

City of
WILTON MANORS
F L O R I D A

**Comprehensive
Annual
Financial Report**



Fiscal Year Ended September 30, 2009

**Comprehensive
Annual
Financial Report**

of the



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WILTON MANORS
F L O R I D A

Fiscal Year Ended September 30, 2009

Prepared by the

Finance Department

City Of Wilton Manors, Florida

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City Of Wilton Manors, Florida

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I. INTRODUCTORY SECTION

§ **Letter of Transmittal**

§ **Certificate of Achievement**

§ **List of City Officials**

§ **Organizational Chart**



FINANCE DEPARTMENT
CITY OF WILTON MANORS
2020 Wilton Drive
Wilton Manors, Florida 33305

Phone (954) 390-2141
Fax (954) 390-2199
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May 27, 2010

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, 2009, 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 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 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, 2008.

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, 2009. 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 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 City of Wilton Manors has a City Manager-Commission type of government. A 5-member non-partisan City Commission which consists of four Commissioners elected at large for staggered 4-year terms and a mayor elected for a 2-year term. The mayor is the head of state for the City and presides at City Commission meetings. The City Commission passes Ordinances and Resolutions and sets

policy for the City. The Commission hires a City Manager who is responsible for the day-to-day operations of the City government.

To efficiently provide services, the City's management administers the following departments: City Manager, City Clerk, Finance, Human Resources, City Attorney, Police, Public Services, Emergency Management and Utilities, Community Development Services and Leisure Services. Several Advisory Boards have been established to provide additional input from the citizens.

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, 2009, unemployment was 11.0% in the State of Florida and 9.8% in Broward County, matching the United States unemployment rate of 9.8%.

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

Although the entire length of Wilton Drive, the city's main thoroughfare, is undergoing major redevelopment, the City has maintained its small hometown atmosphere.

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 residential developments along with 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 was depressed throughout the fiscal year. There were increased sales of properties during the year, but many sales were of foreclosed properties at prices much lower than in recent years. Foreclosures and vacated properties remained a problem during 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 and was completed on time in January 2010. The project was funded by a combination of \$6 million in General Obligation Bonds and over \$1 million in reserves that were set aside by the City over the several previous years.

Financial Policies and Budgetary Guidelines

The City of Wilton Manors' financial policies set forth the basic framework for the overall fiscal management of the City. These policies operate independently of changing circumstances and conditions with the exception of when changes in financial policy are necessary to maintain the integrity of the City and its operations, in conformance with Generally Accepted Accounting Principles (GAAP) in accordance with the Governmental Accounting Standards Board (GASB). These policies assist the decision making process of the City Commission and the City Administration and provide guidelines for evaluating both current activities and proposals for future programs.

General Financial Policies include: continuous monitoring and comparison of all revenues and expenditures to budget; the aggressive pursuit of grant revenues; cost sharing of health and life insurance between the City and its employees; limitations to budgeted overtime; scheduled maintenance of infrastructure, vehicles and other assets; and the establishment and regular review of user fee charges.

Debt Policies include prohibitions on issuance of debt for operating activities; the prohibition of the use of general obligation debt for enterprise activities; the maintenance of sufficient restricted cash, reserves and retained earnings to cover debt service; and the publication and distribution of official statements for revenue bond issues.

Accounting, Auditing and Financial Reporting Policies include requiring an annual audit by an independent Certified Public Accounting firm; the timely production and issuance of annual financial reports in accordance with GAAP, and the maintenance of financial records.

Additional Budgetary Guidelines include the pursuit of revenue sources that are alternatives to ad valorem taxes, and the periodic review of government structure and consolidation of departments when feasible.

One of the most important of the City's Budgetary Guidelines is to strive to maintain the General Fund's unreserved fund balance at 15% to 20% of the General Fund budget. If the unreserved fund balance falls below the minimum desired level, it is the practice of the City to budget additional contingency funds sufficient to bring the unreserved fund balance back up to the minimum level. This guideline will be reviewed during the new fiscal year in the context of GASB 54, Fund Balance Reporting and Governmental Fund Type Definitions.

Cash Management and Investment Policies

The City's operating funds are maintained under the equity in pooled cash system. It is the policy of the City to aggressively collect all revenues due and to promptly deposit all funds received. The City's Investment Policy, in compliance with Florida Statute 218.415, authorizes the investment of the City's funds in various short-term and medium-term fixed-income investments. The primary objective of the policy is the preservation of capital. 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. 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 with their own investment policies. These Boards have contracted with independent money managers for the separate management of the pension funds.

Risk Management Policy

It is the policy of the City to insure against risks to its assets. 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.

Major Initiatives

The City's primary initiative during the fiscal year was the commencement of construction of its beautiful new City Hall and Police Station. In 2006 the City's voters overwhelmingly approved a referendum approving the issuance of General Obligation Bonds to finance a new City Hall. Construction on the new building continued throughout the fiscal year, and was completed on schedule in January 2010. A major component of the new City Hall is the state-of-the-art Emergency Operations Center (EOC), the hub of City operations during any natural disaster or other emergency situation.

A Voluntary Separation Incentive Plan (VSIP) was instituted to encourage voluntary reductions in staffing levels.

Groundwork was laid for the institution of a new City Parking Program, and the restructuring of the Community Services Department.

A new online-auction-based system for the disposal of fixed assets was instituted.

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, 2008. This was the eleventh 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.

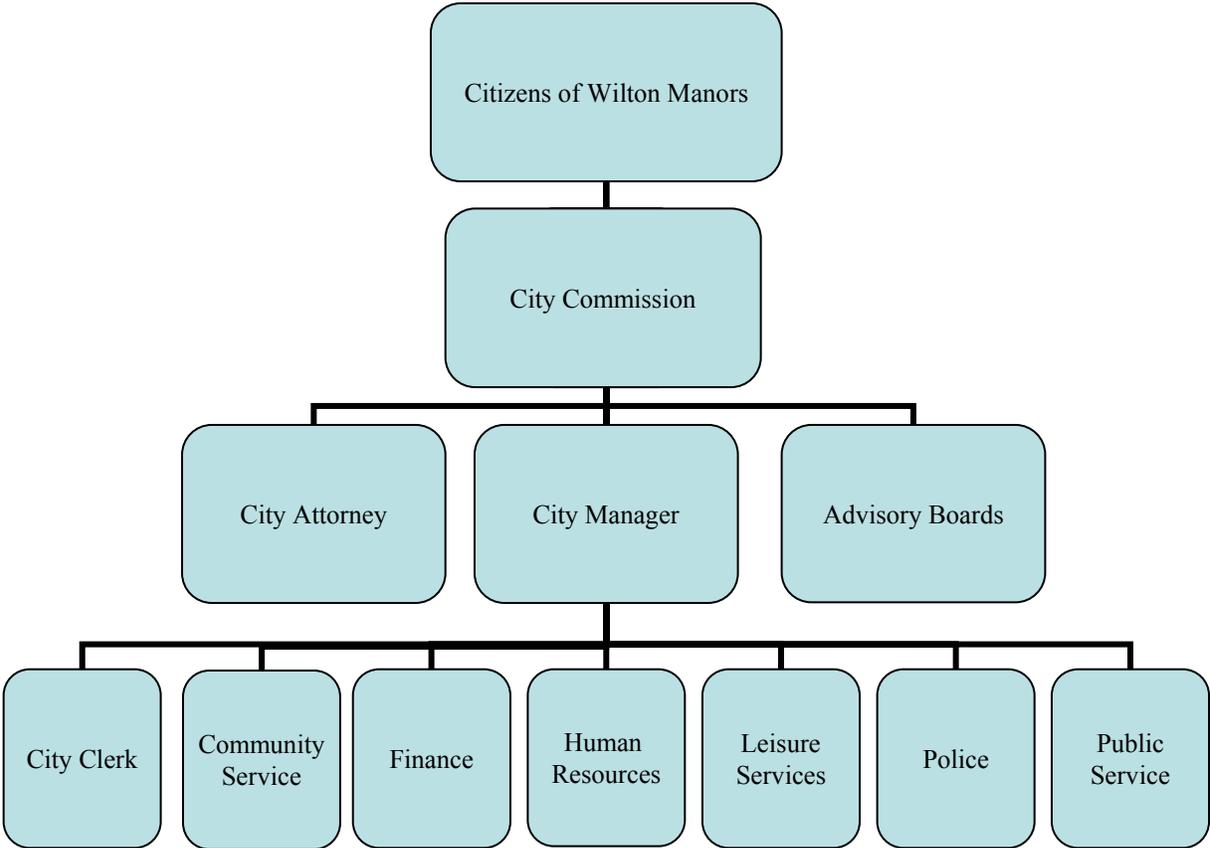
Respectfully,

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

Lisa C. Rabon,
Finance Director

CITY OF WILTON MANORS

City Government Structure



CITY OF WILTON MANORS, FLORIDA

COMMISSION - MANAGER FORM OF GOVERNMENT
LIST OF PRINCIPAL OFFICIALS
As of September 30, 2009

CITY COMMISSION

GARRY RESNICK
Mayor

JUSTIN FLIPPEN
Vice Mayor

TED GALATIS
Commissioner

TOM GREEN
Commissioner

SCOTT NEWTON
Commissioner

CITY MANAGER
Joseph Gallegos

FINANCE DIRECTOR
Lisa Rabon

CITY ATTORNEY
Kerry Ezrol

CITY CLERK
Angela Scott

HUMAN RESOURCES DIRECTOR
Brenda Clanton

**EMERGENCY SERVICES/
UTILITIES DIRECTOR**
David Archacki

**COMMUNITY SERVICES
ACTING DIRECTOR**
Peter Dokuchitz

LEISURE SERVICES DIRECTOR
Patrick Cann

POLICE CHIEF
Richard Perez

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, 2008

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.



A stylized handwritten signature in black ink, consisting of several loops and a long horizontal stroke extending to the right.

President

A handwritten signature in black ink that reads "Jeffrey R. Emer".

Executive Director

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, 2009, 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 and Police Pension Plan and Volunteer Firefighters Pension Plan, which represents 95% 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 and Police 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, 2009, 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 May 26, 2010 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 46 through 50, 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
May 26, 2010

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, 2009. The information in this section should be considered in conjunction 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 \$621,619 (1.7%) from \$36,553,323 to \$37,174,942. This increase was split between governmental activities (\$581,013 – 1.6%) and business-type activities (\$40,606 – 0.1%).
- Governmental activities revenues, excluding transfers, totaled \$15,752,240, a 3.2% decrease from FY07-08. Lower revenues from property taxes (for operations), franchise fees, intergovernmental revenue, and licenses and permits were not offset by increased property taxes (for debt service) and grant revenue.
- Governmental activities expenditures of \$15,923,777, were 4.4% higher than in FY07-08.
- Business-type revenues, which consist of water, wastewater and drainage charges for services, dropped 2.5% from FY07-08 to \$5,856,392, before transfers out. Decreases in charges for services, impact fees and interest income contributed to the decline.
- Business-type expenditures declined 4.0% from FY07-08 to \$5,063,236.
- The total expenses of all City programs were \$20,987,013.
- The General Fund, which accounts for the vast majority of the operations of the government, expended 98.6% 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. A major residential rental development with associated ground-floor retail spaces opened for business and has a high occupancy rate. Other commercial and multi-use developments continue in different phases of development. 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 is 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 (2) 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 (2) 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 45 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 46 through 50 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Statement of Net Assets:

The City's combined net assets totaled \$37,174,942 as of September 30, 2009, \$28,219,941 for governmental activities and \$8,955,001 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	
	2009	2008	2009	2008	2009	2008
Current and other assets	\$ 9,685,483	\$ 12,488,081	\$ 2,436,166	\$ 3,730,729	\$ 12,121,649	\$ 16,218,810
Capital assets, net	30,041,484	26,102,573	16,108,378	15,778,299	46,149,862	41,880,872
Total Assets	39,726,967	38,590,654	18,544,544	19,509,028	58,271,511	58,099,682
Long-term liabilities	8,994,808	9,377,341	7,588,964	9,351,276	16,583,772	18,728,617
Other liabilities	2,512,218	1,574,385	2,000,579	1,243,357	4,512,797	2,817,742
Total Liabilities	11,507,026	10,951,726	9,589,543	10,594,633	21,096,569	21,546,359
Net Assets						
Invested in capital assets, net of related debt	23,749,894	17,321,290	9,214,788	8,161,532	32,964,682	25,482,822
Restricted	-	-	1,103,696	1,113,439	1,103,696	1,113,439
Unrestricted	4,470,047	10,317,638	(1,363,483)	(360,576)	3,106,564	9,957,062
	\$ 28,219,941	\$ 27,638,928	\$ 8,955,001	\$ 8,914,395	\$ 37,174,942	\$ 36,553,323

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 \$3,106,564 as of September 30, 2009, a decrease of \$6,850,498 from the prior year.

The City posted an increase in net assets in the governmental activities and a small increase in the business-type activities. Total government-wide revenues decreased from the prior year due to a small decrease in property values (for operations) despite the increase in property taxes (for debt service), and primarily to decreased revenues from licenses and permits, franchise fees, and shared revenues from the State of Florida. The operating tax millage rate was 5.3122 mills which when combined with the general obligation debt millage of 0.5530 mills produced an effective total millage rate of 5.8652. This is an increase from the 2007-2008 combined millage rate of 5.3219 due to an increase of 0.1782 in the operating millage rate (from 5.1340 to 5.3122), and an increase of 0.3651 in the debt service millage rate (from 0.1879 to 0.5530).

GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)

The increase in the debt service millage was in large part due to the new debt service levy of 0.3608 mills for the 2008 General Obligation Bond Issue to finance the new City Hall and Police Station. Changes in millages from year to year are in part limited by both a state constitutional amendment and state legislation that both place restrictions 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 decreased by 2.3% during the year, after seven straight years of double-digit increases. State of Florida Shared Revenues declined during the year, as did franchise fees. Property values are expected to continue to decline over at least the next two to three years.

