

City of Wilton Manors, Florida

Annual Comprehensive Financial Report

Fiscal Year Ended September 30, 2023

Prepared by the Finance Department





Life's Just Better Here

City of Wilton Manors

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April 11, 2024

To the Honorable Mayor, City Commissioners, and Citizens of the City of Wilton Manors:

It is our pleasure to submit the Annual Comprehensive Financial Report of the City of Wilton Manors, Florida (the City) as of and for the fiscal year ended September 30, 2023, 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. The financial statements were prepared in accordance with accounting principles generally accepted in the United States of America as promulgated by the Governmental Accounting Standards Board (GASB).

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that was established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

The firm of Keefe McCullough, Certified Public Accountants, was hired to perform the external audit of the City's financials and has issued an unmodified, ("clean") opinion on the City's financial statements for the fiscal year ended September 30, 2023. The independent auditor's report is located at the front of the financial section of this report.

Management's Discussion and Analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. The MD&A complements this letter of transmittal and should be read in conjunction with it and the financial statements.

PROFILE OF 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 was 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 in January 2010. The beautiful and spacious 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 the City Manager and legal counsel; approves Ordinances and Resolutions; and sets overall policy for the City. The City Manager is responsible for the day-to-day operations of the City government and appoints its department heads.

The City, with an estimated population of 11,426, 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 of 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 1.9 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, Wilton Manors has maintained its small hometown atmosphere. However, the City is in the process of planning for future redevelopment by establishing and/or expanding its transient oriented corridors (TOCs) and increasing urban density, all with the intent of maintaining the City’s small-town charm.

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 consists of three business representatives, three individuals who own property on Wilton Drive within the District and one resident representative. The board held its first organizational meetings in 2016 and levied its first assessment for FY17. The District is considered a component unit of the City and its financial statements are included in the City’s financial statements for the fiscal year ended September 30, 2023.

The City of Wilton Manors provides the following services as authorized by its Charter: police and fire protection, building inspections, licenses and permits, recreational and cultural activities, library services and maintenance of streets. The City also provides water distribution, sewer collection, parking, solid waste collection and recycling, and drainage services.

The City Commission is required to adopt an annual budget for the fiscal year no later than September 30 preceding the beginning of the fiscal year on October 1. This annual budget is prepared by fund, function (e.g., public safety), and department (e.g., police). Department heads may transfer resources within a department, as they see fit, with the approval of the City Manager. Transfers between departments, however, need approval from the City Commission.

LOCAL ECONOMY

After the crippling two years after the COVID-19 pandemic, the City started to stabilize in fiscal year 2022. The City saw various revenue rebound such as franchise fees, utility taxes and state shared revenues. The fiscal year 2024 was developed with conservative optimism as the increase in revenues were coupled with similar if not higher increase in expenditures due to marked increases in the consumer price index (CPI).

Despite the pandemic the demand for real estate has been increasing since July 2020. The City of Wilton Manors’ taxable property value as of January 1, 2023, increased by 12.3% from the previous year.

The foundation of the local Wilton Manors economy is its core of residential developments along with small retail and service businesses. The local real estate market for single-family homes was strong throughout the fiscal year. Sales prices continued their upward trend. The average taxable value for a single-family home in the City was \$379,013 as of January 1, 2023 an increase of 13.9% over the same period last year.

The City continues to market itself as a business and tourism destination and set aside funding to support its local businesses through business enhancement grants. The City partners with a non-profit organization for the annual Stonewall Street Festival and Parade. This is the biggest annual special event in the City that brings in an estimated 35,000 visitors in one weekend, which positively impacts the local economy.

LONG-TERM FINANCIAL PLANNING AND MAJOR INITIATIVES

The City's General Fund unassigned fund balance as a percent of its operating expenditures (including transfers) is a significant measure of the City's financial stability. The City formally adopted a policy to maintain unassigned fund balance in its general fund at 15% to 20% of the general fund operating expenditures (including transfers). The General Fund unassigned fund balance at September 30, 2023 was 31.7% of its operating expenditures (including transfers).

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.

