



**VILLAGE OF WELLINGTON, FLORIDA**  
**ANNUAL COMPREHENSIVE FINANCIAL REPORT**  
**FISCAL YEAR ENDED**  
**SEPTEMBER 30, 2024**

[wellingtonfl.gov](http://wellingtonfl.gov) | 561-791-4000





**VILLAGE OF WELLINGTON, FLORIDA**  
**ANNUAL COMPREHENSIVE FINANCIAL REPORT**  
**FISCAL YEAR ENDED**  
**SEPTEMBER 30, 2024**

**PREPARED BY THE DEPARTMENT OF FINANCIAL SERVICES**  
**DIRECTOR OF FINANCIAL SERVICES: ANA ACEVEDO, C.P.A.**



## **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, 2024**

**TABLE OF CONTENTS**

<b>INTRODUCTORY SECTION</b>	<b><u>PAGE</u></b>
Transmittal Letter	2
List of Principal Officials	12
Organizational Chart	13
Certificate of Achievement for Excellence in Financial Reporting	14
<b>FINANCIAL SECTION</b>	
Independent Auditors' Report	16
Management's Discussion and Analysis (Required Supplementary Information)	20
<b>Basic Financial Statements</b>	
Government-wide Financial Statements:	
Statement of Net Position	31
Statement of Activities	32
Fund Financial Statements:	
Balance Sheet – Governmental Funds	33
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	35
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	37
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of the Governmental Funds to the Statement of Activities	39
Statement of Net Position – Proprietary Funds	40
Statement of Revenues, Expenses, and Changes in Fund Net Position – Proprietary Funds	41
Statement of Cash Flows – Proprietary Funds	43
Statement of Fiduciary Net Position – Fiduciary Fund	45
Statement of Changes in Fiduciary Net Position – Fiduciary Fund	46
Notes to Basic Financial Statements	47
<b>Required Supplementary Information</b>	
Budgetary Comparison Schedule – General Fund	82
Budgetary Comparison Schedule – Building - Special Revenue Fund	83
Budgetary Comparison Schedule – Acme Improvement – Special Revenue Fund	84
Note to Budgetary Comparison Schedules	85
Schedule of Proportionate Share of Net Pension Liability	87
Schedule of Pension Contributions	88
Schedule of Changes in the Village's Net OPEB Asset and Related Ratios	89
Condition Rating of Street System	90
<b>Combining and Individual Fund Information and Other Supplementary Information</b>	
Nonmajor Governmental Funds:	
Combining Balance Sheet	93
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	94
Non-Major Schedules of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual:	
Gas Tax Maintenance- Special Revenue Fund	95
SHIP Grant- Special Revenue Fund	96
Recreation Impact Fees - Capital Projects Fund	97

	<u>PAGE</u>
Gas Tax - Capital Projects Fund	98
Road Impact Fees – Capital Projects Fund	99
Major Schedules of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual:	
Capital Projects Fund	101
Sales Surtax - Capital Projects Fund	102
Debt Service Fund	103
<b>Other Information Section</b>	
Data Elements Required by Florida Statute 218.39(3)(c) - ACME Improvement District	105
<b>STATISTICAL SECTION</b>	
Financial Trends:	
Net Position by Component	108
Changes in Net Position	109
Fund Balances of Governmental Funds	111
Changes in Fund Balances of Governmental Funds	112
Revenue Capacity:	
Net Assessed Value and Estimated Actual Value of Taxable Property	113
Property Tax Rates – Direct and Overlapping Governments	114
Principal Property Taxpayers	115
Property Tax Levies and Collections	116
Debt Capacity:	
Ratios of Outstanding Debt by Type	117
Direct and Overlapping Governmental Activities Debt	118
Pledged Revenue Coverage	119
Debt Compliance	121
Demographic and Economic Information:	
Demographic and Economic Statistics	122
Principal Employers	123
Operating Information:	
Full-Time Equivalent Village Government Employees by Function	124
Operating Indicators by Function/Program	125
Capital Asset Statistics by Function/Program	126
<b>Compliance Section</b>	
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>	128
Independent Auditors' Report on Compliance for each Major Federal Program; Report on Internal Control over Compliance; and Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance	130
Schedule of Expenditures of Federal Awards	133
Notes to Schedule of Expenditures of Federal Awards	134
Schedule of Findings and Questioned Costs	135
Management Letter in Accordance with the Rules of the Auditor General of the State of Florida	137
Independent Accountants' Report on Compliance Pursuant to Section 218.415, Florida Statutes	140
Impact Fee Affidavit	141

# INTRODUCTORY SECTION

**Council**

Michael J. Napoleone, Mayor  
John T. McGovern, Vice Mayor  
Tanya Siskind, Councilwoman  
Maria Antuña, Councilwoman  
Amanda Silvestri, Councilwoman

**Manager**

Jim Barnes

February 27, 2025

***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, 2024. 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).

CBIZ CPAs P.C., independent auditors, have issued an unmodified opinion on the Wellington’s financial statements for the fiscal year ended September 30, 2024. 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; and solid waste collection and recycling.

Wellington currently encompasses approximately 46 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 61,794 and a median home value of \$492,300. Projections indicate that this population will approach 66,000 residents by the year 2029. 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 economy experienced growth from 2023 to 2024, and local economies continued to thrive during this period. Sales tax revenues increased from 2023 to 2024, and local business tax receipts increased by almost 17%. Wellington continued to experience annual increases in the average home value since 2010 and including in 2024. 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.

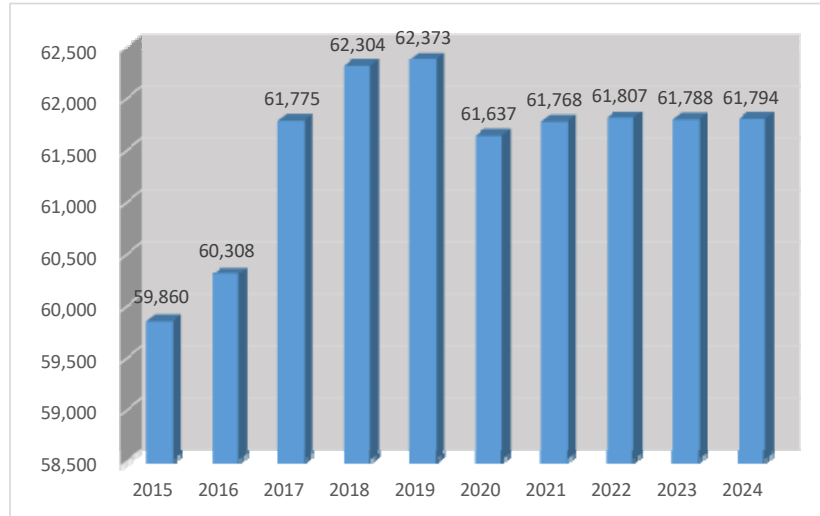
Two additional developments in the equestrian area are under consideration by the Village Council and committees. The Wellington North and South are proposed to add approximately 200 homes near Pierson Road.

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 3.1%, well below the national, state and county rates averaging around 3.6%. 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 2024 permanent population of 61,794 (excluding seasonal residents) makes it the 6th 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 Facility 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

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
- ❖ 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 2024:

- ❖ Greenbriar Maintenance Yard Project
- ❖ Wellington Environmental Preserve (WEP) – Section 24 Trail Bridges Project
- ❖ Staimford Park Project
- ❖ TROPOS Solar Power Upgrades Project
- ❖ Lime & Membrane Wells Variable Frequency Drive (VFD) Improvements Project
- ❖ Lime Reverse Osmosis Raw Water System Connection Project
- ❖ Water Reclamation Facility (WRF) – Generator Replacement & Emergency Power Upgrades Project

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

- ❖ South Shore Community Park Renovations and construction of the Wellington Athletics Center
- ❖ Road Projects to Promote the Vision Zero Traffic Safety Initiative
- ❖ Aquatics Center Relocation & Construction
- ❖ Expansion of the Wellington Environmental Preserve
- ❖ Intersection improvements at Lake Worth Road and 120th Avenue
- ❖ Pump Station #2 Rehabilitation
- ❖ Additional Courts at the Tennis Center
- ❖ Water Treatment Membrane Plant Expansion and Water Meter Upgrades
- ❖ Water Reclamation Facility (WRF) – Anaerobic Selector Project
- ❖ Dumpster and Material Enclosures Project

## **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 \$39.4 million in the governmental funds and approximately \$62.2 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, 2023. 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-eight consecutive years (1996-2024). 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, 2023. 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 fourteenth 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 CBIZ CPAs P.C. 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*



Michael J. Napoleone

*Mayor*



John T. McGovern

*Vice-Mayor*



Tanya Siskind

*Councilwoman*



Maria Antuña

*Councilwoman*



Amanda Silvestri

*Councilwoman*

## Leadership Team

*Village Manager*

*Village Attorney*

*Deputy Village Manager*

*Assistant Village Manager*

*Village Clerk*

*Jim Barnes, AICP, ICMA-CM*

*Laurie Cohen, Esq.*

*Tanya Quickel*

*Ed De la Vega*

*Chevella D. Hall, MMC*

## Key Personnel

*Chief Information Officer*

*Village Engineer*

*Utilities Director*

*Parks and Recreation Director*

*Public Works Director*

*Administrative & Financial Services Director*

*William Silliman*

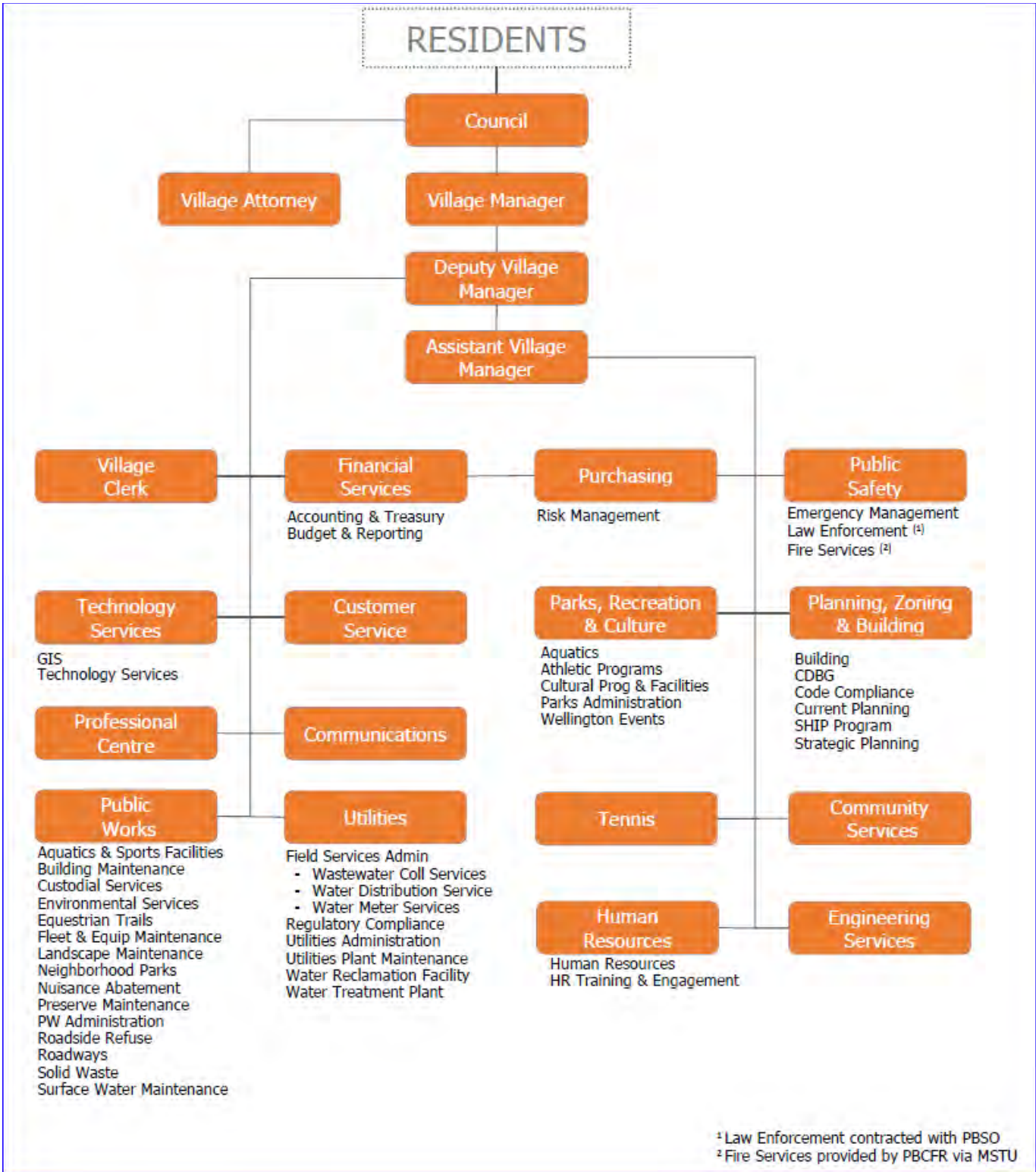
*Jonathan Reinsvold, P.E.*

*Anjuli Panse, P.E.*

*Eric Juckett, CPRP, CDM*

*Bruce Wagner*

*Ana Acevedo, C.P.A.*





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, 2023

*Christopher P. Morill*

Executive Director/CEO

# FINANCIAL SECTION

## **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, 2024, 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, 2024, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***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 20 through 30, and the budgetary comparison schedules and related notes, the information of the pensions and OPEB, and the condition rating of the street system on pages 82 through 90, 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 27, 2025, 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 the Village's internal control over financial reporting and compliance.

***CBIZ CPAs P.C.***

West Palm Beach, Florida  
February 27, 2025



## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

**SEPTEMBER 30, 2024**

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 \$459.8 million (net position). Of this amount, \$52.1 million is in unrestricted net position, which is available to meet the ongoing commitments to citizens and creditors.
- ❖ The Village's net position increased by \$28 million, or 6.8%, from the prior year. The net increase was a result of an increase in governmental activities of \$26.7 million and an increase in business-type activities of \$1.3 million.
- ❖ Government-wide revenues were \$136.9 million, while government-wide expenses were \$109 million. Revenues increased 18% or \$20.7 million while expenses increased 6% or \$5.9 million.
- ❖ Governmental activities generated \$96 million in revenue with \$70.5 million in expenses.
- ❖ Business-type activities generated \$41 million in revenue with \$38.4 million in expenses.
- ❖ At the end of the current fiscal year, the fund balance for the General Fund was \$43.9 million, a decrease of \$9.2 million or 17%. Of this balance, \$31 million, or 63% is unassigned. The decrease is primarily due to transfers for capital projects.
- ❖ Governmental funds ended the year with a combined fund balance of \$154.1 million, which is an increase of 11% or \$14.9 million from the prior year. Of that amount, the unassigned portion is \$31 million, a decrease of \$2.3 million, or 7% 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 31-32 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, 2024 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 33-39 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, 2024.

The basic proprietary fund financial statements can be found on pages 40-44 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 45-46 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 47 of this report.

### ***Required Supplementary 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 80 of this report.

### ***Supplementary Information***

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 statements and schedules begin on page 91 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 \$459.8 million at the close of the most recent year.

Wellington's Net Position						
	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
Current and other assets	\$ 173,641,947	\$ 152,191,505	\$ 46,595,756	\$ 47,320,460	\$ 220,237,703	\$ 199,511,965
Capital assets, net	179,238,257	167,808,144	159,464,628	157,342,073	338,702,885	325,150,217
<b>Total Assets</b>	<b>352,880,204</b>	<b>319,999,649</b>	<b>206,060,384</b>	<b>204,662,533</b>	<b>558,940,588</b>	<b>524,662,182</b>
Other postemployment benefit	525,275	575,709	134,804	158,441	660,079	734,150
Pension	4,925,739	4,953,537	969,643	1,030,744	5,895,382	5,984,281
<b>Total Deferred Outflows of Resources</b>	<b>5,451,014</b>	<b>5,529,246</b>	<b>1,104,447</b>	<b>1,189,185</b>	<b>6,555,461</b>	<b>6,718,431</b>
Noncurrent liabilities	62,310,857	63,542,402	18,869,624	20,952,751	81,180,481	84,495,153
Other liabilities	15,141,164	9,551,878	4,329,776	2,687,441	19,470,940	12,239,319
<b>Total Liabilities</b>	<b>77,452,021</b>	<b>73,094,280</b>	<b>23,199,400</b>	<b>23,640,192</b>	<b>100,651,421</b>	<b>96,734,472</b>
Pension	3,329,065	1,594,134	652,596	241,919	3,981,661	1,836,053
Other postemployment benefit	348,289	222,645	94,767	62,990	443,056	285,635
Leases	648,281	731,967	-	-	648,281	731,967
<b>Total Deferred Inflows of Resources</b>	<b>4,325,635</b>	<b>2,548,746</b>	<b>747,363</b>	<b>304,909</b>	<b>5,072,998</b>	<b>2,853,655</b>
Net Position:						
Net investment in capital assets	175,743,390	164,495,480	145,586,989	142,093,315	321,330,379	306,588,795
Restricted	59,291,718	36,631,854	27,030,536	32,873,739	86,322,254	69,505,593
Unrestricted	41,518,454	48,758,535	10,600,543	6,939,563	52,118,997	55,698,098
<b>Total Net Position</b>	<b>\$ 276,553,562</b>	<b>\$ 249,885,869</b>	<b>\$ 183,218,068</b>	<b>\$ 181,906,617</b>	<b>\$ 459,771,630</b>	<b>\$ 431,792,486</b>

For governmental activities, assets increased primarily due to higher investment balances and increase in capital assets for construction in progress (CIP) projects. Major CIP projects include:

- ❖ Wellington Athletics Center
- ❖ Aquatics Center Replacement
- ❖ Section 24 Preserve Expansion
- ❖ Athletic Facility Improvements

A decrease in net pension liability led to a reduction of noncurrent liabilities. The increase in other liabilities is attributable to higher accounts payable balances for capital projects and unearned revenue for contributions related to the Wellington Athletics project.

For business-type activities, current assets decreased primarily due to lower cash and investment balances related to increased capital projects (CIP) in the current fiscal year. Major CIP projects include:

- ❖ Lime and Membrane Well Improvements
- ❖ Water Reclamation Facility Anaerobic Selector
- ❖ Generator Replacement
- ❖ Chemical Improvements

A decrease in loans payable and net pension liability led to a reduction in noncurrent liabilities. The increase in other liabilities is attributable to higher accounts payable balances for capital projects.

The largest portion of net position (70%) 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. Increase from prior year is due to higher spending related to capital projects.

Restricted net position of \$86.3 million is reported for 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	
	2024	2023	2024	2023	2024	2023
<b>Revenues</b>						
Program revenues:						
Charges for services	\$ 23,553,244	\$ 20,477,356	\$ 35,100,572	\$ 30,511,529	\$ 58,653,816	\$ 50,988,885
Operating grants and contributions	2,973,606	2,620,587	2,911	-	2,976,517	2,620,587
Capital grants and contributions	1,116,886	321,155	3,240,223	2,515,412	4,357,109	2,836,567
General revenues:						
Property taxes	27,425,030	24,611,194	-	-	27,425,030	24,611,194
Other taxes	19,314,340	19,358,564	-	-	19,314,340	19,358,564
State shared revenue	9,048,893	9,440,706	-	-	9,048,893	9,440,706
Investment earnings/(losses)	9,859,203	3,693,788	2,382,073	1,255,220	12,241,276	4,949,008
Gain on sale of capital assets	-	41,944	-	-	-	41,944
Other	650,413	317,390	257,748	724,166	908,161	1,041,556
Contributions and donated assets	1,988,562	339,541	-	-	1,988,562	339,541
<b>Total Revenues</b>	<b>95,930,177</b>	<b>81,222,225</b>	<b>40,983,527</b>	<b>35,006,327</b>	<b>136,913,704</b>	<b>116,228,552</b>
<b>Program expenses including indirect expenses:</b>						
General government	19,307,685	18,494,657	-	-	19,307,685	18,494,657
Public safety	17,335,521	16,734,914	-	-	17,335,521	16,734,914
Physical environment	8,190,611	8,113,075	-	-	8,190,611	8,113,075
Economic environment	2,103,462	1,947,959	-	-	2,103,462	1,947,959
Transportation	5,958,439	5,191,043	-	-	5,958,439	5,191,043
Culture and recreation	15,793,924	15,421,897	-	-	15,793,924	15,421,897
Interest on debt	1,845,306	503,073	-	-	1,845,306	503,073
Water and wastewater	-	-	28,844,979	29,321,656	28,844,979	29,321,656
Solid waste	-	-	6,855,544	6,593,848	6,855,544	6,593,848
Lake Wellington Professional Centre	-	-	2,699,089	757,758	2,699,089	757,758
<b>Total expenses</b>	<b>70,534,948</b>	<b>66,406,618</b>	<b>38,399,612</b>	<b>36,673,262</b>	<b>108,934,560</b>	<b>103,079,880</b>
Change in net position before transfers	25,395,229	14,815,607	2,583,915	(1,666,935)	27,979,144	13,148,672
<b>Transfers in (out)</b>	<b>1,272,464</b>	<b>1,000,000</b>	<b>(1,272,464)</b>	<b>(1,000,000)</b>	<b>-</b>	<b>-</b>
Change in net position	26,667,693	15,815,607	1,311,451	(2,666,935)	27,979,144	13,148,672
Beginning net position	249,885,869	234,070,262	181,906,617	184,573,552	431,792,486	418,643,814
<b>Ending net position</b>	<b>\$ 276,553,562</b>	<b>\$ 249,885,869</b>	<b>\$ 183,218,068</b>	<b>\$ 181,906,617</b>	<b>\$ 459,771,630</b>	<b>\$ 431,792,486</b>

### Governmental Activities

During the current fiscal year, net position for governmental activities increased \$26.7 million from the prior fiscal year for an ending balance of \$276.6 million.

Revenues increased from prior year by \$14.7 million or 18%. Key elements of this increase are as follows:

- ❖ Charges for services increased \$3.1 million primarily due to increase in building permit fees, legal settlement and recreation license fee payment for the Wellington Athletics complex.
- ❖ Operating and capital grants received increased by \$1.1 million.
- ❖ Higher property values led to an increase in property taxes of \$2.8 million.
- ❖ Investment earnings increased \$6.2 million due to improved market conditions and investment of the Wellington Athletics Bond Proceeds of \$33 million.

