



VILLAGE OF WELLINGTON, FLORIDA

ANNUAL COMPREHENSIVE FINANCIAL REPORT

**FISCAL YEAR ENDED
SEPTEMBER 30, 2023**

www.wellingtonfl.gov



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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
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE YEAR ENDED SEPTEMBER 30, 2023

TABLE OF CONTENTS

INTRODUCTORY SECTION	<u>PAGE</u>
Transmittal Letter	2
List of Principal Officials	12
Organizational Chart	13
Certificate of Achievement for Excellence in Financial Reporting	14
FINANCIAL SECTION	
Independent Auditors' Report	17
Management's Discussion and Analysis (Required Supplementary Information)	21
Basic Financial Statements	
Government-wide Financial Statements:	
Statement of Net Position	33
Statement of Activities	34
Fund Financial Statements:	
Balance Sheet – Governmental Funds	36
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	38
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	40
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of the Governmental Funds to the Statement of Activities	42
Statement of Net Position – Proprietary Funds	43
Statement of Revenues, Expenses, and Changes in Fund Net Position – Proprietary Funds	44
Statement of Cash Flows – Proprietary Funds	46
Statement of Fiduciary Net Position – Fiduciary Fund	48
Statement of Changes in Fiduciary Net Position – Fiduciary Fund	49
Notes to Basic Financial Statements	50
Required Supplementary Information	
Budgetary Comparison Schedule – General Fund	87
Budgetary Comparison Schedule – Building - Special Revenue Fund	88
Budgetary Comparison Schedule – Acme Improvement – Special Revenue Fund	89
Note to Budgetary Comparison Schedules	90
Schedule of Proportionate Share of Net Pension Liability	92
Schedule of Pension Contributions	94
Schedule of Changes in the Village's Net OPEB Asset and Related Ratios	96
Condition Rating of Street System	98
Combining and Individual Fund Information and Other Supplementary Information	
Nonmajor Governmental Funds:	
Combining Balance Sheet	101
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	102
Non-Major Schedules of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual:	
Gas Tax Maintenance- Special Revenue Fund	103
SHIP Grant- Special Revenue Fund	104

	<u>PAGE</u>
Recreation Impact Fees - Capital Projects Fund	105
Gas Tax - Capital Projects Fund	106
Road Impact Fees – Capital Projects Fund	107
Major Schedules of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual:	
Capital Projects Fund	109
Sales Surtax - Capital Projects Fund	110
Debt Service Fund	111
Other Information Section	
Data Elements Required by Florida Statute 218.39(3)(c) - ACME Improvement District	113
STATISTICAL SECTION	
Financial Trends:	
Net Position by Component	116
Changes in Net Position	118
Fund Balances of Governmental Funds	122
Changes in Fund Balances of Governmental Funds	124
Revenue Capacity:	
Net Assessed Value and Estimated Actual Value of Taxable Property	126
Property Tax Rates – Direct and Overlapping Governments	128
Principal Property Taxpayers	129
Property Tax Levies and Collections	130
Debt Capacity:	
Ratios of Outstanding Debt by Type	131
Direct and Overlapping Governmental Activities Debt	132
Pledged Revenue Coverage	134
Debt Compliance	136
Demographic and Economic Information:	
Demographic and Economic Statistics	137
Principal Employers	138
Operating Information:	
Full-Time Equivalent Village Government Employees by Function	139
Operating Indicators by Function/Program	140
Capital Asset Statistics by Function/Program	141
Compliance Section	
Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	143
Management Letter in Accordance with the Rules of the Auditor General of the State of Florida	145
Independent Accountants' Report on Compliance Pursuant to Section 218.415, Florida Statutes	148
Impact Fee Affidavit	149

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INTRODUCTORY SECTION

Council

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

Manager
Jim Barnes

February 28, 2024

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, 2023. 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 (GAAP) 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 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 (GAAS).

Marcum LLP, independent auditors, have issued an unmodified opinion on the Village of Wellington's financial statements for the fiscal year ended September 30, 2023. The independent auditors' 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 auditors' 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 Governmental Accounting Standards Board (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 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 Village 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 residential community with an estimated current permanent population of 61,788 and a median home value of \$433,100. Projections indicate that this population will approach 66,000 residents by the year 2028. 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 continue recovery from the prolonged pandemic and the local economy remains positive, although at slower expansion rate than the prior year, while sales tax revenues increased from 2022 to 2023 business tax receipts decreased by almost 7%. Wellington continued to experience annual increases in the average home value since 2010 and including in 2023. However, the longer-term effects of inflation and mortgage interest rates 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 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 has increased from last year and remains 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.

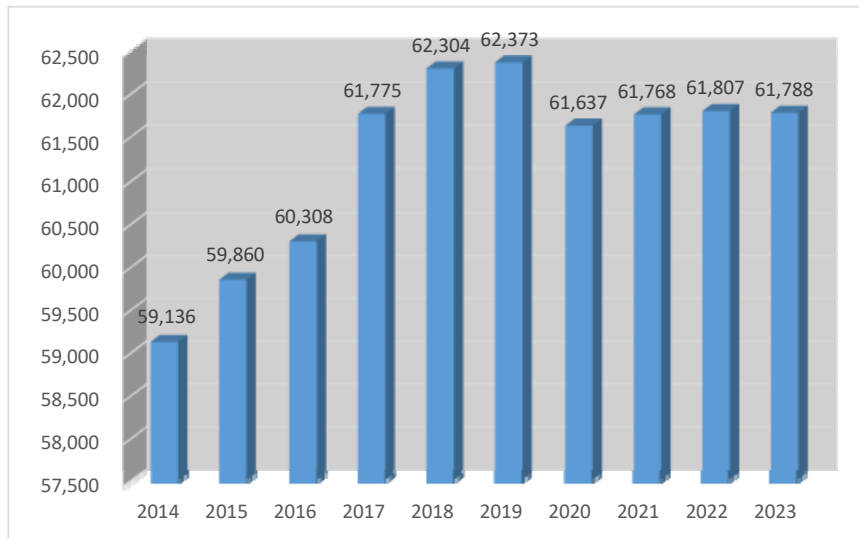
Two additional developments in the equestrian area are under consideration by the Village Council and committees. The Wellington North and South are proposed to add approximately 200 homes near Person Road.

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 2.4%, well below the national, state and county rates averaging around 3%. Wellington's population is anticipated to continue its slow expansion at around 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 2023 permanent population of 61,788 (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 twelve to twenty-four months:

- ❖ Ranked 8th on Fortune's list of Best Places to Live for Families (2023)
- ❖ Let's Move Physical Activity Challenge, First Place Winner (2019,2020, 2022, 2023)

- ❖ Featured in Forbes Magazine as a company committed to workforce health as measured by the American Heart Association’s Workforce Well-being Scorecard (2023)
- ❖ All American City Finalist (2023)
- ❖ Awarded almost \$4 million in grants
- ❖ 2023 Safety Council of Palm Beach County Award of Excellence for Workplace Safety
- ❖ 2023 Safety Council of Palm Beach County Award of Merit for Vehicle Safety
- ❖ 2023 PBC Traffic Safety Council Achievement Award for PBSO District 8 Traffic Safety Initiatives – Operation Bent Metal and Operation Broken Bottle.
- ❖ 2023 PBC Traffic Safety Council Achievement Award for PBSO District 8 Aggressive Driving Enforcement
- ❖ 2023 PBC Traffic Safety Council Award for PBSO District 8 – Heroism Award for life saving actions taken regarding incident at Wellington Preserve
- ❖ Ranked one of the Top Ten Safest Cities in Florida (SafeWise.com)
- ❖ Money Magazine’s Best 100 Places to Retire
- ❖ 2022 FWEA Biosolids Program Excellence award for utility production of Class AA biosolids
- ❖ The Building department reaccreditation with International Accreditation Association (IAS)
- ❖ Utility rate study completed
- ❖ 2022 Distinguished Service Award Recipient for Special Safety Traffic Initiatives
- ❖ Third reaccreditation with the American Public Works Association
- ❖ Recertification for Tree City USA & Growth Award
- ❖ Read for the Record- 1st place in municipality size
- ❖ Repaired approximately 59,000 square feet of sidewalks
- ❖ Resurfaced approximately 11 lane miles of roadway
- ❖ Maintained 100% water quality compliance

Completed the following projects during 2023:

- ❖ Town Center Phase II completion
- ❖ State Road 7 corridor study
- ❖ Wellington Environmental Preserve expansion land clearing using grant funds
- ❖ Upgrades and additions to door entry and camera security systems
- ❖ National Community Survey and benchmarks
- ❖ Staimford Park improvements with grant funding
- ❖ Village Park Field 22 renovation
- ❖ Clearing of land for Wellington Environmental Preserve expansion with grant funding
- ❖ Water Treatment and Reclamation Facilities improvements

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

- ❖ South Shore Community Park renovations
- ❖ Road and Pathway projects to promote the Vision Zero Traffic Safety Initiative
- ❖ Aquatics Center Replacement
- ❖ Expansion of the Wellington Environmental Preserve
- ❖ Field of Dreams and Greenbriar Park improvements
- ❖ Wellington Athletics Center construction
- ❖ Pump Station #2 renovations

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 ACFR, 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 upcoming fiscal year; the remaining years are used as a planning guide. The program allocates and projects funding over five years for Wellington's roads, park development, public works projects, and new equipment. Wellington's Capital Improvement Program for fiscal years 2023 through 2027 scheduled expenditures/expenses approximating \$47.9 million in the governmental funds and approximately \$59.8 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% of the subsequent year expenditure budget. 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 Aaa 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 ACFR for the fiscal year ended September 30, 2022. 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 ACFR, whose contents conform to program standards. Such ACFR must satisfy both GAAP 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-seven consecutive years (1996-2022). 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, 2022. 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 thirteenth 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 Marcum LLP 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,

A handwritten signature in blue ink that reads "Ana Acevedo". The signature is written in a cursive, flowing style.

Ana A. Acevedo, CPA

Director of Financial and Administrative Services

Elected Officials



Anne Gerwig
Mayor



Michael J. Napoleone
Vice-Mayor



Tanya Siskind
Councilwoman



John T. McGovern
Councilman



Michael Drahos
Councilman

Village Manager

Jim Barnes, AICP, ICMA-CM

Deputy Village Manager

Tanya W. Quicquel

Assistant Village Manager

Ed DeLaVega

Village Clerk

Chevella Addie, MMC

Village Attorney

Laurie Cohen, Esq.

Key Personnel

Chief Information Officer

William Silliman

Village Engineer

Jonathan Reinsvold, P.E.

Utilities Director

Anjuli Panse, P.E.

Parks and Recreation Director

Eric Juckett, CPRP, CDM

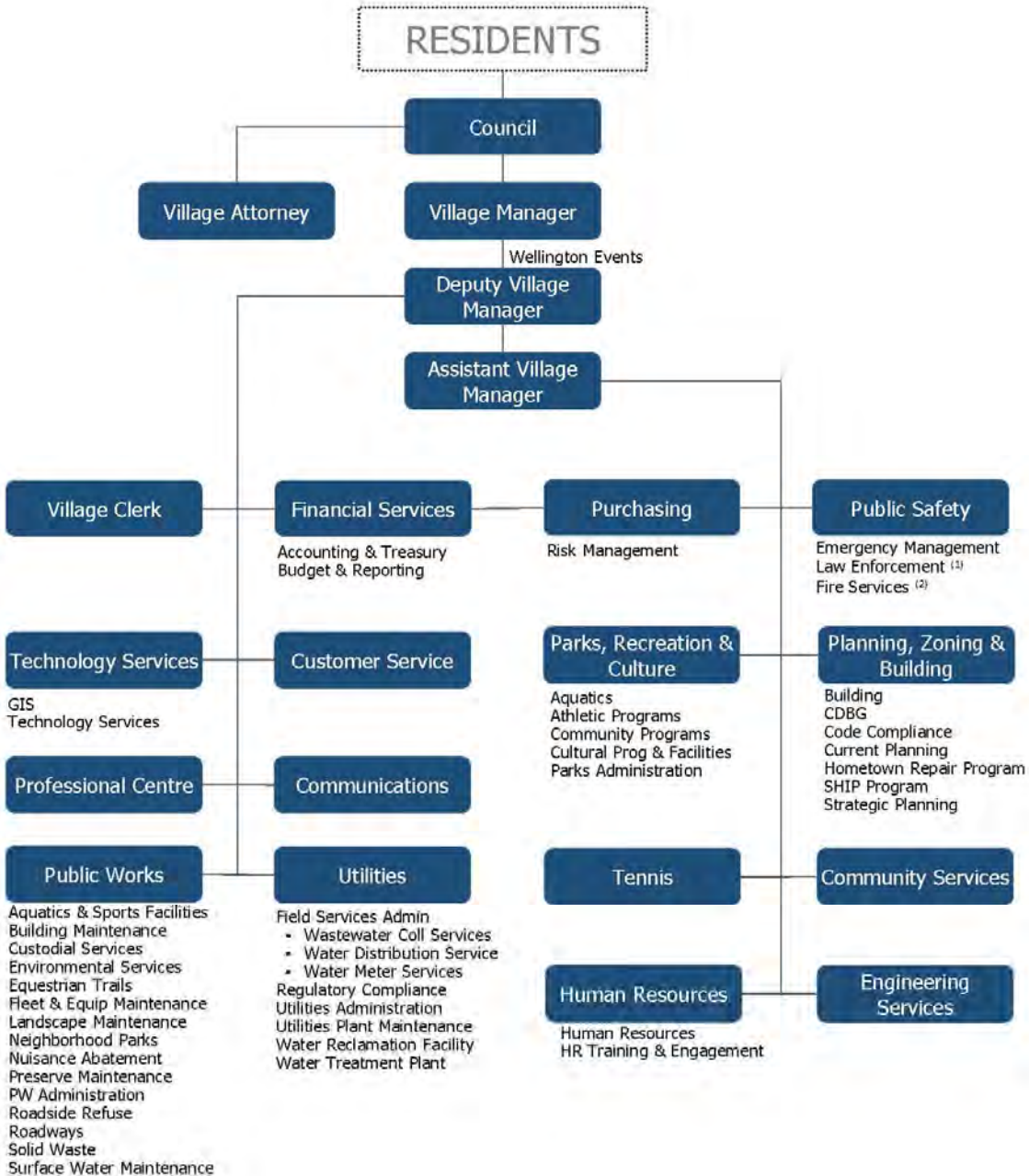
Public Works Director

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, 2022

Christopher P. Morill

Executive Director/CEO



FINANCIAL SECTION

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INDEPENDENT AUDITORS' REPORT

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

Report on the Audit of the Financial Statements

Opinions

We have audited 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, 2023, 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 accompanying 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, 2023, 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 (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditors' 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

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.

Auditors' 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 auditors' 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 and *Government Auditing Standards* 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 and *Government Auditing Standards*, 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 on pages 21 through 30, and the budgetary comparison schedules and related notes, the information for the pensions and OPEB, and the condition rating of the street system on pages 87 through 98, 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 GAAS, 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 fund information, and the other supplementary information, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 fund information, and the other supplementary information are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory section, other information section, and statistical section, but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic 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 basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic 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 28, 2024, 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, and 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 Village's internal control over financial reporting and compliance.

Marcum LLP

West Palm Beach, Florida
February 28, 2024

MANAGEMENT'S DISCUSSION AND ANALYSIS

SEPTEMBER 30, 2023

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 \$431.8 million (net position), which increased \$13.2 million from the prior year. Of this amount, \$55.7 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 \$306.6 million of total net position of \$432 million.
- ❖ Net position of governmental activities increased \$16 million or 7%.
- ❖ Government-wide total revenues were \$116.2 million, while government-wide total expenses were \$103.1 million. Total revenues increased 6% or \$6.9 million while total expenses increased 12% or \$10.8 million.
- ❖ Governmental activities generated \$81.2 million in revenue with \$66.4 million in expenses.
- ❖ Business-type activities generated \$35 million in revenue with \$36.7 million in expenses.
- ❖ Governmental funds ended the year with a combined fund balance of \$139.2 million, which is an increase of 57% or \$50.3 million from the prior year. Of that amount, the unassigned portion is \$33.4 million, an increase of \$6.3 million, or 23% 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 33-35 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, 2023 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 36-42 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, 2023.

The basic proprietary fund financial statements can be found on pages 43-47 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 48-49 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 50 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 84 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 85 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Summary 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 \$431.8 million at the close of the most recent year.

Wellington's Net Position						
	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Current and other assets	\$ 152,191,505	\$ 104,043,205	\$ 47,320,460	\$ 49,622,210	\$ 199,511,965	\$ 153,665,415
Capital assets, net	167,808,144	160,127,064	157,342,073	158,533,805	325,150,217	318,660,869
Total Assets	319,999,649	264,170,269	204,662,533	208,156,015	524,662,182	472,326,284
Other postemployment benefit	575,709	670,794	158,441	185,260	734,150	856,054
Pension	4,953,537	5,893,937	1,030,744	1,260,869	5,984,281	7,154,806
Total Deferred Outflows of Resources	5,529,246	6,564,731	1,189,185	1,446,129	6,718,431	8,010,860
Noncurrent liabilities	63,542,402	26,533,458	20,952,751	21,284,881	84,495,153	47,818,339
Other liabilities	9,551,878	7,954,653	2,687,441	3,551,454	12,239,319	11,506,107
Total Liabilities	73,094,280	34,488,111	23,640,192	24,836,335	96,734,472	59,324,446
Pension	1,594,134	1,168,109	241,919	137,666	1,836,053	1,305,775
Other postemployment benefit	222,645	192,865	62,990	54,591	285,635	247,456
Leases	731,967	815,653	-	-	731,967	815,653
Total Deferred Inflows of Resources	2,548,746	2,176,627	304,909	192,257	2,853,655	2,368,884
Net Position:						
Net investment in capital assets	164,495,480	157,817,064	142,093,315	142,621,375	306,588,795	300,438,439
Restricted	36,631,854	34,411,046	32,873,739	28,884,808	69,505,593	63,295,854
Unrestricted	48,758,535	41,842,152	6,939,563	13,067,369	55,698,098	54,909,521
Total Net Position	\$ 249,885,869	\$ 234,070,262	\$ 181,906,617	\$ 184,573,552	\$ 431,792,486	\$ 418,643,814

For governmental activities, current assets increased primarily due to higher investment balances related to the issuance of a \$33 million public improvement bond as well improved market conditions. Capital assets also increased due to the implementation of GASB 96 and completion of Town Center improvements.

For business-type activities, current assets decreased primarily due to investment draws for capital projects. Capital assets decreased due to depreciation exceeding capital asset purchases.

The change in noncurrent liabilities in governmental activities is primarily related to the issuance of a \$33 million public improvement bond.

The largest portion of net position (71%) 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 \$69 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, OPEB and bond covenants) and imposed by enabling legislation (building and surtax activities). These resources can be used only for future construction; building activities; OPEB; 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.

Summary Change In Net Position

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Revenues						
Program revenues:						
Charges for services	\$ 20,477,356	\$ 19,525,046	\$ 30,511,529	\$ 28,309,255	\$ 50,988,885	\$ 47,834,301
Operating grants and contributions	2,620,587	6,174,069	-	34,111	2,620,587	6,208,180
Capital grants and contributions	321,155	3,896,952	2,515,412	7,428,443	2,836,567	11,325,395
General revenues:						
Property taxes	24,611,194	22,013,977	-	-	24,611,194	22,013,977
Other taxes	19,358,564	17,670,539	-	-	19,358,564	17,670,539
State shared revenue	9,440,706	9,343,476	-	-	9,440,706	9,343,476
Investment earnings/(losses)	3,693,788	(4,000,524)	1,255,220	(2,014,479)	4,949,008	(6,015,003)
Gain on sale of capital assets	41,944	-	-	-	41,944	-
Other	656,931	694,667	724,166	210,546	1,381,097	905,213
Total Revenues	81,222,225	75,318,202	35,006,327	33,967,876	116,228,552	109,286,078
Program expenses including indirect expenses:						
General government	18,494,657	21,289,380	-	-	18,494,657	21,289,380
Public safety	16,734,914	15,220,864	-	-	16,734,914	15,220,864
Physical environment	8,113,075	7,285,614	-	-	8,113,075	7,285,614
Economic environment	1,947,959	1,642,910	-	-	1,947,959	1,642,910
Transportation	5,191,043	5,280,264	-	-	5,191,043	5,280,264
Culture and recreation	15,421,897	12,147,524	-	-	15,421,897	12,147,524
Contributions	-	93,947	-	-	-	93,947
Interest on debt	503,073	68,391	-	-	503,073	68,391
Water and wastewater	-	-	29,321,656	22,924,292	29,321,656	22,924,292
Solid waste	-	-	6,593,848	5,566,395	6,593,848	5,566,395
Lake Wellington Professional Centre	-	-	757,758	746,626	757,758	746,626
Total expenses	66,406,618	63,028,894	36,673,262	29,237,313	103,079,880	92,266,207
Change in net position before transfers	14,815,607	12,289,308	(1,666,935)	4,730,563	13,148,672	17,019,871
Transfers in (out)	1,000,000	2,836,426	(1,000,000)	(2,836,426)	-	-
Change in net position	15,815,607	15,125,734	(2,666,935)	1,894,137	13,148,672	17,019,871
Beginning net position	234,070,262	218,944,528	184,573,552	182,679,415	418,643,814	401,623,943
Ending net position	\$ 249,885,869	\$ 234,070,262	\$ 181,906,617	\$ 184,573,552	\$ 431,792,486	\$ 418,643,814

Governmental Activities

During the current fiscal year, net position for governmental activities increased \$15.8 million from the prior fiscal year for an ending balance of \$249.9 million.

