



live
Wellington
Live your best life in The Village of Wellington

ANNUAL COMPREHENSIVE FINANCIAL REPORT
FISCAL YEAR ENDED SEPTEMBER 30, 2022
VILLAGE OF WELLINGTON, FLORIDA

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VILLAGE OF WELLINGTON, FLORIDA

Vision

A Great Hometown:

Great Neighborhoods

Great Schools

Great Parks

Mission

**To provide high quality services
that create economic, environmental
and social sustainability for residents**

Five Fundamentals

Neighborhood Renaissance

Economic Development

Protecting our Investment

Respecting the Environment

Responsive Government

VILLAGE OF WELLINGTON, FLORIDA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED SEPTEMBER 30, 2022

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INTRODUCTORY SECTION

Council

Anne Gerwig, Mayor
John T. McGovern, Vice Mayor
Michael Drahos, Councilman
Michael J. Napoleone, Councilman
Tanya Siskind, Councilwoman

Manager
Jim Barnes

February 27, 2023

The Honorable Mayor, Members of the Village Council, and Residents of the Village of Wellington, Florida

It is with pleasure that we submit to you the Annual Comprehensive Financial Report (ACFR) of the Village of Wellington (“Wellington”) for the year ended September 30, 2022. This report was prepared by the Office of Financial Management and Budget in accordance with the Wellington Charter, State Statutes and U.S. generally accepted accounting principles for governments. In addition to meeting legal requirements, this report reflects Wellington’s commitment to full financial disclosure. We encourage you to thoroughly read this report and some of the important items it addresses.

State law requires that a complete set of financial statements reporting Wellington’s financial position and results of activities be published within nine months of fiscal year end. This report is to be presented in conformance with U.S. generally accepted accounting principles (GAAP) as applicable to governmental entities and audited by an independent firm of certified public accountants in accordance with U.S. generally accepted auditing standards.

Grau & Associates, independent auditors, have issued an unmodified opinion on the Village of Wellington’s financial statements for the fiscal year ended September 30, 2022. The independent auditor’s report is located at the front of the financial section of this report.

Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with management. To the best of our knowledge and belief, the data, as presented, is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of Wellington on a government-wide and fund basis. All disclosures necessary to enable the reader to gain an understanding of Wellington’s financial activities have been included.

We believe the report will assist in making economic, social and political decisions and in assessing accountability to the residents by:

- ❖ comparing actual financial results with the legally adopted budget, where appropriate;
- ❖ assessing financial condition and results of operations;
- ❖ assisting in determining compliance with fiscally-oriented laws, rules and regulations; and
- ❖ assisting in evaluating the efficiency and effectiveness of Wellington’s operations.

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. MD&A complements this letter of transmittal and should be read in conjunction with it.

PROFILE OF THE GOVERNMENT

Wellington was incorporated on December 31, 1995, and municipal operations commenced on March 28, 1996. Concurrent with incorporation, the former local government – Acme Improvement District (“District”) – became a dependent district of Wellington.

The financial reporting entity includes all the funds of the primary government (the Village of Wellington, as legally defined), as well as all of its component units in accordance with GASB Codification of Governmental Accounting and Financial Reporting Standards, Section 2100, “Defining the Reporting Entity.” Component units are legally separate entities for which the primary government is financially accountable and for which the nature and significance of their relationship with the primary government are such that exclusion would cause Wellington’s basic financial statements to be misleading or incomplete. The primary government is considered financially accountable if it appoints a voting majority of an organization’s governing body and imposes its will on that organization. The primary government may also be financially accountable if an organization is fiscally dependent on the primary government regardless of the authority of the organization’s governing board. Blended component units, although legally separate entities, are, in substance, part of the primary government’s operations and are included as part of the primary government. Accordingly, the Acme Improvement District is reported in the governmental funds (special revenue) of the primary government as a blended component unit.

Wellington is a full-service municipality located within the boundaries of Palm Beach County. Wellington derives its government authority from a charter granted by the legislature of the State of Florida and operates under a Council-Manager form of government. The Mayor and Council Members are elected at large on a non-partisan basis for staggered four-year terms. The Wellington Council appoints the Manager who is the Chief Administrative Officer and who directs the business of Wellington and its various departments. The Wellington Council determines policy, adopts legislation, approves the budget, sets taxes and fees, and appoints the Attorney and members of various boards and committees.

Wellington provides a wide variety of community services including general government; planning, zoning and building; public safety (police protection); public works (construction and maintenance of roads, rights of way and other infrastructure; street lighting; and stormwater drainage); culture and recreation (parks maintenance, recreational activities, cultural events and related facilities); water and sewer utilities; office space leasing and solid waste collection and recycling.

Wellington currently encompasses approximately 45 square miles in the east-central portion of Palm Beach County (County) and is the 3rd largest municipality in the County based on its land area. When the District was initially created in 1953, fewer than 100 individuals resided in the area. Today, Wellington is an affluent bedroom community with an estimated current permanent population of 61,807 and a median home value of \$411,200. Projections indicate that this population will approach 64,000 residents by the year 2025. Wellington offers tremendous diversity: the 10,000 acres north of Pierson Road consist of developments ranging from apartments to estate homes at the Polo Club and from town homes to the Aero Club where the residents have airplane hangars attached to their homes. The 10,000 acres south of Pierson Road contain one of the world’s premiere equestrian facilities, horse farms, agriculture, nurseries, and fully developed multi-million dollar 80-acre estates promoting equestrian activities. The primary sources of employment within Wellington are agriculture, retail sales, healthcare and governmental (schools and municipal).

ECONOMIC CONDITION AND OUTLOOK

The national and local economies are in recovery from the prolonged pandemic. Despite negative impacts to brick-and-mortar businesses and the inflation rate, the local economy remains positive. Sales tax revenues increased from 2021 to 2022, and business tax receipts rose almost 13%. Wellington continued to experience annual increases in the average home value since 2010 and including in 2022. However, the longer term effects

of the COVID19 pandemic on local home prices may impact future years' revenue changes. Wellington continues to strategically invest in its Neighborhood Renaissance & Economic Development Initiatives to help the local economy and property values. Home rehabilitation and neighborhood improvement grants as well as food distribution and outreach programs are funded and managed to support local residents and maintain home values. To better gauge the return on its investment, Wellington continues to carefully seek information from all available resources to make responsible and timely fiscal decisions. The overall Consumer Price Index (CPI) for South Florida is increasing significantly from last year and is above the national average. Consideration of the impact of these economic indicators is critical as Wellington endeavors to develop its resources and facilities to meet the demand of its residents as well as to comply with regulatory requirements and provide fiscal stability.

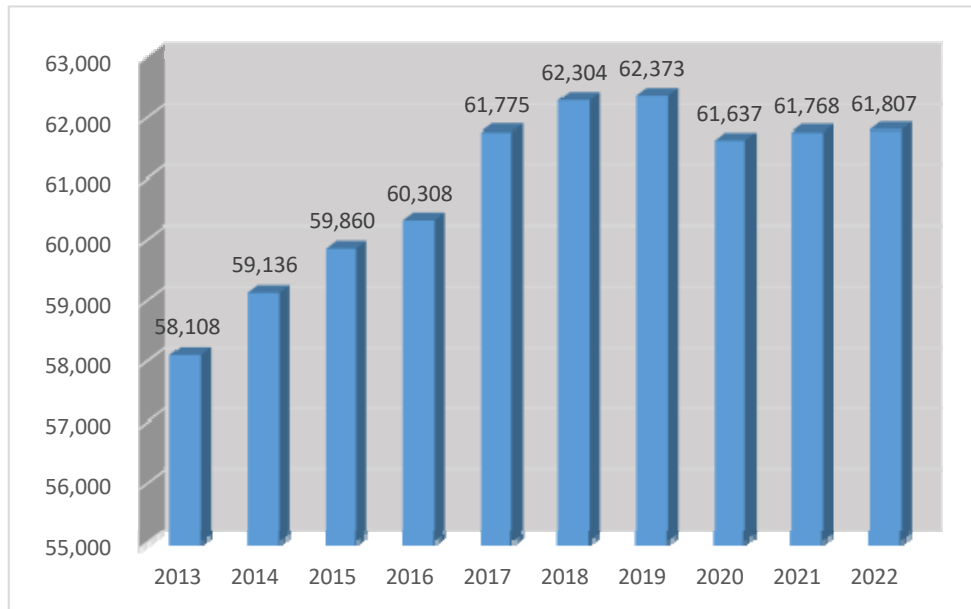
As a primarily residential community, Wellington's economic base and future revenues are expanded with added residential development. A significant development project is the Lotis project, a 64-acre mixed-use development located on the west side of State Road 7 near the Wellington Regional Medical Center. The project is expected to add retail, office, and congregated living space, as well as 191 multi-family residential units and open space elements. The project is expected to take over 2 years to complete, and will provide local employment opportunities and additional municipal revenues.

One of the region's strongest employment bases is the healthcare industry, with the Wellington Regional Medical Center, a full-service acute care community hospital, at its core. Since its inception in 1986, the hospital has added many new services and programs. Medical Center staff has worked closely with Wellington leaders to address the medical issues associated with the pandemic and provide valuable information to residents. Wellington continues to work with the private sector to bring new businesses to Wellington and retain the current businesses, including the areas of biomedical research and education.

Another important business to the western communities is the equestrian industry. As part of Wellington's economic development efforts, a master plan was created focusing on the economic impact of the industry along with a plan on how to retain, strengthen and even further expand the equestrian element. Approximately two-thirds of Palm Beach County's equestrian industry is located in the region: including horse farms, tack stores, stables and feed stores. Wellington's equestrian venues include international polo events and the annual Winter Equestrian Festival, attracting a high level of competitive participants for dressage and show jumping.

Wellington's unemployment rate stands at 2.2%, well below the national, state and county rates averaging around 3%. Wellington's population is anticipated to continue its slow expansion at less than 1% annually. Population growth for Wellington based on information obtained from Palm Beach County, the U.S. Census Bureau, the Bureau of Economic and Business Research at the University of Florida is illustrated in the following Historical Population Chart.

Wellington’s estimated 2022 permanent population of 61,807 (excluding seasonal residents) makes it the 5th largest municipality in Palm Beach County based on population.



Sources: US Census 2020 and Bureau of Economic & Business Research projections

Note: The 2020 decrease in population results from the US Census update in 2020. Previous years' population estimates were projections based on the 2010 census and are revised to reflect the decennial update.

MAJOR INITIATIVES

Long Range Financial Plan

A long-range financial plan is prepared annually to analyze financial operating results, market conditions and update forecasts of major fund revenues and expenditures. The Plan is presented to Council each year in the spring to coincide with Directions planning workshops to help guide the budget process and capital project planning.

Strategic Framework

Since incorporation, Wellington updated its Strategic Plan and the fundamentals of the plan have evolved, but the community vision has remained relatively the same. The Strategic Plan is the guide for the annual budget and the Village’s projects, programs and initiatives and has evolved into the Strategic Framework.

The vision for Wellington was confirmed as “A Great Hometown” leading to the mission statement “To provide high quality services that create economic, environmental and social sustainability for residents.” Or more simply put, to provide services that customers need, want and are willing to pay for. The Strategic Plan implements the Vision and Mission through the five fundamentals described below and provides the basis for the departmental business plans, capital improvement plans, and the financial and business plans for Wellington. The Strategic Framework is a countdown to sustainability and a strong position for the present and future beginning with the five fundamentals.

Five Fundamentals

Wellington’s five fundamentals are the long-term financial and operational goals that provide the basis for annual departmental business plans which become the Budget and Capital Improvement Plan. Each fundamental

has corresponding strategic initiatives for projects, programs, and key measures, all of which position Wellington for the future. Below is each fundamental designed to achieve Wellington’s vision.

Protecting Our Investment – focusing on maintaining and improving Wellington’s infrastructure – roads, drainage, water & sewer systems, parks and green space, and public buildings with the following initiatives:

- ❖ Utility Infrastructure Maintenance & Expansion Program
- ❖ Drainage and Flood Control Maintenance and Improvement Programs
- ❖ Road and Pathway Modification & Maintenance Programs
- ❖ Traffic Engineering
- ❖ Parks & Greenspace
- ❖ Park and Athletic Field Maintenance Programs
- ❖ Public Facilities
- ❖ Public Schools
- ❖ Sales Surtax Projects

Neighborhood Renaissance – creating and encouraging safe neighborhoods, neighborhood revitalization and redevelopment, citizen involvement, and protecting and stabilizing property values with the following initiatives or programs:

- ❖ Community Services Family & Youth Programs
- ❖ Partnerships with Community Organizations
- ❖ Community Development Block Grant (CDBG)
- ❖ State Housing Initiatives Partnership (SHIP)
- ❖ Code Compliance & Nuisance Abatement

Responsive Government – ensuring local government is responsive, open and transparent to the public and pursuing policies that are accountable to residents and stakeholders. Wellington has implemented various initiatives including:

- ❖ Recreation & Community Programming
- ❖ Special Events
- ❖ Emergency Management
- ❖ Pandemic Response
- ❖ Investment in Relevant Technology

Respecting the Environment – developing processes, which maintain and preserve green spaces and other natural areas and aim to provide affordable, clean, energy-saving alternatives for today’s residences and businesses; continually looking for ways to reduce the environmental impact of operations and by seeking continuous improvement in our environmental management efforts, all with the goal of reducing Wellington’s ecological footprint with the following initiatives:

- ❖ Green Programs
- ❖ Wi-Fi Coverage
- ❖ Bicycle, Pedestrian and Alternative Transportation Planning
- ❖ Complete Streets/Vision Zero Transportation Safety
- ❖ Equine Waste and Environmental Program
- ❖ Wellington Environmental Preserve Expansion

Economic Development – retaining and attracting new businesses, flexible business regulations, a business-friendly economic environment, business education, equestrian branding, and supporting core business services.

- ❖ Town Center – A 23-acre site anchoring Wellington’s “Main Street” including a Gold LEED certified Village Hall, Community Center, Lakeside Promenade, Amphitheater and Event Areas.
- ❖ Equestrian Community Initiative – Designed to encourage and support this unique lifestyle
- ❖ Medical Arts District- Designed to cultivate an economic identity focused on medically-necessary development.
- ❖ Business-friendly initiatives – The business development strategy recognizes that in order to work in concert with the business community, local government must be viewed as a partner.

The two main funding objectives of Wellington’s strategic plan are (1) core business and (2) quality of life services. Core business is divided into “No Choice” and “Choice.” Choice services are further expanded into “Quality of Life” services. A fourth tier of funding is “Community Add-ons” which are premium selected services which exceed quality of life. Projects and programs are assigned to one of four service tiers, based on its relative priority as a municipal service and its fit with the Mission and Vision.

WELLINGTON SERVICE BUSINESS HIERARCHY FUNDING PRIORITIES



- ❖ No Choice Core Services – Services mandated by or affected by mandate of federal or state government
- ❖ Choice Core Services – Core services not required by law, but are a principal municipal function
- ❖ Quality of Life Services – Choice services which are provided to enhance the customer experience
- ❖ Community Add-ons – Premium selected services exceeding quality of life enhancements

The assignment of the programs and projects into these tiers serves to identify the hierarchy of Wellington’s services into essential core services or services which leaders make a choice to provide to improve customer experience. An essential element of the provision includes support services that are provided by many departmental divisions within Wellington.

Management and staff budget by priority within core and non-core services. This detail by division within the Service Business Hierarchy is the basis of Departmental Business Plans and allows for the prioritized allocation of personnel, equipment and operating resources in the annual budget process.

ACCOMPLISHMENTS AND FUTURE PROJECTS

The progress toward achievement of Wellington's vision and mission is also measured by the completed multi-department projects and individual accomplishments of each of the Village departments and divisions.

Below are some selected accomplishments over the last 12-24 months:

- ❖ Ranked one of the Top Ten Safest Cities in Florida (SafeWise.com) in 2021
- ❖ One of Money Magazine's Best Places to Retire in the US
- ❖ 2022 FWEA Biosolids Program Excellence award for utility production of Class AA biosolids
- ❖ The Building department reaccreditation with International Accreditation Association (IAS)
- ❖ Building fee study completed
- ❖ 2022 Distinguished Service Award Recipient for Special Safety Traffic Initiatives
- ❖ The Purchasing division received the Florida Association of Public Procurement Officials, Inc. (FAPPO) Award for Excellence in Public Procurement in 2022
- ❖ Recertification for Tree City USA & Growth Award
- ❖ Read for the Record- 1st place in municipality size
- ❖ Repaired approximately 63,000 feet of sidewalks
- ❖ Resurfaced approximately 14 lane miles of roadway.
- ❖ Expanded WiFi technology

Completed the following projects during 2022:

- ❖ Upgrades and additions to camera security system
- ❖ Five-year Pedestrian and Bicycle Master Plan
- ❖ National Community Survey and benchmarks
- ❖ Margate Park improvements with grant funding
- ❖ Equestrian trails relocation, crossing enhancements and overlay with millings
- ❖ Village Park Field 6 & 7 renovation with grant funding
- ❖ Purchase of land for Wellington Environmental Preserve expansion with grant funding
- ❖ Water Treatment Plant renovation and expansion

The following capital projects are planned for the next fiscal year:

- ❖ Town Center Phase II completion
- ❖ South Shore Community Park renovations
- ❖ Public Safety Annex planning & design
- ❖ Road and Pathway projects to promote the Vision Zero Traffic Safety Initiative
- ❖ Aquatics Center Replacement
- ❖ Expansion of the Wellington Environmental Preserve
- ❖ Olympia, Staimford and Greenbriar Park improvements
- ❖ Bicycle Lanes on Greenview Shores Boulevard

FINANCIAL INFORMATION & RELEVANT FINANCIAL POLICIES

Accounting and Administrative Controls

Wellington's internal control structure is designed to ensure that Wellington's assets are protected against loss from theft, unauthorized use, or disposition and to ensure that adequate and reliable financial records are available for preparing financial statements in conformity with U.S. generally accepted accounting principles. The internal controls provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of the control should not exceed the benefits likely to be derived, and (2) the valuation of costs and benefits requires estimates and judgments by management.

All internal control evaluations occur within the above framework and it is our belief that Wellington's internal accounting controls adequately safeguard assets and provide reasonable assurance of the proper recording of financial transactions.

Budgetary Control

Wellington adopts fiscal year budgets for all funds and maintains budgetary controls with the objective being to ensure compliance with legal provisions contained in the annual appropriated budget approved by the Council. The level of budgetary control is established at the department level. The Wellington Manager or designee is authorized to transfer budgeted amounts within departments of any fund, while revisions that alter the budgeted totals of any fund require approval of the Council. Monthly budget reports are prepared in detail for each department, with actual revenues and expenditures being compared with appropriated revenues and estimated expenditures. Corrective actions are initiated as necessary to maintain budgetary compliance.

As demonstrated by the budgetary comparison schedules included in the required supplementary information and other supplementary information sections of this Annual Comprehensive Financial Report, Wellington continues to meet its responsibility for sound financial management practices.

Capital Financing

In conjunction with the operating budget, the Manager annually presents a program to provide for improvements to Wellington's public facilities for the ensuing fiscal year and next four years, along with proposals for the financing of these improvements. This five-year plan is called the Capital Improvement Program. The first year of the program constitutes the capital budget for the coming fiscal year; the remaining years are used as a planning guide. The program allocates funding over five years for Wellington's roads, park development, public works projects, and new equipment. Wellington's Capital Improvement Program for fiscal years 2022 through 2026 calls for expenditures approximating \$56.9 million in the governmental funds and approximately \$95.9 million in the enterprise funds.

Reserves and Surplus

One of the primary reasons the Council and staff feels they were able to and will continue to respond effectively to potential future financial obstacles, which may include additional legislative reform, decreasing revenues and declining property values despite increased cost for products and services, is the strong financial position of Wellington.

Wellington has decided to use some of its past surplus and reserves as follows:

- ❖ To fund capital projects on a pay-as-you-go basis.
- ❖ To reserve up to \$3 million for possible future storm event expenditures.
- ❖ To fund a facility and infrastructure reserve.
- ❖ To fund a millage rate stabilization account to offset the need for future rate increases.

- ❖ To supply funds for renewal and replacement of capital projects and equipment.
- ❖ To fund an insurance reserve for future rate increases.
- ❖ To reduce/pay off debt for future debt service savings.
- ❖ To fully fund Other Postemployment Benefits (OPEB).

The Council has set a target for unassigned fund balance between 25% and 30%. The unassigned fund balances are generally considered a necessary function of sound fiscal management for a variety of reasons:

- ❖ A time lag in the first quarter in the collection of property taxes (including assessments) in each year.
- ❖ Unforeseen activities and regulatory mandates during the course of the year.
- ❖ Natural disasters, such as hurricanes; these can not only affect spending, but tend to impact the local and even national economy, thereby affecting revenues.
- ❖ Increases in expenditures: there exists a potential for increases to anticipated expenditures based on bid results, litigation, contract renewals, additional services, etc.
- ❖ Gap in the timing of the receipts of borrowed funds, intergovernmental revenues, and other sources of funds.

Debt Service Administration

In Florida, there is no legal debt limit. All general obligation debt pledging payment from ad valorem taxes must be approved by referendum, unless it is to refund outstanding debt. Article VII, Section 12, of the Florida State Constitution states “Counties, school districts, municipalities, special districts, and local governmental bodies with taxing powers may issue bonds, certificates of indebtedness, or any form of tax anticipation certificates payable from ad valorem taxes and maturing more than twelve months after issuance only to finance or refinance capital projects authorized by law and only when approved by vote of the electors ...” Wellington has no general obligation debt outstanding.

All applicable debt covenants such as ratios of net income to debt service, sinking funds and insurance coverage have been met or exceeded. Wellington has an underlying bond rating of Aa1 from Moody’s Investors Services and AA+ from Fitch based on the financial stability of Wellington.

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 Village of Wellington, Florida, for its Annual Comprehensive Financial Report for the fiscal year ended September 30, 2021. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized Annual Comprehensive Financial Report, whose contents conform to program standards. Such Annual Comprehensive Financial Report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. The Village of Wellington has received the Certificate of Achievement for the last twenty-six consecutive years (1996-2021). We believe our current report continues to conform to Certificate of Achievement Program requirements, and we are submitting it to the GFOA.

The GFOA has also given an award for Outstanding Achievement in Popular Annual Financial Reporting to Wellington for its Popular Annual Financial Report (PAFR) for the fiscal year ended September 30, 2021. This award is a prestigious national award recognizing conformance with the highest standards for preparation of state and local governmental popular reports. In order to receive this award, a government must publish a PAFR, whose contents conform to program standards of creativity, presentation, understandability and reader appeal. An Award for Outstanding Achievement in Popular Financial Reporting is valid for a period of one year only. This is the twelfth year this award has been received by Wellington.

Preparation of this report could not have been accomplished without the dedicated efforts of the entire staff of Financial Management and Budget. Their technical expertise and concerted efforts were truly evident in the audit process. Their assistance and cooperation have allowed us to prepare, on a timely basis, a report which gives its readers a comprehensive view of Wellington's financial and economic position.

We also extend our sincere appreciation to the independent certified public accounting firm of Grau & Associates for the professionalism and cooperation shown during the performance of the engagement and the expertise shown in financial reporting for government entities. We believe that this report reflects the sound financial position of Wellington.

We would like to thank the Mayor, the Council, and the residents of Wellington for their interest and support toward the planning and administration of the financial operations of Wellington in a responsible, progressive manner. With this support, we have been able to maintain a high degree of fiscal health and responsibility for Wellington in our challenging environment.

Respectfully submitted,



Ana A. Acevedo, CPA

Director of Financial and Administrative Services

Elected Officials



Anne Gerwig

Mayor



Michael Drahos

Vice-Mayor



Tanya Siskind

Councilwoman



John T. McGovern

Councilman



Michael J. Napoleone

Councilman

Village Manager

Jim Barnes, AICP, ICMA-CM

Deputy Village Manager

Tanya W. Quickel

Assistant Village Manager

Ed DeLaVega

Village Clerk

Chevelle Addie

Village Attorney

Laurie Cohen, Esq.

Key Personnel

Chief Information Officer

William Silliman

Village Engineer

Jonathan Reinsvold

Utilities Director

Shannon Larocque

Parks and Recreation Director

Eric Juckett

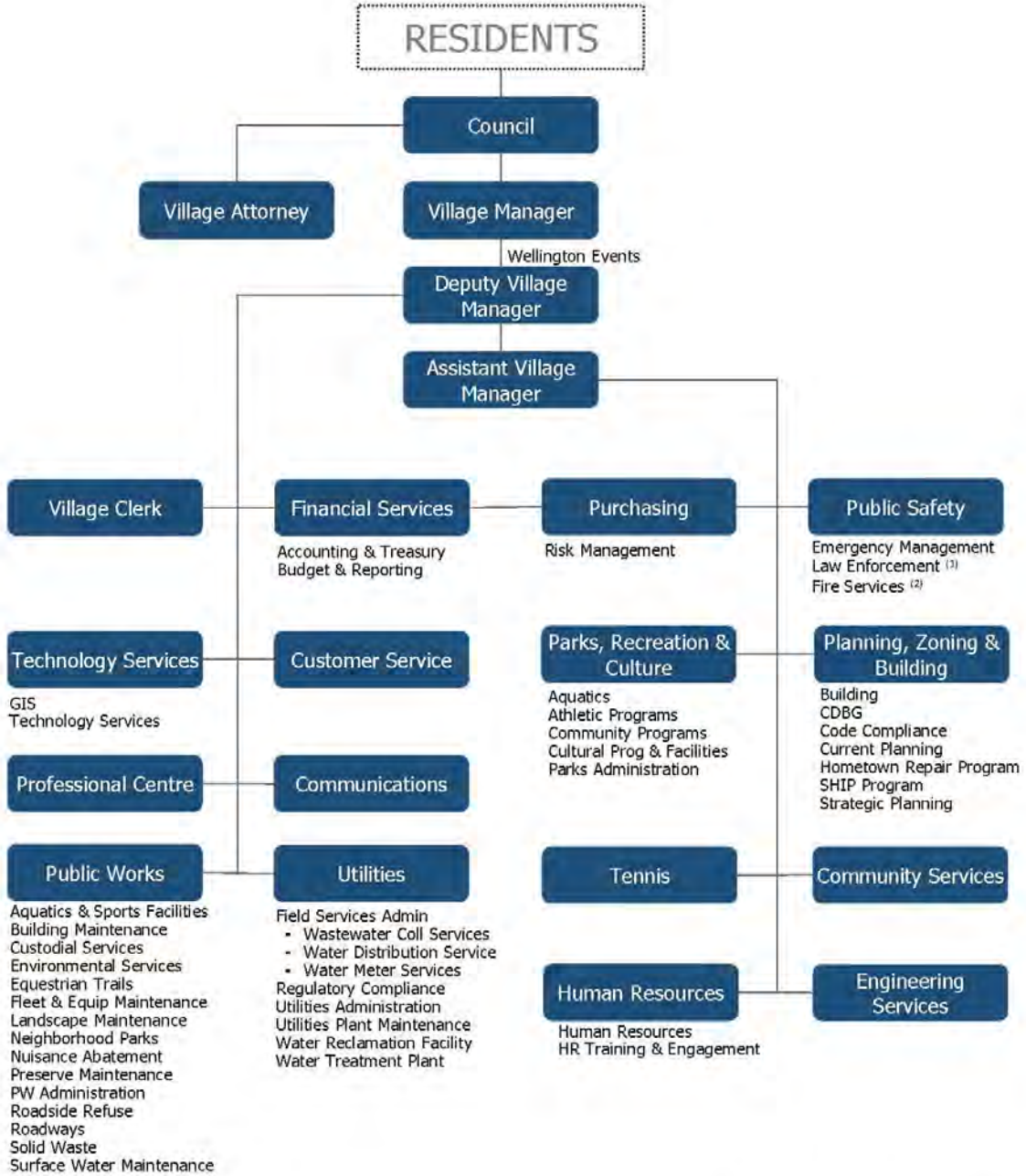
Public Works Director

Bruce Wagner

Administrative & Financial Services Director

Ana Acevedo, C.P.A.

Village Divisions



¹ Law Enforcement contracted with PBSO
² Fire Services provided by PBCFR via MSTU



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Village of Wellington
Florida**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

September 30, 2021

Christopher P. Morill

Executive Director/CEO



FINANCIAL SECTION



INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and Members of the
Village Council
Village of Wellington, Florida

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Wellington, Florida (the "Village") as of and for the fiscal year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village as of September 30, 2022, and the respective changes in financial position, and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Village and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

The Village's management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America; and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Village's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Village's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Village's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, schedule of the Village's proportionate share of the net pension liability, schedule of contributions, schedule of changes in net other post-employment benefits liability for other post-employment benefits, and condition rating of the street system be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village's basic financial statements. The combining and individual nonmajor fund financial statements, budgetary comparison schedules, schedule of expenditures of federal awards and state financial assistance projects, as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, Audit Requirements for Federal Awards, and Chapter 10.550, Rules of the Auditor General of the State of Florida, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual non-major fund financial statements and schedules, and the schedule of expenditures of federal awards and state financial assistance projects 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 non-major fund financial statements and the schedule of expenditures of federal awards and state financial assistance projects are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Information Included in the Financial Report

Management is responsible for the other information included in the financial report. The other information comprises the information for compliance with FL Statute 218.39 (3) (c), introductory section and statistical section, but does not include the financial statements and our auditor's report thereon. Our opinions on the financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 27, 2023, on our consideration of the Village's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is solely 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 the effectiveness of the Village's 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 Village's internal control over financial reporting and compliance.



February 27, 2023

MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2022

The Management's Discussion and Analysis (MD&A) is designed to provide an objective and easy to read analysis of financial activities based on currently known facts, decisions, and conditions. It is intended to provide a broad overview and short-term and long-term analysis of activities based on information presented in the financial statements. Specifically, this information is designed to assist the reader in focusing on significant financial issues, provide an overview of financial activity, identify changes in financial position (the ability to address subsequent years' challenges), identify material deviations from the approved budget, and identify individual fund issues.

The information contained within this MD&A is only a component of the entire financial statement report. Readers should take time to read and evaluate all sections of the report, including the footnotes and the other Required Supplementary Information that is provided in addition to this MD&A.

FINANCIAL HIGHLIGHTS

- ❖ The assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$419 million (net position), which increased \$17 million from the prior year. Of this amount, \$54.9 million is in unrestricted net position, which is available to meet the ongoing commitments to citizens and creditors.
- ❖ Net investment in capital assets accounts for \$300 million of total net position of \$419 million.
- ❖ Net position of governmental activities increased \$15 million or 7%.
- ❖ Government-wide total revenues were \$109.3 million, while government-wide total expenses were \$92.3 million. Total revenues increased 13% or \$12.7 million while total expenses decreased 5% or \$4.5 million.
- ❖ Governmental activities generated \$75.3 million in revenue with \$63 million in expenses.
- ❖ Business-type activities generated \$34 million in revenue with \$29.2 million in expenses.
- ❖ Governmental funds ended the year with a combined fund balance of \$88.9 million, which is an increase of 8% or \$6.8 million from the prior year. Of that amount, the unassigned portion is \$27 million, an increase of \$10.5 million, or 64% from the prior year.

OVERVIEW OF THE FINANCIAL STATEMENTS

In addition to this discussion and analysis, the financial section of this annual report contains the basic financial statements, required supplementary information, and other supplementary information including combining statements and schedules of non-major funds. The basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. In addition to these basic financial statements, this report also contains other supplementary information.

Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of finances, in a manner similar to a private-sector business.

The Statement of Net Position presents information on all assets, deferred outflows of resources, liabilities and deferred inflows of resources, 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 is improving or deteriorating. Other

factors should be considered, however, such as the condition of capital assets (roads, utility infrastructure, buildings, etc.) to assess Wellington’s financial health.

The Statement of Activities presents information showing how the government’s net position changed during the most recent fiscal 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.

Wellington’s government-wide financial statements are divided into two categories:

- ❖ Governmental activities—Most of Wellington’s basic services are included here, such as public works, public safety, parks and recreation, drainage and flood control, and general administration. Property taxes, charges for services, and operating and capital grants fund most of these activities.
- ❖ Business-type activities—Wellington charges fees to customers to help cover the costs of certain services it provides. Wellington’s utility system (water and wastewater services), solid waste services and Lake Wellington Professional Centre are included here.

The government-wide financial statements can be found on pages 13-15 of this report.

Fund Financial Statements

The fund financial statements provide detailed information about the most significant funds – not Wellington as a whole. Wellington, like other state and local governments, uses fund accounting to ensure and demonstrate legal compliance with finance-related legal requirements. 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. Wellington’s funds can be divided into the following categories, which use different accounting approaches:

Governmental funds: Used to report basic services. These funds focus on near-term inflows and outflows of spendable resources and the balances of spendable resources available at year-end. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. Governmental fund information helps the reader determine whether there are more or fewer financial resources that can be spent in the near future to finance programs. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate the comparison between governmental funds and governmental activities.

Six major funds are reported individually in the governmental funds balance sheet and statement of revenues, expenditures and changes in fund balances. The remaining governmental funds are reported as a combined total. Major governmental funds for the year ended September 30, 2022 are:

- ❖ General Fund
- ❖ Building Special Revenue Fund
- ❖ Acme Improvement Special Revenue Fund
- ❖ Capital Projects Fund
- ❖ Debt Service Fund
- ❖ Surtax Fund

The basic governmental fund financial statements can be found on pages 16-21 of this report.

Proprietary funds: Used to account for revenues and expenses from services provided on a user-charge basis to the public. Proprietary fund activities provide the same type of information as the government-wide financial statements, only in more detail. This is similar to that found in the private sector and provides a periodic measurement of net income. Proprietary activities are accounted for in enterprise funds for water and wastewater operations, solid waste collection and recycling and the Lake Wellington Professional Centre operations. The Utility System fund and Solid Waste fund were the only Major enterprise fund for the year ended September 30, 2022.

The basic proprietary fund financial statements can be found on pages 22-25 of this report.

Fiduciary funds: Used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support Wellington's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund financial statements can be found on pages 26-27 of this report.

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 beginning on page 28 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information. This information includes budgetary comparisons for the general fund and major special revenue funds; pension schedules; schedule of funding progress for Other Post-Employment Benefits; as well as statistical information on the assessed condition of the road system and on budgeted road maintenance expenses.

Required supplementary information begins on page 61 of this report.

The budgetary comparison schedule for the major capital project fund, major debt service fund and the nonmajor governmental funds along with the combining statements are presented immediately following the required supplementary information.

These schedules begin on page 72 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Statement of Net Position

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of Wellington, net position totaled \$419 million at the close of the most recent year.

Wellington's Net Position						
	Governmental		Business-Type		Total	
	Activities		Activities			
	2022	2021	2022	2021	2022	2021
Current and other assets	\$ 104,043,205	\$ 93,112,809	\$ 49,622,210	\$ 50,572,138	\$ 153,665,415	\$ 143,684,947
Capital assets	160,127,064	153,733,741	158,533,805	156,147,773	318,660,869	309,881,514
Total Assets	264,170,269	246,846,550	208,156,015	206,719,911	472,326,284	453,566,461
Other postemployment benefit	670,794	422,422	185,260	111,070	856,054	533,492
Pension	5,893,937	5,188,493	1,260,869	1,072,101	7,154,806	6,260,594
Total Deferred Outflows of Resources	6,564,731	5,610,915	1,446,129	1,183,171	8,010,860	6,794,086
Noncurrent liabilities	26,533,458	14,719,275	21,284,881	19,183,839	47,818,339	33,903,114
Other liabilities	7,954,653	6,865,652	3,551,454	3,018,930	11,506,107	9,884,582
Total Liabilities	34,488,111	21,584,927	24,836,335	22,202,769	59,324,446	43,787,696
Pension	1,168,109	11,702,012	137,666	2,956,411	1,305,775	14,658,423
Other postemployment benefit	192,865	225,998	54,591	64,487	247,456	290,485
Leases	815,653	-	-	-	815,653	-
Total Deferred Inflows of Resources	2,176,627	11,928,010	192,257	3,020,898	2,368,884	14,948,908
Net Position:						
Net investment in capital assets	157,817,064	151,228,741	142,621,375	139,110,413	300,438,439	290,339,154
Restricted	34,411,046	30,947,521	28,884,808	20,184,884	63,295,854	51,132,405
Unrestricted	41,842,152	36,768,266	13,067,369	23,384,118	54,909,522	60,152,384
Total Net Position	\$ 234,070,262	\$ 218,944,528	\$ 184,573,552	\$ 182,679,415	\$ 418,643,814	\$ 401,623,943

For governmental activities, current assets increased primarily due to higher cash balances and an increase in due from other governments related to the grant for the land purchase to expand the environmental preserve. Capital assets also increased due to the land purchase to expand the environmental preserve and with the increase in CIP projects related to the Town Center Improvement.

For business-type activities, current assets decreased primarily due to investment draws for capital projects and unrealized loss on the investment portfolio. Capital assets increased for CIP projects related to the water and wastewater improvements.

The change in noncurrent liabilities and deferred inflows of resources in governmental and business-type activities is primarily due to investment losses of 6.27% in the Florida Retirement System Plan, compared with an investment return of 29.46% in fiscal year 2021. The FRS Pension Plan net position decreased 21.9 billion or 10.8 % from fiscal year 2021. A portion of this decrease is allocated to Wellington.

The largest portion of net position (72%) reflects its net investment in capital assets. Wellington uses capital assets to provide services to citizens; accordingly, these assets are not available for future spending.

Restricted net position of \$63.3 million is reported in both the governmental and business-type activities. These restricted amounts have limits on their use that are externally imposed (gas tax, impact fees, and bond covenants) and imposed by enabling legislation (building and surtax activities). These resources can be used only for future construction; building activities; road capital and maintenance; or debt service activities. The remaining unrestricted net position may be used to meet the government's ongoing operations.

Overall, the Village's net position increased from prior fiscal year. The reasons for this change are explained in the next section.

Wellington's Change In Net Position

	Governmental Activities		Business-Type Activities		Total	
	2022	2021	2022	2021	2022	2021
Revenues						
Program revenues:						
Charges for services	\$ 19,525,046	\$ 16,712,364	\$ 28,309,255	\$ 26,081,615	\$ 47,834,301	\$ 42,793,979
Operating grants and contributions	6,174,069	5,535,810	34,111	9,709	6,208,180	5,545,519
Capital grants and contributions	3,896,952	1,159,345	7,428,443	575,190	11,325,395	1,734,535
General revenues:						
Property taxes	22,013,977	21,021,227	-	-	22,013,977	21,021,227
Other taxes	17,670,539	15,777,628	-	-	17,670,539	15,777,628
State shared revenue	9,343,476	7,880,643	-	-	9,343,476	7,880,643
Investment earnings	(4,000,524)	111,468	(2,014,479)	(28,479)	(6,015,003)	82,989
Other	694,667	966,296	210,546	814,545	905,213	1,780,841
Total Revenues	75,318,202	69,164,781	33,967,876	27,452,580	109,286,078	96,617,361
Program expenses including indirect expenses:						
General government	21,289,380	18,647,057	-	-	21,289,380	18,647,057
Public safety	15,220,864	14,377,870	-	-	15,220,864	14,377,870
Physical environment	7,285,614	7,495,122	-	-	7,285,614	7,495,122
Economic environment	1,642,910	1,568,258	-	-	1,642,910	1,568,258
Transportation	5,280,264	4,926,166	-	-	5,280,264	4,926,166
Culture and recreation	12,147,524	10,513,776	-	-	12,147,524	10,513,776
Contributions	93,947	13,058,530	-	-	93,947	13,058,530
Interest on debt	68,391	74,113	-	-	68,391	74,113
Water and wastewater	-	-	22,924,292	20,948,966	22,924,292	20,948,966
Solid waste	-	-	5,566,395	4,487,765	5,566,395	4,487,765
Lake Wellington Professional Centre	-	-	746,626	667,407	746,626	667,407
Total expenses	63,028,894	70,660,892	29,237,313	26,104,138	92,266,207	96,765,030
Change in net position before transfers	12,289,308	(1,496,111)	4,730,563	1,348,442	17,019,871	(147,669)
Transfers in (out)	2,836,426	2,901,651	(2,836,426)	(2,901,651)	-	-
Change in net position	15,125,734	1,405,540	1,894,137	(1,553,209)	17,019,871	(147,669)
Beginning net position	218,944,528	217,538,988	182,679,415	184,232,624	401,623,943	401,771,612
Ending net position	\$ 234,070,262	\$ 218,944,528	\$ 184,573,552	\$ 182,679,415	\$ 418,643,814	\$ 401,623,943

Governmental Activities

During the current fiscal year, net position for governmental activities increased \$15.1 million from the prior fiscal year for an ending balance of \$234 million.

Revenues increased from prior year by \$6.2 million or 9%. Key elements of this increase are as follows:

- ❖ Charges for services increased \$2.8 million primarily due to an increase in recreational activities of \$1 million and permit fees of \$1.2 million.
- ❖ Operating grants and contributions increased \$640,000 primarily due to the CDBG and SHIP grant.
- ❖ Capital grants and contributions increased \$2.7 million primarily due to the grant for the land purchase to expand the environmental preserve.
- ❖ Other taxes increased \$1.9 million primarily due to discretionary tax and franchise fees.
- ❖ State shared revenue increased \$1.5 million primarily due to state revenue sharing and half-cent sales tax.
- ❖ Investment earnings decreased \$4.1 million due to unrealized loss because of market conditions.
- ❖ Other revenue decreased \$272,000 due to a reduction in donated assets.

Expenses decreased by \$7.6 million or approximately 11%. Key elements of this decrease are as follows:

- ❖ General government increased \$2.6 million or 14% primarily due to operating expenses in the following categories: major maintenance, technology software and salaries & benefits.
- ❖ Culture and recreation increased \$1.6 million or 16% primarily due to operating expenses, which consists of \$900,000 in program expenses and \$300,000 in salaries.
- ❖ Contributions decreased \$13 million as a result of the Wellington High School sports complex conveyance to the Palm Beach County School Board in the prior year.

Business-type Activities

The net position for Business-type activities increased \$1.9 million from the prior fiscal year for an ending balance of \$184.6 million.

Revenues increased by approximately \$6.5 million or 24% over the prior year. Key elements of this increase are as follows:

- ❖ Charges for services increased \$2.2 million primarily due to rate increases in utilities and solid waste and an increase in penalties.
- ❖ Capital grants and contributions increased overall by \$6.9 million primarily due to an increase in capacity charges for major building permits of \$6.5 million and donated capital assets of \$225,000.
- ❖ Investment earnings decreased \$2 million due to unrealized loss because of market conditions.

Expenses increased by \$3.1 million or approximately 12%. Key elements of this increase are as follows:

- ❖ Water and wastewater expenses increased \$1.9 million primarily due to depreciation expense of \$1.5 million and FRS of \$470,000.
- ❖ Solid waste expenses increased \$1.1 million primarily due to the new solid waste contract and additional expense in waste containers.

GOVERNMENT FUNDS FINANCIAL ANALYSIS

The focus of governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing financing requirements. In particular, unassigned fund balance may serve as a useful measure of the net resources available for spending at the end of the fiscal year.

At September 30, 2022, Wellington's governmental funds reported combined ending fund balances of \$88.9 million, an increase of \$6.8 million from prior year.

The unassigned fund balance of \$27 million is available for spending at Wellington's discretion. The remainder of fund balance of \$61.9 million is either nonspendable (\$1.2 million), has already been assigned to liquidate contracts, capital projects, purchase orders, and subsequent year's budget appropriation of fund balance (\$16.4 million), restricted for capital improvements or special purposes (\$34.4 million), or committed for future emergencies, insurance reserves, infrastructure, or rate stabilization (\$9.9 million).

The General fund is the main operating fund. At the end of the current fiscal year, unassigned fund balance of the general fund was \$27 million, while the total fund balance was \$45 million. As a measure of the general fund's liquidity, it is useful to compare unassigned fund balance to total general fund expenditures, including transfers. Unassigned fund balance represents approximately 49% of total 2023 general fund budgeted expenditures. Revenues in the general fund were \$51.8 million, which represents an increase of \$3.7 million from the prior year. The increase in revenue is attributable to recreation program fees, property taxes, franchise

fees, permit fees and state shared revenues. Expenditures in the general fund were \$45.2 million, which represents an increase of approximately \$3.3 million from the prior year. The increase in expenditures is attributable to additional capital outlay of \$350,000, operating expenses of \$1.8 million and salaries & benefits of \$700,000.

The Building fund is used to account for the building, permitting and inspection activities. At the end of the current fiscal year, \$10 million was restricted for future building department expenditures. Building permit fees may only be used for expenditures related to building and inspection services. Revenues for the fund were \$6.1 million, an increase of \$350,000 from prior year. The increase in revenue was mainly due to building permits. Expenditures were \$3.6 million, which represents an increase of \$300,000 from prior year. The increase in expenditures are primarily due to salaries and benefits.

The Acme improvement fund accounts for the operations of the Acme Improvement District, a dependent special district of Wellington, related to surface water management facilities. At the end of the fiscal year total fund balance was \$2.2 million, which is restricted for future expenditures. Revenues and expenditures for the fund remained relatively the same in both years.

The Surtax fund accounts for the voter approved one-cent sales surtax program. At the end of the fiscal year total fund balance was \$14 million, which is restricted for capital projects that meet the criteria set by the surtax program. Revenues in the surtax fund were \$6 million, an increase of \$1 million from the prior year. Expenditures were \$3.8 million, a decrease of \$4.2 million from the prior year which is related to capital outlay.

The Capital Project fund accounts for financial activity related to governmental capital expenditures. At the end of the fiscal year total fund balance was \$9.4 million, which is restricted for capital projects. These expenditures are funded through transfers and grant proceeds. Revenues in the capital project fund decreased \$111,000 from the prior year which is related to unrealized investment loss. Expenditures were \$6.2 million, an increase of \$2.5 million from the prior year which is related to the land purchase to expand the Environmental Preserve.

The Debt Service fund accounts for the payment of interest and principal on long-term debt. Revenue and expenditures for the fund remained relatively the same in both years.

Proprietary Funds

Wellington's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. Unrestricted net position for business-type funds was \$13.1 million; \$10.4 million for the Utility System, \$1.4 million for Solid Waste, and \$1.3 million for the Lake Wellington Professional Centre. Total net position for these funds were \$184.6 million, representing an decrease of \$1.9 million, or 1%.

General Fund Budgetary Highlights

Differences between the original expenditure budget and the final amended expenditure budget is \$1.3 million, excluding transfers, and are primarily comprised of carryforwards.

The most significant differences between final budget and actual results were as follows:

<u>Revenue source</u>	<u>Budgeted revenues</u>	<u>Actual revenues</u>	<u>Difference</u>
Other permit and fees	\$ 873,000	\$ 1,738,666	\$ 865,666
Grants	456,366	4,270,075	3,813,709
State revenue sharing	6,797,128	8,757,382	1,960,254
Charges for services	2,741,790	3,397,694	655,904
Investment income (net)	270,000	(1,977,633)	(2,247,633)

<u>Expenditures</u>	<u>Budgeted expenditures</u>	<u>Actual expenditures</u>	<u>Difference</u>
General government	\$ 22,232,667	\$ 20,546,342	\$ 1,686,325

Actual revenues exceeded final budgeted revenues by approximately \$7 million mostly due to other permit and fees, grants, state revenue sharing and charges for services. The increase in other permit and fees of \$866,000 is mainly due to engineering fees on new construction. The increase in grant revenue of \$3.8 million is mainly due to the coronavirus relief funds that was recognized during the fiscal year. The increase in state shared revenue of \$2 million is related to the state revenue sharing true up and half-cent sales tax. The increase in charges for services of \$656,000 is mainly due to an increase in recreation programs. The decrease in investment income of \$2.2 million is due to the unrealized losses of securities that were purchased at lower yields in previous years.

General government expenditures were \$1.7 million less than budgeted which is primarily due to actual operating costs being less than anticipated in the following departments: Technology Services \$660,000, Strategic Planning \$200,000, Engineering Services \$116,000, Building Maintenance \$100,000, Human Resources \$59,000 and Communications \$54,000.

Additional information on budgetary comparisons can be found on page 61 of this report.

Capital Asset Activity

Wellington's investment in a variety of capital assets for its governmental and business-type activities as of September 30, 2022, amounts to \$319 million. This investment in capital assets includes land, buildings, improvements, machinery and equipment, infrastructure and construction in progress.

Wellington's Capital Assets							
(net of accumulated depreciation)							
	Governmental		Business-Type		Total		
	Activities		Activities				
	2022	2021	2022	2021	2022	2021	
Land	\$ 24,576,944	\$ 20,053,844	\$ 9,579,678	\$ 9,579,679	\$ 34,156,622	\$ 29,633,523	
Buildings	24,268,167	25,576,000	5,311,016	5,768,905	29,579,183	31,344,905	
Improvements	22,149,860	22,778,377	5,462,125	3,410,394	27,611,985	26,188,771	
Machinery and equipment	5,685,415	5,837,894	5,052,809	3,037,767	10,738,224	8,875,661	
Water and wastewater plant	-	-	77,140,043	80,543,424	77,140,043	80,543,424	
Infrastructure	79,029,636	78,005,840	46,362,907	45,567,667	125,392,543	123,573,507	
Property under Leases	-	-	43,893	-	43,893	-	
Construction in progress	4,417,042	1,481,786	9,581,334	8,239,937	13,998,376	9,721,723	
Total	\$ 160,127,064	\$ 153,733,741	\$ 158,533,805	\$ 156,147,773	\$ 318,660,869	\$ 309,881,514	

Major capital projects completed during the current fiscal year included the following:

- ❖ Village Park Field 6 & 7 Renovation
- ❖ Land purchase to expand the Environmental Preserve
- ❖ New Playground and sidewalks at Margate Park
- ❖ Tropos Router/Telemetry system replacement
- ❖ Upgrades to Lift Station # 10, 48, 76 & 79

Additional information on capital assets can be found on page 71 and in Note 5 of this report.

Long-Term Debt Activity

At the end of the current fiscal year, Wellington had total long-term debt outstanding of \$48 million. Governmental activities debt of \$2.3 million is related to a special assessment bond issued to finance the Saddle Trail Improvement Project. An additional \$2.8 million for compensated absences and \$21.5 million for net pension liability is also outstanding. Business-Type activities debt of \$21.3 million is comprised of \$15.9 million for the Utility Water and Wastewater loan, \$630,000 for compensated absences and \$4.7 million for net pension liability. Additional information on long-term debt can be found in Note 6 of this report.

Wellington's Outstanding Debt							
	Governmental		Business-Type		Total		
	Activities		Activities				
	2022	2021	2022	2021	2022	2021	
Revenue bonds and loans	\$ 2,310,000	2,505,000	\$ 15,879,459	17,037,360	\$ 18,189,459	19,542,360	
Obligations under Leases	-	-	32,971	-	32,971	-	
Compensated absences	2,759,518	2,708,161	626,369	600,165	3,385,887	3,308,326	
Net pension liability	21,463,940	9,506,115	4,746,082	1,546,314	26,210,022	11,052,429	
Total	\$ 26,533,458	\$ 14,719,276	\$ 21,284,881	\$ 19,183,839	\$ 47,818,339	\$ 33,903,115	

Economic Factors

The State of Florida, by constitution, does not have a personal income tax and therefore the State operates primarily using sales, gasoline and corporate income taxes. Local governments primarily rely on property taxes and fees to fund their governmental activities. There are a limited number of state-shared revenues and recurring and non-recurring grants. As a predominantly residential community, the economic environment of Wellington is dependent upon that of South Florida and particularly Palm Beach County.

The major economic influences in this area are the cost of housing (including housing values, foreclosure rates, insurance, taxes and interest rates), the regional job market, new construction, weather events and retail activity. Consideration of the impact of these economic indicators is critical as Wellington endeavors to develop its resources and facilities to meet the demand of its residents as well as to comply with regulatory requirements.

Additional economic factors that can have a significant impact on Wellington include inflation, weak economic growth, natural disasters, commodities prices and increasing property insurance rates.

While property taxes are important, they represent only 30% of governmental funds revenue, excluding other financing sources and uses. Another 39% comes from local option taxes, utility service taxes, communication services taxes, franchise fees and state revenue sharing. Impact fees, local business tax receipts, permits and fees, charges for services, fines and forfeitures, investment income and miscellaneous income total 15%. Additionally, special assessments levied total approximately 8% and grants total another 8%. Wellington monitors all of its resources and determines the need for program adjustments or fee increases accordingly.

Next Year's Budget and Rates

The operating millage rate of 2.47 mills for fiscal year 2023 remained the same as the prior fiscal year. This millage resulted in a total property tax budget of approximately \$24.4 million, an increase of \$2,600,000 or 11% from the property tax budget for the prior year. The Surface Water Management Assessment rate remained unchanged for a total of \$230 per unit. The Solid Waste Assessment increased to \$220 per curbside unit and \$171 per containerized unit. Additional information regarding the adoption of the annual budget can be found on page 64 of this report.

This financial report is designed to provide a general overview of Wellington's finances. Questions concerning any of the information provided in this report or requests for additional information should be directed to:

***Office of Financial Management and Budget
12300 Forest Hill Boulevard
Wellington, FL 33414
561-791-4000
www.wellingtonfl.gov***



Basic Financial Statements

VILLAGE OF WELLINGTON, FLORIDA

STATEMENT OF NET POSITION

SEPTEMBER 30, 2022

	Primary Government		
	Governmental	Business-type	Total
	Activities	Activities	
ASSETS			
Cash	\$ 7,748,119	\$ 2,601,592	\$ 10,349,711
Investments	84,503,629	35,234,586	119,738,215
Receivables (net)	1,399,664	2,855,306	4,254,970
Internal balances	1,526	(1,526)	-
Due from other governments	6,335,757	157,641	6,493,398
Prepaid expenses	300,216	14,501	314,717
Inventories	12,973	144,912	157,885
Deposits	-	20,467	20,467
Restricted assets:			
Cash	-	8,393,192	8,393,192
Net other postemployment benefit asset	988,860	201,539	1,190,399
Long-term assessment receivable	1,941,000	-	1,941,000
Long-term lease receivable	811,461	-	811,461
Capital assets:			
Capital assets not being depreciated	108,023,622	19,161,012	127,184,634
Capital assets being depreciated, net	<u>52,103,442</u>	<u>139,372,793</u>	<u>191,476,235</u>
Total assets	<u>\$ 264,170,269</u>	<u>\$ 208,156,015</u>	<u>\$ 472,326,284</u>
DEFERRED OUTFLOWS OF RESOURCES			
Other postemployment benefit	670,794	185,260	856,054
Pension	<u>5,893,937</u>	<u>1,260,869</u>	<u>7,154,806</u>
Total deferred outflows of resources	<u>6,564,731</u>	<u>1,446,129</u>	<u>8,010,860</u>
LIABILITIES			
Accounts payable and accrued liabilities	\$ 4,619,698	\$ 3,132,710	\$ 7,752,408
Escrows and deposits	759,812	-	759,812
Contracts and retainage payable	164,729	283,930	448,659
Due to other governments	81,116	3,893	85,009
Deposits payable from restricted assets	-	46,509	46,509
Unearned revenue	2,301,000	42,738	2,343,738
Accrued interest payable	28,298	41,674	69,972
Noncurrent liabilities:			
Due within one year:			
Bonds payable	200,000	-	200,000
Loans payable	-	1,194,132	1,194,132
Compensated absences	1,198,839	286,502	1,485,341
Obligations under Leases	-	16,000	16,000
Due in more than one year:			
Bonds payable	2,110,000	-	2,110,000
Compensated absences	1,560,679	339,867	1,900,546
Loans payable	-	14,685,327	14,685,327
Obligations under Leases	-	16,971	16,971
Net pension liability	<u>21,463,940</u>	<u>4,746,082</u>	<u>26,210,022</u>
Total liabilities	<u>34,488,111</u>	<u>24,836,335</u>	<u>59,324,446</u>
DEFERRED INFLOWS OF RESOURCES			
Pension	1,168,109	137,666	1,305,775
Other postemployment benefit	192,865	54,591	247,456
Leases	<u>815,653</u>	-	<u>815,653</u>
Total deferred inflows of resources	<u>2,176,627</u>	<u>192,257</u>	<u>2,368,884</u>
NET POSITION			
Net investment in capital assets	157,817,064	142,621,375	300,438,439
Restricted for:			
Debt service	277,945	-	277,945
Building department	10,002,705	-	10,002,705
Surfacewater management	2,162,866	-	2,162,866
Road capital and maintenance	2,253,863	-	2,253,863
Capital projects	19,390,638	28,884,808	48,275,446
Economic development	323,029	-	323,029
Unrestricted	<u>41,842,152</u>	<u>13,067,369</u>	<u>54,909,521</u>
Total net position	<u>\$ 234,070,262</u>	<u>\$ 184,573,552</u>	<u>\$ 418,643,814</u>

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

VILLAGE OF WELLINGTON, FLORIDA

STATEMENT OF ACTIVITIES YEAR ENDED SEPTEMBER 30, 2022

Function/Program Activities	Expenses	Charges for Services	Program Revenues	
			Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities:				
General government	\$ 21,289,380	918,666	\$ 3,688,288	\$ -
Public safety	15,220,864	8,494,950	-	53,202
Physical environment	7,285,614	6,136,266	-	7,500
Economic environment	1,642,910	-	814,315	-
Transportation	5,280,264	55,641	1,618,816	-
Culture and recreation	12,147,524	3,919,523	52,650	3,836,250
Contributions	93,947	-	-	-
Interest on long-term debt	68,391	-	-	-
Total governmental activities	63,028,894	19,525,046	6,174,069	3,896,952
Business-type activities:				
Utility system	22,924,292	24,041,199	-	7,428,443
Solid waste	5,566,395	4,268,056	34,111	-
Lake Wellington Professional Centre	746,626	-	-	-
Total business-type activities	29,237,313	28,309,255	34,111	7,428,443
Total primary government	\$ 92,266,207	\$ 47,834,301	\$ 6,208,180	\$ 11,325,395

General revenues:

- Property taxes
- Franchise fees on gross receipts
- Communication services taxes
- Discretionary tax
- Utility service taxes
- State shared revenue
- Investment earnings
- Other

Transfers

Total general revenues and transfers

Change in net position

Net position, beginning of year

Net position, end of year

Net (Expense) Revenue and
Changes in Net Position

Governmental Activities	Business-type Activities	Total
\$ (16,682,426)	\$ -	\$ (16,682,426)
(6,672,712)	-	(6,672,712)
(1,141,848)	-	(1,141,848)
(828,595)	-	(828,595)
(3,605,807)	-	(3,605,807)
(4,339,101)	-	(4,339,101)
(93,947)	-	(93,947)
(68,391)	-	(68,391)
<u>(33,432,827)</u>	<u>-</u>	<u>(33,432,827)</u>
-	8,545,350	8,545,350
-	(1,264,228)	(1,264,228)
-	(746,626)	(746,626)
-	<u>6,534,496</u>	<u>6,534,496</u>
<u>(33,432,827)</u>	<u>6,534,496</u>	<u>(26,898,331)</u>
22,013,977	-	22,013,977
4,159,242	-	4,159,242
2,002,104	-	2,002,104
5,997,236	-	5,997,236
5,511,957	-	5,511,957
9,343,476	-	9,343,476
(4,000,524)	(2,014,479)	(6,015,003)
694,667	210,546	905,213
<u>2,836,426</u>	<u>(2,836,426)</u>	<u>-</u>
<u>48,558,561</u>	<u>(4,640,359)</u>	<u>43,918,202</u>
15,125,734	1,894,137	17,019,871
<u>218,944,528</u>	<u>182,679,415</u>	<u>401,623,943</u>
<u>\$ 234,070,262</u>	<u>\$ 184,573,552</u>	<u>\$ 418,643,814</u>

VILLAGE OF WELLINGTON, FLORIDA

BALANCE SHEET GOVERNMENTAL FUNDS SEPTEMBER 30, 2022

	General	Building	Acme Improvement	Capital Projects	Surtax Fund	Debt Service	Other Nonmajor Governmental Funds	Total Governmental Funds
ASSETS								
Cash	\$ 3,384,157	\$ 611,052	\$ 85,971	\$ 116,399	\$ 1,107,149	\$ 304,695	\$ 2,138,696	\$ 7,748,119
Investments	43,889,310	9,568,542	2,219,682	9,357,267	12,408,713	-	7,060,115	84,503,629
Current receivables:								
Utility taxes	565,350	-	-	-	-	-	-	565,350
Franchise fees	431,882	-	-	-	-	-	-	431,882
Accounts	151,392	-	-	-	-	-	14,200	165,592
Interest	119,820	23,444	8,568	34,410	23,274	-	27,324	236,840
Due from other funds	1,526	-	-	-	-	-	-	1,526
Due from other governments	1,618,921	-	33,489	3,436,250	983,332	1,548	262,217	6,335,757
Prepaid expenditures	254,795	45,421	-	-	-	-	-	300,216
Inventory	12,973	-	-	-	-	-	-	12,973
Long-term receivables	<u>811,461</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,941,000</u>	<u>-</u>	<u>2,752,461</u>
Total assets	<u>\$51,241,587</u>	<u>\$ 10,248,459</u>	<u>\$ 2,347,710</u>	<u>\$ 12,944,326</u>	<u>\$14,522,468</u>	<u>\$ 2,247,243</u>	<u>\$ 9,502,552</u>	<u>\$103,054,345</u>

(Continued)

VILLAGE OF WELLINGTON, FLORIDA

BALANCE SHEET (Continued)