Statement of Activities:

City of Wilton Manors, Florida Statement of Activities						
	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
Revenues:						
Program revenues:						
Charges for services	\$ 1,999,124	\$ 2,093,940	\$ 5,344,495	\$ 5,589,833	\$ 7,343,619	\$ 7,683,773
Operating grants/contributions	1,510,700	-	-	-	1,510,700	-
Capital grants/contributions	-	852,169	300,000	-	300,000	852,169
General revenues						
Property taxes	6,986,812	6,538,632	-	-	6,986,812	6,538,632
Intergovernmental	1,536,474	1,437,096	-	-	1,536,474	1,437,096
Other taxes and fees	3,633,097	4,445,676	151,660	242,360	3,784,757	4,688,036
Other general revenues	<u>86,033</u>	<u>901,382</u>	<u>60,237</u>	<u>171,878</u>	<u>146,270</u>	<u>1,073,260</u>
Total revenues	<u>15,752,240</u>	<u>16,268,895</u>	<u>5,856,392</u>	<u>6,004,071</u>	<u>21,608,632</u>	<u>22,272,966</u>
Expenses:						
General government	2,205,488	2,568,351	-	-	2,205,488	2,568,351
Public safety	8,443,552	8,160,017	-	-	8,443,552	8,160,017
Culture and recreation	3,713,402	3,439,236	-	-	3,713,402	3,439,236
Physical environment	1,090,237	869,291	-	-	1,090,237	869,291
Interest on long-term debt	471,098	217,741	346,766	565,991	817,864	783,732
Water and sewer	-	-	4,288,664	4,354,282	4,288,664	4,354,282
Drainage	<u>-</u>	<u>-</u>	<u>427,806</u>	<u>354,413</u>	<u>427,806</u>	<u>354,413</u>
Total expenses	<u>15,923,777</u>	<u>15,254,636</u>	<u>5,063,236</u>	<u>5,274,686</u>	<u>20,987,013</u>	<u>20,529,322</u>
Increase in net assets						
before transfers	(171,537)	1,014,259	793,156	729,385	621,619	1,743,644
Transfers	<u>752,550</u>	<u>643,642</u>	<u>(752,550)</u>	<u>(643,642)</u>	<u>-</u>	<u>-</u>
Increase in net assets	581,013	1,657,901	40,606	85,743	621,619	1,743,644
Net assets beginning of year	<u>27,638,928</u>	<u>25,981,027</u>	<u>8,914,395</u>	<u>8,828,652</u>	<u>36,553,323</u>	<u>34,809,679</u>
Net assets end of year	<u>\$ 28,219,941</u>	<u>\$ 27,638,928</u>	<u>\$ 8,955,001</u>	<u>\$ 8,914,395</u>	<u>\$ 37,174,942</u>	<u>\$ 36,553,323</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 58% of General Fund revenues and 44% of total governmental fund revenues in 2008-2009. 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 several operating and capital grants from various federal, state, district, county, and other local programs, including a federal grant of \$400,000 to help equip the Emergency Operations Center in the new City Hall and Police Station. 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 likely see a declining trend in taxable property values in the near future. Total Taxable Assessed Value for the fiscal year declined 2.3% from the previous fiscal year. A sharper decline in property values is expected for at least the next two to three fiscal years.

General discussion on expenses:

Expenses were \$15,923,777 for governmental activities and \$5,063,236 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) decreased by 1.66 due to a combination of reductions in four departments – Finance, Police, Leisure Services and Non-Departmental. 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 GOVERNMENTAL 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 GOVERNMENTAL FUNDS (CONTINUED)

Governmental funds: (continued)

As of the end of the fiscal year, the City of Wilton Manors' governmental funds reported a combined ending fund balance of \$7,252,693. About 26% of this total amount, \$1,874,398 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 (\$20,472) 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 was \$1,874,398, while total fund balance was \$6,151,848. 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 14% the expenditures in the General Fund, while total fund balance represents about 45% of that same amount.

The total fund balance in the City's General Fund decreased by \$366,880 from \$6,518,728 in 2008 to \$6,151,848 in 2009. This decrease in fund balance is primarily due to a reduction in actual revenues 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 \$2,194 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 \$311,266. The City of Wilton Manors has pledged to eliminate this deficit over the next few fiscal years through annual transfers from the General Fund.

Proprietary Funds:

The City of Wilton Manors' proprietary fund statements 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 increased by almost 2% , ending the year at \$7,720,911 from \$7,585,704 at the end of the prior fiscal year. Net assets in the City's other proprietary fund, the Drainage Fund, amounted to \$1,234,090 at year end which reflects a decrease over the prior fiscal year of \$94,601. 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 \$386,653 below the final budget projection, and General Fund expenditures ended the year at \$19,773 below budget. Major variances between budgeted and actual amounts in the General Fund are as follows:

- a. Total general fund revenues came in under budget by 3.1%. Only three categories of revenue exceeded the budgeted amounts for the fiscal year – Utility taxes, Charges for services and Impact fees.
- b. Revenues from Licenses and Permits came in 42% under budget (-\$329,990) due to the end of the housing boom, and associated building permits revenue.
- c. Franchise fee revenue came in 16.1% under budget (-\$160,924), primarily due to a decrease in Electricity Franchise Fees.
- d. Intergovernmental Revenues came in 3.6% under budget (-\$43,223) due to a decline in shared revenues from the State of Florida. The general economic downturn decreased the revenues flowing into the State's coffers.
- e. Interest Income was down 120.1% from budget (-\$140,324) due to net decline in fair market value of investments.
- f. Budgeted expenditure savings during the year were found in the following departments: City Commission, \$10,271; City Clerk, \$18,602; Finance, \$33,190; Non-Departmental, \$366,984; Emergency management, \$2,467; Community service, \$18,680 and Library, \$22,558.
- g. The following departments' expenditures exceeded budget for the fiscal year. City Management, (\$11,091); Human Resources, (\$16,218); City Attorney (\$58,352), Police (\$162,438); and Leisure Services (Parks and Recreation), (\$227,699). Most of these excesses were due to increased pension costs. The City Attorney's department expenses were over budget by \$37,216 due to settlements of unexpected cases. The excess expenditure in the Leisure Services Department were for capital expenditures that will be reimbursed by grant funds.

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CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The City had \$82,176,516 invested in capital assets on September 30, 2009. The following schedule summarizes capital assets held by the City:

Capital Assets						
September 30, 2009 and 2008						
	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total Primary Government</u>	
	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
Land	\$ 8,567,723	\$ 8,567,723	\$ 1,502,973	\$ 1,502,973	\$ 10,070,696	\$ 10,070,696
Construction in progress	6,174,471	1,833,968	-	-	6,174,471	1,833,968
Infrastructure	16,904,227	16,816,161	20,439,335	19,406,403	37,343,562	36,222,564
Buildings	5,321,235	4,822,694	637,469	5,315,990	5,958,704	10,138,684
Improvements other than buildings	10,595,980	9,887,109	5,321,926	637,469	15,917,906	10,524,578
Machinery and equipment	5,680,247	5,234,773	1,030,930	1,001,638	6,711,177	6,236,411
Total capital assets	<u>\$ 53,243,883</u>	<u>\$ 47,162,428</u>	<u>\$ 28,932,633</u>	<u>\$ 27,864,473</u>	<u>\$ 82,176,516</u>	<u>\$ 75,026,901</u>

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 \$16.8 million at September 30, 2009. Total debt outstanding at the end of the prior fiscal year was \$18.06 million. The net decrease is due to regular debt service payments. The 1998 Water & Sewer Revenue Refunding Bonds were totally paid off during the year.

Outstanding Debt						
September 30, 2009 and 2008						
	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
General Obligation Bank Loan (backed by City)	\$ 7,673,250	\$ 7,981,283	\$ -	\$ -	\$ 7,673,250	\$ 7,981,283
Note Payable	700,000	800,000	-	-	700,000	800,000
Revenue Bonds Payable (backed (by specific revenue streams)	-	-	8,469,406	9,277,338	8,469,406	9,277,338
Total	<u>\$ 8,373,250</u>	<u>\$ 8,781,283</u>	<u>\$ 8,469,406</u>	<u>\$ 9,277,338</u>	<u>\$ 16,842,656</u>	<u>\$ 18,058,621</u>

During fiscal year 2009-2010, 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 2009-2010.

CAPITAL ASSETS AND DEBT ADMINISTRATION (CONTINUED)

Debt Administration: (continued)

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 2009-2010. The proceeds of the Revenue Bonds were used to make improvements to the City's water and sewer systems, including the above-mentioned sewer 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. The City of 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, 2009, 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. The general national economic downturn contributed to a sharply increased area of unemployment rate of 9.8% for September 2009.

From 2001 through 2008, the City of 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 2008 and 2009 along with the national economy. Since the end of the City's fiscal year on September 30, 2009, the general local economy has been mixed, showing some small signs of improvement. The City expects to see declining property values for a minimum of 2-3 more years.

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.



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GOVERNMENT-WIDE FINANCIAL STATEMENTS

CITY OF WILTON MANORS, FLORIDA
STATEMENT OF NET ASSETS
SEPTEMBER 30, 2009

	<u>Governmental</u> <u>Activities</u>	<u>Business Type</u> <u>Activities</u>	<u>Total</u>
ASSETS			
Equity in pooled cash	\$ 4,412,365	\$ 183,631	\$ 4,595,996
Cash held by third party	231,359	-	231,359
Accounts receivable, net	536,031	538,478	1,074,509
Due from other governments	1,029,893	-	1,029,893
Inventories	45,249	110,529	155,778
Prepaid expenses	93,578	19,477	113,055
Restricted cash and cash equivalents	2,085,860	2,826,964	4,912,824
Internal balances	1,251,148	(1,251,148)	-
Unamortized bond financing costs	-	8,235	8,235
Capital assets, non-depreciable	14,742,194	1,502,973	16,245,167
Capital assets, depreciable (net)	15,299,290	14,605,405	29,904,695
Total assets	<u>39,726,967</u>	<u>18,544,544</u>	<u>58,271,511</u>
LIABILITIES			
Accounts payable	1,840,937	471,933	2,312,870
Accrued expenses	230,612	21,153	251,765
Unearned revenues	348,411	-	348,411
Accrued interest payable	79,428	162,309	241,737
Customer deposits	-	402,011	402,011
Due to other governments	12,830	-	12,830
Due within one year:			
Compensated absences	-	1,786	1,786
Bonds payable	367,347	941,387	1,308,734
Note payable	100,000	-	100,000
Due in more than one year:			
Compensated absences	593,958	60,945	654,903
Bonds payable	7,305,903	7,528,019	14,833,922
Note payable	600,000	-	600,000
Net OPEB obligation	27,600	-	27,600
Total liabilities	<u>11,507,026</u>	<u>9,589,543</u>	<u>21,096,569</u>
NET ASSETS			
Invested in capital assets, net of related debt	23,749,894	9,214,788	32,964,682
Restricted for:			
Debt service	-	1,103,696	1,103,696
Unrestricted	4,470,047	(1,363,483)	3,106,564
Total net assets	<u>\$ 28,219,941</u>	<u>\$ 8,955,001</u>	<u>\$ 37,174,942</u>

See notes to basic financial statements.

CITY OF WILTON MANORS, FLORIDA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2009

	<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>
Functions/Programs							
Primary Government:							
Governmental activities:							
General government	\$ 2,205,488	\$ -	\$ -	\$ -	\$ (2,205,488)	\$ -	\$ (2,205,488)
Public safety	8,443,552	1,465,932	-	-	(6,977,620)	-	(6,977,620)
Culture and recreation	3,713,402	269,017	-	-	(3,444,385)	-	(3,444,385)
Physical environment	1,090,237	264,175	1,510,700	-	684,638	-	684,638
Interest on long term debt	471,098	-	-	-	(471,098)	-	(471,098)
Total governmental activities	<u>15,923,777</u>	<u>1,999,124</u>	<u>1,510,700</u>	<u>-</u>	<u>(12,413,953)</u>	<u>-</u>	<u>(12,413,953)</u>
Business-type activities:							
Water and wastewater	4,635,430	5,024,936	-	300,000	-	689,506	689,506
Drainage	427,806	319,559	-	-	-	(108,247)	(108,247)
Total business activities	<u>5,063,236</u>	<u>5,344,495</u>	<u>-</u>	<u>300,000</u>	<u>-</u>	<u>581,259</u>	<u>581,259</u>
Total primary government	<u>\$ 20,987,013</u>	<u>\$ 7,343,619</u>	<u>\$ 1,510,700</u>	<u>\$ 300,000</u>	<u>(12,413,953)</u>	<u>581,259</u>	<u>(11,832,694)</u>
GENERAL REVENUES							
Taxes:							
Property taxes					6,986,812	-	6,986,812
Franchise taxes					1,276,489	-	1,276,489
Utility taxes					1,876,245	-	1,876,245
Licenses and permits					456,386	-	456,386
Impact fees					23,977	151,660	175,637
Intergovernmental revenue - unrestricted					1,536,474	-	1,536,474
Interest income					30,547	9,135	39,682
Miscellaneous					55,486	51,102	106,588
Transfers - net					752,550	(752,550)	-
Total revenues					<u>12,994,966</u>	<u>(540,653)</u>	<u>12,454,313</u>
Change in net assets					581,013	40,606	621,619
Net assets - beginning of year					27,638,928	8,914,395	36,553,323
Net assets, ending					<u>\$ 28,219,941</u>	<u>\$ 8,955,001</u>	<u>\$ 37,174,942</u>

See notes to basic financial statements.

