

**CITY OF WILTON MANORS, FLORIDA
PENSION PLAN FOR
GENERAL EMPLOYEES AND POLICE**

FINANCIAL REPORT

SEPTEMBER 30, 2000

MADSEN, SAPP, MENA, RODRIGUEZ & Co., P.A.

CERTIFIED PUBLIC ACCOUNTANTS & ADVISORS

Independent Auditors' Report

November 14, 2000

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

We have audited the accompanying combined statement of plan net assets of the City of Wilton Manors, Florida Pension Plan for General Employees and Police as of September 30, 2000 and the related combined statement of changes in plan net assets for the year then ended. These combined financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these combined financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the combined financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the combined financial statements referred to above present fairly, in all material respects, the net assets of the Plan as of September 30, 2000 and the related changes in plan net assets for the year then ended in conformity with generally accepted accounting principles.

Our audit was made for the purpose of forming an opinion on the combined financial statements taken as a whole. The combining financial statements in Schedules III and IV are presented for purposes of additional analysis and are not a required part of the combined financial statements of the City of Wilton Manors, Florida Pension Plan for General Employees and Police. These schedules are the responsibility of Plan management. Such information has been subjected to the auditing procedures applied in the audit of the combined financial statements and, in our opinion, is fairly presented in all material respects in relation to the financial statements taken as a whole.

- 1 -

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Board of Trustees
City of Wilton Manors, Florida
Pension Plan for General Employees and Police
November 14, 2000

Schedules I and II which show historical pension information are not a required part of the basic financial statements, but are supplementary information required by the Governmental Accounting Standards Board. These schedules are the responsibility of Plan management. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Madsen, Sapp, Mena, Rodriguez & Co., P.A.
MADSEN, SAPP, MENA, RODRIGUEZ & CO., P.A.

CITY OF WILTON MANORS, FLORIDA
PENSION PLAN FOR GENERAL EMPLOYEES AND POLICE
COMBINED STATEMENT OF PLAN NET ASSETS
September 30, 2000

ASSETS

CASH AND SHORT-TERM INVESTMENTS	\$ <u>492,175</u>
RECEIVABLES	
Interest and dividends	<u>80,885</u>
Total receivables	<u>80,885</u>
INVESTMENTS AT FAIR VALUE	
U.S. government securities	3,379,852
Common stock	12,612,534
Corporate bonds	<u>2,570,474</u>
Total investments	<u>18,562,860</u>
Total assets	<u>19,135,920</u>

LIABILITIES

Prepaid contributions - Employer	8,677
Accounts payable	28,748
Broker payable	54,959
Due To Firefighters Retirement System	103,458
Benefits payable – DROP participants	<u>289,131</u>
Total liabilities	<u>484,973</u>
Net assets held in trust for pension benefits (see Schedule I for schedule of funding progress)	<u>\$ 18,650,947</u>

See accompanying notes.

CITY OF WILTON MANORS, FLORIDA
PENSION PLAN FOR GENERAL EMPLOYEES AND POLICE
COMBINED STATEMENT OF CHANGES IN PLAN NET ASSETS
Year Ended September 30, 2000

ADDITIONS

Contributions:

Employer	\$ 311,563
Plan members	<u>337,190</u>

Total contributions	<u>648,753</u>
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Investment income:

Net appreciation in fair value of investments	1,075,589
Interest and dividends	577,923
Less earnings allocated to Firefighters Retirement System	<u>(8,365)</u>

Less investment expenses	<u>1,645,147</u> <u>(119,235)</u>
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Net investment income	<u>1,525,912</u>
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Total additions	<u>2,174,665</u>
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DEDUCTIONS

Retirement benefits paid	645,573
Refunds to terminated plan members	39,837
Administrative expenses	<u>75,863</u>

Total deductions	<u>761,273</u>
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Net increase	1,413,392
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Net assets held in trust for pension benefits:

Beginning of year	<u>17,237,555</u>
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End of year	<u>\$ 18,650,947</u>
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See accompanying notes.

CITY OF WILTON MANORS, FLORIDA
PENSION PLAN FOR GENERAL EMPLOYEES AND POLICE
 NOTES TO FINANCIAL STATEMENTS
 September 30, 2000

Note 1. Pension Plan for General Employees and Police

Plan Description:

The Pension Plan for General Employees and Police (Plan) is a single-employer defined benefit plan and includes a Deferred Retirement Option Plan (DROP) provision. All full-time general employees (excluding elected officials, persons appointed to fulfill elected positions and retained professionals and consultants for the City) and police officers shall become participants in the Plan on their start of service. The Plan provides retirement, death and disability benefits. The benefit provisions are established and may be amended under the authority of City ordinance. The Plan does not currently provide for post retirement benefit increases. At October 1, 1999 (plan year valuation date), Plan membership consisted of:

	General	Police
Retirees and beneficiaries receiving benefits	20	9
Terminated plan members entitled to but not receiving benefits	-	-
Active plan members	48	27
DROP participants	5	1
Total	73	37

Plan members are required to contribute 11% (10% for police officers) of their salary to the Plan. The City is required to contribute an actuarially determined amount. Contribution requirements of the Plan members and the City are established and may be amended by City ordinance.