Revenues increased from prior year by \$5.9 million or 8%. Key elements of this increase are as follows:

- ❖ Charges for services increased nearly \$1 million due to impact fees for the AXIS development.
- ❖ Grants and contributions decreased \$7.1 million due to the Coronavirus grant of \$3.7 million and environmental preserve grant of \$3.4 million in the prior year.
- ❖ Higher property values led to an increase in property taxes of \$2.6 million.
- ❖ Other taxes increased \$1.7 million primarily due to franchise fees and utility service taxes.
- ❖ Investment earnings increased \$7.7 million due to improved market conditions and an increase in investment balances.

Expenses increased by \$3.4 million or approximately 5%. Key elements of this increase are as follows:

- ❖ General government decreased by \$2.8 million or 13% primarily due to:
 - ❖ Increase in salaries and benefits of approximately \$2.6 million due to raises, vacancies filled, benefits, pension and transfers of positions from other departments.
 - ❖ Decrease in operating expenditures of nearly \$2 million due to a decrease in reallocation of insurance expense to enterprise fund (\$378,000), election expense (\$145,000), GASB 96 implementation (\$950,000), great neighborhood grants (154,000) and major maintenance (\$410,000).

- ❖ Decrease of \$4.4 million due to reclassification of indirect cost allocation that was previously accounted for in transfers.
- ❖ Depreciation increased by \$1 million.
- ❖ Culture and Recreation increased by \$3.3 million or 27% primarily due to:
 - ❖ Increase in operating expenditures of approximately 850,000 for major maintenance (\$350,000), ground and field supplies (\$140,000) as well as a new division created for special events (\$360,000).
 - ❖ Increase in salaries and benefits of approximately \$1.5 million for transfers in from other departments, addition of supplemental positions, promotions, added lifeguard hours, equity increases, pension and new special events division.
 - ❖ Depreciation increased by \$472,000.
 - ❖ Debt issuance costs increased by \$301,000 due to issuance of a public improvement bond.
- ❖ Interest expense increased by \$435,000 mainly due to implementation of GASB 96 (\$35,000) and issuance of new debt (\$400,000).

Business-type Activities

The net position for Business-type activities decreased \$2.7 million from the prior fiscal year for an ending balance of \$181.9 million.

Revenues increased by approximately \$1 million or 3% over the prior year. Key elements of this increase are as follows:

- ❖ Charges for services increased \$2.2 million primarily due to indexing of 3.5% in utilities and an increase to the solid waste assessment rates.
- ❖ Capital grants and contributions decreased by \$5 million primarily due to a decrease in capacity charges for major building permits.
- ❖ Investment earnings increased \$3.3 million due to improved market conditions.
- ❖ Increase in other revenues mainly due to loss on sales of capital assets of \$500,000 in the prior year.

Expenses increased by \$7.4 million or approximately 25%. Key elements of this increase are as follows:

- ❖ Water and wastewater expenses increased \$6.4 million primarily due to:
 - ❖ Increase in repairs and major maintenance of \$2.4 million.
 - ❖ Increase in depreciation expense of \$600,000.
 - ❖ Increase in salaries and benefits of \$700,000 for pay increases and associated benefits, added supplemental positions and filling of vacant positions.
 - ❖ Water treatment supplies increase of \$160,000.
 - ❖ Insurance expense increase of \$200,000.
 - ❖ Increase of \$2.4 million due to reclassification of indirect cost allocation that was previously accounted for in transfers.
- ❖ Solid waste expenses increased \$1 million due to a \$500,000 increase with our solid waste contract and \$500,000 due to reclassification of indirect cost allocation that was previously accounted for in transfers.

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, 2023, Wellington's governmental funds reported combined ending fund balances of \$139.2 million, an increase of \$50.3 million from prior year.

The unassigned fund balance of \$33.4 million is available for spending at Wellington's discretion. The remainder of fund balance of \$105.8 million is either nonspendable (\$1.6 million), has already been assigned to liquidate contracts, capital projects, purchase orders, and subsequent year's budget appropriation of fund balance (\$56.5 million), restricted for capital improvements or special purposes (\$35.7 million), or committed for future emergencies, insurance reserves, infrastructure, or rate stabilization (\$12.0 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 \$33.4 million, while the total fund balance was \$53 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 51% of total 2024 general fund budgeted expenditures. Revenues in the general fund were \$56.1 million, which represents an increase of \$4.3 million from the prior year. The increase in revenue is attributable to property taxes (12% taxable value increase), utility services taxes, franchise fees (increase in FPL electric rates), and investment income (improved market conditions and increase in investment balances). Expenditures in the general fund were \$43.6 million, which represents a decrease of approximately \$4.5 million from the prior year. The decrease in expenditures is attributable to a decrease in operating expenses of \$400,000, a \$4.4 million decrease due to reclassification of indirect cost allocation that was previously accounted for in transfers, increase in capital outlay of \$1.3 million, debt payments of \$449,000 and salaries & benefits of \$1.6 million.

The Building fund is used to account for the building, permitting and inspection activities. At the end of the current fiscal year, \$8 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 \$6.7 million, an increase of \$578,000 from prior year. The increase in revenue was mainly due to investment earnings (improved market conditions). Expenditures were \$6.5 million, which represents an increase of \$1.9 million from prior year. The increase in expenditures are primarily due to capital outlay for fixed assets, indirect cost allocation of \$1 million and implementation of GASB 96.

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 \$2.9 million, which is restricted for future expenditures. Revenues increased by \$300,000 due to investment income (improved market conditions) and expenses increased by \$100,000 due to an increase of \$400,000 in indirect cost allocation and a decrease in capital outlay of \$300,000.

The Surtax fund accounts for the voter approved one-cent sales surtax program. At the end of the fiscal year total fund balance was \$14.2 million, which is restricted for capital projects that meet the criteria set by the surtax program. Revenues in the surtax fund were \$6.5 million, an increase of \$500,000 primarily for investment income. Expenditures were \$6.2 million, a decrease of \$2.4 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 \$50.2 million, which is restricted for capital projects. The increase in fund balance is mainly due to bond proceeds for the new recreational facility (\$33.3 million) and grant for the Environmental Preserve property (\$3.4 million). The expenditures are funded through transfers, grant and bond proceeds.

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 approximately \$6.7 million; \$6.1 million for the Utility System, \$306,000 for Solid Waste, and \$298,000 for the Lake Wellington Professional Centre. Total net position for these funds were \$181.9 million, representing a decrease of \$2.7 million, or 1%. Additional information is provided in the previous section (explanation of changes in Net Position).

General Fund Budgetary Highlights

Differences between the original expenditure budget and the final amended expenditure budget is approximately \$1.7 million, excluding transfers, and are primarily comprised of approximately \$1 million in carryforwards and \$700,000 in budget amendments for grant-related expenditures, legal services and parks and recreation.

The major 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>
Utility services taxes	\$ 5,100,000	\$ 6,372,519	\$ 1,272,519
Franchise fees	3,780,000	4,702,401	922,401
State revenue sharing	7,014,097	8,868,951	1,854,854
Investment income (net)	250,000	1,870,565	1,620,565

<u>Expenditures</u>	<u>Budgeted expenditures</u>	<u>Actual expenditures</u>	<u>Difference</u>
General government	\$ 17,869,723	\$ 14,807,412	\$ 3,062,311
Economic environment	2,106,063	1,721,785	384,278
Culture and recreation	12,415,714	11,815,525	600,189
Capital outlay	931,489	1,959,780	(1,028,291)
Debt service:			
Principal	-	448,564	(448,564)

Revenue budgets are estimated conservatively utilizing trending, department estimates and available economic data. Additionally, state revenue projections are referenced for State-distributed revenues. Actual revenues over budget show economic conditions, sales and permit activity exceeded projections. Investment income increased due to improved market conditions and higher investment balances

General Fund expenditures were under budget due to staff vacancies and projects not completed due to pricing and commodity or service availability.

General Government actual expenditures came in under budget mainly in Information Technology, Engineering Services, and Human Resources. The Economic Environment expenditure group was under expended in Hometown Repair grants and CDBG programs. Culture & Recreation was under expended for Special Events and Cultural Program staffing and supplies.

Additional information on budgetary comparisons can be found on page 86 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, 2023, amounts to \$325 million. This investment in capital assets includes land, buildings, improvements, machinery and equipment, infrastructure, lease assets, subscription assets, and construction in progress.

Wellington's Capital Assets						
(net of accumulated depreciation/amortization)						
	Governmental		Business-Type		Total	
	Activities		Activities			
	2023	2022*	2023	2022*	2023	2022*
Land	\$ 24,576,944	\$ 24,576,944	\$ 9,579,678	\$ 9,579,678	\$ 34,156,622	\$ 34,156,622
Buildings	22,960,334	24,268,167	5,659,862	5,311,016	28,620,196	29,579,183
Improvements	28,269,825	22,149,860	4,851,156	5,462,125	33,120,981	27,611,985
Machinery and equipment	5,308,810	5,685,415	5,135,003	5,052,809	10,443,813	10,738,224
Water and wastewater plant	-	-	78,065,857	77,140,043	78,065,857	77,140,043
Infrastructure	79,404,283	79,029,636	44,157,405	46,362,907	123,561,688	125,392,543
Right-to-use lease assets	25,192	-	26,902	43,893	52,094	43,893
Software Subscriptions	1,741,643	2,151,564	471,606	848,890	2,213,249	3,000,454
Construction in progress	5,521,113	4,417,042	9,394,604	9,581,334	14,915,717	13,998,376
Total	\$ 167,808,144	\$ 162,278,628	\$ 157,342,073	\$ 159,382,695	\$ 325,150,217	\$ 321,661,323

* Revised for GASB Statement No 96, Subscription-Based Information Technology Arrangements

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

- ❖ Town Center Phase II completion.
- ❖ Wellington Environmental Preserve expansion land clearing using grant funds.
- ❖ Upgrades and additions to door entry and camera security systems.
- ❖ Staimford Park improvements with grant funding.
- ❖ Village Park Field 22 renovation.
- ❖ Water Treatment and Reclamation Facilities improvements.

Additional information on capital assets can be found on page 53 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 \$84.5 million, an increase of \$35 million or 71%. The increase is primarily related to the issuance of public improvement bonds of \$33.3 million for a recreational facility. Governmental activities debt of \$63.5 million increased by \$35.8 million or 129%. Business-Type activities debt of \$21 million decreased by approximately \$743,000 or 3%. Additional information on long-term debt can be found in Note 8 of this report.

Wellington's Outstanding Debt						
	Governmental		Business-Type		Total	
	Activities		Activities			
	2023	2022*	2023	2022*	2023	2022*
Bonds and Notes	\$ 35,440,000	\$ 2,310,000	\$ 14,685,327	\$ 15,879,459	\$ 50,125,327	\$ 18,189,459
Obligations under Leases	25,447	-	16,971	32,971	42,418	32,971
Subscriptions Payable	1,126,245	1,259,981	227,274	410,484	1,353,519	1,670,465
Compensated absences	2,981,769	2,759,518	664,099	626,369	3,645,868	3,385,887
Net pension liability	23,968,941	21,463,940	5,359,080	4,746,082	29,328,021	26,210,022
Total	\$ 63,542,402	\$ 27,793,439	\$ 20,952,751	\$ 21,695,365	\$ 84,495,153	\$ 49,488,804

* Revised for GASB Statement No 96, Subscription-Based Information Technology Arrangements

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 36% 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 22%. Additionally, special assessments levied total approximately 7% and grants total another 5%. 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 2024 remained the same as the prior fiscal year. This millage resulted in a total property tax budget of approximately \$27.2 million, an increase of \$2.7 million or 11% from the property tax budget for the prior year. The Surface Water Management Assessment rate increased to \$255 per unit. The Solid Waste Assessment increased to \$290 per curbside unit and \$225 per containerized unit. Additional information regarding the adoption of the annual budget can be found on page 89 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

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VILLAGE OF WELLINGTON, FLORIDA

STATEMENT OF NET POSITION

SEPTEMBER 30, 2023

	Primary Government		
	Governmental	Business-type	Total
	Activities	Activities	
ASSETS			
Cash	\$ 7,629,362	\$ 2,668,771	\$ 10,298,133
Investments	135,532,749	32,230,075	167,762,824
Receivables (net)	1,505,980	2,829,980	4,335,960
Internal balances	1,344	(1,344)	-
Due from other governments	3,103,351	161,392	3,264,743
Prepaid expenses	543,872	199,345	743,217
Inventories	13,357	139,710	153,067
Deposits	240,373	20,467	260,840
Restricted assets:			
Cash	-	8,793,935	8,793,935
Investments	-	35,399	35,399
Net other postemployment benefit asset	1,134,900	242,730	1,377,630
Long-term assessment receivable	1,725,333	-	1,725,333
Long-term lease receivable	760,884	-	760,884
Capital assets:			
Capital assets not being depreciated	109,502,340	18,974,282	128,476,622
Capital assets being depreciated, net	58,305,804	138,367,791	196,673,595
Total assets	<u>319,999,649</u>	<u>204,662,533</u>	<u>524,662,182</u>
DEFERRED OUTFLOWS OF RESOURCES			
Other postemployment benefit	575,709	158,441	734,150
Pension	4,953,537	1,030,744	5,984,281
Total deferred outflows of resources	<u>5,529,246</u>	<u>1,189,185</u>	<u>6,718,431</u>
LIABILITIES			
Accounts payable and accrued liabilities	5,670,732	2,262,966	7,933,698
Escrows and deposits	970,426	-	970,426
Contracts and retainage payable	50,972	319,186	370,158
Due to other governments	70,469	1,785	72,254
Deposits payable from restricted assets	-	58,662	58,662
Unearned revenue	2,341,877	5,323	2,347,200
Accrued interest payable	447,402	39,519	486,921
Noncurrent liabilities:			
Due within one year:			
Bonds payable	811,050	-	811,050
Loans payable	-	1,231,496	1,231,496
Compensated absences payable	1,241,073	306,757	1,547,830
Obligations under Leases and SBITA's	590,891	198,084	788,975
Due in more than one year:			
Bonds payable	34,628,950	-	34,628,950
Compensated absences payable	1,740,696	357,342	2,098,038
Loans payable	-	13,453,831	13,453,831
Obligations under Leases and SBITA's	560,801	46,161	606,962
Net pension liability	23,968,941	5,359,080	29,328,021
Total liabilities	<u>73,094,280</u>	<u>23,640,192</u>	<u>96,734,472</u>
DEFERRED INFLOWS OF RESOURCES			
Pension	1,594,134	241,919	1,836,053
Other postemployment benefit	222,645	62,990	285,635
Leases	731,967	-	731,967
Total deferred inflows of resources	<u>2,548,746</u>	<u>304,909</u>	<u>2,853,655</u>
NET POSITION			
Net investment in capital assets	164,495,480	142,093,315	306,588,795
Restricted for:			
Net other postemployment asset	1,134,900	242,730	1,377,630
Building department	8,092,723	-	8,092,723
Surfacewater management	2,865,988	-	2,865,988
Road capital and maintenance	3,272,397	-	3,272,397
Capital projects	20,564,429	32,631,009	53,195,438
Economic development	701,417	-	701,417
Unrestricted	48,758,535	6,939,563	55,698,098
Total net position	<u>\$ 249,885,869</u>	<u>\$ 181,906,617</u>	<u>\$ 431,792,486</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, 2023

Function/Program Activities	Expenses	Charges for Services	Program Revenues	
			Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities:				
General government	\$ 18,494,657	\$ 857,650	\$ -	\$ -
Public safety	16,734,914	8,317,552	-	-
Physical environment	8,113,075	6,141,617	-	-
Economic environment	1,947,959	-	879,708	-
Transportation	5,191,043	113,634	1,652,025	-
Culture and recreation	15,421,897	5,046,903	88,854	321,155
Interest on long-term debt	<u>503,073</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total governmental activities	<u>66,406,618</u>	<u>20,477,356</u>	<u>2,620,587</u>	<u>321,155</u>
Business-type activities:				
Utility system	29,321,656	25,012,531	-	2,515,412
Solid waste	6,593,848	5,498,998	-	-
Lake Wellington Professional Centre	<u>757,758</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total business-type activities	<u>36,673,262</u>	<u>30,511,529</u>	<u>-</u>	<u>2,515,412</u>
Total primary government	<u>\$103,079,880</u>	<u>\$ 50,988,885</u>	<u>\$ 2,620,587</u>	<u>\$ 2,836,567</u>

General revenues:

- Property taxes
- Franchise fees on gross receipts
- Communication services taxes
- Discretionary tax
- Utility service taxes
- State shared revenue
- Investment earnings
- Gain on sale of capital assets
- 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
\$ (17,637,007)	\$ -	\$ (17,637,007)
(8,417,362)	-	(8,417,362)
(1,971,458)	-	(1,971,458)
(1,068,251)	-	(1,068,251)
(3,425,384)	-	(3,425,384)
(9,964,985)	-	(9,964,985)
(503,073)	-	(503,073)
<u>(42,987,520)</u>	<u>-</u>	<u>(42,987,520)</u>
-	(1,793,713)	(1,793,713)
-	(1,094,850)	(1,094,850)
-	(757,758)	(757,758)
-	(3,646,321)	(3,646,321)
<u>(42,987,520)</u>	<u>(3,646,321)</u>	<u>(46,633,841)</u>
24,611,194	-	24,611,194
4,702,401	-	4,702,401
2,227,689	-	2,227,689
6,055,955	-	6,055,955
6,372,519	-	6,372,519
9,440,706	-	9,440,706
3,693,788	1,255,220	4,949,008
41,944	-	41,944
656,931	724,166	1,381,097
<u>1,000,000</u>	<u>(1,000,000)</u>	<u>-</u>
<u>58,803,127</u>	<u>979,386</u>	<u>59,782,513</u>
15,815,607	(2,666,935)	13,148,672
<u>234,070,262</u>	<u>184,573,552</u>	<u>418,643,814</u>
<u>\$ 249,885,869</u>	<u>181,906,617</u>	<u>\$ 431,792,486</u>

VILLAGE OF WELLINGTON, FLORIDA

BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2023

	<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>
ASSETS								
Cash	\$ 305,047	\$ 849,273	\$ 202,808	\$ 316,876	\$ 456,821	\$ 312,160	\$ 5,186,377	\$ 7,629,362
Investments	54,604,466	7,722,834	2,855,693	50,504,790	13,166,124	-	6,678,842	135,532,749
Current receivables:								
Utility taxes	651,187	-	-	-	-	-	-	651,187
Franchise fees	467,157	-	-	-	-	-	-	467,157
Accounts	16,528	-	-	-	-	-	-	16,528
Interest	211,222	30,633	11,328	39,209	52,223	-	26,493	371,108
Due from other funds	1,344	-	-	-	-	-	-	1,344
Due from other governments	1,502,484	-	29,583	300,465	996,618	1,339	272,862	3,103,351
Prepaid expenditures	422,864	109,766	6,843	-	-	-	4,399	543,872
Inventory	13,357	-	-	-	-	-	-	13,357
Deposits	240,373	-	-	-	-	-	-	240,373
Long-term receivables	<u>760,884</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,725,333</u>	<u>-</u>	<u>2,486,217</u>
Total assets	<u>\$59,196,913</u>	<u>\$ 8,712,506</u>	<u>\$ 3,106,255</u>	<u>\$ 51,161,340</u>	<u>\$14,671,786</u>	<u>\$ 2,038,832</u>	<u>\$ 12,168,973</u>	<u>\$151,056,605</u>

(Continued)

VILLAGE OF WELLINGTON, FLORIDA

BALANCE SHEET (Continued)