GOVERNMENTAL FUNDS

SEPTEMBER 30, 2022

	<u>General</u>	<u>Building</u>	<u>Acme Improvement</u>	<u>Capital Projects</u>	<u>Surtax Fund</u>	<u>Debt Service</u>	<u>Other Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES								
Liabilities:								
Accounts payable and accrued liabilities	\$ 3,579,314	\$ 171,088	\$ 174,844	\$ 71,243	\$ 394,821	\$ -	\$ 228,388	\$ 4,619,698
Escrows and deposits	759,812	-	-	-	-	-	-	759,812
Contracts and retainage payable	-	-	-	-	161,697	-	3,032	164,729
Due to other funds	-	-	-	-	-	-	-	-
Due to other governments	6,450	74,666	-	-	-	-	-	81,116
Unearned revenue	<u>1,021,448</u>	<u>-</u>	<u>10,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,269,552</u>	<u>2,301,000</u>
Total liabilities	<u>5,367,024</u>	<u>245,754</u>	<u>184,844</u>	<u>71,243</u>	<u>556,518</u>	<u>-</u>	<u>1,500,972</u>	<u>7,926,355</u>
Deferred inflows of resources:								
Unavailable revenue	22,650	-	-	3,436,250	-	1,941,000	-	5,399,900
Leases	<u>815,653</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>815,653</u>
Total deferred inflow of resources	838,303	-	-	3,436,250	-	1,941,000	-	6,215,553
Fund balances:								
Nonspendable:								
Prepaid expenditures	254,795	45,421	-	-	-	-	-	300,216
Inventory	12,973	-	-	-	-	-	-	12,973
Deposits	-	-	-	-	-	-	-	-
Long-term notes receivable	811,461	-	-	-	-	-	-	811,461
Restricted for:								
Capital projects	-	-	-	-	13,965,950	-	5,424,688	19,390,638
Building	-	9,957,284	-	-	-	-	-	9,957,284
Surface Water Management	-	-	2,162,866	-	-	-	-	2,162,866
Road capital and maintenance	-	-	-	-	-	-	2,253,863	2,253,863
Economic development	-	-	-	-	-	-	323,029	323,029
Debt service	-	-	-	-	-	306,243	-	306,243
Committed for:								
Rate stabilization	2,785,000	-	-	-	-	-	-	2,785,000
Insurance	1,530,000	-	-	-	-	-	-	1,530,000
Infrastructure	2,539,554	-	-	-	-	-	-	2,539,554
Emergency	3,000,000	-	-	-	-	-	-	3,000,000
Assigned for:								
Contracts	3,618,464	-	-	9,436,833	-	-	-	13,055,298
Capital projects	521,752	-	-	-	-	-	-	521,752
Subsequent year's budget:								
appropriation of fund balance	2,878,296	-	-	-	-	-	-	2,878,296
Unassigned	<u>27,083,965</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>27,083,965</u>
Total fund balances	<u>45,036,260</u>	<u>10,002,705</u>	<u>2,162,866</u>	<u>9,436,833</u>	<u>13,965,950</u>	<u>306,243</u>	<u>8,001,580</u>	<u>88,912,437</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 51,241,587</u>	<u>\$ 10,248,459</u>	<u>\$ 2,347,710</u>	<u>\$ 12,944,326</u>	<u>\$ 14,522,468</u>	<u>\$ 2,247,243</u>	<u>\$ 9,502,552</u>	<u>\$ 103,054,345</u>

VILLAGE OF WELLINGTON, FLORIDA

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION SEPTEMBER 30, 2022

Ending fund balance - governmental funds	\$ 88,912,437
Amounts reported for governmental activities in the statement of net assets are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.	
Governmental capital assets	\$287,802,669
Less accumulated depreciation	<u>(127,675,605)</u>
Net capital assets	160,127,064
Net other postemployment benefit (OPEB) asset created through funding of the plan as employer contribution to the defined benefit OPEB plan is not recognized in the funds	988,860
Assets that are not available to pay for current period expenditures are unavailable revenue in the fund statements	5,399,900
Deferred outflows of resources related to pensions are recorded in the statement of net position	5,893,937
Deferred outflows of resources related to OPEB are recorded in the statement of net position	670,794
Deferred inflows of resources related to pensions are recorded in the statement of net position	(1,168,109)
Deferred inflows of resources related to OPEB are recorded in the statement of net position	(192,865)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.	
Bonds payable	(2,310,000)
Accrued interest	(28,298)
Compensated absences	(2,759,518)
Net pension liability	<u>(21,463,940)</u>
Net position of governmental activities	<u>\$ 234,070,262</u>

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VILLAGE OF WELLINGTON, FLORIDA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

GOVERNMENTAL FUNDS

YEAR ENDED SEPTEMBER 30, 2022

	<u>General</u>	<u>Building</u>	<u>Acme Improvement</u>	<u>Capital Projects</u>	<u>Surtax Fund</u>	<u>Debt Service</u>	<u>Other Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:								
Ad valorem taxes	\$ 22,013,977	\$ -	\$ -		\$ -	\$ -	\$ -	\$ 22,013,977
Local option taxes	-	-	-		5,997,236	-	1,618,816	7,616,052
Utility services taxes	5,511,957	-	-		-	-	-	5,511,957
Special assessments	-	-	5,864,540		-	271,726	-	6,136,266
Impact fees	-	-	-		-	-	263,666	263,666
Communication services taxes	2,002,104	-	-		-	-	-	2,002,104
Local business tax receipts	918,666	-	-		-	-	-	918,666
Permits and fees	1,738,666	6,432,378	-		-	-	-	8,171,044
Franchise fees	4,159,242	-	-		-	-	-	4,159,242
Grants	4,270,075	-	-	500,000	200,000	-	367,169	5,337,244
State revenue sharing	8,757,382	-	-		-	-	586,094	9,343,476
Charges for services	3,397,694	-	313,804		-	-	-	3,711,498
Fines and forfeitures	323,906	-	-		-	-	-	323,906
Investment income (net)	(1,977,633)	(373,842)	(163,308)	(621,537)	(389,329)	346	(475,221)	(4,000,524)
Miscellaneous	667,874	27,821	51,544	-	200,509	-	167,589	1,115,337
Total revenues	<u>51,783,910</u>	<u>6,086,357</u>	<u>6,066,580</u>	<u>(121,537)</u>	<u>6,008,416</u>	<u>272,072</u>	<u>2,528,113</u>	<u>72,623,911</u>

(Continued)

VILLAGE OF WELLINGTON, FLORIDA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (Continued)

GOVERNMENTAL FUNDS

YEAR ENDED SEPTEMBER 30, 2022

	General	Building	Acme Improvement	Capital Projects	Surtax Fund	Debt Service	Other Nonmajor Governmental Funds	Total Governmental Funds
Expenditures:								
Current:								
General government	\$ 20,546,342	\$ -	\$ 65,107		\$ -	\$ 588	\$ -	\$ 20,612,037
Public safety	11,419,623	3,560,410	-		-	-	-	14,980,033
Physical environment	1,137,870	-	3,334,889		-	-	-	4,472,759
Economic environment	1,562,824	-	-		-	-	201	1,563,025
Transportation	-	-	-		-	-	3,883,098	3,883,098
Culture and recreation	9,871,261	-	423,013		-	-	-	10,294,274
Capital outlay	638,624	29,904	404,062	6,189,231	3,779,714	-	1,709,383	12,750,918
Debt service:								
Principal	-	-	-		-	195,000	-	195,000
Interest and other fiscal charges	-	-	-	-	-	70,780	-	70,780
Total expenditures	<u>45,176,544</u>	<u>3,590,314</u>	<u>4,227,071</u>	<u>6,189,231</u>	<u>3,779,714</u>	<u>266,368</u>	<u>5,592,682</u>	<u>68,821,924</u>
Excess (deficiency) of revenues over (under) expenditures	<u>6,607,366</u>	<u>2,496,043</u>	<u>1,839,509</u>	<u>(6,310,768)</u>	<u>2,228,702</u>	<u>5,704</u>	<u>(3,064,569)</u>	<u>3,801,987</u>
Other financing sources (uses):								
Transfers in	11,181,840	-	-	8,181,000	5,858,091	-	5,274,312	30,495,243
Transfers out	(16,758,403)	(1,534,135)	(2,453,725)	(3,386,250)	(1,480,000)	-	(2,046,304)	(27,658,817)
Proceeds from sale of capital assets	<u>129,264</u>	<u>25,797</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>155,061</u>
Total other financing sources (uses)	<u>(5,447,299)</u>	<u>(1,508,338)</u>	<u>(2,453,725)</u>	<u>4,794,750</u>	<u>4,378,091</u>	<u>-</u>	<u>3,228,008</u>	<u>2,991,487</u>
Net change in fund balances	1,160,067	987,705	(614,216)	(1,516,018)	6,606,793	5,704	163,439	6,793,474
Fund balances, beginning of year	<u>43,876,193</u>	<u>9,015,000</u>	<u>2,777,082</u>	<u>10,952,851</u>	<u>7,359,157</u>	<u>300,539</u>	<u>7,838,141</u>	<u>82,118,963</u>
Fund balances, end of year	<u>\$ 45,036,260</u>	<u>\$ 10,002,705</u>	<u>\$ 2,162,866</u>	<u>\$ 9,436,833</u>	<u>\$ 13,965,950</u>	<u>\$ 306,243</u>	<u>\$ 8,001,580</u>	<u>\$ 88,912,437</u>

VILLAGE OF WELLINGTON, FLORIDA

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF THE GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES YEAR ENDED SEPTEMBER 30, 2022

Net change in fund balances - total governmental funds	\$ 6,793,474
Governmental funds report capital outlays as expenditures, however, the cost of capital assets is eliminated in the statement of activities and capitalized in the statement of net position.	12,462,081
Conveyances of infrastructure improvements to other governments of capitalized capital assets is recorded as an expense in the statement of activities.	(93,947)
Depreciation of capital assets is not recognized in the governmental fund financial statements, but is reported as an expense in the statement of activities.	(6,047,317)
In the statement of activities, only the gain (loss) on the sale of capital assets is reported Net book value of asset disposals	(4,946)
The statement of activities reports noncash contributions as revenues, but these revenues are not reported in the governmental fund financial statements.	77,452
Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position: Principal payments on debt	195,000
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental fund financial statements.	5,399,900
Certain revenues were unavailable for the fund financial statements in the prior fiscal year. In the current fiscal year, these revenues were recorded in the governmental fund financial statements.	(2,933,176)
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. Change in accrued interest Change in compensated absences	2,389 (51,356)
Other postemployment benefit expense Pension expense	44,658 <u>(718,478)</u>
Change in net position of governmental activities	<u>\$ 15,125,734</u>

VILLAGE OF WELLINGTON, FLORIDA

STATEMENT OF NET POSITION PROPRIETARY FUNDS SEPTEMBER 30, 2022

	Major		Nonmajor	
	Utility System	Solid Waste	Lake Wellington Professional Centre	Total
ASSETS				
Current assets:				
Cash	\$ 956,774	\$ 112,429	\$ 1,532,389	\$ 2,601,592
Investments	33,545,648	1,688,938	-	35,234,586
Receivables:				
Accounts, net of allowance for uncollectible amounts	2,585,409	162,342	65	2,747,816
Interest	98,055	9,435	-	107,490
Due from other governments	135,072	22,569	-	157,641
Inventories	144,912	-	-	144,912
Prepaid expenses	14,501	-	-	14,501
Deposits	20,467	-	-	20,467
Restricted cash	<u>8,346,683</u>	<u>-</u>	<u>46,509</u>	<u>8,393,192</u>
Total current assets	<u>45,847,521</u>	<u>1,995,713</u>	<u>1,578,963</u>	<u>49,422,197</u>
Noncurrent assets:				
Net other postemployment benefit asset	187,450	10,471	3,618	201,539
Property, plant and equipment (net of accumulated depreciation)	<u>154,788,154</u>	<u>20,689</u>	<u>3,724,962</u>	<u>158,533,805</u>
Total noncurrent assets	<u>154,975,604</u>	<u>31,160</u>	<u>3,728,580</u>	<u>158,735,344</u>
Total assets	<u>\$ 200,823,125</u>	<u>\$ 2,026,873</u>	<u>\$ 5,307,543</u>	<u>\$ 208,157,541</u>
DEFERRED OUTFLOW OF RESOURCES				
Other postemployment benefit	168,140	8,560	8,560	185,260
Pension	<u>1,150,913</u>	<u>58,655</u>	<u>51,301</u>	<u>1,260,869</u>
Total deferred outflows of resources	<u>1,319,053</u>	<u>67,215</u>	<u>59,861</u>	<u>1,446,129</u>
LIABILITIES				
Current liabilities:				
Accounts payable and accrued liabilities	\$ 2,660,186	\$ 434,904	\$ 37,620	\$ 3,132,710
Contracts and retainage payable	283,930	-	-	283,930
Due to other funds	-	-	1,526	1,526
Due to other governments	-	-	3,893	3,893
Deposits, payable from restricted assets	-	-	46,509	46,509
Accrued interest	41,674	-	-	41,674
Compensated absences payable	260,652	20,710	5,140	286,502
Loans payable	1,194,132	-	-	1,194,132
Obligations under Leases	16,000	-	-	16,000
Unearned revenue	<u>25,563</u>	<u>-</u>	<u>17,175</u>	<u>42,738</u>
Total current liabilities	<u>4,482,137</u>	<u>455,614</u>	<u>111,863</u>	<u>5,049,614</u>
Noncurrent liabilities:				
Loans payable	14,685,327	-	-	14,685,327
Compensated absences payable	293,897	38,701	7,269	339,867
Obligations under Leases	16,971	-	-	16,971
Pension	<u>4,352,032</u>	<u>204,078</u>	<u>189,972</u>	<u>4,746,082</u>
Total noncurrent liabilities	<u>19,348,227</u>	<u>242,779</u>	<u>197,241</u>	<u>19,788,247</u>
Total liabilities	<u>23,830,364</u>	<u>698,393</u>	<u>309,104</u>	<u>24,837,861</u>
DEFERRED INFLOW OF RESOURCES				
Pension	129,584	4,832	3,250	137,666
Other postemployment benefit	<u>49,643</u>	<u>2,474</u>	<u>2,474</u>	<u>54,591</u>
Total deferred inflow of resources	<u>179,227</u>	<u>7,306</u>	<u>5,724</u>	<u>192,257</u>
NET POSITION				
Net investment in capital assets	138,875,724	20,689	3,724,962	142,621,375
Restricted for capital improvements - capacity fees	8,346,683	-	-	8,346,683
Restricted for renewal and replacement of capital assets	20,538,125	-	-	20,538,125
Unrestricted	<u>10,372,055</u>	<u>1,367,700</u>	<u>1,327,614</u>	<u>13,067,369</u>
Total net position	<u>\$ 178,132,587</u>	<u>\$ 1,388,389</u>	<u>\$ 5,052,576</u>	<u>\$ 184,573,552</u>

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

VILLAGE OF WELLINGTON, FLORIDA

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

PROPRIETARY FUNDS

YEAR ENDED SEPTEMBER 30, 2022

	Major		Nonmajor	
	Utility System	Solid Waste	Lake Wellington Professional Centre	Total
Operating revenues:				
Charges for services	\$ 23,946,820	\$ 19,831	\$ -	\$ 23,966,651
Special assessments	-	3,912,350	-	3,912,350
Licenses and permits	94,379	-	-	94,379
Grants	-	34,111	-	34,111
Franchise fees	-	335,875	-	335,875
Rent revenue	-	-	679,247	679,247
Other	92,222	-	11,769	103,991
Total operating revenues	<u>24,133,421</u>	<u>4,302,167</u>	<u>691,016</u>	<u>29,126,604</u>
Operating expenses:				
Utilities administration	2,592,517	-	-	2,592,517
Water treatment plant	3,021,214	-	-	3,021,214
Field services	498,234	-	-	498,234
Water meter services	653,064	-	-	653,064
Water distribution services	1,159,922	-	-	1,159,922
Utility plant maintenance	1,177,077	-	-	1,177,077
Water reclamation facilities	2,358,312	-	-	2,358,312
Wastewater collection services	978,471	-	-	978,471
Utilities customer service	967,305	-	-	967,305
Regulatory compliance	302,626	-	-	302,626
Refuse	-	164,263	-	164,263
Professional centre	-	-	574,455	574,455
Other	1,220,976	11,365	23,144	1,255,485
Solid waste	-	5,377,807	-	5,377,807
Depreciation	7,487,377	12,960	149,027	7,649,364
Total operating expenses	<u>22,417,095</u>	<u>5,566,395</u>	<u>746,626</u>	<u>28,730,116</u>
Income from operations	<u>1,716,326</u>	<u>(1,264,228)</u>	<u>(55,610)</u>	<u>396,488</u>
Nonoperating revenues (expenses):				
Investment income (net)	(1,782,529)	(231,950)	-	(2,014,479)
Net gain (loss) on sale or disposition of capital assets	(572,692)	-	-	(572,692)
Interest expense and debt service costs	(507,197)	-	-	(507,197)
Total nonoperating revenues (expenses)	<u>(2,862,418)</u>	<u>(231,950)</u>	<u>-</u>	<u>(3,094,368)</u>
Income before contributions and transfers	<u>(1,146,092)</u>	<u>(1,496,178)</u>	<u>(55,610)</u>	<u>(2,697,880)</u>
Capital contributions:				
Grants	135,072	-	-	135,072
Capacity charges	7,039,733	-	-	7,039,733
Distribution lines	231,179	-	-	231,179
Meters	22,459	-	-	22,459
Transfers out	(2,349,551)	(416,025)	(70,850)	(2,836,426)
Change in net position	<u>3,932,800</u>	<u>(1,912,203)</u>	<u>(126,460)</u>	<u>1,894,137</u>
Net position - beginning	<u>174,199,787</u>	<u>3,300,592</u>	<u>5,179,036</u>	<u>182,679,415</u>
Net position - end of year	<u>\$ 178,132,587</u>	<u>\$ 1,388,389</u>	<u>\$ 5,052,576</u>	<u>\$ 184,573,552</u>

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

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VILLAGE OF WELLINGTON, FLORIDA

STATEMENT OF CASH FLOWS

PROPRIETARY FUNDS

YEAR ENDED SEPTEMBER 30, 2022

	Major		Nonmajor	
	Utility System	Solid Waste	Lake Wellington Professional Centre	Total
Cash flows from operating activities:				
Receipts from customers	\$ 24,188,419	\$ 4,122,160	\$ 683,860	\$ 28,994,439
Payments to suppliers for goods and services	(6,249,462)	(5,061,360)	(246,556)	(11,557,378)
Payments to employees for services	(7,068,649)	(386,927)	(317,519)	(7,773,095)
Other operating revenues	<u>92,222</u>	<u>37,329</u>	<u>11,903</u>	<u>141,454</u>
Net cash provided by operating activities	<u>10,962,530</u>	<u>(1,288,798)</u>	<u>131,688</u>	<u>9,805,420</u>
Cash flows from noncapital financing activities:				
Transfers to other funds	<u>(2,349,551)</u>	<u>(416,025)</u>	<u>(222,252)</u>	<u>(2,987,828)</u>
Net cash (used) in noncapital financing activities	<u>(2,349,551)</u>	<u>(416,025)</u>	<u>(222,252)</u>	<u>(2,987,828)</u>
Cash flows from capital and related financing activities:				
Capital contributions	7,062,192	-	-	7,062,192
Sale proceeds of capital assets	36,621	-	-	36,621
Acquisition of property, plant and equipment	(11,394,565)	-	-	(11,394,565)
Principal paid on capital debt	(1,157,901)	-	-	(1,157,901)
Interest paid on indebtedness	<u>(509,323)</u>	<u>-</u>	<u>-</u>	<u>(509,323)</u>
Net cash (used) in capital and related financing activities	<u>(5,962,976)</u>	<u>-</u>	<u>-</u>	<u>(5,962,976)</u>
Cash flows from investing activities:				
Interest received	366,903	47,225	-	414,128
Sale of investments	6,133,096	3,355,625	-	9,488,721
Purchase of Investments	<u>(1,500,000)</u>	<u>(1,600,000)</u>	<u>-</u>	<u>(3,100,000)</u>
Net cash (used) by investing activities	<u>4,999,999</u>	<u>1,802,850</u>	<u>-</u>	<u>6,802,849</u>
Net increase (decrease) in cash	7,650,002	98,027	(90,564)	7,657,465
Cash, beginning of year	<u>1,653,455</u>	<u>14,402</u>	<u>1,669,462</u>	<u>3,337,319</u>
Total cash, end of year	<u>\$ 9,303,457</u>	<u>\$ 112,429</u>	<u>\$ 1,578,898</u>	<u>\$ 10,994,784</u>
Cash				
Unrestricted	\$ 956,774	\$ 112,429	\$ 1,532,389	\$ 2,601,592
Restricted	<u>8,346,683</u>	<u>-</u>	<u>46,509</u>	<u>8,393,192</u>
Total cash	<u>\$ 9,303,457</u>	<u>\$ 112,429</u>	<u>\$ 1,578,898</u>	<u>\$ 10,994,784</u>

(Continued)

VILLAGE OF WELLINGTON, FLORIDA

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS (Continued)
 YEAR ENDED SEPTEMBER 30, 2022

	Major		Nonmajor	Total
	Utility System	Solid Waste	Lake Wellington Professional Centre	
Reconciliation of operating income to net cash provided by operating activities:				
Operating income	\$ 1,716,326	\$ (1,264,228)	\$ (55,610)	\$ 396,488
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation expense	7,487,377	12,960	149,027	7,649,364
GASB 68 pension expense	176,318	9,471	6,466	192,255
Change in assets and liabilities:				
(Increase) decrease in:				
Accounts receivable	146,237	(145,899)	1,556	1,894
Due from other governments	-	3,218	-	3,218
Inventories	(45,118)	-	-	(45,118)
Deposits	-	-	-	-
Prepaid expenses	41,135	486	4,174	45,795
OPEB expense	(12,179)	(580)	(580)	(13,339)
Increase (decrease) in:				
Accounts payable and accrued liabilities	1,433,637	81,939	28,909	1,544,485
Due to other governments	-	-	134	134
Deposits	-	-	1,580	1,580
Unearned revenue	983	-	1,477	2,460
Compensated absences payable	17,814	13,835	(5,445)	26,204
Total adjustments	9,246,204	(24,570)	187,298	9,408,932
Net cash provided by operating activities	\$ 10,962,530	\$ (1,288,798)	\$ 131,688	\$ 9,805,420
Noncash investing, capital, and financing activities:				
Developer contributed distribution lines	\$ 231,179	\$ -	\$ -	\$ 231,179
Unrealized gains/(losses) on investments	(1,961,411)	(254,421)	-	(2,215,832)

VILLAGE OF WELLINGTON, FLORIDA

STATEMENT OF FIDUCIARY NET POSITION

FIDUCIARY FUND

SEPTEMBER 30, 2022

	Employee Retirement Healthcare Trust
ASSETS	
Investments:	
Florida Municipal Pension Trust Fund - OPEB 70/30 Allocation	<u>\$ 1,901,360</u>
NET POSITION	
Net position restricted for other postemployment benefits	<u>\$ 1,901,360</u>

VILLAGE OF WELLINGTON, FLORIDA
 STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
 FIDUCIARY FUND
 YEAR ENDED SEPTEMBER 30, 2022

	Employee Retirement Healthcare <u>Trust</u>
Additions:	
Investment income	\$ (320,774)
Deductions:	
Administrative expense	<u>(11,699)</u>
Change in net position	(332,473)
Net position held in trust for other postemployment benefits, beginning of year	<u>2,233,833</u>
Net position held in trust for other postemployment benefits, end of year	<u><u>\$ 1,901,360</u></u>

NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The Village of Wellington (“Wellington”) was incorporated December 31, 1995, pursuant to Chapter 95-496, Laws of Florida, and commenced operations on March 28, 1996. Wellington operates under the Council-Manager form of government and provides a wide range of community services including general government; planning, zoning and building; public safety (police protection); public works (construction and maintenance of roads, rights of way, and other infrastructure; street lighting; and storm water drainage); culture and recreation (parks maintenance, recreational activities, cultural events, and related facilities); water and sewer utilities; and solid waste collection and recycling. Wellington’s Council (“Council”) is responsible for legislative and fiscal control of Wellington.

As required by U.S. generally accepted accounting principles, these basic financial statements present the government and its component units. Component units are legally separate entities for which the primary government is considered to be financially accountable and for which the nature and significance of their relationship with the primary government are such that exclusion would cause Wellington’s basic financial statements to be misleading or incomplete. The primary government is considered financially accountable if it appoints a voting majority of an organization’s governing body and imposes its will on that organization. The primary government may also be financially accountable if an organization is fiscally dependent on the primary government, regardless of the authority of the organization’s governing board. Blended component units, although legally separate entities, are, in substance, part of the primary government’s operations and are included as part of the primary government.

Blended Component Units

Based on the application of the criteria set forth by the Governmental Accounting Standards Board (GASB), management has included Acme Improvement District (District) in Wellington’s reporting entity. Prior to incorporation, the District was an independent special taxing district created in 1953, which served as the local government providing the majority of community services and facilities for the area including water and sewer, stormwater drainage, transportation, street lighting, and parks and recreation. As a result of incorporation, Wellington now provides those municipal services and the District has become a dependent district of Wellington. Because of the breadth of the services it already provided to residents, the District formed the backbone of Wellington. Although the District is legally separate from Wellington, it is reported as if it were part of the primary government as a blended component unit of Wellington because the District is governed by a five-member board of supervisors that is the same as the governing body of Wellington and management of the Village has operational responsibility for the District. The District does not issue separate financial statements and is presented as a special revenue fund type – Acme Improvement Fund.

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 activities of Wellington and its component units. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Indirect expenses for centralized services and administrative overhead are allocated among the programs, functions, and segments using a full cost allocation approach and are presented separately to enhance comparability of direct expenses between governments that allocate direct expenses and those that do not.

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, although 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 nonmajor governmental funds are aggregated and reported as nonmajor funds.

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 and fiduciary 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 revenue 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, Wellington considers revenues to be available if they are collected within 60 days 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, franchise fees, assessments, intergovernmental revenue and licenses, associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items reported in the governmental funds are considered to be measurable and available only when cash is received by Wellington.

Wellington reports the following major governmental funds:

General Fund - The general fund is the primary operating fund and is used to account for all financial resources applicable to the general operations, except those required to be accounted for in another fund.

Building – This special revenue fund accounts for revenues and expenditures applicable to the building function. The purpose of the fund is to segregate permitting services pertaining to building activities and to ensure that the fee structure for such activities is accurate. The revenues received are from the issuance of licenses and permits.

Acme Improvement – This special revenue fund accounts for all financial resources and expenditures applicable to the operations of the Acme Improvement District, a dependent special district of Wellington, related solely to the water management facilities in accordance with the Plan of Reclamation and existing operations, construction of capital facilities, and maintenance of the same. The funding source are non-ad valorem special assessments against all taxable units within the District and charges for services.

Debt Service– This fund is maintained to account for the payment of interest and principal requirements on long-term debt. Wellington maintains one debt service fund for the repayment of revenue and special assessment bonds.

Surtax Capital Project – This fund is used to segregate all financial activity applicable to the one-cent infrastructure sales surtax that was approved by county voters in November 2016.

Capital Project – This fund is used to segregate all financial activity applicable to the governmental capital expenditures from governmental operating expenditures. These expenditures are funded through transfers and grant proceeds.

Wellington reports the following major proprietary funds:

Utility System Enterprise Fund – This fund accounts for the activities related to the sewage treatment plant, sewage pumping stations and collection systems, and the water distribution system.

Solid Waste – This fund accounts for the activities related to solid waste removal and recycling.

Additionally, Wellington reports the following fiduciary fund:

Employee Retirement Healthcare Trust Fund – This fund accounts for the trust fund established to receive and invest Village healthcare contributions in a defined benefit other postemployment benefit plan and to disburse these monies to cover retirees' health insurance in accordance with the trust document. Since these assets are held for the benefit of third parties and cannot be used to finance activities or obligations of Wellington, they are not included in the government-wide financial statements.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the government's water and sewer function as well as the solid waste function and various other functions of Wellington. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

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 of the utility system enterprise fund are charges to customers for sales and services. The principal operating revenues of the solid waste collection and recycling enterprise fund are special assessments. Operating expenses for the enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is Wellington's policy to use restricted resources first, then unrestricted resources as they are needed.

Deposits and Investments

Cash and investments of each fund, except certain investments in the debt service and enterprise funds, are accounted for in pooled cash and investment accounts with each fund maintaining its proportionate equity in the pooled accounts. The use of a pooled cash and investment account enables Wellington to invest idle cash for short periods of time, thereby maximizing earnings potential. Income earned from this pooling is allocated to the respective funds based upon average monthly proportionate balances. Investments are stated at fair value.

Wellington considers cash on hand, demand deposits, and all other short-term investments that are highly liquid to be cash equivalents. Highly liquid short-term investments are those readily convertible to a known amount of cash, that at the day of purchase, have a maturity date not longer than three months.

All cash deposits are held in qualified public depositories pursuant to State of Florida Statutes, Chapter 280, "Florida Security for Public Deposits Act", and are collateralized with eligible securities having a fair value equal to a percentage of the average daily or monthly balance of all public deposits. Wellington's investment practices are governed by Chapter 218.415 of the Florida Statutes and the requirements of outstanding bond issues.

Receivables

Receivables include amounts due from other governments and others for services provided by Wellington. Receivables are recorded and revenues are recognized as earned or as specific program expenditures/expenses are incurred. Allowances for uncollectible receivables are based on historical trends and the periodic aging of receivables.

Inventories and Prepaid Items

Inventories are valued at the lower of cost (first-in, first-out) or market. Wellington uses the consumption method wherein all inventories are maintained by perpetual records, expensed when used and adjusted by physical count.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements using the consumption method. Expenditures for services extending over more than one accounting period are accounted for as expenditures of the period of use.

Restricted Assets

These assets represent cash and investments set aside pursuant to debt covenants or other contractual restrictions.

Capital Assets and Depreciation

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, sidewalks, and similar items), are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets are defined by Wellington as assets with an initial individual cost of \$5,000 or more and an estimated useful life in excess of one year except for right to use assets.

The accounting and reporting treatment applied to the capital assets associated with a fund are determined by its measurement focus. General capital assets are Wellington's assets as a whole. When purchased, such assets are recorded as expenditures in the governmental funds and capitalized as assets in the government-wide statement of net position. General capital assets are carried at historical cost. Where cost cannot be determined from available records, estimated historical cost has been used to record the estimated value of the assets. Assets acquired by gift or bequest are recorded at their acquisition value at the date of donation. The road network was valued based on current construction costs discounted by consumer price indices for highway construction.

Capital assets of the enterprise funds are capitalized in the fund in which they are utilized. The valuation basis for enterprise fund capital assets are the same as those used for general capital assets. Additionally, net interest cost is capitalized on enterprise fund projects during the construction period in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 835, Interest.

Additions, improvements, and other capital outlay that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred.

Depreciation has been provided over the estimated useful lives using the straight-line method of depreciation. The estimated lives for each major class of depreciable capital assets are as follows:

Buildings	30 years
Furniture and Fixtures	15 years
Improvements other than Buildings	10-20 years
Computer Equipment	3-20 years
Vehicles	5-10 years
General Equipment	5-10 years
Major Machinery and Equipment	15 years
Wells	20 years
Infrastructure	40 years
Water Treatment Plant & Waste Water Plant	30 years
Right to Use Assets	Shorter of lease term or useful life

The street network is not depreciated. Wellington has elected to use the modified approach in accounting for its streets. The modified approach allows governments to report as expenses in lieu of depreciation, infrastructure expenditures which maintain the asset but do not add to or improve the asset. Additions and improvements to the street network are capitalized. Wellington uses an asset management system to rate street condition and to quantify the results of maintenance efforts.

Leases

Lessee. The Village is a lessee for noncancelable leases of equipment. The Village recognizes a lease liability and an intangible right to use lease asset in the government-wide financial statements. The Village recognizes lease assets with an initial value of \$25,000 or more.

At the commencement of the lease, the Village measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of the lease payments made. The lease asset is initially measured as the initial amount of lease liability, adjusted for any payments made at or before the lease commencement date, plus certain initial direct costs. The lease asset is amortized on a straight-line basis over the shorter of the lease term or the useful life of the underlying asset.

Key estimates and judgements related to leases include how the Village determines: (1) the discount rate it uses to discount the expected lease payment to present value, (2) lease term, and (3) lease payments.

- The Village uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the Village generally uses its estimated incremental borrowing rate as the discount rate for leases.

- The lease term includes the noncancelable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the Village is reasonably certain to exercise.

