

**CITY OF
WILTON MANORS, FLORIDA**

**Comprehensive Annual
Financial Report
Fiscal Year Ended
September 30, 2006**



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**CITY OF WILTON MANORS, FLORIDA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FISCAL YEAR ENDED SEPTEMBER 30, 2006**

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**

**CITY OF WILTON MANORS, FLORIDA
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 FOR THE YEAR ENDED September 30, 2006**

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INTRODUCTORY SECTION

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FINANCE DEPARTMENT

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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, 2006, 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, 2005.

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

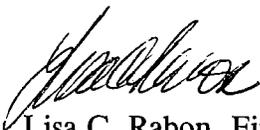
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Wilton Manors, Florida for its CAFR for the year ended September 30, 2005. This was the sixth consecutive year that the City has 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

Government Finance Officers Association
Certificate of Achievement

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Wilton Manors
Florida

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
September 30, 2005

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.

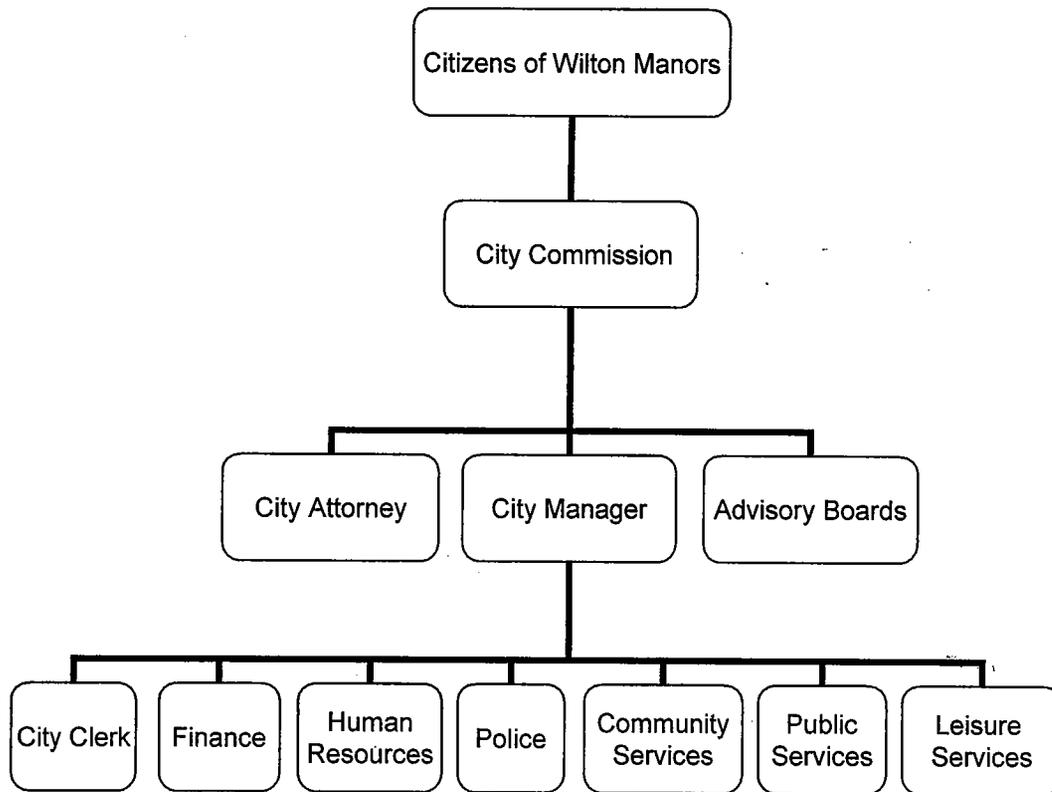


President

Executive Director

CITY OF WILTON MANORS

City Government Structure



CITY OF WILTON MANORS, FLORIDA
LIST OF PRINCIPAL OFFICIALS
September 30, 2006

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.

JOSEPH D. LEO, C.P.A.
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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, 2006, 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, 2006, the respective changes in financial positions and cash flows, where applicable, and the respective budgetary comparison for the General Fund and Recycling 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 May 4, 2007, 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

Fort Lauderdale, Florida
May 4, 2007

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

CITY OF WILTON MANORS, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
September 30, 2006

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 2006 and 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 \$ 835,130 (3.2%) from \$ 25,950,720 to \$ 26,785,850. This increase was split between governmental activities and business-type activities in the amounts of \$ 1,426,153 and \$ 889,734, respectively, not including the result of an adjustment of \$ 1,480,757 to beginning net assets.
- Governmental activities revenue of \$ 15,895,926, including transfers in of \$ 646,910, exceeded expenses of \$ 14,469,773 by \$ 1,426,153.
- Business-type activities revenue of \$ 5,487,939 exceeded expenses of \$ 4,598,205 by \$ 889,734.
- 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 \$ 18,421,068.
- The General Fund, which accounts for the vast majority of the operations of the government, expended 106% 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, 2006

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 11 through 13 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 14 through 22 of this report.

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

The fiduciary funds (on pages 27 and 28), which are not included in the government-wide statements, are presented in this section as the General Employees' and Police and Volunteer Firefighters' Pension Funds.

CITY OF WILTON MANORS, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
(continued)
September 30, 2006

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 29 through 48 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 49 through 63 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The City's combined net assets totaled \$ 26,785,850 as of September 30, 2006. Governmental Activities net assets totaled \$ 18,923,077 and Business-type Activities net assets totaled \$ 7,862,773. The following table presents condensed Statements of Net Assets:

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total Primary Government</u>	
	<u>2006</u>	<u>2005</u>	<u>2006</u>	<u>2005</u>	<u>2006</u>	<u>2005</u>
CURRENT AND OTHER ASSETS	\$ 5,826,596	\$ 4,830,515	\$ 4,078,296	\$ 3,734,353	\$ 9,904,892	\$ 8,564,868
CAPITAL ASSETS (NET)	<u>17,802,069</u>	<u>16,611,822</u>	<u>10,914,817</u>	<u>12,681,443</u>	<u>28,716,886</u>	<u>29,293,265</u>
Total assets	<u>23,628,665</u>	<u>21,442,337</u>	<u>14,993,113</u>	<u>16,415,796</u>	<u>38,621,778</u>	<u>37,858,133</u>
LONG-TERM LIABILITIES	3,511,797	2,969,900	5,531,332	6,344,786	9,043,129	9,314,686
OTHER LIABILITIES	<u>1,193,791</u>	<u>975,513</u>	<u>1,599,008</u>	<u>1,617,214</u>	<u>2,792,799</u>	<u>2,592,727</u>
Total liabilities	<u>4,705,588</u>	<u>3,945,413</u>	<u>7,130,340</u>	<u>7,962,000</u>	<u>11,835,928</u>	<u>11,907,413</u>
NET ASSETS:						
Invested in capital assets, net of related debt	14,546,968	13,957,754	4,613,924	5,631,174	19,160,892	19,588,928
Restricted	--	--	1,559,205	1,559,205	1,559,205	1,559,205
Unrestricted	<u>4,376,109</u>	<u>3,539,170</u>	<u>1,689,644</u>	<u>1,263,417</u>	<u>6,065,753</u>	<u>4,802,587</u>
Total net assets	\$ <u>18,923,077</u>	\$ <u>17,496,924</u>	\$ <u>7,862,773</u>	\$ <u>8,453,796</u>	\$ <u>26,785,850</u>	\$ <u>25,950,720</u>

CITY OF WILTON MANORS, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
(continued)
September 30, 2006

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 \$ 6,065,753 on September 30, 2006. 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 decreased by approximately 7% in 2006 from \$ 8,453,796 to \$ 7,862,773. This decrease is attributed to a prior period adjustment recorded during the current year.

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total Primary Government</u>	
	<u>2006</u>	<u>2005</u>	<u>2006</u>	<u>2005</u>	<u>2006</u>	<u>2005</u>
REVENUES:						
Program Revenues:						
Charges for services	\$ 2,793,071	\$ 2,356,901	\$ 5,100,982	\$ 4,853,844	\$ 7,894,053	\$ 7,210,745
Grants and contributions:						
Operating	1,540,612	189,981	--	--	1,540,612	189,981
Capital	289,512	1,821,554	--	--	289,512	1,821,554
General Revenues:						
Property taxes	5,724,191	4,753,466	--	--	5,724,191	4,753,466
Intergovernmental	1,516,913	1,070,287	--	--	1,516,913	1,070,287
Other taxes and fees	2,907,770	2,589,539	211,107	--	3,118,877	2,589,539
Other general revenues	<u>476,947</u>	<u>411,732</u>	<u>175,850</u>	<u>132,702</u>	<u>652,797</u>	<u>544,434</u>
Total revenues	<u>15,249,016</u>	<u>13,193,460</u>	<u>5,487,939</u>	<u>4,986,546</u>	<u>20,736,955</u>	<u>18,180,006</u>
PROGRAM EXPENSES:						
General government	2,136,708	1,680,856	--	--	2,136,708	1,680,856
Public safety	6,787,831	6,708,570	--	--	6,787,831	6,708,570
Culture and recreation	2,596,851	2,593,071	--	--	2,596,851	2,593,071
Public services	2,608,372	911,806	--	--	2,608,372	911,806
Physical environment	171,600	--	--	--	171,600	--
Interest	168,411	118,680	--	--	168,411	118,680
Water and wastewater	--	--	3,726,450	3,561,575	3,726,450	3,561,575
Drainage	--	--	<u>224,845</u>	<u>267,584</u>	<u>224,845</u>	<u>267,584</u>
Total expenses	<u>14,469,773</u>	<u>12,012,983</u>	<u>3,951,295</u>	<u>3,829,159</u>	<u>18,421,068</u>	<u>15,842,142</u>
Increase in net assets before transfers	779,243	1,180,477	1,536,644	1,157,387	2,315,887	2,337,864
TRANSFERS	<u>646,910</u>	<u>528,234</u>	<u>(646,910)</u>	<u>(528,234)</u>	<u>--</u>	<u>--</u>
Change in net assets	<u>\$ 1,426,153</u>	<u>\$ 1,708,711</u>	<u>\$ 899,734</u>	<u>\$ 629,153</u>	<u>\$ 2,315,887</u>	<u>\$ 2,337,864</u>

CITY OF WILTON MANORS, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
(continued)
September 30, 2006

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 remained at 6.38 mills which, when combined with the general obligations debt millage of .2236 mills, produced an effective total millage rate of 6.6036. This is a decrease from the 2005/06 combined millage rate of 6.7935. 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 approximately 18.16% over the past three years. Preliminary indications are that property values will increase 21.7% during the 2006-2007 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 38% of fund revenues in 2005-2006. 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 \$ 1,830,000 in grant revenue from various federal, state, and county programs. The City anticipates grant revenue to continue to be a significant source of revenue during the next fiscal year.

The City's financial condition is affected by economic conditions. During prosperous economic periods, property values generally increase which correspondingly increase property tax revenue. One other contributing factor leading to increased property values is the amount of land available for development in Broward County. As the County becomes built out, property values begin to rise. Broward County 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 \$ 14,470,000 in the governmental activities. Significant increases were concentrated in the public services expenses due to the debris cleanup resulting from Hurricane Wilma which struck the City in October 2005. 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.

Business-type activities experienced only a moderate 3.1% increase. There were no significant overall fluctuations in these activities.

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, 2006**

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 \$ 4,672,392. Over fifty-seven percent of this total amount or \$ 2,692,845 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 \$ 493,989 or for other restricted or designated purposes in the amount of \$ 1,485,558.

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 \$ 2,941,943 while total fund balance was \$ 4,721,484. 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-four percent of the expenditures in the General Fund, while total fund balance represents approximately thirty-eight percent of that same amount.

The total fund balance in the City's General Fund increased from \$ 3,564,947 to \$ 4,721,484 during the current fiscal year, an increase of \$ 1,156,537. 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."

The Recycling Fund experienced increases in both revenue and expenditures related to Hurricane Wilma debris cleanup. The net loss of \$ 384,470 is primarily due to the City's portion incurred for the cleanup of debris.

Fund balance of the General Obligation Bond Fund increased by \$ 5,618. The fund balance at year end reflected a deficit of \$ (408,785). 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 \$ 6,757,822 at the end of the current year, an decrease of \$ 740,495 over the prior fiscal year, principally due to an adjustment to beginning net assets. Net assets in the City's other proprietary fund, the Drainage Fund, amounted to \$ 1,104,951 at year end, which reflects an increase over the prior fiscal year of \$ 149,472. 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 \$ 588,802 more than the final budget projections. In addition, total expenditures came in \$ 713,608 over 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, 2006

- a. Communication service tax receipts of \$ 40,398 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 \$ 131,057.
- c. Franchise fees exceeded budget by \$ 78,943 due to slightly stronger electrical demand within the City.
- d. Intergovernmental revenues exceeded budget by \$ 191,164.
- e. Significant budgeted expenditure savings during the year were found in the following departments: police (\$ 196,147) and parks and recreation (\$ 901,416).