FUND FINANCIAL STATEMENTS

CITY OF WILTON MANORS, FLORIDA
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2009

	Major Funds				
	2008 General				
	General	Obligation Bank Loan Fund	Miscellaneous Grants Fund	Other Governmental Funds	Total Governmental Funds
ASSETS					
Equity in pooled cash	\$ 3,932,346	\$ -	\$ 38,195	\$ 441,824	\$ 4,412,365
Cash held by third party	-	-	-	231,359	231,359
Accounts receivable - net	280,036	-	-	255,995	536,031
Due from other funds	1,251,148	-	-	-	1,251,148
Due from other governments	186,882	-	554,419	288,592	1,029,893
Advances to other funds	995,450	-	-	-	995,450
Inventories	36,529	-	-	8,720	45,249
Prepaid expenses	93,270	-	-	308	93,578
Restricted cash	4,200	2,081,660	-	-	2,085,860
Total assets	\$ 6,779,861	\$ 2,081,660	\$ 592,614	\$ 1,226,798	\$ 10,680,933
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 389,155	\$ 904,150	\$ 176,926	\$ 370,706	\$ 1,840,937
Accrued expenses	221,556	-	-	9,056	230,612
Advances from other funds	-	-	303,844	691,606	995,450
Due to other governments	12,830	-	-	-	12,830
Deferred revenues	4,472	-	339,489	4,450	348,411
Total liabilities	628,013	904,150	820,259	1,075,818	3,428,240
Fund balances:					
Reserved for:					
Advances to other funds	995,450	-	-	-	995,450
Inventories	36,529	-	-	8,720	45,249
Prepaid expenses	93,270	-	-	308	93,578
Capital projects	1,982,802	-	-	-	1,982,802
Vehicles	636,692	-	-	105,866	742,558
Encumbrances	20,472	-	-	-	20,472
Public safety	7,230	-	-	-	7,230
Firetruck	-	-	-	231,359	231,359
Culture and recreation	285,587	-	-	-	285,587
Landscaping	5,395	-	-	-	5,395
Grant match	61,747	-	-	-	61,747
Affordable housing	152,276	-	-	-	152,276
City Hall construction	-	1,177,510	-	-	1,177,510
Unreserved, reported in:					
General fund, undesignated	1,874,398	-	-	-	1,874,398
Special revenue fund, undesignated (deficit)	-	-	(227,645)	(195,273)	(422,918)
Total fund balances	6,151,848	1,177,510	(227,645)	150,980	7,252,693
Total liabilities and fund balances	\$ 6,779,861	\$ 2,081,660	\$ 592,614	\$ 1,226,798	\$ 10,680,933

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, 2009

Fund balances - total governmental funds (Page 14)	\$	7,252,693
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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		53,243,883
Less accumulated depreciation		(23,202,399)

Bond interest payable not reported in the governmental funds		(79,428)
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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		(8,373,250)
Compensated absences		(593,958)
Net OPEB obligation		<u>(27,600)</u>

Net assets of governmental activities (Page 12)	\$	<u><u>28,219,941</u></u>
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See notes to basic financial statements.

CITY OF WILTON MANORS, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (DEFICIT)
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2009

	Major Funds				Total Governmental Funds
	2008 General Obligation Bank Loan Fund	Miscellaneous Grants Fund	Other Governmental Funds	General	
REVENUES:					
Taxes:					
Ad valorem	\$ 6,331,548	\$ -	\$ -	\$ -	\$ 6,331,548
Ad valorem taxes for debt service	655,264	-	-	-	655,264
Utility taxes	1,876,245	-	-	-	1,876,245
Franchise fee	840,389	-	-	436,100	1,276,489
Licenses and permits	456,386	-	-	-	456,386
Intergovernmental	1,162,823	-	-	226,506	1,389,329
Grants	-	-	1,513,047	-	1,513,047
Charges for services	578,868	-	-	156,100	734,968
Impact fees	23,977	-	-	-	23,977
Fines and forfeitures	165,306	-	-	108,576	273,882
Special assessments	-	-	-	1,137,419	1,137,419
Donations	2,400	-	-	-	2,400
Investment earnings (loss)	(23,502)	41,618	-	12,431	30,547
Miscellaneous	50,070	-	-	668	50,738
Total revenues	<u>12,119,774</u>	<u>41,618</u>	<u>1,513,047</u>	<u>2,077,800</u>	<u>15,752,239</u>
EXPENDITURES:					
Current:					
General government	2,011,880	-	-	-	2,011,880
Public safety	6,789,182	-	31,498	1,028,851	7,849,531
Culture and recreation	2,706,034	-	64,074	297,435	3,067,543
Physical environment	343,655	-	-	110,111	453,766
Debt service:					
Principal	408,033	-	-	-	408,033
Interest	391,670	-	-	-	391,670
Capital outlay	1,006,256	3,961,448	971,624	142,127	6,081,455
Total expenditures	<u>13,656,710</u>	<u>3,961,448</u>	<u>1,067,196</u>	<u>1,578,524</u>	<u>20,263,878</u>
Excess (deficiency) of revenues over expenditures	(1,536,936)	(3,919,830)	445,851	499,276	(4,511,639)
OTHER FINANCING SOURCES (USES):					
Transfers in	1,220,580	-	-	-	1,220,580
Transfers out	(50,524)	-	-	(417,506)	(468,030)
Total other financing sources (uses)	<u>1,170,056</u>	<u>-</u>	<u>-</u>	<u>(417,506)</u>	<u>752,550</u>
Net change in fund balances	(366,880)	(3,919,830)	445,851	81,770	(3,759,089)
Fund balances (deficit), beginning	<u>6,518,728</u>	<u>5,097,340</u>	<u>(673,496)</u>	<u>69,210</u>	<u>11,011,782</u>
Fund balances (deficit), ending	<u>\$ 6,151,848</u>	<u>\$ 1,177,510</u>	<u>\$ (227,645)</u>	<u>\$ 150,980</u>	<u>\$ 7,252,693</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, 2009

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)	\$ (3,759,089)
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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	6,081,455
Less current depreciation	(2,042,358)

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.

Principal payments of bonds/notes payable	408,033
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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:

Accrued interest payable	(79,428)
Net OPEB obligation	(27,600)

Change in net assets of governmental activities (Page 13)	\$ 581,013
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See notes to basic financial statements.

CITY OF WILTON MANORS, FLORIDA
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
SEPTEMBER 30, 2009

	<u>Business-type Activities - Enterprise Funds</u>		<u>Total</u>
	<u>Major Fund</u>	<u>Nonmajor fund</u>	
	<u>Utility Fund</u>	<u>Drainage Fund</u>	
ASSETS			
Current assets:			
Equity in pooled cash	\$ 477	\$ 183,154	\$ 183,631
Accounts receivable, net	505,979	32,499	538,478
Inventories	110,529	-	110,529
Prepaid expenses	19,098	379	19,477
Total current assets	<u>636,083</u>	<u>216,032</u>	<u>852,115</u>
Noncurrent assets:			
Restricted cash and cash equivalents	2,826,964	-	2,826,964
Capital assets, non-depreciable	1,502,973	-	1,502,973
Capital assets, depreciable - net	13,578,172	1,027,233	14,605,405
Unamortized bond discount and financing	8,235	-	8,235
Total noncurrent assets	<u>17,916,344</u>	<u>1,027,233</u>	<u>18,943,577</u>
Total assets	<u>18,552,427</u>	<u>1,243,265</u>	<u>19,795,692</u>
LIABILITIES			
Current liabilities (payable from unrestricted assets)			
Accounts payable	468,989	2,944	471,933
Accrued expenses	18,020	3,133	21,153
Due to other funds	1,251,148	-	1,251,148
Compensated absences	-	1,786	1,786
Current liabilities (payable from restricted assets)			
Bonds payable	941,387	-	941,387
Accrued interest payable	162,309	-	162,309
Customers' deposits	402,011	-	402,011
Total current liabilities	<u>3,243,864</u>	<u>7,863</u>	<u>3,251,727</u>
Noncurrent liabilities:			
Bonds payable	7,528,019	-	7,528,019
Compensated absence	59,633	1,312	60,945
Total noncurrent liabilities	<u>7,587,652</u>	<u>1,312</u>	<u>7,588,964</u>
Total liabilities	<u>10,831,516</u>	<u>9,175</u>	<u>10,840,691</u>
NET ASSETS			
Invested in capital assets, net of related debt	8,187,555	1,027,233	9,214,788
Restricted for:			
Debt service	1,103,696	-	1,103,696
Unrestricted	(1,570,340)	206,857	(1,363,483)
Total net assets	<u>\$ 7,720,911</u>	<u>\$ 1,234,090</u>	<u>\$ 8,955,001</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, 2009

	<u>Business-type Activities - Enterprise Funds</u>		
	<u>Major Fund</u>	<u>Nonmajor Fund</u>	
	<u>Utility</u>	<u>Drainage</u>	
	<u>Fund</u>	<u>Fund</u>	<u>Total</u>
Operating revenues:			
Charges for services -pledged as security for revenue bonds	\$ 5,024,936	\$ -	\$ 5,024,936
Charges for services - unpledged	-	319,559	319,559
Impact fees	151,660	-	151,660
Grants	300,000	-	300,000
Miscellaneous	51,102	-	51,102
Total operating revenues	<u>5,527,698</u>	<u>319,559</u>	<u>5,847,257</u>
Operating expenses:			
Water system operation	2,459,662	-	2,459,662
Maintenance and repair	160,818	48,471	209,289
Other operating costs	191,802	5,243	197,045
Accounting services	21,000	-	21,000
Personal services	548,194	128,152	676,346
General expenses	326,194	30,945	357,139
Amortization	57,908	-	57,908
Depreciation	523,086	214,995	738,081
Total operating expenses	<u>4,288,664</u>	<u>427,806</u>	<u>4,716,470</u>
Operating income	1,239,034	(108,247)	1,130,787
Non-operating revenues (expenses)			
Interest income	8,438	697	9,135
Interest expense	(346,766)	-	(346,766)
Total non-operating revenues (expenses)	<u>(338,328)</u>	<u>697</u>	<u>(337,631)</u>
Income before transfers	900,706	(107,550)	793,156
Transfers			
Transfers in	64,473	52,379	116,852
Transfers out	(829,972)	(39,430)	(869,402)
	<u>(765,499)</u>	<u>12,949</u>	<u>(752,550)</u>
Changes in net assets	135,207	(94,601)	40,606
Total net assets, beginning	<u>7,585,704</u>	<u>1,328,691</u>	<u>8,914,395</u>
Total net assets, ending	<u>\$ 7,720,911</u>	<u>\$ 1,234,090</u>	<u>\$ 8,955,001</u>

See notes to basic financial statements.

CITY OF WILTON MANORS, FLORIDA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2009

	<u>Business-type Activities - Enterprise Funds</u>		
	<u>Major Fund</u>	<u>Nonmajor fund</u>	
	<u>Utility</u>	<u>Drainage</u>	
	<u>Fund</u>	<u>Fund</u>	<u>Total</u>
Cash flows from operating activities:			
Cash received from customers	\$ 5,698,270	\$ 322,878	\$ 6,021,148
Cash paid to suppliers	(3,393,214)	(87,874)	(3,481,088)
Cash paid to employees	(541,859)	(126,366)	(668,225)
Net cash provided by operating activities	<u>1,763,197</u>	<u>108,638</u>	<u>1,871,835</u>
Cash flows from noncapital financing activities:			
Transfers to other funds	(829,972)	(39,430)	(869,402)
Transfers from other funds	64,473	52,379	116,852
Increase in due to other funds	1,251,148	-	1,251,148
Net cash provided by (used in) noncapital financing activities	<u>485,649</u>	<u>12,949</u>	<u>498,598</u>
Cash flows from capital and related financing activities:			
Acquisition/construction of capital assets	(1,019,394)	(48,766)	(1,068,160)
Principal paid on bonds payable	(827,260)	-	(827,260)
Interest paid on bonds payable	(361,297)	-	(361,297)
Net cash (used in) capital and related financing activities	<u>(2,207,951)</u>	<u>(48,766)</u>	<u>(2,256,717)</u>
Cash flows from investing activities:			
Interest on investments	8,438	697	9,135
Net cash provided by investing activities	<u>8,438</u>	<u>697</u>	<u>9,135</u>
Net (decrease) in pooled cash and cash equivalents	49,333	73,518	122,851
Pooled cash and cash equivalents, beginning	<u>2,778,108</u>	<u>109,636</u>	<u>2,887,744</u>
Pooled cash and cash equivalents, ending	<u>\$ 2,827,441</u>	<u>\$ 183,154</u>	<u>\$ 3,010,595</u>
Displayed as:			
Unrestricted	\$ 477	\$ 183,154	\$ 183,631
Restricted	<u>2,826,964</u>	<u>-</u>	<u>2,826,964</u>
	<u>\$ 2,827,441</u>	<u>\$ 183,154</u>	<u>\$ 3,010,595</u>
Reconciliation of operating income to net cash provided by operating activities:			
Operating income (loss)	\$ 1,239,034	\$ (108,247)	\$ 1,130,787
Adjustments to reconcile operating income to net cash provided used by operating activities:			
Depreciation	523,086	214,995	738,081
Change in assets and liabilities:			
Decrease in accounts receivable	170,111	3,319	173,430
Decrease in inventories	8,893	-	8,893
Increase in prepaid expenses	(18,498)	(304)	(18,802)
Decrease in accounts payable	(169,835)	(3,320)	(173,155)
Increase in accrued expenses	5,580	409	5,989
Decrease in due to other governments	(1,970)	-	(1,970)
Increase in customers' deposits	461	-	461
Increase in compensated absences	6,335	1,786	8,121
Net cash provided by operating activities	<u>\$ 1,763,197</u>	<u>\$ 108,638</u>	<u>\$ 1,871,835</u>

See notes to basic financial statements.

CITY OF WILTON MANORS, FLORIDA
STATEMENT OF FIDUCIARY NET ASSETS
GENERAL EMPLOYEES AND POLICE AND VOLUNTEER FIREFIGHTERS' PENSION PLANS
SEPTEMBER 30, 2009

	<u>Pension Trust Funds</u>
Assets	
Cash and short-term investments	\$ <u>973,769</u>
Receivables:	
Accrued interest and dividends	<u>100,030</u>
Total receivables	<u>100,030</u>
Investments, at fair value:	
U.S. Government and agency securities	3,990,575
Corporate bonds and notes	3,857,817
Mutual funds - fixed income	2,155,984
Common stocks	9,586,238
International equity commingled fund	<u>986,165</u>
Total investments	<u>20,576,779</u>
Total assets	<u>21,650,578</u>
Liabilities	
Accounts payable and accrued expenses	27,643
Due to Firefighters Retirement System	680,126
Deferred retirement option payable	1,179,517
Prepaid City contribution	85,623
Payable for securities sold	<u>10,548</u>
Total liabilities	<u>1,983,457</u>
Net Assets	
Net assets held in trust for pension benefits	<u>\$ 19,667,121</u>

See notes to basic financial statements.