The Village monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the statement of net position.

Lessor. The Village is a lessor for a noncancellable lease of a building or land. The Village recognizes a lease receivable and a deferred inflow of resources in the government-wide and governmental fund financial statements.

At the commencement of a lease, the Village initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgements included in how the Village determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts.

- The Village uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease receipts included in the measurement of the lease receivable is composed of variable payments from the lessee.

The Village monitors changes in circumstances that would require a remeasurement of its lease, and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

Deferred Outflows/Inflows of Resources

The statement of net position reports, as applicable, a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net assets that applies to future reporting period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until that time. For example, the Village would record deferred outflows of resources related to debit amounts resulting from current and advance refundings resulting in the defeasance of debt (i.e. when there are differences between the reacquisition price and the net carrying amount of the old debt).

The statement of net position reports, as applicable, a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net assets that applies to future reporting period(s) and so will not be recognized as an inflow of resources (revenue) until that time. For example, when an asset is recorded in the governmental fund financial statements, but the revenue is not available, the Village reports a deferred inflow of resources until such times as the revenue becomes available.

The Village reports pension and OPEB related deferred outflows of resources and deferred inflows of resources on its financial statements (see footnote 9 & 14 for additional information). In accordance with GASB 87, the Village reports the right to use leases related to deferred inflows of resources on its financial statements (see footnote 3 for additional information).

Compensated Absences

Compensated absences are accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in the governmental funds only if they have matured. Compensated absences for governmental activities typically have been liquidated in the general fund. The Village provides paid time off (PTO) for eligible employees, which accrues at rates depending on an employee's years of service with a maximum carry forward from year to year of 400 hours. Additionally, eligible employees may cash out PTO each year with a maximum buyback between 120 and 160 hours depending on years of service.

Benefits for employees also include major illness leave. This benefit accrues at 4 hours per month. Employees may utilize this benefit for a major illness after they have used 3 work days of paid time-off. Upon separation of service, and with 10 years of continuous service, any balance of these hours is valued at the current hourly pay rate, and is paid into a Retirement Health Savings Plan. In this plan, monies are used by individuals to pay for qualified medical expenses, including premiums. For individuals that leave prior to 10 years of service, this time is forfeited.

Unavailable/Unearned Revenue

Unavailable revenue (a deferred inflow of resources) is recorded for governmental fund receivables that are not both measurable and available. In addition, inflows that do not yet meet the criteria for revenue recognition, such as lease revenue collected in advance, are recorded as unearned revenue in the government-wide and fund statements.

Long-Term Obligations

In the government-wide financial statements, and proprietary 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 the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed when incurred.

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 sources. 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.

Net Position

Net position is the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources. Net position in the government-wide financial statements are categorized as net investment in capital assets, restricted or unrestricted. Net investment in capital assets represents net position related to infrastructure and property, plant and equipment. Restricted net position represents the assets restricted by the Village's Bond covenants or other contractual restrictions. Unrestricted net position consists of the net position not meeting the definition of either of the other two components.

Fund Balance

The Governmental Accounting Standards Board issued statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions, which establishes accounting and financial reporting requirements for all governmental funds and establishes criteria for classifying fund balances. Accordingly, the governmental fund financial statements report fund equity classifications that comprise a hierarchy based primarily on the extent

to which Wellington is legally bound to honor the specific purposes for which amounts in fund balance may be spent. The fund balance classifications are summarized as follows:

Nonspendable – Nonspendable fund balances include amounts that cannot be spent because they are either (a) not in spendable form, or (b) legally or contractually required to remain intact.

Restricted – Restricted fund balances include amounts that are restricted to specific purposes either by (a) constraints placed on the use of resources by creditors, grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or through enabling legislation.

Committed – Committed fund balances include amounts that can only be used for specific purposes pursuant to constraints imposed by ordinances of Wellington Council, Wellington’s highest level of decision making authority, set in place prior to the end of the period. These amounts cannot be changed unless Council takes the same action to remove or change the constraint.

Assigned – Assigned fund balances include spendable amounts established by Wellington Council that are intended to be used for specific purposes, but are neither restricted nor committed. Assignments of fund balances are made through a motion by Wellington Council, are generally temporary and normally the same formal action need not be taken to remove the assignment.

Unassigned – Unassigned fund balances include amounts that are not assigned to other funds and have not been restricted, committed or assigned to specific purposes. The general fund is the only fund that reports a positive unassigned fund balance amount in governmental funds other than the general fund, if expenditures incurred for specific purposes exceed the amounts that are restricted, committed or assigned to those purposes, it may be necessary to report a negative unassigned fund balance in that fund.

Wellington considers restricted fund balances to be spent when an expenditure is incurred for the restricted purpose. Wellington considers committed, assigned or unassigned fund balances to be spent when an expenditure is incurred for purposes for which amounts in any of those fund balance classifications could be used.

Wellington’s minimum fund balance policy mandates the General Fund Unassigned Fund Balance, at year end, will range, at a minimum, between 25% and 30% of the following year’s budgeted expenditures, including transfers. In any fiscal year where Wellington is unable to fund the minimum fund balance as required in this section, Wellington will not budget any amount of unassigned fund balance for the purpose of balancing the budget. This minimum is confirmed each year as part of the budget process by Council action.

Wellington Council has committed fund balance as follows:

Rate Stabilization Reserve – Wellington established reserves to offset future rate increases as approved by Wellington’s Council. This amount shall only be used in order to prevent increases to the millage rate to offset short-term economic conditions. Funds shall be released from the Rate Stabilization Reserve only upon Council Resolution. The amount in the Reserve is reviewed annually and established as part of the budget process.

Insurance Reserve – An Insurance Reserve was established to offset future premium increases to be funded from this reserve upon Council action. The amount of this reserve is reviewed and established annually as part of the budget process.

Infrastructure Reserve – An Infrastructure Reserve was established to offset major unexpected facility and infrastructure rehabilitation.

Emergency Reserve – An Emergency Reserve was established to provide sufficient resources to ensure continued operations as well as to fund unplanned expenditures in the event of a hurricane, major storm, or other natural or man-made disaster. Funds will be authorized to be spent from the Disaster Contingency Fund upon Declaration of Emergency and Wellington Council approval.

Interfund Transactions

Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either “due to/from other funds” (i.e., the current portion of interfund loans) or “advances to/from other funds” (i.e., the noncurrent portion of interfund loans). All other outstanding balances between funds are reported as “due to/from other funds”. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as internal balances.

Property Taxes

Under Florida law, the assessment of all properties and the collection of county, municipal, school board, and special district property taxes are consolidated with the county Property Appraiser and county Tax Collector, respectively. All property is reassessed according to its fair market value on January 1 of each year and each assessment roll is submitted to the State Department of Revenue for review to determine if the assessment roll meets all of the appropriate requirements of State law. Wellington's Charter permits it to levy property taxes at a rate of up to 5 mills.

The millage rate assessed by Wellington for 2022 was \$2.47 mills (for each \$1,000 of assessed valuation). This levy was based upon an assessed valuation of approximately \$9.30 billion.

Taxes may be paid less a 4% discount in November or at declining discounts each month through the month of February. All unpaid taxes become delinquent on April 1st following the year in which they are assessed. The Constitutional Tax Collector is required by law to hold an annual tax certificate sale to collect the preceding year's unpaid taxes and associated fees. The tax certificate sale must be held 60 days after the date of delinquency or June 1, whichever is later, per Florida Statute 197.402. A tax certificate is an enforceable first lien against the property for unpaid real estate property tax. The certificate holder is an independent investor who actually pays the tax for a property owner in exchange for a competitive bid rate of return on the investment. The tax certificate sale allows investors to purchase certificates by paying the tax debt. The sale is conducted online in a reverse-auction style with participants bidding downward on interest rates starting at 18%; the certificate is awarded to the lowest bidder who will pay the tax, interest and costs, and accept the lowest rate of interest. A tax certificate earns a minimum of 5% interest for the investor until the interest has accrued to greater than 5%, with the exception of “zero” interest bids, which always earn “zero” interest. At September 30, 2022, unpaid delinquent taxes are not material and have not been recorded.

During 2007 the Florida Legislature passed property tax reform legislation limiting the property tax levies of local governments. The maximum tax levy allowed by a majority vote of the governing body is based on a percentage reduction applied to the prior year property tax revenue. The percentage reduction is calculated based on the compound annual growth rate in the per capita property taxes levied. The law allows local governments to adopt a higher millage rate based on the following approval of the governing body: 1) a majority vote to adopt a rate equal to the prior year rolled-back millage rate, plus an adjustment for growth in per capita personal income; 2) a two-thirds vote to adopt a rate equal to the prior year adjusted millage rate plus 10%; or 3) any millage rate approved by unanimous vote or referendum. Future property tax growth is limited to the annual growth rate of per capita personal income, which is currently 3% to 4%, plus the value of new construction.

Recent Accounting Pronouncements Adopted

GASB Statement No. 87, *Leases*

The primary objective of this statement is to address accounting and financial reporting for leases by governments. This Statement requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. The statement requires a lessee to recognize a lease liability and an intangible right to use lease asset, and a lessor to recognize a lease receivable and a deferred inflow of resources. The requirements of this Statement are effective for reporting periods beginning after June 15, 2021, which requires the Village to implement this Statement in FY 2021-2022.

NOTE 2. DEPOSITS AND INVESTMENTS

Wellington is authorized to invest in obligations of the U.S. Treasury, its agencies and instrumentalities, repurchase agreements, certificates of deposit, Florida PRIME (formerly known as the Local Government Investment Pool (LGIP)), any intergovernmental investment pools authorized pursuant to Chapter 163 of the Florida Statutes, SEC registered money market funds with the highest credit quality rating from a nationally recognized rating agency, commercial paper and money market and mutual funds that restrict its investments to obligations of the U.S. government.

Wellington's cash includes cash on hand, time and demand deposits, cash held with a fiscal agent and money market mutual funds. Wellington maintains a cash and investment pool that is available for use by all funds. Interest earned on pooled cash and investments is allocated to each of the funds based on the fund's average equity balance. Cash and equivalents at September 30, 2022 had a carrying value of \$18,742,903 and a bank balance of \$18,744,868.

All of Wellington's bank deposits are held in qualified public depositories pursuant to State of Florida Statutes, Chapter 280, "Florida Security for Public Deposits Act". Under the Act, every qualified public depository shall deposit with the Treasurer eligible collateral of the depository to be held subject to his or her order. The Treasurer, by rule, shall establish minimum required collateral pledging levels.

The pledging level may range from 25% to 125% of the average monthly balance of public deposits depending upon the depository's financial condition and establishment period. All collateral must be deposited with an approved financial institution. Any losses to public depositors are covered by applicable deposit insurance, sale of securities pledged as collateral and, if necessary, assessments against other qualified public depositories of the same type as the depository in default. The money market mutual fund deposits are uninsured and uncollateralized.

The Florida Municipal Investment Trust was created under the laws of the State of Florida to provide eligible units of local governments with an investment vehicle to pool their surplus funds and to reinvest such funds in one or more investment portfolios under the direction and daily supervision of an investment advisor. The Florida League of Cities serves as the administrator, investment manager and secretary-treasurer of the Trust.

Fair Value Measurement – When applicable, the Village measures and records its investments using fair value measurement guidelines established in accordance with GASB Statements. The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques.

These guidelines recognize a three-tiered fair value hierarchy, in order of highest priority, as follows:

- ❖ Level 1: Investments whose values are based on unadjusted quoted prices for identical investments in active markets that the Village has the ability to access;
- ❖ Level 2: Investments whose inputs - other than quoted market prices - are observable either directly or indirectly; and,
- ❖ Level 3: Investments whose inputs are unobservable.

The following table details the Village's investments within the hierarchy at September 30, 2022:

Investment	Amortized Cost	Fair Value	Weighted		Level	Percent Distribution
			Average Maturity	Credit Rating (S&P/Fitch)		
FL PALM	\$ 5,265,175	-	26 days	AAAm	N/A	3.80%
FL Fixed Income Trust Fund	11,323,961	-	83 days	AAAf/S1	N/A	8.18%
Fidelity Invest MM Treasury	418,649	-	N/A	N/A	N/A	0.30%
PTA Cash	1,333	-	N/A		N/A	0.00%
FL Class	8,826,497	-	26 days	AAAm	N/A	6.37%
Total	25,835,615	-				18.66%
U.S. Treasuries		55,102,484	3.96 years	AA+	2	39.79%
FMIVT- Intermediate High Quality Bond Fund		802,208	4.66 years	(AA+) - (AAA)	2	0.58%
FMIVT- 1-3 Year High Quality Bond Fund		107,383	1.52 years	(AA+) - (AAA)	2	0.08%
Municipal Bonds		8,195,140	4.09 years	(AA) - (AAA)	2	5.92%
U.S. Government Sponsored Enterprises:			4.03 years			0.00%
Federal Farm Credit Bank		4,909,988		AA+	2	3.55%
Federal Home Loan Bank		3,313,812		AA+	2	2.39%
Federal Home Loan Mortgage		4,638,498		AA+	2	3.35%
Federal National Mortgage Association		3,142,072		AA+	2	2.27%
Corporate Notes		13,691,015	2.82 years	(A) - (AA+)	2	9.89%
Total Investments		93,902,600				67.81%
Total Cash Deposits		18,742,903				13.53%
Total Cash & Investments	\$ 25,835,615	\$ 112,645,503				100.00%

The fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the entire fair value measurement. Valuation techniques used should maximize the use of observable inputs and minimize the use of unobservable inputs.

Fixed income – Some of the underlying securities have observable level 1 quoted pricing inputs. However, while the underlying asset values may be based on quoted market prices, the net asset value of the portfolios is not publicly quoted. Additionally, some of the underlying securities employ matrix pricing. Accordingly, these investments have been reported as level 2.

Money market investments that have a maturity at the time of purchase of one year or less and are held by governments other than external investment pools should be measured at amortized cost. For external investment pools that qualify to be measured at amortized cost, the pool's participants should also measure their investments in that external investment pool at amortized cost for financial reporting purposes. Accordingly, those Village investments have been reported at amortized cost above, as applicable.

Interest Rate Risk

Interest rate risk is the risk that the value of investments will decrease as a result of a rise in interest rates. Wellington's investment policy matches its investments with anticipated cash flow requirements. Unless matched to a specific cash flow requirement or otherwise approved by Wellington's Council, Wellington will not directly invest in securities maturing in more than 5 years.

Credit Risk

Wellington's policy is to limit investments to the safest types of securities, pre-qualified financial institutions, broker/dealers, intermediaries, and advisors with which Wellington will do business, and diversify the investment portfolio to minimize potential losses on individual securities. As of the year end, the credit quality ratings investments are shown above.

Custodial Credit Risk

Custodial credit risk is defined as the risk that Wellington may not recover the securities held by another party in the event of a financial failure. Wellington's investment policy for custodial credit risk requires all investment securities to be held in Wellington's name by a third party safekeeping institution. The investments in the Florida Municipal Investment Trust are considered unclassified pursuant to the custodial credit risk categories of GASB Statement No. 31. All deposits with financial institutions and investments in U.S. Government Agency and Instrumentality securities are considered fully insured or collateralized pursuant to the custodial credit risk categories of GASB Statement No. 31.

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investments in a single issuer. Wellington limits the amount that can be invested in any one issuer of Federal Agencies and Instrumentalities to 40% of the portfolio. Wellington was in compliance with this policy at year-end. The percentage of each investment type is shown in the preceding table as of September 30, 2022.

NOTE 3. RECEIVABLES

Receivables for individual major funds and aggregate nonmajor funds are as follows:

	General	Building	Acme Imprv.	Capital Projects	Surtax	Nonmajor Govt'l Funds	Utility System	Solid Waste	Nonmajor Lake Wellington Prof. Centre	Total
Utility taxes	\$ 565,350	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 565,350
Franchise taxes	431,882	-	-	-	-	-	-	-	-	431,882
Accounts	151,392	-	-	-	-	14,200	2,708,460	162,342	65	3,036,459
Interest	119,820	23,444	8,568	34,410	23,274	27,324	98,055	9,435	-	344,330
Gross receivables	1,268,444	23,444	8,568	34,410	23,274	41,524	2,806,515	171,777	65	4,378,021
Less allowance for uncollectible accounts	-	-	-	-	-	-	(123,051)	-	-	(123,051)
	<u>\$ 1,268,444</u>	<u>\$ 23,444</u>	<u>\$ 8,568</u>	<u>\$ 34,410</u>	<u>\$ 23,274</u>	<u>\$ 41,524</u>	<u>\$ 2,683,464</u>	<u>\$ 171,777</u>	<u>\$ 65</u>	<u>\$ 4,254,970</u>

Boys and Girls Club

In 2013, the Village completed construction of the new Boys & Girls Club Center. Total construction costs were approximately \$3,956,000. The project was to be funded as follows: the Village (\$1.096 million), Palm Beach County (\$600,000) and the Boys & Girls Club (\$2.26 million). The Boys & Girls Club paid \$1.1 million to the Village leaving a balance owed of \$1.16 million. The Village and the Boys & Girls Club agreed that the remaining balance would be paid over ten years in annual amounts of \$116,030. This receivable was paid in full as of September 30, 2022.

Special Assessment Receivable

In 2016, the Village issued special assessment debt in the amount of \$3,235,000 to finance capital improvements in the Saddle Trail Park Neighborhood. Principal and interest are payable from pledged revenues, which consist of special assessment proceeds on the property owners in the Saddle Trail Neighborhood. The Village has levied special assessments on the lots that benefit from the project. The benefited lots will be billed annually over the next 15 years. In the event that pledged funds are insufficient to make the debt service payments, the Village has committed to make an annual appropriation of available non-ad valorem revenues to make up any deficiencies. At September 30, 2022, the amount owed is \$1,941,000 and is reported as a long-term receivable and unavailable revenue on the fund financial statements.

On August 9, 2022, the Village adopted Resolution 2022-46 for special assessments due in the amount of \$282,668.

Cell Tower Lease Receivable

The Village leases its tower sites to Verizon and T-Mobile for the use of a portion of the real property. The terms of these noncancelable leases include the noncancelable period per the contract plus/minus any extension options or termination options the Village is reasonably certain to exercise. The Village recognized \$83,454 in lease revenue during the current fiscal year. As of September 30, 2022, the Village's receivable for lease payments was \$811,461. In addition, the Village has a deferred inflow of resources associated with the leases that will be recognized as revenue over the lease term. As of September 30, 2022, the balance of the deferred inflow of resources was \$815,653.

The following schedule represents the future principal and interest revenue to be received:

	Tower Leases					
	<u>Verizon</u>		<u>T-Mobile</u>		Total	Total
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
Year Ending September 30:						
2023	13,098	14,247	37,479	26,326	50,577	40,573
2024	14,847	13,592	41,905	24,452	56,752	38,044
2025	16,727	12,849	46,655	22,357	63,382	35,206
2026	18,747	12,013	51,748	20,024	70,495	32,037
2027	20,914	11,076	57,206	17,437	78,120	28,513
2028-2032	142,960	37,238	291,533	38,118	434,493	75,356
2033-2034	57,642	3,886	-	-	57,642	3,886
	<u>\$ 284,935</u>	<u>\$ 104,901</u>	<u>\$ 526,526</u>	<u>\$ 148,714</u>	<u>\$ 811,461</u>	<u>\$ 253,615</u>

NOTE 4. DUE FROM OTHER GOVERNMENTS

Amounts due from other governments for individual major funds and aggregate nonmajor funds are as follows:

	General	Acme Imprv.	Capital Projects	Surtax Fund	Debt Service	Nonmajor Govt'l Funds	Utility System	Solid Waste	Total
Federal Government:									
Grants	\$ 201,494	\$ -		\$ -	\$ -	\$ -	\$135,072	\$ -	\$ 336,566
State of Florida:									
Grants	52,650	-	3,436,250	-	-	-	-	-	3,488,900
Half cent sales tax	964,017	-	-	-	-	-	-	-	964,017
Sales Surtax	-	-	-	983,332	-	-	-	-	983,332
Communication services tax	357,520	-	-	-	-	-	-	-	357,520
Local option gas tax	-	-	-	-	-	260,503	-	-	260,503
Fuel tax refund	-	-	-	-	-	1,714	-	-	1,714
Palm Beach County:									
County shared revenues	30,315	-	-	-	-	-	-	-	30,315
Alarm revenue	12,925	-	-	-	-	-	-	-	12,925
Excess fees	-	33,489	-	-	1,548	-	-	22,569	57,606
	<u>\$1,618,921</u>	<u>\$ 33,489</u>	<u>\$3,436,250</u>	<u>\$983,332</u>	<u>\$1,548</u>	<u>\$ 262,217</u>	<u>\$135,072</u>	<u>\$ 22,569</u>	<u>\$ 6,493,398</u>

NOTE 5. CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2022 is as follows:

	Beginning Balance	Increases	Decreases	Reclassifications	Ending Balance
Governmental activities:					
Capital assets, not being depreciated:					
Land	\$ 20,053,844	\$ -	\$ -	\$ 4,523,100	\$ 24,576,944
Construction in progress	1,481,786	11,610,830	(382,784)	(8,292,790)	4,417,042
Infrastructure	78,005,840	-	-	1,023,796	79,029,636
Total capital assets, not being depreciated	<u>99,541,470</u>	<u>11,610,830</u>	<u>(382,784)</u>	<u>(2,745,894)</u>	<u>108,023,622</u>
Capital assets, being depreciated:					
Buildings	39,468,801	-	-	-	39,468,801
Improvements	117,645,832	283,232	-	2,643,962	120,573,026
Machinery and equipment	19,056,021	934,310	(355,043)	101,932	19,737,220
Total capital assets, being depreciated	<u>176,170,654</u>	<u>1,217,542</u>	<u>(355,043)</u>	<u>2,745,894</u>	<u>179,779,047</u>
Less accumulated depreciation for:					
Buildings	(13,892,801)	(1,307,833)	-	-	(15,200,634)
Improvements	(94,867,455)	(3,555,711)	-	-	(98,423,166)
Machinery and equipment	(13,218,127)	(1,183,773)	350,095	-	(14,051,805)
Total accumulated depreciation	<u>(121,978,383)</u>	<u>(6,047,317)</u>	<u>350,095</u>	<u>-</u>	<u>(127,675,605)</u>
Total capital assets, being depreciated, net	<u>54,192,271</u>	<u>(4,829,775)</u>	<u>(4,948)</u>	<u>2,745,894</u>	<u>52,103,442</u>
Governmental activities capital assets, net	<u>\$ 153,733,741</u>	<u>\$ 6,781,055</u>	<u>\$ (387,732)</u>	<u>\$ -</u>	<u>\$ 160,127,064</u>

	Beginning Balance	Increases	Decreases	Reclassifications	Ending Balance
Business-type activities:					
Capital assets, not being depreciated:					
Land	\$ 9,579,678	\$ -	\$ -	\$ -	\$ 9,579,678
Construction in progress	<u>8,239,937</u>	<u>10,158,408</u>	-	<u>(8,817,011)</u>	<u>9,581,334</u>
Total capital assets, not being depreciated	<u>17,819,615</u>	<u>10,158,408</u>	-	<u>(8,817,011)</u>	<u>19,161,012</u>
Capital assets, being depreciated:					
Buildings	9,540,387	-	(451,511)	-	9,088,876
Land improvements	9,117,635	-	(421,374)	2,684,267	11,380,528
Furniture, fixtures, equipment and vehicles	15,375,040	204,150	(208,133)	2,386,579	17,757,636
Infrastructure	114,933,593	231,179	-	3,051,386	118,216,158
Right to use lease assets	-	50,973	-	-	50,973
Water treatment plant	59,380,130	-	(795,416)	480,542	59,065,256
Waste water plant	<u>59,200,349</u>	-	<u>(19,996)</u>	<u>214,237</u>	<u>59,394,590</u>
Total capital assets, being depreciated	<u>267,547,134</u>	<u>486,302</u>	<u>(1,896,430)</u>	<u>8,817,011</u>	<u>274,954,017</u>
Less accumulated depreciation for:					
Buildings	(3,771,482)	(305,111)	298,733	-	(3,777,860)
Land improvements	(5,707,241)	(631,435)	420,273	-	(5,918,403)
Furniture, fixtures, equipment and vehicles	(12,337,273)	(575,687)	208,133	-	(12,704,827)
Infrastructure	(69,365,926)	(2,487,325)	-	-	(71,853,251)
Right to use lease assets	-	(7,080)	-	-	(7,080)
Water treatment plant	(19,796,339)	(1,772,376)	349,536	-	(21,219,179)
Waste water plant	<u>(18,240,716)</u>	<u>(1,870,350)</u>	<u>10,442</u>	-	<u>(20,100,624)</u>
Total accumulated depreciation	<u>(129,218,977)</u>	<u>(7,649,364)</u>	<u>1,287,117</u>	-	<u>(135,581,224)</u>
Total capital assets, being depreciated, net	<u>138,328,157</u>	<u>(7,163,062)</u>	<u>(609,313)</u>	<u>8,817,011</u>	<u>139,372,793</u>
Business-type activities capital assets, net	<u>\$ 156,147,772</u>	<u>\$ 2,995,346</u>	<u>\$ (609,313)</u>	<u>\$ -</u>	<u>\$ 158,533,805</u>

Depreciation expense was charged to functions as follows:

Governmental activities:	
General government	\$ 250,850
Public Safety	164,246
Physical environment	2,713,185
Economic environment	63,514
Transportation	1,350,768
Culture and recreation	<u>1,504,754</u>
Total depreciation expense - governmental activities	<u>\$ 6,047,317</u>
Business-type activities:	
Water utility	\$ 7,487,377
Lake Wellington Professional Centre - nonmajor	149,027
Solid waste	<u>12,960</u>
Total depreciation expense - business-type activities	<u>\$ 7,649,364</u>

Right to Use Lease Assets

Lessee. The Village has recorded the right to use lease assets as a result of implementing GASB Statement No. 87. The Right to Use Lease Asset is initially measured at an amount equal to the initial measurement of the related lease liability. The Right to Use Lease Assets are amortized on a straight-line basis over the shorter of the life of the assets or of the related lease.

The classes and amounts of lease assets are as follows:

	<u>Asset Balances</u>	<u>Accumulated Amortization</u>
Equipment	<u>\$50,973</u>	<u>\$ (7,080)</u>
Total	<u><u>\$50,973</u></u>	<u><u>\$ (7,080)</u></u>

Refer to Note 6 for information on the liabilities relating to the right to use lease assets.

NOTE 6. NONCURRENT LIABILITIES**Changes in Noncurrent Liabilities**

Noncurrent liability activity for the year ended September 30, 2022, was as follows:

Governmental Activities

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Special Assessment Bond, Series 2016	2,505,000	-	(195,000)	2,310,000	200,000
Total Bonds Payable, net	2,505,000	-	(195,000)	2,310,000	200,000
Compensated absences payable	2,708,161	1,523,038	(1,471,681)	2,759,518	1,198,839
Net pension liability	9,506,115	19,116,590	(7,158,765)	21,463,940	-
Total	<u>\$ 14,719,276</u>	<u>\$ 20,639,628</u>	<u>\$ (8,825,446)</u>	<u>\$ 26,533,458</u>	<u>\$ 1,398,839</u>

The general fund is typically used to liquidate compensated absences, net pension and OPEB liabilities.

\$3,235,000 Special Assessment Bond

In May 2016, Wellington issued \$3,235,000 of Special Assessment Bond, Series 2016 for the Saddle Trail Park (South) Neighborhood Improvement Project. Interest at a rate of 2.94% is payable semi-annually on May 1 and November 1. The principal is payable in annual installments of \$175,000 to \$260,000 with the final payment due November 1, 2031. The bonds will be repaid from amounts levied against property owners benefited by this construction. In the event that a deficiency exists, the Village must provide resources to cover the deficiency until other resources are received. At September 30, 2022, the outstanding balance was \$2,310,000.

Future debt service requirements to maturity are:

	Special Assessment Bond, Series 2016		
	Principal	Interest	Total
Year Ending September 30:			
2023	200,000	64,974	264,974
2024	210,000	58,947	268,947
2025	215,000	52,700	267,700
2026	220,000	46,305	266,305
2027	225,000	39,764	264,764
2028-2032	<u>1,240,000</u>	<u>93,051</u>	<u>1,333,051</u>
	<u>\$ 2,310,000</u>	<u>\$ 355,741</u>	<u>\$2,665,741</u>

Business-type Activities

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Utility loans, direct borrowings	\$17,037,360	\$ -	\$(1,157,901)	\$ 15,879,459	\$1,194,132
Obligations under Leases	-	50,973	(18,002)	32,971	16,000
Compensated absences payable	600,165	462,364	(436,160)	626,369	286,502
Net pension liability	<u>1,546,314</u>	<u>5,115,365</u>	<u>(1,915,597)</u>	<u>4,746,082</u>	<u>-</u>
Total	<u>\$ 19,183,839</u>	<u>\$ 5,628,702</u>	<u>\$(3,527,660)</u>	<u>\$ 21,284,881</u>	<u>\$ 1,496,634</u>

Loans Payable

In December 2018, the Village borrowed \$10 million for the purpose of financing capital expenditures relating to the water and wastewater system. Payments, including principal and interest, are to be made in equal monthly installments of \$69,443.57 over 15 years. The interest rate of the loan is 3.08% and matures on December 12, 2033.

In January 2019, the Village borrowed \$10 million for the purpose of financing capital expenditures relating to the water and wastewater system. Payments, including principal and interest, are to be made in equal monthly installments of \$69,491.84 over 15 years. The interest rate of the loan is 3.09% and matures on January 4, 2034.

The loans are payable pursuant to a covenant to budget and appropriate from legally available non-ad valorem revenues.

Future debt service requirements to maturity are:

	Loans Payable		
	Principal	Interest	Total
Year Ending September 30:			
2023	1,194,133	473,093	1,667,226
2024	1,231,496	435,729	1,667,225
2025	1,270,029	397,196	1,667,225
2026	1,309,768	357,457	1,667,225
2027	1,350,751	316,474	1,667,225
2028-2032	7,414,805	921,319	8,336,124
2033-2034	2,108,477	45,046	2,153,523
	<u>\$ 15,879,459</u>	<u>\$ 2,946,314</u>	<u>\$ 18,825,773</u>

Obliqations under Leases

The Village has entered into agreements to lease certain equipment. The lease agreements qualify as other than short term leases under GASB Statement No. 87 and have been recorded at the present value of the future payments. The lease liability is calculated using an implicit rate of 5 percent, which represents the Village’s incremental borrowing rate.

Future lease payments and the present value of the lease payments as of September 30 are as follows:

	Lease Payable		
	Principal	Interest	Total
Year Ending September 30:			
2023	16,000	2,002	18,002
2024	16,971	1,030	18,001
	<u>\$ 32,971</u>	<u>\$ 3,032</u>	<u>\$ 36,003</u>

NOTE 7. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

A. DUE TO/FROM OTHER FUNDS (BALANCES EXPECTED TO BE REPAID WITHIN ONE YEAR)

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as “due from other funds” or “due to other funds” on the balance sheet.

The following is a summary of interfund receivable and payable balances as of September 30, 2022:

Receivable Fund	Payable Fund	Amount
General Fund	Lake Wellington Professional Centre	\$ 1,526

The interfund balances above represent short-term loans to cover temporary negative balances in the fund at year-end.