- ❖ Contributions increased by \$1.6 million due to the Wellington Athletics Sports Complex donations and developer contributed assets.

Expenses increased by \$4.1 million or approximately 6%. Key elements of this increase are as follows:

- ❖ General government increased by \$813,000 or 4% primarily due to:
  - Increase in salaries and benefits of approximately \$600,000 due to raises, vacancies filled, benefits, and pension.
  - Increase in operating expenditures of nearly \$2 million due to increases in landscape contracts, engineering services, other contracted services, equipment purchases, and election expense.
  - Decrease in pension liability of \$2 million
- ❖ Public Safety increased by 4% or \$600,000 due to the Palm Beach Sheriff's Office contract increase of 2%, technology services and salaries and benefits.
- ❖ Transportation increased \$767,000 or 15%
  - Increase in repairs and major maintenance projects of \$1 million
  - Decrease in pension liability of \$108,000.
- ❖ Interest expense increased by \$1.7 million for the Wellington Athletics Bond.

### ***Business-type Activities***

The net position for Business-type activities increased \$1.3 million from the prior fiscal year for an ending balance of \$183 million.

Revenues increased by approximately \$6 million or 17% over the prior year. Key elements of this increase are as follows:

- ❖ Charges for services increased \$4.5 million primarily due to indexing of 10% in utilities and an increase to the solid waste assessment rates from \$220 to \$290 for curbside collection.
- ❖ Capital grants and contributions increased by \$725,000 due to an increase of \$1.4 million for distribution lines contributed by developers and a decrease of \$707,000 for capacity fees.
- ❖ Investment earnings increased \$1 million due to improved market conditions and additional invested funds throughout the year.

Expenses increased by \$1.7 million or approximately 5%. Key elements of this increase are as follows:

- ❖ Lake Wellington Professional Centre discontinued operations and the building was demolished, leading to a loss on disposal of capital assets.

## 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, 2024, Wellington's governmental funds reported combined ending fund balances of \$154.1 million, an increase of \$14.9 million from prior year.

The unassigned fund balance of \$31.7 million is available for spending at Wellington's discretion. The remainder of fund balance of \$122.4 million is either nonspendable (\$783,000), has already been assigned to liquidate contracts, capital projects, purchase orders, and subsequent year's budget appropriation of fund balance (\$22.3 million), restricted for capital improvements or special purposes (\$91.5 million), or committed for future emergencies, insurance reserves, infrastructure, or rate stabilization (\$7.8 million).

The General fund is the main operating fund. At the end of the current fiscal year, the fund balance in the General Fund was \$43.9 million, while unassigned fund balance was \$31.7 million or 72%. 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 47% of next fiscal year's general fund budgeted expenditures.

Revenues in the General fund total \$64.7 million, which represents an increase of \$8.6 million from the prior year. The increase in revenue is attributable to property taxes (12% taxable value increase), charges for services (Wellington Athletics license payment), fines and forfeitures (Palm Beach Polo case), miscellaneous income (Wellington Athletics contributions) and investment income (improved market conditions and increase in investment balances).

Expenditures in the General fund total \$47.2 million, which represents an increase of \$3.6 million. The increase is mainly attributable to operating expense increases of \$2.2 million (landscape contract, engineering and other contracted services, equipment and election expense), salaries and benefits of \$1.2 million (purchasing, public works, landscape and parks and recreation department).

The Building fund is used to account for the building, permitting and inspection activities. At the end of the current fiscal year, \$10.3 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 \$7.7 million, an increase of \$1 million from prior year. The increase in revenue was mainly due to increase in permit fees for the Wellington Athletics Sports Facility. Expenditures were \$5.6 million, which represents a decrease of \$948,000 from prior year. The decrease in expenditures is primarily due to capital outlay for implementation of GASB 96 in the prior year.

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 \$3.6 million, which is restricted for future expenditures. Revenues increased by \$930,000 due to increase in the assessment from \$230 to \$255. Expenses increased by \$644,300 primarily due to an excavator fixed asset purchase and increase in indirect cost allocation.

The Surtax fund accounts for the voter approved one-cent sales surtax program. At the end of the fiscal year total fund balance was \$31.5 million, which is restricted for capital projects that meet the criteria set by the surtax program. Revenue in the Surtax fund was \$7.4 million compared to \$6.5 million last year. The increase is primarily due to investment income on higher investment balances. Expenditures were \$6.1 million and remained relatively the same as last year.

The Capital Project fund accounts for financial activity related to governmental capital expenditures. At the end of the fiscal year total fund balance was \$52.5 million, which is restricted for capital projects. Revenues for the fund were \$4.1 million last year compared to \$3.1 this year. Grant revenue decreased by \$3.4 million due to a grant received in the prior year for the Environmental Preserve property. Investment income increased by \$2.4 million due to earnings on higher investment balances. Capital expenditures are funded through transfers, grant and bond proceeds. The Wellington Athletics Sports Complex and Section 24 Preserve expansion led to the increase in expenditures from \$4.7 million in fiscal year 2023 to \$9.5 million in the current year.

The Debt Service fund accounts for the payment of interest and principal on long-term debt. Revenue and remained relatively the same in both years. Expenditures increased from \$265,000 to \$2 million due to interest on the Wellington Athletics bond.

### **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 \$10.7 million; \$9.7 million for the Utility System and \$944,000 for Solid Waste. Total net position for these funds were \$183.2 million, representing an increase of \$1.3 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 \$1.4 million, excluding transfers, and are primarily comprised of approximately \$1.3 million in carryforwards and \$80,000 in budget amendments for recreation program contracts.

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>
Charges for services	\$ 5,770,912	\$ 4,937,756	\$ (833,156)
Fines and forfeitures	261,000	1,309,482	1,048,482
Investment income (net)	412,000	4,142,220	3,730,220
Contributions	-	909,970	909,970
Miscellaneous	251,170	599,050	347,880
<u>Expenditures</u>	<u>Budgeted expenditures</u>	<u>Actual expenditures</u>	<u>Difference</u>
General government	\$ 20,402,719	\$ 16,794,559	\$ 3,608,160
Culture and recreation	13,738,958	12,452,674	1,286,284
Capital outlay	1,392,975	2,140,356	(747,381)
Debt service:			
Principal	-	747,664	(747,664)
Interest	-	14,075	(14,075)
<u>Other financing sources (uses):</u>			
Transfers in	\$ -	\$ 463,479	\$ (463,479)
Initiation of SBITA's	-	1,072,129	(1,072,129)

Revenue budgets are estimated conservatively utilizing trending, department estimates and available economic data.

- ❖ Charges for services was under budget due to a recreation license payment for \$896,000 that was paid via a contribution and recorded in miscellaneous revenue.
- ❖ Fines and forfeitures exceeded budget by \$1 million for a lien that arose out of an illegal subdivision of property.

- ❖ Investment income is budgeted conservatively and exceeded expectations.
- ❖ Contributions exceed budget due to \$896,000 in donations for the Wellington Sports Facility.
- ❖ Miscellaneous income exceeded budget mainly due to reimbursement of legal fees.

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 were under budget due to the following:

- ❖ Financial Services- personnel vacancies, including health and retirement benefits (\$413,000)
- ❖ Information Technology- new SBITA's (\$731,000) and outside and technology services not needed (\$370,000)
- ❖ Planning and Zoning- personnel vacancies, including health and retirement benefits (\$396,000)
- ❖ Public Works- personnel vacancies, including health and retirement benefits (\$234,000) and decrease in repairs and maintenance (\$193,000)

Culture and Recreation actual expenditures were under budget due to the following:

- ❖ Cultural Programming and Facilities- personnel vacancies, including health and retirement benefits (\$101,000) and special event supplies (\$32,000).
- ❖ Aquatics and Sports Facilities- savings in health insurance (\$64,000), electric (\$63,000) and major maintenance (\$121,000)
- ❖ Neighborhood Parks- personnel vacancies (\$115,000), unspent budget in major maintenance and other contracted services (\$124,000)
- ❖ Wellington Events- unspent budget for Community & Special Event Supplies (\$177,000)
- ❖ Tennis- unspent budget in part time wages (\$67,000)

Capital outlay was higher than budgeted primarily for year-end SBITA transactions related to GASB96 (\$1 million). In addition, \$333,000 of fixed asset purchases will be carried forward to the following year.

Debt expenditures were higher than budgeted for year-end SBITA transactions related to GASB96 (\$748,000).

Transfer variance is due to the closure of the Lake Wellington Professional Centre and transfer employees to the General Fund (\$463,000).

Initiation of SBITA's is due to new technology contracts report this fiscal year (\$1 million)

Additional information on budgetary comparisons can be found on page 81 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, 2024, amounts to \$339 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			
	2024	2023	2024	2023	2024	2023
Land	\$ 25,159,917	\$ 24,576,944	\$ 8,996,705	\$ 9,579,678	\$ 34,156,622	\$ 34,156,622
Buildings	22,002,585	22,960,334	2,481,257	5,659,862	24,483,842	28,620,196
Improvements	28,107,232	28,269,825	7,013,036	4,851,156	35,120,268	33,120,981
Machinery and equipment	6,050,113	5,308,810	5,902,793	5,135,003	11,952,906	10,443,813
Water and wastewater plant	-	-	76,849,755	78,065,857	76,849,755	78,065,857
Infrastructure	79,404,283	79,404,283	44,648,710	44,157,405	124,052,993	123,561,688
Right-to-use lease assets	14,768	25,192	9,911	26,902	24,679	52,094
Software Subscriptions	1,626,193	1,741,643	74,315	471,606	1,700,508	2,213,249
Construction in progress	16,873,166	5,521,113	13,488,146	9,394,604	30,361,312	14,915,717
<b>Total</b>	<b>\$ 179,238,257</b>	<b>\$ 167,808,144</b>	<b>\$ 159,464,628</b>	<b>\$ 157,342,073</b>	<b>\$ 338,702,885</b>	<b>\$ 325,150,217</b>

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

- ❖ Greenbriar Maintenance Yard Project
- ❖ Wellington Environmental Preserve (WEP) – Section 24 Trail Bridges Project
- ❖ Staimford Park Project
- ❖ TROPOS Solar Power Upgrades Project
- ❖ Lime & Membrane Wells Variable Frequency Drive (VFD) Improvements Project
- ❖ Lime Reverse Osmosis Raw Water System Connection Project
- ❖ Water Reclamation Facility (WRF) – Generator Replacement & Emergency Power Upgrades Project

Additional information on capital assets can be found on page 50 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 \$81.2 million, a decrease of \$3.3 million or 4%. Governmental activities debt of \$62.3 million decreased by \$1.2 million or 2%. Business-Type activities debt of \$18.9 million decreased \$2 million or 10%. 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			
	2024	2023	2024	2023	2024	2023
Bonds and Notes	\$ 35,230,000	\$ 35,440,000	\$ 13,453,831	\$ 14,685,327	\$ 48,683,831	\$ 50,125,327
Obligations under Leases	15,288	25,447	-	16,971	15,288	42,418
Subscriptions Payable	1,309,428	1,126,245	36,369	227,274	1,345,797	1,353,519
Compensated absences	3,592,734	2,981,769	716,934	664,099	4,309,668	3,645,868
Net pension liability	22,163,407	23,968,941	4,662,490	5,359,080	26,825,897	29,328,021
<b>Total</b>	<b>\$ 62,310,857</b>	<b>\$ 63,542,402</b>	<b>\$ 18,869,624</b>	<b>\$ 20,952,751</b>	<b>\$ 81,180,481</b>	<b>\$ 84,495,153</b>

### ***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 29% of governmental funds revenue, excluding other financing sources and uses. Another 32% 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 30%. Additionally, special assessments levied total approximately 7% and grants total another 2%. 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 2025 remained the same as the prior fiscal year. This millage resulted in a total property tax budget of approximately \$29.4 million, an increase of \$2.2 million or 8% from the property tax budget for the prior year. The Surface Water Management Assessment rate remained the same at \$255 per unit. The Solid Waste Assessment increased to \$310 per curbside unit and \$230 per containerized unit. Additional information regarding the adoption of the annual budget can be found on page 85 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](http://www.wellingtonfl.gov)***

# VILLAGE OF WELLINGTON, FLORIDA

## STATEMENT OF NET POSITION

SEPTEMBER 30, 2024

	Primary Government		
	Governmental	Business-type	Total
	Activities	Activities	
<b>ASSETS</b>			
Cash	\$ 7,780,279	\$ 3,746,974	\$ 11,527,253
Investments	154,952,140	31,624,940	186,577,080
Receivables (net)	2,275,035	3,255,097	5,530,132
Due from other governments	4,258,934	44,323	4,303,257
Prepaid expenses	395,401	111,958	507,359
Inventories	7,371	88,388	95,759
Deposits	324,521	20,467	344,988
Restricted assets:			
Cash	-	6,813,170	6,813,170
Investments	-	570,254	570,254
Net other postemployment benefit asset	1,434,468	320,185	1,754,653
Long-term assessment receivable	1,509,667	-	1,509,667
Long-term lease receivable	704,131	-	704,131
Capital assets:			
Capital assets not being depreciated	121,437,366	22,484,851	143,922,217
Capital assets being depreciated, net	<u>57,800,891</u>	<u>136,979,777</u>	<u>194,780,668</u>
Total assets	<u>352,880,204</u>	<u>206,060,384</u>	<u>558,940,588</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Other postemployment benefit	525,275	134,804	660,079
Pension	<u>4,925,739</u>	<u>969,643</u>	<u>5,895,382</u>
Total deferred outflows of resources	<u>5,451,014</u>	<u>1,104,447</u>	<u>6,555,461</u>
<b>LIABILITIES</b>			
Accounts payable and accrued liabilities	8,243,017	3,318,365	11,561,382
Escrows and deposits	1,545,013	-	1,545,013
Contracts and retainage payable	270,151	387,439	657,590
Due to other governments	103,566	17,456	121,022
Deposits payable from restricted assets	-	570,254	570,254
Unearned revenue	4,485,627	-	4,485,627
Accrued interest payable	493,790	36,262	530,052
Noncurrent liabilities:			
Due within one year:			
Bonds payable	215,000	-	215,000
Loans payable	-	1,270,029	1,270,029
Compensated absences payable	1,519,460	341,894	1,861,354
Obligations under Leases and SBITA's	684,883	36,369	721,252
Due in more than one year:			
Bonds payable	35,015,000	-	35,015,000
Compensated absences payable	2,073,274	375,040	2,448,314
Loans payable	-	12,183,802	12,183,802
Obligations under Leases and SBITA's	639,833	-	639,833
Net pension liability	<u>22,163,407</u>	<u>4,662,490</u>	<u>26,825,897</u>
Total liabilities	<u>77,452,021</u>	<u>23,199,400</u>	<u>100,651,421</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Pension	3,329,065	652,596	3,981,661
Other postemployment benefit	348,289	94,767	443,056
Leases	<u>648,281</u>	-	648,281
Total deferred inflows of resources	<u>4,325,635</u>	<u>747,363</u>	<u>5,072,998</u>
<b>NET POSITION</b>			
Net investment in capital assets	175,743,390	145,586,989	321,330,379
Restricted for:			
Net other postemployment asset	1,434,468	320,185	1,754,653
Building department	10,306,675	-	10,306,675
Surfacewater management	3,640,162	-	3,640,162
Road capital and maintenance	4,048,617	-	4,048,617
Capital projects	39,018,175	26,710,351	65,728,526
Economic development	843,621	-	843,621
Unrestricted	<u>41,518,454</u>	<u>10,600,543</u>	<u>52,118,997</u>
Total net position	<u>\$ 276,553,562</u>	<u>\$ 183,218,068</u>	<u>\$ 459,771,630</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, 2024

Function/Program Activities	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
<b>Governmental activities:</b>							
General government	\$ 19,307,685	\$ 1,001,245	\$ -	\$ -	\$ (18,306,440)	\$ -	\$ (18,306,440)
Public safety	17,335,521	10,195,321	-	47,052	(7,093,148)	-	(7,093,148)
Physical environment	8,190,611	6,794,869	35,069	7,500	(1,353,173)	-	(1,353,173)
Economic environment	2,103,462	-	1,256,270	-	(847,192)	-	(847,192)
Transportation	5,958,439	205,417	1,616,875	-	(4,136,147)	-	(4,136,147)
Culture and recreation	15,793,924	5,356,392	65,392	1,062,334	(9,309,806)	-	(9,309,806)
Interest on long-term debt	1,845,306	-	-	-	(1,845,306)	-	(1,845,306)
Total governmental activities	<u>70,534,948</u>	<u>23,553,244</u>	<u>2,973,606</u>	<u>1,116,886</u>	<u>(42,891,212)</u>	<u>-</u>	<u>(42,891,212)</u>
<b>Business-type activities:</b>							
Utility system	28,844,979	27,815,750	-	3,240,223	-	2,210,994	2,210,994
Solid waste	6,855,544	7,228,109	2,911	-	-	375,476	375,476
Lake Wellington Professional Centre	2,699,089	56,713	-	-	-	(2,642,376)	(2,642,376)
Total business-type activities	<u>38,399,612</u>	<u>35,100,572</u>	<u>2,911</u>	<u>3,240,223</u>	<u>-</u>	<u>(55,906)</u>	<u>(55,906)</u>
Total primary government	<u>\$108,934,560</u>	<u>\$ 58,653,816</u>	<u>\$ 2,976,517</u>	<u>\$ 4,357,109</u>	<u>(42,891,212)</u>	<u>(55,906)</u>	<u>(42,947,118)</u>
<b>General revenues:</b>							
Property taxes					27,425,030	-	27,425,030
Franchise fees on gross receipts					4,458,663	-	4,458,663
Communication services taxes					2,201,478	-	2,201,478
Discretionary tax					6,178,018	-	6,178,018
Utility service taxes					6,476,181	-	6,476,181
State shared revenue					9,048,893	-	9,048,893
Investment earnings					9,859,203	2,382,073	12,241,276
Other					650,413	257,748	908,161
Contributions and donated assets, unrestricted					1,988,562	-	1,988,562
Transfers					1,272,464	(1,272,464)	-
Total general revenues and transfers					<u>69,558,905</u>	<u>1,367,357</u>	<u>70,926,262</u>
Change in net position					26,667,693	1,311,451	27,979,144
Net position, beginning of year					<u>249,885,869</u>	<u>181,906,617</u>	<u>431,792,486</u>
Net position, end of year					<u>\$ 276,553,562</u>	<u>183,218,068</u>	<u>\$ 459,771,630</u>

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

**VILLAGE OF WELLINGTON, FLORIDA**

BALANCE SHEET

GOVERNMENTAL FUNDS

SEPTEMBER 30, 2024

	<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>
<b>ASSETS</b>								
Cash	\$ 434,491	\$ 873,959	\$ 137,627	\$ 25,013	\$ 2,506,500	\$ 315,885	\$ 3,486,804	\$ 7,780,279
Investments	46,827,195	11,423,676	3,963,610	53,774,125	29,398,078	-	9,565,456	154,952,140
Current receivables:								
Utility taxes	580,145	-	-	-	-	-	-	580,145
Franchise fees	417,122	-	-	-	-	-	-	417,122
Accounts	739,762	-	-	-	-	-	-	739,762
Interest	192,649	41,900	17,336	101,052	142,808	-	42,261	538,006
Due from other governments	1,773,771	-	39,476	1,149,999	1,027,665	1,658	266,365	4,258,934
Prepaid expenditures	379,089	16,312	-	-	-	-	-	395,401
Inventory	7,371	-	-	-	-	-	-	7,371
Deposits	324,521	-	-	-	-	-	-	324,521
Lease receivable	704,131	-	-	-	-	1,509,667	-	2,213,798
Total assets	<u>\$52,380,247</u>	<u>\$ 12,355,847</u>	<u>\$ 4,158,049</u>	<u>\$ 55,050,189</u>	<u>\$33,075,051</u>	<u>\$ 1,827,210</u>	<u>\$ 13,360,886</u>	<u>\$172,207,479</u>

(Continued)

**VILLAGE OF WELLINGTON, FLORIDA**

BALANCE SHEET (Continued)

GOVERNMENTAL FUNDS

SEPTEMBER 30, 2024

	<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>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>								
Liabilities:								
Accounts payable and accrued liabilities	\$ 3,354,513	\$ 1,950,906	\$ 217,621	\$ 1,249,787	\$ 1,433,725	\$ -	\$ 36,465	\$ 8,243,017
Escrows and deposits	1,545,013	-	-	-	-	-	-	1,545,013
Contracts and retainage payable	-	-	-	99,201	170,950	-	-	270,151
Due to other governments	5,300	98,266	-	-	-	-	-	103,566
Unearned revenue	<u>2,767,447</u>	<u>-</u>	<u>300,266</u>	<u>46,061</u>	<u>-</u>	<u>-</u>	<u>1,371,853</u>	<u>4,485,627</u>
Total liabilities	<u>7,672,273</u>	<u>2,049,172</u>	<u>517,887</u>	<u>1,395,049</u>	<u>1,604,675</u>	<u>-</u>	<u>1,408,318</u>	<u>14,647,374</u>
Deferred inflows of resources:								
Unavailable revenue	201,435	-	-	1,149,999	-	1,509,667	-	2,861,101
Leases	<u>648,281</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>648,281</u>
Total deferred inflow of resources	849,716	-	-	1,149,999	-	1,509,667	-	3,509,382
Fund balances:								
Nonspendable:								
Prepaid expenditures	379,089	16,312	-	-	-	-	-	395,401
Inventory	7,371	-	-	-	-	-	-	7,371
Deposits	324,521	-	-	-	-	-	-	324,521
Leases	55,850	-	-	-	-	-	-	55,850
Restricted for:								
Capital projects	-	-	-	33,817,469	31,470,376	-	7,060,330	72,348,175
Building	-	10,290,363	-	-	-	-	-	10,290,363
Surface Water Management	-	-	3,640,162	-	-	-	-	3,640,162
Road capital and maintenance	-	-	-	-	-	-	4,048,617	4,048,617
Economic development	-	-	-	-	-	-	843,621	843,621
Debt service	-	-	-	-	-	317,543	-	317,543
Committed for:								
Rate stabilization	2,785,000	-	-	-	-	-	-	2,785,000
Insurance	1,530,000	-	-	-	-	-	-	1,530,000
Infrastructure	489,554	-	-	-	-	-	-	489,554
Emergency	3,000,000	-	-	-	-	-	-	3,000,000
Assigned for:								
Contracts	3,398,078	-	-	15,014,564	-	-	-	18,412,642
Capital projects	191,336	-	-	3,673,108	-	-	-	3,864,445
Unassigned	<u>31,697,458</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>31,697,458</u>
Total fund balances	<u>43,858,258</u>	<u>10,306,675</u>	<u>3,640,162</u>	<u>52,505,141</u>	<u>31,470,376</u>	<u>317,543</u>	<u>11,952,568</u>	<u>154,050,723</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 52,380,247</u>	<u>\$ 12,355,847</u>	<u>\$ 4,158,049</u>	<u>\$ 55,050,189</u>	<u>\$ 33,075,051</u>	<u>\$ 1,827,210</u>	<u>\$ 13,360,886</u>	<u>\$ 172,207,479</u>

# VILLAGE OF WELLINGTON, FLORIDA

## RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION SEPTEMBER 30, 2024

Ending fund balance - governmental funds \$ 154,050,723

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	\$315,343,731	
Less accumulated depreciation and amortization	<u>(136,105,474)</u>	
Net capital assets		179,238,257

Net other postemployment benefit (OPEB) asset created through funding of the OPEB plan as employer contribution to the defined benefit OPEB plan is not recognized in the funds 1,434,468

Assets that are not available to pay for current period expenditures are unavailable revenue in the fund statements 2,861,101

Deferred outflows of resources related to pensions are recorded in the statement of net position 4,925,739

Deferred outflows of resources related to OPEB are recorded in the statement of net position 525,275

Deferred inflows of resources related to pensions are recorded in the statement of net position (3,329,065)

Deferred inflows of resources related to OPEB are recorded in the statement of net position (348,289)

Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.