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 \$ 45,855,746 invested in capital assets on September 30, 2006. The following schedule summarizes capital asset held by the City:

Capital Assets
September 30, 2006 and 2005

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2006</u>	<u>2005</u>	<u>2006</u>	<u>2005</u>	<u>2006</u>	<u>2005</u>
Land	\$ 7,563,925	\$ 6,212,947	\$ 1,502,973	\$ 1,502,973	\$ 9,066,898	\$ 7,715,920
Infrastructure	--	--	14,110,434	13,983,255	14,110,434	13,983,255
Buildings	3,161,568	3,104,965	637,469	636,912	3,799,037	3,741,877
Improvements other than buildings	9,057,416	8,847,917	4,697,475	4,678,706	13,754,891	13,526,623
Machinery and equipment	<u>4,231,432</u>	<u>3,808,073</u>	<u>893,054</u>	<u>850,541</u>	<u>5,124,486</u>	<u>4,658,614</u>
Total	\$ <u>24,014,341</u>	\$ <u>21,973,902</u>	\$ <u>21,841,405</u>	\$ <u>21,652,387</u>	\$ <u>45,855,746</u>	\$ <u>43,626,289</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 40 and 41.

Debt:

The City had debt totaling approximately \$ 9.6 million at September 30, 2006. Total debt outstanding at the end of the prior fiscal year was approximately \$ 9.7 million. The decrease of approximately \$ 154,000 is attributable to the retirement of principal (net of any amortization of discount).

**CITY OF WILTON MANORS, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
(continued)
September 30, 2006**

**Outstanding Debt
September 30, 2006 and 2005**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2006</u>	<u>2005</u>	<u>2006</u>	<u>2005</u>	<u>2006</u>	<u>2005</u>
General obligation bonds (backed by the City)	\$ 2,255,101	\$ 2,654,068	\$ --	\$ --	\$ 2,255,101	\$ 2,654,068
Note payable	1,000,000	--	--	--	1,000,000	--
Revenue bonds (backed by specific revenue streams)	--	--	<u>6,335,933</u>	<u>7,091,149</u>	<u>6,335,933</u>	<u>7,091,149</u>
Total	\$ <u>3,255,101</u>	\$ <u>2,654,068</u>	\$ <u>6,335,933</u>	\$ <u>7,091,149</u>	\$ <u>9,591,034</u>	\$ <u>9,745,217</u>

During the 2006-2007 fiscal year, the amount of general obligation debt outstanding continued to decline. In 1999, the City had issued general obligation debt for park land acquisition and improvement, of which approximately \$ 2.3 million is outstanding.

Additional information on the City's long-term debt can be found in Note I on pages 43 through 45 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 approximately 3% on September 30, 2006. 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 recent years, with several new businesses scheduled to open in the ensuing year. Significant growth and redevelopment is anticipated to continue to come online in the next fiscal year.

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 Finance Director at (954) 390-2100, fax (954) 390-2199, or by mail to the City of Wilton Manors; Finance Director; 524 NE 21st Court; Wilton Manors, Florida 33305.

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**BASIC
FINANCIAL STATEMENTS**

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CITY OF WILTON MANORS, FLORIDA
STATEMENT OF NET ASSETS
September 30, 2006

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS:			
Equity in pooled cash	\$ 4,742,910	\$ 838,592	\$ 5,581,502
Cash held by third party	69,734	--	69,734
Accounts receivable	383,965	598,682	982,647
Due from other governments	569,504	--	569,504
Prepaid expenses	11,378	2,795	14,173
Inventory	46,105	83,203	129,308
Unamortized bond financing costs	--	35,040	35,040
Capital assets, non-depreciable	7,563,925	1,502,973	9,066,898
Capital assets, depreciable (net)	10,238,144	9,411,844	19,649,988
Restricted cash and cash equivalents	3,000	2,519,984	2,522,984
Total assets	23,628,665	14,993,113	38,621,778
LIABILITIES:			
Accounts payable	557,021	273,270	830,291
Accrued expenses	194,647	10,439	205,086
Unearned revenues	92,101	--	92,101
Accrued interest payable	59,275	155,854	215,129
Customer deposits	--	348,690	348,690
Due to other governments	4,453	4,317	8,770
Due within one year:			
Compensated absences payable	54,090	--	54,090
Bonds payable	132,204	806,438	938,642
Note payable	100,000	--	100,000
Due in more than one year:			
Compensated absences payable	488,900	1,837	490,737
Bonds payable	2,122,897	5,529,495	7,652,392
Note payable	900,000	--	900,000
Total liabilities	4,705,588	7,130,340	11,835,928
NET ASSETS:			
Invested in capital assets (net of related debt)	14,546,968	4,613,924	19,160,892
Restricted for:			
Debt service	--	1,240,767	1,240,767
Renewal and replacement	--	318,438	318,438
Unrestricted	4,376,109	1,689,644	6,065,753
Total net assets	\$ 18,923,077	\$ 7,862,773	\$ 26,785,850

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, 2006

	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
FUNCTIONS/PROGRAMS:				
Primary government:				
Governmental activities:				
General government	\$ 2,136,708	\$ --	\$ --	\$ --
Public safety	6,787,831	2,189,823	--	--
Culture and recreation	2,596,851	250,778	--	289,512
Public services	2,608,372	352,470	1,540,612	--
Physical environment	171,600	--	--	--
Interest expense	<u>168,411</u>	<u>--</u>	<u>--</u>	<u>--</u>
Total governmental activities	<u>14,469,773</u>	<u>2,793,071</u>	<u>1,540,612</u>	<u>289,512</u>
Business-type activities:				
Water and wastewater	3,726,449	4,774,159	--	--
Drainage	<u>224,846</u>	<u>326,823</u>	<u>--</u>	<u>--</u>
Total business-type activities	<u>3,951,295</u>	<u>5,100,982</u>	<u>--</u>	<u>--</u>
Total primary government	<u>\$ 18,421,068</u>	<u>\$ 7,894,053</u>	<u>\$ 1,540,612</u>	<u>\$ 289,512</u>

General revenues:

Taxes:

Ad valorem taxes

Franchise fees

Utility services taxes

Impact fees

Intergovernmental - undesignated

Interest income

Miscellaneous

Contributions

Transfers

Total general revenues
and transfers

Change in net assets

Net assets at beginning of year, as restated (Note M)

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
\$ (2,136,708)	\$ --	\$ (2,136,708)
(4,598,008)	--	(4,598,008)
(2,056,561)	--	(2,056,561)
(715,290)	--	(715,290)
(171,600)	--	(171,600)
<u>(168,411)</u>	<u>--</u>	<u>(168,411)</u>
<u>(9,846,578)</u>	<u>--</u>	<u>(9,846,578)</u>
--	1,047,710	1,047,710
<u>--</u>	<u>101,977</u>	<u>101,977</u>
--	1,149,687	1,149,687
<u>(9,846,578)</u>	<u>1,149,687</u>	<u>(8,696,891)</u>
5,724,191	--	5,724,191
1,120,519	--	1,120,519
1,674,382	--	1,674,382
112,869	211,107	323,976
1,516,913	--	1,516,913
244,358	127,319	371,677
205,394	48,531	253,925
27,195	--	27,195
<u>646,910</u>	<u>(646,910)</u>	<u>--</u>
<u>11,272,731</u>	<u>(259,953)</u>	<u>11,012,778</u>
1,426,153	889,734	2,315,887
<u>17,496,924</u>	<u>6,973,039</u>	<u>24,469,963</u>
\$ <u><u>18,923,077</u></u>	\$ <u><u>7,862,773</u></u>	\$ <u><u>26,785,850</u></u>

CITY OF WILTON MANORS, FLORIDA
BALANCE SHEET
GOVERNMENTAL FUNDS
September 30, 2006

	Major Governmental Funds				
	General Fund	Recycling Fund	General Obligation Bond Fund	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS:					
Equity in pooled cash	\$ 3,786,942	\$ 372,953	\$ 132,315	\$ 450,700	\$ 4,742,910
Cash held by third party	--	--	--	69,734	69,734
Restricted cash	3,000	--	--	--	3,000
Accounts receivable	244,412	139,553	--	--	383,965
Due from other governments	121,270	121,388	--	20,864	263,522
Advance to other funds	1,020,802	--	--	--	1,020,802
Prepaid expenditures	10,878	250	--	250	11,378
Inventory	37,269	74	--	8,762	46,105
	<u>\$ 5,224,573</u>	<u>\$ 634,218</u>	<u>\$ 132,315</u>	<u>\$ 550,310</u>	<u>\$ 6,541,416</u>
LIABILITIES AND FUND BALANCES (DEFICIT):					
Liabilities:					
Accounts payable	\$ 253,736	\$ 289,278	\$ --	\$ 14,007	\$ 557,021
Accrued expenditures	188,457	2,328	--	3,862	194,647
Advance from other funds	--	--	612,935	407,867	1,020,802
Unearned revenues	56,936	--	--	35,165	92,101
Due to other governments	3,960	--	165	328	4,453
	<u>503,089</u>	<u>291,606</u>	<u>613,100</u>	<u>461,229</u>	<u>1,869,024</u>
Fund balances (deficit):					
Reserved for:					
Contingency	704,430	--	--	--	704,430
Vehicles	193,978	--	--	9,000	202,978
Advance from other fund	104,023	--	--	--	104,023
Encumbrances	382,053	66,811	--	45,125	493,989
Prepaid expenditures	10,878	250	--	250	11,378
Inventory	37,269	74	--	8,762	46,105
Public safety	64,804	--	--	--	64,804
Culture/recreation	227,265	--	--	--	227,265
Fire truck	--	--	--	69,734	69,734
Affordable housing	49,446	--	--	--	49,446
Public works	5,395	--	--	--	5,395
Unreserved:					
Undesignated (deficit), reported in:					
General Fund	2,941,943	--	--	--	2,941,943
General Obligation Bond Fund	--	--	(480,785)	--	(480,785)
Special Revenue Funds	--	275,477	--	(43,790)	231,687
	<u>4,721,484</u>	<u>342,612</u>	<u>(480,785)</u>	<u>89,081</u>	<u>4,672,392</u>
Total liabilities and fund balances	<u>\$ 5,224,573</u>	<u>\$ 634,218</u>	<u>\$ 132,315</u>	<u>\$ 550,310</u>	<u>\$ 6,541,416</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, 2006

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		\$ 4,672,392
Receivables related to intergovernmental revenues are not available to fund current operations and, therefore, are deferred in the governmental funds.		305,982
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds:		
The cost of capital assets is	\$ 24,014,341	
Accumulated depreciation is	<u>6,212,272</u>	17,802,069
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 governmental funds.		<u>(3,857,366)</u>
NET ASSETS OF GOVERNMENTAL ACTIVITIES, PAGE 12		\$ <u>18,923,077</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, 2006

	Major Governmental Funds			Nonmajor Governmental Funds	Total Governmental Funds
	General Fund	Recycling Fund	General Obligation Bond Fund		
REVENUES:					
Ad valorem taxes	\$ 5,375,753	\$ --	\$ --	\$ --	\$ 5,375,753
Ad valorem taxes for debt service	348,438	--	--	--	348,438
Franchise fees	762,603	357,916	--	--	1,120,519
Utility service taxes	1,674,382	--	--	--	1,674,382
Licenses and permits	1,012,557	--	--	--	1,012,557
Intergovernmental revenues	1,364,163	1,134,366	--	253,014	2,751,543
Charges for services	221,339	365,116	--	26,820	613,275
Fines and forfeitures	128,556	--	--	45,146	173,702
Impact fees	112,869	--	--	--	112,869
Special assessment	--	--	--	993,537	993,537
Donations	289,512	--	--	27,195	316,707
Miscellaneous	<u>272,270</u>	<u>29,044</u>	<u>5,618</u>	<u>142,820</u>	<u>449,752</u>
Total revenues	<u>11,562,442</u>	<u>1,886,442</u>	<u>5,618</u>	<u>1,488,532</u>	<u>14,943,034</u>
EXPENDITURES:					
Current:					
General government	1,613,291	--	--	--	1,613,291
Public safety	5,542,532	--	--	915,332	6,457,864
Culture and recreation	2,347,193	21,566	--	114,521	2,483,280
Public services	389,717	1,997,426	--	138,199	2,525,342
Nondepartmental	200,010	--	--	--	200,010
Physical environment	--	--	--	171,600	171,600
Capital outlay	1,761,148	43,139	--	170,148	1,974,435
Debt service:					
Principal retirement	398,967	--	--	--	398,967
Interest	<u>147,867</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>147,867</u>
Total expenditures	<u>12,400,725</u>	<u>2,062,131</u>	<u>--</u>	<u>1,509,800</u>	<u>15,972,656</u>
Excess (deficiency) of revenues over expenditures	<u>(838,283)</u>	<u>(175,689)</u>	<u>5,618</u>	<u>(21,268)</u>	<u>(1,029,622)</u>
OTHER FINANCING SOURCES (USES):					
Issuance of debt	1,000,000	--	--	--	1,000,000
Transfers in	1,053,531	--	--	--	1,053,531
Transfers out	<u>(58,711)</u>	<u>(208,781)</u>	<u>--</u>	<u>(139,129)</u>	<u>(406,621)</u>
Total other financing sources (uses)	<u>1,994,820</u>	<u>(208,781)</u>	<u>--</u>	<u>(139,129)</u>	<u>1,646,910</u>
Net change in fund balances	1,156,537	(384,470)	5,618	(160,397)	617,288
FUND BALANCES (DEFICIT) AT BEGINNING OF YEAR	<u>3,564,947</u>	<u>727,082</u>	<u>(486,403)</u>	<u>249,478</u>	<u>4,055,104</u>
FUND BALANCES (DEFICIT) AT END OF YEAR	<u>\$ 4,721,484</u>	<u>\$ 342,612</u>	<u>\$ (480,785)</u>	<u>\$ 89,081</u>	<u>\$ 4,672,392</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, 2006

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS, PAGE 17 \$ 617,288

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

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds 305,982

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	\$ 2,125,756	
Less current year depreciation expense	<u>(935,509)</u>	1,190,247

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.

