



COMPREHENSIVE ANNUAL FINANCIAL REPORT

**FISCAL YEAR ENDING
SEPTEMBER 30, 2020**

VILLAGE OF WELLINGTON, FLORIDA



 THE VILLAGE OF
WELLINGTON







VILLAGE OF WELLINGTON, FLORIDA

Vision

A Great Hometown:

Great Neighborhoods

Great Schools

Great Parks

Mission

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

Five Fundamentals

Neighborhood Renaissance

Economic Development

Protecting our Investment

Respecting the Environment

Responsive Government

VILLAGE OF WELLINGTON, FLORIDA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED SEPTEMBER 30, 2020

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Introductory Section

Council

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

Manager

Paul Schofield

February 26, 2021

***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 Comprehensive Annual Financial Report (CAFR) of the Village of Wellington ("Wellington") for the year ended September 30, 2020. This report was prepared by the Office of Financial Management and Budget in accordance with the Wellington Charter, State Statutes and U.S. generally accepted accounting principles for governments. In addition to meeting legal requirements, this report reflects Wellington's commitment to full financial disclosure. We encourage you to thoroughly read this report and some of the important items it addresses.

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

Grau & Associates, independent auditors, have issued an unmodified opinion on the Village of Wellington's financial statements for the fiscal year ended September 30, 2020. The independent auditor's report is located at the front of the financial section of this report.

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

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

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

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

PROFILE OF THE GOVERNMENT

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

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

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

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

Wellington currently encompasses approximately 45 square miles in the east-central portion of Palm Beach County (County) and is the 3rd largest municipality in the County based on its land area. When the District was initially created in 1953, fewer than 100 individuals resided in the area. Today, Wellington is an affluent bedroom community with an estimated current permanent population of 66,052 and a median home value of \$349,700. Projections indicate that this population will exceed 68,000 residents by the year 2023. Wellington offers tremendous diversity: the 10,000 acres north of Pierson Road consist of developments ranging from apartments to estate homes at the Polo Club and from town homes to the Aero Club where the residents have airplane hangars attached to their homes. The 10,000 acres south of Pierson Road contain one of the world’s premiere equestrian facilities, horse farms, agriculture, nurseries, and fully developed multi-million dollar 80-acre estates promoting equestrian activities. The primary sources of employment within Wellington are agriculture, retail sales, healthcare and governmental (schools and municipal).

ECONOMIC CONDITION AND OUTLOOK

The national and local economies were strong in early 2020 prior to the pandemic outbreak. Wellington experienced annual increases in the average home value since 2009 and including in 2020. However, the longer term effects of the COVID19 pandemic on local home prices are yet to be quantified. Wellington continues to strategically invest in its Neighborhood Renaissance & Economic Development Initiatives to help the local economy and property values. Home rehabilitation and neighborhood improvement grants as well as food distribution and outreach programs are funded and managed to support local residents and maintain home values. To better gauge the return on its investment, Wellington continues to carefully seek information from all available resources to make responsible and timely fiscal decisions. The overall Consumer Price Index (CPI) for South Florida is down from last year and is below 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.

Adjustments for the economic impacts of the coronavirus pandemic were made in the FY 2020 budget as the year progressed. State Shared revenues ended the year short of the original budget projections by \$762,000 and Recreation Charges for Services went uncollected by approximately \$900,000. Wellington's strong financial position and fund balances allowed the Village to meet the revenue shortfalls without compromising service delivery.

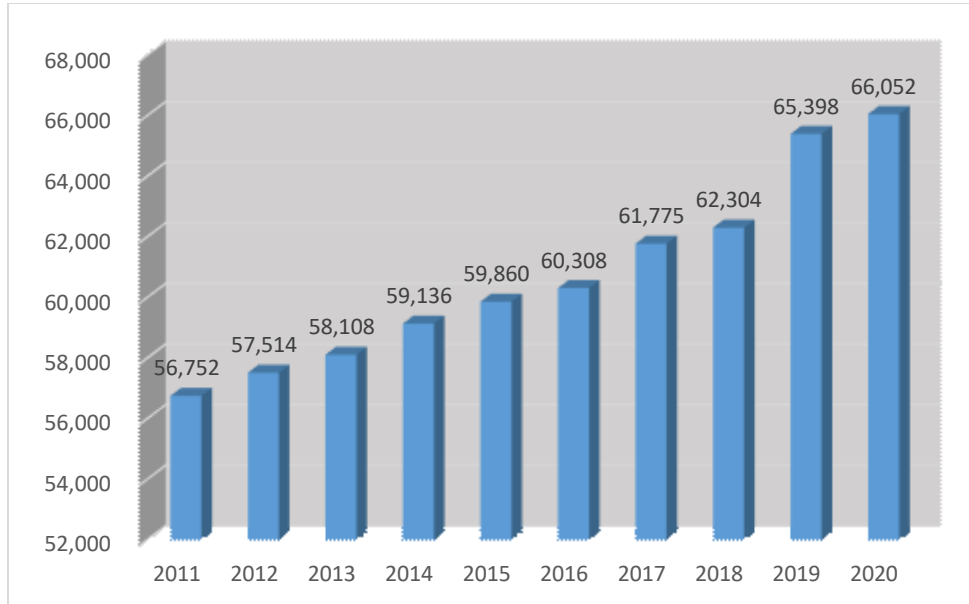
One of the region's strongest employment bases is the healthcare industry, with the Wellington Regional Medical Center, a full-service acute care community hospital, at its core. Since its inception in 1986, the hospital has added many new services and programs. Medical Center staff has worked closely with Wellington leaders to address the medial 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 4.3%, well below the national, state and county rates averaging over 6%. Wellington's population is anticipated to continue its slow expansion at about 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.

HISTORICAL POPULATION

Wellington's estimated 2020 permanent population of 66,052 (excluding seasonal residents) makes it the 6th largest municipality in Palm Beach County based on population.

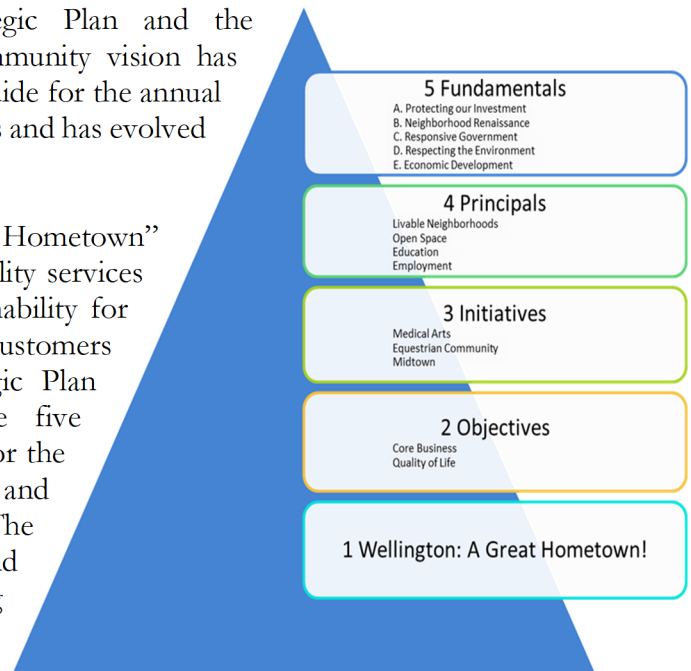


MAJOR INITIATIVES

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 Maintenance Programs
- ❖ Streetscape
- ❖ Parks & Greenspace
- ❖ 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:

- ❖ Safe Neighborhoods
- ❖ Community Development Block Grant (CDBG)
- ❖ Aging in Place
- ❖ Code Compliance & Nuisance Abatement

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

- ❖ Recreation & Community Programming
- ❖ Emergency Management
- ❖ State Road 7/ 441 Corridor

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 Plans
- ❖ Equine Waste and Environmental Program
- ❖ Key Land Acquisitions

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 with a new Community Center.
- ❖ 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.

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. Not shown specifically in the hierarchy, but core to its operation and support of all primary businesses are:

- | | |
|--------------------------|-------------------------------------|
| ❖ Legal Services | ❖ Procurement |
| ❖ Financial Services | ❖ Information Services |
| ❖ Public Records | ❖ Risk Management |
| ❖ Human Resources | ❖ Property & Real Estate Management |
| ❖ Facilities & Equipment | ❖ Community Information & Marketing |

Management and staff detail the individual services provided by each division; identified as 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 for the annual budget process.

Accomplishments and Future Projects

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

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

- ❖ Ranked 13 of the Safest Cities in Florida (SafeWise.com)
- ❖ Received the CAPRA certification for Parks & Recreation
- ❖ Safety Council of Palm Beach County Award of Merit for Workplace Safety 2020
- ❖ Safety Council of Palm Beach County Award of Merit Vehicle Safety 2020
- ❖ Replaced the Village ERP software systems for Finance, Permitting & Licensing, Plan Review, Code Enforcement, Human Resources, Utility Billing and Asset Management
- ❖ Repaired approximately 54,000 feet of concrete sidewalk
- ❖ Resurfaced approximately 20 lane miles of roadway.
- ❖ Expanded remote operations technology

Completed the following projects during 2020:

- ❖ Wellington High School Sports Complex Phase I
- ❖ Town Center Promenade
- ❖ Neighborhood Pipe Lining Program Inception
- ❖ Tiger Shark Cove Basketball Court
- ❖ Essex Park playground and amenities

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

- ❖ Greenbriar and Ousley Road Improvements
- ❖ Water Treatment Plant and Water Reclamation Renewal & Replacement
- ❖ Communications & Technology Investment

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 Comprehensive Annual Financial Report, Wellington continues to meet its responsibility for sound financial management practices.

Capital Financing

In conjunction with the operating budget, the Manager annually presents a program to provide for improvements to Wellington's public facilities for the ensuing fiscal year and next four years, along with proposals for the financing of these improvements. This five-year plan is called the Capital Improvement Program. The first year of the program constitutes the capital budget for the coming fiscal year; the remaining years are used as a planning guide. The program allocates funding over five years for Wellington's roads, park development, public works projects, and new equipment. Wellington's Capital Improvement Program for fiscal years 2021 through 2025 calls for expenditures approximating \$37.7 million in the governmental funds and approximately \$74.6 million in the enterprise funds.

Reserves and Surplus

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

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

- ✓ To fund capital projects on a pay-as-you-go basis.
- ✓ To reserve up to \$3 million for possible future storm event expenditures.
- ✓ To fund a facility and infrastructure reserve.
- ✓ To fund a millage rate stabilization account to offset the need for future rate increases.
- ✓ To supply funds for renewal and replacement of capital projects and equipment.
- ✓ To fund an insurance reserve for future rate increases.
- ✓ To reduce/pay off debt for future debt service savings.
- ✓ To fully fund Other Postemployment Benefits (OPEB).

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

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

Debt Service Administration

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

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

AWARDS AND ACKNOWLEDGEMENTS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Village of Wellington, Florida, for its Comprehensive Annual Financial Report for the fiscal year ended September 30, 2019. 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 comprehensive annual financial report, whose contents conform to program standards. Such comprehensive annual financial reports must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. The Village of Wellington has received the Certificate of Achievement for the last twenty-four consecutive years (1996-2019). 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, 2019. 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 tenth year this award has been received by Wellington.

Preparation of this report could not have been accomplished without the dedicated efforts of the entire staff of Financial Management and Budget. Their technical expertise and concerted efforts were truly evident in the audit process. Their assistance and cooperation have allowed us to prepare, on a timely basis, a report which gives its readers a comprehensive view of Wellington’s financial and economic position. We also extend our sincere appreciation to the independent certified public accounting firm of Grau & Associates for the professionalism and cooperation shown during the performance of the engagement and the expertise shown

in financial reporting for government entities. We believe that this report reflects the sound financial position of Wellington.

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

Respectfully submitted,

A handwritten signature in blue ink, reading "Tanya W. Quickel". The signature is fluid and cursive, with a small dot above the 'i' in "Quickel".

Tanya W. Quickel
Director of Financial and Administrative Services

Elected Officials



***Anne Gerwig
Mayor***



***Tanya Siskind
Vice Mayor***



***John T. McGovern
Councilman***



***Michael Drahos
Councilman***



***Michael J. Napoleone
Councilman***

Village Manager

Paul Schofield, AICP, ICMA-CM

Assistant Village Manager

Jim Barnes, AICP, ICMA-CM

Director of Administrative & Financial Services

Tanya W. Quickel

Village Clerk

Chevelle Addie

Village Attorney

Laurie Cohen, Esq.

