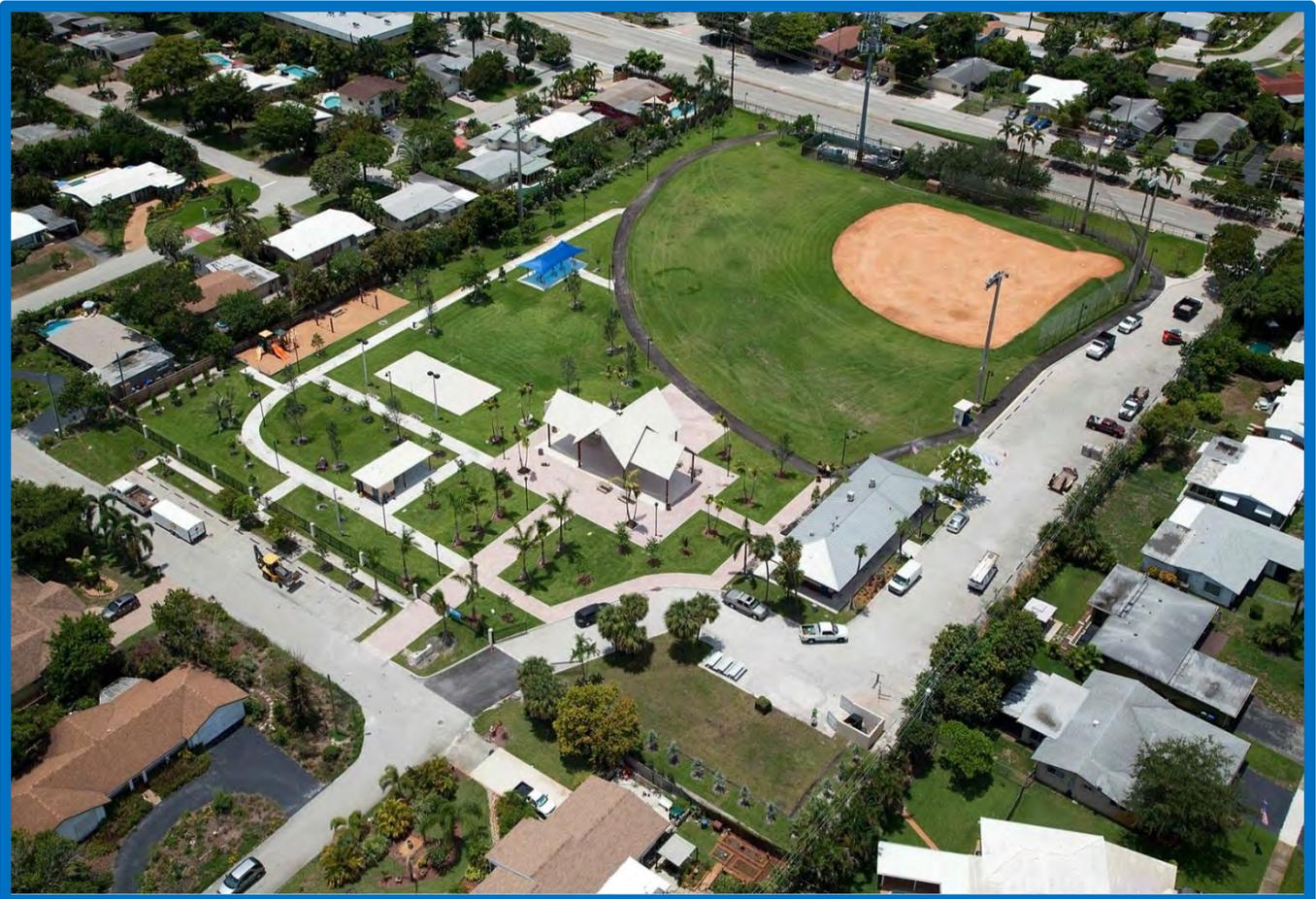


City of
Wilton Manors, Florida

Comprehensive Annual Financial Report

Fiscal Year Ended September 30, 2015

Prepared by the Finance Department



The Newly Repurposed Mickel Park

The City of Wilton Manors celebrated the grand re-opening of Mickel Park on July 25, 2015, after a \$1.6 million make-over.

(See Back Cover for More Information)



Life's Just Better Here

City Of Wilton Manors, Florida

COMPREHENSIVE ANNUAL FINANCIAL REPORT

SEPTEMBER 30, 2015

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COMPREHENSIVE ANNUAL FINANCIAL REPORT

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INTRODUCTORY SECTION



City of Wilton Manors
Finance Department
2020 Wilton Drive
Wilton Manors, FL 33305

Phone (954) 390-2141
Fax (954)390-2199
www.wiltonmanors.com

May 26, 2016

Mayor Gary Resnick
Vice Mayor Scott Newton
Commissioner Julie Carson
Commissioner Justin Flippen
Commissioner Tom Green

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, 2015, pursuant to Section 218.39 of the State of Florida Statutes and the Rules of the Florida Auditor General, Chapter 10.550. This report was prepared by the City's Finance Department. Although the financial statements were audited by independent certified public accountants, the responsibility for the accuracy and completeness of the data, the fairness of presentation, as well as the disclosures made in this report rests with the City. We believe the data as presented is accurate 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 unmodified 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, 2014.

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 at 524 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 hires legal counsel, approves Ordinances and Resolutions and sets overall 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, 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 citizens.

In May 1997 the City created the Island City Foundation, a non-profit organization to principally promote and support public purposes benefitting the residents of Wilton Manors. The Foundation is legally separate entity and is governed by a Board of Directors, which is currently composed of the five members of the City Commission. The Foundation is considered a component unit of the City but has not been included in the financial statements of the City since the financial activities of the Foundation for the fiscal year ended September 30, 2015, are not considered material to the financial statements of the City.

The City, with an estimated population of 12,160, 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 1.83 million residents. The County's total land area is 1,197 square miles of which 787 lie in a conservation area and cannot be developed. The remaining 410 developable square miles have 31 municipalities and 23 miles of beaches.

Although Wilton Manors is continually experiencing redevelopment as is typical in a built-out city like ours, Wilton Manors 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 average. This fiscal year saw the local economy continuing its steady recovery from the Great Recession. As of September 30, 2015 unemployment was 4.9% locally in Broward County, under the 5.3% rate for the state of Florida, and the national rate of 5.2%.

The foundation of the local Wilton Manors economy is its core of residential developments along with small retail 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. The local real estate market for single-family homes was strong throughout the fiscal year, with sales prices continuing their upward trend. Citywide taxable property values, as determined by the Broward County Property Appraiser as of January 1, 2015, increased by 7.3% over the values as of January 1, 2014.

Strategic Plan

On May 19, 2015, the City Commission adopted a 5-year "2020 Strategic Plan." This Plan guides future policy development, budgeting, and management decisions toward the accomplishment of defined goals and objectives.

An important part of the process of developing the Plan was ensuring community participation. Focus group meetings with the City Commission, members of boards and advisory committees, and members of the business community were held. Participants were asked to assess and discuss the strengths, weaknesses, opportunities, and challenges of the City. A city-wide resident survey was also conducted. Feedback from these and other sources was used by City department leaders to develop vision and mission statements, goals, objectives, and strategies for each of the Plan's four priority areas:

- Proactive Public Safety
- Sound Governance
- Strategic Growth and Redevelopment
- Innovating and Adapting for the future

The final component of the Plan was the development of a set of performance measures that will allow for tracking progress toward the accomplishment of the goals.

Ultimately, the Strategic Plan provides the necessary foundation for proactive planning and policy making, guiding our City in a unified direction. While the Plan was not yet finalized in time to be fully incorporated into the FY15-16 budget process, that budget was the first one to be influenced by the 2020 Strategic Plan's priorities as a guide. Future budgets will continue to align with and reflect the plan.

Long-Term Financial Planning

The City Commission annually adopts a five-year Capital Improvement Program (CIP) as a part of the formal budgeting process. The CIP is a roadmap for the City's future spending on both large and small capital projects. An important adjunct to the CIP is the City's Capital Replacement Plan (CRP) which was set up to provide funding for future capital expenditures of a recurring nature. Through the CRP the City provides for the replacement of vehicles and equipment that have come to the end of their useful lives.

Another very visible recent example of this policy is the reserve that the City set aside to help fund the 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 the several previous years.

Financial Policies and Budgetary Guidelines

The City of Wilton Manors' financial policies set forth the basic framework for the overall fiscal management of the City. These policies operate independently of changing circumstances and conditions with the exception of when changes in financial policy are necessary to maintain the integrity of the City and its operations, in conformance with Generally Accepted Accounting Principles (GAAP) and 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 fees and 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 restricted net assets 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 unassigned fund balance at 15% to 20% of the General Fund budget. If the unassigned fund balance falls below the minimum desired level, it is the practice of the City to budget additional contingency funds sufficient to bring the unassigned fund balance back up to the minimum level. This guideline was formally incorporated by the City Commission into the City's Fund Balance Policy which is in compliance with GASB 54, Fund Balance Reporting and Governmental Fund Type Definitions.

Internal Controls

The City's management is responsible for the establishment and maintenance of accounting and other internal controls to ensure compliance with applicable laws and City policies so that financial transactions are properly recorded and documented to provide reliable information for the preparation of the City's financial statements. Because the cost of internal controls should not exceed anticipated benefits, the City's framework of internal controls has been designed to provide reasonable, rather than absolute, assurance that the financial statements are free from material misstatement.

In order to create and maintain a climate supportive of a strong system of internal controls, the City's management has instilled and nurtured a culture of integrity among City staff, clearly communicating their high expectations for staff to perform at the highest level of ethical conduct. Toward this end, management has also provided both the budgetary support and the moral support to enable staff to perform at this high level of professionalism.

Major Initiatives

The City's major initiative of the year was the development of the 2020 Strategic Plan as described above.

The City also held a ribbon cutting and grand re-opening in July 2015 to mark the completion of a \$1.6 million project to repurpose Mickel Park. Public input was instrumental in the redesign for the replacement and upgrading to the park's aging infrastructure in order to meet the current and future needs of the community.

Other major capital initiatives were undertaken in the Water & Sewer Utilities Fund. The City spent \$330,000 to replace approximately one third of the City's old manual-read water meters with new encoded meters that can be read via radio transmissions. This will increase the accuracy and efficiency of the meter reading and utility billing processes. The Sewer division of the Utility Fund also continued its multi-year renewal program for the City's manholes.

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, 2014. This was the sixteenth 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.

The City also received the GFOA's Distinguished Budget Presentation Award for its annual budget document for Fiscal Year 2015-16. To qualify for this award, the City's budget document had to be judged proficient as a policy document, a financial plan, an operations guide, and a communication device.

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 very significant role in the production of the report. Special thanks are due to Carol Conol, the City's Assistant Finance Director, who was primarily responsible for the completion of this CAFR.

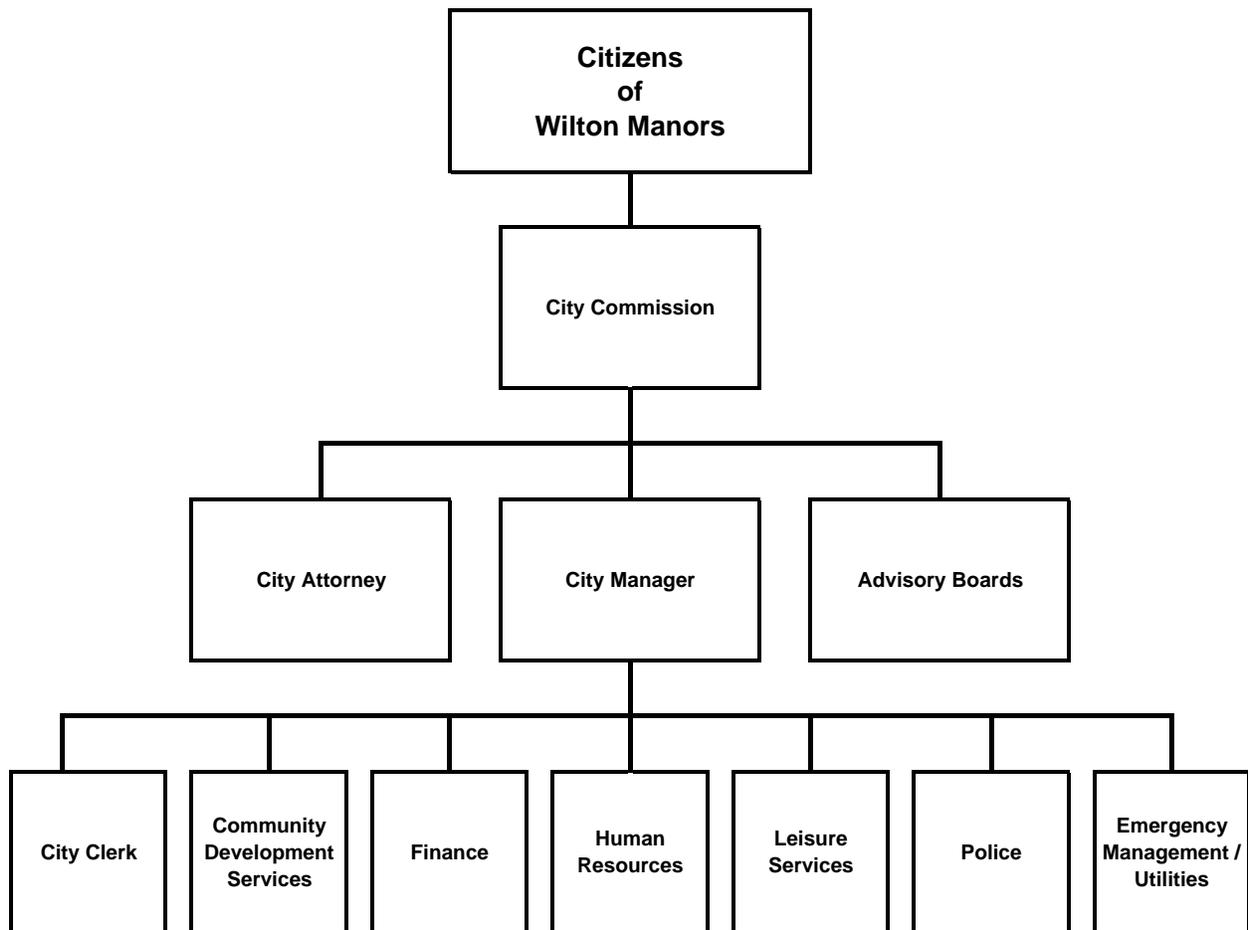
Respectfully,

A handwritten signature in blue ink that reads "Bob Mays" with a stylized flourish at the end.

Bob Mays
Finance Director

City of Wilton Manors

Organization Chart



City of Wilton Manors, Florida

COMMISSION - MANAGER FORM OF GOVERNMENT
LIST OF PRINCIPAL OFFICIALS
As of September 30, 2015

CITY COMMISSION

GARY RESNICK
Mayor

SCOTT NEWTON
Vice Mayor

TOM GREEN
Commissioner

JULIE A. CARSON
Commissioner

JUSTIN S. FLIPPEN
Commissioner

CITY MANAGER
Leigh Ann Henderson

FINANCE DIRECTOR
Bob Mays

CITY ATTORNEY
Kerry Ezrol

CITY CLERK
Kathryn Sims

HUMAN RESOURCES DIRECTOR
Dio Sanchez

**EMERGENCY SERVICES /
UTILITIES DIRECTOR**
David Archacki

**COMMUNITY DEVELOPMENT
SERVICES DIRECTOR**
Roberta Moore

LEISURE SERVICES DIRECTOR
Patrick Cann

POLICE CHIEF
Paul O'Connell



Government Finance Officers Association

**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, 2014

Executive Director/CEO

FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT



INDEPENDENT AUDITOR'S REPORT

Honorable Mayor, City Commission, and City Manager
City of Wilton Manors, Florida

Report on the Financial Statements

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 as of and for the year ended September 30, 2015, and the related notes to the financial statements, which collectively comprise the City of Wilton Manors, Florida's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Pension Trust Funds, which represents 100% of the assets, additions, and deductions of the fiduciary fund totals. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Pension Trust Funds is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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 opinions.

Honorable Mayor, City Commission, and City Manager
City of Wilton Manors, Florida

Opinions

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Wilton Manors, Florida, as of September 30, 2015, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As described in Note 17 to the financial statements, in 2015, the City adopted new accounting guidance, GASB Statement No. 68, Accounting and Financial Reporting for Pensions. Our opinion is not modified in respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison schedules, schedules of changes in net pension liability and related ratios, schedules of share of the collective net pension liability, schedules of contributions, and schedule of funding progress on pages 4 through 15 and 71 through 80 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. 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 basic financial statements.

The combining and individual nonmajor fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit 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 combining and individual nonmajor fund financial statements are fairly stated in all material respects in relation to the basic 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 them.



Honorable Mayor, City Commission, and City Manager
City of Wilton Manors, Florida

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 26, 2016, on our consideration of the City of Wilton Manors, Florida'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 results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Wilton Manors, Florida's internal control over financial reporting and compliance.

GLSC & Company, PLLC

Miami, Florida
May 26, 2016



MANAGEMENT'S DISCUSSION AND ANALYSIS

CITY OF WILTON MANORS, FLORIDA

Management's Discussion and Analysis

This section is intended to provide the reader of this report with a general overview of the financial activities of the City for the fiscal year ended September 30, 2015. 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 financial statements reveals the following:

- Net position is the difference between assets + deferred outflows of resources, on the one hand, and liabilities + deferred inflows of resources, on the other hand.
- During the fiscal year the City implemented the Governmental Accounting Standards Board (GASB) Statements No. 68 "Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27" and GASB Statement No. 71 "Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68." These statements change the way pension obligations are reported in the City's financial statements, so that the City's net pension liability is now reported for the first time directly in the government-wide financial statements and in the enterprise funds financial statements. The implementation of these GASB statements resulted in a restatement of the beginning net position for the current fiscal year to include the beginning net pension liability of \$15,802,370. As originally reported, the City's total net assets for the previous fiscal year that ended September 30, 2014 were \$43,653,103. The restated net assets were \$27,850,733. (See Note 17, Prior Period Adjustment, for more information on this adjustment.)
- At the end of the current fiscal year, September 30, 2015, the assets and deferred outflows of the City exceeded its liabilities and deferred inflows by \$31,628,841 (net position). This increase of \$3,773,126 from the restated beginning balance is a result of City operations during the year.
- The unrestricted portion of net position may be used to meet the City's ongoing obligations to citizens and creditors. Reviewing the changes over time in the City's net position (including Unrestricted Net Position), in combination with a review of other factors, can help to assess the financial health of the City. Even though the City's net position increased by \$3,778,108 during the year, the cumulative effect of the implementation of the GASB statements mentioned above was to reduce the unrestricted portion of net position as of September 30, 2015 to a deficit of (\$8,291,194). (For more information on this adjustment, see Note 9, Note 10, and Note 17.) It will be a goal of the City to restore Unrestricted Net Position to a positive number.
- The \$3,778,108 increase in the City's net position consisted of \$1,756,899 contributed from the business-type activities and \$2,021,209 contributed from the governmental activities.
- Governmental activities expenses were \$16,114,907, \$348,331 (-2.1%) lower than in FY13-14.
- Business-type expenses were \$6,363,633, \$413,842 (+7.0%) higher than the previous year.

- The total expenses of all City programs were \$22,478,540, up \$65,511 (+0.3%) from last year.
- Governmental activities revenues, excluding transfers, totaled \$16,654,116, up \$1,804,015 (+12.1%) from FY13-14.
- Business-type operating revenues, which consist of water & wastewater, drainage, and parking charges for services; impact fee revenues; and miscellaneous revenues, were \$9,589,839, an increase of \$1,109,307 (+13.1%). All three of the City's business-type funds saw increases in operating revenues, as follows: Utility Fund (water & wastewater); up \$1,028,866 (+13.8%), Drainage Fund, up \$24,301 (+6.2%); and Parking Fund, up \$56,141 (+8.7%).
- At the end of the current fiscal year, fund balance of the General Fund was \$4,754,916. Of this balance, \$334,692 is restricted by specific legal requirements, \$1,391,918 has been assigned for next year's budget, \$165,564 is classified as nonspendable, and \$2,862,742 is classified as unassigned.
- The City's total outstanding long-term debt decreased by \$1,069,878 (-9.4%) during the current fiscal year due to regular debt service payments on the City's obligations. One additional new loan in the amount of \$744,200 was secured to finance park improvements.
- Analysis of the Budgetary Comparison Schedule shows that the General Fund, which accounts for the vast majority of the operations of the government, expended 94.5% of the final, budgeted appropriations.

CITY HIGHLIGHTS

The local economy is in recovery from the Great Recession, and the trend of redevelopment is continuing in the Wilton Drive Arts & Entertainment district and elsewhere within the City. Recently opened residential rental and condominium developments continue to have high occupancy rates. Occupancy for newly-built and older commercial units has been strong. Construction progressed on a major new multifamily residential development during the fiscal year. Impact fees are in place, with the revenues being accumulated to expand City infrastructure where needed 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 for the FEC to begin passenger rail service, and Wilton Manors is well positioned to become a site for a passenger rail station. The TOC land use designation and related re-zoning will encourage higher density mixed-use development along the rail corridor.

OVERVIEW OF THE FINANCIAL STATEMENTS

The discussion and analysis provided here are intended to serve as an introduction to the City's basic financial statements. The City of Wilton Manors' basic financial statements consist of three parts: 1) Management's Discussion and Analysis (this section); 2) the Basic Financial Statements comprised of three components: a) Government-wide financial statements, b) Fund financial statements, and c) Notes to the financial statements; and 3) Required Supplementary Information.

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 Position presents information on all the City's assets + deferred outflows, and liabilities + deferred inflows, with the difference reported as net position. Over time, increases or decreases in net position 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 position changed during the year. All changes in net position 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.

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general government, public safety, public services, transportation, and culture and recreation.

The government-wide financial statements can be found on pages 16 and 17 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 on 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 funds' balance sheet and the governmental funds' statement of revenues, expenditures, and changes in fund balances provide reconciliations to facilitate this comparison between governmental funds and governmental activities.

The City maintains nine individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the City's two major governmental funds, the General Fund and the Fire Assessment Fund. Data from the seven other nonmajor governmental funds are combined into a single aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements in the combining and individual fund statements and schedules section of this report.

The City adopts an annual appropriated budget for its General Fund and special revenue funds. A budgetary comparison schedule has been provided for the General Fund and the Fire Assessment Fund to demonstrate compliance with this budget, and is presented as required supplemental information. Budgetary comparison for nonmajor special revenue funds are presented in the combining statements.

The basic governmental fund financial statements can be found on pages 18 through 21 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, the Drainage Fund, and the Parking Fund. The Parking Fund was added as a new enterprise fund during FY12-13.

The City's parking program began in FY06-07 and was greatly expanded during FY09-10. From its inception through FY11-12, the parking program was accounted for as a part of the General Fund.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. A statement of cash flows is presented at the fund financial statement level for Proprietary funds, but no equivalent statements are presented in the government-wide financial statements for either governmental activities or business-type activities.

The basic proprietary fund financial statements can be found on pages 22 to 24.

Fiduciary funds – Fiduciary funds are used to account for resources held for the benefit of parties outside of the government. The accounting used for fiduciary funds is much like that used for proprietary funds.

The City maintains one fiduciary fund. The pension trust fund is used to report resources held in trust for retirees and beneficiaries covered by two pension plans – the General Employees and Police Pension Plan and the Volunteer Firefighters Retirement System.

The City is responsible for ensuring that the assets reported in these funds are used only for their intended purposes, and the City cannot use the assets in the pension plans to finance its operations. Because of this, in the past the activities of the pension plans were excluded from the City's government-wide financial statements. The new GASB statements No. 68 and 71 require that the City's combined Net Pension Liability (\$15,514,622 as of September 30, 2015) now be included on the City's government-wide financial statements.

The basic fiduciary fund financial statements can be found on pages 25 to 26.

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 27 through 70 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 budget-to-actual results and required supplementary information concerning the City's progress in funding its obligation to provide pension benefits to its employees. Required supplementary information can be found on pages 71 through 80 of this report.

GOVERNMENT-WIDE OVERALL FINANCIAL ANALYSIS

Statement of Net Position:

As stated previously, net position may serve over time as a useful indicator of a government's financial position. The City's combined net position totaled \$31,628,841 as of September 30, 2015, \$14,912,671 for governmental activities and \$16,716,170 for business-type activities. The following table presents a condensed statement of net position:

(see next page)

City of Wilton Manors, Florida
Statement of Net Position (Condensed)

| | Governmental Activities | | Business-Type Activities | | Total Primary Government | |
|---|-------------------------|--------------|--------------------------|--------------|--------------------------|---------------|
| | 2014-15 | 2013-14 | 2014-15 | 2013-14 | 2014-15 | 2013-14 |
| Current and Other Assets | \$ 8,078,608 | \$ 7,146,304 | \$ 6,685,666 | \$ 5,908,865 | \$ 14,764,274 | \$ 13,055,169 |
| Capital Assets (Net) | 29,048,103 | 28,499,032 | 16,714,020 | 16,526,074 | 45,762,123 | 45,025,106 |
| Total Assets | 37,126,711 | 35,645,336 | 23,399,686 | 22,434,939 | 60,526,397 | 58,080,275 |
| Deferred Outflow of Resources | 2,582,195 | - | 119,300 | - | 2,701,495 | - |
| Long-Term Debt | 6,160,478 | 5,998,847 | 2,903,723 | 4,159,247 | 9,064,201 | 10,158,094 |
| Other Liabilities | 17,035,712 | 1,801,814 | 3,815,584 | 2,467,264 | 20,851,296 | 4,269,078 |
| Total Liabilities | 23,196,190 | 7,800,661 | 6,719,307 | 6,626,511 | 29,915,497 | 14,427,172 |
| Deferred Inflow of Resources | 1,600,045 | - | 83,510 | - | 1,683,555 | - |
| Net Position | | | | | | |
| Invested in Capital Assets, Net of Debt | 22,977,296 | 22,612,953 | 13,057,723 | 11,643,985 | 36,035,019 | 34,256,938 |
| Restricted | 2,125,600 | 1,637,189 | 1,759,416 | 1,444,317 | 3,885,016 | 3,081,506 |
| Unrestricted | (10,190,225) | 3,594,533 | 1,899,031 | 2,720,126 | (8,291,194) | 6,314,659 |
| Total Net Position | \$14,912,671 | \$27,844,675 | \$16,716,170 | \$15,808,428 | \$31,628,841 | \$43,653,103 |

The City's overall net position decreased by \$12,024,262 from the prior fiscal year, which includes an adjustment that reduced beginning net position by \$15,802,370. The adjustment was a result of the City implementing the provisions of GASB Statements No. 68 and 71. See Note 17, Prior Period Adjustment, for more information on this adjustment.

The largest portion of the City's net position (\$36,035,019) reflects its investment in capital assets, less any related outstanding debt that was used to acquire those assets. The City uses these capital assets to provide a variety of services to its citizens. Accordingly, these assets 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 used to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City's net position (\$3,885,016) represents resources that are subject to external restrictions on how they may be used.

The remaining portion of total net position (Unrestricted Net Position) represents that portion of net position that can be used to finance the City's daily operations and ongoing obligations to its citizens and creditors without constraints established by debt covenants, enabling legislation, or other legal requirements. The City's Unrestricted Net Position has a deficit balance of (\$8,291,194) at year end. The business-type activities have a positive Unrestricted Net Position of \$1,899,031 at year end. This is offset by a deficit of (\$10,190,225) in governmental activities, caused by the inclusion of the governmental activities' net pension liability of (\$14,681,050).

It is essential to put this deficit in context, since the deficit results from the new implementation of the GASB statements on pension accounting as mentioned above. A full picture of the City's overall financial condition can only be seen by analyzing the financial statements as a whole. Information that is particularly helpful in the analysis of the City's net position is found in Table 1 of the statistical section of

this report. Table 1 provides a ten-year view of the changes in the City's net position. This allows the observer to determine how the City's ongoing operations have affected its net position.

