

# Comprehensive Annual Financial Report

*of the*



*City of*

**WILTON MANORS**  
**F L O R I D A**

**Fiscal Year Ended September 30, 2008**

*Prepared by the*

**Finance Department**

# City Of Wilton Manors, Florida

## TABLE OF CONTENTS

	<b>PAGE</b>
<b>I. INTRODUCTORY SECTION</b>	
Letter of Transmittal	i-iv
Organization Chart	v
List of Principal Officials	vi
Certificate of Achievement in Financial Reporting	vii
<b>II. FINANCIAL SECTION</b>	
Independent Auditors' Report	1-2
Management's Discussion and Analysis	3-11
Basic Financial Statements:	
Government-Wide Financial Statements:	
Statement of Net Assets	12
Statement of Activities	13
Fund Financial Statements:	
Balance Sheet - Governmental Funds	14
Reconciliation of the Balance Sheet to the Statement of Net Assets	15
Statement of Revenues, Expenditures, and Changes in Fund Balances (Deficit) – Governmental Funds	16
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	17
Statement of Net Assets – Proprietary Funds	18
Statement of Revenues, Expenses, and Changes in Fund Net Assets – Proprietary Funds	19
Statement of Cash Flows – Proprietary Funds	20
Statement of Fiduciary Net Assets – Fiduciary Funds	21
Statement of Changes in Fiduciary Net Assets – Fiduciary Funds	22
Notes to Financial Statements	23-43
Required Supplementary Information:	
Budgetary Comparison Schedules:	
General Fund	44
2008 General Obligation Bond Fund	45
Notes to Budgetary Comparison Schedule	46
Schedule of Funding Progress	47
Schedule of Employer Contributions	48

# City Of Wilton Manors, Florida

## TABLE OF CONTENTS

(continued)

	<b>PAGE</b>
<b>II. FINANCIAL SECTION (continued)</b>	
Combining Financial Statements:	
Combining Balance Sheet – Nonmajor Governmental Funds	49
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance – Nonmajor Governmental Funds	50
Combining Statement of Fiduciary Net Assets – Pension Trust Funds	51
Combining Statement of Changes in Fiduciary Net Assets – Pension Trust Funds	52
<b>III. STATISTICAL SECTION</b>	
Financial Trends	
Net assets by Component	53
Changes in Net Assets	54-55
Fund Balances of Governmental Funds	56
Changes in Fund Balances of Governmental Funds	57
Revenue Capacity	
Net Assessed Value and Estimated Actual Value of Taxable Property	58
Property Tax Millage Rates - Direct and Overlapping Governments	59
Principal Property Taxpayers	60
Property Tax Levies and Collection	61
Debt Capacity	
Ratios of Outstanding Debt by Type	62
Ratios of General Bonded Debt Outstanding	63
Direct and Overlapping Governmental Activities Debt	64
Legal Debt Margin Information	65
Pledged Revenue Coverage	66
Demographic and Economics	
Demographic and Economic Statistics	67
Principal Employers	68
Miscellaneous Demographics	69
Operating Information	
Full-Time Equivalent City Government Employees by Function/Program	70
Operating Indicators by Function/Program	71
Capital Assets Statistics by Function/Program	72

# City Of Wilton Manors, Florida

## TABLE OF CONTENTS

(continued)

	<b>PAGE</b>
<b>IV. COMPLIANCE SECTION</b>	
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 <i>Government Auditing Standards</i>	73-74
Management Letter in Accordance with the Rules of the Auditor General of the State of Florida	75-83

## **I. INTRODUCTORY SECTION**

- **Letter of Transmittal**
- **Certificate of Achievement**
- **List of City Officials**
- **Organizational Chart**



**FINANCE DEPARTMENT**  
**CITY OF WILTON MANORS**  
524 Northeast 21st Court  
Wilton Manors, Florida 33305

Phone (954) 390-2143  
Fax (954) 390-2199  
[www.wiltonmanors.com](http://www.wiltonmanors.com)

June 9, 2009

Mayor Gary Resnick  
Vice Mayor Justin Flippen  
Commissioner Ted Galatis  
Commissioner Tom Green  
Commissioner Scott Newton

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, 2008, 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 financials 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 and in all material respects; that it is presented in a manner designed to fairly communicate the financial activity of its various funds; and that all disclosures necessary to enable the reader to obtain a general understanding of the City's financial activity have been included.

The Management's Discussion and Analysis section is intended to provide the reader of this report with a general overview of the financial activities of the city for the fiscal year ended September 30, 2008. The information in that section should be considered in context with this Letter of Transmittal, the financial statements, and notes to the financial statements.

The financial statements have been audited by TCBA Watson Rice 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, 2007.

### **The City**

The City of 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, and again in 2003.

The recreation program 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 donation 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. The downtown area of the 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 County has the second largest county population in the State of Florida with an estimated 1.76 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 remaining 410 developable miles have 31 municipalities and 23 miles of beaches.

The County enjoys a diverse economy reflecting its active tourism and construction industries, sea and airport facilities and other industrial sectors. As of September 30, 2008, unemployment was 6.7% in the State of Florida and 6.1% in Broward County, almost equal to the United States unemployment rate of 6.2%.

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.

### **Local Economy**

Wilton Manors is situated in east-central Broward County on the southeastern coast of Florida, just two miles north of downtown Fort Lauderdale, the county seat. Palm Beach County Borders Broward to the north and Miami-Dade County borders to the south. The highlights of the diverse economy of Broward County are its tourism, marine industry, transportation, construction and service sectors. Per capita personal income is higher

than the state and national averages. While local unemployment has traditionally been lower than the state and national averages, the unemployment rate increased significantly during the fiscal year in tandem with the national economic downturn.

The foundation of the local Wilton Manors economy is its core of small commercial and service businesses. Wilton Manors continues to experience commercial and multifamily residential development primarily centered on Wilton Drive in the heart of the City's Arts and Entertainment District. Mirroring the national trend, the real estate market for single-family homes declined significantly in Wilton Manors during the fiscal year, with housing inventory increasing throughout the period. Foreclosures and vacated properties also increased throughout the fiscal year, although the Wilton Manors market has not been affected as severely as some of the rest of Broward County and other areas throughout the country.

### **Long-Term Planning**

The City Commission annually adopts a five-year Capital Improvement Program as a part of the formal budgeting process. The City continues to provide for future capital expenditures by setting aside reserves each year dedicated to future funding. The primary ongoing example of this practice is the annual vehicle replacements that are made with reserves. Another example is the reserve that the City set aside to help fund the new City Hall and Police Station building. Construction on this \$7.1 million project began in the fall of 2008. The project is being funded by a combination of \$6 million in General Obligation Bonds and \$1.1 million in reserves that have been set aside by the City over the several previous years.

### **Cash Management**

The City's operating funds are maintained under the equity in pooled cash system. During this fiscal year the City continued to invest all cash not needed for immediate operations with the Florida State Board of Administration (SBA), Local Government Investment Pool as authorized by Florida Statute 166.261 and the City's investment policy. The SBA invests in various short and intermediate portfolios on the member's behalf. Please refer to the notes to the financial statements for more information.

The Pension Fund's cash is administered by two separate Pension Boards that have 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 non-assessable governmental risk pool with several hundred members throughout the State of Florida. The City is currently insured for property, casualty, and worker's 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 for its CAFR for the year ended September 30, 2007. This was the tenth 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 meeting strict reporting guidelines.

A Certificate of Achievement is valid for a period of one year. 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.

## **Acknowledgements**

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 the members of the City Departments for their assistance in the preparation of the report, and the City's external auditors for their assistance in reviewing the report.

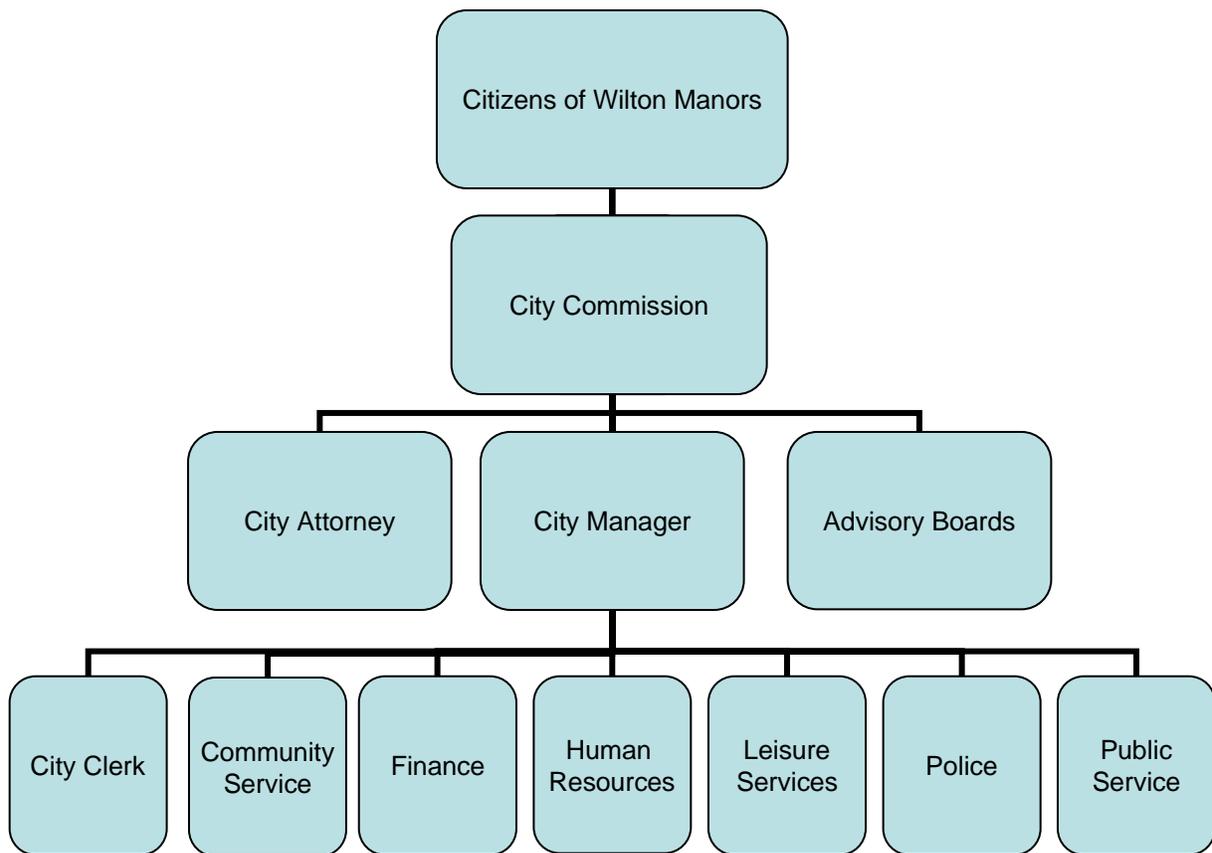
Respectfully,

A handwritten signature in blue ink, appearing to read "Lisa C. Rabon".

Lisa C. Rabon,  
Finance Director

# CITY OF WILTON MANORS

## City Government Structure





This page is intentionally left blank.

# CITY OF WILTON MANORS, FLORIDA

## COMMISSION - MANAGER FORM OF GOVERNMENT

### LIST OF PRINCIPAL OFFICIALS

As of September 30, 2008

## CITY COMMISSION

**SCOTT NEWTON**

Mayor

**TED GALATIS**

Vice Mayor

**DIANE CLINE**

Commissioner

**GARY RESNICK**

Commissioner

**CRAIG SHERRITT**

Commissioner

**CITY MANAGER**

Joseph Gallegos

**FINANCE DIRECTOR**

Lisa Rabon

**CITY ATTORNEY**

Kerry Ezrol

**CITY CLERK**

Angela Scott

**COMMUNITY SERVICES DIRECTOR**

Wayne Thies

**EMERGENCY SERVICES /**

**UTILITIES DIRECTOR**

David Archacki

**HUMAN RESOURCES DIRECTOR**

Brenda Clanton

**LEISURE SERVICES DIRECTOR**

Patrick Cann

**POLICE CHIEF**

Richard Perez

## CITY COMMISSION

*As of the Release Date of this Report*

**GARY RESNICK**

Mayor

**JUSTIN FLIPPEN**

Vice Mayor

**TED GALATIS**

Commissioner

**TOM GREEN**

Commissioner

**SCOTT NEWTON**

Commissioner



This page is intentionally left blank.

# 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, 2007

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



This page is intentionally left blank.

## **II. FINANCIAL SECTION**

- **Independent Auditors' Report**
- **Management Discussion & Analysis**
- **Government-Wide Financial Statements**
- **Fund Financial Statements**
- **Notes to Basic Financial Statements**
- **Required Supplementary Information**
- **Combining Financial Statements**

**INDEPENDENT AUDITORS' REPORT**



## INDEPENDENT AUDITORS' REPORT

Honorable Mayor and Members of the City Commission  
City of Wilton Manors, Florida

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Wilton Manors, Florida, (the "City") as of and for the year ended September 30, 2008, 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 opinions on these financial statements based on our audit. We did not audit the Pension Trust Fund for the General Employees Pension Plan and the Police and Volunteer Firefighters Pension Plan, which represents 94% of the assets of the aggregate remaining fund information. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Pension Trust Fund for the General Employees Pension Plan and the Volunteer Firefighters Pension Plan, is based solely on the report of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Wilton Manors, Florida, as of September 30, 2008, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 9, 2009 on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, 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 that testing, and not to provide an opinion on the internal control over financial 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.

The Management's Discussion and Analysis and the Required Supplementary Information on pages 3 through 11, and 44 through 48, respectively, are not a required part of the basic financial statements but are supplementary information required by the accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual nonmajor fund financial statements and other schedules, listed in the table of contents as supplementary information, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The information in such schedules has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, such information is fairly stated in all material respects in relation to the basic financials taken as a whole.

The accompanying introductory and statistical sections, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. This information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Fort Lauderdale, Florida  
June 9, 2009

*TCBA Water Rice LLP*

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

# **CITY OF WILTON MANORS, FLORIDA**

## **Management's Discussion and Analysis**

This section is intended to provide the reader of this report with a general overview of the financial activities of the city for the fiscal year ended September 30, 2008. 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 the fiscal year, the City's net assets increased by \$1,743,644 (5.0%) from \$34,809,679 to \$36,553,323. This increase was split between governmental activities (\$1,657,901 – 4.8%) and business-type activities (\$85,743 – .2%).
- Governmental activities revenues of \$16,912,537 exceeded expenses of \$15,254,636 by \$1,657,901. The expenditures include \$2,591,459 of capital outlays of which \$890,552 was for construction of the new City Hall and Police Station.
- Business-type activities revenue of \$6,004,071 exceeded expenses of \$5,918,328 by \$85,743 after transfers out.
- Business-type revenues, which consist of water, wastewater and drainage charges for services, continued a steady increase.
- The total expenses of all City programs were \$20,529,322.
- The General Fund, which accounts for the vast majority of the operations of the government, expended 97% of the final, budgeted appropriations.

### **CITY HIGHLIGHTS**

In spite of the national and local housing downturn and the downturn in general economic conditions, the trend of redevelopment is continuing along the Wilton Drive corridor within the City. Commercial, residential, and mixed-use developments are proceeding in all stages of development. The continued multi-family residential development is expected to bring growth in population as those projects are completed. 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 increasing its efforts to secure grants to assist with both operating expenses and infrastructure improvements, although due to the current round of budget constraints, state and county grant funding is likely to decrease in the near future.

### **OVERVIEW OF THE FINANCIAL STATEMENTS**

This annual report consists of three parts: 1) Management's Discussion and Analysis (this section), 2) the Basic Financial Statements 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.

## OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

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

1. The Statement of Net Assets presents information on all the City's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.
2. The Statement of Activities presents information showing how the City's net assets changed during the year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

The government-wide financial statements can be found on pages 12 and 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.** 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 17 of this report.

**Proprietary funds.** Proprietary funds 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 basic proprietary fund financial statements can be found on pages 18 to 20.

**Fiduciary funds.** The fiduciary funds which is not included in the government-wide statements, is presented in this section as the General Employees and Police, and Volunteer Firefighters' Pension Fund (the "Plans").

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

The basic fiduciary fund financial statements can be found on pages 21 to 22.

## OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

**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 23 through 43 of this report.

**Other financial information.** In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City's adopted budgets to actual results. Required supplementary information can be found on pages 44 through 48 of this report.

### GOVERNMENT-WIDE FINANCIAL ANALYSIS

#### Statement of Net Assets:

The City's combined net assets totaled \$36,553,323 as of September 30, 2008, \$27,638,928 for governmental activities and \$8,914,395 for business-type activities. The following table presents a condensed statement of net assets:

City of Wilton Manors, Florida						
Changes in Net Assets						
	Governmental Activities		Business-type Activities		Total	
	2008	2007	2008	2007	2008	2007
Current and other assets	\$ 12,488,081	\$ 5,927,280	\$ 3,730,729	\$ 8,704,051	\$ 16,218,810	\$ 14,631,331
Capital assets, net	26,102,573	20,876,906	15,778,299	11,191,730	41,880,872	32,068,636
Total Assets	<u>38,590,654</u>	<u>26,804,186</u>	<u>19,509,028</u>	<u>19,895,781</u>	<u>58,099,682</u>	<u>46,699,967</u>
Long-term liabilities	9,377,341	3,383,667	9,351,276	9,303,247	18,728,617	12,686,914
Other liabilities	1,574,385	1,304,961	1,243,357	1,763,882	2,817,742	3,068,843
Total Liabilities	<u>10,951,726</u>	<u>4,688,628</u>	<u>10,594,633</u>	<u>11,067,129</u>	<u>21,546,359</u>	<u>15,755,757</u>
Net Assets						
Invested in capital assets, net of related debt	17,321,290	17,858,934	8,161,532	4,970,463	25,482,822	22,829,397
Restricted	-	-	1,113,439	1,413,439	1,113,439	1,413,439
Unrestricted	<u>10,317,638</u>	<u>4,256,624</u>	<u>(360,576)</u>	<u>2,444,750</u>	<u>9,957,062</u>	<u>6,701,374</u>
	<u>\$ 27,638,928</u>	<u>\$ 22,115,558</u>	<u>\$ 8,914,395</u>	<u>\$ 8,828,652</u>	<u>\$ 36,553,323</u>	<u>\$ 30,944,210</u>

Unrestricted net assets, which represent 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, amounted to \$9,957,062 as of September 30, 2008, an increase of \$3,255,688 from the prior year.

