

**City of Wilton Manors Pension Plan for
General Employees and Police**

**Financial Statements
Years Ended September 30, 2013 and 2012**



Goldstein Schechter Koch
CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS

**City of Wilton Manors Pension Plan for
General Employees and Police
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Independent Auditors' Report

Board of Trustees
City of Wilton Manors Pension Plan for
General Employees and Police
Wilton Manors, Florida

We have audited the accompanying statements of the City of Wilton Manors, Florida Pension Plan for General Employees and Police (the "Plan"), which comprise the statements of plan net position as of September 30, 2013 and 2012, and the related statements of changes in plan net position for the years then ended and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Plan management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



**Independent Auditors' Report
(continued)**

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of City of Wilton Manors Pension Plan for General Employees and Police as of September 30, 2013 and 2012, and the related statements of changes in plan net position for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

United States generally accepted accounting principles require that the management's discussion and analysis and required supplementary information as listed in the accompanying table of contents 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 Standards 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.

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the basic financial statements of the Plan. The accompanying supplementary schedules of combining plan net position and combining changes in net plan position by class of participants, investment expenses and administrative expenses (other supplementary schedules) as listed in the accompanying table of contents is presented for purposes of additional analysis and are not a required part of the basic financial statements. The information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audits of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic 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 basic financial statements as a whole.

Goldstein Schechter Koch, P.A.

Hollywood, Florida
March 4, 2014

City of Wilton Manors Pension Plan for General Employees & Police

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Shawn Chadwick, Secretary
Raymond Briant, Trustee
Richard Foss, Vice-Chair
Michael O'Connor, Trustee

2020 Wilton Drive
Wilton Manors, FL 33305
Phone: 954-390-2100
Fax: 954-390-2199

Management's Discussion and Analysis (Required Supplementary Information - Unaudited) September 30, 2013 and 2012

Our discussion and analysis of the City of Wilton Manors Pension Plan for General Employees and Police (the "Plan") financial performance provides an overview of the Plan's financial activities and funding conditions for the fiscal years ended September 30, 2013 and 2012. Its purpose is to provide explanations and insights into the information presented in the financial statements, notes to the financial statements and required supplementary information. Please read it in conjunction with the financial statements, which follow this discussion.

Financial Highlights

- The Plan's assets exceeded liabilities at the close of the fiscal years ended September 30, 2013 and 2012 by \$23,057,908 and \$21,825,598, respectively, (reported as net position held in trust for pension benefits). Net position is held in trust to meet future benefit payments. The increase of \$1,232,310 and \$2,525,343, of the respective years have resulted primarily from the changes in the fair value of the Plan's investments due to volatile financial markets.
- The Plan's funded ratio, a comparison of the actuarial value of assets to the actuarial accrued pension liability, changed from 67.6% as of October 1, 2010 valuation to 64.9% as of October 1, 2011 valuation and to 61.5% as of October 1, 2012.
- For the fiscal year ended September 30, 2013, receivables decreased by \$67,959 (or 45.6%) primarily due to a decrease in interest and dividends receivable.

For the fiscal year ended September 30, 2012, receivables decreased by \$8,708 (or 5.5%) primarily due to a decrease in interest and dividends receivable.

- For the fiscal year ended September 30, 2013, liabilities decreased by \$1,582,065 (or 53.2%) primarily due to an decrease in deferred retirement option plan payable.

For the fiscal year ended September 30, 2012, liabilities increased by \$794,089 (or 36.3%) primarily due to an increase in deferred retirement option plan payable.

- For the fiscal year ended September 30, 2013, employer contributions to the Plan increased by \$88,469 (or 5.8%) based on the actuarial valuation. Actual employer contributions were \$1,606,783 and \$1,518,314 for 2013 and 2012, respectively.

For the fiscal year ended September 30, 2012, employer contributions to the Plan decreased by \$32,214 (or 2.1%) based on the actuarial valuation. Actual employer contributions were \$1,518,314 and \$1,550,528 for 2012 and 2011, respectively.

Management's Discussion and Analysis
(Required Supplementary Information - Unaudited)
September 30, 2013 and 2012

Financial Highlights - continued

- For the fiscal year ended September 30, 2013, employee contributions decreased by \$11,406 (or 15.6%). Actual employee contributions were \$61,623 and \$73,029 for 2013 and 2012, respectively. Employee contributions have fluctuated from year to year, based on the number of active members.

For the fiscal year ended September 30, 2012, employee contributions decreased by \$13,149 (or 15.3%). Actual employee contributions were \$73,029 and \$86,178 for 2012 and 2011, respectively. Employee contributions have fluctuated from year to year, based on the number of active members.

- For the fiscal year ended September 30, 2013, net investment income was \$2,103,929 compared to net investment income of \$3,322,315. Actual results were \$1,863,643 and \$3,295,271 of net appreciation in fair value of investments for 2013 and 2012, respectively, and \$702,086 and \$732,595 of income from interest and dividends for 2013 and 2012, respectively. Investment income was increased by earnings allocated to deferred retirement option plan participants' in the amount of \$200,260 and \$417,229 for 2013 and 2012, respectively, and to the Firefighters Retirement System in the amount of \$120,689 and \$169,316 for 2013 and 2012, respectively. Investment expenses increased by \$21,845 or 18.4%.