City of Wilton Manors, Florida
Statement of Activities

| | Governmental Activities | | Business-Type Activities | | Total Primary Government | |
|---|-------------------------|--------------|--------------------------|--------------|--------------------------|--------------|
| | 2014-15 | 2013-14 | 2014-15 | 2013-14 | 2014-15 | 2013-14 |
| Revenues: | | | | | | |
| Program Revenues: | | | | | | |
| Charges for Services | \$ 3,848,601 | \$ 2,956,203 | \$ 9,324,156 | \$ 8,480,531 | \$13,172,757 | \$11,436,734 |
| Operating Grants/Contributions | 114,401 | 161,330 | - | - | 114,401 | 161,330 |
| Capital Grants/Contributions | 63,870 | 231,025 | - | - | 63,870 | 231,025 |
| General Revenues: | | | | | | |
| Property Taxes | 6,504,190 | 6,214,184 | - | - | 6,504,190 | 6,214,184 |
| Intergovernmental | 1,480,817 | 1,423,396 | - | - | 1,480,817 | 1,423,396 |
| Other Taxes and Fees | 3,696,224 | 3,536,255 | - | - | 3,696,224 | 3,536,255 |
| Other General Revenues | 946,013 | 327,708 | 278,376 | 18,592 | 1,224,389 | 346,300 |
| Total Revenues | 16,654,116 | 14,850,101 | 9,602,532 | 8,499,123 | 26,256,648 | 23,349,224 |
| Expenses | | | | | | |
| General Government | 3,903,520 | 3,915,658 | - | - | 3,903,520 | 3,915,658 |
| Public Safety | 7,812,678 | 8,200,140 | - | - | 7,812,678 | 8,200,140 |
| Culture and Recreation | 3,545,350 | 3,463,104 | - | - | 3,545,350 | 3,463,104 |
| Physical Environment | 347,625 | 327,906 | 5,732,541 | 5,260,249 | 6,080,166 | 5,588,155 |
| Transportation | 302,460 | 322,893 | 493,712 | 437,336 | 796,172 | 760,229 |
| Interest on Long-Term Debt | 203,274 | 233,537 | 137,380 | 252,206 | 340,654 | 485,743 |
| Total Expenses | 16,114,907 | 16,463,238 | 6,363,633 | 5,949,791 | 22,478,540 | 22,413,029 |
| Excess (Deficiency) in Net Position Before Transfers | 539,209 | (1,613,137) | 3,238,899 | 2,549,332 | 3,778,108 | 936,195 |
| Transfers | 1,482,000 | 1,344,433 | (1,482,000) | (1,344,433) | - | - |
| Change in Net Position | 2,021,209 | (268,704) | 1,756,899 | 1,204,899 | 3,778,108 | 936,195 |
| Net Position Beginning of Year | 27,844,675 | 28,113,379 | 15,808,428 | 14,603,529 | 43,653,103 | 42,716,908 |
| Cumulative effect of implementation of GASB No. 68 and No. 71 | (14,953,213) | - | (849,157) | - | (15,802,370) | - |
| Net Position as restated | 12,891,462 | 28,113,379 | 14,959,271 | 14,603,529 | 27,850,733 | 42,716,908 |
| Net Position End of Year | \$14,912,671 | \$27,844,675 | \$16,716,170 | \$15,808,428 | \$31,628,841 | \$43,653,103 |

General discussion on revenues:

This condensed Statement of Activities shows how the year's revenues, expenses, and transfers have affected the City's net position.

Governmental activities increased the City's net position by \$2,021,209. 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 49.0% of General Fund revenues and 39.1% of total governmental fund revenues in FY14-15. The millage rate is a rate charged per thousand dollars of assessed property value net of exemptions.

The operating tax millage rate was 6.0683 mills which when combined with the general obligation debt millage of 0.6542 mills produced an effective total millage rate of 6.7225. This is a decrease from the 2012-2013 combined millage rate of 6.9319. The operating millage rate decreased by 0.1483 mills and the debt service millage rate decreased by 0.0611. 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 taxable 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 Fiscal Year 2014-15 increased by 9.4% from the previous fiscal year. This was the third consecutive year of increases totaling 18.4%, after a cumulative decline of 36.7% in the four previous fiscal years (from FY08-09 through FY11-12).

Program revenues from Charges for Services for governmental activities increased by \$892,398 (+30.2%) from the prior year due to a \$393,146 increase in building permits, a \$112,466 increase in code enforcement fines, a \$73,335 increase in parks program fees, and a \$168,555 increase in fire fees.

During the past fiscal year, the City received a small number of operating and capital grants from various federal, state, county, and other local programs. Federal grants totaled \$63,233 including \$62,220 from the Department of Housing and Urban Development, and \$1,013 from the Department of Justice. State grants totaled \$24,099 and local grant funding totaled \$90,940. Total grant revenues from all sources for the year totaled \$178,271. The City has vigorously pursued additional grant funding in order to increase grant revenues to become a significant source of revenues for funding projects. To this end, a new Capital Projects and Grants Manager was hired and has already shown significant results.

The business-type activities increased the City's net position by \$1,756,899 due primarily to a \$1,442,809 increase from the current operations of the water and sewer fund. The increase in the water and sewer fund's operating revenue is primarily due to a rate increase implemented in October 2014. The parking fund increased its fund net position due to the increase in parking fees revenue by approximately \$75,000 and a slight decrease in operating expenses.

General discussion on expenses:

Expenses recorded on the government-wide financial statements were \$16,114,907 for governmental activities and \$6,363,633 for the business-type activities. The City is predominantly a service provider and therefore its major expenses are salaries and benefits. The salaries are specifically affected by cost of living and merit adjustments, while benefit costs are closely linked to health insurance premium rates and pension contribution rates. Salary increases have been minimized over the last several years due to no merit adjustments being authorized for employees not represented by the Police Benevolent Association bargaining unit from FY06-07 through FY12-13. For 13-14 merit increases from 0% - 4% were reinstated for these employees, and in FY14-15 merit increases from 0% - 3% were authorized for these employees. Cost of living adjustments were 1% in FY13-14 and 3% in FY14-15.

The number of City personnel (Full Time Equivalents) increased by 5.4 due to changes in two departments – Police, +1.70; and Leisure Services, +3.7. The 3.7 Leisure Services FTE increase includes one temporary full-time employee whose employment will not extend beyond the fiscal year. The City continues to look to outsourcing, automation, and increased efficiencies to keep the number of personnel employed to an efficient and moderate level. As a part of its annual budget process the City also reviews the programs and services it offers, evaluates whether to continue these programs and services (either in-house or outsourced), and determines the level of resources (including staffing) to be devoted to those programs and services that are maintained.

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, unassigned fund balance may serve as a useful measure of a government's net resources available for discretionary use as they represent the portion of fund balance which has not yet been limited to use for a particular purpose by either an external party, the City itself, or a group or individual that has been delegated authority to assign resources for use for particular purposes by the City Commission. The City has adopted Statement No. 54 of the Governmental Accounting Standards Board (GASB), which requires that fund balance be reported in several categories. These categories are: Nonspendable, Restricted, Committed, Assigned, and Unassigned. Unassigned fund balance is available for spending at the City's discretion, and as such unassigned fund balance serves as a particularly 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 \$6,390,580, an increase of \$445,489 (+7.5%) from the prior fiscal year. The increase is due largely to the receipt of approximately \$349,000 from the liquidation of Broward County's Resource Recovery Board, of which the City was a participant. About 43% (\$2,728,119 of the \$6,390,580 total constitutes the unassigned fund balance for all governmental funds, which is available for spending at the City's discretion.

General Fund - The General Fund is the chief operating fund of the City of Wilton Manors. The unassigned fund balance of the General Fund at year-end was \$2,862,742, 44.8% of the total fund balance for all governmental funds, and 60.2% of the General Fund's total fund balance of \$4,754,916.

As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance at year end represents approximately 20.6% of the current fiscal year operating expenditures in the General Fund (excluding capital expenditures), while total fund balance represents about 34.3% of that same amount. Unassigned

fund balance at year end represents approximately 18.7% of the budgeted operating expenditures for the subsequent fiscal year (FY15-16, \$15,329,957). The amount of unassigned fund balance is within the target in the City's adopted fund balance policy of maintaining a minimum unassigned fund balance in the General Fund of from 15% to 20% of the subsequent fiscal year's budgeted operating expenditures.

The remaining fund balance categories of the General Fund are not available for new spending because they are already categorized for other purposes. Nonspendable fund balance (\$165,564) represents the amounts of inventories and prepayments. The General Fund's restricted fund balance (\$334,692) is the amount of unspent impact fees available only for restricted purposes. The remaining amount of total fund balance, \$1,391,918, has been assigned to fund expenditures in the FY15-16 budget.

Fire Assessment Fund – The Fire Assessment Fund is a special revenue fund which accounts for the revenues and expenditures associated with fire prevention and fire protection activities in the City. The Fire Assessment Fund employs a full-time Fire Marshal and Fire Inspector, and shares administrative staff with the General Fund's Community Development Services Department. The City contracts with the neighboring City of Fort Lauderdale to provide first responder services for both fire and emergency medical services. Emergency medical services are funded through the General Fund, but fire services are funded through the Fire Assessment Fund, whose primary revenue source is a Fire Assessment Fee levied as a non-ad valorem assessment and billed to property owners on their property tax bills.

Of the Fire Assessment Fund's total revenues of \$1,935,336 for the fiscal year, \$1,669,358 (86.3%) came from the Fire Assessment Fee. The fund's fund balance increased by \$54,280 (+6.9%) during the fiscal year, ending the year at \$836,248. All of the Fire Assessment Fund's fund balance is restricted to be used for fire operations.

Nonmajor Governmental Funds – Information for the City's seven other governmental funds are reported in the Combining Statements on pages 81 and 82. The combined fund balance for these seven funds increased by \$449,749 (+128.6%) during the year, ending the year at \$799,416. The large increase is primarily due to a one-time influx of funds into the Road Improvement Fund, whose fund balance increased by \$378,627 (+254.9%), ending the year at \$527,172.

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. The net position of the Water and Sewer Utility Fund increased by \$1,442,809 (+11.2%), ending the year at \$14,328,478. The net position of the City's Drainage Utility Fund amounted to \$1,672,191 at year end, an increase of \$130,043 (+8.4%). The Parking Fund ended the year with a total net position of \$715,501, an increase of \$184,047 (+34.6%) over the prior year.

GENERAL FUND BUDGETARY HIGHLIGHTS

Original budget compared to Final budget:

During the year there was a need to increase the original budgeted appropriations by \$342,235. The main components of the increase were:

- a. \$247,616 increase in the Leisure Services Department to cover the cost of capital improvements to the City's parks system.
- b. \$54,432 in the Community Development Services to cover the cost of contracted planning services.

Final budget compared to actual results:

General Fund revenues, excluding transfers-in, exceeded the final budget by \$887,704, while expenditures, excluding transfer-out, were \$926,253 below the final budget. Major variances (+/- 5% or more) between budgeted and actual amounts in the General Fund are as follows:

- a. Licenses and permits revenues were over budget by \$167,177 (+20%) due to increased building permits activity.
- b. Intergovernmental revenues exceeded budget by \$135,869 (+12%) due to higher than expected sales tax revenues from the State of Florida, and an unexpected \$50,056 grant received from Broward County.
- c. Revenues from Charges for Services came in \$144,905 (+38%) over budget due to increased revenues from the City's Leisure Services Department's child care programs.
- d. Fines and Forfeitures were over budget by \$237,977 (+145%) thanks to the settlement of outstanding Code Enforcement fines by the City Commission.
- e. Investment earnings exceeded budget by \$28,102 (+187%) due to the receipt of a \$21,780 final distribution from the Florida State Board of Administration's (Florida Prime) Fund B.
- f. Miscellaneous revenues came in over budget by \$116,071 (+63%). This type of revenue is difficult to predict and can vary widely from year to year. The major contributor to this increase was a \$90,339 rebate through the City's purchasing card program.
- g. Budgeted expenditure savings during the year were found in the following departments: City Commission, \$14,482; City Management, \$44,326; City Clerk, \$29,399; Finance, \$53,636; Human Resources, \$63,034; City Attorney, \$74,639; Police, \$456,968; Emergency Management, \$25,656; and Leisure Services (Library, Parks and Recreation), \$211,097.
- h. The expenditures for the City Non-Departmental Department exceeded budget for the fiscal year by \$10,520, and the Community Development Services (CDS Department's expenditures were over budget by \$38,969. The CDS shortfall was more than offset by the increase in building permits revenue.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets:

The City had \$45,762,123 invested in capital assets, net of accumulated depreciation, on September 30, 2015. The following schedule summarizes capital assets held by the City:

Capital Assets, Net
September 30, 2015 and 2014

| | Governmental Activities | | Business-Type Activities | | Total Primary Government | |
|-----------------------------------|-------------------------|---------------------|--------------------------|----------------------|--------------------------|---------------------|
| | 2014-15 | 2013-14 | 2014-15 | 2013-14 | 2014-15 | 2013-14 |
| Land | \$ 9,123,116 | \$ 9,123,116 | \$ 1,963,240 | \$ 1,961,505 | \$11,086,356 | \$11,084,621 |
| Construction in Progress | - | - | - | - | - | - |
| Intangibles | 42,070 | 42,070 | - | - | 42,070 | 42,070 |
| Infrastructure | 5,811,962 | 4,660,193 | 13,514,129 | 13,372,385 | 19,326,091 | 18,032,578 |
| Buildings | 9,917,570 | 10,241,469 | 654,283 | 656,030 | 10,571,853 | 10,897,499 |
| Improvements Other Than Buildings | 2,542,523 | 2,803,314 | (20,822) | (73,838) | 2,521,701 | 2,729,476 |
| Machinery and Equipment | 1,610,862 | 1,628,872 | 603,190 | 609,992 | 2,214,052 | 2,238,864 |
| Total Capital Assets | <u>\$29,048,103</u> | <u>\$28,499,034</u> | <u>\$16,714,020</u> | <u>\$ 16,526,074</u> | <u>\$45,762,123</u> | <u>\$45,025,108</u> |

Additional information on the City's capital assets can be found in Note 5 on pages 45 and 46.

Debt Administration:

The City had bond, note and loan debt totaling approximately \$10.25 million at September 30, 2015. Total debt outstanding at the end of the prior fiscal year was \$11.32 million. The net decrease is due to regular debt service payments on the City's debt made during the year, as offset by the \$744,200 proceeds of one new bank loan that was secured to help fund park improvements.

Outstanding Debt
September 30, 2015 and 2014

| | Governmental Activities | | Business-Type Activities | | Total Primary Government | |
|--------------------------|-------------------------|---------------------|--------------------------|---------------------|--------------------------|---------------------|
| | 2014-15 | 2013-14 | 2014-15 | 2013-14 | 2014-15 | 2013-14 |
| General Obligation Bonds | \$ 5,226,607 | \$ 5,680,515 | \$ - | \$ - | \$ 5,226,607 | \$ 5,680,515 |
| Note Payable | 100,000 | 200,000 | - | - | 100,000 | 200,000 |
| Revenue Bonds | - | - | 2,325,229 | 3,424,100 | 2,325,229 | 3,424,100 |
| Bank Loan | 744,200 | - | 1,855,807 | 1,993,330 | 2,600,007 | 1,993,330 |
| Capital Leases | - | 5,564 | - | 18,212 | - | 23,776 |
| TOTAL | <u>\$ 6,070,807</u> | <u>\$ 5,886,079</u> | <u>\$ 4,181,036</u> | <u>\$ 5,435,642</u> | <u>\$10,251,843</u> | <u>\$11,321,721</u> |

During fiscal year 2014-2015, the amount of the City's general obligation debt decreased by \$453,908 due to scheduled debt service payments on the existing debt. No additional general obligation debt is anticipated in fiscal year 2015-2016.

Revenue bonds are the second highest category of City debt. Revenue bonds indebtedness at year end was \$2.33 million, all from the 2007 Water & Sewer Revenue Bonds. The proceeds of this debt were used to make improvements to the City's water and sewer systems, including a major sewer relining project. This debt is scheduled to be retired on October 1, 2016.

Two bank loans with year-end indebtedness of \$1.86 million and \$744,200, respectively, were the other major component of the City's debt during the fiscal year. The proceeds of the first loan, the Utility and Parking Bank Loan, were used to finance construction of the replacement of the City's main sewer lift station, and for the construction of surface parking lots in the Arts & Entertainment District. The smaller bank loan financed the repurposing of the City's Mickel Park.

Additional information on the City's long-term debt can be found in Note 7 on pages 47 through 49 of this report.

ECONOMIC FACTORS

The City's primary sources of revenue are property and utility taxes, franchises and regulatory fees, and utility charges for services. State shared revenues, which include telecommunications taxes, are another large source of revenue. All of these revenue sources are affected to a greater or lesser extent by general economic factors. The fiscal year was a period of improving economic conditions in the region, state, and country. Recovery from the Great Recession which began in 2007 has proceeded steadily. Local unemployment rates have dropped steadily in the last year.

The local economy continued and improved upon the recovery that began in the two prior fiscal years. The local recovery is due primarily to increased sales of residential real estate, increased tourism, and increased retail activity. The City's property values as of January 1, 2015 increased 7.3%, and January 1, 2016 property values increased another 8.54% over the prior year, the fifth year in a row of increases totaling 33.4% after a four year cycle of declining property values related to the national recession.

Since the end of the City's fiscal year on September 30, 2015, the general local economy has shown continued signs of improvement as the county unemployment rate has continued to edge downward.

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 by phone at (954) 390-2144, by email to ap@wiltonmanors.com, or by mail to the City of Wilton Manors, Assistant Finance Director, 2020 Wilton Drive, Wilton Manors, FL 33305.

The City publishes this report and much more financial information on its website: www.wiltonmanors.com > Departments > Finance.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

CITY OF WILTON MANORS, FLORIDA
STATEMENT OF NET POSITION
SEPTEMBER 30, 2015

| | Primary Government | | |
|---|------------------------------------|--|----------------------|
| | <u>Governmental Activities</u> | <u>Business- Type Activities</u> | <u>Total</u> |
| <u>ASSETS</u> | | | |
| Equity in pooled cash and cash equivalents | \$ 6,522,700 | \$ 3,967,537 | \$ 10,490,237 |
| Cash held by third party | 642,675 | - | 642,675 |
| Restricted cash and cash equivalents | 4,000 | 1,937,242 | 1,941,242 |
| Accounts receivable - net | 483,413 | 717,844 | 1,201,257 |
| Due from other governments | 259,510 | - | 259,510 |
| Internal balances | (5,551) | 5,551 | - |
| Inventory | 36,252 | 23,377 | 59,629 |
| Prepayments and other assets | 135,609 | 34,115 | 169,724 |
| Capital assets, non-depreciable | 9,165,186 | 1,963,240 | 11,128,426 |
| Capital assets, depreciable (net) | <u>19,882,917</u> | <u>14,750,780</u> | <u>34,633,697</u> |
| Total assets | <u>37,126,711</u> | <u>23,399,686</u> | <u>60,526,397</u> |
| <u>DEFERRED OUTFLOW OF RESOURCES</u> | | | |
| Deferred outflows related to pensions | <u>2,582,195</u> | <u>119,301</u> | <u>2,701,496</u> |
| <u>LIABILITIES</u> | | | |
| Accounts payable and accrued liabilities | 1,534,079 | 1,203,772 | 2,737,851 |
| Customer deposits | - | 451,808 | 451,808 |
| Unearned revenues | 189,589 | - | 189,589 |
| Noncurrent liabilities: | | | |
| Due within one year | | | |
| Compensated absences | 487,582 | 44,550 | 532,132 |
| Bonds, notes and loan payable | 631,994 | 1,281,882 | 1,913,876 |
| Due in more than one year | | | |
| Compensated absences | 167,383 | 4,569 | 171,952 |
| Bonds, notes and loan payable | 5,438,813 | 2,899,154 | 8,337,967 |
| Net pension liability | 14,681,050 | 833,572 | 15,514,622 |
| Net OPEB obligation | <u>65,700</u> | <u>-</u> | <u>65,700</u> |
| Total liabilities | <u>23,196,190</u> | <u>6,719,307</u> | <u>29,915,497</u> |
| <u>DEFERRED INFLOW OF RESOURCES</u> | | | |
| Deferred inflows related to pensions | <u>1,600,045</u> | <u>83,510</u> | <u>1,683,555</u> |
| <u>NET POSITION</u> | | | |
| Net investments in capital assets | 22,977,296 | 13,057,723 | 36,035,019 |
| Restricted for: | | | |
| Renewal and replacement | - | 300,000 | 300,000 |
| Debt service | - | 1,185,434 | 1,185,434 |
| Water & sewer system improvement | - | 273,982 | 273,982 |
| Law enforcement | 41,747 | - | 41,747 |
| Police equipment/training/crime prevention | 225,899 | - | 225,899 |
| Fire operations | 863,166 | - | 863,166 |
| Culture and recreation impact fees | 18,617 | - | 18,617 |
| Affordable housing impact fees | 274,328 | - | 274,328 |
| Recycling operations | 143,942 | - | 143,942 |
| Jenada Isle neighborhood improvement | 36,991 | - | 36,991 |
| Road improvements | 520,910 | - | 520,910 |
| Unrestricted | <u>(10,190,225)</u> | <u>1,899,031</u> | <u>(8,291,194)</u> |
| Total net position | <u>\$ 14,912,671</u> | <u>\$ 16,716,170</u> | <u>\$ 31,628,841</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, 2015

| | Program Revenues | | | Net (Expense) Revenue and Changes in Net Position | | | |
|--|----------------------|----------------------|-----------------------------------|---|-------------------------|--------------------------|--------------------|
| | Expenses | Charges for Services | Operating Grants and Contribution | Capital Grants and Contribution | Primary Government | | |
| | | | | | Governmental Activities | Business-Type Activities | Total |
| Functions/programs | | | | | | | |
| Primary government: | | | | | | | |
| Governmental activities: | | | | | | | |
| General government | \$ 3,903,520 | \$ 963,752 | \$ - | \$ - | \$ (2,939,768) | \$ - | \$ (2,939,768) |
| Public safety | 7,812,678 | 2,364,035 | 45,102 | - | (5,403,541) | - | (5,403,541) |
| Culture and recreation | 3,545,350 | 512,947 | 69,299 | 63,870 | (2,899,234) | - | (2,899,234) |
| Physical environment | 347,625 | 7,867 | - | - | (339,758) | - | (339,758) |
| Transportation | 302,460 | - | - | - | (302,460) | - | (302,460) |
| Interest expense | 203,274 | - | - | - | (203,274) | - | (203,274) |
| Total governmental activities | 16,114,907 | 3,848,601 | 114,401 | 63,870 | (12,088,035) | - | (12,088,035) |
| Business-type activities: | | | | | | | |
| Water and wastewater | 5,562,904 | 8,209,883 | - | - | - | 2,646,979 | 2,646,979 |
| Parking | 519,558 | 701,150 | - | - | - | 181,592 | 181,592 |
| Drainage | 281,171 | 413,123 | - | - | - | 131,952 | 131,952 |
| Total business activities | 6,363,633 | 9,324,156 | - | - | - | 2,960,523 | 2,960,523 |
| Total primary government | \$ 22,478,540 | \$ 13,172,757 | \$ 114,401 | \$ 63,870 | (12,088,035) | 2,960,523 | (9,127,512) |
| General Revenues: | | | | | | | |
| Taxes: | | | | | | | |
| Property | | | | | 6,504,190 | - | 6,504,190 |
| Franchise | | | | | 1,325,740 | - | 1,325,740 |
| Utility services | | | | | 2,115,067 | - | 2,115,067 |
| Others | | | | | 255,417 | - | 255,417 |
| Intergovernmental revenue, not restricted to specific function | | | | | 1,480,817 | - | 1,480,817 |
| Interest income | | | | | 65,504 | 7,143 | 72,647 |
| Miscellaneous | | | | | 880,509 | 271,233 | 1,151,742 |
| Transfers | | | | | 1,482,000 | (1,482,000) | - |
| Total general revenues and transfers | | | | | 14,109,244 | (1,203,624) | 12,905,620 |
| Change in net position | | | | | 2,021,209 | 1,756,899 | 3,778,108 |
| Net position, beginning, as restated | | | | | 12,891,462 | 14,959,271 | 27,850,733 |
| Net position, ending | | | | | \$ 14,912,671 | \$ 16,716,170 | \$ 31,628,841 |

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, 2015

| | <u>General</u> | <u>Fire Assessment</u> | <u>Nonmajor</u> | <u>Total</u> |
|--|---------------------|------------------------|---------------------|---------------------|
| | <u>Fund</u> | <u>Fund</u> | <u>Governmental</u> | <u>Governmental</u> |
| | | | <u>Funds</u> | <u>Funds</u> |
| <u>ASSETS</u> | | | | |
| Equity in pooled cash and cash equivalents | \$ 5,005,309 | \$ 366,607 | \$ 1,150,784 | \$ 6,522,700 |
| Receivables, net | | | | |
| Accounts receivable | 288,677 | - | 194,736 | 483,413 |
| Due from other governments | 224,063 | - | 35,447 | 259,510 |
| Due from other funds | 137,570 | - | 2,449 | 140,019 |
| Inventories | 29,990 | - | 6,262 | 36,252 |
| Prepayments | 135,574 | - | 35 | 135,609 |
| Restricted cash | 4,000 | 642,675 | - | 646,675 |
| Total assets | <u>\$ 5,825,183</u> | <u>\$ 1,009,282</u> | <u>\$ 1,389,713</u> | <u>\$ 8,224,178</u> |
| <u>LIABILITIES</u> | | | | |
| Accounts payable | \$ 888,386 | \$ 120,030 | \$ 375,641 | \$ 1,384,057 |
| Accrued liabilities | 109,496 | 1,703 | 3,183 | 114,382 |
| Due to other funds | 8,001 | - | 137,569 | 145,570 |
| Unearned revenues | 64,384 | 51,301 | 73,904 | 189,589 |
| Total liabilities | <u>1,070,267</u> | <u>173,034</u> | <u>590,297</u> | <u>1,833,598</u> |
| <u>FUND BALANCES</u> | | | | |
| Non spendable: | | | | |
| Inventories and prepayments | 165,564 | - | 6,297 | 171,861 |
| Restricted for: | | | | |
| Law enforcement | 41,747 | - | - | 41,747 |
| Police equipment/training/crime prevention | - | - | 225,899 | 225,899 |
| Fire operations | - | 836,248 | - | 836,248 |
| Culture and recreation impact fees | 18,617 | - | - | 18,617 |
| Affordable housing impact fees | 274,328 | - | - | 274,328 |
| Recycling operations | - | - | 143,942 | 143,942 |
| Jenada Isle neighborhood improvement | - | - | 36,991 | 36,991 |
| Road improvements | - | - | 520,910 | 520,910 |
| Assigned for next year's budget | 1,391,918 | - | - | 1,391,918 |
| Unassigned: | 2,862,742 | - | (134,623) | 2,728,119 |
| Total fund balances | <u>4,754,916</u> | <u>836,248</u> | <u>799,416</u> | <u>6,390,580</u> |
| Total liabilities and fund balances | <u>\$ 5,825,183</u> | <u>\$ 1,009,282</u> | <u>\$ 1,389,713</u> | <u>\$ 8,224,178</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 POSITION
SEPTEMBER 30, 2015

| | | |
|---|--------------|--------------|
| Fund balances - total government funds (Page 18) | \$ | 6,390,580 |
| <p>Amounts reported for governmental activities in the statement of net position 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 | 62,032,749 | |
| Less: accumulated depreciation | (32,984,646) | 29,048,103 |
| <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 notes and bank loans | (6,070,807) | |
| Net pension liability | (14,681,050) | |
| Compensated absences | (654,965) | (21,406,822) |
| Bond interest payable not reported in the governmental funds | | (35,640) |
| <p>Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the funds:</p> | | |
| Deferred inflows of resources | (1,600,045) | |
| Deferred outflows of resources | 2,582,195 | 982,150 |
| Net OPEB obligation attributable to retiree benefits financed from governmental fund types | | (65,700) |
| Net position of governmental activities (Page 16) | \$ | 14,912,671 |