The City posted an increase in net assets in both the governmental and business-type activities, although the rate of increase for the business-type activities was relatively small due to a decrease in operating income. Total government-wide revenues continued to increase in association with increased property values. The operating tax millage rate was 5.1340 mills which when combined with the general obligation debt millage of 0.1879 mills produced an effective total millage rate of 5.3219. This is a reduction from the 2006-2007 combined millage rate of 6.5000 due to a decrease in

**GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)**

the operating millage rate from 6.2764 to 5.1340, and decrease in the debt service millage rate from 0.2236 to 0.1879. These decreases were in part mandated by both a state constitutional amendment and state legislation that both place limitations on local government's ability to increase millage rates from one year to the next. One mill of tax equals one dollar for each one thousand dollars of assessed property value as determined by the Broward County Property Appraiser. Property values have increased at an average annual rate of 18% over the past five years, which has helped offset the general stagnation in State of Florida Shared Revenues. However, due to the recent sharp decline in housing prices and the general economic downturn, property values will decrease slightly during the 2008-2009 fiscal year, with a more significant decrease expected for the 2009-2010 fiscal year.

**Statement of Activities:**

City of Wilton Manors, Florida						
Statement of Activities						
	Governmental Activities		Business-type Activities		Total	
	2008	2007	2008	2007	2008	2007
Revenues:						
Program revenues:						
Charges for services	\$ 2,093,940	\$ 2,004,360	\$ 5,589,833	\$ 5,681,236	\$ 7,683,773	\$ 7,685,596
Operating grants/contributions	-	1,368,685	-	-	-	1,368,685
Capital grants/contributions	852,169	-	-	-	852,169	-
General revenues						
Property taxes	6,538,632	6,677,263	-	-	6,538,632	6,677,263
Intergovernmental	1,437,096	1,429,212	-	-	1,437,096	1,429,212
Other taxes and fees	4,445,676	3,622,039	242,360	117,030	4,688,036	3,739,069
Other general revenues	<u>901,382</u>	<u>497,408</u>	<u>171,878</u>	<u>378,954</u>	<u>1,073,260</u>	<u>876,362</u>
Total revenues	<u>16,268,895</u>	<u>15,598,967</u>	<u>6,004,071</u>	<u>6,177,220</u>	<u>22,272,966</u>	<u>21,776,187</u>
Expenses:						
General government	2,568,351	2,060,947	-	-	2,568,351	2,060,947
Public safety	8,160,017	7,398,549	-	-	8,160,017	7,398,549
Culture/recreation	3,439,236	3,063,009	-	-	3,439,236	3,063,009
Physical environment	869,291	1,077,506	4,920,272	4,185,052	5,789,563	5,262,558
Interest on long-term debt	<u>217,741</u>	<u>200,780</u>	<u>354,414</u>	<u>274,547</u>	<u>572,155</u>	<u>475,327</u>
Total expenses	<u>15,254,636</u>	<u>13,800,791</u>	<u>5,274,686</u>	<u>4,459,599</u>	<u>20,529,322</u>	<u>18,260,390</u>
Increase in net assets						
before transfers	1,014,259	1,798,176	729,385	1,717,621	1,743,644	3,515,797
Transfers	<u>643,642</u>	<u>751,742</u>	<u>(643,642)</u>	<u>(751,742)</u>	<u>-</u>	<u>-</u>
Increase in net assets	1,657,901	2,549,918	85,743	965,879	1,743,644	3,515,797
Net assets beginning of year	<u>25,981,027</u>	<u>19,565,640</u>	<u>8,828,652</u>	<u>7,862,773</u>	<u>34,809,679</u>	<u>27,428,413</u>
Net assets end of year	<u>\$ 27,638,928</u>	<u>\$ 22,115,558</u>	<u>\$ 8,914,395</u>	<u>\$ 8,828,652</u>	<u>\$ 36,553,323</u>	<u>\$ 30,944,210</u>

## **GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)**

### ***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 rates established by the City Commission during the budget process determine how much property tax revenue will be generated in the General Fund in the ensuing fiscal year. Property tax revenue is the major revenue source in the General Fund, accounting for 48% of General Fund revenues and 39% of total governmental fund revenues in 2007-2008. 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 \$900,000 in grant revenue from various federal, state, district, county, and other local programs. The City plans to vigorously pursue additional grant funding in anticipation that grant revenues will continue to be a significant source of revenues for funding projects.

The City's financial condition is affected by economic conditions. During prosperous economic periods, property values generally increase which correspondingly increase property tax revenue. During the last several years, the City of Wilton Manors has experienced record growth in property values and in fact has led most of Broward County in increased property values as a percentage over the previous years, despite the fact that it has been built-out since the early 1970s. In January 2008, a constitutional amendment was passed by Florida citizens placing certain limitations on the future growth of taxable property values. The full effects of this constitutional amendment are not yet known, however, all Florida governmental units that depend on property taxes will be likely to see a declining trend in taxable property values in the near future.

### ***General discussion on expenses:***

Expenses in governmental activities were \$15,254,636 and \$5,274,686 in the business-type activities. The City is predominantly a service provider and, therefore, its major expense is salaries and benefits. The salaries are specifically affected by cost of living and merit adjustments, while benefit costs are closely linked to health insurance rates and pension contribution rates.

The number of City personnel (Full Time Equivalents) has increased by 1.67 over the past five years in response to demands by residents for increased services. This was due to a combination of the reduction of one full-time position and the addition of 2.67 part-time positions. The City continues to look to automation and increased efficiencies to keep the number of personnel employed to an efficient and moderate level.

## **ANALYSIS OF THE GOVERNMENT'S FUNDS**

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

### ***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.

## **ANALYSIS OF THE GOVERNMENT'S FUNDS (CONTINUED)**

As of the end of the fiscal year, the City of Wilton Manors' governmental funds reported a combined ending fund balance of \$11,011,782. About 32% of this total amount, \$3,483,990 constitutes unreserved fund balance of the General Fund 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 (\$326,994) or for other restricted or designated purposes such as the future funding of vehicles or the new City Hall building, among others.

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 had increased to \$3,483,990, while total fund balance was \$6,518,728. 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 27% the expenditures in the General Fund, while total fund balance represents almost 51% of that same amount.

The total fund balance in the City's General Fund increased by \$1,368,963 from \$5,149,765 in 2007 to \$6,518,728 in 2008. This increase in fund balance is due to both the increase in actual revenues and the reduction in actual expenditures from the budgeted amounts. Other key factors in this change are included in the next section entitled, "General Fund Budgetary Highlights."

The negative fund balance of the 1999 General Obligation Bond Fund was reduced by \$79,188 or 20% during the fiscal year. This fund balance is negative due to construction costs related to the following projects: Wilton Manors Elementary School Recreation Area, Wilton Manors Library, Island City Park Preserve, Donn Eisele Park, Colohatchee Park, Hagen Park and other parkland acquisitions. The fund balance at year end reflected a deficit of \$313,460. The City of Wilton Manors has pledged to eliminate this deficit by 2010 through annual transfers from 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 Water and Wastewater Utility Fund remained almost steady during the fiscal year, closing at \$7,585,704, down slightly when compared to \$7,625,435 at the end of the prior fiscal year. Net assets in the City's other proprietary fund, the Drainage Fund, amounted to \$1,328,691 at year end which reflects an increase over the prior fiscal year of \$125,474. 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 \$1,149,586 more than the final budget projection, and General Fund expenditures ended the year at \$536,924 below budget. Major variances between budgeted and actual amounts in the General Fund are as follows:

- a. General fund revenues exceeded the budget by 9.5%, led by impact fees revenue at 100%, franchise fee revenue at 25.6% over budget, and licenses and permits revenue at 30.69% over budget.

**GENERAL FUND BUDGETARY HIGHLIGHTS (CONTINUED)**

- b. Impact fee revenue exceeded budget by \$229,128 or 100% primarily due to one large residential development.
- c. Franchise fee revenue exceeded budget by \$212,272 or 26%, primarily due to an increase in Electricity Franchise Fees.
- d. Revenues from licenses and permits exceeded budget by \$220,584 or 31% due to a large increase in building permits revenue primarily attributable to one large residential development.
- e. Intergovernmental Revenues came in under budget by \$124,560 or 9% due primarily to a continued decrease in state shared revenues. State shared revenues are expected to continue to decline during the next fiscal year.
- f. The City received a windfall of \$527,971 in delinquent ad valorem taxes as a result of the sale of tax certificates by the county tax collector’s office. However, this windfall was offset by the lower than expected collections of current ad valorem revenue which came in at \$443,911 under budget.
- g. Budgeted expenditure savings during the year were found in the following departments: City Commission, \$18,281; Non-departmental, \$658,523; Emergency Management, \$1,390; Library, \$4,204; and Parks & Recreation, \$104,595.
- h. The following departments’ expenditures exceeded budget for the fiscal year. City Management, (\$47,555); City Clerk, (\$9,664); Finance, (\$27,205); Human Resources, (\$529); Police (\$198,041); and Community Services, (\$22,424). Most of these excesses were due to sharply increased pension costs. The City Attorney’s department expenses were over budget by \$37,216 due to settlements of unexpected cases.

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

**Capital Assets**

The City had \$75,026,901 invested in capital assets on September 30, 2008. This includes \$16,816,161 of infrastructure assets of the governmental activities which are being booked this year for the first time due to new accounting rules. The following schedule summarizes capital asset held by the City:

Capital Assets September 30, 2008 and 2007						
	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total Primary Government</u>	
	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
Land	\$ 8,567,723	\$ 8,622,988	\$ 1,502,973	\$ 1,502,973	\$ 10,070,696	\$ 10,125,961
Construction in progress	1,833,968	-	-	-	1,833,968	-
Infrastructure	16,816,161	-	19,406,403	14,225,043	36,222,564	14,225,043
Buildings	4,822,694	4,762,314	5,315,990	637,469	10,138,684	5,399,783
Improvements other than buildings	9,887,109	9,863,462	637,469	5,315,990	10,524,578	15,179,452
Machinery and equipment	5,234,773	4,787,451	1,001,638	935,093	6,236,411	5,722,544
Total assets	<u>47,162,428</u>	<u>28,036,215</u>	<u>27,864,473</u>	<u>22,616,568</u>	<u>75,026,901</u>	<u>50,652,783</u>

**CAPITAL ASSETS AND DEBT ADMINISTRATION (CONTINUED)**

**Capital Assets (continued)**

In fiscal year 2007, the City issued Water & Sewer Revenue Bonds with the purpose of refunding certain portions of existing bonds and providing additional funds for continued improvements to wastewater lines. A major relining project for the City’s wastewater lines was undertaken with these funds. This investment will be paid off by reducing the amount of infiltration and inflow into the City’s wastewater lines and, thereby, reducing the number of gallons of wastewater requiring treatment.

Additional information on the City’s capital assets can be found in Note 3 on pages 34 and 35.

**Debt Administration:**

The City had debt totaling approximately \$18.06 million at September 30, 2008. Total debt outstanding at the end of the prior fiscal year was \$13.14 million. The net increase of \$4.92 million is mainly attributable to the additional General Obligation bond financing for the construction of a new City Hall.

Outstanding Debt September 30, 2008 and 2007						
	Governmental Activities		Business-type Activities		Total	
	2008	2007	2008	2007	2008	2007
General Obligation Bonds (backed by City)	\$ 7,981,283	\$ 2,117,972	\$ -	\$ -	\$ 7,981,283	\$ 2,117,972
Note Payable	800,000	900,000	-	-	800,000	900,000
Revenue Bonds Payable (backed (by specific revenue streams)	-	-	9,277,338	10,125,420	9,277,338	10,125,420
Total assets	8,781,283	3,017,972	9,277,338	10,125,420	18,058,621	13,143,392

During the 2008-2009 fiscal year, the amount of the City’s general obligation debt will decrease due to scheduled debt service payments on the existing debt. No additional general obligation debt is anticipated in fiscal year 2008-2009.

Revenue bonds, the other major source of debt, will decline as scheduled repayments are made on the existing debt. No additional revenue bond debt is expected to be incurred during fiscal year 2008-2009. Of the \$9.28 million in revenue debt at September 30, 2008, approximately \$277 thousand is related to water, wastewater and drainage projects funded and completed in the mid-1990's, while about \$9.0 million is new debt incurred to fund the above-mentioned wastewater line relining project.

Additional information on the City’s long-term debt can be found in Note 6 on pages 36 through 38 of this report.

## **ECONOMIC FACTORS**

The fiscal year was a period of declining economic conditions in the region, state and country. Wilton Manors, however, was not hit as hard as many other cities.

The City's primary sources of revenue are property and utility taxes, franchise and regulatory fees, and utility charges for services. State shared revenues, which include telecommunication taxes, account for another large source of revenue. During the fiscal year ended September 30, 2008, South Florida was continuing to feel the effects of the national housing downturn, although in this area the City of Wilton Manors has not suffered as greatly as most other cities. A general economic downturn contributed to increased area unemployment rate of 3.8% for September 2008.

From 2001 through 2007, Wilton Manors was on the leading edge of the unprecedented growth experienced in the local, regional and national real estate markets. The housing market began to experience a serious decline in 2007 and 2008. Since the end of the City's fiscal year on September 30, 2008, the general economy has slowed significantly. This slowdown, coupled with the passage of the state constitutional amendment limiting the growth in property values, will exert downward pressure on the City's revenues in the upcoming fiscal years.

In spite of the general economic downturn, and in spite of the fact that Wilton Manors has been essentially built out since 1970, significant residential and commercial redevelopment are still occurring in the City albeit at a reduced pace. These redevelopment projects will contribute both to an expected moderate population increase and the City's continuing good economic health.

## **REQUESTS FOR INFORMATION**

The Finance Department of the City of Wilton Manors, Florida takes full responsibility for the preparation of this report. Every effort has been made to make this report understandable to the reader. Any questions or comments about this report are welcome and may be directed to the City's Assistant Finance Director at (954) 390-2143, fax (954) 390-2199, or by mail to the City of Wilton Manors, Assistant Finance Director, 524 NE 21st Court, Wilton Manors, Florida 33305.



This page is intentionally left blank.

**GOVERNMENT-WIDE FINANCIAL STATEMENTS**

**CITY OF WILTON MANORS, FLORIDA**  
**STATEMENT OF NET ASSETS**  
**SEPTEMBER 30, 2008**

	<u>Governmental</u> <u>Activities</u>	<u>Business Type</u> <u>Activities</u>	<u>Total</u>
<b>ASSETS</b>			
Equity in pooled cash	\$ 11,029,183	\$ 246,567	\$ 11,275,750
Cash held by third party	69,734	-	69,734
Accounts receivable, net	482,419	711,908	1,194,327
Due from other governments	768,245	-	768,245
Inventories	58,099	119,422	177,521
Prepaid expenses	43,271	675	43,946
Restricted cash and cash equivalents	2,400	2,641,177	2,643,577
Unamortized bond financing costs	34,730	10,980	45,710
Capital assets, non-depreciable	10,401,691	1,502,973	11,904,664
Capital assets, depreciable (net)	<u>15,700,882</u>	<u>14,275,326</u>	<u>29,976,208</u>
Total assets	<u>38,590,654</u>	<u>19,509,028</u>	<u>58,099,682</u>
<b>LIABILITIES</b>			
Accounts payable	911,410	645,088	1,556,498
Accrued expenses	230,197	15,164	245,361
Unearned revenues	155,099	-	155,099
Accrued interest payable	132,816	179,585	312,401
Customer deposits	-	401,550	401,550
Due to other governments	144,863	1,970	146,833
Due within one year:			
Compensated absences	221,831	28,701	250,532
Bonds payable	306,666	904,445	1,211,111
Note payable	100,000	-	100,000
Due in more than one year:			
Compensated absences	374,227	25,909	400,136
Bonds payable	7,674,617	8,392,221	16,066,838
Note payable	<u>700,000</u>	<u>-</u>	<u>700,000</u>
Total liabilities	<u>10,951,726</u>	<u>10,594,633</u>	<u>21,546,359</u>
<b>NET ASSETS</b>			
Invested in capital assets, net of related debt	17,321,290	8,161,532	25,482,822
Restricted for:			
Debt service	-	1,113,439	1,113,439
Unrestricted	<u>10,317,638</u>	<u>(360,576)</u>	<u>9,957,062</u>
Total net assets	<u>\$ 27,638,928</u>	<u>\$ 8,914,395</u>	<u>\$ 36,553,323</u>

See notes to basic financial statements.

**CITY OF WILTON MANORS, FLORIDA**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2008**

	<u>Expenses</u>	<u>PROGRAM REVENUES</u>			<u>NET (EXPENSE) REVENUE AND CHANGES IN NET ASSETS</u>		
		<u>Fees, Fines and Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<b><u>Functions/Programs</u></b>							
<b>Primary Government:</b>							
Governmental activities:							
General government	\$ 2,568,351	\$ -	\$ -	\$ -	\$ (2,568,351)	\$ -	\$ (2,568,351)
Public safety	8,160,017	1,421,529	-	-	(6,738,488)	-	(6,738,488)
Culture and recreation	3,439,236	255,340	-	-	(3,183,896)	-	(3,183,896)
Public services	826,639	417,071	852,169	-	442,601	-	442,601
Physical environment	42,652	-	-	-	(42,652)	-	(42,652)
Interest on long term debt	217,741	-	-	-	(217,741)	-	(217,741)
<b>Total governmental activities</b>	<u>15,254,636</u>	<u>2,093,940</u>	<u>852,169</u>	<u>-</u>	<u>(12,308,527)</u>	<u>-</u>	<u>(12,308,527)</u>
Business-type activities:							
Water and wastewater	4,920,272	5,190,185	-	-	-	269,913	269,913
Drainage	354,414	399,648	-	-	-	45,234	45,234
<b>Total business activities</b>	<u>5,274,686</u>	<u>5,589,833</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>315,147</u>	<u>315,147</u>
<b>Total primary government</b>	<u>\$ 20,529,322</u>	<u>\$ 7,683,773</u>	<u>\$ 852,169</u>	<u>\$ -</u>	<u>(12,308,527)</u>	<u>315,147</u>	<u>(11,993,380)</u>
<b>GENERAL REVENUES</b>							
Taxes:							
Property taxes					6,538,632	-	6,538,632
Franchise fees					1,451,513	-	1,451,513
Utility taxes					1,825,721	-	1,825,721
Licenses and permits					939,314	-	939,314
Impact fees					229,128	242,360	471,488
Intergovernmental revenue - unrestricted					1,437,096	-	1,437,096
Interest income					221,132	143,182	364,314
Miscellaneous					680,250	28,696	708,946
Transfers - net					643,642	(643,642)	-
<b>Total revenues</b>					<u>13,966,428</u>	<u>(229,404)</u>	<u>13,737,024</u>
<b>Change in net assets</b>					<u>1,657,901</u>	<u>85,743</u>	<u>1,743,644</u>
Net assets - beginning of year, as originally reported					22,115,558	8,828,652	30,944,210
Prior-period adjustment (Note 11)					3,865,469	-	3,865,469
Net assets, beginning, as restated					<u>25,981,027</u>	<u>8,828,652</u>	<u>34,809,679</u>
Net assets, ending					<u>\$ 27,638,928</u>	<u>\$ 8,914,395</u>	<u>\$ 36,553,323</u>

See notes to basic financial statements.