For the fiscal year ended September 30, 2012, net investment income was \$3,322,315 compared to net investment loss of \$160,983. Actual results were \$3,295,271 and \$(830,595) of net appreciation (depreciation) in fair value of investments for 2012 and 2011, respectively, and \$732,595 and \$744,664 of income from interest and dividends for 2012 and 2011, respectively. Investment income (loss) was increased (reduced) by earnings (losses) allocated to deferred retirement option plan participants' in the amount of \$417,229 and \$(44,229) for 2012 and 2011, respectively, and to the Firefighters Retirement System in the amount of \$169,316 and \$(3,251) for 2012 and 2011, respectively. Investment expenses decreased by \$3,526 or 2.9%.

- For the fiscal year ended September 30, 2013, benefit payments and refund of contributions increased by \$167,748 (or 7.3%).

For the fiscal year ended September 30, 2012, benefit payments and refund of contributions decreased by \$18,488 (or 0.8%).

- For the fiscal year ended September 30, 2013, administrative expenses decreased by \$16,038 (or 17.4%) from 2012 primarily due to a decrease in fees for professional services.

For the fiscal year ended September 30, 2012, administrative expenses decreased by \$41,203 (or 30.9%) from 2011 primarily due to a decrease in fees for professional services.

Plan Highlights

For the fiscal year ended September 30, 2013, the total return of the portfolio was 10.1%. Actual net investment income in 2013 and 2012 were \$2,103,929 and \$3,322,315, respectively.

For the fiscal year ended September 30, 2012, the total return of the portfolio was 18.4%. Actual net investment income (loss) in 2012 and 2011 were \$3,322,315 and \$(160,983), respectively.

Management's Discussion and Analysis
(Required Supplementary Information - Unaudited)
September 30, 2013 and 2012

Overview of the Financial Statements

The basic financial statements include the Statements of Plan Net Position and Statements of Changes in Plan Net Position and Notes to the Financial Statements. The Plan also includes in this report additional information to supplement the financial statements.

The Plan presents two types of required supplementary schedules, which provide historical trend information about the Plan's funding. The two types of schedules include a schedule of funding progress and a schedule of employer contributions.

The Plan prepares its financial statements on the accrual basis of accounting and in accordance with generally accepted accounting principles in the United States of America. These statements provide information about the Plan's overall financial status.

Description of the Financial Statements

The *Statement of Plan Net Position* presents information that includes all of the Plan's assets and liabilities, with the balance representing the Net Position Held in Trust for Pension Benefits. It is a snapshot of the financial position of the Plan at that specific point in time and reflects the resources available to pay members, retirees and beneficiaries at that point in time.

The *Statement of Changes in Plan Net Position* reports how the Plan's net position changed during the fiscal year. The additions and deductions to net position are summarized in this statement. The additions include contributions to the retirement plan from employer (City) and employees and net investment income (loss), which includes interest, dividends, investment expenses, and the net appreciation or depreciation in the fair value of investments. The deductions include benefit payments, refunds of member contributions, and administrative expenses.

The *Notes to the Financial Statements* are presented to provide the information necessary for a full understanding of the financial statements. They include additional information not readily evident in the statements themselves such as a description of the Plan, contributions, significant accounting policies, funding policy, and investment risk disclosure.

There are also two *Required Supplementary Schedules* included in this report as required by the Governmental Accounting Standards Board. The *Schedule of Funding Progress* presents historical trend information about the actuarially determined funded status of the Plan from a long-term, ongoing plan perspective, and the progress made in accumulating sufficient assets to fund benefit payments as they become due. The *Schedule of Employer Contributions* presents historical trend information about the annual required contributions of employers and percentage of such contributions in relation to actuarially determined requirements for the years presented.

Additional information is presented as part of *Other Supplementary Schedules*. This section is not required but management has chosen to include it. It includes *Schedules of Investment Expenses and Administrative Expenses*. The *Combining Statements of Plan Net Position by Class of Participants* and the *Combining Statements of Changes in Plan Net Position by Class of Participants* reflects a reporting column for the assets, liabilities, and the activities in the General Employees and Police Plan. The *Schedule of Investment Expenses* presents the expenses incurred in managing and monitoring the investments of the Plan and include financial management, consultant, and custodial fees. The *Schedule of Administrative Expenses* presents the expenses incurred in the administration of the Plan.