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
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2015

| | <u>General</u> <u>Fund</u> | <u>Fire Assessment</u> <u>Fund</u> | <u>Nonmajor</u> <u>Governmental</u> <u>Funds</u> | <u>Total</u> <u>Governmental</u> <u>Funds</u> |
|---|-------------------------------|---------------------------------------|--|---|
| Revenues: | | | | |
| Taxes: | | | | |
| Property | \$ 6,504,190 | \$ - | \$ - | \$ 6,504,190 |
| Franchise | 849,484 | - | 476,256 | 1,325,740 |
| Utility services | 2,115,067 | - | - | 2,115,067 |
| Insurance premium tax | - | 143,467 | - | 143,467 |
| Intergovernmental | 1,287,969 | - | 334,410 | 1,622,379 |
| Special assessments | - | 1,669,358 | 7,867 | 1,677,225 |
| Charges for services | 524,155 | 101,385 | 5,400 | 630,940 |
| Licenses and permits | 992,177 | - | - | 992,177 |
| Fines and forfeitures | 402,477 | - | 191,394 | 593,871 |
| Investment income | 43,102 | 21,069 | 1,333 | 65,504 |
| Impact fees | 266,220 | - | - | 266,220 |
| Miscellaneous | 301,571 | 57 | 415,708 | 717,336 |
| Total revenues | <u>13,286,412</u> | <u>1,935,336</u> | <u>1,432,368</u> | <u>16,654,116</u> |
| Expenditures: | | | | |
| Current: | | | | |
| General government | 3,164,475 | - | - | 3,164,475 |
| Public safety | 6,648,135 | 1,663,715 | 79,215 | 8,391,065 |
| Culture and recreation | 3,078,177 | - | 38,108 | 3,116,285 |
| Physical environment | - | - | 320,254 | 320,254 |
| Transportation | 189,244 | - | 58,528 | 247,772 |
| Debt service: | | | | |
| Principal | 559,472 | - | - | 559,472 |
| Interest | 208,763 | - | - | 208,763 |
| Debt issuance costs | 20,000 | - | - | 20,000 |
| Capital Outlay: | <u>2,170,366</u> | <u>11,144</u> | <u>225,231</u> | <u>2,406,741</u> |
| Total expenditures | <u>16,038,632</u> | <u>1,674,859</u> | <u>721,336</u> | <u>18,434,827</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>(2,752,220)</u> | <u>260,477</u> | <u>711,032</u> | <u>(1,780,711)</u> |
| Other financing sources (uses): | | | | |
| Proceeds from issuance of debt | 744,200 | - | - | 744,200 |
| Transfers in | 1,974,480 | - | 380,910 | 2,355,390 |
| Transfers out | <u>(25,000)</u> | <u>(206,197)</u> | <u>(642,193)</u> | <u>(873,390)</u> |
| Total other financing sources (uses) | <u>2,693,680</u> | <u>(206,197)</u> | <u>(261,283)</u> | <u>2,226,200</u> |
| Net change in fund balances | (58,540) | 54,280 | 449,749 | 445,489 |
| Fund balances - beginning | <u>4,813,456</u> | <u>781,968</u> | <u>349,667</u> | <u>5,945,091</u> |
| Fund balances - ending | <u>\$ 4,754,916</u> | <u>\$ 836,248</u> | <u>\$ 799,416</u> | <u>\$ 6,390,580</u> |

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
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2015

Amounts reported for governmental activities in the statement of activities (Page 17) are different because:

| | | |
|--|----|---------|
| Net change in fund balances - total government funds (Page 20) | \$ | 445,489 |
|--|----|---------|

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the costs of those assets are depreciated over their estimated useful lives and reported as depreciation expense.

| | | |
|---|--------------------|---------|
| Expenditures for capital assets | 2,406,741 | |
| Less: current year provision for depreciation | <u>(1,848,157)</u> | 558,584 |

| | | |
|--|--|---------|
| Net effect of various miscellaneous transactions involving capital assets (i.e., sales and donations). | | (9,513) |
|--|--|---------|

Proceeds from issuance of debt 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 position, 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 position.

| | | |
|--------------------------|--|-----------|
| Debt issued or incurred: | | |
| Notes payable | | (744,200) |

| | | |
|---|--------------|---------|
| Principal repayments | | |
| General obligation notes and bank loans | 453,908 | |
| Notes payable | 100,000 | |
| Capital leases | <u>5,564</u> | 559,472 |

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 | | (53,524) |
| Pension related expenses | | 1,254,312 |
| Increase in accrued interest payable on governmental debts | | 5,489 |

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 decrease the net OPEB obligation in the statement of activities.

| | | |
|---|----|------------------|
| Change in net position of governmental activities (Page 17) | \$ | <u>2,021,209</u> |
|---|----|------------------|

CITY OF WILTON MANORS, FLORIDA
STATEMENT OF FUND NET POSITION
PROPRIETARY FUNDS
SEPTEMBER 30, 2015

| <u>ASSETS</u> | <u>Business- type activities - Enterprise Funds</u> | | | |
|--|---|-------------------------|--------------------------|----------------------|
| | <u>Major Funds</u> | | <u>Non Major Fund</u> | |
| | <u>Utility Fund</u> | <u>Parking Fund</u> | <u>Drainage Fund</u> | <u>Total</u> |
| Current assets: | | | | |
| Equity in pooled cash and cash equivalents | \$ 2,274,820 | \$ 877,476 | \$ 815,241 | \$ 3,967,537 |
| Restricted cash and cash equivalents | 1,937,242 | - | - | 1,937,242 |
| Accounts receivable, net | 683,044 | - | 34,800 | 717,844 |
| Due from other funds | 1,842 | - | 3,709 | 5,551 |
| Inventories | 23,377 | - | - | 23,377 |
| Prepayments | 2,313 | 50 | 578 | 2,941 |
| Deposits | - | 31,174 | - | 31,174 |
| Total current assets | <u>4,922,638</u> | <u>908,700</u> | <u>854,328</u> | <u>6,685,666</u> |
| Non-current assets: | | | | |
| Capital assets, non-depreciable | 1,502,973 | 460,267 | - | 1,963,240 |
| Capital assets, depreciable - net | <u>13,193,823</u> | <u>600,873</u> | <u>956,084</u> | <u>14,750,780</u> |
| Total non-current assets | <u>14,696,796</u> | <u>1,061,140</u> | <u>956,084</u> | <u>16,714,020</u> |
| Total assets | <u>19,619,434</u> | <u>1,969,840</u> | <u>1,810,412</u> | <u>23,399,686</u> |
| <u>DEFERRED OUTFLOWS OF RESOURCES</u> | | | | |
| Deferred outflows related to pensions | <u>98,234</u> | <u>4,770</u> | <u>16,297</u> | <u>119,301</u> |
| <u>LIABILITIES</u> | | | | |
| Current liabilities (payable from unrestricted assets) | | | | |
| Accounts payable | 995,667 | 89,008 | 34,231 | 1,118,906 |
| Accrued expenses | 20,486 | 2,745 | 1,485 | 24,716 |
| Accrued interest payable | 50,903 | 9,247 | - | 60,150 |
| Compensated absences payable | 41,562 | 405 | 2,583 | 44,550 |
| Bonds and loan payable | 1,198,235 | 83,647 | - | 1,281,882 |
| Current liabilities (payable from restricted assets) | | | | |
| Customer deposits | <u>451,808</u> | <u>-</u> | <u>-</u> | <u>451,808</u> |
| Total current liabilities | <u>2,758,661</u> | <u>185,052</u> | <u>38,299</u> | <u>2,982,012</u> |
| Noncurrent liabilities: | | | | |
| Bonds and loan payable | 1,881,937 | 1,017,218 | - | 2,899,155 |
| Net pension liability | 678,695 | 49,162 | 105,715 | 833,572 |
| Compensated absences | <u>2,785</u> | <u>1,783</u> | <u>-</u> | <u>4,568</u> |
| Total noncurrent liabilities | <u>2,563,417</u> | <u>1,068,163</u> | <u>105,715</u> | <u>3,737,295</u> |
| Total liabilities | <u>5,322,078</u> | <u>1,253,215</u> | <u>144,014</u> | <u>6,719,307</u> |
| <u>DEFERRED INFLOWS OF RESOURCES</u> | | | | |
| Deferred inflows related to pensions | <u>67,112</u> | <u>5,894</u> | <u>10,504</u> | <u>83,510</u> |
| <u>NET POSITION</u> | | | | |
| Net investment in capital assets | 11,616,624 | 485,015 | 956,084 | 13,057,723 |
| Restricted for: | | | | |
| Renewal and replacement | 300,000 | - | - | 300,000 |
| Debt service | 1,185,434 | - | - | 1,185,434 |
| Water & sewer system improvement | 273,982 | - | - | 273,982 |
| Unrestricted | <u>952,438</u> | <u>230,486</u> | <u>716,107</u> | <u>1,899,031</u> |
| Total net position | <u>\$ 14,328,478</u> | <u>\$ 715,501</u> | <u>\$ 1,672,191</u> | <u>\$ 16,716,170</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 POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2015

| | <u>Business- type activities - Enterprise Funds</u> | | | |
|--|---|-------------------------|--------------------------|----------------------|
| | <u>Major Funds</u> | | <u>Non Major Fund</u> | |
| | <u>Utility Fund</u> | <u>Parking Fund</u> | <u>Drainage Fund</u> | <u>Total</u> |
| Operating revenues: | | | | |
| Charges for services | \$ 8,168,571 | \$ 701,150 | \$ 413,123 | \$ 9,282,844 |
| Impact fees | 265,682 | - | - | 265,682 |
| Other services | 41,313 | - | - | 41,313 |
| Total operating revenues | <u>8,475,566</u> | <u>701,150</u> | <u>413,123</u> | <u>9,589,839</u> |
| Operating expenses: | | | | |
| Water/sewer system operations | 3,361,755 | - | - | 3,361,755 |
| Personnel services | 716,078 | 31,449 | 83,317 | 830,844 |
| General and administrative expenses | 486,594 | 423,123 | 58,272 | 967,989 |
| Maintenance and repair | 135,116 | - | 37,287 | 172,403 |
| Depreciation | 751,827 | 39,141 | 102,295 | 893,263 |
| Total operating expenses | <u>5,451,370</u> | <u>493,713</u> | <u>281,171</u> | <u>6,226,254</u> |
| Operating income | <u>3,024,196</u> | <u>207,437</u> | <u>131,952</u> | <u>3,363,585</u> |
| Nonoperating revenues (expenses): | | | | |
| Interest income | 3,305 | 2,456 | 1,382 | 7,143 |
| Interest expense | (111,534) | (25,846) | - | (137,380) |
| Gain from disposal of capital assets | 1,842 | - | 3,709 | 5,551 |
| Total nonoperating revenues (expenses) | <u>(106,387)</u> | <u>(23,390)</u> | <u>5,091</u> | <u>(124,686)</u> |
| Income before transfers | <u>2,917,809</u> | <u>184,047</u> | <u>137,043</u> | <u>3,238,899</u> |
| Transfer out | <u>(1,475,000)</u> | <u>-</u> | <u>(7,000)</u> | <u>(1,482,000)</u> |
| Change in net position | 1,442,809 | 184,047 | 130,043 | 1,756,899 |
| Total net position, October 1, as restated | <u>12,885,669</u> | <u>531,454</u> | <u>1,542,148</u> | <u>14,959,271</u> |
| Total net position, September 30 | <u>\$ 14,328,478</u> | <u>\$ 715,501</u> | <u>\$ 1,672,191</u> | <u>\$ 16,716,170</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
FOR THE YEAR ENDED SEPTEMBER 30, 2015**

| | Business- type activities - Enterprise Funds | | | |
|---|---|-------------------------|--------------------------|---------------------|
| | Major Funds | | Non Major Fund | |
| | Utility Fund | Parking Fund | Drainage Fund | Total |
| Cash flows from operating activities: | | | | |
| Receipts from customers, users and other | \$ 8,413,589 | \$ 701,150 | \$ 412,109 | \$ 9,526,848 |
| Payments to suppliers for goods and services | (3,386,395) | (434,558) | (137,381) | (3,958,334) |
| Payments to employees | (892,180) | (38,927) | (107,408) | (1,038,515) |
| Net cash provided by operating activities | <u>4,135,014</u> | <u>227,665</u> | <u>167,320</u> | <u>4,529,999</u> |
| Cash flows from noncapital financing activities: | | | | |
| Transfer out to other funds | (1,475,000) | - | (7,000) | (1,482,000) |
| Net cash (used in) noncapital financing activities | <u>(1,475,000)</u> | <u>-</u> | <u>(7,000)</u> | <u>(1,482,000)</u> |
| Cash flows from capital and related financing activities: | | | | |
| Acquisition and construction of capital assets | (791,849) | (30,930) | (123,957) | (946,736) |
| Allocation of debt proceeds | (207,895) | 207,895 | - | - |
| Proceeds from sale of capital asset | 1,842 | - | 3,709 | 5,551 |
| Principal paid on capital debt | (1,154,814) | (99,791) | - | (1,254,605) |
| Interest paid on capital debt | (111,534) | (25,846) | - | (137,380) |
| Net cash (used in) provided by capital and related financing activities | <u>(2,264,250)</u> | <u>51,328</u> | <u>(120,248)</u> | <u>(2,333,170)</u> |
| Cash flows from investing activities: | | | | |
| Interest received | 3,305 | 2,456 | 1,382 | 7,143 |
| Net cash provided by investing activities | <u>3,305</u> | <u>2,456</u> | <u>1,382</u> | <u>7,143</u> |
| Net increase in equity in pooled cash and cash equivalents | 399,069 | 281,449 | 41,454 | 721,972 |
| Cash and cash equivalents at beginning of year | <u>3,812,993</u> | <u>596,027</u> | <u>773,787</u> | <u>5,182,807</u> |
| Cash and cash equivalents at end of year | <u>\$ 4,212,062</u> | <u>\$ 877,476</u> | <u>\$ 815,241</u> | <u>\$ 5,904,779</u> |
| Cash and cash equivalents per statement of net position: | | | | |
| Unrestricted | \$ 2,274,820 | \$ 877,476 | \$ 815,241 | \$ 3,967,537 |
| Restricted | 1,937,242 | - | - | 1,937,242 |
| Total, September 30 | <u>\$ 4,212,062</u> | <u>\$ 877,476</u> | <u>\$ 815,241</u> | <u>\$ 5,904,779</u> |
| Reconciliation of operating income to net cash provided by operating activities: | | | | |
| Operating income | \$ 3,024,196 | \$ 207,437 | \$ 131,952 | \$ 3,363,585 |
| Adjustments to reconcile operating income to net cash provided by operating activities: | | | | |
| Depreciation and amortization | 751,827 | 39,141 | 102,295 | 893,263 |
| Pension expense | (53,924) | (4,141) | (8,484) | (66,549) |
| Change in assets and liabilities: | | | | |
| (Increase) in accounts receivable | (61,977) | - | (1,014) | (62,991) |
| Decrease in due from other funds | 2,069 | - | 5,577 | 7,646 |
| (Increase) in deferred outflows of resources | (98,234) | (4,770) | (16,297) | (119,301) |
| Decrease in inventories | 2,962 | - | - | 2,962 |
| (Increase) in prepayments | (1,818) | (50) | (578) | (2,446) |
| (Decrease) increase in accounts payable | 586,267 | (11,386) | (46,821) | 528,060 |
| (Decrease) increase in accrued liabilities | (13,505) | 898 | 775 | (11,832) |
| (Decrease) increase compensated absences | (10,439) | 536 | (85) | (9,988) |
| Increase in customer deposits | 7,590 | - | - | 7,590 |
| Total adjustments | <u>1,110,818</u> | <u>20,228</u> | <u>35,368</u> | <u>1,166,414</u> |
| Net cash provided by operating activities | <u>\$ 4,135,014</u> | <u>\$ 227,665</u> | <u>\$ 167,320</u> | <u>\$ 4,529,999</u> |

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

CITY OF WILTON MANORS, FLORIDA
STATEMENT OF FIDUCIARY NET POSITION
SEPTEMBER 30, 2015

| | Pension Trust Funds |
|---|-----------------------------|
| <u>ASSETS</u> | |
| Cash and cash equivalents | \$ <u>874,125</u> |
| Receivables: | |
| City contributions | 2,395 |
| Due from Florida State Division of Retirement | 143,468 |
| Interest and dividends receivable | <u>47,011</u> |
| Total receivables | <u>192,874</u> |
| Investments, at fair value: | |
| U.S. Government and agency securities | 5,838,045 |
| Corporate bonds and notes | 722,554 |
| Domestic equity funds | 3,788,393 |
| Common stocks | <u>13,098,070</u> |
| Total investments | <u>23,447,062</u> |
| Total assets | <u>24,514,061</u> |
| <u>LIABILITIES</u> | |
| Accounts payable and accrued expenses | <u>45,148</u> |
| Total liabilities | <u>45,148</u> |
| <u>NET POSITION</u> | |
| Net position restricted for DROP benefits | 433,827 |
| Net position restricted for defined benefits | <u>24,035,086</u> |
| Net position restricted for pensions | <u>\$ <u>24,468,913</u></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 POSITION
FOR THE YEAR ENDED SEPTEMBER 30, 2015

| | Pension Trust Funds |
|---|----------------------------|
| Additions: | |
| Contributions: | |
| Plan members | \$ 64,249 |
| State | 143,468 |
| City | 1,676,869 |
| Total contributions | 1,884,586 |
| Investment income: | |
| Net depreciation in fair value of investments | (2,107,049) |
| Interests and dividends | 686,632 |
| Total | (1,420,417) |
| Less: | |
| Investment expenses | 147,208 |
| Net investment (loss) | (1,567,625) |
| Miscellaneous income | 9,974 |
| Total Additions | 326,935 |
| Deductions: | |
| Pension benefits paid | 2,832,379 |
| Administrative expenses | 128,932 |
| Total deductions | 2,961,311 |
| Change in net position | (2,634,376) |
| Net position, beginning | 27,103,289 |
| Net position, ending | \$ 24,468,913 |

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, 2015**

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 Commission/City Manager form of government and provides the following services as authorized by its Charter; general government, public safety, planning and zoning, water and sewer, sanitation, transportation, 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 and 61, 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 organizations 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, two entities were evaluated for inclusion in the City's reporting entity with the following results:

Island City Foundation (the "Foundation") - The City passed 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, 2015, are not considered material to the financial statements of the City.

**CITY OF WILTON MANORS, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2015**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

a. *Reporting Entity (Continued)*

Wilton Drive Improvement District (the "District") - The City passed Ordinance No. 2014-0011 on December 9, 2014 creating a dependent special district for the purpose of creating a cleaner, safer, and more attractive district; ensuring the stable and predictable resource base to fund supplemental services and program; to respond quickly to market changes and community needs; assisting in improving the sales and occupancy rates; funding physical improvements; providing for pedestrian safety; marketing the district; increasing parking opportunities for visitors and shoppers; fielding special events and street celebrations; and including paying the costs necessary and incidental thereto through non-advalorem assessments. The District is legally separate entity and is governed by Board of Directors, which is composed of seven members appointed by the Commission of the City of Wilton Manors, Florida. The District is considered a component unit and has not been included in the financial statements of the City since the District had no financial activities as of and for the fiscal year ended September 30, 2015.

b. *Government-wide and Fund Financial Statements*

The government-wide financial statements (i.e., the statement of net position 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.

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.

**CITY OF WILTON MANORS, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2015**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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. 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.

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 City uses the *fire assessment fund* to account for the revenues and expenditures associated with fire prevention and suppression services. Revenue is derived primarily from non-advalorem special assessment.

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.
- The *parking fund* is used to account for fees collected for maintenance and capital improvement of the City's parking system.

Additionally, the City reports the following fund types and nonmajor funds:

- The special revenue funds account for the proceeds of specific revenue sources that are restricted legally to expenditures for specified purposes other than debt service or capital project.
- The drainage fund is used to account for fees collected to maintain the City's drainage system.

**CITY OF WILTON MANORS, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2015**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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. The Pension Trusts' fiduciary net position has been determined on the same basis used by the pension plans.

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 Proprietary Funds 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 and Parking 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 non-operating revenues and expenses.

d. *Accounting Standards Adopted*

In fiscal year 2015, the City adopted three new statements of financial accounting standards issued by the GASB:

- Statement No. 68, *Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27*
- Statement No. 69, *Government Combinations and Disposals of Government Operations*
- Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*

**CITY OF WILTON MANORS, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2015**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

d. Accounting Standards Adopted (continued)

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, improves accounting and financial reporting by state and local governments for pensions. GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*, addressed an issue regarding application of the transition provisions of Statement No. 68. The issue related to amounts associated with contributions, if any, made by a state or local government employer or non-employer contributing entity to a defined benefit pension plan after the measurement date of the government's beginning pension liability. The adoption of GASB Statements No. 68 and No. 71 is reflected in the government-wide financial statements; in Note 9, Pension Trust; in Note 10, Florida Retirement System; in Note 17, Prior Period Adjustment; as well as the Required Supplementary Information Section.

GASB Statement No. 69, *Government Combinations and Disposals of Government Operations*, established accounting and financial reporting standards related to government combinations and disposals of government operations. The adoption resulted in no financial impact to the City.

e. Assets, Liabilities, and Net Position

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

Receivables include amounts due from other governments and other for services provided by the City. Receivables are recorded and revenues are recognized as earned or as specific program expenditures/expenses are incurred based on the accounting basis required for that fund.

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.

**CITY OF WILTON MANORS, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2015**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

e. Assets, Liabilities, and Net Position (Continued)

3. Interfund receivables and payables

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”.

4. Inventory and prepaid items

Inventories are valued at cost, using the weighted average cost method. Inventories, consisting primarily of expendable supplies held for consumption, 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. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

5. 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 position 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.

6. Capital assets

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

Donated capital assets are recorded at fair market value at 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.

**CITY OF WILTON MANORS, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2015**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

e. Assets, Liabilities, and Net Position (Continued)

6. Capital assets (Continued)

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

| Assets | Years |
|-----------------------------------|-------|
| Infrastructure | 40-50 |
| Improvements other than buildings | 10-20 |
| Buildings | 50 |
| Machinery and equipment | 6-15 |

7. Long-term debt

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts 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.

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.

8. Unearned revenue

Inflows that do not yet meet the criteria for revenue recognition, such as business tax receipts collected in advance, are recorded as unearned revenue in the government-wide and in the fund financial statements.

9. 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.

**CITY OF WILTON MANORS, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2015**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

e. Assets, Liabilities, and Net Position (Continued)

10. Net Position

Government-wide statements and proprietary funds statements

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

- a. Net investment in capital assets - 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 position - consists of net position with constraints placed on their use either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments, or 2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position - all other net position that does not meet the definition of "restricted" or "net investment in capital assets."

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.

11. Fund Equity/Fund Balance

The City follows GASB Statement No. 54, *Fund Balance Reporting and Governmental Type Definitions* which requires that governmental fund financial statements present fund balance based on classification that comprise a hierarchy that is based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in the respective governmental fund can be spent. The classification used in the governments fund financial statements are as follows:

Nonspendable: This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) are legally or contractually required to be maintained intact. "Not in spendable form" includes items that are not expected to be converted to cash (such as inventories and prepaid amounts) and items such as long-term amount of loans and notes receivable, as well as property acquired for resale. The corpus (or principal) of a permanent fund is an example of an amount that is legally or contractually required to be maintained intact.

**CITY OF WILTON MANORS, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2015**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

e. Assets, Liabilities, and Net Position (Continued)

11. Fund Equity (continued)

Restricted: This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation.

Committed: The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the government's highest level of decision-making authority. The City Commission is the highest level of decision-making authority for the government that can, by adoption of a resolution prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the resolution remains in place until a similar action is taken (the adoption of another resolution) to remove or revise the limitation.

Assigned: Amount in the assigned fund balance classification are intended to be used by the government for specific purposes but do not meet the criteria to be classified as committed. The City Commission has by resolution authorized the City Manager to assign fund balance. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

Unassigned: This classification includes the residual fund balance for the General Fund. This classification represents fund balance that has not been assigned to other purposes within the General Fund. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed or assigned for those specific purposes.

When expenditure is incurred for the purpose for which both restricted and unrestricted funds are available, the City considers restricted funds to have been spent first. When expenditures are incurred for which committed, assigned, or unassigned fund balances are available, the City considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the City Commission or City Manager has provided otherwise in its commitment or assigned actions.

**CITY OF WILTON MANORS, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2015**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

e. *Assets, Liabilities, and Net Position (Continued)*

12. Minimum Fund Balance Policy

The City's policy is to maintain a minimum unassigned fund balance in the General Fund, at each fiscal year end, ranging from 15% to 20% of the following year's projected budgeted expenditures and outgoing transfers. In any fiscal year where the City is unable to maintain a 15% minimum level of fund balance as required by the Fund Balance Policy, the City Manager shall prepare and submit in conjunction with the proposed budget a plan for expenditure reductions and/or revenue increases necessary to restore the minimum requirements.

13. 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.

14. Pensions

For purposes of measuring Net Pension Liability, deferred outflows of resources, and deferred inflows of resources relating to pensions, and pension expense, information about the fiduciary net position of the Florida Retirement System (FRS) and additions to/deductions from FRS' fiduciary net position have been determined on the same basis as they are reported by FRS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

15. Deferred outflows and inflows of resources

In addition to assets, the statement of net position will periodically report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflow of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City's deferred outflow of resources relates to the pensions as discussed in Notes 9 and 10.

In addition to liabilities, the statement of net position will periodically report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City's deferred inflow of resources relates to the pensions as discussed in Notes 9 and 10.

16. Management Review

The City's management has evaluated subsequent events through May 26, 2016, the date which the financial statements were available for issue.

**CITY OF WILTON MANORS, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2015**

2. DEPOSITS AND INVESTMENTS

Governmental and Proprietary Funds

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

| | |
|--------------------------------------|---------------------|
| Pooled cash and cash equivalents | \$ 10,490,237 |
| Cash held by third party | 673,849 |
| Restricted cash and cash equivalents | <u>1,941,242</u> |
| | <u>\$13,105,328</u> |

Deposits

As of September 30, 2015, the City's carrying amount of deposits was \$3,265,658 including cash held by third party totaling \$673,849. Bank balances before reconciling items were \$2,664,033 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.

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, 2015, the City had the following investments:

| | <u>Amount</u> | <u>Rating</u> |
|---------------------|---------------|---------------|
| SBA - Florida Prime | \$ 9,808,405 | AAAm |

**CITY OF WILTON MANORS, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2015**

2. DEPOSITS AND INVESTMENTS (CONTINUED)

Governmental and Proprietary Funds (Continued)

The State Board of Administration (SBA) administers the Local Government Surplus Funds Trust Fund (Florida Prime), which is governed by Chapter 19-7 of the Florida Administrative Code and Chapter 215 and 218 of the Florida Statutes. These rules provide guidance and establish the policies and general operating procedures for the administration of the Florida Prime. The Florida Prime is not a registrant with the Securities and Exchange Commission (SEC); however, the Board has adopted operating procedures consistent with the requirements for a 2a-7 fund, which permits money market funds to use amortized cost to maintain a constant net asset value (NAV) of \$1 per share. The fair value of the position in the Florida Prime is equal to the value of the pool shares.

The investments in the Florida Prime are not insured by FDIC or any other governmental agency.

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 29 days.

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 Florida Prime was rated AAAM by Standard and Poor's as of September 30, 2015.

**CITY OF WILTON MANORS, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2015**

2. DEPOSITS AND INVESTMENTS (CONTINUED)

Fiduciary Funds

General Employees and Police Pension Plan

Basis of Accounting

The General Employees and Police Pension 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 the 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 General Employees and Police Pension Plan.