**FUND FINANCIAL STATEMENTS**

**CITY OF WILTON MANORS, FLORIDA**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**SEPTEMBER 30, 2008**

	<b>Major Funds</b>			
	<u>General</u>	<u>2008 General Obligation Bond Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>				
Equity in pooled cash	\$ 5,143,557	\$ 5,329,362	\$ 556,264	\$ 11,029,183
Cash held by third party	-	-	69,734	69,734
Accounts receivable - net	286,505	-	195,914	482,419
Due from other governments	180,989	-	587,256	768,245
Advances to other funds	1,560,769	-	-	1,560,769
Inventories	49,670	-	8,429	58,099
Prepaid expenses	2,022	-	41,249	43,271
Restricted cash	2,400	-	-	2,400
<b>Total assets</b>	<b>\$ 7,225,912</b>	<b>\$ 5,329,362</b>	<b>\$ 1,458,846</b>	<b>\$ 14,014,120</b>
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities:				
Accounts payable	\$ 333,886	\$ 232,022	\$ 345,502	\$ 911,410
Accrued expenses	213,182	-	17,015	230,197
Advances from other funds	-	-	1,560,769	1,560,769
Due to other governments	144,863	-	-	144,863
Unearned revenues	15,253	-	139,846	155,099
Total liabilities	707,184	232,022	2,063,132	3,002,338
Fund balances:				
Reserved for:				
Inventories	49,670	-	8,429	58,099
Prepaid expenses	2,022	-	41,249	43,271
Contingencies	1,486,802	-	-	1,486,802
Capital projects	277,693	-	-	277,693
Vehicles	629,941	-	105,866	735,807
Advance from other funds	34,675	-	-	34,675
Encumbrances	103,407	-	223,587	326,994
Public safety	7,230	-	-	7,230
Firetruck	-	-	176,159	176,159
Culture and recreation	285,627	-	-	285,627
Landscaping	5,395	-	-	5,395
Affordable housing	152,276	-	-	152,276
Unreserved, reported in:				
General fund, unreserved, undesignated	3,483,990	-	-	3,483,990
Special revenue fund	-	5,097,340	(1,159,576)	3,937,764
Total fund balances	6,518,728	5,097,340	(604,286)	11,011,782
<b>Total liabilities and fund balances</b>	<b>\$ 7,225,912</b>	<b>\$ 5,329,362</b>	<b>\$ 1,458,846</b>	<b>\$ 14,014,120</b>

See notes to basic financial statements.

**CITY OF WILTON MANORS, FLORIDA**  
**RECONCILIATION OF THE BALANCE SHEET TO THE STATEMENT OF NET ASSETS**  
**GOVERNMENTAL FUNDS**  
**SEPTEMBER 30, 2008**

Fund balances - total governmental funds (Page 14)	\$	11,011,782
--	----	------------

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

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.

Governmental capital assets		47,162,428
Less accumulated depreciation		(21,059,855)

Unamortized bond issue cost are not available to pay for current period expenditures		34,730
--	--	--------

Bond interest payable not reported in the governmental funds		(132,816)
--	--	-----------

Long-term liabilities, including bonds and note payable, are not due and payable in the current period and, therefore, are not reported in the governmental funds.

Governmental bonds and note payable		(8,781,283)
Compensated absences		<u>(596,058)</u>

Net assets of governmental activities (Page 12)	\$	<u><u>27,638,928</u></u>
---	----	--------------------------

See notes to basic financial statements.

**CITY OF WILTON MANORS, FLORIDA**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2008**

	<b>Major Funds</b>			<b>Total Governmental Funds</b>
	<b>General</b>	<b>2008 General Obligation Bond Fund</b>	<b>Other Governmental Funds</b>	
<b>REVENUES:</b>				
Taxes:				
Ad valorem	\$ 6,307,226	\$ -	\$ -	\$ 6,307,226
Ad valorem taxes for debt service	231,406	-	-	231,406
Utility taxes	1,825,721	-	-	1,825,721
Franchise fee	1,042,672	-	408,842	1,451,514
Licenses and permits	939,314	-	-	939,314
Intergovernmental	1,209,812	-	227,285	1,437,097
Grants	-	-	852,168	852,168
Charges for services	433,084	-	283,200	716,284
Impact fees	229,128	-	-	229,128
Fines and forfeitures	167,537	-	70,140	237,677
Special assessments	-	-	1,139,982	1,139,982
Donations	100	-	-	100
Interest income	174,004	23,514	23,614	221,132
Miscellaneous	666,844	-	13,306	680,150
Total revenues	<u>13,226,848</u>	<u>23,514</u>	<u>3,018,537</u>	<u>16,268,899</u>
<b>EXPENDITURES:</b>				
Current:				
General government	1,866,577	-	-	1,866,577
Public safety	6,960,346	-	1,124,509	8,084,855
Culture and recreation	2,640,100	-	428,579	3,068,679
Public services	418,105	-	64,776	482,881
Physical environment	-	-	42,652	42,652
Debt service:				
Principal	239,583	-	-	239,583
Interest	84,925	-	-	84,925
Capital outlay	617,494	890,552	1,083,413	2,591,459
Total expenditures	<u>12,827,130</u>	<u>890,552</u>	<u>2,743,929</u>	<u>16,461,611</u>
Excess (deficiency) of revenues over expenditures	399,718	(867,038)	274,608	(192,712)
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	1,152,097	-	74,105	1,226,202
Transfers out	(182,852)	-	(399,708)	(582,560)
Bonds issued	-	6,000,000	-	6,000,000
Bond issue cost	-	(35,622)	-	(35,622)
Total other financing sources (uses)	<u>969,245</u>	<u>5,964,378</u>	<u>(325,603)</u>	<u>6,608,020</u>
Net change in fund balances	1,368,963	5,097,340	(50,995)	6,415,308
Fund balances (deficit), beginning	<u>5,149,765</u>	<u>-</u>	<u>(553,291)</u>	<u>4,596,474</u>
Fund balances (deficit), ending	<u>\$ 6,518,728</u>	<u>\$ 5,097,340</u>	<u>\$ (604,286)</u>	<u>\$ 11,011,782</u>

See notes to basic financial statements.

**CITY OF WILTON MANORS, FLORIDA**  
**RECONCILIATION OF THE CHANGE IN FUND BALANCES**  
**OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2008**

Amounts reported for governmental activities in the statement of activities (Page 13) are different because:

Net change in fund balances - total governmental funds (page 16)	\$	6,415,308
--	----	-----------

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 outlays		2,591,459
Less current depreciation		(1,276,438)

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.

Debt issued		(6,000,000)
Principal payments of bonds/notes payable		239,583

Some items reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported in the governmental funds. These activities consist of:

Increase in compensated absences		(233,898)
Increase in accrued interest payable		<u>(78,113)</u>

Change in net assets of governmental activities (Page 13)	\$	<u><u>1,657,901</u></u>
---	----	-------------------------

See notes to basic financial statements.

**CITY OF WILTON MANORS, FLORIDA**  
**STATEMENT OF NET ASSETS**  
**PROPRIETARY FUNDS**  
**SEPTEMBER 30, 2008**

	<b><u>Business-type Activities - Enterprise Funds</u></b>		<b><u>Total</u></b>
	<b><u>Major Fund</u></b>	<b><u>Nonmajor fund</u></b>	
	<b><u>Utility Fund</u></b>	<b><u>Drainage Fund</u></b>	
<b>ASSETS</b>			
Current assets:			
Equity in pooled cash	\$ 136,931	\$ 109,636	\$ 246,567
Accounts receivable, net	676,090	35,818	711,908
Inventories	119,422	-	119,422
Prepaid expenses	600	75	675
Total current assets	<u>933,043</u>	<u>145,529</u>	<u>1,078,572</u>
Noncurrent assets:			
Restricted cash and cash equivalents	2,641,177	-	2,641,177
Capital assets, non-depreciable	1,502,973	-	1,502,973
Capital assets, depreciable - net	13,081,864	1,193,462	14,275,326
Unamortized bond discount and financing	10,980	-	10,980
Total noncurrent assets	<u>17,236,994</u>	<u>1,193,462</u>	<u>18,430,456</u>
Total assets	<u>18,170,037</u>	<u>1,338,991</u>	<u>19,509,028</u>
<b>LIABILITIES</b>			
Current liabilities (payable from unrestricted assets)			
Accounts payable	638,824	6,264	645,088
Accrued expenses	12,440	2,724	15,164
Due to other governments	1,970	-	1,970
Compensated absences	27,389	1,312	28,701
Current liabilities (payable from restricted assets)			
Bonds payable	904,445	-	904,445
Accrued interest payable	179,585	-	179,585
Customers' deposits	401,550	-	401,550
Total current liabilities	<u>2,166,203</u>	<u>10,300</u>	<u>2,176,503</u>
Noncurrent liabilities:			
Compensated absences	25,909	-	25,909
Bonds payable	8,392,221	-	8,392,221
Total noncurrent liabilities	<u>8,418,130</u>	<u>-</u>	<u>8,418,130</u>
Total liabilities	<u>10,584,333</u>	<u>10,300</u>	<u>10,594,633</u>
<b>NET ASSETS</b>			
Invested in capital assets, net of related debt	6,968,070	1,193,462	8,161,532
Restricted for:			
Debt service	1,113,439	-	1,113,439
Unrestricted	(495,805)	135,229	(360,576)
Total net assets	<u>\$ 7,585,704</u>	<u>\$ 1,328,691</u>	<u>\$ 8,914,395</u>

See notes to basic financial statements.

**CITY OF WILTON MANORS, FLORIDA**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2008**

	<b><u>Business-type Activities - Enterprise Funds</u></b>		
	<b><u>Major Fund</u></b>	<b><u>Nonmajor Fund</u></b>	<b><u>Total</u></b>
	<b><u>Utility Fund</u></b>	<b><u>Drainage Fund</u></b>	
<b>Operating revenues:</b>			
Charges for services	\$ 5,190,185	\$ 399,648	\$ 5,589,833
Impact fees	242,360	-	242,360
Miscellaneous	28,696	-	28,696
Total operating revenues	<u>5,461,241</u>	<u>399,648</u>	<u>5,860,889</u>
<b>Operating expenses:</b>			
Water system operation	2,414,307	-	2,414,307
Maintenance and repair	173,497	104,817	278,314
Other operating costs	238,931	9,705	248,636
Accounting services	14,847	-	14,847
Personal services	553,178	141,067	694,245
General expenses	359,909	37,099	397,008
Depreciation	599,613	61,725	661,338
Total operating expenses	<u>4,354,282</u>	<u>354,413</u>	<u>4,708,695</u>
<b>Operating income</b>	1,106,959	45,235	1,152,194
<b>Non-operating revenues (expenses)</b>			
Interest income	137,336	5,846	143,182
Interest expense	(565,991)	-	(565,991)
Total non-operating revenues (expenses)	<u>(428,655)</u>	<u>5,846</u>	<u>(422,809)</u>
<b>Income before transfers</b>	678,304	51,081	729,385
<b>Transfers</b>			
Transfers in	65,370	112,739	178,109
Transfers out	(783,405)	(38,346)	(821,751)
	<u>(718,035)</u>	<u>74,393</u>	<u>(643,642)</u>
<b>Changes in net assets</b>	(39,731)	125,474	85,743
<b>Total net assets, beginning</b>	<u>7,625,435</u>	<u>1,203,217</u>	<u>8,828,652</u>
<b>Total net assets, ending</b>	<u>\$ 7,585,704</u>	<u>\$ 1,328,691</u>	<u>\$ 8,914,395</u>

See notes to basic financial statements.

**CITY OF WILTON MANORS, FLORIDA**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2008**

	<b><u>Business-type Activities - Enterprise Funds</u></b>		
	<b><u>Major Fund</u></b>	<b><u>Nonmajor fund</u></b>	
	<b><u>Utility</u></b>	<b><u>Drainage</u></b>	
	<b><u>Fund</u></b>	<b><u>Fund</u></b>	<b><u>Total</u></b>
<b>Cash flows from operating activities:</b>			
Cash received from customers	\$ 5,589,554	\$ 385,400	\$ 5,974,954
Cash paid to suppliers	(2,853,411)	(144,857)	(2,998,268)
Cash paid to employees	<u>(537,663)</u>	<u>(139,755)</u>	<u>(677,418)</u>
Net cash provided by operating activities	<u>2,198,480</u>	<u>100,788</u>	<u>2,299,268</u>
<b>Cash flows from noncapital financing activities:</b>			
Transfers to other funds	(783,405)	(38,346)	(821,751)
Transfers from other funds	<u>65,370</u>	<u>112,739</u>	<u>178,109</u>
Net cash provided by (used in) noncapital financing activities	<u>(718,035)</u>	<u>74,393</u>	<u>(643,642)</u>
<b>Cash flows from capital and related financing activities:</b>			
Acquisition/construction of capital assets	(4,590,860)	(657,047)	(5,247,907)
Principal paid on bonds payable	(828,728)	-	(828,728)
Interest paid on capital debt	<u>(593,903)</u>	<u>-</u>	<u>(593,903)</u>
Net cash (used in) capital and related financing activities	<u>(6,013,491)</u>	<u>(657,047)</u>	<u>(6,670,538)</u>
<b>Cash flows from investing activities:</b>			
Interest on investments	<u>137,336</u>	<u>5,846</u>	<u>143,182</u>
Net cash provided by investing activities	<u>137,336</u>	<u>5,846</u>	<u>143,182</u>
Net (decrease) in pooled cash and cash equivalents	(4,395,710)	(476,020)	(4,871,730)
Pooled cash and cash equivalents, beginning	<u>7,173,818</u>	<u>585,656</u>	<u>7,759,474</u>
Pooled cash and cash equivalents, ending	<u>\$ 2,778,108</u>	<u>\$ 109,636</u>	<u>\$ 2,887,744</u>
<b>Displayed as:</b>			
Unrestricted	\$ 136,931	\$ 109,636	\$ 246,567
Restricted	<u>2,641,177</u>	<u>-</u>	<u>2,641,177</u>
	<u>\$ 2,778,108</u>	<u>\$ 109,636</u>	<u>\$ 2,887,744</u>
<b>Reconciliation of operating income to net cash provided by operating activities:</b>			
Operating income	\$ 1,106,959	\$ 45,235	\$ 1,152,194
Adjustments to reconcile operating income to net cash provided used by operating activities:			
Depreciation	599,613	61,725	661,338
Change in assets and liabilities:			
(Increase) decrease in accounts receivable	116,806	(14,248)	102,558
(Increase) in inventories	(34,172)	-	(34,172)
Decrease in prepaid expenses	30,161	300	30,461
Increase in accounts payable	349,913	6,044	355,957
Increase in accrued expenses	2,178	420	2,598
Increase in customers' deposits	11,507	-	11,507
Increase in compensated absences	<u>15,515</u>	<u>1,312</u>	<u>16,827</u>
Net cash provided by operating activities	<u>\$ 2,198,480</u>	<u>\$ 100,788</u>	<u>\$ 2,299,268</u>

See notes to basic financial statements.

**CITY OF WILTON MANORS, FLORIDA**  
**STATEMENT OF FIDUCIARY NET ASSETS**  
**FIDUCIARY FUNDS**  
**SEPTEMBER 30, 2008**

	<b><u>Pension Trust Funds</u></b>
<b>Assets</b>	
Cash and short-term investments	\$ <u>941,456</u>
Receivables:	
Contributions	464,380
Accrued interest and dividends	<u>88,140</u>
Total receivables	<u>552,520</u>
Investments, at fair value:	
U.S. Government and agency securities	5,279,886
Corporate bonds and notes	1,837,876
Mutual funds - fixed income	2,286,341
Common stocks	10,745,069
International equity commingled fund	<u>1,070,603</u>
Total investments	<u>21,219,775</u>
Total assets	<u>22,713,751</u>
<b>Liabilities</b>	
Accounts payable and accrued expenses	30,116
Due to Firefighters Retirement System	728,752
Deferred retirement option payable	740,994
Prepaid City contribution	85,623
Payable for securities sold	<u>50,814</u>
Total liabilities	<u>1,636,299</u>
<b>Net Assets</b>	
Net assets held in trust for pension benefits	<u>\$ 21,077,452</u>

See notes to basic financial statements.

**CITY OF WILTON MANORS, FLORIDA**  
**STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS**  
**FIDUCIARY FUNDS**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2008**

	<b><u>Pension Trust Funds</u></b>
<b>Additions:</b>	
Contributions:	
Plan members	\$ 174,393
City	1,418,649
Total contributions	<u>1,593,042</u>
Investment income:	
Net depreciation in fair value of investments	(4,346,615)
Interest and dividends	779,345
Total	<u>(3,567,270)</u>
Less:	
Investment expenses	113,914
Deferred retirement option plan participants' (losses)	(91,719)
Net investment (losses)	<u>(3,589,465)</u>
Total (deductions)	<u>(1,996,423)</u>
<b>Deductions:</b>	
Pension benefits paid	1,840,196
Participants' contributions refunded	263,930
Administrative expenses	111,367
Total deductions	<u>2,215,493</u>
Change in net assets	(4,211,916)
Net assets, beginning	<u>25,289,368</u>
Net assets, ending	<u>\$ 21,077,452</u>

See notes to basic financial statements.



This page is intentionally left blank.

**NOTES TO BASIC FINANCIAL STATEMENTS**

**CITY OF WILTON MANORS, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2008**

**NOTE 1. 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 includes all relevant Governmental Accounting Standards Board (GASB) pronouncements. The following is a summary of the more significant accounting policies of the City:

***a. 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 consist 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.

***b. Government-wide and Fund Financial Statements***

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the non-fiduciary activities of the primary government. All interfund activities, 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 segments are offset by program revenues. Direct expenses are those 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.

**CITY OF WILTON MANORS, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2008**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

***b. Government-wide and Fund Financial Statements (continued)***

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. All remaining governmental funds are aggregated and reported as nonmajor funds.

***c. 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.

Governmental fund types use the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are 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. For this purpose, 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.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

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 *2008 general obligation bond fund* accounts for the City's expenditures associated with the construction of a new City Hall and Police Station funded by the proceeds derived from the 2008 general obligation bond.

**CITY OF WILTON MANORS, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2008**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

*c. Measurement Focus, Basis of Accounting and Financial Statement Presentation (continued)*

The City reports the *water and sewer fund* 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 funds:

The *special revenue funds* account for the proceeds of specific revenue sources that are restricted legally to expenditures for specified purposes. These include, but are not limited to, various grant funds.

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

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

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 *non-operating 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, 2008**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

*c. Measurement Focus, Basis of Accounting and Financial Statement Presentation (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.

*d. Assets, Liabilities, and Net Assets or Equity*

**1. Deposits and Investments**

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.

Investments are stated at their fair value.