Management's Discussion and Analysis
(Required Supplementary Information - Unaudited)
September 30, 2013 and 2012

Statements of Plan Net Position

The table below reflects condensed comparative statements of plan net position as of September 30:

	2013	2012	2011
Cash and cash equivalents	\$ 1,106,589	\$ 724,946	\$ 888,566
Receivables	81,228	149,187	157,895
Investments	24,448,442	24,930,345	21,212,340
Assets allocated to Firefighters Retirement System	(1,187,847)	(1,006,311)	(780,066)
Total assets	24,448,412	24,798,167	21,478,735
Liabilities	1,390,504	2,972,569	2,178,480
Net position held in trust for pension benefits	\$ 23,057,908	\$ 21,825,598	\$ 19,300,255

Statements of Changes in Plan Net Position

The table below reflects a condensed comparative statement of the changes in net position summarizing the activities of the Plan for the fiscal years ended September 30:

	2013	2012	2011
Additions:			
Contributions			
Employer	\$ 1,606,783	\$ 1,518,314	\$ 1,550,528
Employee	61,623	73,029	86,178
Total	1,668,406	1,591,343	1,636,706
Net investment income	2,103,929	3,322,315	(160,983)
Total additions	3,772,335	4,913,658	1,475,723
Deductions:			
Benefits paid	2,463,763	2,296,015	2,247,164
Refund of contributions	-	-	67,339
Administrative expenses	76,262	92,300	133,503
Total deductions	2,540,025	2,388,315	2,448,006
Net increase (decrease)	1,232,310	2,525,343	(972,283)
Net position held in trust for pension benefits at beginning of year	21,825,598	19,300,255	20,272,538
Net position held in trust for pension benefits at end of year	\$ 23,057,908	\$ 21,825,598	\$ 19,300,255

The Plan's investment activity, measured as of the end of any month, quarter or year, is a function of the underlying marketplace for the period measured and the investment policy's asset allocation.

The benefit payments are a function of changing payments to retirees, their beneficiary (if the retiree is deceased) and new retirements during the period.

Management's Discussion and Analysis
(Required Supplementary Information - Unaudited)
September 30, 2013 and 2012

Asset Allocation

For the fiscal year ended September 30, 2013, the domestic equity portion comprised 61.2% (\$15,639,239) of the total portfolio. The allocation to fixed income securities was 25.1% (\$6,404,964), while cash and cash equivalents was 4.3% (\$1,106,589). The amount allocated to international equity was 9.4% (\$2,404,239).

For the fiscal year ended September 30, 2012, the domestic equity portion comprised 53.8% (\$13,792,742) of the total portfolio. The allocation to fixed income securities was 35.8% (\$9,174,911), while cash and cash equivalents was 2.8% (\$724,946). The amount allocated to international equity was 7.6% (\$1,962,692).

The target asset allocation range at September 30, 2013 and 2012 was as follows:

Domestic equity	25 - 70%
International equity	0 - 25%
Fixed income	25 - 65%
Cash equivalents	0 - 50%

Contacting the Plan's Financial Management

This financial report is designed to provide the Retirement Board, our membership, taxpayers, investors, and creditors with a general overview of the Plan's finances and to demonstrate the Plan's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact the City of Wilton Manors Pension Plan for General Employees and Police, 2020 Wilton Drive, Wilton Manors, FL 33305.

**City of Wilton Manors Pension Plan for
General Employees and Police
Statements of Plan Net Position
September 30, 2013 and 2012**

	2013	2012
Assets		
Cash and cash equivalents	\$ 1,106,589	\$ 724,946
Receivables		
City contributions	2,846	-
Receivable for securities sold	10,814	46,488
Interest and dividends receivable	67,568	102,699
Total receivables	81,228	149,187
Investments, at fair value		
Common stock	12,262,118	11,065,991
U.S. government securities	3,569,674	5,590,665
Domestic equity funds	3,377,121	2,726,751
Corporate bonds	2,835,290	3,584,246
International equity funds	2,404,239	1,962,692
Total investments	24,448,442	24,930,345
Assets allocated to Firefighters Retirement System	(1,187,847)	(1,006,311)
Total assets	24,448,412	24,798,167
Liabilities		
Accounts payable	37,274	28,192
Deferred retirement option plan payable	1,353,230	2,858,755
Prepaid City contribution	-	85,622
Total liabilities	1,390,504	2,972,569
Net position held in trust for pension benefits	\$ 23,057,908	\$ 21,825,598
<i>(a schedule of funding progress is presented on page 20)</i>		

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

**City of Wilton Manors Pension Plan for
General Employees and Police**
Statements of Changes in Plan Net Position
For the Years Ended September 30, 2013 and 2012

	2013	2012
Additions:		
Contributions		
Employer	\$ 1,606,783	\$ 1,518,314
Employee	61,623	73,029
Total contributions	1,668,406	1,591,343
Investment income		
Net appreciation in fair value of investments	1,863,643	3,295,271
Interest and dividends	702,086	732,595
Total investment income	2,565,729	4,027,866
Less: Investment expenses	140,851	119,006
Deferred retirement option plan participants' earnings	200,260	417,229
Earnings allocated to Firefighters Retirement System	120,689	169,316
Net investment income	2,103,929	3,322,315
Total additions	3,772,335	4,913,658
Deductions:		
Benefits paid	2,463,763	2,296,015
Administrative expenses	76,262	92,300
Total deductions	2,540,025	2,388,315
Net increase	1,232,310	2,525,343
Net position held in trust for pension benefits		
Beginning of year	21,825,598	19,300,255
End of year	\$ 23,057,908	\$ 21,825,598

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

**City of Wilton Manors Pension Plan
For General Employees and Police
Notes to Financial Statements
September 30, 2013 and 2012**

Note 1 - Description of the Plan

Organization

The City of Wilton Manors, Florida Pension Plan for General Employees and Police (the "Plan") is a single-employer defined benefit plan established by the City of Wilton Manors, Florida (the "City" or "Employer") pursuant to the provisions and requirements of Section 13 of the City of Wilton Manors Code of Ordinances. Since the Plan is sponsored by the City, the Plan is included as a pension trust fund in the City's comprehensive annual financial report as part of the City's financial reporting entity.

