
	826,076	85,646	1,302,455	256,036	12,527,964

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>
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
2003/04 (1)	3,760,912	255,150	918,458	1,557,937	596,309	1,733,019
2004/05	4,464,191	289,275	946,635	1,642,904	1,237,688	2,011,536

NOTES: (1) Includes all governmental fund types
(2) Excludes expendable trust funds

TABLE 2

	<u>Charge for Service</u>	<u>Fines and Forfeitures</u>	<u>Special Assessments</u>	<u>Impact Fees</u>	<u>Allocated Service Reim- bursements</u>	<u>Miscellaneous</u>	<u>Total</u>
\$	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
	568,092	407,164	936,477	--	--	493,347	11,226,865
	612,658	310,487	1,040,703	225,654	--	411,729	13,193,460

**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>
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
2003/04	4,043,561	4,016,062	99.32
2004/05	4,725,586	4,753,466	100.59

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>
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	441,303,782	34,328,686	475,632,468
2002/03	504,601,331	40,544,045	545,145,376
2003/04	600,099,445	37,766,647	637,866,092
2004/05	689,441,812	36,561,912	726,003,724

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>City of Wilton Manors</u>			<u>Broward County</u>
		<u>Operating</u>	<u>Debt Service</u>	<u>Total City</u>	
1995/96	1995	5.7900	0.7230	6.5130	8.1165
1996/97	1996	5.6200	0.7230	6.3430	7.7524
1997/98	1997	5.6900	0.7230	6.4130	7.8380
1998/99	1998	6.0330	0.0000	6.0330	7.5710
1999/00	1999	5.9666	0.6697	6.6363	7.5710
2000/01	2000	6.3243	0.6087	6.9330	7.5250
2001/02	2001	6.2467	0.5542	6.8009	7.4005
2002/03	2002	6.1005	0.4784	6.5789	7.3650
2003/04	2003	6.1005	0.4135	6.5140	7.1880
2004/05	2004	6.3800	0.4135	6.7935	7.0230

SOURCE: Broward County, Florida, Property Appraiser

TABLE 5

<u>Broward County Schools</u>	<u>Children's Services Council</u>	<u>South Florida Water Management District</u>	<u>North Inland Navigation District</u>	<u>Broward Hospital District</u>	<u>Total</u>
10.0366	--	0.6470	0.0400	2.4327	27.7858
9.9400	--	0.6720	0.0380	2.4200	27.1654
9.9745	--	0.6970	0.0500	2.4087	27.3812
9.7256	--	0.6970	0.0470	2.5000	26.5736
9.1283	--	0.6970	0.0440	2.4895	26.5661
8.9553	--	0.6970	0.0410	2.4803	26.6316
8.7541	0.3055	0.6970	0.0385	2.4803	26.4768
8.8825	0.3316	0.6970	0.0385	2.4803	26.3738
8.4176	0.3920	0.6970	0.0385	2.5000	25.7471
8.2695	0.4231	0.6970	0.0385	2.4803	25.7249

**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>
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
2003/04	12,414	637,866,092	2,789,448	.44	225
2004/05	12,282	726,003,724	2,654,068	.37	216

SOURCE: Florida Legislative Committee on Intergovernmental Relations
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, 2005

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, 2005

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>2,654,068</u>	<u>100.00</u>	\$ <u>2,654,068</u>
Total direct debt		<u>100.00</u>	
OVERLAPPING DEBT:			
General Obligation Debt: Broward County	607,815,602	.63	3,829,238
Broward District Schools	<u>79,088,087</u>	<u>.63</u>	<u>498,255</u>
Total overlapping debt	<u>686,903,689</u>		<u>4,327,493</u>
Total direct and overlapping debt	\$ <u>689,557,757</u>		\$ <u>6,981,561</u>

SOURCE: Broward County, Florida, Planning Services Division

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>
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
2003/04 (2)	129,647	126,389	256,036	11,469,535	2.23
2004/05 (2)	135,380	120,656	256,036	12,527,964	2.04