**2. Receivables**

Activities between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" or "advances to/from other funds." Any residual balances outstanding between the governmental activities and business activities are reported in the government-wide financial statements as "internal balances".

Operating revenues in the utility fund are generally recognized on the basis of cycle billings rendered monthly. Revenues for services delivered during the last month of the fiscal year that have not been read by September 30 are accrued based on meter readings for the applicable consumption period and billed in October.

Revenues and the associated receivable balances are accrued for taxes, franchise fees, and other utility services based on collections within 60 days of year-end.

All trade receivables are shown net of an allowance for uncollectible accounts. Trade accounts receivables in excess of 60 days comprise the trade accounts receivable allowance for uncollectible accounts.

**CITY OF WILTON MANORS, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2008**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

*d. Assets, Liabilities, and Net Assets or Equity (continued)*

**3. 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.

**4. 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.

**5. 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 if purchased or constructed, or at estimated historical cost if donated.

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 are 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

**CITY OF WILTON MANORS, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2008**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**6. 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 expended as incurred in the fund financial statements.

**7. 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.

**8. 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.

**9. 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.

**CITY OF WILTON MANORS, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2008**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**10. 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.

**11. Equity classifications**

*Government-wide statements*

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

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

**12. Use of 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.

**CITY OF WILTON MANORS, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2008**

**NOTE 2. 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 \$250,000. Monies deposited in amounts greater than the insurance coverage are covered by the participation of the bank in the Florida Security for Public Deposits Act. At year end, the carrying amount of the City's deposits was \$824,759 and the bank balance was \$1,383,155. 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 maintains a pooled cash account for all funds. This enables the City to invest large amounts of idle cash for short periods of time and to optimize earnings potential. Each fund's equity share of the total pooled cash, cash equivalents and investments is included in the accompanying financial statements under the caption "Equity in pooled cash". Interest earned on pooled cash is allocated monthly based upon equity balances of the respective funds.

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 fair value at year end of \$13,150,686. The LGIP is administered by the Florida State Board of Administration (SBA), which provides regulatory oversight. During the year, the SBA reported that the LGIP was exposed to potential risks due to indirect exposure in the sub-prime mortgage financial market. Consequently, the SBA placed some restrictions on how participants could access portions of their investments, and ultimately restructured the LGIP into two separate pools, the "LGIP" and "Fund B." The fair value of the City's investment in the LGIP at year end was \$12,756,138. The fair value of the City's investment in Fund B at year end was \$394,548. The funds in the LGIP are immediately available, while funds in Fund B are not readily available.

For the purpose of the Statement of Cash Flows for the Proprietary Fund, cash and cash equivalents mean short term, highly liquid investments with an original maturity of three months or less.

**CITY OF WILTON MANORS, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2008**

**NOTE 2. DEPOSITS AND INVESTMENTS (continued)**

*Investments (continued)*

In addition, GASB Statement 31, "Accounting and Financial Reporting for Certain Investments and External Investment Pools", requires disclosure of investments at fair value and recognition of unrealized gain or losses, if material, for investments with remaining maturities of more than one year at the time of purchase. Investments with remaining maturities of one year or less at the time of purchase are recorded at amortized cost.

**Interest rate risk:** Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The City invests its surplus funds in high quality highly liquid institutional money market funds with its share value remains constant

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 weighted average days to maturity (WAM) of the LGIP at year end was 8.5 days. The weighted average life (WAL) of Fund B at year end was 9.36 years.

**Credit risk:** Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. 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 LGIP was rated AAAM by Standard and Poors as of September 30, 2008. Fund B was unrated as of that date.

**Fiduciary Funds**

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

**CITY OF WILTON MANORS, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2008**

**NOTE 2. DEPOSITS AND INVESTMENTS (continued)**

***Investment authorization (continued)***

Permissible securities include common stocks and preferred stocks issued by corporations organized under the laws of the U.S., any state or organized territory of the U.S., or the District of Columbia. Up to twenty percent of the total portfolio at cost may be invested in foreign securities. Sector positions of the equity portfolio at cost may not exceed the S&P 500 sector weighting by more than 10 percentage points without written approval from the Board.

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:

	<b>Maximum Target % of Portfolio</b>	<b>Actual % of Portfolio</b>
U.S. Equity	60%	58.83%
Foreign Equity	20%	4.80%
Fixed income	50%	32.12%
Cash equivalents	20%	4.25%

***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, 2008:

<b>Investment Type</b>	<b>Investment Maturities (in years)</b>				
	<b>Fair Value</b>	<b>Less than 1</b>	<b>1 to 5</b>	<b>6 to 10</b>	<b>More than 10</b>
U.S. Treasuries	\$ 192,965	\$ -	\$ -	\$ 192,965	\$ -
U.S. Agencies	5,086,921	134,988	952,916	2,565,578	1,433,439
Corporate bonds	1,837,876	-	724,733	1,008,541	104,602
Total fixed income securities	<u>\$ 7,117,762</u>	<u>\$ 134,988</u>	<u>\$ 1,677,649</u>	<u>\$ 3,767,084</u>	<u>\$ 1,538,041</u>

**CITY OF WILTON MANORS, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2008**

**NOTE 2. 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, 2008, as applicable:

	<u>Fair Value</u>	<u>% of Portfolio</u>
United States government guaranteed*	\$ 5,279,886	74.2%
Quality rating of credit risk debt securities		
AAA	-	0.0%
AA+	109,784	1.5%
AA	126,497	1.8%
AA-	-	0.0%
A+	356,279	5.0%
A	1,056,281	14.8%
A-	61,635	0.9%
BBB+	<u>127,400</u>	<u>1.8%</u>
Total credit risk debt securities	<u>1,837,876</u>	<u>25.8%</u>
Total fixed income securities	<u>\$ 7,117,762</u>	<u>100.0%</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, 2008.

**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.

**CITY OF WILTON MANORS, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2008**

**NOTE 3. CAPITAL ASSETS**

Capital asset activity for the year ended September 30, 2008 was as follows:

	<b>Restated Balance <u>Oct. 1, 2007</u></b>	<b><u>Increases</u></b>	<b><u>Decreases</u></b>	<b>Balance <u>Sept. 30, 2008</u></b>
<b>Governmental activities:</b>				
Capital assets not being depreciated:				
Land	\$ 8,622,988	\$ -	\$ (55,265)	\$ 8,567,723
Construction in progress	<u>-</u>	<u>1,833,968</u>	<u>-</u>	<u>1,833,968</u>
Total assets not being depreciated	<u>8,622,988</u>	<u>1,833,968</u>	<u>(55,265)</u>	<u>10,401,691</u>
Capital assets being depreciated:				
Buildings	4,762,314	60,380	-	4,822,694
Improvements other than buildings	9,863,462	23,647	-	9,887,109
Machinery & equipment	4,787,451	582,140	(134,818)	5,234,773
Infrastructure	<u>16,724,838</u>	<u>91,323</u>	<u>-</u>	<u>16,816,161</u>
Total capital assets being depreciated	<u>36,138,065</u>	<u>757,490</u>	<u>(134,818)</u>	<u>36,760,737</u>
Less accumulated depreciation for:				
Buildings	(1,450,391)	(211,843)	-	(1,662,234)
Improvements other than buildings	(2,631,886)	(396,063)	-	(3,027,949)
Machinery & equipment	(3,077,032)	(486,296)	126,379	(3,436,949)
Infrastructure	<u>(12,750,487)</u>	<u>(182,236)</u>	<u>-</u>	<u>(12,932,723)</u>
Total accumulated depreciation	<u>(19,909,796)</u>	<u>(1,276,438)</u>	<u>126,379</u>	<u>(21,059,855)</u>
Total capital assets being depreciated, net	<u>16,228,269</u>	<u>(518,948)</u>	<u>(8,439)</u>	<u>15,700,882</u>
Governmental activities capital assets, net	<u>\$ 24,851,257</u>	<u>\$ 1,315,020</u>	<u>\$ (63,704)</u>	<u>\$ 26,102,573</u>

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

Governmental activities:	
General government	\$ 314,200
Public safety	238,412
Culture and recreation	380,068
Public services	<u>343,758</u>
Total depreciation expense - governmental activities	<u>\$ 1,276,438</u>

**CITY OF WILTON MANORS, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2008**

**NOTE 3. CAPITAL ASSETS (continued)**

	<u>Balance</u> <u>Oct. 1, 2007</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u> <u>Sept. 30, 2008</u>
<b>Business-type activities:</b>				
Capital assets not being depreciated:				
Land	\$ 1,502,973	\$ -	\$ -	\$ 1,502,973
Construction in progress	-	-	-	-
Total assets not being depreciated	<u>1,502,973</u>	<u>-</u>	<u>-</u>	<u>1,502,973</u>
Capital assets being depreciated:				
Infrastructure	14,225,043	5,181,360	-	19,406,403
Improvements other than buildings	5,315,990	-	-	5,315,990
Buildings	637,469	-	-	637,469
Machinery & equipment	935,093	66,545	-	1,001,638
Total capital assets being depreciated	<u>21,113,595</u>	<u>5,247,905</u>	<u>-</u>	<u>26,361,500</u>
Less accumulated depreciation for:				
Infrastructure	(5,707,269)	(531,030)	-	(6,238,299)
Improvements other than buildings	(5,146,975)	(66,339)	-	(5,213,314)
Buildings	(26,597)	(1,797)	-	(28,394)
Machinery & equipment	(543,996)	(62,171)	-	(606,167)
Total accumulated depreciation	<u>(11,424,837)</u>	<u>(661,337)</u>	<u>-</u>	<u>(12,086,174)</u>
Total capital assets being depreciated, net	<u>9,688,758</u>	<u>4,586,568</u>	<u>-</u>	<u>14,275,326</u>
Business-type activities capital assets, net	<u>\$ 11,191,731</u>	<u>\$ 4,586,568</u>	<u>\$ -</u>	<u>\$ 15,778,299</u>

**NOTE 4. RESTRICTED ASSETS**

***General Fund***

Restricted assets of the General Fund consists of \$2,400 for scholarship and escrow funds.

***Water and Sewer Utility Fund***

Restricted assets of the Water and Sewer Utility Fund consist of the following balances as of September 30, 2008:

Water and sewer improvements construction	\$ 1,182,601
Customers' deposits	754,121
Renewal and replacement reserve	300,000
Debt service reserve	404,455
	<u>\$ 2,641,177</u>

**CITY OF WILTON MANORS, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2008**

**NOTE 5. 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>	<u>Police Training &amp; Education Fund</u>	
General Fund	\$ 457,838	\$ 791,018	\$ 311,872	\$ 41	\$ 1,560,769

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 be paid when funds become available in the payable funds. It is expected that the Road Improvement Fund and the Police Training & Education Funds will pay off their advances in the next fiscal year,. However it is not expected that the GO Bond Fund and the Miscellaneous Grants Fund will be able to repay their respective advances in the upcoming year.

<u>Transfers Out</u>	<u>Transfers In</u>				<u>Total</u>
	<u>General Fund</u>	<u>General Obligation Fund</u>	<u>Utility Fund</u>	<u>Drainage Fund</u>	
General Fund	\$ -	\$ 74,105	\$ -	\$ 108,747	\$ 182,852
Recycling Fund	197,234	-	49,027	3,992	250,253
Fire Assessment Fund	61,421	-	-	-	61,421
Road Improvement Fund	88,034	-	-	-	88,034
Utility Fund	783,405	-	-	-	783,405
Drainage Fund	22,003	-	16,343	-	38,346
	<u>\$ 1,152,097</u>	<u>\$ 74,105</u>	<u>\$ 65,370</u>	<u>\$ 112,739</u>	<u>\$ 1,404,311</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 6. DEBT**

***Business Type Activities Long-Term Debt***

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

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

**CITY OF WILTON MANORS, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2008**

**NOTE 6. DEBT (continued)**

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 \$373,877 at September 30, 2008. This bond was completely paid off on October 1, 2008.

On March 20, 2007, the City issued \$8,999,974 Water and Sewer Revenue Refunding Bonds with an interest rate of 3.77% to advance refund of \$2,590,000 of outstanding 1989 Series Water Bonds and partial refunding of \$1,880,607 of outstanding 1998 Series Water and Sewer Revenue Bonds. The net proceeds from the bonds issuance of \$4,529,367 will be utilized to finance the improvements of the water and sewer infrastructure system. The advance refunding was undertaken to reduce total debt service payments over the next five years by \$279,182 and resulted in an economic gain of \$168,319.

As of September 30, 2008, unspent amount from the bond proceeds was \$1,602,688, which was presented as part of the restricted cash and cash equivalents account.

On March 14, 2008, the City entered into a General Obligation Bank Loan in the amount of \$6,000,000. This debt was authorized by a vote of the citizens on March 14, 2006 for the purpose of the construction of a new City Hall and Police Station. This bank loan has an interest rate of 3.72% payable semi-annually for a term of 20 years. Principal is payable annually in varying amounts through 2028.

The following are the requirements to amortize all debt at September 30, 2008, including unamortized deferred bond refunding costs of \$77,211.

Fiscal Year Ending	General Obligations		Enterprise Funds	
	Bonds Payable and Note Payable		Revenue Bonds	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2009	\$ 406,666	\$ 393,037	\$ 885,142	\$ 323,731
2010	467,347	326,862	941,387	287,748
2011	482,070	306,984	977,371	250,389
2012	497,398	286,505	1,014,729	212,183
2013	513,334	265,402	1,053,406	171,338
2014-2018	2,629,315	991,748	4,482,514	265,155
2019-2023	1,836,617	524,422	-	-
2024-2028	1,948,536	186,375	-	-
	<u>\$ 8,781,283</u>	<u>\$ 3,281,335</u>	<u>\$ 9,354,549</u>	<u>\$ 1,510,544</u>

**CITY OF WILTON MANORS, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2008**

**NOTE 6. DEBT (continued)**

*Changes in Long-Term Liabilities*

Long-term liability activity for the year ended September 30, 2008 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Debt Retired</u>	<u>Ending Balance</u>	<u>Due within One year</u>
<b><u>Governmental Activities:</u></b>					
1999 General Obligation bonds, interest @ 4.378% and principal payable annually of \$256,036, due to mature in June 2019	\$ 2,117,972	\$ -	\$ 136,689	\$ 1,981,283	\$ 144,166
2008 General Obligation bonds, interest @ 3.72% and principal payable annually in varying amounts through 2028.	-	6,000,000	-	6,000,000	162,500
Note payable, interest @ 5% and principal payable annually of \$100,000, due to mature in March 2016	900,000	-	100,000	800,000	100,000
Other Liabilities:					
Compensated absences	<u>624,692</u>	<u>233,898</u>	<u>262,532</u>	<u>596,058</u>	<u>221,831</u>
<b>Total governmental activity debt</b>	<u>3,642,664</u>	<u>6,233,898</u>	<u>499,221</u>	<u>9,377,341</u>	<u>628,497</u>
<b><u>Business-type Activities:</u></b>					
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 \$96,513 in 2007 and \$77,211 in 2008)	1,125,420	-	848,056	277,364	277,364
Series 2007 Water and Sewer Revenue Refunding Bonds, 3.77%, term bonds, interest payable semi-annually, principal payable annually in varying amounts through 2016.	8,999,974	-	-	8,999,974	530,568
Other Liabilities:					
Compensated absences	<u>37,783</u>	<u>330</u>	<u>-</u>	<u>38,113</u>	<u>16,826</u>
<b>Business-type activity long-term Liabilities</b>	<u>10,163,177</u>	<u>330</u>	<u>848,056</u>	<u>9,315,451</u>	<u>824,758</u>
<b>Total governmental and business-type activities debt</b>	<u>\$ 13,805,841</u>	<u>\$ 6,000,330</u>	<u>\$ 1,106,837</u>	<u>\$ 18,699,334</u>	<u>\$ 1,453,255</u>

The City's compensated absences are generally liquidated by the general fund.

**CITY OF WILTON MANORS, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2008**

**NOTE 7. PROPERTY TAXES**

Property taxes are levied and become a lien on real and personal property prior to September 30, and are payable November 1, with discounts of one to four percent if paid prior to March 1 of the following calendar year. All unpaid taxes on real and personal property become delinquent on April 1, and bear interest at the rate of eighteen percent (18%) 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, 2007, upon which the 2007-2008 levy was based, was approximately \$1.27 billion.

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, 2008 was 5.319 per \$ 1,000.

**NOTE 8. 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.

Effective August 1, 2007, the Plan elected to participate in the Florida Retirement System (FRS) and closed the Plan to new members hired on or after August 1, 2007. Current members had thirty days to stay in the plan or to transition to FRS.

*Assets*

The City utilizes the entry age normal cost actuarial cost method. The asset valuation method is a five year smoothed market with phase-in.

**CITY OF WILTON MANORS, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2008**

**NOTE 8. PENSION TRUST (continued)**

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.

On October 1, 2006 (the last plan year valuation date), Plan membership consisted of:

	<u>General and Police</u>	<u>Volunteer Firefighters</u>
Retirees and beneficiaries receiving benefits	56	1
Active plan members	<u>37</u>	<u>9</u>
Total	<u>93</u>	<u>10</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, 2008, \$740,994 is held for DROP participants.

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

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, 2008 and the two preceding years were as follows:

	<u>FY 2008</u>	<u>FY 2007</u>	<u>FY 2006</u>
Contribution Requirements	\$ 1,263,599	\$ 1,229,891	\$ 1,081,629
Contributions Made (100%)	1,263,599	1,229,891	1,081,629
Total Covered Payroll	2,355,661	4,300,000	4,400,000
Contributions Requirements	53.64%	28.60%	24.58%
Net Pension Obligation	None	None	None

**CITY OF WILTON MANORS, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2008**

**NOTE 8. PENSION TRUST (continued)**

The contribution requirements made for the System for the fiscal year ended September 30, 2008 and the preceding two years are as follows:

	<u>FY 2008</u>	<u>FY 2007</u>	<u>FY 2006</u>
Contribution Requirements	\$ 155,049	\$ 187,703	\$ 52,014
Contributions Made (100%)	155,049	187,703	52,014
Net Pension Obligation	None	None	None

The System's 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 ended September 30, 2008, the State of Florida contributed \$155,049 to this Plan. This amount is recognized as income and expenditures in the financial statements.

***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 9. DEFERRED COMPENSATION PLAN**

The City adopted the provisions of IRS Section 457 deferred compensation plan. Employees have the option to join the plan and personal contributions to their own individual accounts to be withheld from their paychecks. The City's involvement is limited to making the plan available to employees and remitting employee contributions directly to the third-party plan administrators who hold the funds in trust. The City does not make any matching contributions to the employees' accounts. The City makes no investment decisions and has no fiduciary responsibilities regarding the plan, therefore, the assets and liabilities of the plan are not included in the City's financial statements at September 30, 2008.

