

City of
Wilton Manors, Florida

Comprehensive Annual Financial Report

Fiscal Year Ended September 30, 2016

Prepared by the Finance Department



The Newly Renovated and Repurposed Willingham Carriage House

The City of Wilton Manors congratulates the Wilton Manors Historical Society on their successful stewardship of this project.

(See Back Cover for More Information)

City Of Wilton Manors, Florida

COMPREHENSIVE ANNUAL FINANCIAL REPORT

SEPTEMBER 30, 2016

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INTRODUCTORY SECTION



Life's Just Better Here

City of Wilton Manors

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Wilton Manors, FL 33305
www.wiltonmanors.com

Finance Department

Phone (954) 390-2141

May 17, 2017

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

Dear Mayor and Commissioners:

It is our pleasure to submit the Comprehensive Annual Financial Report of the City of Wilton Manors, Florida for the fiscal year ended September 30, 2016, 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 unqualified opinion that this report fairly presents the financial position of the City and complies with all reporting standards noted above. Additionally, the City has received the Certificate of Achievement for Excellence in Financial Reporting from the Governmental Finance Officers Association of the United States and Canada for the fiscal year ended September 30, 2015.

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, 2016, are not considered material to the financial statements of the City.

In addition, in December 2014 the City created the Wilton Drive Improvement District, a dependent special district consisting of 56 commercial properties bordering Wilton Drive. The District is a legally separate entity and is governed by a Board of Supervisors which consists of seven members appointed by the City Commission. The board held its first organizational meetings in 2016. The District is considered a component unit of the City but 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, 2016.

The City, with an estimated population of 12,446, 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. Since Wilton Manors is surrounded by the waters the north and south forks of the Middle River, the City is affectionately known by residents as the “Island City.”

Broward County has the second largest county population in the State of Florida with an estimated 1.85 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 continuing its steady recovery from the Great Recession. As of September 30, 2016 unemployment was 4.6% locally in Broward County, under the 5.1% rate for the state of Florida, and the national rate of 4.8%.

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. Wilton Manors continues to lead the regional recovery of the housing market, with citywide taxable property values, as determined by the Broward County Property Appraiser as of January 1, 2016, increased by 8.8% over the values as of January 1, 2015.

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. The City's FY15-16 budget was the first to be developed based on the Strategic Plan. 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 implemented a plan to achieve the goals and objectives of the 2020 Strategic Plan.

The long-awaited upgrade of Dixie Highway south of Five Points was accomplished with assistance of a major grant from the Florida Department of Transportation. The new streetscape includes additional landscaping, sidewalks, bike lanes, crosswalks, and other pedestrian safety features. The renovated highway is an example of the City's commitment to the "Complete Streets" concept.

Other major capital initiatives were undertaken in the Water & Sewer Utilities Fund which completed its multi-year project to replace all of the City's old manual-read water meters with new encoded meters that can be read via radio transmissions. This has increased the accuracy and efficiency of the meter reading and utility billing processes. This fund also continued its multi-year infrastructure renewal program.

The Parking Fund completed the purchase of a property that will be used to provide additional parking to serve the north end of Wilton Drive.

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, 2015. This was the seventeenth 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,

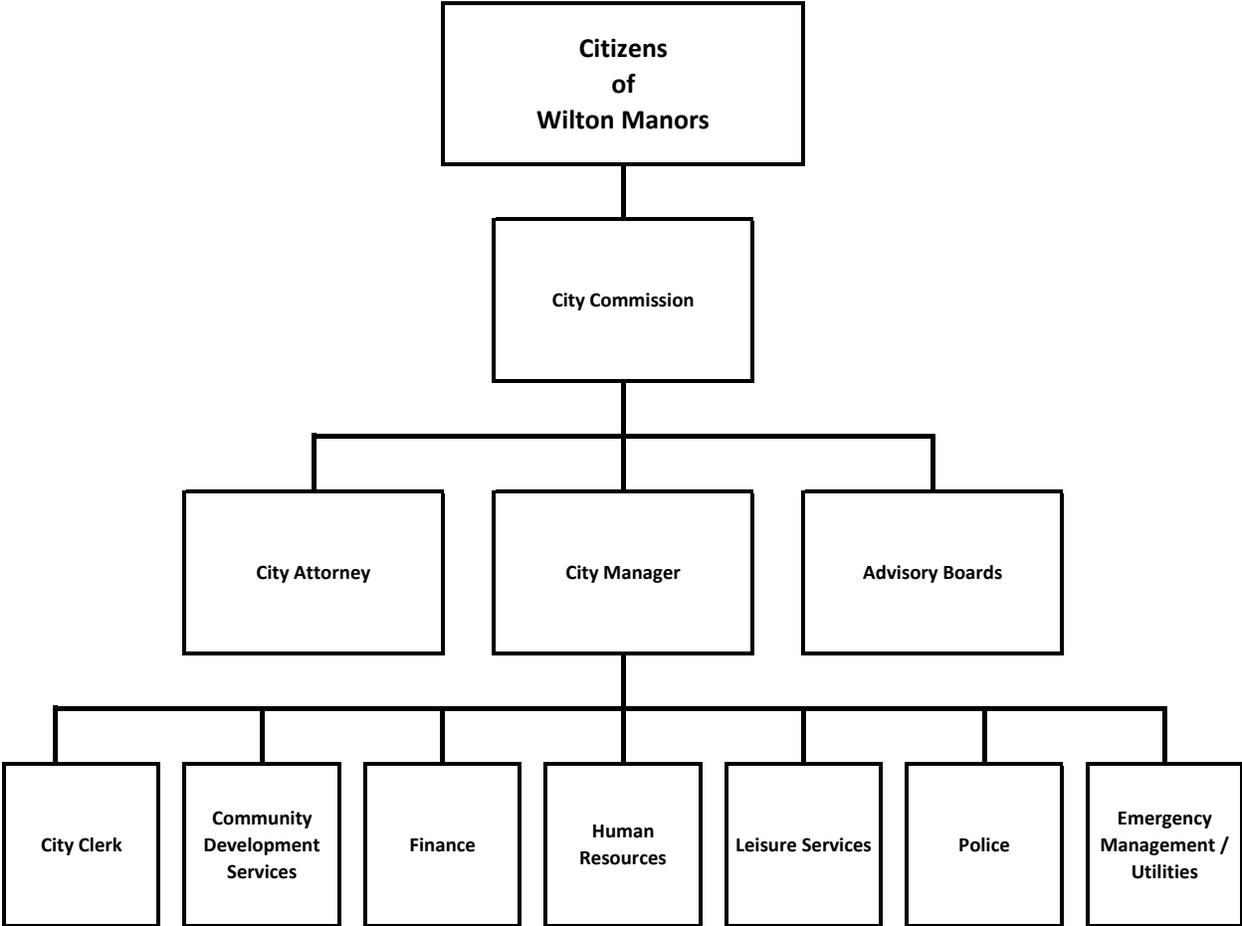
A handwritten signature in blue ink that reads "Bob Mays" with a stylized flourish at the end.

Bob Mays
Finance Director

FINANCIAL SECTION

City of Wilton Manors

Organization Chart



City of Wilton Manors, Florida

COMMISSION - MANAGER FORM OF GOVERNMENT

LIST OF PRINCIPAL OFFICIALS

As of September 30, 2016

CITY COMMISSION

GARY RESNICK

Mayor

JUSTIN S. FLIPPEN

Vice Mayor

TOM GREEN

Commissioner

JULIE A. CARSON

Commissioner

Scott Newton

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, 2015

Executive Director/CEO

INDEPENDENT AUDITORS' REPORT



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INDEPENDENT AUDITORS' 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 City of Wilton Manors, Florida as of and for the year ended September, 30, 2016, 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.

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 City of Wilton Manors, Florida, as of September 30, 2016, 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.

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, schedule of changes in net pension liability and related ratios, schedule of proportionate share of net pension liability, schedule of contributions and schedule of funding progress on pages 4 through 17 and 76 through 87 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 of Wilton Manors, Florida's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, schedule of revenues, expenditures, and changes in fund balances – budget and actual and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* (CFR) part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and is also not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements, schedule of revenues, expenditures, and changes in fund balances - budget and actual and the schedule of expenditures of federal awards 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, schedule of revenues, expenditures, and changes in fund balances - budget and actual and the schedule of expenditures of federal awards 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 17, 2017, on our consideration of the City of Wilton Manors, Florida 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 17, 2017



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, 2016. 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

Net Position

- 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. The City's net position was materially affected by the adoption, in FY14-15, of the Governmental Accounting Standards Board (GASB) Statements No. 68 and 71 which deal with accounting and financial reporting for pensions. These statements required a new approach to recording an employer's pension liability and pension expense in the government-wide financial statements, which resulted in a material increase in the City's liabilities and a resulting material decrease in the City's net position.

Additionally, GASB 68 requires that most changes in the net pension liability be immediately included in pension expense during the period of the change. This results in potentially large fluctuations in pension expense from year to year due to volatility in investment markets, changes in pension plan assumptions, and other factors. A further complicating factor is that the measurement date for pension liabilities is not the same as the reporting date of this Comprehensive Annual Financial Report. Due to the necessity to base net pension liability (NPL) on actuarially determined data, the measurement date for the City's NPL from its participation in the Florida Retirement System (FRS) is June 30, 2016, three months prior to the date of this CAFR. The measurement date for the City's two closed defined benefit pension plans is September 30, 2015, a full year prior to the date of this CAFR.

- At the end of the current fiscal year, September 30, 2016, the assets and deferred outflows of the City exceeded its liabilities and deferred inflows by \$30,699,193 (net position). This is a decrease of (\$929,648) from the prior year. The decrease is a result of a combination of the effects of City operations during the year, along with the effects of changes in NPL due to pension plan assumptions and poor pension investment performance.
- The (\$929,648) decrease in the City's net position consisted of \$1,763,614 contributed from the business-type activities and a deficit of (\$2,693,262) contributed from the governmental activities.
- The unrestricted portion of net position may be used to meet the City's ongoing obligations to citizens and creditors. The City's unrestricted net position decreased during the fiscal year by (\$3,733,723) to a deficit of (\$12,024,917). 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. It will be a goal of the City to restore Unrestricted Net Position to a positive number over time.

Other Highlights

- Governmental activities expenses were \$21,476,100, \$5,361,193 (+33.3%) higher than in FY14-15. This large increase is largely due to recognition of pension expenses, as explained above.
- Business-type expenses were \$6,568,832, \$205,199 (+3.2%) higher than the previous year. The increase is attributable to increased operating expenses in all three of the City's business-type funds.
- The total expenses of all City programs were \$28,044,932, up \$5,566,392 (+24.8%) from last year.
- Governmental activities revenues, excluding transfers, totaled \$17,307,838, up \$653,722 (+3.9%) from FY14-15.
- Business-type operating revenues, which consist of water & wastewater, drainage, and parking charges for services; impact fee revenues; and miscellaneous revenues, were \$9,785,356, an increase of \$461,200 (+4.9%). All three of the City's business-type funds saw increases in operating revenues. The increased revenues are largely attributable to fee increases in each of these funds.
- At the end of the current fiscal year, fund balance of the General Fund was \$4,224,554. Of this balance, \$307,223 is restricted by specific legal requirements, \$1,257,548 has been assigned for next year's budget, \$138,623 is classified as nonspendable, and \$2,521,160 is classified as unassigned.
- The City's total outstanding long-term debt decreased by \$1,912,815 (-18.7%) during the current fiscal year due to regular debt service payments on the City's obligations. No new debt was added during the fiscal year.
- Analysis of the Budgetary Comparison Schedule shows that the General Fund, which accounts for the vast majority of the operations of the government, expended 92.9% of the final, budgeted appropriations.

CITY HIGHLIGHTS

The local economy has substantially recovered 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 developments continue to have high occupancy rates. Occupancy for newly-built and older commercial units has been strong. Construction neared completion 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 has 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 18 and 19 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 four major governmental funds, the General Fund, the Fire Assessment Fund, the Recycling Fund, and the Road Improvement Fund. Data from the five 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 Fund Statements section on pages 88 and 89 of this report.

The City adopts an annual appropriated budget for its General Fund and special revenue funds. A budgetary comparison statement has been provided for the General Fund, the Fire Assessment Fund, the Recycling Fund, and the Road Improvement Fund to demonstrate compliance with this budget, and is presented as required supplemental information. Budgetary comparison for nonmajor special revenue funds is presented in the Combining Fund Statements section of this report.

The basic governmental fund financial statements can be found on pages 20 through 23 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 24 to 26.

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.

The basic fiduciary fund financial statements can be found on pages 27 to 28.

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 29 through 75 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 76 through 87 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 \$30,699,193 as of September 30, 2016, \$12,219,429 for governmental activities and \$18,479,784 for business-type activities. The following table presents a condensed statement of net position:

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

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15
Current and Other Assets	\$ 6,886,506	\$ 8,078,608	\$ 5,188,027	\$ 6,685,666	\$ 12,074,533	\$ 14,764,274
Capital Assets (Net)	30,067,630	29,048,103	18,159,079	16,714,020	48,226,709	45,762,123
Total Assets	36,954,136	37,126,711	23,347,106	23,399,686	60,301,242	60,526,397
Deferred Outflow of Resources	8,863,492	2,582,195	405,166	119,300	9,268,658	2,701,495
Long-Term Debt	5,439,873	6,160,478	2,899,155	2,903,723	8,339,028	9,064,201
Other Liabilities	27,149,879	17,035,712	2,318,226	3,815,584	29,468,105	20,851,296
Total Liabilities	32,589,752	23,196,190	5,217,381	6,719,307	37,807,133	29,915,497
Deferred Inflow of Resources	1,008,467	1,600,045	55,107	83,510	1,063,574	1,683,555
Net Position						
Net Investments in Capital Assets	24,627,757	22,977,296	15,324,713	13,057,723	39,952,470	36,035,019
Restricted	1,008,904	2,125,600	1,762,736	1,759,416	2,771,640	3,885,016
Unrestricted	(13,417,252)	(10,190,225)	1,392,335	1,899,031	(12,024,917)	(8,291,194)
Total Net Position	\$ 12,219,409	\$ 14,912,671	\$ 18,479,784	\$ 16,716,170	\$ 30,699,193	\$ 31,628,841

The City's overall net position decreased by (\$929,648) from the prior fiscal year. The components of this decrease are a net position increase for business-type activities of \$1,763,614 (+10.6%), offset by a net position decrease for governmental activities of (\$2,693,262) (-18.1%). The large decrease in the net position of governmental activities can be largely attributed to GASB 68-required inclusion of pension expenses that resulted from a combination of pension plan assumption changes and poor pension investment performance.

The largest portion of the City's net position (\$39,952,470) 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 (\$2,771,640) 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 (\$12,024,917) at year end. The business-type activities have a positive Unrestricted Net Position of \$1,392,335 at year end. This is offset by a deficit of (\$13,417,252) in governmental activities, caused by the inclusion of the governmental activities' net pension liability of (\$24,624,227).

It is essential to put this deficit in context, since the deficit results from the new implementation of the GASB statements on pension accounting that were mandated starting with last fiscal year (FYE 9/30/15). 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.

(continued on next page)

City of Wilton Manors, Florida
Statement of Activities

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15
Revenues:						
Program Revenues:						
Charges for Services	\$ 3,701,708	\$ 3,848,601	\$ 9,785,356	\$ 9,324,156	\$ 13,487,064	\$ 13,172,757
Operating Grants/Contributions	117,446	114,401	-	-	117,446	114,401
Capital Grants/Contributions	864,425	63,870	-	-	864,425	63,870
General Revenues:						
Property Taxes	6,994,529	6,504,190	-	-	6,994,529	6,504,190
Intergovernmental	1,570,712	1,480,817	-	-	1,570,712	1,480,817
Other Taxes and Fees	3,686,020	3,696,224	-	-	3,686,020	3,696,224
Other General Revenues	372,998	946,013	22,090	278,376	395,088	1,224,389
Total Revenues	<u>17,307,838</u>	<u>16,654,116</u>	<u>9,807,446</u>	<u>9,602,532</u>	<u>27,115,284</u>	<u>26,256,648</u>
Expenses						
General Government	4,977,272	3,903,520			4,977,272	3,903,520
Public Safety	11,323,816	7,812,678			11,323,816	7,812,678
Culture and Recreation	4,228,975	3,545,350			4,228,975	3,545,350
Physical Environment	388,033	347,625	5,976,782	5,732,541	6,364,815	6,080,166
Transportation	347,336	302,460	501,956	493,712	849,292	796,172
Interest on Long-Term Debt	210,668	203,274	90,094	137,380	300,762	340,654
Total Expenses	<u>21,476,100</u>	<u>16,114,907</u>	<u>6,568,832</u>	<u>6,363,633</u>	<u>28,044,932</u>	<u>22,478,540</u>
Excess (Deficiency) in Net Position						
Before Transfers	(4,168,262)	539,209	3,238,614	3,238,899	(929,648)	3,778,108
Transfers	1,475,000	1,482,000	(1,475,000)	(1,482,000)	-	-
Change in Net Position	<u>(2,693,262)</u>	<u>2,021,209</u>	<u>1,763,614</u>	<u>1,756,899</u>	<u>(929,648)</u>	<u>3,778,108</u>
Net Position Beginning of Year	14,912,671	27,844,675	16,716,170	15,808,428	31,628,841	43,653,103
Cumulative effect of implementation of GASB No. 68 and No. 71		(14,953,213)		(849,157)	-	(15,802,370)
Net Position as restated		<u>12,891,462</u>		<u>14,959,271</u>	<u>31,628,841</u>	<u>27,850,733</u>
Net Position End of Year	<u>\$ 12,219,409</u>	<u>\$ 14,912,671</u>	<u>\$ 18,479,784</u>	<u>\$ 16,716,170</u>	<u>\$ 30,699,193</u>	<u>\$ 31,628,841</u>

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 decreased the City's net position by (\$2,693,262). The effect of the City's adoption of GASB 68 and 71 on this amount is mentioned above. Additionally, 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 53.4% of General Fund revenues and 41.9% of total governmental fund revenues in FY15-16. 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 0.6081 mills produced an effective total millage rate of 6.6764. This is a decrease from the 2014-2015 combined millage rate of 6.7225. The operating millage rate remained the same and the debt service millage rate decreased by 0.0461. 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 2015-16 increased by 7.3% from the previous fiscal year. This was the fourth consecutive year of increases totaling 25.7%, 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 decreased by (\$146,893) (-3.8%) from the prior year due largely to a (\$375,626) decrease in building permits revenue. The building permits revenue had been much higher than normal in FY14-15 due to permits from a single very large residential development.

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. Capital grants and contributions increased by \$864,425 from \$63,870 last fiscal year. The increase was primarily due to a grant received from the Florida Department of Transportation for the Dixie Highway improvement project. 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 Capital Projects and Grants Manager was hired and has already shown significant results.

The business-type activities increased the City's net position by \$1,763,614 due primarily to a \$1,406,603 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 2015. The parking fund increased its fund net position by \$310,531 due to the increase in parking fees revenue. The Drainage Fund's net position increased by \$46,480 due primarily to a rate increase implemented in October 2015.

General discussion on expenses:

Expenses recorded on the government-wide financial statements were \$21,476,100 for governmental activities and \$6,568,832 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, actuarially-determined pension contribution rates, and GASB-mandated reporting of pension liabilities and related expenses. 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 FY13-14 merit increases from 0% - 4% were reinstated for these employees, and in both FY14-15 and FY15-16 merit increases from 0% - 3% were authorized for these employees. Cost of living adjustments were 1% in FY13-14, 3% in FY14-15, and 3% in FY15-16.

The number of City personnel (Full Time Equivalents) increased by 3.75 due to changes in three departments – Police, +1.75; Leisure Services, +1.0, and Community Development Services, +1.0. 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 \$4,382,668, a decrease of \$2,007,912 (-31.4%) from the prior fiscal year. The most significant factor in this decrease is in the Road Improvement Fund's year-end total liabilities, which were \$965,292 over last year's liabilities. This was due to the Dixie Highway improvement project which was funded largely by grants. Although the project was substantially completed by fiscal year-end, the grant funding had not yet been received, and was not received until after the 60-day period used to determine when revenues are available. Additionally, the Fire Fund's fund balance decreased by (\$712,698) due largely to the purchase of a new fire truck. Although this acquisition reduced available fund balance, it created a new asset for the City as reported in the Statement of Net Position. The General Fund's total fund balance decreased by (\$530,362). Part of this decrease was planned in the FY15-16 budget, in an attempt to target the General Fund's unassigned fund balance to be approximately 17% of operating expenditures at year end. The other major factor in the decrease in the General Fund's fund balance is the year-end loan of \$99,673 to the Road Improvement Fund. This fund had a negative cash balance at year-end due to the Road Fund grant reimbursement that was not received until after 60 days past year end.

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 \$2,521,160, 57.5% of the total fund balance for all governmental funds, and 59.7% of the General Fund's total fund balance of \$4,224,554.

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 16.3% of the current fiscal year's total expenditures, and about 17.2% of the year's operating expenditures in the General Fund (excluding capital expenditures). Total fund balance of the General fund is about 27.3% of the fund's total expenditures, and 28.8% of the fund's operating expenditures. Unassigned fund balance at year end represents approximately 16.2% of the budgeted operating expenditures for the subsequent fiscal year (FY16-17, \$15,546,776). 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 (\$138,623) represents the amounts of inventories and prepayments. The General Fund's restricted fund balance (\$307,223) is the amount of unspent impact fees available only for restricted purposes. The remaining amount of total fund balance, \$1,257,548, has been assigned to fund expenditures in the FY16-17 budget, if needed.

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 \$2,260,128 for the fiscal year, \$1,918,811 (84.9%) came from the Fire Assessment Fee. As mentioned above, the fund's fund balance decreased by (\$712,698) (-85.2%) during the fiscal year, ending the year at \$123,550. This was due to the investment in a new fire truck. All of the Fire Assessment Fund's fund balance is restricted to be used for fire operations.

Recycling Fund – The Recycling Fund is a special revenue fund which accounts for the revenues and expenditures associated with garbage and recycling collection and disposal. The City employs a full-time Recycling Coordinator, and the fund shares administrative staff with the Emergency Management/Utilities Department. The City contracts with Waste Management, Inc. for the collection and disposal of garbage, recycling, and household hazardous waste. This contract was re-bid during the fiscal year, and Waste Management was the winning bidder. The new contract went into effect on September 1, 2015. Because of the nature of the activities of this fund, management has determined that as of October 1, 2016, the Recycling Fund shall be converted into an enterprise fund for accounting purposes.

The Recycling Fund's ending fund balance was \$115,233, a decrease of (\$28,744) (-20.0%) from last fiscal year. The decrease is due to a combination of an outgoing transfer and the results of the year's operations.

Road Improvement Fund – The Road Improvement Fund is another special revenue fund, which accounts for road maintenance and improvements. The primary revenue sources for the fund are gas taxes and grants. The Road Fund has no employees, and outsources its maintenance and infrastructure improvement activities. As mentioned previously, the Road Fund's major project of the year was a \$1.1 million project to improve a section of Dixie Highway in the City. The project was funded with a grant from the Florida Department of Transportation (FDOT) in the amount of \$973,312, with the remainder funded through a City match. At fiscal year-end the project was substantially complete, but most of the grant reimbursement was not received until 2017. As a result, the Road Fund's fund balance decreased by (\$965,292) during the year, ending with a deficit fund balance of (\$438,120).