CITY OF WILTON MANORS, FLORIDA
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
GENERAL EMPLOYEES AND POLICE AND VOLUNTEER FIREFIGHTERS' PENSION PLANS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2009

	<u>Pension Trust Funds</u>
Additions:	
Contributions:	
Plan members	\$ 1,211,419
City	<u>154,324</u>
Total contributions	<u>1,365,743</u>
Investment income:	
Net depreciation in fair value of investments	(444,916)
Interest and dividends	<u>629,431</u>
Total	184,515
Less:	
Investment expenses	74,026
Deferred retirement option plan participants' losses	89,300
Earnings (losses) allocated to Firefighters Retirement System	<u>5,963</u>
Net investment (losses)	<u>15,226</u>
Total (deductions)	<u>1,380,969</u>
Deductions:	
Pension benefits paid	1,980,928
Administrative expenses	<u>203,276</u>
Total deductions	<u>2,184,204</u>
Change in net assets	(803,235)
Net assets, beginning	<u>20,470,356</u>
Net assets, ending	<u>\$ 19,667,121</u>

See notes to basic financial statements.



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NOTES TO BASIC FINANCIAL STATEMENTS

CITY OF WILTON MANORS, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2009

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, 2009

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 *miscellaneous grants fund* accounts for the City's revenues from federal and state agencies, other governmental units or private foundations. This fund also accounts for the expenditures made with these grant funds.

CITY OF WILTON MANORS, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2009

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

The *2008 general obligation bank loan 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.

The City uses 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.

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, 2009

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, 2009**

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 the bank loans and 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, 2009

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 expensed 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.

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, 2009**

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.

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

CITY OF WILTON MANORS, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2009

NOTE 2. DEPOSITS AND INVESTMENTS (continued)

Governmental and Proprietary Funds (continued)

Deposits (continued)

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 \$1,843,116 and the bank balance was \$2,555,367. 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 (LGIP) with a fair value at year end of \$7,668,298. The LGIP is administered by the Florida State Board of Administration (SBA), which provides regulatory oversight. On November 29, 2007, the SBA reported that the LGIP was exposed to potential risks due to indirect exposure in the sub-prime mortgage financial market. Consequently, on December 4, 2007, the SBA placed some restrictions on how participants could access portions of their investments, and ultimately restructured the LGIP into two separate pools, the Pool A and Pool B. Pool A, currently referred to as "LGIP" consists of all money market appropriate assets, which was approximately \$12 billion or 86% of Pool assets. Pool B, currently referred to as Fund B Surplus Trust Fund (Fund B), consisted of assets that either defaulted on a payment, paid more slowly than expected, and/or had any significant credit and liquidity risk, which was approximately \$2 billion or 14% of Pool assets.

The LGIP (formerly Pool A) is considered a SEC 2a-7-like fund, therefore, account balances are considered to be the fair value of the investment. Fund B is accounted for as a fluctuating Net Asset Value (NAV) pool. The fair value for Fund B as of September 30, 2009 is 0.54915069, and the fair value is calculated by multiplying the factor by the account balance. The fair value of the City's investment in the LGIP at year end was \$7,443,982. The fair value of the City's investment in Fund B at year end was \$224,316.

CITY OF WILTON MANORS, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2009

NOTE 2. DEPOSITS AND INVESTMENTS (continued)

Investments (continued)

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.

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 33 days. The weighted average life (WAL) of Fund B at year end was 6.69 years. However, because Fund B consists of restructured or defaulted securities, there is considerable uncertainty regarding the weighted average life.

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, 2009. Fund B was unrated as of that date.

**CITY OF WILTON MANORS, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2009**

NOTE 2. DEPOSITS AND INVESTMENTS (continued)

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.

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:

Authorized Investments	Maximum Target % of Portfolio	Actual % of Portfolio
Equity	70%	59.10%
Fixed income	65%	36.40%
Cash equivalents	50%	4.50%

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, 2009:

**CITY OF WILTON MANORS, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2009**

NOTE 2. DEPOSITS AND INVESTMENTS (continued)

Interest rate risk (continued)

<u>Investment Type</u>	<u>Investment Maturities (in years)</u>				
	<u>Fair Value</u>	<u>Less than 1</u>	<u>1 to 5</u>	<u>6 to 10</u>	<u>More than 10</u>
U.S. Treasuries	\$ 128,320	\$ 128,320	\$ -	\$ -	\$ -
U.S. Agencies	3,862,255	62,997	609,106	2,053,704	1,136,448
Corporate bonds	<u>3,857,817</u>	<u>-</u>	<u>564,973</u>	<u>3,064,722</u>	<u>228,122</u>
Total fixed income securities	<u>\$ 7,848,392</u>	<u>\$ 191,317</u>	<u>\$1,174,079</u>	<u>\$ 5,118,426</u>	<u>\$ 1,364,570</u>

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

The following table discloses credit ratings by investment type, at September 30, 2009, as applicable:

	<u>Fair Value</u>	<u>% of Portfolio</u>
United States government guaranteed*	<u>\$ 3,990,575</u>	<u>50.8%</u>
Quality rating of credit risk debt securities		
AAA	-	0.0%
AA+	234,266	3.0%
AA	281,965	3.6%
AA-	131,514	1.7%
A+	225,768	2.9%
A	1,240,342	15.8%
A-	1,540,119	19.6%
BBB+	<u>203,843</u>	<u>2.6%</u>
Total credit risk debt securities	<u>3,857,817</u>	<u>49.2%</u>
Total fixed income securities	<u>\$ 7,848,392</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, 2009.

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, 2009

NOTE 3. CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2009 was as follows:

	<u>Balance</u> <u>October 1, 2008</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u> <u>Sept. 30, 2009</u>
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 8,567,723	\$ -	\$ -	\$ 8,567,723
Construction in progress	1,833,968	4,340,503	-	6,174,471
Total assets not being depreciated	<u>10,401,691</u>	<u>4,340,503</u>	<u>-</u>	<u>14,742,194</u>
Capital assets being depreciated:				
Buildings	4,822,694	498,541	-	5,321,235
Improvements other than buildings	9,887,109	708,871	-	10,595,980
Machinery & equipment	5,234,773	445,474	-	5,680,247
Infrastructure	16,816,161	88,066	-	16,904,227
Total capital assets being depreciated	<u>36,760,737</u>	<u>1,740,952</u>	<u>-</u>	<u>38,501,689</u>
Less accumulated depreciation for:				
Buildings	(1,662,234)	(181,535)	-	(1,843,769)
Improvements other than buildings	(3,027,949)	(552,600)	-	(3,580,549)
Machinery & equipment	(3,436,949)	(831,668)	-	(4,268,617)
Infrastructure	(13,032,909)	(476,555)	-	(13,509,464)
Total accumulated depreciation	<u>(21,160,041)</u>	<u>(2,042,358)</u>	<u>-</u>	<u>(23,202,399)</u>
Total capital assets being depreciated, net	<u>15,600,696</u>	<u>(301,406)</u>	<u>-</u>	<u>15,299,290</u>
Governmental activities capital assets, net	<u>\$ 26,002,387</u>	<u>\$ 4,039,097</u>	<u>\$ -</u>	<u>\$ 30,041,484</u>

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

Governmental activities:	
General government	\$ 166,008
Public safety	594,021
Culture and recreation	645,858
Physical environment	51,855
Transportation	584,616
Total depreciation expense - governmental activities	<u>\$ 2,042,358</u>

**CITY OF WILTON MANORS, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2009**

NOTE 3. CAPITAL ASSETS (continued)

	<u>Balance</u> <u>Oct. 1, 2008</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u> <u>Sept. 30, 2009</u>
Business-type activities:				
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	19,406,403	1,032,932	-	20,439,335
Improvements other than buildings	5,315,990	5,936	-	5,321,926
Buildings	637,469	-	-	637,469
Machinery & equipment	1,001,638	29,292	-	1,030,930
Total capital assets being depreciated	<u>26,361,500</u>	<u>1,068,160</u>	<u>-</u>	<u>27,429,660</u>
Less accumulated depreciation for:				
Infrastructure	(6,238,299)	(637,861)	-	(6,876,160)
Improvements other than buildings	(5,213,314)	(1,991)	-	(5,215,305)
Buildings	(28,394)	(1,797)	-	(30,191)
Machinery & equipment	(606,167)	(96,432)	-	(702,599)
Total accumulated depreciation	<u>(12,086,174)</u>	<u>(738,081)</u>	<u>-</u>	<u>(12,824,255)</u>
Total capital assets being depreciated, net	<u>14,275,326</u>	<u>330,079</u>	<u>-</u>	<u>14,605,405</u>
Business-type activities capital assets, net	<u>\$ 15,778,299</u>	<u>\$ 330,079</u>	<u>\$ -</u>	<u>\$ 16,108,378</u>

NOTE 4. RESTRICTED ASSETS

General Fund

Restricted assets of the General Fund consists of \$4,200 for scholarship and escrow funds.

2008 General Obligation Bank Loan Fund

Restricted assets of the 2008 General Obligation Bank Loan Fund consists of \$2,081,660 for City Hall construction.

Water and Sewer Utility Fund

Restricted assets of the Water and Sewer Utility Fund consist of the following balances as of September 30, 2009:

Water and sewer improvements construction	\$ 642,281
Customers' deposits	780,987
Renewal and replacement reserve	300,000
Debt service reserve	1,103,696
	<u>\$ 2,826,964</u>

CITY OF WILTON MANORS, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2009

NOTE 5. INTERFUND TRANSACTIONS

Interfund balances and transfers are as follows:

	Payable Fund				Total
	Water and Sewer Fund	Miscellaneous Grants Fund	General Obligation Bank Loan Fund	Road Improvement Fund	
<u>Receivable Fund</u>					
General Fund	\$ 1,251,148	\$ 303,844	\$ 351,656	\$ 339,950	\$ 2,246,598

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, Police Training & Education and Water and Sewer Funds will pay off their advances in the next fiscal year. However it is not expected that the General Obligation Bank Loan Fund and the Miscellaneous Grants Fund will be able to repay their respective advances in the upcoming year.

<u>Transfers Out</u>	Transfers In			Total
	<u>General Fund</u>	<u>Utility Fund</u>	<u>Drainage Fund</u>	
General Fund	\$ -	\$ -	\$ 50,524	\$ 50,524
Recycling Fund	208,958	48,354	1,855	259,167
Fire Assessment Fund	65,072	-	-	65,072
Utility Fund	829,972	-	-	829,972
Drainage Fund	23,311	16,119	-	39,430
Road Improvement Fund	93,267	-	-	93,267
	<u>\$ 1,220,580</u>	<u>\$ 64,473</u>	<u>\$ 52,379</u>	<u>\$ 1,337,432</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

a. Revenue Bonds

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

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

The City previously issued \$8,066,930 in Series 1998 Water and Sewer Revenue Bonds with an average interest rate of 4.33% to advance refund \$7,845,000 of outstanding 1989 and 1992 Water and Sewer Revenue Bonds. The net proceeds were used to purchase U.S. Government securities which together with interest earned will be sufficient to retire

**CITY OF WILTON MANORS, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2009**

NOTE 6. DEBT (continued)

a. Revenue Bonds (continued)

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 nil at September 30, 2009. These bonds were 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 \$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 are used 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. This indebtedness is secured by essentially all of the revenues of the Water and Sewer Enterprise Fund, Bond covenants include a requirement for net available revenue to exceed debt service by a ratio of 1.20.

As of September 30, 2009, unspent amount from the bond proceeds was \$642,281, which was presented as part of the restricted cash and cash equivalents account.

b. General Obligation Bank Loan

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, 2009.

Fiscal Year Ending	General Obligations		Enterprise Funds	
	Bank Loan and Note Payable		Revenue Bonds	
	Principal	Interest	Principal	Interest
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	529,921	243,648	1,058,414	130,881
2015-2019	2,615,031	882,259	3,424,100	134,273
2020-2024	1,682,500	455,973	-	-
2025-2029	1,585,650	120,664	-	-
	<u>\$ 8,373,251</u>	<u>\$ 2,888,297</u>	<u>\$ 8,469,407</u>	<u>\$ 1,186,812</u>

**CITY OF WILTON MANORS, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2009**

NOTE 6. DEBT (continued)

c. Note Payable

On January 10, 2007, the City entered into an agreement for the purchase of property adjacent to the City Hall, formerly known as Rothe's Garage. The City issued a promissory note to the property owners, I. William and Carol D. Rothe, in the amount of \$1,000,000. Principal payments of \$100,000 are due annually through 2016. Interest is fixed at 5.0% annually. The outstanding principal balance as of September 30, 2009 was \$700,000. The note is unsecured.

Changes in Long-Term Liabilities

Long-term liability activity for the year ended September 30, 2009 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Debt Retired</u>	<u>Ending Balance</u>	<u>Due within One year</u>
<u>Governmental Activities:</u>					
1999 General Obligation bonds, interest @ 4.378% and principal payable annually of \$256,036, due to mature in June 2019	\$ 1,981,283	\$ -	\$ 145,533	\$ 1,835,750	\$ 150,547
2008 General Obligation bonds, interest @ 3.72% and principal payable annually in varying amounts through 2028.	6,000,000	-	162,500	5,837,500	216,800
Note payable, interest @ 5% and principal payable annually of \$100,000, due to mature in March 2016	800,000	-	100,000	700,000	100,000
Other Liabilities:					
Compensated absences	596,058	7,910	10,012	593,956	-
Net OPEB obligation	-	27,600	-	27,600	-
Total governmental activity debt	<u>\$ 9,377,341</u>	<u>\$ 35,510</u>	<u>\$ 418,045</u>	<u>\$ 8,994,806</u>	<u>\$ 467,347</u>
<u>Business-type Activities:</u>					
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 \$77,211 in 2008 and nil in 2009)	\$ 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	-	530,568	8,469,406	941,387
Other Liabilities:					
Compensated absences	38,113	24,618	-	62,731	-
Business-type activity long-term Liabilities	<u>\$ 9,315,451</u>	<u>\$ 24,618</u>	<u>\$ 807,932</u>	<u>\$ 8,532,137</u>	<u>\$ 941,387</u>

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

CITY OF WILTON MANORS, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2009

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, 2008, upon which the 2008-2009 levy was based, was approximately \$1.24 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, 2009 was 5.8652 per \$ 1,000.

NOTE 8. PENSION TRUST

a. 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 which are now closed to new members. 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 except for a 3.0% per year cost of living adjustment (COLA) for Police Benevolent Association Members (PBA). The City no longer has a volunteer fire department. All members of the former 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.

**CITY OF WILTON MANORS, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2009**

NOTE 8. PENSION TRUST (continued)

b. 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.