**NOTE 10. 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 \$446,269.

**CITY OF WILTON MANORS, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2008**

**NOTE 11. PRIOR PERIOD ADJUSTMENT**

The beginning balance of the net assets in the governmental activities has been adjusted from the amount previously reported to reflect recording of the net book value of governmental activities' infrastructure. The net effect of this adjustment was to increase the beginning governmental activities' net assets by \$3,865,489.

**NOTE 12. COMMITMENTS AND CONTINGENCIES**

*Grants*

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 \$175,310 and \$113,502 in federal and state grant money, respectively.

*Wastewater Services Interlocal Agreement*

The City has entered into an agreement with the City of Fort Lauderdale to provide it with Fire and EMS services through September 30, 2008. The expenditures by the City for the year ended September 30, 2008 relating to this agreement totaled approximately \$962,730.

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

*Contingencies*

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.

*Construction Commitments*

The City has the following outstanding construction commitments as of September 30, 2008:

Construction of new City Hall and Police Station	\$	6,209,448
Water and sewer improvements		841,489
Drainage improvements		12,338
Park improvements		255,317
Road improvements		71,677
		71,677
	\$	7,390,269

**CITY OF WILTON MANORS, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2008**

**NOTE 13. INDIVIDUAL FUND DISCLOSURES AND EXCESS OF EXPENDITURES OVER APPROPRIATIONS**

At September 30, 2008, the following Special Revenue Funds had deficit fund balances. The City expects to seek and obtain additional grant funding to reduce certain expenditures and any remaining deficiency will be funded by the General Fund.

		Deficit <u>Fund Balance</u>
Special Revenue Funds:		
General obligation bonds fund	\$	313,460
Miscellaneous grants fund		673,496
Road improvement fund		85,470

**NOTE 14. NEW FINANCIAL STANDARDS NOT YET IMPLEMENTED**

GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*; GASB Statement No. 49, *Accounting and Financial Reporting for Pollution Remediation Obligations*; GASB Statement No. 51, *Accounting and Financial Reporting for Intangible Assets* have been issued. The City has not elected early implementation and, therefore, has not determined the financial statement impact of these new pronouncements.



This page is intentionally left blank.

**REQUIRED SUPPLEMENTARY INFORMATION**

**CITY OF WILTON MANORS, FLORIDA**  
**BUDGETARY COMPARISON SCHEDULE - GENERAL FUND**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2008**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		<b>(Negative)</b>
<b>REVENUES:</b>				
Taxes:				
Ad valorem	\$ 6,281,328	\$ 6,281,328	\$ 6,307,226	\$ 25,898
Ad valorem taxes for debt service	229,286	229,286	231,406	2,120
Utility taxes	1,801,156	1,801,156	1,825,721	24,565
Franchise fee	830,400	830,400	1,042,672	212,272
Licenses and permits	718,730	718,730	939,314	220,584
Intergovernmental	1,334,372	1,334,372	1,209,812	(124,560)
Charges for services	429,387	429,387	433,084	3,697
Impact fees	-	-	229,128	229,128
Fines and forfeitures	169,016	169,016	167,537	(1,479)
Interest income	256,987	256,987	174,004	(82,983)
Miscellaneous	26,600	26,600	666,944	640,344
Total revenues	12,077,262	12,077,262	13,226,848	1,149,586
<b>EXPENDITURES:</b>				
Current:				
General government:				
City commission	140,028	140,028	121,747	18,281
City management	392,334	390,834	438,389	(47,555)
City clerk	236,731	236,731	246,395	(9,664)
Finance	503,008	503,008	530,213	(27,205)
Human resources	406,947	394,497	395,026	(529)
City attorney	214,583	214,583	251,799	(37,216)
Non-departmental	932,660	949,663	291,140	658,523
Total general government	2,826,291	2,829,344	2,274,709	554,635
Public safety:				
Police department	5,248,072	5,248,072	5,446,113	(198,041)
Emergency management	277,014	277,014	275,624	1,390
Community service	1,232,388	1,232,388	1,254,812	(22,424)
Total public safety	6,757,474	6,757,474	6,976,549	(219,075)
Public services	542,445	542,445	449,880	92,565
Culture and recreation:				
Library	519,573	519,573	515,369	4,204
Parks and recreation	2,715,218	2,715,218	2,610,623	104,595
Total public safety	3,234,791	3,234,791	3,125,992	108,799
Total expenditures	13,361,001	13,364,054	12,827,130	536,924
Excess (deficiency) of revenues over expenditures	(1,283,739)	(1,286,792)	399,718	612,662
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	1,152,097	1,152,097	1,152,097	-
Transfers out	(182,852)	(182,852)	(182,852)	-
Total other financing sources (uses)	969,245	969,245	969,245	-
Net change in fund balances	\$ (314,494)	\$ (317,547)	1,368,963	\$ 612,662
Fund balances, beginning			5,149,765	
Fund balances, ending			\$ 6,518,728	

See notes to budgetary comparison schedule.

**CITY OF WILTON MANORS, FLORIDA**  
**BUDGETARY COMPARISON SCHEDULE**  
**2008 GENERAL OBLIGATION BOND FUND**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2008**

	<u>Budgeted Amounts*</u>		<u>Actual</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Investments earnings	\$ -	\$ -	\$ 23,514	\$ 23,514
Total revenues	<u>-</u>	<u>-</u>	<u>23,514</u>	<u>23,514</u>
<b>Expenditures:</b>				
Current:				
Capital outlay	<u>-</u>	<u>-</u>	<u>890,552</u>	<u>(890,552)</u>
Total expenditures	<u>-</u>	<u>-</u>	<u>890,552</u>	<u>(890,552)</u>
Deficiency of revenues over expenditures	-	-	(867,038)	(867,038)
Other financing sources (uses):				
Bonds issued	-	-	6,000,000	6,000,000
Bond issue cost	<u>-</u>	<u>-</u>	<u>(35,622)</u>	<u>-</u>
Total other financing sources	<u>-</u>	<u>-</u>	<u>5,964,378</u>	<u>6,000,000</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>5,097,340</u>	<u>\$ 5,132,962</u>
Fund balance, beginning			<u>-</u>	
Fund balance, end			<u>\$ 5,097,340</u>	

\* *The 2008 General Obligation Bond Fund was created mid-fiscal year after the municipal budget was adopted. Therefore, there was not a budget established for this fund and budgeted amounts are not available.*

See notes to budgetary comparison schedule.

## CITY OF WILTON MANORS, FLORIDA

### NOTES TO BUDGETARY COMPARISON SCHEDULE FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2008

The following procedures are used to establish the budgetary data reflected in the financial statements:

#### ***Budgetary Information***

Annual appropriated budgets are adopted for the general fund and fire rescue special revenue fund on a basis consistent with accounting principles generally accepted in the United States of America (GAAP), except for encumbrances, which are reported as expenditures for budgetary purposes. A reconciliation of GAAP to the budgetary basis is shown below. In addition, the City prepares annual operating budgets for the enterprise funds.

During the month of July each year, the City Manager submits to the City Commission a proposed operating budget for the fiscal year commencing October 1. This budget includes proposed expenditures as well as the expected means of financing them. The Commission holds public hearings and a final budget must be prepared and adopted no later than October 1.

The appropriated budget is prepared by fund, function and department. The City Manager is authorized to transfer budgeted line items within a department classification; however, any revisions that alter the department totals must be approved by the City Commission. Therefore, the department level is the legal level of budgetary control. Budgeted amounts are as originally adopted or as amended. Individual type amendments were not material in relation to the original appropriations.

Encumbrance accounting is employed in governmental funds. All unencumbered appropriations lapse at year end are rebudgeted in the next fiscal year.

#### ***Excess of Expenditure over Appropriations***

Expenditures exceeded the budget in the General fund for the fiscal year ended September 30, 2008 at the following department level, which is the legally controlled level of appropriations:

	Budget	Actual	Amount in Excess of Final Budget
General Fund:			
City management	\$ 390,834	\$ 438,389	\$ (47,555)
City clerk	236,731	246,395	(9,664)
Human resources	394,497	395,026	(529)
Finance	503,008	530,213	(27,205)
City attorney	214,583	251,799	(37,216)
Police department	5,248,072	5,446,113	(198,041)
Community service	1,232,388	1,254,812	(22,424)

The over-expenditures resulted from pension contribution requirements that were sharply higher than anticipated when the budget was adopted. They were funded by available fund balance.

#### ***Budget/GAAP Reconciliation***

There are no reconciling items between GAAP and Budget.

**CITY OF WILTON MANORS, FLORIDA**  
**PENSION TRUST FUNDS**  
 REQUIRED SUPPLEMENTARY INFORMATION  
 SCHEDULE OF FUNDING PROGRESS  
 SEPTEMBER 30, 2008  
 (Unaudited)

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded Actuarial Accrued Liability (UAAL) (b) - (a)	Funded Ratio (a)/(b)	Annual Covered Payroll (c)	UAAL as a Percentage of Covered Payroll (b-a)/(c)
--------------------------------	--	---	--	----------------------------	-------------------------------------	--

**CITY OF WILTON MANORS GENERAL EMPLOYEES' AND POLICE PENSION PLAN (in thousands of dollars)**

10/1/2007	\$ 23,215	\$ 30,443	\$ 7,228	\$ 76.3	\$ 2,356	\$ 306.8
10/1/2006	21,701	28,866	7,165	75.2	4,882	146.8
10/1/2005	20,285	26,608	6,323	76.2	4,118	153.5
10/1/2004	19,595	23,206	3,611	84.4	4,497	80.3
10/1/2003	19,018	19,824	806	95.9	4,151	19.4
10/1/2002	17,310	18,691	1,381	92.6	3,895	35.5
10/1/2001	17,353	18,746	1,393	92.6	3,719	37.5

**CITY OF WILTON MANORS VOLUNTARY FIREFIGHTERS' RETIREMENT SYSTEM (in dollars)**

10/1/2007	\$ 593,576	\$ 974,213	\$ 380,637	60.9	N/A	N/A
10/2/2006	482,457	917,677	435,220	52.6	N/A	N/A
10/1/2005	397,713	742,650	344,937	53.6	N/A	N/A
10/1/2004	33,838	683,195	344,812	49.5	N/A	N/A
10/1/2003*	-	-	-	-	-	-
10/1/2002*	-	-	-	-	-	-
10/1/2001	122,981	204,733	81,752	60.1	N/A	N/A

**CITY OF WILTON MANORS, FLORIDA**  
**PENSION TRUST FUNDS**  
 REQUIRED SUPPLEMENTARY INFORMATION  
 SCHEDULE OF CONTRIBUTION FROM EMPLOYER  
 AND OTHER CONTRIBUTING ENTITIES  
 SEPTEMBER 30, 2008  
 (Unaudited)

<b>Fiscal Year Ended</b>	<b>Total General Employees' and Police Retirement System</b>			
	<b>City</b>		<b>State of Florida</b>	
	<b>Annual Required Contribution</b>	<b>Percentage Contributed</b>	<b>Annual Required Contribution</b>	<b>Percentage Contributed</b>
9/30/2008	\$ 1,263,599	100%	-	-
9/30/2007	1,229,891	100%	-	-
9/30/2006	1,081,629	100%	-	-
9/30/2005	799,497	100%	-	-
9/30/2004	719,459	100%	-	-
9/30/2003	572,216	100%	-	-
9/30/2002	359,836	100%	-	-

<b>Fiscal Year Ended</b>	<b>Total Volunteer Firefighters' Retirement System</b>			
	<b>City</b>		<b>State of Florida</b>	
	<b>Annual Required Contribution</b>	<b>Percentage Contributed</b>	<b>Annual Required Contribution</b>	<b>Percentage Contributed</b>
9/30/2008	-	-	\$ 84,187	100.00
9/30/2007	-	-	84,459	100.00
9/30/2006	-	-	52,014	100.00
9/30/2005	-	-	46,877	179.74
9/30/2004	-	-	43,306	185.22
9/30/2003	-	-	14,537	463.69
9/30/2002	-	-	14,537	387.45
9/30/2001	-	-	5,588	840.93



This page is intentionally left blank.

**COMBINING FUND STATEMENTS**

**SPECIAL REVENUE FUNDS**

## NONMAJOR GOVERNMENTAL FUNDS

### SPECIAL REVENUE FUNDS

**Recycling Fund** - to account for the revenues and expenditures associated with solid waste disposal and recycling.

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

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

**Police Training and Education Fund** - to account for monies received for training and professional development.

**Police Forfeiture Fund** – to account 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** – to account 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** – to account for federal, state and local grants.

**General Obligation Bond Fund** - 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.

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



This page is intentionally left blank.

**CITY OF WILTON MANORS, FLORIDA**  
**COMBINING BALANCE SHEET**  
**NON-MAJOR GOVERNMENTAL FUNDS BY FUND TYPE**  
**SEPTEMBER 30, 2008**

	<b>Recycling Fund</b>	<b>Fire Assessment Fund</b>	<b>Local Law Enforcement Block Grant Fund</b>	<b>Police Training and Education Fund</b>	<b>Police Forfeiture Fund</b>	<b>Jenada Assessment Fund</b>	<b>Miscellaneous Grants Fund</b>	<b>General Obligation Bond Fund</b>	<b>Road Improvement Fund</b>	<b>Total</b>
<b>ASSETS</b>										
Equity in pooled cash	\$ 219,535	\$ 31,617	\$ 4,347	\$ 35,707	\$ 97,769	\$ 22,911	\$ -	\$ 144,378	\$ -	\$ 556,264
Cash held by third party	-	69,734	-	-	-	-	-	-	-	69,734
Accounts receivable	195,914	-	-	-	-	-	-	-	-	195,914
Due from other governments	-	-	2,347	1,816	-	-	291,305	-	291,788	587,256
Inventories	25	-	-	-	-	-	-	-	8,404	8,429
Prepaid expenses	-	40,214	-	1,035	-	-	-	-	-	41,249
Total assets	<u>\$ 415,474</u>	<u>\$ 141,565</u>	<u>\$ 6,694</u>	<u>\$ 38,558</u>	<u>\$ 97,769</u>	<u>\$ 22,911</u>	<u>\$ 291,305</u>	<u>\$ 144,378</u>	<u>\$ 300,192</u>	<u>\$ 1,458,846</u>
<b>LIABILITIES</b>										
Accounts payable	\$ 234,831	\$ 2,314	\$ -	\$ -	\$ -	\$ 900	\$ 33,667	\$ -	\$ 73,790	\$ 345,502
Accrued expenses	3,246	12,382	-	-	-	147	1,240	-	-	17,015
Advances from other funds	-	-	-	41	-	-	791,018	457,838	311,872	1,560,769
Unearned revenue	-	970	-	-	-	-	138,876	-	-	139,846
Total liabilities	<u>238,077</u>	<u>15,666</u>	<u>-</u>	<u>41</u>	<u>-</u>	<u>1,047</u>	<u>964,801</u>	<u>457,838</u>	<u>385,662</u>	<u>2,063,132</u>
<b>FUND BALANCES</b>										
Reserved for:										
Inventories	25	-	-	-	-	-	-	-	8,404	8,429
Prepaid expenses	-	40,214	-	1,035	-	-	-	-	-	41,249
Encumbrances	-	-	-	-	-	-	151,910	-	71,677	223,587
Vehicles	9,143	18,375	-	-	-	-	-	-	78,348	105,866
Firetruck	-	176,159	-	-	-	-	-	-	-	176,159
Unreserved:										
Undesignated (deficit)	168,229	(108,849)	6,694	37,482	97,769	21,864	(825,406)	(313,460)	(243,899)	(1,159,576)
Total fund balances	<u>177,397</u>	<u>125,899</u>	<u>6,694</u>	<u>38,517</u>	<u>97,769</u>	<u>21,864</u>	<u>(673,496)</u>	<u>(313,460)</u>	<u>(85,470)</u>	<u>(604,286)</u>
Total liabilities and fund balances	<u>\$ 415,474</u>	<u>\$ 141,565</u>	<u>\$ 6,694</u>	<u>\$ 38,558</u>	<u>\$ 97,769</u>	<u>\$ 22,911</u>	<u>\$ 291,305</u>	<u>\$ 144,378</u>	<u>\$ 300,192</u>	<u>\$ 1,458,846</u>

See notes to basic financial statements.

**CITY OF WILTON MANORS, FLORIDA**  
**COMBINING STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**NON-MAJOR GOVERNMENTAL FUNDS BY FUND TYPE**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2008**

	<u>Recycling Fund</u>	<u>Fire Assessment Fund</u>	<u>Local Law Enforcement Block Grant Fund</u>	<u>Police Training and Education Fund</u>	<u>Police Forfeiture Fund</u>	<u>Jenada Assessment Fund</u>	<u>Miscellaneous Grants Fund</u>	<u>General Obligation Bond Fund</u>	<u>Road Improvement Fund</u>	<u>Total</u>
<b>Revenues:</b>										
Charges for services	\$ 235,530	\$ 30,393	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 17,277	\$ 283,200
Franchise fees	408,842	-	-	-	-	-	-	-	-	408,842
Fines and forfeitures	-	-	-	-	70,140	-	-	-	-	70,140
Special assessments	-	1,121,991	-	4,597	-	13,394	-	-	-	1,139,982
Intergovernmental	-	-	-	-	-	-	-	-	227,285	227,285
Grants	65,226	-	(4,433)	-	-	-	521,375	-	270,000	852,168
Interest income	6,240	5,271	438	1,097	3,922	596	-	5,083	967	23,614
Miscellaneous	-	-	152	-	2,923	-	-	-	10,231	13,306
Total revenues	<u>715,838</u>	<u>1,157,655</u>	<u>(3,843)</u>	<u>5,694</u>	<u>76,985</u>	<u>13,990</u>	<u>521,375</u>	<u>5,083</u>	<u>525,760</u>	<u>3,018,537</u>
<b>Expenditures:</b>										
Current:										
Public safety	-	1,008,432	4,547	10,991	28,222	-	72,317	-	-	1,124,509
Culture and recreation	309,639	-	-	-	-	-	118,940	-	-	428,579
Public services	-	-	-	-	-	8,304	-	-	56,472	64,776
Physical environment	-	-	-	-	-	-	10,175	-	32,477	42,652
Capital Outlay	<u>175,652</u>	<u>103,420</u>	<u>-</u>	<u>-</u>	<u>48,324</u>	<u>-</u>	<u>286,332</u>	<u>-</u>	<u>469,685</u>	<u>1,083,413</u>
Total expenditures	<u>485,291</u>	<u>1,111,852</u>	<u>4,547</u>	<u>10,991</u>	<u>76,546</u>	<u>8,304</u>	<u>487,764</u>	<u>-</u>	<u>558,634</u>	<u>2,743,929</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>230,547</u>	<u>45,803</u>	<u>(8,390)</u>	<u>(5,297)</u>	<u>439</u>	<u>5,686</u>	<u>33,611</u>	<u>5,083</u>	<u>(32,874)</u>	<u>274,608</u>
<b>Other financing sources:</b>										
Transfers in	-	-	-	-	-	-	-	74,105	-	74,105
Transfers out	<u>(250,253)</u>	<u>(61,421)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(88,034)</u>	<u>(399,708)</u>
Total other financing sources	<u>(250,253)</u>	<u>(61,421)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>74,105</u>	<u>(88,034)</u>	<u>(325,603)</u>
<b>Net change in fund balance</b>	<u>(19,706)</u>	<u>(15,618)</u>	<u>(8,390)</u>	<u>(5,297)</u>	<u>439</u>	<u>5,686</u>	<u>33,611</u>	<u>79,188</u>	<u>(120,908)</u>	<u>(50,995)</u>
<b>Fund balance, beginning</b>	<u>197,103</u>	<u>141,517</u>	<u>15,084</u>	<u>43,814</u>	<u>97,330</u>	<u>16,178</u>	<u>(707,107)</u>	<u>(392,648)</u>	<u>35,438</u>	<u>(553,291)</u>
<b>Fund balance, ending</b>	<u>\$ 177,397</u>	<u>\$ 125,899</u>	<u>\$ 6,694</u>	<u>\$ 38,517</u>	<u>\$ 97,769</u>	<u>\$ 21,864</u>	<u>\$ (673,496)</u>	<u>\$ (313,460)</u>	<u>\$ (85,470)</u>	<u>\$ (604,286)</u>

See notes to basic financial statements.