- 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 2004/05

TABLE 10

<u>Name</u>	<u>Type of Business</u>	<u>Assessed Value</u>	<u>(1) Taxes Levied</u>
1. Marrinson Group	Retirement Facilities	\$ 16,466,440	\$ 111,886
2. USAT Corp	Apartment Rentals	6,873,520	46,704
3. Wilton Tower, Inc	Apartment Rentals	5,663,210	38,480
4. Impsat USA, Inc	Apartment Rentals	2,870,790	19,506
5. New Urban Belle Isle, LLC	Apartment Rentals	2,669,180	18,137
6. Carrat 7, Inc	Apartment Rentals	2,552,860	17,346
7. Manor North & South	Apartment Rentals	2,363,390	16,059
8. Highland Properties of Wilton Manors	Apartment Rentals	2,317,240	15,745
9. Fort Lauderdale Properties, Inc	Apartment Rentals	2,275,290	15,460
10. Deriggi, Anthony A. Trust	Apartment Rentals	<u>2,149,570</u>	<u>14,606</u>
Total		\$ <u>46,201,490</u>	\$ <u>313,929</u>

SOURCE: Broward County Tax Rolls, 2004

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>
1995/96	\$ 340,707,063	\$ 324,980
1996/97	344,147,319	114,780
1997/98	355,655,993	426,880
1998/99	374,863,933	3,228,430
1999/00	400,656,307	1,084,450
2000/01	433,134,338	1,110,770
2001/02	475,632,468	7,754,080
2002/03	645,016,063	5,495,000
2003/04	637,866,092	12,081,280
2004/05	726,003,724	91,484,007

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>
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
2003/04	4,641,316	2,840,394	1,800,922	1,137,993	1.58
2004/05	4,986,546	3,017,397	1,969,149	1,123,756	1.75

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, 2005

TABLE 13

Date of Incorporation: September 1947

Date of Adoption of City Charter: June 4, 1953

Form of City Government: City Commission/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	4,023
Value of construction	\$ 91,484,007

Schools Located in City:

Public:	1
Number of teachers	27
Number of students	630
Private:	1
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	4
Recreation	<u>6</u>
	<u>98</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	4,125	3,987
Miles of mains	--	3
Fire hydrants	234	--
Waste pump Stations	--	12

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>
1997/98	\$ 68,582	\$ 817,758	\$ 837,890	\$ 48,450
1998/99	48,450	825,468	880,053	(6,135)
1999/00	(6,135)	885,155	893,026	(14,006)
2000/01	(14,006)	686,484	694,739	(22,261)
2001/02	(22,261)	702,505	709,541	(29,297)
2002/03	(29,297)	808,704	818,288	(38,881)
2003/04	(38,881)	967,653	928,400	372
2004/05	372	1,079,021	1,040,703	38,690

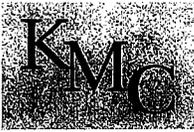
NOTE: The City began levying special assessments for a gatehouse built on City right of way, Fire and EMS Services during the 1996/97 fiscal. For the four years prior to October 1, 1996, there were no special assessments receivable due the City.

OTHER REPORTS OF INDEPENDENT AUDITORS AND RELATED SCHEDULES

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

Independent Auditors' Report to City Management

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**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

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

We have audited the financial statements of governmental activities, the business type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Wilton Manors, Florida, as of and for the year ended September 30, 2005, and have issued our report thereon dated June 20, 2006. 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.

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 an opinion 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 reportable 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 caused by error or fraud 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.

Compliance and Other Matters

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 grant agreements, 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 or other matters that are required to be reported under Government Auditing Standards.

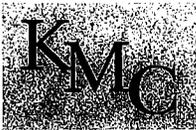
City of Wilton Manors, Florida

We noted certain other matters that we reported to management of the City in a separate management letter dated June 20, 2006.

This report is intended solely for the information and use of City management, the Auditor General of the State of Florida and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

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

Fort Lauderdale, Florida
June 20, 2006



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INDEPENDENT AUDITORS' REPORT TO CITY MANAGEMENT

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

We have audited the basic financial statements of City of Wilton Manors, Florida (the "City"), as of and for the year ended September 30, 2005, and have issued our report thereon dated June 20, 2006.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and Government Auditing Standards, issued by the Comptroller General of the United States. We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards. Disclosures in that report, which are dated June 20, 2006, should be considered in conjunction with this management letter.