Nonmajor Governmental Funds – Information for the City's five other governmental funds are reported in the Combining Statements on pages 88 and 89. The combined fund balance for these five funds increased by \$229,184 (+178.7%) during the year, ending the year at \$357,451. The largest contributors to this increase are from Federal and State Police Forfeiture Funds, with fund balance increases of \$89,523 and \$113,904, respectively.

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 \$1,406,603 (+9.8%), ending the year at \$15,735,081. The net position of the City's Drainage Utility Fund amounted to \$1,718,671 at year end, an increase of \$46,480 (+2.8%). The Parking Fund ended the year with a total net position of \$1,026,032, an increase of \$310,531 (+43.4%) 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 \$288,805. The main components of the increase were:

- a. \$77,000 in the Community Development Services Department to cover the cost of contracted professional planning services.
- b. \$68,000 increase in the City Management Department to cover the cost of salaries and contractual services.
- c. \$58,000 increase in the Police Department to cover the cost of capital purchases.

Final budget compared to actual results:

General Fund revenues, excluding transfers-in, were under the final budgeted amount by (\$46,348), while expenditures, excluding transfer-out, were \$1,181,709 below the final budget. Major variances (+/- 5% or more) between budgeted and actual amounts in the General Fund are as follows:

- a. Revenues from Charges for Services came in \$75,013 (+16%) over budget largely due to increased revenues from the City's Leisure Services Department's programs.
- b. Fines and Forfeitures were over budget by \$63,709 (+34%) due to the dedication of an additional police officer to traffic enforcement.
- c. Investment earnings exceeded budget by \$23,059 (+114%) due to the increase in short-term interest rates following the increase in the federal funds target rate.
- d. Miscellaneous revenues came in over budget by \$51,611 (+16%). This type of revenue is difficult to predict and can vary widely from year to year. The major contributors to this increase were increased revenues for facility rentals, sales of fixed assets, licenses for residential rental and contractors' registration, and a return of premium from the City's insurance carrier.
- e. Budgeted expenditure savings during the year were found in all General Fund departments. The major contributors to the savings were: Community Development, \$338,290; Non-Departmental, \$335,354, Police, \$317,911, and Leisure Services (Library, Parks and Recreation), \$130,074.

(continued on next page)

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets:

The City had \$48,226,709 invested in capital assets, net of accumulated depreciation, on September 30, 2016. The following schedule summarizes capital assets held by the City:

Capital Assets, Net						
September 30, 2016 and 2015						
	Governmental Activities		Business-Type Activities		Total Primary Government	
	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15
Land	\$ 9,123,116	\$ 9,123,116	\$ 2,432,452	\$ 1,963,240	\$ 11,555,568	\$ 11,086,356
Construction in Progress		-	-	-	-	-
Intangibles	42,070	42,070	-	-	42,070	42,070
Infrastructure	7,026,383	5,811,962	13,848,583	13,514,129	20,874,966	19,326,091
Buildings	9,616,075	9,917,570	652,467	654,283	10,268,542	10,571,853
Improvements Other Than Buildings	1,907,210	2,542,523	(34,613)	(20,822)	1,872,597	2,521,701
Machinery and Equipment	2,352,776	1,610,862	1,260,190	603,190	3,612,966	2,214,052
Total Capital Assets	<u>\$ 30,067,630</u>	<u>\$ 29,048,103</u>	<u>\$ 18,159,079</u>	<u>\$ 16,714,020</u>	<u>\$ 48,226,709</u>	<u>\$ 45,762,123</u>

This year's major additions included:

Governmental Activities:

Fire Engine paid for by replacement fund held by the City of Fort Lauderdale under contract agreement	\$604,450
Dixie Highway Improvement Project funded Florida Department of Transportation	882,375
Police radios	194,797
NE 16 th Avenue Improvement Project	282,988

Business-type Activities:

Encoded water meter project	769,466
Land for future parking project	468,161
Lift Station 3 replacement	324,111
Northeast Water Main Replacement	368,604
	<u>\$3,894,952</u>

Additional information on the City's capital assets can be found in Note 6 on pages 48 and 49.

(continued on next page)

Debt Administration:

The City had debt totaling approximately \$8.34 million at September 30, 2016. Total debt outstanding at the end of the prior fiscal year was \$10.25 million. The net decrease of \$1.9 million (-18.7%) is due to regular debt service payments on the City's debt made during the year.

**Outstanding Debt
September 30, 2016 and 2015**

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15
General Obligation Bonds	\$ 4,758,873	\$ 5,226,607	\$ -	\$ -	\$ 4,758,873	\$ 5,226,607
Note Payable	-	100,000	-	-	-	100,000
Revenue Bonds	-	-	1,184,357	2,325,229	1,184,357	2,325,229
Bank Loan	681,000	744,200	1,714,798	1,855,807	2,395,798	2,600,007
Capital Leases	-	-	-	-	-	-
TOTAL	\$ 5,439,873	\$ 6,070,807	\$ 2,899,155	\$ 4,181,036	\$ 8,339,028	\$ 10,251,843

During fiscal year 2015-16, the amount of the City's general obligation debt decreased by \$467,734 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 \$1.18 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 was retired on October 1, 2016.

Two bank loans with year-end indebtedness of \$1.71 million and \$681,000, 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 8 on pages 50 through 53 of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

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 also 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. The January 1, 2016 property values, however, are still 6% below the pre-recession high.

For the Fiscal Year 2016-2017, the City Commission approved a decrease in the operating millage rate from 6.0683 to 5.9900. Due to the increase in property values, the budgeted property tax revenue increased by \$401,000.

The fire assessment fees for FY2016-2017 increased from \$194.97 to \$210.18 for single family homeowners. Water and sewer rates are budgeted to increase by approximately 5% as a pass through rate increase from the City of Fort Lauderdale. Storm water fee is also budgeted to increase 5%. The City's garbage and recycling fee remained unchanged. The FY2016-2017 budget included funding for a Water, Sewer and Stormwater Master Plan. This plan will identify the future funding needed for the City's utilities, thus giving staff the information necessary to determine how best to set future utility rates.

Since the end of the City's fiscal year on September 30, 2016, 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, 2016

	Primary Government		
	Governmental	Business-	
	Activities	Type Activities	Total
<u>ASSETS</u>			
Equity in pooled cash and cash equivalents	\$ 5,316,880	\$ 2,400,408	\$ 7,717,288
Restricted cash and cash equivalents	100,165	1,965,093	2,065,258
Accounts receivable - net	520,202	739,047	1,259,249
Due from other governments	801,909	-	801,909
Inventory	26,928	33,898	60,826
Prepayments and other assets	120,422	49,581	170,003
Capital assets, non-depreciable	9,165,186	2,432,452	11,597,638
Capital assets, depreciable (net)	20,902,444	15,726,627	36,629,071
Total assets	36,954,136	23,347,106	60,301,242
<u>DEFERRED OUTFLOW OF RESOURCES</u>			
Deferred outflows related to pensions	8,863,492	405,166	9,268,658
<u>LIABILITIES</u>			
Accounts payable and accrued liabilities	1,771,308	503,778	2,275,086
Customer deposits	-	458,039	458,039
Unearned revenues	21,188	-	21,188
Noncurrent liabilities:			
Due within one year			
Compensated absences	555,585	40,297	595,882
Bonds, notes and loan payable	548,010	1,328,942	1,876,952
Due in more than one year			
Compensated absences	113,771	7,003	120,774
Bonds, notes and loan payable	4,891,863	1,570,213	6,462,076
Net pension liability	24,624,227	1,309,109	25,933,336
Net OPEB obligation	63,800	-	63,800
Total liabilities	32,589,752	5,217,381	37,807,133
<u>DEFERRED INFLOW OF RESOURCES</u>			
Deferred inflows related to pensions	869,730	55,107	924,837
Deferred inflows related to imposed non-exchange transaction	138,737	-	138,737
Total deferred inflows of resources	1,008,467	55,107	1,063,574
<u>NET POSITION</u>			
Net investments in capital assets	24,627,757	15,324,713	39,952,470
Restricted for:			
Renewal and replacement	-	300,000	300,000
Debt service	-	1,185,434	1,185,434
Water & sewer system improvement	-	277,302	277,302
Law enforcement	6,807	-	6,807
Police equipment/training/crime prevention	432,474	-	432,474
Fire operations	120,826	-	120,826
Culture and recreation impact fees	7,579	-	7,579
Affordable housing impact fees	292,837	-	292,837
Recycling operations	114,671	-	114,671
Jenada Isle neighborhood improvement	33,710	-	33,710
Unrestricted	(13,417,252)	1,392,335	(12,024,917)
Total net position	\$ 12,219,409	\$ 18,479,784	\$ 30,699,193

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, 2016

	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contribution</u>	<u>Capital Grants and Contribution</u>	Primary Government		
					<u>Governmental Activities</u>	<u>Business- Type Activities</u>	<u>Total</u>
Functions/programs							
Primary government:							
Governmental activities:							
General government	\$ 4,977,272	\$ 654,058	\$ -	\$ -	\$ (4,323,214)	\$ -	\$ (4,323,214)
Public safety	11,323,816	2,506,229	95,161	-	(8,722,426)	-	(8,722,426)
Culture and recreation	4,228,975	522,319	22,285	121,535	(3,562,836)	-	(3,562,836)
Physical environment	388,033	19,102	-	-	(368,931)	-	(368,931)
Transportation	347,336	-	-	742,890	395,554	-	395,554
Interest expense	210,668	-	-	-	(210,668)	-	(210,668)
Total governmental activities	<u>21,476,100</u>	<u>3,701,708</u>	<u>117,446</u>	<u>864,425</u>	<u>(16,792,521)</u>	<u>-</u>	<u>(16,792,521)</u>
Business-type activities:							
Water and wastewater	5,644,074	8,520,740	-	-	-	2,876,666	2,876,666
Parking	528,339	831,325	-	-	-	302,986	302,986
Drainage	396,419	433,291	-	-	-	36,872	36,872
Total business activities	<u>6,568,832</u>	<u>9,785,356</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,216,524</u>	<u>3,216,524</u>
Total primary government	<u>\$ 28,044,932</u>	<u>\$ 13,487,064</u>	<u>\$ 117,446</u>	<u>\$ 864,425</u>	<u>(16,792,521)</u>	<u>3,216,524</u>	<u>(13,575,997)</u>
General Revenues:							
Taxes:							
Property					6,994,529	-	6,994,529
Franchise					1,302,705	-	1,302,705
Utility services					2,088,448	-	2,088,448
Others					294,867	-	294,867
Intergovernmental revenue, not restricted to specific function							
Interest income					1,570,712	-	1,570,712
Miscellaneous					56,504	14,764	71,268
Transfers					316,494	7,326	323,820
Total general revenues and transfers					<u>1,475,000</u>	<u>(1,475,000)</u>	<u>-</u>
Change in net position					14,099,259	(1,452,910)	12,646,349
Net position, beginning					(2,693,262)	1,763,614	(929,648)
Net position, ending					<u>14,912,671</u>	<u>16,716,170</u>	<u>31,628,841</u>
					<u>\$ 12,219,409</u>	<u>\$ 18,479,784</u>	<u>\$ 30,699,193</u>

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

FUND FINANCIAL STATEMENTS

CITY OF WILTON MANORS, FLORIDA
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2016

	<u>General</u> <u>Fund</u>	<u>Fire Assessment</u> <u>Fund</u>	<u>Recycling</u> <u>Fund</u>	<u>Road Improvement</u> <u>Fund</u>	<u>Nonmajor</u> <u>Governmental</u> <u>Funds</u>	<u>Total</u> <u>Governmental</u> <u>Funds</u>
<u>ASSETS</u>						
Equity in pooled cash and cash equivalents	\$ 4,104,866	\$ 357,252	\$ 370,443	\$ -	\$ 484,319	\$ 5,316,880
Receivables, net						
Accounts receivable	323,171	-	197,031	-	-	520,202
Due from other governments	181,855	12	-	612,003	8,039	801,909
Due from other funds	208,035	-	-	-	-	208,035
Inventories	21,562	-	-	5,366	-	26,928
Prepayments	117,061	2,724	562	-	75	120,422
Restricted cash	34,699	65,466	-	-	-	100,165
Total assets	<u>\$ 4,991,249</u>	<u>\$ 425,454</u>	<u>\$ 568,036</u>	<u>\$ 617,369</u>	<u>\$ 492,433</u>	<u>\$ 7,094,541</u>
<u>LIABILITIES</u>						
Accounts payable	\$ 532,438	\$ 140,869	\$ 450,595	\$ 345,341	\$ 4,480	\$ 1,473,723
Accrued liabilities	161,590	94,965	2,208	-	952	259,715
Due to other funds	-	-	-	99,673	108,362	208,035
Unearned revenues	-	-	-	-	21,188	21,188
Total liabilities	<u>694,028</u>	<u>235,834</u>	<u>452,803</u>	<u>445,014</u>	<u>134,982</u>	<u>1,962,661</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>						
Imposed non-exchange transaction	72,667	66,070	-	-	-	138,737
Unavailable revenues	-	-	-	610,475	-	610,475
Total deferred inflows of resources	<u>72,667</u>	<u>66,070</u>	<u>-</u>	<u>610,475</u>	<u>-</u>	<u>749,212</u>
<u>FUND BALANCES</u>						
Non spendable:						
Inventories and prepayments	138,623	2,724	562	5,366	75	147,350
Restricted for:						
Law enforcement	6,807	-	-	-	-	6,807
Police equipment/training/crime prevention	-	-	-	-	432,474	432,474
Fire operations	-	120,826	-	-	-	120,826
Culture and recreation impact fees	7,579	-	-	-	-	7,579
Affordable housing impact fees	292,837	-	-	-	-	292,837
Recycling operations	-	-	114,671	-	-	114,671
Jenada Isle neighborhood improvement	-	-	-	-	33,710	33,710
Assigned for next year's budget	1,257,548	-	-	-	-	1,257,548
Unassigned:	2,521,160	-	-	(443,486)	(108,808)	1,968,866
Total fund balances	<u>4,224,554</u>	<u>123,550</u>	<u>115,233</u>	<u>(438,120)</u>	<u>357,451</u>	<u>4,382,668</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 4,991,249</u>	<u>\$ 425,454</u>	<u>\$ 568,036</u>	<u>\$ 617,369</u>	<u>\$ 492,433</u>	<u>\$ 7,094,541</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, 2016

Fund balances - total government funds (Page 20)	\$	4,382,668
<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	63,924,839	
Less: accumulated depreciation	<u>(33,857,209)</u>	30,067,630
<p>Other long-term assets are not available to pay for current period expenditures and therefore are reported as unavailable revenue in the funds.</p>		
		610,475
<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	(5,439,873)	
Net pension liability	(24,624,227)	
Compensated absences	<u>(669,356)</u>	(30,733,456)
<p>Bond interest payable not reported in the governmental funds</p>		
		(37,870)
<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	(869,730)	
Deferred outflows of resources	<u>8,863,492</u>	7,993,762
<p>Net OPEB obligation attributable to retiree benefits financed from governmental fund types</p>		
		<u>(63,800)</u>
Net position of governmental activities (Page 18)	\$	<u><u>12,219,409</u></u>

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

CITY OF WILTON MANORS, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2016

	<u>General</u> <u>Fund</u>	<u>Fire Assessment</u> <u>Fund</u>	<u>Recycling</u> <u>Fund</u>	<u>Road Improvement</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	\$ 6,994,529	\$ -	\$ -	\$ -	\$ -	\$ 6,994,529
Franchise	832,021	-	470,684	-	-	1,302,705
Utility services	2,088,448	-	-	-	-	2,088,448
Insurance premium tax	-	190,242	-	-	-	190,242
Intergovernmental	1,355,687	-	-	397,533	136,894	1,890,114
Special assessments	-	1,918,811	-	-	8,185	1,926,996
Charges for services	530,463	102,169	16,767	-	-	649,399
Licenses and permits	627,208	-	-	-	-	627,208
Fines and forfeitures	248,759	-	-	-	234,880	483,639
Interest income	43,359	7,880	2,023	1,093	2,152	56,507
Impact fees	12,148	-	-	-	-	12,148
Miscellaneous	373,536	41,026	34,153	26,822	188	475,725
Total revenues	<u>13,106,158</u>	<u>2,260,128</u>	<u>523,627</u>	<u>425,448</u>	<u>382,299</u>	<u>16,697,660</u>
Expenditures:						
Current:						
General government	3,531,503	-	-	-	-	3,531,503
Public safety	6,900,180	2,080,725	-	-	79,318	9,060,223
Culture and recreation	3,223,910	-	1,783	42,250	7,430	3,275,373
Physical environment	-	-	336,976	-	4,902	341,878
Transportation	175,454	-	-	58,873	-	234,327
Debt service:						
Principal	630,934	-	-	-	-	630,934
Interest	210,963	-	-	-	-	210,963
Capital Outlay:	829,356	685,904	4,029	1,289,617	86,465	2,895,371
Total expenditures	<u>15,502,300</u>	<u>2,766,629</u>	<u>342,788</u>	<u>1,390,740</u>	<u>178,115</u>	<u>20,180,572</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,396,142)</u>	<u>(506,501)</u>	<u>180,839</u>	<u>(965,292)</u>	<u>204,184</u>	<u>(3,482,912)</u>
Other financing sources (uses):						
Transfers in	1,890,780	-	-	-	25,000	1,915,780
Transfers out	(25,000)	(206,197)	(209,583)	-	-	(440,780)
Total other financing sources (uses)	<u>1,865,780</u>	<u>(206,197)</u>	<u>(209,583)</u>	<u>-</u>	<u>25,000</u>	<u>1,475,000</u>
Net change in fund balances	(530,362)	(712,698)	(28,744)	(965,292)	229,184	(2,007,912)
Fund balances - beginning	<u>4,754,916</u>	<u>836,248</u>	<u>143,977</u>	<u>527,172</u>	<u>128,267</u>	<u>6,390,580</u>
Fund balances - ending	<u>\$ 4,224,554</u>	<u>\$ 123,550</u>	<u>\$ 115,233</u>	<u>\$ (438,120)</u>	<u>\$ 357,451</u>	<u>\$ 4,382,668</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, 2016

Amounts reported for governmental activities in the statement of activities (Page 19) are different because:

Net change in fund balances - total government funds (Page 22)	\$	(2,007,912)
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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	2,895,371	
Less: current year provision for depreciation	<u>(1,877,323)</u>	1,018,048

Revenues that are earned but not received within the City's availability period are recognized in statement of activities when earned and subsequently in the governmental fund financial statements when they become available. The net difference is recorded as a reconciling item
Net effect of timing of revenue recognition for:

Revenues earned but not available		610,475
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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.

Principal repayments		
General obligation notes and bank loans	530,934	
Notes payable	<u>100,000</u>	630,934

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		(14,391)
The net effect of pension and retirement contributions expense is to decrease net position		(2,930,084)
Increase in accrued interest payable on governmental debts		(2,230)

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.		<u>1,900</u>
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Change in net position of governmental activities (Page 19)	\$	<u><u>(2,693,262)</u></u>
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CITY OF WILTON MANORS, FLORIDA

STATEMENT OF NET POSITION

PROPRIETARY FUNDS

SEPTEMBER 30, 2016

<u>ASSETS</u>	<u>Business- type activities - Enterprise Funds</u>			<u>Total</u>
	<u>Major Funds</u>		<u>Non Major Fund</u>	
	<u>Utility Fund</u>	<u>Parking Fund</u>	<u>Drainage Fund</u>	
Current assets:				
Equity in pooled cash and cash equivalents	\$ 981,186	\$ 561,858	\$ 857,364	\$ 2,400,408
Restricted cash and cash equivalents	1,965,093	-	-	1,965,093
Accounts receivable, net	703,271	-	35,776	739,047
Inventories	33,898	-	-	33,898
Prepayments	15,602	239	2,566	18,407
Deposits	-	31,174	-	31,174
Total current assets	3,699,050	593,271	895,706	5,188,027
Non-current assets:				
Capital assets, non-depreciable	1,502,973	929,479	-	2,432,452
Capital assets, depreciable - net	14,090,898	673,555	962,174	15,726,627
Total non-current assets	15,593,871	1,603,034	962,174	18,159,079
Total assets	19,292,921	2,196,305	1,857,880	23,347,106
<u>DEFERRED OUTFLOWS OF RESOURCES</u>				
Deferred outflows related to pensions	328,940	11,430	64,796	405,166
<u>LIABILITIES</u>				
Current liabilities (payable from unrestricted assets)				
Accounts payable	343,996	91,023	3,666	438,685
Accrued expenses	25,310	152	2,529	27,991
Accrued interest payable	28,589	8,513	-	37,102
Compensated absences payable	36,478	344	3,475	40,297
Bonds and loan payable	1,243,492	85,450	-	1,328,942
Current liabilities (payable from restricted assets)				
Customer deposits	458,039	-	-	458,039
Total current liabilities	2,135,904	185,482	9,670	2,331,056
Noncurrent liabilities:				
Bonds and loan payable	638,135	932,078	-	1,570,213
Net pension liability	1,065,840	58,912	184,358	1,309,110
Compensated absences	2,377	131	4,495	7,003
Total noncurrent liabilities	1,706,352	991,121	188,853	2,886,326
Total liabilities	3,842,256	1,176,603	198,523	5,217,382
<u>DEFERRED INFLOWS OF RESOURCES</u>				
Deferred inflows related to pensions	44,523	5,100	5,484	55,107
<u>NET POSITION</u>				
Net investment in capital assets	13,712,244	650,295	962,174	15,324,713
Restricted for:				
Renewal and replacement	300,000	-	-	300,000
Debt service	1,185,434	-	-	1,185,434
Water & sewer system improvement	277,302	-	-	277,302
Unrestricted	260,102	375,737	756,495	1,392,334
Total net position	\$ 15,735,081	\$ 1,026,032	\$ 1,718,671	\$ 18,479,784

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 NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2016

	<u>Business- type activities - Enterprise Funds</u>			
	<u>Major Funds</u>		<u>Non Major Fund</u>	
	<u>Utility</u>	<u>Parking</u>	<u>Drainage</u>	
	<u>Fund</u>	<u>Fund</u>	<u>Fund</u>	
				<u>Total</u>
Operating revenues:				
Charges for services	\$ 8,434,297	\$ 831,325	\$ 433,291	\$ 9,698,913
Impact fees	3,320	-	-	3,320
Other services	<u>86,443</u>	<u>4,296</u>	<u>1,282</u>	<u>92,021</u>
Total operating revenues	<u>8,524,060</u>	<u>835,621</u>	<u>434,573</u>	<u>9,794,254</u>
Operating expenses:				
Water/sewer system operations	3,251,905	-	-	3,251,905
Personnel services	878,984	9,626	178,496	1,067,106
General and administrative expenses	491,063	438,682	61,788	991,533
Maintenance and repair	108,674	6,795	39,016	154,485
Depreciation	<u>853,587</u>	<u>46,853</u>	<u>118,847</u>	<u>1,019,287</u>
Total operating expenses	<u>5,584,213</u>	<u>501,956</u>	<u>398,147</u>	<u>6,484,316</u>
Operating income	<u>2,939,847</u>	<u>333,665</u>	<u>36,426</u>	<u>3,309,938</u>
Nonoperating revenues (expenses):				
Interest income	5,467	3,249	6,048	14,764
Interest expense	(63,711)	(26,383)	-	(90,094)
Gain from disposal of capital assets	<u>-</u>	<u>-</u>	<u>4,006</u>	<u>4,006</u>
Total nonoperating revenues (expenses)	<u>(58,244)</u>	<u>(23,134)</u>	<u>10,054</u>	<u>(71,324)</u>
Income before transfers	2,881,603	310,531	46,480	3,238,614
Transfer out	<u>(1,475,000)</u>	<u>-</u>	<u>-</u>	<u>(1,475,000)</u>
Change in net position	1,406,603	310,531	46,480	1,763,614
Total net position, October 1	<u>14,328,478</u>	<u>715,501</u>	<u>1,672,191</u>	<u>16,716,170</u>
Total net position, September 30	<u>\$ 15,735,081</u>	<u>\$ 1,026,032</u>	<u>\$ 1,718,671</u>	<u>\$ 18,479,784</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, 2016**