GOVERNMENTAL FUNDS

SEPTEMBER 30, 2023

	<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	\$ 3,284,102	\$ 554,464	\$ 230,267	\$ 568,936	\$ 433,063	\$ -	\$ 599,900	\$ 5,670,732
Escrows and deposits	970,426	-	-	-	-	-	-	970,426
Contracts and retainage payable	-	-	-	50,972	-	-	-	50,972
Due to other funds	-	-	-	-	-	-	-	-
Due to other governments	5,150	65,319	-	-	-	-	-	70,469
Unearned revenue	<u>1,062,324</u>	<u>-</u>	<u>10,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,269,553</u>	<u>2,341,877</u>
Total liabilities	<u>5,322,002</u>	<u>619,783</u>	<u>240,267</u>	<u>619,908</u>	<u>433,063</u>	<u>-</u>	<u>1,869,453</u>	<u>9,104,476</u>
Deferred inflows of resources:								
Unavailable revenue	19,800	-	-	300,465	-	1,725,333	-	2,045,598
Leases	<u>731,967</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>731,967</u>
Total deferred inflow of resources	<u>751,767</u>	<u>-</u>	<u>-</u>	<u>300,465</u>	<u>-</u>	<u>1,725,333</u>	<u>-</u>	<u>2,777,565</u>
Fund balances:								
Nonspendable:								
Prepaid expenditures	422,864	109,766	6,843	-	-	-	4,399	543,872
Inventory	13,357	-	-	-	-	-	-	13,357
Deposits	240,373	-	-	-	-	-	-	240,373
Long-term receivables	760,884	-	-	-	-	-	-	760,884
Restricted for:								
Capital projects	-	-	-	-	14,238,723	-	6,325,706	20,564,429
Building	-	7,982,957	-	-	-	-	-	7,982,957
Surface Water Management	-	-	2,859,145	-	-	-	-	2,859,145
Road capital and maintenance	-	-	-	-	-	-	3,267,998	3,267,998
Economic development	-	-	-	-	-	-	701,417	701,417
Debt service	-	-	-	-	-	313,499	-	313,499
Committed for:								
Rate stabilization	2,785,000	-	-	-	-	-	-	2,785,000
Insurance	1,530,000	-	-	-	-	-	-	1,530,000
Infrastructure	4,729,554	-	-	-	-	-	-	4,729,554
Emergency	3,000,000	-	-	-	-	-	-	3,000,000
Assigned for:								
Contracts	3,558,475	-	-	49,581,505	-	-	-	53,139,980
Capital projects	515,651	-	-	659,462	-	-	-	1,175,113
Subsequent year's budget:								
appropriation of fund balance	2,177,002	-	-	-	-	-	-	2,177,002
Unassigned	<u>33,389,984</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>33,389,984</u>
Total fund balances	<u>53,123,144</u>	<u>8,092,723</u>	<u>2,865,988</u>	<u>50,240,967</u>	<u>14,238,723</u>	<u>313,499</u>	<u>10,299,520</u>	<u>139,174,564</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 59,196,913</u>	<u>\$ 8,712,506</u>	<u>\$ 3,106,255</u>	<u>\$ 51,161,340</u>	<u>\$ 14,671,786</u>	<u>\$ 2,038,832</u>	<u>\$ 12,168,973</u>	<u>\$ 151,056,605</u>

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

VILLAGE OF WELLINGTON, FLORIDA

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION SEPTEMBER 30, 2023

Ending fund balance - governmental funds		\$ 139,174,564
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	\$302,776,910	
Less accumulated depreciation	<u>(134,968,766)</u>	
Net capital assets		167,808,144
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		1,134,900
Assets that are not available to pay for current period expenditures are unavailable revenue in the fund statements		2,045,598
Deferred outflows of resources related to pensions are recorded in the statement of net position		4,953,537
Deferred outflows of resources related to OPEB are recorded in the statement of net position		575,709
Deferred inflows of resources related to pensions are recorded in the statement of net position		(1,594,134)
Deferred inflows of resources related to OPEB are recorded in the statement of net position		(222,645)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.		
Bonds payable		(35,440,000)
Accrued interest		(447,402)
Leases & SBITA's		(1,151,692)
Compensated absences		(2,981,769)
Net pension liability		<u>(23,968,941)</u>
Net position of governmental activities		<u>\$ 249,885,869</u>

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VILLAGE OF WELLINGTON, FLORIDA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

GOVERNMENTAL FUNDS

YEAR ENDED SEPTEMBER 30, 2023

	General	Building	Acme Improvement	Capital Projects	Surtax Fund	Debt Service	Other Nonmajor Governmental Funds	Total Governmental Funds
Revenues:								
Ad valorem taxes	\$ 24,611,194	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 24,611,194
Local option taxes	-	-	-	-	6,055,955	-	1,652,025	7,707,980
Utility services taxes	6,372,519	-	-	-	-	-	-	6,372,519
Special assessments	-	-	5,869,543	-	-	272,074	-	6,141,617
Impact fees	-	-	-	-	-	-	1,211,795	1,211,795
Communication services taxes	2,227,689	-	-	-	-	-	-	2,227,689
Local business tax receipts	857,648	-	-	-	-	-	-	857,648
Permits and fees	1,770,951	6,305,889	-	-	-	-	-	8,076,840
Franchise fees	4,702,401	-	-	-	-	-	-	4,702,401
Grants	505,198	-	-	3,436,250	-	-	483,154	4,424,602
State revenue sharing	8,868,951	-	-	-	-	-	571,755	9,440,706
Charges for services	3,648,220	-	300,522	-	-	-	-	3,948,742
Fines and forfeitures	240,712	-	-	-	-	-	-	240,712
Investment income (net)	1,870,565	331,482	153,324	683,418	436,360	744	217,895	3,693,788
Miscellaneous	439,653	27,332	46,918	-	-	-	52,962	566,865
Total revenues	<u>\$ 56,115,701</u>	<u>\$ 6,664,703</u>	<u>\$ 6,370,307</u>	<u>\$ 4,119,668</u>	<u>\$ 6,492,315</u>	<u>\$ 272,818</u>	<u>\$ 4,189,586</u>	<u>\$ 84,225,098</u>

(Continued)

VILLAGE OF WELLINGTON, FLORIDA

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

GOVERNMENTAL FUNDS

YEAR ENDED SEPTEMBER 30, 2023

	General	Building	Acme Improvement	Capital Projects	Surtax Fund	Debt Service	Other Nonmajor Governmental Funds	Total Governmental Funds
Expenditures:								
Current:								
General government	\$ 14,807,412	\$ -	\$ 55,265	\$ -	\$ -	\$ 588	\$ -	\$ 14,863,265
Public safety	11,656,273	4,379,880	-	-	-	-	-	16,036,153
Physical environment	1,149,759	-	3,749,189	-	-	-	-	4,898,948
Economic environment	1,721,785	-	-	-	-	-	104,766	1,826,551
Transportation	-	-	-	-	-	-	3,395,838	3,395,838
Culture and recreation	11,815,525	-	454,050	-	-	-	-	12,269,575
Capital outlay	1,959,780	1,856,901	117,005	4,453,724	6,219,542	-	1,003,550	15,610,502
Debt service:								
Principal	448,564	279,542	11,104	-	-	200,000	-	939,210
Interest and other fiscal charges	12,245	6,300	450	301,806	-	64,974	-	385,775
Total expenditures	<u>43,571,343</u>	<u>6,522,623</u>	<u>4,387,063</u>	<u>4,755,530</u>	<u>6,219,542</u>	<u>265,562</u>	<u>4,504,154</u>	<u>70,225,817</u>
Excess (deficiency) of revenues over (under) expenditures	<u>12,544,358</u>	<u>142,080</u>	<u>1,983,244</u>	<u>(635,862)</u>	<u>272,773</u>	<u>7,256</u>	<u>(314,568)</u>	<u>13,999,281</u>
Other financing sources (uses):								
Transfers in	1,000,000	-	-	8,109,996	-	-	2,612,508	11,722,504
Transfers out	(6,417,504)	(3,000,000)	(1,305,000)	-	-	-	-	(10,722,504)
Proceeds from sale of capital assets	41,944	-	-	-	-	-	-	41,944
Lease (right-to-use assets) acquired	31,273	-	-	-	-	-	-	31,273
Initiation of SBITA's	886,813	947,938	24,878	-	-	-	-	1,859,629
Bond Proceeds	-	-	-	33,330,000	-	-	-	33,330,000
Total other financing sources (uses)	<u>(4,457,474)</u>	<u>(2,052,062)</u>	<u>(1,280,122)</u>	<u>41,439,996</u>	<u>-</u>	<u>-</u>	<u>2,612,508</u>	<u>36,262,846</u>
Net change in fund balances	8,086,884	(1,909,982)	703,122	40,804,134	272,773	7,256	2,297,940	50,262,127
Fund balances, beginning 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>
Fund balances, end of year	<u>\$ 53,123,144</u>	<u>\$ 8,092,723</u>	<u>\$ 2,865,988</u>	<u>\$ 50,240,967</u>	<u>\$ 14,238,723</u>	<u>\$ 313,499</u>	<u>\$ 10,299,520</u>	<u>\$ 139,174,564</u>

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

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, 2023

Net change in fund balances - total governmental funds	\$ 50,262,127
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.	14,763,632
Depreciation of capital assets is not recognized in the governmental fund financial statements, but is reported as an expense in the statement of activities.	(7,388,285)
In the statement of activities, only the gain (loss) on the sale of capital assets is reported	
Net book value of asset disposals	-
The statement of activities reports noncash contributions as revenues, but these revenues are not reported in the governmental fund financial statements.	305,733
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	939,210
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental fund financial statements.	2,045,598
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.	(5,399,900)
Governmental funds report the face amount of bonds issued as financial resources when the debt is first issued, whereas these amounts are eliminated in the statement of activities and recognized as long-term liabilities in the statement of net position.	
Bond proceeds	(33,330,000)
Initiation of Leases (right-to-use assets)	(31,273)
Initiation of SBITA's	(1,859,629)
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	(419,104)
Change in compensated absences	(222,251)
Other postemployment benefit expense	21,175
Pension expense	<u>(3,871,426)</u>
Change in net position of governmental activities	<u>\$ 15,815,607</u>

VILLAGE OF WELLINGTON, FLORIDA

STATEMENT OF NET POSITION PROPRIETARY FUNDS SEPTEMBER 30, 2023

	Major		Nonmajor	
	Utility System	Solid Waste	Lake Wellington Professional Centre	Total
ASSETS				
Current assets:				
Cash	\$ 2,186,023	\$ 9,362	\$ 473,386	\$ 2,668,771
Investments	31,341,562	888,513	-	32,230,075
Receivables:				
Accounts, net of allowance for uncollectible amounts	2,523,426	131,691	-	2,655,117
Interest	170,188	4,675	-	174,863
Due from other governments	135,072	26,320	-	161,392
Inventories	139,710	-	-	139,710
Prepaid expenses	191,088	489	7,768	199,345
Deposits	20,467	-	-	20,467
Restricted cash	8,770,672	-	23,263	8,793,935
Restricted investments	35,399	-	-	35,399
Total current assets	<u>45,513,607</u>	<u>1,061,050</u>	<u>504,417</u>	<u>47,079,074</u>
Noncurrent assets:				
Net other postemployment benefit asset	224,897	12,343	5,490	242,730
Capital assets (net of accumulated depreciation/amortization)	<u>153,624,965</u>	<u>41,134</u>	<u>3,675,974</u>	<u>157,342,073</u>
Total noncurrent assets	<u>153,849,862</u>	<u>53,477</u>	<u>3,681,464</u>	<u>157,584,803</u>
Total assets	<u>\$ 199,363,469</u>	<u>\$ 1,114,527</u>	<u>\$ 4,185,881</u>	<u>\$ 204,663,877</u>
DEFERRED OUTFLOW OF RESOURCES				
Other postemployment benefit	143,759	7,341	7,341	158,441
Pension	<u>940,335</u>	<u>46,599</u>	<u>43,810</u>	<u>1,030,744</u>
Total deferred outflows of resources	<u>1,084,094</u>	<u>53,940</u>	<u>51,151</u>	<u>1,189,185</u>
LIABILITIES				
Current liabilities:				
Accounts payable and accrued liabilities	\$ 1,800,267	\$ 451,793	\$ 10,906	\$ 2,262,966
Contracts and retainage payable	319,186	-	-	319,186
Due to other funds	-	-	1,344	1,344
Due to other governments	-	-	1,785	1,785
Deposits, payable from restricted assets	35,399	-	23,263	58,662
Accrued interest	39,038	107	374	39,519
Compensated absences payable	275,935	22,068	8,754	306,757
Loans payable	1,231,496	-	-	1,231,496
Obligations under Leases and SBITA's	148,689	10,977	38,418	198,084
Unearned revenue	-	-	5,323	5,323
Total current liabilities	<u>3,850,010</u>	<u>484,945</u>	<u>90,167</u>	<u>4,425,122</u>
Noncurrent liabilities:				
Loans payable	13,453,831	-	-	13,453,831
Compensated absences payable	296,627	36,069	24,646	357,342
Obligations under Leases and SBITA's	33,572	2,797	9,792	46,161
Net pension liability	<u>4,912,960</u>	<u>236,193</u>	<u>209,927</u>	<u>5,359,080</u>
Total noncurrent liabilities	<u>18,696,990</u>	<u>275,059</u>	<u>244,365</u>	<u>19,216,414</u>
Total liabilities	<u>22,547,000</u>	<u>760,004</u>	<u>334,532</u>	<u>23,641,536</u>
DEFERRED INFLOW OF RESOURCES				
Pension	224,981	10,294	6,644	241,919
Other postemployment benefit	<u>57,278</u>	<u>2,856</u>	<u>2,856</u>	<u>62,990</u>
Total deferred inflow of resources	<u>282,259</u>	<u>13,150</u>	<u>9,500</u>	<u>304,909</u>
NET POSITION				
Net investment in capital assets	138,438,191	27,360	3,627,764	142,093,315
Restricted for capital improvements - capacity fees	8,770,672	-	-	8,770,672
Restricted for net other postemployment asset	224,897	12,343	5,490	242,730
Restricted for renewal and replacement of capital assets	23,799,314	61,023	-	23,860,337
Unrestricted	<u>6,385,230</u>	<u>294,587</u>	<u>259,746</u>	<u>6,939,563</u>
Total net position	<u>\$ 177,618,304</u>	<u>\$ 395,313</u>	<u>\$ 3,893,000</u>	<u>\$ 181,906,617</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, 2023

	Major		Nonmajor	
	Utility System	Solid Waste	Lake Wellington Professional Centre	Total
Operating revenues:				
Charges for services	\$ 24,911,364	\$ 1,320	\$ -	\$ 24,912,684
Special assessments	-	5,071,801	-	5,071,801
Licenses and permits	101,167	-	-	101,167
Franchise fees	-	425,877	-	425,877
Rent revenue	-	-	590,636	590,636
Other	125,984	-	7,546	133,530
Total operating revenues	<u>25,138,515</u>	<u>5,498,998</u>	<u>598,182</u>	<u>31,235,695</u>
Operating expenses:				
Utilities administration	3,414,260	-	-	3,414,260
Water treatment plant	3,970,387	-	-	3,970,387
Field services	641,286	-	-	641,286
Water meter services	496,914	-	-	496,914
Water distribution services	1,436,292	-	-	1,436,292
Utility plant maintenance	1,317,984	-	-	1,317,984
Water reclamation facilities	3,034,519	-	-	3,034,519
Wastewater collection services	1,605,341	-	-	1,605,341
Utilities customer service	970,344	-	-	970,344
Regulatory compliance	396,907	-	-	396,907
Refuse	-	172,477	-	172,477
Professional centre	-	-	476,282	476,282
Other-non-departmental and maintenance	3,466,717	51,408	50,469	3,568,594
Solid waste	-	6,338,403	-	6,338,403
Depreciation/amortization	8,092,847	31,003	229,057	8,352,907
Total operating expenses	<u>28,843,798</u>	<u>6,593,291</u>	<u>755,808</u>	<u>36,192,897</u>
Income/(loss) from operations	<u>(3,705,283)</u>	<u>(1,094,293)</u>	<u>(157,626)</u>	<u>(4,957,202)</u>
Nonoperating revenues (expenses):				
Investment income (net)	1,153,446	101,774	-	1,255,220
Interest expense and debt service costs	(477,858)	(557)	(1,950)	(480,365)
Total nonoperating revenues (expenses)	<u>675,588</u>	<u>101,217</u>	<u>(1,950)</u>	<u>774,855</u>
Income/(loss) before contributions and transfers	<u>(3,029,695)</u>	<u>(993,076)</u>	<u>(159,576)</u>	<u>(4,182,347)</u>
Capital contributions:				
Capacity charges	2,357,865	-	-	2,357,865
Distribution lines	144,243	-	-	144,243
Meters	13,304	-	-	13,304
Transfers out	-	-	(1,000,000)	(1,000,000)
Change in net position	(514,283)	(993,076)	(1,159,576)	(2,666,935)
Net position - beginning	<u>178,132,587</u>	<u>1,388,389</u>	<u>5,052,576</u>	<u>184,573,552</u>
Net position - end of year	<u>\$ 177,618,304</u>	<u>\$ 395,313</u>	<u>\$ 3,893,000</u>	<u>\$ 181,906,617</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, 2023

	Major		Nonmajor	
	Utility System	Solid Waste	Lake Wellington Professional Centre	Total
Cash flows from operating activities:				
Receipts from customers	\$ 25,084,350	\$ 5,525,900	\$ 555,604	\$ 31,165,854
Payments to suppliers for goods and services	(13,817,450)	(6,104,686)	(264,759)	(20,186,895)
Payments to employees for services	(7,085,319)	(393,114)	(245,097)	(7,723,530)
Other operating revenues	<u>125,984</u>	<u>-</u>	<u>5,438</u>	<u>131,422</u>
Net cash (used) provided by operating activities	<u>4,307,565</u>	<u>(971,900)</u>	<u>51,186</u>	<u>3,386,851</u>
Cash flows from noncapital financing activities:				
Transfers to other funds	<u>-</u>	<u>-</u>	<u>(1,000,000)</u>	<u>(1,000,000)</u>
Net cash (used) in noncapital financing activities	<u>-</u>	<u>-</u>	<u>(1,000,000)</u>	<u>(1,000,000)</u>
Cash flows from capital and related financing activities:				
Capital contributions	2,371,169	-	-	2,371,169
Acquisition of property, plant and equipment	(6,451,625)	(26,571)	(92,996)	(6,571,192)
Principal paid on capital debt	(1,343,376)	(11,103)	(38,863)	(1,393,342)
Interest paid on indebtedness	<u>(480,494)</u>	<u>(450)</u>	<u>(1,576)</u>	<u>(482,520)</u>
Net cash (used) in capital and related financing activities	<u>(5,904,326)</u>	<u>(38,124)</u>	<u>(133,435)</u>	<u>(6,075,885)</u>
Cash flows from investing activities:				
Interest received	996,631	94,565	-	1,091,196
Sale of investments	16,053,368	6,412,392	-	22,465,760
Purchase of Investments	<u>(13,800,000)</u>	<u>(5,600,000)</u>	<u>-</u>	<u>(19,400,000)</u>
Net cash (used) by investing activities	<u>3,249,999</u>	<u>906,957</u>	<u>-</u>	<u>4,156,956</u>
Net increase (decrease) in cash	1,653,238	(103,067)	(1,082,249)	467,922
Cash, beginning of year	<u>9,303,457</u>	<u>112,429</u>	<u>1,578,898</u>	<u>10,994,784</u>
Total cash, end of year	<u>\$ 10,956,695</u>	<u>\$ 9,362</u>	<u>\$ 496,649</u>	<u>\$ 11,462,706</u>
Cash				
Unrestricted	\$ 2,186,023	\$ 9,362	\$ 473,386	\$ 2,668,771
Restricted	<u>8,770,672</u>	<u>-</u>	<u>23,263</u>	<u>8,793,935</u>
Total cash	<u>\$ 10,956,695</u>	<u>\$ 9,362</u>	<u>\$ 496,649</u>	<u>\$ 11,462,706</u>

(Continued)

VILLAGE OF WELLINGTON, FLORIDA

STATEMENT OF CASH FLOWS PROPRIETARY FUNDS (Continued) YEAR ENDED SEPTEMBER 30, 2023

	Major		Nonmajor	
	Utility System	Solid Waste	Lake Wellington Professional Centre	Total
Reconciliation of operating income to net cash provided by operating activities:				
Operating income/(loss)	\$ (3,705,283)	\$ (1,094,293)	\$ (157,626)	\$ (4,957,202)
Adjustments to reconcile operating income/(loss) to net cash provided by operating activities:				
Depreciation/amortization expense	8,092,847	31,003	229,057	8,352,907
(Increase) decrease in:				
Accounts receivable	61,983	30,651	65	92,699
Due from other governments	-	(3,751)	-	(3,751)
Due from other funds	-	-	(182)	(182)
Inventories	5,202	-	-	5,202
Prepaid expenses	(176,587)	(489)	(7,768)	(184,844)
Net pension liability	866,903	49,633	30,840	947,376
OPEB	(5,431)	(271)	(271)	(5,973)
Increase (decrease) in:				
Accounts payable and accrued liabilities	(859,918)	16,892	(26,714)	(869,740)
Due to other governments	-	-	(2,108)	(2,108)
Deposits	35,399	-	(23,246)	12,153
Unearned revenue	(25,563)	-	(11,852)	(37,415)
Compensated absences payable	18,013	(1,274)	20,991	37,730
Total adjustments	8,012,848	122,394	208,812	8,344,054
Net cash provided by operating activities	\$ 4,307,565	\$ (971,899)	\$ 51,186	\$ 3,386,852
Noncash investing, capital, and financing activities:				
Developer contributed distribution lines	\$ 144,243	\$ -	\$ -	\$ 144,243
Unrealized gains/(losses) on investments	285,383	25,439	-	310,822
SBITA obligations	298,534	24,877	87,073	410,484

VILLAGE OF WELLINGTON, FLORIDA
 STATEMENT OF FIDUCIARY NET POSITION
 FIDUCIARY FUND
 SEPTEMBER 30, 2023

	Employee Retirement Healthcare <u>Trust</u>
ASSETS	
Investments:	
Florida Municipal Pension Trust Fund - OPEB 70/30 Allocation	<u>\$ 2,088,663</u>
NET POSITION	
Net position restricted for other postemployment benefits	<u>\$ 2,088,663</u>

VILLAGE OF WELLINGTON, FLORIDA
 STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
 FIDUCIARY FUND
 YEAR ENDED SEPTEMBER 30, 2023

	<u>Employee Retirement Healthcare Trust</u>
Additions:	
Investment income	\$ 198,845
Deductions:	
Administrative expenses	<u>(11,542)</u>
Change in net position	187,303
Net position held in trust for other postemployment benefits, beginning of year	<u>1,901,360</u>
Net position held in trust for other postemployment benefits, end of year	<u>\$ 2,088,663</u>

NOTES TO THE FINANCIAL STATEMENTS

SEPTEMBER 30, 2023

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The Village of Wellington (“The Village”) 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 (GAAP), 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/Amortization

Capital assets, which include property, plant, equipment, leases (right-to-use assets), subscriptions, 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. Accounting for interest cost incurred before the end of a construction period is handled in accordance with GASB Statement No. 89. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund. This Statement also reiterates that in financial statements prepared using the current financial resources measurement focus, interest cost incurred before the end of a construction period should be recognized as an expenditure on a basis consistent with governmental fund accounting principles.