Bonds payable	(35,230,000)
Accrued interest	(493,790)
Leases & SBITA's	(1,324,716)
Compensated absences	(3,592,734)
Net pension liability	<u>(22,163,407)</u>

Net position of governmental activities \$ 276,553,562



**VILLAGE OF WELLINGTON, FLORIDA**

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

GOVERNMENTAL FUNDS

YEAR ENDED SEPTEMBER 30, 2024

	<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>
<b>Revenues:</b>								
Ad valorem taxes	\$ 27,425,030	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 27,425,030
Local option taxes	-	-	-	-	6,178,018	-	1,616,875	7,794,893
Utility services taxes	6,476,181	-	-	-	-	-	-	6,476,181
Special assessments	-	-	6,522,755	-	-	272,114	-	6,794,869
Impact fees	-	-	-	-	-	-	342,739	342,739
Communication services taxes	2,201,478	-	-	-	-	-	-	2,201,478
Local business tax receipts	1,001,245	-	-	-	-	-	-	1,001,245
Permits and fees	1,868,772	7,017,067	-	-	-	-	-	8,885,839
Franchise fees	4,458,663	-	-	-	-	-	-	4,458,663
Grants	862,465	-	-	35,069	-	-	544,914	1,442,448
State revenue sharing	8,529,027	-	-	-	-	-	519,866	9,048,893
Charges for services	4,937,756	-	281,314	-	-	-	-	5,219,070
Fines and forfeitures	1,309,482	-	-	-	-	-	-	1,309,482
Investment income (net)	4,142,220	568,108	365,887	3,089,446	1,182,540	615	510,387	9,859,203
Contributions	909,970	-	-	-	-	-	-	909,970
Miscellaneous	599,050	101,626	130,250	-	-	-	35,153	866,079
Total revenues	<u>\$ 64,721,339</u>	<u>\$ 7,686,801</u>	<u>\$ 7,300,206</u>	<u>\$ 3,124,515</u>	<u>\$ 7,360,558</u>	<u>\$ 272,729</u>	<u>\$ 3,569,934</u>	<u>\$ 94,036,082</u>

(Continued)

## VILLAGE OF WELLINGTON, FLORIDA

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

#### GOVERNMENTAL FUNDS

YEAR ENDED SEPTEMBER 30, 2024

	General	Building	Acme Improvement	Capital Projects	Surtax Fund	Debt Service	Other Nonmajor Governmental Funds	Total Governmental Funds
<b>Expenditures:</b>								
Current:								
General government	\$ 16,794,559	\$ -	\$ 112,902	\$ -	\$ -	\$ 587	\$ -	\$ 16,908,048
Public safety	12,048,251	5,027,741	-	-	-	-	-	17,075,992
Physical environment	1,293,559	-	3,963,170	-	-	-	-	5,256,729
Economic environment	1,674,912	-	-	-	-	-	402,710	2,077,622
Transportation	-	-	-	-	-	-	4,461,786	4,461,786
Culture and recreation	12,452,674	-	527,956	-	61,726	-	-	13,042,356
Capital outlay	2,140,356	241,615	416,057	9,526,661	6,067,179	-	446,807	18,838,675
Debt service:								
Principal	747,664	290,407	10,977	-	-	210,000	-	1,259,048
Interest and other fiscal charges	14,075	14,818	301	-	-	1,770,098	-	1,799,292
Total expenditures	<u>47,166,050</u>	<u>5,574,581</u>	<u>5,031,363</u>	<u>9,526,661</u>	<u>6,128,905</u>	<u>1,980,685</u>	<u>5,311,303</u>	<u>80,719,548</u>
Excess (deficiency) of revenues over (under) expenditures	<u>17,555,289</u>	<u>2,112,220</u>	<u>2,268,843</u>	<u>(6,402,146)</u>	<u>1,231,653</u>	<u>(1,707,956)</u>	<u>(1,741,369)</u>	<u>13,316,534</u>
<b>Other financing sources (uses):</b>								
Transfers in	463,479	-	-	8,666,320	16,000,000	1,712,000	3,390,104	30,231,903
Transfers out	(28,559,104)	-	(1,506,320)	-	-	-	-	(30,065,424)
Proceeds from sale of capital assets	203,321	-	11,651	-	-	-	4,313	219,285
Initiation of SBITA's	1,072,129	101,732	-	-	-	-	-	1,173,861
Total other financing sources (uses)	<u>(26,820,175)</u>	<u>101,732</u>	<u>(1,494,669)</u>	<u>8,666,320</u>	<u>16,000,000</u>	<u>1,712,000</u>	<u>3,394,417</u>	<u>1,559,625</u>
Net change in fund balances	(9,264,886)	2,213,952	774,174	2,264,174	17,231,653	4,044	1,653,048	14,876,159
Fund balances, beginning 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>
Fund balances, end of year	<u>\$ 43,858,258</u>	<u>\$ 10,306,675</u>	<u>\$ 3,640,162</u>	<u>\$ 52,505,141</u>	<u>\$ 31,470,376</u>	<u>\$ 317,543</u>	<u>\$ 11,952,568</u>	<u>\$ 154,050,723</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, 2024

Net change in fund balances - total governmental funds	\$ 14,876,159
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.	18,035,624
Depreciation of capital assets is not recognized in the governmental fund financial statements, but is reported as an expense in the statement of activities.	(8,640,263)
In the statement of activities, only the gain (loss) on the sale of capital assets is reported	
Net book value of asset disposals	(394,593)
Activities reported in the Enterprise Funds are now being recognized in the governmental fund due to the transfer of operations and assets	1,105,985
The statement of activities reports noncash contributions as revenues, but these revenues are not reported in the governmental fund financial statements.	1,078,589
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	1,259,048
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental fund financial statements.	2,861,101
Certain revenues were unavailable for the fund financial statements in the prior fiscal year. In the current fiscal year, these revenues were recorded in the governmental fund financial statements.	(2,045,598)
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.	
Initiation of SBITA's	(1,173,861)
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	(46,014)
Change in compensated absences	(577,565)
Other postemployment benefit expense (income)	113,515
Pension expense (income)	<u>215,566</u>
Change in net position of governmental activities	<u>\$ 26,667,693</u>

# VILLAGE OF WELLINGTON, FLORIDA

## STATEMENT OF NET POSITION

### PROPRIETARY FUNDS

SEPTEMBER 30, 2024

	Major		Nonmajor	
	Utility System	Solid Waste	Lake Wellington Professional Centre	Total
<b>ASSETS</b>				
Current assets:				
Cash	\$ 3,745,021	\$ 1,953	\$ -	\$ 3,746,974
Investments	30,062,113	1,562,827	-	31,624,940
Receivables:				
Accounts, net of allowance for uncollectible amounts	3,060,507	42,262	-	3,102,769
Interest	136,660	15,668	-	152,328
Due from other governments	-	44,323	-	44,323
Inventories	88,388	-	-	88,388
Prepaid expenses	111,958	-	-	111,958
Deposits	20,467	-	-	20,467
Restricted investments	570,254	-	-	570,254
Total current assets	<u>37,795,368</u>	<u>1,667,033</u>	<u>-</u>	<u>39,462,401</u>
Noncurrent assets:				
Restricted cash	6,813,170	-	-	6,813,170
Net other postemployment benefit asset	304,072	16,113	-	320,185
Capital assets (not being depreciated)	22,484,851	-	-	22,484,851
Capital assets (net of accumulated depreciation/amortization)	136,929,906	49,871	-	136,979,777
Total noncurrent assets	<u>166,531,999</u>	<u>65,984</u>	<u>-</u>	<u>166,597,983</u>
Total assets	<u>\$ 204,327,367</u>	<u>\$ 1,733,017</u>	<u>\$ -</u>	<u>\$ 206,060,384</u>
<b>DEFERRED OUTFLOW OF RESOURCES</b>				
Other postemployment benefit	\$ 128,204	\$ 6,600	\$ -	\$ 134,804
Pension	923,773	45,870	-	969,643
Total deferred outflows of resources	<u>\$ 1,051,977</u>	<u>\$ 52,470</u>	<u>\$ -</u>	<u>\$ 1,104,447</u>
<b>LIABILITIES</b>				
Current liabilities:				
Accounts payable and accrued liabilities	\$ 2,807,783	\$ 510,582	\$ -	\$ 3,318,365
Contracts and retainage payable	387,439	-	-	387,439
Due to other governments	17,456	-	-	17,456
Deposits, payable from restricted assets	570,254	-	-	570,254
Accrued interest	36,133	129	-	36,262
Compensated absences payable	333,445	8,449	-	341,894
Loans payable	1,270,029	-	-	1,270,029
Obligations under Leases and SBITA's	33,571	2,798	-	36,369
Total current liabilities	<u>5,456,110</u>	<u>521,958</u>	<u>-</u>	<u>5,978,068</u>
Noncurrent liabilities:				
Loans payable	12,183,802	-	-	12,183,802
Compensated absences payable	366,650	8,390	-	375,040
Net pension liability	4,446,814	215,676	-	4,662,490
Total noncurrent liabilities	<u>16,997,266</u>	<u>224,066</u>	<u>-</u>	<u>17,221,332</u>
Total liabilities	<u>22,453,376</u>	<u>746,024</u>	<u>-</u>	<u>23,199,400</u>
<b>DEFERRED INFLOW OF RESOURCES</b>				
Pension	624,708	27,888	-	652,596
Other postemployment benefit	90,337	4,430	-	94,767
Total deferred inflow of resources	<u>715,045</u>	<u>32,318</u>	<u>-</u>	<u>747,363</u>
<b>NET POSITION</b>				
Net investment in capital assets	145,539,916	47,073	-	145,586,989
Restricted for capital improvements - capacity fees	6,813,170	-	-	6,813,170
Restricted for net other postemployment asset	304,072	16,113	-	320,185
Restricted for renewal and replacement of capital assets	19,897,181	-	-	19,897,181
Unrestricted	9,656,584	943,959	-	10,600,543
Total net position	<u>\$ 182,210,923</u>	<u>\$ 1,007,145</u>	<u>\$ -</u>	<u>\$ 183,218,068</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, 2024

	Major		Nonmajor	
	Utility System	Solid Waste	Lake Wellington Professional Centre	Total
<b>Operating revenues:</b>				
Charges for services	\$ 27,609,759	\$ 2,030	\$ -	\$ 27,611,789
Special assessments	-	6,733,275	-	6,733,275
Licenses and permits	205,991	-	-	205,991
Grants	-	2,911	-	2,911
Franchise fees	-	492,804	-	492,804
Rent revenue	-	-	56,713	56,713
Other	256,645	-	1,105	257,750
Total operating revenues	<u>28,072,395</u>	<u>7,231,020</u>	<u>57,818</u>	<u>35,361,233</u>
<b>Operating expenses:</b>				
Utilities administration	3,810,191	-	-	3,810,191
Water treatment plant	4,311,299	-	-	4,311,299
Field services	568,717	-	-	568,717
Water meter services	524,110	-	-	524,110
Water distribution services	1,400,767	-	-	1,400,767
Utility plant maintenance	1,401,599	-	-	1,401,599
Water reclamation facilities	3,201,888	-	-	3,201,888
Wastewater collection services	1,243,132	-	-	1,243,132
Utilities customer service	1,517,707	-	-	1,517,707
Regulatory compliance	356,313	-	-	356,313
Refuse	-	146,502	-	146,502
Professional centre	-	-	322,066	322,066
Other-non-departmental and maintenance	1,602,185	-	31,069	1,633,254
Solid waste	-	6,679,092	-	6,679,092
Depreciation/amortization	8,387,197	29,336	48,727	8,465,260
Total operating expenses	<u>28,325,105</u>	<u>6,854,930</u>	<u>401,862</u>	<u>35,581,897</u>
Income/(loss) from operations	<u>(252,710)</u>	<u>376,090</u>	<u>(344,044)</u>	<u>(220,664)</u>
<b>Nonoperating revenues (expenses):</b>				
Investment income (net)	2,141,877	240,196	-	2,382,073
Net gain (loss) on sale or disposition of capital assets	(99,306)	(4,131)	(2,297,228)	(2,400,665)
Interest expense and debt service costs	(437,465)	(323)	-	(437,788)
Total nonoperating revenues (expenses)	<u>1,605,106</u>	<u>235,742</u>	<u>(2,297,228)</u>	<u>(456,380)</u>
Income/(loss) before contributions and transfers	<u>1,352,396</u>	<u>611,832</u>	<u>(2,641,272)</u>	<u>(677,044)</u>
<b>Capital contributions:</b>				
Grants	6,000	-	-	6,000
Capacity charges	1,650,526	-	-	1,650,526
Distribution lines	1,539,801	-	-	1,539,801
Meters	43,896	-	-	43,896
Transfer in	-	-	297,000	297,000
Transfers out	-	-	(1,548,728)	(1,548,728)
Change in net position	<u>4,592,619</u>	<u>611,832</u>	<u>(3,893,000)</u>	<u>1,311,451</u>
Net position - beginning	<u>177,618,304</u>	<u>395,313</u>	<u>3,893,000</u>	<u>181,906,617</u>
Net position - end of year	<u>\$ 182,210,923</u>	<u>\$ 1,007,145</u>	<u>\$ -</u>	<u>\$ 183,218,068</u>

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



# VILLAGE OF WELLINGTON, FLORIDA

## STATEMENT OF CASH FLOWS

### PROPRIETARY FUNDS

YEAR ENDED SEPTEMBER 30, 2024

	Major		Nonmajor	
	Utility System	Solid Waste	Lake Wellington Professional Centre	Total
<b>Cash flows from operating activities:</b>				
Receipts from customers	\$ 27,813,524	\$ 7,299,535	\$ 28,126	\$ 35,141,185
Payments to suppliers for goods and services	(11,084,786)	(6,448,306)	(297,497)	(17,830,589)
Payments to employees for services	(7,668,038)	(362,957)	(61,905)	(8,092,900)
Other operating revenues	<u>274,101</u>	<u>2,911</u>	<u>1,105</u>	<u>278,117</u>
Net cash provided (used) by operating activities	<u>9,334,801</u>	<u>491,183</u>	<u>(330,171)</u>	<u>9,495,813</u>
<b>Cash flows from noncapital financing activities:</b>				
Transfers to other funds	-	-	(166,478)	(166,478)
Net cash (used) in noncapital financing activities	-	-	(166,478)	(166,478)
<b>Cash flows from capital and related financing activities:</b>				
Capital contributions	1,835,494	-	-	1,835,494
Sale proceeds of capital assets	18,071	54,094	-	72,165
Acquisition of property, plant and equipment	(12,686,315)	(96,297)	-	(12,782,612)
Principal paid on capital debt	(1,380,185)	(10,977)	-	(1,391,162)
Interest paid on indebtedness	(440,370)	(301)	-	(440,671)
Net cash provided (used) in capital and related financing activities	<u>(12,653,305)</u>	<u>(53,481)</u>	<u>-</u>	<u>(12,706,786)</u>
<b>Cash flows from investing activities:</b>				
Interest received	1,337,730	155,874	-	1,493,604
Sale of investments	2,482,270	3,599,015	-	6,081,285
Purchase of Investments	(900,000)	(4,200,000)	-	(5,100,000)
Net cash provided (used) by investing activities	<u>2,920,000</u>	<u>(445,111)</u>	<u>-</u>	<u>2,474,889</u>
Net increase (decrease) in cash	(398,504)	(7,409)	(496,649)	(902,562)
Cash, beginning of year	<u>10,956,695</u>	<u>9,362</u>	<u>496,649</u>	<u>11,462,706</u>
Total cash, end of year	<u>\$ 10,558,191</u>	<u>\$ 1,953</u>	<u>\$ -</u>	<u>\$ 10,560,144</u>
Cash				
Unrestricted	\$ 3,745,021	\$ 1,953	\$ -	\$ 3,746,974
Restricted	<u>6,813,170</u>	<u>-</u>	<u>-</u>	<u>6,813,170</u>
Total cash	<u>\$ 10,558,191</u>	<u>\$ 1,953</u>	<u>\$ -</u>	<u>\$ 10,560,144</u>

(Continued)

# VILLAGE OF WELLINGTON, FLORIDA

STATEMENT OF CASH FLOWS  
 PROPRIETARY FUNDS (Continued)  
 YEAR ENDED SEPTEMBER 30, 2024

	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)	\$ (252,710)	\$ 376,090	\$ (344,044)	\$ (220,664)
Adjustments to reconcile operating income/(loss) to net cash provided by operating activities:				
Depreciation/amortization expense	8,387,197	29,336	48,727	8,465,260
(Increase) decrease in:				
Accounts receivable	(537,081)	89,429	-	(447,652)
Due from other governments	-	(18,003)	-	(18,003)
Due from other funds	-	-	(1,344)	(1,344)
Inventories	51,322	-	-	51,322
Prepaid expenses	79,130	489	7,768	87,387
Net pension liability	(49,857)	(2,194)	-	(52,051)
OPEB	(30,561)	(1,455)	-	(32,016)
Increase (decrease) in:				
Accounts payable and accrued liabilities	1,007,517	58,789	(10,907)	1,055,399
Due to other governments	17,456	-	(1,785)	15,671
Deposits	534,855	-	(23,263)	511,592
Unearned revenue	-	-	(5,323)	(5,323)
Compensated absences payable	127,533	(41,298)	-	86,235
Total adjustments	<u>9,587,511</u>	<u>115,093</u>	<u>13,873</u>	<u>9,716,477</u>
Net cash provided by operating activities	<u>\$ 9,334,801</u>	<u>\$ 491,183</u>	<u>\$ (330,171)</u>	<u>\$ 9,495,813</u>
Noncash investing, capital, and financing activities:				
Developer contributed distribution lines	\$ 1,539,801	\$ -	\$ -	\$ 1,539,801
Transfer of residual equity	-	-	1,085,250	1,085,250
Unrealized gains/(losses) on investments	1,257,464	84,106	-	1,341,570
Gains/(losses) on disposal of assets	(117,377)	(4,566)	(2,297,228)	(2,419,171)

**VILLAGE OF WELLINGTON, FLORIDA**

STATEMENT OF FIDUCIARY NET POSITION

FIDUCIARY FUND

SEPTEMBER 30, 2024

	Employee Retirement Healthcare Trust
<b>ASSETS</b>	
Investments:	
Florida Municipal Pension Trust Fund - OPEB 70/30 Allocation	<u>\$ 2,531,272</u>
<b>NET POSITION</b>	
Net position restricted for other postemployment benefits	<u>\$ 2,531,272</u>

# VILLAGE OF WELLINGTON, FLORIDA

## STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

### FIDUCIARY FUND

YEAR ENDED SEPTEMBER 30, 2024

	<u>Employee Retirement Healthcare Trust</u>
<b>Additions:</b>	
Investment income	\$ 454,396
<b>Deductions:</b>	
Administrative expenses	<u>(11,787)</u>
Change in net position	442,609
Net position held in trust for other postemployment benefits, beginning of year	<u>2,088,663</u>
Net position held in trust for other postemployment benefits, end of year	<u><u>\$ 2,531,272</u></u>

## NOTES TO THE FINANCIAL STATEMENTS

SEPTEMBER 30, 2024

### 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 or paid out. 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 and approved annually as part of the budget process. On September 20, 2023, the Village adopted Resolution 2023-59 to set the reserve.

*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. On September 20, 2023, the Village adopted Resolution 2023-59 to set the reserve.

*Infrastructure Reserve* – An Infrastructure Reserve was established to offset major unexpected facility and infrastructure rehabilitation. On September 20, 2023, the Village adopted Resolution 2023-59 to set the reserve.

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. On September 20, 2023, the Village adopted Resolution 2023-59 to set the reserve.

### **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 2024 was \$2.47 mills (for each \$1,000 of assessed valuation). This levy was based upon an assessed valuation of approximately \$11.2 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, 2024, 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 100**

In June 2022, the GASB issued Statement No. 100, *Accounting Changes and Error Corrections* – an amendment of GASB Statement No. 62, which became 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. The Village has implemented this statement for fiscal year 2024.

### **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. The Village has early implemented this statement for fiscal year 2024.

## ***Recent Accounting Pronouncements Issued***

### **GASB 102**

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.

### **GASB 103**

The GASB issued Statement No. 103, *Financial Reporting Model Improvements*, which will become effective for the fiscal year beginning after June 15, 2025. The objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability.

### **GASB 104**

The GASB issued Statement No. 104, *Disclosure of Certain Capital Assets*, which will become effective for the fiscal year beginning after June 15, 2025. The objective of this Statement is to provide users of government financial statements with essential information about certain types of capital assets. The requirements of this Statement will improve financial reporting by providing users of financial statements with essential information about certain types of capital assets in order to make informed decisions and assess accountability. Additionally, the disclosure requirements will improve consistency and comparability between governments.

**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, 2024 had a carrying value of \$18,340,423 and a bank balance of \$18,322,295.