The City continues to invest time and money to encourage economic development in the City. Following a thorough process that ensured extensive public outreach and participation, the City Commission increased maximum residential density allowed within the mixed-use districts and adopted development regulations that will ensure walkability, green building elements, public space, and protect residential neighborhoods from over development. As a result, major developments are currently in various stages of the application process.

The City's major initiatives, some of which were started in prior years, include:

- Phase I NW 29 Street Water Main Replacement
- Lift Station # 1, 3, and 7 CIPP lining
- Resurfacing Zone 1, 2, and 4 roads
- Wilton Drive Landscape and Irrigation
- NE 15th Avenue and NE 24 Street Improvement Project

Strategic Planning

The City has developed its 2021 – 2026 Strategic Plan as a policy direction for decision-making and as a clear guide as to where the City is headed.

Our Vision: Wilton Manors is an inclusive, innovative, vibrant City with best-in-class services.

Our Mission: Improving the quality of life for Wilton Manors residents, businesses, and guests by delivering fiscally-sound, highly responsive services with pride and integrity.

Goal A: Advance Infrastructure Development

Goal B: Promote Economic Development

Goal C: Enhance Quality of Life and Livability

Goal D: Cultivate Efficient and High Performing Governments

Goal E: Exhibit Fiscal Responsibility

Goal F: Improve Environmental Sustainability

RELEVANT FINANCIAL POLICIES

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) promulgated by 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.

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.

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.

AWARDS AND ACKNOWLEDGEMENTS

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 ACFR for the year ended September 30, 2022. This was the twenty-fourth 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 ACFR that satisfied both generally accepted accounting principles and applicable program requirements, meeting strict reporting guidelines.

A Certificate of Achievement is valid for a period of one year. We believe that our current ACFR 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 2022-23. 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.

The preparation of the ACFR would not have been possible without the skill, effort and dedication of the entire staff of the Finance Department. 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. Credit is also due to the Mayor and City Commissioners for their unfailing support for maintaining the highest standards of professionalism in the management of the City's finances.

Respectfully,



Leigh Ann Henderson
City Manager



Carol Conol
Interim Finance Director

The City adopts an annual appropriated budget for its General Fund, special revenue funds and capital improvement fund. A budgetary comparison schedule has been provided for the General Fund, Fire Assessment Fund, and ARPA Fund to demonstrate compliance with this budget, and is presented as required supplementary information. Budgetary comparison schedules for nonmajor special revenue funds and capital improvement fund is presented in the Combining Fund Statements section of this report.

The basic governmental fund financial statements can be found on pages 18 through 21 of this report.

Proprietary funds - Proprietary funds comprised of the enterprise funds which are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City uses enterprise funds to account for its Utility - Water Fund, Utility - Sewer Fund, Drainage Fund, Parking Fund, and Recycling Fund.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Utility Water, Utility Sewer, Parking, and Recycling funds, all of which are considered to be major funds of the City. A statement of cash flows is presented at the fund financial statement level for Proprietary funds, but no equivalent statements are presented in the government-wide financial statements for either governmental activities or business-type activities.

The basic proprietary fund financial statements can be found on pages 22 through 26.

Fiduciary funds - Fiduciary funds are used to account for resources held for the benefit of parties outside of the government. Fiduciary funds are not reported in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. 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 Pension Plan for General Employees and Police and the Volunteer Firefighters Retirement System.

The basic fiduciary fund financial statements can be found on pages 27 and 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 69 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 progress in funding its obligation to provide pension and OPEB benefits to its employees. Required supplementary information can be found on pages 70 through 82 of this report.

The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the required supplementary information on pension and OPEB. Combining and individual fund statements and schedules can be found on pages 83 through 95 of this report.