Issuance of debt	(1,000,000)	
Debt principal payments	<u>398,967</u>	(601,033)

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

Increase in interest payable	(20,544)	
Increase in long-term compensated absences	<u>(65,787)</u>	<u>(86,331)</u>

CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES, PAGE 14 \$ 1,426,153

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, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Ad valorem taxes:				
Current	\$ 5,338,650	\$ 5,338,650	\$ 5,355,273	\$ 16,623
Delinquent	10,000	10,000	20,480	10,480
Debt service	<u>334,475</u>	<u>334,475</u>	<u>348,438</u>	<u>13,963</u>
	<u>5,683,125</u>	<u>5,683,125</u>	<u>5,724,191</u>	<u>41,066</u>
Franchise fees:				
Electric	661,660	661,660	747,103	85,443
Miscellaneous	<u>22,000</u>	<u>22,000</u>	<u>15,500</u>	<u>(6,500)</u>
	<u>683,660</u>	<u>683,660</u>	<u>762,603</u>	<u>78,943</u>
Utility service taxes:				
Electricity	755,721	755,721	731,591	(24,130)
Gas	44,476	44,476	55,708	11,232
Water	273,396	273,396	281,477	8,081
Communication service tax	<u>565,208</u>	<u>565,208</u>	<u>605,606</u>	<u>40,398</u>
	<u>1,638,801</u>	<u>1,638,801</u>	<u>1,674,382</u>	<u>35,581</u>
Licenses and permits:				
Occupational licenses	131,000	131,000	129,716	(1,284)
Building permits	700,000	700,000	802,557	102,557
Residential rental licenses	23,000	23,000	17,260	(5,740)
Other licenses and permits	25,000	25,000	60,290	35,290
Payment in lieu of landscaping	2,500	2,500	--	(2,500)
Letters of determination	<u>--</u>	<u>--</u>	<u>2,734</u>	<u>2,734</u>
	<u>881,500</u>	<u>881,500</u>	<u>1,012,557</u>	<u>131,057</u>
Intergovernmental revenues:				
State revenue sharing	429,897	429,897	427,055	(2,842)
State sales tax	723,828	723,828	784,612	60,784
Mobile home licenses	200	200	143	(57)
Alcoholic beverage licenses	12,200	12,200	13,883	1,683
Bash Grant - Department of Agriculture	6,874	6,874	5,229	(1,645)
Federal disaster assistance	--	--	68,981	68,981
State disaster assistance	--	--	11,094	11,094
Other	<u>--</u>	<u>--</u>	<u>53,166</u>	<u>53,166</u>
	<u>1,172,999</u>	<u>1,172,999</u>	<u>1,364,163</u>	<u>191,164</u>
Charges for services:				
Recreation fees	193,050	193,050	203,931	10,881
Other charges	<u>63,625</u>	<u>63,625</u>	<u>17,408</u>	<u>(46,217)</u>
	<u>256,675</u>	<u>256,675</u>	<u>221,339</u>	<u>(35,336)</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, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		
Fines and forfeitures:				
Court and parking fines	300,000	300,000	109,531	(190,469)
Library fines	9,010	9,010	8,694	(316)
Code enforcement	<u>8,920</u>	<u>8,920</u>	<u>10,331</u>	<u>1,411</u>
	<u>317,930</u>	<u>317,930</u>	<u>128,556</u>	<u>(189,374)</u>
Miscellaneous:				
Interest income	19,680	19,680	211,776	192,096
Rental revenue	12,000	12,000	14,292	2,292
Impact fees	237,420	237,420	112,869	(124,551)
Donations	--	--	289,512	289,512
Miscellaneous revenue	<u>69,850</u>	<u>69,850</u>	<u>46,202</u>	<u>(23,648)</u>
	<u>338,950</u>	<u>338,950</u>	<u>674,651</u>	<u>335,701</u>
Total revenues	<u>10,973,640</u>	<u>10,973,640</u>	<u>11,562,442</u>	<u>588,802</u>
EXPENDITURES:				
General government:				
Mayor and Commission:				
Personal services	77,741	77,741	73,926	3,815
Operating expenditures	<u>40,627</u>	<u>40,627</u>	<u>31,702</u>	<u>8,925</u>
	<u>118,368</u>	<u>118,368</u>	<u>105,628</u>	<u>12,740</u>
City Management:				
Personal services	473,791	473,791	476,103	(2,312)
Operating expenditures	109,732	106,732	86,881	19,851
Capital outlay	<u>4,700</u>	<u>7,700</u>	<u>3,789</u>	<u>3,911</u>
	<u>588,223</u>	<u>588,223</u>	<u>566,773</u>	<u>21,450</u>
Financial Services:				
Personal services	615,293	612,893	645,919	(33,026)
Operating expenditures	137,913	133,113	95,034	38,079
Capital outlay	<u>14,733</u>	<u>21,933</u>	<u>12,192</u>	<u>9,741</u>
	<u>767,939</u>	<u>767,939</u>	<u>753,145</u>	<u>14,794</u>
City Attorney:				
Operating expenditures	<u>176,809</u>	<u>176,809</u>	<u>201,562</u>	<u>(24,753)</u>
	<u>176,809</u>	<u>176,809</u>	<u>201,562</u>	<u>(24,753)</u>
Total general government	<u>1,651,339</u>	<u>1,651,339</u>	<u>1,627,108</u>	<u>24,231</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, 2006

	<u>Budgeted Amounts</u>			
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Variance</u>
Public safety:				
Police:				
Personal services	3,751,706	3,751,706	3,527,715	223,991
Operating expenditures	622,717	622,717	602,665	20,052
Capital outlay	<u>24,135</u>	<u>24,135</u>	<u>72,031</u>	<u>(47,896)</u>
	<u>4,398,558</u>	<u>4,398,558</u>	<u>4,202,411</u>	<u>196,147</u>
Emergency medical services:				
Operating expenditures	<u>254,141</u>	<u>254,141</u>	<u>259,012</u>	<u>(4,871)</u>
	<u>254,141</u>	<u>254,141</u>	<u>259,012</u>	<u>(4,871)</u>
Community services:				
Personal services	607,581	607,581	553,595	53,986
Operating expenditures	368,681	368,681	603,643	(234,962)
Capital outlay	<u>71,316</u>	<u>71,316</u>	<u>24,196</u>	<u>47,120</u>
	<u>1,047,578</u>	<u>1,047,578</u>	<u>1,181,434</u>	<u>(133,856)</u>
Total public safety	<u>5,700,277</u>	<u>5,700,277</u>	<u>5,642,857</u>	<u>57,420</u>
Culture and recreation:				
Library				
Personal services	416,348	416,348	382,224	34,124
Operating expenditures	61,608	61,608	57,408	4,200
Capital outlay	<u>25,000</u>	<u>25,000</u>	<u>24,530</u>	<u>470</u>
	<u>502,956</u>	<u>502,956</u>	<u>464,162</u>	<u>38,794</u>
Parks and recreation:				
Personal services	1,549,691	1,549,691	1,429,453	120,238
Operating expenditures	455,075	455,075	477,011	(21,936)
Capital outlay	<u>1,005,384</u>	<u>1,005,384</u>	<u>202,270</u>	<u>803,114</u>
	<u>3,010,150</u>	<u>3,010,150</u>	<u>2,108,734</u>	<u>901,416</u>
Total culture and recreation	<u>3,513,106</u>	<u>3,513,106</u>	<u>2,572,896</u>	<u>940,210</u>
Public services:				
Personal services	194,418	194,418	207,895	(13,477)
Operating expenditures	183,941	183,941	181,144	2,797
Capital outlay	<u>18,100</u>	<u>18,100</u>	<u>27,431</u>	<u>(9,331)</u>
Total public services	<u>396,459</u>	<u>396,459</u>	<u>416,470</u>	<u>(20,011)</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, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		
Nondepartmental:				
Personal service				
Operating expenditures	212,223	212,223	201,830	10,393
Capital outlay	<u>258,000</u>	<u>258,000</u>	<u>1,693,053</u>	<u>(1,435,053)</u>
Total nondepartmental	<u>470,223</u>	<u>470,223</u>	<u>1,894,883</u>	<u>(1,424,660)</u>
Debt service:				
Principal retirement	141,371	141,371	398,967	(257,596)
Interest	<u>114,665</u>	<u>114,665</u>	<u>147,867</u>	<u>(33,202)</u>
Total debt service	<u>256,036</u>	<u>256,036</u>	<u>546,834</u>	<u>(290,798)</u>
Total expenditures	<u>11,987,440</u>	<u>11,987,440</u>	<u>12,701,048</u>	<u>(713,608)</u>
Excess (deficiency) of revenues over expenditures	<u>(1,013,800)</u>	<u>(1,013,800)</u>	<u>(1,138,606)</u>	<u>(124,806)</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	1,072,511	1,072,511	1,053,531	(18,980)
Debt proceeds	--	--	1,000,000	1,000,000
Transfers out	<u>(58,711)</u>	<u>(58,711)</u>	<u>(58,711)</u>	<u>--</u>
Total other financing sources (uses)	<u>1,013,790</u>	<u>1,013,790</u>	<u>1,994,820</u>	<u>981,020</u>
Net change in fund balance	<u>--</u>	<u>--</u>	<u>856,214</u>	<u>856,214</u>
FUND BALANCE AT BEGINNING OF YEAR	<u>3,483,217</u>	<u>3,483,217</u>	<u>3,483,217</u>	<u>--</u>
FUND BALANCE AT END OF YEAR	<u>\$ 3,483,217</u>	<u>\$ 3,483,217</u>	<u>\$ 4,339,431</u>	<u>\$ 856,214</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
RECYCLING FUND
For the Year Ended September 30, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Franchise fees	\$ 295,000	\$ 295,000	\$ 357,916	\$ 62,916
Intergovernmental	--	--	1,134,366	1,134,366
Charges for services	235,000	235,000	365,116	130,116
Miscellaneous	<u>12,000</u>	<u>12,000</u>	<u>29,044</u>	<u>17,044</u>
Total revenues	<u>542,000</u>	<u>542,000</u>	<u>1,886,442</u>	<u>1,344,442</u>
 EXPENDITURES:				
Current:				
Culture and recreation	--	--	21,566	(21,566)
Public services	285,545	285,545	1,982,393	(1,696,848)
Capital outlay	<u>28,688</u>	<u>28,688</u>	<u>91,859</u>	<u>(63,171)</u>
Total expenditures	<u>314,233</u>	<u>314,233</u>	<u>2,095,818</u>	<u>(1,781,585)</u>
Excess (deficiency) of revenues over expenditures	227,767	227,767	(209,376)	(437,143)
 OTHER FINANCING SOURCES (USES):				
Transfers out	<u>(227,767)</u>	<u>(227,767)</u>	<u>(208,781)</u>	<u>18,986</u>
Net change in fund balance	--	--	(418,157)	(418,157)
 FUND BALANCE AT BEGINNING OF YEAR	<u>693,958</u>	<u>693,958</u>	<u>693,958</u>	<u>--</u>
 FUND BALANCE AT END OF YEAR	\$ <u><u>693,958</u></u>	\$ <u><u>693,958</u></u>	\$ <u><u>275,801</u></u>	\$ <u><u>(418,157)</u></u>

CITY OF WILTON MANORS, FLORIDA
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
September 30, 2006