	Business- type activities - Enterprise Funds			Total
	Major Funds		Non Major Fund	
	Utility Fund	Parking Fund	Drainage Fund	
Cash flows from operating activities:				
Receipts from customers, users and other	\$ 8,503,833	\$ 835,621	\$ 433,597	\$ 9,773,051
Payments to suppliers for goods and services	(4,537,024)	(443,508)	(129,463)	(5,109,995)
Payments to employees	(745,802)	(11,635)	(146,941)	(904,378)
Net cash provided by operating activities	<u>3,221,007</u>	<u>380,478</u>	<u>157,193</u>	<u>3,758,678</u>
Cash flows from noncapital financing activities:				
Transfer out to other funds	(1,475,000)	-	-	(1,475,000)
Net cash (used in) noncapital financing activities	<u>(1,475,000)</u>	<u>-</u>	<u>-</u>	<u>(1,475,000)</u>
Cash flows from capital and related financing activities:				
Acquisition and construction of capital assets	(1,749,594)	(589,626)	(125,124)	(2,464,344)
Proceeds from sale of capital asset	-	-	4,006	4,006
Principal paid on capital debt	(1,203,952)	(83,336)	-	(1,287,288)
Interest paid on capital debt	(63,711)	(26,383)	-	(90,094)
Net cash (used in) capital and related financing activities	<u>(3,017,257)</u>	<u>(699,345)</u>	<u>(121,118)</u>	<u>(3,837,720)</u>
Cash flows from investing activities:				
Interest received	5,467	3,249	6,048	14,764
Net cash provided by investing activities	<u>5,467</u>	<u>3,249</u>	<u>6,048</u>	<u>14,764</u>
Net increase (decrease) in equity in pooled cash and cash equivalents	(1,265,783)	(315,618)	42,123	(1,539,278)
Cash and cash equivalents at beginning of year	<u>4,212,062</u>	<u>877,476</u>	<u>815,241</u>	<u>5,904,779</u>
Cash and cash equivalents at end of year	<u>\$ 2,946,279</u>	<u>\$ 561,858</u>	<u>\$ 857,364</u>	<u>\$ 4,365,501</u>
Cash and cash equivalents per statement of net position:				
Unrestricted	\$ 981,186	\$ 561,858	\$ 857,364	\$ 2,400,408
Restricted	<u>1,965,093</u>	<u>-</u>	<u>-</u>	<u>1,965,093</u>
Total, September 30	<u>\$ 2,946,279</u>	<u>\$ 561,858</u>	<u>\$ 857,364</u>	<u>\$ 4,365,501</u>
Reconciliation of operating income to net cash provided by operating activities:				
Operating income	\$ 2,939,847	\$ 333,665	\$ 36,426	\$ 3,309,938
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation and amortization	853,587	46,853	118,847	1,019,287
Change in assets and liabilities:				
(Increase) in accounts receivable	(20,227)	-	(976)	(21,203)
(Increase) Decrease in due from other funds	1,842	-	3,709	5,551
(Increase) in inventories	(10,521)	-	-	(10,521)
(Increase) in prepayments	(13,289)	(189)	(1,989)	(15,467)
Decrease in deposits	-	-	-	-
(Increase) Decrease in deferred outflows of resources	(230,706)	(6,660)	(48,499)	(285,865)
(Decrease) Increase in accounts payable	(647,331)	2,892	(30,379)	(674,818)
Increase (Decrease) in accrued liabilities	4,824	(2,593)	1,044	3,275
(Decrease) in accrued interest liabilities	(22,314)	(734)	-	(23,048)
(Decrease) in deferred inflows of resources	(22,589)	(793)	(5,020)	(28,402)
Increase in net pension liability	387,145	9,750	78,643	475,538
(Decrease) Increase compensated absences	(5,492)	(1,713)	5,387	(1,818)
Increase in customer deposits	6,231	-	-	6,231
Total adjustments	<u>281,160</u>	<u>46,813</u>	<u>120,767</u>	<u>448,740</u>
Net cash provided by operating activities	<u>\$ 3,221,007</u>	<u>\$ 380,478</u>	<u>\$ 157,193</u>	<u>\$ 3,758,678</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, 2016

	Pension Trust Funds
<u>ASSETS</u>	
Cash and cash equivalents	\$ <u>1,736,076</u>
Receivables:	
Due from Florida State Division of Retirement	113,066
Interest and dividends receivable	<u>28,509</u>
Total receivables	<u>141,575</u>
Investments, at fair value:	
U.S. Government and agency securities	6,067,240
Corporate bonds and notes	2,156,037
Equity Securities	<u>15,166,255</u>
Total investments	<u>23,389,532</u>
 Total assets	 <u>25,267,183</u>
<u>LIABILITIES</u>	
Accounts payable and accrued expenses	19,740
Deferred Revenue	<u>35,531</u>
Total liabilities	<u>55,271</u>
<u>NET POSITION</u>	
Net position restricted for DROP benefits	271,225
Net position restricted for defined benefits	<u>24,940,687</u>
Net position restricted for pensions	<u>\$ <u>25,211,912</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, 2016

	Pension Trust Funds
Additions:	
Contributions:	
Plan members	\$ 63,649
State	113,066
City	1,638,492
Total contributions	1,815,207
Investment income:	
Net appreciation in fair value of investments	1,500,398
Interests and dividends	429,410
Total	1,929,808
Less:	
Investment expenses	(98,209)
Net investment gain	1,831,599
Total Additions	3,646,806
Deductions:	
Pension benefits paid	2,785,623
Administrative expenses	118,184
Total deductions	2,903,807
Change in net position	742,999
Net position, beginning	24,468,913
Net position, ending	\$ 25,211,912

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, 2016**

NOTE 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, public services, transportation, and culture and recreation. The City also provides water and sewer, stormwater, and sanitation services.

The 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 a legally separate entity and is governed by a 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 City Commission. The Foundation is considered a component unit but 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, 2016, are not considered material to the financial statements of the City.

The 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-ad valorem assessments. The District is considered a component unit but 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, 2016.

The General Employees and Police Pension Plan and the Volunteer Firefighters Retirement System are separate (closed) pension plans for general employees and police personnel, and volunteer firefighters, respectively. Each plan is administered by its own board of trustees. The pension plans are reported as fiduciary funds in the basic financial statements of this report, but are not included in the government-wide statements. Each of these pension plans issues a publicly available financial report which can be found on the City's website, www.wiltonmanors.com.

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.

CITY OF WILTON MANORS, FLORIDA

NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2016

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

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.

Fiduciary Funds are used to report assets held in a trustee or agency capacity for others and, therefore, cannot be used to support the government's own programs. Fiduciary funds include the two single-employer pension trust funds mentioned in paragraph a.

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

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

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within two (2) months of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, utilities service taxes, franchise taxes, intergovernmental revenues and interest associated with the current fiscal year 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.

CITY OF WILTON MANORS, FLORIDA

NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2016

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

Proprietary fund-type operating statements present increases (e.g., revenues) and decreases (e.g., expenses) in net total position. 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.

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 *fire fund* accounts for the revenues and expenditures associated with fire prevention, suppression, and emergency medical services.
- The *recycling fund* accounts for solid waste fees, franchise and recycling revenue, as well as related contractual costs associated with waste disposal and recycling.
- The *road fund* accounts for financial resources, including grants, to be used to pave streets and perform right-of-way grounds maintenance.

The City reports the following major proprietary funds:

- The *utility fund* accounts for maintaining the financial operations of the City's water and wastewater transmission lines.
- The *parking fund* accounts for parking 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 projects.
- The drainage fund is used to account for fees collected to maintain the City's drainage system.
- The pension trust funds include the General Employees and Police Pension Plan and Volunteer Firefighters Retirement System which account for the accumulation of resources to be used for pension benefit payments to qualifying City's employees, police officers and volunteer firefighters, and, consequently, are not reflected in the government-wide statements because the resources are not available to support the City's own programs.

CITY OF WILTON MANORS, FLORIDA

**NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2016**

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

- As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements with the exception of 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.

In the government-wide financial statements, 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.

d. Assets, Deferred Outflows, Liabilities, Deferred Inflows and Net Position

1. Cash and Investments

The City maintains a cash and investment pool that is available for use by all funds. Each fund's portion of this pool is included in the financial statements as "Equity in Pooled Cash and Cash Equivalents". Cash and Cash Equivalents is defined to include cash on hand, demand deposits and cash with a state agency with original maturities of three months or less. Interest earned on pooled cash and investments is allocated monthly to the respective funds based on average monthly balances.

2. Receivables

Receivables include amounts due from other governments and for other 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.

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 composed of materials and supplies for roads and utility system maintenance and are based on year-end physical counts. Inventories are valued at cost, using the weighted average cost method. Fuel is recognized as expenditure when consumed.

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.

CITY OF WILTON MANORS, FLORIDA

NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2016

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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, 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.

Contributed 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.

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

Assets	Years
Infrastructure	40
Improvements other than buildings	10-20
Buildings	40
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.

CITY OF WILTON MANORS, FLORIDA

NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2016

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

8. Unearned revenue

Unearned revenue arises when resources are received by the City before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures.

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. Liability for accrued compensated absences of the governmental activities is not reported in the balance sheet of the governmental funds and, accordingly, represents a reconciling item between the fund and government-wide presentations.

10. Fund Balance/Net Position

In the fund financial statements, governmental funds report fund balance in categories as nonspendable, restricted, committed, assigned and unassigned. These categories are based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in the fund balances 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.

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.

CITY OF WILTON MANORS, FLORIDA

**NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2016**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

Net position of the government-wide and proprietary funds are categorized as net investment in capital assets, restricted and unrestricted. The first category represents net position related to property, plant, equipment and infrastructure reduced by the depreciation and outstanding debt used to construct or purchase capital assets, and deferred inflow/outflow or resources that are attributed to the acquisition of those assets or related debt are included in this component of net position. The restricted category represents the balance of assets restricted by requirements of revenue bonds and other externally imposed constraints or by enabling legislation in excess of the related liabilities payable from restricted assets. All remaining amounts are considered to be unrestricted.

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. 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, the Fund Balance Policy calls for the City Manager to prepare and submit in conjunction with the proposed budget a plan for expenditure reductions and/or revenue increases necessary to restore the minimum requirements.

12. Pensions

For purposes of measuring net pension liability, deferred outflows of resources, and deferred inflows 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.

CITY OF WILTON MANORS, FLORIDA

NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2016

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

13. Deferred Outflows/Deferred Inflows of Resources

In additions to assets, the statement of net position will periodically report a separate section for deferred outflows of resources. This separate financial statement section represents a consumption of net position that applies to a future period or periods and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City's deferred outflow of resources relates to pensions which are reported in the government-wide Statement of Net Position and Statement of Net Position of the proprietary funds.

In addition to liabilities, the statement of net position will periodically report a separate section for deferred inflows of resources. This separate financial statement section 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 has two types of items recognized as deferred inflows of resources under a modified accrual basis of accounting. In the governmental funds, revenues that are measurable but are not available, and revenues received in advance which are applicable to future periods, are recognized as deferred inflows and are reported in this category. The governmental funds report unavailable revenue from various sources which mainly consist of grants. The government-wide Statement of Net Position and Statement of Net Position of the proprietary funds report deferred inflows of resources related to pensions and deferred inflows of resources for revenues received in advance which are applicable to future periods, such as business tax payments received in advance.

14. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the amounts of assets, liabilities, and deferred inflows/outflows of resources; and disclosures of contingent assets, liabilities, and deferred inflows/outflows at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reported period in the accompanying financial statements. Actual results could differ from those estimates.

15. Pronouncements implemented in the current year

GASB Statement, 72, Fair Value Measurement and Application – This Statement addresses accounting and financial reporting issues related to fair value measurements. The definition of fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This Statement provides guidance for determining a fair value measurement for financial reporting purposes. This Statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements. The requirements of GASB 72 are effective for fiscal year beginning after June 15, 2015. The implementation of GASB 72 did not have a material impact on the City's financial statements.

CITY OF WILTON MANORS, FLORIDA

NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2016

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

GASB Statement, 76, The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments (GASB 76), identifies the hierarchy of generally accepted accounting principles (GAAP). The "GAAP hierarchy" consists of the sources of accounting principles used to prepare financial statements of state and local governmental entities in conformity with GAAP and the framework for selecting those principles. This Statement reduces the GAAP hierarchy to two categories of authoritative GAAP and addresses the use of authoritative and nonauthoritative literature in the event that the accounting treatment for a transaction or other event is not specified within a source of authoritative GAAP. The requirements of GASB 76 are effective for fiscal year 2016. The implementation of GASB 76 did not have a material impact on the City's financial statements.

16. Recently Issued Accounting Pronouncements

GASB Statement No. 73 *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*. The objective of this Statement is to improve the usefulness of information about pensions included in the general purpose external financial reports of state and local governments for making decisions and assessing accountability. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for all postemployment benefits with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency. The requirements of GASB 73 are effective for fiscal year beginning after June 15, 2016. The implementation of this statement is not expected to have a material effect on the City's financial statements.

GASB Statement, 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans (GASB 74)*, improves the usefulness of information about postemployment benefits other than pensions (other postemployment benefits or OPEB) included in the general purpose external financial reports of state and local governmental OPEB plans for making decisions and assessing accountability. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for all postemployment benefits (pensions and OPEB) with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency. The requirements of GASB 74 are effective for fiscal year 2017. The City is currently evaluating the impact, if any, that GASB 74 may have on its financial statements.

GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions (other postemployment benefits or OPEB). It also improves information provided by state and local governmental employers about financial support for OPEB that is provided by other entities. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for all postemployment benefits (pensions and OPEB) with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency. The requirements of GASB 75 are effective for fiscal year beginning after June 15, 2017. The City is currently evaluating the impact, if any, that GASB 75 may have on its financial statements.

CITY OF WILTON MANORS, FLORIDA

NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2016

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

GASB Statement No. 77 *Tax Abatement Disclosures* - The requirements of this Statement improve financial reporting by giving users of financial statements essential information that is not consistently or comprehensively reported to the public at present. Disclosure of information about the nature and magnitude of tax abatements will make these transactions more transparent to financial statement users. As a result, users will be better equipped to understand (1) how tax abatements affect a government's future ability to raise resources and meet its financial obligations and (2) the impact those abatements have on a government's financial position and economic condition. The provisions of Statement 77 are effective for fiscal year beginning after December 15, 2015. The implementation of this statement is not expected to have a material effect on the City's financial statements.

GASB Statement 78, *Pensions Provided Through Certain Multiple-Employer Defined Benefit Pension Plans*, - an amendment of GASB Statement No. 68. This Statement excludes pensions provided to employees of state or local governmental employers through a cost-sharing multiple-employer defined benefit pension plan that (1) is not a state or local governmental pension plan, (2) is used to provide defined benefit pensions both to employees of state or local governmental employers and to employees of employers that are not state or local governmental employers, and (3) has no predominant state or local governmental employer (either individually or collectively with other state or local governmental employers that provide pensions through the pension plan). This Statement establishes requirements for recognition and measurement of pension expense, expenditures, and liabilities; note disclosures; and required supplementary information for pensions that have the characteristics described above. The requirements of GASB 78 are effective for reporting periods beginning after December 15, 2015. The City is currently evaluating the impact, if any, that GASB 78 may have on its financial statements.

GASB Statement No 79 *Certain External Investment Pools and Pool Participants* - This Statement addresses accounting and financial reporting for certain external investment pools and pool participants. Specifically, it establishes criteria for an external investment pool to qualify for making the election to measure all of its investments at amortized cost for financial reporting purposes. The requirements of GASB 79 are effective for fiscal year beginning after December 15, 2015. The City is currently evaluating the impact, if any, that GASB 79 may have on its financial statements.

GASB Statement No. 80, *Blending Requirements for Certain Component Units*—an amendment of GASB Statement No. 14. This Statement amends the blending requirements for the financial statement presentation of component units of all state and local governments. The additional criterion requires blending of a component unit incorporated as a not-for-profit corporation in which the primary government is the sole corporate member. The additional criterion does not apply to component units included in the financial reporting entity pursuant to the provisions of Statement No. 39, *Determining Whether Certain Organizations Are Component Units*. The requirements of this Statement are effective for reporting periods beginning after June 15, 2016. The City is currently evaluating the impact, if any, that GASB 80 may have on its financial statements.

GASB Statement 81, *Irrevocable Split-Interest Agreements* – This statement improves accounting and financial reporting for irrevocable split-interest agreements by providing recognition and measurement guidance for situations in which a government is a beneficiary of the agreement. The requirements of GASB 81 are effective for fiscal year beginning after December 15, 2016. The City is currently evaluating the impact, if any, that GASB 81 may have on its financial statements.

CITY OF WILTON MANORS, FLORIDA

**NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2016**

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

GASB Statement No. 82, Pension Issues—an amendment of GASB Statements No. 67, No. 68, and No. 73. The objective of this Statement is to address certain issues that have been raised with respect to Statements No. 67, *Financial Reporting for Pension Plans*, No. 68, *Accounting and Financial Reporting for Pensions*, and No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*. Specifically, this Statement addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements. The requirements of this Statement are effective for reporting periods beginning after June 15, 2016, except for the requirements of this Statement for the selection of assumptions in a circumstance in which an employer's pension liability is measured as of a date other than the employer's most recent fiscal year-end.

In that circumstance, the requirements for the selection of assumptions are effective for that employer in the first reporting period in which the measurement date of the pension liability is on or after June 15, 2017. The City is currently evaluating the impact, if any, that GASB 82 may have on its financial statements.

GASB Statement No. 83, *Certain Asset Retirement Obligations*. This Statement addresses accounting and financial reporting for certain asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. A government that has legal obligations to perform future asset retirement activities related to its tangible capital assets should recognize a liability based on the guidance in this Statement. The requirements of this Statement are effective for reporting periods beginning after June 15, 2018. The City is currently evaluating the impact, if any, that GASB 83 may have on its financial statements.

GASB Statement No. 84, *Fiduciary Activities*. This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. The requirements of this Statement are effective for reporting periods beginning after December 15, 2018. The City is currently evaluating the impact, if any, that GASB 84 may have on its financial statements.

NOTE 2 – REAL AND PERSONAL 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 operating millage rate assessed by the City for the year ended September 30, 2016 was 6.0683 mills.

CITY OF WILTON MANORS, FLORIDA

NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2016

NOTE 2 – REAL AND PERSONAL PROPERTY TAXES (continued)

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, 2016; therefore an allowance for uncollectible taxes has not been recorded.

NOTE 3 – CASH, CASH EQUIVALENTS AND INVESTMENTS

1) Primary Government

The City’s cash and cash equivalents, as reported in the accompanying government-wide statement of net position, balance sheet of the governmental funds and statement of Net position of the proprietary funds, were as follows:

Cash and cash equivalents	\$ 7,717,288
Restricted cash and cash equivalents	<u>2,065,258</u>
	<u>\$ 9,782,546</u>

The City’s cash and cash equivalents consisted of the following at September 30, 2016:

Deposit with financial institution	\$ 2,538,042
Cash held by third party	97,165
State Board of Administration (Florida Prime)	<u>7,147,339</u>
	<u>\$ 9,782,546</u>

Deposits

The City maintains a cash and cash equivalents pool that is available for use by all funds. The City’s bank deposits are entirely insured by federal depository insurance or collateralized by the multiple financial institution collateral pool pursuant to Florida Statutes, Chapter 280, “Florida Security for Public Deposit Act”. Under this Act, all qualified public depositories are required to pledge eligible collateral having a fair value equal to or greater than the average daily or monthly balance of all public deposits, multiplied by the depository’s collateral pledging level.

CITY OF WILTON MANORS, FLORIDA

NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2016

NOTE 3 – CASH, CASH EQUIVALENTS AND INVESTMENTS (continued)

Investments

The City’s investment policy authorizes City officials to invest pooled funds in local government surplus funds or other intergovernmental investment pools, U.S. Government securities, time deposits and savings accounts, U. S. Agency obligations, U. S. instrumentalities, investment companies or trusts, bankers acceptances, prime commercial paper, state and local government debt, and money market mutual funds.

Investments are reported at fair value except for the position in the Florida State Board of Administration’s Local Government Surplus Funds Trust Fund (“Florida Prime”) which operates in accordance with state laws. For the Florida Prime, a 2a7-like pool, the value of the City’s position is the same as the value of the pool shares and is recorded at amortized cost.

As of September 30, 2016, the City had the following investments:

	<u>Amount</u>	<u>Rating</u>
SBA - Florida Prime	\$ 7,147,339	AAAm

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 Florida Prime. 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 Florida Prime is equal to the value of the pool shares.

The investments in 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 dollar weighted average days to maturity (WAM) of SBA-Florida Prime at September 30, 2016, is 50 days.

CITY OF WILTON MANORS, FLORIDA

**NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2016**

NOTE 3 – CASH, CASH EQUIVALENTS AND INVESTMENTS (continued)

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

Florida Prime was rated *AAAm* by Standard and Poor’s as of September 30, 2016.

2) Fiduciary Funds – Pension Trust Funds

a. 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 of Trustees. 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 on June 2008. The following was the Board’s adopted asset allocation policy as of September 30, 2016:

<u>Authorized Investments</u>	<u>Minimum</u>	<u>Maximum</u>
Domestic equity	25%	60%
International equity commingled funds	0%	20%
Fixed income	25%	50%
Cash equivalents	0%	20%

Interest rate risk: Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment the greater the sensitivity of its fair value to changes in market interest rates. 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	\$ 2,034,745	\$ 945,684	\$ 80,611	\$ 1,646,635	\$ 307,499
U.S. Treasuries	923,542	-	-	923,542	-
U.S. Agencies	<u>4,802,374</u>	-	<u>1,832,300</u>	<u>1,241,250</u>	<u>783,140</u>
Total fixed income securities	<u>\$ 7,760,661</u>	<u>\$ 945,684</u>	<u>\$ 1,912,911</u>	<u>\$ 3,811,427</u>	<u>\$ 1,090,639</u>

Credit risk: Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization (NRSRO). It is the Plan’s policy to limit its investment within the top four grades by Moody’s of Standard & Poor’s rating services.