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, 2024:

Investment	Amortized Cost	Fair Value	Weighted Average Maturity	Credit Rating (S&P/Fitch)	Level	Percent Distribution
FL PALM	\$ 6,318,055	\$ -	35 days	AAAm	N/A	3.07%
FL Fixed Income Trust Fund	14,301,480	-	305 days	AAAf/S1	N/A	6.96%
Fidelity Invest MM Treasury	3,191,722	-	N/A	N/A	N/A	1.55%
PTA Cash	4,135	-	N/A	AAA	N/A	0.00%
FL Class	36,661,166	-	30 days	AAAm	N/A	17.84%
<b>Total Investments at Amortized Cost</b>	<b>60,476,558</b>	<b>-</b>				<b>29.43%</b>
U.S. Treasuries		78,212,620	4.25 years	AA+	2	38.06%
U.S. Treasuries (T-Bill)		17,666,900	.80 years	A-1+	2	8.60%
FMIVT- Intermediate High Quality Bond Fund		886,331	4.90 years	AAf/S3	2	0.43%
FMIVT- 1-3 Year High Quality Bond Fund		118,126	1.80 years	AAAf/S2	2	0.06%
Municipal Bonds		9,070,251	3.81 years	(AA-) - (AAA)	2	4.41%
U.S. Government Sponsored Enterprises:			4.50 years			
Federal Home Loan Bank		3,900,120		AA+	2	1.90%
Federal Home Loan Mortgage		1,076,347		AA+	2	0.52%
Federal National Mortgage Association		1,092,174		AA+	2	0.53%
Corporate Notes		14,647,907	2.88 years	(A) - (AA+)	2	7.13%
<b>Total Investments at Fair Value</b>		<b>126,670,776</b>				<b>61.64%</b>
Total Cash Deposits	18,340,423					8.93%
<b>Total Cash &amp; Investments</b>	<b>\$ 78,816,981</b>	<b>\$ 126,670,776</b>				<b>100.00%</b>

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.

**NOTE 3. RECEIVABLES**

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

	General	Building	Acme Imprv.	Capital Projects	Surtax	Nonmajor Governmental Funds	Utility System	Solid Waste	Total
Utility taxes	\$ 580,145	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 580,145
Franchise taxes	417,122	-	-	-	-	-	-	-	417,122
Accounts	739,762	-	-	-	-	-	3,131,517	42,262	3,913,541
Interest	<u>192,649</u>	<u>41,900</u>	<u>17,336</u>	<u>101,052</u>	<u>142,808</u>	<u>42,261</u>	<u>136,660</u>	<u>15,668</u>	<u>690,334</u>
Gross receivables	1,929,678	41,900	17,336	101,052	142,808	42,261	3,268,177	57,930	5,601,142
Less allowance for uncollectible accounts	-	-	-	-	-	-	(71,010)	-	(71,010)
	<u>\$ 1,929,678</u>	<u>\$ 41,900</u>	<u>\$ 17,336</u>	<u>\$ 101,052</u>	<u>\$ 142,808</u>	<u>\$ 42,261</u>	<u>\$ 3,197,167</u>	<u>\$ 57,930</u>	<u>\$ 5,530,132</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, 2024, the amount owed is \$1,509,667 and is reported as a long-term receivable and unavailable revenue on the fund financial statements.

On August 13, 2024, the Village adopted Resolution 2024-40 for special assessments due in the amount of \$282,668.

**Cell Tower Lease Receivable**

The Village leases its tower sites to Verizon and T-Mobile for the use of a portion of the real property. The terms of these noncancelable leases include the noncancelable period per the contract plus/minus any extension options or termination options the Village is reasonably certain to exercise. The Village recognized \$83,686 in lease revenue during the current fiscal year. As of September 30, 2024, the Village’s receivable for lease payments was \$704,131. 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, 2024, the balance of the deferred inflow of resources was \$648,281.

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:						
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	25,732	8,868	69,310	11,424	95,042	20,292
2030-2034	151,630	22,224	159,169	12,116	310,799	34,340
	<u>\$ 256,990</u>	<u>\$ 77,060</u>	<u>\$ 447,141</u>	<u>\$ 97,935</u>	<u>\$ 704,131</u>	<u>\$ 174,995</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
						Governmental Funds	Solid Waste	
Grants	\$ 471,397	\$ -	\$ 1,149,999	\$ -	\$ -	\$ -	\$ 2,911	\$ 1,624,307
Half cent sales tax	890,800	-	-	-	-	-	-	890,800
Sales Surtax	-	-	-	1,027,665	-	-	-	1,027,665
Communication services tax	366,540	-	-	-	-	-	-	366,540
Local option gas tax	-	-	-	-	-	258,442	-	258,442
Fuel tax refund	-	-	-	-	-	7,923	-	7,923
County shared revenues	33,209	-	-	-	-	-	-	33,209
Alarm revenue	11,825	-	-	-	-	-	-	11,825
Excess fees	-	39,476	-	-	1,658	-	41,412	82,546
	<u>\$ 1,773,771</u>	<u>\$ 39,476</u>	<u>\$ 1,149,999</u>	<u>\$ 1,027,665</u>	<u>\$ 1,658</u>	<u>\$ 266,365</u>	<u>\$ 44,323</u>	<u>\$ 4,303,257</u>

**NOTE 5. CAPITAL ASSETS**

Capital asset activity for the year ended September 30, 2024 is as follows:

	Beginning Balance	Increases	Decreases	Reclassifications	Ending Balance
<b>Governmental activities:</b>					
Capital assets, not being depreciated:					
Land	\$ 24,576,944	\$ 582,973	\$ -	\$ -	\$ 25,159,917
Construction in progress	5,521,113	16,040,646	(797,509)	(3,891,084)	16,873,166
Infrastructure	79,404,283	-	-	-	79,404,283
Total capital assets, not being depreciated	<u>109,502,340</u>	<u>16,623,619</u>	<u>(797,509)</u>	<u>(3,891,084)</u>	<u>121,437,366</u>
Capital assets, being depreciated/amortized:					
Buildings	39,468,801	962,493	(674,204)	-	39,757,090
Right-to-use lease assets	31,273	-	-	-	31,273
Software Subscriptions	2,754,736	1,362,440	(184,569)	-	3,932,607
Improvements	130,569,160	1,247,867	(5,358,862)	3,259,430	129,717,595
Machinery and equipment	20,450,600	1,491,180	(2,105,634)	631,654	20,467,800
Total capital assets, being depreciated/amortized	<u>193,274,570</u>	<u>5,063,980</u>	<u>(8,323,269)</u>	<u>3,891,084</u>	<u>193,906,365</u>
Less accumulated depreciation/amortization for:					
Buildings	(16,508,467)	(1,654,023)	407,985	-	(17,754,505)
Improvements	(102,299,335)	(4,642,823)	5,331,795	-	(101,610,363)
Right-to-use lease assets	(6,081)	(10,424)	-	-	(16,505)
Software Subscriptions	(1,013,093)	(1,477,890)	184,569	-	(2,306,414)
Machinery and equipment	(15,141,790)	(1,280,224)	2,004,327	-	(14,417,687)
Total accumulated depreciation/amortization	<u>(134,968,766)</u>	<u>(9,065,384)</u>	<u>7,928,676</u>	<u>-</u>	<u>(136,105,474)</u>
Total capital assets, being depreciated/amortized, net	<u>58,305,804</u>	<u>(4,001,404)</u>	<u>(394,593)</u>	<u>3,891,084</u>	<u>57,800,891</u>
Governmental activities capital assets, net	<u>\$ 167,808,144</u>	<u>\$ 12,622,215</u>	<u>\$ (1,192,102)</u>	<u>\$ -</u>	<u>\$ 179,238,257</u>
	Beginning Balance	Increases	Decreases	Reclassifications	Ending Balance
<b>Business-type activities:</b>					
Capital assets, not being depreciated:					
Land	\$ 9,579,678	\$ -	\$ (582,973)	\$ -	\$ 8,996,705
Construction in progress	9,394,604	12,601,756	(127,341)	(8,380,873)	13,488,146
Total capital assets, not being depreciated	<u>18,974,282</u>	<u>12,601,756</u>	<u>(710,314)</u>	<u>(8,380,873)</u>	<u>22,484,851</u>
Capital assets, being depreciated/amortized:					
Buildings	9,739,467	-	(4,524,987)	-	5,214,480
Land improvements	11,519,294	-	(655,378)	3,093,680	13,957,596
Furniture, fixtures, equipment and vehicles	18,450,215	343,524	(7,578,781)	1,123,276	12,338,234
Infrastructure	118,530,447	1,539,801	(347,612)	1,529,670	121,252,306
Right-to-use lease assets	50,973	-	-	-	50,973
Software Subscriptions	848,890	-	(180,068)	-	668,822
Water treatment plant	63,749,663	-	-	2,634,247	66,383,910
Waste water plant	59,394,590	-	(3,643,945)	-	55,750,645
Total capital assets, being depreciated/amortized	<u>282,283,539</u>	<u>1,883,325</u>	<u>(16,930,771)</u>	<u>8,380,873</u>	<u>275,616,966</u>
Less accumulated depreciation/amortization for:					
Buildings	(4,079,605)	(218,255)	1,564,637	-	(2,733,223)
Land improvements	(6,668,138)	(931,800)	655,378	-	(6,944,560)
Furniture, fixtures, equipment and vehicles	(13,315,212)	(609,535)	7,489,306	-	(6,435,441)
Infrastructure	(74,373,042)	(2,546,498)	315,944	-	(76,603,596)
Right-to-use lease assets	(24,071)	(16,991)	-	-	(41,062)
Software Subscriptions	(377,284)	(297,253)	80,030	-	(594,507)
Water treatment plant	(23,107,810)	(1,975,571)	-	-	(25,083,381)
Waste water plant	(21,970,586)	(1,869,357)	3,638,524	-	(20,201,419)
Total accumulated depreciation/amortization	<u>(143,915,748)</u>	<u>(8,465,260)</u>	<u>13,743,819</u>	<u>-</u>	<u>(138,637,189)</u>
Total capital assets, being depreciated/amortized, net	<u>138,367,791</u>	<u>(6,581,935)</u>	<u>(3,186,952)</u>	<u>8,380,873</u>	<u>136,979,777</u>
Business-type activities capital assets, net	<u>\$ 157,342,073</u>	<u>\$ 6,019,821</u>	<u>\$ (3,897,266)</u>	<u>\$ -</u>	<u>\$ 159,464,628</u>

Depreciation/amortization expense was charged to functions as follows:

Governmental activities:	
General government	\$ 1,765,341
Public Safety	230,085
Physical environment	2,689,575
Economic environment	47,621
Transportation	1,325,992
Culture and recreation	<u>2,581,649</u>
Total depreciation/amortization expense - governmental activities	<u>\$ 8,640,263</u>
Business-type activities:	
Utility System	\$ 8,387,197
Lake Wellington Professional Centre - nonmajor	48,727
Solid waste	<u>29,336</u>
Total depreciation/amortization expense - business-type activities	<u>\$ 8,465,260</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, 2024:

<u>Governmental Activities:</u>		
	<u>Asset Balances</u>	<u>Accumulated Amortization</u>
Equipment	\$ 31,273	\$ (16,505)
Total	<u>\$ 31,273</u>	<u>\$ (16,505)</u>
<u>Business-Type Activities:</u>		
	<u>Asset Balances</u>	<u>Accumulated Amortization</u>
Equipment	\$ 50,973	\$ (41,062)
Total	<u>\$ 50,973</u>	<u>\$ (41,062)</u>

Future minimum lease payments as of September 30, 2024:

<u>Governmental Activities:</u>			
Year Ending	Principal	Interest	Total
<u>September 30:</u>	<u>Payments</u>	<u>Payments</u>	<u>Payments</u>
2025	\$ 10,679	\$ 522	\$ 11,201
2026	4,609	58	4,667
	<u>\$ 15,288</u>	<u>\$ 580</u>	<u>\$ 15,868</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, 2024:

Governmental Activities:

	<u>Asset Balances</u>	<u>Accumulated Amortization</u>
Software	\$ 3,932,607	\$ (2,306,414)
Total	<u>\$ 3,932,607</u>	<u>\$ (2,306,414)</u>

Business-Type Activities:

	<u>Asset Balances</u>	<u>Accumulated Amortization</u>
Software	\$ 668,822	\$ (594,507)
Total	<u>\$ 668,822</u>	<u>\$ (594,507)</u>

Future minimum payments and present value of payments as of September 30, 2024:

Fiscal Year	<u>Governmental Activities</u>		
	Principal	Interest	Total
	<u>Payments</u>	<u>Payments</u>	<u>Payments</u>
2025	\$ 674,204	\$ 33,186	\$ 707,390
2026	471,026	17,056	488,082
2027	143,174	4,166	147,340
2028	21,024	726	21,750
	<u>\$ 1,309,428</u>	<u>\$ 55,134</u>	<u>\$ 1,364,562</u>

Fiscal Year	<u>Business-Type Activities</u>		
	Principal	Interest	Total
	<u>Payments</u>	<u>Payments</u>	<u>Payments</u>
2025	\$ 36,369	\$ 282	\$ 36,651
	<u>\$ 36,369</u>	<u>\$ 282</u>	<u>\$ 36,651</u>

**NOTE 8. NONCURRENT LIABILITIES**

**Changes in Noncurrent Liabilities**

Noncurrent liability activity for the year ended September 30, 2024, was as follows:

Governmental Activities

	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
<b>Bonds, Notes and Other Payables:</b>					
Public Improvement Revenue Bonds, Series 2023	\$ 33,330,000	\$ -	\$ -	\$ 33,330,000	\$ -
Special Assessment Bond, Series 2016	2,110,000	-	(210,000)	1,900,000	215,000
Leases Payable	25,447	-	(10,159)	15,288	10,679
Subscriptions Payable	1,126,245	1,222,072	(1,038,889)	1,309,428	674,204
<b>Total Bonds, Notes and Other Payables</b>	<u>36,591,692</u>	<u>1,222,072</u>	<u>(1,259,048)</u>	<u>36,554,716</u>	<u>899,883</u>
<b>Other Liabilities:</b>					
Compensated absences payable*	2,981,769	610,965	-	3,592,734	1,519,460
Net pension liability	23,968,941	7,555,359	(9,360,893)	22,163,407	-
<b>Total Other Liabilities</b>	<u>26,950,710</u>	<u>8,166,324</u>	<u>(9,360,893)</u>	<u>25,756,141</u>	<u>1,519,460</u>
<b>Total Liabilities</b>	<u>\$ 63,542,402</u>	<u>\$ 9,388,396</u>	<u>\$ (10,619,941)</u>	<u>\$ 62,310,857</u>	<u>\$ 2,419,343</u>

\*The change in the compensated absences liability is presented as a net change.

\$33,330,000 Public Improvement Bond

During fiscal year 2023, the Village entered into a public private partnership (PPP) with Wellington Athletics, LLC for the development, construction, operation and maintenance of a recreation facility. Wellington Athletics will design build and operate the facility for 30 years. Wellington Athletics, LLC will set, collect and retain all revenue during the period. The facility will be owned by the Village throughout the term.

Per the PPP, 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, 2024, 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:			
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	625,000	1,697,379	2,322,379
2030-2034	3,635,000	7,990,116	11,625,116
2035-2039	4,710,000	6,908,534	11,618,534
2040-2044	6,170,000	5,449,525	11,619,525
2045-2049	8,130,000	3,492,338	11,622,338
2050-2053	8,340,000	957,653	9,297,653
	<u>\$ 33,330,000</u>	<u>\$ 33,542,160</u>	<u>\$ 66,872,160</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, 2024, the outstanding balance was \$1,900,000.

Future debt service requirements to maturity are:

	Special Assessment Bond, Series 2016		
	Principal	Interest	Total
Year Ending September 30:			
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	240,000	26,019	266,019
2030-2032	765,000	34,031	799,031
	<u>\$ 1,900,000</u>	<u>\$ 231,819</u>	<u>\$ 2,131,819</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	\$14,685,327	\$ -	\$(1,231,496)	\$13,453,831	\$1,270,029
Leases payable	16,971	-	(16,971)	-	-
Subscriptions payable	227,274	-	(190,905)	36,369	36,369
<b>Total Bonds, Notes and Other Payables</b>	14,929,572	-	(1,439,372)	13,490,200	1,306,398
Other Liabilities:					
Compensated absences payable*	664,099	52,835	-	716,934	341,894
Net pension liability	5,359,080	1,773,664	(2,470,254)	4,662,490	-
<b>Total Other Liabilities</b>	6,023,179	1,826,499	(2,470,254)	5,379,424	341,894
<b>Total Liabilities</b>	<u>\$ 20,952,751</u>	<u>\$ 1,826,499</u>	<u>\$(3,909,626)</u>	<u>\$ 18,869,624</u>	<u>\$ 1,648,292</u>

\*The change in the compensated absences liability is presented as a net change.

### 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:			
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	1,436,603	230,622	1,667,225
2030-2034	6,693,664	461,534	7,155,198
	<u>\$ 13,453,831</u>	<u>\$ 2,037,492</u>	<u>\$ 15,491,323</u>

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

**NOTE 9. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS**

**INTERFUND TRANSFERS**

The following is a summary of transfers by fund type for the fiscal year ended September 30, 2024:

	Transfers In	Transfers Out
General	\$ 463,479	\$ 28,559,104
Acme Improvement	-	1,506,320
Capital Projects	8,666,320	-
Surtax	16,000,000	-
Debt Service	1,712,000	-
Nonmajor governmental funds	3,390,104	-
Lake Wellington Professional Centre	297,000	1,548,728
Total	<u>\$ 30,528,903</u>	<u>\$ 31,614,152</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.

The variance of net transfers in the amount of \$1,085,249 is due to the transfer of residual equity in nonfinancial assets associated with accounting for activities of the Lake Wellington Professional Centre to the General Fund. During the fiscal year 2024, the Lake Wellington Professional Centre Fund ceased operations and employees were transferred to the General Fund.

The components of residual equity are noted below:

OPEB	\$ 9,974
Capital Assets, net	1,330,020
Pension	(172,761)
Compensated Absences	(33,400)
Other Liabilities	(48,584)
Total	<u>\$ 1,085,249</u>

**NOTE 10. ENCUMBRANCES**

Purchase orders are issued throughout the year to encumber budgets in the governmental funds. Encumbrances as of September 30, 2024 are as follows:

Major funds:	
General Fund	\$ 852,015
Building Fund	106,956
Acme Improvement	412,330
Capital Projects	9,874,112
Surtax Fund	<u>26,752,896</u>
Total Major Funds	37,998,309
Non-Major Governmental Funds	<u>2,116,407</u>
Total Encumbrances	<u>\$40,114,716</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](http://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	\$ 18,547,786	\$ 5,467,140	\$ 2,521,647	\$ 2,677,042
Village's proportion of the HIS Pension Plan	<u>8,278,111</u>	<u>428,242</u>	<u>1,460,014</u>	<u>260,404</u>
Total	<u>\$ 26,825,897</u>	<u>\$ 5,895,382</u>	<u>\$ 3,981,661</u>	<u>\$ 2,937,446</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 96 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>
<b>Regular Class members initially enrolled before July 1, 2011</b>	
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
<b>Regular Class members initially enrolled on or after July 1, 2011</b>	
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
<b>Elected Local Officers</b>	<b>3.00</b>
<b>Senior Management Service Class</b>	<b>2.00</b>

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 year were as follows:

<u>Class</u>	<u>Percent of Gross Salary</u>		<u>Percent of Gross Salary</u>	
	<u>October 1, 2023 to</u>		<u>July 1, 2024 to</u>	
	<u>June 30, 2024</u>		<u>September 30, 2024</u>	
	<u>Employee</u>	<u>Employer (1)</u>	<u>Employee</u>	<u>Employer (1)</u>
FRS, Regular	3.00	13.57	3.00	13.63
FRS, Elected Local Officers	3.00	58.68	3.00	58.68
FRS, Senior Management Service Class	3.00	34.52	3.00	34.52
DROP - Applicable to all members in the above classes	0.00	21.13	0.00	21.13

(1) Employer rates include a postemployment HIS contribution rate of 2.00 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 \$2,715,009 for the fiscal year ended September 30, 2024.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – At September 30, 2024, the Village reported a liability of \$18,547,786 for its proportionate share of the Plan’s net pension liability. The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2024. The Village’s proportionate share of the net pension liability was based on the Village’s contributions for the year ended June 30, 2024 relative to the contributions of all participating members. At June 30, 2024, the Village’s proportionate share was .0479%, which was a decrease of .0031% from its proportionate share measured as of June 30, 2023.

For the fiscal year ended September 30, 2024 the Village recognized pension expense of \$2,677,042 related to the Pension Plan. In addition, the Village reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,873,824	\$ -
Change of assumptions	2,542,144	-
Net difference between projected and actual earnings on FRS pension plan investments	-	(1,232,782)
Changes in proportion and differences between Wellington FRS contributions and proportionate share of contributions	369,666	(1,288,865)
Wellington FRS contributions subsequent to the measurement date	681,506	-
Total	\$ 5,467,140	\$ (2,521,647)

The deferred outflows of resources related to pensions, totaling \$681,506, 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 \$2,263,987 will be recognized in pension expense as follows:

Fiscal Year Ending September 30:	Amount
2025	\$ (421,411)
2026	2,874,718
2027	(83,756)
2028	(217,934)
2029	112,370
Thereafter	-
<b>Total</b>	<b>\$ 2,263,987</b>

*Actuarial Assumptions* – The actuarial assumptions that determined total pension liability were based on certain results of an actuarial experience study of the FRS for the period July 1, 2018- June 30, 2023:

Inflation	2.40 percent
Salary Increase	3.50 percent, average, including inflation
Discount Rate	6.70 percent

Mortality rates were based on the PUB-2010 base table with Scale MP-2021.