ASSETS:	Business-Type Activities - Enterprise Funds		
	Major Fund	Nonmajor Fund	Total
	Utility Fund	Drainage Fund	
Current assets:			
Equity in pooled cash	\$ 272,461	\$ 566,131	\$ 838,592
Accounts receivable	577,938	20,744	598,682
Prepaid expenses	2,595	200	2,795
Inventory	83,203	--	83,203
Restricted cash and cash equivalents	1,279,217	--	1,279,217
Total current assets	2,215,414	587,075	2,802,489
Noncurrent assets:			
Restricted cash and cash equivalents	1,240,767	--	1,240,767
Capital assets, depreciable net	8,878,547	533,297	9,411,844
Capital assets, non-depreciable	1,502,973	--	1,502,973
Unamortized bond discount and financing costs	35,040	--	35,040
Total noncurrent assets	11,657,327	533,297	12,190,624
Total assets	\$ 13,872,741	\$ 1,120,372	\$ 14,993,113
LIABILITIES:			
Current liabilities (payable from unrestricted assets):			
Accounts payable	\$ 259,459	\$ 13,811	\$ 273,270
Accrued expenses	8,829	1,610	10,439
Due to other governments	4,317	--	4,317
Current liabilities (payable from restricted assets):			
Bonds payable	806,438	--	806,438
Accrued interest payable	155,854	--	155,854
Customer deposits	348,690	--	348,690
Total current liabilities	1,583,587	15,421	1,599,008
Noncurrent liabilities:			
Compensated absences payable	1,837	--	1,837
Bonds payable	5,529,495	--	5,529,495
Total noncurrent liabilities	5,531,332	--	5,531,332
Total liabilities	7,114,919	15,421	7,130,340
NET ASSETS:			
Invested in capital assets, net of related debt	4,080,627	533,297	4,613,924
Restricted for:			
Debt service	1,240,767	--	1,240,767
Renewal and replacement	300,000	18,438	318,438
Unrestricted	1,136,428	553,216	1,689,644
Total net assets	6,757,822	1,104,951	7,862,773
Total liabilities and net assets	\$ 13,872,741	\$ 1,120,372	\$ 14,993,113

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, 2006

	Business-Type Activities - Enterprise Funds		
	Major Fund	Nonmajor Fund	Total
	Utility Fund	Drainage Fund	
OPERATING REVENUES:			
Charges for services	\$ 4,774,159	\$ 326,823	\$ 5,100,982
Impact fees	211,107	--	211,107
Miscellaneous	48,531	--	48,531
	<u>5,033,797</u>	<u>326,823</u>	<u>5,360,620</u>
OPERATING AND ADMINISTRATIVE EXPENSES:			
Water purchases and contracted sewer services	1,905,166	--	1,905,166
Maintenance and repair	86,371	32,767	119,138
Other operating costs	199,159	11,633	210,792
Accounting services	31,752	--	31,752
Personal services	429,735	100,265	530,000
Depreciation expense	420,300	54,587	474,887
Amortization expense	33,014	--	33,014
General expenses	276,229	25,594	301,823
	<u>3,381,726</u>	<u>224,846</u>	<u>3,606,572</u>
Total operating and administrative expenses			
	<u>3,381,726</u>	<u>224,846</u>	<u>3,606,572</u>
Operating income	<u>1,652,071</u>	<u>101,977</u>	<u>1,754,048</u>
NONOPERATING REVENUES (EXPENSES):			
Interest income	106,205	21,114	127,319
Interest expense	(344,723)	--	(344,723)
	<u>(238,518)</u>	<u>21,114</u>	<u>(217,404)</u>
Total nonoperating revenues (expenses)			
	<u>(238,518)</u>	<u>21,114</u>	<u>(217,404)</u>
Income before transfers	<u>1,413,553</u>	<u>123,091</u>	<u>1,536,644</u>
TRANSFERS:			
In	56,004	60,866	116,870
Out	(729,295)	(34,485)	(763,780)
	<u>(673,291)</u>	<u>26,381</u>	<u>(646,910)</u>
Total transfers in (out)			
	<u>(673,291)</u>	<u>26,381</u>	<u>(646,910)</u>
Changes in net assets	740,262	149,472	889,734
NET ASSETS AT BEGINNING OF YEAR, AS RESTATED (NOTE M)	<u>6,017,560</u>	<u>955,479</u>	<u>6,973,039</u>
NET ASSETS AT END OF YEAR	<u>\$ 6,757,822</u>	<u>\$ 1,104,951</u>	<u>\$ 7,862,773</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, 2006

	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	\$ 4,626,126	\$ 321,230	\$ 4,947,356
Cash received from other services	259,638	--	259,638
Cash paid to employees for services	(461,966)	(100,265)	(562,231)
Cash paid to suppliers for goods and services	(2,512,156)	(58,630)	(2,570,786)
Net cash provided by operating activities	<u>1,911,642</u>	<u>162,335</u>	<u>2,073,977</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Transfers in from other funds	56,004	60,866	116,870
Transfers out to other funds	(733,585)	(34,485)	(768,070)
Net cash provided (used) by noncapital financing activities	<u>(677,581)</u>	<u>26,381</u>	<u>(651,200)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Bond principal payments	(782,390)	--	(782,390)
Interest paid	(361,662)	--	(361,662)
Purchase of capital assets	(170,250)	(18,769)	(189,019)
Net cash used by capital and related financing activities	<u>(1,314,302)</u>	<u>(18,769)</u>	<u>(1,333,071)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Interest received	106,205	21,114	127,319
Net cash provided by investing activities	<u>106,205</u>	<u>21,114</u>	<u>127,319</u>
Net increase in equity in pooled cash, restricted cash, and cash equivalents	25,964	191,051	217,015
EQUITY IN POOLED CASH, RESTRICTED CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>2,766,481</u>	<u>375,080</u>	<u>3,141,561</u>
EQUITY IN POOLED CASH, RESTRICTED CASH AND CASH EQUIVALENTS AT END OF YEAR	\$ <u><u>2,792,445</u></u>	\$ <u><u>566,131</u></u>	\$ <u><u>3,358,576</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, 2006

	Business-Type Activities - Enterprise Funds		
	Major Fund	Nonmajor Fund	Total
	Utility Fund	Drainage Fund	
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:			
Operating income and other income	\$ <u>1,652,071</u>	\$ <u>101,977</u>	\$ <u>1,754,048</u>
Adjustments to reconcile operating income to net cash provided by operating activities:			
Amortization expense	33,014	--	33,014
Depreciation expense	420,300	54,587	474,887
(Increase) decrease in accounts receivable	(148,033)	(5,603)	(153,636)
(Increase) decrease in prepaid expenses	22,848	374	23,222
(Increase) decrease in inventory	(2,354)	--	(2,354)
Increase (decrease) in accounts payable	(48,659)	12,830	(35,829)
Increase (decrease) in accrued expenses	(30,577)	(1,830)	(32,407)
Increase (decrease) due to other government	4,317	--	4,317
Increase (decrease) in customer deposits	<u>8,715</u>	<u>--</u>	<u>8,715</u>
Total adjustments	<u>259,571</u>	<u>60,358</u>	<u>319,929</u>
Net cash provided by operating activities	\$ <u><u>1,911,642</u></u>	\$ <u><u>162,335</u></u>	\$ <u><u>2,073,977</u></u>

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

CITY OF WILTON MANORS, FLORIDA
STATEMENT OF FIDUCIARY NET ASSETS
GENERAL EMPLOYEES' AND POLICE AND VOLUNTEER
FIREFIGHTERS' PENSION FUNDS
September 30, 2006

ASSETS:	
Cash and cash equivalents	\$ 1,255,897
Investments:	
Common stocks	15,293,089
U.S. government securities	5,329,284
Corporate bonds	996,059
Receivable for investments sold	239,272
Accrued investment income	97,227
Due from state	52,014
Due from employees	<u>18,812</u>
Total assets	<u>23,281,654</u>
 LIABILITIES:	
Accounts payable	30,556
DROP payable	336,774
Payable for investments purchased	301,665
Prepaid employer contribution	<u>19,250</u>
Total liabilities	<u>688,245</u>
 NET ASSETS HELD IN TRUST FOR PENSION BENEFITS	 \$ <u>22,593,409</u>

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

CITY OF WILTON MANORS, FLORIDA
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
GENERAL EMPLOYEES' AND POLICE AND VOLUNTEER
FIREFIGHTERS' PENSION FUNDS
For the Year Ended September 30, 2006

ADDITIONS:	
Contributions:	
Employer	\$ 1,081,629
Employee	469,457
State	<u>52,014</u>
Total contributions	<u>1,603,100</u>
Investment income (loss):	
Net appreciation in fair value of investments	868,911
Interest and dividends	609,414
Earnings (losses) allocated to DROP Program	(16,623)
Investment expenses	<u>(104,144)</u>
Total investment income	<u>1,357,558</u>
Total additions	<u>2,960,658</u>
DEDUCTIONS:	
Retirement benefits and refunds	1,330,332
Administrative expenses	<u>122,895</u>
Total deductions	<u>1,453,227</u>
Change in net assets	1,507,431
NET ASSETS HELD IN TRUST FOR PENSION BENEFITS:	
Beginning of year	<u>21,085,978</u>
End of year	\$ <u>22,593,409</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, 2006

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 activities) 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, 2006

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 Recycling Fund is a special revenue fund used to account for the revenues and expenditures associated with solid waste disposal and recycling.

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 maintaining the financial operations of the City's water and wastewater transmission lines.

Additionally, the government reports the following nonmajor special revenue funds and proprietary fund:

Special Revenue:

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

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

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

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

Proprietary fund:

The Drainage Fund is used to account for fees collected to maintain the City's drainage system.

CITY OF WILTON MANORS, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2006

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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.

CITY OF WILTON MANORS, FLORIDA
 NOTES TO FINANCIAL STATEMENTS
 September 30, 2006

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

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.

CITY OF WILTON MANORS, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2006

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

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 compensated absences are recorded as an expense in the government-wide financial statements and proprietary fund statements when earned. Expenditures for compensated absences are recorded in the governmental funds only for employees who had terminated their employment as of the end of the fiscal year. 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.

CITY OF WILTON MANORS, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2006

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

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 \$ 277,243 at September 30, 2006 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.

CITY OF WILTON MANORS, FLORIDA
 NOTES TO FINANCIAL STATEMENTS
 September 30, 2006

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

- 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.

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 \$ 3,857,366 difference are as follows:

Bonds payable	\$ 2,255,101
Note payable	1,000,000
Compensated absences	542,990
Accrued interest	<u>59,275</u>
 Net adjustment to reduce fund balance - total governmental funds to arrive at net assets - governmental activities	 \$ <u>3,857,366</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.

CITY OF WILTON MANORS, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2006

NOTE C - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (continued)

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.

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 and the Recycling Fund for 2006:

	<u>General Fund</u>	<u>Recycling Fund</u>
Statement of revenues, expenditures and changes in fund balances - page 16	\$ 4,721,484	\$ 342,612
Encumbrances recorded in	<u>(382,053)</u>	<u>(66,811)</u>
Statement of revenues, expenditures and changes in fund balances - budget and actual - pages 21 and 22	\$ <u>4,339,431</u>	\$ <u>275,801</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

CITY OF WILTON MANORS, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2006

NOTE D - DEPOSITS AND INVESTMENTS (continued)

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 \$ 262,909 and the bank balance was \$ 1,061,453. 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 \$ 7,841,577.

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, 2006.

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

CITY OF WILTON MANORS, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2006

NOTE D - DEPOSITS AND INVESTMENTS (continued)

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.

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%	66%
Fixed income	65%	28%
Cash equivalents	50%	6%

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, 2006:

<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	\$ 529,039	\$ --	\$ 131,387	\$ 397,652	\$ --
United States Agencies	4,900,378	157,541	2,379,819	2,319,199	43,819
Corporate bonds	<u>1,014,774</u>	<u>80,971</u>	<u>856,257</u>	<u>77,546</u>	<u>--</u>
Total fixed income securities	<u>\$ 6,444,191</u>	<u>\$ 238,512</u>	<u>\$ 3,367,463</u>	<u>\$ 2,794,397</u>	<u>\$ 43,819</u>

CITY OF WILTON MANORS, FLORIDA
 NOTES TO FINANCIAL STATEMENTS
 September 30, 2006

NOTE D - DEPOSITS AND INVESTMENTS (continued)

Credit risk:

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

The following table discloses credit ratings by investment type, at September 30, 2006, as applicable:

	<u>Fair Value</u>	<u>Percentage of Portfolio</u>
United States government guaranteed*	\$ <u>5,429,417</u>	<u>84.24%</u>
Quality rating of credit risk debt securities		
AAA	113,105	1.76%
AA	147,262	2.29%
A+	520,502	8.08%
A	<u>233,905</u>	<u>3.63%</u>
 Total credit risk debt securities	 <u>1,014,774</u>	 <u>15.76%</u>
 Total fixed income securities	 \$ <u>6,444,191</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, 2006.

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

CITY OF WILTON MANORS, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2006

NOTE E - PROPERTY TAXES (continued)

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, 2005, upon which the 2005-2006 levy was based, was approximately \$ 1,042,000,000.

The City is permitted by Article 7, Section 8 of the Florida Constitution to levy taxes up to \$ 10 per \$ 1,000 of assessed valuation for general governmental services (other than the payment of principal and interest on general obligation long-term debt). In addition, unlimited amounts may be levied for the payment of principal and interest on general obligation long-term debt subject to a limitation on the amount of debt outstanding. The tax rate to finance general governmental services and debt service requirements for the year ended September 30, 2006 was 6.6036 per \$ 1,000.