B. INTERFUND TRANSFERS AND INDIRECT COST ALLOCATION

The following is a summary of transfers by fund type for the fiscal year ended September 30, 2022:

	<u>Transfers In</u>	<u>Transfers Out</u>
General	\$ 11,181,840	\$ 16,758,403
Building	\$ -	1,534,135
Acme Improvement	-	2,453,725
Capital Projects	8,181,000	3,386,250
Surtax	5,858,091	1,480,000
Nonmajor governmental funds	5,274,312	2,046,304
Utility System	-	2,349,551
Lake Wellington Professional Centre	-	70,850
Solid Waste	-	416,025
Total	<u>\$ 30,495,243</u>	<u>\$ 30,495,243</u>

General fund transfers in are related to indirect cost allocations from the other funds list above. The transfers into the non-major governmental funds (road maintenance and capital projects) are related to capital expenditures and were transferred out of the general fund, building fund and ACME improvement fund.

NOTE 8. ENCUMBRANCES

Purchase orders are issued throughout the year to encumber budgets in the governmental funds. Encumbrances as of September 30, 2022 are as follows:

Major funds:	
General Fund	\$ 1,138,501
Building Fund	400,496
Acme Improvement	70,454
Capital Projects	530,341
Surtax Fund	<u>5,175,487</u>
Total Major Funds	7,315,279
Non-Major Governmental Funds	<u>559,605</u>
Total Encumbrances	<u>\$ 7,874,884</u>

NOTE 9. RETIREMENT PLAN

Florida Retirement System (FRS)

General Information about the FRS

The FRS was created in Chapter 121, Florida Statutes, to provide a defined benefit pension plan for participating public employees. The FRS was amended in 1998 to add the Deferred Retirement Option Program under the defined benefit plan and amended in 2000 to provide a defined contribution plan alternative to the defined benefit plan for FRS members effective July 1, 2002. This integrated defined contribution pension plan is the FRS Investment Plan. Chapter 112, Florida Statutes, established the Retiree Health Insurance Subsidy (HIS) Program,

a cost-sharing multiple-employer defined benefit pension plan, to assist retired members of any state-administered retirement system in paying the costs of health insurance.

Essentially all regular employees of the Village are eligible to enroll as members of the FRS. Provisions relating to the FRS are established by Chapters 121 and 122, Florida Statutes; Chapter 112, Part IV, Florida Statutes; Chapter 238, Florida Statutes; and FRS Rules, Chapter 60S, Florida Administrative Code; wherein eligibility, contributions, and benefits are defined and described in detail. Such provisions may be amended at any time by further action from the Florida Legislature. The FRS is a single retirement system administered by the Florida Department of Management Services, Division of Retirement, and consists of the two cost-sharing, multiple-employer defined benefit plans and other nonintegrated programs. An annual comprehensive financial report of the FRS, which includes its financial statements, required supplementary information, actuarial report, and other relevant information, is available from the Florida Department of Management Services' website (www.dms.myflorida.com).

Aggregate Amount of Net Pension Liability, Deferred Outflow/Inflow and Expense

The aggregate amount of deferred outflows, deferred inflows, and net pension liability reported in the statement of net position and the aggregate total pension expense reported in the statement of activities is as follows:

Description	Net Pension Liability	Deferred Outflow of Resources	Deferred Inflow of Resources	Pension Expense
Village's proportion of the FRS Pension Plan	\$ 19,976,264	\$ 6,293,914	\$ (127,094)	\$ 3,182,487
Village's proportion of the HIS Pension Plan	<u>6,233,758</u>	<u>860,892</u>	<u>(1,178,681)</u>	<u>352,174</u>
Total	<u>\$ 26,210,022</u>	<u>\$ 7,154,806</u>	<u>\$ (1,305,775)</u>	<u>\$ 3,534,661</u>

FRS Pension Plan

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

The classes of membership within the Village are as follows:

- ❖ Regular Class – Member of the FRS who do not qualify for membership in another class.
- ❖ Elected Local Officers Class – Members who hold specified elective offices in local government.
- ❖ Senior Management Service Class – Members in senior management level positions.

Employees enrolled in the Plan prior to July 1, 2011, vest at six years of creditable service and employees enrolled in the Plan on or after July 1, 2011, vest at eight years of creditable service. All vested members, enrolled prior to July 1, 2011, are eligible for normal retirement benefits at age 62 or at any age after 30 years of service. All members enrolled in the Plan on or after July 1, 2011, once vested, are eligible for normal retirement benefits at age 65 or any time after 33 years of service. Members of the Plan may include up to four years of credit for military service toward creditable service. The Plan also includes an early retirement provision; however, there is a benefit reduction for each year a member retires before his or her normal retirement date. The Plan provides retirement, disability, death benefits, and annual cost-of-living adjustments to eligible participants.

DROP, subject to provisions of Section 121.091, Florida Statutes, permits employees eligible for normal retirement under the Plan to defer receipt of monthly benefit payments while continuing employment with an FRS employer. An employee may participate in DROP for a period not to exceed 60 months after electing to participate. During the period of DROP participation, deferred monthly benefits are held in the FRS Trust Fund and accrue interest. The net pension liability does not include amounts for DROP participants, as these members are considered retired and are not accruing additional pension benefits.

Benefits Provided – Benefits under the Plan are computed on the basis of age and/or years of service, average final compensation, and service credit. Credit for each year of service is expressed as a percentage of the average final compensation (AFC). For members initially enrolled before July 1, 2011, the AFC is the average of the five highest fiscal years’ earnings; for members initially enrolled on or after July 1, 2011, the AFC is the average of the eight highest fiscal years’ earnings. The total percentage value of the benefit received is determined by calculating the total value of all service, which is based on the retirement class to which the member belonged when the service credit was earned. Members are eligible for in-line-of-duty or regular disability and survivors’ benefits.

The following chart shows the percentage value for each year of service credit earned:

<u>Class, Initial Enrollment, and Retirement Age/Years of Service</u>	<u>% Value</u>
Regular Class members initially enrolled before July 1, 2011	
Retirement up to age 62 or up to 30 years of service	1.60
Retirement at age 63 or with 31 years of service	1.63
Retirement at age 64 or with 32 years of service	1.65
Retirement at age 65 or with 33 years of service	1.68
Regular Class members initially enrolled on or after July 1, 2011	
Retirement up to age 65 or up to 33 years of service	1.60
Retirement at age 66 or with 34 years of service	1.63
Retirement at age 67 or with 35 years of service	1.65
Retirement at age 68 or with 36 years of service	1.68
Elected Local Officers	3.00
Senior Management Service Class	2.00

Per Section 121.101, Florida Statutes, if the member is initially enrolled in the FRS before July 1, 2011, and all service credit was accrued before July 1, 2011, the annual cost-of-living adjustment is 3% 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 3% determined by dividing the sum of the pre-July 2011 service credit by the total service credit at retirement multiplied by 3%. Plan members initially enrolled on or after July 1, 2011, will not have a cost-of-living adjustment after retirement.

Contributions – The Florida Legislature establishes contribution rates for participating employers and employees. Contribution rates during the 2022 fiscal year were as follows:

Class	Percent of Gross Salary October 1, 2021 to June 30, 2022		Percent of Gross Salary July 1, 2022 to September 30, 2022	
	Employee	Employer (1)	Employee	Employer (1)
	FRS, Regular	3.00	10.82	3.00
FRS, Elected Local Officers	3.00	51.42	3.00	57.00
FRS, Senior Management Service Class	3.00	29.01	3.00	31.57
DROP - Applicable to all members in the above classes	0.00	18.34	0.00	18.60

(1) Employer rates include a postemployment HIS contribution rate of 1.66 percent. Also, employer rates, other than DROP participants, include .06 percent for administrative costs of the Investment Plan.

The Village’s employer contributions to the Plan totaled \$2,290,966 for the fiscal year ended September 30, 2022.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – At September 30, 2022, the Village reported a liability of \$19,976,265 for its proportionate share of the Plan’s net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2022. The Village’s proportionate share of the net pension liability was based on the Village’s contributions for the year ended June 30, 2022 relative to the contributions of all participating members. At June 30, 2022, the Village’s proportionate share was .0537% percent, which was an increase of .0008% from its proportionate share measured as of June 30, 2021.

For the fiscal year ended September 30, 2022 the Village recognized pension expense of \$3,182,487 related to the Pension Plan. In addition, the Village reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 948,758	\$ -
Change of assumptions	2,460,160	-
Net difference between projected and actual earnings on FRS pension plan investments	1,319,030	-
Changes in proportion and differences between Wellington FRS contributions and proportionate share of contributions	972,226	(127,094)
Wellington FRS contributions subsequent to the measurement date	593,740	-
Total	\$ 6,293,914	\$ (127,094)

The deferred outflows of resources related to pensions, totaling \$593,740, resulting from Village contributions to the Plan subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the subsequent fiscal year. The net amount of the remaining deferred outflows of resources and deferred inflows of resources in the amount of \$5,573,080 will be recognized in pension expense as follows:

<u>Year Ending September 30:</u>	<u>Amount</u>
2023	1,446,904
2024	624,577
2025	(197,767)
2026	3,498,969
2027	200,397
Thereafter	-
Total	\$ 5,573,080

Actuarial Assumptions – The FRS Pension Plan’s GASB 67 valuation is performed annually. The most recent experience study for the FRS Pension Plan was completed in 2019 for the period July 1, 2013, through June 30, 2018. The total pension liability for each cost-sharing defined benefit plan was determined using the individual entry age actuarial cost method:

Inflation	2.40 percent
Salary Increase	3.25 percent, average, including inflation
Discount Rate	6.70 percent

Mortality rates were based on the PUB-2010 with projection Scale MP-2018.

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>Arithmetic Return</u>	<u>Geometric Return</u>	<u>Standard Deviation</u>
Cash	1.0%	2.6%	2.6%	1.1%
Fixed income	19.8%	4.4%	4.4%	3.2%
Global Equity	54.0%	8.8%	7.3%	17.8%
Real estate (property)	10.3%	7.4%	6.3%	15.7%
Private equity	11.1%	12.0%	8.9%	26.3%
Strategic investments	3.8%	6.2%	5.9%	7.8%
Total	<u>100.00%</u>			
Assumed inflation - mean			2.4%	1.3%

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

Discount Rate – The discount rate used to measure the total pension liability was 6.70%. The Plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return. The discount rate decreased from prior year.

Sensitivity of the Village’s Proportionate Share of the Net Position Liability to Changes in the Discount Rate The following presents the Village’s proportionate share of the net pension liability calculated using the discount rate of 6.70%, as well as what the Village’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	<u>1%</u> <u>Decrease</u>	Current Discount Rate <u>6.70%</u>	<u>1%</u> <u>Increase</u>
Village's proportionate share of the net pension liability	\$34,547,575	\$19,976,265	\$7,792,914

Pension Plan Fiduciary Net Position – Detailed information about the Plan’s fiduciary net position is available in the FRS Pension Plan and Other State Administered Systems Annual Comprehensive Financial Report.

Payables to the Pension Plan – At September 30, 2022, the Village reported a payable of \$255,435 for the outstanding amount of contributions to the Plan.

HIS Pension Plan

Plan Description – The HIS Pension Plan (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 Division of Retirement within the Florida Department of Management Services.

Benefits Provided – For the fiscal year ended September 30, 2022, eligible retirees and beneficiaries received a monthly HIS payment of \$5 for each year of creditable service completed at the time of retirement, with a minimum HIS payment of \$30 and a maximum HIS payment of \$150 per month, pursuant to Section 112.363, Florida Statutes. To be eligible to receive a HIS Plan benefit, a retiree under a State-administered retirement system must provide proof of health insurance coverage, which may include Medicare.

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, 2022, the contribution rate was 1.66% of payroll for July 1, 2021 through September 30, 2022 pursuant to section 112.363, Florida Statutes. The Village contributed 100 percent 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 the legislative appropriation or available funds fail to provide full subsidy benefits to all participants, benefits may be reduced or canceled.

The Village’s contributions to the HIS Plan totaled \$356,126 for the fiscal year ended September 30, 2022.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – At September 30, 2022, the Village reported a net pension liability of \$6,233,758 for its proportionate share of the HIS Plan’s net pension liability. The net pension liability was measured as of June 30, 2022. The HIS Program has a valuation performed biennially that is updated for GASB reporting in the year a valuation is not performed. The most recent experience study for the FRS Pension Plan was completed in 2019 for the period July 1, 2013, through June 30, 2018. Because the HIS Program is funded on a pay-as-you-go basis, no experience study has been completed for that program. The actuarial assumptions that determined the total pension liability for the HIS Program were based on certain results of the most recent experience study for the FRS Pension Plan. At June 30, 2022, the Village’s proportionate share was .0589%, which was an increase of .001% from its proportionate share measured as of June 30, 2021.

For the fiscal year ended September 30, 2022 the Village recognized pension expense of \$352,174 related to the HIS Plan. In addition, the Village reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<u>Description</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 189,209	\$ (27,429)
Change of assumptions	357,323	(964,358)
Net difference between projected and actual earnings on HIS pension plan investments	9,025	-
Changes in proportion and differences between Wellington HIS contributions and proportionate share of HIS contributions	218,175	(186,894)
Wellington HIS contributions subsequent to the measurement date	87,160	-
Total	<u>\$ 860,892</u>	<u>\$ (1,178,681)</u>

The deferred outflows of resources related to pensions, totaling \$87,160, resulting from Village contributions to the HIS Plan subsequent to the measurement date will be recognized as a reduction of the net pension liability in the subsequent fiscal year. The net amount of the remaining deferred outflows of resources and deferred inflows of resources in the amount of \$404,949 will be recognized in pension expense as follows:

<u>Year Ending September 30:</u>	<u>Amount</u>
2023	(72,856)
2024	(54,995)
2025	(46,567)
2026	(61,111)
2027	(118,383)
Thereafter	(51,037)
Total	<u>\$ (404,949)</u>

Actuarial Assumptions – The total pension liability in the June 30, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.40 percent
Salary Increase	3.25 percent, average, including inflation
Discount Rate	3.54 percent

Mortality rates were based on the Generational PUB-2010 with projection Scale MP-2018. Actuarial valuations for the HIS program are conducted biennially. The July 1, 2021, HIS valuation is the most recent actuarial valuation and was used to develop the liabilities for the June 30, 2022, financial reporting exhibits.

Discount Rate – The discount rate used to measure the total pension liability was 3.54%. 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. Since the prior measurement date, the discount rate was increased from 2.16% to 3.54%.

Sensitivity of the Village’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate The following presents the Village’s proportionate share of the net pension liability calculated using the discount rate of 3.54%, as well as what the Village’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	<u>1%</u> <u>Decrease</u>	Current Discount Rate <u>3.54%</u>	<u>1%</u> <u>Increase</u>
Village's proportionate share of the net pension liability	\$7,131,931	\$6,233,758	\$5,490,538

Pension Plan Fiduciary Net Position – Detailed information about the HIS Plan’s fiduciary net position is available in the FRS Pension Plan and Other State Administered Systems Annual Comprehensive Financial Report.

Payables to the Pension Plan – At September 30, 2022, the Village reported a payable of \$34,267 for the outstanding amount of contributions to the HIS Plan.

FRS – Defined Contribution Pension Plan

The Village contributes to the FRS Investment Plan (Investment Plan), a defined contribution pension plan, for its eligible employees electing to participate in the Investment Plan. The Investment Plan is administered by the SBA, and is reported in the SBA’s annual financial statements and in the State of Florida Annual Comprehensive Financial Report. Service retirement benefits are based upon the value of the member’s account upon retirement.

The report can be found at <https://www.myfloridacfo.com/Division/AA/Reports/>.

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. Village 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 Local Officers, etc.), as the FRS defined benefit plan. Contributions are directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices.

Allocations to the investment member’s accounts during the current fiscal year were as follows:

Class	Percent of Gross Compensation
FRS, Regular	6.30%
FRS, Elected Local Officers	11.34%
FRS, Senior Management Service	7.67%

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 FRS Pension Plan is transferred to the Investment Plan, the member must have the years of service required for FRS 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. Costs of administering the Investment Plan, including the FRS Financial Guidance Program, are funded through an employer contribution of .06 percent from July 1, 2021 – September 30, 2022 of payroll and by forfeited benefits of Investment Plan members.

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 FRS Pension Plan when approved for disability retirement to receive guaranteed lifetime monthly benefits under the FRS Pension Plan, or remain in the Investment Plan and rely upon that account balance for retirement income.

The Village’s Investment Plan pension expense totaled \$522,276 for the fiscal year ended September 30, 2022.

Payables to the Investment Plan – At September 30, 2022, the Village reported a payable of \$70,356 for the outstanding amount of contributions to the Investment Plan required for the fiscal year ended September 30, 2022.

NOTE 10. HEALTH INSURANCE

Effective January 1, 2015 Wellington changed health insurance plans from fully insured United Health Care to a minimum premium arrangement with CIGNA. This minimum premium arrangement is a hybrid of fully insured and self- insured arrangements in which the insurance company remains legally liable for all claims. Reserve funding is built into premium rates and amounts paid in excess of the predetermined limit are accumulated into a reserve and refunded to the Village. As of September 30, 2022 the reserve accumulation with CIGNA is \$70,146 and the Village reported a payable of \$631,997.

On average the employee bears 15.0% and the Village bears the remaining 85.0% of the total health care premium.

NOTE 11. RISK MANAGEMENT

Wellington is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; cyber threats and natural disasters for which Wellington carries commercial insurance. Specifically, Wellington purchases commercial insurance for property, medical benefits, worker's compensation, general liability, automobile liability, cyber liability, errors and omissions, and director and officer liability; coverage may not extend to all situations. Wellington is also protected by Florida Statutes under the Doctrine of Sovereign Immunity, which effectively limits the amount of liability of municipalities to individual claims of \$200,000/\$300,000 for all claims relating to the same occurrence. There were no significant changes in insurance coverage from the prior year and there were no settlements that exceeded insurance coverage in the last three years.

NOTE 12. CONTINGENCIES

Legal

There are various claims and legal actions pending against Wellington for which no provision has been made in the financial statements. Although the outcome of these lawsuits is not presently determinable, it is the opinion of Wellington's attorneys that resolution of these matters will not have a material adverse effect on the financial condition of Wellington.

NOTE 13. COMMITMENTS

Information Technology

An Application Service Provider Agreement for a term of 5 years was executed during 2009 which provides for the use of the SunGard Public Sector, Inc. software package. This agreement was amended during 2012. Beginning October 1, 2014 this contract will automatically renew each year unless the Village opts to terminate the agreement. The amount remitted this fiscal year pursuant to the agreement was \$25,341.

In November 2017, the Village entered into a 7 year Software as a Service Agreement, SAAS, with Tyler Technologies. Tyler Technologies is an Enterprise Resource Planning (ERP) system that allows an organization to use integrated applications to manage the business and automate many departmental functions. The amount remitted for licensing and maintenance this fiscal year pursuant to the agreement was \$529,969.

Agreement for Police Services

During 2014, Wellington entered into an agreement with the Palm Beach County Sheriff's Office for the provision of professional police services through September 30, 2021. The contract will automatically renew for subsequent five-year terms, unless either party terminates the agreement. By May 1st of each year, the Palm Beach County Sheriff's Office submits the proposed cost of services and related staffing which is incorporated into Wellington's budget. Pursuant to the agreement, the Sheriff will assign personnel to provide law enforcement coverage within Wellington. Amount remitted this fiscal year pursuant to this agreement was \$10,157,217.

Solid Waste Collection and Recycling

On April 14, 2015, the contract for waste and recycling collection services was awarded to Waste Management. The agreement is for five years and expires on September 30, 2021. There are three renewal options in this agreement for an additional one-year period. The contract also grants the contractor the exclusive right to provide service directly to commercial operations. The contract gives the contractor the right to petition Wellington for rate adjustments based on extraordinary and unusual changes in the cost of operations. Amounts

paid this fiscal year pursuant to this agreement total \$1,025,524. This contract was terminated as of December 31, 2021.

On May 11, 2021, Wellington entered into an exclusive franchise agreement with FCC Environmental Services Florida, LLC. for the collection of solid waste and recyclable materials generated by the Village’s residents and businesses. The agreement will commence on December 30, 2021. The agreement is for 10 years and expires on September 30, 2031. There is a renewal option in this agreement for an additional 5-year period. Amounts paid this fiscal year pursuant to this agreement total \$3,789,804. The agreement does allow for annual CPI adjustments if the contractor requests them in writing before July 1st of each year.

Construction Commitments

Commitments on major construction contracts consist of the following:

Project	Contract Award Amount	Additions/ (Reductions)	Amount Expended at September 30, 2022	Balance to Complete
Town Center Phase II	\$ 8,283,733	\$ (811,785)	\$ 3,072,244	\$ 4,399,704
Big Blue Trace & Aero Club Landscaping	510,813	(328,132)	57,611	125,070
Lift Station # 10, 48, 76, 79 Rehab	1,439,500	-	1,207,296	232,204
Water Treatment Facility Train No. 8 Improvement	1,480,300	-	1,254,593	225,707
Water Treatment Plant Train No. 8 Expansion	2,126,537	-	359,980	1,766,557
Water Treatment Plant Chemical Feed System Improv	206,858	807,672	62,976	951,554
Water Treatment Plant Well VFD Retrofit	1,723,533	993,375	854,039	1,862,869
Water Reclamation Facility Dryer Maint Catwalk	200,000	-	111,610	88,390
Water Treatment Plant Booster Station Improvement	807,116	-	80,833	726,283
Wellfield Rehab	480,612	-	131,713	348,899
Water Treatment Plant Rewenal & Rehabilitation	1,694,316	-	1,331,633	362,683
Water Reclamation Facility Generator Replacement	2,575,155	-	372,769	2,202,386
Water Treatment Plant Generator Replacement	645,763	-	-	645,763
	\$ 22,174,236	\$ 661,130	\$ 8,897,297	\$ 13,938,069

NOTE 14. OTHER POSTEMPLOYMENT BENEFITS

Pursuant to Section 112.081, Florida Statutes, the Village is required to permit eligible retirees and their eligible dependents to participate in the Village’s health insurance program at a cost to the retiree that is no greater than the cost at which coverage is available for active employees. The Village does not provide retirees with any subsidy for this benefit.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. Although the valuation results are based on values the actuarial consultant believes are reasonable assumptions, the valuation result is only an estimate of what future costs may actually be and reflect a long-term perspective. Deviations in any of several factors, such as future interest rate discounts, medical cost inflation, Medicare coverage risk, and changes in marital status, could result in actual costs being greater or less than estimated.

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 plan members to that point.

Plan Description: On September 28, 2007, Wellington established the Employee Retirement Healthcare Trust Fund, administered by the League of Cities. Wellington employees are provided with defined benefit OPEB through an agent multiple-employer OPEB plan. The plan assets are pooled for investment purposes but separate accounts are maintained for each individual employer so that each employer’s share of the pooled assets is legally available to pay the benefits of only its employees. The Village contributed \$879,951 to the Trust in 2007. The Plan provides medical and dental insurance benefits to eligible retirees and their spouses and families. Wellington Council is authorized to establish and amend benefit levels, subject to the minimum requirements set forth by Florida Statutes, and to approve the actuarial assumptions used in the determination of contribution levels. The Plan does not issue a separate financial statement and required supplementary information. There were 4 retirees eligible to receive benefits as of September 30, 2022.

Benefits Provided: Village of Wellington provides healthcare, vision, and dental for retirees and their dependents. Benefits are provided through a third-party insurer, and the full cost of the benefits are covered by the retiree.

Employees covered by the benefit terms: At September 30, 2022, the following employees were covered by benefit terms:

Inactive employees or beneficiaries currently receiving benefits	4
Inactive employees entitled to but not yet receiving benefits	0
Active employees	<u>289</u>
	293

Contributions: Village of Wellington authorizes the Village Council to establish benefit levels. Wellington Council also establishes the contribution requirements of plan members and Wellington. These contributions are neither mandated nor guaranteed. The retiree contributes the premium cost each month. Spouses and other dependents are also eligible for coverage, although the retiree pays the full cost of the premium. Wellington does not subsidize member premiums. Plan members contribute 100% of the monthly premium ranging from a minimum of \$931 to a maximum of \$2,794.

Actuarial Assumptions: The total OPEB asset in the September 30, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.76 percent
Healthcare cost trend rates	6.5 percent for FY 2022, decreasing 0.5 percent per year to 5.0 percent for the years FY 2025 and later.
Salary increases	3.0 percent per annum
Investment rate of return	7.5 percent, including inflation
Retirement age	With respect to employees hired prior to July 1, 2011, retirement is assumed to occur at the earlier of age 62 with six years of service or any age with 30 years of service; with respect to all other employees, retirement is assumed to occur at the earlier of age 65 with six years of service or any age with 33 years of service.
Age-related morbidity	Healthcare costs are assumed to increase for each year of age according to the Society of Actuaries report "Health Care Costs - From Death to Birth" prepared by Dale H. Yamamoto (June 2013).
Implied Subsidy	Because the insurance carrier charges the same monthly rate for health insurance regardless of age, an implied monthly subsidy has been assumed for FY 2021 based on the age related morbidity assumption and, for other fiscal years, the implied subsidy was increased in accordance with the health care costs and trend rates.
Other Decrements	Assumed employment termination is based on the Scale 155 table; assumed disability is based on the Wyatt 1985 Disability Study (Class 1)
Coverage election	5.0 percent of eligible employees (other than the Village Manager) are assumed to elect medical coverage until age 65 upon retirement or disability. Village Manager is assumed to elect medical coverage until 65; all retirees (current and future) have been assumed to continue their current health plan coverage election.
Spouses and dependents	Husbands are assumed to be three years older than their wives; retirees are not assumed to have any dependent children.
COBRA	Future healthcare coverage provided solely pursuant to COBRA was not included in the OPEB valuation.
Changes	No assumptions were changed since the prior measurement date.

Mortality rates are based on the PUB-2010 Mortality Table with full generational improvements in mortality using Scale MP-2020.

The actuarial assumptions used in the September 30, 2022 valuation were based on the results of an actuarial valuation date of October 1, 2021.

The long-term expected rate of return on the OPEB plan investments was determined using a building-block method in which best-estimate ranges of the expected return (expected returns, net of OPEB 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. The target allocation and the best estimates of the arithmetic real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. large cap equity	30.0%	4.6%
Non-U.S. equity	24.0%	6.7%
U.S. small cap equity	16.0%	5.5%
Core plus	10.0%	2.1%
Core bonds	10.0%	1.6%
Core real estate	10.0%	5.0%
Total	100.00%	
Weighted Arithmetic average		4.7%

Discount Rate: The discount rate used to measure the total OPEB asset was 7.5%. The projection of cash flows used to determine the discount rate assumed that Village contributions will be made at rates equal to actuarially determined contribution rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected OPEB payments for current active and inactive employees. Therefore, long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB asset.

	<u>Total OPEB Liability</u>	<u>Plan Fiduciary Net Position</u>	<u>Net OPEB Asset</u>
	<u>(a)</u>	<u>(b)</u>	<u>(a) + (b)</u>
Balances at 9/30/2021	\$ 735,840	\$ (2,233,833)	\$(1,497,993)
Changes for the year:			
Service cost	25,726	-	25,726
Expected interest growth	54,174	(167,107)	(112,933)
Demographic Experience	(24,840)		(24,840)
Unexpected investment growth	-	487,881	487,881
Benefit payments & refunds	(79,939)		(79,939)
Administrative expense	-	11,699	11,699
Assumption Changes	-		-
Net Changes	(24,879)	332,473	307,594
Balance at 9/30/2022	\$ 710,961	\$ (1,901,360)	\$(1,190,399)

Sensitivity of the net OPEB asset to changes in the discount rate and health-care cost trend rates- The following presents the net OPEB asset of the Village, as well as what the Village's net OPEB asset would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current discount rate:

	Discount Rate		
	<u>1% Decrease</u>	<u>(7.5%)</u>	<u>1% Increase</u>
Net OPEB asset	\$ 1,144,135	\$ 1,190,399	\$ 1,232,356

Sensitivity of the net OPEB asset to the changes in the healthcare cost trend rates- The following presents the net OPEB asset of the Village, as well as what the Village's net OPEB asset would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	Healthcare Cost Trend Rates (7.0%)		
	<u>Trend Rate minus 1%</u>	<u>decreasing to 5.0%</u>	<u>Trend Rate plus 1%</u>
Net OPEB asset	\$ 1,247,999	\$ 1,190,399	\$ 1,124,025

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

For the year ended September 30, 2022, the Village recognized OPEB expense of (\$57,997). At September 30, 2022, the Village reported deferred inflows of resources related to OPEB from the following sources:

<u>Description</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Balances at 9/30/2021	\$ 533,492	\$ 290,484
Changes for the year:		
Amortization payments	(165,319)	(67,869)
Investment gain/loss	487,881	-
Demographic gain/loss	-	24,840
Assumption changes	-	-
Balances at 9/30/2022	<u>\$ 856,054</u>	<u>\$ 247,455</u>

Amounts reported as deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year Ending September 30:</u>	<u>Amount</u>
2023	101,262
2024	92,375
2025	91,432
2026	144,326
Thereafter	179,204
Total	\$ 608,599



Required Supplementary Information

Budgetary Comparison Schedules:

General Fund

Special Revenue Funds:

Building

Acme Improvement

VILLAGE OF WELLINGTON, FLORIDA

BUDGETARY COMPARISON SCHEDULE

GENERAL FUND

YEAR ENDED SEPTEMBER 30, 2022

	Original Adopted Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues:				
Ad valorem taxes	\$ 21,821,983	\$ 21,821,983	\$ 22,013,977	\$ 191,994
Utility services taxes	5,125,000	5,125,000	5,511,957	386,957
Communication services taxes	1,826,880	1,826,880	2,002,104	175,224
Local business tax receipts	672,191	672,191	918,666	246,475
Other permit and fees	873,000	873,000	1,738,666	865,666
Franchise fees	3,668,000	3,668,000	4,159,242	491,242
Grants	296,315	456,366	4,270,075	3,813,709
State revenue sharing	6,797,128	6,797,128	8,757,382	1,960,254
Charges for services	2,741,790	2,741,790	3,397,694	655,904
Fines and forfeitures	220,000	220,000	323,906	103,906
Investment income (net)	270,000	270,000	(1,977,633)	(2,247,633)
Miscellaneous	<u>355,530</u>	<u>355,530</u>	<u>667,874</u>	<u>312,344</u>
Total revenues	<u>44,667,817</u>	<u>44,827,868</u>	<u>51,783,910</u>	<u>6,956,042</u>
Expenditures:				
Current:				
General government	21,537,779	22,232,667	20,546,342	1,686,325
Public safety	11,608,136	11,453,936	11,419,623	34,313
Physical environment	1,144,148	1,163,686	1,137,870	25,816
Economic environment	1,538,943	1,665,965	1,562,824	103,141
Culture and recreation	10,098,322	10,359,422	9,871,261	488,161
Capital outlay	<u>558,500</u>	<u>904,164</u>	<u>638,624</u>	<u>265,540</u>
Total expenditures	<u>46,485,828</u>	<u>47,779,840</u>	<u>45,176,544</u>	<u>2,603,296</u>
Excess (deficiency) of revenues over expenditures	<u>(1,818,011)</u>	<u>(2,951,972)</u>	<u>6,607,366</u>	<u>9,559,338</u>
Other financing sources (uses):				
Transfers in	4,269,286	11,181,840	11,181,840	-
Transfers out	(13,343,403)	(16,758,403)	(16,758,403)	-
Proceeds from sale of capital assets	<u>-</u>	<u>-</u>	<u>129,264</u>	<u>129,264</u>
Total other financing sources (uses)	<u>(9,074,117)</u>	<u>(5,576,563)</u>	<u>(5,447,299)</u>	<u>129,264</u>
Net change in fund balances	(10,892,128)	(8,528,535)	1,160,067	9,688,602
Fund balances, beginning of year	<u>43,876,193</u>	<u>43,876,193</u>	<u>43,876,193</u>	<u>-</u>
Fund balances, end of year	<u>\$ 32,984,065</u>	<u>\$ 35,347,658</u>	<u>\$ 45,036,260</u>	<u>\$ 9,688,602</u>