Key Personnel

Chief Information Officer

William Silliman

Village Engineer

Thomas Lundeen

Utilities Director

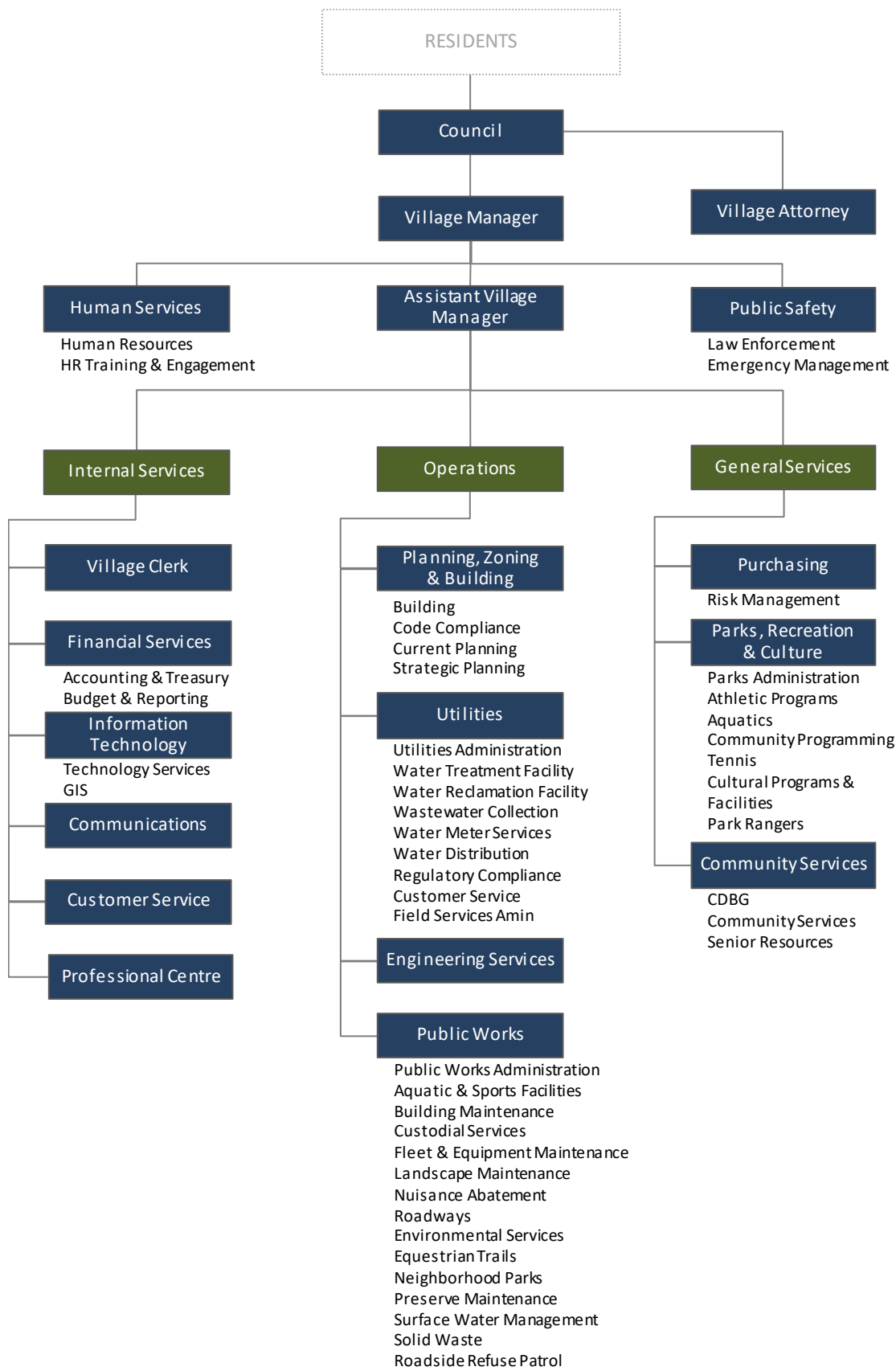
Shannon Larocque

Parks and Recreation Director

Eric Juckett

Public Works Director

Bruce Wagner





Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Village of Wellington
Florida**

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

September 30, 2019

Christopher P. Morill

Executive Director/CEO



Financial Section



Grau & Associates

CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Wellington, Florida (the "Village") as of and for the fiscal year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village as of September 30, 2020, and the respective changes in financial position, and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, schedule of the Village's proportionate share of the net pension liability, schedule of contributions, and schedule of changes in net other post-employment benefits liability for other post-employment benefits, and condition rating of the street system be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements

in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other 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 introductory section, combining and individual non-major fund financial statements, and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The combining and individual non-major fund financial statements and schedules, and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual non-major fund financial statements and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 26, 2021, on our consideration of the Village's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Village's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village's internal control over financial reporting and compliance.

Brian J. Associates

February 26, 2021

VILLAGE OF WELLINGTON, FLORIDA

Management's Discussion and Analysis

September 30, 2020

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 \$402 million (net position), which is an increase of 1.6% or \$6.4 million from the prior year. Of this amount, \$63.8 million is in unrestricted net position, which is available to meet the ongoing commitments to citizens and creditors.
- ❖ Net investment in capital assets accounts for \$282 million of total net position of \$402 million.
- ❖ Net position of governmental activities increased \$2 million or 1%.
- ❖ Government-wide total revenues were \$96.4 million, while government-wide total expenses were \$90 million. Total revenues decreased 2% or \$2.3 million while total expenses increased 5% or \$4.5 million.
- ❖ Governmental activities generated \$63.5 million in revenue with \$64.2 million in expenses.
- ❖ Business-type activities generated \$32.9 million in revenue with \$25.8 million in expenses.
- ❖ Governmental funds ended the year with a combined fund balance of \$76.9 million, which is an increase of 2.4% or \$1.7 million from the prior year. Of that amount, the unassigned portion is \$19.5 million, a decrease of \$4.3 million, or 18% 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 14-16 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.

Five 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, 2020 are:

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

The basic governmental fund financial statements can be found on pages 17-22 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, 2020.

The basic proprietary fund financial statements can be found on pages 23-26 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 27-28 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 29 of this report.

Other Information

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

Required supplementary information begins on page 64 of this report.

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

These schedules begin on page 74 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Statement of Net Position

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of Wellington, net position totaled \$402 million at the close of the most recent year.

Wellington's Net Position						
	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
Current and other assets	\$ 90,841,547	\$ 89,394,443	\$ 70,853,672	\$ 92,435,248	\$ 161,695,219	\$ 181,829,691
Capital assets	159,165,856	154,683,103	143,762,057	116,284,731	302,927,913	270,967,834
Total Assets*	250,007,403	244,077,546	214,615,729	208,719,979	464,623,132	452,797,525
Other postemployment benefit	459,557	71,631	122,161	19,041	581,718	90,672
Pension	7,240,579	6,557,710	1,597,041	1,437,174	8,837,620	7,994,884
Total Deferred Outflows of Resources	7,700,136	6,629,341	1,719,202	1,456,215	9,419,338	8,085,556
Noncurrent liabilities	29,271,279	24,850,971	23,919,920	23,926,259	53,191,199	48,777,230
Other liabilities	10,120,105	8,489,112	8,021,012	6,023,643	18,141,117	14,512,755
Total Liabilities	39,391,384	33,340,083	31,940,932	29,949,902	71,332,316	63,289,985
Pension	715,463	1,702,746	145,963	377,097	861,426	2,079,843
Other postemployment benefit	61,704	84,732	15,412	21,533	77,116	106,265
Total Deferred Inflows of Resources	777,167	1,787,478	161,375	398,630	938,542	2,186,108
Net Position:						
Net investment in capital assets	156,470,856	151,803,103	125,555,240	96,986,412	282,026,096	248,789,515
Restricted	27,193,033	26,716,506	28,706,804	55,622,834	55,899,837	82,339,340
Unrestricted	33,875,099	37,059,717	29,970,580	27,218,416	63,845,679	64,278,133
Total Net Position*	\$ 217,538,988	\$ 215,579,326	\$ 184,232,624	\$ 179,827,662	\$ 401,771,612	\$ 395,406,988

*FY2019 Total Assets and Net Position restated

Current assets in governmental activities net increase is due to higher cash balances and a decrease in due from other governments related to FEMA. Capital assets increased primarily due to CIP projects related to the Wellington High School sports complex and the Town Center Promenade improvements.

For business-type activities, current assets decreased primarily due to investment draws for capital projects and reduction of restricted cash for water & sewer capacity fees. Capital assets increased for CIP projects related to the water and wastewater improvements.

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.

Restricted net position of \$55.9 million is reported in both the governmental and business-type activities. These restricted amounts have limits on their use that are externally imposed (gas tax, impact fees, and bond covenants) and imposed by enabling legislation (building and surtax activities). These resources can be used only for future construction; building activities; road capital and maintenance; or debt service activities. The remaining unrestricted net position may be used to meet the government's ongoing operations.

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

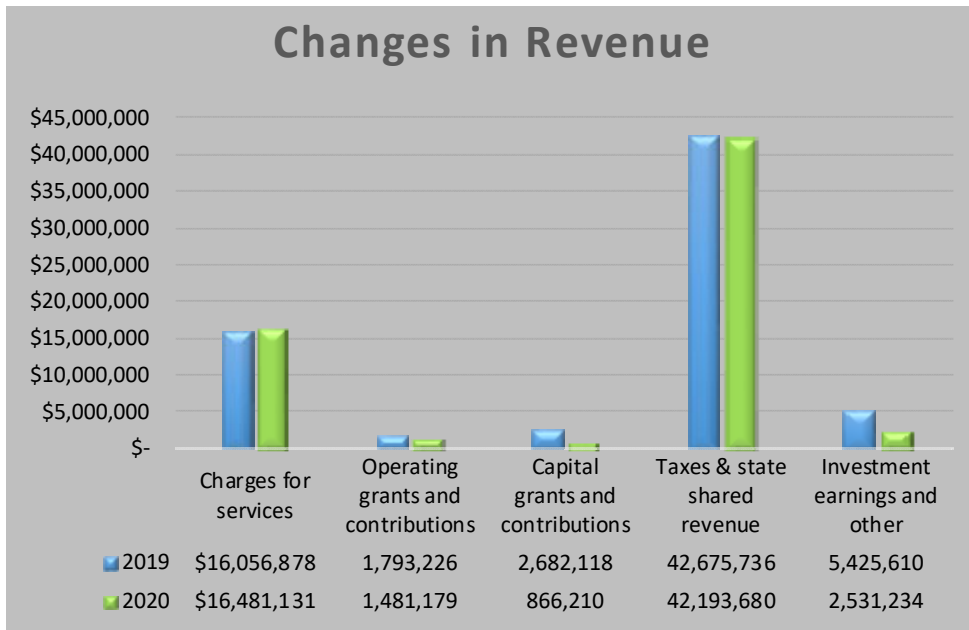
Wellington's Change In Net Position

	Governmental Activities		Business-Type Activities		Total	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Revenues						
Program revenues:						
Charges for services	\$ 16,481,131	\$ 16,056,878	\$ 25,505,773	\$ 24,028,337	\$ 41,986,904	\$ 40,085,215
Operating grants and contributions	1,481,179	1,793,226	-	5,513	1,481,179	1,798,739
Capital grants and contributions*	866,210	2,682,118	4,427,046	2,874,513	5,293,256	5,556,631
General revenues:						
Property taxes	20,628,009	19,953,779	-	-	20,628,009	19,953,779
Other taxes	14,870,934	15,498,922	-	-	14,870,934	15,498,922
State shared revenue	6,694,737	7,223,035	-	-	6,694,737	7,223,035
Investment earnings	2,324,881	2,463,616	2,037,253	2,250,016	4,362,134	4,713,632
Other	206,353	2,961,994	887,784	937,224	1,094,137	3,899,218
Total Revenues	<u>63,553,434</u>	<u>68,633,568</u>	<u>32,857,856</u>	<u>30,095,603</u>	<u>96,411,290</u>	<u>98,729,171</u>
Program expenses including indirect expenses:						
General government	22,076,325	21,067,869	-	-	22,076,325	21,067,869
Public safety	15,213,948	13,870,291	-	-	15,213,948	13,870,291
Physical environment	9,950,155	10,275,909	-	-	9,950,155	10,275,909
Economic environment	1,719,540	1,597,316	-	-	1,719,540	1,597,316
Transportation	4,779,912	4,926,862	-	-	4,779,912	4,926,862
Culture and recreation	10,449,625	10,679,529	-	-	10,449,625	10,679,529
Interest on debt	79,686	85,113	-	-	79,686	85,113
Water and wastewater	-	-	21,083,740	18,583,539	21,083,740	18,583,539
Solid waste	-	-	4,050,260	3,843,547	4,050,260	3,843,547
Lake Wellington Professional Centre	-	-	643,475	634,000	643,475	634,000
Total expenses	<u>64,269,191</u>	<u>62,502,889</u>	<u>25,777,475</u>	<u>23,061,086</u>	<u>90,046,666</u>	<u>85,563,975</u>
Change in net position before transfer	(715,757)	6,130,679	7,080,381	7,034,517	6,364,624	13,165,196
Transfers in (out)	<u>2,675,419</u>	<u>2,596,725</u>	<u>(2,675,419)</u>	<u>(2,596,725)</u>	<u>-</u>	<u>-</u>
Change in net position	1,959,662	8,727,404	4,404,962	4,437,792	6,364,624	13,165,196
Beginning net position, restated*	215,579,326	206,851,922	179,827,662	175,389,870	395,406,988	382,241,792
Ending net position	<u>\$ 217,538,988</u>	<u>\$ 215,579,326</u>	<u>\$ 184,232,624</u>	<u>\$ 179,827,662</u>	<u>\$ 401,771,612</u>	<u>\$ 395,406,988</u>

*FY2019 Capital Grants and Net Position restated

Governmental Activities

During the current fiscal year, net position for governmental activities increased \$2 million from the prior fiscal year for an ending balance of \$218 million.