Investment Policy

The Plan's investment policy in regard to the allocation of invested assets is established and may be amended by the Board. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the Plan. The investment policy statement was last amended in June 2008. The following was the Board's adopted asset allocation policy as of September 30, 2015:

| <u>Authorized Investments</u> | <u>Investment Policy</u> |
|---------------------------------------|--------------------------|
| Domestic equity | 25-60% |
| International equity commingled funds | 0-20% |
| Fixed income | 25-50% |
| Cash equivalents | 0-20% |

During the year ended September 30, 2015 the Plan's investments (including gains and losses on investments bought and sold, as well as held during the year) depreciated in value by \$1,990,892 (reported as net depreciation in fair value of investments in the accompanying Statements of Changes in Fiduciary Net Position) as follows:

| | |
|-----------------------|-----------------------|
| Common Stock | \$ (1,848,893) |
| Equity Mutual Funds | (11,423) |
| Corporate Bonds | (142,768) |
| Government Securities | <u>12,192</u> |
| Total | <u>\$ (1,990,892)</u> |

**CITY OF WILTON MANORS, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2015**

2. DEPOSITS AND INVESTMENTS (CONTINUED)

Fiduciary Funds (Continued)

General Employees and Police Pension Plan (Continued)

The Plan's investment policy does not use limits on investment maturities as a means of managing its exposure to fair value arising from increasing interest rates. The Plan's investments in government securities, fixed income mutual funds and corporate bonds had maturities as follows:

| <u>Investment Type</u> | <u>Investment Maturities (in years)</u> | | | | |
|-------------------------------|---|--------------------|-------------------|---------------------|---------------------|
| | <u>Fair Value</u> | <u>Less than 1</u> | <u>1 to 5</u> | <u>6 to 10</u> | <u>More than 10</u> |
| Corporate bonds | \$ 685,196 | \$ - | \$ - | \$ 685,196 | \$ - |
| U.S. Government Treasury | 1,943,305 | 204,534 | 262,770 | 1,334,558 | 141,443 |
| U.S. Agency | <u>3,592,898</u> | - | - | <u>3,592,898</u> | - |
| Total fixed income securities | <u>\$ 6,221,399</u> | <u>\$204,534</u> | <u>\$ 262,770</u> | <u>\$ 5,612,652</u> | <u>\$ 141,443</u> |

The following table discloses credit ratings by investment type, at September 30, 2015, as applicable:

| Quality rating of credit risk debt securities | <u>Fair Value</u> |
|---|---------------------|
| A1 | \$ 134,503 |
| A3 | 321,278 |
| Aa1 | 83,092 |
| Aa2 | 68,148 |
| Aa3 | 78,175 |
| Aaa | 3,764,611 |
| Unrated | <u>1,771,592</u> |
| Total credit risk debt securities | <u>\$ 6,221,339</u> |

Concentration of credit risk is the risk inherent in concentrating too high a portion of the portfolio in the securities of any one issuer or type of investments. The Plan limits such investments as described earlier in this footnote. There were no individual investments that represent 5% or more of fiduciary net position at September 30, 2015.

Foreign currency risk is the risk that fluctuations in currency exchange rate may affect transaction conducted in currencies other than U.S. Dollars as well as the carrying value of foreign investments. The Plan's exposure to foreign currency risk derives mainly from its investments in international equity funds. The Plan owns participation in international equity funds as well as individual securities.

The investment policy limits the foreign investments to no more than 20% of the Plan's investment balance. As of year-end, the foreign investments were 12% of total investments.

**CITY OF WILTON MANORS, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2015**

2. DEPOSITS AND INVESTMENTS (CONTINUED)

Fiduciary Funds (Continued)

Volunteer Firefighter Retirement System

Basis of Accounting

The Volunteer Firefighter Retirement System's (the System) financial statements are prepared using the accrual basis of accounting. State contributions are recognized as revenue in the period in which they are approved by the State. Interest income is recorded as earned and dividend income is recorded as of the ex-dividend date. Benefits are recognized when due and payable in accordance with the terms of the System.

Investment Policy

The Plan's policy in regard to the allocation of invested assets is established and may be amended by the Board. Plan asset are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the Plan. The investment policy statement was last amended in June 2008. The following was the Board's adopted asset allocation policy as of September 30, 2015:

| <u>Authorized Investments</u> | <u>Investment Policy</u> |
|--------------------------------------|---------------------------------|
| Domestic equity | 25-60% |
| International equity | 0-20% |
| Fixed income | 25-50% |
| Cash equivalents | 0-20% |

During the year ended September 30, 2015 the Plan's investments (including gains and losses on investments bought and sold, as well as held during the year) depreciated in value by \$116,157 (reported as net depreciation in fair value of investments in the accompanying Statements of Changes in Fiduciary Net Position) as follows:

| | |
|-----------------------|---------------------|
| Common Stock | \$ (108,415) |
| Equity Mutual Funds | (7,784) |
| Corporate Bonds | 665 |
| Government Securities | <u>(623)</u> |
| Total | <u>\$ (116,157)</u> |

**CITY OF WILTON MANORS, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2015**

2. DEPOSITS AND INVESTMENTS (CONTINUED)

Fiduciary Funds (Continued)

Volunteer Firefighters Retirement System (Continued)

The Plan's investment policy does not use limits on investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The Plan's investments in government securities, fixed income mutual funds, and corporate bonds had maturities as follows:

| <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> |
| Corporate bonds | \$ 37,358 | \$ - | \$ - | \$ 37,358 | \$ - |
| U.S. Government Treasury | 105,952 | 11,152 | 14,327 | 72,761 | 7,712 |
| U.S. Agency | <u>195,890</u> | <u>-</u> | <u>-</u> | <u>195,890</u> | <u>-</u> |
| Total fixed income securities | <u>\$ 339,200</u> | <u>\$ 11,152</u> | <u>\$ 14,327</u> | <u>\$ 306,009</u> | <u>\$ 7,712</u> |

The following table discloses credit ratings by investment type, at September 30, 2015, as applicable:

| <u>Quality rating of credit risk debt securities</u> | <u>Fair Value</u> |
|--|-------------------|
| A1 | \$ 7,333 |
| A3 | 17,517 |
| Aa1 | 4,530 |
| Aa2 | 3,716 |
| Aa3 | 4,262 |
| Aaa | 205,252 |
| Unrated | <u>96,590</u> |
| Total | <u>\$ 339,200</u> |

Concentration of credit risk is the risk inherent in concentrating too high a portion of the portfolio in the securities of any one issuer or type of investments. The Plan limits such investments as described earlier in this footnote. There were no individual investments that represent 5% or more of fiduciary net position at September 30, 2015.

Foreign currency risk is the risk that fluctuations in currency exchange rate may affect transaction conducted in currencies other than U.S. Dollars as well as the carrying value of foreign investments. The Plan's exposure to foreign currency risk derives mainly from its investments in international equity funds. The Plan owns participation in international equity funds as well as individual securities.

The investment policy limits the foreign investments to no more than 20% of the Plan's investment balance. As of year-end, the foreign investments were 12% of total investments.

Consistent with the System's investment policy, the investments are held by City of Wilton Manors, Florida Pension Plan for General Employees and Police (the "Plan") custodial bank and registered in the Plan's name.

**CITY OF WILTON MANORS, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2015**

3. RECEIVABLES AND PAYABLES

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

| | General Fund | Nonmajor Funds | Total |
|-----------------------------------|-------------------|-------------------|-------------------|
| Intergovernmental | \$ 224,063 | \$ 35,447 | \$ 259,510 |
| Customer accounts | 311,373 | 208,497 | 519,870 |
| Others | 3,874 | - | 3,874 |
| Gross receivables | 539,310 | 243,944 | 783,254 |
| Less: Allowance for uncollectible | (26,570) | (13,761) | (40,331) |
| Net total receivables | <u>\$ 512,740</u> | <u>\$ 230,183</u> | <u>\$ 742,923</u> |

Receivables as of year-end for the City's individual major business-type activities and nonmajor business-type activities fund, including the applicable allowances for uncollectible accounts are as follows:

| | Utility Fund | Nonmajor Fund | Total |
|-----------------------------------|-------------------|------------------|-------------------|
| Customer accounts | \$ 855,566 | \$ 45,089 | \$ 900,655 |
| Less: Allowance for uncollectible | (172,522) | (10,289) | (182,811) |
| Net total receivables | <u>\$ 683,044</u> | <u>\$ 34,800</u> | <u>\$ 717,844</u> |

Accounts payables and accrued liabilities at September 30, 2015, were as follows:

| | General Fund | Fire Assessment Fund | Nonmajor Funds | Total |
|---------------------------------|---------------------|----------------------------|-------------------|---------------------|
| <u>Governmental activities</u> | | | | |
| Vendor | \$ 716,984 | \$ 120,030 | \$ 375,641 | \$ 1,212,655 |
| Payroll and related accruals | 280,898 | 1,703 | 3,183 | 285,784 |
| Total (fund statements) | 997,882 | 121,733 | 378,824 | 1,498,439 |
| Interest accrual | 35,640 | - | - | 35,640 |
| Total (government-wide) | <u>\$ 1,033,522</u> | <u>\$ 121,733</u> | <u>\$ 378,824</u> | <u>\$ 1,534,079</u> |

| | Utility Fund | Parking Fund | Nonmajor Fund | Total |
|---------------------------------|---------------------|-------------------|------------------|---------------------|
| <u>Business-Type Activities</u> | | | | |
| Vendor | \$ 968,261 | \$ 89,008 | \$ 32,119 | \$ 1,089,388 |
| Payroll and related accruals | 27,406 | 2,745 | 3,597 | 33,748 |
| Interest accruals | 50,903 | 9,247 | - | 60,150 |
| Other accruals | 20,486 | - | - | 20,486 |
| Total | <u>\$ 1,067,056</u> | <u>\$ 101,000</u> | <u>\$ 35,716</u> | <u>\$ 1,203,772</u> |

**CITY OF WILTON MANORS, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2015**

4. INTERFUND BALANCES AND TRANSFERS

Interfund balances and transfers are as follows:

Interfund receivables/payables:

| <u>Receivable Fund</u> | Non major Fund- <u>Governmental</u> | Payable Fund Non major Fund- <u>Proprietary</u> | <u>Utility Fund</u> | <u>Total</u> |
|------------------------|--|--|---------------------|--------------|
| General Fund | \$ 140,019 | \$ 3,709 | \$ 1,842 | \$ 145,570 |

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 Police Training Fund and Miscellaneous Grants Fund will pay off their advances in the next fiscal year.

| <u>Transfers Out</u> | <u>Transfers In</u> | | |
|--------------------------------|---------------------|--|---------------------|
| | <u>General Fund</u> | Non major Fund- <u>Governmental</u> | <u>Total</u> |
| General | \$ - | \$ 25,000 | \$ 25,000 |
| Non Major Funds – Governmental | 293,283 | 348,910 | 642,193 |
| Fire Assessment Fund | 206,197 | - | 206,197 |
| Non Major Funds – Proprietary | - | 7,000 | 7,000 |
| Utility Fund | <u>1,475,000</u> | <u>-</u> | <u>1,475,000</u> |
| Total | <u>\$ 1,974,480</u> | <u>\$ 380,910</u> | <u>\$ 2,355,390</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. Interfund transfers are used to move unrestricted revenues collected to finance various programs accounted for in other funds in accordance with budgetary authorizations.

**CITY OF WILTON MANORS, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2015**

5. CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2015 was as follows:

| | <u>Balance October 1, 2014</u> | <u>Increases</u> | <u>Decreases</u> | <u>Balance September 30, 2015</u> |
|---|--|--------------------|-------------------|---|
| Governmental activities | | | | |
| Capital assets not being depreciated: | | | | |
| Land | \$ 9,123,116 | \$ - | \$ - | \$ 9,123,116 |
| Intangible assets | <u>42,070</u> | <u>-</u> | <u>-</u> | <u>42,070</u> |
| Total assets not being depreciated | <u>9,165,186</u> | <u>-</u> | <u>-</u> | <u>9,165,186</u> |
| Capital assets being depreciated: | | | | |
| Buildings | 13,196,612 | 68,123 | - | 13,264,735 |
| Improvements other than buildings | 11,456,882 | 30,540 | - | 11,487,422 |
| Machinery & equipment | 7,098,253 | 288,050 | (46,691) | 7,339,612 |
| Transportation | 457,008 | 273,032 | (74,394) | 655,646 |
| Infrastructure | <u>18,373,152</u> | <u>1,746,996</u> | <u>-</u> | <u>20,120,148</u> |
| Total capital assets being depreciated | <u>50,581,907</u> | <u>2,406,741</u> | <u>(121,085)</u> | <u>52,867,563</u> |
| Less accumulated depreciation for: | | | | |
| Buildings | (2,955,143) | (392,022) | - | (3,347,165) |
| Improvements other than buildings | (8,653,570) | (291,329) | - | (8,944,899) |
| Machinery & equipment | (5,911,685) | (385,634) | 43,798 | (6,253,521) |
| Transportation | (14,704) | (183,945) | 67,774 | (130,875) |
| Infrastructure | <u>(13,712,959)</u> | <u>(595,227)</u> | <u>-</u> | <u>(14,308,186)</u> |
| Total accumulated depreciation | <u>(31,248,061)</u> | <u>(1,848,157)</u> | <u>111,572</u> | <u>(32,984,646)</u> |
| Total capital assets being depreciated, net | <u>19,333,846</u> | <u>558,584</u> | <u>(9,513)</u> | <u>19,882,917</u> |
| Governmental activities capital assets, net | <u>\$ 28,499,032</u> | <u>\$ 558,584</u> | <u>\$ (9,513)</u> | <u>\$ 29,048,103</u> |

**CITY OF WILTON MANORS, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2015**

5. CAPITAL ASSETS (CONTINUED)

| | <u>Balance October 1, 2014</u> | <u>Increases</u> | <u>Decreases</u> | <u>Balance September 30, 2015</u> |
|---|--|-------------------|------------------|---|
| Business—type activities: | | | | |
| Capital assets not being depreciated: | | | | |
| Land | \$ 1,961,505 | \$ 1,735 | \$ - | \$ 1,963,240 |
| Capital assets being depreciated | | | | |
| Infrastructure | 23,212,074 | 878,064 | - | 24,090,138 |
| Improvements other than building | 5,466,828 | 63,141 | - | 5,529,969 |
| Buildings | 695,278 | - | - | 695,278 |
| Transportation | 467,203 | 30,781 | (19,891) | 478,093 |
| Machinery & equipment | <u>1,470,735</u> | <u>107,488</u> | <u>(2,342)</u> | <u>1,575,881</u> |
| Total capital assets being depreciated | <u>31,312,118</u> | <u>1,079,474</u> | <u>(22,233)</u> | <u>32,369,359</u> |
| Less accumulated depreciation for | | | | |
| Infrastructure | (9,913,527) | (662,482) | - | (10,576,009) |
| Improvements other than buildings | (5,466,828) | (83,963) | - | (5,550,791) |
| Buildings | (39,248) | (1,747) | - | (40,995) |
| Transportation | (268,085) | (46,860) | 19,891 | (295,054) |
| Machinery & equipment | <u>(1,059,861)</u> | <u>(98,211)</u> | <u>2,342</u> | <u>(1,155,730)</u> |
| Total accumulated depreciation | <u>(16,747,549)</u> | <u>(893,263)</u> | <u>22,233</u> | <u>(17,618,579)</u> |
| Total capital assets being depreciated, net | <u>14,564,569</u> | <u>186,211</u> | <u>-</u> | <u>14,750,780</u> |
| Business-type activities capital assets, net | <u>\$ 16,526,074</u> | <u>\$ 187,946</u> | <u>\$ -</u> | <u>\$ 16,714,020</u> |

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

| | |
|--|---------------------|
| Governmental activities: | |
| General government | \$ 843,201 |
| Public safety | 295,678 |
| Culture and recreation | 622,170 |
| Physical environment | 25,844 |
| Transportation | <u>61,264</u> |
| Total depreciation expense - governmental activities | <u>\$ 1,848,157</u> |
| Business-type activities: | |
| Utility | \$ 751,827 |
| Parking | 39,141 |
| Drainage | <u>102,295</u> |
| | <u>\$ 893,263</u> |

6. RESTRICTED ASSETS

Restricted assets consist of the following balances as of September 30, 2015:

| | | <u>Reported in:</u> |
|--|---------------------|----------------------|
| Fire truck replacement funds held by third party | \$ 642,675 | Fire Assessment Fund |
| Donations for scholarship and escrows | 3,000 | General Fund |
| Future building of shuffle board court | 1,000 | General Fund |
| Renewal and replacement reserve | 300,000 | Utility Fund |
| Debt service reserve | 1,185,434 | Utility Fund |
| Customer Deposits | 451,808 | Utility Fund |
| Customer Deposits | <u>31,174</u> | Parking Fund |
| | <u>\$ 2,615,091</u> | |

**CITY OF WILTON MANORS, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2015**

7. LONG-TERM DEBT

Changes in Long-Term Liabilities

Long-term liability activity for the year ended September 30, 2015 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: | | | | | |
| 2008 General Obligation Bank Loan | \$ 4,669,810 | \$ - | \$ 260,240 | \$ 4,409,570 | \$ 269,920 |
| 2011 General Obligation Refunding Note | 1,010,705 | - | 193,668 | 817,037 | 198,874 |
| Note payable | 200,000 | - | 100,000 | 100,000 | 100,000 |
| Bank loan | - | 744,200 | - | 744,200 | 63,200 |
| Capital leases | <u>5,564</u> | <u>-</u> | <u>5,564</u> | <u>-</u> | <u>-</u> |
| Total Bonds, Note and Capital Leases | 5,886,079 | 744,200 | 559,472 | 6,070,807 | 631,994 |
| Other Liabilities: | | | | | |
| Compensated absences | 601,440 | 628,108 | 574,583 | 654,965 | 487,582 |
| Net pension liability | 14,273,094 | 407,956 | - | 14,681,050 | - |
| Net OPEB obligation | <u>70,800</u> | <u>-</u> | <u>5,100</u> | <u>65,700</u> | <u>-</u> |
| Total governmental activities | <u>20,831,413</u> | <u>1,780,264</u> | <u>1,139,155</u> | <u>21,472,522</u> | <u>1,119,576</u> |
| Business-type Activities: | | | | | |
| Series 2007 Water and Sewer Revenue Refunding Bonds | 3,424,100 | - | 1,098,870 | 2,325,230 | 1,140,874 |
| 2011 Utility and Parking Bank Loan | 1,993,330 | - | 137,523 | 1,855,807 | 141,008 |
| Capital Leases | <u>18,212</u> | <u>-</u> | <u>18,212</u> | <u>-</u> | <u>-</u> |
| Total Bonds, Note and Capital Leases | 5,435,642 | - | 1,254,605 | 4,181,037 | 1,281,882 |
| Other Liabilities: | | | | | |
| Net pension liability | 828,416 | 4,622 | - | 833,572 | - |
| Compensated absences | <u>59,106</u> | <u>35,910</u> | <u>45,364</u> | <u>49,118</u> | <u>44,550</u> |
| Total business-type activities | <u>6,323,164</u> | <u>40,532</u> | <u>1,299,969</u> | <u>5,063,727</u> | <u>1,326,432</u> |
| Total Primary Government | <u>\$27,154,577</u> | <u>\$ 1,820,796</u> | <u>\$ 2,439,124</u> | <u>\$26,536,249</u> | <u>\$ 2,446,008</u> |

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

**CITY OF WILTON MANORS, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2015**

7. LONG-TERM DEBT (CONTINUED)

| | <u>Governmental Activities</u> | <u>Business-Type Activities</u> |
|--|------------------------------------|-------------------------------------|
| <u>General Obligation Notes and Bank Loans</u> | | |
| On December 1, 2011, the City entered into a bank loan in the amount of \$1,477,298 to refinance all of the City's outstanding General Obligation Bonds, Series 1999. The loan bears interest rate of 2.13% per annum and is payable on the 1 st of June and December of each fiscal year through 2019 with semi-annual payments of principal and interest of \$107,085. The proceeds were deposited in an irrevocable trust with an escrow agent to provide funds for the future debt service payments of the refunded bonds. As a result, the 1999 Series General Obligation Bond is considered defeased and the liability for those bonds have been removed from the statement of net position. | | |
| The financial plan for the refunding showed similar amount of uses and sources of all money to pay off the debt, however the refinancing loan bears a lower net average interest cost rate than the General Obligation Bonds, providing for an economic gain of approximately \$101,000. The loan is secured by the same revenue and security as is currently pledged to the General Obligation Bonds, Series 1999. | \$ 817,037 | |
| 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. | | 4,409,570 |
| <u>Revenue Bonds and Bank Notes</u> | | |
| On March 12, 2015, the City entered into a bank loan in the amount of \$744,200, in order to finance the design and construction of renovations to Mickel Park. The loan bears an interest rate of 3.43% per annum and is payable 1st of June and December of each fiscal year through 2025. The loan is secured by proceeds from the tax on communications services. The amount of pledged revenues collected by the City in any fiscal year should equal to at least 120% of the maximum debt service requirement. Total communication service tax (pledged revenue) during fiscal year 2015 amounted to approximately \$565,835. There were no principal or interest payments during the fiscal year. Current year's pledged revenue represents 603% of the maximum debt service requirement. | | 744,200 |
| 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 and Sewer 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. Current year's net available revenue exceeds debt service by a ratio of 2.86. | | \$ 2,325,230 |
| On December 1, 2011, the City entered into a \$2,230,500 Utility and Parking System Revenue Notes, Series 2011 Agreement with a bank to finance the design and construction of a sewer lift station and to develop surface parking facilities; loan proceeds were allocated equally to each project. The bank note bears an interest rate of 2.52% per annum and is payable on the 1 st of June and December of each fiscal year through 2016 with semi-annual payment of principal and interest of \$93,447. The loan is secured by proceeds from the tax on communication services. The amount of pledged revenues collected by the City in any fiscal year should equal to at least 150% of the maximum debt service requirement. Total principal and interest payment and communication service tax (pledged revenue) during fiscal year 2015 amounted to approximately \$186,894 and \$565,835, respectively. Current year's pledged revenue represents 303% of the maximum debt service requirements. | - | 1,885,807 |
| | \$ 5,970,807 | \$ 4,211,037 |

**CITY OF WILTON MANORS, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2015**

7. 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 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, 2015 was \$100,000. The note is unsecured.

The following are the requirements to amortize all debt at September 30, 2015:

Governmental Activities

| Fiscal Year Ending | General Obligation Notes and Bank Loans | | Notes Payable | |
|-----------------------|--|---------------------|-------------------|-----------------|
| | Principal | Interest | Principal | Interest |
| | 2016 | \$ 530,935 | \$ 194,964 | \$ 100,000 |
| 2017 | 548,010 | 182,788 | - | - |
| 2018 | 565,747 | 166,483 | - | - |
| 2019 | 581,966 | 148,712 | - | - |
| 2020 | 385,380 | 131,509 | - | - |
| 2021-2025 | 2,149,090 | 418,133 | - | - |
| 2026-2028 | <u>1,209,679</u> | <u>68,653</u> | <u>-</u> | <u>-</u> |
| | <u>\$ 5,970,807</u> | <u>\$ 1,311,242</u> | <u>\$ 100,000</u> | <u>\$ 5,000</u> |

Business Type Activities

| Fiscal Year Ending | Water and Sewer Revenue Bonds | | Utility and Parking Bank Loan | |
|-----------------------|----------------------------------|------------------|----------------------------------|-------------------|
| | Principal | Interest | Principal | Interest |
| | 2016 | \$ 1,140,873 | \$ 67,258 | \$ 141,009 |
| 2017 | 1,184,357 | 22,697 | 144,585 | 42,307 |
| 2018 | - | - | 148,252 | 38,641 |
| 2019 | - | - | 152,011 | 34,882 |
| 2020 | - | - | 155,866 | 31,027 |
| 2021-2025 | - | - | 840,664 | 93,802 |
| 2026-2027 | <u>-</u> | <u>-</u> | <u>273,420</u> | <u>6,919</u> |
| | <u>\$ 2,325,230</u> | <u>\$ 89,955</u> | <u>\$ 1,855,807</u> | <u>\$ 293,461</u> |

**CITY OF WILTON MANORS, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2015**

8. 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, 2015 was 6.7225 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.

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, 2015; therefore an allowance for uncollectible taxes has not been recorded.

**CITY OF WILTON MANORS, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2015**

9. 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. 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.

On October 1, 2014, Plan membership consisted of:

| | General Employees and Police | Volunteer Firefighters |
|---|---------------------------------|---------------------------|
| Retirees and beneficiaries receiving benefits | 72 | 5 |
| Deferred vested members | - | 5 |
| Active plan members | <u>10</u> | <u>-</u> |
| Total | <u>82</u> | <u>10</u> |

b. Contributions

Actual Contributions

| | General Employees and Police | Volunteer Firefighters |
|------------------------------------|---------------------------------|---------------------------|
| Employer contribution | \$ 1,676,869 | \$143,468 |
| Covered payroll | 974,220 | N/A |
| % of actual covered annual payroll | 172.12% | 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. Any members terminating membership in the Plan with less than one year of credited services 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. 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. For the year ended September 30, 2015, employee contributions for General Employees and Police Pension Plan was \$64,249.

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

**CITY OF WILTON MANORS, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2015**

9. PENSION TRUST (CONTINUED)

c. Benefits

General Employees and Police

The date upon which the participant completed twenty years of credited service regardless of age or the date upon which the participant attains age sixty with five years of credited services, a participant may retire on a normal retirement benefit. Participants will receive a monthly Plan benefit equal to 3.0% of the average monthly compensation times the years of credited service. Early retirement, disability, death, and other benefits are also provided.

Deferred Retirement Option Plan (DROP)

Participants 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 DROP shall be six years (five years prior to August 1, 2007).

For participants electing participation in the DROP, an individual DROP account shall be created. Payment shall be made by the Plan into the participant'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 Plan benefits, plus interest. Interest shall be based on the actual earnings of the Plan for the preceding year.

Upon termination of employment, a participant may receive distribution from the DROP account as a lump sum or defer payment in accordance with the Internal Revenue Code. A DROP participant shall not be entitled to receive a disability retirement for benefit purposes. If a participant shall die during participation in the DROP, the participant shall be treated as any other vested participant in the Plan that dies prior to retirement.

Volunteer Firefighters Retirement System

The normal retirement date for a participant shall be the first day of the month coinciding with or following the attainment of the earlier of the participants 55th birthday, or the participants 50th birthday with completion of 20 years of continuous service as an active participant of the Wilton Manors Volunteer Fire Department. A participant will be 100% vested at the attainment of the participants normal retirement date regardless of any other provision of the Plan. Participants will receive a monthly pension benefit equal to \$56 (\$50 prior to November 14, 2006) multiplied by the years of creditable service.

d. Actuarial Method and Assumptions

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

**CITY OF WILTON MANORS, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2015**

9. PENSION TRUST (CONTINUED)

| | <u>General Employees and Police</u> | <u>Volunteer Firefighters</u> |
|---------------------------------------|-------------------------------------|---|
| Valuation date | 10/1/14 | 10/1/14 |
| Contribution rates: | | |
| Employer (and State) | 289.57% | N/A |
| Plan members | 10.71% | 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 | | 20 years |
| General members | 16 years | |
| Police members | 16 years | |
| Asset valuation method | 5-years smoothed market | 5-years smoothed market |
| Actuarial assumptions: | | |
| Investment rate of return | 7.00% | 7.00% |
| Inflation rate | 3.00% | N/A |
| Projected salary increases | 5.50% | N/A |
| Cost of living adjustments* | 3.00% | N/A |

* A delayed 3% cost of living adjustment applies only to members of the police bargaining unit who retired or entered the DROP during the term of 2002-2005 Collective Bargaining Agreement.

e. Net Pension Liability (NPL)

In compliance with GASB Statement No. 68, the Plan and the System's Net Pension Liability was measured on October 1, 2013, and the total pension liability used to calculate the Net Pension Liability was determined by an actuarial calculation as of that date.

Actuarial Assumptions: The total pension liability was determined by an actuarial valuation as of October 1, 2013 with updated asset information as of September 30, 2014, using the following actuarial assumptions:

| | <u>General Employees and Police</u> | <u>Volunteer Firefighters</u> |
|---------------------------------------|-------------------------------------|---|
| Valuation date | 10/1/13 | 10/1/13 |
| Contribution rates: | | |
| Employer (and State) | 291.39% | N/A |
| Plan members | 10.71% | 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 | | 25 years |
| General members | 17 years | |
| Police members | 17 years | |
| Asset valuation method | 5-years smoothed market | 5-years smoothed market |
| Actuarial assumptions: | | |
| Investment rate of return* | 7.50% | 8.00% |
| Inflation rate | 3.00% | N/A |
| Projected salary increases* | 5.50% | N/A |
| Cost of living adjustments** | 3.00% | N/A |

** A delayed 3% cost of living adjustment applies only to members of the police bargaining unit who retired or entered the DROP during the term of 2002-2005 Collective Bargaining Agreement.

Mortality rates were based on RP-2000 Combined Healthy Participant Mortality Table for males and females, plus a five-year age set forward for impaired mortality, and with mortality improvement projected to all future years after 2000 using Scale AA.

**CITY OF WILTON MANORS, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2015**

9. PENSION TRUST (CONTINUED)

e. Net Pension Liability (NPL) (continued)

Discount Rate

The discount rate used to measure the total pension liability was 7.50% and 8.00% for general and police plan and volunteer firefighter retirement system, respectively.