VILLAGE OF WELLINGTON, FLORIDA

BUDGETARY COMPARISON SCHEDULE

BUILDING - SPECIAL REVENUE FUND

YEAR ENDED SEPTEMBER 30, 2022

	<u>Original Adopted Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget Positive (Negative)</u>
Revenues:				
Building permits and fees	\$ 3,705,000	\$ 3,705,000	\$ 6,432,378	\$ 2,727,378
Investment income (net)	51,000	51,000	(373,842)	(424,842)
Miscellaneous	<u>30,000</u>	<u>30,000</u>	<u>27,821</u>	<u>(2,179)</u>
Total revenues	<u>3,786,000</u>	<u>3,786,000</u>	<u>6,086,357</u>	<u>2,300,357</u>
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	3,452,212	3,822,781	3,560,410	262,371
Capital outlay	<u>508,000</u>	<u>146,778</u>	<u>29,904</u>	<u>116,874</u>
Total expenditures	<u>3,960,212</u>	<u>3,969,559</u>	<u>3,590,314</u>	<u>379,245</u>
Excess (deficiency) of revenues over expenditures	<u>(174,212)</u>	<u>(183,559)</u>	<u>2,496,043</u>	<u>2,679,602</u>
Other financing sources (uses):				
Transfers in	-	-	-	-
Transfers out	(1,534,135)	(1,534,135)	(1,534,135)	-
Proceeds from sale of capital assets	<u>-</u>	<u>-</u>	<u>25,797</u>	<u>25,797</u>
Total other financing sources (uses)	<u>(1,534,135)</u>	<u>(1,534,135)</u>	<u>(1,508,338)</u>	<u>25,797</u>
Net change in fund balances	(1,708,347)	(1,717,694)	987,705	2,705,399
Fund balances, beginning of year	<u>9,015,000</u>	<u>9,015,000</u>	<u>9,015,000</u>	<u>-</u>
Fund balances, end of year	<u>\$ 7,306,653</u>	<u>\$ 7,297,306</u>	<u>\$ 10,002,705</u>	<u>\$ 2,705,399</u>

VILLAGE OF WELLINGTON, FLORIDA
 BUDGETARY COMPARISON SCHEDULE
 ACME IMPROVEMENT - SPECIAL REVENUE FUND
 YEAR ENDED SEPTEMBER 30, 2022

	Original Adopted Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues:				
Special assessments	\$ 5,788,718	\$ 5,788,718	\$ 5,864,540	\$ 75,822
Charges for services	306,000	306,000	313,804	7,804
Investment income (net)	17,000	17,000	(163,308)	(180,308)
Miscellaneous	46,900	46,900	51,544	4,644
Total revenues	<u>6,158,618</u>	<u>6,158,618</u>	<u>6,066,580</u>	<u>(92,038)</u>
Expenditures:				
Current:				
General government	75,962	67,162	65,107	2,055
Physical environment	4,088,555	3,920,857	3,334,889	585,968
Culture and recreation	438,939	436,691	423,013	13,678
Capital outlay	132,500	198,500	404,062	(205,562)
Total expenditures	<u>4,735,956</u>	<u>4,623,210</u>	<u>4,227,071</u>	<u>396,139</u>
Excess (deficiency) of revenues over expenditures	<u>1,422,662</u>	<u>1,535,408</u>	<u>1,839,509</u>	<u>304,101</u>
Other financing uses:				
Transfers out	(1,953,725)	(2,453,725)	(2,453,725)	-
Proceeds from sale of capital assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing uses	<u>(1,953,725)</u>	<u>(2,453,725)</u>	<u>(2,453,725)</u>	<u>-</u>
Net change in fund balances	(531,063)	(918,317)	(614,216)	304,101
Fund balances, beginning of year	<u>2,777,082</u>	<u>2,777,082</u>	<u>2,777,082</u>	<u>-</u>
Fund balances, end of year	<u>\$ 2,246,019</u>	<u>\$ 1,858,765</u>	<u>\$ 2,162,866</u>	<u>\$ 304,101</u>

NOTE 1. BUDGETARY ACCOUNTING

State of Florida Statutes requires that all municipal governments establish budgetary systems and approve annual operating budgets. The Council annually adopts an operating budget and appropriates funds for the general, special revenue, capital projects and debt service funds. The procedures for establishing the budgetary data are as follows:

- ❖ Prior to September 1, Wellington Manager submits a proposed operating budget to the Council for the next fiscal year commencing the following October 1. The operating budget includes proposed expenditures and the means of financing them.
- ❖ Public hearings are conducted to obtain taxpayer comments.
- ❖ Wellington advises the County Property Appraiser of the proposed millage rate, special assessment levies, and the date, time and place of the public hearing for budget acceptance.
- ❖ The budget and related millage rate and special assessment levies are legally enacted by resolution.

Changes or amendments to the total budget of a fund must be approved by the Council. Changes within a fund which do not affect total fund expenditures may be approved at the administrative level. Accordingly, the legal level of control is at the fund level.

Budgets are adopted on a basis consistent with U.S. generally accepted accounting principles. Wellington also adopts a nonappropriated operating budget for the enterprise funds substantially on a basis consistent with U.S. generally accepted accounting principles. All appropriations lapse at fiscal year-end; however, encumbrances and amounts specifically designated to be carried forward to the subsequent year are re-appropriated in the following year.

As required by GASB Statement No. 34, budgetary comparison schedules are presented for the general fund and major special revenue funds.

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VILLAGE OF WELLINGTON, FLORIDA

SCHEDULE OF THE VILLAGE'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
SEPTEMBER 30, 2022

**Florida Retirement System Pension Plan
Last Ten Measurement Years ⁽¹⁾**

	2022	2021	2020
Village's proportion of the FRS net pension liability	0.0537%	0.0529%	0.0503%
Village's proportionate share of the FRS net pension liability	19,976,264	3,992,707	21,803,503
Village's covered payroll	21,448,831	20,372,638	20,450,352
Village's proportionate share of the FRS net pension liability as a percentage of its covered payroll	93.13%	19.60%	106.62%
FRS plan fiduciary net position as a percentage of the total pension liability	82.89%	96.40%	78.85%

**Health Insurance Subsidy Pension Plan
Last Ten Measurement Years ⁽¹⁾**

	2022	2021	2020
Village's proportion of the HIS net pension liability	0.0589%	0.0576%	0.0589%
Village's proportionate share of the HIS net pension liability	6,233,758	7,059,723	7,195,583
Village's covered payroll	21,448,831	20,372,638	20,450,352
Village's proportionate share of the HIS net pension liability as a percentage of its covered payroll	29.06%	34.65%	35.19%
HIS plan fiduciary net position as a percentage of the total pension liability	4.81%	3.56%	3.00%

(1) The amounts presented for each measurement year were determined as of 06/30. GASB 68 requires information for 10 years. However, until a full ten-year trend is compiled, information will be presented for only those years which information is available.

2019	2018	2017	2016	2015
0.0496%	0.0513%	0.0483%	0.0420%	0.0439%
17,074,811	15,440,590	14,276,459	10,615,415	5,674,291
19,687,857	19,786,378	18,900,403	17,448,015	17,158,799
86.73%	78.04%	75.54%	60.84%	33.07%
82.61%	84.26%	83.89%	84.88%	92.00%

2019	2018	2017	2016	2015
0.0588%	0.0606%	0.0593%	0.0565%	0.0566%
6,580,765	6,411,831	6,339,281	6,585,785	5,768,050
19,687,857	19,786,378	18,900,403	17,448,015	17,158,799
33.43%	32.41%	33.54%	37.75%	33.62%
2.63%	2.15%	1.64%	0.97%	0.50%

VILLAGE OF WELLINGTON, FLORIDA

SCHEDULE OF THE VILLAGE CONTRIBUTIONS

SEPTEMBER 30, 2022

**Florida Retirement System Pension Plan
Last Ten Fiscal Years ⁽¹⁾**

	<u>2022</u>	<u>2021</u>	<u>2020</u>
Contractually required FRS contribution	\$ 2,290,966	\$ 2,013,604	\$ 1,671,456
FRS contributions in relation to the contractually required contribution	<u>(2,290,966)</u>	<u>(2,013,604)</u>	<u>(1,671,456)</u>
FRS contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Village's covered payroll	21,070,939	20,219,891	20,596,488
FRS contributions as a percentage of covered payroll	10.87%	9.96%	8.12%

**Health Insurance Subsidy Pension Plan
Last Ten Fiscal Years ⁽¹⁾**

	<u>2022</u>	<u>2021</u>	<u>2020</u>
Contractually required HIS contribution	\$ 356,126	\$ 338,296	\$ 339,601
HIS contributions in relation to the contractually required contribution	<u>(356,126)</u>	<u>(338,296)</u>	<u>(339,601)</u>
HIS contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Village's covered payroll	21,070,939	20,219,891	20,596,488
HIS contributions as a percentage of covered payroll	1.69%	1.67%	1.65%

(1) The amounts presented for each fiscal year were determined as of 09/30. GASB 68 requires information for 10 years. However, until a full ten-year trend is compiled, information will be presented for only those years which information is available.

<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
\$ 1,537,351	\$ 1,333,196	\$ 1,186,398	\$ 1,205,050	\$ 1,108,302
<u>(1,537,351)</u>	<u>(1,333,196)</u>	<u>(1,186,398)</u>	<u>(1,205,050)</u>	<u>(1,108,302)</u>
\$ -	\$ -	\$ -	\$ -	\$ -
19,909,643	19,500,893	19,478,310	18,354,726	17,179,188
7.72%	6.84%	6.09%	6.57%	6.45%

<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
\$ 326,592	\$ 323,715	\$ 323,340	\$ 304,688	\$ 285,175
<u>(326,592)</u>	<u>(323,715)</u>	<u>(323,340)</u>	<u>(304,688)</u>	<u>(285,175)</u>
\$ -	\$ -	\$ -	\$ -	\$ -
19,909,643	19,500,893	19,478,310	18,354,726	17,179,188
1.64%	1.66%	1.66%	1.66%	1.66%

VILLAGE OF WELLINGTON, FLORIDA

OPEB LIABILITY SCHEDULES
SEPTEMBER 30, 2022

Schedule of Changes in the Village's Net OPEB Liability and Related Ratios - Last Ten Fiscal Years ⁽¹⁾

	2022	2021	2020
Total OPEB liability			
Service Cost	\$ 25,726	\$ 22,590	\$ 22,570
Expected interest growth	54,174	56,551	20,498
Demographic experience	(24,840)	(34,139)	168,621
Changes of benefit terms			-
Differences between expected and actual experience			-
Changes of assumptions	-	19,517	383,618
Benefit payments	(79,939)	(118,065)	(111,316)
Net change in total OPEB liability	(24,879)	(53,546)	483,991
Total OPEB liability - beginning	735,840	789,386	305,395
Total OPEB liability - ending (a)	\$ 710,961	\$ 735,840	\$ 789,386
Plan fiduciary net position			
Contributions - employer	\$ -	\$ -	\$ -
Expected interest growth	167,107	137,702	129,116
Unexpected investment income	(487,881)	264,469	(4,724)
Benefit refunds			-
Administrative expense	(11,699)	(8,577)	(11,198)
Net change in plan fiduciary net position	(332,473)	393,594	113,194
Plan fiduciary net position - beginning	2,233,833	1,840,239	1,727,045
Plan fiduciary net position - ending (b)	\$ 1,901,360	\$ 2,233,833	\$ 1,840,239
Village's net OPEB asset - ending (b) - (a)	\$ 1,190,399	\$ 1,497,993	\$ 1,050,853
Plan fiduciary net position as a percentage of the total OPEB liability	267.44%	303.58%	233.12%
Covered payroll	18,062,317	18,308,570	18,647,506
Village's net OPEB liability as a percentage of covered-payroll	N/A	N/A	N/A

(1) GASB 75 requires information for 10 years. However, until a full ten-year trend is compiled, information will be presented for only those years which information is available.

	2019		2018		2017
\$	11,552	\$	11,276	\$	8,343
	21,223		24,839		25,067
	60,600		(34,071)		-
	-		-		-
	-		-		-
	(30,336)		-		-
	(57,111)		(44,188)		(34,743)
	5,928		(42,144)		(1,333)
	299,467		341,611		342,944
\$	305,395	\$	299,467	\$	341,611

\$	-	\$	-	\$	-
	123,986		114,781		100,494
	(44,426)		19,063		97,942
	-		-		-
	(11,131)		(11,080)		(4,907)
	68,429		122,764		193,529
	1,658,616		1,535,852		1,342,323
\$	1,727,045	\$	1,658,616	\$	1,535,852

\$	1,421,650	\$	1,359,149	\$	1,194,241
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	565.51%		553.86%		449.59%
	18,149,435		17,593,811		16,763,480
	N/A		N/A		N/A

CONDITION RATING OF STREET SYSTEM SEPTEMBER 30, 2022

The condition of street pavement is measured using the Asphalt Pavement Rating Form as developed by the Asphalt Institute. The Asphalt Pavement Rating Form is based on a weighted average of thirteen defects found in pavement surfaces. The form uses a measurement scale that is based on a condition index rating from zero for failed pavement to 100 for pavement in perfect condition. The condition index is used to classify roads in seven categories: excellent (100-85), very good (84-70), good (69-55), fair (54-40), poor (39-25), very poor (24-10), failed (9-0). It is Wellington's policy to maintain at least 100% of its street system at a good or better condition. Needed maintenance is calculated based upon inspections and the condition assessment index.

In accordance with GASB Statement No. 34, Wellington is required to report at least one complete condition assessment at transition using the modified approach. The condition assessment was completed and documented that the eligible infrastructure assets are being preserved at or above the condition level established. Future assessments will be completed on a cyclical basis (one-third of all the streets in the network every year for three years).

Wellington calculates needed maintenance of its street system annually. However, the scheduling of these road projects often crosses fiscal years. Therefore, actual maintenance may be less than the calculated needed maintenance in one fiscal year and greater than the calculated needed maintenance in the subsequent fiscal year.

CONDITION RATING OF THE VILLAGE'S STREET SYSTEM

Percentage of lane miles in good or better condition

Overall System:

2020	100%
2021	100%
2022	100%

Percentage of lane miles in substandard condition

Overall System:

2020	0%
2021	0%
2022	0%

COMPARISON OF ESTIMATED-TO-ACTUAL MAINTENANCE/PRESERVATION

	<u>Estimated</u>	<u>Actual</u>
Overall System:		
2018	2,559,983	1,973,588
2019	2,366,304	2,299,024
2020	2,188,187	2,086,209
2021	2,312,936	2,209,638
2022	2,682,843	2,322,873



Combining and
Individual Fund
Information and Other
Supplementary
Information

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Special Revenue Funds are maintained to account for the proceeds of specific revenue sources that are legally restricted to expenditure for specific purposes.

Gas Tax Maintenance Fund – Accounts for gas tax revenues and expenditures related to road maintenance projects.

State Housing Initiative Partnership (SHIP) Fund – Accounts for grant revenues and expenditures related to the State Affordable Housing Initiative Program.

CAPITAL PROJECTS FUNDS

Capital Projects Funds are maintained to account for the proceeds of specific revenue sources that are legally restricted for capital expenditures.

Recreation Impact Fees Fund – Accounts for impact fee revenues and expenditures for recreation construction projects.

Gas Tax Capital Fund – Accounts for gas tax revenues and expenditures related to road construction.

Road Impact Fees Fund – Accounts for impact fee revenues and expenditures for road construction projects.

VILLAGE OF WELLINGTON, FLORIDA

COMBINING BALANCE SHEET

NONMAJOR GOVERNMENTAL FUNDS

SEPTEMBER 30, 2022

	Special Revenue Fund		Capital Project Funds			
	Gas Tax Maintenance	SHIP Grant	Recreation Impact Fees	Gas Tax Capital	Road Impact Fees	Total Nonmajor Funds
ASSETS						
Cash and cash equivalents	\$ 289,271	\$ 323,029	\$ 1,275,113	\$ 171,830	\$ 79,453	\$ 2,138,696
Investments	1,888,741	-	-	3,800,482	1,370,892	7,060,115
Receivables:						
Accounts	14,200	-	-	-	-	14,200
Accrued interest receivable	8,732	-	-	14,500	4,092	27,324
Due from other governments	180,403	-	-	81,814	-	262,217
Total assets	<u>\$ 2,381,347</u>	<u>\$ 323,029</u>	<u>\$ 1,275,113</u>	<u>\$ 4,068,626</u>	<u>\$ 1,454,437</u>	<u>\$ 9,502,552</u>
LIABILITIES						
AND FUND BALANCES						
Liabilities:						
Accounts payable and accrued liabilities	\$ 127,484	\$ -	\$ -	\$ 100,904	\$ -	\$ 228,388
Retainage payable	-	-	-	3,032	-	3,032
Unearned revenue	-	-	-	1,248,982	20,570	1,269,552
Total liabilities	<u>127,484</u>	<u>-</u>	<u>-</u>	<u>1,352,918</u>	<u>20,570</u>	<u>1,500,972</u>
Fund balances:						
Restricted for:						
Capital projects	-	-	1,275,113	2,715,708	1,433,867	5,424,688
Road capital and maintenance	2,253,863	-	-	-	-	2,253,863
Community development	-	323,029	-	-	-	323,029
Total fund balances	<u>2,253,863</u>	<u>323,029</u>	<u>1,275,113</u>	<u>2,715,708</u>	<u>1,433,867</u>	<u>8,001,580</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 2,381,347</u>	<u>\$ 323,029</u>	<u>\$ 1,275,113</u>	<u>\$ 4,068,626</u>	<u>\$ 1,454,437</u>	<u>\$ 9,502,552</u>

VILLAGE OF WELLINGTON, FLORIDA

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED SEPTEMBER 30, 2022

	Special Revenue Fund		Capital Project Funds			Total Nonmajor Funds
	Gas Tax Maintenance	SHIP Grant	Recreation Impact Fees	Gas Tax Capital	Road Impact Fees	
Revenues:						
Impact fees	\$ -		\$ 208,025	\$ -	\$ 55,641	\$ 263,666
Grants	-	323,230	-	43,939	-	367,169
Local option taxes	1,111,457	-	-	507,359	-	1,618,816
State revenue sharing	586,094	-	-	-	-	586,094
Investment income (net)	(172,209)	-	-	(233,803)	(69,209)	(475,221)
Miscellaneous	167,589	-	-	-	-	167,589
Total revenues	<u>1,692,931</u>	<u>323,230</u>	<u>208,025</u>	<u>317,495</u>	<u>(13,568)</u>	<u>2,528,113</u>
Expenditures:						
Current:						
Economic Environment	-	201				201
Transportation	3,883,098	-	-	-	-	3,883,098
Capital outlay	67,500	-	53,412	1,480,884	107,587	1,709,383
Total expenditures	<u>3,950,598</u>	<u>201</u>	<u>53,412</u>	<u>1,480,884</u>	<u>107,587</u>	<u>5,592,682</u>
Excess (deficiency) of revenues over expenditures	<u>(2,257,667)</u>	<u>323,029</u>	<u>154,613</u>	<u>(1,163,389)</u>	<u>(121,155)</u>	<u>(3,064,569)</u>
Other financing sources (uses):						
Transfers in	1,816,653	-	-	3,457,659	-	5,274,312
Transfers out	-	-	-	(2,046,304)	-	(2,046,304)
Total other financing sources (uses)	<u>1,816,653</u>	<u>-</u>	<u>-</u>	<u>1,411,355</u>	<u>-</u>	<u>3,228,008</u>
Net change in fund balances	(441,014)	323,029	154,613	247,966	(121,155)	163,439
Fund balances, beginning of year	<u>2,694,877</u>	<u>-</u>	<u>1,120,500</u>	<u>2,467,742</u>	<u>1,555,022</u>	<u>7,838,141</u>
Fund balances, end of year	<u>\$ 2,253,863</u>	<u>\$ 323,029</u>	<u>\$ 1,275,113</u>	<u>\$ 2,715,708</u>	<u>\$ 1,433,867</u>	<u>\$ 8,001,580</u>

VILLAGE OF WELLINGTON, FLORIDA

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
GAS TAX MAINTENANCE - SPECIAL REVENUE FUND
YEAR ENDED SEPTEMBER 30, 2022

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Local option taxes	\$ 965,000	\$ 965,000	\$ 1,111,457	\$ 146,457
State revenue sharing	476,000	476,000	586,094	110,094
Investment income (net)	12,000	12,000	(172,209)	(184,209)
Miscellaneous	-	-	<u>167,589</u>	<u>167,589</u>
Total revenues	<u>1,453,000</u>	<u>1,453,000</u>	<u>1,692,931</u>	<u>239,931</u>
Expenditures:				
Current:				
General government	-	-	-	-
Transportation	4,019,653	4,284,796	3,883,098	401,698
Capital outlay	-	<u>67,500</u>	<u>67,500</u>	-
Total expenditures	<u>4,019,653</u>	<u>4,352,296</u>	<u>3,950,598</u>	<u>401,698</u>
Excess (deficiency) of revenues over expenditures	<u>(2,566,653)</u>	<u>(2,899,296)</u>	<u>(2,257,667)</u>	<u>641,629</u>
Other financing sources (uses):				
Transfers in	<u>1,816,653</u>	<u>1,816,653</u>	<u>1,816,653</u>	-
Total other financing sources	<u>1,816,653</u>	<u>1,816,653</u>	<u>1,816,653</u>	-
Net change in fund balances	(750,000)	(1,082,643)	(441,014)	641,629
Fund balances, beginning of year	<u>2,694,877</u>	<u>2,694,877</u>	<u>2,694,877</u>	-
Fund balances, end of year	<u>\$ 1,944,877</u>	<u>\$ 1,612,234</u>	<u>\$ 2,253,863</u>	<u>\$ 641,629</u>

VILLAGE OF WELLINGTON, FLORIDA

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
SHIP GRANT - SPECIAL REVENUE FUND
YEAR ENDED SEPTEMBER 30, 2022

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Grants	\$ -	\$ -	\$ 323,230	\$ 323,230
Total revenues	<u>-</u>	<u>-</u>	<u>323,230</u>	<u>323,230</u>
Expenditures:				
Current:				
Economic Enviroment	<u>-</u>	<u>-</u>	<u>201</u>	<u>(201)</u>
Total expenditures	<u>-</u>	<u>-</u>	<u>201</u>	<u>(201)</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>323,029</u>	<u>323,029</u>
Other financing sources (uses):				
Transfers in	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	-	-	323,029	323,029
Fund balances, beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 323,029</u>	<u>\$ 323,029</u>

VILLAGE OF WELLINGTON, FLORIDA

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
RECREATION IMPACT FEES - CAPITAL PROJECTS FUND
YEAR ENDED SEPTEMBER 30, 2022

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Impact fees	\$ 150,000	\$ 150,000	\$ 208,025	\$ 58,025
Investment income (net)	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	150,000	150,000	208,025	58,025
Expenditures:				
Capital outlay	150,000	150,000	53,412	96,588
Total expenditures	150,000	150,000	53,412	96,588
Excess (deficiency) of revenues over expenditures	-	-	154,613	154,613
Other financing sources (uses):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing (uses)	-	-	-	-
Net change in fund balances	-	-	154,613	154,613
Fund balances, beginning of year	1,120,500	1,120,500	1,120,500	-
Fund balances, end of year	\$ 1,120,500	\$ 1,120,500	\$ 1,275,113	\$ 154,613

VILLAGE OF WELLINGTON, FLORIDA

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 GAS TAX CAPITAL - CAPITAL PROJECTS FUND
 YEAR ENDED SEPTEMBER 30, 2022

	<u>Original Adopted Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget Positive (Negative)</u>
Revenues:				
Local option taxes	\$ 437,250	\$ 437,250	\$ 507,359	\$ 70,109
Grants	-	43,939	43,939	-
Miscellaneous	-	-	-	-
Investment income (net)	<u>10,000</u>	<u>10,000</u>	<u>(233,803)</u>	<u>(243,803)</u>
Total revenues	<u>447,250</u>	<u>491,189</u>	<u>317,495</u>	<u>(173,694)</u>
Expenditures:				
Capital outlay	<u>3,904,909</u>	<u>1,674,037</u>	<u>1,480,884</u>	<u>193,153</u>
Total expenditures	<u>3,904,909</u>	<u>1,674,037</u>	<u>1,480,884</u>	<u>193,153</u>
Excess (deficiency) of revenues over expenditures	<u>(3,457,659)</u>	<u>(1,182,848)</u>	<u>(1,163,389)</u>	<u>19,459</u>
Other financing sources (uses):				
Transfers in	3,457,659	3,457,659	3,457,659	-
Transfers out	<u>-</u>	<u>(2,046,304)</u>	<u>(2,046,304)</u>	<u>-</u>
Total other financing sources (uses)	<u>3,457,659</u>	<u>1,411,355</u>	<u>1,411,355</u>	<u>-</u>
Net change in fund balances	-	228,507	247,966	19,459
Fund balances, beginning of year	<u>2,467,742</u>	<u>2,467,742</u>	<u>2,467,742</u>	<u>-</u>
Fund balances, end of year	<u>\$ 2,467,742</u>	<u>\$ 2,696,249</u>	<u>\$ 2,715,708</u>	<u>\$ 19,459</u>

VILLAGE OF WELLINGTON, FLORIDA

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
ROAD IMPACT FEES - CAPITAL PROJECTS FUND
YEAR ENDED SEPTEMBER 30, 2022

	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Variance with</u>
	<u>Budget</u>	<u>Budget</u>		<u>Final Budget</u>
				<u>Positive</u>
				<u>(Negative)</u>
Revenues:				
Impact fees	\$ 50,000	\$ 50,000	\$ 55,641	\$ 5,641
Investment income (net)	7,500	7,500	(69,209)	(76,709)
Miscellaneous	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total revenues	<u>57,500</u>	<u>57,500</u>	<u>(13,568)</u>	<u>(71,068)</u>
Expenditures:				
Capital outlay	<u>350,000</u>	<u>172,010</u>	<u>107,587</u>	<u>64,423</u>
Total expenditures	<u>350,000</u>	<u>172,010</u>	<u>107,587</u>	<u>64,423</u>
Excess (deficiency) of revenues over expenditures	<u>(292,500)</u>	<u>(114,510)</u>	<u>(121,155)</u>	<u>(6,645)</u>
Other financing uses:				
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(292,500)	(114,510)	(121,155)	(6,645)
Fund balances, beginning of year	<u>1,555,022</u>	<u>1,555,022</u>	<u>1,555,022</u>	<u>-</u>
Fund balances, end of year	<u>\$ 1,262,522</u>	<u>\$ 1,440,512</u>	<u>\$ 1,433,867</u>	<u>\$ (6,645)</u>

MAJOR CAPITAL PROJECTS FUND AND DEBT SERVICE FUND

Capital Project Fund – This fund is used to segregate all financial activity applicable to governmental capital expenditures from governmental operating expenditures. These expenditures are funded through transfers and grant proceeds.

Surtax Fund – Accounts for the voter approved one-cent sales surtax program.

Debt Service Fund – Maintained to account for the payment of interest and principal requirements on long-term debt. Wellington maintains one debt service fund for the repayment of revenue bonds.

