

City of Wilton Manors, Florida

Comprehensive Annual Financial Report

Fiscal Year Ended September 30, 2010



Comprehensive Annual Financial Report

Of the



CITY OF WILTON MANORS

"THE ISLAND CITY"

City of

WILTON MANORS
FLORIDA

Fiscal Year Ended September 30, 2010

Prepared by the
Finance Department

City Of Wilton Manors, Florida

COMPREHENSIVE ANNUAL FINANCIAL REPORT

SEPTEMBER 30, 2010

TABLE OF CONTENTS

I. INTRODUCTORY SECTION	PAGE
Letter of Transmittal	i-v
Organization Chart	vi
List of Principal Officials	vii
Certificate of Achievement in Financial Reporting	viii
 II. FINANCIAL SECTION	
Independent Auditors' Report	1-2
Management's Discussion and Analysis	3-11
Basic Financial Statements:	
Government-Wide Financial Statements:	
Statement of Net Assets	12
Statement of Activities	13
Fund Financial Statements:	
Balance Sheet - Governmental Funds	14
Reconciliation of the Balance Sheet to the Statement of Net Assets	15
Statement of Revenues, Expenditures, and Changes in Fund Balances (Deficit) — Governmental Funds	16
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances (Deficit) of Governmental Funds to the Statement of Activities	17
Statement of Fund Net Assets — Proprietary Funds	18
Statement of Revenues, Expenses, and Changes in Fund Net Assets — Proprietary Funds	19
Statement of Cash Flows — Proprietary Funds	20
Statement of Fiduciary Net Assets	21
Statement of Changes in Fiduciary Net Assets	22
Notes to Financial Statements (The notes are an integral part of the basic financial statements.)	23-55
Required Supplementary Information:	
Budgetary Comparison Schedules:	
General Fund	56
Notes to Budgetary Comparison Schedule	57
Schedule of Funding Progress — Pension Trust Funds	58
Schedule of Employer Contributions and Other Contributing Entities — Pension Trust Funds	59

City Of Wilton Manors, Florida
COMPREHENSIVE ANNUAL FINANCIAL REPORT
SEPTEMBER 30, 2010

TABLE OF CONTENTS
(continued)

II. FINANCIAL SECTION (continued)	PAGE
Combining Financial Statements:	
Combining Balance Sheet — Nonmajor Governmental Funds	60
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance (Deficit) — Nonmajor Governmental Funds	61
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – Recycling Fund	62
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – Fire Assessment Fund	63
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – Jenada Assessment Fund	64
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – Road Improvement Fund	65
Combining Statement of Net Assets – Fiduciary Funds	66
Combining Statement of Changes in Fiduciary Net Assets – Fiduciary Funds	67
III. STATISTICAL SECTION	
Financial Trends	
Net assets by Component	68
Changes in Net Assets	69-70
Fund Balances of Governmental Funds	71
Changes in Fund Balances of Governmental Funds	72
Revenue Capacity	
Net Assessed Value and Estimated Actual Value of Taxable Property	73
Property Tax Millage Rates - Direct and Overlapping Governments	74
Principal Property Taxpayers	75
Property Tax Levies and Collection	76
Debt Capacity	
Ratios of Outstanding Debt by Type	77
Ratios of General Bonded Debt Outstanding	78
Direct and Overlapping Governmental Activities Debt	79
Legal Debt Margin	80
Pledged Revenue Coverage	81
Demographic and Economics	
Demographic and Economic Statistics	82
Principal Employers	83
Miscellaneous Statistics	84
Operating Information	
Full-Time Equivalent City Government Employees by Function/Program	85
Operating Indicators by Function/Program	86
Capital Assets Statistics by Function/Program	87

City Of Wilton Manors, Florida

COMPREHENSIVE ANNUAL FINANCIAL REPORT

SEPTEMBER 30, 2010

TABLE OF CONTENTS

(continued)

IV. COMPLIANCE SECTION	PAGE
Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and other Matters Based on An Audit of Financial Statements Performed In Accordance with <i>Government Auditing Standards</i>	88-89
Independent Auditors' Report on Compliance with Requirements That Could Have a Direct and Material Effect on Each Major Federal Program and on Internal Control over Compliance In Accordance with OMB Circular A- 133	90-91
Management Letter Pursuant to the Rules of the Auditor General of the State of Florida	92-103
Schedule of Expenditures of Federal Awards and State Financial Assistance Projects	104-105
Notes to the Schedule of Expenditures of Federal Awards and State Financial Assistance Projects	106
Schedule of Findings and Questioned Costs — Federal Awards	107-108

INTRODUCTORY SECTION



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

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March 15, 2011

Mayor Gary Resnick
Vice Mayor Tom Green
Commissioner Julie Carson
Commissioner Ted Galatis
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, 2010, pursuant to Section 218.39 of the State of Florida Statutes and the Rules of the Florida Auditor General, Chapter 10.550. This report was prepared by the City's Finance Department. Although the financials were audited by independent certified public accountants, the responsibility for the accuracy and completeness of the data, the fairness of presentation, as well as the disclosures made in this report rests with the City. We believe the data as presented is accurate and in all material respects; that it is presented in a manner designed to fairly communicate the financial activity of its various funds; and that all disclosures necessary to enable the reader to obtain a general understanding of the City's financial activity have been included. The financial statements have been audited by GLSC & Company PLLC, 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, 2009.

Generally accepted accounting principles require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City of Wilton Manors' MD&A can be found immediately following the report of the independent auditors.

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.

After considering several locations, the city's first City Hall opened for business in 1957 on NE 21st Court and was Broward County's oldest city hall when it was demolished in 2010. Construction of the new City Hall and Police Station on Wilton Drive was completed on schedule in January 2010. The beautiful and spacious new Commission Chambers provide a fitting venue for meetings of the City Commission, various City advisory boards and community organizations.

The City of Wilton Manors has a City Manager-Commission type of government. The five-member non-partisan City Commission consists of four Commissioners elected at large for staggered four-year terms and a mayor elected for a two-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, City Attorney, Police, Community Development Services, Emergency Management and Utilities, Finance, Human Resources, 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 1.74 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 square miles have 31 municipalities and 23 miles of beaches.

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

The County enjoys a diverse economy reflecting its active tourism, construction, marine and service industries; sea, air, and land transportation facilities; and other industrial 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 local economy has been affected by the overall national economic downturn, and has borne the brunt of both the poor housing market and high unemployment rates. As of September 30, 2010, unemployment was 11.8% in the State of Florida and 10.6% in Broward County, surpassing the United States unemployment rate of 9.2%.

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 housing market has not been affected as severely as some of the rest of Broward County and other areas throughout south Florida and 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 provides for future capital expenditures by setting aside reserves each year dedicated to future funding. Although budget cuts during this fiscal year reduced future funding for vehicles, the primary example of this policy 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 and on budget 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 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.

Major Initiatives

The City's primary initiative during the fiscal year was the completion 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 early in the fiscal year, and was completed on schedule and on budget in January 2010. City departments moving into the new building were: City Manager, City Clerk, Community Development Services, Finance, Human Resources and Police. 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.

The new City Parking Program begun in April 2010, expanding paid parking from two parking lots to the entire City Arts & Entertainment District. The parking program has made significant contributions to the City's revenues during the year.

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, 2009. This was the twelfth 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.

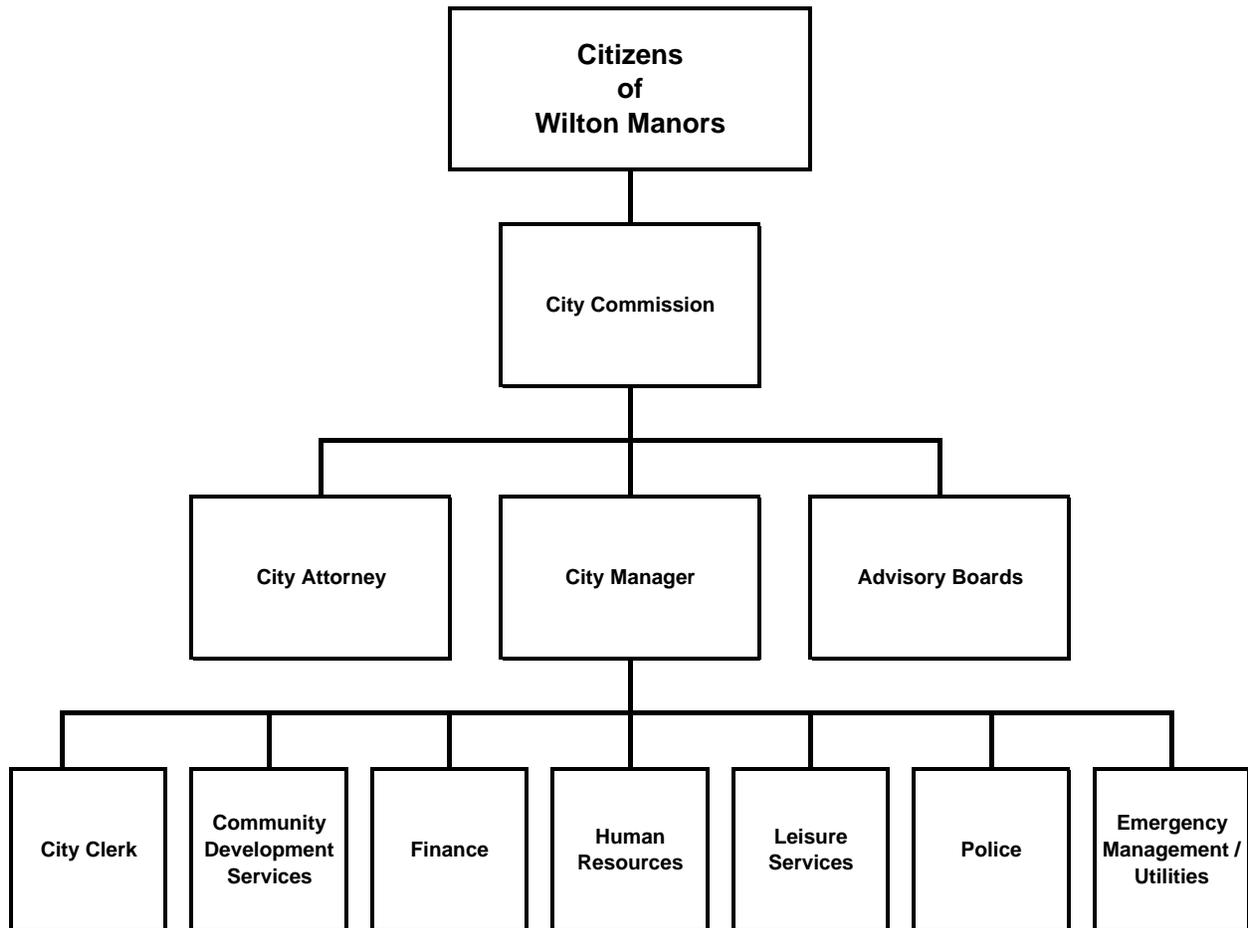
Respectfully,



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, 2010

CITY COMMISSION

GARY 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
Kathryn Sims

HUMAN RESOURCES DIRECTOR
Brenda Clanton

**EMERGENCY SERVICES /
UTILITIES DIRECTOR**
David Archacki

**ACTING COMMUNITY DEVELOPMENT
SERVICES 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, 2009

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



President

Executive Director

FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT



INDEPENDENT AUDITORS' REPORT

Honorable Mayor, City Commission and City Manager
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, 2010, 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 basic financial statements based on our audit. We did not audit the financial statements of the Pension Trust Funds, which represent 100% of the assets, revenues and deductions of the fiduciary fund totals. Those financial statements were audited by other independent auditors whose reports thereon have been furnished to us, and our opinions, insofar as it relates to the amounts included for the Pension Trust Funds are based solely on the reports of the other independent 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 the 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 opinion.

In our opinion, based on our audit and the report of the 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, 2010, and the respective changes in financial position and where applicable, cash flows, 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 March 15, 2011, on our consideration of the City's internal control over financial reporting and on 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 result 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.

Accounting principles generally accepted in the United States of America require that the management discussion and analysis, budgetary comparison information and schedules of funding progress and contributions on pages 3 through 11 and 56 through 59 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standard Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Wilton Manor's financial statements as a whole. The introductory section, combining and individual nonmajor fund financial statements and statistical section, are presented for purposes of additional analysis and are not a required part of the financial statements. The accompanying schedule of expenditures of federal awards and state financial assistance projects is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and Chapter 10.550, Rules of the Auditor General, and is also not a required part of the financial statements. The combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards and state financial assistance projects are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

GLSC & Company, PLLC

March 15, 2011



MANAGEMENT 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, 2010. 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

A review of the government-wide financial statements reveals the following:

- At the end of the fiscal year, the City's net assets increased by \$515,301 (1.5%) from \$37,217,012 to \$37,732,313. Net assets for governmental activities declined \$41,944, while net assets for business-type activities increased by \$557, 245.
- Governmental activities expenses were \$16,557,697, \$633,920 (4.0%) higher than in fiscal year 2009.
- Business-type expenses were \$5,176,732, \$113,496 (2.2%) higher than the previous year.
- The total expenses of all City programs were \$21,734,429.

The Statements of Net Assets for both the Governmental and the Proprietary Funds shows:

- Governmental activities revenues, excluding transfers, totaled \$15,663,029, a slight decrease of \$89,211 (0.6%) from previous fiscal year.
- Business-type operating revenues, which consist of water, wastewater and drainage charges for services, impact fee revenues and miscellaneous revenues, were \$6,586,701, an increase of \$730,309 (12.5%) from the previous year. This change was driven primarily by a 21% increase in charges for water services.

Analysis of the Budgetary Comparison Schedule shows that the General Fund, which accounts for the vast majority of the operations of the government, expended 100.6% of the final, budgeted appropriations.

CITY HIGHLIGHTS

In spite of the national and local housing downturn and the national recession, the trend of redevelopment is continuing in the Wilton Drive Arts & Entertainment district within the City, although at a slower pace than in recent years. Recently opened residential rental and condominium developments have high occupancy rates, although occupancy for newly-built commercial units continues to lag. Other new commercial developments continue in different phases of development. Impact fees are in place, with the revenues being accumulated to expand City infrastructure where needed most to properly serve the growth.

The City recently designated the neighborhoods that are adjacent to the Florida East Coast Railroad (FEC) as a Transit-Oriented Corridor (TOC). Long-term plans call for the FEC to begin passenger service, and Wilton Manors is well positioned to become a site for a passenger rail station. The TOC land use designation will encourage higher density mixed use development along the rail corridor.

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.

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 Funds (the "Plans").

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

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

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 55 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, funding progress and contributions schedules to the Pension Plans. Required supplementary information can be found on pages 56 through 59 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Statement of Net Assets:

The City's combined net assets totaled \$37,732,313 as of September 30, 2010, \$28,220,067 for governmental activities and \$9,512,246 for business-type activities. The following table presents a condensed statement of net assets:

City of Wilton Manors, Florida

Changes in Net Assets

	<u>Governmental Activities</u>		<u>Business type Activities</u>		<u>Total</u>	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
Current and other assets	\$ 5,336,358	\$ 9,685,483	\$ 2,199,201	\$ 2,436,166	\$ 7,535,559	\$ 12,121,649
Capital assets, net	<u>32,851,004</u>	<u>30,041,484</u>	<u>15,933,265</u>	<u>16,108,378</u>	<u>48,784,269</u>	<u>46,149,862</u>
Total Assets	<u>38,187,362</u>	<u>39,726,967</u>	<u>18,132,466</u>	<u>18,544,544</u>	<u>56,319,828</u>	<u>58,271,511</u>
Long-term liabilities	8,738,854	8,994,808	6,617,689	8,532,137	15,356,543	17,526,945
Other liabilities	<u>1,228,441</u>	<u>2,512,218</u>	<u>2,002,531</u>	<u>1,057,406</u>	<u>3,230,972</u>	<u>3,569,624</u>
Total Liabilities	<u>9,967,295</u>	<u>11,507,026</u>	<u>8,620,220</u>	<u>9,589,543</u>	<u>18,587,515</u>	<u>21,096,569</u>
Net Assets						
Invested in capital assets, net of related debt	24,737,103	23,749,894	8,405,247	9,214,788	33,142,350	32,964,682
Restricted	341,974	-	885,741	1,103,696	1,227,715	1,103,969
Unrestricted	<u>3,140,990</u>	<u>4,470,047</u>	<u>221,258</u>	<u>(1,363,483)</u>	<u>3,362,248</u>	<u>3,106,564</u>
	<u>\$ 28,220,067</u>	<u>\$ 28,219,941</u>	<u>\$ 9,512,246</u>	<u>\$ 8,955,001</u>	<u>\$ 37,732,313</u>	<u>\$ 37,174,942</u>

As noted earlier, net assets may serve over time as a useful indicator of the City's financial position. In the case of the City of Wilton Manors, assets exceeded liabilities by \$37.7 million at the end of the most recent fiscal year, which represents a 1.5% increase compared to last year's net assets of \$37.2 million. By far the largest portion of the City's net assets, \$33.1 million represents investment in capital assets, net of related debt. This includes land, construction in progress, building, improvements other than building, machinery and equipment, and infrastructure less any related outstanding debt used to acquire those assets. The City uses these capital assets to provide services to citizens; consequently, they are not available for future spending. Although the City's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided by other sources as the capital assets themselves cannot be used to liquidate these liabilities.

Another portion of the City's net assets, \$1.2 million (3.25%), represents resources that are subject to external restrictions on how they may be used. This balance slightly increased by \$123,746. approximately \$637,000 was restricted for renewal and replacement and \$586,000 were restricted for debt service requirements.

The City's unrestricted net assets increased by \$255,684 from prior year. This portion of net assets represents resources that can be used to finance daily operations without constraints established by debt covenants, enabling legislation, or other legal requirements.

In both fiscal year 2010 and 2009, the City continued to report positive balances in all three categories of net assets, both for the City as a whole, as well as for its governmental activities. In fiscal year 2009, the City's business-type activities reported a deficit \$1.4 million in unrestricted net assets which was corrected in fiscal year 2010 by the increased water and sewer rates.

Statement of Activities:

City of Wilton Manors, Florida						
Changes in Net Assets						
	<u>Governmental Activities</u>		<u>Business type Activities</u>		<u>Total</u>	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
Revenues:						
Program Revenues						
Charges for Services	\$ 2,770,504	\$ 1,999,124	\$ 6,584,345	\$ 5,344,495	\$ 9,354,849	\$ 7,343,619
Operating grants/contributions	69,875	1,510,700	-	-	69,875	1,510,700
Capital grants/contributions	1,136,272	-	-	300,000	1,136,272	300,000
General revenues						
Property taxes	6,479,427	6,986,812	-	-	6,479,427	6,986,812
Intergovernmental	1,406,945	1,536,474	-	-	1,406,945	1,536,474
Other taxes and fees	3,229,077	3,633,097	-	151,660	3,229,077	3,784,757
Other general revenues	570,929	86,033	2,356	60,237	573,285	146,270
Total revenues	<u>15,663,029</u>	<u>15,752,240</u>	<u>6,586,701</u>	<u>5,856,392</u>	<u>22,249,730</u>	<u>21,608,632</u>
Expenses						
General government	2,054,770	2,205,488	-	-	2,054,770	2,205,488
Public safety	8,869,912	8,443,552	-	-	8,869,912	8,443,552
Culture and recreation	3,731,279	3,713,402	-	-	3,731,279	3,713,402
Physical environment	1,433,612	1,090,237	-	-	1,433,612	1,090,237
Interest on long-term debt	468,124	471,098	-	-	468,124	817,864
Water and sewer	-	-	4,824,835	4,635,430	4,824,835	4,288,664
Drainage	-	-	351,897	427,806	351,897	427,806
Total expenses	<u>16,557,697</u>	<u>15,923,777</u>	<u>5,176,732</u>	<u>5,063,236</u>	<u>21,734,429</u>	<u>20,987,013</u>
Excess (deficiency) of revenues over (under) expenses	(894,668)	(171,537)	1,409,969	793,156	515,301	621,619
Transfers	852,724	752,550	(852,724)	(752,550)	-	-
Change in net assets	(41,944)	581,013	557,245	40,606	515,301	621,619
Net assets beginning of year	28,262,011	27,638,928	8,955,001	8,914,395	37,217,012	36,553,323
Restatement – Intangibles	-	42,070	-	-	-	42,070
Net assets end of year	<u>\$ 28,220,067</u>	<u>\$ 28,262,011</u>	<u>\$ 9,512,246</u>	<u>\$ 8,955,001</u>	<u>\$ 37,732,313</u>	<u>\$ 37,217,012</u>

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 41% of General Fund revenues and 44% of total governmental fund revenues in fiscal year 2010. The millage rate is a rate charged per thousand dollars of assessed property value net of exemptions.