Changes in Net Pension Liability

General and Police Pension Plan

| | Total Pension Liability (a) | Plan Fiduciary Net Position (b) | Net Pension Liability (a) – (b) |
|---|--|--|--|
| Balance at September 30, 2013 | \$ 35,884,742 | \$ 24,411,138 | \$ 11,473,604 |
| Changes for the year: | | | |
| Service cost | 112,087 | - | 112,087 |
| Interest | 2,578,844 | 2,836,305 | (257,461) |
| Differences between expected and actual experience | 54,908 | - | 54,908 |
| Contributions – employer | - | 1,645,738 | (1,645,738) |
| Contributions – employee | - | 59,289 | (59,289) |
| Benefit payments, including refunds of employee contributions | (3,224,482) | (3,224,482) | - |
| Administrative expenses | - | (79,661) | 79,661 |
| Net Changes | <u>(478,643)</u> | <u>1,237,189</u> | <u>1,715,832</u> |
| Balance at September 30, 2014 | <u>\$ 35,406,099</u> | <u>\$ 25,648,327</u> | <u>\$ 9,757,772</u> |

Volunteer Firefighter Retirement System

| | Total Pension Liability (a) | Plan Fiduciary Net Position (b) | Net Pension Liability (a) – (b) |
|---|--|--|--|
| Balance at September 30, 2013 | \$ 1,584,512 | \$ 1,236,463 | \$ 348,049 |
| Changes for the year: | | | |
| Service cost | 3,420 | - | 3,420 |
| Interest | 124,087 | 157,260 | (33,173) |
| Differences between expected and actual experience | 50,183 | - | 50,183 |
| Contributions – employer | - | 162,399 | (162,399) |
| Benefit payments, including refunds of employee contributions | (73,671) | (73,671) | - |
| Administrative expenses | - | (27,489) | 27,489 |
| Net Changes | <u>104,019</u> | <u>218,499</u> | <u>114,480</u> |
| Balance at September 30, 2014 | <u>\$ 1,688,531</u> | <u>\$ 1,454,962</u> | <u>\$ 233,569</u> |

**CITY OF WILTON MANORS, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2015**

9. PENSION TRUST (CONTINUED)

e. Net Pension Liability (NPL)(Continued)

Sensitivity of the Net Pension Liabilities to Changes in the Discount Rate

The following tables illustrate the impact the interest rate sensitivity on the net pension liability as of September 30, 2014, the measurement date:

General and Police Pension Plan

| | 1% Decrease (6.50%) | Current Rate (7.50%) | 1% Increase (8.50%) |
|------------------------------|---------------------|----------------------|---------------------|
| Net pension liability | \$13,600,633 | \$9,757,772 | \$6,551,779 |

Volunteer Firefighter Retirement System

| | 1% Decrease (7.0%) | Current Rate (8.0%) | 1% Increase (9.0%) |
|------------------------------|--------------------|---------------------|--------------------|
| Net pension liability | \$362,545 | \$233,569 | \$123,813 |

f. Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources

For the year ended September 30, 2015, the City recognized pension expense of \$881,155 for both plans. At September 30, 2015, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

General and Police Pension Plan

| | Deferred Outflow of Resources | Deferred Inflow of Resources |
|--|----------------------------------|---------------------------------|
| Differences between expected and actual earnings on pension plan investments | \$ - | \$ (811,641) |
| Employer contributions made subsequent to the measurement date | 1,699,926 | - |
| Total | \$ 1,699,926 | \$ (811,641) |

The deferred outflows of resources, totaling 1,676,869, resulting from City contributions subsequent to the measurement date will be recognized as a reduction in the net pension liability for the fiscal year ended September 30, 2016. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended September 30:

| | |
|------|-------------------|
| 2016 | \$ 208,674 |
| 2017 | 208,674 |
| 2018 | 208,674 |
| 2019 | 185,619 |
| | \$ 811,641 |

**CITY OF WILTON MANORS, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2015**

9. PENSION TRUST (CONTINUED)

**f. Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources
(continued)**

Volunteer Firefighter Retirement System

| | Deferred Outflow of Resources | Deferred Inflow of Resources |
|--|--|---|
| Differences between expected and actual earnings on pension plan investments | \$ - | \$ (68,631) |
| Employer contributions made subsequent to the measurement date | <u>143,468</u> | <u>-</u> |
| Total | <u>\$ 143,468</u> | <u>\$ (68,631)</u> |

The deferred outflows of resources, totaling 143,468, resulting from City contributions subsequent to the measurement date will be recognized as a reduction in the net pension liability for the fiscal year ended September 30, 2015. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended September 30:

| | |
|------|------------------|
| 2016 | \$ 17,157 |
| 2017 | 17,157 |
| 2018 | 17,157 |
| 2019 | <u>17,160</u> |
| | <u>\$ 68,631</u> |

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. There is a large amount of information about the City's pension plans on the City's website: www.wiltonmanors.com, Departments> Finance> Pension Plans.

10. 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 FRS is totally administered by the State of Florida. 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.

Plan Description

Membership in the FRS is required for all full-time and part-time employees working in regularly established positions for state agencies, county governments, district school boards, state universities, and state community colleges; or cities, independent special districts, metropolitan planning districts, and public charter schools that make an irrevocable election to participate. Most Pension Plan members (including renewed members), and State Community College Optional Retirement Program participants may elect to participate in the FRS Investment Plan. Florida Retirement System Pension Plan members who retired and chose to participate in the Deferred Retirement Option Program (DROP) are not eligible to become members of the FRS Investment Plan.

**CITY OF WILTON MANORS, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2015**

10. FLORIDA RETIREMENT SYSTEM (CONTINUED)

Type of Benefit

The Florida Retirement System Pension Plan (FRS) is a cost-sharing, multiple-employer qualified defined benefit plan with a Deferred Retirement Option Program (DROP) available for eligible employees. The FRS was established and is administered in accordance with Chapter 121, Florida Statutes. Retirees receive a lifetime pension benefit with joint and survivor payment options. FRS membership is compulsory for employees filling regularly established positions in a state agency, county agency, state university, state community college, or district school board, unless restricted from FRS membership under sections 121.053 and 121.122, Florida Statutes, or allowed to participate in a nonintegrated defined contribution plan in lieu of FRS membership. Participation by municipalities, special districts, charter schools, and metropolitan planning organizations is optional.

The Retiree Health Insurance Subsidy (HIS) Program is a cost-sharing, multiple-employer defined benefit pension plan established and administered in accordance with section 112.363, Florida Statutes. The benefit is a monthly payment to assist retirees of the state-administered retirement systems in paying their health insurance costs. For the fiscal year ended June 30, 2015, eligible retirees and beneficiaries received a monthly HIS payment equal to the number of years of service credited at retirement multiplied by \$5. The minimum payment is \$30 and the maximum payment is \$150 per month pursuant to section 112.363, Florida Statutes. To be eligible to receive a HIS benefit, a retiree under one of the state administered retirement systems must provide proof of eligible health insurance coverage, which can include Medicare.

Average Final Compensation (AFC)

For members initially enrolled in the FRS before July 1, 2011, average final compensation (AFC) is the average of the five highest fiscal years of salary earned during covered employment. For members initially enrolled in the FRS on or after July 1, 2011, AFC is the average of the eight highest fiscal years of salary earned during covered employment.

Vesting

The system provides for vesting of benefits, regardless of membership class, after six years of creditable service for members who are enrolled on or after July 1, 2001 through June 30, 2011 and eight years of creditable service for members who are enrolled on or after July 1, 2011. Vesting for the FRS Investment Plan occurs when an employee completes one year of service in the FRS Investment Plan.

**CITY OF WILTON MANORS, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2015**

10. FLORIDA RETIREMENT SYSTEM (CONTINUED)

Service Retirement

Normal retirement age in the regular, senior management service and elected officers' classes is 62 for members enrolled before July 1, 2011 and 65 for members enrolled on or after July 1, 2011. In the special risk service class, normal retirement age is 55 for members enrolled before July 1, 2011 and 60 for members enrolled on or after July 1, 2011. 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 prior to normal retirement.

Benefits are computed on the basis of age and/or years of service, average final compensation and service credit. The system also provides for death and disability benefits.

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.

Funding Policy

Contributions to the FRS are made by the City as a percentage of covered payrolls. Effective July 1, 2012, state law instituted a requirement that employees in all classes make a contribution to the FRS of 3.00% of their covered payroll, in addition to the employer's contribution. The required contribution rates in effect at year end for the City were 7.26% for regular class employees, 21.43% for senior management service class employees, 22.04% for special risk class employees, and 42.27% for elected officers' class. Additionally, the City was required to contribute 12.88% for all DROP participants. These rates include the normal cost and unfunded actuarial liability contributions and the 1.26 percent contribution for the Retiree Health Insurance Subsidy and the fee of 0.04 percent for administration of the FRS Investment Plan and provision of educational tools for both plans.

The contribution requirements of covered payroll and actual contributions made for fiscal year 2015 and the two preceding years were as follows:

| | FY 2015 | FY 2014 | FY 2013 |
|---|------------|------------|------------|
| Contributions requirements | \$ 849,032 | \$ 750,242 | \$ 559,397 |
| Contributions made | 849,032 | 750,242 | 559,397 |
| Percent of contributions made to requirements | 100% | 100% | 100% |
| Total covered payroll | 5,900,039 | 5,473,387 | 5,524,689 |
| Percent of contributions to total covered payroll | 14.39% | 13.71% | 10.13% |

**CITY OF WILTON MANORS, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2015**

10. FLORIDA RETIREMENT SYSTEM (CONTINUED)

The FRS issues a comprehensive annual financial 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 at:

Department of Management Services
Division of Retirement
Bureau of Research and Member Communications
P.O. Box 9000
Tallahassee, FL 32315-9000
850-488-5706 or toll free at 877-377-1737
www.myfrs.com

Net Pension Liability

The components of the collective net pension liability of all of the participating employers for each defined benefit plan for the measurement date of June 30, 2015, are shown below (in thousands):

| | FRS | HIS |
|--|----------------|---------------|
| Total Pension Liability (A) | \$ 161,370,735 | \$ 10,249,201 |
| Plan Fiduciary Net Position (B) | (148,454,394) | (50,774) |
| Net Pension Liability (A-B) | \$ 12,916,341 | 10,198,427 |
| Plan Fiduciary Net Position as Percentage of Total Pension Liability (A-B) | 92% | 0.50% |

The total pension liability for each plan was determined by the Plan's actuary and reported in the Plan's valuations dated July 1, 2015. The fiduciary net position used by the actuary to determine the net pension liability (as shown above) was determined on the same basis used by the Plan. Each Plan's fiduciary net position is reported in the financial statements and the net pension liability is disclosed in the notes to the financial statements. Update procedures were not used.

**CITY OF WILTON MANORS, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2015**

10. FLORIDA RETIREMENT SYSTEM (CONTINUED)

The City reported a liability of \$5,523,285 for its proportionate share of the net pension liability. The detail of the proportionate shares are as follows:

FRS Pension Plan:

| <u>Employer Contribution for Pension Plan Funding for Prior Period</u> | <u>Proportion at Prior Measurement Date</u> | <u>Employer Contribution for Pension Plan Funding for Current Period</u> | <u>Proportion at Current Measurement Date</u> | <u>Employer Proportionate Share of Net Pension Liability/(Asset) at Prior Measurement Date</u> | <u>Employer Proportionate Share of Net Pension Liability/(Asset) at Measurement Date</u> |
|--|---|--|---|--|--|
| \$568,975 | 0.025975554% | \$675,215 | 0.027694466% | \$1,584,891 | \$3,577,110 |

FRS Retiree Health Insurance Subsidy (HIS) Program:

| <u>Employer Contribution for Pension Plan Funding for Prior Period</u> | <u>Proportion at Prior Measurement Date</u> | <u>Employer Contribution for Pension Plan Funding for Current Period</u> | <u>Proportion at Current Measurement Date</u> | <u>Employer Proportionate Share of Net Pension Liability/(Asset) at Prior Measurement Date</u> | <u>Employer Proportionate Share of Net Pension Liability/(Asset) at Measurement Date</u> |
|--|---|--|---|--|--|
| \$62,118 | 0.018133219% | \$72,947 | 0.019083075% | \$1,695,500 | \$1,946,171 |

Basis of Allocation

The employer's proportionate share reported in the pension allocation schedules was calculated using accrued retirement contributions for employers that were members of the FRS and HIS during fiscal years 2013/2014 and 2014/2015. Although GASB 68 encourages the use of the employers' projected long-term contribution effort to the retirement plan, allocating on the basis of historical employer contributions is acceptable. The aggregate employer contribution amounts for each fiscal year agree to the employer contribution amounts reported in the system's CAFR for that fiscal year.

The proportion calculated based on contributions for each of the fiscal years presented in the pension allocation schedules was applied to the net pension liability and other pension amounts applicable to that fiscal year to determine each employer's proportionate share of the liability, deferred outflows of resources, deferred inflows of resources and associated pension expense. For the purposes of the pension allocation schedules, pension amounts are allocated to reporting employers. The pension amounts of participating employers whose payrolls are reported and contributions are remitted by another entity are included in the reporting employer's amounts and will be allocated to the participating employer by the reporting employer.

**CITY OF WILTON MANORS, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2015**

10. FLORIDA RETIREMENT SYSTEM (CONTINUED)

Actuarial Methods and Assumptions

Actuarial assumptions for both defined benefit plans are reviewed annually by the Florida Retirement System Actuarial Assumptions Conference. The FRS Pension Plan has a valuation performed annually. The HIS Program has a valuation performed biennially that is updated for GASB reporting in the year a valuation is not performed. The most recent experience study for the FRS Pension Plan was completed in 2014 for the period July 1, 2008, through June 30, 2013. Because the HIS Program is funded on a pay-as-you-go basis, no experience study has been completed for this program. The actuarial assumptions that determined the total pension liability for the HIS Program were based on certain results of the most recent experience study for the FRS Pension Plan.

The total pension liability for each of the defined benefit plans was determined by an actuarial valuation as of July 1, 2015, using the individual entry age normal actuarial cost method. Inflation increases for both plans is assumed at 2.60%. Payroll growth for both plans is assumed at 3.25%. Both the discount rate and the long-term expected rate of return used for FRS Pension Plan investments is 7.65%. The plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return. Because the HIS Program uses a pay-as-you-go funding structure, a municipal bond rate of 3.80% was used to determine the total pension liability for the program. Mortality assumptions for both plans were based on the Generational RP-2000 with Projection Scale BB tables.

The following changes in actuarial assumptions occurred in 2015:

HIS: The total pension liability is calculated on a single equivalent discount rate as required by GASB Statement No. 67. The discount rate used was updated from 4.29% to 3.80% reflecting the change during the fiscal year in the Bond Buyer General Obligation 20-year Bond municipal bond index. That index was originally approved for use in HIS GASB 67 calculation by the 2014 Actuarial Assumption Conference.

In general, the discount rate for calculating the total pension liability under GASB 67 is equivalent to the single rate equivalent to discounting at the long-term expected rate of return for benefit payments prior to the projected depletion date. Because the HIS benefit is essentially funded on a pay-as-you-go-basis, the depletion date is considered to be immediate, and the single equivalent discount rate is equal to the municipal bond rate selected by the plan sponsor. The discount rates used at the two dates differ due to changes in the applicable municipal bond rate.

**CITY OF WILTON MANORS, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2015**

10. FLORIDA RETIREMENT SYSTEM (CONTINUED)

Actuarial Methods and Assumptions (continued)

The benefits received by retirees and beneficiaries are increased by a cost-of-living adjustment (COLA) each July based on their June benefit amount (excluding the Retiree Health Insurance Subsidy benefit). For retirees who have been retired for less than 12 months on July 1, the first COLA increase is prorated. The COLA applies to all continuing monthly retirement benefits paid under the FRS Pension Plan (i.e., normal and early service retirement benefits and benefits accruing in participant accounts under the DROP, disability retirement benefits, and survivor benefits). The COLA for retirements or DROP participation effective before Aug. 1, 2011, is 3 percent per year. The COLA formula for retirees with an effective retirement date or DROP begin date on or after Aug. 1, 2011, will be the sum of the pre-July 2011 service credit divided by the total service credit at retirement multiplied by 3 percent. Each Pension Plan member with an effective retirement date of Aug. 1, 2011, or after will have an individual COLA factor for retirement. FRS Pension Plan members initially enrolled on or after July 1, 2011, will not have a COLA after retirement.

Long-Term Expected Rate of Return

To develop an analytical basis for the selection of the long-term expected rate of return assumption, in October 2015, the FRS Actuarial Assumptions' conference reviewed long-term assumptions developed by both Milliman's capital market assumptions team and by a capital market assumptions team from Aon Hewitt Investment Consulting, which provides consulting for the Florida State Board of Administration. The table below shows Milliman's assumptions for each of the asset classes in which the plan was invested at that time based on the long-term target asset allocation. The allocation policy's description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions, and includes an adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model.

| Asset Class | Target Allocation (1) | Annual Arithmetic Return | Compound Annual (Geometric) Return | Standard Deviation |
|--------------------------|-----------------------|--------------------------|------------------------------------|--------------------|
| Cash | 1% | 3.2% | 3.1% | 1.7% |
| Fixed income | 18% | 4.8% | 4.7% | 4.7% |
| Global equity | 53% | 8.5% | 7.2% | 17.7% |
| Real estate (property) | 10% | 6.8% | 6.2% | 12.0% |
| Private equity | 6% | 11.9% | 8.2% | 30.0% |
| Strategic investments | 12% | 6.7% | 6.1% | 11.4% |
| Assumed inflation - Mean | | 2.6% | | 1.9% |

(1)- As outlined in the Plan's investment policy.

**CITY OF WILTON MANORS, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2015**

10. FLORIDA RETIREMENT SYSTEM (CONTINUED)

Sensitivity Analysis

The following tables demonstrate the sensitivity of the net pension liability to changes in the discount rate. The sensitivity analysis shows the impact to the collective net pension liability of the participating employers if the discount rate was 1.00% higher or 1.00% lower than the current discount rate at June 30, 2015.

FRS Pension Plan:

| | FRS | | |
|------------------------------|---------------------|---------------------|-----------------------|
| | 1% | Current | 1% |
| | Decrease | Discount Rate | Increase |
| | 6.65% | 7.65% | 8.65% |
| Total pension liability | \$ 50,382,758 | \$ 44,690,764 | \$ 39,954,090 |
| Less: Fiduciary net position | <u>41,113,652</u> | <u>41,113,652</u> | <u>41,113,652</u> |
| Net pension liability | <u>\$ 9,269,106</u> | <u>\$ 3,577,112</u> | <u>\$ (1,159,562)</u> |

FRS Retiree Health Insurance Subsidy (HIS) Program:

| | HIS | | |
|------------------------------|---------------------|---------------------|---------------------|
| | 1% | Current | 1% |
| | Decrease | Discount Rate | Increase |
| | 2.80% | 3.80% | 4.80% |
| Total pension liability | \$ 2,227,263 | \$ 1,955,863 | \$ 1,729,555 |
| Less: Fiduciary net position | <u>9,690</u> | <u>9,690</u> | <u>9,690</u> |
| Net pension liability | <u>\$ 2,217,573</u> | <u>\$ 1,946,173</u> | <u>\$ 1,719,865</u> |

Pension Expense and Deferred Outflows / (Inflows) of Resources

In accordance with GASB 68, paragraphs 54 and 71, changes in the net pension liability are recognized as pension expense in the current measurement period, except as indicated below. For each of the following, a portion is recognized in pension expense in the current measurement period, and the balance is amortized as deferred outflows or deferred inflows of resources using a systematic and rational method over a closed period, as defined below:

1. Differences between expected and actual experience with regard to economic and demographic factors – amortized over the average expected remaining service life of all employees that are provided with pensions through the pension plan (active and inactive employees).
2. Changes of assumptions or other inputs – amortized over the average expected remaining service life of all employees that are provided with pensions through the pension plan (active and inactive employees).

**CITY OF WILTON MANORS, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2015**

10. FLORIDA RETIREMENT SYSTEM (CONTINUED)

Pension Expense and Deferred Outflows / (Inflows) of Resources (Continued)

3. Changes in proportion and differences between contributions and proportionate share of contributions – amortized over the average expected remaining service life of all employees that are provided with pensions through the pension plan (active and inactive employees).
4. Differences between expected and actual earnings on pension plan investments – amortized over five years contributions to the pension plans from employers are not included in collective pension expense.

The average expected remaining service life of all employees provided with pensions through the pension plans at June 30, 2015, was 6.3 years for FRS and 7.2 years for HIS. The pension expense recognized during the year by the City amounted to \$5,905,467.

The components of deferred outflows and inflows of resources schedules for the fiscal year ended September 30, 2015, are presented below for each plan.

| FRS Pension Plan | | | |
|---|--------------------------------------|-------------------------------------|--------------------|
| Changes in: | Deferred Outflows of Resources | Deferred Inflows of Resources | Total |
| Contributions, subsequent to measurement date | \$ 167,839 | \$ - | \$ 167,839 |
| Assumptions/inputs | 237,425 | - | 237,425 |
| Projected/Actual earnings | - | (854,154) | (854,154) |
| Experience expected/actual | 377,637 | (84,838) | 293,648 |
| Changes in proportion, NPL | <u>(152,686)</u> | <u>225,596</u> | <u>72,910</u> |
| | <u>\$ 630,215</u> | <u>\$(713,396)</u> | <u>\$ (83,181)</u> |
| HIS Program | | | |
| Changes in: | Deferred Outflows of Resources | Deferred Inflows of Resources | Total |
| Contributions, subsequent to measurement date | \$ - | \$ (23,061) | \$ (23,061) |
| Assumptions/inputs | 153,113 | - | 153,113 |
| Projected/Actual earnings | 1,054 | - | 1,054 |
| Experience expected/actual | - | - | - |
| Changes in proportion, NPL | <u>73,720</u> | <u>(66,826)</u> | <u>6,894</u> |
| | <u>\$ 227,887</u> | <u>\$(89,887)</u> | <u>\$ 161,061</u> |

**CITY OF WILTON MANORS, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2015**

10. FLORIDA RETIREMENT SYSTEM (CONTINUED)

Pension Expense and Deferred Outflows / (Inflows) of Resources (Continued)

Deferred outflows of resources related to employer contributions paid subsequent to the measurement date and prior to the employer's fiscal year end will be recognized as a reduction of the net pension liability in the reporting period ending September 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension expense will be recognized as follows:

| Reporting Period Ending June 30, | FRS Expense | HIS Expense |
|---|--------------------|-------------------|
| 2016 | \$ (42,229) | \$ 26,664 |
| 2017 | (282,977) | 26,664 |
| 2018 | (282,977) | 26,664 |
| 2019 | 421,727 | 26,450 |
| 2020 | 81,898 | 26,347 |
| Thereafter | 21,377 | 28,270 |
| Total | <u>\$ (83,181)</u> | <u>\$ 161,061</u> |

11. 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 which 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.

**CITY OF WILTON MANORS, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2015**

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

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, 2015, ten (10) retirees and their spouses received the benefits. The annual required contributions amounted to \$34,400 for the current fiscal year, toward which the City made an actual contribution of \$39,600. At September 30, 2015, the City had a net OPEB obligation of \$65,700.

The funded status of this benefit as of September 30, 2015, the date of the most recent actuarial valuation date is as follows (dollar amounts in thousands):

| Plan Assets <u>(a)</u> | Accrued Liability <u>(b)</u> | Unfunded Liability <u>(b-a)</u> | Normal Cost <u>(c)</u> | Funded Ratio <u>(a)/(b)</u> | Covered Payroll <u>(d)</u> | Unfunded % of Payroll <u>((b-a)/d)</u> |
|---------------------------|------------------------------------|---------------------------------------|------------------------------|--------------------------------|----------------------------------|---|
| \$ - | \$388,900 | \$388,900 | \$18,600 | 0.00% | \$5,155,300 | 7.54% |

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.

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, 2015:

| | |
|--|------------------|
| Annual required contribution | \$ 34,400 |
| Interest on net OPEB obligation | 2,800 |
| Adjustment to annual required contribution | <u>(2,700)</u> |
| Annual OPEB cost | 34,500 |
| Employer contribution | (39,600) |
| Interest on employer contribution | <u>-</u> |
| Decrease in net OPEB obligation | (5,100) |
| Net OPEB obligation, beginning of year | <u>70,800</u> |
| Net OPEB obligation, end of year | <u>\$ 65,700</u> |

**CITY OF WILTON MANORS, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2015**

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

The annual OPEB cost, the percentage of annual OPEB cost contributed and the net OPEB obligation for 2015 was:

| | <u>FY 2015</u> | <u>FY 2014</u> | <u>FY 2013</u> |
|-------------------------------------|----------------|----------------|----------------|
| Annual OPEB cost | \$ 34,500 | \$ 33,700 | \$ 39,500 |
| Percentage of OPEB cost contributed | 115 % | 103 % | 97 % |
| Net OPEB obligation | \$ 65,700 | \$ 70,800 | \$ 71,900 |

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.

The actuarial valuation on September 30, 2015 used the entry age normal cost method 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 | 9/30/2014 |
| Actuarial cost method | Entry Age Normal cost |
| Actuarial assumptions | 30 years |
| Amortization method | Level percentage of payroll, open |
| Investment rate of return* | 4% |
| Medical trend rate | 8.50% for 2014 declining by .5%/yr. until ultimate rate of 5.0% is reached |
| | * assumed inflation rate at 3% annual increase |

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 have the personal contributions to their individual accounts 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, 2015.

**CITY OF WILTON MANORS, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2015**

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 \$422,109. 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 Protection 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 was effective through September 30, 2015. The agreement was renewed on September 8, 2015 with a expiration date of September 30, 2020. The service fee for the year ended September 30, 2015 was \$2,115,594. The new agreement calls for a base annual service fees of \$2,707,714 for fiscal year ending September 30, 2016, adjusted each fiscal year by the amount equal to the percentage change in the Consumer Price Index for All Urban Customers for the South Urban region.

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. 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, 2015, the City has \$642,675 in funds held by City of Ft. Lauderdale under the provisions of this agreement. Subsequent to fiscal year end, the City of Fort Lauderdale purchased the fire engine with the balance of the funds held.

**CITY OF WILTON MANORS, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2015**

14. COMMITMENTS AND CONTINGENCIES (CONTINUED)

Interlocal Agreement – Water and Wastewater Services (continued)

The City has entered into an agreement with the City of Fort Lauderdale to provide the City with water and wastewater services. The expenditure by the City for the year ended September 30, 2015 relating to this agreement totaled \$2,196,679 and \$1,128,736 for water and wastewater, respectively.

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

Parking Management Services

In 2010, the City entered into an agreement with Lanier Parking System of Florida (the "Company") to provide parking management and enforcement services for approximately 350 on and off street parking spaces. The agreement is for a period of five (5) years beginning April 1, 2010 and may be extended for an additional two (2) years at the option of City's absolute discretion. The City will reimburse the Company of its operating costs based on budget approved by the City. The Company will also receive a management fee in exchange for the services provided in the amount of 4.95% of all gross revenue. By September 30, 2015, the number of parking spaces had increased to approximately 450. Total parking revenues generated and parking management services and operating fees paid during the fiscal year 2015 amounted to \$621,644 and \$340,409, respectively.

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.

15. DEFICIT IN FUND BALANCE

At September 30, 2015, the Miscellaneous Grants fund had a deficit fund balance of \$134,623. The City expects to seek and obtain additional grant funding to reduce certain expenditures and any remaining deficiencies will be funded by the General fund.

16. FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE

For the fiscal year ended September 30, 2015, the City did not spend \$500,000 or more in federal awards or state financial assistance, and therefore, is not subject to a federal or state single audit.