VILLAGE OF WELLINGTON, FLORIDA

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

CAPITAL PROJECTS FUND

YEAR ENDED SEPTEMBER 30, 2022

	Original Adopted Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues:				
Investment income (net)	\$ 54,000	\$ 54,000	\$ (621,537)	\$ (675,537)
Grants	-	500,000	500,000	
Miscellaneous	-	-	-	-
Total revenues	54,000	554,000	(121,537)	(675,537)
Expenditures:				
Capital outlay:				
General government	290,000	24,952	24,952	0
Public safety	600,000	57,225	51,477	5,748
Surface water management	2,140,000	4,991,889	4,839,095	152,794
Transportation	-	342,252	14,119	328,133
Parks and recreation	1,290,000	1,303,254	1,259,588	43,666
Total expenditures	4,320,000	6,719,572	6,189,231	530,341
Excess (deficiency) of revenues over expenditures	(4,266,000)	(6,165,572)	(6,310,768)	(145,196)
Other financing sources (uses):				
Transfers in	4,266,000	8,181,000	8,181,000	-
Transfers out	-	(3,386,250)	(3,386,250)	-
Total other financing sources (uses)	4,266,000	4,794,750	4,794,750	-
Net change in fund balances	-	(1,370,822)	(1,516,018)	(145,196)
Fund balances, beginning of year	10,952,851	10,952,851	10,952,851	-
Fund balances, end of year	\$ 10,952,851	\$ 9,582,029	\$ 9,436,833	\$ (145,196)

VILLAGE OF WELLINGTON, FLORIDA

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

SALES SURTAX -CAPITAL PROJECTS FUND

YEAR ENDED SEPTEMBER 30, 2022

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Local option taxes	\$ 4,720,909	\$ 4,720,909	\$ 5,997,236	\$ 1,276,327
Investment income (net)	41,000	41,000	(389,329)	(430,329)
Grants	-	200,000	200,000	
Miscellaneous	-	-	<u>200,509</u>	<u>200,509</u>
Total revenues	<u>4,761,909</u>	<u>4,961,909</u>	<u>6,008,416</u>	<u>1,046,507</u>
Expenditures:				
Capital outlay:				
Public Safety	300,000	-	-	
Parks and recreation	<u>10,320,000</u>	<u>8,955,200</u>	<u>3,779,714</u>	<u>5,175,486</u>
Total expenditures	<u>10,620,000</u>	<u>8,955,200</u>	<u>3,779,714</u>	<u>5,175,486</u>
Excess (deficiency) of revenues over expenditures	(5,858,091)	(3,993,291)	2,228,702	6,221,993
Other financing sources (uses):				
Transfers in	5,858,091	5,858,091	5,858,091	-
Transfers out	-	<u>(1,480,000)</u>	<u>(1,480,000)</u>	-
Total other financing sources	<u>5,858,091</u>	<u>4,378,091</u>	<u>4,378,091</u>	-
Net change in fund balances	-	384,800	6,606,793	6,221,993
Fund balances, beginning of year	<u>7,359,157</u>	<u>7,359,157</u>	<u>7,359,157</u>	-
Fund balances, end of year	<u>\$ 7,359,157</u>	<u>\$ 7,743,957</u>	<u>\$ 13,965,950</u>	<u>\$ 6,221,993</u>

VILLAGE OF WELLINGTON, FLORIDA

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

DEBT SERVICE FUND

YEAR ENDED SEPTEMBER 30, 2022

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Special Assessments	\$ 268,536	\$ 268,536	\$ 271,726	\$ 3,190
Investment income (net)	-	-	346	346
Total revenues	<u>268,536</u>	<u>268,536</u>	<u>272,072</u>	<u>3,536</u>
Expenditures:				
General government	-	-	588	(588)
Debt service:				
Principal	195,000	195,000	195,000	-
Interest and other fiscal charges	<u>70,781</u>	<u>70,781</u>	<u>70,780</u>	<u>1</u>
Total expenditures	<u>265,781</u>	<u>265,781</u>	<u>266,368</u>	<u>(587)</u>
Excess (deficiency) of revenues over expenditures	2,755	2,755	5,704	2,949
Other financing sources (uses):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Issuance of long-term debt	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	2,755	2,755	5,704	2,949
Fund balances, beginning of year	<u>300,539</u>	<u>300,539</u>	<u>300,539</u>	<u>-</u>
Fund balances, end of year	<u>\$ 303,294</u>	<u>\$ 303,294</u>	<u>\$ 306,243</u>	<u>\$ 2,949</u>



OTHER INFORMATION

VILLAGE OF WELLINGTON, FLORIDA

DATA ELEMENTS REQUIRED BY FLORIDA STATUTE 218.39 (3) (c)

ACME IMPROVEMENT DISTRICT

Number of district employees compensated at 9/30/2022	14
Number of independent contractors compensated in September 2022	4
Employee compensation for FYE 9/30/2022	\$ 1,430,243
Independent contractor compensation for FYE 9/30/2022	\$ 60,278
Construction projects to begin on or after October 1;	
Pipe Lining - Lakeside Shore/Block Island	\$ 299,806
Swale Reconstruction	\$ 246,781
Canal Culvert Replacement	\$ 190,503
Pump Station Rehabilitation	\$ 95,240
 Budget variance report	 See page 63 of annual financial report
 Ad Valorem taxes;	
Millage rate FYE 9/30/2022	Not Applicable
Ad valorem taxes collected FYE 9/30/2022	Not Applicable
Outstanding Bonds:	Not Applicable
 Non ad valorem special assessments;	
Special assessment rate FYE 9/30/2022	\$ 230
Special assessments collected FYE 9/30/2022	\$ 5,864,540
Outstanding Bonds:	Not Applicable



STATISTICAL SECTION

STATISTICAL SECTION

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

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Source: Unless other wise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year

VILLAGE OF WELLINGTON, FLORIDA

NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)

	Fiscal Year			
	2013	2014	2015	2016
Governmental activities:				
Net investment in capital assets	\$ 157,294,472	\$ 152,841,077	\$ 153,712,972	\$ 156,477,844
Restricted	13,054,226	11,860,096	8,668,360	12,878,989
Unrestricted	<u>45,664,992</u>	<u>44,669,371</u>	<u>34,090,973</u>	<u>31,647,938</u>
Total governmental activities net position	<u>216,013,690</u>	<u>209,370,544</u>	<u>196,472,305</u>	<u>201,004,771</u>
Business-type activities:				
Net investment in capital assets	119,051,675	121,767,825	118,477,452	117,260,300
Restricted	19,715,884	22,519,428	25,911,904	26,253,113
Unrestricted	<u>20,957,498</u>	<u>26,295,502</u>	<u>28,415,561</u>	<u>32,608,255</u>
Total business-type activities net position	<u>159,725,057</u>	<u>170,582,755</u>	<u>172,804,917</u>	<u>176,121,668</u>
Total government:				
Net investment in capital assets	276,346,147	274,608,902	272,190,424	273,738,144
Restricted	32,770,110	34,379,524	34,580,264	39,132,102
Unrestricted	<u>66,622,490</u>	<u>70,964,873</u>	<u>62,506,534</u>	<u>64,256,193</u>
Total government net position	<u>\$ 375,738,747</u>	<u>\$ 379,953,299</u>	<u>\$ 369,277,222</u>	<u>\$ 377,126,439</u>

Fiscal Year

2017	2018	2019	2020	2021	2022
\$ 154,637,467	\$ 152,677,755	\$ 151,803,103	\$ 156,470,856	\$ 151,228,741	\$ 157,817,064
17,654,628	21,227,099	26,716,506	27,193,033	30,947,521	34,411,046
<u>28,892,221</u>	<u>32,947,080</u>	<u>37,059,717</u>	<u>33,875,099</u>	<u>36,768,266</u>	<u>41,842,152</u>
<u>201,184,316</u>	<u>206,851,933</u>	<u>215,579,326</u>	<u>217,538,988</u>	<u>218,944,528</u>	<u>234,070,262</u>
112,584,261	110,518,031	96,986,412	125,555,240	139,110,413	142,621,375
31,999,595	49,900,680	55,622,834	28,706,804	20,184,884	28,884,808
<u>31,719,596</u>	<u>14,971,159</u>	<u>27,218,416</u>	<u>29,970,580</u>	<u>23,384,118</u>	<u>13,067,369</u>
<u>176,303,452</u>	<u>175,389,870</u>	<u>179,827,662</u>	<u>184,232,624</u>	<u>182,679,415</u>	<u>184,573,552</u>
267,221,728	267,221,728	248,789,515	282,026,096	290,339,154	300,438,439
49,654,223	49,654,223	82,339,340	55,899,837	51,132,405	63,295,854
<u>60,611,817</u>	<u>60,611,817</u>	<u>64,278,133</u>	<u>63,845,679</u>	<u>60,152,384</u>	<u>54,909,522</u>
<u>\$ 377,487,768</u>	<u>\$ 377,487,768</u>	<u>\$ 395,406,988</u>	<u>\$ 401,771,612</u>	<u>\$ 401,623,943</u>	<u>\$ 418,643,814</u>

VILLAGE OF WELLINGTON, FLORIDA

CHANGES IN NET POSITION

LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)

	Fiscal Year			
	2013	2014	2015	2016
Expenses:				
Governmental activities:				
General government	\$ 11,971,092	\$ 12,054,127	\$ 14,741,280	\$ 17,619,102
Public safety	10,795,719	11,783,514	11,461,629	11,722,878
Physical environment	15,308,064	17,276,231	17,126,182	14,091,443
Economic environment	1,249,167	672,675	1,263,111	1,132,293
Transportation	3,621,583	3,176,258	3,130,567	3,340,822
Culture and recreation	6,211,642	6,025,857	5,012,176	8,569,180
Contributions	-	-	-	-
Interest on long-term debt	270,673	235,607	289,539	98,941
	<u>49,427,940</u>	<u>51,224,269</u>	<u>53,024,484</u>	<u>56,574,659</u>
Indirect expense allocation	<u>(1,182,578)</u>	<u>(1,526,246)</u>	<u>(1,483,933)</u>	<u>(2,601,695)</u>
Total governmental activities	<u>48,245,362</u>	<u>49,698,023</u>	<u>51,540,551</u>	<u>53,972,964</u>
Business-type activities:				
Utility system	14,332,462	14,775,996	15,129,671	15,335,041
Solid waste	3,334,847	3,434,234	3,477,952	3,577,209
Lake wellington professional centre	-	448,951	513,698	629,998
	<u>17,667,309</u>	<u>18,659,181</u>	<u>19,121,321</u>	<u>19,542,248</u>
Indirect expense allocation	<u>1,182,578</u>	<u>1,526,246</u>	<u>1,483,933</u>	<u>2,601,695</u>
Total business-type activities	<u>18,849,887</u>	<u>20,185,427</u>	<u>20,605,254</u>	<u>22,143,943</u>
Total government expenses	<u>\$ 67,095,249</u>	<u>\$ 69,883,450</u>	<u>\$ 72,145,805</u>	<u>\$ 76,116,907</u>
Program revenues:				
Governmental activities:				
Charges for services:				
General government	\$ 693,477	\$ 1,764,741	\$ 1,217,887	\$ 1,450,142
Public safety	4,230,725	3,013,632	2,647,457	3,298,614
Physical environment	5,800,532	5,258,966	7,039,026	7,189,694
Economic environment	-	521,575	544,972	340,805
Transportation	421,328	282,850	91,461	400,174
Culture and recreation	2,041,164	2,350,399	2,012,325	3,375,561
Operating grants and contributions	1,546,079	1,593,870	1,765,489	1,745,869
Capital grants and contributions	<u>1,432,186</u>	<u>842,361</u>	<u>154,724</u>	<u>6,112,810</u>
Total governmental activities program revenues:	<u>16,165,491</u>	<u>15,628,394</u>	<u>15,473,341</u>	<u>23,913,669</u>
Business-type activities:				
Charges for services:				
Utility system	17,831,536	18,893,050	19,067,393	19,023,000
Solid waste	3,803,172	3,788,513	3,857,363	3,443,604
Lake wellington professional centre	-	72,877	8,127	-
Operating grants and contributions	66,333	58,880	44,202	34,804
Capital grants and contributions	<u>2,758,152</u>	<u>2,399,062</u>	<u>612,327</u>	<u>574,503</u>
Total business-type activities program revenues	<u>24,459,193</u>	<u>25,212,382</u>	<u>23,589,412</u>	<u>23,075,911</u>
Total program revenues	<u>\$ 40,624,684</u>	<u>\$ 40,840,776</u>	<u>\$ 39,062,753</u>	<u>\$ 46,989,580</u>

(Continued)

Fiscal Year					
2017	2018	2019	2020	2021	2022
\$ 14,009,092	\$ 19,678,060	\$ 21,067,869	\$ 22,076,325	\$ 18,647,057	\$ 21,289,380
12,456,166	13,542,866	13,870,291	15,213,948	14,377,870	15,220,864
15,542,944	11,277,213	10,275,909	9,950,155	7,495,122	7,285,614
1,202,739	1,403,022	1,597,316	1,719,540	1,568,258	1,642,910
4,033,291	4,630,376	4,926,862	4,779,912	4,926,166	5,280,264
9,952,368	10,343,571	10,679,529	10,449,625	10,513,776	12,147,524
-	-	-	-	13,058,530	93,947
<u>140,924</u>	<u>114,164</u>	<u>85,113</u>	<u>79,686</u>	<u>74,113</u>	<u>68,391</u>
57,337,524	60,989,273	62,502,889	64,269,191	70,660,892	63,028,894
(2,351,344)	-	-	-	-	-
<u>54,986,180</u>	<u>60,989,273</u>	<u>62,502,889</u>	<u>64,269,191</u>	<u>70,660,892</u>	<u>63,028,894</u>
17,087,678	17,672,912	18,583,539	21,083,740	20,948,966	22,924,292
4,378,318	4,948,498	3,843,547	4,050,260	4,487,765	5,566,395
<u>635,818</u>	<u>635,366</u>	<u>634,000</u>	<u>643,475</u>	<u>667,407</u>	<u>746,626</u>
22,101,814	23,256,776	23,061,086	25,777,475	26,104,138	29,237,313
<u>2,351,344</u>	-	-	-	-	-
<u>24,453,158</u>	<u>23,256,776</u>	<u>23,061,086</u>	<u>25,777,475</u>	<u>26,104,138</u>	<u>29,237,313</u>
<u>\$ 79,439,338</u>	<u>\$ 84,246,048</u>	<u>\$ 85,563,975</u>	<u>\$ 90,046,666</u>	<u>\$ 96,765,030</u>	<u>\$ 92,266,207</u>
\$ 1,467,585	\$ 948,776	\$ 933,235	\$ 864,066	\$ 814,890	\$ 918,666
2,706,456	6,573,485	5,727,408	6,568,657	6,800,544	8,494,950
7,023,620	5,761,643	6,022,430	6,159,597	6,084,246	6,136,266
273,142	-	-	-	-	-
210,737	246,063	40,911	117,466	121,915	55,641
2,948,080	3,326,856	3,332,894	2,771,345	2,890,769	3,919,523
1,905,383	1,881,640	1,793,226	1,481,179	5,535,810	6,174,069
<u>281,700</u>	<u>472,113</u>	<u>2,682,118</u>	<u>866,210</u>	<u>1,159,345</u>	<u>3,896,952</u>
<u>16,816,703</u>	<u>19,210,575</u>	<u>20,532,222</u>	<u>18,828,520</u>	<u>23,407,519</u>	<u>29,596,067</u>
19,418,288	19,583,648	20,568,832	22,023,862	22,708,810	24,041,199
3,432,818	3,409,943	3,459,505	3,481,911	3,372,805	4,268,056
-	-	-	-	-	-
61,437	15,599	5,513	-	9,709	34,111
<u>565,628</u>	<u>2,308,590</u>	<u>2,874,513</u>	<u>4,427,046</u>	<u>575,190</u>	<u>7,428,443</u>
<u>23,478,171</u>	<u>25,317,780</u>	<u>26,908,363</u>	<u>29,932,819</u>	<u>26,666,514</u>	<u>35,771,809</u>
<u>\$ 40,294,874</u>	<u>\$ 44,528,355</u>	<u>\$ 47,440,585</u>	<u>\$ 48,761,339</u>	<u>\$ 50,074,033</u>	<u>\$ 65,367,876</u>

VILLAGE OF WELLINGTON, FLORIDA

CHANGES IN NET POSITION (Continued)

LAST TEN FISCAL YEARS

(ACCRUAL BASIS OF ACCOUNTING)

	Fiscal Year			
	2013	2014	2015	2016
Net (expense) revenue:				
Governmental activities	\$ (32,079,871)	\$ (34,069,629)	\$ (36,067,210)	\$ (30,059,295)
Business-type activities	<u>5,609,306</u>	<u>5,026,955</u>	<u>2,984,158</u>	<u>931,968</u>
Total net (expense) revenue	<u>\$ (26,470,565)</u>	<u>\$ (29,042,674)</u>	<u>\$ (33,083,052)</u>	<u>\$ (29,127,327)</u>
General revenues:				
Governmental activities:				
Property taxes	\$ 12,816,288	\$ 13,690,328	\$ 14,818,492	\$ 16,517,935
Franchise fees and taxes	3,205,140	3,481,665	3,541,429	3,462,576
Communications services taxes	2,734,276	2,582,291	2,490,280	2,288,128
Utility service taxes	4,070,001	4,525,286	4,599,503	4,759,925
Discretionary tax	-	-	-	-
State shared revenue	5,230,074	5,720,041	6,171,661	6,442,134
Investment earnings	170,837	201,730	397,527	512,059
Gain on sale of capital asset	-	29,694	-	-
Transfers	-	-	-	-
Other	<u>1,460,976</u>	<u>2,221,124</u>	<u>421,457</u>	<u>609,004</u>
Total governmental activities	<u>29,687,593</u>	<u>32,452,159</u>	<u>32,440,348</u>	<u>34,591,761</u>
Business-type activities:				
Investment earnings	83,528	133,156	316,422	456,863
Gain on disposal of assets	-	71,679	-	-
Other	97,887	600,232	840,763	828,167
Transfers	-	-	-	-
Total business-type activities	<u>181,415</u>	<u>805,067</u>	<u>1,157,185</u>	<u>1,285,030</u>
Total general revenues	<u>\$ 29,869,008</u>	<u>\$ 33,257,226</u>	<u>\$ 33,597,533</u>	<u>\$ 35,876,791</u>
Change in net position:				
Governmental activities	\$ (2,392,278)	\$ (1,617,470)	\$ (3,626,862)	\$ 4,532,466
Business-type activities	<u>5,790,721</u>	<u>5,832,022</u>	<u>4,141,343</u>	<u>2,216,998</u>
Total change in net position	<u>\$ 3,398,443</u>	<u>\$ 4,214,552</u>	<u>\$ 514,481</u>	<u>\$ 6,749,464</u>

Fiscal Year					
2017	2018	2019	2020	2021	2022
\$ (38,169,477)	\$ (41,778,698)	\$ (40,010,155)	\$ (45,440,671)	\$ (47,253,373)	\$ (33,432,827)
<u>(974,987)</u>	<u>2,061,005</u>	<u>1,886,765</u>	<u>4,155,344</u>	<u>562,376</u>	<u>6,534,496</u>
<u>\$ (39,144,464)</u>	<u>\$ (39,717,693)</u>	<u>\$ (38,123,390)</u>	<u>\$ (41,285,327)</u>	<u>\$ (46,690,997)</u>	<u>\$ (26,898,331)</u>
\$ 17,599,037	\$ 18,600,500	\$ 19,953,779	\$ 20,628,009	\$ 21,021,227	\$ 22,013,977
3,557,576	3,521,919	3,606,319	3,472,827	3,620,987	4,159,242
2,162,326	2,253,094	2,254,246	1,939,209	1,883,191	2,002,104
4,818,284	4,963,800	5,091,125	5,150,422	5,228,864	5,511,957
4,685,596	4,362,375	4,547,232	4,308,476	5,044,586	5,997,236
4,856,430	7,026,410	7,223,035	6,694,737	7,880,643	9,343,476
372,218	695,797	2,463,616	2,324,881	111,468	(4,000,524)
-	-	-	-	-	-
-	4,555,522	2,596,725	2,675,419	2,901,651	2,836,426
<u>437,403</u>	<u>1,466,898</u>	<u>2,961,994</u>	<u>206,353</u>	<u>966,296</u>	<u>694,667</u>
<u>38,488,870</u>	<u>47,446,315</u>	<u>50,698,071</u>	<u>47,400,333</u>	<u>48,658,913</u>	<u>48,558,561</u>
343,924	626,843	2,250,016	2,037,253	(28,479)	(2,014,479)
-	-	-	-	-	-
839,620	954,081	937,224	887,784	814,545	210,546
<u>-</u>	<u>(4,555,522)</u>	<u>(2,596,725)</u>	<u>(2,675,419)</u>	<u>(2,901,651)</u>	<u>(2,836,426)</u>
<u>1,183,544</u>	<u>(2,974,598)</u>	<u>590,515</u>	<u>249,618</u>	<u>(2,115,585)</u>	<u>(4,640,359)</u>
<u>\$ 39,672,414</u>	<u>\$ 44,471,717</u>	<u>\$ 51,288,586</u>	<u>\$ 47,649,951</u>	<u>\$ 46,543,328</u>	<u>\$ 43,918,202</u>
\$ 319,393	\$ 5,667,618	\$ 10,687,916	\$ 1,959,662	\$ 1,405,540	\$ 15,125,734
<u>208,557</u>	<u>(913,594)</u>	<u>2,477,280</u>	<u>4,404,962</u>	<u>(1,553,209)</u>	<u>1,894,137</u>
<u>\$ 527,950</u>	<u>\$ 4,754,024</u>	<u>\$ 13,165,196</u>	<u>\$ 6,364,624</u>	<u>\$ (147,669)</u>	<u>\$ 17,019,871</u>

VILLAGE OF WELLINGTON, FLORIDA

FUND BALANCES OF GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS

(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	Fiscal Year			
	2013	2014	2015	2016
General fund:				
Nonspendable:				
Prepaid expenditures	\$ 268,948	\$ 307,136	\$ 227,597	\$ 412,495
Inventory	13,880	13,200	14,828	15,348
Deposits	-	2,520	258,110	214,752
Long-term notes receivable	-	-	928,238	812,208
Advances to other funds	-	-	300,000	-
Restricted for:				
Coronavirus relief funds	-	-	-	-
Committed for:				
Rate stabilization	2,385,000	2,385,000	2,385,000	2,785,000
Insurance	540,000	440,000	821,000	1,150,000
Infrastructure	-	-	-	-
Disaster recovery	2,483,625	2,483,625	2,483,625	3,000,000
Subsequent year capital expenditures	9,200,000	-	-	-
Assigned for:				
Contracts	455,320	382,887	446,951	683,463
Capital projects	38,353	25,000	100,000	500,000
Subsequent year operating expenditures	-	1,138,900	3,267,779	-
Unassigned	<u>16,307,688</u>	<u>17,227,963</u>	<u>16,886,452</u>	<u>21,238,612</u>
Total general fund	<u>31,692,814</u>	<u>24,406,231</u>	<u>28,119,580</u>	<u>30,811,878</u>
All other governmental funds:				
Nonspendable:				
Prepaid expenditures	8,231	41,720	19,360	37,993
Assets held for resale	225,236	228,061	-	-
Restricted for:				
Capital projects	6,588,293	3,062,748	604,018	1,773,572
Building	5,064,384	4,560,745	4,272,256	4,769,737
Road capital and maintenance	1,216,210	3,483,801	1,939,600	3,469,594
Surface water management	-	-	-	-
Wellington community foundation	51,416	53,227	5,722	-
Economic development	-	-	-	-
Debt service	75,544	75,642	50,063	50,063
Assigned for:				
Surface water management	3,183,185	3,294,115	2,379,178	2,326,887
Planning and zoning	4,098,509	-	-	-
Contracts	133,946	13,262,737	9,165,404	3,912,825
Capital projects	6,666,005	3,060,724	2,690,992	1,370,353
Subsequent year operating expenditures	4,500	773,452	2,754,663	2,664,839
Unassigned	<u>-</u>	<u>(298,960)</u>	<u>(285,440)</u>	<u>-</u>
Total all other governmental funds	<u>27,315,459</u>	<u>31,598,012</u>	<u>23,595,816</u>	<u>20,375,863</u>
Total governmental funds	<u>\$ 59,008,273</u>	<u>\$ 56,004,243</u>	<u>\$ 51,715,396</u>	<u>\$ 51,187,741</u>

Fiscal Year					
2017	2018	2019	2020	2021	2022
\$ 408,886	\$ 369,234	\$ 528,219	\$ 685,513	\$ 621,704	\$ 254,795
16,395	17,174	17,322	11,011	9,521	12,973
136,140	124,008	88,222	211,399	51,989	-
696,178	580,149	464,119	348,089	232,059	811,461
-	-	-	-	-	-
-	-	-	-	3,688,289	-
2,785,000	2,785,000	2,785,000	2,785,000	2,785,000	2,785,000
1,150,000	1,530,000	1,530,000	1,530,000	1,530,000	1,530,000
1,000,000	1,546,000	2,646,000	4,556,000	5,596,000	2,539,554
3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000
-	-	-	-	-	-
509,803	2,469,527	2,991,215	3,746,546	3,546,141	3,618,464
124,734	117,493	103,000	226,824	492,865	521,752
5,637,362	3,359,268	1,462,782	1,213,686	5,789,378	2,878,296
<u>16,632,532</u>	<u>19,161,838</u>	<u>23,738,364</u>	<u>19,473,356</u>	<u>16,533,247</u>	<u>27,083,965</u>
<u>32,097,030</u>	<u>35,059,691</u>	<u>39,354,243</u>	<u>37,787,424</u>	<u>43,876,193</u>	<u>45,036,260</u>
30,277	47,597	43,836	40,463	39,106	45,421
-	-	-	-	-	-
4,969,198	8,628,678	15,374,933	15,296,556	12,502,421	19,390,638
5,523,326	7,863,830	7,169,435	7,443,723	8,986,932	9,957,284
4,363,582	3,968,286	1,829,146	1,876,305	2,690,550	2,253,863
2,526,534	2,113,501	2,042,095	2,273,138	2,770,371	2,162,866
-	-	-	-	-	-
-	-	-	-	-	323,029
284,190	288,806	292,341	295,862	300,539	306,243
-	-	-	-	-	-
-	-	-	-	-	-
312,480	746,818	640,645	11,485,420	10,952,851	9,436,833
4,898,212	5,556,402	8,375,734	406,899	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>22,907,799</u>	<u>29,213,918</u>	<u>35,768,165</u>	<u>39,118,366</u>	<u>38,242,770</u>	<u>43,876,177</u>
<u>\$ 55,004,829</u>	<u>\$ 64,273,609</u>	<u>\$ 75,122,408</u>	<u>\$ 76,905,790</u>	<u>\$ 82,118,963</u>	<u>\$ 88,912,437</u>

VILLAGE OF WELLINGTON, FLORIDA

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS

(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	Fiscal Year			
	2013	2014	2015	2016
Revenues:				
Ad valorem taxes	\$ 12,816,288	\$ 13,690,328	\$ 14,818,492	\$ 16,517,936
Local option taxes	1,477,300	1,499,265	1,594,480	1,633,448
Utility services taxes	4,070,001	4,525,286	4,599,503	4,759,925
Special assessments	5,009,149	4,939,815	5,675,878	6,876,876
Impact fees	786,353	879,450	303,411	1,923,074
Communication services taxes	2,734,276	2,582,291	2,490,280	2,288,128
Local business tax receipts	762,505	746,377	839,202	945,538
Permits and fees	3,729,082	3,846,980	3,852,678	4,353,618
Franchise fees	3,205,140	3,481,665	3,541,429	3,462,576
Grants	400,965	938,466	325,733	1,767,105
State revenue sharing	5,351,108	5,816,636	6,298,616	6,566,783
Charges for services	2,032,985	2,066,546	2,139,469	2,213,611
Fines and forfeitures	659,581	594,576	615,627	841,333
Investment income (net)	170,738	222,055	397,437	511,474
Miscellaneous	<u>2,086,494</u>	<u>1,716,457</u>	<u>563,715</u>	<u>772,473</u>
Total revenues	<u>45,291,964</u>	<u>47,546,191</u>	<u>48,055,948</u>	<u>55,433,898</u>
Expenditures:				
Current:				
General government	10,859,650	11,176,906	11,049,014	12,349,978
Public safety	10,766,274	11,383,375	11,427,036	11,541,197
Physical environment	9,588,086	9,784,481	10,922,086	8,257,011
Economic environment	698,604	1,001,063	1,228,858	1,098,172
Transportation	1,528,289	1,647,185	2,708,505	2,897,195
Culture and recreation	3,319,296	4,256,828	4,425,433	7,338,176
Capital outlay	11,955,055	6,382,188	11,080,682	17,197,640
Debt service:				
Principal retirement	940,000	970,000	1,064,271	1,070,015
Bond issuance costs	-	-	15,000	83,997
Interest and other fiscal charges	<u>273,595</u>	<u>238,622</u>	<u>95,064</u>	<u>63,741</u>
Total expenditures	<u>49,928,849</u>	<u>46,840,648</u>	<u>54,015,949</u>	<u>61,897,122</u>
Excess (deficiency) of revenues over expenditures	<u>(4,636,885)</u>	<u>705,543</u>	<u>(5,960,001)</u>	<u>(6,463,224)</u>
Other financing sources (uses):				
Transfers in	11,893,035	26,262,483	8,163,625	12,087,413
Transfers out	(10,710,457)	(29,761,913)	(6,679,692)	(9,485,718)
Transfer of remaining balance	-	-	-	(5,983)
Bond proceeds	-	-	5,445,000	3,235,000
Payment to refunded bond escrow agent	-	-	(5,430,000)	-
Sale of capital assets	(485,058)	89,856	(127,777)	104,855
Contribution of properties	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>697,520</u>	<u>(3,409,574)</u>	<u>1,371,156</u>	<u>5,935,567</u>
Net change in fund balances	<u>\$ (3,939,365)</u>	<u>\$ (2,704,031)</u>	<u>\$ (4,588,845)</u>	<u>\$ (527,657)</u>
Debt service as a percentage				
of non-capital expenditures	2.96%	2.78%	2.74%	2.72%

Fiscal Year					
2017	2018	2019	2020	2021	2022
\$ 17,599,037	\$ 18,600,500	\$ 19,953,779	\$ 20,628,009	\$ 21,021,227	\$ 22,013,977
4,685,596	6,036,900	6,340,458	5,789,655	6,605,940	7,616,052
4,818,284	4,963,800	5,091,125	5,150,422	5,228,864	5,511,957
6,056,741	6,033,756	6,022,430	6,159,597	6,084,246	6,136,266
407,227	508,798	221,461	742,991	365,265	263,666
2,162,326	2,253,094	2,254,246	1,939,209	1,883,191	2,002,104
944,494	948,776	933,235	864,066	814,890	918,666
3,912,080	6,384,902	5,370,296	6,326,994	6,663,206	8,171,044
3,557,576	3,521,919	3,606,319	3,472,827	3,620,987	4,159,242
209,414	407,115	1,090,372	2,211,123	5,036,698	5,337,244
6,697,363	7,026,410	7,223,035	6,694,737	7,880,643	9,343,476
3,107,111	3,064,121	3,152,344	2,145,820	2,647,419	3,711,498
339,603	188,584	357,112	241,663	137,338	323,906
371,319	695,797	2,463,616	2,324,881	111,468	(4,000,524)
769,099	1,182,783	866,865	522,483	661,643	1,115,337
<u>55,637,269</u>	<u>61,817,253</u>	<u>64,946,693</u>	<u>65,214,477</u>	<u>68,763,025</u>	<u>72,623,911</u>
13,853,152	18,880,572	19,460,568	19,628,647	19,163,947	20,612,037
12,256,563	13,358,951	13,522,222	14,776,695	14,548,590	14,980,033
8,828,134	4,690,122	4,806,612	4,644,086	4,260,489	4,472,759
1,126,265	1,337,009	1,489,461	1,546,594	1,546,239	1,563,025
3,029,636	3,527,134	3,784,840	3,598,398	3,661,576	3,883,098
8,700,609	8,939,294	9,169,586	8,792,528	9,146,203	10,294,274
5,343,270	4,546,264	4,274,866	12,868,181	14,005,867	12,750,918
1,086,670	2,399,044	180,000	185,000	190,000	195,000
-	-	-	-	-	-
139,288	119,158	87,318	81,952	76,440	70,780
<u>54,363,587</u>	<u>57,797,548</u>	<u>56,775,473</u>	<u>66,122,081</u>	<u>66,599,351</u>	<u>68,821,924</u>
<u>1,273,682</u>	<u>4,019,705</u>	<u>8,171,220</u>	<u>(907,604)</u>	<u>2,163,674</u>	<u>3,801,987</u>
10,769,267	15,640,516	10,145,613	14,749,733	9,840,336	30,495,243
(8,417,923)	(11,084,994)	(7,548,888)	(12,074,314)	(6,938,685)	(27,658,817)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
192,061	693,552	80,833	15,567	147,848	155,061
-	-	-	-	-	-
<u>2,543,405</u>	<u>5,249,074</u>	<u>2,677,558</u>	<u>2,690,986</u>	<u>3,049,499</u>	<u>2,991,487</u>
<u>\$ 3,817,087</u>	<u>\$ 9,268,779</u>	<u>\$ 10,848,778</u>	<u>\$ 1,783,382</u>	<u>\$ 5,213,173</u>	<u>\$ 6,793,474</u>

2.50%	4.73%	0.53%	0.49%	0.50%	0.47%
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VILLAGE OF WELLINGTON, FLORIDA
NET ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS

Fiscal Year Ended September 30,	Real Property					Personal Property	Total	Total Direct Tax Rate
	Residential Property	Commercial Property	Industrial Property	Other Property				
2013	4,217,895,919	488,694,893	97,198,984	399,055,830	197,097,940	5,399,943,566	2.47	
2014	4,482,004,183	519,295,069	103,285,207	424,043,156	209,439,448	5,738,067,063	2.47	
2015	4,882,016,251	573,823,256	64,381,454	533,993,011	219,032,397	6,273,246,369	2.45	
2016	5,215,829,223	715,026,267	67,061,804	685,894,075	238,955,239	6,922,766,608	2.45	
2017	5,540,943,649	794,310,872	73,172,941	799,509,683	252,460,806	7,460,397,951	2.44	
2018	5,873,938,822	824,685,403	81,079,131	919,404,092	224,714,343	7,923,821,791	2.43	
2019	6,177,481,532	821,349,050	86,355,908	1,015,389,954	222,840,264	8,323,416,708	2.48	
2020	6,386,437,533	797,333,434	95,609,678	1,148,360,302	211,723,394	8,639,464,341	2.48	
2021	6,497,816,837	764,488,336	103,208,397	1,249,447,857	213,933,467	8,828,894,894	2.47	
2022	6,854,159,340	741,336,726	107,393,608	1,318,829,813	211,429,565	9,233,149,052	2.47	

Source: Palm Beach County Property Appraiser's Office

Note 1: Assessed values are established by the Palm Beach County Property Appraiser's Office as of January 1, each year.

Note 2: Property in the Village is reassessed each year. Property is assessed at actual value, therefore, the assessed values are equal to actual value. Tax rates are per \$1,000 of assessed value.