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.

The following brief description of the Plan is provided for general information purposes only. Participants should refer to the plan agreement for more detailed and comprehensive information.

Participants

Participants include general employees (excluding elected officials, persons appointed to fulfill elected positions and retained professionals and consultants for the City) and police officers employed by the City of Wilton Manors, Florida on a full-time basis.

Membership

As of October 1, membership in the Plan consisted of:

	2012	2011
Retirees and beneficiaries currently receiving benefits and terminated employees entitled to benefits but not yet receiving them		
Police Officers	32	32
General Employees	43	42
	75	74
Active plan participants		
Police Officers	3	4
General Employees	8	10
	11	14
Total participants	86	88

Funding Requirements

Member Contributions:

Member contributions are equal to 10% of basic compensation for police officers and 11% of basic compensation for general employees.

Any member terminating membership in the Plan with less than one year of credited service shall receive a return of contributions with no interest. A member who has completed more than one, but less than five years of credit service, shall receive a return of contributions plus 3.0% of the gross amount.

**City of Wilton Manors Pension Plan
For General Employees and Police
Notes to Financial Statements
September 30, 2013 and 2012**

Note 1 - Description of the Plan - continued

Funding Requirements - continued

Member Contributions - continued:

After completion of five years of credited service, the terminated member will be entitled to a deferred vested benefit commencing on his or her normal retirement date, if living at such time.

City and State Contributions:

Pursuant to Florida Statutes, Chapters 185, contributions from the State of Florida Department of Insurance consist of an excise tax imposed by the City upon certain casualty insurance companies on the gross amount of receipts of premiums from policy holders on all premiums collected on casualty insurance policies covering property within the City. The allowable portion of the State contribution is used to reduce the City's contribution for Police when received. The City is expected to contribute such additional amounts as are necessary on an actuarial basis to fund the Plan's expenses, normal cost and to amortize the unfunded actuarial accrued liability.

At the present time, the State of Florida is withholding contributions payable to the Plan under Chapter 185, Florida Statutes. The State's contention is that the Plan must be severed in two independent retirement plans. The Plan is currently involved in legal proceedings with the State of Florida in order to resolve the issue at hand.

Pension Benefits

Normal Retirement:

The date upon which the member completed twenty years of credited service regardless of age or the date upon which the member attains age sixty with five years of credited service may retire on a normal retirement benefit.

Members will receive a monthly pension benefit equal to 3.0% of the Average Monthly Compensation times the years of credit service.

Early retirement, disability, death and other benefits are also provided.

Deferred Retirement Option Plan:

Members who continue employment with the City past normal retirement date may freeze their accrued benefit and enter the Deferred Retirement Option Plan (DROP). Maximum participation in the DROP shall be six years (five years prior to August 1, 2007).

For members electing participation in the DROP, an individual DROP account shall be created. Payment shall be made by the Plan into the employee's DROP account in an amount equal to the regular monthly retirement benefit which the participant would have received had the participant separated from service and commenced receipt of pension benefits, plus interest. Interest shall be based on the actual earnings of the Plan for the preceding year. Upon termination of employment, a member may receive distribution from the DROP account as a lump sum or defer payment in accordance with the Internal Revenue Code.

**City of Wilton Manors Pension Plan
For General Employees and Police
Notes to Financial Statements
September 30, 2013 and 2012**

Note 1 - Description of the Plan - continued

Pension Benefits - continued

Deferred Retirement Option Plan - continued:

A DROP participant shall not be entitled to receive a disability retirement for pension purposes. If a member shall die during participation in the DROP, the member shall be treated as any other vested member in the Plan that dies prior to retirement.

Post Retirement Supplement:

Effective October 1, 2003, all employees retiring as members of this Plan shall be entitled to receive a monthly supplemental payment at the rate of ten dollars for each year of credited service, which shall not exceed two hundred dollars per month. This benefit shall commence on the first day of the month following separation from service, providing the member is retired and receiving an early, normal or disability pension. The post retirement supplement shall not be paid to terminated vested members or to members who retired prior to October 1, 2003.

Cost-of-Living Adjustment:

Effective October 1, 2004, an Ordinance providing for a temporary cost-of-living adjustment (COLA) was created for members of the police bargaining unit and non-sworn members participating in the General Employees Plan. The COLA will apply to police personnel who are in the DROP plan prior to October 1, 2002. The annual COLA adjustment will be 3%. The provisions of this ordinance shall expire after September 30, 2005. Police officers with ten or more years of service as of October 1, 2006 will receive an annual 3% COLA, to begin six years after retirement.