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, 2008 (the last plan year valuation date), Plan membership consisted of:

	<u>General and Police</u>	<u>Volunteer Firefighters</u>
Retirees and beneficiaries receiving benefits	25	2
Active plan members	<u>67</u>	<u>8</u>
Total	<u><u>92</u></u>	<u><u>10</u></u>

c. Funding Policy and Funded Status

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 funded status of the plans as of October 1, 2008, the date of the most recent actuarial valuation is as follows:

Pension Plan	Actuarial Value of Assets	(a)	Accrued Liability (b)	Unfunded Liability (b-a)	Funded Ratio (a)/(b)	Covered Payroll (c)
GEPP (in thousands)	\$ 23,978		\$ 31,698	\$ 7,720	75.6%	\$ 1,571
VFRS (in dollars)	646,453		1,025,746	379,293	63.0%	N/A

Details of the funding progress and presented as Required Supplemental Information (RSI) following immediately after the Notes to the Basic Financial Statements present multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the AAL for benefits.

**CITY OF WILTON MANORS, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2009**

NOTE 8. PENSION TRUST (continued)

d. Drop Plan

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, 2009, \$1,179,517 is held for DROP participants.

e. General Employees and Police Pension Fund

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, 2009 and the two preceding years were as follows:

	<u>FY 2009</u>		<u>FY 2008</u>		<u>FY 2007</u>
Contribution Requirements	\$ 1,211,419	\$	1,263,599	\$	1,229,891
Contributions Made (100%)	1,211,419		1,263,599		1,229,891
Total Covered Payroll	1,443,000		2,355,661		4,300,000
Contributions Requirements	83.95%		53.64%		28.60%
Net Pension Obligation	None		None		None

f. Volunteer Firefighters Pension System

The contribution requirements made for the System for the fiscal year ended September 30, 2009 and the preceding two years are as follows:

	<u>FY 2009</u>		<u>FY 2008</u>		<u>FY 2007</u>
Contribution Requirements	\$ 77,739	\$	155,049	\$	187,703
Contributions Made (100%)	77,739		155,049		187,703
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, 2009, the State of Florida contributed \$77,739 to this Plan. This amount is recognized as income and expenditures in the financial statements.

g. 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 at 2020 Wilton Drive, Wilton Manors, Florida, 33305.

**CITY OF WILTON MANORS, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2009**

NOTE 9. OTHER POST EMPLOYMENT BENEFITS (OPEB)

The City of Wilton Manors, Florida provides Post Employment Benefits Other than Pensions (OPEB) to employees as mandated by Florida Statutes 112.0801. The City has no formal plan that administers the City's post-employment healthcare, dental and life insurance coverage to eligible individuals and includes all regular employees of the City who retire from active service and are eligible for retirement or disability benefits. The retirees and their spouses and dependents pay 100% of the blended premium rates to obtain their elected health, dental and other insurance benefits. The blended rates provide an implicit subsidy to them because on an actuarial basis, their current and future claims are expected to result in higher costs to the employer.

a. Funding Policy and Funded Status

The City is financing the post employment benefits on a pay-as-you-go basis. For fiscal year ended September 30, 2009, thirty nine (39) retirees and their spouses received the benefits. The annual required contributions amounted to \$66,800 for the current fiscal year, toward which the City made an actual contribution of \$39,200. At September 30, 2009, the City had a net OPEB obligation of \$27,600.

The funded status of this benefit as of September 30, 2009, the date of the most recent actuarial valuation date is as follows (dollar amounts in thousands):

Plan Assets (a)	Accrued Liability (b)	Unfunded Liability (b-a)	Normal Cost (c)	Funded Ratio (a)/(b)	Covered Payroll (d)	Unfunded % of Payroll ((b-a)/d)
\$ -	\$ 687,700	\$ 687,700	\$ 38,700	0.00%	\$6,077,100	11.3%

Detail of the funding progress is provided in a schedule immediately following the notes to the financial statements.

b. Annual OPEB Cost and Net OPEB Obligation

The City's annual OPEB cost is calculated based on the annual required contribution (ARC) of the employer, an amount actuarially determined in accordance with the parameters of GASB 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year to amortize any unfunded actuarial liabilities over a period of thirty years, the amount actually contributed to the plan and changes in the City's net OPEB obligation to the retirees as of September 30, 2009:

**CITY OF WILTON MANORS, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2009**

NOTE 9. OTHER POST EMPLOYMENT BENEFITS (OPEB) (continued)

b. Annual OPEB Cost and Net OPEB Obligation (continued)

	Governmental Activities	Business-type Activities	Total
Annual required contribution	\$ 66,800	\$ -	\$ 66,800
Interest on net OPEB obligation	-	-	-
Adjustment to annual required contribution	-	-	-
Annual OPEB cost	66,800	-	66,800
Employer contribution	(39,200)	-	(39,200)
Interest on employer contribution	-	-	-
Increase in net OPEB obligation	27,600	-	27,600
Net OPEB obligation, beginning of year	-	-	-
Net OPEB obligation, end of year	<u>\$ 27,600</u>	<u>\$ -</u>	<u>\$ 27,600</u>

The annual OPEB cost, the percentage of annual OPEB cost contributed and the net OPEB obligation for 2009 was:

Annual OPEB cost	\$ 66,800
Percentage of OPEB cost contributed	58.7%
Net OPEB obligation	\$ 27,600

c. Actuarial Methods and Assumptions

Valuation date	9/30/2009
Actuarial cost method	Entry Age Normal cost
Amortization method	30 years
Actuarial assumptions:	
Investment rate of return*	4%
Medical trend rate	10% for 2009 declining by .5% /yr. until ultimate rate of 5.0% is reached

NOTE 10. 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, 2009.

CITY OF WILTON MANORS, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2009

NOTE 11. 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 \$325,263.

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 is \$500,000 for federal and \$300,000 for state. During the year, the City expended \$249,825 and \$454,442 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, 2009. The expenditures by the City for the year ended September 30, 2009 relating to this agreement totaled approximately \$834,888.

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.

**CITY OF WILTON MANORS, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2009**

NOTE 12. COMMITMENTS AND CONTINGENCIES (continued)

Construction Commitments

The City has the following outstanding construction commitments as of September 30, 2009:

Construction of new City Hall and Police Station	\$	2,906,291
Water and sewer improvements		<u>642,281</u>
	\$	<u>3,548,572</u>

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

At September 30, 2009, 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.

		<u>Deficit Fund Balance</u>
Miscellaneous Grants Fund	\$	227,646
Special Revenue Funds:		
General obligation bonds fund		311,266
Road improvement fund		119,209

NOTE 14. NEW FINANCIAL STANDARDS NOT YET IMPLEMENTED

GASB Statement No. 51, *Accounting and Financial Reporting for Intangible Assets*; GASB Statement No. 53, *Accounting and Financial Reporting by Derivative Instruments*; GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Types Definitions*; GASB Statement No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*; and GASB Statement No. 58, *Accounting and Financial Reporting for Chapter 9 Bankruptcies* have been issued. The City has not elected early implementation and, therefore, has not determined the financial statement impact of these new pronouncements.



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REQUIRED SUPPLEMENTARY INFORMATION

CITY OF WILTON MANORS, FLORIDA
 BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
 FOR THE YEAR ENDED SEPTEMBER 30, 2009

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		(Negative)
REVENUES:				
Taxes:				
Ad valorem	\$ 6,362,369	\$ 6,362,369	\$ 6,331,548	\$ (30,821)
Ad valorem taxes for debt service	659,704	659,704	655,264	(4,440)
Utility taxes	1,782,133	1,782,133	1,876,245	94,112
Franchise fee	1,001,313	1,001,313	840,389	(160,924)
Licenses and permits	786,376	786,376	456,386	(329,990)
Intergovernmental	1,206,046	1,206,046	1,162,823	(43,223)
Charges for services	336,878	336,878	578,868	241,990
Impact fees	-	-	23,977	23,977
Fines and forfeitures	179,164	179,164	165,306	(13,858)
Investment earnings (loss)	116,822	116,822	(23,502)	(140,324)
Miscellaneous	75,622	75,622	52,470	(23,152)
Total revenues	12,506,427	12,506,427	12,119,774	(386,653)
EXPENDITURES:				
Current:				
General government:				
City commission	126,418	126,418	116,147	10,271
City management	433,275	433,275	444,366	(11,091)
City clerk	291,809	291,809	273,207	18,602
Finance	528,015	528,015	494,825	33,190
Human resources	419,176	419,176	435,394	(16,218)
City attorney	210,212	210,212	268,564	(58,352)
Non-departmental	1,033,679	950,089	583,105	366,984
Total general government	3,042,584	2,958,994	2,615,608	343,386
Public safety:				
Police department	5,508,085	5,512,475	5,674,913	(162,438)
Emergency management	282,578	282,578	280,111	2,467
Community service	1,139,783	1,139,783	1,121,103	18,680
Total public safety	6,930,446	6,934,836	7,076,127	(141,291)
Physical environment				
	515,118	515,118	492,299	22,819
Culture and recreation:				
Library	553,902	553,902	531,344	22,558
Parks and recreation	2,634,433	2,713,633	2,941,332	(227,699)
Total culture and recreation	3,188,335	3,267,535	3,472,676	(205,141)
Total expenditures	13,676,483	13,676,483	13,656,710	19,773
Excess (deficiency) of revenues over expenditures	(1,170,056)	(1,170,056)	(1,536,936)	(406,426)
OTHER FINANCING SOURCES (USES):				
Transfers in	1,220,580	1,220,580	1,220,580	-
Transfers out	(50,524)	(50,524)	(50,524)	-
Total other financing sources (uses)	1,170,056	1,170,056	1,170,056	-
Net change in fund balances	\$ -	\$ -	(366,880)	\$ (406,426)
Fund balances, beginning			6,518,728	
Fund balances, ending			\$ 6,151,848	

See notes to budgetary comparison schedule.

CITY OF WILTON MANORS, FLORIDA

NOTES TO BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2009

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, fire assessment fund, Jenada assessment fund and the Road Improvement 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. The City does not prepare budgets for the remaining governmental funds, including the 2008 general obligation bank loan fund and the miscellaneous grants fund which are presented as major funds for the current fiscal year.

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 re-budgeted 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, 2009 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	\$ 433,275	\$ 444,366	\$ (11,091)
City attorney	210,212	268,564	(58,352)
Human resources	419,176	435,394	(16,218)
Police department	5,512,475	5,674,913	(162,438)
Parks and facilities	2,713,633	2,941,332	(227,699)

The over-expenditures for the City Management, Human Resource and Police Departments resulted from pension contribution requirements that exceeded the amounts anticipated when the budget was adopted. The variance in the City Attorney’s budget is due to unanticipated legal settlements made during the year. The excess in the Parks and Facilities Department was due to expenditures on a major capital project that will later be reimbursed by grant money. All excess expenditures 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, 2009
 (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)
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CITY OF WILTON MANORS GENERAL EMPLOYEES' AND POLICE PENSION PLAN (in thousands of dollars)

10/1/2008	\$ 23,978	\$ 31,698	\$ 7,720	75.6%	\$ 1,571	\$ 491.5
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

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

10/1/2008	\$ 646,453	\$ 1,025,746	\$ 379,293	63.0%	N/A	N/A
10/1/2007	593,576	974,213	380,637	60.9%	N/A	N/A
10/1/2006	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	5.0%	N/A	N/A
10/1/2003*	-	-	-	-	-	-
10/1/2002*	-	-	-	-	-	-

* The system is only required to value assets every three years. Data is not available.

CITY OF WILTON MANORS, FLORIDA
OTHER POSTEMPLOYMENT BENEFITS
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF FUNDING PROGRESS
 SEPTEMBER 30, 2009
 (Unaudited)

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b) - (a)	Funded Ratio (a)/(b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll (b-a)/(c)
9/30/2009	\$ -	\$ 687,700	\$ 687,700	0.0%	\$ 6,077,100	11.3%

Note: The above schedule reflects data for one year only due to this being the first year of implementation of GASB statement No. 45.

CITY OF WILTON MANORS, FLORIDA
PENSION TRUST FUNDS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CONTRIBUTION FROM EMPLOYER AND OTHER CONTRIBUTING ENTITIES
SEPTEMBER 30, 2009
(Unaudited)

Fiscal Year Ended	City		State of Florida	
	Annual Required Contribution	Percentage Contributed	Annual Required Contribution	Percentage Contributed
<u>Total General Employees' and Police Retirement System</u>				
9/30/2009	\$ 1,211,419	100%	\$ -	-
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%	-	-
<u>Total Volunteer Firefighters' Retirement System</u>				
9/30/2009	-	-	76,864	100%
9/30/2008	-	-	84,187	100%
9/30/2007	-	-	84,459	100%
9/30/2006	-	-	52,014	100%
9/30/2005	-	-	46,877	180%
9/30/2004	-	-	43,306	185%
9/30/2003	-	-	14,537	464%

(A) Actuarially determined contributions requirements.

(B) Total actual contributions as a percentage of annual required contributions.

The information presented in the required supplemental schedules above was determined as part of the actuarial valuation at the date indicated. Additional information as of the latest actuarial valuation follows:

	General Employees & Police Pension Plan	Volunteer Firefighters' Pension System
Valuation date	10/1/2008	10/1/2007
Actuarial cost method	Entry age normal	Entry age normal
Amortization method	Level percent	Level dollar amount
Equivalent single amortization period	General Members - 22 years Police Members - 14 years	12 years
Asset valuation method	Effective with the October 1, 2003 valuation, the assets are valued using an IRS-approved smoothed market value without phase in, beginning with the market value at October 1, 1999, as if the method had always been in effect. It recognizes the difference between actual and expected investment income at the rate of 20% per year. The actuarial value of assets is calculated as market value minus unrecognized excesses (shortages) of actual investment income as compared to expected. Actuarial contributions and expenses are used to determine the expected return. The actuarial value of assets is further adjusted to the extent necessary to fall within the corridor of 80% to 120% of the fair market value of plan assets.	Market value
Actuarial assumptions:		
Investment rate of return*	8.00%	8.00%
Projected salary increases*	5.50%	N/A
*Includes inflation at	3.50%	3.50%



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COMBINING FUND STATEMENTS

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.

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.