VILLAGE OF WELLINGTON, FLORIDA
PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS
LAST TEN FISCAL YEARS

Fiscal Year	Tax Roll Year	Village Direct Rates		Overlapping Rates (1)							Total Direct and Overlapping Rates
		General Operations	Total Direct	Palm Beach County School Board	Palm Beach County	Palm Beach County Health Care District	Palm Beach County Library System	South Florida Water Management District	Children's Services Council	Florida Inland Navigation District	
2013	2012	2.47	2.47	7.78	8.45	1.12	0.61	0.43	0.73	0.03	21.62
2014	2013	2.47	2.47	7.78	8.45	1.12	0.61	0.43	0.73	0.03	21.62
2015	2014	2.45	2.45	7.59	8.43	1.08	0.60	0.38	0.67	0.03	21.23
2016	2015	2.45	2.45	7.51	8.39	1.04	0.60	0.36	0.67	0.03	21.04
2017	2016	2.44	2.44	7.07	8.37	0.90	0.59	0.33	0.68	0.03	20.42
2018	2017	2.43	2.43	6.77	8.36	0.78	0.59	0.31	0.66	0.03	19.93
2019	2018	2.48	2.48	6.57	8.25	0.73	0.59	0.29	0.64	0.03	19.58
2020	2019	2.47	2.47	7.16	8.32	0.73	0.59	0.28	0.65	0.03	20.22
2021	2020	2.47	2.47	7.01	8.27	0.73	0.58	0.27	0.65	0.03	20.01
2022	2021	2.47	2.47	6.88	8.27	0.73	0.58	0.26	0.62	0.03	19.84

Source: Wellington's Office of Financial Management and Budget and Palm Beach County Property Appraiser's Office

Note: Millage rates are based on \$1 for every \$1,000 of assessed value. Wellington has a 5 mill limit as specified in its Charter.

- (1) Overlapping rates are those of local and county governments that apply to property owners within Wellington. Not all overlapping rates apply to all Wellington property owners (i.e. the rates for special districts apply only to the proportion of the government's property owners whose property is located within the geographic boundaries of the special district).

VILLAGE OF WELLINGTON, FLORIDA

PRINCIPAL PROPERTY TAXPAYERS CURRENT YEAR AND NINE YEARS AGO

Taxpayer	2022			2013		
	Net Assessed Value	Rank	Percent of Total Village Net Assessed Value	Net Assessed Value	Rank	Percent of Total Village Net Assessed Value
Florida Power & Light Corp	\$ 117,240,107	1	1.33%	\$ 83,661,340	2	1.55%
Quaye at Wellington Inc.	106,343,915	2	1.20%			
SGC Atlas Wellington Holdings, LLC	87,303,762	3	0.99%			
TM Wellington Green Mall, LP	80,959,403	4	0.92%			
Polo Lakes Apartments LLC	74,783,413	5	0.85%	44,855,524	4	0.83%
Universal Health Realty Income	71,572,314	6	0.81%	39,144,523	5	0.72%
Camden Court, LLC	61,302,636	7	0.69%			
Wellington Residential LLC	60,610,905	8	0.69%			
MCP Wellington LLC	54,260,932	9	0.61%			
RAR2 2141 Vinings Circle FL LLC	52,352,073	10	0.59%			
TJ Palm Beach Assoc Ltd Partnership				129,142,205	1	2.39%
City National Bank of Florida TR				45,854,112	3	0.85%
Wellington Preserve Corp.						
Autc Polo Chase FL LLC				30,716,641	6	0.57%
Aerc Wellington, LLC				28,638,360	7	0.53%
Shoppes at Isla Verde Ltd.				24,000,000	9	0.44%
Centre at Wellington Green Ltd.				23,770,338	8	0.44%
Far Niente Stables VI, Inc				24,546,708	10	0.45%
	<u>\$ 766,729,460</u>		<u>8.68%</u>	<u>\$ 474,329,751</u>		<u>8.77%</u>

Source: Tax roll provided by Palm Beach County Property Appraiser's Office

VILLAGE OF WELLINGTON, FLORIDA

PROPERTY TAX LEVIES AND COLLECTIONS

LAST TEN FISCAL YEARS

Fiscal Year Ended September 30,	Original Taxes	Levy Adjustments (1)	Adjusted Taxes	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years (2)	Total Collections	
	Levied for Fiscal Year		Levied for Fiscal Year	Amount	Percent of Original Levy		Amount	Percent of Adjusted Levy
2013	13,399,112	(61,251)	13,337,861	12,511,359	93.37%	53,574	12,808,488	96.03%
2014	14,212,850	(39,824)	14,173,026	13,634,069	95.93%	28,330	13,662,399	96.40%
2015	15,459,908	(90,454)	15,369,454	14,780,601	95.61%	124,204	14,904,805	96.98%
2016	17,011,047	(50,269)	16,960,778	16,385,496	96.32%	47,800	16,433,296	96.89%
2017	18,287,501	(84,130)	18,203,371	17,541,705	95.92%	57,332	17,599,037	96.68%
2018	19,524,188	(269,301)	19,254,887	18,565,023	95.09%	25,944	18,590,967	96.55%
2019	20,680,913	(38,839)	20,642,073	19,872,486	96.09%	55,349	19,927,835	96.54%
2020	21,540,824	(114,952)	21,425,872	20,548,000	95.39%	24,660	20,572,660	96.02%
2021	21,962,400	(155,029)	21,807,370	20,957,126	95.42%	39,441	20,996,567	96.28%
2022	22,970,508	(164,630)	22,805,878	21,974,536	95.66%	-	21,974,536	96.35%

Sources: Wellington's Office of Financial Management and Budget and Palm Beach County Tax Collector's Office

¹ The change in total amount levied due to property value adjustments from the Value Adjustment Board

² Represents delinquent taxes for all prior years collected in the subsequent year, including proceeds from tax sales

VILLAGE OF WELLINGTON, FLORIDA

RATIOS OF OUTSTANDING DEBT BY TYPE LAST TEN FISCAL YEARS

Fiscal Year Ended September 30,	Governmental Activities Special Assessments	Business-Type Activities Notes & Bonds	Total	Percent of Personal Income (1)	Per Capita (1)
2013	6,400,000	1,500,000	7,900,000	n/a	136
2014	5,430,000	-	5,430,000	n/a	92
2015	4,380,729	-	4,380,729	n/a	72
2016	6,545,714	-	6,545,714	n/a	108
2017	5,459,044	-	5,459,044	n/a	90
2018	3,060,000	-	3,060,000	n/a	50
2019	2,880,000	19,248,833	22,128,833	n/a	352
2020	2,695,000	18,160,130	20,855,130	n/a	328
2021	2,505,000	17,037,360	19,542,360	n/a	316
2022	2,310,000	15,879,459	18,189,459	n/a	294

Note: Details regarding the Village's outstanding debt can be found in the notes to the financial statements

(1) See the Schedule of Demographic and Economic Statistics for personal income and population data

n/a Information not available

VILLAGE OF WELLINGTON, FLORIDA

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

SEPTEMBER 30, 2022

	<u>Net Debt Outstanding</u>	<u>Percentage Applicable to the Village of Wellington (1)</u>	<u>Amount Applicable to the Village of Wellington</u>
Overlapping:			
Debt repaid with property taxes:			
Palm Beach County	\$ 26,250,000	4.17%	1,093,463
Other debt:			
Palm Beach County	743,872,058	4.17%	30,986,528
Palm Beach County School Board	<u>1,277,959,252</u>	3.94%	<u>50,333,153</u>
Subtotal, Overlapping Debt	<u>2,048,081,310</u>		<u>82,413,144</u>
Village of Wellington Direct Debt	2,310,000	100.00%	<u>2,310,000</u>
Total Direct and Overlapping Debt			<u>\$ 84,723,144</u>

Sources: Data provided by the Palm Beach County Finance Department, Palm Beach County Property Appraiser and the Palm Beach County School Board

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the Village. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the Village of Wellington. This process recognizes that, when considering the Village's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

(1) The percentage of overlapping debt applicable is estimated using taxable assessed property values by taking the value that is within the Village's boundaries and dividing it by the County's and School Board's total taxable assessed value.

VILLAGE OF WELLINGTON, FLORIDA

PLEDGED REVENUE COVERAGE LAST TEN FISCAL YEARS

Fiscal Year Ended Sept. 30	Utility System Revenue Bond				Utility System Note			
	Net Available Revenue (1)	Debt Service		Coverage	Available Revenue (2)	Debt Service		Coverage
		Principal	Interest			Principal	Interest	
2013	9,882,442	2,635,000	110,066	3.60	-	-	-	-
2014	10,312,989	1,500,000	58,862	6.62	-	-	-	-
2015	-	-	-	-	-	-	-	-
2016	-	-	-	-	-	-	-	-
2017	-	-	-	-	-	-	-	-
2018	-	-	-	-	-	-	-	-
2019	-	-	-	-	20,238,919	751,167	479,246	16.45
2020	-	-	-	-	19,103,412	1,088,703	575,722	11.48
2021	-	-	-	-	19,186,856	1,122,770	541,569	11.53
2022	-	-	-	-	19,547,368	1,157,901	507,197	11.74

Fiscal Year Ended Sept. 30	Special Assessment Bond				Public Service Tax Bond (4)			
	Special Assessment Collections	Debt Service		Coverage	Public Service Taxes (3)	Debt Service		Coverage
		Principal	Interest			Principal	Interest	
2013	-	-	-	-	7,275,141	940,000	273,782	5.99
2014	-	-	-	-	8,006,951	970,000	238,622	6.62
2015	-	-	-	-	8,140,932	1,064,271	95,064	7.02
2016	-	-	-	-	8,222,500	1,070,015	63,741	7.25
2017	281,700	-	92,203	3.06	7,611,334	1,086,670	47,085	6.71
2018	272,113	175,000	92,537	1.02	8,485,721	2,224,044	26,622	3.77
2019	271,386	180,000	87,318	1.02	-	-	-	-
2020	271,041	185,000	81,953	1.02	-	-	-	-
2021	273,505	190,000	76,440	1.03	-	-	-	-
2022	271,726	195,000	76,440	1.00	-	-	-	-

Source: Wellington's Office of Financial Management and Budget

(1) Net available revenue after deducting operating expenses

(2) Net available revenue includes all revenues which are lawfully available to be used to pay obligations, other than special assessments & non ad valorem

(3) Public service taxes include utility service taxes and franchise fees

(4) Public service tax bond was paid in full in 2018

VILLAGE OF WELLINGTON, FLORIDA
 DEMOGRAPHIC AND ECONOMIC STATISTICS
 LAST TEN FISCAL YEARS

Year	Village Population (1)	Village School Enrollment (2)	Palm Beach County Per Capita Income (3)	Village Unemployment Rate (4)	Palm Beach County Unemployment Rate (4)
2013	58,108	13,222	61,637	n/a	7.3%
2014	59,136	13,221	66,495	n/a	5.9%
2015	59,860	13,223	70,718	n/a	5.2%
2016	60,308	13,624	71,682	n/a	5.2%
2017	61,775	13,859	77,543	n/a	4.4%
2018	62,304	14,456	82,076	n/a	3.1%
2019	62,373	14,765	85,213	n/a	3.2%
2020	61,637	14,876	87,478	6.0%	7.7%
2021	61,768	14,351	100,627	3.7%	4.7%
2022	61,807	14,455	n/a	2.2%	2.8%

Sources: (1) University of Florida, Bureau of Economic Research; (2) Palm Beach County School Board Budget Office; (3) US DOC Bureau of Economic Development and (4) the U.S. Department of Labor, Bureau of Labor Statistics.

Note 1: Per Capita Income information is a total for the year. Unemployment rate information is an adjusted yearly average. School enrollment is based on the census at the start of the school year.

Note 2: Where indicated, Palm Beach County data was used as a more relevant source.

n/a Information not available

VILLAGE OF WELLINGTON, FLORIDA
PRINCIPAL EMPLOYERS - PALM BEACH COUNTY
CURRENT YEAR AND NINE YEARS AGO

Employer	2022			2013		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Palm Beach County School District	22,426	1	3.01%	21,495	1	3.88%
Palm Beach County BOCC	5,753	2	0.77%	11,381	2	2.06%
Tenet Coastal Division Palm Beach County	5,734	3	0.77%	6,100	3	1.10%
Next Era Energy (FP&L)	5,330	4	0.72%	3,635	4	0.66%
Florida Atlantic University	5,059	5	0.68%	2,706	7	0.49%
Boca Raton Regional Hospital	3,135	6	0.42%	2,250	10	0.41%
Veterans Health Administration	2,600	7	0.35%			
HCA Florida Healthcare	2,419	8	0.32%	2,714	6	0.49%
The Breakers	2,300	9	0.31%			
Baptist Health South Florida	2,282	10	0.31%			
G4S (Wackenhut)				3,000	5	0.54%
Bethesda Memorial Hospital				2,391	8	0.43%
Office Depot				2,250	9	0.41%
	<u>57,038</u>		<u>7.66%</u>	<u>57,922</u>		<u>10.47%</u>

Source: Business Development Board of Palm Beach County- Service Industry

Note: Wellington is not a significant area for employment but rather a residential community. Therefore, Palm Beach County statistics were used.

VILLAGE OF WELLINGTON, FLORIDA
FULL-TIME VILLAGE GOVERNMENT EMPLOYEES BY FUNCTION
LAST TEN FISCAL YEARS

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Number of Employees:										
General government	63.0	68.0	68.0	73.0	80.0	79.0	72.0	71.0	66.0	68.0
Public safety	14.0	14.0	14.0	14.0	14.0	15.0	15.0	15.0	15.0	15.0
Physical environment	63.0	64.0	64.0	63.0	65.0	63.0	59.0	59.0	59.0	61.0
Transportation	11.0	11.0	11.0	11.0	11.0	11.0	11.0	11.0	11.0	11.0
Economic environment	34.0	34.0	34.0	35.0	36.0	34.0	34.0	34.0	32.0	32.0
Culture and recreation	47.0	49.0	49.0	48.0	49.0	49.0	49.0	49.0	51.0	50.0
Professional Centre	-	3.0	3.0	3.0	3.0	3.0	3.0	3.0	2.0	2.0
Utility system	44.0	51.0	51.0	51.0	52.0	55.0	56.0	57.0	60.0	59.0
Solid waste	<u>2.0</u>	<u>2.0</u>	<u>2.0</u>	<u>4.0</u>	<u>4.0</u>	<u>4.0</u>	<u>4.0</u>	<u>4.0</u>	<u>4.0</u>	<u>4.0</u>
Total Number of Employees	<u>278.0</u>	<u>296.0</u>	<u>296.0</u>	<u>302.0</u>	<u>314.0</u>	<u>313.0</u>	<u>303.0</u>	<u>303.0</u>	<u>300.0</u>	<u>302.0</u>

Source: Wellington's Office of Financial Management and Budget

VILLAGE OF WELLINGTON, FLORIDA
OPERATING INDICATORS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS

<u>Function/Program</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
General government:										
Bids, contracts awarded & administered	38	36	23	29	20	25	25	39	24	15
Purchase orders processed	1,011	1,008	1,115	1,229	973	1,018	1,141	1,302	1,126	1,098
Payroll transactions	9,143	9,721	9,668	10,046	10,634	10,157	10,364	9,792	10,024	9,977
Public safety:										
Police personnel and officers	134	132	141	141	144	145	147	148	147	151
Fire personnel	71	71	71	71	71	71	71	76	76	76
Calls for service	34,662	34,764	34,222	45,482	42,628	45,008	43,537	42,519	32,174	37,587
Physical environment - Surface water:										
Canal right-of-way miles maintained	700	850	900	300	300	300	300	300	300	300
Physical environment - Engineering & public works:										
Work orders performed	1,454	1,649	1,305	1,200	795	770	865	526	656	770
Inspections performed	1,289	1,624	1,108	1,045	755	720	780	683	720	780
Planning and development:										
Building inspections	35,384	26,023	30,609	31,348	28,384	29,189	28,309	40,265	43,848	45,105
New residential building permits issued	232	147	342	134	118	170	85	42	50	18
Transportation:										
Miles of roads resurfaced	16	11	9	10	2	25	17	20	20	14
Miles of streets cleaned/swept	3,369	1,950	1,185	3,493	4,855	4,310	4,570	10,259	10,397	9,975
Signs repaired	1,427	1,164	1,974	1,145	2,225	1,715	1,958	1,514	1,912	3,737
Culture and recreation:										
Participants registered:										
Athletics	10,282	8,166	10,077	8,856	8,183	7,940	8,110	5,335	4,395	11,664
Community programs	2,353	887	706	648	1,667	2,160	2,181	1,764	1,321	2,644
Pool	78,285	80,469	70,830	72,660	57,511	53,427	58,170	38,859	41,932	50,708
Number of program sessions	1,140	1,634	1,099	1,070	1,433	1,467	1,400	1,247	965	1,366
Utility system:										
Active accounts - water	20,052	20,169	20,397	20,375	20,398	20,458	20,557	20,675	20,696	20,735
Water production (millions of gallons)	2,065	2,174	2,163	2,070	2,107	2,129	1,909	2,090	1,885	n/a
Total water produced (avg daily MGD per employee)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	0.61	0.63	0.68
Solid waste:										
Residential accounts	22,673	23,018	21,349	20,902	20,931	20,961	21,017	20,694	22,466	22,603

Source: Various Village Departments

(1) Aquatic weed control increased in FY16 due to a bloom in aquatic vegetation that required additional treating

VILLAGE OF WELLINGTON, FLORIDA
CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS

Function/Program	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General government:										
Number of general government buildings	1	1	1	1	1	1	1	1	1	1
Public safety:										
Police:										
Sheriff substations	1	1	1	1	1	1	1	1	1	1
Fire:										
Fire stations	4	4	4	4	4	4	4	4	4	4
Suppression units	9	9	9	9	9	9	9	9	7	7
Early response stabilization units	4	4	4	4	4	4	4	4	4	4
Physical environment:										
Acreage of lakes (1)	166	166	166	553	553	553	553	523	523	523
Canal miles	89	89	89	89	89	89	89	89	89	89
Transportation:										
Miles of streets (asphalted)	152	152	152	152	152	151	150	151	151	151
Number of street lights	2,465	2,465	2,465	2,465	2,465	2,493	2,493	2,481	2,481	2,481
Miles of bike paths	40	40	40	45	45	39	39	43	44	44
Miles of sidewalks	153	153	155	198	198	198	198	206	207	208
Culture and recreation:										
Parks acreage	350	350	350	271	285	271	271	282	238	238
Open space preserves/passive recreation	452	452	452	436	422	437	437	437	468	468
Community center	1	1	1	1	1	1	1	1	1	1
Swimming pools	1	1	1	1	1	1	1	1	1	1
Tennis courts	16	16	21	21	21	21	21	21	21	21
Baseball/softball fields	18	18	18	18	17	17	17	17	21	21
Utility system:										
Fire hydrants	1,941	1,941	1,941	2,115	2,338	2,329	2344	2317	2331	2316
Potable water mains (miles)	n/a	n/a	n/a	n/a	n/a	n/a	312	312	311	310
Raw water mains (miles)	n/a	n/a	n/a	n/a	n/a	n/a	17	17	17	17
Sewer force mains (miles)	n/a	n/a	n/a	n/a	n/a	n/a	60	60	59	59
Sewer gravity mains (miles)	n/a	n/a	n/a	n/a	n/a	n/a	197	194	194	194
Lift stations	n/a	n/a	n/a	n/a	n/a	n/a	105	105	106	106

Source: Various Wellington Departments

Note: Indicators are not available for the solid waste function

(1) Acreage of lakes prior to FY2016 were for public acres. FY16 and beyond will include total acres, public and private.

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Compliance Section



**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 and Village Council
Village of Wellington, 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 Village of Wellington, Florida, (the "Village") as of and for the fiscal year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements and have issued our report thereon dated February 27, 2023.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Village'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 Village's internal control. Accordingly, we do not express an opinion on the effectiveness of the Village'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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. 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.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Village'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 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.

Dean & Associates

February 27, 2023



INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND STATE PROJECT AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE AND CHAPTER 10.550, RULES OF THE AUDITOR GENERAL

Honorable Mayor and Village Council
Village of Wellington, Florida

Report on Compliance for Each Major Federal Program and State Project

We have audited the Village of Wellington, Florida's (the "Village") compliance with the types of compliance requirements described in the OMB Compliance Supplement, and the requirements described in the Department of Financial Services' State Projects Compliance Supplement, that could have a direct and material effect on the Village's major federal program and state project for the fiscal year ended September 30, 2022. The Village's major federal program and state project 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 and state statutes, regulations, and the terms and conditions of its federal awards applicable to federal programs and state projects.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for the Village's major federal program 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); and Chapter 10.550, Rules of the Auditor General. Those standards, the Uniform Guidance, and Chapter 10.550, Rules of the Auditor General, 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 or state project occurred. An audit includes examining, on a test basis, evidence about the Village'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 the major federal program and state project. However, our audit does not provide a legal determination of the Village's compliance.

Opinion on Each Major Federal Program and State Project

In our opinion, the Village complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program and state project for the fiscal year ended September 30, 2022.

Report on Internal Control Over Compliance

Management of the Village 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 Village's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program or state project 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 state project, and to test and report on internal control over compliance in accordance with the Uniform Guidance and Chapter 10.550, Rules of the Auditor General, 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 Village's internal control over compliance.

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 or state project 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 or state project 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 or state project 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 and Chapter 10.550, Rules of the Auditor General. Accordingly, this report is not suitable for any other purpose.



February 27, 2023

Village of Wellington, Florida

Schedule of Federal Awards, State Financial and Local Awards Fiscal Year Ended September 30, 2022

Federal/State Agency Pass-through Entity Federal Programs/State Projects	ALN/CSFA Number	Contract/Grant Number	Total Expenditures
<u>Federal Agency Name:</u>			
U.S. DEPARTMENT OF HOUSING & URBAN DEVELOPMENT			
<i>Direct Awards</i>			
Community Development Block Grants/Entitlement Grants	14.218	B-21-MC-12-0061	491,085
TOTAL U.S. DEPT OF HOUSING & URBAN DEVELOPMENT			491,085
U.S. DEPARTMENT OF AGRICULTURE			
<i>Passed-Through Awards</i>			
Florida Department of Agriculture & Consumer Services			
Cooperative Forestry Assistance	10.664	27846	3,750
TOTAL U.S. DEPARTMENT OF AGRICULTURE			3,750
U.S. DEPARTMENT OF INTERIOR			
<i>Passed-Through Awards</i>			
National Park Service			
Land and Water Conservation Fund	15.916	LW716	400,000
TOTAL U.S. DEPARTMENT OF INTERIOR			400,000
U.S. DEPARTMENT OF JUSTICE			
<i>Passed-Through Awards</i>			
Florida Department of Law Enforcement			
Edward Byrne Memorial Formula Grant Program	16.738	2022-JAGD-PALM-4-4B-075	6,362
TOTAL U.S. DEPARTMENT OF JUSTICE			6,362
U.S. DEPARTMENT OF HOMELAND SECURITY/FEDERAL EMERGENCY MANAGEMENT AGENCY			
<i>Passed-Through Awards</i>			
Florida Division of Emergency Management			
Hazard Mitigation Grant Program	97.039	H0369	135,072
Public Assistance Grant - COVID-19	97.036	4486DR-FL	46,840
TOTAL U.S. DEPARTMENT OF HOMELAND SECURITY			181,912
U.S. DEPARTMENT OF THE TREASURY			
<i>Direct Awards</i>			
Coronavirus State and Local Fiscal Recovery Funds	21.027	SLT-2014	7,376,577
TOTAL U.S. DEPARTMENT OF THE TREASURY			7,376,577
Total Expenditures of Federal Awards			8,459,686
<u>State Agency Name:</u>			
FLORIDA DEPARTMENT OF ENVIRONMENTAL PROTECTION			
Division of Cultural Affairs			
General Program Support	45.061	23 C.PS 180 440	52,650
FL Recreation and Parks			
Florida Recreation Development Assistance Program	37.017	A2026	50,000
Department of Environmental Protection			
Florida Communities Trust (Florida Forever Funded Grant Program)	37.078	F2114	3,386,250
TOTAL FLORIDA DEPARTMENT OF STATE			3,488,900
Total Expenditures of State Awards			3,488,900
Total Expenditures of Grant Awards			11,948,586
See Note to Schedule of Federal Awards, State Financial Assistance and Local Awards			

VILLAGE OF WELLINGTON, FLORIDA
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

NOTE A – BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the Village of Wellington, Florida and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of 2 CFR Part 200- Uniform Administrative Requirements, Cost Principals, and Audit Requirements for Federal Awards. 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

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained within 2 CFR Part 200- Uniform Administrative Requirements, Cost Principals, and Audit Requirements for Federal Awards, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS – FEDERAL PROGRAMS AND STATE PROJECTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022**

A. SUMMARY OF AUDIT RESULTS

1. The auditor's report expresses an unmodified opinion on the financial statements of the Village of Wellington, Florida.
2. No significant deficiencies or material weaknesses relating to the audit of the financial statements are reported in the 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*.
3. No instances of noncompliance material to the financial statements of the Village of Wellington, Florida were disclosed during the audit.
4. No significant deficiencies or material weaknesses relating to the audit of the major federal award program or state project are reported in the independent auditor's report on compliance for the major federal program and state project and on internal control over compliance required by the Uniform Guidance and Chapter 10.550, Rules of the Auditor General.
5. The independent auditor's report on compliance for the major federal award program and state project of the Village of Wellington, Florida expresses an unmodified opinion.
6. There were no audit findings relative to the major federal award and state project tested for the Village of Wellington, Florida.
7. The dollar threshold for Type A federal programs and state projects was \$750,000. The programs tested as major federal programs and state projects include:

Federal Program	ALN No.
Coronavirus State and Local Fiscal Recovery Funds	21.027
State Project	CFSA No.
Florida Communities Trust (Florida Forever Funded Grant Program)	37.078

8. The Village of Wellington, Florida was determined to be a low-risk auditee pursuant to the Uniform Guidance.

B. FINDINGS - FINANCIAL STATEMENTS AUDIT

None

C. FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL PROGRAMS AND STATE PROJECTS

None

D. OTHER ISSUES

No summary schedule of prior audit findings is required because there were no prior audit findings related to Federal awards programs or state projects.

No corrective action plan is required because there were no findings required to be reported under the Federal or State Single Audit Act.



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CERTIFIED PUBLIC ACCOUNTANTS

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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH THE
REQUIREMENTS OF SECTION 218.415, FLORIDA STATUTES, REQUIRED BY
RULE 10.556(10) OF THE AUDITOR GENERAL OF THE STATE OF FLORIDA**

Honorable Mayor and Village Council
Village of Wellington, Florida

We have examined the Village of Wellington, Florida's (the "Village") compliance with the requirements of Section 218.415, Florida Statutes, in accordance with Rule 10.556(10) of the Auditor General of the State of Florida during the fiscal year ended September 30, 2022. Management is responsible for the Village's compliance with those requirements. Our responsibility is to express an opinion on the Village's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the Village complied, in all material respects, with the specified requirements referenced in Section 218.415, Florida Statutes. An examination involves performing procedures to obtain evidence about whether the Village complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion. Our examination does not provide a legal determination on the Village's compliance with specified requirements.

In our opinion, the Village complied, in all material respects, with the aforementioned requirements for the fiscal year ended September 30, 2022.

This report 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, management, and the Board of Supervisors of the Village of Wellington, Florida and is not intended to be and should not be used by anyone other than these specified parties.

Grau & Associates

February 27, 2023



**MANAGEMENT LETTER PURSUANT TO THE RULES OF
THE AUDITOR GENERAL OF THE STATE OF FLORIDA**

Honorable Mayor and Village Council
Village of Wellington, Florida

Report on the Financial Statements

We have audited the accompanying basic financial statements of the Village of Wellington, Florida (the "Village") as of and for the fiscal year ended September 30, 2022, and have issued our report thereon dated February 27, 2023.

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 Compliance and Other Matters based on an audit of the financial statements performed in accordance with *Government Auditing Standards*; and Independent Auditor's Report on an examination conducted in accordance with *AICPA Professional Standards*, 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 February 27, 2023, should be considered in conjunction with this management letter.

Purpose of this Letter

The purpose of this letter is to comment on those matters required by Chapter 10.550 of the Rules of the Auditor General for the State of Florida. Accordingly, in connection with our audit of the financial statements of the Village, as described in the first paragraph, we report the following:

- I. Current year findings and recommendations.**
- II. Status of prior year findings and recommendations.**
- III. Compliance with the Provisions of the Auditor General of the State of Florida.**

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

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

February 27, 2023

REPORT TO MANAGEMENT

I. CURRENT YEAR FINDINGS AND RECOMMENDATIONS

None

II. PRIOR YEAR FINDINGS AND RECOMMENDATIONS

None

III. COMPLIANCE WITH THE PROVISIONS OF THE AUDITOR GENERAL OF THE STATE OF FLORIDA

Unless otherwise required to be reported in the auditor's report on compliance and internal controls, the management letter shall include, but not be limited to the following:

1. A statement as to whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report.

There were no significant findings and recommendations made in the preceding annual financial audit report for the fiscal year ended September 30, 2021.

2. Any recommendations to improve the local governmental entity's financial management.

There were no such matters discovered by, or that came to the attention of, the auditor, to be reported for the fiscal year ended September 30, 2022.

3. 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.

There were no such matters discovered by, or that came to the attention of, the auditor, to be reported, for the fiscal year ended September 30, 2022.

4. The name or official title and legal authority of the Village are disclosed in the notes to the financial statements.

5. The Village has not met one or more of the financial emergency conditions described in Section 218.503(1), Florida Statutes.

6. We applied financial condition assessment procedures pursuant to Rule 10.556(7) and no deteriorating financial conditions were noted as of September 30, 2022. It is management's responsibility to monitor 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.

7. Management has provided the specific information required by Section 218.39(3)(c) in the Other Information section of the financial statements on page 82.

Council
Anne Gerwig, Mayor
Michael Drahos, Vice Mayor
John T. McGovern, Councilman
Michael J. Napoleone, Councilman
Tanya Siskind, Councilwoman

Manager
Jim Barnes

IMPACT FEE AFFIDAVIT

BEFORE ME, the undersigned authority, personally appeared Ana Acevedo, who being duly sworn, deposes and says on oath that:

- 1. I am the Chief Financial Officer of the Village of Wellington which is a local governmental entity of the State of Florida;
2. The governing body of the Village of Wellington adopted Ordinance No. 98-31 and Resolution No. 2018-35 implementing impact fees; and
3. The Village of Wellington has complied and, as of the date of this Affidavit, remains in compliance with Section 163.31801, Florida Statutes.

FURTHER AFFIANT SAYETH NAUGHT.

Ana Acevedo (handwritten signature)

Ana Acevedo

STATE OF FLORIDA COUNTY OF PALM BEACH

SWORN TO AND SUBSCRIBED before me this 23 day of March, 2023.

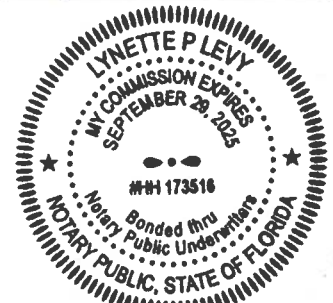
Lynette P. Levy (handwritten signature)
NOTARY PUBLIC

Print Name Lynette P. Levy

Personally known [checked] or produced identification

Type of identification produced:

My Commission Expires: 9/29/2025





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Wellington

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