Note 2 - Summary of Significant Accounting Policies

Basis of Accounting

The Plan's financial statements are prepared using the accrual basis of accounting. Employee contributions are recognized as revenues in the period in which the contributions are due. Employer contributions are recognized as revenues when due pursuant to actuarial valuations. Interest income is recorded as earned and dividend income is recorded as of the ex-dividend date. Benefits and refunds are recognized when due and payable in accordance with the terms of the Plan.

Cash and Cash Equivalents

The Plan considers all highly liquid investments with an original maturity of one year or less when purchased, to be cash equivalents.

Investments

Investments are recorded at fair value in the Statement of Plan Net Position. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The diversity of the investment types in which the Plan has entered into requires a range of techniques to determine fair value. The overall valuation processes and information sources by major investment classification are as follows:

**City of Wilton Manors Pension Plan
For General Employees and Police
Notes to Financial Statements
September 30, 2013 and 2012**

Note 2 - Summary of Significant Accounting Policies - continued

Investments - continued

- Debt securities: Debt securities consist primarily of negotiable obligations of the U.S. government and U.S. government-sponsored agencies and corporate bonds. These securities can typically be valued using the close or last traded price on a specific date (quoted prices in active markets). When quoted prices are not available, fair value is determined based on valuation models that use inputs that include market observable inputs. These inputs included recent trades, yields, price quotes, cash flows, maturity, credit ratings, and other assumptions based upon the specifics of the investment's type.
- Equity securities: These include common stocks, domestic and international equity funds. Domestic securities traded on a national securities exchange are valued at the last reported sales price on the last business day of the fiscal year. Securities traded in the over-the counter market and listed securities for which no sale was reported on that date are valued at the last reported bid price. International equities are valued based upon quoted foreign market prices and translated into U.S. dollars at the exchange rate in effect at September 30, 2013 and 2012. Securities which are not traded on a national security exchange are valued by the respective fund manager or other third parties based on yields currently available on comparable securities of issuers with similar credit ratings.

Unrealized gains and losses are presented as net appreciation in fair value of investments on the statement of changes in plan net position along with gains and losses realized on sales of investments. Purchases and sales of securities are reflected on a trade-date basis. Interest income is recognized as earned and dividend income is recorded as of the ex-dividend date. Realized gains and losses on the sale of investments are based on average cost identification method.

Given the inherent nature of investments, it is reasonably possible that changes in the value of those investments will occur in the near term and that such changes could materially affect the amounts reported in the statements of plan net position.

Income Tax Status

The Plan is exempt from Federal income taxes under the Internal Revenue Code and, therefore, has recorded no income tax liabilities or expense.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**City of Wilton Manors Pension Plan
For General Employees and Police
Notes to Financial Statements
September 30, 2013 and 2012**

Note 2 - Summary of Significant Accounting Policies - continued

Risks and Uncertainties

Contributions to the Plan and the actuarial information included in the required supplementary information (RSI) are reported based on certain assumptions pertaining to the interest rates, inflation rates and member compensation and demographics. Due to the changing nature of these assumptions, it is at least reasonably possible that changes in these assumptions may occur in the near term and, due to the uncertainties inherent in settling assumptions, that the effect of such changes could be material to the financial statements.

Recently Adopted Accounting Pronouncements

The Plan has adopted Governmental Accounting Standards Board (“GASB”) Statement No. 63, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources and Net Position (GASB Statement No. 63). The adoption of this Statement resulted in a change in the presentation of the Statement of Plan Net Assets to what is now referred to as the Statement of Plan Net Position and the term “net assets” is changed to “net position” throughout the financial statements.

Subsequent Events

Management has evaluated subsequent events through March 4, 2014, the date which the financial statements were available for issue.

Note 3 - Funding Requirements and Contributions

Actual Contributions

The actual employer contributions for active employees for the years ended September 30, 2013 and 2012 were \$1,606,783 and \$1,518,314, respectively, and the actual amount of covered payroll was approximately \$578,000 and \$684,000 respectively. Employer contributions consisted of the following:

	2013		2012	
	Amount	Percent of actual covered annual payroll	Amount	Percent of actual covered annual payroll
Employer contribution	\$ 1,606,783	277.99%	\$ 1,518,314	222.08%

For the years ended September 30, 2013 and 2012, employee contributions were \$61,623 and \$73,029, respectively.

**City of Wilton Manors Pension Plan
For General Employees and Police
Notes to Financial Statements
September 30, 2013 and 2012**

Note 3 - Funding Requirements and Contributions - continued

Actuarially Determined Contributions

The Plan contributions required from the City of Wilton Manors for the fiscal years ended September 30, 2013 and 2012 were actuarially determined, using a valuation date of October 1, 2012 and 2011, to be \$1,606,783 and \$1,518,314, respectively. The actuarially computed covered annual payroll was \$622,190 and \$849,026 for fiscal years ended September 30, 2013 and 2012, respectively. The required contributions cover the following:

	2013		2012	
	Amount	Percent of actuarially computed covered portfolio	Amount	Percent of actuarially computed covered portfolio
Normal cost	\$ 327,346	52.61%	\$ 385,757	45.44%
Amortization of the unfunded actuarial accrued liability	1,279,437	205.63	1,132,557	133.39
Total	\$ 1,606,783	258.24%	\$ 1,518,314	178.83%