Revenues decreased from prior year by \$5 million or 7%. Key elements of this decrease are as follows:

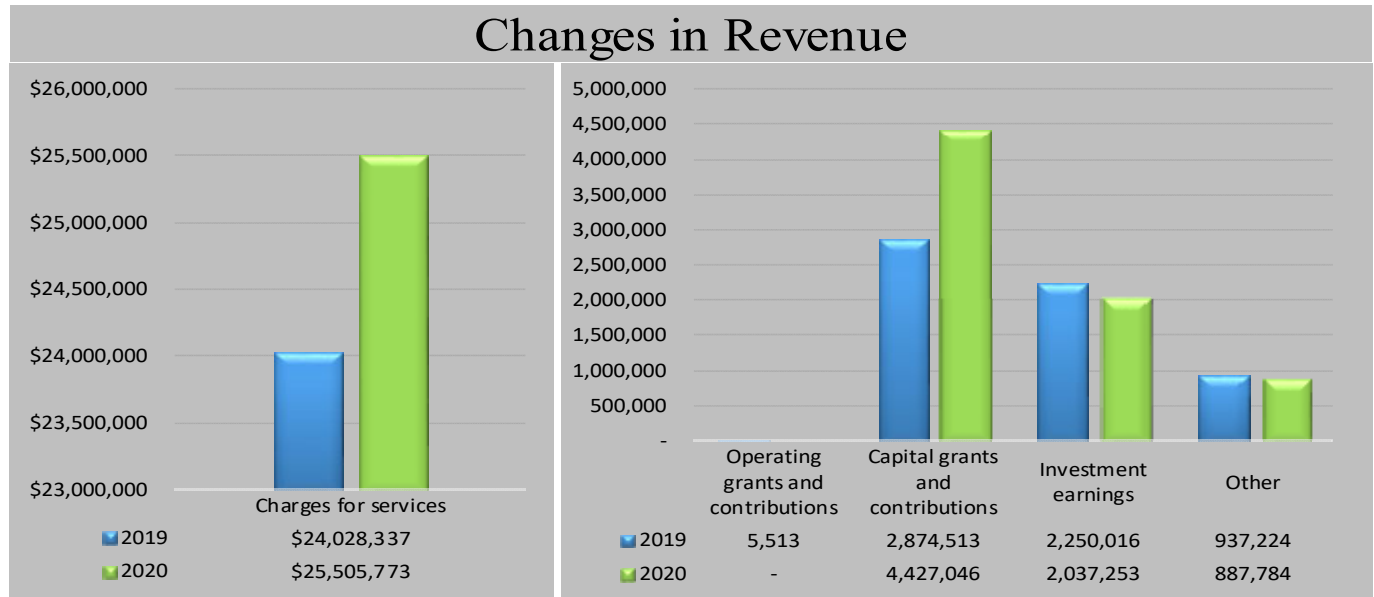
- ❖ Operating grants and contributions decreased 17% primarily due to a reduction in local option gas tax as a result of the COVID pandemic.
- ❖ Capital grants and contributions decreased \$1.8 million mainly due to FEMA revenue recognized in prior fiscal year.
- ❖ Other revenues decreased by \$2.7 million due to donated capital assets in prior fiscal year.

Expenses increased by \$1.8 million or approximately 3%. Key elements of this increase are as follows:

- ❖ General government increased primarily due to an increase in compensated absences of \$340,000 and repairs & maintenance of \$345,000.
- ❖ Public Safety increased primarily due to an increase in the law enforcement contract of \$480,000, technology equipment & software of \$305,000 and additional supplemental positions of \$252,000.

Business-type Activities

The net position for Business-type activities increased \$4.4 million from the prior fiscal year for an ending balance of \$184 million.



Revenues increased by approximately \$2.8 million or 9% over the prior year. Key elements of this increase are as follows:

- ❖ Charges for services increased by \$1.5 million mainly due to rate indexing of 3.5%.
- ❖ Capital grants and contributions increased overall by \$1.5 million due to a rise in capacity charges for major building permits of \$1.3 million and donated capital assets of \$2 million which were offset by a decrease in FEMA grant revenue of \$1.7 million.

Expenses increased \$2.7 million or 12% over prior year. Key elements of this increase are as follows:

- ❖ Increase of \$1 million in consulting and conditional assessments for the water and wastewater projects.
- ❖ Increase of \$500,000 for water & sewer interdepartmental expenses
- ❖ Increase of \$300,000 in repairs & maintenance
- ❖ Increase of \$200,000 in other contracted services for COVID related expenses and hauling of lime.

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, 2020, Wellington's governmental funds reported combined ending fund balances of \$76.9 million, an increase of \$1.8 million from prior year.

The unassigned fund balance of \$19.5 million is available for spending at Wellington's discretion. The remainder of fund balance of \$57.4 million is either nonspendable (\$1.3 million), has already been assigned to liquidate contracts, capital projects, purchase orders, and subsequent year's budget appropriation of fund balance (\$17.1 million), restricted for capital improvements or special purposes (\$27.1 million), or committed for future emergencies, insurance reserves, infrastructure, or rate stabilization (\$11.9 million).

The General fund is the main operating fund. At the end of the current fiscal year, unassigned fund balance of the general fund was \$19.5 million, while the total fund balance was \$37.8 million. As a measure of the general fund's liquidity, it is useful to compare unassigned fund balance to total general fund expenditures, including transfers. Unassigned fund balance represents approximately 44% of total 2021 general fund budgeted expenditures. Revenues in the general fund were \$45.1 million and expenditures were \$42.5 million. Both revenues and expenditures in the general fund remained constant from the prior year. However, grant revenue increased \$1.4 million which is mainly due to FEMA revenue recognized for Hurricane Irma & Dorian and charges for services decreased \$1 million which is mainly due to a decrease in recreational programs as a result of the COVID pandemic.

The Building fund is used to account for the building, permitting and inspection activities. At the end of the current fiscal year, \$7.4 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 \$5.4 million, an increase of \$800,000 from prior year. The increase in revenue was mainly due to building permits. Expenditures were \$4.2 million, which represents an increase of \$1.5 million from prior year. The increase in expenditures are primarily due to technology equipment & software expenses and payroll expenses for additional supplemental positions.

The Acme improvement fund accounts for the operations of the Acme Improvement District, a dependent special district of Wellington, related to surface water management facilities. At the end of the fiscal year total fund balance was \$2.3 million, which is restricted for future expenditures. Revenues for the fund remained relatively the same in both years.

The Surtax fund accounts for the voter approved one-cent sales surtax program. At the end of the fiscal year total fund balance was \$10.3 million, which is restricted for capital projects that meet the criteria set by the surtax program. Revenues in the surtax fund were \$4.6 million and remained constant from the prior year. Expenditures were \$8.2 million, which represents an increase of \$7.6 million from the prior year. The increase in expenditures is primarily due to the construction of the Wellington Community High School Sports Complex and the Town Center Promenade.

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

Proprietary Funds

Wellington's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. Unrestricted net position for business-type funds was \$30 million; \$23.9 million for the Utility System, \$4.7 million for Solid Waste, and \$1.4 million for the Lake Wellington Professional Centre. Total net position for these funds were \$184.2 million, representing an increase of \$4.4 million, or 2% due to higher charges for services revenue and capital grants & contributions.

General Fund Budgetary Highlights

Differences between the original budget and the final amended budget is \$1.2 million, excluding transfers, and are primarily comprised of carryforwards.

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

<u>Revenue source</u>	<u>Budgeted revenues</u>	<u>Actual revenues</u>	<u>Difference</u>
Grants	\$ 249,756	\$ 1,864,678	\$ 1,614,922
Investment income (net)	\$ 500,000	\$ 1,234,143	\$ 734,143

<u>Expenditures</u>	<u>Budgeted expenditures</u>	<u>Actual expenditures</u>	<u>Difference</u>
General government	\$ 21,343,328	\$ 19,594,526	\$ 1,748,802
Culture and recreation	\$ 9,643,371	\$ 8,401,936	\$ 1,241,435

- ❖ Revenues were more than budgeted due to higher grant revenue (\$1.6 million) and investment income (\$700,000). The increase in grant revenue is mainly due to FEMA revenue that was recognized during the fiscal year. The increase in investment income is attributable to a conservative budget approach coupled with spending slowed by the pandemic.
- ❖ General government expenditures were \$1.7 million less than budgeted:
 - Technology purchases were lower than anticipated by \$400,000 for projects not completed at year-end but will be carried forward to next year.
 - The budgeted election expense of \$100,000 was not used as a result of uncontested seats for Wellington incumbents.
 - Personnel expenditures had savings of approximately \$300,000 due to unfilled positions and worker's compensation refund.
 - Risk Management had savings in insurance expense and other contracted services of \$125,000.
 - Building Maintenance had savings in major maintenance of \$127,000.
 - Strategic Planning had savings in other contracted services of \$176,000.
 - Non-departmental expenditures had savings in leases and COVID contingencies of \$155,000.
- ❖ Culture and recreation expenditures were \$1.2 million less than budgeted:
 - Recreation and Park Maintenance expenses were lower than anticipated by \$800,000 due to the pandemic impact. Group events were cancelled reducing costs for field lighting, preparation and upkeep arising from field usage. The Wellington Community Center was mainly unused for many months, eliminating costs for programs, rentals, special events and security.
 - Neighborhood Parks major maintenance expenses were lower than anticipated by \$90,000 for projects not completed at year-end but will be carried forward to next year.

Additional information on budgetary comparisons can be found on page 64 of this report.

Capital Assets Activity

Wellington's investment in a variety of capital assets for its governmental and business-type activities as of September 30, 2020, amounts to \$303 million. This investment in capital assets includes land, buildings, improvements, machinery and equipment, infrastructure and construction in progress.

Wellington's Capital Assets (net of accumulated depreciation)						
	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
Land	\$ 20,053,844	\$ 20,053,845	\$ 9,579,678	\$ 9,579,678	\$ 29,633,522	\$ 29,633,523
Buildings	26,885,168	28,058,972	6,081,630	6,394,474	32,966,798	34,453,446
Improvements	20,055,826	21,060,125	3,887,929	1,050,728	23,943,755	22,110,853
Machinery and equipment	6,538,502	6,348,391	3,403,082	3,080,038	9,941,584	9,428,429
Water and wastewater plant	-	-	35,790,161	37,953,103	35,790,161	37,953,103
Infrastructure	78,005,840	78,005,840	44,834,712	43,496,305	122,840,552	121,502,145
Construction in progress	7,626,676	1,155,930	40,184,865	14,730,405	47,811,541	15,886,335
Total	\$ 159,165,856	\$ 154,683,103	\$ 143,762,057	\$ 116,284,731	\$ 302,927,913	\$ 270,967,834

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

- ❖ Town Center Promenade Boardwalk
- ❖ Essex Park Improvements
- ❖ Peaceful Waters Boardwalk Improvements
- ❖ Lift Station Upgrades

Additional information on capital assets can be found on page 73 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 \$53.2 million. Governmental activities debt of \$2.7 million is related to a special assessment bond issued to finance the Saddle Trail Improvement Project. An additional \$2.8 million for compensated absences and \$23.8 million for net pension liability is also outstanding. Business-Type activities debt of \$23.9 million is comprised of \$18.2 million for the Utility Water and Wastewater loan, \$558,000 for compensated absences and \$5.2 million for net pension liability. Additional information on long-term debt can be found in Note 6 of this report.