**CITY OF WILTON MANORS, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2015**

17. PRIOR PERIOD ADJUSTMENT

In fiscal year 2015, the City made a prior period adjustment due to the adoption of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*, which requires the restatement of the September 30, 2014, net position of Governmental Activities and Business-Type Activities.

| | <u>Government-wide financial statements</u> | | | |
|--|---|---------------------------------|----------------------|----------------------|
| | <u>Governmental activities</u> | <u>Business-type activities</u> | Total | |
| Net position, September 30, 2014, as previously reported | \$ 27,844,675 | \$ 15,808,428 | \$ 43,653,103 | |
| Cumulative effect of adoption of GASB No. 68 and 71 | <u>(14,953,213)</u> | <u>(849,157)</u> | <u>(15,802,370)</u> | |
| Net position, September 30, 2014, as restated | <u>\$ 12,891,462</u> | <u>\$ 14,959,271</u> | <u>\$ 27,850,733</u> | |
| | | | | |
| | <u>Enterprise fund statements</u> | | | |
| | <u>Utility fund</u> | <u>Parking fund</u> | <u>Drainage fund</u> | Total |
| Net position, September 30, 2014, as previously reported | \$ 13,576,507 | \$ 582,194 | \$ 1,649,727 | \$ 15,808,428 |
| Cumulative effect of adoption of GASB No. 68 and 71 | <u>(690,838)</u> | <u>(50,740)</u> | <u>(107,579)</u> | <u>(849,157)</u> |
| Net position, September 30, 2014, as restated | <u>\$ 12,885,669</u> | <u>\$ 531,454</u> | <u>\$ 1,542,148</u> | <u>\$ 14,959,271</u> |

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF WILTON MANORS, FLORIDA
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2015

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive (Negative) |
|---|------------------|----------------|--------------|---|
| | Original | Final | | |
| REVENUES: | | | | |
| Taxes: | | | | |
| Ad Valorem | \$ 6,067,111 | \$ 6,067,111 | \$ 5,871,762 | \$ (195,349) |
| Ad Valorem taxes for debt service | 643,287 | 643,287 | 632,428 | (10,859) |
| Utility Taxes | 2,141,700 | 2,141,700 | 2,115,067 | (26,633) |
| Franchise Fee | 825,260 | 825,260 | 849,484 | 24,224 |
| Licenses and Permits | 825,000 | 825,000 | 992,177 | 167,177 |
| Intergovernmental | 1,152,100 | 1,152,100 | 1,287,969 | 135,869 |
| Charges for Services | 379,250 | 379,250 | 524,155 | 144,905 |
| Impact Fees | - | - | 266,220 | 266,220 |
| Fines and Forfeitures | 164,500 | 164,500 | 402,477 | 237,977 |
| Investment Earnings | 15,000 | 15,000 | 43,102 | 28,102 |
| Miscellaneous | 184,500 | 185,500 | 301,571 | 116,071 |
| Total Revenues | 12,397,708 | 12,398,708 | 13,286,412 | 887,704 |
| EXPENDITURES: | | | | |
| Current: | | | | |
| General Government: | | | | |
| City Commission | 162,063 | 162,063 | 147,581 | 14,482 |
| City Management | 591,368 | 607,855 | 563,529 | 44,326 |
| City Clerk | 265,898 | 265,898 | 236,499 | 29,399 |
| Finance | 588,435 | 588,435 | 534,799 | 53,636 |
| Human Resources | 512,117 | 522,117 | 459,083 | 63,034 |
| City Attorney | 243,880 | 243,880 | 169,241 | 74,639 |
| Community Development | 919,547 | 973,979 | 1,012,948 | (38,969) |
| Non-Departmental | 98,931 | 105,431 | 115,951 | (10,520) |
| Total General Government | 3,382,239 | 3,469,658 | 3,239,631 | 230,027 |
| Public Safety: | | | | |
| Police Department | 6,514,246 | 6,520,246 | 6,063,278 | 456,968 |
| Emergency Management | 883,306 | 883,306 | 857,650 | 25,656 |
| Total Public Safety | 7,397,552 | 7,403,552 | 6,920,928 | 482,624 |
| Transportation | 191,431 | 191,431 | 188,485 | 2,946 |
| Culture and Recreation: | | | | |
| Library | 724,032 | 725,232 | 689,981 | 35,251 |
| Parks and Recreation | 4,373,771 | 4,621,387 | 4,445,541 | 175,846 |
| Total Culture and Recreation | 5,097,803 | 5,346,619 | 5,135,522 | 211,097 |
| Debt Service: | | | | |
| Principal | 374,306 | 374,306 | 374,306 | - |
| Interest | 179,319 | 179,319 | 179,760 | (441) |
| Total Debt Service | 553,625 | 553,625 | 554,066 | (441) |
| Total Expenditures | 16,622,650 | 16,964,885 | 16,038,632 | 926,253 |
| Excess (Deficiency) of Revenues Over Expenditures | (4,224,942) | (4,566,177) | (2,752,220) | 1,813,957 |
| OTHER FINANCING SOURCES (USES): | | | | |
| Proceeds from issuance of debt | 744,200 | 744,200 | 744,200 | - |
| Transfers In | 1,890,780 | 1,974,480 | 1,974,480 | - |
| Transfers Out | (25,000) | (25,000) | (25,000) | - |
| Total Other Financing Sources (Uses) | 2,609,980 | 2,693,680 | 2,693,680 | - |
| Net Change in Fund Balance | \$ (1,614,962) | \$ (1,872,497) | (58,540) | \$ 1,813,957 |
| Fund Balance, Beginning | | | 4,813,456 | |
| Fund Balance, Ending | | | \$ 4,754,916 | |

See Notes to Budgetary Comparison Schedule

CITY OF WILTON MANORS, FLORIDA
BUDGETARY COMPARISON SCHEDULE - FIRE SPECIAL ASSESSMENT FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2015

| | <u>Budgeted Amounts</u> | | <u>Actual</u> | Variance with Final Budget Positive (Negative) |
|--------------------------------------|-------------------------|--------------------|-------------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| REVENUES: | | | | |
| Charges for Services | \$ 105,000 | \$ 105,000 | \$ 101,385 | \$ (3,615) |
| Special Assessments | 1,688,668 | 1,688,668 | 1,669,358 | (19,310) |
| Miscellaneous | <u>5,000</u> | <u>5,000</u> | <u>164,593</u> | <u>159,593</u> |
| Total Revenues | <u>1,798,668</u> | <u>1,798,668</u> | <u>1,935,336</u> | <u>136,668</u> |
| EXPENDITURES: | | | | |
| Public Safety: | | | | |
| Fire Operations and Prevention | <u>1,670,297</u> | <u>1,670,297</u> | <u>1,674,859</u> | <u>(4,562)</u> |
| Total Expenditures | <u>1,670,297</u> | <u>1,670,297</u> | <u>1,674,859</u> | <u>(4,562)</u> |
| Excess of Revenues Over Expenditures | <u>128,371</u> | <u>128,371</u> | <u>260,477</u> | <u>132,106</u> |
| OTHER FINANCING (USES): | | | | |
| Transfers Out | <u>(206,197)</u> | <u>(206,197)</u> | <u>(206,197)</u> | <u>-</u> |
| Total Other Financing (Uses) | <u>(206,197)</u> | <u>(206,197)</u> | <u>(206,197)</u> | <u>-</u> |
| Net Change in Fund Balance | <u>\$ (77,826)</u> | <u>\$ (77,826)</u> | 54,280 | <u>\$ 132,106</u> |
| Fund Balance, Beginning | | | <u>781,968</u> | |
| Fund Balance Ending | | | <u>\$ 836,248</u> | |

See Notes to Budgetary Comparison Schedule

**CITY OF WILTON MANORS, FLORIDA
 NOTES TO BUDGETARY COMPARISON SCHEDULE
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2015**

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.

During the month of June 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. Encumbrance accounting is employed in governmental funds. All unencumbered appropriations lapse at year end and are re-budgeted in the next fiscal year.

The final budget included budget transfers, supplemental appropriations and reductions, which modified the original adopted budget. The general fund net upward adjustment to expenditure appropriations amounted to \$342,235 for the fiscal year ended September 30, 2015. The main components were:

- a) \$235,000 increase in the Parks and Recreation department to cover additional funding required for the Mickel Park repurposing project.
- b) \$48,000 increase in the Community Development Services department to cover cost for professional planning services.
- c) \$15,000 increase in the Parks and Recreation department to cover cost for Broward B-Cycle and computers.

Excess of Expenditure over Appropriations

Expenditures exceeded the budget in the General fund for the fiscal year ended September 30, 2015 at the following department level, which is legally controlled level of appropriations:

| Department | Budget | Actual | Amount in Excess Final Budget |
|-----------------------|-----------|-------------|----------------------------------|
| Community Development | \$973,979 | \$1,012,948 | \$(38,969) |
| Non-departmental | 105,431 | 115,951 | (10,520) |

Budget/GAAP Reconciliation

There are no reconciling items between GAAP and Budget.

CITY OF WILTON MANORS, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
GENERAL EMPLOYEES AND POLICE PENSION PLAN
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS
SEPTEMBER 30, 2015

| | |
|--|----------------------|
| Total pension liability: | <u>2015</u> |
| Service cost | \$ 112,087 |
| Interest | 2,578,844 |
| Benefit payments | (3,224,482) |
| Differences in experience | 54,908 |
| Changes in assumptions | - |
| Net change in total pension liability | (478,643) |
| Total pension liability/(asset) - beginning | <u>35,884,742</u> |
| Total pension liability/(asset) - ending (a) | <u>\$ 35,406,099</u> |
| | |
| Plan fiduciary net position: | |
| Contributions - employer | \$ 1,645,738 |
| Contributions - member | 59,289 |
| Net investment income | 2,836,305 |
| Benefits payments | (3,224,482) |
| Administrative expense | (81,815) |
| Other | 2,154 |
| Net change in plan fiduciary net position | 1,237,189 |
| Plan fiduciary net position - beginning | <u>24,411,138</u> |
| Plan fiduciary net position - ending (b) | <u>\$ 25,648,327</u> |
| | |
| Net pension liability/(asset) - ending (a - b) | <u>\$ 9,757,772</u> |
| | |
| Plan fiduciary net position as a percentage of the total pension liability/(asset) | 72.44% |
| | |
| Covered-employee payroll | 937,125 |
| | |
| Net pension liability/(asset) as a percentage of covered employee payroll | 1041.25% |

Note: Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

CITY OF WILTON MANORS, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
VOLUNTEER FIREFIGHTERS RETIREMENT SYSTEM
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS
SEPTEMBER 30, 2015

| | |
|--|-----------------------|
| Total pension liability: | <u>2015</u> |
| Service cost | \$ 3,420 |
| Interest | 124,087 |
| Benefit payments | (73,671) |
| Differences in experience | 50,183 |
| Changes in assumptions | <u>-</u> |
| Net change in total pension liability | 104,019 |
| Total pension liability/(asset) - beginning | <u>1,584,512</u> |
| Total pension liability/(asset) - ending (a) | <u>\$ 1,688,531</u> |
| Plan fiduciary net position: | |
| Contributions - employer | \$ 162,399 |
| Net investment income | 157,260 |
| Benefits payments | (73,671) |
| Administrative expense | <u>(27,489)</u> |
| Net change in plan fiduciary net position | 218,499 |
| Plan fiduciary net position - beginning | <u>1,236,463</u> |
| Plan fiduciary net position - ending (b) | <u>\$ 1,454,962</u> |
| Net pension liability/(asset) - ending (a-b) | <u>\$ 233,569</u> |
| Plan fiduciary net position as a percentage of the total pension liability/(asset) | 86.17% |
| Covered-employee payroll | N/A |
| Net pension liability/(asset) as a percentage of covered employee payroll | N/A |

Note: Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

CITY OF WILTON MANORS, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
FLORIDA RETIREMENT SYSTEM
SCHEDULE OF SHARE OF COLLECTIVE NET PENSION LIABILITY
SEPTEMBER 30, 2015

| Florida Retirement System Plan: | 2015 | |
|--|--------------------|-------------------|
| | <u>FRS</u> | <u>HIS</u> |
| Total pension liability | \$ 161,370,735,088 | \$ 10,249,201,290 |
| Plan fiduciary net position | (148,454,393,902) | (50,774,315) |
| Net pension Liability | \$ 12,916,341,186 | \$ 10,198,426,975 |
| Plan fiduciary net position as a percentage of the total pension liability | 92% | 0.50% |
| City of Wilton Manors, Florida: | | |
| Share of net pension liability as a percentage | 0.027694466% | 0.019083075% |
| Share of net pension liability as an amount | \$ 3,577,112 | \$ 1,946,173 |
| Covered-employee payroll | \$ 34,229,976 | \$ 34,229,976 |
| Net pension liability as a percentage of covered-employee payroll | 10% | 6% |

Note: Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

**CITY OF WILTON MANORS, FLORIDA
 REQUIRED SUPPLEMENTARY INFORMATION
 GENERAL EMPLOYEES AND POLICE PENSION PLAN
 SCHEDULE OF CONTRIBUTIONS
 SEPTEMBER 30, 2015**

| | <u>2015</u> |
|--|--------------|
| Actuarially determined contribution | \$ 1,674,023 |
| Contributions in relation to the actuarially determined contribution | 1,676,869 |
| Contributions Deficiency/(Excess) | \$ (2,846) |
| | |
| Covered-employee payroll | \$ 974,220 |
| | |
| Contributions as a percentage of covered-employee payroll | 172.12% |

Notes to the schedule

Methods and assumptions used to determine contributions rates:

| | |
|--|---|
| Valuation date | 10/1/2014 |
| Retirement age | Completed 20 years of credited service or 60 years with 5 years of credited service |
| Actuarial cost method | Entry age, normal cost |
| Amortization method | Level dollar amount, closed |
| Equivalent single amortization period: | |
| General members | 16 years |
| Police members | 16 years |
| Asset valuation method | 5-years smoothed market |
| Actuarial assumptions: | |
| Investment rate of return* | 7.00% |
| Projected salary increases* | 5.50% |
| Cost of living adjustments** | 3.00% |

Mortality

Mortality rates were based on RP-2000 Combined Healthy Participant Mortality Table for males and females, plus a five-year age set forward for impaired mortality, and with mortality improvement projected to all future years after 2000 using Scale AA.

* Includes inflation and other general increases at 2.50%

** A delayed 3% cost of living adjustment applies only to members of the police bargaining unit who retired or entered the DROP during the term of 2002-2005 Collective Bargaining Agreement.

Note: Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

**CITY OF WILTON MANORS, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
VOLUNTEER FIREFIGHTERS RETIREMENT SYSTEM
SCHEDULE OF CONTRIBUTIONS
SEPTEMBER 30, 2015**

| | <u>2015</u> |
|--|--------------------|
| Actuarially determined contribution | \$ 80,349 |
| Contributions in relation to the actuarially determined contribution | 143,468 |
| Contributions Deficiency/(Excess) | <u>\$ (63,119)</u> |
| | |
| Covered-employee payroll | N/A |
| | |
| Contributions as a percentage of covered-employee payroll | N/A |

Notes to the schedule

Methods and assumptions used to determine contributions rates:

| | |
|---------------------------------------|---|
| Valuation date | 10/1/2014 |
| Retirement age | Earlier of 55 years or 50 years with 20 years of continuous service |
| Actuarial cost method | Entry age, normal actuarial cost method |
| Amortization method | Level dollar amount, closed |
| Equivalent single amortization period | 20 years |
| Asset valuation method | 5-years smoothed market |
| Actuarial assumptions: | |
| Investment rate of return* | 7.00% |
| Projected salary increases* | N/A |
| Cost of living adjustments** | N/A |
| Mortality | |

Mortality rates were based on RP-2000 Combined Healthy Participant Mortality Table for males and females, plus a five-year age set forward for impaired mortality, and with mortality improvement projected to all future years after 2000 using Scale AA.

* Includes inflation and other general increases at 3.50%

** A delayed 3% cost of living adjustment applies only to members of the police bargaining unit who retired or entered the DROP during the term of 2002-2005 Collective Bargaining Agreement.

Note: Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

CITY OF WILTON MANORS, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
FLORIDA RETIREMENT SYSTEM (FRS) PENSION SCHEDULE
SCHEDULE OF CONTRIBUTIONS

| | 2015 |
|--|--------------------|
| Contractually required contribution | \$ 849,126 |
| Contributions in relation to the contractually required contribution | <u>849,126</u> |
| Contributions deficiency (excess) | <u><u>\$ -</u></u> |
| | |
| Covered-employee payroll | \$ 5,900,806 |
| | |
| Contribution as a percentage of covered-employee payroll | 14.39% |

Note: Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

CITY OF WILTON MANORS, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF FUNDING PROGRESS
OTHER POST-EMPLOYMENT BENEFITS
SEPTEMBER 30, 2015
(UNAUDITED)

| Actuarial Valuation Date | Actuarial Value of Assets (a) | Actuarial Accrued Liability (AAL) (b) | Unfunded Actuarial Accrued Liability (UAAL) (b)-(a) | Funded Ratio (a)/(b) | Annual Covered Payroll (c) | UAAL as a Percentage of Covered Payroll (b-a)/(c) |
|--------------------------------|--|---|--|----------------------------|-------------------------------------|--|
| 9/30/2014 | \$ - | \$ 388,900 | \$ 388,900 | 0.0% | \$ 5,155,300 | 7.54% |
| 9/30/2011 | - | 523,600 | 523,600 | 0.0% | 5,047,100 | 10.37% |
| 9/30/2009 | - | 687,700 | 687,700 | 0.0% | 6,077,100 | 11.32% |

COMBINING FUND STATEMENTS

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

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

Miscellaneous Grants Fund - accounts for the City's grant revenues from federal and state agencies, other governmental units or private foundation. This fund also accounts for the expenditures made with these grant funds.

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

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

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

State Police Forfeiture Fund - 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 - account for special assessment collections and expenditures related to the operation of the Jenada Isle neighborhood gatehouse. This assessment is limited to residents located in the Jenada Isles neighborhood.

CITY OF WILTON MANORS, FLORIDA
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2015

SPECIAL REVENUE FUNDS

| | Recycling Fund | Miscellaneous Grants Fund | Federal Police Forfeiture Fund | Police Training and Education Fund | Road Improvement Fund | State Police Forfeiture Fund | Jenada Assessment Fund | Total |
|--|----------------|---------------------------|--------------------------------|------------------------------------|-----------------------|------------------------------|------------------------|--------------|
| Equity in pooled cash and cash equivalents | \$ 309,349 | \$ - | \$ 67,184 | \$ 6,313 | \$ 507,616 | \$ 222,053 | \$ 38,269 | \$ 1,150,784 |
| Accounts receivable | 194,736 | - | - | - | - | - | - | 194,736 |
| Due from other governments | - | 16,483 | - | - | 18,964 | - | - | 35,447 |
| Inventories | - | - | - | - | 6,262 | - | - | 6,262 |
| Prepayments | 35 | - | - | - | - | - | - | 35 |
| Due from other funds | - | - | - | - | 698 | 1,751 | - | 2,449 |
| Total assets | \$ 504,120 | \$ 16,483 | \$ 67,184 | \$ 6,313 | \$ 533,540 | \$ 223,804 | \$ 38,269 | \$ 1,389,713 |
| LIABILITIES | | | | | | | | |
| Accounts payable | \$ 358,170 | \$ 9,825 | \$ - | \$ - | \$ 6,368 | \$ - | \$ 1,278 | \$ 375,641 |
| Accrued expenses | 1,973 | 1,210 | - | - | - | - | - | 3,183 |
| Due to other funds | - | 135,503 | 2,066 | - | - | - | - | 137,569 |
| Unearned revenues | - | 4,568 | - | - | - | 69,336 | - | 73,904 |
| Total liabilities | \$ 360,143 | \$ 151,106 | \$ 2,066 | \$ - | \$ 6,368 | \$ 69,336 | \$ 1,278 | \$ 590,297 |
| FUND BALANCES (DEFICIT) | | | | | | | | |
| Non spendable: | | | | | | | | |
| Inventories and prepayments | 35 | - | - | - | 6,262 | - | - | 6,297 |
| Restricted: | | | | | | | | |
| Community development | - | - | - | - | - | - | 36,991 | 36,991 |
| Physical environment | 143,942 | - | - | - | - | - | - | 143,942 |
| Public safety | - | - | 65,118 | 6,313 | - | 154,468 | - | 225,899 |
| Transportation | - | - | - | - | 520,910 | - | - | 520,910 |
| Unassigned | - | (134,623) | - | - | - | - | - | (134,623) |
| Total fund balances | \$ 143,977 | \$ (134,623) | \$ 65,118 | \$ 6,313 | \$ 527,172 | \$ 154,468 | \$ 36,991 | \$ 799,416 |
| Total liabilities and fund balances | \$ 504,120 | \$ 16,483 | \$ 67,184 | \$ 6,313 | \$ 533,540 | \$ 223,804 | \$ 38,269 | \$ 1,389,713 |

CITY OF WILTON MANORS, FLORIDA
COMBINING STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (DEFICIT)
NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2015

| | SPECIAL REVENUE FUNDS | | | | | | | | | | Total | |
|---|-----------------------|---------------------------------|--------------------------------------|-----------------------------------|-------------------|-------------------|------------------|-----------------------------|------------------------------|------------------------------|-------------------|-------------------|
| | Recycling Fund | Police | | | | State | | Road Improvement Fund | Police Forfeiture Fund | Jenada Assessment Fund | | Total |
| | | Miscellaneous Grants Fund | Federal Police Forfeiture Fund | Training and Education Fund | - | - | - | | | | | |
| REVENUES: | | | | | | | | | | | | |
| Charges for services | 5,400 | - | - | - | - | - | - | - | - | - | - | 5,400 |
| Franchise fees | 476,256 | - | - | - | - | - | - | - | - | - | - | 476,256 |
| Fines and forfeitures | - | - | 38,873 | 6,126 | - | - | 146,395 | - | - | - | - | 191,394 |
| Special assessments | - | - | - | - | - | - | - | - | 7,867 | - | - | 7,867 |
| Intergovernmental | - | 120,391 | - | - | 214,019 | - | - | - | - | - | - | 334,410 |
| Interest income | 592 | - | 183 | 6 | 193 | - | 278 | - | 81 | - | - | 1,333 |
| Miscellaneous | 378,148 | - | - | - | 35,809 | - | 1,751 | - | - | - | - | 415,708 |
| Total revenues | <u>860,396</u> | <u>120,391</u> | <u>39,056</u> | <u>6,132</u> | <u>250,021</u> | <u>148,424</u> | <u>34,976</u> | <u>6,941</u> | <u>7,948</u> | <u>1,432,368</u> | <u>1,432,368</u> | <u>1,432,368</u> |
| EXPENDITURES: | | | | | | | | | | | | |
| Current: | | | | | | | | | | | | |
| Transportation | - | - | - | - | 58,528 | - | - | - | - | - | - | 58,528 |
| Physical environment | 313,313 | - | - | - | - | - | - | 6,941 | - | - | - | 320,254 |
| Public safety | - | 37,278 | 6,066 | 895 | - | 34,976 | - | - | - | - | - | 79,215 |
| Culture and recreation | - | 2,264 | - | - | 35,844 | - | - | - | - | - | - | 38,108 |
| Capital Outlay | 2,444 | 80,573 | 9,282 | - | 132,932 | - | - | - | - | - | - | 225,231 |
| Total expenditures | <u>315,757</u> | <u>120,115</u> | <u>15,348</u> | <u>895</u> | <u>227,304</u> | <u>34,976</u> | <u>6,941</u> | <u>1,007</u> | <u>1,032</u> | <u>711,032</u> | <u>711,032</u> | <u>711,032</u> |
| Excess of revenues over expenditures | <u>544,639</u> | <u>276</u> | <u>23,708</u> | <u>5,237</u> | <u>22,717</u> | <u>113,448</u> | <u>1,007</u> | <u>1,007</u> | <u>1,007</u> | <u>380,910</u> | <u>(642,193)</u> | <u>(261,283)</u> |
| OTHER FINANCING SOURCES (USES): | | | | | | | | | | | | |
| Transfers in | - | 25,000 | - | - | 355,910 | - | - | - | - | - | - | 380,910 |
| Transfers out | (558,493) | - | (83,700) | - | - | - | - | - | - | - | - | (642,193) |
| Total other financing sources (uses) | <u>(558,493)</u> | <u>25,000</u> | <u>(83,700)</u> | <u>-</u> | <u>355,910</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>(261,283)</u> |
| Net change in fund balances | (13,854) | 25,276 | (59,992) | 5,237 | 378,627 | 113,448 | 1,007 | 1,007 | 1,007 | 449,749 | 349,667 | 349,667 |
| Fund balances (deficit) - beginning | <u>157,831</u> | <u>(159,899)</u> | <u>125,110</u> | <u>1,076</u> | <u>148,545</u> | <u>41,020</u> | <u>35,984</u> | <u>35,984</u> | <u>35,984</u> | <u>799,416</u> | <u>799,416</u> | <u>799,416</u> |
| Fund balances (deficit) - ending | <u>\$ 143,977</u> | <u>\$ (134,623)</u> | <u>\$ 65,118</u> | <u>\$ 6,313</u> | <u>\$ 527,172</u> | <u>\$ 154,468</u> | <u>\$ 36,991</u> | <u>\$ 36,991</u> | <u>\$ 36,991</u> | <u>\$ 799,416</u> | <u>\$ 799,416</u> | <u>\$ 799,416</u> |

CITY OF WILTON MANORS, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
RECYCLING FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2015

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive (Negative) |
|---|-------------------------|---------------------|-------------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| REVENUES: | | | | |
| Franchise Fees | \$ 482,635 | \$ 482,635 | \$ 476,256 | \$ (6,379) |
| Charges for Services | - | - | 5,400 | 5,400 |
| Miscellaneous | <u>30,200</u> | <u>379,110</u> | <u>378,740</u> | <u>(370)</u> |
| Total Revenues | <u>512,835</u> | <u>861,745</u> | <u>860,396</u> | <u>(1,349)</u> |
| EXPENDITURES: | | | | |
| Physical Environment: | | | | |
| Public Services | 307,335 | 307,335 | 313,313 | (5,978) |
| Culture and Recreation: | | | | |
| Leisure Services | <u>9,610</u> | <u>9,610</u> | <u>2,444</u> | <u>7,166</u> |
| Total Expenditures | <u>316,945</u> | <u>316,945</u> | <u>315,757</u> | <u>1,188</u> |
| Excess (Deficiency) of Revenues Over Expenditures | <u>195,890</u> | <u>544,800</u> | <u>544,639</u> | <u>(161)</u> |
| OTHER FINANCING (USES): | | | | |
| Transfers Out | <u>(209,583)</u> | <u>(558,493)</u> | <u>(558,493)</u> | <u>-</u> |
| Total Other Financing (Uses) | <u>(209,583)</u> | <u>(558,493)</u> | <u>(558,493)</u> | <u>-</u> |
| Net Change in Fund Balance | <u>\$ (13,693)</u> | <u>\$ (13,693)</u> | (13,854) | <u>\$ (161)</u> |
| Fund Balance, Beginning | | | <u>157,831</u> | |
| Fund Balance, Ending | | | <u>\$ 143,977</u> | |

CITY OF WILTON MANORS, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
ROAD IMPROVEMENT FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2015

| | <u>Budgeted Amounts</u> | | <u>Actual</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|--------------------------------------|-------------------------|---------------------|-------------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| REVENUES: | | | | |
| Intergovernmental | \$ 202,200 | \$ 202,200 | \$ 214,019 | \$ 11,819 |
| Miscellaneous | <u>28,200</u> | <u>28,200</u> | <u>36,002</u> | <u>7,802</u> |
| Total Revenues | <u>230,400</u> | <u>230,400</u> | <u>250,021</u> | <u>19,621</u> |
| EXPENDITURES: | | | | |
| Transportation: | | | | |
| Public Services | 276,237 | 818,015 | 191,460 | 626,555 |
| Leisure Services | <u>42,163</u> | <u>42,163</u> | <u>35,844</u> | <u>6,319</u> |
| Total Expenditures | <u>318,400</u> | <u>860,178</u> | <u>227,304</u> | <u>632,874</u> |
| Excess of Revenues Over Expenditures | <u>(88,000)</u> | <u>(629,778)</u> | <u>22,717</u> | <u>652,495</u> |
| OTHER FINANCING SOURCES: | | | | |
| Transfers In | <u>-</u> | <u>355,910</u> | <u>355,910</u> | <u>-</u> |
| Total Other Financing Sources | <u>-</u> | <u>355,910</u> | <u>355,910</u> | <u>-</u> |
| Net Change in Fund Balance | <u>\$ (88,000)</u> | <u>\$ (273,868)</u> | 378,627 | <u>\$ 652,495</u> |
| Fund Balance, Beginning | | | <u>148,545</u> | |
| Fund Balance, Ending | | | <u>\$ 527,172</u> | |