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/Amortization has been provided over the estimated useful lives using the straight-line method of depreciation/amortization. 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 / Subscription 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.

Subscription-Based Information Technology Arrangements

The Village has recorded subscription-based information technology arrangement (SBITA) assets and liabilities as a result of implementing GASB Statement No. 96. The SBITA assets are initially measured at an amount equal to the initial measurement of the related SBITA liability plus any SBITA payments made prior to the subscription term, less SBITA incentives, plus any ancillary charges necessary to place the SBITA into service. The SBITA assets are amortized on a straight-line basis over the life of the related contract.

The costs of normal maintenance and repairs that do not add to the values of the assets or materially extend the asset lives are not capitalized and are expensed as incurred.

The Village monitors changes in circumstances that would require a remeasurement of its SBITAs and will do so if certain changes occur that would be expected to significantly affect the amount of the lease liability.

SBITA assets are reported with other capital assets and SBITA lease liabilities are reported with long-term debt on the statement of net position (see Notes 7 and 8).

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 refunding 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 11 & 16 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 GASB 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:

Non-spendable – Non-spendable 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.

GASB Statement No. 34, defines *interfund reimbursements* as “repayments from the funds responsible for particular expenditures or expenses to the funds that initially paid for them.” Transactions that constitute reimbursements are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the reimbursed fund. All other interfund transactions are treated as transfers. Transfers between governmental or propriety funds are netted as part of the reconciliation to the government-wide presentation.

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 2023 was \$2.47 mills (for each \$1,000 of assessed valuation). This levy was based upon an assessed valuation of approximately \$10.3 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, 2023, 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.

Impact of Recently Issued and Adopted Accounting Principles

GASB 91

In May 2019, the GASB issued Statement No. 91, *Conduit Debt Obligations*, which became effective for fiscal year ended September 30, 2023. This standard will provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. This standard did not have an impact on the Village's financial statements.

GASB 94

In March 2020, the GASB issued Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, which became effective for fiscal year ended June 30, 2023. The requirements of this statement will improve financial reporting by establishing the definitions of public-private and public-public partnership (PPPs) arrangements and availability payment arrangements and providing uniform guidance on accounting and financial reporting for transactions that meet those definitions. That uniform guidance will provide more relevant and reliable information for financial statement users and create greater consistency in practice. This statement will enhance the decision usefulness of a government's financial statements by requiring governments to report assets and liabilities related to PPPs consistently and disclose important information about PPP transactions. The required disclosures will allow users to understand the scale and important aspects of a government's PPPs and evaluate a government's future obligations and assets resulting from PPPs. This standard did not have an impact on the Village's financial statements.

GASB 96

In May 2020, the GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements* (GASB 96), which became effective for fiscal year ended June 30, 2023. The objective of this statement is to improve financial reporting by establishing a definition for subscription-based information technology arrangements (SBITAs) and providing uniform guidance for accounting and financial reporting for transactions that meet that definition. That definition and uniform guidance will result in greater consistency in practice. Establishing the capitalization criteria for implementation costs also will reduce diversity and improve comparability in financial reporting by governments. This statement also will enhance the relevance and reliability of a government's financial statements by requiring a government to report a subscription asset and subscription liability for a SBITA and to disclose essential information about the arrangement. The disclosures will allow users to understand the scale and important aspects of a government's SBITA activities and evaluate a government's obligations and assets resulting from SBITAs.

GASB 99

In April 2022, the GASB issued Statement No. 99, *Omnibus 2022*. The requirements related to leases, PPPs, and SBITAs will take effect for financial statements starting with the fiscal year that ends June 30, 2023. The requirements related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement 53 will take effect for financial statements starting with the fiscal year that ends June 30, 2024. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees.

Recent Accounting Pronouncements Issued

GASB 100

In June 2022, the GASB issued Statement No. 100, *Accounting Changes and Error Corrections – an amendment of GASB Statement No. 62*, which will become effective for fiscal year ending June 30, 2024. The primary objective of this statement is to enhance accounting and financial reporting requirements for accounting changes and error

corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. This statement defines accounting changes as changes in accounting principles, changes in accounting estimates, and changes to or within the financial reporting entity and describes the transactions or other events that constitute those changes. This standard is not expected to impact the Village's financial statements.

GASB 101

In June 2022, the GASB issued Statement No. 101, *Compensated Absences*, which will become effective for the fiscal year ending June 30, 2025. The objective of this statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences.

GASB 102

In December 2023, the GASB issued Statement No. 102, *Certain Risk Disclosures*, which will become effective for the fiscal year beginning after June 15, 2024. This Statement requires a government to assess whether a concentration or constraint makes the primary government reporting unit or other reporting units that report a liability for revenue debt vulnerable to the risk of a substantial impact. Additionally, this Statement requires a government to assess whether an event or events associated with a concentration or constraint that could cause the substantial impact have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued.

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, 2023 had a carrying value of \$19,092,067 and a bank balance of \$19,520,922.

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, 2023:

Investment	Amortized Cost	Fair Value	Weighted Average Maturity	Credit Rating (S&P/Fitch)	Level	Percent Distribution
FL PALM	\$ 5,983,772	\$ -	43 days	AAAm	N/A	3.20%
FL Fixed Income Trust Fund	6,594,432	-	94 days	AAAf/S1	N/A	3.53%
Fidelity Invest MM Treasury	180,091	-	N/A	N/A	N/A	0.10%
PTA Cash	55,714	-	N/A	AAA	N/A	0.03%
FL Class	53,453,118	-	43 days	AAAm	N/A	28.60%
Total Investments at Amortized Cost	66,267,127	-				35.46%
U.S. Treasuries		66,565,404	4.12 years	AA+	2	35.62%
FMIVT- Intermediate High Quality Bond Fund		810,146	4.90 years	AAf/S3	2	0.43%
FMIVT- 1-3 Year High Quality Bond Fund		110,530	1.60 years	AAAf/S2	2	0.06%
Municipal Bonds		8,192,379	4.11 years	(AA-) - (AAA)	2	4.38%
U.S. Government Sponsored Enterprises:			4.79 years			
Federal Home Loan Bank		2,350,957		AA+	2	1.26%
Federal Home Loan Mortgage		2,114,942		AA+	2	1.13%
Federal National Mortgage Association		2,940,796		AA+	2	1.57%
Corporate Notes		18,445,942	2.75 years	(A) - (AA+)	2	9.87%
Total Investments at Fair Value		101,531,096				54.33%
Total Cash Deposits	19,092,068					10.22%
Total Cash & Investments	\$ 85,359,195	\$ 101,531,096				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, 2023.

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	\$ 651,187	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 651,187
Franchise taxes	467,157	-	-	-	-	-	-	-	-	467,157
Accounts	16,528	-	-	-	-	-	2,592,176	131,691	-	2,740,395
Interest	<u>211,222</u>	<u>30,633</u>	<u>11,328</u>	<u>39,209</u>	<u>52,223</u>	<u>26,493</u>	<u>170,188</u>	<u>4,675</u>	-	<u>545,971</u>
Gross receivables	1,346,094	30,633	11,328	39,209	52,223	26,493	2,762,364	136,366	-	4,404,710
Less allowance for uncollectible accounts	-	-	-	-	-	-	(68,750)	-	-	(68,750)
	<u>\$ 1,346,094</u>	<u>\$ 30,633</u>	<u>\$ 11,328</u>	<u>\$ 39,209</u>	<u>\$ 52,223</u>	<u>\$ 26,493</u>	<u>\$ 2,693,614</u>	<u>\$ 136,366</u>	<u>\$ -</u>	<u>\$ 4,335,960</u>

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, 2023, the amount owed is \$1,725,333 and is reported as a long-term receivable and unavailable revenue on the fund financial statements.

On August 8, 2023, the Village adopted Resolution 2023-44 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 \$107,862 in lease revenue during the current fiscal year. As of September 30, 2023, the Village’s receivable for lease payments was \$760,884. 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, 2023, the balance of the deferred inflow of resources was \$731,967.

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

	Tower Leases					
	Verizon		T-Mobile		Total	Total
	Principal	Interest	Principal	Interest	Principal	Interest
Year Ending September 30:						
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	23,240	10,030	63,053	14,577	86,293	24,607
2029-2033	157,316	30,090	228,480	23,541	385,796	53,631
2034	20,046	1,004	-	-	20,046	1,004
	<u>\$ 271,837</u>	<u>\$ 90,654</u>	<u>\$ 489,047</u>	<u>\$ 122,388</u>	<u>\$ 760,884</u>	<u>\$ 213,042</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			Total
						Govt'l Funds	Utility System	Solid Waste	
Federal Government:									
Grants	\$ 84,711	\$ -	\$ 250,465	\$ -	\$ -	\$ -	\$ 135,072	\$ -	\$ 470,248
State of Florida:									
Grants	36,387	-	50,000	-	-	-	-	-	86,387
Half cent sales tax	968,400	-	-	-	-	-	-	-	968,400
Sales Surtax	-	-	-	996,618	-	-	-	-	996,618
Communication services tax	369,202	-	-	-	-	-	-	-	369,202
Local option gas tax	-	-	-	-	-	267,384	-	-	267,384
Fuel tax refund	-	-	-	-	-	5,478	-	-	5,478
Palm Beach County:									
County shared revenues	32,259	-	-	-	-	-	-	-	32,259
Alarm revenue	11,525	-	-	-	-	-	-	-	11,525
Excess fees	-	29,583	-	-	1,339	-	-	26,320	57,242
	<u>\$ 1,502,484</u>	<u>\$ 29,583</u>	<u>\$ 300,465</u>	<u>\$ 996,618</u>	<u>\$ 1,339</u>	<u>\$ 272,862</u>	<u>\$ 135,072</u>	<u>\$ 26,320</u>	<u>\$ 3,264,743</u>

NOTE 5. CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2023 is as follows:

	Beginning Balance*	Increases	Decreases	Reclassifications	Ending Balance
Governmental activities:					
Capital assets, not being depreciated:					
Land	\$ 24,576,944	\$ -	\$ -	\$ -	\$ 24,576,944
Construction in progress	4,417,042	12,084,523	(846,870)	(10,133,582)	5,521,113
Infrastructure	79,029,636	-	-	374,647	79,404,283
Total capital assets, not being depreciated	108,023,622	12,084,523	(846,870)	(9,758,935)	109,502,340
Capital assets, being depreciated/amortized:					
Buildings	39,468,801	-	-	-	39,468,801
Right-to-use lease assets	-	31,273	-	-	31,273
Software Subscriptions	2,151,564	603,172	-	-	2,754,736
Improvements	120,573,026	373,669	-	9,622,465	130,569,160
Machinery and equipment	19,737,220	690,418	(113,508)	136,470	20,450,600
Total capital assets, being depreciated/amortized	181,930,611	1,698,532	(113,508)	9,758,935	193,274,570
Less accumulated depreciation/amortization for:					
Buildings	(15,200,634)	(1,307,833)	-	-	(16,508,467)
Improvements	(98,423,166)	(3,876,169)	-	-	(102,299,335)
Right-to-use lease assets	-	(6,081)	-	-	(6,081)
Software Subscriptions	-	(1,013,093)	-	-	(1,013,093)
Machinery and equipment	(14,051,805)	(1,203,493)	113,508	-	(15,141,790)
Total accumulated depreciation/amortization	(127,675,605)	(7,406,669)	113,508	-	(134,968,766)
Total capital assets, being depreciated/amortized, net	54,255,006	(5,708,137)	-	9,758,935	58,305,804
Governmental activities capital assets, net	\$ 162,278,628	\$ 6,376,386	\$ (846,870)	\$ -	\$ 167,808,144

* Revised for GASB Statement No 96, Subscription-Based Information Technology Arrangements

	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	9,581,334	8,212,577	(2,284,998)	(6,114,309)	9,394,604
Total capital assets, not being depreciated	19,161,012	8,212,577	(2,284,998)	(6,114,309)	18,974,282
Capital assets, being depreciated/amortized:					
Buildings	9,088,876	-	-	650,591	9,739,467
Land improvements	11,380,528	-	-	138,766	11,519,294
Furniture, fixtures, equipment and vehicles	17,757,636	240,463	(18,383)	470,499	18,450,215
Infrastructure	118,216,158	144,243	-	170,046	118,530,447
Right-to-use lease assets	50,973	-	-	-	50,973
Software Subscriptions	848,890	-	-	-	848,890
Water treatment plant	59,065,256	-	-	4,684,407	63,749,663
Waste water plant	59,394,590	-	-	-	59,394,590
Total capital assets, being depreciated/amortized	275,802,907	384,706	(18,383)	6,114,309	282,283,539
Less accumulated depreciation/amortization for:					
Buildings	(3,777,860)	(301,745)	-	-	(4,079,605)
Land improvements	(5,918,403)	(749,735)	-	-	(6,668,138)
Furniture, fixtures, equipment and vehicles	(12,704,827)	(628,768)	18,383	-	(13,315,212)
Infrastructure	(71,853,251)	(2,519,791)	-	-	(74,373,042)
Right-to-use lease assets	(7,080)	(16,991)	-	-	(24,071)
Software Subscriptions	-	(377,284)	-	-	(377,284)
Water treatment plant	(21,219,179)	(1,888,631)	-	-	(23,107,810)
Waste water plant	(20,100,624)	(1,869,962)	-	-	(21,970,586)
Total accumulated depreciation/amortization	(135,581,224)	(8,352,907)	18,383	-	(143,915,748)
Total capital assets, being depreciated/amortized, net	140,221,683	(7,968,201)	-	6,114,309	138,367,791
Business-type activities capital assets, net	\$ 159,382,695	\$ 244,376	\$ (2,284,998)	\$ -	\$ 157,342,073

* Revised for GASB Statement No 96, Subscription-Based Information Technology Arrangements

Depreciation/amortization expense was charged to functions as follows:

Governmental activities:	
General government	\$ 1,311,134
Public Safety	167,247
Physical environment	2,571,048
Economic environment	61,404
Transportation	1,300,357
Culture and recreation	<u>1,977,095</u>
Total depreciation/amortization expense - governmental activities	<u>\$ 7,388,285</u>
Business-type activities:	
Utility System	\$ 8,092,847
Lake Wellington Professional Centre - nonmajor	229,057
Solid waste	<u>31,003</u>
Total depreciation/amortization expense - business-type activities	<u>\$ 8,352,907</u>

NOTE 6. LEASES

Right-to-use Lease Assets

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 minimum payments of the date of inception. The lease liability is calculated using an implicit rate of 5%, which represents the Village's incremental borrowing rate. The lease assets are initially measured at an amount equal to the initial measurement of the related lease liability plus any lease payment made. The lease assets are amortized on a straight-line basis over the shorter of the life of the assets or the related lease and with a value of \$25,000 or more.

The classes and amounts of lease assets as of September 30, 2023:

Governmental Activities:

	<u>Asset Balances</u>	<u>Accumulated Amortization</u>
Equipment	\$ 31,273	\$ (6,081)
Total	<u>\$ 31,273</u>	<u>\$ (6,081)</u>

Business-Type Activities:

	<u>Asset Balances</u>	<u>Accumulated Amortization</u>
Equipment	\$ 50,973	\$ (24,071)
Total	<u>\$ 50,973</u>	<u>\$ (24,071)</u>

Future minimum lease payments as of September 30, 2023:

Governmental Activities:

Year Ending	Principal	Interest	Total
September 30:	Payments	Payments	Payments
2024	\$ 10,159	\$ 1,042	\$ 11,201
2025	10,679	522	11,201
2026	4,609	58	4,667
	<u>\$ 25,447</u>	<u>\$ 1,622</u>	<u>\$ 27,069</u>

Business-Type Activities:

Year Ending	Principal	Interest	Total
September 30:	Payments	Payments	Payments
2024	\$ 16,971	\$ 1,030	\$ 18,001
	<u>\$ 16,971</u>	<u>\$ 1,030</u>	<u>\$ 18,001</u>

NOTE 7. SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS

The Village has recorded several multi-year subscription-based information technology arrangements (SBITAs) as a result of implementing GASB Statement No. 96. The Village has discounted the future minimum payments using its incremental borrowing rate. The SBITAs are amortized on a straight-line basis over the shorter of the life of the assets or the related agreement and with a value of \$25,000.

The classes and amounts of SBITAs as of September 30, 2023:

Governmental Activities:

	Asset	Accumulated
	Balances	Amortization
Software	\$ 2,754,736	\$ (1,013,093)
Total	<u>\$ 2,754,736</u>	<u>\$ (1,013,093)</u>

Business-Type Activities:

	Asset	Accumulated
	Balances	Amortization
Software	\$ 848,890	\$ (377,284)
Total	<u>\$ 848,890</u>	<u>\$ (377,284)</u>

Future minimum payments and present value of payments as of September 30, 2023:

Fiscal Year	Governmental Activities		
	Principal	Interest	Total
	Payments	Payments	Payments
2024	\$ 590,891	\$ 26,587	\$ 617,478
2025	292,333	11,298	303,631
2026	120,171	5,420	125,591
2027	122,850	2,740	125,591
	<u>\$ 1,126,245</u>	<u>\$ 46,045</u>	<u>\$ 1,172,291</u>

Fiscal Year	Business-Type Activities		
	Principal	Interest	Total
	Payments	Payments	Payments
2024	\$ 181,113	\$ 4,964	\$ 186,077
2025	46,161	358	46,519
	<u>\$ 227,274</u>	<u>\$ 5,322</u>	<u>\$ 232,596</u>

NOTE 8. NONCURRENT LIABILITIES

Changes in Noncurrent Liabilities

Noncurrent liability activity for the year ended September 30, 2023, was as follows:

Governmental Activities

	Beginning Balance*	Increases	Decreases	Ending Balance	Due Within One Year
Bonds, Notes and Other Payables:					
Public Improvement Revenue Bonds, Series 2023	\$ -	\$ 33,330,000	\$ -	\$ 33,330,000	\$ -
Special Assessment Bond, Series 2016	2,310,000	-	(200,000)	2,110,000	210,000
Leases Payable	-	31,273	(5,826)	25,447	10,159
Subscriptions Payable	1,259,981	599,648	(733,384)	1,126,245	590,891
Total Bonds, Notes and Other Payables	<u>3,569,981</u>	<u>33,960,921</u>	<u>(939,210)</u>	<u>36,591,692</u>	<u>811,050</u>
Other Liabilities:					
Compensated absences payable	2,759,518	2,049,294	(1,827,043)	2,981,769	1,241,073
Net pension liability	21,463,940	11,200,782	(8,695,781)	23,968,941	-
Total Other Liabilities	<u>24,223,458</u>	<u>13,250,076</u>	<u>(10,522,824)</u>	<u>26,950,710</u>	<u>1,241,073</u>
Total Liabilities	<u>\$ 27,793,439</u>	<u>\$ 47,210,997</u>	<u>\$ (11,462,034)</u>	<u>\$ 63,542,402</u>	<u>\$ 2,052,123</u>

* Revised for GASB Statement No 96, Subscription-Based Information Technology Arrangements

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

\$33,330,000 Public Improvement Bond

In July 2023, the Village issued \$33,330,000 of Taxable Public Improvement Revenue Bonds for the purpose of financing the cost of constructing a recreational facility. Interest on the term bonds is 4.550% to 5.550% and is paid semi-annually in January and July. The principal is payable in annual installments of \$545,000 to \$2,260,000 with the final payment due January 1, 2053. At September 30, 2023, the outstanding balance was \$33,330,000.

Future debt service requirements to maturity are:

Public Improvement Revenue Bond, Series 2023			
	Principal	Interest	Total
Year Ending September 30:			
2024	\$ -	\$ 1,711,151	\$ 1,711,151
2025	-	1,790,739	1,790,739
2026	545,000	1,778,068	2,323,068
2027	575,000	1,752,315	2,327,315
2028	600,000	1,725,494	2,325,494
2029-2033	3,460,000	8,163,683	11,623,683
2034-2038	4,465,000	7,154,279	11,619,279
2039-2043	5,845,000	5,775,490	11,620,490
2044-2048	7,690,000	3,931,343	11,621,343
2049-2053	10,150,000	1,470,750	11,620,750
	<u>\$33,330,000</u>	<u>\$35,253,311</u>	<u>\$68,583,311</u>

\$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, 2023, the outstanding balance was \$2,110,000.