CITY OF WILTON MANORS, FLORIDA

**NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2016**

NOTE 3 – CASH, CASH EQUIVALENTS AND INVESTMENTS (continued)

At September 30, 2016, the Plan’s debt securities were rated by Moody’s Investors Services as follows:

	Fair Value
Quality rating of credit risk debt securities	
A1	\$ 95,575
A2	80,611
A3	1,223,729
Aa1	245,123
Aa2	307,499
Aa3	82,208
Aaa	3,389,184
Unrated	<u>2,336,732</u>
Total fixed income securities	<u>\$ 7,760,661</u>

Concentration of Credit Risk: 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 investment. The Plan limits investment in the securities of any one issuer, other than the U.S. Government and its agencies, to no more than 5% of net fiduciary position. There were no individual investments that represent 5% or more of combined plan net position at September 30, 2016.

Foreign Currency Risk: 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 any manager’s total Plan portfolio. The Plan had no such investments at September 30, 2016.

b. Volunteer Firefighters Retirement System

Investment Policy: The System investment policy in regard to the allocation of invested assets is established and may be amended by the Board of Trustees. System 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 System. The investment policy statement was last amended on June 2008. The following was the Board’s adopted asset allocation policy as of September 30, 2016:

<u>Authorized Investments</u>	<u>Minimum</u>	<u>Maximum</u>
Domestic equity	25%	60%
International equity commingled funds	0%	20%
Fixed income	25%	50%
Cash equivalents	0%	20%

Interest rate risk: Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment the greater the sensitivity of its fair value to changes in market interest rates. The System’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 System’s investments in government securities, fixed income mutual funds and corporate bonds had maturities as follows:

CITY OF WILTON MANORS, FLORIDA

NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2016

NOTE 3 – CASH, CASH EQUIVALENTS AND INVESTMENTS (continued)

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less than 1	1 to 5	6 to 10	More than 10
U.S. treasuries	\$ 55,053	\$ -	\$ -	\$ 55,053	\$ -
U.S. agencies	286,271	56,373	109,224	73,991	46,683
Corporate bonds	<u>121,292</u>	<u>-</u>	<u>4,806</u>	<u>98,156</u>	<u>18,330</u>
Total fixed income securities	<u>\$ 462,616</u>	<u>\$ 56,373</u>	<u>\$ 114,030</u>	<u>\$ 227,200</u>	<u>\$ 65,013</u>

Credit risk: Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization (NRSRO). It is the System's policy to limit its investment within the top four grades by Moody's or Standard & Poor's rating services.

At September 30, 2016, the Plan's debt securities were rated by Moody's Investors Services as follows:

	Fair Value
Quality rating of credit risk debt securities	
A1	\$ 597
A2	4,805
A3	72,947
Aa1	14,612
Aa2	18,330
Aa3	4,901
Aaa	202,030
Unrated	<u>139,294</u>
Total fixed income securities	<u>\$ 462,616</u>

Concentration of Credit Risk: 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 investment. The System limits investment in the securities of any one issuer, other than the U.S. Government and its agencies, to no more than 5% of net fiduciary position. There were no individual investments that represent 5% or more of combined system net position at September 30, 2016.

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 System's exposure to foreign currency risk derives mainly from its investments in international equity funds. The System owns participation in international equity funds as well as individual securities. The investment policy limits the foreign investments to no more than 20% of any manager's total System portfolio. The plan has no such investments as of September 30, 2016.

Consistent with the System's investment policy, the System's investments are held by City's General Employees and Police Pension Plan's custodial bank and registered in the Plan's name.

CITY OF WILTON MANORS, FLORIDA

NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2016

NOTE 3 – CASH, CASH EQUIVALENTS AND INVESTMENTS *(continued)*

- 3) Fair Value Measurement:** The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. The fair value hierarchy categorizes the inputs to valuation techniques used to measure fair value into three levels based on the extent to which inputs used in measuring fair value are observable in the market as follows:

Level 1 - Inputs to the valuation methodology are based upon quoted prices for identical assets in active markets.

Level 2 - Inputs to the valuation methodology are based upon observable inputs for the assets either directly or indirectly, other than those considered Level 1 inputs, which may include quoted prices for identical assets in markets that are not considered to be active, and quoted prices of similar assets in active or inactive markets.

Level 3 - Inputs to the valuation methodology are based upon unobservable inputs.

Following is a description of the valuation methodologies used for asset measured at fair value.

Government securities: Valued using pricing models maximizing the use of observable inputs for similar securities.

Mutual funds: Valued at the daily closing price as reported by the Plan. Mutual funds held by the Plan are open-ended mutual funds that are registered with the Securities and Exchange Commission. These funds are required to publish their daily net asset value (NAV) and to transact at that price. The mutual funds held by the Plan are deemed to be actively traded.

Corporate bonds: Valued using pricing models maximizing the use of observable inputs for similar securities. This includes basing the value on yields currently available on comparable securities of issuers with similar credit ratings. When quoted prices are not available for identical or similar bonds, the bond is valued under a discounted cash flows approach that maximizes observable inputs, such as current yield of similar instruments, but includes adjustments for certain risks that may not be observable, such as credit and liquidity risks or a broker quote, if available.

CITY OF WILTON MANORS, FLORIDA

NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2016

NOTE 3 – CASH, CASH EQUIVALENTS AND INVESTMENTS (continued)

The City has the following recurring fair value measurements as of September 30, 2016:

<u>Investment Type</u>	<u>9/30/2016</u>	<u>Fair Value Measurement Using</u>		
		<u>Quoted Prices in Active Markets for Identical Assets Level 1</u>	<u>Significant Other Observable Inputs Level 2</u>	<u>Significant Unobservable Inputs Level 3</u>
FIDUCIARY FUNDS:				
General Employees and Police Pension Fund				
Equity Securities:				
Mutual funds	\$ 14,313,050	\$ 14,313,050	\$ -	\$ -
Total equity securities	<u>14,313,050</u>	<u>14,313,050</u>	<u>-</u>	<u>-</u>
Debt securities:				
Corporate bonds	2,034,745	-	2,034,745	-
U.S. Treasuries	923,542	923,542	-	-
U.S. Agencies	<u>4,802,374</u>	<u>-</u>	<u>4,802,374</u>	<u>-</u>
Total debt securities	<u>7,760,661</u>	<u>923,542</u>	<u>6,837,119</u>	<u>-</u>
Total General Employees and Police Pension Fund	\$ 22,073,711	\$ 15,236,592	\$ 6,837,119	\$ -
Volunteer Firefighters Retirement System Pension Fund				
Equity Securities:				
Mutual funds	\$ 853,205	\$ 853,205	\$ -	\$ -
Total equity securities	<u>853,205</u>	<u>853,205</u>	<u>-</u>	<u>-</u>
Debt securities:				
U.S. Treasuries	55,053	55,053	-	-
U.S. Agencies	286,271	-	286,271	-
Corporate Bonds	<u>121,292</u>	<u>-</u>	<u>121,292</u>	<u>-</u>
Total debt securities	<u>462,616</u>	<u>55,053</u>	<u>407,563</u>	<u>-</u>
Total General Employees and Police Pension Fund	\$ 1,315,821	\$ 908,258	\$ 407,563	\$ -
<u>Investment Measured at the Net Asset Value (NAV)</u>				
Florida PRIME	\$ 7,147,339			
Total Investment Measured at Fair Value	\$ 30,536,871			

CITY OF WILTON MANORS, FLORIDA

**NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2016**

NOTE 4 - PAYABLES

Accounts payables and accrued liabilities at September 30, 2016, were as follows:

<u>Governmental activities</u>	General Fund	Fire Assessment Fund	Recycling Fund	Road Improvement Fund	Nonmajor Funds	Total
Vendor	\$ 532,438	\$ 140,869	\$ 450,595	\$ 345,341	\$ 4,480	\$ 1,473,723
Payroll and related accruals	161,590	94,965	2,208	-	952	259,715
Total (fund statements)	694,028	235,834	452,803	345,341	5,432	1,733,438
Interest accrual	37,870	-	-	-	-	37,870
Total (government-wide)	\$ 731,876	\$ 235,834	\$ 452,803	\$ 345,341	\$ 5,342	\$ 1,771,308

<u>Business-Type Activities</u>	Utility Fund	Parking Fund	Nonmajor Fund	Total
Vendor	\$ 343,996	\$ 91,023	\$ 3,666	\$ 438,685
Payroll and related accruals	25,310	152	2,529	27,991
Interest accruals	28,589	8,513	-	37,102
Total	\$ 397,895	\$ 99,688	\$ 6,195	\$ 503,778

NOTE 5 - INTERFUND BALANCES AND TRANSFERS

The interfund balances between General Fund, Road and Miscellaneous Grant Funds represent short-term loan to cover temporary negative balance in equity in pooled cash related to grant expenditures pending reimbursements from grantors.

<u>Receivable Fund</u>	<u>Payable Fund</u>		<u>Total</u>
	Road Improvement Fund	Non major Fund-Governmental	
General Fund	\$ 99,673	\$ 108,362	\$ 208,035

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, 2016**

NOTE 5 - INTERFUND BALANCES AND TRANSFERS

Interfund transfers for the fiscal year ended September 30, 2016 are as follows:

<u>Transfers Out</u>	<u>Transfers In</u>		
	<u>General Fund</u>	<u>Non major Fund- Governmental</u>	<u>Total</u>
General Fund	\$ -	\$ 25,000	\$ 25,000
Recycling Fund	209,583	-	209,583
Fire Assessment Fund	206,197	-	206,197
Utility Fund	<u>1,475,000</u>	-	<u>1,475,000</u>
Total	<u>\$ 1,890,780</u>	<u>\$ 25,000</u>	<u>\$ 1,915,780</u>

NOTE 6 - CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2016 was as follows:

	<u>Balance October 1, 2015</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance September 30, 2016</u>
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 9,123,116	\$ -	\$ -	\$ 9,123,116
Intangible assets	<u>42,070</u>	-	-	<u>42,070</u>
Total assets not being depreciated	<u>9,165,186</u>	-	-	<u>9,165,186</u>
Capital assets being depreciated:				
Buildings	13,264,735	79,402	-	13,344,137
Improvements other than buildings	11,487,422	36,858	-	11,524,280
Machinery & equipment	7,995,258	1,425,569	(1,005,056)	8,415,771
Infrastructure	<u>20,120,148</u>	<u>1,355,317</u>	-	<u>21,475,465</u>
Total capital assets being depreciated	<u>52,867,563</u>	<u>2,897,144</u>	<u>(1,005,056)</u>	<u>54,759,653</u>
Less accumulated depreciation for:				
Buildings	(3,347,165)	(380,897)	-	(3,728,062)
Improvements other than buildings	(8,944,899)	(672,171)	-	(9,617,070)
Machinery & equipment	(6,384,396)	(683,359)	1,004,760	(6,062,995)
Infrastructure	<u>(14,308,186)</u>	<u>(140,896)</u>	-	<u>(14,449,082)</u>
Total accumulated depreciation	<u>(32,984,646)</u>	<u>(1,877,325)</u>	<u>1,004,760</u>	<u>(33,857,209)</u>
Total capital assets being depreciated, net	<u>19,882,917</u>	<u>1,019,819</u>	<u>(296)</u>	<u>20,902,444</u>
Governmental activities capital assets, net	<u>\$ 29,048,103</u>	<u>\$ 1,019,823</u>	<u>\$ (296)</u>	<u>\$ 30,067,630</u>

CITY OF WILTON MANORS, FLORIDA

NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2016

NOTE 6 - CAPITAL ASSETS (continued)

	Balance October 1, <u>2015</u>	<u>Increases</u>	<u>Decreases</u>	Balance September 30, <u>2016</u>
Business—type activities:				
Capital assets not being depreciated:				
Land	\$ 1,963,240	\$ 469,212	\$ -	\$ 2,432,452
Capital assets being depreciated				
Infrastructure	24,090,138	962,956	-	25,053,094
Improvements other than building	5,529,969	69,708	-	5,599,677
Buildings	695,278	-	-	695,278
Machinery & equipment	<u>2,053,974</u>	<u>962,468</u>	<u>(2,300)</u>	<u>3,014,142</u>
Total capital assets being depreciated	<u>32,369,359</u>	<u>1,995,132</u>	<u>(2,300)</u>	<u>34,362,191</u>
Less accumulated depreciation for				
Infrastructure	(10,576,009)	(628,502)	-	(11,204,511)
Improvements other than buildings	(5,550,791)	(83,499)	-	(5,634,290)
Buildings	(40,995)	(1,816)	-	(42,811)
Machinery & equipment	<u>(1,450,784)</u>	<u>(305,468)</u>	<u>2,300</u>	<u>(1,753,952)</u>
Total accumulated depreciation	<u>(17,618,579)</u>	<u>(1,019,285)</u>	<u>2,300</u>	<u>(18,635,564)</u>
Total capital assets being depreciated, net	<u>14,750,780</u>	<u>975,847</u>	<u>-</u>	<u>15,726,627</u>
Business-type activities capital assets, net	<u>\$ 16,714,020</u>	<u>\$ 1,445,059</u>	<u>\$ -</u>	<u>\$ 18,159,079</u>

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

Governmental activities:	
General government	\$ 809,128
Public safety	425,081
Culture and recreation	519,221
Physical environment	22,990
Transportation	<u>100,903</u>
Total depreciation expense - governmental activities	<u>\$ 1,877,323</u>
Business-type activities:	
Utility	\$ 853,586
Parking	118,847
Drainage	<u>46,852</u>
	<u>\$ 1,019,285</u>

CITY OF WILTON MANORS, FLORIDA

NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2016

NOTE 7 - RESTRICTED ASSETS

General Fund: The restricted assets in the general fund of \$3,000 represents donations received restricted for scholarships and \$31,699 for fire truck replacement.

Fire Fund: Restricted assets consist of \$65,466 for fire truck replacement held by a third party per agreement dated October 1, 2015.

Utility Fund: Restricted assets of the Utility Fund consist of the following balances:

Debt service reserve	\$ 1,207,054
Renewal and replacement reserve	300,000
Customer deposits	458,039
Total	<u>\$ 1,965,093</u>

Parking Fund: Restricted assets in the parking fund consist of \$31,174 deposit held by a third party per an agreement dated April 1, 2010.

NOTE 8 - LONG-TERM LIABILITIES

1) Water and Sewer Revenue Refunding Bonds, Series 2007

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. The Indentures of Mortgage and Trust relating to the 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. This obligation was paid in full on October 1, 2016.

2) 2008 City Hall General Obligation Bank Loan

On March 14, 2008, the City entered into a General Obligation Bank Loan in the amount of \$6,000,000. This debt was authorized by a vote of the citizens on March 14, 2006 for the purpose of the construction of 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.

3) 2011 Parks General Obligation Bank Loan

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 1st 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.

CITY OF WILTON MANORS, FLORIDA

**NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2016**

NOTE 8 - LONG-TERM LIABILITIES *(continued)*

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.

4) 2011 Utility and Parking System Revenue Notes

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. The bank note bears an interest rate of 2.52% per annum and is payable on the 1st 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 2016 amounted to approximately \$186,893 and \$519,717, respectively. Current year's pledged revenue represents 278% of the maximum debt service requirements.

5) 2015 Mickel Park Improvement Project Bank Loan

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 the 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 be equal to at least 120% of the maximum debt service requirement. Total communication service tax (pledge revenue) for the fiscal year ended September 30, 2016 amounted to approximately \$519,717. Current year's pledged revenue represents 146% of the maximum debt service requirement.

CITY OF WILTON MANORS, FLORIDA

NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2016

NOTE 8 - LONG-TERM LIABILITIES (continued)

The following are the requirements to amortize all debt at September 30, 2016:

Governmental Activities

Fiscal Year Ending	General Obligation 2008 City Hall GO Bond		General Obligation 2011 Parks GO Bond		General Obligation 2015 Mickel Park Loan	
	Principal	Interest	Principal	Interest	Principal	Interest
2017	\$ 279,960	\$ 148,788	\$ 202,050	\$ 12,119	\$ 66,000	\$ 22,792
2018	290,370	182,788	206,377	7,793	68,000	20,511
2019	301,170	138,180	210,796	3,373	70,000	18,162
2020	312,380	127,177	-	-	73,000	15,744
2021	324,000	115,765	-	-	75,000	13,223
2022-2026	1,810,000	349,159	-	-	329,000	25,914
2027-2028	<u>821,770</u>	<u>7,782</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 4,139,650</u>	<u>\$ 990,778</u>	<u>\$ 619,223</u>	<u>\$ 23,285</u>	<u>\$ 681,000</u>	<u>\$ 116,346</u>

Business Type Activities

Fiscal Year Ending	Water and Sewer Revenue Bonds		Utility and Parking Bank Loan	
	Principal	Interest	Principal	Interest
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	-	-	159,819	27,074
2022-2026	<u>-</u>	<u>-</u>	<u>954,265</u>	<u>73,648</u>
	<u>\$ 1,184,357</u>	<u>\$ 22,697</u>	<u>\$ 1,714,798</u>	<u>\$ 247,579</u>

CITY OF WILTON MANORS, FLORIDA

NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2016

NOTE 8 - LONG-TERM LIABILITIES (continued)

Long-term liability activity for the year ended September 30, 2016 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	\$ 4,409,570	\$ -	\$ 269,920	\$ 4,139,650	\$ 279,960
2011 General Obligation Refunding Note	817,037	-	197,814	619,223	202,050
Note payable	100,000	-	100,000	-	-
Bank loan	<u>744,200</u>	<u>-</u>	<u>63,200</u>	<u>681,000</u>	<u>66,000</u>
Total Bonds, Bank Loans and Note	6,070,807	-	630,934	5,439,873	548,010
Other Liabilities:					
Compensated absences	654,965	668,785	654,394	669,356	555,585
Net pension liability	14,681,050	9,943,177	-	24,624,227	-
Net OPEB obligation	<u>65,700</u>	<u>-</u>	<u>1,900</u>	<u>63,800</u>	<u>-</u>
Total governmental activities	<u>\$ 21,472,522</u>	<u>\$ 10,611,962</u>	<u>\$ 1,287,288</u>	<u>\$ 30,797,256</u>	<u>\$ 1,103,595</u>
Business-type Activities:					
Series 2007 Water and Sewer Revenue Refunding Bonds	\$ 2,325,230	\$ -	\$1,140,873	\$ 1,184,357	\$ 1,184,357
2011 Utility and Parking Bank Loan	<u>1,855,807</u>	<u>-</u>	<u>141,009</u>	<u>1,714,798</u>	<u>144,585</u>
Total Bonds and Bank Loans	4,181,037	-	1,281,882	2,899,155	1,328,942
Other Liabilities:					
Net pension liability	833,572	475,537	-	1,309,109	-
Compensated absences	<u>49,118</u>	<u>38,610</u>	<u>40,428</u>	<u>47,300</u>	<u>40,297</u>
Total business-type activities	<u>5,063,727</u>	<u>514,147</u>	<u>1,322,310</u>	<u>4,255,564</u>	<u>1,369,239</u>
Total Primary Government	<u>\$26,536,249</u>	<u>\$ 11,126,109</u>	<u>\$ 2,609,538</u>	<u>\$35,052,820</u>	<u>\$ 2,472,834</u>

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

NOTE 9— EMPLOYEE PENSION PLANS

General Information

Current and former employees of the City of Wilton Manors are covered by three pension plans. Since 2007, all new City employees have been covered under the Florida Retirement System (FRS). Before that time, City employees were covered by the City of Wilton Manors for General Employees & Police Retirement Plan (the Plan). In addition, a small number of volunteer firefighters previously serving the City were covered by the City of Wilton Manors Volunteer Firefighters Retirement System (the System) Both the Plan and the System were closed to new members in 2007 when the City transitioned to FRS coverage.

CITY OF WILTON MANORS, FLORIDA

NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2016

NOTE 9 – EMPLOYEE PENSION PLANS (continued)

1) GENERAL EMPLOYEES AND POLICE OFFICERS RETIREMENT PLAN

Description of the Plan

The City of Wilton Manors’ General Employees and Police Officers Retirement Plan (the “Plan”) is a single-employer defined benefit plan established by the City pursuant to the provisions and requirements of Section 13 of the City Code of Ordinances. 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.

Plan Membership

Plan members at October 1, 2015, the date of the latest actuarial valuation, pension plan membership consisted of the following:

Inactive employees or beneficiaries currently receiving benefits	74
Inactive employees entitled to but not yet receiving benefits	-
Active employees	<u>10</u>
Total	<u><u>84</u></u>

Benefits

The date upon which the participant completed twenty (20) 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 benefits 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.

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 the 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 package for benefit purposes. If a participant shall die during participation in the DROP, the participant shall be treated as any other vested participant of the Plan that dies prior to retirement.

Participant Contribution

Participant contributions are equal to 10% of basic compensation for police officers and 11% of basic compensation for general employees. Any participant terminating participation in the Plan with less than one year of credited service shall receive a return of contributions with no interest. A participant who has completed more than one, but less than five years of credited service, shall receive a return of contributions plus 3% of the gross amount. After completion of five years of credited service, the terminated participant will be entitled to a deferred vested benefit commencing on the participant’s normal retirement age, if living at such time.

CITY OF WILTON MANORS, FLORIDA

NOTES TO FINANCIAL STATEMENTS
 SEPTEMBER 30, 2016

NOTE 9– EMPLOYEE PENSION PLANS *(continued)*

1) GENERAL EMPLOYEES AND POLICE OFFICERS RETIREMENT PLAN (continued)

Net Pension Liability

The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. Due to the necessity to base net pension liability on actuarially determined data, the measurement date for pension liabilities is not the same as the date of this CAFR. The measurement date for this pension plan is October 1, 2015.

The components of the net pension liability of the City as of September 30, 2016 were as follows:

Total pension liability	\$ 37,934,752
Plan fiduciary net position	<u>23,065,544</u>
Total net pension liability	<u>\$ 14,869,208</u>
Plan fiduciary net position as a percentage of the total pension liability	60.80%

Actuarial assumptions

The total pension liability in the October 1, 2015 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.0%
Salary increases	5.5%
Investment return	7.0%, net of pension plan investment expense, including inflation

Mortality rates were based on the RP-2000 Combined Healthy Annuitant Participant Table for Males or Females, as appropriate, with mortality improvement projected to all future years after 2000 using Scale AA.