The operating tax millage rate was 5.8000 mills which when combined with the general obligation debt millage of 0.65270 mills produced an effective total millage rate of 6.4527. This is an increase from previous fiscal year's combined millage rate of 5.8652, an increase of 0.4878 in the operating millage rate (from 5.3122 to 5.8000), and an increase of 0.0997 in the debt service millage rate (from 0.5530 to 0.6527). Changes in millages from year to year are in part limited by 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.

The City's financial condition is affected by economic conditions. During prosperous economic periods, property values generally increase and property tax revenues increase correspondingly. During the period from 2001 to 2007, the City of Wilton Manors experienced record growth in property values with double-digit increases each year. In fact the City 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. Total Taxable Assessed Value for the fiscal year declined sharply by 16.0% from the previous fiscal year after a decline of 2.3% in fiscal year 2009. A continued decline in property values is expected in the near future, although economic conditions seem to indicate that perhaps the worst of the property value declines is behind us.

During the past fiscal year, the City received several operating and capital grants from various federal, state, district, county, and other local programs, including federal grants of over \$600,000 passed through the Florida Department of Transportation to fund two major streetscape projects in the City; over \$127,000 in Community Development Block Grant (CDBG) funding; and over \$380,000 in funding from the U.S. Department of Justice. Total grant revenues from all sources for the year totaled \$1,206,147. 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.

General discussion on expenses:

Expenses recorded on the government-wide financial statements were \$16,557,697 for governmental activities and \$5,176,732 for 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. Salary increases have been minimized over the last three years due to no cost of living or merit adjustments being authorized for employees not represented by the Police Benevolent Association bargaining unit.

The number of City personnel (Full Time Equivalents) decreased by 3.7 due to a combination of reductions in three departments – Community Development Services, Public Services, and Leisure Services. 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.

As of the end of the fiscal year, the City of Wilton Manors' governmental funds reported a combined ending fund balance of \$4,232,065. About 53% of this total amount, \$2,226,475, 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 in the General Fund 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 (\$56,418); to fund prepaid expenses (\$128,421); to reserve impact fee balances (\$248,458); to provide for the future funding of vehicles (\$636,692) or for other restricted purposes.

The General Fund is the main operating fund of the City of Wilton Manors. At the end of the current fiscal year, unreserved and undesignated fund balance of the General Fund was \$2,226,475, while total fund balance was \$4,148,352. 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 31% of that same amount.

The total fund balance in the City's General Fund decreased by \$2,003,496 from \$6,151,848 in 2009 to \$4,148,352 in 2010 due to the release of the portion of fund balances previously reserved for the construction of the new City Hall building. Other key factors in this change are described in the next section entitled, "General Fund Budgetary Highlights."

The Miscellaneous Grant Fund is used to account for City's revenues from federal and state agencies, other governmental units or private foundation. This fund also accounts for the expenditures made with these grant funds. During the fiscal year 2010, the City received several operating and capital grant from various agencies including federal grants of more than \$600,000 passed through Florida Department of Transportation to fund two major streetscape projects; approximately \$380,000 of funding from Department of Justice and approximately \$127,000 of Community Development Block Grant from Department of Housing and Urban Development. At September 30, 2010, the Miscellaneous Grant Fund reported a deficit fund balance of \$264,034. The City will eliminate this deficit by 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 \$572,954 (7.4%), ending the year at \$8,293,865. Net assets of the City's other proprietary fund, the Drainage Fund, amounted to \$1,218,381 at year end which reflects a slight decrease over the prior fiscal year of \$15,709 (-1.3%).

GENERAL FUND BUDGETARY HIGHLIGHTS

General Fund revenues exceeded the final budget by \$208,707, while expenditures exceeded the final budget by \$86,712. Major variances between budgeted and actual amounts in the General Fund are as follows:

- a. Ad valorem tax revenue was \$62,607 (1%) under budget.
- b. Revenues from Charges for Services were \$176,834 (45%) over budget. Revenues generated by the Leisure Services Department accounted for \$62,506 of this amount. Most of the remainder is due to the implementation of the City's new parking program during the fiscal year. Parking revenues were \$91,000 over budget.
- c. Utility tax revenues exceeded budget by \$126,137 (7%) due primarily to an increase in the City's rates for water service.
- d. Franchise fee revenue came in \$54,841 (6.6%) under budget, primarily due to a decrease in Electricity Franchise Fees. This is the second year in a row that these revenues have come in under budget. During the year the state Public Service Commission authorized our local electricity provider (Florida Power & Light) to make rebates of fuel charges to customers, thus reducing the revenue base used to calculate the franchise fees.
- e. Fines and Forfeitures revenue was expected to decline during the year, therefore this year's budget was reduced from the previous year's budget. The expected downturn in revenues did not occur; these revenues exceeded budget by \$55,150 (47%), and were actually higher by \$7,197 from the prior year.
- f. Miscellaneous revenues were \$164,022 (36%) under budget. This type of revenue is difficult to predict and can vary widely from year to year.
- g. Budgeted expenditure savings during the year were found in the following departments: City Management, \$10,577; City Clerk, \$42,370; Finance, \$27,033; Human Resources, \$7,280; City Attorney, \$18,304; Non-Departmental, \$3,754; Police, \$17,542; Emergency management, \$277; and Leisure Services, \$15,283.
- h. The following departments' expenditures exceeded budget for the fiscal year: City Commission (\$1,144), Community Development Services (\$116,559), and Public Services (\$111,428). The excess expenditure in the Community Development Services Department was largely due to contractual expenses to Broward County for building inspection services. The Public Services excess was due to the non-reimbursable expenditures of City grant matches.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The City had \$48,784,269 invested in capital assets on September 30, 2010. The following schedule summarizes capital assets held by the City:

	Capital Assets, Net					
	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total Primary Government</u>	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</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	-	-	-	6,174,471
Intangibles	42,070	42,070	-	-	42,070	42,070
Infrastructure	4,421,980	3,394,763	13,557,296	13,563,175	17,979,276	16,957,938
Buildings	12,108,658	3,477,466	605,275	607,278	12,713,933	4,804,744
Improvements other than buildings	5,936,620	7,015,431	5,105	106,620	5,941,725	7,122,051
Machinery and equipment	<u>1,773,953</u>	<u>1,411,630</u>	<u>262,616</u>	<u>328,331</u>	<u>2,036,569</u>	<u>1,739,961</u>
Total capital assets	<u>\$32,851,004</u>	<u>\$ 30,083,554</u>	<u>\$ 15,933,265</u>	<u>\$ 16,108,377</u>	<u>\$ 48,784,269</u>	<u>\$ 46,191,931</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 in part 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 5 on pages 39 and 40.

Debt Administration:

The City had debt totaling approximately \$15.6 million at September 30, 2010. Total debt outstanding at the end of the prior fiscal year was \$16.8 million. The net decrease is due to regular debt service payments

	Outstanding Debt					
	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
General Obligation Bank Loan (backed by City)	\$ 7,305,903	\$ 7,673,250	\$ -	\$ -	\$ 7,305,903	\$ 7,673,250
Note Payable	600,000	700,000	-	-	600,000	700,000
Capital leases	207,998	-	-	-	207,998	-
Revenue Bonds Payable (backed (by specific revenue streams))	-	-	7,528,019	8,469,406	7,528,019	8,469,406
Total	<u>\$ 8,113,901</u>	<u>\$ 8,373,250</u>	<u>\$ 7,528,019</u>	<u>\$ 8,469,406</u>	<u>\$ 15,641,920</u>	<u>\$ 16,842,656</u>

During the next fiscal year, the amount of the City's general obligation debt will decrease due to scheduled debt service payments on the existing debt. No additional general obligation debt is anticipated in fiscal year 2010-2011.

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 2010-2011. 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 Notes 7 and 8 on pages 41 through 44 of this report.

ECONOMIC FACTORS

The fiscal year was a period of continued poor economic conditions in the region, state and country. 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, 2010, South Florida was continuing to feel the effects of the national housing downturn, and the City experienced a record high foreclosure rate of 2.7%. The general national economic downturn contributed to the second year of high unemployment rates in the county.

From 2001 through 2007, 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 the current housing inventory still exceeds demand. A bright spot during the fiscal year was sharply increased sales of foreclosed properties in the city. This indicates that the housing inventory gap is beginning to narrow and gives hope that our local housing market may be at or near the bottom of this down cycle.

Since the end of the City's fiscal year on September 30, 2010, the general local economy has been mixed, showing some signs of improvement.

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, 2020 Wilton Drive, Wilton Manors, Florida 33305.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

CITY OF WILTON MANORS, FLORIDA
STATEMENT OF NET ASSETS
SEPTEMBER 30, 2010

	Primary Government		<u>Total</u>
	<u>Governmental</u> <u>Activities</u>	<u>Business-</u> <u>Type</u> <u>Activities</u>	
<u>ASSETS</u>			
Equity in pooled cash	\$ 2,288,085	\$ 294,684	\$ 2,582,769
Restricted cash and cash equivalents	341,974	1,421,637	1,763,611
Accounts receivable - net	624,081	564,675	1,188,756
Due from other governments	1,556,620	-	1,556,620
Internal balances	345,371	(345,371)	-
Inventory	51,209	97,228	148,437
Prepayments	129,018	155,368	284,386
Deferred charges	-	10,980	10,980
Capital assets, non-depreciable	8,609,793	1,502,973	10,112,766
Capital assets, depreciable (net)	<u>24,241,211</u>	<u>14,430,292</u>	<u>38,671,503</u>
Total assets	<u>38,187,362</u>	<u>18,132,466</u>	<u>56,319,828</u>
<u>LIABILITIES</u>			
Accounts payable and accrued liabilities	1,107,480	633,532	1,741,012
Customer deposits	-	391,628	391,628
Unearned revenues	120,961	-	120,961
Noncurrent liabilities:			
Due within one year	524,029	977,371	1,501,400
Due in more than one year	<u>8,214,825</u>	<u>6,617,689</u>	<u>14,832,514</u>
Total liabilities	<u>9,967,295</u>	<u>8,620,220</u>	<u>18,587,515</u>
<u>NET ASSETS</u>			
Invested in capital assets, net of related debt	24,737,103	8,405,247	33,142,350
Restricted for:			
Renewal and replacement	336,774	300,000	636,774
Debt service	-	585,741	585,741
Others	5,200	-	5,200
Unrestricted	<u>3,140,990</u>	<u>221,258</u>	<u>3,362,248</u>
Total net assets	<u>\$ 28,220,067</u>	<u>\$ 9,512,246</u>	<u>\$ 37,732,313</u>

The notes to the financial statements are an integral part of this statement.

CITY OF WILTON MANORS, FLORIDA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2010

	Program Revenues			Net (Expense) Revenue and Changes in Net Assets			
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contribution</u>	<u>Capital Grants and Contribution</u>	Primary Government		<u>Total</u>
					<u>Governmental Activities</u>	<u>Business- Type Activities</u>	
Functions/programs							
Primary government:							
Governmental activities:							
General government	\$ 2,054,770	\$ 274,852	\$ 3,464	\$ -	\$ (1,776,454)	\$ -	\$ (1,776,454)
Public safety	8,869,912	1,629,667	55,172	352,305	(6,832,768)	-	(6,832,768)
Culture and recreation	3,731,279	269,886	7,815	-	(3,453,578)	-	(3,453,578)
Physical environment	1,433,612	596,099	3,424	783,967	(50,122)	-	(50,122)
Interest expense	468,124	-	-	-	(468,124)	-	(468,124)
Total governmental activities	<u>16,557,697</u>	<u>2,770,504</u>	<u>69,875</u>	<u>1,136,272</u>	<u>(12,581,046)</u>	<u>-</u>	<u>(12,581,046)</u>
Business-type activities:							
Water and wastewater	4,824,835	6,263,494	-	-	-	1,438,659	1,438,659
Drainage	351,897	320,851	-	-	-	(31,046)	(31,046)
Total business activities	<u>5,176,732</u>	<u>6,584,345</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,407,613</u>	<u>1,407,613</u>
Total primary government	<u>\$ 21,734,429</u>	<u>\$ 9,354,849</u>	<u>\$ 69,875</u>	<u>\$ 1,136,272</u>	<u>\$ (12,581,046)</u>	<u>\$ 1,407,613</u>	<u>\$ (11,173,433)</u>
General Revenues:							
Taxes:							
Property					6,479,427	-	6,479,427
Franchise					1,235,472	-	1,235,472
Utility services					1,993,605	-	1,993,605
Intergovernmental revenue, not restricted to specific function					1,406,945	-	1,406,945
Interest income					163,920	2,356	166,276
Miscellaneous					407,009	-	407,009
Transfers					852,724	(852,724)	-
Total general revenues and transfers					<u>12,539,102</u>	<u>(850,368)</u>	<u>11,688,734</u>
Change in net assets					(41,944)	557,245	515,301
Net assets, beginning (as restated)					<u>28,262,011</u>	<u>8,955,001</u>	<u>37,217,012</u>
Net assets, ending					<u>\$ 28,220,067</u>	<u>\$ 9,512,246</u>	<u>\$ 37,732,313</u>

The notes to the financial statements are an integral part of this statement.

FUND FINANCIAL STATEMENTS

CITY OF WILTON MANORS, FLORIDA
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2010

	<u>Major Governmental Funds</u>		<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
	<u>General Fund</u>	<u>Miscellaneous Grants Fund</u>		
<u>ASSETS</u>				
Equity in pooled cash	\$ 1,837,965	\$ -	\$ 450,120	\$ 2,288,085
Receivables, net				
Accounts receivable	281,573	-	311,316	592,889
Due from other governments	340,588	925,685	290,346	1,556,619
Other receivables	31,192	-	-	31,192
Due from other funds	1,449,490	-	-	1,449,490
Advances to other funds	747,669	-	-	747,669
Inventories	41,027	-	10,182	51,209
Prepayments	128,421	-	597	129,018
Restricted cash	5,200	-	336,774	341,974
Total assets	<u>\$ 4,863,125</u>	<u>\$ 925,685</u>	<u>\$ 1,399,335</u>	<u>\$ 7,188,145</u>
<u>LIABILITIES AND FUND BALANCES (DEFICIT)</u>				
Accounts payable	\$ 422,539	\$ 80,931	\$ 231,940	\$ 735,410
Accrued liabilities	224,785	-	10,306	235,091
Due to other funds	-	818,750	285,369	1,104,119
Advances from other funds	-	277,046	470,623	747,669
Due to other governments	12,830	-	-	12,830
Deferred/unearned revenue	54,619	12,992	53,350	120,961
Total liabilities	<u>714,773</u>	<u>1,189,719</u>	<u>1,051,588</u>	<u>2,956,080</u>
<u>FUND BALANCES (DEFICIT)</u>				
Reserved for:				
Inventories	41,027	-	10,182	51,209
Prepayments	128,421	-	597	129,018
Encumbrances	56,418	13,012	38,439	107,869
Long-term receivables	747,669	-	-	747,669
Operating advances - parking management	31,192	-	-	31,192
Culture and recreation impact fees	50,412	-	-	50,412
Public safety	4,113	-	-	4,113
Affordable housing impact fees	193,933	-	-	193,933
Capital projects	12,000	-	6,000	18,000
Grant match	20,000	-	-	20,000
Vehicle replacement	636,692	-	424,265	1,060,957
Unreserved, undesignated (deficit) reported in:				
General fund	2,226,475	-	-	2,226,475
Special revenue fund	-	(277,046)	154,114	(122,932)
Debt service fund	-	-	(207,490)	(207,490)
Capital project fund	-	-	(78,360)	(78,360)
Total fund balances (deficit)	<u>4,148,352</u>	<u>(264,034)</u>	<u>347,747</u>	<u>4,232,065</u>
Total liabilities and fund balances (deficit)	<u>\$ 4,863,125</u>	<u>\$ 925,685</u>	<u>\$ 1,399,335</u>	<u>\$ 7,188,145</u>

The notes to the financial statements are an integral part of this statement.

CITY OF WILTON MANORS, FLORIDA
RECONCILIATION OF THE BALANCE SHEET TO THE STATEMENT OF NET ASSETS
FOR THE YEAR ENDED SEPTEMBER 30, 2010

Fund balances - total government funds (Page 14)	\$	4,232,065
<p>Amounts reported for governmental activities in the statement of net assets are different because:</p>		
<p>Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.</p>		
Governmental capital assets	\$ 57,027,260	
Less: accumulated depreciation	<u>(24,176,256)</u>	32,851,004
<p>Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.</p>		
Governmental bonds payable	(7,905,903)	
Capital leases	(207,998)	
Compensated absences	<u>(560,353)</u>	(8,674,254)
Bond interest payable not reported in the governmental funds		(124,148)
Net OPEB obligation attributable to retiree benefits financed from governmental fund types		<u>(64,600)</u>
Net assets of governmental activities (Page 12)	\$	<u>28,220,067</u>

The notes to the financial statements are an integral part of this statement.

CITY OF WILTON MANORS, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES (DEFICIT)
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2010

	Major Governmental Funds		Nonmajor	Total
	General	Miscellaneous	Governmental	Governmental
	Fund	Grants Fund	Funds	Funds
Revenues:				
Taxes:				
Property	\$ 6,479,427	\$ -	\$ -	\$ 6,479,427
Franchise	775,899	-	459,573	1,235,472
Utility services	1,993,605	-	-	1,993,605
Intergovernmental	1,338,429	1,013,841	224,433	2,576,703
Special assessments	-	-	1,227,306	1,227,306
Charges for services	574,997	-	220,520	795,517
Licenses and permits	462,889	-	-	462,889
Fines and forfeitures	172,503	-	93,310	265,813
Investment income	110,380	-	53,539	163,919
Impact fees	18,978	-	-	18,978
Miscellaneous	291,962	-	151,437	443,399
Total revenues	12,219,069	1,013,841	2,430,118	15,663,028
Expenditures:				
Current:				
General government	1,973,539	-	28,248	2,001,787
Public safety	6,807,508	2,724	1,151,639	7,961,871
Physical environment	395,381	252,300	96,059	743,740
Culture and recreation	2,652,012	9,975	278,435	2,940,422
Debt service:				
Principal retirement	483,184	-	-	483,184
Interest and other fiscal charges	329,522	-	-	329,522
Capital Outlay:	758,734	785,231	3,755,724	5,299,689
Total expenditures	13,399,880	1,050,230	5,310,105	19,760,215
(Deficiency) of revenues (under) expenditures	(1,180,811)	(36,389)	(2,879,987)	(4,097,187)
Other financing sources (uses):				
Capital leases	223,835	-	-	223,835
Transfers in	1,185,410	-	2,310,313	3,495,723
Transfers out	(2,231,930)	-	(411,069)	(2,642,999)
Total other financing sources (uses)	(822,685)	-	1,899,244	1,076,559
Net change in fund balances	(2,003,496)	(36,389)	(980,743)	(3,020,628)
Fund balances (deficit) - beginning	6,151,848	(227,645)	1,328,490	7,252,693
Fund balances (deficit) - ending	\$ 4,148,352	\$ (264,034)	\$ 347,747	\$ 4,232,065

The notes to the financial statements are an integral part of this statement.

CITY OF WILTON MANORS, FLORIDA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGE IN FUND BALANCES (DEFICIT) OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2010

Amounts reported for governmental activities in the statement of activities (Page 16) are different because:

Net change in fund balances - total government funds (Page 16)	\$	(3,020,628)
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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 and reported as depreciation expense.

Expenditures for capital assets	5,380,871	
Less: current year provision for depreciation	<u>(2,133,385)</u>	3,247,486
Loss on disposal of asset		(480,035)

Bond proceeds are reported as financing sources in governmental funds financial statements and thus contribute to the net change in fund balance. In the statement of net assets, however, issuing debt increases long-term liabilities and does not affect the statement of activities. Similarly, repayments of principal is an expenditure in the governmental funds financial statements, but reduces the liability in the statement of net assets.

Capital lease financing	(223,835)
Principal repayments	483,184

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

Accrued compensated absences	33,605
Increase in accrued interest payable on bonds	(44,721)

Contributions to the retiree benefits do not use current financial resources and are not recorded in full as expenditures in the governmental funds, however these disbursements increase the net OPEB obligation in the statement of activities.