CITY OF WILTON MANORS, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
JENADA ASSESSMENT FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2015

| | <u>Budgeted Amounts</u> | | <u>Actual</u> | Variance with Final Budget Positive (Negative) |
|--------------------------------------|-------------------------|-------------------|------------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| REVENUES: | | | | |
| Special Assessments | \$ 8,132 | \$ 8,132 | \$ 7,867 | \$ (265) |
| Miscellaneous | <u>75</u> | <u>75</u> | <u>81</u> | <u>6</u> |
| Total Revenues | <u>8,207</u> | <u>8,207</u> | <u>7,948</u> | <u>(259)</u> |
| EXPENDITURES: | | | | |
| General Government: | | | | |
| Jenada Operations | <u>18,162</u> | <u>18,162</u> | <u>6,941</u> | <u>11,221</u> |
| Total Expenditures | <u>18,162</u> | <u>18,162</u> | <u>6,941</u> | <u>11,221</u> |
| Excess of Revenues Over Expenditures | <u>(9,955)</u> | <u>(9,955)</u> | <u>1,007</u> | <u>10,962</u> |
| Net Change in Fund Balance | <u>\$ (9,955)</u> | <u>\$ (9,955)</u> | <u>1,007</u> | <u>\$ 10,962</u> |
| Fund Balance, Beginning | | | <u>35,984</u> | |
| Fund Balance, Ending | | | <u>\$ 36,991</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 POSITION
FIDUCIARY FUNDS
SEPTEMBER 30, 2015

| | <u>General Employees and Police Pension</u> | <u>Volunteer Firefighters Retirement System</u> | <u>Total</u> |
|---|---|---|----------------------|
| <u>ASSETS</u> | | | |
| Cash and cash equivalents | \$ 828,930 | \$ 45,195 | \$ 874,125 |
| Receivables: | | | |
| City contributions | 2,395 | - | 2,395 |
| Due from Florida State Division of Retirement | - | 143,468 | 143,468 |
| Interest and dividends receivable | 44,580 | 2,431 | 47,011 |
| Total receivables | <u>46,975</u> | <u>145,899</u> | <u>192,874</u> |
| Investments, at fair value: | | | |
| U.S. Government and agency securities | 5,536,203 | 301,842 | 5,838,045 |
| Corporate bonds and notes | 685,196 | 37,358 | 722,554 |
| Domestic equity funds | 3,592,523 | 195,870 | 3,788,393 |
| Common stocks | 12,420,865 | 677,205 | 13,098,070 |
| Total investments | <u>22,234,787</u> | <u>1,212,275</u> | <u>23,447,062</u> |
| Total assets | <u>23,110,692</u> | <u>1,403,369</u> | <u>24,514,061</u> |
| <u>LIABILITIES</u> | | | |
| Accounts payable and accrued expenses | 45,148 | - | 45,148 |
| Total liabilities | <u>45,148</u> | <u>-</u> | <u>45,148</u> |
| <u>NET POSITION</u> | | | |
| Net position restricted for DROP benefits | 433,827 | - | 433,827 |
| Net position restricted for defined benefits | 22,631,717 | 1,403,369 | 24,035,086 |
| Net position restricted for pensions | <u>\$ 23,065,544</u> | <u>\$ 1,403,369</u> | <u>\$ 24,468,913</u> |

CITY OF WILTON MANORS, FLORIDA
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2015

| | <u>General Employees and Police Pension</u> | <u>Volunteer Firefighters Retirement System</u> | <u>Total</u> |
|---|---|---|----------------------|
| Additions: | | | |
| Contributions: | | | |
| Plan members | \$ 64,249 | \$ - | \$ 64,249 |
| State | - | 143,468 | 143,468 |
| City | <u>1,676,869</u> | <u>-</u> | <u>1,676,869</u> |
| Total contributions | <u>1,741,118</u> | <u>143,468</u> | <u>1,884,586</u> |
| Investment income: | | | |
| Net depreciation in fair value of investments | (1,990,892) | (116,157) | (2,107,049) |
| Interests and dividends | <u>648,778</u> | <u>37,854</u> | <u>686,632</u> |
| Total | (1,342,114) | (78,303) | (1,420,417) |
| Less: | | | |
| Investment expenses | <u>147,208</u> | <u>-</u> | <u>147,208</u> |
| Net investment (loss) | (1,489,322) | (78,303) | (1,567,625) |
| Miscellaneous income | <u>9,974</u> | <u>-</u> | <u>9,974</u> |
| Total Additions | <u>261,770</u> | <u>65,165</u> | <u>326,935</u> |
| Deductions: | | | |
| Pension benefits paid | 2,756,178 | 76,201 | 2,832,379 |
| Administrative expenses | <u>88,375</u> | <u>40,557</u> | <u>128,932</u> |
| Total deductions | <u>2,844,553</u> | <u>116,758</u> | <u>2,961,311</u> |
| Change in net position | (2,582,783) | (51,593) | (2,634,376) |
| Net position, beginning | <u>25,648,327</u> | <u>1,454,962</u> | <u>27,103,289</u> |
| Net position, ending | <u>\$ 23,065,544</u> | <u>\$ 1,403,369</u> | <u>\$ 24,468,913</u> |

STATISTICAL SECTION

STATISTICAL SECTION

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

Content

| | Page |
|---|-------------|
| Financial Trends | 88-92 |
| <i>These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.</i> | |
| Revenue Capacity | 93-96 |
| <i>These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.</i> | |
| Debt Capacity | 97-101 |
| <i>These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.</i> | |
| Demographic and Economic Information | 102-104 |
| <i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.</i> | |
| Operating Information | 105-107 |
| <i>These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.</i> | |

Source: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The City began to report accrual information when it implemented GASB Statement 34 in fiscal year 2003.

CITY OF WILTON MANORS, FLORIDA
NET POSITION BY COMPONENT - Table 1
Last Ten Fiscal Years
(Accrual Basis of Accounting)

| | <u>2005-06</u> | <u>2006-07</u> | <u>2007-08</u> | <u>2008-09</u> | <u>2009-10</u> | <u>2010-11</u> | <u>2011-12</u> | <u>2012-13</u> | <u>2013-14</u> | <u>2014-15*</u> |
|-----------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Governmental Activities | | | | | | | | | | |
| Net investments in Capital Assets | \$ 14,546,968 | \$ 17,858,934 | \$ 17,321,290 | \$ 23,749,894 | \$ 24,737,103 | \$ 23,737,572 | \$ 23,166,508 | \$ 22,487,584 | \$ 22,612,953 | \$ 22,977,296 |
| Restricted | - | - | - | - | 341,974 | 665,651 | 1,875,075 | 1,239,952 | 1,340,554 | 2,125,600 |
| Unrestricted | 4,376,109 | 4,256,624 | 10,317,638 | 4,470,047 | 3,140,990 | 3,240,732 | 2,681,067 | 4,385,843 | 3,891,168 | (10,190,225) |
| | <u>18,923,077</u> | <u>22,115,558</u> | <u>27,638,928</u> | <u>28,219,941</u> | <u>28,220,067</u> | <u>27,643,955</u> | <u>27,722,650</u> | <u>28,113,379</u> | <u>27,844,675</u> | <u>14,912,671</u> |
| Business-type Activities | | | | | | | | | | |
| Net Investments in Capital Assets | 4,613,924 | 4,970,463 | 8,161,532 | 9,214,788 | 8,405,247 | 8,939,594 | 9,667,371 | 10,947,091 | 11,643,985 | 13,057,723 |
| Restricted | 1,559,205 | 1,413,439 | 1,113,439 | 1,103,696 | 885,741 | 926,868 | 1,630,062 | 1,570,317 | 1,764,490 | 1,759,416 |
| Unrestricted | 1,689,644 | 2,444,750 | (360,576) | (1,363,483) | 221,258 | 945,146 | 1,266,815 | 2,086,121 | 2,399,953 | 1,899,031 |
| | <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> | <u>10,811,608</u> | <u>12,564,248</u> | <u>14,603,529</u> | <u>15,808,428</u> | <u>16,716,170</u> |
| Primary Government | | | | | | | | | | |
| Invested in Capital Assets, | | | | | | | | | | |
| Net of Related Debt | 19,160,892 | 22,829,397 | 25,482,822 | 32,964,682 | 33,142,350 | 32,677,166 | 32,833,879 | 33,434,675 | 34,256,938 | 36,035,019 |
| Restricted | 1,559,205 | 1,413,439 | 1,113,439 | 1,103,696 | 1,227,715 | 1,592,519 | 3,505,137 | 2,810,269 | 3,105,044 | 3,885,016 |
| Unrestricted | 6,065,753 | 6,701,374 | 9,957,062 | 3,106,564 | 3,362,248 | 4,185,878 | 3,947,882 | 6,471,964 | 6,291,121 | (8,291,194) |
| | <u>\$ 26,785,850</u> | <u>\$ 30,944,210</u> | <u>\$ 36,553,323</u> | <u>\$ 37,174,942</u> | <u>\$ 37,732,313</u> | <u>\$ 38,455,563</u> | <u>\$ 40,286,898</u> | <u>\$ 42,716,908</u> | <u>\$ 43,653,103</u> | <u>\$ 31,628,841</u> |

* Note: In fiscal year 2015, the City implemented GASB Statements No. 68 and 71, which had a cumulative effect of reducing beginning net position by \$15,802,370.

CITY OF WILTON MANORS, FLORIDA
CHANGES IN NET POSITION - Table 2
Last Ten Fiscal Years
(Accrual Basis of Accounting)

| | 2005-06 | 2006-07 | 2007-08 | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 | 2013-14 | 2014-15 |
|---|------------------|----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|------------------|
| EXPENSES | | | | | | | | | | |
| Governmental Activities | | | | | | | | | | |
| General Government | \$ 2,136,708 | \$ 2,060,947 | \$ 2,568,351 | \$ 2,205,488 | \$ 2,054,770 | \$ 1,970,679 | \$ 1,986,280 | \$ 2,233,108 | \$ 3,915,658 | (3) \$ 3,903,520 |
| Public Safety | 6,787,831 | 7,398,549 | 8,160,017 | 8,443,552 | 8,869,912 | 8,299,498 | 8,133,602 | 8,786,550 | 8,200,140 | 7,812,678 |
| Culture and Recreation | 2,596,851 | 3,063,009 | 3,439,236 | 3,713,402 | 3,731,279 | 3,559,499 | 3,460,822 | 3,155,275 | 3,463,104 | 3,545,350 |
| Physical Environment | 2,779,972 | 1,077,506 | 869,291 | 1,090,237 | 1,433,612 | 1,065,381 | 567,036 | 353,822 | 327,906 | 347,625 |
| Transportation | - | - | - | - | - | 421,435 | 818,896 | 926,883 | 322,893 | 302,460 |
| Interest on Long-term Debt | 168,411 | 200,780 | 217,741 | 471,098 | 468,124 | 355,356 | 233,405 | 190,362 | 233,537 | 203,274 |
| Total Governmental Activities Expenses | 14,469,773 | 13,800,791 | 15,254,636 | 15,923,777 | 16,557,697 | 15,671,848 | 15,200,041 | 15,646,000 | 16,463,238 | 16,114,907 |
| Business-type Activities | | | | | | | | | | |
| Water and Wastewater | 3,726,449 | 4,185,052 | 4,920,272 | 4,635,430 | 4,824,835 | 4,822,600 | 4,740,281 | 4,853,802 | 5,204,989 | 5,562,904 |
| Parking | - | - | - | - | - | - | - | 485,397 | 490,689 | 519,558 |
| Drainage | 224,846 | 274,547 | 354,413 | 427,806 | 351,897 | 323,867 | 323,817 | 287,328 | 254,113 | 281,171 |
| Total Business-type Activities Expenses | 3,951,295 | 4,459,599 | 5,274,685 | 5,063,236 | 5,176,732 | 5,146,467 | 5,064,098 | 5,626,527 | 5,949,791 | 6,363,633 |
| Total Primary Government Expenses | \$ 18,421,068 | \$ 18,260,390 | \$ 20,529,321 | \$ 20,987,013 | \$ 21,734,429 | \$ 20,818,315 | \$ 20,264,139 | \$ 21,272,527 | \$ 22,413,029 | \$ 22,478,540 |
| PROGRAM REVENUES | | | | | | | | | | |
| Governmental Activities | | | | | | | | | | |
| Charges for Services | | | | | | | | | | |
| General Government | \$ - | \$ 996,436 | \$ - | \$ - | \$ 274,852 | \$ 36,166 | \$ 46,297 | \$ 48,885 | \$ 567,966 | \$ 963,752 |
| Public Safety | 2,189,823 | 1,342,834 | 1,421,529 | 1,465,932 | 1,629,667 | 2,618,414 | 2,338,079 | 3,075,931 | 1,962,598 | 2,364,035 |
| Culture and Recreation | 540,290 | 244,081 | 255,340 | 269,017 | 269,886 | 289,984 | 323,177 | 302,767 | 417,043 | 512,947 |
| Physical Environment | 1,893,082 | 507,437 | 417,071 | 264,175 | 596,099 | 54,179 | 61,964 | 66,770 | 8,596 | 7,867 |
| Transportation | - | - | - | - | - | 309,521 | 479,499 | 490 | - | - |
| Operating Grants/Contributions | - | 1,368,685 | 852,169 | 1,510,700 | 69,875 | 107,958 | 343,135 | 121,534 | 161,330 | 114,401 |
| Capital Grants/Contributions | - | - | - | - | 1,136,272 | 318,981 | 354,340 | 366,744 | 231,025 | 63,870 |
| Total Governmental Activities | 4,623,195 | 4,459,473 | 2,946,109 | 3,509,824 | 3,976,651 | 3,735,203 | 3,946,491 | 3,983,121 | 3,348,558 | 4,026,872 |
| Business-type Activities | | | | | | | | | | |
| Charges for Services | | | | | | | | | | |
| Water and Wastewater | 4,774,159 | 5,469,707 | 5,190,185 | 5,024,936 | 6,263,494 | 6,794,707 | 7,135,703 | 7,507,695 | 7,446,700 | 8,209,883 |
| Parking | - | - | - | - | - | - | - | 606,800 | 645,009 | 701,150 |
| Drainage | 326,823 | 328,559 | 399,648 | 319,559 | 320,851 | 334,388 | 334,785 | 358,129 | 388,822 | 413,123 |
| Total Business-type Activities Program | 5,100,982 | 5,798,266 | 5,589,833 | 5,344,495 | 6,584,345 | 7,129,095 | 7,470,488 | 8,472,624 | 8,480,531 | 9,324,156 |
| Total Primary Government Program Revenues | \$ 9,724,177 | \$ 10,257,739 | \$ 8,535,942 | \$ 8,854,319 | \$ 10,560,996 | \$ 10,864,298 | \$ 11,416,979 | \$ 12,455,745 | \$ 11,829,089 | \$ 13,351,028 |
| NET (EXPENSE) REVENUE | | | | | | | | | | |
| Governmental Activities | \$ (9,846,578) * | \$ (9,341,318) | \$ (12,308,527) | \$ (12,413,953) | \$ (12,581,046) | \$ (11,936,645) | \$ (11,253,550) | \$ (11,662,879) | \$ (13,114,680) | \$ (12,088,035) |
| Business-type Activities | 1,149,687 | 1,338,667 | 315,148 | 281,259 | 1,407,613 | 1,982,628 | 2,406,390 | 2,846,097 | 2,530,740 | 2,960,523 |
| Total Primary Government Net Expense | \$ (8,696,891) | \$ (8,002,651) | \$ (11,993,379) | \$ (12,132,694) | \$ (11,173,433) | \$ (9,954,017) | \$ (8,847,160) | \$ (8,816,782) | \$ (10,583,940) | \$ (9,127,512) |

Continued on Next Page

Continued from Previous Page
CITY OF WILTON MANORS, FLORIDA
CHANGES IN NET POSITION
 Last Ten Fiscal Years
 (Accrual Basis of Accounting)

| | 2005-06 | 2006-07 | 2007-08 | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 | 2012-14 | 2014-15 |
|---|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| GENERAL REVENUES AND TRANSFERS | | | | | | | | | | |
| Governmental Activities | | | | | | | | | | |
| Property Taxes | \$ 5,724,191 | \$ 6,677,263 | \$ 6,538,632 | \$ 6,986,812 | \$ 6,479,427 | \$ 5,804,736 | \$ 5,734,204 | \$ 5,854,126 | \$ 6,214,184 | \$ 6,504,190 |
| Other Taxes | 2,907,770 | 2,535,611 | 3,506,362 | 3,152,734 | 3,229,077 | 3,455,869 | 3,333,873 | 3,429,338 | 3,536,255 | 3,696,224 |
| Investment Earnings | 244,358 | 351,841 | 221,132 | 30,547 | 163,920 | 65,047 | 89,069 | 58,042 | 14,136 | 65,504 |
| Intergovernmental, not restricted | 1,516,913 | 1,429,212 | 1,437,096 | 1,536,474 | 1,406,945 | 1,136,362 | 1,278,119 | 1,327,199 | 1,423,396 | 1,480,817 |
| Other | 232,589 | 1,142,003 | 1,619,564 | 535,849 | 407,009 | 213,584 | 234,859 | 536,314 | 313,572 | 880,509 |
| Transfers | 646,910 | 751,742 | 643,642 | 752,550 | 852,724 | 684,933 | 662,122 | 848,589 | 1,344,433 | 1,482,000 |
| Total Governmental Activities Revenues | 11,272,731 | 12,887,672 | 13,966,428 | 12,994,966 | 12,539,102 | 11,360,531 | 11,332,246 | 12,053,608 | 12,845,976 | 14,109,244 |
| Business-type Activities | | | | | | | | | | |
| Investment Earnings | 127,319 | 293,945 | 143,182 | 9,135 | 2,356 | 1,667 | 8,372 | 8,485 | 5,393 | 7,143 |
| Unrestricted Grants | 211,107 | - | - | - | - | - | - | - | - | - |
| Other | 48,531 | 85,009 | 271,056 | 202,762 | - | - | - | 33,288 | 13,199 | 271,233 |
| Transfers | (646,910) | (751,742) | (643,642) | (752,550) | (852,724) | (684,933) | (662,122) | (848,589) | (1,344,433) | (1,482,000) |
| Total Business-type Activities Revenues | (259,953) | (372,788) | (229,404) | (540,653) | (850,368) | (683,266) | (653,750) | (806,816) | (1,325,841) | (1,203,624) |
| Total Primary Government Revenues | \$ 11,012,778 | \$ 12,514,884 | \$ 13,737,024 | \$ 12,454,313 | \$ 11,688,734 | \$ 10,677,265 | \$ 10,678,496 | \$ 11,246,792 | \$ 11,520,135 | \$ 12,905,620 |
| CHANGES IN NET POSITION | | | | | | | | | | |
| Governmental Activities | \$ 1,426,153 | \$ 3,546,354 | \$ 1,657,901 | \$ 581,013 | \$ (41,944) | \$ (576,114) | \$ 78,696 | \$ 390,729 | \$ (268,704) | \$ 2,021,209 |
| Business-type Activities | 889,734 | 965,879 | 85,744 | (259,394) | 557,245 | 1,299,362 | 1,752,640 | 2,039,281 | 1,204,899 | 1,756,899 |
| Total Primary Government | \$ 2,315,887 | \$ 4,512,233 | \$ 1,743,645 | \$ 321,619 | \$ 515,301 | \$ 723,248 | \$ 1,831,336 | \$ 2,430,010 | \$ 936,195 | \$ 3,778,108 |

(1) 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.

(2) In Fiscal Year 2012-13, the City started accounting for its parking program's transactions as a separate fund.

(3) In Fiscal Year 2013-2014, the Community Development Services Department was presented as part of General Government function. This department was reported under the Public Safety function in prior years.

CITY OF WILTON MANORS, FLORIDA
FUND BALANCES - GOVERNMENTAL FUNDS - Table 3
 Last Ten Fiscal Years
 (Modified Accrual Form of Accounting)

| | 2005-06 | 2006-07 | 2007-08 | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 | 2013-14 | 2014-15 |
|---|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| General Fund | | | | | | | | | | |
| Reserved | \$ 1,779,541 | \$ 1,847,108 | \$ 3,034,738 | \$ 4,277,450 | \$ 1,921,877 | \$ - | \$ - | \$ - | \$ - | \$ - |
| Unreserved | 2,941,943 | 3,302,658 | 3,483,990 | 1,874,398 | 2,226,475 | - | - | - | - | - |
| Nonspendable | - | - | - | - | - | 130,156 | 171,348 | 55,986 | 148,853 | 165,564 |
| Restricted | - | - | - | - | - | 270,338 | 426,334 | 334,587 | 356,472 | 334,692 |
| Committed | - | - | - | - | - | 654,692 | 621,358 | 369,431 | 47,499 | - |
| Assigned | - | - | - | - | - | - | - | 1,407,233 | 1,367,463 | 1,391,918 |
| Unassigned | - | - | - | - | - | 2,878,929 | 3,201,898 | 2,949,403 | 2,893,169 | 2,862,742 |
| Total General Fund | \$ 4,721,484 | \$ 5,149,766 | \$ 6,518,728 | \$ 6,151,848 | \$ 4,148,352 | \$ 3,934,115 | \$ 4,420,938 | \$ 5,116,640 | \$ 4,813,456 | \$ 4,754,916 |
| All Other Governmental Funds | | | | | | | | | | |
| Reserved | \$ 200,006 | \$ 343,887 | \$ 555,290 | \$ 1,523,763 | \$ 492,495 | \$ - | \$ - | \$ - | \$ - | \$ - |
| Unreserved, Reported In | | | | | | | | | | |
| Special Revenue | (249,098) | (897,179) | 3,937,764 | (422,918) | (408,782) | - | - | - | - | - |
| Nonspendable | - | - | - | - | - | 15,715 | 15,207 | 12,323 | 15,700 | 6,297 |
| Restricted | - | - | - | - | - | 395,313 | 1,448,741 | 1,250,991 | 509,566 | 1,763,990 |
| Committed | - | - | - | - | - | 100,994 | 9,143 | - | - | - |
| Assigned | - | - | - | - | - | 557,897 | 102,855 | - | - | - |
| Unassigned | - | - | - | - | - | (264,034) | (154,465) | (157,568) | (175,599) | (134,623) |
| Total All Other Governmental Funds | \$ (49,092) | \$ (553,292) | \$ 4,493,054 | \$ 1,100,845 | \$ 83,713 | \$ 805,885 | \$ 1,421,481 | \$ 1,105,746 | \$ 349,667 | \$ 1,635,664 |

Note: Fund balances for fiscal year 2011 have been reclassified per GASB Statement 54 new fund balance reporting standards. Prior year amounts have not been restated.

CITY OF WILTON MANORS, FLORIDA
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS - Table 4
LAST TEN FISCAL YEARS
 (Modified Accrual Basis of Accounting)

| | 2005-06 | 2006-07 | 2007-08 | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 | 2013-14 | 2014-15 |
|---------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| REVENUES | | | | | | | | | | |
| Ad Valorem Taxes - Operating | \$ 5,375,753 | \$ 6,446,700 | \$ 6,307,226 | \$ 6,331,548 | \$ 5,830,640 | \$ 5,158,607 | \$ 5,084,961 | \$ 5,220,263 | \$ 5,573,038 | \$ 5,871,762 |
| Ad Valorem Taxes - Debt Service | 348,438 | 230,564 | 231,406 | 655,264 | 648,787 | 646,129 | 649,243 | 633,863 | 641,146 | 632,428 |
| Franchise Taxes | 1,120,519 | 793,113 | 1,451,514 | 1,276,489 | 1,235,472 | 1,229,866 | 1,257,503 | 1,258,631 | 1,303,798 | 1,325,740 |
| Utility Service Taxes | 1,674,382 | 1,742,498 | 1,825,721 | 1,876,245 | 1,993,605 | 1,978,897 | 1,975,494 | 2,077,615 | 2,110,460 | 2,115,067 |
| Licenses and Permits | 1,012,557 | 996,436 | 939,314 | 456,386 | 462,889 | 552,339 | 659,797 | 639,649 | 591,592 | 992,177 |
| Intergovernmental | 2,751,543 | 2,458,351 | 1,437,097 | 3,047,174 | 2,576,703 | 1,788,527 | 1,928,346 | 1,815,476 | 1,783,353 | 1,765,846 |
| Charges for Services | 613,275 | 702,081 | 716,284 | 587,823 | 795,517 | 822,895 | 889,859 | 515,908 | 541,298 | 630,940 |
| Fines and Forfeitures | 173,702 | 274,895 | 237,677 | 273,882 | 265,813 | 512,666 | 586,660 | 1,026,213 (2) | 363,676 | 593,871 |
| Impact Fees | 112,869 | 89,992 | 229,128 | 23,977 | 18,978 | 21,880 | 4,101 | 23,784 | 21,885 | 266,220 |
| Special Assessments | 993,537 | 1,027,384 | 1,139,982 | 1,137,419 | 1,227,306 | 1,420,365 | 1,281,432 | 1,406,168 | 1,509,399 | 1,677,225 |
| Donations | 316,707 | 1,090 | 100 | 2,400 | 2,000 | - | - | - | - | - |
| Other | 449,752 | 496,318 | 1,753,450 | 83,632 | 605,318 | 278,631 | 299,219 | 571,347 | 410,456 | 782,840 |
| Total Revenues | 14,943,034 | 15,259,422 | 16,268,899 | 15,752,239 | 15,663,028 | 14,410,802 | 14,616,615 | 15,188,917 | 14,850,101 | 16,654,116 |

EXPENDITURES

| | | | | | | | | | | |
|--|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Current | | | | | | | | | | |
| General Government | 1,613,291 | 1,772,521 | 1,866,577 | 2,010,513 | 2,001,787 | 1,603,626 | 1,656,255 | 1,933,165 | 2,990,784 | 3,164,475 |
| Public Safety | 6,457,864 | 7,008,181 | 8,084,855 | 7,849,531 | 7,961,871 | 8,005,903 | 7,921,223 | 8,519,198 | 7,848,658 | 8,391,065 |
| Physical Environment | 2,696,942 (1) | 984,544 | 525,533 | 453,766 | 743,740 | 616,455 | 331,363 | 306,282 | 308,600 | 320,254 |
| Culture and Recreation | 2,483,280 | 2,766,439 | 3,068,679 | 3,067,543 | 2,940,422 | 2,610,015 | 2,549,042 | 2,520,254 | 2,791,604 | 3,116,285 |
| Nondepartmental | 200,010 | - | - | - | - | - | - | - | - | - |
| Transportation | - | - | - | - | - | 412,467 | 748,556 | 365,425 | 255,378 | 247,772 |
| Capital Outlay | 1,974,435 | 3,176,110 | 2,591,459 | 6,081,455 | 5,299,689 | 499,511 | 1,240,945 | 862,253 | 1,503,402 | 2,406,741 |
| Debt Service | - | - | - | - | - | - | - | - | - | - |
| Principal Retirement | 398,967 | 233,209 | 239,583 | 408,033 | 483,184 | 524,843 | 551,347 | 540,426 | 554,183 | 559,472 |
| Interest and Fiscal Charges | 147,867 | 146,077 | 84,925 | 393,037 | 329,522 | 314,980 | 323,337 | 238,143 | 219,220 | 228,763 |
| Total Expenditures | 15,972,656 | 16,087,081 | 16,461,611 | 20,263,878 | 19,760,215 | 14,587,800 | 15,322,068 | 15,285,146 | 16,471,829 | 18,434,827 |
| Excess of Revenues Over (Under) Expenditures | (1,029,622) | (827,659) | (192,712) | (4,511,639) | (4,097,187) | (176,998) | (705,453) | (96,229) | (1,621,728) | (1,780,711) |

OTHER FINANCING SOURCES (USES)

| | | | | | | | | | | |
|---------------------------------------|-------------------|--------------------|---------------------|-----------------------|-----------------------|-------------------|---------------------|-------------------|---------------------|-------------------|
| Debt Issuance | 1,000,000 | - | 5,964,378 | - | 223,835 | - | 1,115,250 | - | - | 744,200 |
| Refunding debt issued | - | - | - | - | - | - | 1,477,298 | - | - | - |
| Transfers In | 1,072,511 | 1,300,048 | 1,226,202 | 1,220,580 | 3,495,723 | 1,169,406 | 1,166,450 | 1,922,909 | 1,760,213 | 2,355,390 |
| Payment to refunded debt escrow agent | - | - | - | - | - | - | (1,446,798) | - | - | - |
| Transfers Out | (425,601) | (548,306) | (582,560) | (468,030) | (2,642,999) | (484,473) | (504,328) | (1,446,713) | (415,780) | (873,390) |
| Total Other Financing Sources (Uses) | 1,646,910 | 751,742 | 6,608,020 | 752,550 | 1,076,559 | 684,933 | 1,807,872 | 476,196 | 1,344,433 | 2,226,200 |
| Net Change in Fund Balances | \$ 617,288 | \$ (75,917) | \$ 6,415,308 | \$ (3,759,089) | \$ (3,020,628) | \$ 507,935 | \$ 1,102,419 | \$ 379,967 | \$ (277,295) | \$ 445,489 |

Debt Service as a Percentage of Non-capital Expenditures

3.91%

2.94%

2.34%

5.65%

5.62%

5.96%

6.21%

5.40%

5.17%

4.92%

(1) In Fiscal Year 2005-06, the increase of physical environment expenditures was due to the recovery costs from Hurricanes Katrina and Wilma.
 (2) In FY2012-13, the City settled and collected fines on a long outstanding code enforcement fines.