Wellington's Outstanding Debt						
	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
Revenue bonds and loans	\$ 2,695,000	2,880,000	\$ 18,160,130	\$ 19,248,833	\$ 20,855,130	\$22,128,833
Compensated absences	2,779,241	2,503,634	557,741	489,008	3,336,982	2,992,642
Net pension liability	23,797,038	19,467,337	5,202,049	4,188,418	28,999,087	23,655,755
Total	\$ 29,271,279	\$ 24,850,971	\$ 23,919,920	\$ 23,926,259	\$ 53,191,199	\$ 48,777,230

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 32% of governmental funds revenue, excluding other financing sources and uses. Another 35% 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 20%. Additionally, special assessments levied total approximately 9% and grants total another 4%. 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 2021 remained the same as the prior fiscal year. This millage resulted in a total property tax budget of approximately \$20.9 million, an increase of \$500,000, or 2% from the property tax budget for the prior year. The Surface Water Management Assessment rate remained unchanged for a total of \$230 per unit. The Solid Waste Assessment remained the same at \$135 per curbside unit and \$100 per containerized unit. Additional information regarding the adoption of the annual budget can be found on page 67 of this report.

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

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



Basic Financial Statements



VILLAGE OF WELLINGTON, FLORIDA

STATEMENT OF NET POSITION

SEPTEMBER 30, 2020

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash	\$ 8,141,219	\$ 2,452,358	\$ 10,593,577
Investments	74,602,887	46,086,279	120,689,166
Receivables (net)	1,103,493	2,845,884	3,949,377
Internal balances	2,681	(2,681)	-
Due from other governments	2,441,051	280,233	2,721,284
Prepaid expenses	725,976	12,105	738,081
Inventories	11,011	50,053	61,064
Deposits	211,399	-	211,399
Restricted assets:			
Cash	-	799,866	799,866
Investments	-	18,160,130	18,160,130
Net other postemployment benefit asset	881,408	169,445	1,050,853
Long-term assessment receivable	2,372,333	-	2,372,333
Long-term note receivable	348,089	-	348,089
Capital assets:			
Capital assets not being depreciated	105,686,360	49,764,543	155,450,903
Capital assets being depreciated, net	53,479,496	93,997,514	147,477,010
Total assets	<u>\$ 250,007,403</u>	<u>\$ 214,615,729</u>	<u>\$ 464,623,132</u>
DEFERRED OUTFLOWS OF RESOURCES			
Other postemployment benefit	459,557	122,161	581,718
Pension	7,240,579	1,597,041	8,837,620
Total deferred outflows of resources	<u>7,700,136</u>	<u>1,719,202</u>	<u>9,419,338</u>
LIABILITIES			
Accounts payable and accrued liabilities	\$ 7,792,198	\$ 6,368,280	\$ 14,160,478
Escrows and deposits	1,152,038	-	1,152,038
Contracts and retainage payable	538,158	1,514,400	2,052,558
Due to other governments	55,045	3,979	59,024
Deposits payable from restricted assets	-	48,925	48,925
Unearned revenue	549,652	38,741	588,393
Accrued interest payable	33,014	46,687	79,701
Noncurrent liabilities:			
Due within one year:			
Bonds payable	190,000	-	190,000
Loans payable	-	1,122,770	1,122,770
Compensated absences	1,209,805	276,708	1,486,513
Due in more than one year:			
Bonds payable	2,505,000	-	2,505,000
Compensated absences	1,569,436	281,033	1,850,469
Loans payable	-	17,037,360	17,037,360
Net pension liability	23,797,038	5,202,049	28,999,087
Total liabilities	<u>39,391,384</u>	<u>31,940,932</u>	<u>71,332,316</u>
DEFERRED INFLOWS OF RESOURCES			
Pension	715,463	145,963	861,426
Other postemployment benefit	61,704	15,412	77,116
Total deferred inflows of resources	<u>777,167</u>	<u>161,375</u>	<u>938,542</u>
NET POSITION			
Net investment in capital assets	156,470,856	125,555,240	282,026,096
Restricted for:			
Debt service	262,848	-	262,848
Building department	7,472,111	-	7,472,111
Surfacewater management	2,280,488	-	2,280,488
Road capital and maintenance	1,881,030	-	1,881,030
Capital projects	15,296,556	28,706,804	44,003,360
Unrestricted	33,875,099	29,970,580	63,845,679
Total net position	<u>\$ 217,538,988</u>	<u>\$ 184,232,624</u>	<u>\$ 401,771,612</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, 2020

Function/Program Activities	Expenses	Charges for Services	Program Revenues	
			Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities:				
General government	\$ 22,076,325	864,066	\$ -	\$ -
Public safety	15,213,948	6,568,657	-	261,710
Physical environment	9,950,155	6,159,597	-	5,000
Economic environment	1,719,540	-	-	222,540
Transportation	4,779,912	117,466	1,481,179	146,444
Culture and recreation	10,449,625	2,771,345	-	230,516
Interest on long-term debt	79,686	-	-	-
Total governmental activities	<u>64,269,191</u>	<u>16,481,131</u>	<u>1,481,179</u>	<u>866,210</u>
Business-type activities:				
Utility system	21,083,740	22,023,862	-	4,427,046
Solid waste	4,050,260	3,481,911	-	-
Lake Wellington Professional Centre	643,475	-	-	-
Total business-type activities	<u>25,777,475</u>	<u>25,505,773</u>	<u>-</u>	<u>4,427,046</u>
Total primary government	<u>\$ 90,046,666</u>	<u>\$ 41,986,904</u>	<u>\$ 1,481,179</u>	<u>\$ 5,293,256</u>

General revenues:

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

Transfers

Total general revenues and transfers

Change in net position

Net position, beginning of year , restated

Net position, end of year

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

Net (Expense) Revenue and
Changes in Net Position

Governmental Activities	Business-type Activities	Total
\$ (21,212,259)	\$ -	\$ (21,212,259)
(8,383,581)	-	(8,383,581)
(3,785,558)	-	(3,785,558)
(1,497,000)	-	(1,497,000)
(3,034,823)	-	(3,034,823)
(7,447,764)	-	(7,447,764)
(79,686)	-	(79,686)
<u>(45,440,671)</u>	<u>-</u>	<u>(45,440,671)</u>
-	5,367,168	5,367,168
-	(568,349)	(568,349)
-	(643,475)	(643,475)
-	4,155,344	4,155,344
<u>(45,440,671)</u>	<u>4,155,344</u>	<u>(41,285,327)</u>
20,628,009	-	20,628,009
3,472,827	-	3,472,827
1,939,209	-	1,939,209
4,308,476	-	4,308,476
5,150,422	-	5,150,422
6,694,737	-	6,694,737
2,324,881	2,037,253	4,362,134
206,353	887,784	1,094,137
2,675,419	(2,675,419)	-
<u>47,400,333</u>	<u>249,618</u>	<u>47,649,951</u>
1,959,662	4,404,962	6,364,624
<u>215,579,326</u>	<u>179,827,662</u>	<u>395,406,988</u>
<u>\$ 217,538,988</u>	<u>\$ 184,232,624</u>	<u>\$ 401,771,612</u>

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

VILLAGE OF WELLINGTON, FLORIDA

BALANCE SHEET GOVERNMENTAL FUNDS SEPTEMBER 30, 2020

	General	Building	Acme Improvement	Surtax Fund	Debt Service	Other Nonmajor Governmental Funds	Total Governmental Funds
ASSETS							
Cash	\$ 2,926,422	\$ 150,461	\$ 166,091	\$ 2,504,015	\$ 294,142	\$ 2,100,088	\$ 8,141,219
Investments	37,126,838	7,436,701	2,403,199	10,436,455	-	17,199,694	74,602,887
Current receivables:							
Utility taxes	486,773	-	-	-	-	-	486,773
Franchise fees	345,370	-	-	-	-	-	345,370
Accounts	32,978	1,796	-	-	-	-	34,774
Interest	102,386	26,158	11,314	35,748	-	60,970	236,576
Due from other funds	2,681	-	-	-	-	-	2,681
Due from other governments	1,447,252	-	35,219	721,802	1,720	235,058	2,441,051
Prepaid expenditures	685,513	28,388	7,350	-	-	4,725	725,976
Inventory	11,011	-	-	-	-	-	11,011
Deposits	211,399	-	-	-	-	-	211,399
Long-term receivables	348,089	-	-	-	2,372,333	-	2,720,422
Total assets	<u>\$ 43,726,712</u>	<u>\$ 7,643,504</u>	<u>\$ 2,623,173</u>	<u>\$ 13,698,020</u>	<u>\$ 2,668,195</u>	<u>\$ 19,600,535</u>	<u>\$ 89,960,139</u>

(Continued)

VILLAGE OF WELLINGTON, FLORIDA

BALANCE SHEET (Continued)

GOVERNMENTAL FUNDS

SEPTEMBER 30, 2020

	General	Building	Acme Improvement	Surtax Fund	Debt Service	Other Nonmajor Governmental Funds	Total Governmental Funds
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES							
Liabilities:							
Accounts payable and accrued liabilities	\$ 3,678,262	\$ 121,032	\$ 332,685	\$ 2,963,593	\$ -	\$ 696,626	\$ 7,792,198
Escrows and deposits	1,152,038	-	-	-	-	-	1,152,038
Contracts and retainage payable	-	-	-	427,046	-	111,112	538,158
Due to other funds	-	-	-	-	-	-	-
Due to other governments	4,684	50,361	-	-	-	-	55,045
Unearned revenue	509,379	-	10,000	-	-	30,273	549,652
Total liabilities	<u>5,344,363</u>	<u>171,393</u>	<u>342,685</u>	<u>3,390,639</u>	<u>-</u>	<u>838,011</u>	<u>10,087,091</u>
Deferred inflows of resources:							
Unavailable revenue	<u>594,925</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,372,333</u>	<u>-</u>	<u>2,967,258</u>
Fund balances:							
Nonspendable:							
Prepaid expenditures	685,513	28,388	7,350	-	-	4,725	725,976
Inventory	11,011	-	-	-	-	-	11,011
Deposits	211,399	-	-	-	-	-	211,399
Long-term notes receivable	348,089	-	-	-	-	-	348,089
Restricted for:							
Capital projects	-	-	-	10,307,381	-	4,989,175	15,296,556
Building	-	7,443,723	-	-	-	-	7,443,723
Surface Water Management	-	-	2,273,138	-	-	-	2,273,138
Road capital and maintenance	-	-	-	-	-	1,876,305	1,876,305
Debt service	-	-	-	-	295,862	-	295,862
Committed for:							
Rate stabilization	2,785,000	-	-	-	-	-	2,785,000
Insurance	1,530,000	-	-	-	-	-	1,530,000
Infrastructure	4,556,000	-	-	-	-	-	4,556,000
Emergency	3,000,000	-	-	-	-	-	3,000,000
Assigned for:							
Contracts	3,746,546	-	-	-	-	11,485,420	15,231,966
Capital projects	226,824	-	-	-	-	406,899	633,723
Subsequent year's budget: appropriation of fund balance	1,213,686	-	-	-	-	-	1,213,686
Unassigned	<u>19,473,356</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>19,473,356</u>
Total fund balances	<u>37,787,424</u>	<u>7,472,111</u>	<u>2,280,488</u>	<u>10,307,381</u>	<u>295,862</u>	<u>18,762,524</u>	<u>76,905,790</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 43,726,712</u>	<u>\$ 7,643,504</u>	<u>\$ 2,623,173</u>	<u>\$ 13,698,020</u>	<u>\$ 2,668,195</u>	<u>\$ 19,600,535</u>	<u>\$ 89,960,139</u>

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

VILLAGE OF WELLINGTON, FLORIDA
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE
STATEMENT OF NET POSITION
SEPTEMBER 30, 2020

Ending fund balance - governmental funds	\$ 76,905,790
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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	\$ 275,567,955	
Less accumulated depreciation	<u>(116,402,099)</u>	
Net capital assets		159,165,856

Net other postemployment benefit (OPEB) asset created through funding of the plan as employer contribution to the defined benefit OPEB plan is not recognized in the funds	881,408
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Assets that are not available to pay for current period expenditures are unavailable revenue in the fund statements	2,967,258
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Deferred outflows of resources related to pensions are recorded in the statement of net position	7,240,579
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Deferred outflows of resources related to OPEB are recorded in the statement of net position	459,557
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Deferred inflows of resources related to pensions are recorded in the statement of net position	(715,463)
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Deferred inflows of resources related to OPEB are recorded in the statement of net position	(61,704)
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Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.