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:

Asset Class	Target Allocation (1)	Arithmetic Return	Geometric Return	Standard Deviation
Cash	1.0%	3.3%	3.3%	1.1%
Fixed income	29.0%	5.7%	5.6%	3.9%
Global Equity	45.0%	8.6%	7.0%	18.2%
Real estate	12.0%	8.1%	6.8%	16.6%
Private equity	11.0%	12.4%	8.8%	28.4%
Strategic investments	2.0%	6.6%	6.2%	8.7%
<b>Total</b>	<b>100.00%</b>			
Assumed inflation - mean			2.4%	1.5%

(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%</u> <u>Decrease</u>	<u>Current</u> <u>Discount Rate</u> <u>6.70%</u>	<u>1%</u> <u>Increase</u>
Village's proportionate share of the net pension liability	\$32,624,907	\$18,547,786	\$6,755,212

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, 2024, the Village reported a payable of \$286,550 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, 2024, 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, 2024, the contribution rate was 2% of payroll for July 1, 2023 through September 30, 2024 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 \$467,202 for the fiscal year ended September 30, 2024.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – At September 30, 2024, the Village reported a net pension liability of \$8,278,111 for its proportionate share of the HIS Plan’s net pension liability. The net pension liability was measured as of June 30, 2024. 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 2024 for the period July 1, 2018, through June 30, 2023. 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 are based on certain results of the most recent experience study for the FRS Pension Plan. At June 30, 2024, the Village's proportionate share was .0552%, which was a decrease of .0014% from its proportionate share measured as of June 30, 2023.

For the fiscal year ended September 30, 2024 the Village recognized pension expense of \$260,404 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	\$ 79,931	\$ (15,894)
Change of assumptions	146,503	(980,022)
Net difference between projected and actual earnings on HIS pension plan investments	-	(2,994)
Changes in proportion and differences between Wellington HIS contributions and proportionate share of HIS contributions	86,323	(461,104)
Wellington HIS contributions subsequent to the measurement date	115,485	-
<b>Total</b>	<u>\$ 428,242</u>	<u>\$ (1,460,014)</u>

The deferred outflows of resources related to pensions, totaling \$115,485, 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 (\$1,147,257) will be recognized in pension expense (income) as follows:

<u>Fiscal Year Ending September 30:</u>	<u>Amount</u>
2025	\$ (224,163)
2026	(236,755)
2027	(289,328)
2028	(226,249)
2029	(135,525)
Thereafter	(35,237)
<b>Total</b>	<u>\$ (1,147,257)</u>

Actuarial Assumptions – The actuarial assumptions that determined total pension liability were based on certain results of an actuarial experience study of the FRS for the period July 1, 2018- June 30, 2023:

Inflation	2.40 percent
Salary Increase	3.50 percent, average, including inflation
Discount Rate	3.93 percent

Mortality rates were based on the Generational PUB-2010 with projection Scale MP-2021.

Discount Rate – The discount rate used to measure the total pension liability was 3.93%. In general, the discount rate for calculating the total pension liability under GASB 67 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. The single equivalent discount rate is equal to the municipal bond rate selected by the FRS Actuarial Assumption Conference. Since the prior measurement date, the discount rate was increased from 3.65% to 3.93%.

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 3.93%, 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>	<u>Current</u> <u>Discount Rate</u> <u>3.93%</u>	<u>1%</u> <u>Increase</u>
Village's proportionate share of the net pension liability	\$9,423,566	\$8,278,111	\$7,327,199

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, 2024, the Village reported a payable of \$44,252 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</u> <u>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, 2023 – September 30, 2024 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 \$849,061 for the fiscal year ended September 30, 2024.

Payables to the Investment Plan – At September 30, 2024, the Village reported a payable of \$95,375 for the outstanding amount of contributions to the Investment Plan required for the fiscal year ended September 30, 2024.

**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, 2024, the Village reported a payable of \$586,166, which includes a reserve accumulation of \$517,612.

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 \$524,699.

### **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 \$10,863,223.

### **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 \$5,548,265. The agreement does allow for annual CPI adjustments if the contractor requests them in writing before July 1<sup>st</sup> of each year.

### **Construction Commitments**

Commitments on major construction contracts consist of the following:

Project	Contract Award Amount	Amount Expended at September 30, 2024	Balance to Complete
C-9 Canal & Retention	\$ 1,018,770	\$ 498,808	\$ 519,962
Wellington Community Park	1,100,000	376,122	723,878
Traffic Signal @ Isle View Dr	278,429	-	278,429
Park Improvement	318,323	-	318,323
Liner For Major Culvert	128,180	-	128,180
Public Works Facility Storage	3,849,256	474,416	3,374,841
Wellington Community Park/Southshore	1,847,179	456,403	1,390,775
Playground Installation	312,756	9,109	303,646
Pipelining- Big Blue Trace	344,269	-	344,269
Section 24 Impoundment Expansion	4,232,415	943,907	3,288,508
Aquatics Facility	26,004,438	898,100	25,106,338
Big Blue Landscaping And Irrig	726,586	131,113	595,473
WRF Anaerobic Selector Project	5,267,000	4,308,015	958,985
WTP Emergency Generator#3 Repl	3,148,026	2,110,947	1,037,079
Purchase & Deliv Of 2 Diesel	191,357	-	191,357
WRF Truck Canopy Rehab Project	186,945	-	186,945
New Generator	318,463	-	318,463
Booster Statin#1 Impr/ New Ele	298,681	41,500	257,181
AMI Project	206,624	53,821	152,803
WTP Chemical System Improvemen	5,345,205	1,621,162	3,724,043
Peaceful Waters Wetland Rehab-	176,268	-	176,268
	<b>\$ 55,299,169</b>	<b>\$ 11,923,423</b>	<b>\$ 43,375,747</b>

**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 stand-alone financial statements. There were 16 retirees eligible to receive benefits as of September 30, 2024.

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, 2024, the following employees were covered by benefit terms:

Inactive employees or beneficiaries currently receiving benefits	16
Inactive employees entitled to but not yet receiving benefits	0
Active employees	<u>313</u>
	329

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 \$997 to a maximum of \$2,988.

Actuarial Assumptions: The total OPEB asset in the September 30, 2024 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	7.5 percent for FY 2024, 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 2024 based on the age related morbidity assumption and, for other fiscal years, the implied subsidy was increased in accordance with the health care costs and trend rates.
Other Decrements	Assumed employment termination is based on the Scale 155 table; assumed disability is based on the Wyatt 1985 Disability Study (Class 1).
Coverage election	5.0 percent of eligible employees (other than the Village Manager) are assumed to elect medical coverage until age 65 upon retirement or disability. Village Manager is assumed to elect medical coverage until 65; all retirees (current and future) have been assumed to continue their current health plan coverage election.
Spouses and dependents	Husbands are assumed to be three years older than their wives; retirees are not assumed to have any dependent children.
COBRA	Future healthcare coverage provided solely pursuant to COBRA was not included in the OPEB valuation.
Changes	No assumptions were changed since the prior measurement date.

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

The actuarial assumptions used in the September 30, 2024 valuation were based on the results of an actuarial valuation date of October 1, 2023.

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:

<b>Asset Class</b>	<b>Target Allocation</b>	<b>Long-Term Expected Real Rate of Return</b>
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%
<b>Total</b>	<b>100.00%</b>	
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 9/30/2023	\$ 711,033	\$ (2,088,663)	\$(1,377,630)
Changes for the year:			
Service cost	28,254	-	28,254
Expected interest growth	51,418	(156,216)	(104,798)
Demographic Experience	95,322	-	95,322
Unexpected investment growth	-	(298,180)	(298,180)
Benefit payments & refunds	(109,408)	-	(109,408)
Administrative expense	-	11,787	11,787
Net Changes	65,586	(442,609)	(377,023)
Balance at 9/30/2024	\$ 776,619	\$ (2,531,272)	\$(1,754,653)

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:

	<b>Discount Rate</b>		
	<u>1% Decrease</u>	<u>(7.5%)</u>	<u>1% Increase</u>
Net OPEB asset	\$ 1,701,081	\$ 1,754,653	\$ 1,802,942

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:

	<b>Healthcare Cost Trend Rates (7.5%)</b>		
	<u>Trend Rate minus 1%</u>	<u>decreasing to 5.0%</u>	<u>Trend Rate plus 1%</u>
Net OPEB asset	\$ 1,819,982	\$ 1,754,653	\$ 1,678,905

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

For the year ended September 30, 2024, the Village recognized OPEB expense(income) of (\$145,530). At September 30, 2024, the Village reported deferred inflows and deferred outflows 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	\$ 195,153	\$ (325,437)
Demographic experience	205,861	(103,711)
Assumption changes	259,065	(13,908)
Total	<u>\$ 660,079</u>	<u>\$ (443,056)</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>
2025	\$ 27,692
2026	80,586
2027	(16,989)
2028	(5,657)
2029	56,028
Thereafter	75,363
<b>Total</b>	<u>\$ 217,023</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, 2024

	Original Adopted Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
<b>Revenues:</b>				
Ad valorem taxes	\$ 27,160,812	\$ 27,160,812	\$ 27,425,030	\$ 264,218
Utility services taxes	6,243,000	6,243,000	6,476,181	233,181
Communication services taxes	2,277,600	2,277,600	2,201,478	(76,122)
Local business tax receipts	860,000	860,000	1,001,245	141,245
Other permit and fees	1,531,877	1,531,877	1,868,772	336,895
Franchise fees	5,048,000	5,048,000	4,458,663	(589,337)
Grants	299,783	715,347	862,465	147,118
State revenue sharing	8,151,868	8,151,868	8,529,027	377,159
Charges for services	5,660,912	5,770,912	4,937,756	(833,156)
Fines and forfeitures	261,000	261,000	1,309,482	1,048,482
Investment income (net)	412,000	412,000	4,142,220	3,730,220
Contributions	-	-	909,970	909,970
Miscellaneous	251,170	251,170	599,050	347,880
Total revenues	<u>58,158,022</u>	<u>58,683,586</u>	<u>64,721,339</u>	<u>6,037,753</u>
<b>Expenditures:</b>				
Current:				
General government	19,212,978	20,402,719	16,794,559	3,608,160
Public safety	12,283,898	12,191,698	12,048,251	143,447
Physical environment	1,413,594	1,347,741	1,293,559	54,182
Economic environment	1,658,582	1,908,682	1,674,912	233,770
Culture and recreation	13,894,368	13,738,958	12,452,674	1,286,284
Capital outlay	1,109,500	1,392,975	2,140,356	(747,381)
Debt service:				
Principal	-	-	747,664	(747,664)
Interest	-	-	14,075	(14,075)
Total expenditures	<u>49,572,920</u>	<u>50,982,773</u>	<u>47,166,050</u>	<u>3,816,723</u>
Excess (deficiency) of revenues over expenditures	<u>8,585,102</u>	<u>7,700,813</u>	<u>17,555,289</u>	<u>9,854,476</u>
<b>Other financing sources (uses):</b>				
Transfers in	-	-	463,479	463,479
Transfers out	(10,762,104)	(28,559,104)	(28,559,104)	-
Initiation of SBITA's	-	-	1,072,129	1,072,129
Proceeds from sale of capital assets	-	-	203,321	203,321
Total other financing sources (uses)	<u>(10,762,104)</u>	<u>(28,559,104)</u>	<u>(26,820,175)</u>	<u>1,738,929</u>
Net change in fund balances	(2,177,002)	(20,858,291)	(9,264,886)	11,593,405
Fund balances, beginning of year	<u>53,123,144</u>	<u>53,123,144</u>	<u>53,123,144</u>	<u>-</u>
Fund balances, end of year	<u>\$ 50,946,142</u>	<u>\$ 32,264,853</u>	<u>\$ 43,858,258</u>	<u>\$ 11,593,405</u>

# VILLAGE OF WELLINGTON, FLORIDA

## BUDGETARY COMPARISON SCHEDULE

### BUILDING - SPECIAL REVENUE FUND

YEAR ENDED SEPTEMBER 30, 2024

	<u>Original Adopted Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget Positive (Negative)</u>
<b>Revenues:</b>				
Building permits and fees	\$ 5,790,000	\$ 5,790,000	\$ 7,017,067	\$ 1,227,067
Investment income (net)	80,000	80,000	568,108	488,108
Miscellaneous	<u>4,500</u>	<u>4,500</u>	<u>101,626</u>	<u>97,126</u>
Total revenues	<u>5,874,500</u>	<u>5,874,500</u>	<u>7,686,801</u>	<u>1,812,301</u>
<b>Expenditures:</b>				
Current:				
Public safety	5,748,500	6,068,211	5,027,741	1,040,470
Capital outlay	126,000	183,719	241,615	(57,896)
Debt service:				
Principal	-	-	290,407	(290,407)
Interest	<u>-</u>	<u>-</u>	<u>14,818</u>	<u>(14,818)</u>
Total expenditures	<u>5,874,500</u>	<u>6,251,930</u>	<u>5,574,581</u>	<u>677,349</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>(377,430)</u>	<u>2,112,220</u>	<u>2,489,650</u>
<b>Other financing sources (uses):</b>				
Initiation of SBITA's	<u>-</u>	<u>-</u>	<u>101,732</u>	<u>101,732</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>101,732</u>	<u>101,732</u>
Net change in fund balances	-	(377,430)	2,213,952	2,591,382
Fund balances, beginning of year	<u>8,092,723</u>	<u>8,092,723</u>	<u>8,092,723</u>	<u>-</u>
Fund balances, end of year	<u>\$ 8,092,723</u>	<u>\$ 7,715,293</u>	<u>\$ 10,306,675</u>	<u>\$ 2,591,382</u>

# VILLAGE OF WELLINGTON, FLORIDA

## BUDGETARY COMPARISON SCHEDULE

### ACME IMPROVEMENT - SPECIAL REVENUE FUND

YEAR ENDED SEPTEMBER 30, 2024

	<u>Original Adopted Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget Positive (Negative)</u>
<b>Revenues:</b>				
Special assessments	\$ 6,381,834	\$ 6,381,834	\$ 6,522,755	\$ 140,921
Charges for services	301,000	301,000	281,314	(19,686)
Investment income (net)	20,000	20,000	365,887	345,887
Miscellaneous	<u>47,000</u>	<u>47,000</u>	<u>130,250</u>	<u>83,250</u>
Total revenues	<u>6,749,834</u>	<u>6,749,834</u>	<u>7,300,206</u>	<u>550,372</u>
<b>Expenditures:</b>				
Current:				
General government	24,000	99,200	112,902	(13,702)
Physical environment	4,677,514	4,711,448	3,963,170	748,278
Culture and recreation	517,000	538,800	527,956	10,844
Capital outlay	25,000	415,105	416,057	(952)
Debt service:				
Principal	-	-	10,977	(10,977)
Interest	<u>-</u>	<u>-</u>	<u>301</u>	<u>(301)</u>
Total expenditures	<u>5,243,514</u>	<u>5,764,553</u>	<u>5,031,363</u>	<u>733,190</u>
Excess (deficiency) of revenues over expenditures	<u>1,506,320</u>	<u>985,281</u>	<u>2,268,843</u>	<u>1,283,562</u>
<b>Other financing uses:</b>				
Transfers out	<u>(1,506,320)</u>	<u>(1,506,320)</u>	<u>(1,506,320)</u>	<u>-</u>
Total other financing uses	<u>(1,506,320)</u>	<u>(1,506,320)</u>	<u>(1,494,669)</u>	<u>11,651</u>
Net change in fund balances	-	(521,039)	774,174	1,295,213
Fund balances, beginning of year	<u>2,865,988</u>	<u>2,865,988</u>	<u>2,865,988</u>	<u>-</u>
Fund balances, end of year	<u>\$ 2,865,988</u>	<u>\$ 2,344,949</u>	<u>\$ 3,640,162</u>	<u>\$ 1,295,213</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 non-appropriated 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.



**VILLAGE OF WELLINGTON, FLORIDA**

SCHEDULE OF THE VILLAGE'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
SEPTEMBER 30, 2024

**Florida Retirement System Pension Plan**  
**Last Ten Measurement Years <sup>(1)</sup>**

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Village's proportion of the FRS net pension liability	0.0439%	0.0420%	0.0483%	0.0513%	0.0496%	0.0503%	0.0529%	0.0537%	0.0510%	0.0479%
Village's proportionate share of the FRS net pension liability	\$ 5,674,291	\$ 10,615,415	\$ 14,276,459	\$ 15,440,590	\$ 17,074,811	\$ 21,803,503	\$ 3,992,707	\$ 19,976,264	\$ 20,338,116	\$ 18,547,786
Village's covered payroll	\$ 17,158,799	\$ 17,448,015	\$ 18,900,403	\$ 19,786,378	\$ 19,687,857	\$ 20,450,352	\$ 20,372,638	\$ 21,448,831	\$ 22,431,568	\$ 23,359,436
Village's proportionate share of the FRS net pension liability as a percentage of its covered payroll	33.07%	60.84%	75.54%	78.04%	86.73%	106.62%	19.60%	93.13%	90.67%	79.41%
FRS plan fiduciary net position as a percentage of the total pension liability	92.00%	84.88%	83.89%	84.26%	82.61%	78.85%	96.40%	82.89%	82.38%	83.70%

**Health Insurance Subsidy Pension Plan**  
**Last Ten Measurement Years <sup>(1)</sup>**

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Village's proportion of the HIS net pension liability	0.0566%	0.0565%	0.0593%	0.0606%	0.0588%	0.0589%	0.0576%	0.0589%	0.0566%	0.0551%
Village's proportionate share of the HIS net pension liability	\$ 5,768,050	\$ 6,585,785	\$ 6,339,281	\$ 6,411,831	\$ 6,580,765	\$ 7,195,583	\$ 7,059,723	\$ 6,233,758	\$ 8,989,905	\$ 8,278,111
Village's covered payroll	\$ 17,158,799	\$ 17,448,015	\$ 18,900,403	\$ 19,786,378	\$ 19,687,857	\$ 20,450,352	\$ 20,372,638	\$ 21,448,831	\$ 22,431,568	\$ 23,359,436
Village's proportionate share of the HIS net pension liability as a percentage of its covered payroll	33.62%	37.75%	33.54%	32.41%	33.43%	35.19%	34.65%	29.06%	40.08%	35.44%
HIS plan fiduciary net position as a percentage of the total pension liability	0.50%	0.97%	1.64%	2.15%	2.63%	3.00%	3.56%	4.81%	4.12%	4.80%

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

**VILLAGE OF WELLINGTON, FLORIDA**  
SCHEDULE OF THE VILLAGE CONTRIBUTIONS  
SEPTEMBER 30, 2024

**Florida Retirement System Pension Plan**  
**Last Ten Fiscal Years <sup>(1)</sup>**

	<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>	<u>2024</u>
Contractually required FRS contribution	\$ 1,071,078	\$ 1,025,240	\$ 1,256,456	\$ 1,460,946	\$ 1,537,351	\$ 1,671,456	\$ 2,013,604	\$ 2,290,966	\$ 2,455,388	\$ 2,715,009
FRS contributions in relation to the contractually required contribution	<u>\$ (1,071,078)</u>	<u>\$ (1,025,240)</u>	<u>\$ (1,256,456)</u>	<u>\$ (1,460,946)</u>	<u>\$ (1,537,351)</u>	<u>\$ (1,671,456)</u>	<u>\$ (2,013,604)</u>	<u>\$ (2,290,966)</u>	<u>\$ (2,455,388)</u>	<u>\$ (2,715,009)</u>
FRS contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Village's covered payroll	\$ 17,179,188	\$ 18,354,726	\$ 19,478,310	\$ 19,500,893	\$ 19,909,643	\$ 20,596,488	\$ 20,219,891	\$ 21,070,939	\$ 22,750,152	\$ 23,564,525
FRS contributions as a percentage of covered payroll	6.23%	5.59%	6.45%	7.49%	7.72%	8.12%	9.96%	10.87%	10.79%	11.52%

**Health Insurance Subsidy Pension Plan**  
**Last Ten Fiscal Years <sup>(1)</sup>**

	<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>	<u>2024</u>
Contractually required HIS contribution	\$ 216,201	\$ 289,640	\$ 313,766	\$ 328,526	\$ 326,592	\$ 339,601	\$ 338,296	\$ 356,126	\$ 372,369	\$ 467,202
HIS contributions in relation to the contractually required contribution	<u>\$ (216,201)</u>	<u>\$ (289,640)</u>	<u>\$ (313,766)</u>	<u>\$ (323,715)</u>	<u>\$ (326,592)</u>	<u>\$ (339,601)</u>	<u>\$ (338,296)</u>	<u>\$ (356,126)</u>	<u>\$ (372,369)</u>	<u>\$ (467,202)</u>
HIS contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,811</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Village's covered payroll	\$ 17,179,188	\$ 18,354,726	\$ 19,478,310	\$ 19,500,893	\$ 19,909,643	\$ 20,596,488	\$ 20,219,891	\$ 21,070,939	\$ 22,750,152	\$ 23,564,525
HIS contributions as a percentage of covered payroll	1.26%	1.58%	1.61%	1.68%	1.64%	1.65%	1.67%	1.69%	1.64%	1.98%

*(1) The amounts presented for each fiscal year were determined as of 09/30.*

**VILLAGE OF WELLINGTON, FLORIDA**

OPEB LIABILITY SCHEDULES  
SEPTEMBER 30, 2024

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

	2017	2018	2019	2020	2021	2022	2023	2024
<b>Total OPEB Liability</b>								
Service Cost	\$ 8,343	\$ 11,276	\$ 11,552	\$ 22,570	\$ 22,590	\$ 25,726	\$ 26,118	\$ 28,254
Expected interest growth	25,067	24,839	21,223	20,498	56,551	54,174	52,920	51,418
Demographic experience	-	(34,071)	60,600	168,621	(34,139)	(24,840)	(62,633)	95,322
Changes of assumptions	-	-	(30,336)	383,618	19,517	-	-	-
Benefit payments	(34,743)	(44,188)	(57,111)	(111,316)	(118,065)	(79,939)	(64,121)	(109,408)
Assumption Changes	-	-	-	-	-	-	47,788	-
<b>Net change in total OPEB Liability</b>	(1,333)	(42,144)	5,928	483,991	(53,546)	(24,879)	72	65,586
<b>Total OPEB liability - beginning</b>	342,944	341,611	299,467	305,395	789,386	735,840	710,961	711,033
<b>Total OPEB liability - ending (a)</b>	\$ 341,611	\$ 299,467	\$ 305,395	\$ 789,386	\$ 735,840	\$ 710,961	\$ 711,033	\$ 776,619
<b>Plan fiduciary net position</b>								
Expected interest growth	\$ 100,494	\$ 114,781	\$ 123,986	\$ 129,116	\$ 137,702	\$ 167,107	\$ 142,177	\$ 156,216
Unexpected investment income/(loss)	97,942	19,063	(44,426)	(4,724)	264,469	(487,881)	56,668	298,180
Administrative expense	(4,907)	(11,080)	(11,131)	(11,198)	(8,577)	(11,699)	(11,542)	(11,787)
<b>Net change in plan fiduciary net position</b>	193,529	122,764	68,429	113,194	393,594	(332,473)	187,303	442,609
<b>Plan fiduciary net position - beginning</b>	1,342,323	1,535,852	1,658,616	1,727,045	1,840,239	2,233,833	1,901,360	2,088,663
<b>Plan fiduciary net position - ending (b)</b>	\$ 1,535,852	\$ 1,658,616	\$ 1,727,045	\$ 1,840,239	\$ 2,233,833	\$ 1,901,360	\$ 2,088,663	\$ 2,531,272
<b>Village's net OPEB asset - ending (b) - (a)</b>	\$ 1,194,241	\$ 1,359,149	\$ 1,421,650	\$ 1,050,853	\$ 1,497,993	\$ 1,190,399	\$ 1,377,630	\$ 1,754,653
Plan fiduciary net position as a percentage of the total OPEB asset	449.59%	553.86%	565.51%	233.12%	303.58%	267.44%	293.75%	325.93%
Covered payroll	\$ 16,763,480	\$ 17,593,811	\$ 18,149,435	\$ 18,647,506	\$ 18,308,570	\$ 18,062,317	\$ 20,156,915	\$ 21,268,972
Village's net OPEB asset as a percentage of covered-payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

(1) GASB75 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.