The actuarial assumptions used in the October 1, 2015 valuation were based on the results of an actuarial experience study for the period October 1, 2010 – September 30, 2015

The long-term expected rate of return on Plan investments was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of Plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major class included in the Plan’s target asset allocation as of October 1, 2015, are summarized in the following table:

CITY OF WILTON MANORS, FLORIDA

NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2016

NOTE 9 – EMPLOYEE PENSION PLANS *(continued)*

1) GENERAL EMPLOYEES AND POLICE OFFICERS RETIREMENT PLAN *(continued)*

Assets Class	Long-Term Expected Real Rate of Return
U.S. Large Cap Equity	8.25%
U.S. Small/Mid Cap Equity	8.75%
International Equity	8.50%
U.S. Intermediate Bond	4.00%
Inflation	2.75%

Discount Rate

The discount rate used to measure the total pension liability was 7.0%. The projection of cash flows used to determine the discount rate assumed that the plan participant contributions will be made at the current contribution rate and that City contributions will be made at rates equal to the difference between actuarially determined contributions rates and the participant rate. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan participants. Therefore, the long-term expected rate of return on Plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in Net Pension Liability

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) – (b)
Reporting period as of September 30, 2015	\$ 35,406,099	\$ 25,648,327	\$ 9,757,772
Changes for the year:			
Service cost	129,615	-	129,615
Interest	2,571,868	-	2,571,868
Differences between expected and actual experience	60,844	-	60,844
Assumption Changes	2,522,504	-	2,522,504
Contributions – employer	-	1,676,869	1,676,869
Contributions – employee	-	64,249	(64,249)
Net Investment Income	-	(1,489,322)	1,489,322
Benefit payments, including refunds of employee contributions	(2,756,178)	(2,756,178)	-
Administrative expenses	-	(78,401)	78,401
Net Changes	<u>2,528,653</u>	<u>(2,582,783)</u>	<u>5,111,436</u>
Reporting period as of September 30, 2016	<u>\$ 37,934,752</u>	<u>\$ 23,065,544</u>	<u>\$ 14,869,208</u>

CITY OF WILTON MANORS, FLORIDA

**NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2016**

NOTE 9 – EMPLOYEE PENSION PLANS (continued)

1) GENERAL EMPLOYEES AND POLICE OFFICERS RETIREMENT PLAN (continued)

Sensitivity of the Net Pension Liability to the changes in the discount rate

The following presents the net pension liability of the City calculated using the discount rate of 7.00%, as well as what the City’s net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00 percent) or 1-percentage-point higher (8.00 percent) than the current rate:

	1% Decrease (6.00%)	Current Rate (7.00%)	1.0% Increase (8.00%)
Net Pension Liability	\$19,213,599	\$14,869,208	\$11,267,170

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pension

For the year ended September 30, 2016, the City recognized pension expense of \$2,367,813. At September 30, 2016, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflow of Resources	Deferred Inflow of Resources
Differences between expected and actual earnings on pension plan investments	\$ 2,597,147	\$ (639,262)
Employer contributions made subsequent to the measurement date	1,674,023	-
Total	\$ 4,271,170	\$ (639,262)

The deferred outflows of resources totaling \$1,674,023 resulting from City contributions subsequent to the measurement date will be recognized as a reduction in the net pension liability/net pension expense for the fiscal year ending September 30, 2017. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<i>Reporting Period Ending September 30,</i>	<i>General and Police Expense</i>
2017	\$ 436,200
2018	436,200
2019	436,200
2020	649,285
2021	-
Total	\$ 1,957,885

CITY OF WILTON MANORS, FLORIDA

NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2016

NOTE 9 – EMPLOYEE PENSION PLANS (continued)

2) VOLUNTEER FIREFIGHTERS RETIREMENT SYSTEM

Description of the Plan

The City of Wilton Manors Volunteer Firefighters Retirement System (the “System”) is a single-employer defined benefit plan established by the City pursuant to the provisions and requirements of Chapter 21 of the City’s Code of Ordinances.

Plan Membership

Plan members at October 1, 2015, the date of the latest actuarial valuation, the Plan’s membership consisted of the following:

Inactive plan participants or beneficiaries currently receiving benefits	9
Active plan participants	<u>1</u>
Total	<u>10</u>

Benefits

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 participant’s 55th birthday, or the participant’s 50th birthday and 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 provisions of the System. Participants will receive a monthly pension benefit equal to \$56 (\$50 prior to November 14, 2006) multiplied by the years of credited service.

Participant, State and City Contributions

Participants are not required to contribute to the System and benefits are not compensated related.

Pursuant to Florida Statutes, Chapter 175, contributions from the State of Florida Department of Insurance consist of an excise tax imposed by the State upon certain casualty insurance companies on the gross amount of receipts of premiums from policy holders on all premiums collected on casualty insurance policies covering property within the City. This amount totaled \$190,242 for the year ended September 30, 2016. This amount was recognized as revenue and expenditure in the Fire Fund.

Net Pension Liability

The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. Due to the necessity to base net pension liability on actuarially determined data, the measurement date for pension liabilities is not the same as the date of this CAFR. The measurement date for this pension plan is October 1, 2015.

CITY OF WILTON MANORS, FLORIDA

NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2016

NOTE 9 – EMPLOYEE PENSION PLANS *(continued)*

2) VOLUNTEER FIREFIGHTERS RETIREMENT SYSTEM *(continued)*

The components of the net pension liability of the City as of September 30, 2016 were as follows:

Total pension liability	\$ 1,944,090
Plan fiduciary net position	1,403,369
Total net pension liability	<u>\$ 540,721</u>
Plan fiduciary net position as a percentage of the total pension liability	72.19%

Actuarial assumptions

The total pension liability in the October 1, 2015 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	N/A
Salary increases	N/A
Investment return	7.0%, net of pension plan investment expense, including inflation

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

The actuarial assumptions used in the October 1, 2015 valuation were based on the results of an actuarial experience study for the period October 1, 2010 – September 30, 2015.

The long-term expected rate of return on System investments was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of System investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major class included in the System’s target asset allocation as of October 1, 2015, are summarized in the following table:

<u>Assets Class</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S Large Cap Equity	8.25%
U.S. Small/Mid Cap Equity	8.75%
International Equity	8.50%
U.S. Intermediate Bond	4.00%
Inflation	2.75%

CITY OF WILTON MANORS, FLORIDA

**NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2016**

NOTE 9 – EMPLOYEE PENSION PLANS (continued)

2) VOLUNTEER FIREFIGHTERS RETIREMENT SYSTEM (continued)

Discount Rate

The discount rate used to measure the total pension liability was 7.0%. The projection of cash flows used to determine the discount rate assumed that the plan participant contributions will be made at the current contribution rate and that City contributions will be made at rates equal to the difference between actuarially determined contributions rates and the participant rate. Based on those assumptions, the System’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan participants. Therefore, the long-term expected rate of return on System investments was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in Net Pension Liability

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) – (b)
Reporting period as of September 30, 2015	\$ 1,688,531	\$ 1,454,962	\$ 233,569
Changes for the year:			
Service cost	2,781	-	2,781
Interest	127,765	-	127,765
Differences between expected and actual experience	28,813	-	28,813
Assumption Changes	172,401	-	172,401
Contributions – employer	-	143,468	(143,468)
Net Investment Income	-	(78,303)	78,303
Benefit payments, including refunds of employee contributions	(76,201)	(76,201)	-
Administrative expenses	-	(40,557)	40,557
Net Changes	<u>255,559</u>	<u>(51,593)</u>	<u>307,152</u>
Reporting period as of September 30, 2016	<u>\$ 1,944,090</u>	<u>\$ 1,403,369</u>	<u>\$ 540,721</u>

Sensitivity of the Net Pension Liability to the changes in the discount rate

The following presents the net pension liability of the City calculated using the discount rate of 7.0%, as well as what the City’s net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00 percent) or 1-percentage-point higher (8.00 percent) than the current rate:

	1% Decrease (6.0%)	Current Rate (7.0%)	1.0% Increase (8.0%)
Net Pension Liability	<u>\$705,537</u>	<u>\$540,721</u>	<u>\$402,892</u>

CITY OF WILTON MANORS, FLORIDA

**NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2016**

NOTE 9 – EMPLOYEE PENSION PLANS (continued)

2) VOLUNTEER FIREFIGHTERS RETIREMENT SYSTEM (continued)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pension

For the year ended September 30, 2016, the City recognized pension expense of \$170,729. At September 30, 2016, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflow of Resources</u>
Differences between expected and actual earnings on pension plan investments	\$ 144,868	\$ (33,535)
Employer contributions made subsequent to the measurement date	<u>99,927</u>	<u>-</u>
Total	<u>\$ 244,795</u>	<u>\$ (33,535)</u>

The deferred outflows of resources totaling \$99,927 resulting from City contributions subsequent to the measurement date will be recognized as a reduction in the net pension liability/net pension expense for the fiscal year ending September 30, 2017. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<i>Reporting Period Ending September 30,</i>	<i>Volunteer Firefighter Expense</i>
<u>2017</u>	\$ 25,038
2018	25,038
2019	25,040
2020	36,217
2021	<u>-</u>
Total	<u>\$ 111,333</u>

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 Manor, Florida, 33035. There is a significant amount of information about the City’s pension plan and system on the City’s website, www.wiltonmanors.com > Department > Finance > Pension Plans.

3) FLORIDA RETIREMENT SYSTEM

General Information

In August 1, 2007, the City joined the Florida Retirement System (“FRS”) to provide retirement and survivor benefits to all new hired employees. On that date, employees that were in the City of Wilton Manors General Employees and Police Officers Pension Plan had the option of making one-time election of remaining in the plan or transferring to the FRS.

CITY OF WILTON MANORS, FLORIDA

NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2016

NOTE 9 – EMPLOYEE PENSION PLANS (continued)

3) FLORIDA RETIREMENT SYSTEM (continued)

As provided by Chapters 121 and 112, Florida Statutes, the FRS provides two cost sharing, multiple employer defined benefit plans administered by the Florida Department of Management Services, Division of Retirement, including the FRS Pension Plan (“Pension Plan”) and the Retiree Health Insurance Subsidy (“HIS Plan”). Under Section 121.4501, Florida Statutes, the FRS also provides a defined contribution plan (“Investment Plan”) alternative to the FRS Pension Plan, which is administered by the State Board of Administration (“SBA”). As a general rule, membership in the FRS is compulsory for all employees working in a regularly established position for a state agency, county government, district school board, state university, community college, or a participating city or special district within the State of Florida. The FRS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefits are established by Chapter 121, Florida Statutes, and Chapter 60S, Florida Administrative Code. Amendments to the law can be made only by an act of the Florida State Legislature.

The State of Florida annually issues a publicly available financial report that includes financial statements and required supplementary information for the FRS. The latest available report may be obtained by writing to the State of Florida Division of Retirement, Department of Management Services, P.O. Box 9000, Tallahassee, Florida 32315-9000, or from the Web site:

www.dms.myflorida.com/workforce_operations/retirement/publications.

A) Pension Plan

Plan Description

The Pension Plan is a cost-sharing multiple-employer defined benefit pension plan, with a Deferred Retirement Option Program (“DROP”) for eligible employees.

Benefits Provided

Benefits under the Pension Plan are computed on the basis of age, average final compensation, and service credit. For Pension Plan members enrolled before July 1, 2011, Regular class members who retire at or after age 62 with at least six years of credited service or 30 years of service regardless of age are entitled to a retirement benefit payable monthly for life, equal to 1.6% of their final average compensation based on the five highest years of salary, for each year of credited service. Vested members with less than 30 years of service may retire before age 62 and receive reduced retirement benefits. Special Risk Administrative Support class members who retire at or after age 55 with at least six years of credited service or 25 years of service regardless of age are entitled to a retirement benefit payable monthly for life, equal to 1.6% of their final average compensation based on the five highest years of salary, for each year of credited service. Special Risk class members (sworn law enforcement officers, firefighters, and correctional officers) who retire at or after age 55 with at least six years of credited service, or with 25 years of service regardless of age, are entitled to a retirement benefit payable monthly for life, equal to 3.0% of their final average compensation based on the five highest years of salary for each year of credited service. Senior Management Service class members who retire at or after age 62 with at least six years of credited service or 30 years of service regardless of age are entitled to a retirement benefit payable monthly for life, equal to 2.0% of their final average compensation based on the five highest years of salary for each year of credited service. Elected Officers’ class members who retire at or after age 62 with at least six years of credited service or 30 years of service regardless of age are entitled to a retirement benefit payable monthly for life, equal to 3.0% (3.33% for judges and justices) of their final average compensation based on the five highest years of salary for each year of credited service.

CITY OF WILTON MANORS, FLORIDA

NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2016

NOTE 9 – EMPLOYEE PENSION PLANS *(continued)*

3) FLORIDA RETIREMENT SYSTEM *(continued)*

For Plan members enrolled on or after July 1, 2011, the vesting requirement is extended to eight years of credited service for all these members and increasing normal retirement to age 65 or 33 years of service regardless of age for Regular, Senior Management Service, and Elected Officers' class members, and to age 60 or 30 years of service regardless of age for Special Risk and Special Risk Administrative Support class members. Also, the final average compensation for all these members will be based on the eight highest years of salary.

As provided in Section 121.101, Florida Statutes, if the member is initially enrolled in the Pension Plan before July 1, 2011, and all service credit was accrued before July 1, 2011, the annual cost-of-living adjustment is three percent per year. If the member is initially enrolled before July 1, 2011, and has service credit on or after July 1, 2011, there is an individually calculated cost-of-living adjustment. The annual cost-of-living adjustment is a proportion of three percent determined by dividing the sum of the pre-July 2011 service credit by the total service credit at retirement multiplied by three percent. Plan members initially enrolled on or after July 1, 2011, will not have a cost-of-living adjustment after retirement.

In addition to the above benefits, the DROP program allows eligible members to defer receipt of monthly retirement benefit payments while continuing employment with a FRS employer for a period not to exceed 60 months after electing to participate. Deferred monthly benefits are held in the FRS Trust Fund and accrue interest. There are no required contributions by DROP participants

Contributions

Effective July 1, 2011, all enrolled members of the FRS, other than DROP participants, are required to contribute three percent of their salary to the FRS. In addition to member contributions, governmental employers are required to make contributions to the FRS based on state-wide contribution rates established by the Florida Legislature. These rates are updated as of July 1 of each year. The employer contribution rates by job class for the periods from October 1, 2015 through June 30, 2016 and from July 1, 2016 through September 30, 2016, respectively, were as follows: Regular—7.26% and 7.52%; Special Risk Administrative Support—42.07% and 32.95%; Special Risk—22.04% and 22.57%; Senior Management Service—21.43% and 21.77%; Elected Officers'—42.27% and 43.24%; and DROP participants—12.28% and 18.75%. These employer contribution rates include 1.20% and 1.26% HIS Plan subsidy for the periods October 1, 2015 through June 30, 2016 and from July 1, 2016 through September 30, 2016, respectively.

The City's contributions, including employee contributions, to the Pension Plan totaled \$781,617 for the fiscal year ended September 30, 2016.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At September 30, 2016, the City reported a liability of \$8,092,930 for its proportionate share of the Pension Plan's net pension liability. The net pension liability was measured as of June 30, 2016, the end of the pension plan's fiscal year, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2016. The City's proportionate share of the net pension liability was based on the City's 2015-16 fiscal year contributions relative to the 2014-15 fiscal year contributions of all participating members. At June 30, 2016, the City's proportionate share was .0320 percent, which was an increase of 15.52 percent from its proportionate share measured as of June 30, 2015.

CITY OF WILTON MANORS, FLORIDA

**NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2016**

NOTE 9 – EMPLOYEE PENSION PLANS (continued)

3) FLORIDA RETIREMENT SYSTEM (continued)

For the fiscal year ended September 30, 2016, the City recognized pension expense of \$1,233,999. In addition the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<u>Changes In</u>	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflow of Resources</u>
Contributions subsequent to the measurement date	\$ 233,915	\$ -
Assumptions and inputs	489,598	-
Projected and actual earnings	2,091,924	-
Experience expected and actual	619,657	(75,351)
Changes in proportional NPL	<u>700,821</u>	<u>(117,177)</u>
Total	<u>\$ 4,135,915</u>	<u>\$ (192,528)</u>

The deferred outflows of resources related to the Pension Plan, totaling \$233,915 resulting from City contributions to the Plan subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the fiscal year ended September 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the Pension Plan will be recognized in pension expense as follows:

<i>Reporting Period Ending September 30,</i>	<i>FRS Expense</i>
2017	\$ 533,511
2018	533,511
2019	1,349,073
2020	980,642
2021	234,099
Thereafter	<u>78,636</u>
Total	<u>\$ 3,709,472</u>

Actuarial Assumptions

The total pension liability in the June 30, 2016 actuarial valuation was determined using the following actuarial assumption, applied to all period included in the measurement:

Inflation	2.60%
Salary increases	3.25%
Investment rate of return	7.65%, net of pension plan investment expense, including inflation

CITY OF WILTON MANORS, FLORIDA

NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2016

NOTE 9 – EMPLOYEE PENSION PLANS *(continued)*

3) FLORIDA RETIREMENT SYSTEM *(continued)*

Mortality rates were based on the Generational RP-2000 with Projection Scale BB tables.

The actuarial assumptions used in the July 1, 2016, valuation were based on the results of an actuarial experience study for the period July 1, 2008 through June 30, 2013.

The long-term expected rate of return on Pension Plan investments was not based on historical returns, but instead is based on a forward-looking capital market economic model. 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. The target allocation and best estimates of arithmetic and geometric real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation (1)</u>	<u>Annual Arithmetic Return</u>	<u>Compound Annual (Geometric) Return</u>	<u>Standard Deviation</u>
Cash	1.00%	3.00%	3.00%	1.70%
Fixed income	18.00%	4.70%	4.60%	4.60%
Global equity	53.00%	8.10%	6.80%	17.20%
Real estate (property)	10.00%	6.40%	5.80%	12.00%
Private equity	6.00%	11.50%	7.80%	30.00%
Strategic investments	<u>12.00%</u>	6.10%	5.60%	11.10%
Total	<u>100.00%</u>			
Assumed inflation - Mean		2.60%		1.90%

Note: (1) As outlined in the Plan's investment policy

Discount Rate

The discount rate used to measure the total pension liability was 7.60%. The Pension 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 calculation the total pension liability is equal to the long-term expected rate of return.

CITY OF WILTON MANORS, FLORIDA

**NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2016**

NOTE 9 – EMPLOYEE PENSION PLANS (continued)

3) FLORIDA RETIREMENT SYSTEM (continued)

Sensitivity of the City’s Proportionate Share of the Net Position Liability to Changes in the Discount Rate

The following represents the City’s proportionate share of the net pension liability calculated using the discount rate of 7.60%, as well as what the City’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.60%) or one percentage point higher (8.60%) than the current rate:

	1% Decrease (6.60%)	Current Rate (7.60%)	1.0% Increase (8.60%)
City’s proportionate share of the net pension liability	\$14,889,633	\$8,092,930	\$2,427,250

Pension Plan Fiduciary Net Position

Detailed information regarding the Pension Plan’s fiduciary net position is available in the separately issued FRS Pension Plan and Other State-Administered Systems Comprehensive Annual Financial Report.

Payables to the Pension Plan

At September 30, 2016, the City reported a payable in the amount of \$107,790 for outstanding contributions to the Pension Plan required for the fiscal year ended September 30, 2016.

B) HIS Plan

Plan Description

The HIS Plan is a cost-sharing multiple-employer defined benefit pension plan established under Section 112.363, Florida Statutes, and may be amended by the Florida legislature at any time. The benefit is a monthly payment to assist retirees of State-administered retirement systems in paying their health insurance costs and is administered by the Florida Department of Management Services, Division of Retirement.

Benefits Provided

For the fiscal year ended September 30, 2016, eligible retirees and beneficiaries received a monthly HIS payment of \$5 for each year of credited service completed at the time of retirement, with a minimum HIS payment of \$30 and a maximum HIS payment of \$150 per month. To be eligible to receive these benefits, a retiree under a State-administered retirement system must provide proof of health insurance coverage, which may include medicare.

CITY OF WILTON MANORS, FLORIDA

NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2016

NOTE 9 – EMPLOYEE PENSION PLANS *(continued)*

3) FLORIDA RETIREMENT SYSTEM *(continued)*

B) HIS Plan *(continued)*

Contributions

The HIS Plan is funded by required contributions from FRS participating employers as set by the Florida Legislature. Employer contributions are a percentage of gross compensation for all active FRS members. For the fiscal year ended September 30, 2016, the HIS contribution for the period October 1, 2015 through June 30, 2016 and from July 1, 2016 through September 30, 2016 was 1.20% and 1.26%, respectively. The City contributed 100% of its statutorily required contributions for the current and preceding three years. HIS Plan contributions are deposited in a separate trust fund from which payments are authorized. HIS Plan benefits are not guaranteed and are subject to annual legislative appropriation. In the event legislative appropriation or available funds fail to provide full subsidy benefits to all participants, benefits may be reduced or cancelled.

The City's contributions to the HIS Plan totaled \$106,891 for the fiscal year ended September 30, 2016.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At September 30, 2016, the City reported a liability of \$2,430,477 for its proportionate share of the HIS Plan's net pension liability. The net pension liability was measured as of June 30, 2016, the end of the pension plan's fiscal year, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2016. The City's proportionate share of the net pension liability was based on the City's 2015-16 fiscal year contributions relative to the 2014-15 fiscal year contributions of all participating members. At June 30, 2016, the City's proportionate share was .0209 percent, which was an increase of 9.42 percent from its proportionate share measured as of June 30, 2015.

For the fiscal year ended September 30, 2016, the City recognized pension expense of \$201,941. In addition the City reported deferred outflows of resources and deferred in flows of resources related to pensions from the following sources:

<u>Changes In</u>	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflow of Resources</u>
Contributions subsequent to the measurement date	\$ 29,092	\$ -
Assumptions and inputs	381,404	-
Projected and actual earnings	1,229	-
Experience expected and actual	-	(5,538)
Changes in proportional NPL	<u>205,053</u>	<u>(53,974)</u>
Total	<u>\$ 616,778</u>	<u>\$ (59,512)</u>

CITY OF WILTON MANORS, FLORIDA

**NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2016**

NOTE 9 – EMPLOYEE PENSION PLANS (continued)

3) FLORIDA RETIREMENT SYSTEM (continued)

The deferred outflows of resources related to the HIS Plan, totaling \$29,092 resulting from City contributions to the HIS Plan subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the fiscal year ended September 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the HIS Plan will be recognized in pension expense as follows:

<i>Reporting Period Ending June 30,</i>	<i>HIS Expense</i>
2017	\$ 89,663
2018	89,665
2019	89,431
2020	89,319
2021	90,541
Thereafter	79,555
Total	\$ 528,174

Actuarial Assumptions

The total pension liability in the July 1, 2015, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.60%
Salary increases	3.25%
Municipal bond rate	2.85%

Mortality rates were based on the Generational RP-2000 with Projection Scale BB tables.

The actuarial assumptions used in the July 1, 2016, valuation were based on the results of an actuarial experience study for the period July 1, 2008 through June 30, 2013.

Discount Rate

The discount rate used to measure the total pension liability was 2.85%. In general, the discount rate for calculating the total pension liability is equal 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 HIS Plan sponsor. The Bond Buyer General Obligation 20-Bond Municipal Bond Index was adopted as the applicable municipal bond index.

CITY OF WILTON MANORS, FLORIDA

NOTES TO FINANCIAL STATEMENTS
 SEPTEMBER 30, 2016

NOTE 9 – EMPLOYEE PENSION PLANS (continued)

3) FLORIDA RETIREMENT SYSTEM (continued)

Sensitivity of the City’s Proportionate Share of the Net Position Liability to Changes in the Discount Rate

The following represents the City’s proportionate share of the net pension liability calculated using the discount rate of 2.85%, as well as what the City’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (1.85%) or one percentage point higher (3.85%) than the current rate:

	1% Decrease (1.85%)	Current Rate (2.85%)	1.0% Increase (3.85%)
City’s proportionate share of the net pension liability	\$2,788,309	\$2,430,477	\$2,133,496

Pension Plan Fiduciary Net Position

Detailed information regarding the HIS Plan’s fiduciary net position is available in the separately issued FRS Pension Plan and Other State-Administered Systems Comprehensive Annual Financial Report.