## **FIDUCIARY FUND TYPES**

## **PENSION TRUST FUNDS**

---

**Employee Retirement Funds** – To account for the accumulation of resources to be used for retirement benefits for the City’s General Employees and Police Officers and Firefighters.



This page is intentionally left blank.

**CITY OF WILTON MANORS, FLORIDA**  
**COMBINING STATEMENT OF FIDUCIARY NET ASSETS**  
**PENSION TRUST FUNDS**  
**SEPTEMBER 30, 2008**

	<b>General Employees and Police <u>Pension Fund</u></b>	<b>Volunteer Firefighters <u>Pension Fund</u></b>	<b><u>Total</u></b>
<b>Assets</b>			
Cash and short-term investments	\$ 914,575	\$ 26,881	\$ 941,456
Receivables:			
Employer contributions	396,197	68,183	464,380
Accrued interest and dividends	<u>85,623</u>	<u>2,517</u>	<u>88,140</u>
Total receivables	<u>481,820</u>	<u>70,700</u>	<u>552,520</u>
Investments, at fair value:			
U.S. Government and agency securities	5,129,130	150,756	5,279,886
Corporate bonds and notes	1,785,399	52,477	1,837,876
Domestic equity funds	2,221,059	65,282	2,286,341
Common stocks	10,438,267	306,802	10,745,069
International equity fund	<u>1,040,034</u>	<u>30,569</u>	<u>1,070,603</u>
Total investments	<u>20,613,889</u>	<u>605,886</u>	<u>21,219,775</u>
Total assets	<u>22,010,284</u>	<u>703,467</u>	<u>22,713,751</u>
<b>Liabilities</b>			
Accounts payable and accrued expenses	30,116	-	30,116
Due to Firefighters Retirement System	728,752	-	728,752
Deferred retirement option payable (DROP)	740,994	-	740,994
Prepaid City contribution	85,623	-	85,623
Payable for securities purchased	<u>49,363</u>	<u>1,451</u>	<u>50,814</u>
Total liabilities	<u>1,634,848</u>	<u>1,451</u>	<u>1,636,299</u>
<b>Net Assets</b>			
Net assets held in trust for pension benefits	<u>\$ 20,375,436</u>	<u>\$ 702,016</u>	<u>\$ 21,077,452</u>

**CITY OF WILTON MANORS, FLORIDA**  
 COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS  
 PENSION TRUST FUNDS  
 FOR THE YEAR ENDED SEPTEMBER 30, 2008

	<b>General Employees and Police <u>Pension Fund</u></b>	<b>Volunteer Firefighters <u>Pension Fund</u></b>	<b><u>Total</u></b>
<b>Additions</b>			
Contributions:			
Plan members	\$ 174,393	\$ -	\$ 174,393
City	<u>1,263,599</u>	<u>155,050</u>	<u>1,418,649</u>
Total contributions	<u>1,437,992</u>	<u>155,050</u>	<u>1,593,042</u>
Investment income:			
Net depreciation in fair value of investments	(4,230,958)	(115,657)	(4,346,615)
Interest and dividends	<u>758,608</u>	<u>20,737</u>	<u>779,345</u>
Total	(3,472,350)	(94,920)	(3,567,270)
Less:			
Investment expenses	113,914	-	113,914
Deferred retirement option plan participants' losses	<u>(91,719)</u>	<u>-</u>	<u>(91,719)</u>
Net investment losses	<u>(3,494,545)</u>	<u>(94,920)</u>	<u>(3,589,465)</u>
Total additions (deductions)	<u>(2,056,553)</u>	<u>60,130</u>	<u>(1,996,423)</u>
<b>Deductions:</b>			
Pension benefits paid	1,812,886	27,310	1,840,196
Participants' contributions refunded	263,930	-	263,930
Administrative expenses	<u>92,406</u>	<u>18,961</u>	<u>111,367</u>
Total deductions	<u>2,169,222</u>	<u>46,271</u>	<u>2,215,493</u>
Change in net assets	(4,225,775)	13,859	(4,211,916)
<b>Net Assets Held in Trust for Pension Benefits:</b>			
Beginning of year	<u>24,601,211</u>	<u>688,157</u>	<u>25,289,368</u>
End of year	<u>\$ 20,375,436</u>	<u>\$ 702,016</u>	<u>\$ 21,077,452</u>

### **III. STATISTICAL SECTION**

- **Financial Trends**
- **Revenue Capacity**
- **Debt Capacity**
- **Demographic & Economics**
- **Operating Information**

## City of Wilton Manors, Florida

### Statistical Section

This part of the City of Wilton Manor's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

Contents	Page
<b>Financial Trends</b> – These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	
Net Assets by Component	53
Changes in Net Assets	54-55
Fund Balances, Governmental Funds	56
Changes in Fund Balance, Governmental Funds	57
<b>Revenue Capacity</b> – These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.	
Assessed Value and Estimated Actual Value of Taxable Property	58
Direct and Overlapping Property Tax Rates	59
Principal Property Taxpayers	60
Property Tax Levies and Collections	61
<b>Debt Capacity</b> - 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.	
Ratios of Outstanding Debt by Type	62
Ratios of General Bonded Debt Outstanding	63
Direct and Overlapping Governmental Activities Debt	64
Legal Debt Margin Information	65
Pledged Revenue Coverage	66
<b>Demographic and Economic Information</b> – These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	
Demographic and Economic Statistics	67
Principal Employers	68
Miscellaneous Demographics	69
<b>Operating Information</b> – these schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	
Full-time Equivalent City Government Employees by Function/Program	70
Operating Indicators by Function/Program	71
Capital Asset Statistics by Function/Program	72

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



This page is intentionally left blank.

**CITY OF WILTON MANORS, FLORIDA**  
**NET ASSETS BY COMPONENT**  
Last Six Fiscal Years  
(Accrual Basis of Accounting)

	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>
<b>Governmental Activities</b>						
Invested in Capital Assets, Net of Related Debt	\$ 12,948,670	\$ 13,445,955	\$ 13,957,754	\$ 14,546,968	\$ 18,906,319	\$ 17,321,290
Restricted	-	-	-	-	2,190,996	-
Unrestricted	<u>1,229,094</u>	<u>2,342,258</u>	<u>3,539,170</u>	<u>4,376,109</u>	<u>2,065,628</u>	<u>10,317,638</u>
	<u>14,177,764</u>	<u>15,788,213</u>	<u>17,496,924</u>	<u>18,923,077</u>	<u>23,162,943</u>	<u>27,638,928</u>
<b>Business-type Activities</b>						
Invested in Capital Assets, Net of Related Debt	4,016,222	4,844,075	5,631,174	4,613,924	969,823	8,161,532
Restricted	2,991,488	1,613,939	1,559,205	1,559,205	2,052,990	1,113,439
Unrestricted	<u>456,452</u>	<u>1,366,629</u>	<u>1,263,417</u>	<u>1,689,644</u>	<u>5,805,839</u>	<u>(360,576)</u>
	<u>7,464,162</u>	<u>7,824,643</u>	<u>8,453,796</u>	<u>7,862,773</u>	<u>8,828,652</u>	<u>8,914,395</u>
<b>Primary Government</b>						
Invested in Capital Assets, Net of Related Debt	16,964,892	18,290,030	19,588,928	19,160,892	19,876,142	25,482,822
Restricted	2,991,488	1,613,939	1,559,205	1,559,205	4,243,986	1,113,439
Unrestricted	<u>1,685,546</u>	<u>3,708,887</u>	<u>4,802,587</u>	<u>6,065,753</u>	<u>7,871,467</u>	<u>9,957,062</u>
	<u>\$ 21,641,926</u>	<u>\$ 23,612,856</u>	<u>\$ 25,950,720</u>	<u>\$ 26,785,850</u>	<u>\$ 31,991,595</u>	<u>\$ 36,553,323</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 Five Fiscal Years  
 (Accrual Basis of Accounting)

	2003-04	2004-05	2005-06	2006-07	2007-08
<b>EXPENSES</b>					
<b>Governmental Activities</b>					
General Government	\$ 1,414,246	\$ 1,680,856	\$ 2,136,708	\$ 2,060,947	\$ 2,568,351
Public Safety	6,302,204	6,708,570	6,787,831	7,398,549	8,160,017
Physical Environment	965,435	911,806	2,779,972 *	1,077,506	869,291
Culture and Recreation	2,063,604	2,593,071	2,596,851	3,063,009	3,439,236
Interest on Long-term Debt	124,502	118,680	168,411	200,780	217,741
<b>Total Governmental Activities Expenses</b>	<b>10,869,991</b>	<b>12,012,983</b>	<b>14,469,773</b>	<b>13,800,791</b>	<b>15,254,636</b>
<b>Business-type Activities</b>					
Water and Wastewater	3,441,063	3,561,575	3,726,449	4,185,052	4,920,272
Drainage	299,732	267,584	224,846	274,547	354,413
<b>Total Business-type Activities Expenses</b>	<b>3,740,795</b>	<b>3,829,159</b>	<b>3,951,295</b>	<b>4,459,599</b>	<b>5,274,685</b>
<b>Total Primary Government Expenses</b>	<b>\$ 14,610,786</b>	<b>\$ 15,842,142</b>	<b>\$ 18,421,068</b>	<b>\$ 18,260,390</b>	<b>\$ 20,529,321</b>
<b>PROGRAM REVENUES</b>					
<b>Governmental Activities</b>					
<b>Charges for Services</b>					
General Government	\$ 2,041,279	\$ 2,011,535	\$ -	\$ 996,436	\$ -
Public Safety	1,470,497	2,616,628	2,189,823	1,342,834	1,421,529
Physical Environment	893,622	565,710	1,893,082 *	507,437	417,071
Culture and Recreation	230,069	244,850	540,290	244,081	255,340
Operating Grants/Contributions	N/A	N/A	N/A	1,368,685	852,169
Capital Grants/Contributions	N/A	N/A	N/A	-	-
<b>Total Governmental Activities Program Revenues</b>	<b>4,635,467</b>	<b>5,438,723</b>	<b>4,623,195</b>	<b>4,459,473</b>	<b>2,946,109</b>
<b>Business-type Activities</b>					
<b>Charges for Services</b>					
Water and Wastewater	4,251,905	4,561,813	4,774,159	5,469,707	5,190,185
Drainage	277,337	292,031	326,823	328,559	399,648
Operating Grants/Contributions	N/A	N/A	N/A	-	-
Capital Grants/Contributions	N/A	N/A	N/A	-	-
<b>Total Business-type Activities Program Revenues</b>	<b>4,529,242</b>	<b>4,853,844</b>	<b>5,100,982</b>	<b>5,798,266</b>	<b>5,589,833</b>
<b>Total Primary Government Program Revenues</b>	<b>\$ 9,164,709</b>	<b>\$ 10,292,567</b>	<b>\$ 9,724,177</b>	<b>\$ 10,257,739</b>	<b>\$ 8,535,942</b>
<b>NET (EXPENSE) REVENUE</b>					
Governmental Activities	\$ (6,234,524)	\$ (6,574,260)	\$ (9,846,578) *	\$ (9,341,318)	\$ (12,308,527)
Business-type Activities	788,447	1,024,685	1,149,687	1,338,667	315,148
<b>Total Primary Government Net Expense</b>	<b>\$ (5,446,077)</b>	<b>\$ (5,549,575)</b>	<b>\$ (8,696,891)</b>	<b>\$ (8,002,651)</b>	<b>\$ (11,993,379)</b>

Continued on Next Page

**CITY OF WILTON MANORS, FLORIDA**  
**CHANGES IN NET ASSETS**  
**LAST FIVE FISCAL YEARS**  
 (Accrual Basis of Accounting)

	2003-04	2004-05	2005-06	2006-07	2007-08
<b>GENERAL REVENUES AND TRANSFERS</b>					
<b>Governmental Activities</b>					
Property Taxes	\$ 4,016,062	\$ 4,753,466	\$ 5,724,191	\$ 6,677,263	\$ 6,538,632
Other Taxes	2,476,395	2,589,539	2,907,770	2,535,611	3,506,362
Investment Earnings	-	82,583	244,358	351,841	221,132
Unrestricted Grants	-	-	1,516,913	1,429,212	1,437,096
Other	98,941	329,149	232,589	1,142,003	1,619,564
Transfers	540,040	528,234	646,910	751,742	643,642
<b>Total Governmental Activities Revenues</b>	<b>7,131,438</b>	<b>8,282,971</b>	<b>11,272,731</b>	<b>12,887,672</b>	<b>13,966,428</b>
<b>Business-type Activities</b>					
Investment Earnings	33,719	70,967	127,319	293,945	143,182
Unrestricted Grants	-	-	211,107	-	-
Other	78,355	61,735	48,531	85,009	271,056
Transfers	(540,040)	(528,234)	(646,910)	(751,742)	(643,642)
<b>Total Business-type Activities Revenues</b>	<b>(427,966)</b>	<b>(395,532)</b>	<b>(259,953)</b>	<b>(372,788)</b>	<b>(229,404)</b>
<b>Total Primary Government Revenues</b>	<b>\$ 6,703,472</b>	<b>\$ 7,887,439</b>	<b>\$ 11,012,778</b>	<b>\$ 12,514,884</b>	<b>\$ 13,737,024</b>
<b>CHANGES IN NET ASSETS</b>					
Governmental Activities	\$ 896,914	\$ 1,708,711	\$ 1,426,153	\$ 3,546,354	\$ 1,657,901
Business-type Activities	360,481	629,153	889,734	965,879	85,744
<b>Total Primary Government</b>	<b>\$ 1,257,395</b>	<b>\$ 2,337,864</b>	<b>\$ 2,315,887</b>	<b>\$ 4,512,233</b>	<b>\$ 1,743,645</b>

\* In Fiscal Year 2005-06, the increase in physical environment expenditures and related operating grants was due to the recovery costs from Hurricanes Katrina and Wilma, and the related reimbursements from federal and state sources.

**CITY OF WILTON MANORS, FLORIDA**  
**FUND BALANCES - GOVERNMENTAL FUNDS**  
 Last Five Fiscal Years  
 (Modified Accrual Form of Accounting)

	2003-04	2004-05	2005-06	2006-07	2007-08
General Fund					
Reserved	\$ 1,028,219	\$ 1,322,666	\$ 1,779,541	\$ 1,847,108	\$ 3,034,738
Unreserved	1,317,549	1,350,519	2,941,943	3,302,658	3,483,990
	<u>\$ 2,345,768</u>	<u>\$ 2,673,185</u>	<u>\$ 4,721,484</u>	<u>\$ 5,149,766</u>	<u>\$ 6,518,728</u>
All Other Governmental Funds					
Reserved	\$ 643,475	\$ 170,884	\$ 200,006	\$ 343,887	\$ 555,290
Unreserved, Reported In Special Revenue	(127,869)	319,273	(249,098)	(897,179)	3,937,764
	<u>\$ 515,606</u>	<u>\$ 490,157</u>	<u>\$ (49,092)</u>	<u>\$ (553,292)</u>	<u>\$ 4,493,054</u>

**CITY OF WILTON MANORS, FLORIDA**  
**CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**  
 Last Ten Fiscal Years  
 (Modified Accrual Basis of Accounting)

	2003-04	2004-05	2005-06	2006-07	2007-08
<b>REVENUES</b>					
Ad Valorem Taxes - Operating	\$ 3,760,912	\$ 4,464,191	\$ 5,375,753	\$ 6,446,700	\$ 6,307,226
Ad Valorem Taxes - Debt Service	255,150	289,275	348,438	230,564	231,406
Franchise Taxes	918,458	946,635	1,120,519	793,113	1,451,514
Utility Service Taxes	1,557,937	1,642,904	1,674,382	1,742,498	1,825,721
Licenses and Permits	596,309	1,237,688	1,012,557	996,436	939,314
Intergovernmental	2,041,279	2,011,536	2,751,543	2,458,351	1,437,097
Charges for Services	568,092	612,658	613,275	702,081	716,284
Fines and Forfeitures	407,164	310,487	173,702	274,895	237,677
Impact Fees	-	225,654	112,869	89,992	229,128
Special Assessments	936,477	1,040,703	993,537	1,027,384	1,139,982
Donations	34,108	94,569	316,707	1,090	100
Other	150,979	317,160	449,752	496,318	1,753,450
<b>Total Revenues</b>	<b>11,226,865</b>	<b>13,193,460</b>	<b>14,943,034</b>	<b>15,259,422</b>	<b>16,268,899</b>
<b>EXPENDITURES</b>					
Current					
General Government	1,271,701	1,447,971	1,613,291	1,772,521	1,866,577
Public Safety	6,127,273	6,448,340	6,457,864	7,008,181	8,084,855
Physical Environment	889,533	826,076	2,696,942 *	984,544	525,533
Culture and Recreation	1,856,161	2,161,440	2,483,280	2,766,439	3,068,679
Nondepartmental	37,131	85,646	200,010	-	-
Capital Outlay	1,031,700	1,302,455	1,974,435	3,176,110	2,591,459
Debt Service					
Principal Retirement	129,647	135,380	398,967	233,209	239,583
Interest and Fiscal Charges	126,389	120,656	147,867	146,077	84,925
<b>Total Expenditures</b>	<b>11,469,535</b>	<b>12,527,964</b>	<b>15,972,656</b>	<b>16,087,081</b>	<b>16,461,611</b>
Excess of Revenues Over (Under)					
Expenditures	(242,670)	665,496	(1,029,622)	(827,659)	(192,712)
<b>OTHER FINANCING SOURCES (USES)</b>					
Debt Issuance	-	-	1,000,000	-	5,964,378
Transfers In	967,252	1,010,562	1,072,511	1,300,048	1,226,202
Transfers Out	(427,212)	(482,328)	(425,601)	(548,306)	(582,560)
<b>Total Other Financing Sources (Uses)</b>	<b>540,040</b>	<b>528,234</b>	<b>1,646,910</b>	<b>751,742</b>	<b>6,608,020</b>
<b>Net Change in Fund Balances</b>	<b>\$ 297,370</b>	<b>\$ 1,193,730</b>	<b>\$ 617,288</b>	<b>\$ (75,917)</b>	<b>\$ 6,415,308</b>
Debt Service as a Percentage of					
Non-capital Expenditures	2.45%	2.28%	3.91%	2.94%	2.34%

\* In Fiscal Year 2005-06, the increase of physical environment expenditures was due to the recovery costs from Hurricanes Katrina and Wilma.