Note 4 - Funded Status and Funding Progress

The funded status of the Plan as of October 1, 2012, the most recent actuarial valuation date, is as follows:

Actuarial Valuation Date	Actuarial Value of Assets (AVA)	Actuarial Accrued Liability (AAL)	Unfunded Actuarial Accrued Liability (UAAL)	Funded Ratio	Annual Covered Payroll	UAAL as a % of Covered Payroll
10/1/12	\$ 20,937,359	\$ 34,038,536	\$ 13,101,177	61.5%	\$ 622,190	2105.7 %

Valuation date	October 1, 2012
Contribution Rates:	
Employer (and State)	258.24%
Plan Members	10.63%
Actuarial cost method	Entry age, normal cost
Amortization method	Level dollar amount
Equivalent single amortization period	
General members	18 years
Police members	18 years
Asset valuation method	5-year smoothed market with phase-in
Actuarial assumptions:	
Investment rate of return*	7.5%
Projected salary increases*	5.5%
Cost of living adjustments	N/A

*Includes inflation and other
general increases at 3.0%

**City of Wilton Manors Pension Plan
For General Employees and Police
Notes to Financial Statements
September 30, 2013 and 2012**

Note 5 - Deposit and Investment Risk Disclosures

Cash and Cash Equivalents

Deposits are carried at cost and are included in cash and cash equivalents in the statement of plan net position. Cash and cash equivalents include demand accounts and short-term investment funds (STIF). The allowable STIF investments are the custodial short-term (money market) commingled fund, commercial paper and U.S. governmental obligations. Cash and cash equivalents at September 30 consists of the following:

	2013	2012
Short-term investment	\$ 1,106,589	\$ 724,946

Investment Authorization

The Plan's investment policy is determined by the Board of Trustees. The policy has been identified by the Board to conduct the operations of the Plan in a manner so that the assets will provide the pension and other benefits provided under applicable laws, including City ordinances, thereby fulfilling the Plan's main objective of capital preservation with capital appreciation and some level of current income. The Trustees are authorized to acquire and retain every kind of property, real, personal or mixed, and every kind of investment specifically including, but not by way of limitation, bonds, debentures, and other corporate obligations, and stocks, 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 Plan's total asset value, with no more than 5% of the Plan's total assets, at cost, invested in the common stock of any one company.

Investment 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 obligations, no manager should invest more than 5% of the Plan assets in the securities of a single issuer. No issues may be purchased with more than 15 years to maturity.

Types of Investments

Florida statutes and Plan investment policy authorize the Trustees to invest funds in various investments. The current maximum target allocations of these investments are as follows at September 30:

	2013		2012	
	Maximum target % of portfolio	Actual % of portfolio	Maximum target % of portfolio	Actual % of portfolio
Authorized investments				
Domestic equity	70%	61.2%	70%	53.8%
International equity	25%	9.4%	25%	7.7%
Fixed income	65%	25.1%	65%	35.8%
Cash equivalents	50%	4.3%	50%	2.8%

**City of Wilton Manors Pension Plan
For General Employees and Police
Notes to Financial Statements
September 30, 2013 and 2012**

Note 5 - Deposit and Investment Risk Disclosures - continued

Interest Rate Risk

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

Information about the sensitivity of the fair values of the Plan's investment to market interest rate fluctuations is provided by the following tables that show the distribution of the Plan's investment by maturity at September 30:

2013					
Investment Maturities (in years)					
Investment Type	Fair Value	Less than 1	1 to 5	6 to 10	More than 10
U.S. agencies	\$ 3,569,674	\$ -	\$ 660,304	\$1,308,840	\$ 1,600,530
Corporate bonds	2,835,290	-	144,315	2,690,975	-
Total fixed income securities	\$ 6,404,964	\$ -	\$ 804,619	\$3,999,815	\$ 1,600,530

2012					
Investment Maturities (in years)					
Investment Type	Fair Value	Less than 1	1 to 5	6 to 10	More than 10
U.S. agencies	\$ 5,590,665	\$ 67,772	\$ 1,644,339	\$ 763,617	\$ 3,114,937
Corporate bonds	3,584,246	-	208,034	3,376,212	-
Total fixed income securities	\$ 9,174,911	\$ 67,772	\$ 1,852,373	\$4,139,829	\$ 3,114,937

Credit Risk

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

City of Wilton Manors Pension Plan
For General Employees and Police
Notes to Financial Statements
September 30, 2013 and 2012

Note 5 - Deposit and Investment Risk Disclosures - continued

Credit Risk - continued

The following tables disclose credit ratings by investment type, at September 30, as applicable:

	2013		2012	
	Fair Value	Percentage of Portfolio	Fair Value	Percentage of Portfolio
U.S. government guaranteed*	\$ 3,569,674	55.73%	\$ 5,590,665	60.93%
Quality rating of credit risk debt securities:				
AA	305,112	4.76	256,329	2.79
A+	314,387	4.91	431,783	4.71
A	457,245	7.14	1,140,808	12.44
A-	1,572,261	24.55	1,466,229	15.98
BBB+	186,285	2.91	289,097	3.15
Total credit risk debt securities	2,835,290	44.27	3,584,246	39.07
Total fixed income securities	\$ 6,404,964	100.00%	\$ 9,174,911	100.00%

*Obligations of the U.S. government or obligations explicitly guaranteed by the U.S. 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 plan net position at September 30, 2013 and 2012.