	<u>(37,000)</u>
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Change in net assets of governmental activities (Page 13)	\$	<u>(41,944)</u>
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CITY OF WILTON MANORS, FLORIDA
STATEMENT OF FUND NET ASSETS
PROPRIETARY FUNDS
SEPTEMBER 30, 2010

<u>ASSETS</u>	<u>Business- type activities - Enterprise Funds</u>		
	<u>Major Fund</u>	<u>Nonmajor Fund</u>	<u>Total</u>
	<u>Utility Fund</u>	<u>Drainage Fund</u>	
Current assets:			
Equity in pooled cash	\$ -	\$ 294,684	\$ 294,684
Restricted cash and cash equivalents	1,421,637	-	1,421,637
Accounts receivable, net	527,753	36,922	564,675
Inventories	97,228	-	97,228
Prepayments	<u>155,368</u>	<u>-</u>	<u>155,368</u>
Total current assets	<u>2,201,986</u>	<u>331,606</u>	<u>2,533,592</u>
Non-current assets:			
Unamortized bond financing costs	10,980	-	10,980
Capital assets, non-depreciable	1,502,973	-	1,502,973
Capital assets, depreciable - net	<u>13,533,091</u>	<u>897,201</u>	<u>14,430,292</u>
Total non-current assets	<u>15,047,044</u>	<u>897,201</u>	<u>15,944,245</u>
Total assets	<u>17,249,030</u>	<u>1,228,807</u>	<u>18,477,837</u>
 <u>LIABILITIES</u>			
Current liabilities (payable from unrestricted assets)			
Accounts payable	465,064	2,946	468,010
Accrued expenses	16,420	4,834	21,254
Due to other funds	345,371	-	345,371
Current liabilities (payable from restricted assets)			
Customer deposits	391,628	-	391,628
Accrued interest payable	144,268	-	144,268
Bonds payable	<u>977,371</u>	<u>-</u>	<u>977,371</u>
Total current liabilities	<u>2,340,122</u>	<u>7,780</u>	<u>2,347,902</u>
Noncurrent liabilities:			
Bonds payable	6,550,647	-	6,550,647
Compensated absences payable	<u>64,396</u>	<u>2,646</u>	<u>67,042</u>
Total noncurrent liabilities	<u>6,615,043</u>	<u>2,646</u>	<u>6,617,689</u>
Total liabilities	<u>8,955,165</u>	<u>10,426</u>	<u>8,965,591</u>
 <u>NET ASSETS</u>			
Invested in capital assets, net of related debt	7,508,046	897,201	8,405,247
Restricted for:			
Renewal and replacement	300,000	-	300,000
Debt service	585,741	-	585,741
Unrestricted	<u>(99,922)</u>	<u>321,180</u>	<u>221,258</u>
Total net assets	<u>\$ 8,293,865</u>	<u>\$ 1,218,381</u>	<u>\$ 9,512,246</u>

The notes to the financial statements are an integral part of this statement.

CITY OF WILTON MANORS, FLORIDA
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
SEPTEMBER 30, 2010

	<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	\$ 6,081,733	\$ 320,851	\$ 6,402,584
Impact fees	71,380	-	71,380
Other services	110,381	-	110,381
Total operating revenues	<u>6,263,494</u>	<u>320,851</u>	<u>6,584,345</u>
Operating expenses:			
Water system operations	2,649,512	-	2,649,512
Personnel services	530,393	142,107	672,500
General and administrative expenses	541,990	34,165	576,155
Maintenance and repair	147,788	31,178	178,966
Depreciation	670,149	144,447	814,596
Total operating expenses	<u>4,539,832</u>	<u>351,897</u>	<u>4,891,729</u>
Operating income (loss)	<u>1,723,662</u>	<u>(31,046)</u>	<u>1,692,616</u>
Nonoperating revenues (expenses):			
Interest income	2,060	296	2,356
Interest expense	(285,003)	-	(285,003)
Total nonoperating revenues (expenses)	<u>(282,943)</u>	<u>296</u>	<u>(282,647)</u>
Income (loss) before transfers	<u>1,440,719</u>	<u>(30,750)</u>	<u>1,409,969</u>
Transfer in	69,871	55,148	125,019
Transfer out	(937,636)	(40,107)	(977,743)
Net transfers	<u>(867,765)</u>	<u>15,041</u>	<u>(852,724)</u>
Change in net assets	572,954	(15,709)	557,245
Total net assets, October 1	<u>7,720,911</u>	<u>1,234,090</u>	<u>8,955,001</u>
Total net assets, September 30	<u>\$ 8,293,865</u>	<u>\$ 1,218,381</u>	<u>\$ 9,512,246</u>

The notes to the financial statements are an integral part of this statement.

**CITY OF WILTON MANORS, FLORIDA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
SEPTEMBER 30, 2010**

	Business- type activities - Enterprise Funds		
	Major Fund	Nonmajor Fund	
	Utility	Drainage	
	Fund	Fund	Total
Cash flows from operating activities:			
Receipts from customers, users and other	\$ 6,230,686	\$ 316,428	\$ 6,547,114
Payments to suppliers for goods and services	(3,466,183)	(64,962)	(3,531,145)
Payments to employees	(545,271)	(140,858)	(686,129)
Payments for interfund services used	345,371	-	345,371
Net cash provided by operating activities	<u>2,564,603</u>	<u>110,608</u>	<u>2,675,211</u>
Cash flows from noncapital financing activities:			
Transfers in from other funds	69,871	55,148	125,019
Transfer out to other funds	(937,636)	(40,107)	(977,743)
Net cash provided by (used in) noncapital financing activities	<u>(867,765)</u>	<u>15,041</u>	<u>(852,724)</u>
Cash flows from capital and related financing activities:			
Acquisition and construction of capital assets	(625,069)	(14,416)	(639,485)
Proceeds from sale of capital assets	1,127	-	1,127
Principal paid on capital debt	(941,388)	-	(941,388)
Interest paid on capital debt	(287,747)	-	(287,747)
Net cash (used in) capital and related financing activities	<u>(1,853,077)</u>	<u>(14,416)</u>	<u>(1,867,493)</u>
Cash flows from investing activities:			
Interest received	2,060	297	2,357
Net cash provided by investing activities	<u>2,060</u>	<u>297</u>	<u>2,357</u>
Net increase (decrease) in equity in pooled cash	(154,179)	111,530	(42,649)
Cash at beginning of year	<u>1,575,816</u>	<u>183,154</u>	<u>1,758,970</u>
Cash at end of year	<u>\$ 1,421,637</u>	<u>\$ 294,684</u>	<u>\$ 1,716,321</u>
Cash per statement of net assets:			
Unrestricted	\$ -	\$ 294,684	\$ 294,684
Restricted	1,421,637	-	1,421,637
Total, September 30	<u>\$ 1,421,637</u>	<u>\$ 294,684</u>	<u>\$ 1,716,321</u>
Reconciliation of operating (loss) income to net cash provided by operating activities:			
Operating income (loss)	\$ 1,723,662	\$ (31,046)	\$ 1,692,616
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:			
Depreciation and amortization	670,149	144,447	814,596
Change in assets and liabilities:			
(Increase) in accounts receivable	(21,297)	(4,423)	(25,720)
Decrease in inventories	13,301	-	13,301
(Increase) decrease in prepayments	(136,270)	379	(135,891)
(Decrease) increase in accounts payable	(3,924)	2	(3,922)
(Decrease) increase in accrued liabilities	(19,641)	389	(19,252)
Increase in due to other funds	345,371	-	345,371
Increase in compensated absences	4,763	860	5,623
Decrease in customer deposits	(11,511)	-	(11,511)
Total adjustments	<u>840,941</u>	<u>141,654</u>	<u>982,595</u>
Net cash provided by operating activities	<u>\$ 2,564,603</u>	<u>\$ 110,608</u>	<u>\$ 2,675,211</u>

The notes to the financial statements are an integral part of this statement.

CITY OF WILTON MANORS, FLORIDA
STATEMENT OF FIDUCIARY NET ASSETS
SEPTEMBER 30, 2010

	Pension Trust Funds
<u>ASSETS</u>	
Cash and cash equivalents	\$ <u>593,005</u>
Receivables:	
Due from contributing entity	36,850
Interest and dividends receivable	<u>107,025</u>
Total receivables	<u>143,875</u>
Investments, at fair value:	
U.S. Government and agency securities	4,149,875
Corporate bonds and notes	4,608,265
Domestic equity funds	2,492,900
Common stocks	10,565,985
International equity commingled fund	<u>1,009,056</u>
Total investments	<u>22,826,081</u>
 Total assets	 <u>23,562,961</u>
<u>LIABILITIES</u>	
Accounts payable and accrued expenses	114,270
Due to Firefighters Retirement System	751,452
Deferred retirement option payable	1,629,303
Payable for securities purchased	<u>7,095</u>
 Total liabilities	 <u>2,502,120</u>
<u>NET ASSETS</u>	
Net assets held in trust for pension benefits	\$ <u>21,060,841</u>

The notes to the financial statements are an integral part of this statement.

CITY OF WILTON MANORS, FLORIDA
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FOR THE YEAR ENDED SEPTEMBER 30, 2010

	Pension Trust Funds
Additions:	
Contributions:	
Plan members	\$ 98,783
City	1,449,660
Total contributions	1,548,443
Investment income:	
Net appreciation in fair value of investments	1,162,593
Interests and dividends	687,616
Total	1,850,209
Less:	
Investment expenses	107,633
Deferred retirement option plan participants' losses	111,800
Earnings allocated to Firefighter Retirement System	63,408
Net investment gain	1,567,368
Total Additions	3,115,811
Deductions:	
Pension benefits paid	2,265,701
Administrative expenses	163,534
Total deductions	2,429,235
Change in net assets	686,576
Net assets, beginning	20,374,265
Net assets, ending	\$ 21,060,841

The notes to the financial statements are an integral part of this statement.

NOTES TO BASIC FINANCIAL STATEMENTS

**CITY OF WILTON MANORS, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2010**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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.

The financial statements were prepared in accordance with GASB Statement No. 14, *The Financial Reporting Entity*, as amended by GASB Statement No. 39, which establishes standards for defining and reporting on the financial reporting entity. The definition of the financial reporting entity is based upon the concept that elected officials are accountable to their constituents for their actions. One of the objectives of financial reporting is to provide users of financial statements with a basis for assessing the accountability of the elected officials. The financial reporting entity consists of the primary government, organizations for which the primary government is financially accountable and other organization for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity to be misleading or incomplete. The City is financially accountable for a component unit if it appoints a voting majority of the organization's governing board and it is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on the City. Based on the application of these criteria, one entity was evaluated for inclusion in the City's reporting entity with the following results:

Island City Foundation (the "Foundation") - The City passed an Resolution No. 1979 on May 27, 1997 creating a non-profit organization to principally promote and support public purposes benefitting the residents of Wilton Manors, Florida, including but not limited to activities in the arts; various social services, construction, development, restoration or improvement of public facilities, improvement and expansion of programs in law enforcement, education, economic development, establish endowment fund for the purpose of generating a permanent dedicated revenue to complement other sources available to the City, and so forth. The Foundation is legally separate entity and is governed by Board of Directors, which is composed of five members appointed by the Commission of the City of Wilton Manors, Florida. Currently, the Foundation's Board is made up of Wilton Manors Commission. The Foundation is considered a component unit and has not been included in the financial statements of the City since the financial activities of the Foundation as of and for the fiscal year ended September 30, 2010, is not considered material to the financial statements of the City.

**CITY OF WILTON MANORS, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2010**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 expenses that are clearly identifiable with a specific function or segment. Amounts reported as *program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

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.

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.

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

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting* as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using 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. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within two (2) months of the end of the current fiscal period, except for property taxes, for which the period is 60 days. 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 judgment, are recorded only when payment is due.

**CITY OF WILTON MANORS, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2010**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Property taxes, franchise and utility service taxes, and interest are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items such as fines and forfeitures and licenses and permits are considered to be measurable and available only when cash is received by the government.

The City reports the following major governmental funds:

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

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

The City reports the following major proprietary funds:

The City uses the *utility fund* to account for maintaining the financial operations of the City's water and wastewater transmission lines.

Additionally, the City reports the following nonmajor 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.

The *pension trust* funds include the General Employees and Police Officers Pension Trust and Volunteer Firefighters Pension Trust which account for the accumulation of resources to be used for pension benefit payments to qualifying City's employees, police officers and volunteer firefighters.

**CITY OF WILTON MANORS, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2010**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

The private sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private sector guidance for their business-type activities and enterprise funds, subject to the same limitation. The City has elected not to follow subsequent private sector guidance.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements with the exception of payment-in-lieu of taxes and administrative expenses between the Water and Wastewater Fund and the General Fund. Elimination of these charges would distort the direct costs and program revenues for the various functions concerned.

Amounts reported as *program revenues* include 1) charges to customers or applicants for goods, services, or privileges provided, and fines and forfeitures, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

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.

d. *New Pronouncements*

Effective October 1, 2009, the City adopted GASB Statement No. 51 (GASB 51), *Accounting and Financial Reporting for Intangible Assets*, establishing accounting and financial reporting for intangible assets. Examples of intangible assets are easements, patents, computer software either purchased or internally generated. As with other capital assets, the useful life of an intangible asset must be greater than one year. Intangible assets are classified as capital assets and are included in Note 5. The City has retroactively recognized intangible assets in the statement of net assets in accordance with GASB 51.

The beginning net assets restated for the effects of prior year intangibles are as follows:

Net assets at October 1, 2009 – governmental activities	\$ 28,219,941
Intangibles acquired prior to October 1, 2009	<u>42,070</u>
Restated net assets at October 1, 2009	<u>\$ 28,262,011</u>

**CITY OF WILTON MANORS, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2010**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

1. Deposits and Investments

The City's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three (3) months or less from the date of acquisition.

State statutes requires all deposits of the City, including demand deposit accounts, time deposit accounts and money market accounts be held in institutions designated by the Treasurer of the State of Florida as "qualified depositories" and accordingly, are covered by a collateral pool as required by that statute.

Investments are reported at fair value. Investments owned by the City are accounted for in the City's investment pool. Income earned from this pool is allocated to the respective funds based on average monthly balances.

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".

All trade receivables are shown net of an allowance for uncollectible accounts. An allowance for uncollectible accounts is provided for all trade receivables aging more than 60 days.

3. Inventory and prepaid items

Inventories are valued at cost, using the weighted average cost method. Inventories consisting primarily of expendable supplies held for consumption, the costs of inventories are recorded as expenditures when consumed rather than purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items both in government-wide and fund financial statements.

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 and cash held by third parties, which based upon some contractual provisions, restricts the use of these resources.

**CITY OF WILTON MANORS, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2010**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

e Assets, Liabilities, and Net Assets or Equity (Continued)

5. Capital assets

Capital assets, which include land, buildings, improvements other than buildings, infrastructure, intangibles, 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 the 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.

Capital assets 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

6. 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 using effective interest method. Bonds payable are reported net of the applicable premiums or discounts. Issuance costs are reported as deferred charges and amortized over the life of the related debt.

**CITY OF WILTON MANORS, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2010**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

e Assets, Liabilities, and Net Assets or Equity (Continued)

6. Long-term debt (Continued)

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing resources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

7. Unearned revenue

Deferred revenues are recorded for governmental fund receivables that are not both measurable and available. In addition, inflows that do not yet meet the criteria for revenue recognition, such as occupational licenses collected in advance, are recorded as unearned revenue in the government-wide and in the fund financial statements.

8. Compensated absences

It is the City's policy to permit eligible employees to accumulate earned but unused vacation and sick pay benefits. Upon separation from service, employees receive payment for a portion of unused vacation time and sick leave subject to length of service and contract classification. All vacation pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

9. Equity classifications

Government-wide statements and proprietary funds 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.
- e. Unrestricted net assets - all other net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt."

**CITY OF WILTON MANORS, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2010**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

e Assets, Liabilities, and Net Assets or Equity (Continued)

9. Equity classifications (Continued)

Governmental Fund statements

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

12. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates that affect the amounts reported in the accompanying financial statements. Although these estimates are based on management's knowledge of current events and actions, it may undertake in the future, they may differ from actual results.

2. DEPOSITS AND INVESTMENTS

Governmental and Proprietary Funds

Deposits and investments are reflected in the accompanying statements of net assets, balance sheet – governmental funds and statement of net assets – proprietary funds, in the following accounts.

Pooled cash	\$ 2,582,769
Restricted cash	<u>1,763,611</u>
	<u>\$ 4,346,380</u>

Deposits

At year-end, the City's carrying amount of deposits was \$2,022,440 including cash held by third party totaling \$336,789 as of September 30, 2010. Bank balances before reconciling items were \$2,453,632 at that date, the total of which is collateralized or insured with securities held by the City or by its agent in the City's name as discussed below.

Custodial Credit Risk. Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. All of the City's deposits are entirely insured by federal depository insurance or collateralized by the multiple financial institution collateral pool pursuant to Florida Statutes, Chapter 280, "Florida Security for Public Deposit Act". Under this Act, all qualified public depositories are required to pledge eligible collateral having a fair value equal to or greater than the average daily or monthly balance of all public deposits, multiplied by the depository's collateral pledging level.

**CITY OF WILTON MANORS, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2010**

2. DEPOSITS AND INVESTMENTS (CONTINUED)

Governmental and Proprietary Funds (Continued)

Investments

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

The City has established a maximum maturity of five years on any investment.

As of September 30, 2010, the City had the following investments:

	<u>Amount</u>	<u>Rating</u>
SBA - Florida Prime	\$ 2,100,530	AAAm
SBA – Fund B	<u>233,410</u>	Not rated
	<u>\$ 2,333,940</u>	

The State Board of Administration's Local Government Surplus Fund Trust Fund currently known as the Florida PRIME is governed by Chapter 19-7 of the Florida Administrative Code, which identifies the Rules of the State Board Administration (SBA). These rules provide guidance and establish the general operating procedures for the administration of the Florida PRIME. Additionally, the Office of the Florida Auditor General performs the operational audit of the activities and investments of the State Board of Administration.

On November 29, 2007, the State Board of Administration implemented a temporary freeze on the assets held in the Pool due to an unprecedented amount of withdrawals from the Fund coupled with the absence of market liquidity for certain securities within the Pool. On December 4, 2007, based on recommendations from an outside financial advisor, the State Board of Administration restructured the Pool into two separate pools. Pool A, currently referred to as the Florida PRIME, consisted 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 approximately \$2 billion or 14% of Pool assets.

On August 3, 2009, the SBA announced the rebranding of the Local Government Surplus Funds Trust Fund (formerly Pool A) as the "Florida PRIME", reflecting the improvements and added benefits for participants that had been developed. The Florida Prime is considered a SEC 27-a like fund, therefore, account balances are considered to be fair value of the investment. Fund B, is accounted for as a fluctuating Net Asset Value (NAV) pool. The fair value factor for Fund B as of September 30, 2010 is 0.707058094, and the fair value is calculated by multiplying the factor by the account balance.

**CITY OF WILTON MANORS, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2010**

2. DEPOSITS AND INVESTMENTS (CONTINUED)

Governmental and Proprietary Funds (Continued)

Investments (Continued)

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 day to maturity (WAM) of SBA-Florida Prime at year end was 52 days. The weighted average life (WAL) of Fund B at year end was 7.49 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, 2010. Fund B was unrated as of that date.

**CITY OF WILTON MANORS, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2010**

2. DEPOSITS AND INVESTMENTS (CONTINUED)

Fiduciary Funds

General Employees and Police Pension Plan

Investment Policy

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

Investment in common stock or capital stock shall be limited to those listed on a major U.S. stock exchange and limited to no more than 60% (at market) of the System's total asset value, with no more than 5% of the System's total assets, at cost, invested in the common stock of any one company.

Managers should not invest in fixed income securities rated less than "A" by a nationally recognized rating agency. Except for U.S. treasury and U.S. Agency obligation, no manager should invest more than 5% of the System assets in the securities of a single issuer. No issues may be purchased with more than 15 years to maturity.

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 % <u>of Portfolio</u>	Actual % <u>of Portfolio</u>
Domestic equity	60%	56%
International equity	25%	4%
Fixed income	50%	37%
Cash equivalents	20%	3%

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.