**CITY OF WILTON MANORS, FLORIDA**  
 Assessed Value and Estimated Actual Value of Taxable Property  
 Last Ten Fiscal Years

Tax Roll Year	City's Fiscal Year	Residential	Commercial	Industrial	Other Real Property	Personal Property	Less: Tax Exemptions	Total Taxable Assessed Value	% Change in Total Taxable Assessed Value	City Direct Tax Rate	Estimated Actual Market Value	Total Assessed Value as a Percent of Market Value	Number of Parcels of Real Property
1998	1998-99	374,436,703	57,520,080	9,296,650	32,290,070	26,049,067	121,052,914	378,539,656	6%	6.0330	499,592,570	75.8%	4,663
1999	1999-00	395,943,494	60,110,730	11,202,580	35,646,130	28,506,180	128,921,581	402,487,533	6%	6.6363	531,409,114	75.7%	4,664
2000	2000-01	438,622,792	65,842,420	12,282,560	39,251,220	33,905,530	150,974,246	438,930,276	9%	6.9330	589,904,522	74.4%	4,638
2001	2001-02	515,492,821	72,767,350	13,834,260	41,134,020	35,423,730	193,596,826	485,055,355	11%	6.8009	678,652,181	71.5%	4,638
2002	2002-03	649,636,082	83,218,070	15,765,040	40,746,790	37,231,906	274,248,272	552,349,616	14%	6.5789	826,597,888	66.8%	4,642
2003	2003-04	807,928,397	95,255,050	17,637,500	46,505,230	35,539,476	357,688,467	645,177,186	17%	6.5140	1,002,865,653	64.3%	4,721
2004	2004-05	927,688,900	107,883,220	13,942,590	53,502,810	37,456,449	407,687,055	732,786,914	14%	6.7935	1,140,473,969	64.3%	4,750
2005	2005-06	1,159,381,329	125,894,820	15,843,920	57,354,070	32,678,198	518,340,027	872,812,310	19%	6.6036	1,391,152,337	62.7%	4,908
2006	2006-07	1,474,405,863	139,468,500	19,252,370	64,057,100	31,520,831	660,236,987	1,068,467,677	22%	6.5000	1,728,704,664	61.8%	5,351
2007	2007-08	1,637,247,290	157,941,260	19,992,110	92,995,180	33,967,108	675,846,884	1,266,296,064	19%	5.3219	1,942,142,948	65.2%	5,451

Sources: Broward County Property Appraiser, and Florida Department of Revenue: Property Valuations and Tax Data Book.

**CITY OF WILTON MANORS, FLORIDA**  
**PROPERTY TAX MILLAGE RATES\***  
**DIRECT AND OVERLAPPING GOVERNMENTS**  
**LAST TEN FISCAL YEARS**

Tax Roll Year	Fiscal Year	City of Wilton Manors			Overlapping Rates**						Total Millage Rate
		Operating	Debt Service	Total City	Broward County	Broward County Schools	South Florida Water Management District	Florida Inland Navigation District	Broward Children's Services Council	North Broward Hospital District	
1998	1998-99	6.0330	0.0000	6.0330	7.5710	9.7256	0.6970	0.0470	0.0000	2.5000	26.5736
1999	1999-00	5.9666	0.6697	6.6363	7.5710	9.1283	0.6970	0.0440	0.0000	2.4895	26.5661
2000	2000-01	6.3243	0.6087	6.9330	7.5250	8.9553	0.6970	0.0410	0.0000	2.4803	26.6316
2001	2001-02	6.2467	0.5542	6.8009	7.4005	9.0596	0.6970	0.0385	0.0000	2.4803	26.4768
2002	2002-03	6.1005	0.4784	6.5789	7.3650	9.2141	0.6970	0.0385	0.3055	2.4803	26.6793
2003	2003-04	6.1005	0.4135	6.5140	7.1880	8.8096	0.6970	0.0385	0.3316	2.5000	26.0787
2004	2004-05	6.3800	0.4135	6.7935	7.0230	8.2695	0.6970	0.0385	0.3920	2.4803	25.6938
2005	2005-06	6.3800	0.2236	6.6036	6.7830	8.0623	0.6970	0.0385	0.4231	2.1746	24.7821
2006	2006-07	6.2764	0.2236	6.5000	6.0661	7.8687	0.6970	0.0385	0.4073	1.8317	23.4093
2007	2007-08	5.1340	0.1879	5.3219	5.2868	7.6484	0.6240	0.0345	0.3572	1.6255	20.8983

Millage rates are used to calculate property taxes on each \$1,000 of taxable property.  
For example, the tax on property with a taxable value of \$100,000 taxed at 2.0000 mills would be \$200.00

\* State law requires all counties to assess at 100% valuation and limits millage for operating purposes to ten mill

\*\* Overlapping rates are those of local and county governments that apply to property owners within the Cit

Source: Broward County Property Appraiser

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

Taxpayer	Type of Business	Fiscal Year 2006-2007		
		Taxable Assessed Value	Rank	Percent of Total Taxable Assessed Value
Marrinson Group Inc.	Retirement Home - Nursing Home	\$ 21,321,350	1	1.7%
Wilton Manors Developers LLC	Real Estate - Residential	18,530,000	2	1.5%
Stiles/BLP LLP	Real Estate - Commercial	11,399,180	3	0.9%
USAT Corp.	Real Estate - Residential	9,699,870	4	0.8%
Wilton Station LLC	Real Estate - Residential	9,586,670	5	0.8%
Williams, Carol; Rook, Marilyn, et al	Real Estate - Commercial	8,149,120	6	0.7%
CAR Five Corners Plaza	Real Estate - Commercial	7,928,310	7	0.6%
2675 N Andrews LLC	Nursing Home	5,233,930	8	0.4%
Moss Office Building LLC	Real Estate - Commercial	5,009,400	9	0.4%
New Urban/Middle River LLC	Real Estate - Commercial	4,807,070	10	0.4%
		<u>\$ 101,664,900</u>		<u>8.2%</u>

Total City Taxable Assessed Value \$ 1,232,830,530

Taxpayer	Type of Business	Fiscal Year 1998-1999		
		Taxable Assessed Value	Rank	Percent of Total Taxable Assessed Value
Manor Pines Realty	Retirement Home	\$ 6,611,380	1	1.9%
Independence Apartments	Retirement Home	5,355,670	2	1.5%
Atlantic Securities, Inc.	Real Estate	4,951,080	3	1.4%
Wilton Towers	Real Estate/Apartment Rentals	3,990,000	4	1.1%
Unicare Health Facilities	Retirement Home	3,862,120	5	1.1%
American Equities	Real Estate/Shopping Center	3,609,450	6	1.0%
Schmitt, Kathleen and Zimmerman	Real Estate/Shopping Center	3,228,750	7	0.9%
Camelot West Apartments	Real Estate/Apartment Rentals	2,259,600	8	0.6%
Shopping Plaza at Wilton Manors	Real Estate/Shopping Center	2,090,820	9	0.6%
William Thies & Sons	Wholesale Distributing	2,019,850	10	0.6%
		<u>\$ 37,978,720</u>		<u>10.8%</u>

Total City Taxable Assessed Value \$ 350,345,622

Source: Broward County Property Appraiser.

**CITY OF WILTON MANORS, FLORIDA**  
**PROPERTY TAX LEVIES AND COLLECTIONS**  
 Last Ten Fiscal Years

Fiscal Year	Property Tax Levy	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
1998-99	2,261,554	2,182,935	96.5%	6,987	2,189,922	96.8%
1999-00	2,658,875	2,559,409	96.3%	13,923	2,573,332	96.8%
2000-01	3,002,920	2,893,557	96.4%	35,569	2,929,126	97.5%
2001-02	3,234,729	3,130,335	96.8%	8,453	3,138,788	97.0%
2002-03	3,586,457	3,466,811	96.7%	-	3,466,811	96.7%
2003-04	4,155,060	4,005,648	96.4%	10,414	4,016,062	96.7%
2004-05	4,933,050	4,747,254	96.2%	6,212	4,753,466	96.4%
2005-06	5,923,289	5,700,801	96.2%	23,390	5,724,191	96.6%
2006-07	6,436,678	6,443,790	100.1%	527,971	6,971,761	108.3%
2007-08	6,263,166	5,779,255	92.3%	-	5,779,255	92.3%

**CITY OF WILTON MANORS, FLORIDA**  
**RATIO OF OUTSTANDING DEBT BY TYPE**  
 Last Ten Fiscal Years

Fiscal Year	Population	Per Capita Personal Income	Governmental Activities				Business-Type Activities		Total Primary Government	Per Capita	Percentage of Per Capita Personal Income
			General Obligation Bonds	Revenue Bonds	Note Payable	Capital Leases	Revenue Bonds				
1998-99	11,886	29,158	3,350,000	155,983	4,637	-	11,312,599	14,662,599	1,234	4.2%	
1999-00	12,697	30,716	3,274,580	77,991	-	-	10,671,847	13,946,427	1,098	3.6%	
2000-01	12,744	31,512	3,162,047	-	-	-	9,998,567	13,160,614	1,033	3.3%	
2001-02	12,790	32,232	3,043,237	-	-	-	9,298,796	12,342,033	965	3.0%	
2002-03	12,697	32,650	2,919,090	-	-	-	8,567,646	11,486,736	905	2.8%	
2003-04	12,414	34,560	2,789,448	-	-	-	7,809,849	10,599,297	854	2.5%	
2004-05	12,282	37,403	2,654,068	-	-	-	7,091,152	9,745,220	793	2.1%	
2005-06	12,546	39,743	2,255,101	-	1,000,000	-	6,335,933	8,591,034	685	N/A	
2006-07	12,848	N/A	2,122,896	-	900,000	-	10,221,907	12,344,803	961	N/A	
2007-08	12,929	N/A	7,979,916	-	800,000	-	9,373,851	17,353,767	1,342	N/A	

Per Capita Personal Income Data is not available for Wilton Manors. The data used is for Broward County. Source: US Bureau of Economic Analysis. Population Data is from the University of Florida Bureau of Economic and Business Research, and the Florida Department of Revenue.

**CITY OF WILTON MANORS, FLORIDA**  
**RATIO OF GENERAL BONDED DEBT OUTSTANDING**  
 Last Ten Fiscal Years

Fiscal Year	Population	Estimated Actual Taxable Value	General Obligation Bonds	Percentage of Actual Taxable Value of Property	Per Capita
1998-99	11,886	\$ 378,539,656	\$ 3,505,983	0.93%	\$ 295
1999-00	12,697	402,487,533	3,352,571	0.83%	264
2000-01	12,744	438,930,276	3,162,123	0.72%	248
2001-02	12,790	485,055,355	3,043,237	0.63%	238
2002-03	12,697	552,349,616	2,919,090	0.53%	230
2003-04	12,414	645,177,186	2,789,448	0.43%	225
2004-05	12,282	732,786,914	2,654,068	0.36%	216
2005-06	12,546	872,812,310	2,255,101	0.26%	180
2006-07	12,848	1,068,467,677	2,122,896	0.20%	165
2007-08	12,929	1,266,296,064	8,779,916	0.69%	679

**CITY OF WILTON MANORS, FLORIDA**  
**DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES NET DEBT**  
September 30, 2008

	Net Debt Outstanding	Estimated Amount Applicable to Wilton Manors	Estimated Share of Overlapping Net Debt	Per Capita
<b><u>Direct Debt</u></b>	<b><u>\$ 8,779,916</u></b>	<b>100.00%</b>	<b><u>\$ 8,779,916</u></b>	<b><u>\$ 683</u></b>
<b><u>Overlapping Debt</u></b>				
Debt Repaid with Property Taxes				
Broward County				
General Obligation Bonds	493,615,000			
School Board of Broward County				
General Obligation Bonds				
Certificates of Participation	1,903,179,000			
Other Debt:				
Broward County				
Special Obligation Bonds	193,890,000			
School Board of Broward County				
Special Obligation Bonds	<u>77,545</u>			
<b>Total Overlapping Debt</b>	<b><u>\$ 2,590,761,545</u></b>	<b>0.67%</b>	<b><u>\$ 17,358,102</u></b>	<b><u>\$ 1,351</u></b>
<b>Total Direct And Overlapping Debt</b>	<b><u><u>\$ 2,599,541,461</u></u></b>		<b><u><u>\$ 26,138,018</u></u></b>	<b><u><u>\$ 2,034</u></u></b>

	Wilton Manors	Broward County	Percentage
Population	12,929	1,758,494	0.74%
Taxable Assessed Value of Property	1,266,296,064	167,115,122,927	0.76%

Sources: Broward County Property Appraiser, Broward County Accounting Division, and School Board of Broward County.

**CITY OF WILTON MANORS, FLORIDA**  
**LEGAL DEBT MARGIN**

There is no legal debt margin established either by City Charter or by Florida Statutes.

**CITY OF WILTON MANORS, FLORIDA**  
**PLEDGED REVENUE\* COVERAGE**  
 Last Nine Fiscal Years

Fiscal Year	Utility Service Charges	Less: Operating Expenses**	Net Available Revenue	Principal	Interest	Coverage
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
2006-07	6,287,400	4,606,152	1,681,247	806,438	484,331	1.30
2007-08	5,461,241	3,754,669	1,706,572	848,056	390,813	1.38

\* Pledged revenues consist of essentially all revenues of the Water and Sewer Enterprise Fund.

\*\* Total Operating Expenses less depreciation, amortization and interest expenses.

**CITY OF WILTON MANORS, FLORIDA**  
**DEMOGRAPHIC AND ECONOMIC STATISTICS**  
 Last Ten Fiscal Years  
 And the Four Preceding Decennial Census Years

Fiscal Year	Wilton Manors Population	Broward County Population	Broward County Personal Income	County Per Capita Personal Income	County Unemployment Rate
1959-60	8,257	333,946	N/A	N/A	N/A
1969-70	10,949	627,868	\$ 3,102,129	\$ 4,941	N/A
1979-80	12,742	1,026,062	12,459,409	12,143	N/A
1989-90	11,804	1,263,301	29,311,774	23,203	5.9%
1998-99	11,886	1,594,130	46,481,179	29,158	4.2%
1999-00	12,697	1,632,291	50,137,561	30,716	3.8%
2000-01	12,744	1,669,678	52,614,372	31,512	4.2%
2001-02	12,790	1,701,763	54,850,632	32,232	5.6%
2002-03	12,697	1,722,971	56,254,396	32,650	5.3%
2003-04	12,414	1,745,691	60,331,477	34,560	4.4%
2004-05	12,282	1,770,707	66,230,212	37,403	3.5%
2005-06	12,546	1,772,745	70,454,147	39,743	3.2%
2006-07	12,848	1,819,622	N/A	N/A	3.8%
2007-08	12,929	1,758,494	N/A	N/A	6.1%

\* Personal income in thousands of dollars

Sources: Fort Lauderdale population obtained from the Bureau of Economic and Business Research, University of Florida. Broward County population and personal income obtained from the Bureau of Economic Analysis, U.S. Department of Commerce. Unemployment rates obtained from the Bureau of Labor Statistics, U.S. Department of Labor.

**CITY OF WILTON MANORS, FLORIDA**  
**PRINCIPAL EMPLOYERS**

Reliable information is not available on City of Wilton Manors employer  
However, the following employers are believed to be the City's principal employers.  
(Listed in alphabetical order.)

City of Wilton Manors  
Kids in Distress  
Marrinson Group  
Marrinson Group, Inc.  
Pace Center for Girls  
Publix Supermarkets  
School Board of Broward County  
Wilton Manors Rehabilitation Center/Palm Court

**CITY OF WILTON MANORS, FLORIDA**  
**MISCELLANEOUS STATISTICS**

Date of Incorporation: September, 1947

Date of Adoption of City Charter: June 4, 1953

Form of City Government: City Commission/Manage

City Commission: Consists of Mayor and Four Commissioners Elected At-Large

Area:

Square Miles	2.67
Miles of streets	47.3
Miles of waterways	13.7
Miles of sidewalks	7.1

Police Department:

Stations	1
Uniformed officers	28
Nonuniformed officers	6

Water & Sewer Utilities:

Active accounts - Water	4,151
Active accounts - Sewer	4,010

Recreation & open space (approximately 66 acres):

Colohatchee Park  
Coral Gardens Park  
Donn Eisele Park  
Hagen Park  
Island City Park Preserve  
Jaycee Park  
Mickel Field  
Rachel Richardson Park  
Richardson Historical Park  
Veteran's Park  
Wilton Manors Elementary School

Source: Various City Departments.

**CITY OF WILTON MANORS, FLORIDA**  
**FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION**  
 Last Ten Fiscal Years

FUNCTION:	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08
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	11.7	10.8	11.4	11.6	11.6	12.9	12.3	13.4	14.3	14.1
Public Safety										
Police and Fire	47.4	48.4	47.0	47.0	47.0	47.1	45.0	43.5	43.5	44.0
Community Services	5.9	6.9	7.4	7.4	7.6	10.6	10.5	10.8	8.8	8.3
Physical Environment										
Public Works	12.7	12.7	12.7	13.0	13.0	11.0	11.0	11.0	13.0	13.0
Culture and Recreation										
Leisure Services	36.9	36.5	37.8	36.5	38.4	41.0	41.4	43.7	43.8	41.1
<b>Total</b>	<b>117.1</b>	<b>117.8</b>	<b>118.8</b>	<b>118.0</b>	<b>120.1</b>	<b>125.1</b>	<b>122.7</b>	<b>124.9</b>	<b>125.9</b>	<b>123.0</b>

Source: Various City Departments.