CONDITION RATING OF STREET SYSTEM SEPTEMBER 30, 2024

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

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

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

CONDITION RATING OF THE VILLAGE'S STREET SYSTEM

Percentage of lane miles in good or better condition

Overall System:

2022	100%
2023	100%
2024	100%

Percentage of lane miles in substandard condition

Overall System:

2022	0%
2023	0%
2024	0%

COMPARISON OF ESTIMATED-TO-ACTUAL MAINTENANCE/PRESERVATION

	<u>Estimated</u>	<u>Actual</u>
Overall System:		
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
2024	4,194,871	2,923,915

# 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, 2024

	Special Revenue Fund		Capital Project Funds			Total
	Gas Tax Maintenance	SHIP Grant	Recreation Impact Fees	Gas Tax Capital	Road Impact Fees	Nonmajor Funds
<b>ASSETS</b>						
Cash	\$ 1,006	\$ 844,272	\$ 2,483,890	\$ 157,472	\$ 164	\$ 3,486,804
Investments	3,876,408	-	-	3,935,105	1,753,943	9,565,456
Receivables:						
Accrued interest receivable	17,703	-	-	16,957	7,601	42,261
Due from other governments	<u>186,822</u>	-	-	<u>79,543</u>	-	<u>266,365</u>
Total assets	<u>\$ 4,081,939</u>	<u>\$ 844,272</u>	<u>\$ 2,483,890</u>	<u>\$ 4,189,077</u>	<u>\$ 1,761,708</u>	<u>\$ 13,360,886</u>
<b>LIABILITIES AND FUND BALANCES</b>						
Liabilities:						
Accounts payable and accrued liabilities	\$ 33,322	\$ 651	\$ -	\$ -	\$ 2,492	\$ 36,465
Unearned revenue	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,351,282</u>	<u>20,571</u>	<u>1,371,853</u>
Total liabilities	<u>33,322</u>	<u>651</u>	<u>-</u>	<u>1,351,282</u>	<u>23,063</u>	<u>1,408,318</u>
Fund balances:						
Restricted for:						
Capital projects	-	-	2,483,890	2,837,795	1,738,645	7,060,330
Road capital and maintenance	4,048,617	-	-	-	-	4,048,617
Economic development	<u>-</u>	<u>843,621</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>843,621</u>
Total fund balances	<u>4,048,617</u>	<u>843,621</u>	<u>2,483,890</u>	<u>2,837,795</u>	<u>1,738,645</u>	<u>11,952,568</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 4,081,939</u>	<u>\$ 844,272</u>	<u>\$ 2,483,890</u>	<u>\$ 4,189,077</u>	<u>\$ 1,761,708</u>	<u>\$ 13,360,886</u>

## VILLAGE OF WELLINGTON, FLORIDA

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
YEAR ENDED SEPTEMBER 30, 2024

	Special Revenue Fund		Capital Project Funds			Total Nonmajor Funds
	Gas Tax Maintenance	SHIP Grant	Recreation Impact Fees	Gas Tax Capital	Road Impact Fees	
<b>Revenues:</b>						
Impact fees	\$ -	\$ -	\$ 137,322	\$ -	\$ 205,417	\$ 342,739
Grants	-	544,914	-	-	-	544,914
Local option taxes	1,113,228	-	-	503,647	-	1,616,875
State revenue sharing	519,866	-	-	-	-	519,866
Investment income (net)	175,342	-	-	234,108	100,937	510,387
Miscellaneous	35,153	-	-	-	-	35,153
Total revenues	<u>1,843,589</u>	<u>544,914</u>	<u>137,322</u>	<u>737,755</u>	<u>306,354</u>	<u>3,569,934</u>
<b>Expenditures:</b>						
Current:						
Economic Environment	-	402,710	-	-	-	402,710
Transportation	4,461,786	-	-	-	-	4,461,786
Capital outlay	-	-	-	354,720	92,087	446,807
Total expenditures	<u>4,461,786</u>	<u>402,710</u>	<u>-</u>	<u>354,720</u>	<u>92,087</u>	<u>5,311,303</u>
Excess (deficiency) of revenues over expenditures	<u>(2,618,197)</u>	<u>142,204</u>	<u>137,322</u>	<u>383,035</u>	<u>214,267</u>	<u>(1,741,369)</u>
<b>Other financing sources (uses):</b>						
Transfers in	3,390,104	-	-	-	-	3,390,104
Proceeds from sale of capital assets	4,313	-	-	-	-	4,313
Total other financing sources (uses)	<u>3,394,417</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,394,417</u>
Net change in fund balances	776,220	142,204	137,322	383,035	214,267	1,653,048
Fund balances, beginning 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>
Fund balances, end of year	<u>\$ 4,048,617</u>	<u>\$ 843,621</u>	<u>\$ 2,483,890</u>	<u>\$ 2,837,795</u>	<u>\$ 1,738,645</u>	<u>\$ 11,952,568</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, 2024

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>Revenues:</b>				
Local option taxes	\$ 1,100,000	\$ 1,100,000	\$ 1,113,228	\$ 13,228
State revenue sharing	518,000	518,000	519,866	1,866
Investment income (net)	17,000	17,000	175,342	158,342
Miscellaneous	<u>22,000</u>	<u>22,000</u>	<u>35,153</u>	<u>13,153</u>
Total revenues	<u>1,657,000</u>	<u>1,657,000</u>	<u>1,843,589</u>	<u>186,589</u>
<b>Expenditures:</b>				
Current:				
Transportation	5,047,104	5,830,143	4,461,786	1,368,357
Capital outlay	<u>-</u>	<u>28,600</u>	<u>-</u>	<u>28,600</u>
Total expenditures	<u>5,047,104</u>	<u>5,858,743</u>	<u>4,461,786</u>	<u>1,396,957</u>
Excess (deficiency) of revenues over expenditures	<u>(3,390,104)</u>	<u>(4,201,743)</u>	<u>(2,618,197)</u>	<u>1,583,546</u>
<b>Other financing sources (uses):</b>				
Transfers in	3,390,104	3,390,104	3,390,104	-
Proceeds from sale of capital assets	<u>-</u>	<u>-</u>	<u>4,313</u>	<u>4,313</u>
Total other financing sources	<u>3,390,104</u>	<u>3,390,104</u>	<u>3,394,417</u>	<u>4,313</u>
Net change in fund balances	-	(811,639)	776,220	1,587,859
Fund balances, beginning of year	<u>3,272,397</u>	<u>3,272,397</u>	<u>3,272,397</u>	<u>-</u>
Fund balances, end of year	<u>\$ 3,272,397</u>	<u>\$ 2,460,758</u>	<u>\$ 4,048,617</u>	<u>\$ 1,587,859</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, 2024

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>Revenues:</b>				
Grants	\$ 709,520	\$ 709,520	\$ 544,914	\$ (164,606)
Miscellaneous	<u>-</u>	<u>22,000</u>	<u>-</u>	<u>(22,000)</u>
Total revenues	<u>709,520</u>	<u>731,520</u>	<u>544,914</u>	<u>(186,606)</u>
<b>Expenditures:</b>				
Current:				
Economic Environment	<u>709,520</u>	<u>733,538</u>	<u>402,710</u>	<u>330,828</u>
Total expenditures	<u>709,520</u>	<u>733,538</u>	<u>402,710</u>	<u>330,828</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>(2,018)</u>	<u>142,204</u>	<u>144,222</u>
Net change in fund balances	-	(2,018)	142,204	144,222
Fund balances, beginning of year	<u>701,417</u>	<u>701,417</u>	<u>701,417</u>	<u>-</u>
Fund balances, end of year	<u>\$ 701,417</u>	<u>\$ 699,399</u>	<u>\$ 843,621</u>	<u>\$ 144,222</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, 2024

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Impact fees	\$ 100,000	\$ 100,000	\$ 137,322	\$ 37,322
Total revenues	100,000	100,000	137,322	37,322
<b>Expenditures:</b>				
Capital outlay	-	-	-	-
Total expenditures	-	-	-	-
Excess (deficiency) of revenues over expenditures	100,000	100,000	137,322	37,322
Net change in fund balances	100,000	100,000	137,322	37,322
Fund balances, beginning of year	2,346,568	2,346,568	2,346,568	-
Fund balances, end of year	\$ 2,446,568	\$ 2,446,568	\$ 2,483,890	\$ 37,322

## 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, 2024

	<u>Original Adopted Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget Positive (Negative)</u>
<b>Revenues:</b>				
Local option taxes	\$ 507,000	\$ 507,000	\$ 503,647	\$ (3,353)
Investment income (net)	<u>30,000</u>	<u>30,000</u>	<u>234,108</u>	<u>204,108</u>
Total revenues	<u>537,000</u>	<u>537,000</u>	<u>737,755</u>	<u>200,755</u>
<b>Expenditures:</b>				
Capital outlay	<u>1,013,000</u>	<u>454,015</u>	<u>354,720</u>	<u>99,295</u>
Total expenditures	<u>1,013,000</u>	<u>454,015</u>	<u>354,720</u>	<u>99,295</u>
Excess (deficiency) of revenues over expenditures	<u>(476,000)</u>	<u>82,985</u>	<u>383,035</u>	<u>300,050</u>
Net change in fund balances	(476,000)	82,985	383,035	300,050
Fund balances, beginning of year	<u>2,454,760</u>	<u>2,454,760</u>	<u>2,454,760</u>	<u>-</u>
Fund balances, end of year	<u>\$ 1,978,760</u>	<u>\$ 2,537,745</u>	<u>\$ 2,837,795</u>	<u>\$ 300,050</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, 2024

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>Revenues:</b>				
Impact fees	\$ 45,000	\$ 45,000	\$ 205,417	\$ 160,417
Investment income (net)	<u>9,000</u>	<u>9,000</u>	<u>100,937</u>	<u>91,937</u>
Total revenues	<u>54,000</u>	<u>379,000</u>	<u>306,354</u>	<u>(72,646)</u>
<b>Expenditures:</b>				
Capital outlay	<u>350,000</u>	<u>489,114</u>	<u>92,087</u>	<u>397,027</u>
Total expenditures	<u>350,000</u>	<u>489,114</u>	<u>92,087</u>	<u>397,027</u>
Excess (deficiency) of revenues over expenditures	<u>(296,000)</u>	<u>(110,114)</u>	<u>214,267</u>	<u>324,381</u>
Net change in fund balances	(296,000)	(110,114)	214,267	324,381
Fund balances, beginning of year	<u>1,524,378</u>	<u>1,524,378</u>	<u>1,524,378</u>	<u>-</u>
Fund balances, end of year	<u>\$ 1,228,378</u>	<u>\$ 1,414,264</u>	<u>\$ 1,738,645</u>	<u>\$ 324,381</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, 2024

	<u>Original Adopted Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget Positive (Negative)</u>
<b>Revenues:</b>				
Investment income (net)	\$ 30,000	\$ 30,000	\$ 3,089,446	\$ 3,059,446
Grants	<u>-</u>	<u>481,130</u>	<u>35,069</u>	<u>(446,061)</u>
Total revenues	<u>30,000</u>	<u>511,130</u>	<u>3,124,515</u>	<u>2,613,385</u>
<b>Expenditures:</b>				
Capital outlay:				
General government	310,000	106,067	78,080	27,987
Surface water management	5,106,320	12,261,656	4,095,366	8,166,290
Transportation	520,000	1,129,128	528,588	600,540
Parks and recreation	<u>1,260,000</u>	<u>6,304,179</u>	<u>4,824,627</u>	<u>1,479,552</u>
Total expenditures	<u>7,196,320</u>	<u>19,801,030</u>	<u>9,526,661</u>	<u>10,274,369</u>
Excess (deficiency) of revenues over expenditures	(7,166,320)	(19,289,900)	(6,402,146)	12,887,754
<b>Other financing sources (uses):</b>				
Transfers in	<u>7,166,320</u>	<u>8,666,320</u>	<u>8,666,320</u>	<u>-</u>
Total other financing sources (uses)	<u>7,166,320</u>	<u>8,666,320</u>	<u>8,666,320</u>	<u>-</u>
Net change in fund balances	-	(10,623,580)	2,264,174	12,887,754
Fund balances, beginning of year	<u>50,240,967</u>	<u>50,240,967</u>	<u>50,240,967</u>	<u>-</u>
Fund balances, end of year	<u>\$ 50,240,967</u>	<u>\$ 39,617,387</u>	<u>\$ 52,505,141</u>	<u>\$ 12,887,754</u>

# VILLAGE OF WELLINGTON, FLORIDA

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

### SURTAX -CAPITAL PROJECTS FUND

YEAR ENDED SEPTEMBER 30, 2024

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>Revenues:</b>				
Local option taxes	\$ 5,101,225	\$ 5,101,225	\$ 6,178,018	\$ 1,076,793
Investment income (net)	<u>25,000</u>	<u>25,000</u>	<u>1,182,540</u>	<u>1,157,540</u>
Total revenues	<u>5,126,225</u>	<u>5,126,225</u>	<u>7,360,558</u>	<u>2,234,333</u>
<b>Expenditures:</b>				
Current:				
Culture and recreation	-	-	61,726	(61,726)
Capital outlay:				
Parks and recreation	<u>5,126,225</u>	<u>32,882,120</u>	<u>6,067,179</u>	<u>26,814,941</u>
Total expenditures	<u>5,126,225</u>	<u>32,882,120</u>	<u>6,128,905</u>	<u>26,753,215</u>
Excess (deficiency) of revenues over expenditures	-	(27,755,895)	1,231,653	28,987,548
<b>Other financing sources (uses):</b>				
Transfers in	<u>-</u>	<u>16,000,000</u>	<u>16,000,000</u>	<u>-</u>
Total other financing sources	<u>-</u>	<u>16,000,000</u>	<u>16,000,000</u>	<u>-</u>
Net change in fund balances	-	(11,755,895)	17,231,653	28,987,548
Fund balances, beginning of year	<u>14,238,723</u>	<u>14,238,723</u>	<u>14,238,723</u>	<u>-</u>
Fund balances, end of year	<u>\$ 14,238,723</u>	<u>\$ 2,482,828</u>	<u>\$ 31,470,376</u>	<u>\$ 28,987,548</u>

# VILLAGE OF WELLINGTON, FLORIDA

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

### DEBT SERVICE FUND

YEAR ENDED SEPTEMBER 30, 2024

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>Revenues:</b>				
Special Assessments	\$ 268,947	\$ 268,947	\$ 272,114	\$ 3,167
Investment income (net)	-	-	615	615
Total revenues	<u>268,947</u>	<u>268,947</u>	<u>272,729</u>	<u>3,782</u>
<b>Expenditures:</b>				
General government	-	-	587	(587)
Debt service:				
Principal	210,000	210,000	210,000	-
Interest and other fiscal charges	<u>1,770,947</u>	<u>1,770,947</u>	<u>1,770,098</u>	<u>849</u>
Total expenditures	<u>1,980,947</u>	<u>1,980,947</u>	<u>1,980,685</u>	<u>262</u>
Excess (deficiency) of revenues over expenditures	(1,712,000)	(1,712,000)	(1,707,956)	4,044
<b>Other financing sources (uses):</b>				
Transfers in	<u>1,712,000</u>	<u>1,712,000</u>	<u>1,712,000</u>	-
Total other financing sources (uses)	<u>1,712,000</u>	<u>1,712,000</u>	<u>1,712,000</u>	-
Net change in fund balances	-	-	4,044	4,044
Fund balances, beginning of year	<u>313,499</u>	<u>313,499</u>	<u>313,499</u>	-
Fund balances, end of year	<u>\$ 313,499</u>	<u>\$ 313,499</u>	<u>\$ 317,543</u>	<u>\$ 4,044</u>

# 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 9/30/2024		14
Number of independent contractors compensated in September 2024		4
Employee compensation for FYE 9/30/2024	\$	1,527,762
Independent contractor compensation for FYE 9/30/2024	\$	431,216
Construction projects in excess of \$65,000 to begin on or after October 1;		
Swale Maintenance and Reconstruction	\$	326,250
Pump Station Rehabilitation	\$	1,722,130
Neighborhood Pipelining	\$	650,000

Budget variance report

See page 84 of annual financial report

Ad Valorem taxes;

    Millage rate FYE 9/30/2024

    Ad valorem taxes collected FYE 9/30/2024

    Outstanding Bonds:

Not Applicable

Not Applicable

Not Applicable

Non ad valorem special assessments;

    Special assessment rate FYE 9/30/2024

    Special assessments collected FYE 9/30/2024

    Outstanding Bonds:

\$ 255

\$ 6,522,755

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.

<u>Contents</u>	<u>Page</u>
<b>Financial Trends</b>	
<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	108
Changes in Net Position	109
Fund Balances of Governmental Funds	111
Changes in Fund Balances of Governmental Funds	112
<b>Revenue Capacity</b>	
<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	113
Property Tax Rates - Direct and Overlapping Governments	114
Principal Property Taxpayers	115
Property Tax Levies and Collections	116
<b>Debt Capacity</b>	
<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	117
Direct and Overlapping Governmental Activities Debt	118
Pledged Revenue Coverage	119
Debt Compliance	121
<b>Demographic and Economic Information</b>	
<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	122
Principal Employers	123
<b>Operating Information</b>	
<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	124
Operating Indicators by Function/Program	125
Capital Asset Statistics by Function/Program	126

*Source: Unless other wise 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									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Governmental activities:										
Net investment in capital assets	\$ 153,712,972	\$ 156,477,844	\$ 154,637,467	\$ 152,677,755	\$ 151,803,103	\$ 156,470,856	\$ 151,228,741	\$ 157,817,064	\$ 164,495,480	\$ 175,743,390
Restricted	8,668,360	12,878,989	17,654,628	21,227,099	26,716,506	27,193,033	30,947,521	34,411,046	36,631,854	59,291,718
Unrestricted	<u>34,090,973</u>	<u>31,647,938</u>	<u>28,892,221</u>	<u>32,947,080</u>	<u>37,059,717</u>	<u>33,875,099</u>	<u>36,768,266</u>	<u>41,842,152</u>	<u>48,758,535</u>	<u>41,518,454</u>
Total governmental activities net position	<u>196,472,305</u>	<u>201,004,771</u>	<u>201,184,316</u>	<u>206,851,933</u>	<u>215,579,326</u>	<u>217,538,988</u>	<u>218,944,528</u>	<u>234,070,262</u>	<u>249,885,869</u>	<u>276,553,562</u>
Business-type activities:										
Net investment in capital assets	118,477,452	117,260,300	112,584,261	110,518,031	96,986,412	125,555,240	139,110,413	142,621,375	142,093,315	145,586,989
Restricted	25,911,904	26,253,113	31,999,595	49,900,680	55,622,834	28,706,804	20,184,884	28,884,808	32,873,739	27,030,536
Unrestricted	<u>28,415,561</u>	<u>32,608,255</u>	<u>31,719,596</u>	<u>14,971,159</u>	<u>27,218,416</u>	<u>29,970,580</u>	<u>23,384,118</u>	<u>13,067,369</u>	<u>6,939,563</u>	<u>10,600,543</u>
Total business-type activities net position	<u>172,804,917</u>	<u>176,121,668</u>	<u>176,303,452</u>	<u>175,389,870</u>	<u>179,827,662</u>	<u>184,232,624</u>	<u>182,679,415</u>	<u>184,573,552</u>	<u>181,906,617</u>	<u>183,218,068</u>
Total government:										
Net investment in capital assets	272,190,424	273,738,144	267,221,728	267,221,728	248,789,515	282,026,096	290,339,154	300,438,439	306,588,795	321,330,379
Restricted	34,580,264	39,132,102	49,654,223	49,654,223	82,339,340	55,899,837	51,132,405	63,295,854	69,505,593	86,322,254
Unrestricted	<u>62,506,534</u>	<u>64,256,193</u>	<u>60,611,817</u>	<u>60,611,817</u>	<u>64,278,133</u>	<u>63,845,679</u>	<u>60,152,384</u>	<u>54,909,521</u>	<u>55,698,098</u>	<u>52,118,997</u>
Total government net position	<u>\$ 369,277,222</u>	<u>\$ 377,126,439</u>	<u>\$ 377,487,768</u>	<u>\$ 377,487,768</u>	<u>\$ 395,406,988</u>	<u>\$ 401,771,612</u>	<u>\$ 401,623,943</u>	<u>\$ 418,643,814</u>	<u>\$ 431,792,486</u>	<u>\$ 459,771,630</u>

VILLAGE OF WELLINGTON, FLORIDA

CHANGES IN NET POSITION

LAST TEN FISCAL YEARS  
(ACCRUAL BASIS OF ACCOUNTING)