Custodial Credit Risk

Deposits are exposed to custodial risk if they are uninsured and uncollateralized. Custodial risk for deposits is the risk that, in the event of the failure of a depository financial institution, the Plan 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. The Plan's deposits are covered by depository insurance or are collateralized by securities held with a financial institution in the Plan's name. The Plan is only exposed to custodial credit risk for uncollateralized cash and cash equivalents that are not covered by federal depository insurance.

Custodial risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, the Plan will not be able to recover the value of its investment 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 are held either by the counterparty or the counterparty's trust department or agent but not in the Plan's name.

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

**City of Wilton Manors Pension Plan
For General Employees and Police
Notes to Financial Statements
September 30, 2013 and 2012**

Note 6 - Management Agreement

The Plan has an agreement with the City of Wilton Manors Firefighters Retirement System (the "System") to keep custody of and manage the assets of the System. The Plan is providing this service as an accommodation and does not incur any fiduciary obligation to the System separate and apart from the fiduciary responsibility of the professional custodian and money managers to the Plan. For the years ended September 30, 2013 and 2012, \$1,187,847 and \$1,006,311, respectively, of the System's assets are included as assets on the Plan's statements of plan net position with \$1,187,847 and \$1,006,311 reflected as a contra-asset account, to Assets Allocated to Firefighters Retirement System on the Plan's statements of plan net position for each of those years.

Required Supplementary Information

City of Wilton Manors Pension Plan

For General Employees and Police

Required Supplementary Information

Schedule of Funding Progress and Schedule of Contributions by Employer - Unaudited

September 30, 2013

Schedule "1" - Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (AVA)	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as % of Covered Payroll
10/1/07	\$ 23,215,211	\$ 30,442,727	\$ 7,227,516	76.3%	\$ 2,355,661	306.8%
10/1/08	23,978,668	31,698,304	7,719,636	75.6	1,570,672	491.5
10/1/09	23,490,652	32,154,562	8,663,910	73.1	1,121,175	772.8
10/1/10	22,793,489	33,732,064	10,938,575	67.6	919,415	1,189.7
10/1/11	22,002,880	33,896,765	11,893,885	64.9	849,026	1,400.9
10/1/12	20,937,359	34,038,536	13,101,177	61.5	622,190	2,105.7

Schedule "2" - Schedule of Contributions by Employer

Year Ended September 30,	Annual Required Contribution	Percentage Contributed
2008	\$ 1,263,599	100%
2009	1,211,419	100
2010	1,338,012	100
2011	1,550,528	100
2012	1,518,314	100
2013	1,606,783	100

Other Supplementary Schedules

City of Wilton Manors Pension Plan for

General Employees and Police

Schedule 1 - Combining Statement of Plan Net Position by Class of Participants

September 30, 2013

	General Employees	Police	Total
Assets			
Cash and cash equivalents	\$ 556,637	\$ 549,952	\$ 1,106,589
Receivables			
City contributions	1,272	1,574	2,846
Proceeds from securities sold	5,322	5,492	10,814
Interest and dividends receivable	33,253	34,315	67,568
Total receivables	39,847	41,381	81,228
Investments, at fair value			
Common stock	6,168,095	6,094,023	12,262,118
U.S. government securities	1,795,619	1,774,055	3,569,674
Domestic equity funds	1,698,761	1,678,360	3,377,121
Corporate bonds	1,426,208	1,409,082	2,835,290
International equity funds	1,209,381	1,194,858	2,404,239
Total investments	12,298,064	12,150,378	24,448,442
Assets allocated to Firefighters Retirement System	(584,587)	(603,260)	(1,187,847)
Total assets	12,309,961	12,138,451	24,448,412
Liabilities			
Accounts payable	18,344	18,930	37,274
Deferred retirement option plan payable	943,908	409,322	1,353,230
Total liabilities	962,252	428,252	1,390,504
Net assets held in trust for pension benefits	\$ 11,347,709	\$ 11,710,199	\$ 23,057,908

(a schedule of funding progress is presented on page 20)

City of Wilton Manors Pension Plan for

General Employees and Police

Schedule 1 - Combining Statement of Plan Net Position by Class of Participants - continued