**CITY OF WILTON MANORS, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2010**

2. DEPOSITS AND INVESTMENTS (CONTINUED)

Fiduciary Funds (Continued)

General Employees and Police Pension Plan (Continued)

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, 2010:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Investment Maturities (in years)</u>			
		<u>Less than 1</u>	<u>1 to 5</u>	<u>6 to 10</u>	<u>More than 10</u>
U.S. Treasuries	\$ 172,199	\$ -	\$ -	\$ 172,199	\$ -
U.S. Agencies	3,845,084	-	1,007,558	840,439	1,997,087
Corporate bonds	<u>4,461,027</u>	-	-	<u>4,128,386</u>	<u>332,641</u>
Total fixed income securities	<u>\$ 8,478,310</u>	<u>\$ -</u>	<u>\$ 1,007,558</u>	<u>\$ 5,141,024</u>	<u>\$ 2,329,728</u>

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, 2010, as applicable:

	<u>Fair Value</u>	<u>% of Portfolio</u>
United States government guaranteed*	\$ 4,017,283	47%
Quality rating of credit risk debt securities		
AA+	411,331	5%
AA	413,607	5%
A+	423,166	5%
A	823,199	10%
A-	1,640,949	19%
BBB+	<u>748,775</u>	<u>9%</u>
Total credit risk debt securities	<u>4,461,027</u>	<u>53%</u>
Total fixed income securities	<u>\$ 8,478,310</u>	<u>100%</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, 2010.

**CITY OF WILTON MANORS, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2010**

2. DEPOSITS AND INVESTMENTS (CONTINUED)

Fiduciary Funds (Continued)

General Employees and Police Pension Plan (Continued)

Custodial credit risk: Deposits are exposed to custodial risk if they are uninsured and uncollateralized. Custodial risk 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. Investment securities are exposed to custodial risk if the securities are uninsured, are not registered in the name of the Plan and held either by the counterparty or the counterparty's trust department or agent but no in the Plan's name.

Consistent with the Plan's investment policy, the investments are held by the Plan's custodial bank and registered in the Plan's name. All the Plan's deposits are insured and or collateralized by a financial institution separate from the Plan's depository financial institution.

Volunteer Firefighters Retirement System

Investment Policy

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

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

Managers should not invest in fixed income securities rated less than "A" by a nationally recognized rating agency. Except for U.S. treasury and U.S. Agency obligation, no manager should invest more than 5% of the System assets in the securities of a single issuer. No issues may be purchased with more than 15 years to maturity.

**CITY OF WILTON MANORS, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2010**

2. DEPOSITS AND INVESTMENTS (CONTINUED)

Fiduciary Funds (Continued)

Volunteer Firefighters Retirement System (Continued)

Florida statutes and System 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 % <u>of Portfolio</u>	Actual % <u>of Portfolio</u>
Domestic equity	60%	56%
International equity	25%	4%
Fixed income	50%	37%
Cash equivalents	20%	3%

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 System 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 System's investment to market interest rate fluctuations is provided by the following table that shows the distribution of the System's investments by maturity at September 30, 2010:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Investment Maturities (in years)</u>			
		<u>Less than 1</u>	<u>1 to 5</u>	<u>6 to 10</u>	<u>More than 10</u>
U.S. Treasuries	\$ 5,683	\$ -	\$ -	\$ 5,683	\$ -
U.S. Agencies	126,909	-	33,255	27,739	65,915
Corporate bonds	<u>147,238</u>	-	-	<u>136,259</u>	<u>10,979</u>
Total fixed income securities	<u>\$ 279,830</u>	<u>\$ -</u>	<u>\$33,255</u>	<u>\$ 169,681</u>	<u>\$ 76,894</u>

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 System's investment policy utilizes portfolio diversification in order to control this risk.

**CITY OF WILTON MANORS, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2010**

2. DEPOSITS AND INVESTMENTS (CONTINUED)

Fiduciary Funds (Continued)

Volunteer Firefighters Retirement System (Continued)

The following table discloses credit ratings by investment type, at September 30, 2010, as applicable:

	<u>Fair Value</u>	<u>% of Portfolio</u>
United States government guaranteed*	\$ 132,592	47%
Quality rating of credit risk debt securities		
AA+	13,576	5%
AA	13,651	5%
A+	13,967	5%
A	27,170	10%
A-	54,160	19%
BBB+	<u>24,714</u>	<u>9%</u>
Total credit risk debt securities	<u>147,238</u>	<u>53%</u>
 Total fixed income securities	 <u>\$ 279,830</u>	 <u>100%</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 System 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 system net assets at September 30, 2010.

Custodial credit risk: Deposits are exposed to custodial risk if they are uninsured and uncollateralized. Custodial risk is the risk that, in the event of the failure of the counterparty, the System will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Investment securities are exposed to custodial risk if the securities are uninsured, are not registered in the name of the System and held either by the counterparty or the counterparty's trust department or agent but no in the System's name.

Consistent with the System's investment policy, the investments are held by the System's custodial bank and registered in the System's name. All the System's deposits are insured and or collateralized by a financial institution separate from the System's depository financial institution.

**CITY OF WILTON MANORS, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2010**

3. RECEIVABLES AND PAYABLES

Receivables as of year-end for the City's individual major funds and nonmajor funds in aggregate, including the applicable allowances for uncollectible accounts are as follows:

	<u>General Fund</u>	<u>Miscellaneous Grants Fund</u>	<u>Utility Fund</u>	<u>Nonmajor Funds</u>	<u>Total</u>
Intergovernmental	\$ 340,588	\$ 925,685	\$ -	\$ 290,344	\$ 1,556,617
Customer accounts	294,434	-	743,817	376,534	1,414,785
Others	<u>31,192</u>	-	-	-	<u>31,192</u>
Gross receivables	666,214	925,685	743,817	666,878	3,002,594
Less: Allowance for uncollectible	<u>(12,861)</u>	-	<u>(216,064)</u>	<u>(28,294)</u>	<u>(257,219)</u>
Net total receivables	<u>\$ 653,353</u>	<u>\$ 925,685</u>	<u>\$ 527,723</u>	<u>\$ 638,584</u>	<u>\$ 2,745,375</u>

Accounts payables and accrued liabilities at September 30, 2010, were as follows

	<u>General Fund</u>	<u>Miscellaneous Grants Fund</u>	<u>Utility Fund</u>	<u>Nonmajor Funds</u>	<u>Total</u>
Vendor	\$ 422,539	\$ 80,396	\$ 465,064	\$ 234,886	\$ 1,202,885
Payroll and related accruals	224,785	535	16,420	15,140	256,880
Interest accruals	-	-	144,268	-	144,268
Intergovernmental	<u>12,830</u>	-	-	-	<u>12,830</u>
Total	<u>\$ 660,154</u>	<u>\$ 80,931</u>	<u>\$ 625,752</u>	<u>\$ 250,026</u>	<u>\$ 1,616,863</u>

4. INTERFUND BALANCES AND TRANSFERS

Interfund balances and transfers are as follows:

Interfund receivables/payables:

<u>Receivable Fund</u>	<u>Miscellaneous Grant Fund</u>	<u>Payable Fund</u>		<u>Total</u>
		<u>Utility Fund</u>	<u>Non Major Fund</u>	
General Fund	<u>\$ 818,750</u>	<u>\$ 345,371</u>	<u>\$ 285,369</u>	<u>\$ 1,449,490</u>

Interfund advances were necessary to provide additional funds to complete projects and programs and supply match funds for grants used for such projects and programs. These amounts will be paid when funds become available in the payable funds. It is expected that the Road Improvement Fund, Local Law Enforcement Fund, Miscellaneous Grants Fund, and Utility Funds will pay off their advances in the next fiscal year.

**CITY OF WILTON MANORS, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2010**

4. INTERFUND BALANCES AND TRANSFERS (CONTINUED)

Advances to/from other funds:

<u>Receivable Fund</u>	<u>Miscellaneous Grant Fund</u>	<u>Non Major Fund</u>	<u>Total</u>
General Fund	<u>\$ 277,046</u>	<u>\$ 470,623</u>	<u>\$ 747,669</u>

These amounts are not expected to be paid within one year from September 30, 2010.

<u>Transfers Out</u>	<u>Transfer In</u>			
	<u>General Fund</u>	<u>Utility Fund</u>	<u>Nonmajor Fund</u>	<u>Total</u>
General Fund	\$ -	\$ -	\$ 2,231,930	\$ 2,231,930
Non Major Funds	449,223	-	1,953	451,176
Utility Fund	<u>736,187</u>	<u>69,871</u>	<u>131,578</u>	<u>937,636</u>
	<u>\$1,185,410</u>	<u>\$ 69,871</u>	<u>\$ 2,365,461</u>	<u>\$ 3,620,742</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.

5. CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2010 was as follows:

	<u>Balance October 1, 2009</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance September 30, 2010</u>
Government activities				
Capital assets not being depreciated:				
Land	\$ 8,567,723	\$ -	\$ -	\$ 8,567,723
Construction in progress	6,174,471	-	(6,174,471)	-
Intangible assets	<u>42,070</u>	<u>-</u>	<u>-</u>	<u>42,070</u>
Total assets not being depreciated (as restated)	<u>14,784,264</u>	<u>-</u>	<u>(6,174,471)</u>	<u>8,609,793</u>
Capital assets being depreciated:				
Buildings	5,321,235	9,335,239	(1,508,907)	13,147,567
Improvements other than buildings	10,595,980	62,406	-	10,658,386
Machinery & equipment	5,680,247	1,113,005	(130,657)	6,662,595
Infrastructure	<u>16,904,227</u>	<u>1,044,692</u>	<u>-</u>	<u>17,948,919</u>
Total capital assets being depreciated	<u>38,501,689</u>	<u>11,555,342</u>	<u>(1,639,564)</u>	<u>48,417,467</u>
Less accumulated depreciation for:				
Buildings	(1,843,769)	(224,011)	1,028,871	(1,038,909)
Improvements other than buildings	(3,580,549)	(1,141,217)	-	(4,721,766)
Machinery & equipment	(4,268,617)	(750,682)	130,657	(4,888,642)
Infrastructure	<u>(13,509,464)</u>	<u>(17,475)</u>	<u>-</u>	<u>(13,526,939)</u>
Total accumulated depreciation	<u>(23,202,399)</u>	<u>(2,133,385)</u>	<u>1,159,528</u>	<u>(24,176,256)</u>
Total capital assets being depreciated, net	<u>15,299,290</u>	<u>9,421,957</u>	<u>(480,036)</u>	<u>24,241,211</u>
Governmental activities capital assets, net (as restated)	<u>\$ 30,083,554</u>	<u>\$ 9,421,957</u>	<u>\$ (6,654,507)</u>	<u>\$ 32,851,004</u>

**CITY OF WILTON MANORS, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2010**

5. CAPITAL ASSETS (CONTINUED)

	<u>Balance October 1, 2009</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance September 30, 2010</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	20,439,335	613,581	-	21,052,916
Improvements other than building	5,321,925	-	-	5,321,925
Buildings	637,469	-	-	637,469
Machinery & equipment	<u>1,030,930</u>	<u>25,903</u>	<u>-</u>	<u>1,056,833</u>
Total capital assets being depreciated	<u>27,429,659</u>	<u>639,484</u>	<u>-</u>	<u>28,069,143</u>
Less accumulated depreciation for				
Infrastructure	(6,876,160)	(619,460)	-	(7,495,620)
Improvements other than buildings	(5,215,305)	(101,515)	-	(5,316,820)
Buildings	(30,191)	(2,003)	-	(32,194)
Machinery & equipment	<u>(702,599)</u>	<u>(91,618)</u>	<u>-</u>	<u>(794,217)</u>
Total accumulated depreciation	<u>(12,824,255)</u>	<u>(814,596)</u>	<u>-</u>	<u>(13,638,851)</u>
Total capital assets being depreciated, net	<u>14,605,404</u>	<u>(175,112)</u>	<u>-</u>	<u>14,430,292</u>
Business-type activities capital assets, net	<u>\$ 16,108,377</u>	<u>\$ (175,112)</u>	<u>\$ -</u>	<u>\$ 15,933,265</u>

Depreciation expense was charged to functions of the City as follows:

Governmental activities:	
General government	\$ 136,527
Public safety	507,495
Culture and recreation	791,414
Physical environment	19,160
Transportation	<u>678,789</u>
Total depreciation expense - governmental activities	<u>\$ 2,133,385</u>
Business-type activities:	
Utility	\$ 670,149
Drainage	<u>144,447</u>
	<u>\$ 814,596</u>

**CITY OF WILTON MANORS, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2010**

6. RESTRICTED ASSETS

Restricted assets consist of the following balances as of September 30, 2010:

		Reported in:
Fire truck replacement funds held by third party	\$ 336,774	Nonmajor - Fire Assessment Fund
Donations for scholarship and escrows	4,200	General Fund
Future building of shuffle board court	1,000	General Fund
Renewal and replacement reserve	300,000	Utility Fund
Customer deposits	144,268	Utility Fund
Debt service reserve	977,369	Utility Fund
	<u>\$ 1,763,611</u>	

7. CAPITAL LEASE OBLIGATIONS

The City entered into a master lease agreement with certain banks as lessee for financing the acquisition of equipment on an as needed basis. The lease agreement qualifies as a capital lease for accounting purposes and, therefore, has been recorded at the present value of the future lease payments as of the lease inception date.

The assets acquired through capital lease are as follows:

Machinery and equipment	\$ 223,835
Less: accumulated depreciation	-
Machinery and equipment, net	<u>\$ 223,835</u>

The future minimum capital lease obligations and the net present value of all lease payments, including the above, as of September 30, 2010 are as follows:

<u>Year ending</u> <u>September 30,</u>	
2011	\$ 49,456
2012	49,456
2013	49,456
2014	49,456
2015	<u>30,943</u>
Total Capital Lease Payments	228,767
Less: Amount representing interest	<u>20,769</u>
Present value of future minimum capital lease payments	<u>\$ 207,998</u>

**CITY OF WILTON MANORS, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2010**

8. LONG-TERM DEBT

General Obligation Note and Bank Loan

On February 24, 1999, the City issued a General Obligation Promissory Note in the aggregate amount of \$3,350,000 used to finance the land acquisition and improvements to the City's Park and Recreational Facilities and construction of the City's public library. This debt was authorized by a vote of the citizens on November 3, 1998. The library portion of this note was paid off in FY2006 due to a bequest by citizen Richard C. Sullivan. The note bears an annual interest of 4.378%. Principal and interest is payable semi-annually in the amount of \$114,643, due on June 1 and December 1 of each year through June 2019.

\$ 1,685,203

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 the new City Hall and Police Station building. 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.

5,620,700
\$ 7,305,903

Revenue Bonds

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 approximately \$4.5 million were used to finance the improvements of the water and sewer infrastructure system. This indebtedness is secured by essentially all of the revenues of the Utility Fund, Bond covenants include a requirement for net available revenue to exceed debt service by a ratio of 1.20.

\$ 7,528,019

The following are the requirements to amortize all debt at September 30, 2010

Fiscal Year Ending	General Obligations Notes and Bank Loan		Water and Sewer Revenue Bonds	
	Principal	Interest	Principal	Interest
2011	\$ 382,070	\$ 276,984	\$ 977,371	\$ 250,389
2012	397,398	261,505	1,014,729	212,183
2013	413,334	245,402	1,053,405	171,338
2014	429,921	228,648	1,058,413	168,338
2015	447,185	211,218	1,098,870	130,881
2016-2020	2,280,225	771,806	2,325,231	134,273
2021-2025	1,745,090	392,219	-	-
2026-2029	<u>1,210,680</u>	<u>68,653</u>	-	-
	<u>\$ 7,305,903</u>	<u>\$ 2,456,436</u>	<u>\$ 7,528,019</u>	<u>\$ 1,067,402</u>

**CITY OF WILTON MANORS, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2010**

8. LONG-TERM DEBT (CONTINUED)

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

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

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, 2010 was \$600,000. The note is unsecured.

The following are the requirements to amortize the note at September 30, 2010

Fiscal year ending	<u>Principal</u>	<u>Interest</u>
2011	\$ 100,000	\$ 30,000
2012	100,000	25,000
2013	100,000	20,000
2014	100,000	15,000
2015	100,000	10,000
2016	<u>100,000</u>	<u>5,000</u>
	<u>\$ 600,000</u>	<u>\$105,000</u>

Changes in Long-Term Liabilities

Long-term liability activity for the year ended September 30, 2010 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Debt Retired</u>	<u>Ending Balance</u>	<u>Due within One year</u>
Governmental Activities:					
1999 General Obligation Notes	\$ 1,835,750	\$ -	\$ 150,547	\$1,685,203	\$ 157,210
2008 General Obligation Bank Loan	5,837,500	-	216,800	5,620,700	224,860
Note payable	700,000	-	100,000	600,000	100,000
Capital leases	-	223,835	15,837	207,998	41,959
Other Liabilities:					
Compensated absences	593,956	58,350	91,953	560,353	-
Net OPEB obligation	<u>27,600</u>	<u>37,000</u>	<u>-</u>	<u>64,600</u>	<u>-</u>
Total governmental activity debt	<u>\$ 8,994,806</u>	<u>\$ 319,185</u>	<u>\$ 575,137</u>	<u>\$8,738,854</u>	<u>\$ 524,029</u>

**CITY OF WILTON MANORS, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2010**

8. LONG-TERM DEBT (CONTINUED)

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Debt Retired</u>	<u>Ending Balance</u>	<u>Due within One year</u>
<u>Business-type Activities:</u>					
Series 2007 Water and Sewer Revenue Refunding Bonds	\$ 8,469,406	\$ -	\$ 941,387	\$7,528,019	\$ 977,371
Other Liabilities: Compensated absences	<u>62,731</u>	<u>4,310</u>	<u>-</u>	<u>67,041</u>	<u>-</u>
Business-type activity long-term Liabilities	<u>\$ 8,532,137</u>	<u>\$ 4,310</u>	<u>\$ 941,387</u>	<u>\$7,595,060</u>	<u>\$ 977,371</u>

The City's compensated absences and Net OPEB obligation are generally liquidated by the general fund.

9. PROPERTY TAXES

Property taxes are assessed as of January 1 each year and are first billed (levied) and due the following November 1.

Under Florida law, the assessment of all properties and the collection of all county, municipal, school board and special district property taxes are consolidated in the offices of the County Property Appraiser and County Tax Collector. The laws for the State regulating tax assessments are also designed to assure a consistent property valuation method statewide. State statutes permit municipalities to levy property taxes at a rate of up to 10 mills (\$10 per \$1,000 of assessed taxable valuation). The millage rate assessed by the City for the year ended September 30, 2010 was 5.8000 mills.

The tax levy of the City is established by the Commission prior to October 1 of each year, and the County Property Appraiser incorporates the millage into the local tax levy, which includes Broward County, Broward County School Board and special taxing districts.

All property is reassessed according to its fair market value as of January 1 of each year. Each assessment roll is submitted to the Executive Director of the State Department of Revenue for review to determine if the rolls meet all of the appropriate requirements of State Statutes.

All real and tangible personal property taxes are due and payable on November 1 each year. Broward County mails to each property owner on the assessment roll a notice of the taxes due and Broward County also collects the taxes for the City.

**CITY OF WILTON MANORS, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2010**

9. PROPERTY TAXES (CONTINUED)

Taxes may be paid upon receipt of such notice from Broward County, with discounts at the rate of four percent (4%) if paid in the month of November, three percent (3%) if paid in the month of December, two percent (2%) if paid in the month of January and one percent (1%) if paid in the month of February. Taxes paid during the month of March are without discount, and all unpaid taxes on real and tangible personal property become delinquent and liens are placed on April 1 of the year following the year in which taxes were assessed. Procedures for the collection of delinquent taxes by Broward County are provided for in the Laws of Florida. There were no material delinquent property taxes at September 30, 2010; therefore an allowance for uncollectible taxes has not been recorded.

10. 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 in both plans (General/Police Plan and Firefighters System). Before it was closed, the Plan previously required that 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 in addition to a health stipend. 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 certain Police Benevolent Association Members (PBA). The City no longer has a volunteer fire department. Most but not 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.

On October 1, 2009 (the last plan year valuation date), Plan membership consisted of:

	General Employees and Police	Volunteer Firefighters
Retirees and beneficiaries receiving benefits	73	2
Active plan members	<u>18</u>	<u>8</u>
Total	<u>91</u>	<u>10</u>

**CITY OF WILTON MANORS, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2010**

10. PENSION TRUST (CONTINUED)

b. Funding Requirements and Contributions

Actuarially Determined Contributions

The Plan contributions required from the City of Wilton Manors for fiscal year ended September 30, 2010 were actuarially determined, using valuation date of October 1, 2009 to be \$1,338,012 and \$68,752 for General Employees and Police Pension Plan and Volunteer Firefighters Retirement System, respectively.