Additionally, our audit was conducted in accordance with Chapter 10.550, Rules of the Auditor General, which govern the conduct of local governmental entity audits performed in the State of Florida and require that certain items be addressed in this letter.

The Rules of the Auditor General (Section 10.554(1)(h)1.) require that we address in the management letter, if not already addressed in the auditors' reports on compliance and internal controls or schedule of findings and questioned costs, 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)(h)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)(h)3.) require that we address in the management letter any findings and recommendations to improve financial management, accounting procedures, and internal controls. In connection with our audit, our recommendations to improve financial management are included in a separate management letter dated June 20, 2006.

City of Wilton Manors, Florida

The Rules of Auditor General (Section 10.554(1)(h)4.) require disclosure in the management letter of the following matters if not already addressed in the auditors' reports on compliance and internal controls or schedule of findings and questioned costs and are not clearly inconsequential: (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 basic financial statements); (4) failure 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 management letter or the basic financial statements.

The Rules of the Auditor General (Section 10.554(1)(h)5.) also require that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in the management letter, unless disclosed in the notes to the basic 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)(h)6.a.), a statement must be included as to whether or not the local government entity has met one or more of the conditions described in Section 218.503(1), Florida Statutes. In connection with our audit, we determined that the City did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

As required by the Rules of the Auditor General (Section 10.554(1)(h)6.b.), we determined that the annual financial report for the City for the fiscal year ended September 30, 2005, filed with the Florida Department of Financial Services pursuant to Section 218.32(1)(a), Florida Statutes, is in agreement with the annual financial audit report for the fiscal year ended September 30, 2005.

As required by the Rules of the Auditor General (Section 10.554(h)6.c. and 10.556(7)), 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 management letter is intended solely for the information and use of City management, City Council and the State of Florida Office of the Auditor General, and is not intended to be and should not be used by anyone other than these specified parties.

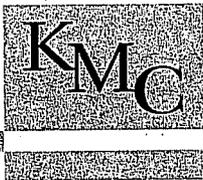
Keefe, McCullough & Co., LLP
KEEFE, McCULLOUGH & CO., LLP

Fort Lauderdale, Florida
June 20, 2006

CITY OF WILTON MANORS, FLORIDA

REPORT TO MANAGEMENT

September 30, 2005



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To the Honorable Mayor, City Commission and City Manager
City of Wilton Manors, Florida
Wilton Manors, Florida

In planning and performing our audit of the financial statements of City of Wilton Manors, Florida (the City), for the year ended September 30, 2005, we considered the City's internal controls to determine our auditing procedures for the purpose of expressing an opinion on the financial statements and not to provide assurance on the internal controls.

However, during our audit we became aware of certain matters that represent opportunities for you to strengthen your internal controls and operating efficiencies. The list that accompanies this letter summarizes our comments and recommendations. This letter does not affect our separate report dated June 20, 2006 on the financial statements of City of Wilton Manors, Florida.

None of the enclosed comments are intended to reflect on the honesty, integrity or competence of the personnel of the City, but are mentioned only to aid you in improving existing procedures and internal controls.

After you have had an opportunity to consider our comments and recommendations, we would be happy to discuss them with you at your convenience.

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

Fort Lauderdale, Florida
June 20, 2006

CITY OF WILTON MANORS, FLORIDA
INTERNAL CONTROL COMMENTS AND RECOMMENDATIONS
September 30, 2005

CURRENT YEAR INTERNAL CONTROL COMMENTS AND RECOMMENDATIONS:

Preparation of Bank Reconciliations:

We noted during our procedures that bank statements were accumulated for several months before they were reconciled. Reconciling the accounts on a monthly basis is essential to discover errors or other problems which need to be recognized and resolved in a timely basis. We recommend that all bank accounts be reconciled on a timely basis and that they be signed by the preparer and the reviewer.

Management's Response:

We concur with the auditor's recommendation and will endeavor to complete reconciliations in a timelier manner. Recognizing that we were delinquent in timely reconciliations, staff has been using alternative methods to assure that there were no improprieties in the City's bank accounts. These procedures were performed timely and the time saved by not doing the full reconciliation was utilized to perform other important duties. As time became available, staff performed and documented the full bank reconciliations recommended by the auditors.