	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Expenses:										
Governmental activities:										
General government	\$ 14,741,280	\$ 17,619,102	\$ 14,009,092	\$ 19,678,060	\$ 21,067,869	\$ 22,076,325	\$ 18,647,057	\$ 21,289,380	\$ 18,494,657	\$ 19,307,685
Public safety	11,461,629	11,722,878	12,456,166	13,542,866	13,870,291	15,213,948	14,377,870	15,220,864	16,734,914	17,335,521
Physical environment	17,126,182	14,091,443	15,542,944	11,277,213	10,275,909	9,950,155	7,495,122	7,285,614	8,113,075	8,190,611
Economic environment	1,263,111	1,132,293	1,202,739	1,403,022	1,597,316	1,719,540	1,568,258	1,642,910	1,947,959	2,103,462
Transportation	3,130,567	3,340,822	4,033,291	4,630,376	4,926,862	4,779,912	4,926,166	5,280,264	5,191,043	5,958,439
Culture and recreation	5,012,176	8,569,180	9,952,368	10,343,571	10,679,529	10,449,625	10,513,776	12,147,524	15,421,897	15,793,924
Contributions	-	-	-	-	-	-	13,058,530	93,947	-	-
Interest on long-term debt	289,539	98,941	140,924	114,164	85,113	79,686	74,113	68,391	503,073	1,845,306
	<u>53,024,484</u>	<u>56,574,659</u>	<u>57,337,524</u>	<u>60,989,273</u>	<u>62,502,889</u>	<u>64,269,191</u>	<u>70,660,892</u>	<u>63,028,894</u>	<u>66,406,618</u>	<u>70,534,948</u>
Indirect expense allocation	(1,483,933)	(2,601,695)	(2,351,344)	-	-	-	-	-	-	-
Total governmental activities	<u>51,540,551</u>	<u>53,972,964</u>	<u>54,986,180</u>	<u>60,989,273</u>	<u>62,502,889</u>	<u>64,269,191</u>	<u>70,660,892</u>	<u>63,028,894</u>	<u>66,406,618</u>	<u>70,534,948</u>
Business-type activities:										
Utility system	15,129,671	15,335,041	17,087,678	17,672,912	18,583,539	21,083,740	20,948,966	22,924,292	29,321,656	28,844,979
Solid waste	3,477,952	3,577,209	4,378,318	4,948,498	3,843,547	4,050,260	4,487,765	5,566,395	6,593,848	6,855,544
Lake wellington professional centre	513,698	629,998	635,818	635,366	634,000	643,475	667,407	746,626	757,758	2,699,089
	<u>19,121,321</u>	<u>19,542,248</u>	<u>22,101,814</u>	<u>23,256,776</u>	<u>23,061,086</u>	<u>25,777,475</u>	<u>26,104,138</u>	<u>29,237,313</u>	<u>36,673,262</u>	<u>38,399,612</u>
Indirect expense allocation	1,483,933	2,601,695	2,351,344	-	-	-	-	-	-	-
Total business-type activities	<u>20,605,254</u>	<u>22,143,943</u>	<u>24,453,158</u>	<u>23,256,776</u>	<u>23,061,086</u>	<u>25,777,475</u>	<u>26,104,138</u>	<u>29,237,313</u>	<u>36,673,262</u>	<u>38,399,612</u>
Total government expenses	<u>\$ 72,145,805</u>	<u>\$ 76,116,907</u>	<u>\$ 79,439,338</u>	<u>\$ 84,246,048</u>	<u>\$ 85,563,975</u>	<u>\$ 90,046,666</u>	<u>\$ 96,765,030</u>	<u>\$ 92,266,207</u>	<u>\$ 103,079,880</u>	<u>\$ 108,934,560</u>
Program revenues:										
Governmental activities:										
Charges for services:										
General government	\$ 1,217,887	\$ 1,450,142	\$ 1,467,585	\$ 948,776	\$ 933,235	\$ 864,066	\$ 814,890	\$ 918,666	\$ 857,650	\$ 1,001,245
Public safety	2,647,457	3,298,614	2,706,456	6,573,485	5,727,408	6,568,657	6,800,544	8,494,950	8,317,552	10,195,321
Physical environment	7,039,026	7,189,694	7,023,620	5,761,643	6,022,430	6,159,597	6,084,246	6,136,266	6,141,617	6,794,869
Economic environment	544,972	340,805	273,142	-	-	-	-	-	-	-
Transportation	91,461	400,174	210,737	246,063	40,911	117,466	121,915	55,641	113,634	205,417
Culture and recreation	2,012,325	3,375,561	2,948,080	3,326,856	3,332,894	2,771,345	2,890,769	3,919,523	5,046,903	5,356,392
Operating grants and contributions	1,765,489	1,745,869	1,905,383	1,881,640	1,793,226	1,481,179	5,535,810	6,174,069	2,620,587	2,973,606
Capital grants and contributions	154,724	6,112,810	281,700	472,113	2,682,118	866,210	1,159,345	3,896,952	321,155	1,116,886
Total governmental activities program revenues:	<u>15,473,341</u>	<u>23,913,669</u>	<u>16,816,703</u>	<u>19,210,575</u>	<u>20,532,222</u>	<u>18,828,520</u>	<u>23,407,519</u>	<u>29,596,067</u>	<u>23,419,098</u>	<u>27,643,736</u>
Business-type activities:										
Charges for services:										
Utility system	19,067,393	19,023,000	19,418,288	19,583,648	20,568,832	22,023,862	22,708,810	24,041,199	25,012,531	27,815,750
Solid waste	3,857,363	3,443,604	3,432,818	3,409,943	3,459,505	3,481,911	3,372,805	4,268,056	5,498,998	7,228,109
Lake wellington professional centre	8,127	-	-	-	56,713	-	-	-	-	56,713
Operating grants and contributions	44,202	34,804	61,437	15,599	5,513	-	9,709	34,111	-	2,911
Capital grants and contributions	612,327	574,503	565,628	2,308,590	2,874,513	4,427,046	575,190	7,428,443	2,515,412	3,240,223
Total business-type activities program revenues:	<u>23,589,412</u>	<u>23,075,911</u>	<u>23,478,171</u>	<u>25,317,780</u>	<u>26,965,076</u>	<u>29,932,819</u>	<u>26,666,514</u>	<u>35,771,809</u>	<u>33,026,941</u>	<u>38,343,706</u>
Total program revenues	<u>\$ 39,062,753</u>	<u>\$ 46,989,580</u>	<u>\$ 40,294,874</u>	<u>\$ 44,528,355</u>	<u>\$ 47,497,298</u>	<u>\$ 48,761,339</u>	<u>\$ 50,074,033</u>	<u>\$ 65,367,876</u>	<u>\$ 56,446,039</u>	<u>\$ 65,987,442</u>

**VILLAGE OF WELLINGTON, FLORIDA**

CHANGES IN NET POSITION (Continued)

LAST TEN FISCAL YEARS

(ACCRUAL BASIS OF ACCOUNTING)

	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
<b>Net (expense) revenue:</b>										
Governmental activities	\$ (36,067,210)	\$ (30,059,295)	\$ (38,169,477)	\$ (41,778,698)	\$ (40,010,155)	\$ (45,440,671)	\$ (47,253,373)	\$ (33,432,827)	\$ (42,987,520)	\$ (42,891,212)
Business-type activities	2,984,158	931,968	(974,987)	2,061,005	1,886,765	4,155,344	562,376	6,534,496	(3,646,321)	(55,906)
<b>Total net (expense) revenue</b>	<b>\$ (33,083,052)</b>	<b>\$ (29,127,327)</b>	<b>\$ (39,144,464)</b>	<b>\$ (39,717,693)</b>	<b>\$ (38,123,390)</b>	<b>\$ (41,285,327)</b>	<b>\$ (46,690,997)</b>	<b>\$ (26,898,331)</b>	<b>\$ (46,633,841)</b>	<b>\$ (42,947,118)</b>
<b>General revenues:</b>										
<b>Governmental activities:</b>										
Property taxes	\$ 14,818,492	\$ 16,517,935	\$ 17,599,037	\$ 18,600,500	\$ 19,953,779	\$ 20,628,009	\$ 21,021,227	\$ 22,013,977	\$ 24,611,194	\$ 27,425,030
Franchise fees on gross receipts	3,541,429	3,462,576	3,557,576	3,521,919	3,606,319	3,472,827	3,620,987	4,159,242	4,702,401	4,458,663
Communications services taxes	2,490,280	2,288,128	2,162,326	2,253,094	2,254,246	1,939,209	1,883,191	2,002,104	2,227,689	2,201,478
Utility service taxes	4,599,503	4,759,925	4,818,284	4,963,800	5,091,125	5,150,422	5,228,864	5,511,957	6,372,519	6,476,181
Discretionary tax	-	-	4,685,596	4,362,375	4,547,232	4,308,476	5,044,586	5,997,236	6,055,955	6,178,018
State shared revenue	6,171,661	6,442,134	4,856,430	7,026,410	7,223,035	6,694,737	7,880,643	9,343,476	9,440,706	9,048,893
Investment income/(loss)	397,527	512,059	372,218	695,797	2,463,616	2,324,881	111,468	(4,000,524)	3,693,788	9,859,203
Gain on sale of capital asset	-	-	-	-	-	-	-	-	41,944	-
Other	421,457	609,004	437,403	1,466,898	2,961,994	206,353	966,296	694,667	656,931	650,413
Contributions and donated assets	-	-	-	-	-	-	-	-	-	1,988,562
Transfers	-	-	-	4,555,522	2,596,725	2,675,419	2,901,651	2,836,426	1,000,000	1,272,464
<b>Total governmental activities</b>	<b>32,440,348</b>	<b>34,591,761</b>	<b>38,488,870</b>	<b>47,446,315</b>	<b>50,698,071</b>	<b>47,400,333</b>	<b>48,658,913</b>	<b>48,558,561</b>	<b>58,803,127</b>	<b>69,558,905</b>
<b>Business-type activities:</b>										
Investment income/(loss)	316,422	456,863	343,924	626,843	2,250,016	2,037,253	(28,479)	(2,014,479)	1,255,220	2,382,073
Other	840,763	828,167	839,620	954,081	937,224	887,784	814,545	210,546	724,166	257,748
Transfers	-	-	-	(4,555,522)	(2,596,725)	(2,675,419)	(2,901,651)	(2,836,426)	(1,000,000)	(1,272,464)
<b>Total business-type activities</b>	<b>1,157,185</b>	<b>1,285,030</b>	<b>1,183,544</b>	<b>(2,974,598)</b>	<b>590,515</b>	<b>249,618</b>	<b>(2,115,585)</b>	<b>(4,640,359)</b>	<b>979,386</b>	<b>1,367,357</b>
<b>Total general revenues</b>	<b>\$ 33,597,533</b>	<b>\$ 35,876,791</b>	<b>\$ 39,672,414</b>	<b>\$ 44,471,717</b>	<b>\$ 51,288,586</b>	<b>\$ 47,649,951</b>	<b>\$ 46,543,328</b>	<b>\$ 43,918,202</b>	<b>\$ 59,782,513</b>	<b>\$ 70,926,262</b>
<b>Change in net position:</b>										
Governmental activities	\$ (3,626,862)	\$ 4,532,466	\$ 319,393	\$ 5,667,618	\$ 10,687,916	\$ 1,959,662	\$ 1,405,540	\$ 15,125,734	\$ 15,815,607	\$ 26,667,693
Business-type activities	4,141,343	2,216,998	208,557	(913,594)	2,477,280	4,404,962	(1,553,209)	1,894,137	(2,666,935)	1,311,451

**VILLAGE OF WELLINGTON, FLORIDA**  
**FUND BALANCES OF GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**  
**(MODIFIED ACCRUAL BASIS OF ACCOUNTING)**

	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General fund:										
Nonspendable:										
Prepaid expenditures	\$ 227,597	\$ 412,495	\$ 408,886	\$ 369,234	\$ 528,219	\$ 685,513	\$ 621,704	\$ 254,795	\$ 422,864	\$ 379,089
Inventory	14,828	15,348	16,395	17,174	17,322	11,011	9,521	12,973	13,357	7,371
Deposits	258,110	214,752	136,140	124,008	88,222	211,399	51,989	-	240,373	324,521
Long-term receivables	928,238	812,208	696,178	580,149	464,119	348,089	232,059	811,461	760,884	55,850
Advances to other funds	300,000	-	-	-	-	-	-	-	-	-
Restricted for:										
Coronavirus relief funds	-	-	-	-	-	-	3,688,289	-	-	-
Committed for:										
Rate stabilization	2,385,000	2,785,000	2,785,000	2,785,000	2,785,000	2,785,000	2,785,000	2,785,000	2,785,000	2,785,000
Insurance	821,000	1,150,000	1,150,000	1,530,000	1,530,000	1,530,000	1,530,000	1,530,000	1,530,000	1,530,000
Infrastructure	-	-	1,000,000	1,546,000	2,646,000	4,556,000	5,596,000	2,539,554	4,729,554	489,554
Disaster recovery	2,483,625	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000
Assigned for:										
Contracts	446,951	683,463	509,803	2,469,527	2,991,215	3,746,546	3,546,141	3,618,464	3,558,475	3,398,078
Capital projects	100,000	500,000	124,734	117,493	103,000	226,824	492,865	521,752	515,651	191,336
Subsequent year operating expenditures	3,267,779	-	5,637,362	3,359,268	1,462,782	1,213,686	5,789,378	2,878,296	2,177,002	-
Unassigned	<u>16,886,452</u>	<u>21,238,612</u>	<u>16,632,532</u>	<u>19,161,838</u>	<u>23,738,364</u>	<u>19,473,356</u>	<u>16,533,247</u>	<u>27,083,965</u>	<u>33,389,984</u>	<u>31,697,458</u>
Total general fund	<u>28,119,580</u>	<u>30,811,878</u>	<u>32,097,030</u>	<u>35,059,691</u>	<u>39,354,243</u>	<u>37,787,424</u>	<u>43,876,193</u>	<u>45,036,260</u>	<u>53,123,144</u>	<u>43,858,258</u>
All other governmental funds:										
Nonspendable:										
Prepaid expenditures	19,360	37,993	30,277	47,597	43,836	40,463	39,106	45,421	121,008	16,312
Restricted for:										
Capital projects	604,018	1,773,572	4,969,198	8,628,678	15,374,933	15,296,556	12,502,421	19,390,638	20,564,429	72,348,175
Building	4,272,256	4,769,737	5,523,326	7,863,830	7,169,435	7,443,723	8,986,932	9,957,284	7,982,957	10,290,363
Road capital and maintenance	1,939,600	3,469,594	4,363,582	3,968,286	1,829,146	1,876,305	2,690,550	2,253,863	3,267,998	4,048,617
Surface water management	-	-	2,526,534	2,113,501	2,042,095	2,273,138	2,770,371	2,162,866	2,859,145	3,640,162
Wellington community foundation	5,722	-	-	-	-	-	-	-	-	-
Economic development	-	-	-	-	-	-	-	323,029	701,417	843,621
Debt service	50,063	50,063	284,190	288,806	292,341	295,862	300,539	306,243	313,499	317,543
Assigned for:										
Surface water management	2,379,178	2,326,887	-	-	-	-	-	-	-	-
Contracts	9,165,404	3,912,825	312,480	746,818	640,645	11,485,420	10,952,851	9,436,833	49,581,505	15,014,564
Capital projects	2,690,992	1,370,353	4,898,212	5,556,402	8,375,734	406,899	-	-	659,462	3,673,108
Subsequent year operating expenditures	2,754,663	2,664,839	-	-	-	-	-	-	-	-
Unassigned	<u>(285,440)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total all other governmental funds	<u>23,595,816</u>	<u>20,375,863</u>	<u>22,907,799</u>	<u>29,213,918</u>	<u>35,768,165</u>	<u>39,118,366</u>	<u>38,242,770</u>	<u>43,876,177</u>	<u>86,051,420</u>	<u>110,192,465</u>
Total governmental funds	<u>\$ 51,715,396</u>	<u>\$ 51,187,741</u>	<u>\$ 55,004,829</u>	<u>\$ 64,273,609</u>	<u>\$ 75,122,408</u>	<u>\$ 76,905,790</u>	<u>\$ 82,118,963</u>	<u>\$ 88,912,437</u>	<u>\$ 139,174,564</u>	<u>\$ 154,050,723</u>

**VILLAGE OF WELLINGTON, FLORIDA**

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS

(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
<b>Revenues:</b>										
Ad valorem taxes	\$ 14,818,492	\$ 16,517,936	\$ 17,599,037	\$ 18,600,500	\$ 19,953,779	\$ 20,628,009	\$ 21,021,227	\$ 22,013,977	\$ 24,611,194	\$ 27,425,030
Local option taxes	1,594,480	1,633,448	4,685,596	6,036,900	6,340,458	5,789,655	6,605,940	7,616,052	7,707,980	7,794,893
Utility services taxes	4,599,503	4,759,925	4,818,284	4,963,800	5,091,125	5,150,422	5,228,864	5,511,957	6,372,519	6,476,181
Special assessments	5,675,878	6,876,876	6,056,741	6,033,756	6,022,430	6,159,597	6,084,246	6,136,266	6,141,617	6,794,869
Impact fees	303,411	1,923,074	407,227	508,798	221,461	742,991	365,265	263,666	1,211,795	342,739
Communication services taxes	2,490,280	2,288,128	2,162,326	2,253,094	2,254,246	1,939,209	1,883,191	2,002,104	2,227,689	2,201,478
Local business tax receipts	839,202	945,538	944,494	948,776	933,235	864,066	814,890	918,666	857,648	1,001,245
Permits and fees	3,852,678	4,353,618	3,912,080	6,384,902	5,370,296	6,326,994	6,663,206	8,171,044	8,076,840	8,885,839
Franchise fees	3,541,429	3,462,576	3,557,576	3,521,919	3,606,319	3,472,827	3,620,987	4,159,242	4,702,401	4,458,663
Grants	325,733	1,767,105	209,414	407,115	1,090,372	2,211,123	5,036,698	5,337,244	4,424,602	1,442,448
State revenue sharing	6,298,616	6,566,783	6,697,363	7,026,410	7,223,035	6,694,737	7,880,643	9,343,476	9,440,706	9,048,893
Charges for services	2,139,469	2,213,611	3,107,111	3,064,121	3,152,344	2,145,820	2,647,419	3,711,498	3,948,742	5,219,070
Fines and forfeitures	615,627	841,333	339,603	188,584	357,112	241,663	137,338	323,906	240,712	1,309,482
Investment income/(loss)	397,437	511,474	371,319	695,797	2,463,616	2,324,881	111,468	(4,000,524)	3,693,788	9,859,203
Contributions	-	-	-	-	-	-	-	-	-	909,970
Miscellaneous	563,715	772,473	769,099	1,182,783	866,865	522,483	661,643	1,115,337	566,865	866,079
<b>Total revenues</b>	<b>48,055,948</b>	<b>55,433,898</b>	<b>55,637,269</b>	<b>61,817,253</b>	<b>64,946,693</b>	<b>65,214,477</b>	<b>68,763,025</b>	<b>72,623,911</b>	<b>84,225,098</b>	<b>94,036,082</b>
<b>Expenditures:</b>										
<b>Current:</b>										
General government	11,049,014	12,349,978	13,853,152	18,880,572	19,460,568	19,628,647	19,163,947	20,612,037	14,863,265	16,908,048
Public safety	11,427,036	11,541,197	12,256,563	13,358,951	13,522,222	14,776,695	14,548,590	14,980,033	16,036,153	17,075,992
Physical environment	10,922,086	8,257,011	8,828,134	4,690,122	4,806,612	4,644,086	4,260,489	4,472,759	4,898,948	5,256,729
Economic environment	1,228,858	1,098,172	1,126,265	1,337,009	1,489,461	1,546,594	1,546,239	1,563,025	1,826,551	2,077,622
Transportation	2,708,505	2,897,195	3,029,636	3,527,134	3,784,840	3,598,398	3,661,576	3,883,098	3,395,838	4,461,786
Culture and recreation	4,425,433	7,338,176	8,700,609	8,939,294	9,169,586	8,792,528	9,146,203	10,294,274	12,269,575	13,042,356
Capital outlay	11,080,682	17,197,640	5,343,270	4,546,264	4,274,866	12,868,181	14,005,867	12,750,918	15,610,502	18,838,675
<b>Debt service:</b>										
Principal retirement	1,064,271	1,070,015	1,086,670	2,399,044	180,000	185,000	190,000	195,000	939,210	1,259,048
Bond issuance costs	15,000	83,997	-	-	-	-	-	-	-	-
Interest and other fiscal charges	95,064	63,741	139,288	119,158	87,318	81,952	76,440	70,780	385,775	1,799,292
<b>Total expenditures</b>	<b>54,015,949</b>	<b>61,897,122</b>	<b>54,363,587</b>	<b>57,797,548</b>	<b>56,775,473</b>	<b>66,122,081</b>	<b>66,599,351</b>	<b>68,821,924</b>	<b>70,225,817</b>	<b>80,719,548</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>(5,960,001)</b>	<b>(6,463,224)</b>	<b>1,273,682</b>	<b>4,019,705</b>	<b>8,171,220</b>	<b>(907,604)</b>	<b>2,163,674</b>	<b>3,801,987</b>	<b>13,999,281</b>	<b>13,316,534</b>
<b>Other financing sources (uses):</b>										
Transfers in	8,163,625	12,087,413	10,769,267	15,640,516	10,145,613	14,749,733	9,840,336	30,495,243	11,722,504	30,231,903
Transfers out	(6,679,692)	(9,485,718)	(8,417,923)	(11,084,994)	(7,548,888)	(12,074,314)	(6,938,685)	(27,658,817)	(10,722,504)	(30,065,424)
Transfer of remaining balance	-	(5,983)	-	-	-	-	-	-	-	-
Bond proceeds	5,445,000	3,235,000	-	-	-	-	-	-	33,330,000	-
Lease (right-to-use assets) acquired	-	-	-	-	-	-	-	-	31,273	-
Initiation of SBITA's	-	-	-	-	-	-	-	-	1,859,629	1,173,861
Payment to refunded bond escrow agent	(5,430,000)	-	-	-	-	-	-	-	-	-
Proceeds from sale of capital assets	(127,777)	104,855	192,061	693,552	80,833	15,567	147,848	155,061	41,944	219,285
<b>Total other financing sources (uses)</b>	<b>1,371,156</b>	<b>5,935,567</b>	<b>2,543,405</b>	<b>5,249,074</b>	<b>2,677,558</b>	<b>2,690,986</b>	<b>3,049,499</b>	<b>2,991,487</b>	<b>36,262,846</b>	<b>1,559,625</b>
<b>Net change in fund balances</b>	<b>\$ (4,588,845)</b>	<b>\$ (527,657)</b>	<b>\$ 3,817,087</b>	<b>\$ 9,268,779</b>	<b>\$ 10,848,778</b>	<b>\$ 1,783,382</b>	<b>\$ 5,213,173</b>	<b>\$ 6,793,474</b>	<b>\$ 50,262,127</b>	<b>\$ 14,876,159</b>
<b>Debt service as a percentage of non-capital expenditures</b>	<b>2.74%</b>	<b>2.72%</b>	<b>2.50%</b>	<b>4.73%</b>	<b>0.53%</b>	<b>0.49%</b>	<b>0.50%</b>	<b>0.47%</b>	<b>2.39%</b>	<b>4.88%</b>