The required contributions cover the following:

	General Employees <u>and Police</u>	Volunteer <u>Firefighters</u>
Normal cost	\$ 415,927	\$ 35,533
Amortization of the unfunded actuarial accrued liability	<u>922,085</u>	<u>33,219</u>
Total	<u>\$ 1,338,012</u>	<u>\$ 68,752</u>

Actual Contributions

	General Employees <u>and Police</u>	Volunteer <u>Firefighters</u>
Employer contribution	\$ 1,338,012	\$ 111,648
Covered payroll	924,471	N/A
% of actual covered annual payroll	144.73%	N/A

General Employees and Police Pension Plan members' contributions are equal to 10% of basic compensation for police officers and 11% of basic compensation for general employees. For the year ended September 30, 2010, employee contributions for General Employees and Police Pension Plan was \$98,783.

Volunteer Firefighters Retirement System members are not required to contribute to the system and benefits are not compensation related.

c. Funding Policy and Funded Status

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.

**CITY OF WILTON MANORS, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2010**

10. PENSION TRUST (CONTINUED)

c. Funding Policy and Funded Status (Continued)

The funded status of the plans as of October 1, 2009, 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)	UAAL as a % of Covered Payroll
GEPP	\$ 23,490,652	\$ 32,154,562	\$ 8,663,910	73.10%	\$ 1,121,175	772.8%
VFRS	666,307	1,067,712	401,405	62.40%	N/A	N/A

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

d. Actuarial Method and Assumptions

The actuarial assumptions presented below were determined as part of the actuarial valuation at the dates indicated:

	<u>General Employees and Police</u>	<u>Volunteer Firefighters</u>
Valuation date	10/1/09	10/1/09
Contribution rates:		
Employer (and State)	119.34%	N/A
Plan members	10.66%	N/A
Actuarial cost method	Entry age, normal cost	Entry age, normal actuarial cost method
Amortization method	Level dollar amount, closed	Level dollar amount, closed
Equivalent single amortization period		29 years
General members	23 years	
Police members	14 years	
Asset valuation method	5-years smoothed market with phase in	Smoothed market value
Actuarial assumptions:		
Investment rate of return*	8.00%	8.00%
Projected salary increases*	5.50%	N/A
Cost of living adjustments	N/A	N/A
* Includes inflation and other general increases at	3.50%	3.50%

**CITY OF WILTON MANORS, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2010**

10. PENSION TRUST (CONTINUED)

e. Annual Pension Cost and Net Pension Obligation

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, 2010 and the two preceding years were as follows:

	<u>FY 2010</u>	<u>FY 2009</u>	<u>FY 2008</u>
Contribution Requirements	\$ 1,338,012	\$ 1,211,419	\$ 1,263,599
Contributions Made (100%)	1,338,012	1,211,419	1,263,599
Total Covered Payroll	1,121,175	1,443,000	2,355,661
Contributions Requirements	144.73%	83.95%	53.64%
Net Pension Obligation	None	None	None

Volunteer Firefighters Pension System

The contribution requirements made for the System for the fiscal year ended September 30, 2010 and the preceding two years are as follows:

	<u>FY 2010</u>	<u>FY 2009</u>	<u>FY 2008</u>
Contribution Requirements	\$ 111,648	\$ 77,739	\$ 155,049
Contributions Made (100%)	111,648	77,739	155,049
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, 2010, the State of Florida contributed \$111,648 to this Plan. This amount is recognized as income and expenditures in the financial statements.

f. 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, 2010, \$1,629,303 is held for DROP participants.

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, 2010**

11. FLORIDA RETIREMENT SYSTEM

Effective August 1, 2007, all new hire full time or part-time employees working in a regularly established position for the City are automatically enrolled in the statewide Florida retirement System (FRS), a multiple-employer, cost-sharing defined benefit plan. The City previously made an irrevocable election to participate in the FRS, a state-administered retirement system. All rates, benefits and amendments are established by the State of Florida through its legislative body.

The FRS has various classes of memberships. City employees fall under four of the classes, which are as follows:

Special Risk Class – All certified law enforcement officers, certified firefighters/paramedics and certified firefighters/EMTs of the City are covered by this class

Senior Management Service Class – The City Manager and certain senior management employees (department heads) are included in this class.

Regular Class – This class covers all City employees who do not qualify for membership in the special risk or the senior management service classes.

Elected Officers' Class – City Commissioners are covered under this class.

All FRS members with 6 years of service are entitled to a retirement benefit. Such benefit, payable monthly for life, is based on the percentage shown below, times the number of years of credited service, times the average of the member's five highest years of earnings.

Special Risk Class – Retirement up to age 55 or 25 years of service:	
Service from 12/1/70 through 9/30/74	2.00%
Service on and after 10/1/74	3.00%
Senior Management Service Class – Retirement up to age 62 or 30 years of service:	
Service on and after 2/1/87	2.00%
Regular Class:	
Retirement up to age 62 or 30 years of service	1.60%
Retirement at age 63 or 31 years of service	1.63%
Retirement at age 64 or 32 years of service	1.65%
Retirement at age 65 or 33 years of service	1.68%
Elected Officers' Class:	
Retirement up to age 62 or 30 years of service	3.00%

Normal retirement age in the regular, senior management service and elected officers' classes is 62. In the special risk service class, normal retirement age is 55. If a member is vested but has not reached normal retirement age, early retirement can be taken. The amount of the retirement benefit will be reduced 5% for each year the retirement date precedes the normal retirement age.

**CITY OF WILTON MANORS, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2010**

11. FLORIDA RETIREMENT SYSTEM (CONTINUED)

State law provides for all eligible FRS members to elect to participate in the Deferred Retirement Option Program (DROP). The DROP allows an employee to retire and defer their monthly retirement benefit to an interest-bearing account, for up to a maximum of sixty months, and to continue employment with the City. When the DROP period ends, the employee must terminate employment. At that time, the employee will receive payment of the accumulated DROP benefits, and direct receipt, thereafter, of the FRS monthly retirement benefit.

Contributions to the FRS are made by the City as a percentage of covered payrolls. The required contribution rates in effect at year end were 10.77% for regular class employees, 14.57% for senior management service class employees, 23.25% for special risk service class employees, and 14.57% for elected officers' class. No employee contributions are required. Additionally, the City is required to contribute 17.80% for all DROP participants. At September 30, 2010, the City had 119 employees participating in the FRS, 13 of which were participating in the DROP.

The contribution requirements of covered payroll and actual contributions made for fiscal year 2010 and the two preceding years were as follows:

	<u>FY 2010</u>	<u>FY 2009</u>	<u>FY 2008</u>
Contributions requirements	\$ 781,105	\$ 711,360	\$ 624,485
Contributions made (100%)	\$ 781,105	\$ 711,360	\$ 624,485
Total covered payroll	\$ 5,222,111	\$ 4,981,003	\$ 4,437,936
Percent of contributions to total covered payroll	14.96%	14.28%	14.07%

The FRS issues an annual report including a statement of financial condition, historical and statistical information and an actuarial report. A copy can be obtained from the State of Florida, Division of Retirement, Research, Education Section, 1317 Winewood Blvd., Tallahassee, Florida 32399-1560.

**CITY OF WILTON MANORS, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2010**

12. 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, 2010, thirty two (32) retirees and their spouses received the benefits. The annual required contributions amounted to \$69,400 for the current fiscal year, toward which the City made an actual contribution of \$32,400. At September 30, 2010, the City had a net OPEB obligation of \$64,600.

The funded status of this benefit as of September 30, 2010, 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)
\$ -	\$715,500	\$715,500	\$40,200	0.00%	\$6,077,100	11.77%

The projection of future benefits payments for an ongoing plan involves estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents the current year information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

**CITY OF WILTON MANORS, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2010**

12. OTHER POST EMPLOYMENT BENEFITS (OPEB) (CONTINUED)

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, 2010:

Annual required contribution	\$ 69,400
Interest on net OPEB obligation	-
Adjustment to annual required contribution	-
Annual OPEB cost	<u>69,400</u>
Employer contribution	(32,400)
Interest on employer contribution	-
Increase in net OPEB obligation	<u>37,000</u>
Net OPEB obligation, beginning of year	<u>27,600</u>
Net OPEB obligation, end of year	<u><u>\$ 64,600</u></u>

The annual OPEB cost, the percentage of annual OPEB cost contributed and the net OPEB obligation for 2010 was:

Annual OPEB cost	\$ 69,400
Percentage of OPEB cost contributed	46.7%
Net OPEB obligation	\$ 64,600

c. Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and the plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effect of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculation.

**CITY OF WILTON MANORS, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2010**

12. OTHER POST EMPLOYMENT BENEFITS (OPEB) (CONTINUED)

c. Actuarial Methods and Assumptions (Continued)

The actuarial valuation on October 1, 2009, the entry age normal cost method is used to determine the Plan's liabilities and costs. Under this cost method, the actuarial present value of projected benefits of every active Participant as if the Plan's provisions on the valuation date had always been in effect, is determined as a level percentage of expected annual earnings for each future year of expected service. A normal cost for each year from the assumed entry date is determined by applying this level percentage of pay to the assumed earnings for that year (or if benefits are not pay related, the level amount for each year). Under this method, inactive participants have no normal cost, and their actuarial liability is the present value of the plan benefits to which they and their beneficiaries are entitled. The Plan's total annual normal cost and actuarial liability are the sum of the individual participant amounts. An experience gain or loss is a decrease or increase in the unfunded actuarial liability attributable to actual experience that differed from that expected by the actuarial assumptions. Such gains or losses are explicitly recognized under this method. Summary of assumptions are as follows:

Valuation date	9/30/2009
Actuarial cost method	Entry Age Normal cost
Actuarial assumptions	30 years
Amortization method	
Investment rate of return*	4%
Medical trend rate	10% for 2009 declining by .5%/yr. until ultimate rate of 5.0% is reached
	<i>* assumed inflation rate at 2.5% annual increase</i>

12. 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, 2010.

**CITY OF WILTON MANORS, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2010**

13. 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 coverage 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 \$432,000. There has been no reduction in insurance coverage from the previous year and the amount of settlement did not exceed insurance coverage in each of the past three years.

14. COMMITMENTS AND CONTINGENCIES

Grants

Revenues recognized from grants may be subject to audit by the grantor agencies. In the opinion of City management, as a result of such audits, disallowances of grant revenues, if any, would not have a material adverse effect on the City's condition.

Interlocal Agreement – EMS and Fire Protect Services

On October 1, 2010, the City renewed its Interlocal agreement with the City of Fort Lauderdale to provide Emergency Medical and Fire Protection Services. The agreement is effective through September 30, 2015. The service fee for the year ended September 30, 2010 was approximately \$965,000. Future service fees are as follows:

Year Ending	
September 30,	
2011	\$ 1,266,251
2012	1,478,587
2013	1,690,922
2014	1,903,258
2015	<u>2,115,594</u>
	<u>\$ 8,454,612</u>

The Interlocal agreement also provided that the City will contribute a monthly payment of \$4,600 to the Ft. Lauderdale Vehicle Replacement Account for the replacement of one fire engine. The accumulated amounts contributed to the replacement account earns interest at the monthly rate of 1/12 of the annual rate for U.S. Government Securities, Treasury Constant Maturities, 5-year Maturity, as published monthly in the U.S. Federal Reserve Statistical Release H.15 or its successor. The accumulated funds collected and earned under this agreement will be reviewed on an annual basis and will be adjusted accordingly to ensure sufficiency of funds towards meeting the goal of replacing one fire engine by March 31, 2015. In the event of termination of the agreement, the City of Ft. Lauderdale will return all the monies held, including interest earned, to the City of Wilton Manors. As of September 30, 2010, the City has approximately \$337,000 funds held by City of Ft. Lauderdale under the provisions of this agreement.

**CITY OF WILTON MANORS, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2010**

14. COMMITMENTS AND CONTINGENCIES (CONTINUED)

Interlocal Agreement – Water and Wastewater Services

The City has entered into an agreement with the City of Fort Lauderdale to provide it with water and wastewater services. The expenditure by the City for the year ended September 30, 2010 relating to this agreement totaled approximately \$1,786,000 and \$783,000, respectively.

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

Contingencies

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

Construction Commitments

The City is a party to several construction contracts for City infrastructure improvements. The amount remaining on these uncompleted contracts as of September 30, 2010 was approximately \$187,000.

15. INDIVIDUAL FUND DISCLOSURES AND EXCESS OF EXPENDITURES OVER APPROPRIATIONS

At September 30, 2010, 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>
Special Revenue Funds:	
Miscellaneous grants fund	\$ 264,034
2008 General obligation bank loan fund	277,251
Local law enforcement block grant fund	1,300
Road improvement fund	12
General obligation bonds fund	207,489

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF WILTON MANORS, FLORIDA
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2010

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget
				Positive
				(Negative)
REVENUES:				
Taxes:				
Ad Valorem	\$ 5,882,825	\$ 5,882,825	\$ 5,830,640	\$ (52,185)
Ad Valorem taxes for debt service	659,209	659,209	648,787	(10,422)
Utility Taxes	1,867,468	1,867,468	1,993,605	126,137
Franchise Fee	830,740	830,740	775,899	(54,841)
Licenses and Permits	519,409	519,409	560,195	40,786
Intergovernmental	1,211,360	1,211,360	1,241,123	29,763
Charges for Services	395,633	395,633	572,467	176,834
Impact Fees	-	-	18,978	18,978
Fines and Forfeitures	117,353	117,353	172,503	55,150
Investment Earnings (Loss)	67,852	67,852	110,380	42,528
Miscellaneous	395,585	458,514	294,492	(164,022)
	<u>11,947,434</u>	<u>12,010,363</u>	<u>12,219,070</u>	<u>208,707</u>
EXPENDITURES:				
Current:				
General Government:				
City Commission	119,212	119,212	120,356	(1,144)
City Management	455,808	455,808	445,231	10,577
City Clerk	244,915	244,915	202,545	42,370
Finance	484,778	484,778	457,745	27,033
Human Resources	441,616	441,616	434,336	7,280
City Attorney	210,212	210,212	191,908	18,304
Non-Departmental	872,578	876,729	872,975	3,754
Total General Government	<u>2,829,119</u>	<u>2,833,270</u>	<u>2,725,097</u>	<u>108,173</u>
Public Safety:				
Police Department	5,674,817	5,828,071	5,810,529	17,542
Emergency Management	290,793	290,793	290,516	277
Community Development Services	855,562	703,308	819,867	(116,559)
Total Public Safety	<u>6,821,172</u>	<u>6,822,172</u>	<u>6,920,912</u>	<u>(98,740)</u>
Public Services	<u>345,924</u>	<u>398,058</u>	<u>509,486</u>	<u>(111,428)</u>
Culture and Recreation:				
Library	573,249	573,249	516,347	56,902
Parks and Recreation	2,510,185	2,566,225	2,607,845	(41,620)
Total Culture and Recreation	<u>3,083,434</u>	<u>3,139,474</u>	<u>3,124,191</u>	<u>15,283</u>
Total Expenditures	<u>13,079,649</u>	<u>13,192,974</u>	<u>13,279,686</u>	<u>(86,712)</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(1,132,215)</u>	<u>(1,182,611)</u>	<u>(1,060,616)</u>	<u>121,995</u>
OTHER FINANCING SOURCES (USES):				
Transfers In	1,185,410	1,185,410	1,185,410	-
Transfers Out	(53,195)	(2,128,290)	(2,128,290)	-
Total Other Financing Sources (Uses)	<u>1,132,215</u>	<u>(942,880)</u>	<u>(942,880)</u>	-
Net Change in Fund Balances	-	(2,125,491)	(2,003,496)	121,995
Fund Balances, Beginning	6,151,848	6,151,848	6,151,848	-
Fund Balances Ending	<u>\$ 6,151,848</u>	<u>\$ 4,026,357</u>	<u>\$ 4,148,352</u>	<u>\$ 121,995</u>

See Notes to Budgetary Comparison Schedule

**CITY OF WILTON MANORS, FLORIDA
NOTES TO BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2010**

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, recycling 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 miscellaneous grants fund which is presented as major fund 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, 2010 at the following department level, which is legally controlled level of appropriations:

	<u>Budget</u>	<u>Actual</u>	Amount in Excess <u>Final Budget</u>
General Fund:			
City Commission	\$ 119,212	\$ 120,356	\$ 1,144
Community Development Services	703,308	819,867	116,559
Public Services	398,058	509,486	111,428
Recycling Fund:			
Public Services	298,104	298,104	(2,354)

The over-expenditure by the City Commission was due to an unbudgeted donation for Wicked Manors, the City's Halloween Street Festival. The excess expenditure by the Community Development Services Department was due to expenditures for contractual services to Broward County for plan reviews and inspections. The excess expenditure by Public Services was due to the City's contribution to cover the non-reimbursable portion of streetscape improvement projects that were largely funded by grants

Budget/GAAP Reconciliation

There are no reconciling items between GAAP and Budget.

CITY OF WILTON MANORS, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF FUNDING PROGRESS
PENSION TRUST FUNDS
SEPTEMBER 30, 2010
(UNAUDITED)

CITY OF WILTON MANORS GENERAL EMPLOYEES AND POLICE PENSION PLAN (in \$'000)

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)
10/1/2009	\$ 23,491	\$ 32,155	\$ 8,664	73.1%	\$ 1,121	772.9%
10/1/2008	23,978	31,698	7,720	75.6%	1,571	491.4%
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%

CITY OF WILTON MANORS VOLUNTARY FIREFIGHTERS' RETIREMENT SYSTEM

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)
10/1/2009	\$ 666,307	\$ 1,067,712	\$ 401,405	62.4%	N/A	N/A
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

* information not available

CITY OF WILTON MANORS OTHER POSTEMPLOYMENT BENEFITS (OPEB)

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)
10/1/2009	\$ -	\$ 715,500	\$ 715,500	0.0%	\$ 6,077,100	11.8%
10/1/2008	-	687,700	687,700	0.0%	6,077,100	11.3%

Note: The above schedule reflects data for two years only since City implemented GASB 45 effective 10/1/2008.

CITY OF WILTON MANORS, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF EMPLOYER CONTRIBUTIONS AND OTHER CONTRIBUTING ENTITIES
PENSION TRUST FUNDS
SEPTEMBER 30, 2010
(UNAUDITED)

CITY OF WILTON MANORS GENERAL EMPLOYEES AND POLICE PENSION PLAN

Year Ended September 30,	Annual Required Contribution	Percentage Contributed
2010 \$	1,338,012	100%
2009	1,211,419	100%
2008	1,263,599	100%
2007	1,229,891	100%
2006	1,081,629	100%
2005	799,497	100%

CITY OF WILTON MANORS VOLUNTARY FIREFIGHTERS' RETIREMENT SYSTEM

Year Ended September 30,	Annual Required Contribution *	Percentage Contributed
2010 \$	68,752	100%
2009	76,864	100%
2008	84,187	100%
2007	84,459	100%
2006	52,014	100%
2005	46,877	100%

* Contributions made by the State pursuant to Florida Statutes, Chapter 175.

CITY OF WILTON MANORS OTHER POSTEMPLOYMENT BENEFITS (OPEB)

Year Ended September 30,	Annual Required Contribution	Percentage Contributed
2010 \$	69,400	46.7%
2009	66,800	58.7%

Note: The above schedule reflects data for two years only since City implemented GASB 45 effective 10/1/2008.

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.

2008 General Obligation Bank Loan Fund - to account for the expenditures associated with the construction of a new City Hall and Police Station funded by the proceeds derived from the 2008 general obligation bond.