Future debt service requirements to maturity are:

Special Assessment Bond, Series 2016			
	Principal	Interest	Total
Year Ending September 30:			
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	235,000	33,002	268,002
2029-2032	1,005,000	60,050	1,065,050
	<u>\$ 2,110,000</u>	<u>\$ 290,768</u>	<u>\$2,400,768</u>

Additional information on leases and subscriptions can be found in Note 6 and Note 7.

Business-type Activities

	Beginning Balance*	Additions	Reductions	Ending Balance	Due Within One Year
Bonds, Notes and Other Payables:					
Utility loans, direct borrowings	\$15,879,459	\$ -	\$(1,194,132)	\$14,685,327	\$1,231,496
Leases payable	32,971	-	(16,000)	16,971	16,971
Subscriptions payable	410,484	-	(183,210)	227,274	181,113
Total Bonds, Notes and Other Payables	16,322,914	-	(1,393,342)	14,929,572	1,429,580
Other Liabilities:					
Compensated absences payable	626,369	578,832	(541,102)	664,099	306,757
Net pension liability	4,746,082	2,740,943	(2,127,945)	5,359,080	-
Total Other Liabilities	5,372,451	3,319,775	(2,669,047)	6,023,179	306,757
Total Liabilities	<u>\$21,695,365</u>	<u>\$ 3,319,775</u>	<u>\$(4,062,389)</u>	<u>\$20,952,751</u>	<u>\$1,736,337</u>

* Revised for GASB Statement No 96, Subscription-Based Information Technology Arrangements

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:			
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	1,393,016	274,209	1,667,225
2029-2033	7,646,814	689,311	8,336,125
2034	483,453	2,845	486,298
	<u>\$ 14,685,327</u>	<u>\$ 2,473,221</u>	<u>\$ 17,158,548</u>

Additional information on leases and subscriptions can be found in Note 6 and Note 7.

NOTE 9. 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, 2023:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Lake Wellington Professional Centre	\$ 1,344

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

B. INTERFUND TRANSFERS

The following is a summary of transfers by fund type for the fiscal year ended September 30, 2023:

	<u>Transfers In</u>	<u>Transfers Out</u>
General	\$ 1,000,000	\$ 6,417,504
Building	-	3,000,000
Acme Improvement	-	1,305,000
Capital Projects	8,109,996	-
Nonmajor governmental funds	2,612,508	-
Lake Wellington Professional Centre	-	1,000,000
Total	<u>\$ 11,722,504</u>	<u>\$ 11,722,504</u>

The principal purpose of interfund transfers is to provide a financing source to various funds that may not have the ability to cover all operating or capital expenditures with revenue generated by the fund or to transfer construction costs between the funds. Transfers into the General fund are used to fund current or future capital related projects or to return capital contributions.

NOTE 10. ENCUMBRANCES

Purchase orders are issued throughout the year to encumber budgets in the governmental funds. Encumbrances as of September 30, 2023 are as follows:

Major funds:	
General Fund	\$ 964,127
Building Fund	272,930
Acme Improvement	473,239
Capital Projects	2,470,266
Surtax Fund	<u>1,089,614</u>
Total Major Funds	5,270,176
Non-Major Governmental Funds	<u>1,151,199</u>
Total Encumbrances	<u>\$ 6,421,375</u>

NOTE 11. 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:

<u>Description</u>	<u>Net Pension Liability</u>	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflow of Resources</u>	<u>Pension Expense</u>
Village's proportion of the FRS Pension Plan	\$ 20,338,116	\$ 5,363,320	\$ 684,152	\$ 4,373,969
Village's proportion of the HIS Pension Plan	8,989,905	620,961	1,151,901	3,365,830
Total	<u>\$ 29,328,021</u>	<u>\$ 5,984,281</u>	<u>\$ 1,836,053</u>	<u>\$ 7,739,799</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 2023 fiscal year were as follows:

<u>Class</u>	<u>Percent of Gross Salary</u>		<u>Percent of Gross Salary</u>	
	<u>October 1, 2022 to</u>		<u>July 1, 2023 to</u>	
	<u>June 30, 2023</u>		<u>September 30, 2023</u>	
	<u>Employee</u>	<u>Employer (1)</u>	<u>Employee</u>	<u>Employer (1)</u>
FRS, Regular	3.00	11.91	3.00	13.57
FRS, Elected Local Officers	3.00	57.00	3.00	58.68
FRS, Senior Management Service Class	3.00	31.57	3.00	34.52
DROP - Applicable to all members in the above classes	0.00	18.60	0.00	21.13

(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 \$2,455,388 for the fiscal year ended September 30, 2023.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – At September 30, 2023, the Village reported a liability of \$20,338,116 for its proportionate share of the Plan’s net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2023. The Village’s proportionate share of the net pension liability was based on the Village’s contributions for the year ended June 30, 2023 relative to the contributions of all participating members. At June 30, 2023, the Village’s proportionate share was .0510% percent, which was a decrease of .0026% from its proportionate share measured as of June 30, 2022.

For the fiscal year ended September 30, 2023 the Village recognized pension expense of \$4,373,969 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:

<u>Description</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 1,909,576	\$ -
Change of assumptions	1,325,807	-
Net difference between projected and actual earnings on FRS pension plan investments	849,375	-
Changes in proportion and differences between Wellington FRS contributions and proportionate share of contributions	615,748	(684,152)
Wellington FRS contributions subsequent to the measurement date	662,814	-
Total	<u>\$ 5,363,320</u>	<u>\$ (684,152)</u>

The deferred outflows of resources related to pensions, totaling \$662,814, 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 \$4,016,354 will be recognized in pension expense as follows:

<u>Fiscal Year Ending September 30:</u>	<u>Amount</u>
2024	\$ 607,967
2025	(174,068)
2026	3,337,970
2027	196,197
2028	48,288
Thereafter	-
Total	<u>\$ 4,016,354</u>

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%	2.9%	2.9%	1.1%
Fixed income	19.8%	4.5%	4.4%	3.4%
Global Equity	54.0%	8.7%	7.1%	18.1%
Real estate	10.3%	7.6%	6.6%	14.8%
Private equity	11.1%	11.9%	8.8%	26.3%
Strategic investments	3.8%	6.3%	6.1%	7.7%
Total	100.00%			
Assumed inflation - mean			2.4%	1.4%

(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 remained the same from the 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% Decrease</u>	<u>Current Discount Rate 6.70%</u>	<u>1% Increase</u>
Village's proportionate share of the net pension liability	\$34,741,645	\$20,338,116	\$8,287,842

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, 2023, the Village reported a payable of \$281,710 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, 2023, 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, 2023, the contribution rate was 1.66% of payroll for July 1, 2021 through September 30, 2023 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 \$372,369 for the fiscal year ended September 30, 2023.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – At September 30, 2023, the Village reported a net pension liability of \$8,989,905 for its proportionate share of the HIS Plan’s net pension liability. The net pension liability was measured as of June 30, 2023. 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, 2023, the Village’s proportionate share was .0566%, which was a decrease of .0022% from its proportionate share measured as of June 30, 2022.

For the fiscal year ended September 30, 2023 the Village recognized pension expense of \$3,365,830 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	\$ 131,606	\$ (21,101)
Change of assumptions	236,342	(779,006)
Net difference between projected and actual earnings on HIS pension plan investments	4,643	-
Changes in proportion and differences between Wellington HIS contributions and proportionate share of HIS contributions	137,046	(351,794)
Wellington HIS contributions subsequent to the measurement date	111,324	-
Total	<u>\$ 620,961</u>	<u>\$ (1,151,901)</u>

The deferred outflows of resources related to pensions, totaling \$111,324, 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 (\$642,264) will be recognized in pension expense(income) as follows:

<u>Fiscal Year Ending September 30:</u>	<u>Amount</u>
2024	\$ (113,813)
2025	(106,555)
2026	(119,905)
2027	(174,297)
2028	(109,472)
Thereafter	(18,222)
Total	<u>\$ (642,264)</u>

Actuarial Assumptions – The total pension liability in the July 1, 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	3.65 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, 2022, HIS valuation is the most recent actuarial valuation and was used to develop the liabilities for the June 30, 2023, financial reporting exhibits.

Discount Rate – The discount rate used to measure the total pension liability was 3.65%. 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 3.54% to 3.65%.

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 3.65%, 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>3.65%</u>	<u>1%</u> <u>Increase</u>
Village's proportionate share of the net pension liability	\$10,256,078	\$8,989,905	\$7,940,332

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, 2023, the Village reported a payable of \$35,374 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:

<u>Class</u>	<u>Percent of Gross Compensation</u>
FRS, Regular	8.30%
FRS, Elected Local Officers	13.34%
FRS, Senior Management Service	9.67%

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, 2022 – September 30, 2023 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 \$684,074 for the fiscal year ended September 30, 2023.

Payables to the Investment Plan – At September 30, 2023, the Village reported a payable of \$88,713 for the outstanding amount of contributions to the Investment Plan required for the fiscal year ended September 30, 2023.

NOTE 12. 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, 2023, the reserve accumulation with CIGNA is \$0 and the Village reported a payable of \$914,094.

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

NOTE 13. 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 14. 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 15. COMMITMENTS

Information Technology

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 \$572,946.

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 \$10,614,441.

Solid Waste Collection and Recycling

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 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 5,256,799. 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	Amount Expended at September 30, 2023	Balance to Complete
Greenbriar Blvd Rebuild & Bike Lns	\$ 131,860	\$ 32,965	\$ 98,895
Wellington Athletics Center	1,100,000	359,289	740,711
Staimford Park	222,215	97,961	124,254
Neighborhood Pipe Lining Program	499,642	387,766	111,876
Wep Sec 24 Preserve Expansion	379,944	227,966	151,978
Aquatics Center Replacement	2,175,367	1,242,114	933,253
Athletic Field Improvement Program	1,170,734	1,019,448	151,286
Town Center	700,952	575,225	125,727
Greenview Shores Bicycle Lanes	152,340	38,085	114,255
Wrf Generator & Proc Control Imprvm	2,575,155	2,473,385	101,770
Wtp Train 8 Expansion	2,126,537	1,895,745	230,792
Wtp Chemical System Improvements	969,700	554,256	415,444
Lime & Membrane Wells Vfd Imprvs	2,612,783	1,637,064	975,719
Wrf Anaerobic Selector	5,555,362	21,268	5,534,094
Wtp Generator 3 Repl	3,733,720	1,742	3,731,978
Booster Stations Improvements	1,241,949	598,095	643,854
Lift Station Upgrades Phase 3	203,547	-	203,547
Tropos Solar Power Upgrades I & II	229,556	-	229,556
Section 24 Trail Bridges	959,717	-	959,717
	\$ 26,741,079	\$ 11,162,374	\$ 15,578,705

NOTE 16. 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 12 retirees eligible to receive benefits as of September 30, 2023.

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, 2023, the following employees were covered by benefit terms:

Inactive employees or beneficiaries currently receiving benefits	12
Inactive employees entitled to but not yet receiving benefits	0
Active employees	<u>290</u>
	302

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 \$953 to a maximum of \$2,858.

Actuarial Assumptions: The total OPEB asset in the September 30, 2023 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	8.0 percent for FY 2023, decreasing 0.5 percent per year to 5.0 percent for the years FY 2029 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 2023 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	Since the prior measurement date, the healthcare cost trend rates increased from 6.0 percent for FY 2023 graded down to 5.0 percent to the amounts shown above.

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, 2023 valuation were based on the results of an actuarial valuation date of October 1, 2022.

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:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
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 net 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 net OPEB asset.

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Asset (a) + (b)
Balances at 9/30/2022	\$ 710,961	\$ (1,901,360)	\$(1,190,399)
Changes for the year:			
Service cost	26,118	-	26,118
Expected interest growth	52,920	(142,177)	(89,257)
Demographic Experience	(62,633)		(62,633)
Unexpected investment growth	-	(56,668)	(56,668)
Benefit payments & refunds	(64,121)		(64,121)
Administrative expense	-	11,542	11,542
Assumption Changes	47,788		47,788
Net Changes	72	(187,303)	(187,231)
Balance at 9/30/2023	\$ 711,033	\$ (2,088,663)	\$(1,377,630)

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	\$ 1,331,729	\$ 1,377,630	\$ 1,419,311

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 (8.0%)		
	<u>Trend Rate minus 1%</u>	<u>decreasing to 5.0%)</u>	<u>Trend Rate plus 1%</u>
Net OPEB asset	\$ 1,434,546	\$ 1,377,630	\$ 1,312,130

OPEB Expense (Income) and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended September 30, 2023, the Village recognized OPEB expense(income) of (\$27,148). At September 30, 2023, 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>
Unexpected Investment Income	293,673	151,121
Demographic experience	140,052	117,867
Assumption changes	300,425	16,646
Total	<u>\$ 734,150</u>	<u>\$ 285,634</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>
2024	\$ 79,683
2025	78,740
2026	131,634
2027	34,059
2028	45,391
Thereafter	79,009
Total	<u><u>\$ 448,516</u></u>



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, 2023

	<u>Original Adopted Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget Positive (Negative)</u>
Revenues:				
Ad valorem taxes	\$ 24,422,460	\$ 24,422,460	\$ 24,611,194	\$ 188,734
Utility services taxes	5,100,000	5,100,000	6,372,519	1,272,519
Communication services taxes	1,900,000	1,900,000	2,227,689	327,689
Local business tax receipts	860,000	860,000	857,648	(2,352)
Other permit and fees	1,140,000	1,140,000	1,770,951	630,951
Franchise fees	3,780,000	3,780,000	4,702,401	922,401
Grants	292,374	406,589	505,198	98,609
State revenue sharing	7,014,097	7,014,097	8,868,951	1,854,854
Charges for services	3,038,430	3,341,430	3,648,220	306,790
Fines and forfeitures	230,000	230,000	240,712	10,712
Investment income (net)	250,000	250,000	1,870,565	1,620,565
Miscellaneous	<u>242,500</u>	<u>242,500</u>	<u>439,653</u>	<u>197,153</u>
Total revenues	<u>48,269,861</u>	<u>48,687,076</u>	<u>56,115,701</u>	<u>7,428,625</u>
Expenditures:				
Current:				
General government	17,911,318	17,869,723	14,807,412	3,062,311
Public safety	11,990,721	11,890,916	11,656,273	234,643
Physical environment	1,109,015	1,175,365	1,149,759	25,606
Economic environment	1,464,436	2,106,063	1,721,785	384,278
Culture and recreation	11,842,163	12,415,714	11,815,525	600,189
Capital outlay	413,000	931,489	1,959,780	(1,028,291)
Debt service:				
Principal	-	-	448,564	(448,564)
Interest	-	-	<u>12,245</u>	<u>(12,245)</u>
Total expenditures	<u>44,730,653</u>	<u>46,389,270</u>	<u>43,571,343</u>	<u>2,817,927</u>
Excess (deficiency) of revenues over expenditures	<u>3,539,208</u>	<u>2,297,806</u>	<u>12,544,358</u>	<u>10,246,552</u>
Other financing sources (uses):				
Transfers in	-	1,007,347	1,000,000	(7,347)
Transfers out	(6,417,507)	(6,417,507)	(6,417,504)	3
Leases (right-to-use assets) acquired	-	-	31,273	31,273
Initiation of SBITA's	-	-	886,813	886,813
Proceeds from sale of capital assets	-	-	<u>41,944</u>	<u>41,944</u>
Total other financing sources (uses)	<u>(6,417,507)</u>	<u>(5,410,160)</u>	<u>(4,457,474)</u>	<u>952,686</u>
Net change in fund balances	(2,878,299)	(3,112,354)	8,086,884	11,199,238
Fund balances, beginning of year	<u>45,036,260</u>	<u>45,036,260</u>	<u>45,036,260</u>	<u>-</u>
Fund balances, end of year	<u>\$ 42,157,961</u>	<u>\$ 41,923,906</u>	<u>\$ 53,123,144</u>	<u>\$ 11,199,238</u>

VILLAGE OF WELLINGTON, FLORIDA

BUDGETARY COMPARISON SCHEDULE

BUILDING - SPECIAL REVENUE FUND

YEAR ENDED SEPTEMBER 30, 2023

	<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	\$ 5,419,000	\$ 5,419,000	\$ 6,305,889	\$ 886,889
Investment income (net)	45,000	45,000	331,482	286,482
Miscellaneous	<u>4,000</u>	<u>4,000</u>	<u>27,332</u>	<u>23,332</u>
Total revenues	<u>5,468,000</u>	<u>5,468,000</u>	<u>6,664,703</u>	<u>1,196,703</u>
Expenditures:				
Current:				
Public safety	5,339,522	5,321,034	4,379,880	941,154
Capital outlay	73,500	593,692	1,856,901	(1,263,209)
Debt service:				
Principal	-	-	279,542	(279,542)
Interest	<u>-</u>	<u>-</u>	<u>6,300</u>	<u>(6,300)</u>
Total expenditures	<u>5,413,022</u>	<u>5,914,726</u>	<u>6,522,623</u>	<u>(607,897)</u>
Excess (deficiency) of revenues over expenditures	<u>54,978</u>	<u>(446,726)</u>	<u>142,080</u>	<u>588,806</u>
Other financing sources (uses):				
Transfers out	(3,000,000)	(3,000,000)	(3,000,000)	-
Initiation of SBITA's	<u>-</u>	<u>-</u>	<u>947,938</u>	<u>947,938</u>
Total other financing sources (uses)	<u>(3,000,000)</u>	<u>(3,000,000)</u>	<u>(2,052,062)</u>	<u>947,938</u>
Net change in fund balances	(2,945,022)	(3,446,726)	(1,909,982)	1,536,744
Fund balances, beginning of year	<u>10,002,705</u>	<u>10,002,705</u>	<u>10,002,705</u>	<u>-</u>
Fund balances, end of year	<u>\$ 7,057,683</u>	<u>\$ 6,555,979</u>	<u>\$ 8,092,723</u>	<u>\$ 1,536,744</u>

VILLAGE OF WELLINGTON, FLORIDA

BUDGETARY COMPARISON SCHEDULE

ACME IMPROVEMENT - SPECIAL REVENUE FUND

YEAR ENDED SEPTEMBER 30, 2023

	<u>Original Adopted Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget Positive (Negative)</u>
Revenues:				
Special assessments	\$ 5,757,257	\$ 5,757,257	\$ 5,869,543	\$ 112,286
Charges for services	315,000	315,000	300,522	(14,478)
Investment income (net)	18,000	18,000	153,324	135,324
Miscellaneous	<u>21,545</u>	<u>21,545</u>	<u>46,918</u>	<u>25,373</u>
Total revenues	<u>6,111,802</u>	<u>6,111,802</u>	<u>6,370,307</u>	<u>258,505</u>
Expenditures:				
Current:				
General government	71,426	52,800	55,265	(2,465)
Physical environment	4,330,888	4,210,719	3,749,189	461,530
Culture and recreation	436,872	436,272	454,050	(17,778)
Capital outlay	455,000	466,350	117,005	349,345
Debt service:				
Principal	-	-	11,104	(11,104)
Interest	<u>-</u>	<u>-</u>	<u>450</u>	<u>(450)</u>
Total expenditures	<u>5,294,186</u>	<u>5,166,141</u>	<u>4,387,063</u>	<u>779,078</u>
Excess (deficiency) of revenues over expenditures	<u>817,616</u>	<u>945,661</u>	<u>1,983,244</u>	<u>1,037,583</u>
Other financing uses:				
Transfers out	(1,305,000)	(1,305,000)	(1,305,000)	-
Initiation of SBITA's	<u>-</u>	<u>-</u>	<u>24,878</u>	<u>24,878</u>
Total other financing uses	<u>(1,305,000)</u>	<u>(1,305,000)</u>	<u>(1,280,122)</u>	<u>24,878</u>
Net change in fund balances	(487,384)	(359,339)	703,122	1,062,461
Fund balances, beginning of year	<u>2,162,866</u>	<u>2,162,866</u>	<u>2,162,866</u>	<u>-</u>
Fund balances, end of year	<u>\$ 1,675,482</u>	<u>\$ 1,803,527</u>	<u>\$ 2,865,988</u>	<u>\$ 1,062,461</u>

NOTE 1. NOTE TO BUDGETARY COMPARISON SCHEDULES

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, 2023

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

	2023	2022	2021	2020
Village's proportion of the FRS net pension liability	0.0510%	0.0537%	0.0529%	0.0503%
Village's proportionate share of the FRS net pension liability	20,338,116	19,976,264	3,992,707	21,803,503
Village's covered payroll	22,431,568	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	90.67%	93.13%	19.60%	106.62%
FRS plan fiduciary net position as a percentage of the total pension liability	82.38%	82.89%	96.40%	78.85%

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

	2023	2022	2021	2020
Village's proportion of the HIS net pension liability	0.0566%	0.0589%	0.0576%	0.0589%
Village's proportionate share of the HIS net pension liability	8,989,905	6,233,758	7,059,723	7,195,583
Village's covered payroll	22,431,568	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	40.08%	29.06%	34.65%	35.19%
HIS plan fiduciary net position as a percentage of the total pension liability	4.12%	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.