September 30, 2012

	General Employees	Police	Total
Assets			
Cash and cash equivalents	\$ 366,547	\$ 358,399	\$ 724,946
Receivables			
Proceeds from securities sold	23,226	23,262	46,488
Interest and dividends receivable	51,310	51,389	102,699
Total receivables	74,536	74,651	149,187
Investments, at fair value			
Common stock	5,595,161	5,470,830	11,065,991
U.S. government securities	2,826,739	2,763,926	5,590,665
Domestic equity funds	1,378,694	1,348,057	2,726,751
Corporate bonds	1,812,258	1,771,988	3,584,246
International equity funds	992,372	970,320	1,962,692
Total investments	12,605,224	12,325,121	24,930,345
Assets Allocated to Firefighters Retirement System	(502,766)	(503,545)	(1,006,311)
Total assets	12,543,541	12,254,626	24,798,167
Liabilities			
Accounts payable	14,085	14,107	28,192
Deferred retirement option plan payable	1,587,219	1,271,536	2,858,755
Prepaid City contribution	37,890	47,732	85,622
Total liabilities	1,639,194	1,333,375	2,972,569
Net assets held in trust for pension benefits	\$ 10,904,347	\$ 10,921,251	\$ 21,825,598

(a schedule of funding progress is presented on page 20)

City of Wilton Manors Pension Plan for

General Employees and Police

Schedule 2 - Combining Statement of Changes in Plan Net Position by Class of Participants
For the Year Ended September 30, 2013

	General Employees	Police	Total
Additions:			
Contributions			
Employer	\$ 718,249	\$ 888,534	\$ 1,606,783
Employee	41,560	20,063	61,623
Total contributions	759,809	908,597	1,668,406
Investment income			
Net appreciation in fair value of investments	924,444	939,199	1,863,643
Interest and dividends	348,264	353,822	702,086
Total investment income	1,272,708	1,293,021	2,565,729
Less: Investment expenses	69,830	71,021	140,851
Deferred retirement option plan participants' earnings	121,081	79,179	200,260
Income allocated to Firefighters Retirement System	60,522	60,167	120,689
Net investment income	1,021,275	1,082,654	2,103,929
Total additions	1,781,084	1,991,251	3,772,335
Deductions:			
Benefits paid	1,299,913	1,163,850	2,463,763
Administrative expenses	37,809	38,453	76,262
Total deductions	1,337,722	1,202,303	2,540,025
Net increase	443,362	788,948	1,232,310
Net assets held in trust for pension benefits			
Beginning of year	10,904,347	10,921,251	21,825,598
End of year	\$ 11,347,709	\$ 11,710,199	\$ 23,057,908

**City of Wilton Manors Pension Plan for
General Employees and Police**

Schedule 2 - Combining Statement of Changes in Plan Net Position by Class of Participants - continued
For the Year Ended September 30, 2012

	General Employees	Police	Total
Additions:			
Contributions			
Employer	\$ 671,902	\$ 846,412	\$ 1,518,314
Employee	51,267	21,762	73,029
Total contributions	723,169	868,174	1,591,343
Investment income			
Net appreciation in fair value of investments	1,652,490	1,642,781	3,295,271
Interest and dividends	367,377	365,218	732,595
Total investment income	2,019,867	2,007,999	4,027,866
Less: Investment expenses			
Deferred retirement option plan participants' earnings	219,394	197,835	417,229
Income allocated to Firefighters Retirement System	84,907	84,409	169,316
Net investment income	1,655,884	1,666,431	3,322,315
Total additions	2,379,053	2,534,605	4,913,658
Deductions:			
Benefits paid	1,147,569	1,148,446	2,296,015
Administrative expenses	46,288	46,012	92,300
Total deductions	1,193,857	1,194,458	2,388,315
Net increase	1,185,196	1,340,147	2,525,343
Net assets held in trust for pension benefits			
Beginning of year	9,719,151	9,581,104	19,300,255
End of year	\$ 10,904,347	\$ 10,921,251	\$ 21,825,598

**City of Wilton Manors Pension Plan for
General Employees and Police**

**Other Supplementary Schedules of Investment Expenses and Administrative Expenses
For the Years Ended September 30, 2013 and 2012**

	2013	2012
Schedule "3" - Schedule of Investment Expenses		
Financial management expenses		
Buckhead Capital	\$ 29,849	\$ 26,090
Garcia Hamilton & Associates	49,406	46,543
Wentworth, Hauser & Violich	33,587	17,842
Total financial management expenses	112,842	90,475
Investment consultant fees		
Southeastern Advisory Services	17,139	16,797
Investment custodial fees		
Fiduciary Trust International	-	6,445
Regions Bank	10,870	5,289
Total investment expenses	\$ 140,851	\$ 119,006

Schedule "4" - Schedule of Administrative Expenses		
Professional services		
Actuarial	\$ 22,256	\$ 23,712
Administrative secretary	680	595
Audit	12,750	11,000
Bookkeeper	3,742	3,514
Legal	8,187	24,399
Total professional services	47,615	63,220
Other		
Insurance	7,314	6,660
Office expense	500	45
Trustee expense	20,833	22,375
Total other	28,647	29,080
Total administrative expenses	\$ 76,262	\$ 92,300



Goldstein Schechter Koch
CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS

Coral Gables Office:

2121 Ponce de Leon Blvd., 11th Floor, Coral Gables, FL 33134 • Ph: (305) 442-2200, Fax: (305) 444-0880

Hollywood Office:

4000 Hollywood Blvd., Suite 215 South, Hollywood, FL 33021 • Ph: (954) 989-7462, Fax: (954) 962-1021

www.gskcpas.com