1999 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, 2010

SPECIAL REVENUE FUNDS

	<u>Recycling Fund</u>	<u>Fire Assessment Fund</u>	<u>Local Law Enforcement Block Grant Fund</u>	<u>Police Training and Education Fund</u>	<u>Police Forfeiture Fund</u>	<u>Jenada Assessment Fund</u>	<u>2008 General Obligation Bank Loan Fund</u>	<u>1999 General Obligation Bond Fund</u>	<u>Road Improvement Fund</u>	<u>Total</u>
ASSETS										
Equity in pooled cash	\$ 55,177	\$ 268,733	\$ -	\$ 35,373	\$ 63,870	\$ 26,967	\$ -	\$ -	\$ -	\$ 450,120
Accounts receivable	311,316	-	-	-	-	-	-	-	-	311,316
Due from other government	-	-	-	-	-	-	-	-	290,346	290,346
Inventories	-	-	-	-	-	-	-	-	10,182	10,182
Prepayments	-	466	-	-	-	15	-	-	116	597
Restricted cash	-	336,774	-	-	-	-	-	-	-	336,774
Total assets	<u>\$ 366,493</u>	<u>\$ 605,973</u>	<u>\$ -</u>	<u>\$ 35,373</u>	<u>\$ 63,870</u>	<u>\$ 26,982</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 300,644</u>	<u>\$ 1,399,335</u>
LIABILITIES										
Accounts payable	\$ 210,878	\$ 3,994	\$ -	\$ -	\$ -	\$ 63	\$ 14,118	\$ -	\$ 2,887	\$ 231,940
Accrued expenses	4,324	5,982	-	-	-	-	-	-	-	10,306
Due to other funds	-	-	1,300	-	-	-	-	-	284,069	285,369
Advances from other funds	-	-	-	-	-	-	263,133	207,490	-	470,623
Deferred revenues	-	53,350	-	-	-	-	-	-	-	53,350
Total liabilities	<u>215,202</u>	<u>63,326</u>	<u>1,300</u>	<u>-</u>	<u>-</u>	<u>63</u>	<u>277,251</u>	<u>207,490</u>	<u>286,956</u>	<u>1,051,588</u>
FUND BALANCES (DEFICIT)										
Reserved for:										
Inventories	-	-	-	-	-	-	-	-	10,182	10,182
Prepaid expenses	-	466	-	-	-	15	-	-	116	597
Encumbrances	-	-	-	-	-	-	35,037	-	3,402	38,439
Capital projects	-	6,000	-	-	-	-	-	-	-	6,000
Vehicle replacement	9,143	336,774	-	-	-	-	-	-	78,348	424,265
Unreserved:										
Undesignated fund balance (deficit)	<u>142,148</u>	<u>199,407</u>	<u>(1,300)</u>	<u>35,373</u>	<u>63,870</u>	<u>26,904</u>	<u>(312,288)</u>	<u>(207,490)</u>	<u>(78,360)</u>	<u>(131,736)</u>
Total fund balances (deficit)	<u>151,291</u>	<u>542,647</u>	<u>(1,300)</u>	<u>35,373</u>	<u>63,870</u>	<u>26,919</u>	<u>(277,251)</u>	<u>(207,490)</u>	<u>13,688</u>	<u>347,747</u>
Total liabilities and fund balances (deficit)	<u>\$ 366,493</u>	<u>\$ 605,973</u>	<u>\$ -</u>	<u>\$ 35,373</u>	<u>\$ 63,870</u>	<u>\$ 26,982</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 300,644</u>	<u>\$ 1,399,335</u>

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, 2010

	SPECIAL REVENUE FUNDS									Total
	Recycling Fund	Fire Assessment Fund	Local Law Enforcement Block Grant Fund	Police Training and Education Fund	Police Forfeiture Fund	Jenada Assessment Fund	2008 General Obligation Bank Loan Fund	1999 General Obligation Bond Fund	Road Improvement Fund	
REVENUES:										
Charges for services	\$ 102,033	\$ 94,209	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 24,278	\$ 220,520
Franchise fees	459,573	-	-	-	-	-	-	-	-	459,573
Fines and forfeitures	-	-	-	6,599	86,711	-	-	-	-	93,310
Special assessments	-	1,215,107	-	-	-	12,199	-	-	-	1,227,306
Intergovernmental	-	-	-	-	-	-	-	224,433	-	224,433
Interest income	394	51,746	-	56	303	48	809	136	47	53,539
Miscellaneous	-	75,147	-	-	7,801	-	-	-	68,489	151,437
Total revenues	<u>562,000</u>	<u>1,436,209</u>	<u>-</u>	<u>6,655</u>	<u>94,815</u>	<u>12,247</u>	<u>809</u>	<u>136</u>	<u>317,247</u>	<u>2,430,118</u>
EXPENDITURES:										
Current:										
General government	-	-	-	-	-	-	28,248	-	-	28,248
Public safety	-	1,047,515	5,716	7,197	91,211	-	-	-	-	1,151,639
Culture and recreation	278,435	-	-	-	-	-	-	-	-	278,435
Physical environment	2,640	-	-	-	-	5,472	-	-	87,947	96,059
Capital Outlay	22,023	-	-	-	93,881	-	3,633,995	-	5,825	3,755,724
Total expenditures	<u>303,098</u>	<u>1,047,515</u>	<u>5,716</u>	<u>7,197</u>	<u>185,092</u>	<u>5,472</u>	<u>3,662,243</u>	<u>-</u>	<u>93,772</u>	<u>5,310,105</u>
Excess (deficiency) of revenues over (under) expenditures	<u>258,902</u>	<u>388,694</u>	<u>(5,716)</u>	<u>(542)</u>	<u>(90,277)</u>	<u>6,775</u>	<u>(3,661,434)</u>	<u>136</u>	<u>223,475</u>	<u>(2,879,987)</u>
OTHER FINANCING SOURCES (USES):										
Transfers in	-	-	-	-	-	-	2,206,673	103,640	-	2,310,313
Transfers out	(257,293)	(63,197)	-	-	-	-	-	-	(90,579)	(411,069)
Total other financing sources (uses)	<u>(257,293)</u>	<u>(63,197)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,206,673</u>	<u>103,640</u>	<u>(90,579)</u>	<u>1,899,244</u>
Net change in fund balances	1,609	325,497	(5,716)	(542)	(90,277)	6,775	(1,454,761)	103,776	132,896	(980,743)
Fund balances - beginning	<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>1,177,510</u>	<u>(311,266)</u>	<u>(119,208)</u>	<u>1,328,490</u>
Fund balances - ending	<u>\$ 151,291</u>	<u>\$ 542,647</u>	<u>\$ (1,300)</u>	<u>\$ 35,373</u>	<u>\$ 63,870</u>	<u>\$ 26,919</u>	<u>\$ (277,251)</u>	<u>\$ (207,490)</u>	<u>\$ 13,688</u>	<u>\$ 347,747</u>

CITY OF WILTON MANORS, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES (DEFICIT) - BUDGET AND ACTUAL
RECYCLING FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2010

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Franchise Fees	\$ 454,386	\$ 454,386	\$ 459,574	\$ 5,188
Charges for Services	58,519	58,519	102,033	43,514
Miscellaneous	<u>59,852</u>	<u>59,852</u>	<u>394</u>	<u>(59,458)</u>
Total Revenues	<u>572,757</u>	<u>572,757</u>	<u>562,001</u>	<u>(10,756)</u>
EXPENDITURES:				
Physical Environment:				
Public Services	298,104	298,104	300,458	(2,354)
Culture and Recreation:				
Leisure Services	<u>17,360</u>	<u>17,360</u>	<u>2,640</u>	<u>14,720</u>
Total Expenditures	<u>315,464</u>	<u>315,464</u>	<u>303,098</u>	<u>12,366</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>257,293</u>	<u>257,293</u>	<u>258,902</u>	<u>(23,122)</u>
OTHER FINANCING (USES):				
Transfers Out	<u>(257,293)</u>	<u>(257,293)</u>	<u>(257,293)</u>	<u>-</u>
Total Other Financing (Uses)	<u>(257,293)</u>	<u>(257,293)</u>	<u>(257,293)</u>	<u>-</u>
Net Change in Fund Balances	-	-	1,609	(23,122)
Fund Balances, Beginning	<u>149,682</u>	<u>149,682</u>	<u>149,682</u>	<u>149,682</u>
Fund Balances Ending	<u>\$ 149,682</u>	<u>\$ 149,682</u>	<u>\$ 151,291</u>	<u>\$ 126,560</u>

CITY OF WILTON MANORS, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES (DEFICIT) - BUDGET AND ACTUAL
FIRE SPECIAL ASSESSMENT FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2010

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Charges for Services	\$ 30,400	\$ 30,400	\$ 94,209	\$ 63,809
Special Assessments	1,178,841	1,178,841	1,215,107	36,266
Miscellaneous	<u>3,400</u>	<u>3,400</u>	<u>126,893</u>	<u>123,493</u>
Total Revenues	<u>1,212,641</u>	<u>1,212,641</u>	<u>1,436,209</u>	<u>223,568</u>
EXPENDITURES:				
Public Safety:				
Fire Operations and Prevention	<u>1,149,444</u>	<u>1,149,444</u>	<u>1,047,515</u>	<u>101,929</u>
Total Expenditures	<u>1,149,444</u>	<u>1,149,444</u>	<u>1,047,515</u>	<u>101,929</u>
Excess of Revenues Over Expenditures	<u>63,197</u>	<u>63,197</u>	<u>388,694</u>	<u>121,639</u>
OTHER FINANCING (USES):				
Transfers Out	<u>(63,197)</u>	<u>(63,197)</u>	<u>(63,197)</u>	<u>-</u>
Total Other Financing(Uses)	<u>(63,197)</u>	<u>(63,197)</u>	<u>(63,197)</u>	<u>-</u>
Net Change in Fund Balances	-	-	325,497	121,639
Fund Balances, Beginning	<u>217,148</u>	<u>217,149</u>	<u>217,150</u>	<u>217,151</u>
Fund Balances Ending	<u>\$ 217,148</u>	<u>\$ 217,149</u>	<u>\$ 542,647</u>	<u>\$ 338,790</u>

CITY OF WILTON MANORS, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES (DEFICIT) - BUDGET AND ACTUAL
JENADA ASSESSMENT FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2010

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Special Assessments	\$ 12,095	\$ 12,095	\$ 12,199	\$ 104
Miscellaneous	<u>225</u>	<u>225</u>	<u>48</u>	<u>(177)</u>
Total Revenues	<u>12,320</u>	<u>12,320</u>	<u>12,247</u>	<u>(73)</u>
EXPENDITURES:				
General Government:				
Jenada Operations	<u>12,320</u>	<u>12,320</u>	<u>5,472</u>	<u>6,848</u>
Total Expenditures	<u>12,320</u>	<u>12,320</u>	<u>5,472</u>	<u>6,848</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>-</u>	<u>-</u>	<u>6,775</u>	<u>(6,921)</u>
Net Change in Fund Balances	-	-	6,775	(6,921)
Fund Balances, Beginning	<u>20,144</u>	<u>20,144</u>	<u>20,144</u>	<u>20,144</u>
Fund Balances Ending	<u>\$ 20,144</u>	<u>\$ 20,144</u>	<u>\$ 26,919</u>	<u>\$ 13,223</u>

CITY OF WILTON MANORS, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES (DEFICIT) - BUDGET AND ACTUAL
ROAD IMPROVEMENT FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2010

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget
				Positive
				(Negative)
REVENUES:				
Franchise Fees	\$ 234,564	\$ 234,564	\$ 224,433	\$ (10,131)
Charges for Services	-	-	24,278	24,278
Miscellaneous	<u>7,266</u>	<u>7,266</u>	<u>68,536</u>	<u>61,270</u>
Total Revenues	<u>241,830</u>	<u>241,830</u>	<u>317,247</u>	<u>75,417</u>
EXPENDITURES:				
Physical Environment:				
Public Services	107,771	107,771	52,981	54,790
Leisure Services	<u>43,480</u>	<u>43,480</u>	<u>40,791</u>	<u>2,689</u>
Total Expenditures	<u>151,251</u>	<u>151,251</u>	<u>93,772</u>	<u>57,479</u>
Excess of Revenues Over Expenditures	90,579	90,579	223,475	17,937
OTHER FINANCING (USES):				
Transfers Out	<u>(90,579)</u>	<u>(90,579)</u>	<u>(90,579)</u>	<u>-</u>
Total Other Financing (Uses)	<u>(90,579)</u>	<u>(90,579)</u>	<u>(90,579)</u>	<u>-</u>
Net Change in Fund Balances	-	-	132,896	17,937
Fund Balances (Deficit) , Beginning	<u>(119,208)</u>	<u>(119,208)</u>	<u>(119,208)</u>	<u>(119,208)</u>
Fund Balances (Deficit), Ending	<u>\$ (119,208)</u>	<u>\$ (119,208)</u>	<u>\$ 13,688</u>	<u>\$ (101,271)</u>

FIDUCIARY FUND TYPE FUNDS

PENSION TRUST FUNDS

General Employees and Police Pension Plan - to account for the accumulation of resources to be used for retirement benefits of the City's General Employees and Police Officers. Resources are contributed by employees at rates fixed by plan provisions and by the City at amounts determined by annual actuarial valuations.

Volunteer Firefighters Retirement System - to account for the accumulation of resources to be used for retirement benefits of all active members of the City's Volunteer Fire Department. Contributions made by the State pursuant to Florida Statutes, Chapter 175, are restricted to providing additional benefits only.

CITY OF WILTON MANORS, FLORIDA
COMBINING STATEMENT OF NET ASSETS
FIDUCIARY FUNDS
SEPTEMBER 30, 2010

	<u>General Employee and Police Pension</u>	<u>Volunteer Firefighter Retirement System</u>	<u>Total</u>
<u>ASSETS</u>			
Cash and cash equivalents	\$ 574,057	\$ 18,948	\$ 593,005
Receivables:			
Due from contributing entity	-	36,850	36,850
Interest and dividends receivable	103,605	3,420	107,025
Total receivables	<u>103,605</u>	<u>40,270</u>	<u>143,875</u>
Investments, at fair value:			
U.S. Government and agency securities	4,017,283	132,592	4,149,875
Corporate bonds and notes	4,461,027	147,238	4,608,265
Domestic equity funds	2,413,250	79,650	2,492,900
Common stocks	10,228,393	337,592	10,565,985
International equity commingled fund	976,816	32,240	1,009,056
Total investments	<u>22,096,769</u>	<u>729,312</u>	<u>22,826,081</u>
Total assets	<u>22,774,431</u>	<u>788,530</u>	<u>23,562,961</u>
<u>LIABILITIES</u>			
Accounts payable and accrued expenses	114,270	-	114,270
Due to Firefighters Retirement System	751,452	-	751,452
Deferred retirement option payable (DROP)	1,629,303	-	1,629,303
Payable for securities purchased	6,868	227	7,095
Total liabilities	<u>2,501,893</u>	<u>227</u>	<u>2,502,120</u>
<u>NET ASSETS</u>			
Net assets held in trust for pension benefits	<u>\$ 20,272,538</u>	<u>\$ 788,303</u>	<u>\$ 21,060,841</u>

CITY OF WILTON MANORS, FLORIDA
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2010

	<u>General Employee and Police Pension</u>	<u>Volunteer Firefighter Retirement System</u>	<u>Total</u>
Additions:			
Contributions:			
Plan members	\$ 98,783	\$ -	\$ 98,783
City	<u>1,338,012</u>	<u>111,648</u>	<u>1,449,660</u>
Total contributions	<u>1,436,795</u>	<u>111,648</u>	<u>1,548,443</u>
Investment income:			
Net appreciation in fair value of investments	1,122,750	39,843	1,162,593
Interests and dividends	<u>664,051</u>	<u>23,565</u>	<u>687,616</u>
Total	1,786,801	63,408	1,850,209
Less:			
Investment expenses	107,633	-	107,633
Deferred retirement option plan participants' losses	111,800	-	111,800
Earnings allocated to Firefighters Retirement System	<u>63,408</u>	<u>-</u>	<u>63,408</u>
Net investment gain	<u>1,503,960</u>	<u>63,408</u>	<u>1,567,368</u>
Total Additions	<u>2,940,755</u>	<u>175,056</u>	<u>3,115,811</u>
Deductions:			
Pension benefits paid	2,217,999	47,702	2,265,701
Administrative expenses	<u>117,339</u>	<u>46,195</u>	<u>163,534</u>
Total deductions	<u>2,335,338</u>	<u>93,897</u>	<u>2,429,235</u>
Change in net assets	605,417	81,159	686,576
Net assets, beginning	<u>19,667,121</u>	<u>707,144</u>	<u>20,374,265</u>
Net assets, ending	<u>\$ 20,272,538</u>	<u>\$ 788,303</u>	<u>\$ 21,060,841</u>

STATISTICAL SECTION

CITY OF WILTON MANORS, FLORIDA
NET ASSETS BY COMPONENT
Last Eight 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>	<u>2009-10</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	\$ 24,737,103
Restricted	-	-	-	-	2,190,996	-	-	341,974
Unrestricted	1,229,094	2,342,258	3,539,170	4,376,109	2,065,628	10,317,638	4,470,047	3,140,990
	<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>	<u>28,220,067</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	8,405,247
Restricted	2,991,488	1,613,939	1,559,205	1,559,205	2,052,990	1,113,439	1,103,696	885,741
Unrestricted	456,452	1,366,629	1,263,417	1,689,644	5,805,839	(360,576)	(1,363,483)	221,258
	<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>	<u>9,512,246</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	33,142,350
Restricted	2,991,488	1,613,939	1,559,205	1,559,205	4,243,986	1,113,439	1,103,696	1,227,715
Unrestricted	1,685,546	3,708,887	4,802,587	6,065,753	7,871,467	9,957,062	3,106,564	3,362,248
	<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>	<u>\$ 37,732,313</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 Eight 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>	<u>2009-10</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	\$ 2,054,770
Public Safety	6,078,529	6,302,204	6,708,570	6,787,831	7,398,549	8,160,017	8,443,552	8,869,912
Culture and Recreation	2,140,185	2,063,604	2,593,071	2,596,851	3,063,009	3,439,236	3,713,402	3,731,279
Physical Environment	781,664	965,435	911,806	2,779,972 *	1,077,506	869,291	1,090,237	1,433,612
Interest on Long-term Debt	130,076	124,502	118,680	168,411	200,780	217,741	471,098	468,124
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>	<u>16,557,697</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	4,824,835
Drainage	294,325	299,732	267,584	224,846	274,547	354,413	427,806	351,897
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>	<u>5,176,732</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>	<u>\$ 21,734,429</u>
PROGRAM REVENUES								
Governmental Activities								
Charges for Services								
General Government	\$ 6,374,063	\$ 2,041,279	\$ 2,011,535	\$ -	\$ 996,436	\$ -	\$ -	\$ 274,852
Public Safety	1,197,519	1,470,497	2,616,628	2,189,823	1,342,834	1,421,529	1,465,932	1,629,667
Culture and Recreation	220,893	230,069	244,850	540,290	244,081	255,340	269,017	269,886
Physical Environment	630,908	893,622	565,710	1,893,082 *	507,437	417,071	264,175	596,099
Operating Grants/Contributions	-	-	-	-	1,368,685	852,169	1,510,700	69,875
Capital Grants/Contributions	-	-	-	-	-	-	-	1,136,272
Total Governmental Activities	<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>	<u>3,976,651</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	5,024,936	6,263,494
Drainage	279,182	277,337	292,031	326,823	328,559	399,648	319,559	320,851
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>5,344,495</u>	<u>6,584,345</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>\$ 8,854,319</u>	<u>\$ 10,560,996</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)	\$ (12,581,046)
Business-type Activities	884,532	788,447	1,024,685	1,149,687	1,338,667	315,148	281,259	1,407,613
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>\$ (12,132,694)</u>	<u>\$ (11,173,433)</u>

Continued on Next Page

**CITY OF WILTON MANORS, FLORIDA
CHANGES IN NET ASSETS
Last Eight 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>	<u>2009-10</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	\$ 6,479,427
Other Taxes	2,508,288	2,476,395	2,589,539	2,907,770	2,535,611	3,506,362	3,152,734	3,229,077
Investment Income	-	-	82,583	244,358	351,841	221,132	30,547	163,920
Intergovernmental, not restricted to specific program	-	-	-	1,516,913	1,429,212	1,437,096	1,536,474	1,406,945
Other	55,610	98,941	329,149	232,589	1,142,003	1,619,564	535,849	407,009
Transfers	<u>428,120</u>	<u>540,040</u>	<u>528,234</u>	<u>646,910</u>	<u>751,742</u>	<u>643,642</u>	<u>752,550</u>	<u>852,724</u>
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>	<u>12,539,102</u>
Business-type Activities								
Investment Earnings	70,580	33,719	70,967	127,319	293,945	143,182	9,135	2,356
Unrestricted Grants	-	-	-	211,107	-	-	-	-
Other	115,668	78,355	61,735	48,531	85,009	271,056	202,762	-
Transfers	<u>(428,120)</u>	<u>(540,040)</u>	<u>(528,234)</u>	<u>(646,910)</u>	<u>(751,742)</u>	<u>(643,642)</u>	<u>(752,550)</u>	<u>(852,724)</u>
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>	<u>(850,368)</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>	<u>\$ 11,688,734</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	\$ (41,944)
Business-type Activities	<u>642,660</u>	<u>360,481</u>	<u>629,153</u>	<u>889,734</u>	<u>965,879</u>	<u>85,744</u>	<u>(259,394)</u>	<u>557,245</u>
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>\$ 321,619</u>	<u>\$ 515,301</u>

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

* 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 Ten Fiscal Years
(Modified Accrual Form of Accounting)