Bonds payable	(2,695,000)	
Accrued interest	(33,014)	
Compensated absences	(2,779,241)	
Net pension liability	<u>(23,797,038)</u>	

Net position of governmental activities	<u><u>\$ 217,538,988</u></u>
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VILLAGE OF WELLINGTON, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED SEPTEMBER 30, 2020

	General	Building	Acme Improvement	Surtax Fund	Debt Service	Other Nonmajor Governmental Funds	Total Governmental Funds
Revenues:							
Ad valorem taxes	\$ 20,628,009	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 20,628,009
Local option taxes	-	-	-	4,308,476	-	1,481,179	5,789,655
Utility services taxes	5,150,422	-	-	-	-	-	5,150,422
Special assessments	-	-	5,888,556	-	271,041	-	6,159,597
Impact fees	-	-	-	-	-	742,991	742,991
Communication services taxes	1,939,209	-	-	-	-	-	1,939,209
Local business tax receipts	864,066	-	-	-	-	-	864,066
Permits and fees	1,233,046	5,093,178	770	-	-	-	6,326,994
Franchise fees	3,472,827	-	-	-	-	-	3,472,827
Grants	1,864,678	-	-	-	-	346,445	2,211,123
State revenue sharing	6,262,049	-	-	-	-	432,688	6,694,737
Charges for services	1,836,564	-	309,256	-	-	-	2,145,820
Fines and forfeitures	241,663	-	-	-	-	-	241,663
Investment income (net)	1,234,143	218,562	98,992	283,826	57	489,301	2,324,881
Miscellaneous	385,863	55,803	56,503	-	-	24,314	522,483
Total revenues	<u>45,112,539</u>	<u>5,367,543</u>	<u>6,354,077</u>	<u>4,592,302</u>	<u>271,098</u>	<u>3,516,918</u>	<u>65,214,477</u>

(Continued)

VILLAGE OF WELLINGTON, FLORIDA

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

GOVERNMENTAL FUNDS

YEAR ENDED SEPTEMBER 30, 2020

	General	Building	Acme Improvement	Surtax Fund	Debt Service	Other Nonmajor Governmental Funds	Total Governmental Funds
Expenditures:							
Current:							
General government	\$ 19,594,526	\$ -	\$ 33,496	\$ -	\$ 625	\$ -	\$ 19,628,647
Public safety	11,433,923	3,342,772	-	-	-	-	14,776,695
Physical environment	1,173,135	-	3,470,951	-	-	-	4,644,086
Economic environment	1,546,594	-	-	-	-	-	1,546,594
Transportation	-	-	-	-	-	3,598,398	3,598,398
Culture and recreation	8,401,936	-	390,592	-	-	-	8,792,528
Capital outlay	356,600	813,437	147,843	8,203,947	-	3,346,354	12,868,181
Debt service:							
Principal	-	-	-	-	185,000	-	185,000
Interest and other fiscal charges	-	-	-	-	81,952	-	81,952
Total expenditures	<u>42,506,714</u>	<u>4,156,209</u>	<u>4,042,882</u>	<u>8,203,947</u>	<u>267,577</u>	<u>6,944,752</u>	<u>66,122,081</u>
Excess (deficiency) of revenues over (under) expenditures	<u>2,605,825</u>	<u>1,211,334</u>	<u>2,311,195</u>	<u>(3,611,645)</u>	<u>3,521</u>	<u>(3,427,834)</u>	<u>(907,604)</u>
Other financing sources (uses):							
Transfers in	4,266,812	-	-	2,730,000	-	7,752,921	14,749,733
Transfers out	(8,442,921)	(934,145)	(2,097,248)	-	-	(600,000)	(12,074,314)
Proceeds from sale of capital assets	<u>3,465</u>	<u>-</u>	<u>12,102</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>15,567</u>
Total other financing sources (uses)	<u>(4,172,644)</u>	<u>(934,145)</u>	<u>(2,085,146)</u>	<u>2,730,000</u>	<u>-</u>	<u>7,152,921</u>	<u>2,690,986</u>
Net change in fund balances	(1,566,819)	277,189	226,049	(881,645)	3,521	3,725,087	1,783,382
Fund balances, beginning of year	<u>39,354,243</u>	<u>7,194,922</u>	<u>2,054,439</u>	<u>11,189,026</u>	<u>292,341</u>	<u>15,037,437</u>	<u>75,122,408</u>
Fund balances, end of year	<u>\$ 37,787,424</u>	<u>\$ 7,472,111</u>	<u>\$ 2,280,488</u>	<u>\$10,307,381</u>	<u>\$ 295,862</u>	<u>\$ 18,762,524</u>	<u>\$ 76,905,790</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, 2020

Net change in fund balances - total governmental funds	\$ 1,783,382
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.	11,870,361
Depreciation of capital assets is not recognized in the governmental fund financial statements, but is reported as an expense in the statement of activities.	(7,387,607)
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	185,000
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental fund financial statements.	2,967,258
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.	(4,643,868)
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	2,266
Change in compensated absences	(275,605)
Other postemployment benefit expense	118,024
Pension expense	<u>(2,659,549)</u>
Change in net position of governmental activities	<u>\$ 1,959,662</u>



VILLAGE OF WELLINGTON, FLORIDA

STATEMENT OF NET POSITION

PROPRIETARY FUNDS

SEPTEMBER 30, 2020

	Major		Nonmajor	
	Utility System	Solid Waste	Lake Wellington Professional Centre	Total
ASSETS				
Current assets:				
Cash	\$ 730,791	\$ 155,306	\$ 1,566,261	\$ 2,452,358
Investments	41,173,104	4,913,175	-	46,086,279
Receivables:				
Accounts, net of allowance for uncollectible amounts	2,510,599	91,083	161	2,601,843
Interest	227,212	16,829	-	244,041
Due from other governments	261,039	19,194	-	280,233
Inventories	50,053	-	-	50,053
Prepaid expenses	11,550	525	30	12,105
Restricted cash	750,941	-	48,925	799,866
Restricted investments	18,160,130	-	-	18,160,130
Total current assets	<u>63,875,419</u>	<u>5,196,112</u>	<u>1,615,377</u>	<u>70,686,908</u>
Noncurrent assets:				
Net other postemployment benefit asset	158,146	9,076	2,223	169,445
Property, plant and equipment (net of accumulated depreciation)	<u>139,691,369</u>	<u>47,673</u>	<u>4,023,015</u>	<u>143,762,057</u>
Total noncurrent assets	<u>139,849,515</u>	<u>56,749</u>	<u>4,025,238</u>	<u>143,931,502</u>
Total assets	<u>\$ 203,724,934</u>	<u>\$ 5,252,861</u>	<u>\$ 5,640,615</u>	<u>\$ 214,618,410</u>
DEFERRED OUTFLOW OF RESOURCES				
Other postemployment benefit	110,529	5,816	5,816	122,161
Pension	<u>1,459,956</u>	<u>75,125</u>	<u>61,960</u>	<u>1,597,041</u>
Total deferred outflows of resources	<u>1,570,485</u>	<u>80,941</u>	<u>67,776</u>	<u>1,719,202</u>
LIABILITIES				
Current liabilities:				
Accounts payable and accrued liabilities	\$ 6,053,130	\$ 308,060	\$ 7,090	\$ 6,368,280
Contracts and retainage payable	1,514,400	-	-	1,514,400
Due to other funds	-	-	2,681	2,681
Due to other governments	-	298	3,681	3,979
Deposits, payable from restricted assets	-	-	48,925	48,925
Accrued interest	46,687	-	-	46,687
Compensated absences payable	248,786	19,092	8,830	276,708
Loans payable	1,122,770	-	-	1,122,770
Unearned revenue	<u>23,635</u>	<u>-</u>	<u>15,106</u>	<u>38,741</u>
Total current liabilities	<u>9,009,408</u>	<u>327,450</u>	<u>86,313</u>	<u>9,423,171</u>
Noncurrent liabilities:				
Loans payable	17,037,360	-	-	17,037,360
Compensated absences payable	247,074	26,288	7,671	281,033
Pension	<u>4,775,342</u>	<u>225,906</u>	<u>200,801</u>	<u>5,202,049</u>
Total noncurrent liabilities	<u>22,059,776</u>	<u>252,194</u>	<u>208,472</u>	<u>22,520,442</u>
Total liabilities	<u>31,069,184</u>	<u>579,644</u>	<u>294,785</u>	<u>31,943,613</u>
DEFERRED INFLOW OF RESOURCES				
Pension	133,239	5,730	6,994	145,963
Other postemployment benefit	<u>13,872</u>	<u>770</u>	<u>770</u>	<u>15,412</u>
Total deferred inflow of resources	<u>147,111</u>	<u>6,500</u>	<u>7,764</u>	<u>161,375</u>
NET POSITION				
Net investment in capital assets	121,484,552	47,673	4,023,015	125,555,240
Restricted for capital improvements - capacity fees	750,941	-	-	750,941
Restricted for renewal and replacement of capital assets	27,955,863	-	-	27,955,863
Unrestricted	<u>23,887,768</u>	<u>4,699,985</u>	<u>1,382,827</u>	<u>29,970,580</u>
Total net position	<u>\$ 174,079,124</u>	<u>\$ 4,747,658</u>	<u>\$ 5,405,842</u>	<u>\$ 184,232,624</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, 2020

	Major		Nonmajor	
	Utility	Solid	Lake Wellington	
	System	Waste	Professional	
			Centre	Total
Operating revenues:				
Charges for services	\$ 21,938,681	\$ 6,529	\$ -	\$ 21,945,210
Special assessments	-	3,089,525	-	3,089,525
Licenses and permits	85,181	23,961	-	109,142
Grants	261,039	-	-	261,039
Franchise fees	-	361,896	-	361,896
Rent revenue	-	-	735,812	735,812
Other	90,498	-	11,661	102,159
Total operating revenues	<u>22,375,399</u>	<u>3,481,911</u>	<u>747,473</u>	<u>26,604,783</u>
Operating expenses:				
Utilities administration	2,676,616	-	-	2,676,616
Water treatment plant	3,024,648	-	-	3,024,648
Field services	459,563	-	-	459,563
Water meter services	551,412	-	-	551,412
Water distribution services	1,105,848	-	-	1,105,848
Utility plant maintenance	748,741	-	-	748,741
Water reclamation facilities	2,256,127	-	-	2,256,127
Wastewater collection services	1,095,619	-	-	1,095,619
Utilities customer service	1,027,787	-	-	1,027,787
Regulatory compliance	272,083	-	-	272,083
Refuse	-	157,270	-	157,270
Professional centre	-	-	473,730	473,730
Other	1,572,320	33,051	20,718	1,626,089
Solid waste	-	3,843,721	-	3,843,721
Depreciation	5,643,702	16,218	149,027	5,808,947
Total operating expenses	<u>20,434,466</u>	<u>4,050,260</u>	<u>643,475</u>	<u>25,128,201</u>
Income from operations	<u>1,940,933</u>	<u>(568,349)</u>	<u>103,998</u>	<u>1,476,582</u>
Nonoperating revenues (expenses):				
Investment income (net)	1,904,869	132,384	-	2,037,253
Net gain (loss) on sale or disposition of capital assets	49,813	-	-	49,813
Interest expense and debt service costs	(649,274)	-	-	(649,274)
Total nonoperating revenues (expenses)	<u>1,305,408</u>	<u>132,384</u>	<u>-</u>	<u>1,437,792</u>
Income before contributions and transfers	<u>3,246,341</u>	<u>(435,965)</u>	<u>103,998</u>	<u>2,914,374</u>
Capital contributions:				
Capacity charges	1,730,375	-	-	1,730,375
Distribution lines	2,413,954	-	-	2,413,954
Meters	21,678	-	-	21,678
Transfers out	(2,253,119)	(342,900)	(79,400)	(2,675,419)
Change in net position	5,159,229	(778,865)	24,598	4,404,962
Net position - beginning restated	<u>168,919,895</u>	<u>5,526,523</u>	<u>5,381,244</u>	<u>179,827,662</u>
Net position - end of year	<u>\$ 174,079,124</u>	<u>\$ 4,747,658</u>	<u>\$ 5,405,842</u>	<u>\$ 184,232,624</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, 2020

	Major		Nonmajor	
	Utility System	Solid Waste	Lake Wellington Professional Centre	Total
Cash flows from operating activities:				
Receipts from customers	\$ 20,805,566	\$ 3,477,272	\$ 723,487	\$ 25,006,325
Payments to suppliers for goods and services	(5,894,998)	(3,623,062)	(212,765)	(9,730,825)
Payments to employees for services	(6,275,971)	(357,982)	(258,493)	(6,892,446)
Other operating revenues	78,176	1,962,443	11,082	2,051,701
Net cash provided by operating activities	8,712,773	1,458,671	263,311	10,434,755
Cash flows from noncapital financing activities:				
Transfers to other funds	(2,253,119)	(342,900)	(156,158)	(2,752,177)
Net cash (used) in noncapital financing activities	(2,253,119)	(342,900)	(156,158)	(2,752,177)
Cash flows from capital and related financing activities:				
Capital contributions	1,752,053	-	-	1,752,053
Sale proceeds of capital assets	51,111	-	-	51,111
Proceeds from capital debt	-	-	-	-
Acquisition of property, plant and equipment	(29,897,028)	(34,559)	-	(29,931,587)
Principal paid on capital debt	(1,088,703)	-	-	(1,088,703)
Interest paid on indebtedness	(652,073)	-	-	(652,073)
Net cash (used) in capital and related financing activities	(29,834,640)	(34,559)	-	(29,869,199)
Cash flows from investing activities:				
Interest received	1,344,807	88,541	-	1,433,348
Sale of investments	34,850,261	1,283,171	-	36,133,432
Purchase of investments	(19,841,294)	(2,367,656)	-	(22,208,950)
Net cash (used) by investing activities	16,353,774	(995,944)	-	15,357,830
Net increase (decrease) in cash	(7,021,212)	85,268	107,153	(6,828,791)
Cash, beginning of year	8,502,944	70,038	1,508,033	10,081,015
Total cash, end of year	<u>\$ 1,481,732</u>	<u>\$ 155,306</u>	<u>\$ 1,615,186</u>	<u>\$ 3,252,224</u>
Cash				
Unrestricted	\$ 730,791	\$ 155,306	\$ 1,566,261	\$ 2,452,358
Restricted	750,941	-	48,925	799,866
Total cash	<u>\$ 1,481,732</u>	<u>\$ 155,306</u>	<u>\$ 1,615,186</u>	<u>\$ 3,252,224</u>