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

Fiscal Year Ended September 30,	Real Property Taxable Values					Personal Property	Total Taxable Value	Direct Tax Rate	Total Assessed Value	Taxable Value as Percentage of Assessed Value
	Residential Property	Commercial Property	Industrial Property	Other Property	Total					
2015	\$ 4,882,016,251	\$ 573,823,256	\$ 64,381,454	\$ 533,993,011	\$ 6,054,213,972	\$ 219,032,397	\$ 6,273,246,369	2.45	\$ 7,324,128,195	85.65%
2016	5,215,829,223	715,026,267	67,061,804	685,894,075	6,683,811,369	238,955,239	6,922,766,608	2.45	7,986,321,299	86.68%
2017	5,540,943,649	794,310,872	73,172,941	799,509,683	7,207,937,145	252,460,806	7,460,397,951	2.44	8,587,909,729	86.87%
2018	5,873,938,822	824,685,403	81,079,131	919,404,092	7,699,107,448	224,714,343	7,923,821,791	2.43	9,056,210,265	87.50%
2019	6,177,481,532	821,349,050	86,355,908	1,015,389,954	8,100,576,444	222,840,264	8,323,416,708	2.48	9,476,736,190	87.83%
2020	6,386,437,533	797,333,434	95,609,678	1,148,360,302	8,427,740,947	211,723,394	8,639,464,341	2.48	9,804,129,595	88.12%
2021	6,497,816,837	764,488,336	103,208,397	1,249,447,857	8,614,961,427	213,933,467	8,828,894,894	2.47	10,051,571,123	87.84%
2022	6,854,159,340	741,336,726	107,393,608	1,318,829,813	9,021,719,487	211,429,565	9,233,149,052	2.47	10,462,865,011	88.25%
2023	7,669,593,172	799,538,570	119,825,198	1,499,866,957	10,088,823,897	232,957,647	10,321,781,544	2.47	11,615,799,106	88.86%
2024	8,652,567,982	863,206,164	131,949,156	1,584,891,654	11,232,614,956	271,409,161	11,504,024,117	2.47	12,854,984,820	89.49%

Source: Palm Beach County Property Appraiser's Office

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

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

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

Fiscal Year	Tax Roll Year	Village Direct Rates		Overlapping Rates (1)							Total Direct and Overlapping Rates
		General Operations	Total Direct	Palm Beach County School Board	Palm Beach County	Palm Beach County Health Care District	Palm Beach County Library System	South Florida Water Management District	Children's Services Council	Florida Inland Navigation District	
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
2024	2023	2.47	2.47	6.46	7.98	0.68	0.07	0.23	0.49	0.03	18.40

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	2024			2015		
	Taxable Assessed Value	Rank	Percent of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percent of Total Taxable Assessed Value
Florida Power & Light Corp	\$ 136,720,179	1	15.19%	\$ 100,209,229	2	1.60%
Quaye at Wellington Inc.	116,179,210	2	12.91%			
SGC Atlas Wellington Holdings, LLC	98,401,207	3	10.93%			
Wellington Bay Propco LLC	95,169,302	4	10.57%			
Polo Lakes Apartments LLC	87,602,641	5	9.73%	49,137,362	5	0.78%
Universal Health Realty Income	86,602,500	6	9.62%	51,217,359	3	0.82%
TM Wellington Green Mall, LP	82,770,606	7	9.19%	232,080,018	1	3.70%
Camden Court, LLC	71,649,587	8	7.96%	42,660,077	6	0.68%
Wellington Residential LLC	70,582,094	9	7.84%			
RAR2 2141 Vinings Circle FL LLC	54,567,619	10	6.06%			
City National Bank of Florida TR				50,602,839	4	0.81%
Autc Polo Chase Florida LLC				37,894,539	7	0.60%
Aerc Wellington, LLC.				30,876,771	8	0.49%
Centre at Wellington Green				28,141,682	9	0.45%
Shoppes at Isla Verde Ltd.				25,539,857	10	0.41%
	<u>\$ 900,244,945</u>		<u>100.00%</u>	<u>\$ 648,359,733</u>		<u>10.34%</u>

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

## 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			
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	2,110,000	-	1,126,245	14,685,327	244,245	18,165,817	n/a	294
2023	2,110,000	33,330,000	1,151,692	14,685,327	244,245	51,521,264	n/a	834
2024	1,900,000	33,330,000	1,324,716	13,453,831	36,369	50,044,916	n/a	810

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

## 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
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	24,562,198	95.54%	27,726	24,589,924	96.45%
2024	28,590,328	(175,389)	28,414,940	27,397,304	95.83%	-	27,397,304	96.42%

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

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

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

**VILLAGE OF WELLINGTON, FLORIDA**

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

SEPTEMBER 30, 2024

	<u>Net Debt Outstanding</u>	<u>Percentage Applicable to the Village of Wellington (1)</u>	<u>Amount Applicable to the Village of Wellington</u>
Overlapping:			
Debt repaid with property taxes:			
Palm Beach County	\$ 104,915,000	3.98%	\$ 4,174,447
Other debt:			
Palm Beach County	783,308,942	3.98%	31,166,960
Palm Beach County School Board	<u>1,415,354,726</u>	3.47%	<u>49,118,519</u>
Subtotal, Overlapping Debt	<u>2,303,578,668</u>		<u>84,459,926</u>
Village of Wellington Direct Debt	36,554,716	100.00%	<u>36,554,716</u>
Total Direct and Overlapping Debt			<u>\$ 121,014,642</u>

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

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

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

**VILLAGE OF WELLINGTON, FLORIDA**

PLEGGED REVENUE COVERAGE

LAST TEN FISCAL YEARS

Fiscal Year Ended	Utility System Note			
	Available Revenue (1)	Debt Service		Coverage
		Principal	Interest	
Sept. 30				
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
2024	26,968,189	1,231,496	432,563	16.21

Fiscal Year Ended	Special Assessment Bond			
	Special Assessment Collections	Debt Service		Coverage
		Principal	Interest	
Sept. 30				
2015	\$ -	\$ -	\$ -	-
2016	-	-	-	-
2017	281,700	-	92,203	3.06
2018	272,113	175,000	92,537	1.02
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
2024	272,114	210,000	58,947	1.01

Fiscal Year Ended	Public Service Tax Bond (3)			
	Public Service Taxes (2)	Debt Service		Coverage
		Principal	Interest	
Sept. 30				
2015	\$ 8,140,932	\$ 1,064,271	\$ 95,064	7.02
2016	8,222,500	1,070,015	63,741	7.25
2017	7,611,334	1,086,670	47,085	6.71
2018	8,485,721	2,224,044	26,622	3.77
2019	-	-	-	-
2020	-	-	-	-
2021	-	-	-	-
2022	-	-	-	-
2023	-	-	-	-
2024	-	-	-	-

(continued)

Source: Wellington's Office of Financial Management and Budget

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

(2) Public service taxes include utility service taxes and franchise fees.

(3) Public service tax bond was paid in full in 2018.

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

## VILLAGE OF WELLINGTON, FLORIDA

### PLEDGED REVENUE COVERAGE

LAST TEN FISCAL YEARS

Fiscal Year Ended	Public Improvement Revenue Bond (4)			
	Available Revenue	Debt Service		
		Principal	Interest	Coverage
Sept. 30				
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
2024	30,601,262	-	1,711,151	N/A

#### Available Revenue Sources for Public Improvement Revenue Bond

Fiscal Year Ended									Total
	Half-Cent	Public Service		Charges for		Revenue	Business Tax	Investment	Available
		Tax	Franchise Fees	Services	CST	Sharing	Receipt	Earnings	Revenue
Sept. 30									
2015	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
2017	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
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
2024	6,103,103	6,476,181	4,458,663	4,937,756	2,201,478	1,280,616	1,001,245	4,142,220	30,601,262



**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)
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%
2024	61,794	14,674	117,322	3.1%	3.6%

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	2024			2015		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Palm Beach County School District	22,218	1	2.94%	22,000	1	3.39%
Florida Atlantic University	6,335	2	0.84%	2,655	6	0.41%
Palm Beach County BOCC	5,873	3	0.78%	5,507	3	0.85%
Tenet Coastal Division Palm Beach County	5,734	4	0.76%	6,100	2	0.94%
Next Era Energy (FP&L)	5,598	5	0.74%	3,854	4	0.59%
Baptist Health South Florida	3,135	6	0.41%			
Veterans Health Administration	2,948	7	0.39%	2,501	8	0.39%
HCA Florida Healthcare	2,612	8	0.35%	2,714	5	0.42%
Jupiter Medical Center	2,540	9	0.34%	2,000	10	0.31%
The Breakers	2,300	10	0.30%			
Boca Raton Regional Hospital				2,500	9	0.38%
Bethesda Memorial Hospital				2,600	7	0.40%
	<u>59,293</u>		<u>7.85%</u>	<u>52,431</u>		<u>8.08%</u>

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

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

## VILLAGE OF WELLINGTON, FLORIDA

### FULL-TIME VILLAGE GOVERNMENT EMPLOYEES BY FUNCTION LAST TEN FISCAL YEARS

	<u>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>	<u>2024</u>
Number of Employees:										
General government	68.0	73.0	80.0	79.0	72.0	71.0	66.0	68.0	70.0	71.0
Public safety	14.0	14.0	14.0	15.0	15.0	15.0	15.0	15.0	13.0	14.0
Physical environment	64.0	63.0	65.0	63.0	59.0	59.0	59.0	61.0	60.0	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	35.0	36.0	34.0	34.0	34.0	32.0	32.0	38.0	37.0
Culture and recreation	49.0	48.0	49.0	49.0	49.0	49.0	51.0	50.0	52.0	53.0
Professional Centre	3.0	3.0	3.0	3.0	3.0	3.0	2.0	2.0	2.0	-
Utility system	51.0	51.0	52.0	55.0	56.0	57.0	60.0	59.0	60.0	62.0
Solid waste	<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>	<u>4.0</u>
Total Number of Employees	<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>	<u>312.0</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	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
<b>General government:</b>										
Bids, contracts awarded & administered	23	29	20	25	25	39	24	15	32	17
Purchase orders processed	1,115	1,229	973	1,018	1,141	1,302	1,126	1,098	1,062	1,111
Payroll transactions	9,668	10,046	10,634	10,157	10,364	9,792	10,024	9,977	10,655	10,473
<b>Public safety:</b>										
Police personnel and officers	141	141	144	145	147	148	147	151	151	151
Fire personnel	71	71	71	71	71	76	76	76	76	76
Calls for service	34,222	45,482	42,628	45,008	43,537	42,519	32,174	37,587	40,670	44,590
<b>Physical environment - Surface water:</b>										
Canal right-of-way miles maintained	900	300	300	300	300	300	300	300	300	300
<b>Physical environment - Engineering &amp; public works:</b>										
Work orders performed	1,305	1,200	795	770	865	526	656	770	750	825
Inspections performed	1,108	1,045	755	720	780	683	720	780	720	720
<b>Planning and development:</b>										
Building inspections	30,609	31,348	28,384	29,189	28,309	40,265	43,848	45,105	43,061	51,904
New residential building permits issued	342	134	118	170	85	42	50	18	19	21
<b>Transportation:</b>										
Miles of roads resurfaced	9	10	2	25	17	20	20	14	11	7
Miles of streets cleaned/swept	1,185	3,493	4,855	4,310	4,570	10,259	10,397	9,975	7,380	7,444
Signs repaired/replaced	1,974	1,145	2,225	1,715	1,958	1,514	1,912	3,737	5,936	5,530
<b>Culture and recreation:</b>										
<b>Participants registered:</b>										
Athletics	10,077	8,856	8,183	7,940	8,110	5,335	4,395	11,664	10,520	10,797
Community programs (1)	706	648	1,667	2,160	2,181	1,764	1,321	2,644	4,194	8,105
Pool	3,876	3,474	2,840	2,812	3,195	1,670	2,284	3,631	3,823	4,802
Number of program sessions	1,099	1,070	1,433	1,467	1,400	1,247	965	1,366	1,209	1,306
<b>Utility system:</b>										
Active accounts - water	20,397	20,375	20,398	20,458	20,557	20,675	20,696	20,735	20,755	20,777
Water production (millions of gallons)	2,163	2,070	2,107	2,129	1,909	2,090	1,885	n/a	n/a	2,308
Total water produced (avg daily MGD per employee)	n/a	n/a	n/a	n/a	n/a	0.61	0.63	0.68	0.60	0.63
<b>Solid waste:</b>										
Residential accounts	21,349	20,902	20,931	20,961	21,017	20,694	22,466	22,603	22,672	22,703

Source: Various Village Departments

(1) Community Programs increase in Fiscal year 2024 is due to additional senior programming and events

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

Function/Program	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
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	7	7	7	7
Early response stabilization units	4	4	4	4	4	4	4	4	4	4
Physical environment:										
Acreage of lakes (1)	166	553	553	553	553	523	523	523	527	527
Canal miles	89	89	89	89	89	89	89	89	89	89
Transportation:										
Miles of streets (asphalted)	152	152	152	151	150	151	151	151	151	170
Number of street lights	2,465	2,465	2,465	2,493	2,493	2,481	2,481	2,481	2,481	2,579
Miles of bike paths	40	45	45	39	39	43	44	44	44	46
Miles of sidewalks	155	198	198	198	198	206	207	208	205	205
Culture and recreation:										
Parks acreage	350	271	285	271	271	282	238	238	238	238
Open space preserves/passive recreation	452	436	422	437	437	437	468	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	21	21	21	21	21	21	21	21	21	21
Baseball/softball fields	18	18	17	17	17	17	21	21	21	21
Utility system:										
Fire hydrants	1,941	2,115	2,338	2,329	2,344	2,317	2,331	2,316	2,323	2,324
Potable water mains (miles)	n/a	n/a	n/a	n/a	312	312	311	310	310	311
Raw water mains (miles)	n/a	n/a	n/a	n/a	17	17	17	17	17	17
Sewer force mains (miles)	n/a	n/a	n/a	n/a	60	60	59	59	59	61
Sewer gravity mains (miles) (2)	n/a	n/a	n/a	n/a	197	194	194	194	173	174
Lift stations	n/a	n/a	n/a	n/a	105	105	106	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  
in Accordance with Government Auditing Standards**

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

We have audited, 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*”), the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Village of Wellington, Florida (the “Village”), as of and for the fiscal year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the Village’s basic financial statements, and have issued our report thereon dated February 27, 2025.

**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 opinion 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 Village’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 result 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.

*CBIZ CPAs P.C.*

West Palm Beach, Florida

February 27, 2025

**Independent Auditors' Report on Compliance for Each Major Federal Program; Report on Internal Control over Compliance; and Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance**

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

**Report on Compliance for each Major Federal Program**

***Opinion on Each Major Federal Program***

We have audited the Village of Wellington, Florida (the "Village") compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the Village's major federal programs for the fiscal year ended September 30, 2024. The Village's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Village complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the fiscal year ended September 30, 2024.

***Basis for Opinion on Each Major Federal Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America ("GAAS"); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States ("*Government Auditing Standards*"); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("*Uniform Guidance*"). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Village and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Village's compliance with the compliance requirements referred to above.

### ***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the Village's federal programs.

### ***Auditors' Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Village's compliance based on our audit. 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, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Village's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 Village's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Village's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Village's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

### **Report on Internal Control Over Compliance**

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

a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal controls over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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

### **Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance**

We have audited the financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the Village, as of and for the fiscal year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements. We issued our report thereon dated February 27, 2025, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the 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 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 GAAS. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

*CBIZ CPAs P.C.*

West Palm Beach, Florida  
February 27, 2025

**VILLAGE OF WELLINGTON, FLORIDA**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024**

<b>Federal Agency, Pass-through Entity Federal Program</b>	<b>ALN</b>	<b>Contract/ Grant No.</b>	<b>Total Expenditures</b>
<b><u>U.S. Department of Housing and Urban Development:</u></b>			
Direct Programs:			
Community Development Block Grants/Entitlement Grants	14.218	B20MC120061	\$ 22,995
Community Development Block Grants/Entitlement Grants	14.218	B20MW120061	101,367
Community Development Block Grants/Entitlement Grants	14.218	B21MC120061	114,158
Community Development Block Grants/Entitlement Grants	14.218	B22MC120061	196,126
Community Development Block Grants/Entitlement Grants	14.218	B23MC120061	137,702
Total CDBG – Entitlement/Special Purpose Grants Cluster			<u>572,348</u>
Indirect Programs:			
Pass-through Florida Department of Economic Opportunity:			
Community Development Block Grant CARES (CDBG-CV)	14.228	22CV-E05	130,288
<b>Total U.S. Department of Housing and Urban Development</b>			<u>702,636</u>
<b><u>U.S. Department of Agriculture</u></b>			
Direct Programs:			
Farmers Market and Local Food Promotion Program	10.175	AM22FMPPFL1117-00	33,491
Indirect Programs:			
Pass-through Florida Department of Agriculture & Consumer Services:			
Cooperative Forestry Assistance	10.664	29922	7,500
<b>Total U.S. Department of Agriculture</b>			<u>40,991</u>
<b><u>U.S. Department of Department of Justice</u></b>			
Indirect Programs:			
Pass through Miami-Dade County:			
Edward Byrne Memorial Justice Assistance Grant Program	16.738	R7045	5,248
<b>Total U.S. Department of Department of Justice</b>			<u>5,248</u>
<b><u>U.S. Department of Department of Treasury</u></b>			
Indirect Program:			
Pass through State of Florida Department of Environmental Protection:			
Coronavirus State and Local Fiscal Recovery Funds	21.027	22FRP77	439,979
<b>Total U.S. Department of Department of Treasury</b>			<u>439,979</u>
<b><u>U.S. Department of Homeland Security</u></b>			
Indirect Programs:			
Pass through Florida Division of Emergency Management:			
Hazard Mitigation Grant	97.039	H0369	6,000
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	Z2910	35,018
<b>Total U.S. Department of Homeland Security</b>			<u>41,018</u>
<b><u>U.S. Department of Transportation</u></b>			
Indirect Programs:			
Pass-through Federal Highway Administration:			
Recreational Trails Program	20.219	T2104	400,000
Safe Streets and Roads for All	20.939	693JJ32340216	199,086
<b>Total U.S. Department of Transportation</b>			<u>599,086</u>
<b>Total of Expenditures of Federal Awards</b>			<u>\$ 1,828,958</u>

Notes: No amounts provided to subrecipients.

*See notes to schedule of expenditures of federal awards.*

# VILLAGE OF WELLINGTON, FLORIDA

## NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

---

### NOTE 1 – BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the “Schedule”) presents the expenditures activity of all federal awards of the Village of Wellington, Florida (the “Village”) for the fiscal year ended September 30, 2024. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations, Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Village, it is not intended to and does not present the financial position, changes in net position/fund balance or cash flows of the Village.

### NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

### NOTE 3 – INDIRECT COST RATE

The Village has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

VILLAGE OF WELLINGTON, FLORIDA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

SECTION I – SUMMARY OF AUDITORS’ RESULTS

Financial Statements

Type of auditors’ report issued on whether the financial statements audited were prepared in accordance with GAAP: *Unmodified Opinion*

Internal control over financial reporting:

Material weakness(es) identified?  Yes  No

Significant deficiency(ies) identified?  Yes  None reported

Non-compliance material to financial statements noted?  Yes  No

Federal Awards

Internal control over each major program:

Material weakness(es) identified?  Yes  No

Significant deficiency(ies) identified?  Yes  None reported

Type of auditors’ report issued on compliance for the major programs: *Unmodified Opinion*

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?  Yes  No

**Identification of Major Federal Programs:**

<u>ALN</u>	<u>Federal Programs:</u>
21.027	Coronavirus State and Local Fiscal Recovery Funds
20.219	Recreational Trails Program

Dollar threshold used to distinguish between Type A and Type B federal programs: \$750,000

Auditee qualified as low-risk auditee pursuant to the Uniform Guidance?  Yes  No

**VILLAGE OF WELLINGTON, FLORIDA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024**

---

**SECTION II – FINANCIAL STATEMENT FINDINGS**

None.

**SECTION III – FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS**

None.

**SECTION IV – SUMMARY SCHEULE OF PRIOR AUDIT FINDINGS**

There were no findings reported in the prior fiscal year.

**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, 2024, and have issued our report thereon dated February 27, 2025.

***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; the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and Chapter 10.550, Rules of the Auditor General.

***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 Financial Statements Performed in Accordance with *Government Auditing Standards*; Independent Auditors’ Report on Compliance for each Major Federal Program; Report on Internal Control over Compliance; and Report on the Schedule of Expenditures of Federal Awards Required by the Uniform Guidance; Schedule of Findings and Questioned Costs; 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 and schedule, which are dated February 27, 2025, 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 financial audit report. There were no findings or recommendations made in the prior year 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. This information is disclosed 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 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.

### ***Property Assessed Clean Energy (PACE) Program***

Section 10.554(1)(i)6.a., Rules of the Auditor General, requires a statement as to whether a PACE program authorized pursuant to Section 163.081 or Section 163.082, Florida Statutes, did/did not operate within the Village's geographical boundaries during the fiscal year under audit. There was no PACE Program operating within the Village.

### ***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 not note any special district component unit that failed to provide 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 Sections 10.554(1)(i)7. and 10.554(1)(i)9., Rules of the Auditor General, the Village reported the required information in the Other Information Section found on page 105.

***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 fraud, waste, 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.

*CBIZ CPAs P.C.*

West Palm Beach, Florida  
February 27, 2025

**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, 2024. 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 examination 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, 2024.

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.

*CBIZ CPAs P.C.*

West Palm Beach, Florida  
February 27, 2025

**Council**

Michael J. Napoleone, Mayor  
John T. McGovern, Vice Mayor  
Tanya Siskind, Councilwoman  
Maria Antuña, Councilwoman  
Amanda Silvestri, 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*

Ana Acevedo

STATE OF FLORIDA COUNTY OF PALM BEACH

SWORN TO AND SUBSCRIBED before me this 23 day of January, 2025.

*Lynette P. Levy*  
NOTARY PUBLIC

Print Name Lynette P. Levy

Personally known  or produced identification \_\_\_\_\_

Type of identification produced: \_\_\_\_\_

My Commission Expires: 9/29/2025



PAGE INTENTIONALLY LEFT BLANK