NOTE F - CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2006 was as follows:

	<u>Balance October 1, 2005</u>	<u>Increases/ Transfers</u>	<u>Decreases/ Transfers</u>	<u>Balance September 30, 2006</u>
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ <u>6,212,947</u>	\$ <u>1,350,978</u>	\$ <u> --</u>	\$ <u>7,563,925</u>
Total capital assets, not being depreciated	<u>6,212,947</u>	<u>1,350,978</u>	<u> --</u>	<u>7,563,925</u>
Capital assets, being depreciated:				
Buildings	3,104,965	56,603	--	3,161,568
Improvements other than buildings	8,847,917	301,272	91,773	9,057,416
Machinery and equipment	<u>3,808,073</u>	<u>508,676</u>	<u>85,317</u>	<u>4,231,432</u>
Total capital assets being depreciated	<u>15,760,955</u>	<u>866,551</u>	<u>177,090</u>	<u>16,450,416</u>
Less accumulated depreciation for:				
Buildings	1,303,918	50,773	--	1,354,691
Improvements other than buildings	1,928,889	344,094	22,240	2,250,743
Machinery and equipment	<u>2,129,273</u>	<u>560,882</u>	<u>85,317</u>	<u>2,606,838</u>
Total accumulated depreciation	<u>5,362,080</u>	<u>955,749</u>	<u>107,557</u>	<u>6,212,272</u>
Total capital assets, being depreciated, net	<u>10,398,875</u>	<u>(91,198)</u>	<u>69,533</u>	<u>10,238,144</u>
Governmental activities, capital assets, net	\$ <u>16,611,822</u>	\$ <u>1,259,780</u>	\$ <u>69,533</u>	\$ <u>17,802,069</u>

CITY OF WILTON MANORS, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2006

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>303,844</u>	\$ <u>104,023</u>	\$ <u>1,020,802</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 payable funds, which are not anticipated in the upcoming year.

<u>Transfers out</u>	<u>Transfers In</u>			<u>Total</u>
	<u>General Fund</u>	<u>Utility Fund</u>	<u>Drainage Fund</u>	
General Fund	\$ --	\$ --	\$ 58,711	58,711
Recycling Fund	164,624	42,002	2,155	208,781
Fire Assessment Fund	57,177	--	--	57,177
Road Improvement Fund	81,952	--	--	81,952
Utility Fund	729,295	--	--	729,295
Drainage Fund	<u>20,483</u>	<u>14,002</u>	<u>--</u>	<u>34,485</u>
Totals	\$ <u>1,053,531</u>	\$ <u>56,004</u>	\$ <u>60,866</u>	\$ <u>1,170,401</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, 2006. The expenditures by the City for the year ended September 30, 2006 relating to this agreement totaled approximately \$ 885,000.

The Broward County Wastewater Plan requires the City to use the City of Fort Lauderdale wastewater facilities through the year 2021.

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.

CITY OF WILTON MANORS, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2006

NOTE H - COMMITMENTS AND CONTINGENCIES (continued)

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

Grants compliance:

The City receives financial assistance from federal, state and local governmental agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and may be subject to audit by the grantor agencies. In accordance with OMB Circular A-133, Audits of States, Local Governments, and Nonprofit Organizations and the Florida Single Audit Act, the City may be required to conduct "single audits" when such funding exceeds the required thresholds, which are both currently \$ 500,000. During the year, the City expended \$ 1,361,955 in federal grant money and a separate report dated May 4, 2007 has been issued.

The following summarizes grant activity for the year ended September 30, 2006:

<u>Grant</u>	<u>Expenses/ Expenditures</u>
Hurricane Relief - Federal	\$ 1,339,333
Hurricane Relief - State	163,066
Cops in School	22,622

NOTE I - DEBT

The following is a summary of the changes in the debt of the City from October 1, 2005 through September 30, 2006:

	<u>Balance at October 1, 2005</u>	<u>Debt Additions</u>	<u>Debt Retired</u>	<u>Balance at September 30, 2006</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 to mature in June 2019	\$ 2,654,068	\$ --	\$ 398,967	\$ 2,255,101	\$ 132,204
Note payable, interest at 5% and principal payable annually of \$ 100,000, due to mature in March 2016	--	1,000,000	--	1,000,000	100,000
Compensated absences	<u>511,083</u>	<u>541,748</u>	<u>509,841</u>	<u>542,990</u>	<u>54,090</u>
Total governmental activities, debt	<u>3,165,151</u>	<u>1,541,748</u>	<u>908,808</u>	<u>3,798,091</u>	<u>286,294</u>

CITY OF WILTON MANORS, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2006

NOTE I - DEBT (continued)

	<u>Balance at October 1, 2005</u>	<u>Debt Additions</u>	<u>Debt Retired</u>	<u>Balance at September 30, 2006</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, interest only, semi-annually, due in the year 2012 (net of unamortized bond discounts of \$ 55,101 in 2005 and \$ 47,229 in 2006)	2,534,899	7,872	--	2,542,771	--
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 \$ 135,119 in 2005 and \$ 115,817 in 2006)	4,556,250	19,302	782,390	3,793,162	806,438
Compensated absences	<u>36,027</u>	<u>--</u>	<u>34,190</u>	<u>1,837</u>	<u>--</u>
Total business-type activities	<u>7,127,176</u>	<u>27,174</u>	<u>816,580</u>	<u>6,337,770</u>	<u>806,438</u>
Total governmental and business-type activities	<u>\$ 10,292,327</u>	<u>\$ 1,059,081</u>	<u>\$ 1,215,547</u>	<u>\$ 10,135,861</u>	<u>\$ 1,092,732</u>

The following are the requirements to amortize all debt at September 30, 2006, including unamortized discounts of \$ 47,229 and deferred bond refunding costs of \$ 115,817.

Fiscal Year Ending	<u>General Obligation Bonds Payable and Note Payable</u>		<u>Enterprise Funds Revenue Bonds</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2007	\$ 232,204	\$ 147,081	\$ 779,265	\$ 294,249
2008	238,056	136,230	820,823	258,430
2009	244,166	125,120	850,204	221,074
2010	250,547	113,739	897,394	182,062
2011	257,210	102,076	931,878	16,476
2012 - 2016	1,396,786	324,644	2,056,369	228,952
2017 - 2019	<u>636,132</u>	<u>48,814</u>	<u>--</u>	<u>--</u>
Total	<u>\$ 3,255,101</u>	<u>\$ 997,704</u>	<u>\$ 6,335,933</u>	<u>\$ 1,201,243</u>

CITY OF WILTON MANORS, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2006

NOTE I - DEBT (continued)

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

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

The City previously issued \$ 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 approximately \$ 6,130,000 at September 30, 2006.

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. 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 8.0%; 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.

CITY OF WILTON MANORS, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2006

NOTE J - PENSION TRUST (continued)

On October 1, 2005 (the last plan year valuation date), Plan membership consisted of:

	<u>General and Police</u>	<u>Volunteer Firefighters</u>
Retirees and beneficiaries receiving benefits	50	1
Active plan members	<u>83</u>	<u>9</u>
Total	<u><u>133</u></u>	<u><u>10</u></u>

Plan members are required to contribute 11% (10% for police officers) of their salary to the Plan. Contribution requirements of the Plan members and the City are established and may be amended by City ordinance. 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. Plan benefits and refunds of the defined benefit pension plan are recognized when due and payable in accordance with the Plan's terms.

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, 2006, \$ 336,774 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, 2006 and the two preceding years were as follows:

	<u>FY 2006</u>	<u>FY 2005</u>	<u>FY 2004</u>
Contribution Requirements	\$ 1,081,629	\$ 799,497	\$ 719,459
Contributions Made (100%)	1,081,629	799,497	719,459
Total Covered Payroll	4,400,000	4,497,000	4,151,363
Percent of Covered Payroll	24.58%	17.78%	17.33%
Net Pension Obligation	NONE	NONE	NONE

The contribution requirements made for the System for the fiscal year ended September 30, 2006 and the preceding two years are as follows:

	<u>FY 2006</u>	<u>FY 2005</u>	<u>FY 2004</u>
Contribution Requirements	\$ 52,014	\$ 46,877	\$ 43,306
Contributions Made	52,014	84,258	80,211
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. During the year ending September 30, 2006, the State of Florida contributed \$ 52,014 to this Plan. This amount is recognized as income and expenditures in the financial statements.

CITY OF WILTON MANORS, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2006

NOTE J - PENSION TRUST (continued)

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 approximately \$ 781,900.

NOTE L - INDIVIDUAL FUND DISCLOSURES AND EXCESS OF EXPENDITURES OVER APPROPRIATIONS

At September 30, 2006, 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	\$ 408,785
Miscellaneous Grants Fund	\$ 308,257

For the year ended September 30, 2006, expenditures exceeded appropriations in the following departments:

General Fund:	
Nondepartmental	\$ 1,424,660
Debt service	\$ 290,798
Community services	\$ 133,856
City Attorney	\$ 24,753
Public services	\$ 20,011
Emergency medial services	\$ 4,871
Recycling Fund:	
Culture and recreation	\$ 21,566
Public services	\$ 1,696,848
Capital outlay	\$ 63,171

CITY OF WILTON MANORS, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2006

NOTE M - CHANGE IN ACCOUNTING PRINCIPLE

In reviewing the estimated useful lives for the assets in the Utility Fund, the City determined that some changes to their lives needed to be made. As a result, the City revised the estimated useful lives. The cumulative effect of this change in principle was to decrease beginning net assets by \$ 1,480,757.

NOTE N - SUBSEQUENT EVENT

On March 20, 2007, the City issued approximately \$ 9,000,000 for the Series 2007 Water and Sewer Refunding Bond, of which a portion of the proceeds will be used to pay a portion of the existing Series 1989 Water and Sewer Refunding and Improvement Revenue Bonds and Series 1998 Water and Sewer Revenue Bonds. The new bond issue has a yield of 3.83 % and will be due in 2016. This transaction resulted in an economic gain of approximately \$ 480,000.

**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>
10/01/00	\$ 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
10/01/05	20,285	26,608	6,323	76.2	4,118	153.6

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 Liability</u>	<u>Unfunded Frozen Actuarial Liability</u>	<u>Funded Ratio</u>	<u>Annual Covered Payroll</u>	<u>Unfunded Frozen Actuarial Liability as % of Payroll</u>
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
10/01/05	397,713	742,650	344,937	53.6	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>
09/30/01	\$ 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%	--	--
09/30/06	1,081,629	100%	--	--

<u>Fiscal Year Ended</u>	<u>Total Volunteer Firefighter's 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>
09/30/01	\$ --	--	\$ 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
09/30/06	--	--	52,014	100.00

OTHER FINANCIAL INFORMATION

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**COMBINING FINANCIAL STATEMENTS
NONMAJOR GOVERNMENTAL FUNDS**

SPECIAL REVENUE FUNDS

Fire Assessment Fund

This fund is used to account for financial transactions associated with fire prevention, suppression and emergency medical services.

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, 2006

	<u>Fire Assessment Fund</u>	<u>Local Law Enforcement Block Grant Fund</u>	<u>Police Training and Education Fund</u>	<u>Police Forfeiture Fund</u>
ASSETS:				
Equity in pooled cash	\$ 160,019	\$ 10,467	\$ 47,870	\$ 82,724
Cash held by third party	69,734	--	--	--
Due from other governments	--	--	394	--
Prepaid expenditures	--	--	--	250
Inventory	--	--	--	--
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total assets	\$ <u>229,753</u>	\$ <u>10,467</u>	\$ <u>48,264</u>	\$ <u>82,974</u>
 LIABILITIES AND FUND BALANCES (DEFICIT):				
Liabilities:				
Accounts payable	\$ 790	\$ --	\$ 39	\$ 3,041
Accrued expenditures	3,862	--	--	--
Advance from other funds	--	--	--	--
Unearned revenue	35,165	--	--	--
Due to other government	184	103	41	--
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total liabilities	<u>40,001</u>	<u>103</u>	<u>80</u>	<u>3,041</u>
 Fund balances (deficit):				
Reserved for encumbrances	8,280	--	--	--
Reserved for prepaid expenditures	--	--	--	250
Reserved for vehicles	9,000	--	--	--
Reserved for fire truck	69,734	--	--	--
Reserved for inventory	--	--	--	--
Unreserved:				
Undesignated (deficit)	<u>102,738</u>	<u>10,364</u>	<u>48,184</u>	<u>79,683</u>
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total fund balances (deficit)	<u>189,752</u>	<u>10,364</u>	<u>48,184</u>	<u>79,933</u>
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total liabilities and fund balances (deficit)	\$ <u>229,753</u>	\$ <u>10,467</u>	\$ <u>48,264</u>	\$ <u>82,974</u>

	<u>Jenada Assessment Fund</u>	<u>Miscellaneous Grants Fund</u>	<u>Road Improvement Fund</u>	<u>Total</u>
\$	8,842	\$ --	\$ 140,778	\$ 450,700
	--	--	--	69,734
	--	--	20,470	20,864
	--	--	--	250
	--	--	<u>8,762</u>	<u>8,762</u>
\$	<u>8,842</u>	<u>\$ --</u>	<u>\$ 170,010</u>	<u>\$ 550,310</u>
\$	557	\$ 4,413	\$ 5,167	\$ 14,007
	--	--	--	3,862
	--	303,844	104,023	407,867
	--	--	--	35,165
	--	--	--	<u>328</u>
	<u>557</u>	<u>308,257</u>	<u>109,190</u>	<u>461,229</u>
	--	19,215	17,630	45,125
	--	--	--	250
	--	--	--	9,000
	--	--	--	69,734
	--	--	8,762	8,762
	<u>8,285</u>	<u>(327,472)</u>	<u>34,428</u>	<u>(43,790)</u>
	<u>8,285</u>	<u>(308,257)</u>	<u>60,820</u>	<u>89,081</u>
\$	<u>8,842</u>	<u>\$ --</u>	<u>\$ 170,010</u>	<u>\$ 550,310</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, 2006