Reconcile Account Detail to the General Ledger

During our audit we noted that various account subsidiary ledgers were not in agreement with the general ledger. To ensure the accuracy of monthly financial statements, monthly reconciliations of all balance sheet accounts to subsidiary ledgers should be performed. Monthly balance sheet account reconciliations quickly identify errors and adjustments needed in the month that they occur; thus, can be more easily isolated. Reconciling differences should be corrected prior to closing of the books at month end.

Management's Response:

We concur with the auditor's recommendation. As we progressed through the audit, staff became aware that certain subsidiary accounts did not balance to the General Ledger due to interface issues associated with the accounting and billing systems in use. As elaborated upon below, we are in the process of replacing the Utility Billing and General Ledger systems due to their age and lack of functionality. When the new systems are in place and operating properly, the discrepancies between systems should all but disappear, as everything will be properly integrated.

Include Auto Allowances on Form W-2

We noted that the City provides take-home vehicles to certain management employees. The Internal Revenue Service requires the imputed value of this benefit to be reported on the employee's Form W-2. It is our understanding that this reporting deficiency is due to problems with ADP's, (the City's payroll service provider) inability to incorporate this value on the employee's earnings statements for the year. We recommend that management work with ADP to cure this reporting deficiency to avoid penalties being levied on the City and employees if they fail to include the value of this benefit on their individual tax returns.

CITY OF WILTON MANORS, FLORIDA
INTERNAL CONTROL COMMENTS AND RECOMMENDATIONS
September 30, 2005

Management's Response:

We will continue to work with ADP in order to report the imputed vehicle allowances pursuant to the IRS regulations. Since the values are required to be reported on form W-2 and they are responsible for the preparation of the forms, there is very little that we can do by ourselves.

Improve Record Keeping for Grant Contracts

While we have noted improvement in the grant compliance process, it was noted that the record keeping for grant contracts was being performed by the department receiving the grant. This function should be centralized to one individual in order to ensure that all grant revenues/expenses are being reported properly to the Finance Department and that all grant requirements are being complied with.

Management's Response:

The auditor's recommendation is well taken, but only practical to a certain extent. During the 2006 fiscal year, our grant process was revised to include an Assistant to the City Manager as the focal point for all grants and to provide additional necessary oversight in the grant area. In addition, the grantee departments have been apprised of the necessity of bringing Finance into the grant process at a much earlier point so that accounting procedures may be put into place to allow for proper accounting of grant proceeds and disbursements. One of the bottlenecks in the grant process is the antiquated accounting system currently in place. It does not provide the tools for effective grant management in an efficient manner. Almost everything is manual and time intensive. Fortunately, the systems are scheduled for replacement with technology that will facilitate grant compliance and accounting. Due to the diversity of the grants and their reporting requirements, the departments will still be held accountable for compliance with grant requirements.

Develop a Year-End Closing Schedule

This year's closing process was delayed because some important procedures were not performed on a timely basis. The results were delays in producing closing entries, trial balances, schedules, reconciliations, and other reports needed by the auditors. The City incurred additional audit fees because our auditors had to prepare entries and schedules that the City personnel should have prepared. We believe that the year-end closing could proceed more quickly by developing a closing schedule which indicates who will perform each procedure and when completion of each procedure is due and accomplished. The timing of specific procedures could be coordinated with the timing of the auditors' need for the information.

Management's Response:

We concur with the auditor's recommendation and, as part of this year's audit process, we will meet with them prior to commencement of the audit so that individual duties and responsibilities may be formally assigned and agreed to by all. Having a clear understanding of each party's responsibilities and due dates will facilitate the process and assist with keeping the audit on track with a timely completion. Any agreed-upon schedules, however, could be adversely impacted by unanticipated events such as hurricane activity and its associated FEMA reimbursement processes, which the City has experienced during the prior two fiscal years.

CITY OF WILTON MANORS, FLORIDA
INTERNAL CONTROL COMMENTS AND RECOMMENDATIONS
September 30, 2005

Review Personnel Responsibilities and Future Staffing Needs

We noted that some realignment and expansion of duties of finance personnel has taken place since the departure of a key long-term employee. We believe that the City needs to assess the present and future staffing needs and re-balance the current workloads in order to produce complete and accurate financial statements on a timely basis. In defining present and future personnel requirements, we recommend using formal job descriptions which include responsibilities and experience requirements.