2019	2018	2017	2016	2015	2014
0.0496%	0.0513%	0.0483%	0.0420%	0.0439%	0.0445%
17,074,811	15,440,590	14,276,459	10,615,415	5,674,291	2,713,638
19,687,857	19,786,378	18,900,403	17,448,015	17,158,799	19,328,166
86.73%	78.04%	75.54%	60.84%	33.07%	14.04%
82.61%	84.26%	83.89%	84.88%	92.00%	96.09%

2019	2018	2017	2016	2015	2014
0.0588%	0.0606%	0.0593%	0.0565%	0.0566%	0.0571%
6,580,765	6,411,831	6,339,281	6,585,785	5,768,050	5,341,134
19,687,857	19,786,378	18,900,403	17,448,015	17,158,799	19,328,166
33.43%	32.41%	33.54%	37.75%	33.62%	27.63%
2.63%	2.15%	1.64%	0.97%	0.50%	0.99%

VILLAGE OF WELLINGTON, FLORIDA

SCHEDULE OF THE VILLAGE CONTRIBUTIONS

SEPTEMBER 30, 2023

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

	<u>2023</u>	<u>2022</u>	<u>2021</u>
Contractually required FRS contribution	\$ 2,455,388	\$ 2,290,966	\$ 2,013,604
FRS contributions in relation to the contractually required contribution	<u>(2,455,388)</u>	<u>(2,290,966)</u>	<u>(2,013,604)</u>
FRS contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Village's covered payroll	22,750,152	21,070,939	20,219,891
FRS contributions as a percentage of covered payroll	10.79%	10.87%	9.96%

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

	<u>2023</u>	<u>2022</u>	<u>2021</u>
Contractually required HIS contribution	\$ 372,369	\$ 356,126	\$ 338,296
HIS contributions in relation to the contractually required contribution	<u>(372,369)</u>	<u>(356,126)</u>	<u>(338,296)</u>
HIS contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Village's covered payroll	22,750,152	21,070,939	20,219,891
HIS contributions as a percentage of covered payroll	1.64%	1.69%	1.67%

(1) The amounts presented for each fiscal year were determined as of 09/30. GASB 68 requires information for 10 years.

2020	2019	2018	2017	2016	2015	2014
\$ 1,671,456	\$ 1,537,351	\$ 1,460,946	\$ 1,256,456	\$ 1,025,240	\$ 1,071,078	\$ 974,195
<u>(1,671,456)</u>	<u>(1,537,351)</u>	<u>(1,460,946)</u>	<u>(1,256,456)</u>	<u>(1,025,240)</u>	<u>(1,071,078)</u>	<u>(974,195)</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
20,596,488	19,909,643	19,500,893	19,478,310	18,354,726	17,179,188	18,716,165
8.12%	7.72%	7.49%	6.45%	5.59%	6.23%	5.21%

2020	2019	2018	2017	2016	2015	2014
\$ 339,601	\$ 326,592	\$ 328,526	\$ 313,766	\$ 289,640	\$ 216,201	\$ 195,684
<u>(339,601)</u>	<u>(326,592)</u>	<u>(323,715)</u>	<u>(313,766)</u>	<u>(289,640)</u>	<u>(216,201)</u>	<u>(195,684)</u>
\$ -	\$ -	\$ 4,811	\$ -	\$ -	\$ -	\$ -
20,596,488	19,909,643	19,500,893	19,478,310	18,354,726	17,179,188	18,716,165
1.65%	1.64%	1.68%	1.61%	1.58%	1.26%	1.05%

VILLAGE OF WELLINGTON, FLORIDA

OPEB LIABILITY SCHEDULES

SEPTEMBER 30, 2023

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

	2023	2022	2021
Total OPEB Asset			
Service Cost	\$ 26,118	\$ 25,726	\$ 22,590
Expected interest growth	52,920	54,174	56,551
Demographic experience	(62,633)	(24,840)	(34,139)
Changes of assumptions	-	-	19,517
Benefit payments	(64,121)	(79,939)	(118,065)
Assumption Changes	47,788	-	-
Net change in total OPEB asset	72	(24,879)	(53,546)
Total OPEB asset - beginning	710,961	735,840	789,386
Total OPEB asset - ending (a)	<u>\$ 711,033</u>	<u>\$ 710,961</u>	<u>\$ 735,840</u>
Plan fiduciary net position			
Expected interest growth	\$ 142,177	\$ 167,107	\$ 137,702
Unexpected investment income	56,668	(487,881)	264,469
Administrative expense	(11,542)	(11,699)	(8,577)
Net change in plan fiduciary net position	187,303	(332,473)	393,594
Plan fiduciary net position - beginning	1,901,360	2,233,833	1,840,239
Plan fiduciary net position - ending (b)	<u>\$ 2,088,663</u>	<u>\$ 1,901,360</u>	<u>\$ 2,233,833</u>
Village's net OPEB asset - ending (b) - (a)	<u>\$ 1,377,630</u>	<u>\$ 1,190,399</u>	<u>\$ 1,497,993</u>
Plan fiduciary net position as a percentage of the total OPEB asset	293.75%	267.44%	303.58%
Covered payroll	20,156,915	18,062,317	18,308,570
Village's net OPEB asset 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.

2020	2019	2018	2017
\$ 22,570	\$ 11,552	\$ 11,276	\$ 8,343
20,498	21,223	24,839	25,067
168,621	60,600	(34,071)	-
383,618	(30,336)	-	-
(111,316)	(57,111)	(44,188)	(34,743)
-	-	-	-
483,991	5,928	(42,144)	(1,333)
305,395	299,467	341,611	342,944
<u>\$ 789,386</u>	<u>\$ 305,395</u>	<u>\$ 299,467</u>	<u>\$ 341,611</u>

\$ 129,116	\$ 123,986	\$ 114,781	\$ 100,494
(4,724)	(44,426)	19,063	97,942
(11,198)	(11,131)	(11,080)	(4,907)
113,194	68,429	122,764	193,529
1,727,045	1,658,616	1,535,852	1,342,323
<u>\$ 1,840,239</u>	<u>\$ 1,727,045</u>	<u>\$ 1,658,616</u>	<u>\$ 1,535,852</u>

<u>\$ 1,050,853</u>	<u>\$ 1,421,650</u>	<u>\$ 1,359,149</u>	<u>\$ 1,194,241</u>
---------------------	---------------------	---------------------	---------------------

233.12%	565.51%	553.86%	449.59%
18,647,506	18,149,435	17,593,811	16,763,480
N/A	N/A	N/A	N/A

CONDITION RATING OF STREET SYSTEM SEPTEMBER 30, 2023

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.

Percentage of lane miles in good or better condition

Overall System:

2021	100%
2022	100%
2023	100%

Percentage of lane miles in substandard condition

Overall System:

2021	0%
2022	0%
2023	0%

COMPARISON OF ESTIMATED-TO-ACTUAL MAINTENANCE/PRESERVATION

	<u>Estimated</u>	<u>Actual</u>
Overall System:		
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
2023	2,459,097	1,744,015



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, 2023

	Special Revenue Fund		Capital Project Funds			Total Nonmajor Funds
	Gas Tax Maintenance	SHIP Grant	Recreation Impact Fees	Gas Tax Capital	Road Impact Fees	
ASSETS						
Cash	\$ 1,707,133	\$ 701,417	\$ 2,346,568	\$ 306,717	\$ 124,542	\$ 5,186,377
Investments	1,949,239	-	-	3,314,808	1,414,795	6,678,842
Receivables:						
Accrued interest receivable	7,732	-	-	13,149	5,612	26,493
Prepaid expenditures	4,399	-	-	-	-	4,399
Due from other governments	189,582	-	-	83,280	-	272,862
Total assets	<u>\$ 3,858,085</u>	<u>\$ 701,417</u>	<u>\$ 2,346,568</u>	<u>\$ 3,717,954</u>	<u>\$ 1,544,949</u>	<u>\$ 12,168,973</u>
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable and accrued liabilities	\$ 585,688	\$ -	\$ -	\$ 14,212	\$ -	\$ 599,900
Unearned revenue	-	-	-	1,248,982	20,571	1,269,553
Total liabilities	<u>585,688</u>	<u>-</u>	<u>-</u>	<u>1,263,194</u>	<u>20,571</u>	<u>1,869,453</u>
Fund balances:						
Nonspendable:						
Prepaid expenditures	4,399	-	-	-	-	4,399
Restricted for:						
Capital projects	-	-	2,346,568	2,454,760	1,524,378	6,325,706
Road capital and maintenance	3,267,998	-	-	-	-	3,267,998
Community development	-	701,417	-	-	-	701,417
Total fund balances	<u>3,272,397</u>	<u>701,417</u>	<u>2,346,568</u>	<u>2,454,760</u>	<u>1,524,378</u>	<u>10,299,520</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 3,858,085</u>	<u>\$ 701,417</u>	<u>\$ 2,346,568</u>	<u>\$ 3,717,954</u>	<u>\$ 1,544,949</u>	<u>\$ 12,168,973</u>

VILLAGE OF WELLINGTON, FLORIDA

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED SEPTEMBER 30, 2023

	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	\$ -	\$ -	\$ 1,098,161	\$ -	\$ 113,634	\$ 1,211,795
Grants	-	483,154	-	-	-	483,154
Local option taxes	1,136,998	-	-	515,027	-	1,652,025
State revenue sharing	571,755	-	-	-	-	571,755
Investment income (net)	59,499	-	-	112,974	45,422	217,895
Miscellaneous	52,962	-	-	-	-	52,962
Total revenues	<u>1,821,214</u>	<u>483,154</u>	<u>1,098,161</u>	<u>628,001</u>	<u>159,056</u>	<u>4,189,586</u>
Expenditures:						
Current:						
Economic Environment	-	104,766	-	-	-	104,766
Transportation	3,395,838	-	-	-	-	3,395,838
Capital outlay	19,350	-	26,706	888,949	68,545	1,003,550
Total expenditures	<u>3,415,188</u>	<u>104,766</u>	<u>26,706</u>	<u>888,949</u>	<u>68,545</u>	<u>4,504,154</u>
Excess (deficiency) of revenues over expenditures	<u>(1,593,974)</u>	<u>378,388</u>	<u>1,071,455</u>	<u>(260,948)</u>	<u>90,511</u>	<u>(314,568)</u>
Other financing sources (uses):						
Transfers in	2,612,508	-	-	-	-	2,612,508
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	<u>2,612,508</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,612,508</u>
Net change in fund balances	1,018,534	378,388	1,071,455	(260,948)	90,511	2,297,940
Fund balances, beginning 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>
Fund balances, end of year	<u>\$ 3,272,397</u>	<u>\$ 701,417</u>	<u>\$ 2,346,568</u>	<u>\$ 2,454,760</u>	<u>\$ 1,524,378</u>	<u>\$ 10,299,520</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, 2023

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Local option taxes	\$ 1,000,000	\$ 1,000,000	\$ 1,136,998	\$ 136,998
State revenue sharing	494,000	494,000	571,755	77,755
Investment income (net)	16,000	16,000	59,499	43,499
Miscellaneous	<u>25,000</u>	<u>25,000</u>	<u>52,962</u>	<u>27,962</u>
Total revenues	<u>1,535,000</u>	<u>1,535,000</u>	<u>1,821,214</u>	<u>286,214</u>
Expenditures:				
Current:				
Transportation	4,473,508	4,154,305	3,395,838	758,467
Capital outlay	<u>14,000</u>	<u>19,350</u>	<u>19,350</u>	-
Total expenditures	<u>4,487,508</u>	<u>4,173,655</u>	<u>3,415,188</u>	<u>758,467</u>
Excess (deficiency) of revenues over expenditures	<u>(2,952,508)</u>	<u>(2,638,655)</u>	<u>(1,593,974)</u>	<u>1,044,681</u>
Other financing sources (uses):				
Transfers in	<u>2,612,507</u>	<u>2,612,507</u>	<u>2,612,508</u>	<u>1</u>
Total other financing sources	<u>2,612,507</u>	<u>2,612,507</u>	<u>2,612,508</u>	<u>1</u>
Net change in fund balances	(340,001)	(26,148)	1,018,534	1,044,682
Fund balances, beginning of year	<u>2,253,863</u>	<u>2,253,863</u>	<u>2,253,863</u>	-
Fund balances, end of year	<u>\$ 1,913,862</u>	<u>\$ 2,227,715</u>	<u>\$ 3,272,397</u>	<u>\$ 1,044,682</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, 2023

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Grants	\$ 414,250	\$ 591,622	\$ 483,154	\$ (108,468)
Miscellaneous	<u>-</u>	<u>25,000</u>	<u>-</u>	<u>(25,000)</u>
Total revenues	<u>414,250</u>	<u>616,622</u>	<u>483,154</u>	<u>(133,468)</u>
Expenditures:				
Current:				
Economic Environment	<u>414,250</u>	<u>220,236</u>	<u>104,766</u>	<u>115,470</u>
Total expenditures	<u>414,250</u>	<u>220,236</u>	<u>104,766</u>	<u>115,470</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>396,386</u>	<u>378,388</u>	<u>(17,998)</u>
Other financing sources (uses):				
Transfers out	<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	-	396,386	378,388	(17,998)
Fund balances, beginning of year	<u>323,029</u>	<u>323,029</u>	<u>323,029</u>	<u>-</u>
Fund balances, end of year	<u>\$ 323,029</u>	<u>\$ 719,415</u>	<u>\$ 701,417</u>	<u>\$ (17,998)</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, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Impact fees	\$ 75,000	\$ 75,000	\$ 1,098,161	\$ 1,023,161
Total revenues	75,000	75,000	1,098,161	1,023,161
Expenditures:				
Capital outlay	-	80,118	26,706	53,412
Total expenditures	-	80,118	26,706	53,412
Excess (deficiency) of revenues over expenditures	75,000	(5,118)	1,071,455	1,076,573
Net change in fund balances	75,000	(5,118)	1,071,455	1,076,573
Fund balances, beginning of year	1,275,113	1,275,113	1,275,113	-
Fund balances, end of year	\$ 1,350,113	\$ 1,269,995	\$ 2,346,568	\$ 1,076,573

VILLAGE OF WELLINGTON, FLORIDA

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

GAS TAX - CAPITAL PROJECTS FUND

YEAR ENDED SEPTEMBER 30, 2023

	<u>Original Adopted Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget Positive (Negative)</u>
Revenues:				
Local option taxes	\$ 450,000	\$ 450,000	\$ 515,027	\$ 65,027
Investment income (net)	<u>10,000</u>	<u>10,000</u>	<u>112,974</u>	<u>102,974</u>
Total revenues	<u>460,000</u>	<u>460,000</u>	<u>628,001</u>	<u>168,001</u>
Expenditures:				
Capital outlay	<u>750,000</u>	<u>1,114,292</u>	<u>888,949</u>	<u>225,343</u>
Total expenditures	<u>750,000</u>	<u>1,114,292</u>	<u>888,949</u>	<u>225,343</u>
Excess (deficiency) of revenues over expenditures	<u>(290,000)</u>	<u>(654,292)</u>	<u>(260,948)</u>	<u>393,344</u>
Net change in fund balances	(290,000)	(654,292)	(260,948)	393,344
Fund balances, beginning of year	<u>2,715,708</u>	<u>2,715,708</u>	<u>2,715,708</u>	<u>-</u>
Fund balances, end of year	<u>\$ 2,425,708</u>	<u>\$ 2,061,416</u>	<u>\$ 2,454,760</u>	<u>\$ 393,344</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, 2023

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Impact fees	\$ 25,000	\$ 25,000	\$ 113,634	\$ 88,634
Investment income (net)	<u>7,000</u>	<u>7,000</u>	<u>45,422</u>	<u>38,422</u>
Total revenues	<u>32,000</u>	<u>32,000</u>	<u>159,056</u>	<u>127,056</u>
Expenditures:				
Capital outlay	<u>-</u>	<u>133,515</u>	<u>68,545</u>	<u>64,970</u>
Total expenditures	<u>-</u>	<u>133,515</u>	<u>68,545</u>	<u>64,970</u>
Excess (deficiency) of revenues over expenditures	<u>32,000</u>	<u>(101,515)</u>	<u>90,511</u>	<u>192,026</u>
Net change in fund balances	32,000	(101,515)	90,511	192,026
Fund balances, beginning of year	<u>1,433,867</u>	<u>1,433,867</u>	<u>1,433,867</u>	<u>-</u>
Fund balances, end of year	<u>\$ 1,465,867</u>	<u>\$ 1,332,352</u>	<u>\$ 1,524,378</u>	<u>\$ 192,026</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, 2023

	Original Adopted Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues:				
Investment income (net)	\$ 50,000	\$ 50,000	\$ 683,418	\$ 633,418
Grants	-	3,436,250	3,436,250	-
Total revenues	50,000	3,486,250	4,119,668	633,418
Expenditures:				
Capital outlay:				
General government	300,000	442,961	423,495	19,466
Public safety	3,000,000	3,441	3,441	-
Surface water management	1,805,000	3,744,287	2,380,252	1,364,035
Transportation	510,000	67,354	60,061	7,293
Parks and recreation	2,545,000	2,667,074	1,586,475	1,080,599
Debt Service				
Interest and other debt service costs	-	314,461	301,806	12,655
Total expenditures	8,160,000	7,239,578	4,755,530	2,484,048
Excess (deficiency) of revenues over expenditures	(8,110,000)	(3,753,328)	(635,862)	3,117,466
Other financing sources (uses):				
Transfers in	8,110,000	8,110,000	8,109,996	(4)
Bond Proceeds	-	33,330,000	33,330,000	-
Total other financing sources (uses)	8,110,000	41,440,000	41,439,996	(4)
Net change in fund balances	-	37,686,672	40,804,134	3,117,462
Fund balances, beginning of year	9,436,833	9,436,833	9,436,833	-
Fund balances, end of year	\$ 9,436,833	\$ 47,123,505	\$ 50,240,967	\$ 3,117,462

VILLAGE OF WELLINGTON, FLORIDA

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 SURTAX -CAPITAL PROJECTS FUND
 YEAR ENDED SEPTEMBER 30, 2023

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Local option taxes	\$ 4,905,024	\$ 4,905,024	\$ 6,055,955	\$ 1,150,931
Investment income (net)	<u>10,000</u>	<u>10,000</u>	<u>436,360</u>	<u>426,360</u>
Total revenues	<u>4,915,024</u>	<u>4,915,024</u>	<u>6,492,315</u>	<u>1,577,291</u>
Expenditures:				
Capital outlay:				
Public Safety	-	-	-	
Parks and recreation	<u>4,915,024</u>	<u>7,309,644</u>	<u>6,219,542</u>	<u>1,090,102</u>
Total expenditures	<u>4,915,024</u>	<u>7,309,644</u>	<u>6,219,542</u>	<u>1,090,102</u>
Excess (deficiency) of revenues over expenditures	-	(2,394,620)	272,773	2,667,393
Net change in fund balances	-	(2,394,620)	272,773	2,667,393
Fund balances, beginning of year	<u>13,965,950</u>	<u>13,965,950</u>	<u>13,965,950</u>	<u>-</u>
Fund balances, end of year	<u>\$ 13,965,950</u>	<u>\$ 11,571,330</u>	<u>\$ 14,238,723</u>	<u>\$ 2,667,393</u>

VILLAGE OF WELLINGTON, FLORIDA

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

DEBT SERVICE FUND

YEAR ENDED SEPTEMBER 30, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Special Assessments	\$ 268,536	\$ 268,536	\$ 272,074	\$ 3,538
Investment income (net)	-	-	744	744
Total revenues	268,536	268,536	272,818	4,282
Expenditures:				
General government	-	-	588	(588)
Debt service:				
Principal	200,000	200,000	200,000	-
Interest and other fiscal charges	64,974	64,974	64,974	-
Total expenditures	264,974	264,974	265,562	(588)
Excess (deficiency) of revenues over expenditures	3,562	3,562	7,256	3,694
Net change in fund balances	3,562	3,562	7,256	3,694
Fund balances, beginning of year	306,243	306,243	306,243	-
Fund balances, end of year	\$ 309,805	\$ 309,805	\$ 313,499	\$ 3,694



OTHER INFORMATION

VILLAGE OF WELLINGTON, FLORIDA

DATA ELEMENTS REQUIRED BY FLORIDA STATUTE 218.39 (3) (c)
ACME IMPROVEMENT DISTRICT
(UNAUDITED)

Number of district employees compensated at 9/30/2023	14
Number of independent contractors compensated in September 2023	4
Employee compensation for FYE 9/30/2023	\$ 1,464,852
Independent contractor compensation for FYE 9/30/2023	\$ 52,530
Construction projects in excess of \$65,000 to begin on or after October 1;	
Pipe Lining - Essex	\$ 111,876
Swale Reconstruction	\$ 69,960
Section 24 Expansion	\$ 1,092,697
Pump Station Rehabilitation	\$ 114,066
 Budget variance report	 See page 63 of annual financial report
 Ad Valorem taxes;	
Millage rate FYE 9/30/2023	Not Applicable
Ad valorem taxes collected FYE 9/30/2023	Not Applicable
Outstanding Bonds:	Not Applicable
 Non ad valorem special assessments;	
Special assessment rate FYE 9/30/2023	\$ 230
Special assessments collected FYE 9/30/2023	\$ 5,869,543
Outstanding Bonds:	Not Applicable



STATISTICAL SECTION

STATISTICAL SECTION

This part of Wellington's annual comprehensive 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.