	<u>Fire Assessment Fund</u>	<u>Local Law Enforcement Block Grant Fund</u>	<u>Police Training and Education Fund</u>	<u>Police Forfeiture Fund</u>
REVENUES:				
Intergovernmental revenues	\$ --	\$ --	\$ --	\$ --
Charges for services	26,820	--	--	--
Fines and forfeitures	--	--	4,552	40,594
Special assessments	979,475	--	--	--
Donations	--	--	--	--
Miscellaneous	<u>18,721</u>	<u>7,336</u>	<u>2,201</u>	<u>5,141</u>
Total revenues	<u>1,025,016</u>	<u>7,336</u>	<u>6,753</u>	<u>45,735</u>
EXPENDITURES:				
Current				
Public safety	885,887	2,960	12,592	13,892
Culture and recreation	--	--	--	--
Public services	--	--	--	--
Physical environment	--	--	--	--
Capital outlay	<u>39,166</u>	<u>--</u>	<u>--</u>	<u>--</u>
Total expenditures	<u>925,053</u>	<u>2,960</u>	<u>12,592</u>	<u>13,892</u>
Excess (deficiency) of revenues over expenditures	99,963	4,376	(5,840)	31,843
OTHER FINANCING SOURCES (USES):				
Transfers out	<u>(57,177)</u>	<u>--</u>	<u>--</u>	<u>--</u>
Net change in fund balances	42,786	4,376	(5,840)	31,843
FUND BALANCES (DEFICIT) AT BEGINNING OF YEAR				
	<u>146,966</u>	<u>5,988</u>	<u>54,024</u>	<u>48,090</u>
FUND BALANCES (DEFICIT) AT END OF YEAR				
	\$ <u><u>189,752</u></u>	\$ <u><u>10,364</u></u>	\$ <u><u>48,184</u></u>	\$ <u><u>79,933</u></u>

<u>Jenada Assessment Fund</u>	<u>Miscellaneous Grants Fund</u>	<u>Road Improvement Fund</u>	<u>Total</u>
\$ --	\$ 20,189	\$ 232,825	\$ 253,014
--	--	--	26,820
--	--	--	45,146
14,062	--	--	993,537
--	27,195	--	27,195
<u>473</u>	<u>78,466</u>	<u>30,482</u>	<u>142,820</u>
<u>14,535</u>	<u>125,850</u>	<u>263,307</u>	<u>1,488,532</u>
--	--	--	915,332
--	54,582	59,939	114,521
9,255	96,272	32,672	138,199
--	171,600	--	171,600
<u>--</u>	<u>--</u>	<u>130,,982</u>	<u>170,148</u>
<u>9,255</u>	<u>322,454</u>	<u>223,593</u>	<u>1,509,800</u>
5,280	(196,604)	39,714	(21,268)
<u>--</u>	<u>--</u>	<u>(81,952)</u>	<u>(139,129)</u>
5,280	(196,604)	(42,238)	(160,397)
<u>3,005</u>	<u>(111,653)</u>	<u>103,058</u>	<u>249,478</u>
\$ <u><u>8,285</u></u>	\$ <u><u>(308,257)</u></u>	\$ <u><u>60,820</u></u>	\$ <u><u>89,081</u></u>

CITY OF WILTON MANORS, FLORIDA
 COMBINING SCHEDULE OF FIDUCIARY NET ASSETS
 GENERAL EMPLOYEES' AND POLICE AND VOLUNTEER
 FIREFIGHTERS' PENSION FUNDS
 September 30, 2006

	<u>General Employees and Police</u>	<u>Volunteer Firefighters</u>	<u>Total</u>
ASSETS:			
Cash and cash equivalents	\$ 1,232,300	\$ 23,597	\$ 1,255,897
Investments:			
Common stocks	15,005,745	287,344	15,293,089
U.S. Government securities	5,229,151	100,133	5,329,284
Corporate bonds	977,344	18,715	996,059
Receivable for investments sold	234,776	4,496	239,272
Accrued investment income	95,400	1,827	97,227
Due from state	--	52,014	52,014
Due from employees	<u>18,812</u>	<u>--</u>	<u>18,812</u>
Total assets	<u>22,793,528</u>	<u>488,126</u>	<u>23,281,654</u>
LIABILITIES:			
Accounts payable	30,556	--	30,556
DROP payable	336,774	--	336,774
Payable for investments purchased	295,997	5,668	301,665
Prepaid employer contribution	<u>19,250</u>	<u>--</u>	<u>19,250</u>
Total liabilities	<u>682,577</u>	<u>5,668</u>	<u>688,245</u>
NET ASSETS HELD IN TRUST FOR PENSION BENEFITS	\$ <u>22,110,951</u>	\$ <u>482,458</u>	\$ <u>22,593,409</u>

CITY OF WILTON MANORS, FLORIDA
COMBINING SCHEDULE OF CHANGES IN FIDUCIARY NET ASSETS
GENERAL EMPLOYEES' AND POLICE AND VOLUNTEER
FIREFIGHTERS' PENSION FUNDS
For the Year Ended September 30, 2006

	<u>General Employees and Police</u>	<u>Volunteer Firefighters</u>	<u>Total</u>
ADDITIONS:			
Contributions:			
Employer	\$ 1,081,629	\$ --	1,081,629
Employee	469,457	--	469,457
State	<u>--</u>	<u>52,014</u>	<u>52,014</u>
Total contributions	<u>1,551,086</u>	<u>52,014</u>	<u>1,603,100</u>
Investment income (loss):			
Net appreciation in fair value of investments	851,071	17,840	868,911
Interest and dividends	597,016	12,398	609,414
Earnings (losses) allocated to DROP	(16,623)	--	(16,623)
Less: Investment expenses	<u>(104,144)</u>	<u>--</u>	<u>(104,144)</u>
Total investment income	<u>1,327,320</u>	<u>30,238</u>	<u>1,357,558</u>
Total additions	<u>2,878,406</u>	<u>82,252</u>	<u>2,960,658</u>
DEDUCTIONS:			
Retirement benefits and refunds	1,311,106	19,226	1,330,332
Administrative expenses	<u>99,933</u>	<u>22,962</u>	<u>122,895</u>
Total deductions	<u>1,411,039</u>	<u>42,188</u>	<u>1,453,227</u>
Change in net assets	1,467,367	40,064	1,507,431
NET ASSETS HELD IN TRUST FOR PENSION BENEFITS:			
Beginning of year	<u>20,643,584</u>	<u>442,394</u>	<u>21,085,978</u>
End of year	\$ <u>22,110,951</u>	\$ <u>482,458</u>	\$ <u>22,593,409</u>

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, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Charges for services	\$ 41,970	\$ 41,970	\$ 26,820	\$ (15,150)
Special assessments	1,006,644	1,006,644	979,475	(27,169)
Miscellaneous	<u>3,700</u>	<u>3,700</u>	<u>18,721</u>	<u>15,021</u>
Total revenues	<u>1,052,314</u>	<u>1,052,314</u>	<u>1,025,016</u>	<u>(27,298)</u>
EXPENDITURES:				
Public safety:				
Operating expenditures	903,998	903,998	885,887	18,111
Capital outlay	<u>91,138</u>	<u>91,138</u>	<u>47,445</u>	<u>43,693</u>
Total expenditures	<u>995,136</u>	<u>995,136</u>	<u>933,332</u>	<u>61,804</u>
Excess of revenues over expenditures	57,178	57,178	91,684	34,506
OTHER FINANCING SOURCES (USES):				
Transfers out	<u>(57,178)</u>	<u>(57,178)</u>	<u>(57,177)</u>	<u>1</u>
Net change in fund balance	--	--	34,505	34,505
FUND BALANCE AT BEGINNING OF YEAR	<u>146,966</u>	<u>146,966</u>	<u>146,966</u>	<u>--</u>
FUND BALANCE AT END OF YEAR	\$ <u><u>146,966</u></u>	\$ <u><u>146,966</u></u>	\$ <u><u>181,471</u></u>	\$ <u><u>34,505</u></u>

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
JENADA ASSESSMENT FUND
For the Year Ended September 30, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		
Special assessments	\$ 13,959	\$ 13,959	\$ 14,062	\$ 103
Miscellaneous	<u>28</u>	<u>28</u>	<u>473</u>	<u>445</u>
Total revenues	<u>13,987</u>	<u>13,987</u>	<u>14,535</u>	<u>548</u>
EXPENDITURES:				
Current:				
Public services				
Operating expenditures	<u>13,987</u>	<u>13,987</u>	<u>9,255</u>	<u>4,732</u>
Total expenditures	<u>13,987</u>	<u>13,987</u>	<u>9,255</u>	<u>4,732</u>
Excess of revenues over expenditures	--	--	5,280	5,280
FUND BALANCE AT BEGINNING OF YEAR	<u>3,005</u>	<u>3,005</u>	<u>3,005</u>	<u>--</u>
FUND BALANCE AT END OF YEAR	\$ <u><u>3,005</u></u>	\$ <u><u>3,005</u></u>	\$ <u><u>8,285</u></u>	\$ <u><u>5,280</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, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Intergovernmental revenues	\$ 247,901	\$ 247,901	\$ 232,825	\$ (15,076)
Miscellaneous	<u>6,700</u>	<u>6,700</u>	<u>30,482</u>	<u>23,782</u>
Total revenues	<u>254,601</u>	<u>254,601</u>	<u>263,307</u>	<u>8,706</u>
 EXPENDITURES:				
Current:				
Culture and recreation	--	--	59,939	(59,939)
Public services	85,556	85,556	32,862	52,694
Capital outlay	<u>87,093</u>	<u>87,093</u>	<u>90,981</u>	<u>(3,888)</u>
Total expenditures	<u>172,649</u>	<u>172,649</u>	<u>183,782</u>	<u>(11,133)</u>
Excess (deficiency) of revenues over expenditures	<u>81,952</u>	<u>81,952</u>	<u>79,525</u>	<u>(2,427)</u>
 OTHER FINANCING SOURCES (USES):				
Transfer out	<u>(81,952)</u>	<u>(81,952)</u>	<u>(81,952)</u>	<u>--</u>
Excess of revenues over (under) expenditures	--	--	(2,427)	(2,427)
 FUND BALANCE AT BEGINNING OF YEAR	 <u>45,617</u>	 <u>45,617</u>	 <u>45,617</u>	 <u>--</u>
 FUND BALANCE AT END OF YEAR	 \$ <u><u>45,617</u></u>	 \$ <u><u>45,617</u></u>	 \$ <u><u>43,190</u></u>	 \$ <u><u>(2,427)</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, 2006

	<u>Land</u>	<u>Buildings</u>
GENERAL GOVERNMENT	\$ <u>1,597,257</u>	\$ <u>693,329</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>1,517,971</u>
PUBLIC SERVICES	<u>--</u>	<u>--</u>
Total capital assets	\$ <u><u>7,563,925</u></u>	\$ <u><u>3,161,568</u></u>

<u>Improvements Other Than Buildings</u>	<u>Machinery and Equipment</u>	<u>Total</u>
\$ <u>666,138</u>	\$ <u>1,502,972</u>	\$ <u>4,459,696</u>
5,090	1,142,728	1,853,485
<u>54,856</u>	<u>891,904</u>	<u>1,212,650</u>
<u>59,946</u>	<u>2,034,632</u>	<u>3,066,135</u>
7,020,393	178,029	14,661,772
<u>1,310,939</u>	<u>515,799</u>	<u>1,826,738</u>
\$ <u>9,057,416</u>	\$ <u>4,231,432</u>	\$ <u>24,014,341</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, 2006

	<u>Assets</u> <u>October 1,</u> <u>2005</u>	<u>Additions</u>	<u>Deletions</u>	<u>Capital</u> <u>Assets</u> <u>September 30,</u> <u>2006</u>
GENERAL GOVERNMENT	\$ <u>2,695,407</u>	\$ <u>1,849,606</u>	\$ <u>85,317</u>	\$ <u>4,459,696</u>
PUBLIC SAFETY:				
Police	1,853,485	--	--	1,853,485
Fire	<u>1,179,584</u>	<u>33,066</u>	<u>--</u>	<u>1,212,650</u>
Total public safety	<u>3,033,069</u>	<u>33,066</u>	<u>--</u>	<u>3,066,135</u>
CULTURE AND RECREATION	<u>14,660,272</u>	<u>1,500</u>	<u>--</u>	<u>14,661,772</u>
PUBLIC SERVICES	<u>1,585,154</u>	<u>241,584</u>	<u>--</u>	<u>1,826,738</u>
Total capital assets	\$ <u>21,973,902</u>	\$ <u>2,125,756</u>	\$ <u>85,317</u>	\$ <u>24,014,341</u>

STATISTICAL SECTION

(NOT COVERED BY INDEPENDENT AUDITORS' REPORT)

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CITY OF WILTON MANORS, FLORIDA
STATISTICAL SECTION

For the Year Ended September 30, 2006

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These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.