	<u>2000-01</u>	<u>2001-02</u>	<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>	<u>2009-10</u>
General Fund										
Reserved	\$ 404,387	\$ 508,973	\$ 1,107,800	\$ 1,746,628	\$ 2,214,428	\$ 2,696,320	\$ 2,763,928	\$ 4,560,832	\$ 4,277,450	\$ 1,921,877
Unreserved	<u>1,490,403</u>	<u>1,582,047</u>	<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>2,226,475</u>
	<u>\$ 1,894,790</u>	<u>\$ 2,091,020</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>	<u>\$ 4,148,352</u>
All Other Governmental Funds										
Reserved	\$ 115,995	\$ 191,131	\$ 381,614	\$ 643,475	\$ 170,884	\$ 200,006	\$ 343,887	\$ 555,290	\$ 1,523,763	\$ 492,495
Unreserved, Reported In Special Revenue	<u>3,107,039</u>	<u>1,919,781</u>	<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>(408,782)</u>
	<u>\$ 3,223,034</u>	<u>\$ 2,110,912</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>	<u>\$ 83,713</u>

CITY OF WILTON MANORS, FLORIDA
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
LAST EIGHT 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>	<u>2009-10</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	\$ 5,830,640
Ad Valorem Taxes - Debt Service	251,533	255,150	289,275	348,438	230,564	231,406	655,264	648,787
Franchise Taxes	889,986	918,458	946,635	1,120,519	793,113	1,451,514	1,276,489	1,235,472
Utility Service Taxes	1,618,302	1,557,937	1,642,904	1,674,382	1,742,498	1,825,721	1,876,245	1,993,605
Licenses and Permits	480,347	596,309	1,237,688	1,012,557	996,436	939,314	456,386	462,889
Intergovernmental	6,374,063	2,041,279	2,011,536	2,751,543	2,458,351	1,437,097	3,047,174	2,576,703
Charges for Services	418,575	568,092	612,658	613,275	702,081	716,284	587,823	795,517
Fines and Forfeitures	332,110	407,164	310,487	173,702	274,895	237,677	273,882	265,813
Impact Fees	-	-	225,654	112,869	89,992	229,128	23,977	18,978
Special Assessments	818,288	936,477	1,040,703	993,537	1,027,384	1,139,982	1,137,419	1,227,306
Donations	-	34,108	94,569	316,707	1,090	100	2,400	2,000
Other	55,610	150,979	317,160	449,752	496,318	1,753,450	83,632	605,318
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>	<u>15,663,028</u>
EXPENDITURES								
Current								
General Government	1,252,320	1,271,701	1,447,971	1,613,291	1,772,521	1,866,577	2,010,513	2,001,787
Public Safety	5,647,740	6,127,273	6,448,340	6,457,864	7,008,181	8,084,855	7,849,531	7,961,871
Physical Environment	639,095	889,533	826,076	2,696,942 *	984,544	525,533	453,766	743,740
Culture and Recreation	1,870,392	1,856,161	2,161,440	2,483,280	2,766,439	3,068,679	3,067,543	2,940,422
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	5,299,689
Debt Service								
Principal Retirement	124,147	129,647	135,380	398,967	233,209	239,583	408,033	483,184
Interest and Fiscal Charges	131,888	126,389	120,656	147,867	146,077	84,925	393,037	329,522
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>	<u>19,760,215</u>
Excess of Revenues Over (Under)								
Expenditures	(2,779,583)	(242,670)	665,496	(1,029,622)	(827,659)	(192,712)	(4,511,639)	(4,097,187)
OTHER FINANCING SOURCES (USES)								
Debt Issuance	-	-	-	1,000,000	-	5,964,378	-	223,835
Transfers In	812,243	967,252	1,010,562	1,072,511	1,300,048	1,226,202	1,220,580	3,495,723
Transfers Out	(384,123)	(427,212)	(482,328)	(425,601)	(548,306)	(582,560)	(468,030)	(2,642,999)
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>	<u>1,076,559</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>	<u>\$ (3,020,628)</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>5.65%</u>	<u>5.62%</u>

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

Note: The City opted not to present FY2001 and FY2002 since financial statement information are not comparable to the presentation and classification above after implementing GASB 34 in fiscal year 2003.

CITY OF WILTON MANORS, FLORIDA
Net 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	Number of
												Percent of Market Value	Parcels of Real Property
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	1,854,688,961	66.7%	5,529
2009	2009-10	1,177,603,980	183,947,830	20,806,600	106,832,571	30,070,546	479,840,011	1,039,421,516	-16.0%	6.4527	1,519,261,527	68.4%	5,504

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>	
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
2009	2009-10	5.8000	0.6527	6.4527	5.3889	7.4310	0.6240	0.0345	0.4243	1.7059	22.0613

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**

Taxpayer	Type of Business	Fiscal Year 2009-10		
		Taxable Assessed Value	Rank	Percent of Total Taxable Assessed Value
Marrinson Group	Retirement Home - Nursing Home	\$ 20,505,630	1	2.0%
High Acres TIC LLC	Shopping Center	14,378,950	2	1.4%
RKOF - Wilton Tower LLC	Rental Apartments	12,925,880	3	1.2%
Wilton Station LLC	Wilton Station LLC	11,135,800	4	1.1%
LG Wilton Park LLC	LG Wilton Park LLC	8,913,480	5	0.9%
2727 Palm Gardens LLC	Rental Apartments	8,303,730	6	0.8%
CAR Five Corners Plaza	Shopping Center	8,298,260	7	0.8%
Williams, Carol et al	Shopping Center	8,105,650	8	0.8%
2675 N Andrews Ave LLC	Nursing Home	5,233,930	9	0.5%
Moss Office Building LLC	Office Building	4,721,190	10	0.5%
		<u>\$ 102,522,500</u>		<u>9.9%</u>
<u>Total City Taxable Assessed Value</u>		1,039,421,516		

Taxpayer	Type of Business	Fiscal Year 2000-01		
		Taxable Assessed Value	Rank	Percent of Total Taxable Assessed Value
Manor Pines Realty	Retirement Home	\$ 7,879,060	1	1.8%
Independence Apartments	Retirement Home	6,283,690	2	1.4%
Atlantic Securities, Inc.	Real Estate	4,988,850	3	1.1%
Unicare Health Facilities	Retirement Home	4,734,790	4	1.1%
American Equities	Shopping Center	3,993,140	5	0.9%
Wilton Tower	Rental Apartments	3,752,380	6	0.9%
Schmitt, Kathleen and Zimmermar	Shopping Center	3,443,060	7	0.8%
William Thies & Sons	Wholesale Distributing	3,078,420	8	0.7%
Camelot West Apartments	Rental Apartments	2,451,670	9	0.6%
Shopping Plaza at Wilton Manors	Shopping Center	2,196,590	10	0.5%
		<u>\$ 42,801,650</u>		<u>9.8%</u>
<u>Total City Taxable Assessed Value</u>		\$ 438,930,276		

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	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
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%	74,748	5,864,172	92.5%
2009-10	5,857,825	5,755,892	98.3%	-	5,755,892	98.3%

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

Fiscal Year	Population	Per Capita Personal Income	Governmental Activities				Business-Type Activities		Total Primary Government	Per Capita	Percentage of Per Capita Personal
			General Obligation Bonds	Revenue Bonds	Note Payable	Capital Leases	Revenue Bonds				
2000-01	12,744	32,314	3,162,123	-	-	-	9,998,567	13,160,690	1,033	3.2%	
2001-02	12,790	33,255	3,043,237	-	-	-	9,298,796	12,342,033	965	2.9%	
2002-03	12,697	33,834	2,919,090	-	-	-	8,567,646	11,486,736	905	2.7%	
2003-04	12,414	35,714	2,789,448	-	-	-	7,809,849	10,599,297	854	2.4%	
2004-05	12,282	38,460	2,654,068	-	-	-	7,091,152	9,745,220	793	2.1%	
2005-06	12,546	40,821	2,255,101	-	1,000,000	-	6,335,933	9,591,034	764	1.9%	
2006-07	12,848	41,859	2,117,972	-	900,000	-	10,221,907	13,239,879	1,031	2.5%	
2007-08	12,929	41,974	7,981,283	-	800,000	-	9,373,851	18,155,134	1,404	3.3%	
2008-09	12,929	N/A	7,673,250	-	700,000	-	8,469,406	16,842,656	1,303	N/A	
2009-10	12,895	N/A	7,305,903	-	600,000	207,986	7,528,019	15,641,908	1,213	N/A	

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

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

Fiscal Year	Population	Estimated Actual Taxable Value	General Obligation Bonds	Percentage of Actual Taxable Value of Property	Per Capita
2000-01	12,744	\$ 438,930,276	\$ 3,162,123	0.72%	\$ 248
2001-02	12,790	485,055,355	3,043,237	0.63%	238
2002-03	12,697	552,349,616	2,919,090	0.53%	230
2003-04	12,414	645,177,186	2,789,448	0.43%	225
2004-05	12,282	732,786,914	2,654,068	0.36%	216
2005-06	12,546	872,812,310	2,255,101	0.26%	180
2006-07	12,848	1,068,467,677	2,117,972	0.20%	165
2007-08	12,929	1,266,296,064	7,981,283	0.63%	617
2008-09	12,929	1,237,347,229	7,673,250	0.62%	593
2009-10	12,895	1,039,421,516	7,305,903	0.70%	567

**CITY OF WILTON MANORS, FLORIDA
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
SEPTEMBER 30, 2010**

	Net Debt Outstanding	Estimated Amount Applicable to Wilton Manors	Estimated Share of Overlapping Net Debt	Per Capita
<u>Direct Debt</u>	<u>\$ 7,305,903</u>	100%	<u>\$ 7,305,903</u>	<u>\$ 567</u>
<u>Overlapping Debt</u>				
Debt Repaid with Property Taxes:				
Broward County				
General Obligation Bonds	393,665,000			
School Board of Broward County				
Certificates of Participation	1,921,583,000			
Capital Leases	34,817,000			
Other Debt:				
Broward County				
Special Obligation Bonds	383,080,000			
Loans	36,425,000			
Total Overlapping Debt	<u>\$ 2,769,570,000</u>	0.74%	<u>\$ 20,467,164</u>	<u>\$ 1,587</u>
Total Direct And Overlapping Debt	<u>\$ 2,776,875,903</u>		<u>\$ 27,773,067</u>	<u>\$ 2,154</u>

	Wilton Manors	Broward County	Percentage
Population	12,895	1,744,922	0.74%
Taxable Assessed Value of Property	1,039,421,516	148,470,942,063	0.70%

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
2009-10	6,081,733	3,869,683	2,212,050	941,387	285,003	1.80

* 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
1969-70	10,949	627,868	\$ 3,094,859	\$ 4,929	N/A
1979-80	12,742	1,026,062	12,426,575	12,111	N/A
1989-90	11,804	1,263,301	29,134,079	23,062	5.9%
1999-00	12,697	1,632,291	50,930,004	31,212	3.8%
2000-01	12,744	1,669,678	53,896,563	32,314	4.2%
2001-02	12,790	1,701,763	56,491,705	33,255	5.6%
2002-03	12,697	1,722,971	58,162,612	33,834	5.3%
2003-04	12,414	1,745,691	62,188,587	35,714	4.3%
2004-05	12,282	1,770,707	67,944,701	38,460	3.5%
2005-06	12,546	1,772,745	71,940,365	40,821	3.2%
2006-07	12,848	1,819,622	73,126,064	41,859	3.8%
2007-08	12,929	1,758,494	73,590,969	41,974	6.1%
2008-09	12,929	1,762,285	N/A	N/A	10.1%
2009-10	12,895	1,744,922	N/A	N/A	10.6%

* Personal income in thousands of dollars.

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

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

Reliable information is not available on City of Wilton Manors 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	25
Nonuniformed officers	8

Water & Sewer Utilities:

Active accounts - Water	4,223
Active accounts - Sewer	4,200

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/PROGRAM
Last Ten Fiscal Years

FUNCTION:	<u>2000-01</u>	<u>2001-02</u>	<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>	<u>2009-10</u>
General Government										
Mayor and Commission	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5
Finance and Administrative	11.4	11.6	11.6	12.9	12.3	13.4	14.3	13.76	14.13	14.13
Public Safety										
Police and Fire	47	47	47	47.1	45	43.5	43.5	41.95	43.95	43.95
Community Services	7.4	7.4	7.6	10.6	10.5	10.8	8.8	8.25	8.25	6.75
Physical Environment										
Public Works	12.7	13	13	11	11	11	13	13	13	12
Culture and Recreation										
Leisure Services	37.8	36.5	38.4	41	41.4	43.7	43.8	41.84	41.13	39.93
Total	<u>118.8</u>	<u>118</u>	<u>120.1</u>	<u>125.1</u>	<u>122.7</u>	<u>124.9</u>	<u>125.9</u>	<u>121.3</u>	<u>122.96</u>	<u>119.26</u>

Source: FY09-10 Adopted Budget

**CITY OF WILTON MANORS, FLORIDA
OPERATING INDICATORS BY FUNCTION/PROGRAM
Last Eight Fiscal Years**

FUNCTION:	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10
General Government								
Occupational Licenses Issued	1,353	1,266	1,200	1,195	998	998	534	915
Public Safety								
Physical Arrests	366	396	371	293	362	472	575	571
Traffic Violations	9,624	9,625	7,440	3,092	3,910	4,716	5,491	6,266
Parking Violations	124	132	87	71	695	877	1,004	2,696
Fire/EMS Emergency Responses	1,952	1,995	1,946	1,979	3,123	3,210	2,454	2,264
Fire Inspections	1,961	2,270	2,193	3,401	3,755	2,311	2,506	2,059
Building Permits Issued	1,845	1,231	1,423	1,983	1,477	1,008	1,090	978
Physical Environment								
New Water Connections	35	74	46	97	29	11	25	10
Water Main Breaks	N/A	8	11	4	5	5	11	8
Average Daily Water Consumption *	1,530	1,634	1,656	1,655	1,511	1,450	1,496	1,447
Average Daily Sewage Treatment *	1,293	1,539	1,957	1,649	1,862	2,315	1,845	1,675
Culture and Recreation								
Athletic Programs	10	10	10	10	4	3	5	5
Volumes in Library Collection	22,245	23,083	24,575	29,132	32,581	27,212	35,435	37,741
Total Volumes Borrowed	43,028	42,743	41,641	54,012	36,362	35,918	48,469	48,018

* Thousands of Gallons

Sources: Various City Departments.

**CITY OF WILTON MANORS, FLORIDA
CAPITAL ASSETS STATISTICS BY FUNCTION/PROGRAM
Last Seven Fiscal Years**

FUNCTION:	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10
Public Safety							
Police Stations	1	1	1	1	1	1	1
Police Patrol Units	34	39	35	22	25	33	23
Fire Stations	1	1	1	1	1	1	1
Fire Hydrants	246	248	249	261	249	266	268
Physical Environment							
Miles of Sanitary Sewers	34	34	34	35.7	35.7	35.7	35.7
Miles of Storm Sewers	2.5	2.5	2.5	3.8	3.8	3.8	3.8
Wastewater Lift Stations	12	12	12	12	12	12	12
Acres of Lakes and Canals	14	14	14	14	14	14	14
Culture and Recreation							
Parks Acreage	66	66	66	66	66	66	66
Parks/Schools	8	8	8	8	8	14	14
Playgrounds	5	5	5	5	4	5	5
Baseball/Softball Diamonds	3	3	3	3	3	3	3
Soccer/Football Fields	2	2	2	2	3	4	4
Basketball Courts	6	6	6	6	5	2	2
Volleyball Courts	2	2	2	2	2	2	2
Roller Hockey/Multipurpose Court	1	1	1	1	0	0	0
Multi-Use Fields					7	3	3
Tennis Courts	6	6	6	6	6	6	6
Boat Ramps	1	1	1	1	1	2	2
Canoe Launch Sites	3	3	3	3	3	3	3
Shelters/Pavilions	8	8	8	8	8	10	10
Fitness Center	0	0	0	1	1	1	1
Community Multipurpose Centers	2	2	2	2	2	3	3
Libraries	1	1	1	1	1	1	1

Sources: Various City Departments.

COMPLIANCE SECTION



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

To the Honorable Mayor, City Commissioners
and City Manager
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, 2010, which collectively comprise the City of Wilton Manors' basic financial statements and have issued our report thereon dated March 15, 2011. We did not audit the financial statements of the Pension Trust Funds, which represent 100% of the assets, revenues and deduction of the fiduciary fund totals. Those financial statements were audited by other independent auditors whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts included for the Pension Trust Funds are based solely on the reports of the other independent 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.

Internal Control over Financial Reporting

In planning and performing our audit, we considered the City of Wilton Manors' 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 *deficiency in internal control* 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 and correct misstatement on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in the internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weakness, as defined above. However, we identified certain deficiencies in internal control over financial reporting, described in the accompanying schedule of findings and questioned costs that we consider to be significant deficiencies in internal control over financial reporting, see items 2010-01 and 2010-05. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

To the Honorable Mayor, City Commissioners
and City Manager

Page 2

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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as items 2010-02, 2010-03, and 2010-04.

The City's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit the City's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the Mayor, City Commission, City management and the applicable regulatory agencies and is not intended to be and should not be used by anyone other than these specified parties.

GLSC & Company, PLLC

March 15, 2011





**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD
HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL
CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

To the Honorable Mayor, City Commissioners
and City Manager
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 that could have direct and material effect on each of the City's major federal programs for the year ended September 30, 2010. The City's major federal programs 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 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 *Government Auditing Standards* issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133, 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 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 on the City's compliance with those requirements.

In our opinion, City of Wilton Manors complied, in all material respects, with the compliance referred to above that could have a direct and material effect on each of its major programs for the year ended September 30, 2010.

To the Honorable Mayor, City Commissioners
and City Manager

Page 2

Internal Control Over Compliance

The management of the City of Wilton Manors, Florida is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal awards programs. 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 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 deficiency in internal control exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement on a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies or material weaknesses, as described above. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, we identified certain deficiency in internal control over compliance that we consider to be significant deficiencies as described in the accompanying schedule of findings and questioned costs as item 2010-01. *A significant deficiency in internal control over compliance* is a deficiency or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

The City's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit the City's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the Mayor, City Commission, City management and grantor agencies and is not intended to be and should not be used by anyone other than these specified parties.

GLSC & Company, PLLC

March 15, 2011





**MANAGEMENT LETTER PURSUANT TO THE RULES OF
THE AUDITOR GENERAL FOR THE STATE OF FLORIDA**

To the Honorable Mayor, City Commissioners
and City Manager
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 City of Wilton Manors, Florida (the "City"), as of and for the year ended September 30, 2010, which collectively comprise the City of Wilton Manors' basic financial statements and have issued our report thereon dated March 15, 2011. We did not audit the financial statements of the Pension Trust Funds, which represent 100% of the assets, revenues and deduction of the fiduciary fund totals. Those financial statements were audited by other independent auditors whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts included for the Pension Trust Funds are based solely on the reports of the other independent auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards, Independent Auditor's Report on Compliance with Requirements that could have a Direct and Material Effect on Each Major Program and on Internal Control over Compliance in Accordance with OMB Circular A-133, and Schedule of Findings and Questioned Costs. Disclosures in those reports and schedule, which are dated March 15, 2011, should be considered in conjunction with this management letter.

The purpose of this letter is to comment on those matters described in Rule 10.554(1)(i) as required by the Rules of the Auditor General for the State of Florida. Accordingly, in connection with our audit of the basic financial statements of the City of Wilton Manors, Florida, as described in the first paragraph, we report the following:

- I. Current year findings and recommendations.**
- II. Status of prior year findings and recommendations.**
- III. Compliance with the Provisions of the Auditor General of the State of Florida.**

To the Honorable Mayor, City Commissioners
and City Manager

Page 2

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 requires us to indicate that this letter is intended solely for the information and use of management, and the Florida Auditor General, and is not intended to be and should not be used by anyone other than these specified parties.

We wish to thank the City of Wilton Manors, Florida and the personnel associated with it, for the opportunity to be of service to them in this endeavor as well as future engagements and the courtesies extended to us.