Administrative costs of the Plan are financed through investment earnings.

Deferred Retirement Option Plan Provision

The Plan established a deferred retirement option plan (DROP) provision effective October 1, 1998. All members with 20 or more years of service are eligible to participate in the DROP provision. Upon electing participation in the provision, a member's benefit is calculated and a separate DROP account is established and the member makes no further contributions to the Plan. The member's monthly benefit is allocated to the DROP account and the account shares in earnings (losses) of the Plan. Maximum participation in the DROP provision is five years. Upon termination of participation in the DROP provision, a member may elect a lump sum payment or defer payment until a date no later than the latest date authorized by the Internal Revenue Code. At September 30, 2000, five members were participants in the DROP provision. At September 30, 2000, \$289,131 has been allocated to the individual DROP accounts and is included as benefits payable – DROP participants in the accompanying combined statement of plan net assets.

CITY OF WILTON MANORS, FLORIDA
PENSION PLAN FOR GENERAL EMPLOYEES AND POLICE
NOTES TO FINANCIAL STATEMENTS
September 30, 2000

Note 2. Summary of Significant Accounting Policies

(a) Basis of Accounting

The Plan's financial statements are prepared using the accrual basis of accounting. Plan member and employer contributions are recognized as revenues in the period in which the contributions are due. Benefits and refunds are recognized when due and payable in accordance with the terms of the Plan.

(b) Investments

Investments are reported at fair value. Quoted market prices are used to value investments, if available. Investments with no quoted market price are stated at estimated fair value. The difference between cost and market value is reported as net realized and unrealized gains (losses). The Plan had no investments in any one organization that represented 5 percent or more of plan net assets.

Note 3. Firefighters Retirement System

The Plan has an agreement with the City of Wilton Manors Firefighters Retirement System to keep custody of and manage the System's assets. Accordingly, \$103,458 of the Retirement System's assets are included in investments and due to Firefighters Retirement System in the accompanying financial statements. According to the agreement, the Plan incurs no separate fiduciary duty to the Firefighters Retirement System.

SUPPLEMENTARY INFORMATION

CITY OF WILTON MANORS, FLORIDA
PENSION PLAN FOR GENERAL EMPLOYEES AND POLICE
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF FUNDING PROGRESS
(Unaudited)

(Dollars in Thousands)

(1)	(2)	(3)	(4)	(5)	(6)	(7)
Valuation Date	Actuarial Value of Assets (AVA)	Frozen Actuarial Accrued Liability (FAAL)	Unfunded Frozen Actuarial Accrued Liability (UFAAL)(3)-(2)	Funded Ratio (2)/(3)	Annual Covered Payroll	UFAAL as % of Payroll (4)/(6)
10/1/94	7,637	7,471	(166) ^(a)	102.2	2,945	(5.6)
10/1/95	9,024	10,159	1,135 ^(b)	88.8	2,988	38.0
10/1/96	10,056	11,391	1,335 ^(c)	88.3	3,181	42.0
10/1/97	11,584	12,927	1,343	89.6	3,380	39.7
10/1/98	13,209	14,579	1,370 ^(d)	90.6	3,376	40.6
10/1/99	14,964	16,344	1,380	91.7	3,104	44.2

^(a) Asset valuation method changed from market value to a smoothing method. Also, the mortality assumption was changed to GAM83 (as required by the State) and the salary scale was decreased from 6.5% to 5.5%.

^(b) Plan benefit formula was improved (accrual rate was increased from 2.5% to 3.0%).

^(c) The retirement age assumption was changed to a graded schedule and also employees that are eligible for retirement on the valuation date are assumed to retire one year in the future.

^(d) A deferred retirement option plan (DROP) provision was implemented.