(Continued)

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

VILLAGE OF WELLINGTON, FLORIDA

STATEMENT OF CASH FLOWS PROPRIETARY FUNDS (Continued) YEAR ENDED SEPTEMBER 30, 2020

	Major		Nonmajor	
	Utility System	Solid Waste	Lake Wellington Professional Centre	Total
Reconciliation of operating income to net cash provided by operating activities:				
Operating income	\$ 1,940,933	\$ (568,349)	\$ 103,998	\$ 1,476,582
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation expense	5,643,702	16,218	149,027	5,808,947
GASB 68 pension expense	570,115	31,837	20,678	622,630
Change in assets and liabilities:				
(Increase) decrease in:				
Accounts receivable	(297,552)	(4,639)	1,081	(301,110)
Due from other governments	(261,039)	1,962,294	-	1,701,255
Inventories	32,275	-	-	32,275
Prepaid expenses	(1,259)	(57)	(4)	(1,320)
OPEB expense	(28,386)	(1,494)	(1,494)	(31,374)
Increase (decrease) in:				
Accounts payable and accrued liabilities	1,983,544	19,679	1,815	2,005,038
Due to other governments	(12,322)	149	(579)	(12,752)
Deposits	(921,653)	-	(5,574)	(927,227)
Unearned revenue	909	-	(7,831)	(6,922)
Compensated absences payable	63,506	3,033	2,194	68,733
Total adjustments	6,771,840	2,027,020	159,313	8,958,173
Net cash provided by operating activities	\$ 8,712,773	\$ 1,458,671	\$ 263,311	\$ 10,434,755
Noncash investing, capital, and financing activities:				
Developer contributed distribution lines	\$ 2,413,954	\$ -	\$ -	\$ 2,413,954
Unrealized gains/(losses) on investments	589,240	44,590	-	633,830

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

VILLAGE OF WELLINGTON, FLORIDA

STATEMENT OF FIDUCIARY NET POSITION

FIDUCIARY FUND

SEPTEMBER 30, 2020

	Employee Retirement Healthcare Trust
ASSETS	
Investments:	
Florida Municipal Pension Trust Fund - OPEB 70/30 Allocation	<u>\$ 1,840,239</u>
NET POSITION	
Net position restricted for other postemployment benefits	<u>\$ 1,840,239</u>

VILLAGE OF WELLINGTON, FLORIDA
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUND
YEAR ENDED SEPTEMBER 30, 2020

	Employee Retirement Healthcare <u>Trust</u>
Additions:	
Investment income	\$ 124,392
Deductions:	
Administrative expense	<u>(11,198)</u>
Change in net position	113,194
Net position held in trust for other postemployment benefits, beginning of year	<u>1,727,045</u>
Net position held in trust for other postemployment benefits, end of year	<u><u>\$ 1,840,239</u></u>

VILLAGE OF WELLINGTON, FLORIDA
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SEPTEMBER 30, 2020

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NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

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

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

Blended Component Units

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

Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the activities of Wellington and its component units. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Indirect expenses for centralized services and administrative overhead are allocated among the programs, functions, and segments using a full cost allocation approach and are presented separately to enhance comparability of direct expenses between governments that allocate direct expenses and those that do not. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

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.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Inventories and Prepaid Items

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

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

Restricted Assets

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

Capital Assets and Depreciation

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

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

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

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

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

Buildings	30 years
Furniture and Fixtures	15 years
Improvements other than Buildings	10-20 years
Computer Equipment	3-20 years
Vehicles	5-10 years
General Equipment	5-10 years
Major Machinery and Equipment	15 years
Wells	20 years
Infrastructure	40 years
Water Treatment Plant & Waste Water Plant	30 years

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

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

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

The Village reports pension and OPEB related deferred outflows of resources and deferred inflows of resources on its financial statements (see footnote 9 & 14 for additional information).

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. For the governmental funds, compensated absences are liquidated by the fund in which employees are compensated. The Village provides paid time off (PTO) for eligible employees, which accrues at rates depending on an employee's years of service with a maximum carry forward from year to year of 400 hours. Additionally, eligible employees may cash out PTO each year with a maximum buyback between 120 and 160 hours depending on years of service.

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

Unavailable/Uncearned 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.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources, while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Net Position

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

Fund Balance

The Governmental Accounting Standards Board issued statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions, which establishes accounting and financial reporting requirements for all governmental funds and establishes criteria for classifying fund balances. Accordingly, the governmental fund financial statements report fund equity classifications that comprise a hierarchy based primarily on the extent to which Wellington is legally bound to honor the specific purposes for which amounts in fund balance may be spent. The fund balance classifications are summarized as follows:

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

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

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

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

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

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Wellington Council has committed fund balance as follows:

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

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

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

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

Prior Period Adjustment

During the fiscal year, the Village restated the prior year's fund balance in the Solid Waste Fund. The restatement of \$1,960,512 was due to FEMA revenue recorded in the incorrect fund. This restatement resulted in an increase in business-type activities and a decrease in governmental activities on the government-wide financial statements.

Interfund Transactions

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

Property Taxes

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

The millage rate assessed by Wellington for 2020 was \$2.47 mills (for each \$1,000 of assessed valuation). This levy was based upon an assessed valuation of approximately \$8.69 billion.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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. Delinquent taxes on real property bear interest at 18% per year. On or prior to June 1st following the tax year, certificates are offered for sale for all delinquent taxes on real property. After sale, tax certificates bear interest at 18% per year or at any lower rate bid by the buyer. Application for a tax deed on any unredeemed tax certificate may be made by the certificate holder after a period of two years. Unsold certificates are held by the County. Delinquent taxes on personal property bear interest at 18% per year until the tax is satisfied either by seizure and sale of the property or by the five-year statute of limitations. At September 30, 2020, unpaid delinquent taxes are not material and have not been recorded.

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

Recent Accounting Pronouncements Adopted

GASB Statement No. 84, Fiduciary Activities

The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. The requirements of this Statement are effective for reporting periods beginning after December 15, 2018.

GASB Statement 90 – Majority Equity Interests an amendment of GASB Statements No. 14 and No. 61

The primary objectives of this Statement are to improve consistency in the measurement and comparability of the financial statement presentation of majority equity interests in legally separate organizations and to improve the relevance of financial statement information for certain component units. The requirements of this Statement are effective for reporting periods beginning after December 15, 2018. Earlier application is encouraged. Except as discussed in paragraph 11, in the period this Statement is first applied, changes adopted to conform to the provisions of this Statement should be applied retroactively by restating financial statements, if practicable, for all periods presented. If restatement for prior periods is not practicable, the cumulative effect, if any, of applying this Statement should be reported as a restatement of beginning net position (or fund balance or fund net position, as applicable) for the earliest period restated. Also, the reason for not restating prior periods presented should be disclosed. In the first period that this Statement is applied, the notes to financial statements should disclose the nature of the restatement and its effect.

The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). The primary objective of this Statement is to provide temporary relief to governments and other stakeholders in light of the COVID-19 pandemic. That objective is accomplished by postponing the effective dates of certain provisions in Statements and Implementation Guides that first became effective or are scheduled to become effective for periods beginning after June 15, 2018, and later. Statement No. 83, 84, 88, 89, 90, 91, 92, 93 and implementation guides 2017-3, 2018-1, 2019-1 & 2019-2 have been postponed by one year. Statement No 87 & implementation guide 2019-3 has been postponed by 18 months.

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, 2020 had a carrying value of \$11,387,548 and a bank balance of \$13,912,901.

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;

NOTE 2. DEPOSITS AND INVESTMENTS (continued)

- 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, 2020:

Investment	Amortized Cost	Fair Value	Weighted Average Maturity	Credit Rating (S&P/Fitch)	Level	Percent Distribution
FL PALM	5,724,229	-	51 days	AAA _m	N/A	3.81%
FL Fixed Income Trust Fund	10,325,703	-	127 days	AAA _f	N/A	6.87%
Fidelity Invest MM Treasury	379,862	-	N/A	N/A	N/A	0.25%
PTA Cash	13	-	N/A		N/A	0.00%
FL Class	10,710,310	-	51 days	AAA _m	N/A	7.13%
Total	27,140,117	-				18.06%
U.S. Treasuries		51,177,744	2.9 years		2	34.06%
FMIVT- Intermediate High Quality Bond Fund		891,264	3.39 years	AAA+/S3	2	0.59%
FMIVT- 1-3 Year High Quality Bond Fund		111,424	1.60 years	AAA+/S2	2	0.07%
Municipal Bonds		1,352,235	3.88 years	AA+	2	0.90%
Mortgage-Backed Securities		673,946	3.51 years	AA+	2	0.45%
U.S. Government Sponsored Enterprises:			3.13 years			0.00%
Federal Farm Credit Bank		6,566,406		AA+	2	4.37%
Federal Home Loan Bank		15,692,533		AA+	2	10.44%
Federal Home Loan Mortgage		14,542,111		AA+	2	9.68%
Federal National Mortgage Association		12,881,526		AA+	2	8.57%
Corporate Notes		7,819,990	2.69 years	(A+) - (AAA)	2	5.20%
Total Investments		111,709,179				74.35%
Total Cash Deposits		11,393,443				7.58%
Total Cash & Investments	27,140,117	123,102,622				100.00%

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

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

NOTE 2. DEPOSITS AND INVESTMENTS (continued)

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

Interest Rate Risk

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

Credit Risk

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

Custodial Credit Risk

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

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investments in a single issuer. Wellington limits the amount that can be invested in any one issuer of Federal Agencies and Instrumentalities to 40% of the portfolio. Wellington was in compliance with this policy at year-end. The percentage of each investment type is shown in the preceding table as of September 30, 2020.

NOTE 3. RECEIVABLES

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

					Nonmajor			Nonmajor Lake Wellington	
	General	Building	Acme Imprv.	Surtax	Govt'l Funds	Utility System	Solid Waste	Prof. Centre	Total
Utility taxes	\$ 486,773	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 486,773
Franchise taxes	345,370	-	-	-	-	-	91,083	-	436,453
Accounts	32,978	1,796	-	-	-	2,619,982	-	161	2,654,917
Interest	102,386	26,158	11,314	35,748	60,970	227,212	16,829	-	480,617
Gross receivables	967,507	27,954	11,314	35,748	60,970	2,847,194	107,912	161	4,058,760
Less allowance for uncollectible accounts	-	-	-	-	-	(109,383)	-	-	(109,383)
	<u>\$ 967,507</u>	<u>\$ 27,954</u>	<u>\$ 11,314</u>	<u>\$ 35,748</u>	<u>\$ 60,970</u>	<u>\$ 2,737,811</u>	<u>\$ 107,912</u>	<u>\$ 161</u>	<u>\$ 3,949,377</u>

NOTE 3. RECEIVABLES (continued)

Boys and Girls Club

In 2013, the Village completed construction of the new Boys & Girls Club Center. Total construction costs were approximately \$3,956,000. The project was to be funded as follows: the Village (\$1.096 million), Palm Beach County (\$600,000) and the Boys & Girls Club (\$2.26 million). The Boys & Girls Club paid \$1.1 million to the Village leaving a balance owed of \$1.16 million. The Village and the Boys & Girls Club agreed that the remaining balance would be paid over ten years in annual amounts of \$116,030. At September 30, 2020, the amount owed is \$348,089 and is recorded as a long-term receivable and unavailable revenue on the fund financial statements.

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, 2020, the amount owed is \$2,372,333 and is reported as a long-term receivable and unavailable revenue on the fund financial statements.

On August 11, 2020, the Village adopted Resolution 2020-35 for special assessments due in the amount of \$282,668.