Payables to the Pension Plan

At September 30, 2016, the City reported a payable in the amount of \$12,457 for outstanding contributions to the HIS Plan required for the fiscal year ended September 30, 2016.

Investment Plan

The SBA administers the defined contribution plan officially titled the FRS Investment Plan. The investment Plan is reported in the SBA’s annual financial statements and in the State of Florida Comprehensive Annual Financial Report.

CITY OF WILTON MANORS, FLORIDA

**NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2016**

NOTE 9 – EMPLOYEE PENSION PLANS *(continued)*

3) FLORIDA RETIREMENT SYSTEM *(continued)*

As provided in Section 121.4501, Florida Statutes, eligible FRS members may elect to participate in the Investment Plan in lieu of the FRS defined benefit plan. City employees participating in DROP are not eligible to participate in the Investment Plan. Employer and employee contributions, including amounts contributed to individual member's accounts, are defined by law, but the ultimate benefit depends in part on the performance of investment funds. Benefit terms, including contribution requirements, for the Investment Plan are established and may be amended by the Florida Legislature. The Investment Plan is funded with the same employer and employee contribution rates that are based on salary and membership class (Regular Class, Elected City Officers, etc.), as the Pension Plan. Contributions are directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices. Costs of administering the Investment Plan, including the FRS Financial Guidance Program, are funded through an employer contribution of 0.04 percent of payroll and by forfeited benefits of plan members. Allocations to the investment member's accounts during the 2015-16 fiscal year, as established by Section 121.72, Florida Statutes, are based on a percentage of gross compensation, by class, as follows: Regular class 6.30%, Special Risk Administrative Support class 7.95%, Special Risk class 14.00%, Senior Management Service class 7.67% and City Elected Officers class 11.34%.

For all membership classes, employees are immediately vested in their own contributions and are vested after one year of service for employer contributions and investment earnings. If an accumulated benefit obligation for service credit originally earned under the Pension Plan is transferred to the Investment Plan, the member must have the years of service required for Pension Plan vesting (including the service credit represented by the transferred funds) to be vested for these funds and the earnings on the funds. Nonvested employer contributions are placed in a suspense account for up to five years. If the employee returns to FRS-covered employment within the five-year period, the employee will regain control over their account. If the employee does not return within the five-year period, the employee will forfeit the accumulated account balance. For the fiscal year ended September 30, 2015, the information for the amount of forfeitures was unavailable from the SBA; however, management believes that these amounts, if any, would be immaterial to the City.

After termination and applying to receive benefits, the member may rollover vested funds to another qualified plan, structure a periodic payment under the Investment Plan, receive a lump-sum distribution, leave the funds invested for future distribution, or any combination of these options. Disability coverage is provided; the member may either transfer the account balance to the Pension Plan when approved for disability retirement to receive guaranteed lifetime monthly benefits under the Pension Plan, or remain in the Investment Plan and rely upon that account balance for retirement income.

The City's Investment Plan pension expense totaled \$203,426 for the fiscal year ended September 30, 2016.

CITY OF WILTON MANORS, FLORIDA

**NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2016**

NOTE 9 – EMPLOYEE PENSION PLANS (continued)

3) FLORIDA RETIREMENT SYSTEM (continued)

Aggregate Amount for All Plans

	General Employees and Police Officers Pension	Volunteer Firefighters Retirement System	Florida Retirement System	Total
Pension liabilities	\$ 14,869,208	\$ 540,721	\$ 10,523,407	\$ 25,933,336
Deferred outflows of resources	4,271,170	244,795	4,752,693	9,268,658
Deferred inflows of resources	639,262	33,535	252,040	924,837
Pension expenses	2,367,813	170,729	1,435,940	3,974,482

NOTE 10 - 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.

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, 2016, ten (10) retirees and their spouses received the benefits. The annual required contributions amounted to \$35,400 for the current fiscal year, toward which the City made an actual contribution of \$37,400. At September 30, 2016, the City had a net OPEB obligation of \$63,800.

The funded status of this benefit as of September 30, 2016, the date of the most recent actuarial valuation date is as follows:

Plan Assets (a)	Accrued Liability (b)	Unfunded Liability (b-a)	Normal Cost (c)	Funded Ratio (a)/(b)	Covered Payroll (d)	Unfunded % of Payroll ((b- a)/d)
\$ -	\$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.

CITY OF WILTON MANORS, FLORIDA

**NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2016**

NOTE 10 - OTHER POST EMPLOYMENT BENEFITS (OPEB) (continued)

b. Annual OPEB Cost and Net OPEB Obligation

The City’s annual OPEB cost is calculated based on the annual required contribution (ARC) of the employer, an amount actuarially determined in accordance with the parameters of GASB 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year to amortize any unfunded actuarial liabilities over a period of thirty years, the amount actually contributed to the plan and changes in the City’s net OPEB obligation to the retirees as of September 30, 2016:

Annual required contribution	\$ 35,400
Interest on net OPEB obligation	2,600
Adjustment to annual required contribution	<u>(2,500)</u>
Annual OPEB cost	35,500
Employer contribution	(37,400)
Interest on employer contribution	<u>-</u>
Decrease in net OPEB obligation	(1,900)
Net OPEB obligation, beginning of year	<u>65,700</u>
Net OPEB obligation, end of year	<u>\$ 63,800</u>

The annual OPEB cost, the percentage of annual OPEB cost contributed and the net OPEB obligation for 2016 and the two preceding years:

	<u>FY 2016</u>	<u>FY 2015</u>	<u>FY 2014</u>
Annual OPEB cost	35,500	33,700	\$ 39,500
Percentage of OPEB cost contributed	105%	103%	97%
Net OPEB obligation	63,800	\$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, 2014 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

CITY OF WILTON MANORS, FLORIDA

NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2016

NOTE 10 - OTHER POST EMPLOYMENT BENEFITS (OPEB) (continued)

c. Actuarial Methods and Assumptions (continued)

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

NOTE 11 - 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, 2016.

NOTE 12 - 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 \$351,182. 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.

CITY OF WILTON MANORS, FLORIDA

**NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2016**

NOTED 13 - COMMITMENTS AND CONTINGENCIES

1) 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.

2) Interlocal Agreement – EMS and Fire Protection Services

Effective October 1, 2015, the City renewed its Interlocal agreement with the City of Fort Lauderdale to provide Emergency Medical and Fire Protection Services. The agreement is effective through September 30, 2020. The service fee for the year ended September 30, 2016 was \$2,707,714. The new agreement calls for the base annual service fee to be 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 Regions.

The Interlocal agreement also provides that the City will contribute \$55,000 annually to the Ft. Lauderdale Vehicle Replacement Account for the replacement of one fire engine and \$31,485 annually towards replacement of one rescue unit. 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, 2016, the City has \$96,175 in funds held by City of Ft. Lauderdale under the provisions of this agreement.

3) Interlocal Agreement – Water and Wastewater Services

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, 2016 relating to this agreement totaled \$2,214,373 and \$999,570 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.

4) 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 the City-owned on-street and off-street parking spaces. The agreement is for a period of five (5) years beginning April 1, 2010 and may be extended for two additional two year terms in City's absolute discretion. The agreement has been extended through March 31, 2017. The City reimburses the Company for its operating costs based on a budget approved by the City. The Company also receives a management fee in exchange for the services provided in an amount varying from 3.30% to 4.95% of all gross revenue, depending on the type of revenue. Total parking revenues generated and parking management services and operating fees paid during the fiscal year 2016 amounted to \$831,325 and \$333,800, respectively.

CITY OF WILTON MANORS, FLORIDA

**NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2016**

NOTED 13 - COMMITMENTS AND CONTINGENCIES *(continued)*

5) *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.

NOTE 14 - DEFICITS IN FUND BALANCE

At September 30, 2016, the Miscellaneous Grants fund had a deficit fund balance of \$108,808. 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.

At September 30, 2016, the Road Improvement Fund had a deficit fund balance of \$438,120. This deficit results from grant reimbursement receivable, and it will be liquidated in 2017 when the grant reimbursements are received.

NOTE 15 - SUBSEQUENT EVENT

Management Review

The City's management has evaluated subsequent events through May 17, 2017, the date, which the financial statements were available for issue.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF WILTON MANORS, FLORIDA

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2016**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>
				<u>Positive</u>
				<u>(Negative)</u>
REVENUES:				
Property taxes	\$ 7,161,101	\$ 7,161,101	\$ 6,994,529	\$ (166,572)
Franchise fees	870,215	870,215	832,021	(38,194)
Utility taxes	2,162,700	2,162,700	2,088,447	(74,253)
Intergovernmental	1,368,865	1,368,865	1,355,688	(13,177)
Charges for services	455,450	455,450	530,463	75,013
Licenses and permits	606,900	606,900	627,208	20,308
Fines and forfeitures	185,050	185,050	248,759	63,709
Interest	20,300	20,300	43,359	23,059
Impact Fees	-	-	12,148	12,148
Miscellaneous	321,925	321,925	373,536	51,611
Total Revenues	<u>13,152,506</u>	<u>13,152,506</u>	<u>13,106,158</u>	<u>(46,348)</u>
EXPENDITURES:				
Current:				
General Government:				
City Commission	161,492	163,292	162,950	342
City Management	619,979	684,479	684,177	302
City Clerk	258,462	261,462	255,240	6,222
Finance	613,771	620,371	620,281	90
Human Resources	474,616	479,616	469,120	10,496
City Attorney	268,649	268,649	261,143	7,506
Community Development	1,301,313	1,378,726	1,040,436	338,290
Non-Departmental	426,627	442,627	107,273	335,354
Total General Government	<u>4,124,909</u>	<u>4,299,222</u>	<u>3,600,620</u>	<u>698,602</u>
Public Safety:				
Police Department	6,983,632	7,043,400	6,725,489	317,911
Emergency Management	714,240	714,240	686,699	27,541
Total Public Safety	<u>7,697,872</u>	<u>7,757,640</u>	<u>7,412,188</u>	<u>345,452</u>
Transportation - Public Services	183,034	183,034	175,454	7,580
Culture and Recreation:				
Library	721,003	736,353	723,273	13,080
Parks and Recreation	2,826,488	2,865,862	2,748,868	116,994
Total Culture and Recreation	<u>3,547,491</u>	<u>3,602,215</u>	<u>3,472,141</u>	<u>130,074</u>
Debt Service:				
Principal	630,934	630,934	630,934	-
Interest	210,964	210,964	210,963	1
Total Debt Service	<u>841,898</u>	<u>841,898</u>	<u>841,897</u>	<u>1</u>
Total Expenditures	<u>16,395,204</u>	<u>16,684,009</u>	<u>15,502,300</u>	<u>1,181,709</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(3,242,698)</u>	<u>(3,531,503)</u>	<u>(2,396,142)</u>	<u>1,135,361</u>
OTHER FINANCING SOURCES (USES):				
Transfers In	1,890,780	1,890,780	1,890,780	-
Transfers Out	(25,000)	(25,000)	(25,000)	-
Use of Fund Balance	1,376,918	1,665,723	-	(1,665,723)
Total Other Financing Sources (Uses)	<u>3,242,698</u>	<u>3,531,503</u>	<u>1,865,780</u>	<u>(1,665,723)</u>
Net Change in Fund Balance	\$ -	\$ -	(530,362)	\$ (530,362)
Fund Balance, Beginning			4,754,916	
Fund Balance, Ending			<u>\$ 4,224,554</u>	

See Notes to Budgetary Comparison Schedule.

CITY OF WILTON MANORS, FLORIDA

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL - FIRE ASSESSMENT FUND
 FOR THE YEAR ENDED SEPTEMBER 30, 2016

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Insurance premium tax	\$ -	\$ -	\$ 190,242	\$ 190,242
Special Assessments	1,948,220	1,948,220	1,918,811	(29,409)
Charges for Services	105,000	105,000	102,169	(2,831)
Interest	10,000	10,000	7,880	(2,120)
Miscellaneous	-	-	41,026	41,026
Total Revenues	<u>2,063,220</u>	<u>2,063,220</u>	<u>2,260,128</u>	<u>196,908</u>
EXPENDITURES:				
Public Safety:				
Fire Operations and Prevention	<u>2,017,871</u>	<u>2,137,950</u>	<u>2,766,629</u>	<u>(628,679)</u>
Total Expenditures	<u>2,017,871</u>	<u>2,137,950</u>	<u>2,766,629</u>	<u>(628,679)</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>45,349</u>	<u>(74,730)</u>	<u>(506,501)</u>	<u>(431,771)</u>
OTHER FINANCING SOURCES (USES):				
Transfers Out	(206,197)	(206,197)	(206,197)	-
Use of fund balance	<u>160,848</u>	<u>280,927</u>	<u>-</u>	<u>(280,927)</u>
Total Other Financing Sources (Uses)	<u>(45,349)</u>	<u>74,730</u>	<u>(206,197)</u>	<u>(280,927)</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>(712,698)</u>	<u>\$ (712,698)</u>
Fund Balance, Beginning			<u>836,248</u>	
Fund Balance Ending			<u>\$ 123,550</u>	

See Notes to Budgetary Comparison Schedule.

CITY OF WILTON MANORS, FLORIDA

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL - RECYCLING FUND
 FOR THE YEAR ENDED SEPTEMBER 30, 2016

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Franchise Fees	\$ 475,072	\$ 475,072	\$ 470,684	\$ (4,388)
Charges for Services	5,400	5,400	16,767	11,367
Interest Income	-	-	2,023	2,023
Miscellaneous	<u>31,300</u>	<u>31,300</u>	<u>34,153</u>	<u>2,853</u>
Total Revenues	<u>511,772</u>	<u>511,772</u>	<u>523,627</u>	<u>11,855</u>
EXPENDITURES:				
Physical Environment:				
Solidwaste services	327,591	327,591	336,974	(9,383)
Culture and Recreation:				
Leisure Services	<u>9,910</u>	<u>9,910</u>	<u>5,814</u>	<u>4,096</u>
Total Expenditures	<u>337,501</u>	<u>337,501</u>	<u>342,788</u>	<u>(5,287)</u>
Excess of Revenues Over Expenditures	<u>174,271</u>	<u>174,271</u>	<u>180,839</u>	<u>6,568</u>
OTHER FINANCING SOURCES (USES):				
Transfers Out	(209,583)	(209,583)	(209,583)	-
Use of Fund Balance	<u>35,312</u>	<u>35,312</u>	<u>-</u>	<u>(35,312)</u>
Total Other Financing Sources (Uses)	<u>(174,271)</u>	<u>(174,271)</u>	<u>(209,583)</u>	<u>(35,312)</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	(28,744)	<u>\$ (28,744)</u>
Fund Balance, Beginning			<u>143,977</u>	
Fund Balance, Ending			<u>\$ 115,233</u>	

See Notes to Budgetary Schedule.

CITY OF WILTON MANORS, FLORIDA

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL - ROAD IMPROVEMENT FUND
 FOR THE YEAR ENDED SEPTEMBER 30, 2016

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental	\$ 215,288	\$ 1,172,960	\$ 397,533	\$ (775,427)
Miscellaneous	<u>28,700</u>	<u>28,700</u>	<u>27,915</u>	<u>(785)</u>
Total Revenues	<u>243,988</u>	<u>1,201,660</u>	<u>425,448</u>	<u>(776,212)</u>
EXPENDITURES:				
Transportation:				
Public Services	220,409	1,675,596	1,348,490	327,106
Leisure Services	<u>42,694</u>	<u>42,694</u>	<u>42,250</u>	<u>444</u>
Total Expenditures	<u>263,103</u>	<u>1,718,290</u>	<u>1,390,740</u>	<u>327,550</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(19,115)</u>	<u>(516,630)</u>	<u>(965,292)</u>	<u>(448,662)</u>
OTHER FINANCING SOURCES:				
Use of Fund Balance	<u>19,115</u>	<u>516,630</u>	<u>-</u>	<u>(516,630)</u>
Total Other Financing Sources	<u>19,115</u>	<u>516,630</u>	<u>-</u>	<u>(516,630)</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>(965,292)</u>	<u>\$ (965,292)</u>
Fund Balance, Beginning			<u>527,172</u>	
Fund Balance, Ending			<u>\$ (438,120)</u>	

See Notes to Budgetary Comparison Schedule.

CITY OF WILTON MANORS, FLORIDA

NOTES TO BUDGETARY COMPARISON SCHEDULE SEPTEMBER 30, 2016

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

Budgetary Information

Annual appropriated budgets are adopted for the general fund, fire assessment fund, recycling fund, , and the Road Improvement fund and Jenada Assessment 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 \$288,805 for the fiscal year ended September 30, 2016. The main components were:

- a) \$77,000 increase in Community Development Services department to cover cost for professional planning services.
- b) \$64,500 increase in the City Management to cover cost of salaries and contractual services.
- c) \$58,000 increase in the Police department to cover cost for capital purchases.

Excess of Expenditure over Appropriations

All General Fund budgetary expenditure categories were below appropriations for the fiscal year ended September 30, 2016.

Budget/GAAP Reconciliation

There are no reconciling items between GAAP and Budget.

CITY OF WILTON MANORS, FLORIDA

**REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS
GENERAL EMPLOYEES AND POLICE PENSION PLAN
LAST TWO FISCAL YEARS**

Measurement date September 30,	2015	2014
Total pension liability:		
Service cost	\$ 129,615	\$ 112,087
Interest	2,571,868	2,578,844
Changes of benefit terms	-	-
Differences between expected and actual experience	60,844	54,908
Changes of assumptions	2,522,504	-
Benefit payments, including refunds of employee contributions	<u>(2,756,178)</u>	<u>(3,224,482)</u>
Net change in total pension liability	2,528,653	(478,643)
Total pension liability - beginning	35,406,099	35,884,742
Total pension liability - ending (a)	<u>\$ 37,934,752</u>	<u>\$ 35,406,099</u>
Plan fiduciary net position:		
Contributions - employer	\$ 1,676,869	\$ 1,645,738
Contributions - member	64,249	59,289
Net investment income (loss)	(1,489,322)	2,836,305
Benefit payments, including refunds of employee contributions	(2,756,178)	(3,224,482)
Administrative expense	(88,375)	(81,815)
Other	<u>9,974</u>	<u>2,154</u>
Net change in plan fiduciary net position	(2,582,783)	1,237,189
Plan fiduciary net position - beginning	25,648,327	24,411,138
Plan fiduciary net position - ending (b)	<u>\$ 23,065,544</u>	<u>\$ 25,648,327</u>
Net pension liability - ending (a) - (b)	<u>\$ 14,869,208</u>	<u>\$ 9,757,772</u>
Plan fiduciary net position as a percentage of the total pension liability	60.80%	72.44%
Covered-employee payroll	\$ 600,852	\$ 937,125
Net pension liability as a percentage of covered employee payroll	2474.69%	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
 SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS
 VOLUNTEER FIREFIGHTERS RETIREMENT SYSTEM
 LAST TWO FISCAL YEARS

Measurement date September 30,	2015	2014
Total pension liability:		
Service cost	\$ 2,781	\$ 3,420
Interest	127,765	124,087
Changes of benefit terms	-	-
Differences between expected and actual experience	28,813	50,183
Changes of assumptions	172,401	-
Benefit payments, including refunds of employee contributions	<u>(76,201)</u>	<u>(73,671)</u>
Net change in total pension liability	255,559	104,019
Total pension liability - beginning	<u>1,688,531</u>	<u>1,584,512</u>
Total pension liability - ending (a)	<u>\$ 1,944,090</u>	<u>\$ 1,688,531</u>
Plan fiduciary net position:		
Contributions - employer	\$ 143,468	\$ 162,399
Net investment income (loss)	(78,303)	157,260
Benefit payments, including refunds of employee contributions	(76,201)	(73,671)
Administrative expense	(40,557)	(27,489)
Other	<u>-</u>	<u>-</u>
Net change in plan fiduciary net position	(51,593)	218,499
Plan fiduciary net position - beginning	<u>1,454,962</u>	<u>1,236,463</u>
Plan fiduciary net position - ending (b)	<u>\$ 1,403,369</u>	<u>\$ 1,454,962</u>
Net pension liability - ending (a) - (b)	<u>\$ 540,721</u>	<u>\$ 233,569</u>
Plan fiduciary net position as a percentage of the total pension liability	72.19%	86.17%
Covered-employee payroll	N/A	N/A
Net pension liability as a percentage of covered employee payroll	N/A	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 PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
LAST TWO FISCAL YEARS (1) (2)**

**Schedule of Proportionate Share of the Net Pension Liability -
Florida Retirement System Pension Plan**

Measurement date June 30,	2016	2015
City's proportion of the FRS net pension liability	0.032051110%	0.027694466%
City's proportionate share of the FRS net pension liability	\$ 8,092,908	\$ 3,577,112
City's covered employee payroll	6,473,081	5,789,464
City's proportionate share of the FRS net pension liability as a percentage of covered employee payroll	125.02%	61.79%
FRS plan fiduciary net postion as a percentage of the total pension liability	84.88%	92.00%

**Schedule of Proportionate Share of the Net Pension Liability -
Health Insurance Subsidy Pension Plan**

Measurement date June 30,	2016	2015
City's proportion of the HIS net pension liability	0.020854254%	0.019083075%
City's proportionate share of the HIS net pension liability	\$ 2,430,477	\$ 1,946,173
City's covered employee payroll	6,473,081	5,789,464
City's proportionate share of the HIS net pension liability as a percentage of covered employee payroll	37.55%	33.62%
FRS plan fiduciary net postion as a percentage of the total pension liability	0.97%	0.50%

(1) The amounts presented for each fiscal year were determined as of June 30.