City of Wilton Manors, Florida
 Schedule of Revenues, Expenditures and Changes in Fund Balance -
 Budget and Actual - Wilton Drive Improvement District
 For the Year Ended September 30, 2023

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance With Final Budget Positive (Negative)</u>
Revenues:				
Special assessments	\$ 96,000	\$ 96,000	\$ 96,158	\$ 158
Interest income	1,330	1,330	5,560	4,230
Miscellaneous	<u>200</u>	<u>200</u>	<u>205</u>	<u>5</u>
Total revenues	<u>97,530</u>	<u>97,530</u>	<u>101,923</u>	<u>4,393</u>
Expenditures:				
Economic development	117,600	131,275	94,755	36,520
Capital outlay	<u>-</u>	<u>23,872</u>	<u>26,160</u>	<u>(2,288)</u>
Total expenditures	<u>117,600</u>	<u>155,147</u>	<u>120,915</u>	<u>34,232</u>
Excess (deficiency) of revenues over expenditures	<u>(20,070)</u>	<u>(57,617)</u>	<u>(18,992)</u>	<u>38,625</u>
Other Financing Sources (Uses):				
Use of fund balance	<u>20,070</u>	<u>57,617</u>	<u>-</u>	<u>(57,617)</u>
Total other financing sources (uses)	<u>20,070</u>	<u>57,617</u>	<u>-</u>	<u>(57,617)</u>
Net change in fund balance	<u>\$ (40,140)</u>	<u>\$ -</u>	<u>(18,992)</u>	<u>\$ (18,992)</u>
Fund Balance, Beginning			<u>100,233</u>	
Fund Balance, Ending			<u>\$ 81,241</u>	

MANAGEMENT LETTER IN ACCORDANCE WITH THE RULES OF THE
AUDITOR GENERAL OF 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 City of Wilton Manors, Florida (the "City"), as of and for the fiscal year ended September 30, 2023, and have issued our report thereon dated April 11, 2024.

Auditor's Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and Chapter 10.550, Rules of the Auditor General.

Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; and Independent Accountant's Report on an examination conducted in accordance with *AICPA Professional Standard*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports which are dated April 11, 2024, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. There were no findings and recommendations made in the preceding annual financial audit report.

Official Title and Legal Authority

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. The City of Wilton Manors was established as authorized by Chapter 29609, Laws of Florida, 1953. 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 includes the following blended component unit: The Wilton Drive Improvement District, which was established by Ordinance No. 2014-0011 in December 2014.

Financial Condition and Management

Sections 10.554(1)(i)5.a. and 10.556(7), Rules of the Auditor General, require us to apply appropriate procedures and communicate the results of our determination as to whether or not the City has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and to identify the specific condition(s) met. In connection with our audit, we determined that the City did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

Pursuant to Sections 10.554(1)(i)5.b. and 10.556(8), Rules of the Auditor General, we applied financial condition assessment procedures for the City. 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 same.

Section 10.554(1)(i)2., Rules of the Auditor General, requires that we communicate any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

Special District Component Units

Section 10.554(1)(i)5.c., Rules of the Auditor General, requires, if appropriate, that we communicate the failure of a special district that is a component unit of a county, municipality, or special district to provide the financial information necessary for proper reporting of the component unit within the audited financial statements of the county, municipality, or special district in accordance with Section 218.39(3)(b), Florida Statutes. In connection with our audit, we did not note any special district component units that failed to provide the necessary information for proper reporting in accordance with Section 218.39(3)(b), Florida Statutes.

As required by Section 218.39(3)(c), Florida Statutes, Section 10.554(1)(i)6, and Section 10.554(1)(i)7, Rules of the Auditor General, the City reported the specific information in Exhibit 1 accompanying this report. The information for compliance with Section 218.39(3)(c), Florida Statutes and Section 10.554(1)(i)6, Rules of the Auditor General, has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Additional Matters

Section 10.554(1)(i)3., Rules of the Auditor General, requires us to communicate 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 warrants the attention of those charged with governance. In connection with our audit, we did not note any such findings.

Purpose of this Letter

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



KEEFE McCULLOUGH

Fort Lauderdale, Florida
April 11, 2024

Exhibit 1

Data Elements Required By Section 218.39(3)(c), Florida Statutes and Sections 10.554(1)(i)6 and 10.554(1)(i)7, Rules of the Auditor General (Unaudited)

<u>Data Element</u>	<u>Wilton Drive Improvement District</u>
Number of district employees compensated at 9/30/2023	0
Number of independent contractors compensated in September 2023	3
Employee compensation for FYE 9/30/2023 (paid/accrued)	\$0.00
Independent contractor compensation for FYE 9/30/2023 (paid/accrued)	\$64,479
Each construction project to begin on or after October 1; (>\$65K)	N/A
Budget variance report	Page 92