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.	Surtax Fund	Debt Service	Nonmajor Govt'l Funds	Utility System	Solid Waste	Total
Federal Government:								
Grants	\$ 79,899	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 79,899
State of Florida:								
Grants	275,950	-	-	-	-	261,039	-	536,989
Half cent sales tax	737,066	-	-	-	-	-	-	737,066
Sales Surtax	-	-	721,802	-	-	-	-	721,802
Communication services tax	304,147	-	-	-	-	-	-	304,147
Local option gas tax	-	-	-	-	233,306	-	-	233,306
Fuel tax refund	-	-	-	-	1,752	-	-	1,752
Palm Beach County:								
County shared revenues	34,370	-	-	-	-	-	-	34,370
Alarm revenue	15,820	-	-	-	-	-	-	15,820
Excess fees	-	35,219	-	1,720	-	-	19,194	56,133
	<u>\$ 1,447,252</u>	<u>\$ 35,219</u>	<u>\$ 721,802</u>	<u>\$ 1,720</u>	<u>\$ 235,058</u>	<u>\$ 261,039</u>	<u>\$ 19,194</u>	<u>\$ 2,721,284</u>

NOTE 5. CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2020 is as follows:

	Beginning Balance	Increases	Decreases	Reclassifications	Ending Balance
Governmental activities:					
Capital assets, not being depreciated:					
Land	\$ 20,053,844	\$ -	\$ -	\$ -	\$ 20,053,844
Construction in progress	1,155,930	10,458,288	-	(3,987,542)	7,626,676
Infrastructure	78,005,840	-	-	-	78,005,840
Total capital assets, not being depreciated	99,215,614	10,458,288	-	(3,987,542)	105,686,360
Capital assets, being depreciated:					
Buildings	39,334,846	-	-	133,955	39,468,801
Improvements	107,433,869	56,736	-	3,817,511	111,308,116
Machinery and equipment	17,959,170	1,355,337	(245,905)	36,076	19,104,678
Total capital assets, being depreciated	164,727,885	1,412,073	(245,905)	3,987,542	169,881,595
Less accumulated depreciation for:					
Buildings	(11,275,874)	(1,307,759)	-	-	(12,583,633)
Improvements	(86,373,744)	(4,878,546)	-	-	(91,252,290)
Machinery and equipment	(11,610,779)	(1,201,302)	245,905	-	(12,566,176)
Total accumulated depreciation	(109,260,397)	(7,387,607)	245,905	-	(116,402,099)
Total capital assets, being depreciated, net	55,467,488	(5,975,534)	-	3,987,542	53,479,496
Governmental activities capital assets, net	\$ 154,683,102	\$ 4,482,754	\$ -	\$ -	\$ 159,165,856

NOTE 5. CAPITAL ASSETS (continued)

	Beginning Balance	Increases	Decreases	Reclassifications	Ending Balance
Business-type activities:					
Capital assets, not being depreciated:					
Land	\$ 9,579,678	\$ -	\$ -	\$ -	\$ 9,579,678
Construction in progress	14,730,405	30,374,910	-	(4,920,450)	40,184,865
Total capital assets, not being depreciated	24,310,083	30,374,910	-	(4,920,450)	49,764,543
Capital assets, being depreciated:					
Buildings	9,540,389	-	-	-	9,540,389
Land improvements	5,866,226	-	-	3,190,636	9,056,862
Furniture, fixtures, equipment and vehicles	14,601,585	498,751	(46,382)	316,488	15,370,442
Infrastructure	107,877,884	2,413,951	(5,024)	1,413,326	111,700,137
Water treatment plant	34,370,640	-	-	-	34,370,640
Waste water plant	37,224,810	-	-	-	37,224,810
Total capital assets, being depreciated	209,481,534	2,912,702	(51,406)	4,920,450	217,263,280
Less accumulated depreciation for:					
Buildings	(3,145,915)	(312,844)	-	-	(3,458,759)
Land improvements	(4,815,498)	(353,435)	-	-	(5,168,933)
Furniture, fixtures, equipment and vehicles	(11,521,547)	(492,196)	46,383	-	(11,967,360)
Infrastructure	(64,381,579)	(2,487,530)	3,684	-	(66,865,425)
Water treatment plant	(17,800,998)	(992,119)	-	-	(18,793,117)
Waste water plant	(15,841,349)	(1,170,823)	-	-	(17,012,172)
Total accumulated depreciation	(117,506,886)	(5,808,947)	50,067	-	(123,265,766)
Total capital assets, being depreciated, net	91,974,648	(2,896,245)	(1,339)	4,920,450	93,997,514
Business-type activities capital assets, net	<u>\$ 116,284,731</u>	<u>\$ 27,478,665</u>	<u>\$ (1,339)</u>	<u>\$ -</u>	<u>\$ 143,762,057</u>

NOTE 5. CAPITAL ASSETS (continued)

Depreciation expense was charged to functions as follows:

Governmental activities:	
General government	\$ 223,181
Public Safety	45,341
Physical environment	4,813,195
Economic environment	58,019
Transportation	1,075,737
Culture and recreation	1,172,134
Total depreciation expense - governmental activities	<u>\$ 7,387,607</u>
Business-type activities:	
Water utility	\$ 5,643,702
Lake Wellington Professional Centre - nonmajor	149,027
Solid waste	16,218
Total depreciation expense - business-type activities	<u>\$ 5,808,947</u>

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

Noncurrent liability activity for the year ended September 30, 2020, was as follows:

Governmental Activities

	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
Special Assessment Bond, Series 2016	2,880,000	-	(185,000)	2,695,000	190,000
Total Bonds Payable, net	2,880,000	-	(185,000)	2,695,000	190,000
Compensated absences payable	2,503,634	1,691,875	(1,416,268)	2,779,241	1,209,805
Net pension liability	19,467,337	12,217,022	(7,887,321)	23,797,038	-
Total	<u>\$ 24,850,971</u>	<u>\$ 13,908,897</u>	<u>\$ (9,488,589)</u>	<u>\$ 29,271,279</u>	<u>\$ 1,399,805</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 remaining 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, 2020, the outstanding balance was \$2,695,000.

NOTE 6. NONCURRENT LIABILITIES (continued)

Future debt service requirements to maturity are:

	Special Assessment Bond, Series 2016		
	Principal	Interest	Total
Year Ending September 30:			
2021	190,000	76,440	266,440
2022	195,000	70,781	265,781
2023	200,000	64,974	264,974
2024	210,000	58,947	268,947
2025	215,000	52,700	267,700
2026-2030	1,170,000	163,905	1,333,905
2031-2032	515,000	15,215	530,215
	<u>\$ 2,695,000</u>	<u>\$ 502,962</u>	<u>\$ 3,197,962</u>

Business-type Activities

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Utility loans, direct borrowings	\$19,248,833	\$ -	\$(1,088,703)	\$ 18,160,130	\$1,122,770
Compensated absences payable	489,008	440,307	(371,574)	557,741	276,708
Net pension liability	4,188,418	2,860,138	(1,846,507)	5,202,049	-
Total	<u>\$23,926,259</u>	<u>\$ 3,300,445</u>	<u>\$(3,306,784)</u>	<u>\$ 23,919,920</u>	<u>\$ 1,399,478</u>

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 loan will be payable pursuant to a covenant to budget and appropriate from legally available non-ad valorem revenues.

NOTE 6. NONCURRENT LIABILITIES (continued)

Future debt service requirements to maturity are:

	Loans Payable		
	Principal	Interest	Total
Year Ending September 30:			
2021	1,122,771	544,455	1,667,226
2022	1,157,901	509,324	1,667,225
2023	1,194,132	473,093	1,667,225
2024	1,231,496	435,729	1,667,225
2025	1,270,029	397,196	1,667,225
2026-2030	6,971,692	1,364,432	8,336,124
2031-2034	5,212,109	275,863	5,487,972
	<u>\$18,160,130</u>	<u>\$4,000,092</u>	<u>\$ 22,160,222</u>

NOTE 7. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The composition of interfund balances as of September 30, 2020 is as follows:

Receivable Fund	Payable Fund	Amount
General Fund	Lake Wellington Professional Centre	\$ 2,681

These outstanding balances between funds result mainly from the time lag between the dates that (a) interfund goods and services are provided or reimbursable expenditures occur, (b) transactions are recorded in the accounting system and (c) payments between funds are made.

Interfund Transfers and Indirect Cost Allocation

Transfers of resources from a fund receiving revenue to the fund through which the resources will be expended are recorded as transfers and are reported as other financing sources (uses) in the governmental funds and transfers (to) from other funds in the enterprise fund. Transfers for the year ended September 30, 2020 were as follows:

	Transfers In	Transfers Out
General	\$ 4,266,812	\$ 8,442,921
Building	-	934,145
Acme Improvement	-	2,097,248
Surtax Fund	2,730,000	-
Nonmajor governmental funds	7,752,921	600,000
Utility System	-	2,253,119
Lake Wellington Professional Centre	-	79,400
Solid Waste	-	342,900
Total	<u>\$ 14,749,733</u>	<u>\$ 14,749,733</u>

NOTE 8. ENCUMBRANCES

Purchase orders are issued throughout the year to encumber budgets in the governmental funds. Encumbrances as of September 30, 2020 are as follows:

Major funds:	
General Fund	\$ 763,486
Building Fund	554,541
Acme Improvement	19,408
Surtax Fund	<u>7,781,858</u>
Total Major Funds	9,119,293
Non-Major Governmental Funds	<u>2,336,280</u>
Total Encumbrances	<u><u>\$ 11,455,573</u></u>

NOTE 9. RETIREMENT PLAN

Florida Retirement System (FRS)

General Information about the FRS

The FRS was created in Chapter 121, Florida Statutes, to provide a defined benefit pension plan for participating public employees. The FRS was amended in 1998 to add the Deferred Retirement Option Program under the defined benefit plan and amended in 2000 to provide a defined contribution plan alternative to the defined benefit plan for FRS members effective July 1, 2002. This integrated defined contribution pension plan is the FRS Investment Plan. Chapter 112, Florida Statutes, established the Retiree Health Insurance Subsidy (HIS) Program, a cost-sharing multiple-employer defined benefit pension plan, to assist retired members of any state-administered retirement system in paying the costs of health insurance.

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

The Village recognized total pension expense (FRS & HIS) of \$5,408,156 for the fiscal year ended September 30, 2020.

NOTE 9. RETIREMENT PLAN (continued)

FRS Pension Plan

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

The classes of membership within the Village are as follows:

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

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

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

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

NOTE 9. RETIREMENT PLAN (continued)

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

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

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

Contributions – The Florida Legislature establishes contribution rates for participating employers and employees. Contribution rates during the 2020 fiscal year were as follows:

Class	Percent of Gross Salary		Percent of Gross Salary	
	October 1, 2019 to		July 1, 2020 to	
	June 30, 2020		September 30, 2020	
	Employee	Employer (1)	Employee	Employer (1)
FRS, Regular	3.00	8.47	3.00	10.00
FRS, Elected Local Officers	3.00	48.82	3.00	49.18
FRS, Senior Management Service Class	3.00	25.41	3.00	27.29
DROP - Applicable to all members in the above classes	0.00	14.60	0.00	16.98

(1) Employer rates include a postemployment HIS contribution rate of 1.66 percent. Also, employer rates, other than DROP participants, include .06 percent for administrative costs of the Investment Plan from October 1, 2019 to September 30, 2020

The Village's employer contributions to the Plan totaled \$1,671,456 for the fiscal year ended September 30, 2020.

NOTE 9. RETIREMENT PLAN (continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – At September 30, 2020, the Village reported a liability of \$21,803,503 for its proportionate share of the Plan's net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2020. The Village's proportionate share of the net pension liability was based on the Village's contributions for the year ended June 30, 2020 relative to the contributions of all participating members. At June 30, 2020, the Village's proportionate share was .0503% percent, which was an increase of .0007% from its proportionate share measured as of June 30, 2019.