(2) 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
LAST TWO FISCAL YEARS**

	2015	2014
Actuarially determined contribution	\$ 1,674,023	\$ 1,645,738
Contribution made in relation to the actuarially determined contribution	<u>1,676,869</u>	<u>1,645,738</u>
Contribution - deficiency (excess)	<u>\$ (2,846)</u>	<u>\$ -</u>
Covered employee payroll	\$ 600,852	\$ 937,125
Contributions as a percentage of covered employee payroll	<u>279.08%</u>	<u>175.62%</u>

Notes to Schedule:

Valuation date: October 1, 2015 (for fiscal year 2016)

Actuarially determined contribution rates are calculated as of October 1, one year prior to the end of the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal
Amortization method	Level dollar closed
Remaining amortization period	15 years
Asset valuation method	5-year smoothed market
Inflation	2.50%
Salary increases	5.50%
Investment rate of return	7.00%
Mortality	RP-200 Combined Health Participant Mortality Table for males and females with mortality improvement projected to all future years after 2000 using Scale AA

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
LAST TWO FISCAL YEARS**

	2015	2014
Actuarially determined contribution	\$ 80,349	\$ 79,117
Contribution made in relation to the actuarially determined contribution	<u>143,468</u>	<u>85,547</u>
Contribution - deficiency (excess)	<u>\$ (63,119)</u>	<u>\$ (6,430)</u>
Covered employee payroll	<u>N/A</u>	<u>N/A</u>
Contributions as a percentage of covered employee payroll	<u>N/A</u>	<u>N/A</u>

Notes to Schedule:

Valuation date: October 1, 2015 (for fiscal year 2016)

Actuarially determined contribution rates are calculated as of October 1, one year prior to the end of the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal
Amortization method	Level dollar closed
Remaining amortization period	20 years
Asset valuation method	5-year smoothed market
Inflation	2.50%
Salary increases	N/A
Investment rate of return	7.00%
Mortality	RP-200 Combined Health Participant Mortality Table for males and females, plus a give year age setforward for impaired mortality, with mortality improvement projected to all future years after 2000 using Scale AA

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 CONTRIBUTIONS
LAST TWO FISCAL YEARS (1) (2)**

Schedule of the City's Contributions - Florida Retirement System Pension Plan

	<u>2016</u>	<u>2015</u>
Contractually required contributions	\$ 781,617	\$ 675,215
Contributions in relation to the contractually required contribution	<u>781,617</u>	<u>675,215</u>
Contributions deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>
Covered employee payroll	6,473,081	5,789,464
Contribution as a percentage of covered employee payroll	12.07%	11.66%

Schedule of the City's Contributions - Health Insurance Subsidy

	<u>2016</u>	<u>2015</u>
Contractually required contributions	\$ 106,891	\$ 72,947
Contributions in relation to the contractually required contribution	<u>106,891</u>	<u>72,947</u>
Contributions deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>
Covered employee payroll	6,473,081	5,789,464
Contribution as a percentage of covered employee payroll	1.65%	1.26%

(1) The amounts presented for each fiscal year were determined as of June 30.

(2) 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, 2016
(UNAUDITED)

Actual Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded Actuarial Accrued Liability (UAAL) (b)-(a)	Funded Ration (a)/(b)	Annual Covered Payroll (c)	UAAL as a Percentage of Covered Payroll (b-)/(c)
9/30/2014	\$ -	\$ 388,900	\$ 388,900	0.00%	\$ 5,155,300	7.54%
9/30/2011	-	523,600	523,600	0.00%	5,047,100	10.37%
9/30/2009	-	687,700	687,700	0.00%	6,077,100	11.32%

COMBINING FUND STATEMENTS

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

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.

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, 2016

	SPECIAL REVENUE FUNDS					Total
	Miscellaneous Grants Fund	Federal Police Forfeiture Fund	Police Training and Education Fund	State Police Forfeiture Fund	Jenada Assessment Fund	
<u>ASSETS</u>						
Equity in pooled cash and cash equivalents	\$ -	\$ 154,641	\$ 9,461	\$ 285,492	\$ 34,725	\$ 484,319
Due from other governments	8,039	-	-	-	-	8,039
Prepayments	-	-	-	-	75	75
Total assets	<u>\$ 8,039</u>	<u>\$ 154,641</u>	<u>\$ 9,461</u>	<u>\$ 285,492</u>	<u>\$ 34,800</u>	<u>\$ 492,433</u>
<u>LIABILITIES</u>						
Accounts payable	\$ 3,465	\$ -	\$ -	\$ -	\$ 1,015	\$ 4,480
Accrued expenses	952	-	-	-	-	952
Due to other funds	108,362	-	-	-	-	108,362
Unearned revenues	4,068	-	-	17,120	-	21,188
Total liabilities	<u>116,847</u>	<u>-</u>	<u>-</u>	<u>17,120</u>	<u>1,015</u>	<u>134,982</u>
<u>FUND BALANCES (DEFICIT)</u>						
Non spendable:						
Inventories and prepayments	-	-	-	-	75	75
Restricted:						
Community development	-	-	-	-	33,710	33,710
Police equipment/training	-	154,641	9,461	268,372	-	432,474
Unassigned	<u>(108,808)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(108,808)</u>
Total fund balances	<u>(108,808)</u>	<u>154,641</u>	<u>9,461</u>	<u>268,372</u>	<u>33,785</u>	<u>357,451</u>
Total liabilities and Fund balances	<u>\$ 8,039</u>	<u>\$ 154,641</u>	<u>\$ 9,461</u>	<u>\$ 285,492</u>	<u>\$ 34,800</u>	<u>\$ 492,433</u>

CITY OF WILTON MANORS, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (DEFICIT)
NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2016

	SPECIAL REVENUE FUNDS					Total
	Miscellaneous Grants Fund	Federal Police Forfeiture Fund	Police Training and Education Fund	State Police Forfeiture Fund	Jenada Assessment Fund	
REVENUES:						
Fines and forfeitures	\$ -	\$ 98,617	\$ 6,026	\$ 130,237	\$ -	\$ 234,880
Special assessments	-	-	-	-	8,185	8,185
Intergovernmental	136,894	-	-	-	-	136,894
Interest income	-	498	43	1,329	282	2,152
Miscellaneous	107	-	-	32	49	188
Total revenues	<u>137,001</u>	<u>99,115</u>	<u>6,069</u>	<u>131,598</u>	<u>8,516</u>	<u>382,299</u>
EXPENDITURES:						
Current:						
Physical environment	-	-	-	-	4,902	4,902
Public safety	49,111	9,592	2,921	17,694	-	79,318
Culture and recreation	7,430	-	-	-	-	7,430
Capital Outlay	79,645	-	-	-	6,820	86,465
Total expenditures	<u>136,186</u>	<u>9,592</u>	<u>2,921</u>	<u>17,694</u>	<u>11,722</u>	<u>178,115</u>
Excess of revenues over expenditures	<u>815</u>	<u>89,523</u>	<u>3,148</u>	<u>113,904</u>	<u>(3,206)</u>	<u>204,184</u>
OTHER FINANCING SOURCES (USES):						
Transfers In	25,000	-	-	-	-	25,000
Total other financing sources	<u>25,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>25,000</u>
Net change in fund balances	25,815	89,523	3,148	113,904	(3,206)	229,184
Fund balances (deficit) - beginning	<u>(134,623)</u>	<u>65,118</u>	<u>6,313</u>	<u>154,468</u>	<u>36,991</u>	<u>128,267</u>
Fund balances (deficit) - ending	<u>\$ (108,808)</u>	<u>\$ 154,641</u>	<u>\$ 9,461</u>	<u>\$ 268,372</u>	<u>\$ 33,785</u>	<u>\$ 357,451</u>

CITY OF WILTON MANORS, FLORIDA

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL - JENADA ASSESSMENT FUND
 FOR THE YEAR ENDED SEPTEMBER 30, 2016

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Special Assessments	\$ 8,350	\$ 8,350	\$ 8,185	\$ (165)
Miscellaneous	75	75	331	256
Total Revenues	<u>8,425</u>	<u>8,425</u>	<u>8,516</u>	<u>91</u>
EXPENDITURES:				
General Government:				
Jenada Operations	<u>18,350</u>	<u>18,350</u>	<u>11,722</u>	<u>6,628</u>
Total Expenditures	<u>18,350</u>	<u>18,350</u>	<u>11,722</u>	<u>6,628</u>
Excess of Revenues Over Expenditures	<u>(9,925)</u>	<u>(9,925)</u>	<u>(3,206)</u>	<u>6,719</u>
OTHER FINANCING SOURCES:				
Use of Fund Balance	<u>9,925</u>	<u>9,925</u>	<u>-</u>	<u>(9,925)</u>
Total Other Financing Sources	<u>9,925</u>	<u>9,925</u>	<u>-</u>	<u>(9,925)</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (3,206)</u>	<u>\$ (3,206)</u>
Fund Balance, Beginning			<u>36,991</u>	
Fund Balance, Ending			<u>\$ 33,785</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, 2016

	<u>General Employees and Police Pension</u>	<u>Volunteer Firefighters Retirement System</u>	<u>Total</u>
<u>ASSETS</u>			
Cash and cash equivalents	\$ 1,638,410	\$ 97,666	\$ 1,736,076
Receivables:			
City contributions	-	-	-
Due from Florida State Division of Retirement	-	113,066	113,066
Interest and dividends receivable	26,905	1,604	28,509
Total receivables	<u>26,905</u>	<u>114,670</u>	<u>141,575</u>
Investments, at fair value:			
U.S. Government and agency securities	5,725,916	341,324	6,067,240
Corporate bonds and notes	2,034,745	121,292	2,156,037
Equity Securities	14,313,050	853,205	15,166,255
Total investments	<u>22,073,711</u>	<u>1,315,821</u>	<u>23,389,532</u>
Total assets	<u>23,739,026</u>	<u>1,528,157</u>	<u>25,267,183</u>
<u>LIABILITIES</u>			
Accounts payable and accrued expenses	19,740	-	19,740
Deferred Revenue	35,531	-	35,531
Total liabilities	<u>55,271</u>	<u>-</u>	<u>55,271</u>
<u>NET POSITION</u>			
Net position restricted for DROP benefits	271,225	-	271,225
Net position restricted for defined benefits	23,412,530	1,528,157	24,940,687
Net position restricted for pensions	<u>\$ 23,683,755</u>	<u>\$ 1,528,157</u>	<u>\$ 25,211,912</u>

CITY OF WILTON MANORS, FLORIDA
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2016

	<u>General Employees and Police Pension</u>	<u>Volunteer Firefighters Retirement System</u>	<u>Total</u>
Additions:			
Contributions:			
Plan members	\$ 63,649	\$ -	\$ 63,649
State	-	113,066	113,066
City	<u>1,638,492</u>	<u>-</u>	<u>1,638,492</u>
Total contributions	<u>1,702,141</u>	<u>113,066</u>	<u>1,815,207</u>
Investment income:			
Net appreciation in fair value of investments	1,411,574	88,824	1,500,398
Interests and dividends	<u>403,989</u>	<u>25,421</u>	<u>429,410</u>
Total	1,815,563	114,245	1,929,808
Less:			
Investment expenses	<u>(98,209)</u>	<u>-</u>	<u>(98,209)</u>
Net investment (loss)	<u>1,717,354</u>	<u>114,245</u>	<u>1,831,599</u>
Total Additions	<u>3,419,495</u>	<u>227,311</u>	<u>3,646,806</u>
Deductions:			
Pension benefits paid	2,706,165	79,458	2,785,623
Administrative expenses	<u>95,119</u>	<u>23,065</u>	<u>118,184</u>
Total deductions	<u>2,801,284</u>	<u>102,523</u>	<u>2,903,807</u>
Change in net position	618,211	124,788	742,999
Net position, beginning	<u>23,065,544</u>	<u>1,403,369</u>	<u>24,468,913</u>
Net position, ending	<u>\$ 23,683,755</u>	<u>\$ 1,528,157</u>	<u>\$ 25,211,912</u>

STATISTICAL SECTION

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

	<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>	<u>2015-16</u>
Governmental Activities										
Net investments in										
Capital Assets	\$ 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	\$ 24,627,757
Restricted	-	-	-	341,974	665,651	1,875,075	1,239,952	1,341,629	2,125,600	1,008,904
Unrestricted	<u>4,256,624</u>	<u>10,317,638</u>	<u>4,470,047</u>	<u>3,140,990</u>	<u>3,240,732</u>	<u>2,681,067</u>	<u>4,385,843</u>	<u>3,890,093</u>	<u>(10,190,225)</u>	<u>(13,417,252)</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>	<u>12,219,409</u>
Business-type Activities										
Net Investments in										
Capital Assets	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	15,324,713
Restricted	1,413,439	1,113,439	1,103,696	885,741	926,868	1,630,062	1,570,317	1,444,317	1,759,416	1,762,736
Unrestricted	<u>2,444,750</u>	<u>(360,576)</u>	<u>(1,363,483)</u>	<u>221,258</u>	<u>945,146</u>	<u>1,266,815</u>	<u>2,086,121</u>	<u>2,720,126</u>	<u>1,899,031</u>	<u>1,392,335</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>	<u>18,479,784</u>
Primary Government										
Invested in Capital Assets,										
Net of Related Debt	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	39,952,470
Restricted	1,413,439	1,113,439	1,103,696	1,227,715	1,592,519	3,505,137	2,810,269	2,785,946	3,885,016	2,771,640
Unrestricted	<u>6,701,374</u>	<u>9,957,062</u>	<u>3,106,564</u>	<u>3,362,248</u>	<u>4,185,878</u>	<u>3,947,882</u>	<u>6,471,964</u>	<u>6,610,219</u>	<u>(8,291,194)</u>	<u>(12,024,917)</u> (1)
	<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>	<u>\$ 30,699,193</u>

(1) In FY15, the City implemented GASB Statement No. 68 and 71 which have 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)

	<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>	<u>2015-16</u>
EXPENSES										
Governmental Activities										
General Government	\$ 2,060,947	\$ 2,568,351	\$ 2,205,488	\$ 2,054,770	\$ 1,970,679	\$ 1,986,280	\$ 2,233,108	\$ 3,915,658	(2) \$ 3,903,520	\$ 4,977,272
Public Safety	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	11,323,816
Culture and Recreation	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	4,228,975
Physical Environment	1,077,506	869,291	1,090,237	1,433,612	1,065,381	567,036	353,822	327,906	347,625	388,033
Transportation	-	-	-	-	421,435	818,896	926,883	322,893	302,460	347,336
Interest on Long-term Debt	200,780	217,741	471,098	468,124	355,356	233,405	190,362	233,537	203,274	210,668
Total Governmental Activities Expenses	<u>13,800,791</u>	<u>15,254,636</u>	<u>15,923,777</u>	<u>16,557,697</u>	<u>15,671,848</u>	<u>15,200,041</u>	<u>15,646,000</u>	<u>16,463,238</u>	<u>16,114,907</u>	<u>21,476,100</u>
Business-type Activities										
Water and Wastewater	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	5,644,074
Parking	-	-	-	-	-	-	485,397	490,689	(1) 519,558	528,339
Drainage	274,547	354,413	427,806	351,897	323,867	323,817	287,328	254,113	281,171	396,419
Total Business-type Activities Expenses	<u>4,459,599</u>	<u>5,274,685</u>	<u>5,063,236</u>	<u>5,176,732</u>	<u>5,146,467</u>	<u>5,064,098</u>	<u>5,626,527</u>	<u>5,949,791</u>	<u>6,363,633</u>	<u>6,568,832</u>
Total Primary Government Expenses	<u>\$ 18,260,390</u>	<u>\$ 20,529,321</u>	<u>\$ 20,987,013</u>	<u>\$ 21,734,429</u>	<u>\$ 20,818,315</u>	<u>\$ 20,264,139</u>	<u>\$ 21,272,527</u>	<u>\$ 22,413,029</u>	<u>\$ 22,478,540</u>	<u>\$ 28,044,932</u>
PROGRAM REVENUES										
Governmental Activities										
Charges for Services										
General Government	\$ 996,436	\$ -	\$ -	\$ 274,852	\$ 36,166	\$ 46,297	\$ 48,885	\$ 567,966	\$ 963,752	\$ 654,058
Public Safety	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	2,506,229
Culture and Recreation	244,081	255,340	269,017	269,886	289,984	323,177	302,767	417,043	512,947	522,319
Physical Environment	* 507,437	417,071	264,175	596,099	54,179	61,964	66,770	8,596	7,867	19,102
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	117,446
Capital Grants/Contributions	-	-	-	1,136,272	318,981	354,340	366,744	231,025	63,870	864,425
Total Governmental Activities	<u>4,459,473</u>	<u>2,946,109</u>	<u>3,509,824</u>	<u>3,976,651</u>	<u>3,735,203</u>	<u>3,946,491</u>	<u>3,983,121</u>	<u>3,348,558</u>	<u>4,026,872</u>	<u>4,683,579</u>
Business-type Activities										
Charges for Services										
Water and Wastewater	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	8,520,740
Parking	-	-	-	-	-	-	606,800	645,009	(1) 701,150	831,325
Drainage	328,559	399,648	319,559	320,851	334,388	334,785	358,129	388,822	413,123	433,291
Total Business-type Activities Program	<u>5,798,266</u>	<u>5,589,833</u>	<u>5,344,495</u>	<u>6,584,345</u>	<u>7,129,095</u>	<u>7,470,488</u>	<u>8,472,624</u>	<u>8,480,531</u>	<u>9,324,156</u>	<u>9,785,356</u>
Total Primary Government Program Revenues	<u>\$ 10,257,739</u>	<u>\$ 8,535,942</u>	<u>\$ 8,854,319</u>	<u>\$ 10,560,996</u>	<u>\$ 10,864,298</u>	<u>\$ 11,416,979</u>	<u>\$ 12,455,745</u>	<u>\$ 11,829,089</u>	<u>\$ 13,351,028</u>	<u>\$ 14,468,935</u>
NET (EXPENSE) REVENUE										
Governmental Activities	* \$ (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)	\$ (16,792,521)
Business-type Activities	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	3,216,524
Total Primary Government Net Expense	<u>\$ (8,002,651)</u>	<u>\$ (11,993,379)</u>	<u>\$ (12,132,694)</u>	<u>\$ (11,173,433)</u>	<u>\$ (9,954,017)</u>	<u>\$ (8,847,160)</u>	<u>\$ (8,816,782)</u>	<u>\$ (10,583,940)</u>	<u>\$ (9,127,512)</u>	<u>\$ (13,575,997)</u>

Continued on Next Page

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

	<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>	<u>2015-16</u>
GENERAL REVENUES AND TRANSFERS										
Governmental Activities										
Property Taxes	\$ 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	\$ 6,994,529
Other Taxes	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	3,686,020
Investment Earnings	351,841	221,132	30,547	163,920	65,047	89,069	58,042	14,136	65,504	56,504
Intergovernmental, not restricted	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	1,570,712
Other	1,142,003	1,619,564	535,849	407,009	213,584	234,859	536,314	313,572	880,509	316,494
Transfers	751,742	643,642	752,550	852,724	684,933	662,122	848,589	1,344,433	1,482,000	1,475,000
Total Governmental Activities Revenues	<u>12,887,672</u>	<u>13,966,428</u>	<u>12,994,966</u>	<u>12,539,102</u>	<u>11,360,531</u>	<u>11,332,246</u>	<u>12,053,608</u>	<u>12,845,976</u>	<u>14,109,244</u>	<u>14,099,259</u>
Business-type Activities										
Investment Earnings	293,945	143,182	9,135	2,356	1,667	8,372	8,485	5,393	7,143	14,764
Unrestricted Grants	-	-	-	-	-	-	-	-	-	-
Other	85,009	271,056	202,762	-	-	-	33,288	13,199	271,233	7,326
Transfers	(751,742)	(643,642)	(752,550)	(852,724)	(684,933)	(662,122)	(848,589)	(1,344,433)	(1,482,000)	(1,475,000)
Total Business-type Activities Revenues	<u>(372,788)</u>	<u>(229,404)</u>	<u>(540,653)</u>	<u>(850,368)</u>	<u>(683,266)</u>	<u>(653,750)</u>	<u>(806,816)</u>	<u>(1,325,841)</u>	<u>(1,203,624)</u>	<u>(1,452,910)</u>
Total Primary Government Revenues	<u>\$ 12,514,884</u>	<u>\$ 13,737,024</u>	<u>\$ 12,454,313</u>	<u>\$ 11,688,734</u>	<u>\$ 10,677,265</u>	<u>\$ 10,678,496</u>	<u>\$ 11,246,792</u>	<u>\$ 11,520,135</u>	<u>\$ 12,905,620</u>	<u>\$ 12,646,349</u>
CHANGES IN NET POSITION										
Governmental Activities	\$ 3,546,354	\$ 1,657,901	\$ 581,013	\$ (41,944)	\$ (576,114)	\$ 78,696	\$ 390,729	\$ (268,704)	\$ 2,021,209	\$ (2,693,262)
Business-type Activities	965,879	85,744	(259,394)	557,245	1,299,362	1,752,640	2,039,281	1,204,899	1,756,899	1,763,614
Total Primary Government	<u>\$ 4,512,233</u>	<u>\$ 1,743,645</u>	<u>\$ 321,619</u>	<u>\$ 515,301</u>	<u>\$ 723,248</u>	<u>\$ 1,831,336</u>	<u>\$ 2,430,010</u>	<u>\$ 936,195</u>	<u>\$ 3,778,108</u>	<u>\$ (929,648)</u>

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

(2) Starting 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)

	<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>	<u>2015-16</u>
General Fund										
Reserved	\$ 1,847,108	\$ 3,034,738	\$ 4,277,450	\$ 1,921,877	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	3,302,658	3,483,990	1,874,398	2,226,475	-	-	-	-	-	-
Nonspendable	-	-	-	-	130,156	171,348	55,986	148,853	165,564	138,623
Restricted	-	-	-	-	270,338	426,334	334,587	356,472	334,692	307,223
Committed	-	-	-	-	654,692	621,358	369,431	47,499	-	-
Assigned	-	-	-	-	-	-	1,407,233	1,367,463	1,391,918	1,257,548
Unassigned	-	-	-	-	2,878,929	3,201,898	2,949,403	2,893,169	2,862,742	2,521,160
Total General Fund	<u>\$ 5,149,766</u>	<u>\$ 6,518,728</u>	<u>\$ 6,151,848</u>	<u>\$ 4,148,352</u>	<u>\$ 3,934,115</u>	<u>\$ 4,420,938</u>	<u>\$ 5,116,640</u>	<u>\$ 4,813,456</u>	<u>\$ 4,754,916</u>	<u>\$ 4,224,554</u>
All Other Governmental Funds										
Reserved	\$ 343,887	\$ 555,290	\$ 1,523,763	\$ 492,495	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, Reported In										
Special Revenue	(897,179)	3,937,764	(422,918)	(408,782)	-	-	-	-	-	-
Nonspendable	-	-	-	-	15,715	15,207	12,323	15,700	6,297	8,727
Restricted	-	-	-	-	395,313	1,448,741	1,250,991	509,566	1,763,990	701,681
Committed	-	-	-	-	100,994	9,143	-	-	-	-
Assigned	-	-	-	-	557,897	102,855	-	-	-	-
Unassigned	-	-	-	-	(264,034)	(154,465)	(157,568)	(175,599)	(134,623)	(552,294)
Total All Other Governmental Funds	<u>\$ (553,292)</u>	<u>\$ 4,493,054</u>	<u>\$ 1,100,845</u>	<u>\$ 83,713</u>	<u>\$ 805,885</u>	<u>\$ 1,421,481</u>	<u>\$ 1,105,746</u>	<u>\$ 349,667</u>	<u>\$ 1,635,664</u>	<u>\$ 158,114</u>

Note: Fund balances starting 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)