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REVENUE CAPACITY

These schedules contain information to help the reader assess the City's most significant local revenue source - the property tax.

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DEBT CAPACITY

These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.

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DEMOGRAPHIC AND ECONOMIC INFORMATION

These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place and to help make comparisons over time and with other governments.

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OPERATING INFORMATION

These schedules contain information about the City's operations and resources to help the reader understand how the City's financial information relates to the services the City provides and the activities it performs.

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Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The City implemented GASB Statement 34 in 2003. Schedules presenting government-wide information include information beginning in that year.

CITY OF WILTON MANORS, FLORIDA
NET ASSETS BY COMPONENT
LAST FOUR FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)

Table 1

	Fiscal Year			
	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
GOVERNMENTAL ACTIVITIES:				
Invested in capital assets, net of related debt	\$ 12,948,670	\$ 13,445,955	\$ 13,957,754	\$ 14,546,968
Unrestricted	<u>1,229,094</u>	<u>2,342,258</u>	<u>3,539,170</u>	<u>4,376,109</u>
Total governmental activities net assets	\$ <u>14,177,764</u>	\$ <u>15,788,213</u>	\$ <u>17,496,924</u>	\$ <u>18,923,077</u>
BUSINESS-TYPE ACTIVITIES:				
Invested in capital assets, net of related debt	\$ 4,016,222	\$ 4,844,075	\$ 5,631,174	\$ 4,613,924
Restricted for:				
Debt service	2,566,488	1,113,439	1,240,767	1,240,767
Renewal and replacement	425,000	500,500	318,438	318,438
Unrestricted	<u>456,452</u>	<u>1,366,629</u>	<u>1,263,417</u>	<u>1,689,644</u>
Total business-type activities net assets	\$ <u>7,464,162</u>	\$ <u>7,824,643</u>	\$ <u>8,453,796</u>	\$ <u>7,862,773</u>
PRIMARY GOVERNMENT:				
Invested in capital assets, net of related debt	\$ 16,964,892	\$ 18,290,030	\$ 19,588,928	\$ 19,160,892
Restricted for:				
Debt service	2,566,488	1,113,439	1,240,767	1,240,767
Renewal and replacement	425,000	500,500	318,438	318,438
Unrestricted	<u>1,685,546</u>	<u>3,708,887</u>	<u>4,802,587</u>	<u>6,065,753</u>
Total primary government net assets	\$ <u>21,641,926</u>	\$ <u>23,612,856</u>	\$ <u>25,950,720</u>	\$ <u>26,785,850</u>

Note: The City began to report accrual information when it implemented GASB 34 in fiscal year 2003.

CITY OF WILTON MANORS, FLORIDA
CHANGES IN NET ASSETS
LAST FOUR FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)

Table 2

	Fiscal Year			
	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
EXPENSES:				
Governmental activities:				
General government	\$ 1,371,346	\$ 1,414,246	\$ 1,680,856	\$ 2,136,708
Public safety	6,078,529	6,302,204	6,708,570	6,787,831
Culture and recreation	2,140,185	2,063,604	2,593,071	2,596,851
Public services	781,664	965,435	911,806	2,608,372
Physical environment	--	--	--	171,600
Interest expense	<u>130,076</u>	<u>124,502</u>	<u>118,680</u>	<u>168,411</u>
Total governmental activities	<u>10,501,800</u>	<u>10,869,991</u>	<u>12,012,983</u>	<u>14,469,773</u>
Business-type activities:				
Water and wastewater	3,222,515	3,441,063	3,561,575	3,726,449
Drainage	<u>294,325</u>	<u>299,732</u>	<u>267,584</u>	<u>224,846</u>
Total business-type activities	<u>3,516,840</u>	<u>3,740,795</u>	<u>3,829,159</u>	<u>3,951,295</u>
Total primary government	\$ <u>14,018,640</u>	\$ <u>14,610,786</u>	\$ <u>15,842,142</u>	\$ <u>18,421,068</u>
PROGRAM REVENUES:				
Governmental activities:				
General government	\$ 6,374,063	\$ 2,041,279	\$ 2,011,535	\$ --
Public safety	1,197,519	1,470,497	2,616,628	2,189,823
Culture and recreation	220,893	230,069	244,850	540,290
Public services	630,908	893,622	565,710	1,893,082
Physical environment	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Total governmental activities program revenues	<u>8,423,383</u>	<u>4,635,467</u>	<u>5,438,723</u>	<u>4,623,195</u>
Business-type activities:				
Water and sewer	4,122,190	4,251,905	4,561,813	4,774,159
Drainage	<u>279,182</u>	<u>277,337</u>	<u>292,031</u>	<u>326,823</u>
Total business-type activities program revenues	<u>4,401,372</u>	<u>4,529,242</u>	<u>4,853,844</u>	<u>5,100,982</u>
Total primary government program revenues	12,824,755	9,164,709	10,292,567	9,724,177
NET (EXPENSE)/REVENUE:				
Governmental activities	(2,078,417)	(6,234,524)	(6,574,260)	(9,846,578)
Business-type activities	<u>884,532</u>	<u>788,447</u>	<u>1,024,685</u>	<u>1,149,687</u>
Total primary government net expense	\$ <u>(1,193,885)</u>	\$ <u>(5,446,077)</u>	\$ <u>(5,549,575)</u>	\$ <u>(8,696,891)</u>

CITY OF WILTON MANORS, FLORIDA
CHANGES IN NET ASSETS
LAST FOUR FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)

Table 2

	Fiscal Year			
	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
GENERAL REVENUE AND OTHER CHANGES IN NET ASSETS:				
Governmental activities:				
Property taxes	\$ 3,466,811	\$ 4,016,062	\$ 4,753,466	\$ 5,724,191
Franchise taxes	889,986	918,458	946,635	1,120,519
Utility services taxes	1,618,302	1,557,937	1,642,904	1,674,382
Impact fees	--	--	--	112,869
Intergovernmental-undesignated	--	--	--	1,516,913
Investment income	--	--	82,583	244,358
Miscellaneous	55,610	34,108	234,580	205,394
Contributions	--	64,833	94,569	27,195
Transfers	<u>428,120</u>	<u>540,040</u>	<u>528,234</u>	<u>646,910</u>
Total governmental activities	<u>6,458,829</u>	<u>7,131,438</u>	<u>8,282,971</u>	<u>11,272,731</u>
Business-type activities:				
Intergovernmental-undesignated	--	--	--	211,107
Investment income	70,580	33,719	70,967	127,319
Miscellaneous	115,668	--	61,735	48,531
Contributions	--	78,355	--	--
Transfers	<u>(428,120)</u>	<u>(540,040)</u>	<u>(528,234)</u>	<u>(646,910)</u>
Total business-type activities	<u>(241,872)</u>	<u>(427,966)</u>	<u>(395,532)</u>	<u>(259,953)</u>
Total primary government	<u>6,216,957</u>	<u>6,703,472</u>	<u>7,887,439</u>	<u>11,012,778</u>
CHANGES IN NET ASSETS:				
Governmental activities	4,380,412	896,914	1,708,711	1,426,153
Business-type activities	<u>642,660</u>	<u>360,481</u>	<u>629,153</u>	<u>889,734</u>
Total primary government	<u>\$ 5,023,072</u>	<u>\$ 1,257,395</u>	<u>\$ 2,337,864</u>	<u>\$ 2,315,887</u>

Note 1: The City began to report accrual information when it implemented GASB 34 in fiscal year 2003.

CITY OF WILTON MANORS, FLORIDA
FUND BALANCES OF GOVERNMENTAL FUNDS
LAST FOUR FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

Table 3

	Fiscal Year			
	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
General Fund:				
Reserved	\$ 424,083	\$ 1,028,219	\$ 1,322,666	\$ 1,779,541
Unreserved	<u>1,363,934</u>	<u>1,317,549</u>	<u>1,350,519</u>	<u>2,941,943</u>
Total General Fund	\$ <u>1,788,017</u>	\$ <u>2,345,768</u>	\$ <u>2,673,185</u>	\$ <u>4,721,484</u>
All other governmental funds:				
Reserved	381,614	643,475	170,884	200,006
Unreserved, reported in: Special Revenue Funds	<u>(319,162)</u>	<u>(127,869)</u>	<u>319,273</u>	<u>(249,098)</u>
Total all other governmental funds	\$ <u>62,452</u>	\$ <u>515,606</u>	\$ <u>490,157</u>	\$ <u>(49,092)</u>

CITY OF WILTON MANORS, FLORIDA
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST FOUR FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

Table 4

	Fiscal Year			
	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
REVENUES:				
Taxes:				
Ad valorem taxes	\$ 3,215,278	\$ 3,760,912	\$ 4,464,191	\$ 5,375,753
Ad valorem taxes for debt service	251,533	255,150	289,275	348,438
Franchise fees	889,986	918,458	946,635	1,120,519
Utility service taxes	1,618,302	1,557,937	1,642,904	1,674,382
Licenses and permits	480,347	596,309	1,237,688	1,012,557
Intergovernmental	6,374,063	2,041,279	2,011,536	2,751,543
Charges for services	418,575	568,092	612,658	613,275
Fines and forfeitures	332,110	407,164	310,487	173,702
Impact fee	--	--	225,654	112,869
Special assessments	818,288	936,477	1,040,703	993,537
Donations	--	34,108	94,569	316,707
Miscellaneous	<u>55,610</u>	<u>150,979</u>	<u>317,160</u>	<u>449,752</u>
Total revenues	<u>14,454,092</u>	<u>11,226,865</u>	<u>13,193,460</u>	<u>14,943,034</u>
EXPENDITURES:				
Current:				
General government	1,252,320	1,271,701	1,447,971	1,613,291
Public safety	5,647,740	6,127,273	6,448,340	6,457,864
Culture and recreation	1,870,392	1,856,161	2,161,440	2,483,280
Public services	639,095	889,533	826,076	2,525,342
Nondepartmental	38,114	37,131	85,646	200,010
Physical environment	--	--	--	171,600
Capital outlay	7,529,979	1,031,700	1,302,455	1,974,435
Debt service:				
Principal	124,147	129,647	135,380	398,967
Interest	<u>131,888</u>	<u>126,389</u>	<u>120,656</u>	<u>147,867</u>
Total expenditures	<u>17,233,675</u>	<u>11,469,535</u>	<u>12,527,964</u>	<u>15,972,656</u>
Excess of revenues over (under) expenditures	<u>(2,779,583)</u>	<u>(242,670)</u>	<u>665,496</u>	<u>(1,029,622)</u>
Other financing sources (uses):				
Issuance of debt	--	--	--	1,000,000
Transfers in	812,243	967,252	1,010,562	1,072,511
Transfers out	<u>(384,123)</u>	<u>(427,212)</u>	<u>(482,328)</u>	<u>(425,601)</u>
Total other financing sources	<u>428,120</u>	<u>540,040</u>	<u>528,234</u>	<u>1,646,910</u>
Net change in fund balances	\$ <u><u>2,351,463</u></u>	\$ <u><u>297,370</u></u>	\$ <u><u>1,193,730</u></u>	\$ <u><u>617,288</u></u>
Debt services as a percentage of noncapital expenditures	2.64%	2.45%	2.28%	3.92%

CITY OF WILTON MANORS, FLORIDA
ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST FOUR FISCAL YEARS

Table 5

<u>Fiscal Year</u>	<u>Residential</u>	<u>Commercial</u>	<u>Industrial</u>	<u>Other*</u>	<u>Less: Tax Exemptions</u>	<u>Total Taxable Assessed Value</u>	<u>City Direct Tax Rate</u>	<u>Estimated Actual Taxable Value</u>	<u>Total Assessed Value as a Percentage of Taxable Value</u>
2003	\$ 569,696,590	\$ 95,234,820	\$ 17,637,500	\$ 46,287,900	\$ 95,922,027	\$ 632,934,783	\$ 6.5789	\$ 632,934,783	100.0%
2004	643,161,080	107,843,540	13,942,590	53,204,900	95,706,729	722,445,381	6.5140	722,445,381	100.0%
2005	770,664,110	125,680,500	15,843,920	56,501,110	124,683,180	844,006,460	6.7935	844,006,460	100.0%
2006	950,513,870	139,235,110	19,252,370	64,057,100	130,613,858	1,042,444,592	6.6036	1,042,444,592	100.0%

* Other include: agricultural, institutional, government, miscellaneous and non-agricultural acreage.