Management's Response:

It is acknowledged that certain duties have been revised and realigned in the Finance Department since the departure of the previous Assistant Director of Finance. Changing events, as well as a renewed focus on increasing efficiency and the ability to serve our customers, necessitated many of these changes. To a certain extent, this change in focus has impaired our ability to perform certain duties in a timely fashion. While some of the changes have resulted in productivity issues in the near term, over the long term, they will lead to a stronger organization through technological improvements. This process will not be completed overnight and additional temporary staffing will be needed to properly implement the new financial software. The long-term benefits that the City will realize, however, will be recognized through major service improvements for our internal and external customers.

Evaluate the Existing Accounting System - Outdated

The software program used to perform the general ledger accounting activity is over 25 years old. The current system requires the client to make numerous closing entries monthly. Industry trends have produced more sophisticated tools to perform these functions. We are aware that the City is in the process of obtaining a new system, but felt it necessary to mention the importance and complexity of purchasing and installing a new system that will impact the City's operations as a whole. We recommend that the City conduct an evaluation of the existing accounting system and other City operations impacted by a new system (i.e., Community Services Department) and conduct an analysis of projected needs for the future. This evaluation should focus on ensuring that the City's financial systems maximize the productivity of its accounting staff and meet the future needs of management. Consideration should be given to a system that has capabilities of integrating the Leisure Service and Community Services Departments into the new financial system.

Management's Response:

As the auditor's have noted, we are working with the Florida League of Cities on a Request for Proposal (RFP) for a new financial enterprise system. The RFP encompasses all aspects of our current and proposed future operations, including the functional requirements of the Leisure Services and Community Services Departments. We are looking for a web-based modular system with interfaces that will allow for separate subsidiary systems if it can be demonstrated that the software will be more efficient and productive than software modules proposed or currently in use by these departments.

CITY OF WILTON MANORS, FLORIDA
INTERNAL CONTROL COMMENTS AND RECOMMENDATIONS
September 30, 2005

Inventory Fixed Assets:

During our procedures it was noted that the City did not take an inventory observation of fixed assets for the year ended September 30, 2005. We recommend that the City perform a physical inventory of property and equipment. In connection with this inventory, identification tags should be placed on each asset with numbers that are recorded in the detail property records. This will help improve the tracking of assets for disposal and impairment purposes. In addition, the added controls will assist in planning for capital expenditures, help determine accurate amounts and values of insurable assets, and help detect the loss of unauthorized use of valuable property.

Management's Response:

The auditors are correct in their finding that a thorough fixed asset inventory has not been recently completed, although inventories of key assets, such as vehicles and computer equipment, have been performed on an annual basis. Staff has been working on consolidating the various programs used to track fixed assets into one package that will allow for enhanced control of the City's property. Once this consolidation has been completed, a perpetual fixed asset inventory system will be put in place with a portion of the City's assets being inventoried on a monthly basis. Due to limited staffing within Finance and other City departments, we expect that this process will take over a year to complete and it will then be integrated into the new financial system mentioned above. This endeavor is expected to result in the removal of some fixed assets from the accounting system due to revised life expectancies, loss of use due to hurricanes or accidents, and/or changes in monetary threshold requirements for financial reporting.

Implementation of accounting pronouncements:

The Governmental Accounting Standards Board has been active in the issuance of many new pronouncements that are targeted at providing more meaningful financial information for the reader. Unfortunately, the implementation of these pronouncements places the burden of implementation on the City requiring proper planning and resources. We wish to communicate to the City the importance of planning for the implementation of these various reporting requirements and provide for the proper resources so no delays are encountered in the year that these pronouncements are required to take effect.

Management's Response:

The auditor's comments are well taken. We are aware of the need to implement various GASB pronouncements in the upcoming periods. Implementing these pronouncements along with a new enterprise accounting system is going to be a major undertaking demanding resources beyond what we currently have available. We will be requesting additional resources in upcoming budgets so we will be able to retain our unqualified audit opinions.