**CITY OF WILTON MANORS, FLORIDA**  
**OPERATING INDICATORS BY FUNCTION**  
 Last Six Fiscal Years

FUNCTION:	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08
General Government						
Occupational Licenses Issued	1,353	1,266	1,200	1,195	998	998
Public Safety						
Physical Arrests	366	396	371	293	362	472
Traffic Violations	9,624	9,625	7,440	3,092	3,910	4,716
Parking Violations	124	132	87	71	695	877
Fire/EMS Emergency Responses	1,952	1,995	1,946	1,979	3,123	3,210
Fire Inspections	1,961	2,270	2,193	3,401	3,755	2,311
Building Permits Issued	1,845	1,231	1,423	1,983	1,477	1,008
Physical Environment						
New Water Connections	35	74	46	97	29	11
Water Main Breaks	N/A	8	11	4	5	5
Average Daily Water Consumption *	1,530	1,634	1,656	1,655	1,511	1,450
Average Daily Sewage Treatment *	1,293	1,539	1,957	1,649	1,862	2,340
Culture and Recreation						
Athletic Programs	10	10	10	10	4	3
Volumes in Library Collection	22,245	23,083	24,575	29,132	32,581	27,212
Total Volumes Borrowed	43,028	42,743	41,641	54,012	36,362	35,918

\* Thousands of Gallons

Source: Various City Departments.

**CITY OF WILTON MANORS, FLORIDA**  
**CAPITAL ASSET STATISTICS BY FUNCTION**  
 Last Five Fiscal Years

Function:	2003-04	2004-05	2005-06	2006-07	2007-08
<b>Public Safety</b>					
Police Stations	1	1	1	1	1
Police Patrol Units	34	39	35	22	25
Fire Stations	1	1	1	1	1
Fire Hydrants	246	248	249	261	249
<b>Physical Environment</b>					
Miles of Sanitary Sewers	34	34	34	35.7	35.7
Miles of Storm Sewers	2.5	2.5	2.5	3.8	3.8
Wastewater Lift Stations	12	12	12	12	12
Acres of Lakes and Canals	14	14	14	14	14
<b>Culture and Recreation</b>					
Parks Acreage	66	66	66	66	66
Parks/Schools	8	8	8	8	8
Playgrounds	5	5	5	5	4
Baseball/Softball Diamonds	3	3	3	3	3
Soccer/Football Fields	2	2	2	2	3
Basketball Courts	6	6	6	6	5
Volleyball Courts	2	2	2	2	2
Roller Hockey/Multipurpose Court	1	1	1	1	0
Multi-Use Fields					7
Tennis Courts	6	6	6	6	6
Boat Ramps	1	1	1	1	1
Canoe Launch Sites	3	3	3	3	3
Shelters/Pavilions	8	8	8	8	8
Fitness Center	0	0	0	1	1
Community Multipurpose Centers	2	2	2	2	2
Libraries	1	1	1	1	1

Source: Various City Departments.

## **IV. COMPLIANCE SECTION**

- **Independent Auditors' Report on Internal Control over Financial Reporting & on Compliance & Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards***
- **Management Letter in Accordance with the Rules of the Auditor General of the State of Florida**



**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**

Honorable Mayor and Members of the City Commission  
City of Wilton Manors, Florida

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Wilton Manors, Florida (the "City") as of and for the year ended September 30, 2008, and have issued our report thereon dated June 9, 2009. 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 of America.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the City's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

## Compliance and Other Matters

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

We noted certain matters that we reported to the management of the City in a separate letter dated June 9, 2009.

This report is intended solely for the information and use of the Mayor, City Commission, management, the Auditor General of the State of Florida, and is not intended to be and should not be used by anyone other than those specified parties.

Fort Lauderdale, Florida  
June 9, 2009

*TCBA Water Rice LLP*



**MANAGEMENT LETTER IN ACCORDANCE WITH THE RULES OF  
THE AUDITOR GENERAL OF THE STATE OF FLORIDA**

Honorable Mayor and City Commission  
City of Wilton Manors, Florida

We have audited the basic financial statements of the City of Wilton Manors, Florida (the "City") as of and for the fiscal year ended September 30, 2008, and have issued our report thereon dated June 9, 2009.

We conducted our audit in accordance with auditing standards generally accepted in the United of America; the standards applicable to financial audits contained in *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 Compliance and Other Matters. Disclosures in those reports and schedules, which are dated June 9, 2009, should be considered in conjunction with this management letter.

Additionally, our audit was conducted in accordance with the provisions of Chapter 10.550, Rules of the Auditor General, which governs the conduct of local governmental entity audits performed in the State of Florida. This letter includes the following information, which is not included in the aforementioned auditor's reports or schedule:

- Section 10.554(1)(i)1., Rules of the Auditor, requires that we determine whether or not corrective actions have been taken to address significant findings and recommendations made in the preceding annual financial audit report. The status of recommendations made in the prior year management letters have been addressed in the Status of Prior Year's Findings and Recommendations and described on pages 80 to 83.
- Section 10.554(1)(i)2., Rules of the Auditor General, requires our audit to include 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 of Wilton Manors, Florida complied with Section 218.415, Florida Statutes.
- Section 10.554(1)(i)3., Rules of the Auditor General, requires that we address in the management letter any recommendations to improve financial management. In connection with our audit, we have included our recommendations herein.
- Section 10.554(1)(i)4., Rules of the Auditor General, requires that we address violations of laws, regulations, contracts or grant agreements, or abuse that have occurred, or likely to have occurred, that have an effect on the determination of financial statement amounts that is less than material but more than inconsequential. In connection with our audit, we did not have any such findings.
- Section 10.554(1)(i)5., Rules of the Auditor General, provides that the auditor may, based on professional judgment, report the following matters unless inconsequential to the determination of financial statement amounts, considering both quantitative and

qualitative factors: (1) violations of laws, regulations, contracts or grant agreements, or abuse that have occurred, or are likely to have occurred, and (2) control deficiencies that are not significant deficiencies, including, but not limited to: (a) improper or inadequate accounting procedures (e.g. the omission of required disclosures from annual financial statements); (b) failures to properly record financial transactions; and (c) inaccuracies, shortages, defalcations, and instances of fraud discovered by, or that come to the attention of, the auditor. In connection with our audit, we have included our recommendation described as ML-2008-03 & ML-2008-04.

- Section 10.554(1)(i)6., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. The City of Wilton Manors, Florida was incorporated in accordance with House Bill no. 1413 on June 20, 1960. There are no components units related to the City.
- Section 10.554(1)(i)7.a., Rules of the Auditor General, requires a statement 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, and identification of the specific conditions met. In connection with our audit, we determined that the City of Wilton Manors, Florida, did not meet any of the conditions described in Section 218.503(1), Florida Statutes.
- Section 10.554(1)(i)7.b., Rules of the Auditor General, requires that we determine whether the annual financial report for the City of Wilton Manors, Florida, for the fiscal year ended September 30, 2008, 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, 2008. In connection with our audit, we determined that these two reports were in agreement. We have also included our recommendation described as ML-2008-01.
- Pursuant to Sections 10.554(i)7.c. and 10.556(7), Rules of the Auditor General, we applied financial condition assessment procedures. It is management's responsibility to monitor the City'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.

Pursuant to Chapter 119, Florida Statutes, this management letter is a public record and its distribution is not limited. Auditing standards generally accepted in the United States of America require us to indicate that this letter is intended solely for the information and use of the Mayor, City Commission and management, and the Florida Auditor General, and is not intended to be and should not be used by anyone other than these specified parties.

Fort Lauderdale, Florida  
June 9, 2009

*TCBA Watson Rice LLP*

# CITY OF WILTON MANORS, FLORIDA

Management Letter  
Fiscal Year Ended September 30, 2008

## I. CURRENT YEAR'S FINDINGS AND RECOMMENDATIONS

### **ML-2008-01 Strictly Follow Uniform Accounting System**

#### *Finding*

We noted that some of the City's special revenue, capital project and debt services funds are using codes outside of the set numbers prescribed in the Uniform Accounting System Manual provided by the Department of Financial Services.

#### *Recommendation*

We suggest that the City change the fund number of the following funds to conform with the prescribed codes for specific fund groups:

- Local Law Enforcement Block Grant
- Police Training and Education Fund
- Police Forfeiture Fund
- Road Improvement Fund

#### *Management's Response*

The Finance Department converted all existing accounts and corresponding history to a new accounting system during Fiscal Year 2007-2008. Now that this conversion is complete, Management will be updating the funds, balance sheet, revenue, and expenditure codes to be in conformity with the latest Uniform Accounting System Manual.

### **ML-2008-02 Update the City's Policies and Procedures**

#### *Finding*

We noted that the City's policies and procedures are outdated. Also, we noted that the City does not have documented policies and procedures on year-end closing procedures and fixed assets management and disposal process.

#### *Recommendation*

We suggest that the City update its policies and procedures to keep it responsive to the internal control standards recommended by the Committee of Sponsoring Organizations (COSO) as well as to make it current with the City's present set-up.

## CITY OF WILTON MANORS, FLORIDA

### Management Letter Current Year's Recommendations and Management's Responses Fiscal Year Ended September 30, 2008 (Continued)

#### *Management's Response*

The vast majority of the procedures for the Finance Department changed during Fiscal Year 07/08 due to the implementation of our new accounting system. Procedures have been drafted as new modules were implemented during fiscal year 2007-2008, but all of the new modules have not yet been implemented. Management expects to complete a new set of policies and procedures manual during the upcoming fiscal year. While we are not familiar with the Committee of Sponsoring Organizations, we would certainly welcome any internal control recommendations.

#### **ML-2008-03 Approve All Journal Entries**

##### *Finding*

We noted that journal entries prepared by the Assistant Finance Director were introduced to the accounting system without having to be approved by the Finance Director.

##### *Recommendation*

We suggest that all journal entries be reviewed and approved by somebody other than the preparer. For journal entries prepared by the Assistant Finance Director, these should be approved by the Finance Director, the City Manager or his designate.

#### *Management's Response*

Management agrees with the Auditors' recommendation that all journal entries should be approved by a management employee other than the preparer of the journal entry. Procedures are now in place within the Finance Department to ensure that this recommendation is followed.

#### **ML-2008-04 Reconcile Beginning Balances Brought over to the New Accounting System**

##### *Finding*

During the year, the City implemented a new General Ledger Accounting System. However, we noted that the beginning balance of some accounts that were brought over to the new system did not reconcile to the 2007 audited financial statements. Consequently, the year-end balances were misstated and adjustments had to be made to correct the misstatements.

## CITY OF WILTON MANORS, FLORIDA

### Management Letter Current Year's Recommendations and Management's Responses Fiscal Year Ended September 30, 2008 (Continued)

#### ***Recommendation***

In the future, when the City switches from one general accounting system to another, we suggest that Finance Department ensure that balances brought over to a new system are reconciled to the balances from the old system.

#### ***Management's Response***

Management concurs with this recommendation.

#### **ML-2008-05 Financial Condition Assessment**

#### **Finding**

We performed an assessment of the City's financial condition and results of operations using the financial indicators prescribed by the Auditor General (AG). There were eighteen (18) indicators and the City showed unfavorable results on two (2) of the three (3) critical indicators. The AG guidance indicates that when an entity shows unfavorable on any two (2) of the critical indicators, the overall rating automatically becomes unfavorable. Thus, the City gets the overall unfavorable rating. The (1) trend of the City's unreserved fund balance and unrestricted net assets and (2) the ratio of Cash and Investments over Current Liabilities – Proprietary Funds are the critical indicators that indicated “unfavorable” results both in terms of the 5-year trend and benchmark comparison. Eight (8) indicators show favorable results and the remaining seven (7) are “inconclusive” (*please see Exhibit 1 - Financial Condition Assessment*).

#### **Recommendation**

We suggest that management look closely on the above-mentioned critical indicators and study ways to reverse the unfavorable results of the City's cash and investments over current liabilities in the proprietary funds.

#### **Management's Response**

Management will carefully review these indicators and determine ways to improve the trends.

**CITY OF WILTON MANORS, FLORIDA**

Management Letter  
Fiscal Year Ended September 30, 2008

**II. STATUS OF PRIOR YEAR'S RECOMMENDATIONS AND MANAGEMENT'S RESPONSE**

<b><u>Finding Number</u></b>	<b><u>Prior Year Comment</u></b>	<b><u>Comment Has Been Addressed</u></b>	<b><u>Comment Partially Implemented</u></b>
IC-M-2007-01	Unreconciled Differences in Monthly Bank Reconciliation	✓	
IC-M-2007-02	Reconciliation of Fixed Assets General Ledger Balance Against Subsidiary Ledger		✓
IC-M-2007-03	Recording of Infrastructure Assets	✓	
IC-M-2005-02	Establish the Sinking Funds/Bank Accounts as Required by the Bond Resolution Document	✓	
ML-2007-01	Establish Petty Cash Fund	✓	

**IC-M-2007-01 Investigate Un-reconciled Monthly Differences in the Bank Reconciliation Statements**

***2007 Finding and Recommendation***

In our review of the City's monthly bank reconciliation statements, we noted that there were monthly un-reconciled amounts as summarized below:

<b>Month</b>	<b>Un-reconciled Amount</b>
October 2006	\$ 12,515.13
November 2006	12,530.17
December 2006	17,050.88
January 2007	4,272.62
February 2007	5,416.74
March 2007	50,735.67
April 2007	53,779.92
May 2007	829.85
June 2007	5,849.80
July 2007	1,629.21
August 2007	42,482.81
September 2007	25,520.50

It was recommended that the City Manager investigate the causes of the foregoing un-reconciled amount.

**CITY OF WILTON MANORS, FLORIDA**

Management Letter  
 Status of Prior Year's Recommendations and Management's Responses  
 Fiscal Year Ended September 30, 2008  
 (Continued)

***Management's Response***

The City's bank accounts were reconciled as of September 30, 2008.

**IC-M-2007-02 Reconcile General Ledger Balance of Fixed Assets Against Subsidiary Ledger Balance**

***2007 Finding and Recommendation***

We noted that the total of each fixed asset classification in the general ledger (GL) of the general fixed assets fund (Fund 901) does not reconcile with the total of the asset classification in the subsidiary Ledgers (SL), which is the computerized fixed assets system. Moreover, we also noted the related accumulated depreciation accounts of the assets were not established in the GL. As we have reviewed, the asset grouping and balances in the computerized fixed assets system reflects the accurate record of the City's fixed assets.

Total differences of both records are summarized below:

<u>Fixed Asset Category</u>	<u>Per Subsidiary Ledger</u>	<u>Per General Ledger</u>	<u>Difference GL is Over (Under)</u>
<b><u>Cost:</u></b>			
Land	\$ 8,622,988	\$3,387,363	(\$ 5,235,624)
Buildings	4,762,314	3,206,225	(1,556,089)
Improvements other than building	9,863,462	4,804,195	(5,059,267)
Machinery and equipment	<u>4,787,450</u>	<u>5,704,486</u>	<u>917,035</u>
	<u>\$28,036,214</u>	<u>\$17,102,269</u>	<u>\$10,933,945</u>
<b><u>Accumulated depreciation:</u></b>			
Buildings	1,450,391	-	(1,450,391)
Improvements other than building	2,631,886	-	(2,631,886)
Machinery and equipment	<u>3,077,031</u>	<u>-</u>	<u>(3,077,031)</u>
	<u>7,159,308</u>	<u>-</u>	<u>( 7,159,308)</u>
<b>Net</b>	<u>\$20,876,906</u>	<u>\$,17,102,269</u>	<u>\$ 3,774,636</u>

It was recommended that the Finance Department reconcile the difference between the two records. Adjustments and reclassifications in the GL balances should be recorded based on the results of the reconciliation to be conducted.

***Current Year Status***

The City implemented a new accounting system this year which included the fixed assets subsidiary records. However, those differences have not been reconciled yet.

## CITY OF WILTON MANORS, FLORIDA

### Management Letter Status of Prior Year's Recommendations and Management's Responses Fiscal Year Ended September 30, 2008 (Continued)

#### ***Management's Response***

The transition process to the new fixed assets system has taken much longer than expected. Much work has been done to update the City's fixed assets records, but more work is needed to complete the task. Management's goal is to complete the inventory and reconciliation of the City's fixed assets by September 2009.

#### **IC-M-2007-03 Start the Process of Recording the City's Infrastructure Assets to Comply with GASB 34 Requirements**

##### ***2007 Finding and Recommendation***

Under GASB 34 pronouncements, the City is required to retro-actively 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 infrastructures 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. It should be noted that the retroactive reporting of infrastructure is subject to an extended implementation period and is first effective for the fiscal year ended 2007.

Based on our verification and inquiries with the Finance Department, the City has not yet started any activities related to the recording of the above-mentioned infrastructure assets.

The failure to implement the retro-active recording of infrastructure assets may jepordize the City's opportunity to be awarded 2007 CAFR.

It was recommended that the City start identifying its infrastructure assets to be recorded in the books to comply with the GASB 34 requirements.

##### ***Current Year Status***

Identification of the infrastructure assets was completed during the year.

#### **IC-M-2005-02 Establish the Sinking Funds/Bank Accounts as Required by the Bond Resolution Document**

##### ***2005 Finding and Recommendation***

We noted the sinking fund and other funds (i.e. water and sewer revenue fund, operations and maintenance fund), as required by Bond Resolutions No. 1340, Sec. 5.04, were not established.

It was suggested that the City set-up the sinking and other funds specifically required by the above-named bond resolution to comply with the requirements.

**CITY OF WILTON MANORS, FLORIDA**

Management Letter  
Status of Prior Year's Recommendations and Management's Responses  
Fiscal Year Ended September 30, 2008  
(Continued)

***Current Year Status***

This condition no longer exists. The bonds in question were fully paid off on October 1, 2008.

**ML-2007-01 Establish Petty Cash Fund In Order Stop the Practice of Using Undeposited Collections to Pay Expenses**

***2007 Finding and Recommendation***

The result of our sample testing on the deposits of daily collections disclosed the following expenses that were taken directly from undeposited collections.

<b><u>Date</u></b>	<b><u>Amount</u></b>	<b><u>Nature of Expense Taken From Collection</u></b>
3/5/07	\$8.99	Photofinishing expenses supported by Walgreens receipt
4/3/07	\$19.99	Supplies, supported by Bed, Bath and Beyond receipts.
8/23/07	300.00	Cash advance taken by the HR manager, for a panel member of a certain activity. The advance was spent the following day, actual

In our subsequent verification, we were told that the practice of using undeposited collections for the payment of petty or small expenses was allowed because of the absence of a petty cash fund that will cover for the payment of such expenses. While this maybe true for minor expenses, it is our observation, however, that the dinner cash advance above could have been paid through the City's check disbursement system since the amount involved was no longer minor.

It was recommended that the City setup a petty cash fund which would cover petty expenses, thereby, eliminating the practice of using daily collections for payments of minor expenses. In conjunction with this, a policy guideline for the maximum single disbursement limit (say, \$20) to be paid from the fund should be developed. Any expected disbursement in excess of the established petty cash disbursement limit should be paid through the City's check disbursement system.

***Current Year Status***

This condition no longer exists. Petty cash fund was already established with a maximum single disbursement set at \$50.