CITY OF WILTON MANORS, FLORIDA
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS BY FUND TYPE
SEPTEMBER 30, 2009

	Recycling Fund	Fire Assessment Fund	Local Law Enforcement Block Grant Fund	Police Training and Education Fund	Police Forfeiture Fund	Jenada Assessment Fund	General Obligation Bond Fund	Road Improvement Fund	Total
ASSETS									
Equity in pooled cash	\$ 113,642	\$ 71,070	\$ 4,416	\$ 36,799	\$ 155,363	\$ 20,144	\$ 40,390	\$ -	\$ 441,824
Cash held by third party	-	231,359	-	-	-	-	-	-	231,359
Accounts receivable	255,982	13	-	-	-	-	-	-	255,995
Due from other governments	-	-	-	-	-	-	-	288,592	288,592
Inventories	-	-	-	-	-	-	-	8,720	8,720
Prepaid expenses	-	308	-	-	-	-	-	-	308
Total assets	<u>\$ 369,624</u>	<u>\$ 302,750</u>	<u>\$ 4,416</u>	<u>\$ 36,799</u>	<u>\$ 155,363</u>	<u>\$ 20,144</u>	<u>\$ 40,390</u>	<u>\$ 297,312</u>	<u>\$ 1,226,798</u>
LIABILITIES									
Accounts payable	\$ 216,160	\$ 75,876	\$ -	\$ 884	\$ 1,216	\$ -	\$ -	\$ 76,570	\$ 370,706
Accrued expenses	3,782	5,274	-	-	-	-	-	-	9,056
Due to other funds	-	-	-	-	-	-	351,656	339,950	691,606
Deferred revenue	-	4,450	-	-	-	-	-	-	4,450
Total liabilities	<u>219,942</u>	<u>85,600</u>	<u>-</u>	<u>884</u>	<u>1,216</u>	<u>-</u>	<u>351,656</u>	<u>416,520</u>	<u>1,075,818</u>
FUND BALANCES									
Reserved for:									
Inventories	-	-	-	-	-	-	-	8,720	8,720
Prepaid expenses	-	308	-	-	-	-	-	-	308
Encumbrances	-	-	-	-	-	-	-	-	-
Vehicles	9,143	18,375	-	-	-	-	-	78,348	105,866
Firetruck	-	231,359	-	-	-	-	-	-	231,359
Unreserved:									
Undesignated (deficit)	140,539	(32,892)	4,416	35,915	154,147	20,144	(311,266)	(206,276)	(195,273)
Total fund balances	<u>149,682</u>	<u>217,150</u>	<u>4,416</u>	<u>35,915</u>	<u>154,147</u>	<u>20,144</u>	<u>(311,266)</u>	<u>(119,208)</u>	<u>150,980</u>
Total liabilities and fund balances	<u>\$ 369,624</u>	<u>\$ 302,750</u>	<u>\$ 4,416</u>	<u>\$ 36,799</u>	<u>\$ 155,363</u>	<u>\$ 20,144</u>	<u>\$ 40,390</u>	<u>\$ 297,312</u>	<u>\$ 1,226,798</u>

See notes to basic financial statements.

CITY OF WILTON MANORS, FLORIDA
 COMBINING STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (DEFICIT)
 NON-MAJOR GOVERNMENTAL FUNDS BY FUND TYPE
 FOR THE YEAR ENDED SEPTEMBER 30, 2009

	Recycling Fund	Fire Assessment Fund	Local Law Enforcement Block Grant Fund	Police Training and Education Fund	Police Forfeiture Fund	Jenada Assessment Fund	General Obligation Bond Fund	Road Improvement Fund	Total
Revenues:									
Charges for services	\$ 106,230	\$ 29,600	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 20,270	\$ 156,100
Franchise fees	436,100	-	-	-	-	-	-	-	436,100
Fines and forfeitures	-	-	-	5,203	103,373	-	-	-	108,576
Special assessments	-	1,123,736	-	-	-	13,683	-	-	1,137,419
Intergovernmental Grants	-	-	-	-	-	-	-	226,506	226,506
Interest income	1,391	7,482	69	237	856	197	2,194	5	12,431
Miscellaneous	-	1,014	(2,347)	-	2,001	-	-	-	668
Total revenues	<u>543,721</u>	<u>1,161,832</u>	<u>(2,278)</u>	<u>5,440</u>	<u>106,230</u>	<u>13,880</u>	<u>2,194</u>	<u>246,781</u>	<u>2,077,800</u>
Expenditures:									
Current:									
Public safety	-	970,957	-	8,042	49,852	-	-	-	1,028,851
Culture and recreation	297,435	-	-	-	-	-	-	-	297,435
Physical environment	3,661	-	-	-	-	15,600	-	90,850	110,111
Capital Outlay	11,173	34,552	-	-	-	-	-	96,402	142,127
Total expenditures	<u>312,269</u>	<u>1,005,509</u>	<u>-</u>	<u>8,042</u>	<u>49,852</u>	<u>15,600</u>	<u>-</u>	<u>187,252</u>	<u>1,578,524</u>
Excess (deficiency) of revenues over expenditures	<u>231,452</u>	<u>156,323</u>	<u>(2,278)</u>	<u>(2,602)</u>	<u>56,378</u>	<u>(1,720)</u>	<u>2,194</u>	<u>59,529</u>	<u>499,276</u>
Other financing sources:									
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	(259,167)	(65,072)	-	-	-	-	-	(93,267)	(417,506)
Total other financing sources	<u>(259,167)</u>	<u>(65,072)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(93,267)</u>	<u>(417,506)</u>
Net change in fund balance	(27,715)	91,251	(2,278)	(2,602)	56,378	(1,720)	2,194	(33,738)	81,770
Fund balance (deficit), beginning	<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>(313,460)</u>	<u>(85,470)</u>	<u>69,210</u>
Fund balance (deficit), ending	<u>\$ 149,682</u>	<u>\$ 217,150</u>	<u>\$ 4,416</u>	<u>\$ 35,915</u>	<u>\$ 154,147</u>	<u>\$ 20,144</u>	<u>\$ (311,266)</u>	<u>\$ (119,208)</u>	<u>\$ 150,980</u>

See notes to basic financial statements.

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.

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

CITY OF WILTON MANORS, FLORIDA
NET ASSETS BY COMPONENT
Last Seven 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>	<u>2008-09</u>
Governmental Activities							
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	\$ 23,749,894
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>4,470,047</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>	<u>28,219,941</u>
Business-type Activities							
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	9,214,788
Restricted	2,991,488	1,613,939	1,559,205	1,559,205	2,052,990	1,113,439	1,103,696
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>(1,363,483)</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>	<u>8,955,001</u>
Primary Government							
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	32,964,682
Restricted	2,991,488	1,613,939	1,559,205	1,559,205	4,243,986	1,113,439	1,103,696
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>3,106,564</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>	<u>\$ 37,174,942</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 Seven 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>	<u>2008-09</u>
EXPENSES							
Governmental Activities							
General Government	\$ 1,371,346	\$ 1,414,246	\$ 1,680,856	\$ 2,136,708	\$ 2,060,947	\$ 2,568,351	\$ 2,205,488
Public Safety	6,078,529	6,302,204	6,708,570	6,787,831	7,398,549	8,160,017	8,443,552
Physical Environment	781,664	965,435	911,806	2,779,972 *	1,077,506	869,291	1,090,237
Culture and Recreation	2,140,185	2,063,604	2,593,071	2,596,851	3,063,009	3,439,236	3,713,402
Interest on Long-term Debt	<u>130,076</u>	<u>124,502</u>	<u>118,680</u>	<u>168,411</u>	<u>200,780</u>	<u>217,741</u>	<u>471,098</u>
Total Governmental Activities Expenses	<u>10,501,800</u>	<u>10,869,991</u>	<u>12,012,983</u>	<u>14,469,773</u>	<u>13,800,791</u>	<u>15,254,636</u>	<u>15,923,777</u>
Business-type Activities							
Water and Wastewater	3,222,515	3,441,063	3,561,575	3,726,449	4,185,052	4,920,272	4,635,430
Drainage	<u>294,325</u>	<u>299,732</u>	<u>267,584</u>	<u>224,846</u>	<u>274,547</u>	<u>354,413</u>	<u>427,806</u>
Total Business-type Activities Expenses	<u>3,516,840</u>	<u>3,740,795</u>	<u>3,829,159</u>	<u>3,951,295</u>	<u>4,459,599</u>	<u>5,274,685</u>	<u>5,063,236</u>
Total Primary Government Expenses	<u>14,018,640</u>	<u>14,610,786</u>	<u>15,842,142</u>	<u>18,421,068</u>	<u>18,260,390</u>	<u>20,529,321</u>	<u>20,987,013</u>
PROGRAM REVENUES							
Governmental Activities							
Charges for Services							
General Government	6,374,063	2,041,279	2,011,535	-	996,436	-	-
Public Safety	1,197,519	1,470,497	2,616,628	2,189,823	1,342,834	1,421,529	1,465,932
Physical Environment	630,908	893,622	565,710	1,893,082 *	507,437	417,071	1,774,875
Culture and Recreation	220,893	230,069	244,850	540,290	244,081	255,340	269,017
Operating Grants/Contributions	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>1,368,685</u>	<u>852,169</u>	<u>-</u>
Total Revenues	<u>8,423,383</u>	<u>4,635,467</u>	<u>5,438,723</u>	<u>4,623,195</u>	<u>4,459,473</u>	<u>2,946,109</u>	<u>3,509,824</u>
Business-type Activities							
Charges for Services							
Water and Wastewater	4,122,190	4,251,905	4,561,813	4,774,159	5,469,707	5,190,185	5,324,936
Drainage	<u>279,182</u>	<u>277,337</u>	<u>292,031</u>	<u>326,823</u>	<u>328,559</u>	<u>399,648</u>	<u>319,559</u>
Total Business-type Activities Program	<u>4,401,372</u>	<u>4,529,242</u>	<u>4,853,844</u>	<u>5,100,982</u>	<u>5,798,266</u>	<u>5,589,833</u>	<u>5,644,495</u>
Total Primary Government Program Revenues	<u>12,824,755</u>	<u>9,164,709</u>	<u>10,292,567</u>	<u>9,724,177</u>	<u>10,257,739</u>	<u>8,535,942</u>	<u>9,154,319</u>
NET (EXPENSE) REVENUE							
Governmental Activities	(2,078,417)	(6,234,524)	(6,574,260)	(9,846,578) *	(9,341,318)	(12,308,527)	(12,413,953)
Business-type Activities	<u>884,532</u>	<u>788,447</u>	<u>1,024,685</u>	<u>1,149,687</u>	<u>1,338,667</u>	<u>315,148</u>	<u>581,259</u>
Total Primary Government Net Expense	<u>\$ (1,193,885)</u>	<u>\$ (5,446,077)</u>	<u>\$ (5,549,575)</u>	<u>\$ (8,696,891)</u>	<u>\$ (8,002,651)</u>	<u>\$ (11,993,379)</u>	<u>\$ (11,832,694)</u>

Continued on Next Page

CITY OF WILTON MANORS, FLORIDA
CHANGES IN NET ASSETS
Last Seven 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>	<u>2008-09</u>
GENERAL REVENUES AND TRANSFERS							
Governmental Activities							
Property Taxes	\$ 3,466,811	\$ 4,016,062	\$ 4,753,466	\$ 5,724,191	\$ 6,677,263	\$ 6,538,632	\$ 6,986,812
Other Taxes	2,508,288	2,476,395	2,589,539	2,907,770	2,535,611	3,506,362	3,152,734
Investment Earnings	-	-	82,583	244,358	351,841	221,132	30,547
Unrestricted Grants	-	-	-	1,516,913	1,429,212	1,437,096	1,536,474
Other	55,610	98,941	329,149	232,589	1,142,003	1,619,564	535,849
Transfers	428,120	540,040	528,234	646,910	751,742	643,642	752,550
Total Governmental Activities Revenues	<u>6,458,829</u>	<u>7,131,438</u>	<u>8,282,971</u>	<u>11,272,731</u>	<u>12,887,672</u>	<u>13,966,428</u>	<u>12,994,966</u>
Business-type Activities							
Investment Earnings	70,580	33,719	70,967	127,319	293,945	143,182	9,135
Unrestricted Grants	-	-	-	211,107	-	-	-
Other	115,668	78,355	61,735	48,531	85,009	271,056	202,762
Transfers	(428,120)	(540,040)	(528,234)	(646,910)	(751,742)	(643,642)	(752,550)
Total Business-type Activities Revenues	<u>(241,872)</u>	<u>(427,966)</u>	<u>(395,532)</u>	<u>(259,953)</u>	<u>(372,788)</u>	<u>(229,404)</u>	<u>(540,653)</u>
Total Primary Government Revenues	<u>\$ 6,216,957</u>	<u>\$ 6,703,472</u>	<u>\$ 7,887,439</u>	<u>\$ 11,012,778</u>	<u>\$ 12,514,884</u>	<u>\$ 13,737,024</u>	<u>\$ 12,454,313</u>
CHANGES IN NET ASSETS							
Governmental Activities	\$ 4,380,412	\$ 896,914	\$ 1,708,711	\$ 1,426,153	\$ 3,546,354	\$ 1,657,901	\$ 581,013
Business-type Activities	642,660	360,481	629,153	889,734	965,879	85,744	40,606
Total Primary Government	<u>\$ 5,023,072</u>	<u>\$ 1,257,395</u>	<u>\$ 2,337,864</u>	<u>\$ 2,315,887</u>	<u>\$ 4,512,233</u>	<u>\$ 1,743,645</u>	<u>\$ 621,619</u>

* 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 Seven Fiscal Years
(Modified Accrual Form 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>	<u>2008-09</u>
General Fund							
Reserved *	\$ 1,107,800	\$ 1,746,628	\$ 2,214,428	\$ 2,696,320	\$ 2,763,928	\$ 4,560,832	\$ 4,277,450
Unreserved *	<u>680,217</u>	<u>599,140</u>	<u>1,350,519</u>	<u>2,025,164</u>	<u>2,385,838</u>	<u>1,957,896</u>	<u>1,874,398</u>
	<u>\$ 1,788,017</u>	<u>\$ 2,345,768</u>	<u>\$ 3,564,947</u>	<u>\$ 4,721,484</u>	<u>\$ 5,149,766</u>	<u>\$ 6,518,728</u>	<u>\$ 6,151,848</u>
All Other Governmental Funds							
Reserved	\$ 381,614	\$ 643,475	\$ 170,884	\$ 200,006	\$ 343,887	\$ 555,290	\$ 1,523,763
Unreserved, Reported in Special Revenue	<u>(319,162)</u>	<u>(127,869)</u>	<u>319,273</u>	<u>(249,098)</u>	<u>(897,179)</u>	<u>3,937,764</u>	<u>(422,918)</u>
	<u>\$ 62,452</u>	<u>\$ 515,606</u>	<u>\$ 490,157</u>	<u>\$ (49,092)</u>	<u>\$ (553,292)</u>	<u>\$ 4,493,054</u>	<u>\$ 1,100,845</u>

* The prior year presentations have been revised to reflect the long-term portion of amounts advanced by the General Fund to other funds.