**CITY OF WILTON MANORS, FLORIDA
PENSION PLAN FOR GENERAL EMPLOYEES AND POLICE
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CONTRIBUTIONS FROM EMPLOYER AND
OTHER CONTRIBUTING ENTITIES**

(Unaudited)

(1)	(2)	(3)
Fiscal Year	Annual Required Contribution	Percentage Contributed ⁽¹⁾
1993/94	\$353,662	100%
1994/95	391,593	100
1995/96	432,479	100
1996/97	371,145	100
1997/98	405,502	100
1998/99	381,365	100

The information presented in the required supplementary schedules was determined as part of the actuarial valuations at the dates indicated. Additional information as of the latest actuarial valuation is as follows:

Valuation date	October 1, 1999
Actuarial cost method	Frozen Entry Age Actuarial Cost Method
Amortization method	Level payment, closed
Remaining amortization period	30 years
Asset valuation method.....	5 year moving average
Actuarial assumptions:	
Investment rate of return	8.00% ⁽²⁾
Projected salary increases	5.50% ⁽²⁾
Postretirement benefit increases	None

⁽¹⁾ 100% implies that at least 100% was contributed.

⁽²⁾ Includes assumed inflation rate of 3.5%.

SCHEDULE III

CITY OF WILTON MANORS, FLORIDA
PENSION PLAN FOR GENERAL EMPLOYEES AND POLICE
COMBINING STATEMENT OF NET ASSETS
 September 30, 2000

	<u>GENERAL EMPLOYEES</u>	<u>POLICE</u>	<u>TOTAL</u>
ASSETS			
CASH AND SHORT-TERM INVESTMENTS	\$ 267,479	\$ 224,696	\$ 492,175
RECEIVABLES			
Interest and dividends	43,551	37,334	80,885
Total receivables	<u>43,551</u>	<u>37,334</u>	<u>80,885</u>
INVESTMENTS AT FAIR VALUE			
U.S. government securities	1,836,826	1,543,026	3,379,852
Common stock	6,854,452	5,758,082	12,612,534
Corporate bonds	<u>1,396,959</u>	<u>1,173,515</u>	<u>2,570,474</u>
Total investments	<u>10,088,237</u>	<u>8,474,623</u>	<u>18,562,860</u>
Total assets	<u>\$ 10,399,267</u>	<u>\$ 8,736,653</u>	<u>\$ 19,135,920</u>
LIABILITIES			
Prepaid contributions – Employer	\$ -	\$ 8,677	\$ 8,677
Accounts payable	15,479	13,269	28,748
Broker payable	29,592	25,367	54,959
Due to Firefighters Retirement System	55,705	47,753	103,458
Benefits Payable – DROP Participants	<u>289,131</u>	<u>-</u>	<u>289,131</u>
Total liabilities	<u>389,907</u>	<u>95,066</u>	<u>484,973</u>
Net assets held in trust for pension benefits	<u>\$ 10,009,360</u>	<u>\$ 8,641,587</u>	<u>\$ 18,650,947</u>

CITY OF WILTON MANORS, FLORIDA
PENSION PLAN FOR GENERAL EMPLOYEES AND POLICE
COMBINING STATEMENT OF CHANGES IN PLAN NET ASSETS
Year Ended September 30, 2000

	<u>GENERAL EMPLOYEES</u>	<u>POLICE</u>	<u>TOTAL</u>
ADDITIONS			
Contributions:			
Employer	\$ 143,547	\$ 168,016	\$ 311,563
Plan member	<u>195,955</u>	<u>141,235</u>	<u>337,190</u>
Total contributions	<u>339,502</u>	<u>309,251</u>	<u>648,753</u>
Investment income:			
Net appreciation in fair value of investments	579,128	496,461	1,075,589
Interest and dividends	311,171	266,752	577,923
Less earnings allocated to Firefighters Retirement System	<u>(4,504)</u>	<u>(3,861)</u>	<u>(8,365)</u>
	885,795	759,352	1,645,147
Less investment expenses	<u>(64,200)</u>	<u>(55,035)</u>	<u>(119,235)</u>
Net investment income	<u>821,595</u>	<u>704,317</u>	<u>1,525,912</u>
Total additions	<u>1,161,097</u>	<u>1,013,568</u>	<u>2,174,665</u>
DEDUCTIONS			
Retirement benefits paid	394,472	251,101	645,573
Refunds to terminated plan members	33,656	6,181	39,837
Administrative expenses	<u>40,847</u>	<u>35,016</u>	<u>75,863</u>
Total deductions	<u>468,975</u>	<u>292,298</u>	<u>761,273</u>
Net increase	692,122	721,270	1,413,392
Net assets held in trust for pension benefits:			
Beginning of year	<u>9,317,238</u>	<u>7,920,317</u>	<u>17,237,555</u>
End of year	<u>\$ 10,009,360</u>	<u>\$ 8,641,587</u>	<u>\$ 18,650,947</u>