	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
REVENUES										
Ad Valorem Taxes - Operating	\$ 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	\$ 6,357,509
Ad Valorem Taxes - Debt Service	230,564	231,406	655,264	648,787	646,129	649,243	633,863	641,146	632,428	637,020
Franchise Taxes	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	1,302,705
Utility Service Taxes	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	2,088,447
Licenses and Permits	996,436	939,314	456,386	462,889	552,339	659,797	639,649	591,592	992,177	527,208
Intergovernmental	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	1,890,114
Charges for Services	702,081	716,284	587,823	795,517	822,895	889,859	515,908	541,298	630,940	649,399
Fines and Forfeitures	274,895	237,677	273,882	265,813	512,666	586,660	1,026,213 (2)	363,676	593,871	483,639
Impact Fees	89,992	229,128	23,977	18,978	21,880	4,101	23,784	21,885	266,220	12,148
Special Assessments	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	1,926,996
Donations	1,090	100	2,400	2,000	-	-	-	-	-	-
Other	496,318	1,753,450	83,632	605,318	278,631	299,219	571,347	410,456	782,840	822,475
Total Revenues	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	16,697,660
EXPENDITURES										
Current										
General Government	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	3,531,503
Public Safety	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	9,060,223
Physical Environment	984,544	525,533	453,766	743,740	616,455	331,363	306,282	308,600	320,254	343,661
Culture and Recreation	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	3,273,590
Nondepartmental	-	-	-	-	-	-	-	-	-	-
Transportation	-	-	-	-	412,467	748,556	365,425	255,378	247,772	234,327
Capital Outlay	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	2,895,371
Debt Service										
Principal Retirement	233,209	239,583	408,033	483,184	524,843	551,347	540,426	554,183	559,472	630,934
Interest and Fiscal Charges	146,077	84,925	393,037	329,522	314,980	323,337	238,143	219,220	228,763	210,963
Total Expenditures	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	20,180,572
Excess of Revenues Over (Under) Expenditures	(827,659)	(192,712)	(4,511,639)	(4,097,187)	(176,998)	(705,453)	(96,229)	(1,621,728)	(1,780,711)	(3,482,912)
OTHER FINANCING SOURCES (USES)										
Debt Issuance	-	5,964,378	-	223,835	-	1,115,250	-	-	744,200	-
Refunding debt issued	-	-	-	-	-	1,477,298	-	-	-	-
Transfers In	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	1,915,780
Payment to refunded debt escrow agent	-	-	-	-	-	(1,446,798)	-	-	-	-
Transfers Out	(548,306)	(582,560)	(468,030)	(2,642,999)	(484,473)	(504,328)	(1,446,713)	(415,780)	(873,390)	(440,780)
Total Other Financing Sources (Uses)	751,742	6,608,020	752,550	1,076,559	684,933	1,807,872	476,196	1,344,433	2,226,200	1,475,000
Net Change in Fund Balances	\$ (75,917)	\$ 6,415,308	\$ (3,759,089)	\$ (3,020,628)	\$ 507,935	\$ 1,102,419	\$ 379,967	\$ (277,295)	\$ 445,489	\$ (2,007,912)
Debt Service as a Percentage of										
Non-capital Expenditures	<u>2.94%</u>	<u>2.34%</u>	<u>5.65%</u>	<u>5.62%</u>	<u>5.96%</u>	<u>6.21%</u>	<u>5.40%</u>	<u>5.17%</u>	<u>4.79%</u>	<u>4.87%</u>

(2) In FY2012-13, the City settled and collected fines on 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						Total Taxable			% Change in Total Taxable		Estimated	Total Assessed Value as a Percent of	Number of Parcels of Real Property
		Residential	Commercial	Industrial	Other Real Property	Personal Property	Less: Tax Exemptions	Assessed Value	Assessed Value	City Direct Tax Rate	Actual Market Value	Market Value	Market Value	
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	22.4%	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	-18.5%	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	
2015	2015-16	1,346,478,460	174,215,430	13,337,700	109,902,987	37,420,912	587,331,481	1,094,024,008	7.3%	6.6764	1,681,355,489	65.1%	5,551	

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	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	
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
2015	2015-16	6.0683	0.6081	6.6764	5.7230	7.2740	0.3551	0.0320	0.4882	1.4425	21.9912

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 2015-16			Fiscal Year 2006-07		
	Taxable Assessed Value	Rank	Percent of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percent of Total Taxable Assessed Value
LG Wilton Park LLC	\$ 24,093,610	1	2.2%	\$ -		
Marrinson Group	15,288,870	2	1.4%	10,544,050	1	1.0%
RKOF Wilton Tower LLC	13,801,210	3	1.3%			
High Acres TIC LLC	11,274,250	4	1.0%			
2701 North Andrews Property Total	9,654,240	5	0.9%			
Real Sub LLC	9,566,330	6	0.9%			
Carol Williams Trust	5,282,590	7	0.5%	7,246,660	6	0.7%
Moss Office Building LLC	4,922,950	8	0.4%			
Da Vinci Plaza LLC	4,596,780	9	0.4%			
2220 Dagan-Madison Holdings LLC Total	4,503,930	10	0.4%			
Stiles/BLP, LLC				10,079,340	2	0.9%
Wilton Manors Developers LLC				8,888,540	3	0.8%
USAT Corp.				8,506,270	4	0.8%
Impsat USA, Inc.				4,098,320	5	0.4%
Marrinson Group, Inc.				7,280,200	7	0.7%
Car Fire Corners Plaza				6,953,620	8	0.7%
2675 N. Andrews Ave LLC				4,394,790	9	0.4%
Wilton Station LLC				5,076,260	10	0.5%
	<u>\$ 102,984,760</u>		<u>9.4%</u>	<u>\$ 73,068,050</u>		<u>6.8%</u>
Total City Taxable Assessed Value	<u>\$ 1,094,024,008</u>			<u>\$ 1,068,467,677</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
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%	(32,123)	5,059,426	98.1%
2012-13	5,469,796	5,225,737	95.5%	108,820	5,334,557	97.5%
2013-14	5,807,541	5,579,577	96.1%	275,068	5,854,645	100.8%
2014-15	6,215,676	5,786,223	93.1%	116,963	5,903,186	95.0%
2015-16	6,685,412	6,238,480	93.3%	-	6,238,480	93.3%

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	2015 Mickel Park Bank Loan	Note Payable	Capital Lease	Water & Sewer Revenue Bonds	2007 Water & Sewer Revenue Refunding Bonds	2011 Utility and Parking Bank Loan	Capital Lease			
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	-	-	8,999,974	-	-	17,779,890	0.024%	1,375
2008-09	5,837,500	1,835,750	-	-	700,000	-	-	8,469,406	-	-	16,842,656	0.024%	1,303
2009-10	5,620,700	1,685,203	-	-	600,000	53,823	-	7,528,019	-	154,163	15,641,908	0.022%	1,213
2010-11	5,395,840	1,527,993	-	-	500,000	52,789	-	6,550,648	-	121,742	14,149,012	0.019%	1,216
2011-12	5,162,610	-	1,385,946	-	400,000	40,634	-	5,535,919	2,230,500	88,298	14,843,907	0.020%	1,264
2012-13	4,920,710	-	1,200,313	-	300,000	27,742	-	4,482,514	2,127,451	53,799	13,112,529	0.017%	1,104
2013-14	4,669,810	-	1,010,705	-	200,000	14,066	-	3,424,100	1,993,330	18,212	11,330,223	0.014%	939
2014-15	4,409,570	-	817,037	744,200	100,000	-	-	2,325,230	1,855,807	-	10,251,844	0.012%	843
2015-16	4,139,650	-	619,223	681,000	-	-	-	1,184,357	1,714,798	-	8,339,028	(2)	669

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 2016

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
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
2015-16	1,094,024,008	4,758,873	0.43%	12,466	382

CITY OF WILTON MANORS, FLORIDA
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES NET DEBT - Table 11
SEPTEMBER 30, 2016

	Outstanding Debt (1)	Estimated Percent Applicable (2)	Estimated Share of Direct and Overlapping Debt
Direct Debt	<u>\$ 4,758,873</u>	100%	<u>\$ 4,758,873</u>
Overlapping Debt			
Broward County	232,035,000		
School Board of Broward County	<u>1,890,494,000</u>		
Total Overlapping Debt	<u>\$ 2,122,529,000</u>	0.67%	<u>\$ 14,267,598</u>
Total Direct And Overlapping Debt (2)	<u>\$ 2,127,287,873</u>		<u>\$ 19,026,471</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 total population. Applicable percentages were estimated by determining the portion of Broward County's population that is within the City of Wilton Manors' boundaries and dividing it by Broward County's total population.

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. Details regarding the City's outstanding debt can be found in Note 8 to the financial statements.

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
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	8,169,570	4,704,523	3,465,047	1,098,870	111,534	2.86
2015-16	8,438,856	4,821,873	3,616,983	1,140,873	63,711	3.00

* 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)
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	74,604,276	41,908	9.0%
2011-12	11,743	1,771,099	75,805,807	42,802	7.3%
2012-13	11,878	1,784,715	75,421,141	42,259	5.9%
2013-14	12,071	1,803,903	80,249,784	44,487	5.2%
2014-15	12,160	1,827,367	85,167,498	46,607	4.9%
2015-16	12,466	1,854,513	(4)	(4)	4.4%

Sources:

- (1) Bureau of Economic and Business Research, University of Florida.
- (2) Bureau of Labor Statistics, U.S. Department of Labor
- (3) Office of Economic and Demographic Research
- (4) Information not available fo 2016

**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	9.4

Police Department:

Stations	1
Uniformed officers	35
Nonuniformed officers	17

Water & Sewer Utilities:

Active accounts - Water	4,194
Active accounts - Sewer	4,078

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:	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
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	15.63	15.63	15.63	15.78
Community Services	8.8	8.25	8.25	6.75	6.42	6.7	5.85	5.85	5.85	6.75
Public Safety										
Police and Fire	43.5	41.95	43.95	43.95	43.95	45.45	46.2	50.28	50.93	52.78
Physical Environment										
Public Works/Utilities	13	13	13	12	12	12	11.8	11.8	11.7	11.55
Culture and Recreation										
Leisure Services	43.8	41.84	41.13	39.93	36.42	36.23	37.17	37.17	39.87	40.87
Total	125.9	121.3	122.96	119.26	115.42	117.01	119.15	123.23	126.48	130.23

Source: Human Resources Department

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

FUNCTION:	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
General Government										
Local Business Tax Licenses Issued (Occupational Licenses)	998	998	534	915	898	877	924	1,044	1,083	1,143
Building Permits Issued	1,477	1,008	1,090	978	1,213	1,232	1,425	1,645	1,505	2,364
Public Safety										
Physical Arrests	362	472	575	571	371	555	726	695	731	587
Traffic Violations	3,910	4,716	5,491	6,266	5,155	4,730	3,875	4,033	5,816	6,066
Parking Violations	695	877	1,004	2,696	10,504	9,184	8,033	6,960	2,056	4,872
Fire/EMS Emergency Responses	3,123	3,210	2,454	2,264	2,352	2,333	2,322	2,322	2,777	3,074
Fire Inspections	3,755	2,311	2,506	2,059	1,832	2,124	1,638	1,517	1,528	1,725
Physical Environment										
New Water Connections	29	11	25	10	3	5	5	6	2	3
Water Main Breaks	5	5	11	8	9	5	4	8	3	19
Average Daily Water Consumption *	1,511	1,450	1,496	1,447	1,361	1,371	1,358	1,392	1,433	1,432
Average Daily Sewage Treatment *	1,862	2,315	1,845	1,675	1,509	1,447	1,680	1,957	1,674	1,437
Culture and Recreation										
Athletic Programs	4	3	5	5	4	-	-	-	-	-
Volumes in Library Collection	32,581	27,212	35,435	37,741	38,648	40,041	39,739	41,167	41,015	36,927
Total Volumes Borrowed	36,362	35,918	48,469	48,018	51,230	54,591	56,622	53,939	49,375	43,429

* Thousands of Gallons

Sources: Various City Departments.

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

FUNCTION:	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-2013	2013-14	2014-15	2015-16
Public Safety										
Police Stations	1	1	1	1	1	1	1	1	1	1
Police Patrol Units	22	25	25	25	25	25	27	27	27	34
Fire Stations	1	1	1	1	1	1	1	1	1	1
Fire Hydrants	261	249	266	268	268	268	268	268	268	268
Physical Environment										
Miles of Sanitary Sewers	35.7	35.7	35.7	35.7	35.7	35.7	35.7	35.7	35.7	35.7
Miles of Storm Sewers	3.8	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	29.7	29.7	29.7	29.7	29.7
Culture and Recreation										
Parks Acreage	66	66	66	66	66.26	66.01	66.01	66.01	66.01	66.01
Parks/Schools	8	8	14	14	16	15	15	15	15	15
Playgrounds	5	4	5	5	5	4	4	4	4	4
Baseball/Softball Diamonds	3	3	3	3	3	3	2	2	2	2
Soccer/Football Fields	2	3	4	4	4	0	0	0	0	0
Basketball Courts	6	5	2	2	2	3	3	3	3	3
Volleyball Courts	2	2	2	2	2	2	2	2	2	2
Roller Hockey/Multipurpose Court	1	0	0	0	0	0	0	0	0	0
Multi-Use Fields		7	3	3	3	2	2	2	2	2
Tennis Courts	6	6	6	6	6	6	6	6	6	6
Boat Ramps	1	1	2	2	2	2	2	2	2	2
Canoe Launch Sites	3	3	3	3	3	3	3	3	3	3
Shelters/Pavilions	8	8	10	10	10	12	12	12	12	18
Fitness Center	1	1	1	1	1	1	1	1	1	1
Community Multipurpose Centers	2	2	3	3	4	4	4	4	4	5
Libraries	1	1	1	1	1	1	1	1	1	1

Sources: Various City Departments.

COMPLIANCE SECTION



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

Honorable Mayor, City Commission, 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 the City of Wilton Manors, Florida, (the "City") as of and for the year ended September 30, 2016, and the related notes to the financial statements, which collectively comprise the City of Wilton Manors, Florida's basic financial statements, and have issued our report thereon dated May 17, 2017. 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 of the City's financial statements. This report does not include the result of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported 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.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Wilton Manors, Florida’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 17, 2017





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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Honorable Major, City Commissioners, and City Manager
City of Wilton Manors, Florida

Report on Compliance for Each Major Federal Program

We have audited the City of Wilton Manors, Florida's (the "City") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended September 30, 2016. City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the City's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the City's compliance.

Opinion on Each Major Federal Program

In our opinion, the City of Wilton Manors, Florida, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2016.

Report on Internal Control over Compliance

Management of the City of Wilton Manors, Florida, is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

Honorable Major, City Commissioners, and City Manager
City of Wilton Manors, Florida

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

GLSC & Company, PLLC

Miami, Florida
May 17, 2017



CITY OF WILTON MANORS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Fiscal Year Ended September 30, 2016

<u>Federal Agency/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Grant or Identifying Number</u>	<u>Expenditures</u>
U.S. Department of Justice			
Bulletproof Vest Partnership Program	16.607	None	\$ 2,898
Total U.S. Department of Justice			<u>2,898</u>
U.S. Department of Transportation			
<i>Pass-Through the State of Florida Department of Transportation</i>			
Highway Planning and Construction - Dixie Highway Improvement Project	20.205	433241-1-58/68-01	742,893
<i>Pass-Through the University of South Florida</i>			
Highway Planning and Construction - Pedestrian & Bicycle Safety Enforcement Campaign	20.205	None	5,309
Total U.S. Department of Transportation			<u>748,202</u>
U.S. Department of Housing and Urban Development			
<i>Pass-Through Broward County, Environmental Protection and Growth Management, Housing Finance and Community Development Division</i>			
ICPP Improvements	14.218	CDBG 40th Year	65,700
Total U.S. Department of Housing and Urban Development			<u>65,700</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>\$ 816,800</u>

CITY OF WILTON MANORS
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended September 30, 2016

NOTE A – BASIS FOR PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the City of Wilton Manors, Florida for federal programs for the year ended September 30, 2016. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the Schedule present only a selected portion of the operations of the City, it is not intended to and do not present the financial position, changes in net positions, or cash flows of the City. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the basic financial statements.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Schedule is presented on the modified accrual basis of accounting for expenditures accounted for in the governmental funds and on the accrual basis of accounting for expenses of the proprietary fund types. Such expenditures are recorded following the cost principles contained in the Uniform Guidance where certain type of expenditures are not allowable or are limited as to reimbursements.

NOTE C – CONTINGENCY

The grant revenue amounts received are subject to audit and adjustment. If any expenditures are disallowed by grantor agency as result of such audit, any claim for reimbursement to the grantor agencies would become a liability of the City. In the opinion of management, all grant expenditures are in compliance with the terms of the grant agreements and applicable federal and state laws and regulations.

NOTE D – INDIRECT COST RATE

For federal awards, the City has elected to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance for certain grants that allow the use of the 10% de minimis indirect cost rate.

CITY OF WILTON MANORS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS – FEDERAL AWARDS
For the Year Ended September 30, 2016

A. SUMMARY OF AUDIT RESULTS

1. The auditors’ report expresses an unmodified opinion on the basic financial statements of the City of Wilton Manors, Florida.
2. There were no significant deficiencies relating to the audit of the basic financial statements reported in the independent auditors’ report on internal control over financial reporting and on compliance and other matters based on an audit of financial statements performed in accordance with *Government Auditing Standards*. The audit did not disclose noncompliance that is material to the financial statements.
3. There were no significant deficiencies relating to the audit of the major federal programs reported in the independent auditors' report on compliance for each major program and on internal control over compliance in accordance with Title 2 *U.S. Code of Federal Regulations (CFR) part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*.
4. The auditors’ report on compliance for the major federal programs for the City of Wilton Manors, Florida expresses an unmodified opinion.
5. Audit findings relative to the major federal programs for the City of Wilton Manors, Florida are reported in Parts C and D of this Schedule.
6. The program tested as major programs and projects include:

<u>Federal Programs</u>	<u>CFDA No.</u>	<u>Amount</u>
Highway Planning and Construction	20.205	\$ 742,893
Dollar threshold to distinguish Type A and Type B Programs		\$750,000

8. The City of Wilton Manors, Florida, was determined not to be a low-risk auditee pursuant to the Uniform Guidance. The City did not meet the dollar threshold in the last two years; therefore, did not qualify for Single Audit.

CITY OF WILTON MANORS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS – FEDERAL AWARDS
For the Year Ended September 30, 2016
(Continued)

B. FINDINGS - FINANCIAL STATEMENTS AUDIT

NONE

C. FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD

NONE

D. OTHER ISSUES

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



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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, 2016, which collectively comprise the City's basic financial statements and have issued our report thereon dated May 17, 2017. 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; Title 2 U.S. Code of Federal Regulations (CFR) part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance).

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 the Financial Statements Performed in Accordance with Government Auditing Standards; Independent Auditor's Report on Compliance for Each Major Federal Program and Report on Internal Control over compliance; Schedule of Findings and Questioned Costs; and Independent Accountants' 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 and schedule, which are dated May 17, 2017, should be considered in conjunction with this management letter.

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

Purpose of this Letter

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

- 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.**

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, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

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

GLSC & Company, PLLC

Miami, Florida
May 17, 2017



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, 2016.
3. There were no findings of noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements 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 the 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, 2016 financial audit report.
7. We applied financial condition assessment procedures pursuant to Section 10.554(1)(i)5. and Rule 10.556(8), Rules of the Auditor General. 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.



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**INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE PURSUANT
TO SECTION 218.415 FLORIDA STATUTES**

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, 2016. 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.

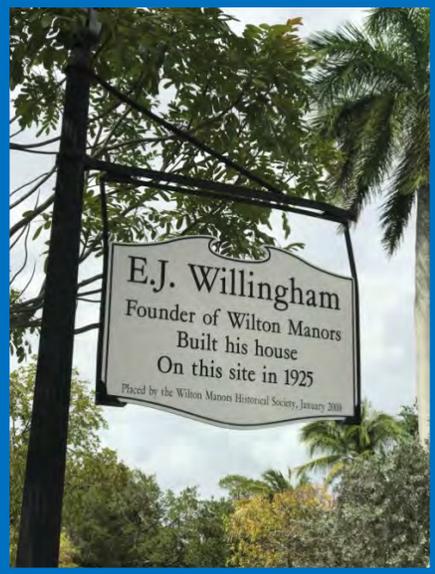
Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered 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, 2016.

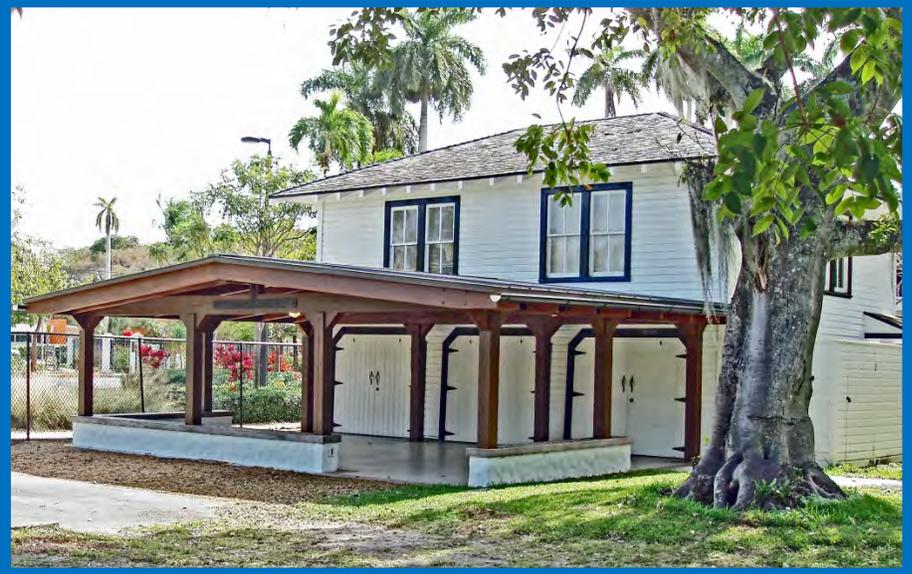
This report is intended solely for the information and use of management and the State of Florida Auditor General and is not intended to be and should not be used by anyone other than these specified parties.

GLSC & Company, PLLC

Miami, Florida
May 17, 2017



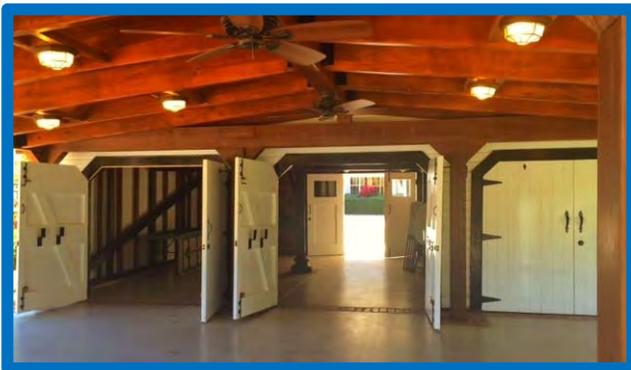
A



B

The Carriage House was built about 1925 on the estate of E. J. Willingham, who founded Wilton Manors. The George Richardson family purchased the estate in 1938 and in the 1950s built a house there that is now known as the Manor House. The Carriage House and Manor House are now the centerpieces of the City's Richardson Historic Park & Nature Preserve. Thought to be the oldest historically significant structure in Wilton Manors, the neglected Carriage House was adopted by the dedicated volunteers of the Wilton Manors Historical Society, whose vision was to renovate and repurpose the structure so it could be used as a gathering place for special events, receptions, parties, etc.

The Historical Society volunteers inspired and energized the community which responded with donations of many thousands of dollars toward the Carriage House project. These donations were supplemented by grants from the City of Wilton Manors and by significant donations of complimentary or deeply discounted services from historic preservation craftsmen and professionals. Thousands of hours of work have also been donated by many dedicated volunteers. This project has been nominated by area historians for a State Historic Preservation award.



C



D



E

A view of the Carriage House from the 1940s.