CITY OF WILTON MANORS, FLORIDA
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
LAST SEVEN FISCAL YEARS
(Modified 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>	<u>2008-09</u>
REVENUES							
Ad Valorem Taxes - Operating	\$ 3,215,278	\$ 3,760,912	\$ 4,464,191	\$ 5,375,753	\$ 6,446,700	\$ 6,307,226	\$ 6,331,548
Ad Valorem Taxes - Debt Service	251,533	255,150	289,275	348,438	230,564	231,406	655,264
Franchise Fees	889,986	918,458	946,635	1,120,519	793,113	1,451,514	1,276,489
Utility Service Taxes	1,618,302	1,557,937	1,642,904	1,674,382	1,742,498	1,825,721	1,876,245
Licenses and Permits	480,347	596,309	1,237,688	1,012,557	996,436	939,314	456,386
Intergovernmental	6,374,063	2,041,279	2,011,536	2,751,543	2,458,351	1,437,097	2,900,029
Charges for Services	418,575	568,092	612,658	613,275	702,081	716,284	734,968
Fines and Forfeitures	332,110	407,164	310,487	173,702	274,895	237,677	273,882
Impact Fees	-	-	225,654	112,869	89,992	229,128	23,977
Special Assessments	818,288	936,477	1,040,703	993,537	1,027,384	1,139,982	1,137,419
Donations	-	34,108	94,569	316,707	1,090	100	2,400
Other	55,610	150,979	317,160	449,752	496,318	1,753,450	83,632
Total Revenues	<u>14,454,092</u>	<u>11,226,865</u>	<u>13,193,460</u>	<u>14,943,034</u>	<u>15,259,422</u>	<u>16,268,899</u>	<u>15,752,239</u>
EXPENDITURES							
Current							
General Government	1,252,320	1,271,701	1,447,971	1,613,291	1,772,521	1,866,577	2,011,880
Public Safety	5,647,740	6,127,273	6,448,340	6,457,864	7,008,181	8,084,855	7,849,531
Physical Environment	639,095	889,533	826,076	2,696,942 *	984,544	525,533	453,766
Culture and Recreation	1,870,392	1,856,161	2,161,440	2,483,280	2,766,439	3,068,679	3,067,543
Nondepartmental	38,114	37,131	85,646	200,010	-	-	-
Capital Outlay	7,529,979	1,031,700	1,302,455	1,974,435	3,176,110	2,591,459	6,081,455
Debt Service							
Principal Retirement	124,147	129,647	135,380	398,967	233,209	239,583	408,033
Interest and Fiscal Charges	131,888	126,389	120,656	147,867	146,077	84,925	391,670
Total Expenditures	<u>17,233,675</u>	<u>11,469,535</u>	<u>12,527,964</u>	<u>15,972,656</u>	<u>16,087,081</u>	<u>16,461,611</u>	<u>20,263,878</u>
Excess of Revenues Over (Under)							
Expenditures	(2,779,583)	(242,670)	665,496	(1,029,622)	(827,659)	(192,712)	(4,511,639)
OTHER FINANCING SOURCES (USES)							
Debt Issuance	-	-	-	1,000,000	-	5,964,378	-
Transfers In	812,243	967,252	1,010,562	1,072,511	1,300,048	1,226,202	1,220,580
Transfers Out	(384,123)	(427,212)	(482,328)	(425,601)	(548,306)	(582,560)	(468,030)
Total Other Financing Sources (Uses)	<u>428,120</u>	<u>540,040</u>	<u>528,234</u>	<u>1,646,910</u>	<u>751,742</u>	<u>6,608,020</u>	<u>752,550</u>
Net Change in Fund Balances	<u>\$ (2,351,463)</u>	<u>\$ 297,370</u>	<u>\$ 1,193,730</u>	<u>\$ 617,288</u>	<u>\$ (75,917)</u>	<u>\$ 6,415,308</u>	<u>\$ (3,759,089)</u>
Debt Service as a Percentage of							
Non-capital Expenditures	<u>2.64%</u>	<u>2.45%</u>	<u>2.28%</u>	<u>3.91%</u>	<u>2.94%</u>	<u>2.34%</u>	<u>5.64%</u>

* 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 Real Parcels of Property
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
2008	2008-09	1,533,847,906	163,043,710	20,766,010	102,965,090	34,066,245	617,341,732	1,237,347,229	-2.3%	5.8652	1,826,601,020	67.7%	5,529

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
		<u>Operating</u>	<u>Debt Service</u>	<u>Total City</u>	<u>Broward County</u>	<u>Broward County Schools</u>	<u>South Florida Water Management District</u>	<u>Florida Inland Navigation District</u>	<u>Broward Children's Services Council</u>	<u>North Broward Hospital District</u>	
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
2008	2008-09	5.3122	0.5530	5.8652	5.3145	7.4170	0.6240	0.0345	0.3754	1.7059	21.3365

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 mills.

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

Source: Broward County Property Appraiser.

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

Fiscal Year 2008-09				
Taxpayer	Type of Business	Taxable Assessed Value	Rank	Percent of Total Taxable Assessed Value
Marrinson Group Inc.	Retirement Home - Nursing Home	\$ 21,366,270	1	1.7%
Wilton Station LLC	Real Estate - Residential	19,494,170	2	1.6%
BA Properties, Inc.	Real Estate - Residential	17,514,210	3	1.4%
High Acres TIC LLC & 2727 Palm Gardens LLC	Real Estate - Commercial	14,027,000	4	1.1%
LG Wilton Mark LLC	Real Estate - Residential	9,041,500	5	0.7%
CAR Five Corners Plaza	Real Estate - Residential & Commercial	8,960,790	6	0.7%
Williams, Carol et al	Real Estate - Commercial	8,024,170	7	0.6%
Island City Lofts LLC	Real Estate - Commercial	7,830,000	8	0.6%
WM Townhomes LLC	Real Estate - Residential & Commercial	6,132,330	9	0.5%
	Real Estate - Residential	5,662,630	10	0.5%
		<u>\$ 118,053,070</u>		<u>9.5%</u>
Total City Taxable Assessed Value		<u>\$ 1,237,347,229</u>		

Fiscal Year 1999-2000				
Taxpayer	Type of Business	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		<u>\$ 350,345,622</u>		

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
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%	542,124	6,321,378	100.9%
2008-09	6,337,369	5,789,424	91.4%	-	5,789,424	91.4%

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 Personal Income
			General Obligation Bonds/ Bank Loan	Revenue Bonds	Note Payable	Capital Leases	Revenue Bonds				
1999-00	12,697	\$ 30,716	\$ 3,274,580	\$ 77,991	\$ -	\$ -	\$ 10,671,847	\$ 14,024,418	\$ 1,105	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	9,591,034	764	1.9%	
2006-07	12,848	41,169	2,122,896	-	900,000	-	10,221,907	13,244,803	1,031	2.5%	
2007-08	12,929	N/A	7,979,916	-	800,000	-	9,373,851	18,153,767	1,404	N/A	
2008-09	12,929	N/A	7,673,250	-	700,000	-	8,469,406	16,842,656	1,303	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/ Loans	Percentage of Actual Taxable Value of Property	Per Capita
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	-	0.00%	-
2003-04	12,414	645,177,186	-	0.00%	-
2004-05	12,282	732,786,914	-	0.00%	-
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
2008-09	12,929	1,237,347,229	7,981,283	0.65%	617

**CITY OF WILTON MANORS, FLORIDA
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES NET DEBT
SEPTEMBER 30, 2009**

	<u>Net Debt Outstanding</u>	<u>Estimated Amount Applicable to Wilton Manors</u>	<u>Estimated Share of Overlapping Net Debt</u>	<u>Per Capita</u>
<u>Direct Debt</u>	<u>\$ 8,373,250</u>	100%	<u>8,373,250</u>	<u>\$ 652</u>
<u>Overlapping Debt</u>				
Debt Repaid with Property Taxes:				
Broward County				
General Obligation Bonds	446,330,000			
School Board of Broward County				
Certificates of Participation	2,051,715,000			
Other Debt:				
Broward County				
Special Obligation Bonds	164,750,000			
Total Overlapping Debt	<u>\$ 2,662,795,000.00</u>	0.74%	<u>\$ 19,715,762.00</u>	<u>\$ 1,535</u>
Total Direct And Overlapping Debt	<u>\$ 2,671,168,250.00</u>		<u>\$ 28,089,012.00</u>	<u>\$ 2,186</u>

	<u>Wilton Manors</u>	<u>Broward County</u>	<u>Percentage</u>
Population	12,929	1,762,285	0.73%
Taxable Assessed Value of Property	\$ 1,237,347,229	\$ 167,115,122,927	0.74%

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 Ten 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
2008-09	5,024,936	3,707,670	1,317,266	807,932	346,766	1.32

* 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	5.90%
1997-98	11,837	1,560,649	44,487,335	28,506	4.50%
1999-00	12,697	1,632,291	50,137,561	30,716	3.80%
2000-01	12,744	1,669,678	52,614,372	31,512	4.20%
2001-02	12,790	1,701,763	54,850,632	32,232	5.60%
2002-03	12,697	1,722,971	56,254,396	32,650	5.30%
2003-04	12,414	1,745,691	60,331,477	34,560	4.40%
2004-05	12,282	1,770,707	66,230,212	37,403	3.50%
2005-06	12,546	1,772,745	70,454,147	39,743	3.20%
2006-07	12,848	1,819,622	71,994,871	41,169	3.80%
2007-08	12,929	1,758,494	N/A	N/A	6.10%
2008-09	12,929	1,762,285	N/A	N/A	9.80%

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 employers.
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
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/Manager

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

Area:

Square Miles	2.67
Miles of streets	47
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	4,239
Active accounts - Sewer	4,083

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

Sources: 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	2008-09
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	2.5
Finance and Administrative	11.7	10.8	11.4	11.6	11.6	12.9	12.3	13.4	14.3	13.76	14.13
Public Safety											
Police and Fire	47.4	48.4	47	47	47	47.1	45	43.5	43.5	41.95	43.95
Community Services	5.9	6.9	7.4	7.4	7.6	10.6	10.5	10.8	8.8	8.25	8.25
Physical Environment											
Public Works	12.7	12.7	12.7	13	13	11	11	11	13	13	13
Culture and Recreation											
Leisure Services	36.9	36.5	37.8	36.5	38.4	41	41.4	43.7	43.8	41.84	41.13
Total	117.1	117.8	118.8	118	120.1	125.1	122.7	124.9	125.9	121.3	122.96

Sources: Various City Departments.

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

FUNCTION:	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09
General Government							
Occupational Licenses Issued	1,353	1,266	1,200	1,195	998	998	534
Public Safety							
Physical Arrests	366	396	371	293	362	472	575
Traffic Violations	9,624	9,625	7,440	3,092	3,910	4,716	5,491
Parking Violations	124	132	87	71	695	877	1,004
Fire/EMS Emergency Responses	1,952	1,995	1,946	1,979	3,123	3,210	2,454
Fire Inspections	1,961	2,270	2,193	3,401	3,755	2,311	2,506
Building Permits Issued	1,845	1,231	1,423	1,983	1,477	1,008	1,090
Physical Environment							
New Water Connections	35	74	46	97	29	11	25
Water Main Breaks	N/A	8	11	4	5	5	11
Average Daily Water Consumption *	1,530	1,634	1,656	1,655	1,511	1,450	1,496
Average Daily Sewage Treatment *	1,293	1,539	1,957	1,649	1,862	2,315	1,845
Culture and Recreation							
Athletic Programs	10	10	10	10	4	3	5
Volumes in Library Collection	22,245	23,083	24,575	29,132	32,581	27,212	35,435
Total Volumes Borrowed	43,028	42,743	41,641	54,012	36,362	35,918	48,469

* Thousands of Gallons

Sources: Various City Departments.