GLSC & Company, PLLC

March 15, 2011



LETTER TO MANAGEMENT

I. CURRENT YEAR FINDINGS AND RECOMMENDATIONS

2010 – 01 Fixed Assets

Condition:	<p>We noted during our test of fixed assets the following deficiencies in internal control:</p> <ul style="list-style-type: none">a) Several items included in the detailed fixed assets listings were no longer in existence or are considered obsolete by the City.b) No physical count of fixed assets is conducted on a regular basisc) No monitoring system to track fixed assets purchased using federal or state funds.
Criteria:	<p>Sound internal control provides that a regular physical inspection of fixed assets should be conducted on a regular basis to verify existence and evaluate of their condition. The regular physical count of assets is also a good mitigating control in precluding theft or misuse of assets.</p> <p>OMB Circular A-133 provides that Local Governments should have adequate internal controls to provide reasonable assurance that proper records are maintained for equipment acquired with federal awards, equipment is adequately safeguarded and maintained, disposition or encumbrances of any equipment or real property is in accordance with federal requirements, and the federal awarding is appropriately compensated for its share of any property sold or converted to non-federal use.</p>
Cause of Condition:	<p>Absence of a written policies and procedures on regular monitoring of fixed assets.</p>
Effect of Condition:	<p>There is a possibility of misuse or, misappropriation or theft of fixed assets. The fixed assets account may be overstated as a results of having in the City's general ledger account assets that no longer exist or are impaired.</p>
Recommendation:	<p>We strongly recommend that the City develop written procedures on fixed assets monitoring and conduct an annual physical inspection of fixed assets.</p>
Management Comment:	<p>Staff took the initiative and informed the auditors of this problem which was known to exist. Staff has been working over the last year to improve controls over fixed assets. As a first step, the migration to the new Incode Fixed Assets System, the City's current accounting software, was completed during the fiscal year. In addition, staff has begun to draft the new written fixed assets policies, and has created new forms to be filled out by City departments to record details of both new fixed assets additions and disposals of existing fixed assets. A complete inventory of fixed assets has now been scheduled; the date of March 23, 2011 has been reserved for the inventory kick-off meeting. This meeting will be used to train department representatives in the new procedures and to elicit their help in the inventory and tagging process.</p>

**LETTER TO MANAGEMENT
(CONTINUED)**

I. CURRENT YEAR FINDINGS AND RECOMMENDATIONS (CONTINUED)

2010 – 02 Abandoned Property Form

Condition: Our review of the City’s bank reconciliation disclosed checks outstanding for more than one year. These checks should have been included in accounts payable and declare abandoned property. We also noted that the City has not filed the annual report for abandoned property report due on April 30th of each year.

Criteria: Under the Florida Disposition of Unclaimed Property Act 717.117, it provided that the report of unclaimed property must be filed before May 1 of each year. The report shall apply to the preceding calendar year. The department may impose and collect a penalty of \$10 per day up to a maximum of \$500 for the failure to timely report.

Cause of Condition: Due to prior year backlog preparing bank reconciliations, the City was unaware of long outstanding checks that should be reported as abandoned property. As such, the required report was not filed.

Effect of Condition: Non-compliance with the provisions of Florida Statutes and possible payment of penalty as impose by State Law.

Recommendation: We recommend that the City develop and implement policies and procedures to ensure compliance with the provisions of the Florida Statutes and to submit reports on a timely manner.

Management Comment: Staff has identified all properties that qualify as unclaimed property under Florida Statute. Staff is currently in the process of due diligence as required by state statute, trying to locate the owners of this property prior to filing the Abandoned Property Form and forwarding this property to the State. The Abandoned Property Form will be filed in a timely manner prior to the May 1 deadline.

**LETTER TO MANAGEMENT
(CONTINUED)**

I. CURRENT YEAR FINDINGS AND RECOMMENDATIONS (CONTINUED)

2010 – 03 Purchasing Policy

Condition: Our review of the City's procurement and disbursement process disclosed the following deficiencies in the internal control as follows:

1. The City is not maintaining list of approved vendors and currently has no process of verifying that vendors are not suspended or debarred by the Federal or State agencies.
2. The City has no written procedures on receiving of goods or services prior to processing of invoice for payment. No designated personnel are assigned to verify that merchandise matches the description, quantity and conditions of items indicated in the purchase orders.

Criteria: As a recipient of federal and state funds, the City is required to provide reasonable assurance that procurement of goods and services are made in compliance with the provisions of the A-102 Common Rule or OMB Circular A-110 and that covered transactions are not made with a debarred or suspended party.

Sound internal control also dictates adequate control on receiving of purchases should be implemented to minimize exposure to possible fraud or theft.

Cause of Condition: The City has no formal written purchasing policies and procedures providing for all the requirements of a sound internal control over purchasing and disbursement.

Effect of Condition: The City is exposed to possible non-compliance with Federal or State requirement on debarred or suspended vendors, misappropriation of assets, theft or fraud.

Recommendation: We recommend that the City develop and adopt a formal written purchasing policy to include procedures on verifying vendors against list of suspended or debarred vendors, and receiving of goods and/or services.

Management Comment: It should be noted that Chapter 2, Article V, Division 2 of the City's Code of Ordinances serves as the City's written purchasing policy and Section 2-268(i) specifically addresses vendor debarment and suspension. Even though the Auditor has confirmed to staff that the City made no payments to suspended or debarred vendors during the fiscal year, Staff will work with the City Attorney's Office to determine the best way to establish a list of suspended or debarred vendors, and to determine if internal documents such as RFPs, bid documents, purchase orders, etc., should be modified to help to identify such vendors.

An attempt will be made to clarify the Auditor's recommendation regarding segregation of duties among the three full-time personnel within the Finance Department, as well as the comment concerning the approval process for the receipt of goods and/or services.

**LETTER TO MANAGEMENT
(CONTINUED)**

I. CURRENT YEAR FINDINGS AND RECOMMENDATIONS (CONTINUED)

2010 – 04 Permit Rates

Condition:	During our test of permits and licenses, we noted that the City had not adopted a revised Resolution to approve current year schedule of permit fees charged to permit applicants during the year.
Criteria:	All permits and licenses fees must be approved by Resolution by the City Commission.
Cause of Condition:	Changes made in the permitting system were not properly coordinated and communicated to proper channel.
Effect of Condition:	The rates charged to permit applicants did not coincide with the approved Commission rates on file. The applicants were not over or under charged since the rates used were the correct fee in accordance with the Broward County permit fee schedules.
Recommendation:	We recommend that the City implement internal controls in publishing information to ensure that all rates entered into the accounting system are approved by the City Commission.
Management Comment:	Staff will ensure that the permit fees resolution is updated. Permit fees were last approved by the City Commission through Resolution 3477 on November 10, 2009 (approval by ordinance is not required), and the update to the County Board of Rules & Appeals Fee was not updated at that time from \$0.35 to \$0.60 per \$1,000.00 of construction.

**LETTER TO MANAGEMENT
(CONTINUED)**

I. CURRENT YEAR FINDINGS AND RECOMMENDATIONS (CONTINUED)

2010 – 05 Year – End Process

Condition:	Our audit indicated significant deficiencies in the City's year-end closing procedures as evident by a number of audit adjustments proposed by the auditors and posted by the City.
Criteria:	Minimal audit adjustments, corrections, and year-end adjustment to the financial statements are an indication of a strong internal control over the financial reporting process.
Cause of Condition:	The City is still in process of improving efficiency and effectiveness of the year-end financial reporting process.
Effect of Condition:	Deficiencies in this process during the year-end closing of the books could lead to undetected material misstatement in future years if not corrected.
Recommendation:	We recommend that the City develop a year-end checklist and a regular review process to ensure that financial statements are properly stated at all times.
Management Comment:	Staff will seek the guidance of members of the Florida Government Finance Officers Association and others to improve its already-existing year-end checklist and year-end closing process procedures.

**LETTER TO MANAGEMENT
(CONTINUED)**

II. STATUS OF PRIOR YEAR FINDINGS AND RECOMMENDATIONS

2009-01 Perform Bank Reconciliations on a Monthly Basis

Condition: We noted that the City does not perform bank reconciliations on a timely basis (i.e., monthly). The absences of regular monthly bank reconciliations do not allow errors of omission 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 general ledger which makes the preparation of the bank reconciliations and the general ledger recording functions as incompatible duties.

Current Year Status: Monthly bank reconciliations are performed on a regular monthly basis. Due to the small size of the Accounting Department, every employee has access to the GL and processing of checks and payables, therefore, the bank reconciliation process is still performed by the Assistant Finance Director. These incompatible duties are mitigated by review and oversight of the Finance Director and City Manager over financial reporting through monthly review of budget and actual comparative analysis. Comment will not be repeated.

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

Condition: 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.

Current Year Status: We noted that the person was removed from payroll register. Comments will not be repeated.

2009-03 Financial Condition Assessment

Condition: 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 ten (10) unfavorable, two (2) favorable and six (6) inconclusive. Furthermore, the City showed unfavorable results on 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 Comment: Management concurs with the recommendation, and will use the FY11-12 budget process as vehicle to institute changes where possible.

**LETTER TO MANAGEMENT
(CONTINUED)**

II. STATUS OF PRIOR YEAR FINDINGS AND RECOMMENDATIONS (CONTINUED)

2009-03 Financial Condition Assessment (Continued)

Current Year Status: The fiscal year ended September 30, 2010 financial condition assessment still indicated unfavorable results. Of the eighteen (18) applicable financial indicators, the City had ten (10) unfavorable, one (1) favorable and seven (7) inconclusive results. Comments will be repeated.

2009-04 Refrain from Making Direct Adjustments to Fund Balance

Condition: 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.

Current Year Status: Management implemented the recommendation. No adjustments were made to the fund balance account during the year. Comments will not be repeated.

2008-01 Strictly Follow Uniform Accounting System

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

Recommendation: It was suggested that the City change the fund number of the following funds to conform to the prescribed codes for specific fund groups:

- Local law enforcement block grant
- Police training and education fund
- Police forfeiture fund
- Road improvement fund

Management Comment: The Finance Department converted all existing accounts 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 practical, but has allocated this project a low priority. For State reporting purposes, the Finance Department submits the annual financial statements in compliance with account code reporting requirements.

Current Year Status: Condition still exists and comments will be repeated. This will be re-evaluated upon end of the contractual agreement with the third party accounting software provider.

**LETTER TO MANAGEMENT
(CONTINUED)**

2008-02 Update the City's Policies and Procedures

Condition: 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.

Current Year Status: Condition still exists, comments repeated as 2010-01, 2010-03, 2010-04 and 2010-05.

**LETTER TO MANAGEMENT
(CONTINUED)**

III. COMPLIANCE WITH THE PROVISIONS OF THE AUDITOR GENERAL OF THE STATE OF FLORIDA

1. Unless otherwise required to be reported in the auditors' report on internal control over financial reporting and on compliance and other matters or schedule of finding and questioned costs, the management letter shall include, but not be limited to a statement as to whether or not corrective actions have been taken to address significant findings and recommendations in the preceding annual financial audit report pursuant to Rule 10.557(3)(b)2. The City has taken corrective actions to address significant findings in the preceding annual financial reports except for findings 2008-01, 2008-02 and 2009-03.
2. The City of Wilton Manors complied with Section 218.415, Florida Statutes, regarding the investment of public funds.
3. There were significant findings and recommendations to improve the City's financial management, accounting procedures, and internal control for the fiscal year ended September 30, 2010, see items 2010-01, 2010-02, 2010-03, 2010-04, and 2010-05.
4. There were no violations of laws, regulations, contracts or grant agreements, or abuse that have occurred, or were likely to have occurred, that have an effect on the determination of financial statement amounts that is less than material but more than inconsequential.
5. Based on our professional judgment, we may report on the following matters that are inconsequential to the financial statements, considering both quantitative and qualitative factors: (a) violations of provisions of contract or grant agreements, fraud, illegal acts, or abuse (b) deficiencies in internal control that are not significant deficiencies. In connection with our audit, we did not have any such findings.
6. The City of Wilton Manors, Florida was established as authorized by Chapter 30962, Laws of Florida, Acts of 1955. The City operates under a Commission / City Manager form of government. The City is financially independent as evidenced by the authority to make and approve its own budget, the power to tax, the authority to buy and sell property, and the authority to incur debt. The City has one potential component unit that was not included in the financial statements due to the insignificance to primary government.
7. The City of Wilton Manors has not met one or more of the conditions described in Section 218.503(1), Florida Statutes.
8. The annual financial report filed with the Florida Department of Financial Services pursuant to Section 218.32(1) (a), Florida Statutes agrees with the September 30, 2010 financial audit report.

**LETTER TO MANAGEMENT
(CONTINUED)**

9. We applied financial condition assessment procedures pursuant to Rule 10.556(7) and deteriorating financial conditions were noted based on the procedures performed. While the City does not currently meet any of the financial emergency conditions defined by Section 218.503, Florida Statutes, we believe that the results of the financial indicators shows that the City's overall financial condition is showing signs of weakness which, if not corrected, could result in a future financial emergency.

The fiscal year ended September 30, 2010 financial condition assessment indicated unfavorable results. Of the eighteen (18) applicable financial indicators, the City had ten (10) unfavorable, one (1) favorable and seven (7) inconclusive results. The most significant concerns raised by the financial condition assessment ratios were the declining trends in cash and investment balances as compared to current liabilities both in the City's governmental funds and their proprietary funds. In both of these fund types, the trends indicated by the ratios were skewed by the issuance of bonds for construction projects during the 5-year time frame covered in the ratio calculations. In the governmental funds, cash balance increased in 2008 by the issuance of a \$6 million general obligation bond for the construction of the new city hall. As construction on the project progressed through 2008 and 2009, cash levels declined sharply, and both liabilities and expenditures increased as construction invoices were paid. Similarly in the proprietary funds cash was increased in 2007 by the issuance of \$5 million water and sewer revenue bonds for sewer rehabilitation project. From 2007 through 2009, the cash levels sharply declined, and both liabilities and expenditures increased as these construction invoices were paid.

While it is important to keep these mitigating factors in mind, moving forward it will also be very important to carefully monitor the trends that result from the underlying general operations of these funds. Management expects that the cost savings efforts and budgetary changes instituted for FY2010-2011 will strengthen the ratio results for the coming fiscal years.

CITY OF WILTON MANORS, FLORIDA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE PROJECT
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2010

Federal Agency, Pass-through Entity Program Title	CFDA Number	Contract Grant Number	Awarded Amount	Expenditures
U.S. Department of Housing and Urban Development:				
Indirect Programs:				
Pass Through Broward County				
Community Development Block Grant	14.218	FY2006-2007	\$ 107,986	\$ 5,580
Community Development Block Grant	14.218	FY2007-2008	131,678	23,020
Community Development Block Grant	14.218	FY2008-2009	1,079,869	14,000
Community Development Block Grants - Disaste Recovery Initiative	14.218	07DB-3V-11-16-01-Z08	<u>88,627</u>	<u>84,740</u>
Total U.S. Department of Housing and Urban Development:			<u>1,408,160</u>	<u>127,340</u>
U.S. Department of Justice				
Direct Programs:				
Office of Justice Programs				
Bulletproof Vest Partnership/Body Armor Safety Initiati	16.607	FY2008	3,549	634
Bulletproof Vest Partnership/Body Armor Safety Initiati	16.607	FY2009	2,332	2,090
Community Oriented Policing Service:				
Grants Administration Division, Law Enforcement Technolo	16.710	2009CKWX0433	400,000	340,138
Indirect Programs:				
Bureau of Justice Assistance				
Local Law Enforcement Block Grants Program				
Pass Through Florida Department of Law Enforcemer				
Office of Criminal Justice Grants				
ARRA 2009 Recovery Act JAG Progran	16.738	2007-JAGD-BROW-8-P4-082	34,242	31,292
Proactive Investigative Tear	16.738	2010-JAGD-BROW-2-4Y-115	<u>7,778</u>	<u>7,514</u>
Total U.S. Department of Justice			<u>447,901</u>	<u>381,668</u>
U.S. Department of Transportation:				
Indirect Programs:				
Federal Highway Adminstrator:				
Pass Through Florida Department of Transportation				
ARRA Streetscape Improvement:	20.205	APK-30 (FEDERAL ARRA 011B)	300,000	185,900
Streetscape Improvement:	20.205	AP685	<u>500,000</u>	<u>425,188</u>
Total U.S. Department of Transportation:			<u>800,000</u>	<u>611,088</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>\$ 2,656,061</u>	<u>\$ 1,120,096</u>

CITY OF WILTON MANORS FLORIDA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE PROJECT
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2010

<u>State Agency, Pass-through Entity Federal Program</u>	<u>CSDA Number</u>	<u>Contract Grant Number</u>	<u>Awarded Amount</u>	<u>Expenditures</u>
Florida Department of Law Enforcement				
Direct Programs				
Drug Control/Money Laundering Investigation				
Violent Crime and Drug Control Council				
Crystal Manors	71.005	N/A	\$ 50,000	\$ 3,464
Total Florida Department of Law Enforcement			<u>50,000</u>	<u>3,464</u>
Florida Department of State				
Direct Projects				
Division of Library and Information Service				
State Aid to Libraries	45.030	11-ST-05	11,808	7,815
Total U.S. Department of Justice			<u>11,808</u>	<u>7,815</u>
TOTAL EXPENDITURES OF STATE AWARDS			<u>\$ 61,808</u>	<u>\$ 11,279</u>

N/A - Not Available

Note: Total expenditures of State Financial Assistance Projects is below \$500,000 threshold, and therefore, no State Single Audit is required during the fiscal year ended September 30, 2010, in accordance with Chapter 10.550, Rules of the Auditor General

CITY OF WILTON MANORS, FLORIDA
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE PROJECTS
FOR THE YEAR ENDED SEPTEMBER 30, 2010

NOTE A - SCOPE OF AUDIT PURSUANT TO OMB CIRCULAR A-133

Federal Awards Programs

All federal grant operations of the City of Wilton Manors, Florida, are included in the scope of the Office of Management and Budget (OMB) Circular A-133 audit (the Single Audit). The Single Audit was performed in accordance with the provisions of the OMB Circular A-133 Compliance Supplement (Revised March 2010, the "Compliance Supplement"). Compliance testing of all requirements, as described in the Compliance Supplement, was performed for the grant programs noted below. These programs represent all Federal awards and other grants with fiscal 2010 cash and noncash expenditures in excess of \$500,000 that ensure coverage of at least 25 percent of federally granted funds. Actual coverage is approximately 85 percent of total cash and noncash federal program expenditures.

<u>Major Federal Program Description</u>	<u>Federal CFDA Number</u>	<u>Fiscal 2010 Expenditures</u>
Public Safety Partnership and Community Policing Grants	16.710	\$ 340,138
Highway Planning and Construction	20.205	611,088

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying Schedule of Expenditures of Federal Awards and State Financial Assistance Projects include all Federal and State grants to the City of Wilton Manors, Florida, that had activity during the fiscal year ended September 30, 2010. The basis of accounting is described in Note 1 to the City of Wilton Manors, Florida's basic financial statements.

NOTE C - FINDINGS OF NONCOMPLIANCE

There were no findings of noncompliance.

NOTE D - AUDITS PERFORMED BY OTHER ORGANIZATIONS

There were no audits performed by Federal or State grantor agencies.

CITY OF WILTON MANORS, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS -
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE PROJECTS
FOR THE YEAR ENDED SEPTEMBER 30, 2010

A. SUMMARY OF AUDIT RESULTS

1. The auditors' report expresses an unqualified opinion on the basic financial statements of the City of Wilton Manors, Florida.
2. There were significant deficiencies relating to the audit of the basic financial statements and are reported in the 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*.
3. There is a significant deficiency relating to the audit of the major federal award programs reported in the independent auditors' report on compliance with requirements that could have a direct and material effect on each major program and on internal control over compliance in accordance with OMB Circular A-133.
4. The auditors' report on compliance for the major federal programs for the City of Wilton Manors, Florida expresses an unqualified opinion.
5. Audit findings relative to the major federal programs for the City of Wilton Manors, Florida are reported in Parts C and D. of this Schedule.
7. The programs tested as major programs include:

<u>Federal Program</u>	<u>Federal CFDA #</u>
Public Safety Partnership and Community Policing Grants	16.710
Highway Planning and Construction	20.205
Dollar threshold to distinguish Type A and Type B Programs	\$300,000

8. The City of Wilton Manors, Florida, was determined to be a low-risk audit pursuant to OMB Circular A-133.

CITY OF WILTON MANORS, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS -
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE PROJECTS
FOR THE YEAR ENDED SEPTEMBER 30, 2010
(Continued)

B. FINDINGS - FINANCIAL STATEMENTS AUDIT

See Schedule of Findings and Questioned Costs

C. FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARDS AUDIT

NONE

D. OTHER ISSUES

1. No summary schedule of prior audit findings is required because there were no prior audit findings related to Federal programs.
2. No corrective action plan is required because there were no findings required to be reported under the Federal Single Audit Acts.