Contents	Page
Financial Trends	
<i>These schedules contain trend information to help the reader understand how Wellington's financial performance and well-being have changed over time. These schedules include:</i>	
Net Position by Component	116
Changes in Net Position	118
Fund Balances of Governmental Funds	122
Changes in Fund Balances of Governmental Funds	124
Revenue Capacity	
<i>These schedules contain information to help the reader assess the most significant local revenue source, the property tax.</i>	
Net Assessed Value and Estimated Actual Value of Taxable Property	126
Property Tax Rates - Direct and Overlapping Governments	128
Principal Property Taxpayers	129
Property Tax Levies and Collections	130
Debt Capacity	
<i>These schedules present information to help the reader assess the affordability of the current levels outstanding debt and the ability to issue additional debt in the future.</i>	
Ratios of Outstanding Debt by Type	131
Direct and Overlapping Governmental Activities Debt	132
Pledged Revenue Coverage	134
Debt Compliance	136
Demographic and Economic Information	
<i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the financial activities take place.</i>	
Demographic and Economic Statistics	137
Principal Employers	138
Operating Information	
<i>These schedules contain service and infrastructure data to help the reader understand how the information in the financial report relates to the services Wellington provides and the activities it performs.</i>	
Full-Time Equivalent Village Government Employees by Function	139
Operating Indicators by Function/Program	140
Capital Asset Statistics by Function/Program	141

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

VILLAGE OF WELLINGTON, FLORIDA

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

	Fiscal Year			
	2014	2015	2016	2017
Governmental activities:				
Net investment in capital assets	\$ 152,841,077	\$ 153,712,972	\$ 156,477,844	\$ 154,637,467
Restricted	11,860,096	8,668,360	12,878,989	17,654,628
Unrestricted	<u>44,669,371</u>	<u>34,090,973</u>	<u>31,647,938</u>	<u>28,892,221</u>
Total governmental activities net position	<u>209,370,544</u>	<u>196,472,305</u>	<u>201,004,771</u>	<u>201,184,316</u>
Business-type activities:				
Net investment in capital assets	121,767,825	118,477,452	117,260,300	112,584,261
Restricted	22,519,428	25,911,904	26,253,113	31,999,595
Unrestricted	<u>26,295,502</u>	<u>28,415,561</u>	<u>32,608,255</u>	<u>31,719,596</u>
Total business-type activities net position	<u>170,582,755</u>	<u>172,804,917</u>	<u>176,121,668</u>	<u>176,303,452</u>
Total government:				
Net investment in capital assets	274,608,902	272,190,424	273,738,144	267,221,728
Restricted	34,379,524	34,580,264	39,132,102	49,654,223
Unrestricted	<u>70,964,873</u>	<u>62,506,534</u>	<u>64,256,193</u>	<u>60,611,817</u>
Total government net position	<u>\$ 379,953,299</u>	<u>\$ 369,277,222</u>	<u>\$ 377,126,439</u>	<u>\$ 377,487,768</u>

Fiscal Year

2018	2019	2020	2021	2022	2023
\$ 152,677,755	\$ 151,803,103	\$ 156,470,856	\$ 151,228,741	\$ 157,817,064	\$ 164,495,480
21,227,099	26,716,506	27,193,033	30,947,521	34,411,046	36,631,854
<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>48,758,535</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>	<u>249,885,869</u>
110,518,031	96,986,412	125,555,240	139,110,413	142,621,375	142,093,315
49,900,680	55,622,834	28,706,804	20,184,884	28,884,808	32,873,739
<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>6,939,563</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>	<u>181,906,617</u>
267,221,728	248,789,515	282,026,096	290,339,154	300,438,439	306,588,795
49,654,223	82,339,340	55,899,837	51,132,405	63,295,854	69,505,593
<u>60,611,817</u>	<u>64,278,133</u>	<u>63,845,679</u>	<u>60,152,384</u>	<u>54,909,521</u>	<u>55,698,098</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>	<u>\$ 431,792,486</u>

VILLAGE OF WELLINGTON, FLORIDA

CHANGES IN NET POSITION

LAST TEN FISCAL YEARS (ACCRUAL BASIS OF ACCOUNTING)

	Fiscal Year			
	2014	2015	2016	2017
Expenses:				
Governmental activities:				
General government	\$ 12,054,127	\$ 14,741,280	\$ 17,619,102	\$ 14,009,092
Public safety	11,783,514	11,461,629	11,722,878	12,456,166
Physical environment	17,276,231	17,126,182	14,091,443	15,542,944
Economic environment	672,675	1,263,111	1,132,293	1,202,739
Transportation	3,176,258	3,130,567	3,340,822	4,033,291
Culture and recreation	6,025,857	5,012,176	8,569,180	9,952,368
Contributions	-	-	-	-
Interest on long-term debt	235,607	289,539	98,941	140,924
	<u>51,224,269</u>	<u>53,024,484</u>	<u>56,574,659</u>	<u>57,337,524</u>
Indirect expense allocation	<u>(1,526,246)</u>	<u>(1,483,933)</u>	<u>(2,601,695)</u>	<u>(2,351,344)</u>
Total governmental activities	<u>49,698,023</u>	<u>51,540,551</u>	<u>53,972,964</u>	<u>54,986,180</u>
Business-type activities:				
Utility system	14,775,996	15,129,671	15,335,041	17,087,678
Solid waste	3,434,234	3,477,952	3,577,209	4,378,318
Lake wellington professional centre	448,951	513,698	629,998	635,818
	<u>18,659,181</u>	<u>19,121,321</u>	<u>19,542,248</u>	<u>22,101,814</u>
Indirect expense allocation	<u>1,526,246</u>	<u>1,483,933</u>	<u>2,601,695</u>	<u>2,351,344</u>
Total business-type activities	<u>20,185,427</u>	<u>20,605,254</u>	<u>22,143,943</u>	<u>24,453,158</u>
Total government expenses	<u>\$ 69,883,450</u>	<u>\$ 72,145,805</u>	<u>\$ 76,116,907</u>	<u>\$ 79,439,338</u>
Program revenues:				
Governmental activities:				
Charges for services:				
General government	\$ 1,764,741	\$ 1,217,887	\$ 1,450,142	\$ 1,467,585
Public safety	3,013,632	2,647,457	3,298,614	2,706,456
Physical environment	5,258,966	7,039,026	7,189,694	7,023,620
Economic environment	521,575	544,972	340,805	273,142
Transportation	282,850	91,461	400,174	210,737
Culture and recreation	2,350,399	2,012,325	3,375,561	2,948,080
Operating grants and contributions	1,593,870	1,765,489	1,745,869	1,905,383
Capital grants and contributions	842,361	154,724	6,112,810	281,700
Total governmental activities	<u>15,628,394</u>	<u>15,473,341</u>	<u>23,913,669</u>	<u>16,816,703</u>
Business-type activities:				
Charges for services:				
Utility system	18,893,050	19,067,393	19,023,000	19,418,288
Solid waste	3,788,513	3,857,363	3,443,604	3,432,818
Lake wellington professional centre	72,877	8,127	-	-
Operating grants and contributions	58,880	44,202	34,804	61,437
Capital grants and contributions	<u>2,399,062</u>	<u>612,327</u>	<u>574,503</u>	<u>565,628</u>
Total business-type activities	<u>25,212,382</u>	<u>23,589,412</u>	<u>23,075,911</u>	<u>23,478,171</u>
Total program revenues	<u>\$ 40,840,776</u>	<u>\$ 39,062,753</u>	<u>\$ 46,989,580</u>	<u>\$ 40,294,874</u>

Fiscal Year					
2018	2019	2020	2021	2022	2023
\$ 19,678,060	\$ 21,067,869	\$ 22,076,325	\$ 18,647,057	\$ 21,289,380	\$ 18,494,657
13,542,866	13,870,291	15,213,948	14,377,870	15,220,864	16,734,914
11,277,213	10,275,909	9,950,155	7,495,122	7,285,614	8,113,075
1,403,022	1,597,316	1,719,540	1,568,258	1,642,910	1,947,959
4,630,376	4,926,862	4,779,912	4,926,166	5,280,264	5,191,043
10,343,571	10,679,529	10,449,625	10,513,776	12,147,524	15,421,897
-	-	-	13,058,530	93,947	-
<u>114,164</u>	<u>85,113</u>	<u>79,686</u>	<u>74,113</u>	<u>68,391</u>	<u>503,073</u>
60,989,273	62,502,889	64,269,191	70,660,892	63,028,894	66,406,618
-	-	-	-	-	-
<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>	<u>66,406,618</u>
17,672,912	18,583,539	21,083,740	20,948,966	22,924,292	29,321,656
4,948,498	3,843,547	4,050,260	4,487,765	5,566,395	6,593,848
<u>635,366</u>	<u>634,000</u>	<u>643,475</u>	<u>667,407</u>	<u>746,626</u>	<u>757,758</u>
23,256,776	23,061,086	25,777,475	26,104,138	29,237,313	36,673,262
-	-	-	-	-	-
<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>36,673,262</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>	<u>\$ 103,079,880</u>
\$ 948,776	\$ 933,235	\$ 864,066	\$ 814,890	\$ 918,666	\$ 857,650
6,573,485	5,727,408	6,568,657	6,800,544	8,494,950	8,317,552
5,761,643	6,022,430	6,159,597	6,084,246	6,136,266	6,141,617
-	-	-	-	-	-
246,063	40,911	117,466	121,915	55,641	113,634
3,326,856	3,332,894	2,771,345	2,890,769	3,919,523	5,046,903
1,881,640	1,793,226	1,481,179	5,535,810	6,174,069	2,620,587
<u>472,113</u>	<u>2,682,118</u>	<u>866,210</u>	<u>1,159,345</u>	<u>3,896,952</u>	<u>321,155</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>	<u>23,419,098</u>
19,583,648	20,568,832	22,023,862	22,708,810	24,041,199	25,012,531
3,409,943	3,459,505	3,481,911	3,372,805	4,268,056	5,498,998
-	-	-	-	-	-
15,599	5,513	-	9,709	34,111	-
<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>2,515,412</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>33,026,941</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>	<u>\$ 56,446,039</u>

VILLAGE OF WELLINGTON, FLORIDA

CHANGES IN NET POSITION (Continued)

LAST TEN FISCAL YEARS

(ACCRUAL BASIS OF ACCOUNTING)

	Fiscal Year			
	2014	2015	2016	2017
Net (expense) revenue:				
Governmental activities	\$ (34,069,629)	\$ (36,067,210)	\$ (30,059,295)	\$ (38,169,477)
Business-type activities	<u>5,026,955</u>	<u>2,984,158</u>	<u>931,968</u>	<u>(974,987)</u>
Total net (expense) revenue	<u>\$ (29,042,674)</u>	<u>\$ (33,083,052)</u>	<u>\$ (29,127,327)</u>	<u>\$ (39,144,464)</u>
General revenues:				
Governmental activities:				
Property taxes	\$ 13,690,328	\$ 14,818,492	\$ 16,517,935	\$ 17,599,037
Franchise fees on gross receipts	3,481,665	3,541,429	3,462,576	3,557,576
Communications services taxes	2,582,291	2,490,280	2,288,128	2,162,326
Utility service taxes	4,525,286	4,599,503	4,759,925	4,818,284
Discretionary tax	-	-	-	4,685,596
State shared revenue	5,720,041	6,171,661	6,442,134	4,856,430
Investment income/(loss)	201,730	397,527	512,059	372,218
Gain on sale of capital asset	29,694	-	-	-
Other	2,221,124	421,457	609,004	437,403
Transfers	-	-	-	-
Total governmental activities	<u>32,452,159</u>	<u>32,440,348</u>	<u>34,591,761</u>	<u>38,488,870</u>
Business-type activities:				
Investment income/(loss)	133,156	316,422	456,863	343,924
Gain on disposal of assets	71,679	-	-	-
Other	600,232	840,763	828,167	839,620
Transfers	-	-	-	-
Total business-type activities	<u>805,067</u>	<u>1,157,185</u>	<u>1,285,030</u>	<u>1,183,544</u>
Total general revenues	<u>\$ 33,257,226</u>	<u>\$ 33,597,533</u>	<u>\$ 35,876,791</u>	<u>\$ 39,672,414</u>
Change in net position:				
Governmental activities	\$ (1,617,470)	\$ (3,626,862)	\$ 4,532,466	\$ 319,393
Business-type activities	<u>5,832,022</u>	<u>4,141,343</u>	<u>2,216,998</u>	<u>208,557</u>
Total change in net position	<u>\$ 4,214,552</u>	<u>\$ 514,481</u>	<u>\$ 6,749,464</u>	<u>\$ 527,950</u>

Fiscal Year

2018	2019	2020	2021	2022	2023
\$ (41,778,698)	\$ (40,010,155)	\$ (45,440,671)	\$ (47,253,373)	\$ (33,432,827)	\$ (42,987,520)
<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>(3,646,321)</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>	<u>\$ (46,633,841)</u>
\$ 18,600,500	\$ 19,953,779	\$ 20,628,009	\$ 21,021,227	\$ 22,013,977	\$ 24,611,194
3,521,919	3,606,319	3,472,827	3,620,987	4,159,242	4,702,401
2,253,094	2,254,246	1,939,209	1,883,191	2,002,104	2,227,689
4,963,800	5,091,125	5,150,422	5,228,864	5,511,957	6,372,519
4,362,375	4,547,232	4,308,476	5,044,586	5,997,236	6,055,955
7,026,410	7,223,035	6,694,737	7,880,643	9,343,476	9,440,706
695,797	2,463,616	2,324,881	111,468	(4,000,524)	3,693,788
-	-	-	-	-	41,944
1,466,898	2,961,994	206,353	966,296	694,667	656,931
<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>1,000,000</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>	<u>58,803,127</u>
626,843	2,250,016	2,037,253	(28,479)	(2,014,479)	1,255,220
-	-	-	-	-	-
954,081	937,224	887,784	814,545	210,546	724,166
<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>(1,000,000)</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>979,386</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>	<u>\$ 59,782,513</u>
\$ 5,667,618	\$ 10,687,916	\$ 1,959,662	\$ 1,405,540	\$ 15,125,734	\$ 15,815,607
<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>(2,666,935)</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>	<u>\$ 13,148,672</u>

VILLAGE OF WELLINGTON, FLORIDA

FUND BALANCES OF GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS

(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	Fiscal Year			
	2014	2015	2016	2017
General fund:				
Nonspendable:				
Prepaid expenditures	\$ 307,136	\$ 227,597	\$ 412,495	\$ 408,886
Inventory	13,200	14,828	15,348	16,395
Deposits	2,520	258,110	214,752	136,140
Long-term receivables	-	928,238	812,208	696,178
Advances to other funds	-	300,000	-	-
Restricted for:				
Coronavirus relief funds	-	-	-	-
Committed for:				
Rate stabilization	2,385,000	2,385,000	2,785,000	2,785,000
Insurance	440,000	821,000	1,150,000	1,150,000
Infrastructure	-	-	-	1,000,000
Disaster recovery	2,483,625	2,483,625	3,000,000	3,000,000
Assigned for:				
Contracts	382,887	446,951	683,463	509,803
Capital projects	25,000	100,000	500,000	124,734
Subsequent year operating expenditures	1,138,900	3,267,779	-	5,637,362
Unassigned	<u>17,227,963</u>	<u>16,886,452</u>	<u>21,238,612</u>	<u>16,632,532</u>
Total general fund	<u>24,406,231</u>	<u>28,119,580</u>	<u>30,811,878</u>	<u>32,097,030</u>
All other governmental funds:				
Nonspendable:				
Prepaid expenditures	41,720	19,360	37,993	30,277
Assets held for resale	228,061	-	-	-
Restricted for:				
Capital projects	3,062,748	604,018	1,773,572	4,969,198
Building	4,560,745	4,272,256	4,769,737	5,523,326
Road capital and maintenance	3,483,801	1,939,600	3,469,594	4,363,582
Surface water management	-	-	-	2,526,534
Wellington community foundation	53,227	5,722	-	-
Economic development	-	-	-	-
Debt service	75,642	50,063	50,063	284,190
Assigned for:				
Surface water management	3,294,115	2,379,178	2,326,887	-
Contracts	13,262,737	9,165,404	3,912,825	312,480
Capital projects	3,060,724	2,690,992	1,370,353	4,898,212
Subsequent year operating expenditures	773,452	2,754,663	2,664,839	-
Unassigned	<u>(298,960)</u>	<u>(285,440)</u>	<u>-</u>	<u>-</u>
Total all other governmental funds	<u>31,598,012</u>	<u>23,595,816</u>	<u>20,375,863</u>	<u>22,907,799</u>
Total governmental funds	<u>\$ 56,004,243</u>	<u>\$ 51,715,396</u>	<u>\$ 51,187,741</u>	<u>\$ 55,004,829</u>

Fiscal Year					
2018	2019	2020	2021	2022	2023
\$ 369,234	\$ 528,219	\$ 685,513	\$ 621,704	\$ 254,795	\$ 422,864
17,174	17,322	11,011	9,521	12,973	13,357
124,008	88,222	211,399	51,989	-	240,373
580,149	464,119	348,089	232,059	811,461	760,884
-	-	-	-	-	-
-	-	-	3,688,289	-	-
2,785,000	2,785,000	2,785,000	2,785,000	2,785,000	2,785,000
1,530,000	1,530,000	1,530,000	1,530,000	1,530,000	1,530,000
1,546,000	2,646,000	4,556,000	5,596,000	2,539,554	4,729,554
3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000
2,469,527	2,991,215	3,746,546	3,546,141	3,618,464	3,558,475
117,493	103,000	226,824	492,865	521,752	515,651
3,359,268	1,462,782	1,213,686	5,789,378	2,878,296	2,177,002
<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>33,389,984</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>	<u>53,123,144</u>
47,597	43,836	40,463	39,106	45,421	121,008
-	-	-	-	-	-
8,628,678	15,374,933	15,296,556	12,502,421	19,390,638	20,564,429
7,863,830	7,169,435	7,443,723	8,986,932	9,957,284	7,982,957
3,968,286	1,829,146	1,876,305	2,690,550	2,253,863	3,267,998
2,113,501	2,042,095	2,273,138	2,770,371	2,162,866	2,859,145
-	-	-	-	-	-
-	-	-	-	323,029	701,417
288,806	292,341	295,862	300,539	306,243	313,499
-	-	-	-	-	-
746,818	640,645	11,485,420	10,952,851	9,436,833	49,581,505
5,556,402	8,375,734	406,899	-	-	659,462
-	-	-	-	-	-
-	-	-	-	-	-
<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>86,051,420</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>	<u>\$139,174,564</u>

VILLAGE OF WELLINGTON, FLORIDA

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS

(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	Fiscal Year			
	2014	2015	2016	2017
Revenues:				
Ad valorem taxes	\$ 13,690,328	\$ 14,818,492	\$ 16,517,936	\$ 17,599,037
Local option taxes	1,499,265	1,594,480	1,633,448	4,685,596
Utility services taxes	4,525,286	4,599,503	4,759,925	4,818,284
Special assessments	4,939,815	5,675,878	6,876,876	6,056,741
Impact fees	879,450	303,411	1,923,074	407,227
Communication services taxes	2,582,291	2,490,280	2,288,128	2,162,326
Local business tax receipts	746,377	839,202	945,538	944,494
Permits and fees	3,846,980	3,852,678	4,353,618	3,912,080
Franchise fees	3,481,665	3,541,429	3,462,576	3,557,576
Grants	938,466	325,733	1,767,105	209,414
State revenue sharing	5,816,636	6,298,616	6,566,783	6,697,363
Charges for services	2,066,546	2,139,469	2,213,611	3,107,111
Fines and forfeitures	594,576	615,627	841,333	339,603
Investment income/(loss)	222,055	397,437	511,474	371,319
Miscellaneous	1,716,457	563,715	772,473	769,099
Total revenues	<u>47,546,191</u>	<u>48,055,948</u>	<u>55,433,898</u>	<u>55,637,269</u>
Expenditures:				
Current:				
General government	11,176,906	11,049,014	12,349,978	13,853,152
Public safety	11,383,375	11,427,036	11,541,197	12,256,563
Physical environment	9,784,481	10,922,086	8,257,011	8,828,134
Economic environment	1,001,063	1,228,858	1,098,172	1,126,265
Transportation	1,647,185	2,708,505	2,897,195	3,029,636
Culture and recreation	4,256,828	4,425,433	7,338,176	8,700,609
Capital outlay	6,382,188	11,080,682	17,197,640	5,343,270
Debt service:				
Principal retirement	970,000	1,064,271	1,070,015	1,086,670
Bond issuance costs	-	15,000	83,997	-
Interest and other fiscal charges	238,622	95,064	63,741	139,288
Total expenditures	<u>46,840,648</u>	<u>54,015,949</u>	<u>61,897,122</u>	<u>54,363,587</u>
Excess (deficiency) of revenues over expenditures	<u>705,543</u>	<u>(5,960,001)</u>	<u>(6,463,224)</u>	<u>1,273,682</u>
Other financing sources (uses):				
Transfers in	26,262,483	8,163,625	12,087,413	10,769,267
Transfers out	(29,761,913)	(6,679,692)	(9,485,718)	(8,417,923)
Transfer of remaining balance	-	-	(5,983)	-
Bond proceeds	-	5,445,000	3,235,000	-
Lease (right-to-use assets) acquired	-	-	-	-
Initiation of SBITA's	-	-	-	-
Payment to refunded bond escrow agent	-	(5,430,000)	-	-
Proceeds from sale of capital assets	89,856	(127,777)	104,855	192,061
Total other financing sources (uses)	<u>(3,409,574)</u>	<u>1,371,156</u>	<u>5,935,567</u>	<u>2,543,405</u>
Net change in fund balances	<u>\$ (2,704,031)</u>	<u>\$ (4,588,845)</u>	<u>\$ (527,657)</u>	<u>\$ 3,817,087</u>
Debt service as a percentage of non-capital expenditures	2.78%	2.74%	2.72%	2.50%