CITY OF WILTON MANORS, FLORIDA
CAPITAL ASSETS STATISTICS BY FUNCTION
Last Six Fiscal Years

FUNCTION:	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09
Public Safety						
Police Stations	1	1	1	1	1	1
Police Patrol Units	34	39	35	22	25	33
Fire Stations	1	1	1	1	1	1
Fire Hydrants	246	248	249	261	249	266
Physical Environment						
Miles of Sanitary Sewers	34	34	34	35.7	35.7	35.7
Miles of Storm Sewers	2.5	2.5	2.5	3.8	3.8	3.8
Wastewater Lift Stations	12	12	12	12	12	12
Acres of Lakes and Canals	14	14	14	14	14	14
Culture and Recreation						
Parks Acreage	66	66	66	66	66	66
Parks/Schools	8	8	8	8	8	14
Playgrounds	5	5	5	5	4	5
Baseball/Softball Diamonds	3	3	3	3	3	3
Soccer/Football Fields	2	2	2	2	3	4
Basketball Courts	6	6	6	6	5	2
Volleyball Courts	2	2	2	2	2	2
Roller Hockey/Multipurpose Court	1	1	1	1	0	0
Multi-Use Fields					7	3
Tennis Courts	6	6	6	6	6	6
Boat Ramps	1	1	1	1	1	2
Canoe Launch Sites	3	3	3	3	3	3
Shelters/Pavilions	8	8	8	8	8	10
Fitness Center	0	0	0	1	1	1
Community Multipurpose Centers	2	2	2	2	2	3
Libraries	1	1	1	1	1	1

Sources: 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

**CITY OF WILTON MANORS, FLORIDA
COMPLIANCE REPORTS
FISCAL YEAR ENDED SEPTEMBER 30, 2009**

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City of Wilton Manors, Florida

Schedule of Expenditures of Federal Awards and State and Local Financial Assistance
Fiscal Year Ended September 30, 2009

Federal/State Agency, Pass-through Entity, Federal Programs/State Projects	Federal/ State Catalog Number	Contract Grant Number	Financial Project Number	Expenditures
<u>FEDERAL FINANCIAL ASSISTANCE</u>				
U. S. Department of Agriculture				
Indirect Programs:				
U. S. Forest Service				
Cooperative Forestry Assistance				
Passed Through Florida Department of Agriculture and Consumer Services				
Urban and Community Forestry 2008	10.664			\$ 8,750
Urban and Community Forestry 2009	10.664			2,768
Total U. S. Department of Agriculture				<u>11,518</u>
U.S. Department of Housing and Urban Development:				
Indirect Programs:				
Passed Through Broward County				
Community Development Block Grants, 33rd Year	14.218			168,399
Community Development Block Grants, Disaster Recovery Initiative	14.218	07DB-3V-11-16-01-Z08		59,887
Total U. S. Department of Housing and Urban Development				<u>228,286</u>
U.S. Department of Justice				
Indirect Programs:				
Bureau of Justice Assistance				
Local Law Enforcement Block Grants Program				
Passed Through the Florida Department of Law Enforcement				
Office of Criminal Justice Grants				
Proactive Investigative Team	16.738	07-JAGD-BROW-8-P4-082		2,149
Total U.S. Department of Justice				<u>2,149</u>
U.S. Department of Transportation:				
Indirect Programs:				
Federal Highway Administration				
Passed Through Florida Department of Transportation				
Streetscape Improvements at Various Locations (NE 15th Ave.)	20.205			4,502
Total U.S. Department of Transportation				<u>4,502</u>
U. S. Department of the Treasury				
Executive Office for Asset Forfeiture				
Total U. S. Department of the Treasury	16.000			<u>3,371</u>
				<u>3,371</u>
				<u>249,825</u>
<u>STATE FINANCIAL ASSISTANCE</u>				
Florida Department of Law Enforcement:				
Direct Projects:				
Drug Control/Money Laundering Investigations				
Violent Crime and Drug Control Council				
Crystal Manors	71.005			\$ 20,393
Total Florida Department of Law Enforcement				<u>20,393</u>
Florida Department of Environmental Protection:				
Direct Projects:				
Florida Recreation Development Assistance Program				
Hagen Park Renovations	37.017			112,379
Statewide Surface Water Restoration & Wastewater Projects				
Ecosystem Management & Restoration Trust Fund				
Wilton Manors Sanitary Sewer Rehabilitation (Sewer Relining)	37.039	LP6870	LI 1859	300,000
Total Florida Department of Environmental Protection				<u>412,379</u>
Florida Department of State				
Direct Projects:				
Division of Library and Information Services				
State Aid to Libraries	45.030	07-ST-06		11,611
		09-ST-06		10,059
Total Florida Department of State				<u>21,670</u>
				<u>454,442</u>

See accompanying notes to Schedule of Expenditures of Federal Awards and State and Local Financial Assistance.

CITY OF WILTON MANORS, FLORIDA

Note To Schedule of Expenditures of Federal Awards,
State Financial Assistance and Local Awards
For The Fiscal Year Ended September 30, 2009

NOTE 1. BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards, State and Local Assistance includes the federal, state and local grant activity of the City of Wilton Manors, Florida and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Nonprofit Organizations*, and the requirements described in the Executive Office of the Governor's State Projects. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

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, 2009, and have issued our report thereon dated May 26, 2010. 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 May 26, 2010.

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 Federal and State funding agencies and pass-through entities and is not intended to be and should not be used by anyone other than those specified parties.

Fort Lauderdale, Florida
May 26, 2010

TCBA Water Rice LLP

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO EACH MAJOR FEDERAL PROGRAM AND STATE PROJECT
AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE
WITH OMB CIRCULAR A-133; AND
CHAPTER 10.550, RULES OF THE AUDITOR GENERAL**

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

Compliance

We have audited the compliance of the City of Wilton Manors, Florida (the "City") with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133, *Compliance Supplement*, and the requirements described in the Department of Financial Services' *State Projects Compliance Supplement*, that are applicable to each of its major Federal programs and State projects for the year ended September 30, 2009. The City's major Federal programs and State projects are identified in the summary of auditors' results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major Federal programs and State projects is the responsibility of the City's management. Our responsibility is to express an opinion on the City's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in the *Government Auditing Standards*, issued by the Comptroller General of the United States; OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; and Chapter 10.550, Rules of the Auditor General. Those standards, OMB Circular A-133, and Chapter 10.550, Rules of the Auditor General require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major Federal program or State project occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the City's compliance with those requirements.

In our opinion, the City complied, in all material respects, with the requirements referred to above that are applicable to each of its major Federal programs and State projects for the year ended September 30, 2009.

Internal Control Over Compliance

The management of the City is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to Federal programs or State projects. In planning and performing our audit, we considered the City's internal control over compliance with requirements that could have a direct and material effect on a major Federal program or State project in order to determine our auditing

procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

A *control deficiency* in an entity's internal control over compliance 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 noncompliance with a type of compliance requirement of a Federal program or State project on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a Federal program or State project such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a Federal program or State project 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 material noncompliance with a type of compliance requirement of a Federal program or State project will not be prevented or detected by any entity's internal control.

Our consideration of internal control over compliance 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 compliance that we consider to be material weaknesses, as defined above.

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

Schedule of Expenditures of Federal Awards, State Financial Assistance and Local Awards

We have audited the financial statements of the City of Wilton Manors, Florida (the "City"), as of and for the year ended September 30, 2009, and have issued our report thereon dated May 26, 2010. Our audit was performed for the purpose of forming an opinion on the financial statements of the City. The accompanying schedule of expenditures of Federal awards, State financial assistance and Local awards is presented for purposes of additional analysis as required by the OMB's Circular A-133; and Chapter 10.550, Rules of the Auditor General, and is not a required part of the basic financial statements and, in our opinion, is fairly presented in all material respects, in relation to the basic financial statements taken as a whole.

Fort Lauderdale, Florida
May 26, 2010

TCBA Watson Rice LLP

CITY OF WILTON MANORS, FLORIDA

Schedule of Findings and Questioned Costs
Fiscal Year Ended September 30, 2009
(Continued)

SECTION I - SUMMARY OF AUDITORS' RESULTS (Continued)

Financial Statements

Type of auditors' report issued: Unqualified

Internal control over financial reporting:

- Material weaknesses identified? Yes **x** No
- Significant control deficiencies identified that are not considered to be material weaknesses? Yes **x** None Reported

Noncompliance material to financial statements noted? Yes **x** No

Federal Program

Not Applicable

State Financial Assistance

Internal control over major projects:

- Material weaknesses identified? Yes **x** No
- Significant control deficiency identified that are not considered to be material weaknesses? Yes **x** None Reported

Type of auditor's report issued on compliance for major projects: Unqualified

Any audit findings disclosed that are required to be reported in accordance with Section 215.97 F.S. and Chapter 10.550 "Rules of the Auditor General"? Yes **x** No

Identification of major programs:

CSFA Numbers

37.017

37.039

Name of State Financial Assistance Project

Florida Recreation Dev. Assistance Program
- Hagen Park Renovations

Sanitary Sewer Rehabilitation (Sewer Relining)

Dollar threshold used to distinguish between Type A and Type B programs:

\$100,000

CITY OF WILTON MANORS, FLORIDA

Schedule of Findings and Questioned Costs
Fiscal Year Ended September 30, 2009
(Continued)

**SECTION II FINDINGS RELATED TO THE FINANCIAL STATEMENT AUDIT AS
REQUIRED TO BE REPORTED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

None.

SECTION III FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

Not Applicable.

**SECTION IV FINDINGS AND QUESTIONED COSTS FOR STATE FINANCIAL
ASSISTANCE**

None.

City of Wilton Manors, Florida

Summary Schedule of Prior Audit Findings Fiscal Year Ended September 30, 2009

PRIOR YEAR COMMENTS AND STATUS

There were no federal awards and state financial assistance findings reported in the September 30, 2008 schedule of findings and questioned costs.



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**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, 2009, and have issued our report thereon dated May 26, 2010.

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 also 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 May 26, 2010, 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 86 to 89.
- 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 an effect on the financial statements 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 that have an inconsequential effect on the financial statement, considering both quantitative and qualitative factors: (1) violations of provisions of contracts or grant agreements, fraud, illegal acts, or abuse, and (2) control deficiencies that are not significant deficiencies. In connection with our audit, we have included our recommendations relative to control deficiencies that are not significant deficiencies 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 established in 1953 under the laws of the State of Florida. 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, 2009, 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, 2009. 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
May 26, 2010

TCBA Water Rice LLP

CITY OF WILTON MANORS, FLORIDA

Management Letter
Fiscal Year Ended September 30, 2009

I. CURRENT YEAR'S FINDINGS AND RECOMMENDATIONS

ML-2009-01 Perform Bank Reconciliations on a Monthly Basis

Finding

We noted that the City does not perform bank reconciliations on a timely basis (i.e. monthly). The absence of regular monthly bank reconciliations do not allow errors of omission or commission to be detected on a timely basis. Further, we noted that the Assistant Finance Director performs the reconciliation of the master checking account. This structure does not provide the necessary check and balance since the Assistant Finance Director also has access to the general ledger which makes the preparation of the bank reconciliations and the general ledger recording functions as incompatible duties.

Recommendation

We suggest that the City perform the bank reconciliation on a monthly basis. We further suggest that the reconciliation be assigned to someone in the Accounting Department who does not have any recording functions relative to the general ledger.

Management's Response

The City concurs that bank reconciliations must be performed timely. We will review the duties of staff, however, in our very small accounting department, with 3 full-time and 2 part-time employees, every employee either has access to the general ledger or performs a function related either to processing of checks and payables.

ML-2009-02 Investigate Name of Person Who is Not a City Employee

Finding

We noted that the City's payroll register included a person who is not a current or former City employee. We were made to understand by the Human Resources (HR) Department that such name had been in the payroll register since 2002.

Recommendation

Although our review of selected payroll registers did not indicate that the person ever received pay, we suggest that the City further investigate how a non-employee appears in the payroll register. We also suggest that the name in question be deleted from the database.

Management's Response

We concur with the auditors' recommendation that the non-employee be removed from the City's database. Upon further investigation as to how this event occurred, the Finance Department will make recommendations to the Human Resources Department to prevent such events from occurring again in the future.

CITY OF WILTON MANORS, FLORIDA

Management Letter
Current Year's Recommendations and Management's Responses
Fiscal Year Ended September 30, 2009
(Continued)

ML-2009-03 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). The City's overall financial condition is rated "Unfavorable" based on the guidelines provided by the Auditor General (AG, please see **Page 1 of Appendix A**). Of the eighteen (18) applicable financial indicators, the City had eleven (10) unfavorable, two (2) favorable and six (6) inconclusive (please see **Exhibit 1 - Financial Condition Assessment**). Furthermore, the City showed unfavorable results on all three (3) critical indicators (1, 3G & 3P).

Recommendation

We suggest that management closely monitor the City's financial condition and study ways to improve its financial condition.

Management's Response

Management concurs with the recommendation, and will use the FY10-11 budget process as a vehicle to institute changes where possible.

ML-2009-04 Refrain From Making Direct Adjustments to Fund Balance

Finding

We noted that there were several adjustments and transactions directly posted to the fund balance account. Consequently, there were issues in agreeing the fund balance in the balance sheet with the fund balance in the statement of revenues and expenditures. This issue was subsequently corrected by reversing the entries made during the year.

Recommendation

Unless a material prior period adjustment has to be posted that necessitates doing an adjustment on the fund balance, we strongly suggest that the fund balance account should not be touched to take up transactions or adjusting entry(ies).

Management's Response

Management will be mindful of the recommendation.

CITY OF WILTON MANORS, FLORIDA

Management Letter
Fiscal Year Ended September 30, 2009

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

<u>Finding Number</u>	<u>Prior Year Comment</u>	<u>Comment Has Been Addressed</u>	<u>Comment Has Been Partially Addressed</u>	<u>Comment Not Implemented</u>
ML-2008-01	Strictly Follow Uniform Accounting System			✓
ML-2008-02	Update the City's Policies and Procedures		✓	
ML-2008-03	Approve All Journal Entries	✓		
ML-2008-04	Reconcile Beginning Balances Brought over to the New Accounting System	✓		
IC-M-2007-01	Unreconciled Differences in Monthly Bank Reconciliation	✓		
IC-M-2007-02	Reconciliation of Capital Assets General Ledger Balance Against Subsidiary Ledger	✓		

ML-2008-01 Strictly Follow Uniform Accounting System

2008 Finding and Recommendation

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

It was suggested 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

Current Year Status

The condition still exists.

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 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.

Management plans to update account numbers as soon as practicable, but has allocated this project a low priority. For State reporting purposes, the Finance Department submits the annual financial statements in compliance with the account code reporting requirements

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

2008 Finding and Recommendation

It was 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 capital assets management and disposal process.

It was suggested 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.

Current Year Status

The condition still exists.

Management's Response

Many of the procedures were updated during the fiscal year when new procedures were implemented. The updating of our policies and procedures will continue as the need arises when new policies and procedures are implemented.

ML-2008-03 Approve All Journal Entries

2008 Finding and Recommendation

It was 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.

We suggest that all journal entries be reviewed and approved by a senior person to 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.

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

The condition no longer exists.

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

2008 Finding and Recommendation

In fiscal year 2007-2008, 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.

It was recommended that in the future, when the City converts 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.

Current Year Status

The condition no longer exists.

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

2007 Finding and Recommendation

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

CITY OF WILTON MANORS, FLORIDA

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

Total differences of both records are summarized below:

<u>Capital Asset Category</u>	<u>Per Subsidiary Ledger</u>	<u>Per General Ledger</u>	<u>Difference GL is over (under)</u>
Cost:			
Land	\$ 8,622,988	\$ 3,387,363	\$ 5,235,625
Buildings	4,762,314	3,206,225	1,556,089
Improvements other than buildings	9,863,462	4,804,195	5,059,267
Machinery & equipment	<u>4,787,450</u>	<u>5,704,486</u>	<u>(917,036)</u>
	<u>28,036,214</u>	<u>17,102,269</u>	<u>10,933,945</u>
Accumulated depreciation:			
Buildings	1,450,391	-	1,450,391
Improvements other than buildings	2,631,886	-	2,631,886
Machinery & 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>
Net	<u>\$ 20,876,906</u>	<u>\$ 17,102,269</u>	<u>\$ 3,774,637</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 condition no longer exists.

- End of Report -