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>	
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
2005/06	2005	6.3800	0.2236	6.6036	6.0661

SOURCE: Broward County, Florida, Property Appraiser

Table 6

Overlapping Rates

<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>
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	2.1746	25.4186
7.8687	0.4073	0.6970	0.0385	1.8317	23.5129

CITY OF WILTON MANORS, FLORIDA
 PRINCIPAL PROPERTY TAXPAYERS
 Current Year and Three Years Ago

Table 7

Taxpayer	2006			2003		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Marrinson Group	\$ 10,544,050	1	1.01 %	\$ --	--	--
Stiles/BLP, LLC	10,079,340	2	0.97 %	--	--	--
Wilton Manors Developers, LLC	9,020,428	3	0.87 %	--	--	--
USAT Corp.	8,616,137	4	0.83 %	--	--	--
Impsat USA, Inc.	8,025,453	5	0.77 %	1,379,340	10	0.22 %
Morrison Group, Inc.	7,280,200	6	0.70 %	--	--	--
Williams, Carol S.	7,246,660	7	0.70 %	--	--	--
Car Fire Corners Plaza	6,953,620	8	0.67 %	--	--	--
Florida Power & Light Co.	5,310,876	9	0.51 %	--	--	--
2675 N. Andrews Ave., LLC	4,841,931	10	0.46 %	--	--	--
Manor Pines Realty	--	--	--	11,465,590	1	1.81 %
American Equities Shopping Center	--	--	--	4,393,910	2	0.69 %
McRealty Group	--	--	--	3,768,270	3	0.60 %
Greystone Palm Court	--	--	--	3,461,960	4	0.55 %
American Equities Apartment Homes	--	--	--	3,027,470	5	0.48 %
William Thies & Sons	--	--	--	3,004,950	6	0.47 %
Schmitt, Kathleen - Revocable Trust	--	--	--	2,939,360	7	0.46 %
Wilton Manors Shopping	--	--	--	2,363,020	8	0.37 %
Rodnic Associates	--	--	--	2,130,270	9	0.34 %
Total	\$ <u>77,918,695</u>			\$ <u>37,934,140</u>		<u>5.99 %</u>

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

Table 8

<u>Fiscal Year</u>	<u>Property Tax Levy</u>	<u>Collected Within the Fiscal Year of the Levy</u>			<u>Total Collections to Date</u>	
		<u>(1) Property Tax Collections</u>	<u>% Net Tax Levy</u>	<u>Collections in Subsequent Years</u>	<u>(1) Property Tax Collections</u>	<u>% Net Tax Levy</u>
1996/97	\$ 2,182,926	\$ 2,082,873	96%	\$ 5,185	\$ 2,088,058	96%
1997/98	2,280,822	2,182,911	96%	4,624	2,187,535	96%
1998/99	2,261,554	2,182,935	97%	6,987	2,189,922	97%
1999/00	2,658,875	2,559,409	97%	13,923	2,573,332	97%
2000/01	3,002,920	2,893,557	97%	35,569	2,929,126	98%
2001/02	3,234,729	3,130,335	97%	8,453	3,138,788	97%
2002/03	3,541,232	3,466,811	97%	N/A	3,466,811	97%
2003/04	4,043,561	4,005,648	99%	10,414	4,016,062	99%
2004/05	4,725,586	4,747,254	101%	6,212	4,753,466	101%
2005/06	5,923,289	5,703,711	96%	20,480	5,724,191	97%

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
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST FOUR FISCAL YEARS

Table 9

Fiscal Year	Governmental Activities		Business-Type Activities		Total Primary Government	Percentage of Personal Income	Per Capita
	General Obligation Bonds	Note Payable	Water and Sewer Revenue Bonds	Capital Leases			
2003	\$ 2,919,090	\$ --	\$ 8,567,646	\$ --	\$ 11,486,736	\$ N/A	\$ 904.68
2004	2,789,448	--	7,809,849	--	10,599,297	N/A	853.82
2005	2,654,068	--	7,091,149	--	9,745,217	N/A	793.46
2006	2,255,101	1,000,000	6,335,933	--	9,591,034	N/A	764.47

Note: Personal income data is currently unavailable.

CITY OF WILTON MANORS, FLORIDA
 RATIO OF GENERAL BONDED DEBT OUTSTANDING
 LAST TEN FISCAL YEARS

Table 10

<u>Fiscal Year</u>	<u>Population</u>	<u>Estimated Actual Taxable Value</u>	<u>General Obligation Bonds</u>	<u>Percentage of Actual Taxable Value of Property</u>	<u>Per Capita</u>
1997	12,000	\$ 344,147,319	\$ 370,716	.11%	\$ 31
1998	11,837	355,655,993	263,349	.07%	22
1999	11,886	374,863,933	3,505,983	.94%	295
2000	11,900	400,656,307	3,352,571	.84%	282
2001	12,697	433,134,338	3,162,123	.73%	247
2002	12,790	475,632,468	3,043,237	.64%	238
2003	12,697	645,016,063	2,919,090	.45%	230
2004	12,414	637,866,092	2,789,448	.44%	225
2005	12,282	726,003,724	2,654,068	.37%	216
2006	12,546	1,042,444,592	2,255,101	.22%	180

CITY OF WILTON MANORS, FLORIDA
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
September 30, 2006

Table 11

Jurisdiction	Net Debt Outstanding	Percentage Applicable to Wilton Manors ⁽¹⁾	Amount Applicable to Wilton Manors
DIRECT DEBT:			
General Obligation Debt:			
City of Wilton Manors	\$ <u>2,255,101</u>	100.0%	\$ <u>2,255,101</u>
 OVERLAPPING DEBT:			
General Obligation Debt:			
Broward County	575,384,000	.698%	4,016,180
Broward District Schools	<u>54,056,000</u>	.698%	<u>377,311</u>
Total overlapping debt	<u>629,440,000</u>		<u>4,393,491</u>
Total direct and overlapping debt	\$ <u><u>631,695,101</u></u>		\$ <u><u>6,648,592</u></u>

Source: Broward County, Florida, Planning Services Division.

Note: (1) Based on Ratio of Assessed Taxable Value.

CITY OF WILTON MANORS, FLORIDA
LEGAL DEBT MARGIN
September 30, 2006

Table 12

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
 PLEDGED-REVENUE COVERAGE
 LAST SEVEN FISCAL YEARS

Table 13

Fiscal Year	Water and Sewer Revenue Bonds					
	Utility Service Charges	Less: Operating Expenses ⁽¹⁾	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
1999/00	4,554,820	2,811,801	1,743,019	556,079	542,643	1.59
2000/01	4,507,981	2,742,623	1,765,358	668,854	513,796	1.49
2001/02	4,408,369	2,786,674	1,621,695	701,383	474,910	1.38
2002/03	4,587,620	2,511,572	2,076,048	759,253	451,073	1.72
2003/04	4,641,316	2,840,394	1,800,922	784,970	353,023	1.58
2004/05	4,986,546	3,017,397	1,969,149	745,874	377,882	1.75
2005/06	5,487,939	3,131,685	2,356,254	782,390	361,662	2.06

⁽¹⁾ Total operating expenses excluding depreciation, amortization, and interest expenses.

**CITY OF WILTON MANORS, FLORIDA
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST FOUR FISCAL YEARS**

Table 14

<u>Calendar Year</u>	<u>Estimated Population</u>	<u>Estimated Personal Income (Thousands of Dollars)</u>	<u>Per Capita Personal Income</u>	<u>Median Household Income</u>	<u>Median Age</u>	<u>High School or Higher</u>	<u>Bachelor's Degree or Higher</u>	<u>Median Home Value</u>	<u>Unemployment Rate</u>
2003	12,697	\$ 276,413,690	\$ 21,770	\$ 38,366	40.5	8,255	2,464	\$ 148,900	5.3%
2004	12,414	N/A	N/A	N/A	N/A	N/A	N/A	N/A	4.5%
2005	12,282	N/A	N/A	N/A	N/A	N/A	N/A	N/A	3.5%
2006	12,546	N/A	N/A	N/A	N/A	N/A	N/A	311,255	3.1%

City population data from University of Florida, Bureau of Economic and Business Research, per capita income data from the U.S. Department of Commerce, Bureau of Economic Analysis for Broward County, and unemployment data from U.S. Department of Labor, Bureau of Labor Statistics for the City of Wilton Manors.

CITY OF WILTON MANORS, FLORIDA
PRINCIPAL EMPLOYERS
September 30, 2006

Table 15

The information was not available from the City's Chamber of Commerce and the City does not have a Department of Economic Development.

CITY OF WILTON MANORS, FLORIDA
FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION
 September 30, 2006

Table 16

Function/Program	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
General government										
Mayor and commission	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5
Finance and administrative	11.2	11.2	11.7	10.8	11.4	11.6	11.6	12.9	12.3	13.4
Public safety										
Police/Fire	47.0	47.4	47.4	48.4	47.0	47.0	47.0	47.1	45.0	43.5
Physical environment										
Code enforcement	5.2	5.2	5.9	6.9	7.4	7.4	7.6	10.6	10.5	10.8
Public works:										
Road and street facilities	11.8	12.2	12.7	12.7	12.7	13.0	13.0	11.0	11.0	11.0
Culture and recreation:										
Parks/recreation/library	<u>35.7</u>	<u>36.4</u>	<u>36.9</u>	<u>36.5</u>	<u>37.8</u>	<u>36.5</u>	<u>38.4</u>	<u>41.0</u>	<u>41.4</u>	<u>43.7</u>
Total	<u>113.4</u>	<u>114.9</u>	<u>117.0</u>	<u>117.7</u>	<u>118.7</u>	<u>117.9</u>	<u>120.3</u>	<u>125.1</u>	<u>122.6</u>	<u>124.8</u>

CITY OF WILTON MANORS, FLORIDA
OPERATING INDICATORS BY FUNCTION/PROGRAM
LAST FOUR FISCAL YEARS

Table 17

<u>Function/Program</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
General government:				
Building permits issued	1,845	1,231	1,423	1,983
Building inspections conducted	4,938	1,103	8,512	13,807
Occupational licenses	1,353	1,266	1,200	1,195
Fire:				
Emergency responses	1,952	1,995	1,946	1,979
Inspections	1,961	2,270	2,193	3,401
Police:				
Physical arrests	366	396	371	293
Parking violations	124	132	87	71
Traffic violations	9,624	9,625	7,440	3,092
Contracted Service -				
Refuse collection:				
Refuse collected (tons per day)	*	*	*	*
Recyclables collected (tons per day)	*	*	*	*
Parks and recreation:				
Athletic programs	10	10	10	10
Library:				
Volumes in collection	22,245	23,083	24,575	29,132
Total volumes borrowed	43,028	42,743	41,641	54,012
Water:				
New connections	35	74	46	97
Water main breaks	N/A	8	11	4
Average daily consumption (thousands of gallons)	N/A	N/A	48,542	49,995
Wastewater:				
Average daily sewage treatment (thousands of gallons)	1,375	1,657	1,887	1,440

* Data not available from contracted service organization

**CITY OF WILTON MANORS, FLORIDA
CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
LAST THREE FISCAL YEARS**

Table 18

<u>Function/Program</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
Fire stations	1	1	1
Police:			
Stations	1	1	1
Patrol units	34	39	35
Contracted Service - Refuse collection:			
Collection trucks	*	*	*
Parks and recreation:			
Acreage	66	66	66
Playgrounds	5	5	5
Baseball/softball diamonds	3	3	3
Soccer/football fields	2	2	2
Basketball courts	6	6	6
Roller hockey rinks	1	1	1
Tennis courts	6	6	6
Community centers	2	2	2
Water:			
Fire hydrants	246	248	249
Storage capacity	*	*	*
Lakes and canals (acres)	14	14	14
Contracted service - Wastewater:			
Sanitary sewers (miles)	34	34	34
Storm sewers (miles)	2.5	2.5	2.5
Treatment capacity (thousands of gallons)	*	*	*

* Data not available from contracted services organization.

CITY OF WILTON MANORS, FLORIDA
MISCELLANEOUS DEMOGRAPHICS
September 30, 2006

Table 19

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 1,949
Value of construction \$ 35,542,398

Schools Located in City:
Public: 1
Number of teachers 27
Number of students 630
Private: 1
Number of teachers 10
Number of students 268

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	4,175	4,032
Miles of mains	--	3
Fire hydrants	234	--
Waste pump Stations	--	12

OTHER REPORTS OF INDEPENDENT AUDITORS

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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KEEFE, McCULLOUGH & CO., LLP

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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 basic financial statements of governmental activities, the business type activities and major fund of City of Wilton Manors, Florida, as of and for the year ended September 30, 2006, and have issued our report thereon dated May 4, 2007. 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 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 basic 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 basic 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. However, we did note certain recommendations which we considered immaterial to improve the financial reporting of the City and have communicated them in a separate letter dated May 4, 2007.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether City of Wilton Manors, Florida's basic financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants agreements, noncompliance with which could have a direct and material effect on the determination of basic financial statement amounts.

City of Wilton Manors, Florida

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.

This report is intended solely for the information and use of City management, members of the City Commission, federal awarding agencies, the Auditor General of the State of Florida, and other grantor 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

Fort Lauderdale, Florida
May 4, 2007



KEEFE, McCULLOUGH & CO., LLP

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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, 2006, and have issued our report thereon dated May 4, 2007.

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 May 4, 2007, 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. The recommendations made in the preceding annual financial audit report are followed up in a separate management letter dated May 4, 2007.

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 May 4, 2007.

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, 2006, 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, 2006.

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

Fort Lauderdale, Florida
May 4, 2007