Fiscal Year					
2018	2019	2020	2021	2022	2023
\$ 18,600,500	\$ 19,953,779	\$ 20,628,009	\$ 21,021,227	\$ 22,013,977	\$ 24,611,194
6,036,900	6,340,458	5,789,655	6,605,940	7,616,052	7,707,980
4,963,800	5,091,125	5,150,422	5,228,864	5,511,957	6,372,519
6,033,756	6,022,430	6,159,597	6,084,246	6,136,266	6,141,617
508,798	221,461	742,991	365,265	263,666	1,211,795
2,253,094	2,254,246	1,939,209	1,883,191	2,002,104	2,227,689
948,776	933,235	864,066	814,890	918,666	857,648
6,384,902	5,370,296	6,326,994	6,663,206	8,171,044	8,076,840
3,521,919	3,606,319	3,472,827	3,620,987	4,159,242	4,702,401
407,115	1,090,372	2,211,123	5,036,698	5,337,244	4,424,602
7,026,410	7,223,035	6,694,737	7,880,643	9,343,476	9,440,706
3,064,121	3,152,344	2,145,820	2,647,419	3,711,498	3,948,742
188,584	357,112	241,663	137,338	323,906	240,712
695,797	2,463,616	2,324,881	111,468	(4,000,524)	3,693,788
<u>1,182,783</u>	<u>866,865</u>	<u>522,483</u>	<u>661,643</u>	<u>1,115,337</u>	<u>566,865</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>	<u>84,225,098</u>
18,880,572	19,460,568	19,628,647	19,163,947	20,612,037	14,863,265
13,358,951	13,522,222	14,776,695	14,548,590	14,980,033	16,036,153
4,690,122	4,806,612	4,644,086	4,260,489	4,472,759	4,898,948
1,337,009	1,489,461	1,546,594	1,546,239	1,563,025	1,826,551
3,527,134	3,784,840	3,598,398	3,661,576	3,883,098	3,395,838
8,939,294	9,169,586	8,792,528	9,146,203	10,294,274	12,269,575
4,546,264	4,274,866	12,868,181	14,005,867	12,750,918	15,610,502
2,399,044	180,000	185,000	190,000	195,000	939,210
-	-	-	-	-	-
<u>119,158</u>	<u>87,318</u>	<u>81,952</u>	<u>76,440</u>	<u>70,780</u>	<u>385,775</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>70,225,817</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>	<u>13,999,281</u>
15,640,516	10,145,613	14,749,733	9,840,336	30,495,243	11,722,504
(11,084,994)	(7,548,888)	(12,074,314)	(6,938,685)	(27,658,817)	(10,722,504)
-	-	-	-	-	-
-	-	-	-	-	33,330,000
-	-	-	-	-	31,273
-	-	-	-	-	1,859,629
-	-	-	-	-	-
<u>693,552</u>	<u>80,833</u>	<u>15,567</u>	<u>147,848</u>	<u>155,061</u>	<u>41,944</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>36,262,846</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>	<u>\$ 50,262,127</u>
4.73%	0.53%	0.49%	0.50%	0.47%	2.39%

VILLAGE OF WELLINGTON, FLORIDA
NET ASSESSED VALUE AND TAXABLE VALUE OF PROPERTY
LAST TEN FISCAL YEARS

Fiscal Year Ended <u>September 30,</u>	Real Property Taxable Values					Total
	Residential Property	Commercial Property	Industrial Property	Other Property		
2014	\$ 4,482,004,183	\$ 519,295,069	\$ 103,285,207	\$ 424,043,156	\$	5,528,627,615
2015	4,882,016,251	573,823,256	64,381,454	533,993,011		6,054,213,972
2016	5,215,829,223	715,026,267	67,061,804	685,894,075		6,683,811,369
2017	5,540,943,649	794,310,872	73,172,941	799,509,683		7,207,937,145
2018	5,873,938,822	824,685,403	81,079,131	919,404,092		7,699,107,448
2019	6,177,481,532	821,349,050	86,355,908	1,015,389,954		8,100,576,444
2020	6,386,437,533	797,333,434	95,609,678	1,148,360,302		8,427,740,947
2021	6,497,816,837	764,488,336	103,208,397	1,249,447,857		8,614,961,427
2022	6,854,159,340	741,336,726	107,393,608	1,318,829,813		9,021,719,487
2023	7,669,593,172	799,538,570	119,825,198	1,499,866,957		10,088,823,897

(continued)

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
NET ASSESSED VALUE AND TAXABLE VALUE OF PROPERTY
LAST TEN FISCAL YEARS

<u>Personal Property</u>	<u>Total Taxable Value</u>	<u>Direct Tax Rate</u>	<u>Total Assessed Value</u>	<u>Taxable Value as Percentage of Assessed Value</u>
\$ 209,439,448	\$ 5,738,067,063	2.47	n/a	n/a
219,032,397	6,273,246,369	2.45	\$ 7,324,128,195	85.65%
238,955,239	6,922,766,608	2.45	7,986,321,299	86.68%
252,460,806	7,460,397,951	2.44	8,587,909,729	86.87%
224,714,343	7,923,821,791	2.43	9,056,210,265	87.50%
222,840,264	8,323,416,708	2.48	9,476,736,190	87.83%
211,723,394	8,639,464,341	2.48	9,804,129,595	88.12%
213,933,467	8,828,894,894	2.47	10,051,571,123	87.84%
211,429,565	9,233,149,052	2.47	10,462,865,011	88.25%
232,957,647	10,321,781,544	2.47	11,615,799,106	88.86%

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	
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
2023	2022	2.47	2.47	6.52	8.20	0.73	0.08	0.23	0.55	0.03	18.81

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	2023			2014		
	Taxable Assessed Value	Rank	Percent of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percent of Total Taxable Assessed Value
Florida Power & Light Corp	\$ 129,671,210	1	1.26%			
Quaye at Wellington Inc.	116,978,307	2	1.13%			
SGC Atlas Wellington Holdings, LLC	96,034,138	3	0.93%			
TM Wellington Green Mall, LP	82,698,373	4	0.80%			
Polo Lakes Apartments LLC	82,261,754	5	0.80%	\$ 41,876,322	4	0.74%
Universal Health Realty Income	78,729,545	6	0.76%			
Camden Court, LLC	67,432,900	7	0.65%			
Wellington Residential LLC	66,671,996	8	0.65%			
MCP Wellington LLC	57,843,642	9	0.56%			
RAR2 2141 Vinings Circle FL LLC	54,148,894	10	0.52%			
TJ Palm Beach Assoc Ltd Partnership				135,001,850	1	2.40%
Minto Communities				80,472,317	2	1.43%
Kpers Realty Holdings #42 Inc				49,188,920	3	0.87%
Centre at Wellington Green				26,501,855	6	0.47%
Wellington Preserve Corp.				40,326,912	5	0.72%
Wellington Development LC				22,135,000	7	0.39%
Palm Beach Polo Holdings, Inc.				21,896,005	8	0.39%
IMT LB South Florida				20,016,515	9	0.36%
TCRDAD Wellington Limited Partnership				18,887,457	10	0.34%
	<u>\$ 832,470,759</u>		<u>8.07%</u>	<u>\$ 456,303,153</u>		<u>8.11%</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 Levied for Fiscal Year	Levy Adjustments (1)	Adjusted Taxes Levied for Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years (2)	Total Collections	
				Amount	Percent of Original Levy		Amount	Percent of Adjusted Levy
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	21,953,266	95.57%	21,270	21,974,536	96.35%
2023	25,707,852	(213,052)	25,494,800	24,589,924	95.65%	-	24,589,924	96.45%

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			Business-Type Activities		Total	Percent of Personal Income (1)	Per Capita (1)
	Special Assessments	Notes & Bonds	Leases & Subscriptions	Notes & Bonds	Leases & Subscriptions			
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	-	1,259,981	15,879,459	443,455	19,892,895	n/a	294
2023	2,110,000	33,330,000	1,151,692	14,685,327	244,245	51,521,264	n/a	834

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. Additional debt issued in 2023.

n/a Information not available

VILLAGE OF WELLINGTON, FLORIDA

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

SEPTEMBER 30, 2023

	Net Debt Outstanding	Percentage Applicable to the Village of Wellington (1)	Amount Applicable to the Village of Wellington
Overlapping:			
Debt repaid with property taxes:			
Palm Beach County	\$ 16,370,000	4.05%	\$ 663,356
Other debt:			
Palm Beach County	848,410,888	4.05%	34,379,891
Palm Beach County School Board	1,416,326,457	3.60%	51,037,800
Subtotal, Overlapping Debt	<u>2,281,107,345</u>		<u>86,081,048</u>
Village of Wellington Direct Debt	36,591,692	100.00%	<u>36,591,692</u>
Total Direct and Overlapping Debt			<u>\$ 122,672,740</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.

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VILLAGE OF WELLINGTON, FLORIDA

PLEGGED 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	
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	506,347	11.75
2023	-	-	-	-	25,061,973	1,194,132	470,023	15.06

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	
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	70,781	1.02	-	-	-	-
2023	272,074	200,000	64,974	1.03	-	-	-	-

(continued)

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.
- (5) Year of issuance. Accordingly, no principal or interest payments were scheduled.

VILLAGE OF WELLINGTON, FLORIDA

PLEGGED REVENUE COVERAGE

LAST TEN FISCAL YEARS

Fiscal Year Ended Sept. 30	Public Improvement Revenue Bond (5)			
	Debt Service			
	Available Revenue	Principal	Interest	Coverage
2014	N/A	N/A	N/A	N/A
2015	N/A	N/A	N/A	N/A
2016	N/A	N/A	N/A	N/A
2017	N/A	N/A	N/A	N/A
2018	N/A	N/A	N/A	N/A
2019	\$ 22,108,010	N/A	N/A	N/A
2020	20,050,598	N/A	N/A	N/A
2021	20,488,194	N/A	N/A	N/A
2022	21,650,895	N/A	N/A	N/A
2023	27,383,365	\$ -	\$ -	N/A

Available Revenue Sources for Public Improvement Revenue Bond

Fiscal Year Ended Sept. 30	Public Service						Charges for		Revenue		Business Tax	Investment	Total Available
	Half-Cent	Tax	Franchise Fees	Services	CST	Sharing	Receipt	Earnings	Revenue				
2014	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2015	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2016	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2017	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2018	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2019	\$ 5,016,039	\$ 5,091,125	\$ 3,606,319	\$ 2,837,110	\$ 2,254,246	\$ 943,000	\$ 933,235	\$ 1,426,936	\$ 22,108,010				
2020	4,687,839	5,150,422	3,472,826	1,836,565	1,939,209	865,528	864,066	1,234,143	20,050,598				
2021	5,519,797	5,228,864	3,620,987	2,341,077	1,883,191	1,000,789	814,890	78,599	20,488,194				
2022	6,381,351	5,511,957	4,159,242	3,397,693	2,002,104	1,257,515	918,666	(1,977,633)	21,650,895				
2023	6,398,218	6,372,519	4,702,401	3,648,220	2,227,689	1,306,105	857,648	1,870,565	27,383,365				

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)
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%
2023	61,788	14,680	109,055	2.6%	2.9%

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	2023 (1)			2014		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Palm Beach County School District	22,426	1	3.01%	21,449	1	3.41%
Palm Beach County BOCC	5,753	2	0.77%	5,330	3	0.85%
Tenet Coastal Division Palm Beach County	5,734	3	0.77%	6,100	2	0.97%
Next Era Energy (FP&L)	5,330	4	0.72%	3,804	4	0.61%
Florida Atlantic University	5,059	5	0.68%	2,980	6	0.47%
Boca Raton Regional Hospital	3,135	6	0.42%	2,250	10	0.36%
Veterans Health Administration	2,600	7	0.35%	2,700	8	0.43%
HCA Florida Healthcare	2,419	8	0.32%	2,714	7	0.43%
The Breakers	2,300	9	0.31%			
Baptist Health South Florida	2,282	10	0.31%			
G4S (Wackenhut)				3,000	5	0.48%
Bethesda Memorial Hospital				2,643	9	0.42%
Office Depot						
	57,038		7.66%	52,970		8.43%

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.

(1) Information available as of January 2022

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

	<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>	<u>2023</u>
Number of Employees:										
General government	68.0	68.0	73.0	80.0	79.0	72.0	71.0	66.0	68.0	70.0
Public safety	14.0	14.0	14.0	14.0	15.0	15.0	15.0	15.0	15.0	13.0
Physical environment	64.0	64.0	63.0	65.0	63.0	59.0	59.0	59.0	61.0	60.0
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	35.0	36.0	34.0	34.0	34.0	32.0	32.0	38.0
Culture and recreation	49.0	49.0	48.0	49.0	49.0	49.0	49.0	51.0	50.0	52.0
Professional Centre	3.0	3.0	3.0	3.0	3.0	3.0	3.0	2.0	2.0	2.0
Utility system	51.0	51.0	51.0	52.0	55.0	56.0	57.0	60.0	59.0	60.0
Solid waste	<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>	<u>4.0</u>
Total Number of Employees	<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>	<u>310.0</u>

Source: Wellington's Office of Financial Management and Budget

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

Function/Program	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General government:										
Bids, contracts awarded & administered	36	23	29	20	25	25	39	24	15	32
Purchase orders processed	1,008	1,115	1,229	973	1,018	1,141	1,302	1,126	1,098	1,062
Payroll transactions	9,721	9,668	10,046	10,634	10,157	10,364	9,792	10,024	9,977	10,655
Public safety:										
Police personnel and officers	132	141	141	144	145	147	148	147	151	151
Fire personnel	71	71	71	71	71	71	76	76	76	76
Calls for service	34,764	34,222	45,482	42,628	45,008	43,537	42,519	32,174	37,587	40,670
Physical environment - Surface water:										
Canal right-of-way miles maintained	850	900	300	300	300	300	300	300	300	300
Physical environment - Engineering & public works:										
Work orders performed	1,649	1,305	1,200	795	770	865	526	656	770	750
Inspections performed	1,624	1,108	1,045	755	720	780	683	720	780	720
Planning and development:										
Building inspections	26,023	30,609	31,348	28,384	29,189	28,309	40,265	43,848	45,105	43,061
New residential building permits issued	147	342	134	118	170	85	42	50	18	19
Transportation:										
Miles of roads resurfaced	11	9	10	2	25	17	20	20	14	11
Miles of streets cleaned/swept	1,950	1,185	3,493	4,855	4,310	4,570	10,259	10,397	9,975	7,380
Signs repaired/replaced	1,164	1,974	1,145	2,225	1,715	1,958	1,514	1,912	3,737	5,936
Culture and recreation:										
Participants registered:										
Athletics	8,166	10,077	8,856	8,183	7,940	8,110	5,335	4,395	11,664	10,520
Community programs	887	706	648	1,667	2,160	2,181	1,764	1,321	2,644	4,194
Pool	3,798	3,876	3,474	2,840	2,812	3,195	1,670	2,284	3,631	3,823
Number of program sessions	1,634	1,099	1,070	1,433	1,467	1,400	1,247	965	1,366	1,209
Utility system:										
Active accounts - water	20,169	20,397	20,375	20,398	20,458	20,557	20,675	20,696	20,735	20,755
Water production (millions of gallons)	2,174	2,163	2,070	2,107	2,129	1,909	2,090	1,885	n/a	n/a
Total water produced (avg daily MGD per employee)	n/a	n/a	n/a	n/a	n/a	n/a	0.61	0.63	0.68	0.60
Solid waste:										
Residential accounts	23,018	21,349	20,902	20,931	20,961	21,017	20,694	22,466	22,603	22,672

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

<u>Function/Program</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>	<u>2023</u>
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	7	7	7
Early response stabilization units	4	4	4	4	4	4	4	4	4	4
Physical environment:										
Acreage of lakes (1)	166	166	553	553	553	553	523	523	523	527
Canal miles	89	89	89	89	89	89	89	89	89	89
Transportation:										
Miles of streets (asphalted)	152	152	152	152	151	150	151	151	151	151
Number of street lights	2,465	2,465	2,465	2,465	2,493	2,493	2,481	2,481	2,481	2,481
Miles of bike paths	40	40	45	45	39	39	43	44	44	44
Miles of sidewalks	153	155	198	198	198	198	206	207	208	205
Culture and recreation:										
Parks acreage	350	350	271	285	271	271	282	238	238	238
Open space preserves/passive recreation	452	452	436	422	437	437	437	468	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	21	21	21	21	21	21	21	21	21
Baseball/softball fields	18	18	18	17	17	17	17	21	21	21
Utility system:										
Fire hydrants	1,941	1,941	2,115	2,338	2,329	2,344	2,317	2,331	2,316	2,323
Potable water mains (miles)	n/a	n/a	n/a	n/a	n/a	312	312	311	310	310
Raw water mains (miles)	n/a	n/a	n/a	n/a	n/a	17	17	17	17	17
Sewer force mains (miles)	n/a	n/a	n/a	n/a	n/a	60	60	59	59	59
Sewer gravity mains (miles) (2)	n/a	n/a	n/a	n/a	n/a	197	194	194	194	173
Lift stations	n/a	n/a	n/a	n/a	n/a	105	105	106	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.

(2) Review of gravity main lines in FY2023 identified potential duplicate data in previous years.



Compliance Section

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

To the Honorable Mayor 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 (*Government Auditing Standards*), 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, 2023, 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 28, 2024.

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) as a basis for designing 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. 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 or significant deficiencies may exist that were not 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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Village'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 Village's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Marcum LLP

West Palm Beach, Florida
February 28, 2024



MANAGEMENT LETTER IN ACCORDANCE WITH THE RULES OF THE AUDITOR GENERAL OF THE STATE OF FLORIDA

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

Report on the Financial Statements

We have audited the financial statements of the Village of Wellington, Florida (the “Village”), as of and for the fiscal year ended September 30, 2023, and have issued our report thereon dated February 28, 2024.

Auditors’ Responsibility

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

Other Reporting Requirements

We have issued our Independent Auditors’ Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; and Independent Accountants’ 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 28, 2024, should be considered in conjunction with this management letter.

Prior Audit Findings

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

Official Title and Legal Authority

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. The Village has made these disclosures in Note 1 of the financial statements.

Financial Condition and Management

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

Pursuant to Sections 10.554(1)(i)5.b. and 10.556(8), Rules of the Auditor General, we applied financial condition assessment procedures for the Village. It is management's responsibility to monitor the Village's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same. The financial condition assessment was performed as of the fiscal year end.

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

Special District Component Units

Section 10.554(1)(i)5.c., Rules of the Auditor General, requires, if appropriate, that we communicate failure of a special district that is a component unit of a county, municipality, or special district, to provide the financial information necessary for proper reporting of the component unit within the audited financial statements of the county, municipality, or special district in accordance with Section 218.39(3)(b), Florida Statutes. In connection with our audit, we did note any special district component unit that failed to provided the necessary information for proper reporting in accordance with Section 218.39(3)(b), Florida Statutes.

Specific Information for Special Districts

As required by Section 218,39(3)(c), Florida Statutes, and Section 10.554(1)(i)6, Rules of the Auditor General, the Village reported the required information in the Other Information Section found on page 113.

Additional Matters

Section 10.554(1)(i)3., Rules of the Auditor General, requires us to communicate noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but warrants the attention of those charged with governance. In connection with our audit, we did not note any such findings.

Purpose of this Letter

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

Marcum LLP

West Palm Beach, Florida
February 28, 2024



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

To The Honorable Mayor and Village Council
Village of Wellington, Florida

We have examined the Village of Wellington, Florida (the "Village") compliance with Section 218.415, Florida Statutes, Local Government Investment Policies, for the fiscal year ended September 30, 2023. Management of the Village is responsible for the Village's compliance with the specified 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 above. 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.

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the engagement.

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 Section 218.415, Florida Statutes for the fiscal year ended September 30, 2023.

This report is intended solely to describe our testing of compliance with Section 218.415, Florida Statutes and it is not suitable for any other purpose.

Marcum LLP

West Palm Beach, FL
February 28, 2024

Council

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

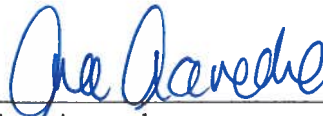
Manager
Jim Barnes

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. 2022-25 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

STATE OF FLORIDA COUNTY OF PALM BEACH

SWORN TO AND SUBSCRIBED before me this 23rd day of February, 2024.



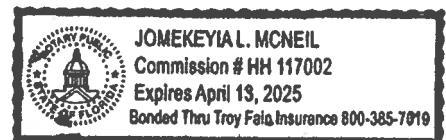
NOTARY PUBLIC

Print Name Jomekeya L. McNeil

Personally known or produced identification _____

Type of identification produced: _____

My Commission Expires: April 13, 2025





www.wellingtonfl.gov