CITY OF WILTON MANORS, FLORIDA
Net Assessed Value and Estimated Actual Value of Taxable Property - Table 5
Last Ten Fiscal Years

| Tax Roll Year | City's Fiscal Year | Residential | | | | Commercial | | Industrial | | Other | | Personal Property | | Less: Tax Exemptions | | Total Taxable Assessed Value | | % Change in Total Taxable Assessed Value | | City Direct Tax Rate | Estimated Actual Market Value | Total Assessed Value as a Percent of Market Value | Number of Parcels of Real Property |
|---------------|--------------------|---------------|-------------|------------|---------------------|-------------------|-------------|---------------|--------|--------|---------------|-------------------|-------|----------------------|---|------------------------------|--|--|--|----------------------|-------------------------------|---|------------------------------------|
| | | Residential | Commercial | Industrial | Other Real Property | Personal Property | Exemptions | Value | Value | Value | Value | Value | Value | % | % | | | | | | | | |
| 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 | | | | | | | | | | |
| 2010 | 2010-11 | 919,795,599 | 172,623,160 | 13,832,980 | 114,187,900 | 25,488,738 | 357,807,819 | 888,120,558 | -14.6% | 6.8483 | 1,245,928,377 | 71.3% | 5,497 | | | | | | | | | | |
| 2011 | 2011-12 | 910,487,440 | 158,535,020 | 14,687,580 | 108,185,404 | 33,977,791 | 372,428,788 | 853,444,447 | -3.9% | 6.9994 | 1,225,873,235 | 69.6% | 5,495 | | | | | | | | | | |
| 2012 | 2012-13 | 943,837,310 | 163,394,570 | 12,841,870 | 105,385,600 | 27,497,377 | 375,779,102 | 877,177,625 | 2.8% | 6.9605 | 1,252,956,727 | 70.0% | 5,502 | | | | | | | | | | |
| 2013 | 2013-14 | 1,074,634,550 | 161,950,250 | 12,526,660 | 107,501,341 | 30,930,117 | 455,581,400 | 931,961,518 | 6.2% | 6.9319 | 1,387,542,918 | 67.2% | 5,502 | | | | | | | | | | |
| 2014 | 2014-15 | 1,248,445,240 | 168,458,690 | 12,470,750 | 111,172,493 | 40,890,778 | 561,707,153 | 1,019,730,798 | 9.4% | 6.7225 | 1,581,437,951 | 64.5% | 5,520 | | | | | | | | | | |

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 - Table 6
LAST TEN FISCAL YEARS**

| Tax Roll Year | Fiscal Year | City of Wilton Manors | | | Overlapping Rates** | | | | | | | Total Millage Rate |
|---------------|-------------|-----------------------|--------------|------------|---------------------|------------------------|---|------------------------------------|-------------------------------------|---------------------------------|---------|--------------------|
| | | Operating Service | Debt Service | Total City | Broward County | Broward County Schools | South Florida Water Management District | Florida Inland Navigation District | Broward Children's Services Council | North Broward Hospital District | | |
| 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 | |
| 2010 | 2010-11 | 6.0855 | 0.7628 | 6.8483 | 5.5530 | 7.6310 | 0.6240 | 0.0345 | 0.4696 | 1.8750 | 23.0354 | |
| 2011 | 2011-12 | 6.2068 | 0.7926 | 6.9994 | 5.5530 | 7.4180 | 0.4363 | 0.0345 | 0.4789 | 1.8750 | 22.7951 | |
| 2012 | 2012-13 | 6.2068 | 0.7537 | 6.9605 | 5.5530 | 7.4560 | 0.4289 | 0.0345 | 0.4902 | 1.8564 | 22.7795 | |
| 2013 | 2013-14 | 6.2166 | 0.7153 | 6.9319 | 5.7230 | 7.4800 | 0.4110 | 0.0345 | 0.4882 | 1.7554 | 22.8240 | |
| 2014 | 2014-15 | 6.0683 | 0.6542 | 6.7225 | 5.7230 | 7.4380 | 0.3842 | 0.0345 | 0.4882 | 1.5939 | 22.3843 | |

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 - Table 7
Current Year and Nine Years Ago

| Taxpayer | Fiscal Year 2014-15 | | | Fiscal Year 2005-06 | | |
|-----------------------------------|-------------------------|------|---|------------------------|------|---|
| | Taxable Assessed Value | Rank | Percent of Total Taxable Assessed Value | Taxable Assessed Value | Rank | Percent of Total Taxable Assessed Value |
| LG Wilton Park LLC | \$ 22,982,700 | 1 | 2.3% | | | |
| Marrinson Group | 15,249,380 | 2 | 1.5% | 10,544,050 | 1 | 1.2% |
| High Acres TIC LLC | 12,571,080 | 3 | 1.2% | | | |
| RKOF Wilton Tower LLC | 12,546,560 | 4 | 1.2% | | | |
| 2727 Pal Gardens LLC | 8,202,060 | 5 | 0.8% | | | |
| Real Sub LLC | 7,062,740 | 6 | 0.7% | | | |
| Carol Williams Trust | 5,062,160 | 7 | 0.5% | 7,246,660 | 7 | 0.8% |
| 2675 N. Andrews Ave LLC | 4,958,400 | 8 | 0.5% | 4,841,931 | 10 | 0.6% |
| Da Vinci Plaza LLC | 4,502,130 | 9 | 0.4% | | | |
| Dedicated N Andrews FL | 4,385,880 | 10 | 0.4% | | | |
| Stiles/BLP, LLC | | | | 10,079,340 | 2 | 1.2% |
| Wilton Manors Development LLC | | | | 9,020,428 | 3 | 1.0% |
| USAT Corp. | | | | 8,616,137 | 4 | 1.0% |
| Impsat USA, Inc. | | | | 8,025,453 | 5 | 0.9% |
| Morrison Group, Inc. | | | | 7,280,200 | 6 | 0.8% |
| Car Fire Corners Plaza | | | | 6,953,620 | 8 | 0.8% |
| Florida Power & Light | | | | 5,310,876 | 9 | 0.6% |
| | <u>\$ 97,523,090</u> | | <u>9.6%</u> | <u>\$ 77,918,695</u> | | <u>8.9%</u> |
| Total City Taxable Assessed Value | <u>\$ 1,019,730,798</u> | | | <u>\$ 872,812,310</u> | | |

Source: Broward County Property Appraiser.

**CITY OF WILTON MANORS, FLORIDA
PROPERTY TAX LEVIES AND COLLECTIONS - Table 8
Last Ten Fiscal Years**

| Fiscal Year | Property Tax Levy | Collected within the Fiscal Year of the Levy | | Collections/ Adjustments in Subsequent Years | Total Collections to Date | |
|------------------------|------------------------------|---|-------------------------------|---|----------------------------------|-------------------------------|
| | | Amount | Percentage of Levy | | Amount | Percentage of Levy |
| 2005-06 | 5,923,289 | 5,700,801 | 96.2% | 23,390 | 5,724,191 | 96.6% |
| 2006-07 | 6,436,678 | 5,901,326 | 91.7% | 527,971 | 6,429,298 | 99.9% |
| 2007-08 | 6,263,166 | 5,251,623 | 83.8% | 527,632 | 5,779,255 | 92.3% |
| 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% | 18,050 | 5,773,942 | 98.6% |
| 2010-11 | 5,257,852 | 5,139,150 | 97.7% | 4,170 | 5,143,320 | 97.8% |
| 2011-12 | 5,159,709 | 5,091,549 | 98.7% | (18,381) | 5,073,168 | 98.3% |
| 2012-13 | 5,469,796 | 5,225,737 | 95.5% | (7,257) | 5,218,480 | 95.4% |
| 2013-14 | 5,807,541 | 5,579,577 | 96.1% | 85,540 | 5,665,117 | 97.5% |
| 2014-15 | 6,610,398 | 6,418,650 | 97.1% | - | 6,418,650 | 97.1% |

CITY OF WILTON MANORS, FLORIDA
OUTSTANDING DEBT BY TYPE - Table 9
Last Ten Fiscal Years

| Fiscal Year | Governmental Activities | | | | | | | | | | Business-Type Activities | | | | Total Primary Government | Percentage of Personal Income(1) | Per Capita(1) |
|-------------|-----------------------------------|-------------------------------------|--|--------------|---------------|-----------------------------|------------------------------------|------------------------------------|---------------|---------|--------------------------|---|---------|------------|--------------------------|----------------------------------|---------------|
| | 2008 General Obligation Bank Loan | 1999 Parks General Obligation Bonds | 2011 Parks General Obligation Refunding Note | Note Payable | Capital Lease | Water & Sewer Revenue Bonds | 2007 Water & Sewer Refunding Bonds | 2011 Utility and Parking Bank Loan | Capital Lease | 2013-14 | 2014-15 | | | | | | |
| 2005-06 | - | 2,250,177 | - | 1,000,000 | - | 6,333,933 | - | - | - | - | - | - | - | 9,584,110 | 0.013% | 764 | |
| 2006-07 | - | 2,117,972 | - | 900,000 | - | 5,210,513 | - | - | - | - | - | - | - | 8,228,485 | 0.011% | 640 | |
| 2007-08 | 6,000,000 | 1,979,916 | - | 800,000 | - | - | - | - | - | - | - | - | - | 17,779,890 | 0.024% | 1,375 | |
| 2008-09 | 5,837,500 | 1,835,750 | - | 700,000 | - | - | - | - | - | - | - | - | - | 16,842,656 | 0.024% | 1,303 | |
| 2009-10 | 5,620,700 | 1,685,203 | - | 600,000 | 53,823 | - | - | - | - | - | - | - | 154,163 | 15,641,908 | 0.022% | 1,213 | |
| 2010-11 | 5,395,840 | 1,527,993 | - | 500,000 | 52,789 | - | - | - | - | - | - | - | 121,742 | 14,149,012 | 0.019% | 1,216 | |
| 2011-12 | 5,162,610 | - | 1,385,946 | 400,000 | 40,634 | - | - | - | - | - | 2,230,500 | - | 88,298 | 14,843,907 | 0.019% | 1,264 | |
| 2012-13 | 4,920,710 | - | 1,200,313 | 300,000 | 27,742 | - | - | - | - | - | 2,127,451 | - | 53,799 | 13,112,529 | 0.016% | 1,104 | |
| 2013-14 | 4,669,810 | - | 1,010,705 | 200,000 | 14,066 | - | - | - | - | - | 1,993,330 | - | 18,212 | 11,330,223 | 0.014% | 939 | |
| 2014-15 | 4,409,570 | - | 817,037 | 844,200 | - | - | - | - | - | - | 1,855,807 | - | - | 10,251,844 | (2) | 843 | |

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.

- (1) See Table 14 for personal income and population data. Personal Income data is not available for Wilton Manors. The data used is for Broward County.
- (2) Personal income not available for 2014

CITY OF WILTON MANORS, FLORIDA
RATIOS OF GENERAL BONDED DEBT OUTSTANDING - Table 10
Last Ten Fiscal Years

| Fiscal Year | Estimated Actual Taxable Value | General Obligation Bonded Debt | Percentage of Actual Taxable Value of Property | Population | Per Capita |
|----------------|---|--------------------------------------|---|------------|---------------|
| 2005-06 | 872,812,310 | 2,250,177 | 0.26% | 12,546 | 179 |
| 2006-07 | 1,068,467,677 | 2,117,972 | 0.20% | 12,848 | 165 |
| 2007-08 | 1,266,296,064 | 7,979,916 | 0.63% | 12,929 | 617 |
| 2008-09 | 1,237,347,229 | 7,673,250 | 0.62% | 12,929 | 593 |
| 2009-10 | 1,039,421,516 | 8,205,903 | 0.79% | 12,895 | 636 |
| 2010-11 | 888,120,558 | 6,923,833 | 0.78% | 11,632 | 595 |
| 2011-12 | 853,444,447 | 6,548,556 | 0.77% | 11,743 | 558 |
| 2012-13 | 877,177,625 | 6,121,023 | 0.70% | 11,878 | 515 |
| 2013-14 | 931,961,518 | 5,680,515 | 0.61% | 12,071 | 471 |
| 2014-15 | 1,019,730,798 | 5,226,607 | 0.51% | 12,160 | 430 |

CITY OF WILTON MANORS, FLORIDA
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES NET DEBT - Table 11
SEPTEMBER 30, 2015

| | Outstanding Debt (1) | Estimated Percent Applicable (2) | Estimated Share of Direct and Overlapping Debt |
|--|------------------------------|--|--|
| Direct Debt | <u>\$ 6,070,807</u> | 100% | <u>\$ 6,070,807</u> |
| Overlapping Debt | | | |
| Broward County | 274,810,000 | | |
| School Board of Broward County | <u>163,787,000</u> | | |
| Total Overlapping Debt | <u>\$ 438,597,000</u> | 0.66% | <u>\$ 2,905,266</u> |
| Total Direct And Overlapping Debt (2) | <u>\$ 444,667,807</u> | | <u>\$ 8,976,073</u> |

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

(1) Includes all governmental activities debt.

(2) The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of Broward County's taxable assessed value that is within the City of Wilton Manors' boundaries and dividing it by Broward County's total taxable assessed value.

**CITY OF WILTON MANORS, FLORIDA
LEGAL DEBT MARGIN - Table 12**

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

CITY OF WILTON MANORS, FLORIDA
PLEDGED REVENUE* COVERAGE - Table 13
Last Ten Fiscal Years

| Fiscal Year | Utility Service Charges | Less: Operating Expenses** | Net Available Revenue | Principal | Interest | Coverage |
|-------------|-------------------------|----------------------------|-----------------------|-----------|----------|----------|
| 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 | 287,748 | 1.80 |
| 2010-11 | 6,671,550 | 3,864,803 | 2,806,747 | 977,371 | 261,370 | 2.27 |
| 2011-12 | 7,087,433 | 3,837,977 | 3,249,456 | 1,014,729 | 231,629 | 2.61 |
| 2012-13 | 7,368,825 | 3,946,201 | 3,422,624 | 1,053,406 | 191,526 | 2.75 |
| 2013-14 | 7,382,000 | 4,338,565 | 3,043,435 | 1,058,413 | 151,165 | 2.52 |
| 2014-15 | 8,169,571 | 4,699,543 | 3,470,028 | 1,098,870 | 111,534 | 2.87 |

* 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 - Table 14
Last Ten Fiscal Years

| Fiscal Year | Wilton Manors Population(1) | Broward County Population(1) | Broward County Total Personal Income(1) (in Thousands) | County Per Capita Personal Income | County Unemployment Rate(2) |
|----------------|-----------------------------------|------------------------------------|---|--|-----------------------------------|
| 2005-06 | 12,546 | 1,739,348 | 71,941,404 | 41,361 | 3.2% |
| 2006-07 | 12,848 | 1,720,825 | 74,547,657 | 43,321 | 3.8% |
| 2007-08 | 12,929 | 1,723,633 | 75,222,774 | 43,642 | 6.1% |
| 2008-09 | 12,929 | 1,733,310 | 69,442,515 | 40,064 | 9.8% |
| 2009-10 | 12,895 | 1,752,122 | 72,731,461 | 41,511 | 9.8% |
| 2010-11 | 11,632 | 1,780,172 | 76,133,577 | 42,768 | 9.0% |
| 2011-12 | 11,743 | 1,771,099 | 78,687,882 | 43,351 | 7.3% |
| 2012-13 | 11,878 | 1,784,715 | 80,525,783 | 45,120 | 5.9% |
| 2013-14 | 12,071 | 1,803,903 | 80,905,552 | 39,809 | 5.2% |
| 2014-15 | 12,160 | 1,827,367 | (3) | 39,809 | 4.9% |

Sources:

- (1) Bureau of Economic and Business Research, University of Florida.
- (2) Bureau of Labor Statistics, U.S. Department of Labor
- (3) Information not available for 2015

**CITY OF WILTON MANORS, FLORIDA
PRINCIPAL EMPLOYERS - Table 15**

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
CSL Plasma
Kids in Distress
Marrinson Group
Moss Construction
Pace Center for Girls
Publix Supermarkets
School Board of Broward County
Somerset Charter School
Wilton Manors Rehabilitation Center/Palm Court

**CITY OF WILTON MANORS, FLORIDA
MISCELLANEOUS STATISTICS - Table 16**

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 | 8.9 |

Police Department:

| | |
|-----------------------|----|
| Stations | 1 |
| Uniformed officers | 32 |
| Nonuniformed officers | 17 |

Water & Sewer Utilities:

| | |
|-------------------------|-------|
| Active accounts - Water | 4,241 |
| Active accounts - Sewer | 4,090 |

Recreation & open space (approximately 66.01 acres):

- Andrews Avenue Extension Pocket Park
- Apachee Pass Park
- Colohatchee Park and Boat Ramp
- Coral Gardens Park
- Donn Eisele Park
- Hagen Park
- Island City Park Preserve
- Jaycee Park
- M. E. DePalma Park
- Mickel Field
- NE 15th Avenue Extension Pocket Park
- Rachel Richardson Park
- Richardson Historical Park
- Snook Creek Park and Boat Ramp
- Veteran's Park
- Waterways
- Wilton Manors Elementary School
- Woman's Club

Sources: Various City Departments.

CITY OF WILTON MANORS, FLORIDA
FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION - Table 17
 Last Ten Fiscal Years

| FUNCTION: | 2005-06 | 2006-07 | 2007-08 | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 | 2013-14 | 2014-15 |
|----------------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| 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 | 14.3 | 13.76 | 14.13 | 14.13 | 14.13 | 14.13 | 14.42 | 14.42 | 15.63 | 15.63 |
| Community Services | 8.8 | 8.25 | 8.25 | 6.75 | 6.42 | 6.7 | 4.55 | 4.55 | 5.85 | 5.85 |
| Public Safety | | | | | | | | | | |
| Police and Fire | 43.5 | 41.95 | 43.95 | 43.95 | 43.95 | 45.45 | 47.22 | 47.22 | 49.25 | 50.95 |
| Physical Environment | | | | | | | | | | |
| Public Works/Utilities | 13 | 13 | 13 | 12 | 12 | 12 | 11.75 | 11.75 | 11.5 | 11.5 |
| Culture and Recreation | | | | | | | | | | |
| Leisure Services | 43.8 | 41.84 | 41.13 | 39.93 | 36.42 | 36.23 | 36.23 | 36.23 | 37.17 | 40.87 |
| Transportation | - | - | - | - | - | - | - | - | 0.20 | 0.20 |
| Total | 125.90 | 121.30 | 122.96 | 119.26 | 115.42 | 117.01 | 116.67 | 116.67 | 122.10 | 127.50 |

Source: Human Resources Department

CITY OF WILTON MANORS, FLORIDA
OPERATING INDICATORS BY FUNCTION - Table 18
 Last Ten Fiscal Years

| FUNCTION: | 2005-06 | 2006-07 | 2007-08 | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 | 2013-14 | 2014-15 |
|---|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| General Government | | | | | | | | | | |
| Local Business Tax Licenses Issued (Occupational Licenses) | 1,195 | 998 | 998 | 534 | 915 | 898 | 877 | 924 | 1,044 | 1,083 |
| Building Permits Issued | 1,983 | 1,477 | 1,008 | 1,090 | 978 | 1,213 | 1,232 | 1,425 | 1,645 | 1,505 |
| Public Safety | | | | | | | | | | |
| Physical Arrests | 293 | 362 | 472 | 575 | 571 | 371 | 555 | 726 | 695 | 731 |
| Traffic Violations | 3,092 | 3,910 | 4,716 | 5,491 | 6,266 | 5,155 | 4,730 | 3,875 | 4,033 | 5,816 |
| Parking Violations | 71 | 695 | 877 | 1,004 | 2,696 | 10,504 | 9,184 | 8,033 | 6,960 | 2,056 |
| Fire/EMS Emergency Responses | 1,979 | 3,123 | 3,210 | 2,454 | 2,264 | 2,352 | 2,333 | 2,322 | 2,322 | 2,777 |
| Fire Inspections | 3,401 | 3,755 | 2,311 | 2,506 | 2,059 | 1,832 | 2,124 | 1,638 | 1,517 | 1,528 |
| Physical Environment | | | | | | | | | | |
| New Water Connections | 97 | 29 | 11 | 25 | 10 | 3 | 5 | 5 | 6 | 2 |
| Water Main Breaks | 4 | 5 | 5 | 11 | 8 | 9 | 5 | 4 | 8 | 3 |
| Average Daily Water Consumption * | 1,655 | 1,511 | 1,450 | 1,496 | 1,447 | 1,361 | 1,371 | 1,358 | 1,392 | 1,433 |
| Average Daily Sewage Treatment * | 1,649 | 1,862 | 2,315 | 1,845 | 1,675 | 1,509 | 1,447 | 1,680 | 1,957 | 1,674 |
| Culture and Recreation | | | | | | | | | | |
| Athletic Programs | 10 | 4 | 3 | 5 | 5 | 4 | - | - | - | - |
| Volumes in Library Collection | 29,132 | 32,581 | 27,212 | 35,435 | 37,741 | 38,648 | 40,041 | 39,739 | 41,167 | 41,015 |
| Total Volumes Borrowed | 54,012 | 36,362 | 35,918 | 48,469 | 48,018 | 51,230 | 54,591 | 56,622 | 53,939 | 49,375 |

* Thousands of Gallons

Sources: Various City Departments.

CITY OF WILTON MANORS, FLORIDA
CAPITAL ASSETS STATISTICS BY FUNCTION - Table 19
 Last Ten Fiscal Years

| FUNCTION: | 2005-06 | 2006-07 | 2007-08 | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-2013 | 2013-14 | 2014-15 |
|----------------------------------|---------|---------|---------|---------|---------|---------|---------|-----------|---------|---------|
| Public Safety | | | | | | | | | | |
| Police Stations | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Police Patrol Units | 35 | 22 | 25 | 33 | 23 | 23 | 25 | 27 | 27 | 27 |
| Fire Stations | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Fire Hydrants | 249 | 261 | 249 | 266 | 268 | 268 | 268 | 268 | 268 | 268 |
| Physical Environment | | | | | | | | | | |
| Miles of Sanitary Sewers | 34 | 35.7 | 35.7 | 35.7 | 35.7 | 35.7 | 35.7 | 35.7 | 35.7 | 35.7 |
| Miles of Storm Sewers | 2.5 | 3.8 | 3.8 | 3.8 | 3.8 | 3.8 | 3.8 | 3.8 | 3.8 | 3.8 |
| Wastewater Lift Stations | 12 | 12 | 12 | 12 | 12 | 12 | 12 | 12 | 12 | 12 |
| Acres of Lakes and Canals | 14 | 14 | 14 | 14 | 14 | 14 | 29.7 | 29.7 | 29.7 | 29.7 |
| Culture and Recreation | | | | | | | | | | |
| Parks Acreage | 66 | 66 | 66 | 66 | 66 | 66.26 | 66.01 | 66.01 | 66.01 | 66.01 |
| Parks/Schools | 8 | 8 | 8 | 14 | 14 | 16 | 15 | 15 | 15 | 15 |
| Playgrounds | 5 | 5 | 4 | 5 | 5 | 5 | 4 | 4 | 4 | 4 |
| Baseball/Softball Diamonds | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 2 | 2 | 2 |
| Soccer/Football Fields | 2 | 2 | 3 | 4 | 4 | 4 | 0 | 0 | 0 | 0 |
| Basketball Courts | 6 | 6 | 5 | 2 | 2 | 2 | 3 | 3 | 3 | 3 |
| Volleyball Courts | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| Roller Hockey/Multipurpose Court | 1 | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Multi-Use Fields | | | 7 | 3 | 3 | 3 | 2 | 2 | 2 | 2 |
| Tennis Courts | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 |
| Boat Ramps | 1 | 1 | 1 | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| Canoe Launch Sites | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 |
| Shelters/Pavilions | 8 | 8 | 8 | 10 | 10 | 10 | 12 | 12 | 12 | 12 |
| Fitness Center | 0 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Community Multipurpose Centers | 2 | 2 | 2 | 3 | 3 | 4 | 4 | 4 | 4 | 4 |
| Libraries | 1 | 1 | 1 | 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, in accordance with the 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, 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, 2015, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated May 26, 2016. Our report includes a reference to other auditors who audited the financial statements of the City's Pension Trust Funds, as described in our report on the City's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

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, misstatements 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. 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.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

GLSC & Company, PLLC

Miami, Florida
May 26, 2016





**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

Report on the Financial Statements

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, 2015, which collectively comprise the City's basic financial statements and have issued our report thereon dated May 26, 2016. 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.

Auditors' Responsibility

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 Chapter 10.550, Rules of the Auditor General.

Other Reports and Schedule

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and Compliance and Other Matters based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards and Independent Accountant's Report on an examination conducted in accordance with AICPA Professional Standards, Section 601, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated May 26, 2016, should be considered in conjunction with this management letter.

Purpose of this Letter

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies, the City Commission, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

To the Honorable Mayor, City Commissioners and City Manager
City of Wilton Manors, Florida.

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.**

We wish to thank the City 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

Miami, Florida
May 26, 2016



LETTER TO MANAGEMENT

I. CURRENT YEAR FINDINGS AND RECOMMENDATIONS

NONE

II. STATUS OF PRIOR YEAR FINDINGS AND RECOMMENDATIONS

NONE

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 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 Section 10.554(1)(i)1, Rules of the Auditor General. There were no recommendations made in the preceding annual financial audit.
2. There were no significant findings and recommendations to improve the City's financial management, accounting procedures, and internal control for the fiscal year ended September 30, 2015.
3. There were no violations of provisions of contracts or grant agreements, or abuse that have occurred, or were likely to have occurred, that have an effect on the financial statement that is less than material but which warrants the attention of those charged with governance.
4. The City 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 two potential component units that were not included in the financial statements due to the insignificance to primary government.
5. The City has not met one or more of the conditions described in Section 218.503(1), Florida Statutes.
6. 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, 2015 financial audit report.
7. We applied financial condition assessment procedures pursuant to Section 10.554(1)(i)5.c and Rule 10.556 and no deteriorating financial conditions were noted. It is management's responsibility to monitor the City's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by the same.





INDEPENDENT ACCOUNTANTS' REPORT ON AN EXAMINATION

Honorable Mayor, City Commission and City Manager
City of Wilton Manors, Florida

We have examined the City of Wilton Manors' (the "City") compliance with the requirements of Section 218.415, Florida Statutes, Local Government Investment Policies, during the year ended September 30, 2015. Management is responsible for the City's compliance with those requirements. Our responsibility is to express an opinion on the City's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included 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 examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the City's compliance with specified requirements.

In our opinion, the City complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2015.

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

GLSC & Company, PLLC

Miami, Florida
May 26, 2016



Mickel Field has been a mainstay of the City's parks system for generations. In years past a strong Little League program and other sports activities for youth made Mickel Park a vibrant center of athletic and social activity. As the park aged and the City's demographics changed, the community's recreational needs also changed. The City's Leisure Services Department listened to residents during a series of focus group meetings and with extensive public input developed a plan for the repurposing of the park. This ambitious project was completed in July, 2015. This milestone was marked by the grand re-opening of the newly re-purposed Mickel Park on July 25, 2015. The above photos show several activities which have taken place at Mickel Park since the re-opening: the City's first annual Tree Giveaway, two views of the popular concert series, and lastly a view of the annual Spring Eggstravaganza event.

Cover photo by MBR Construction, Inc. Photos this page: top by Sharon Kerwick; others by Chris Cooper.