For the fiscal year ended September 30, 2020 the Village recognized pension expense of \$4,757,421 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	\$ 834,464	\$ -
Change of assumptions	3,947,128	-
Net difference between projected and actual earnings on FRS pension plan investments	1,298,202	-
Changes in proportion and differences between Wellington FRS contributions and proportionate share of contributions	799,254	(295,286)
Wellington FRS contributions subsequent to the measurement date	573,357	-
Total	<u>\$ 7,452,405</u>	<u>\$ (295,286)</u>

The deferred outflows of resources related to pensions, totaling \$573,357, 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 \$6,583,762 will be recognized in pension expense as follows:

Year Ending September 30:	Amount
2021	\$ 1,419,877
2022	2,147,292
2023	1,780,801
2024	1,003,319
2025	232,473
Thereafter	-
Total	<u>\$ 6,583,762</u>

NOTE 9. RETIREMENT PLAN (continued)

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

Inflation	2.40 percent
Salary Increases	3.25 percent, average, including inflation
Discount Rate	6.80 percent

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

The long-term expected rate of return on pension plan investments was not based on historical returns, but instead is based on a forward-looking capital market economic model. The allocation policy’s description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions, and includes an adjustment for the inflation assumption. The target allocation and best estimates of arithmetic and geometric real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation (1)</u>	<u>Arithmetic Return</u>	<u>Geometric Return</u>	<u>Standard Deviation</u>
Cash	1.0%	2.2%	2.2%	1.2%
Fixed income	19.0%	3.0%	2.9%	3.5%
Global Equity	54.2%	8.0%	6.7%	17.1%
Real estate (property)	10.3%	6.4%	5.8%	11.7%
Private equity	11.1%	10.8%	8.1%	25.7%
Strategic investments	4.4%	5.5%	5.3%	6.9%
Total	100.00%			
Assumed inflation - mean			2.4%	1.7%

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

Discount Rate – The discount rate used to measure the total pension liability was 6.80%. 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.

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 6.80%, as well as what the Village’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	<u>1% Decrease</u>	<u>Current Discount Rate 6.80%</u>	<u>1% Increase</u>
Village's proportionate share of the net pension liability	\$34,816,530	\$21,803,503	\$10,934,966

NOTE 9. RETIREMENT PLAN (continued)

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 Comprehensive Annual Financial Report.

Payables to the Pension Plan – At September 30, 2020, the Village reported a payable of \$162,722 for the outstanding amount of contributions to the Plan required for the fiscal year ended September 30, 2020.

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, 2020, 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, 2020, the contribution rate was 1.66% of payroll for July 1, 2019 through September 30, 2020 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 \$339,601 for the fiscal year ended September 30, 2020.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – At September 30, 2020, the Village reported a net pension liability of \$7,195,583 for its proportionate share of the HIS Plan’s net pension liability. The net pension liability was measured as of June 30, 2020. The HIS Program has a valuation performed biennially that is updated for GASB reporting in the year a valuation is not performed. The most recent experience study for the FRS Pension Plan was completed in 2019 for the period July 1, 2013, through June 30, 2018. Because the HIS Program is funded on a pay-as-you-go basis, no experience study has been completed for that program. The actuarial assumptions that determined the total pension liability for the HIS Program were based on certain results of the most recent experience study for the FRS Pension Plan. At June 30, 2020, the Village’s proportionate share was .0589%, which was an increase of .0001% from its proportionate share measured as of June 30, 2019.

NOTE 9. RETIREMENT PLAN (continued)

For the fiscal year ended September 30, 2020 the Village recognized pension expense of \$650,735 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:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 294,342	\$ (5,551)
Change of assumptions	773,727	(418,395)
Net difference between projected and actual earnings on HIS pension plan investments	5,745	-
Changes in proportion and differences between Wellington HIS contributions and proportionate share of HIS contributions	215,607	(142,194)
Wellington HIS contributions subsequent to the measurement date	95,794	-
Total	<u>\$ 1,385,215</u>	<u>\$ (566,140)</u>

The deferred outflows of resources related to pensions, totaling \$95,794, 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 \$723,281 will be recognized in pension expense as follows:

Year Ending September 30:	Amount
2021	\$ 211,387
2022	163,852
2023	68,831
2024	86,752
2025	95,221
Thereafter	97,238
Total	<u>\$ 723,281</u>

Actuarial Assumptions – The total pension liability in the July 1, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.40 percent
Salary increases	3.25 percent, average, including inflation
Discount Rate	2.21 percent

Mortality rates were based on the Generational PUB-2010 with projection Scale MP-2018. The actuarial assumptions used in the June 30, 2020 measurement date, were based on an actuarial valuation date of July 1, 2020. For the HIS plan, valuations are performed on a biennial basis.

NOTE 9. RETIREMENT PLAN (continued)

Discount Rate – The discount rate used to measure the total pension liability was 2.21%. In general, the discount rate for calculating the total pension liability is equal to the single rate equivalent to discounting at the long-term expected rate of return for benefit payments prior to the projected depletion date. Because the HIS benefit is essentially funded on a pay-as-you-go basis, the depletion date is considered to be immediate, and the single equivalent discount rate is equal to the municipal bond rate selected by the HIS Plan sponsor. The Bond Buyer General Obligation 20-Bond Municipal Bond Index was adopted as the applicable municipal bond index.

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 2.21%, 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>2.21%</u>	<u>1%</u> <u>Increase</u>
Village's proportionate share of the net pension liability	\$8,317,773	\$7,195,583	\$6,277,074

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 Comprehensive Annual Financial Report.

Payables to the Pension Plan – At September 30, 2020, the Village reported a payable of \$20,169 for the outstanding amount of contributions to the HIS Plan required for the fiscal year ended September 30, 2020.

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 Comprehensive Annual Financial Report. Service retirement benefits are based upon the value of the member’s account upon retirement. The report can be found at <http://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.

NOTE 9. RETIREMENT PLAN (continued)

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

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

For all membership classes, employees are immediately vested in their own contributions and are vested after one year of service for employer contributions and investment earnings. If an accumulated benefit obligation for service credit originally earned under the FRS Pension Plan is transferred to the Investment Plan, the member must have the years of service required for FRS Pension Plan vesting (including the service credit represented by the transferred funds) to be vested for these funds and the earnings on the funds. Nonvested employer contributions are placed in a suspense account for up to five years. If the employee returns to FRS covered employment within the five year period, the employee will regain control over their account. If the employee does not return within the five year period, the employee will forfeit the accumulated account balance. Costs of administering the Investment Plan, including the FRS Financial Guidance Program, are funded through an employer contribution of .06 percent from July 1, 2019 – September 30, 2020 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 \$364,382 for the fiscal year ended September 30, 2020.

Payables to the Investment Plan – At September 30, 2020, the Village reported a payable of \$40,640 for the outstanding amount of contributions to the Investment Plan required for the fiscal year ended September 30, 2020.

NOTE 10. HEALTH INSURANCE

Effective January 1, 2015 Wellington changed health insurance plans from fully insured United Health Care to a minimum premium arrangement with CIGNA. This minimum premium arrangement is a hybrid of fully insured and self-insured arrangements in which the insurance company remains legally liable for all claims. Reserve funding is built into premium rates and amounts paid in excess of the predetermined limit are accumulated into a reserve and refunded to the Village. As of September 30, 2020 the reserve accumulation with CIGNA is \$0 and the Village reported a payable of \$806,102.

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

NOTE 11. RISK MANAGEMENT

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

NOTE 12. CONTINGENCIES

Legal

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

NOTE 13. COMMITMENTS

Information Technology

An Application Service Provider Agreement for a term of 5 years was executed during 2009 which provides for the use of the SunGard Public Sector, Inc. software package. This agreement was amended during 2012. Beginning October 1, 2014 this contract will automatically renew each year unless the Village opts to terminate the agreement. The amount remitted this fiscal year pursuant to the agreement was \$127,630.

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 \$587,811.

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, 2020. 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 \$9,997,360.

Solid Waste Collection and Recycling

On April 14, 2015, the contract for waste and recycling collection services was awarded to Waste Management. The agreement is for five years and expires on September 30, 2020. There are three renewal options in this agreement for an additional one-year period. The contract also grants the contractor the exclusive right to provide service directly to commercial operations. The contract gives the contractor the right to petition Wellington for rate adjustments based on extraordinary and unusual changes in the cost of operations. Amounts paid this fiscal year pursuant to this agreement total \$3,518,245. According to the agreement, future year payments to Waste Management, Inc. will be adjusted by a yearly CPI index.

NOTE 13. COMMITMENTS (continued)

Interlocal Agreement – Wellington High School Sports Complex

On August 7, 2019, the Village entered into an interlocal agreement with the School Board of Palm Beach County. The agreement allows the Village to fund, plan, design, construct and maintain five (5) artificial turf fields and other improvements on the campus of Wellington Community High School. The parties agree that the Sports Complex Facilities will be available for use in accordance with the Priority of Use agreement. The project will be funded by the Village with Surtax funds and will cost approximately \$12 million. The project started at the end of June 2020.

On July 9, 2019 Council awarded Kimley-Horn & Associates a contract to provide engineering and architectural services in the amount of \$505,335. On April 14, 2020, Council approved a task order for Kimley-Horn for construction administration services in the amount of \$385,015. The amount expensed this fiscal year was \$639,947.

On April 14, 2020, Council awarded Kaufman Lynn Construction Inc. a contract for the construction of the Wellington High School Sports Complex in the amount of \$12,212,904 and subsequently amended to \$9,907,695. Amounts paid this fiscal year total \$3,920,055.

Water/Wastewater Treatment Plant Projects

On August 18, 2018, Council awarded a contract to Weiss Construction of Florida, LLC for the renewal, replacement and expansion of the Water Treatment Plant in the amount of \$17,005,300 and subsequently amended to \$13,151,551. The amount expensed this fiscal year was \$5,563,614.

On March 12, 2019, Council awarded a contract to Wharton Smith, Inc. for the Wastewater Treatment Facility renewal and replacement project in the amount of \$19,042,020 and subsequently amended to \$16,512,434. The amount expensed this fiscal year was \$11,263,033.

On April 23, 2019, Council awarded a construction manager at risk (CMAR) contract to Wharton Smith, Inc. to provide pre-construction services for the Water Treatment Plant Warehouse, Generator Storage and Field Services Building Modifications project in the amount of \$47,000. On November 12, 2019, Council awarded a Guaranteed Maximum Price (GMP) amendment one for the CMAR contract in the amount of \$300,534 to provide construction services. On February 25, 2020, Council awarded GMP amendment two for the CMAR contract in the amount of \$1,595,422. On June 9, 2020, Council awarded GMP amendment three for the CMAR contract in the amount of \$5,604,044 and subsequently amended the CMAR contract for a total amount of \$7,176,552. The amount expensed this fiscal year was \$ 1,853,113.

NOTE 14. OTHER POSTEMPLOYMENT BENEFITS

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

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

NOTE 14. OTHER POSTEMPLOYMENT BENEFITS (continued)

Actuarial Methods and Assumptions: Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point.

Plan Description: On September 28, 2007, Wellington established the Employee Retirement Healthcare Trust Fund, administered by the League of Cities. Wellington employees are provided with defined benefit OPEB through an agent multiple-employer OPEB plan. The plan assets are pooled for investment purposes but separate accounts are maintained for each individual employer so that each employer’s share of the pooled assets is legally available to pay the benefits of only its employees. The Village contributed \$879,951 to the Trust in 2007. The Plan provides medical and dental insurance benefits to eligible retirees and their spouses and families. Wellington Council is authorized to establish and amend benefit levels, subject to the minimum requirements set forth by Florida Statutes, and to approve the actuarial assumptions used in the determination of contribution levels. The Plan does not issue a separate financial statement and required supplementary information. There were 12 retirees eligible to receive benefits as of September 30, 2020.

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, 2020, the following employees were covered by benefit terms:

Inactive employees or beneficiaries currently receiving benefits	12
Inactive employees entitled to but not yet receiving benefits	0
Active employees	<u>298</u>
	310

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 \$817 to a maximum of \$2,451.

NOTE 14. OTHER POSTEMPLOYMENT BENEFITS (continued)

Actuarial Assumptions: The total OPEB asset in the September 30, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

OPEB PLAN

Actuarial Assumptions

Inflation	2.9 percent
Healthcare cost trend rates	6.5 percent for FY 2020, decreasing 0.5 percent per year to 5.0 percent for the years FY 2023 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 2020 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% of eligible employees (other than the Village Manager) are assumed to elect medical coverage until age 65 upon retirement or disability. Village Manager is assumed to elect medical coverage until 65; all retirees (current and future) have been assumed to continue their current health plan coverage election.
Spouses and dependents	Husbands are assumed to be three years older than their wives; retirees are not assumed to have any dependent children.
COBRA	Future healthcare coverage provided solely pursuant to COBRA was not included in the OPEB valuation.
Changes	Since the prior measurement date, the morbidity assumption was changed from 3.5% at each age to the rates described above and the mortality improvement scale was changed from Scale MP-2017 to Scale MP-2018.

NOTE 14. OTHER POSTEMPLOYMENT BENEFITS (continued)

Mortality rates are based on the PUB-2010 Mortality Table with full generational improvements in mortality using Scale MP-2018.

The actuarial assumptions used in the September 30, 2020 valuation were based on the results of an actuarial experience study for the period October 1, 2019-September 30, 2020.

The long-term expected rate of return on the OPEB plan investments was determined using a building-block method in which best-estimate ranges of the expected return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and the best estimates of the arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. large cap equity	39.0%	4.6%
Non-U.S. equity	18.0%	6.7%
U.S. small cap equity	13.0%	5.5%
Core plus	10.0%	2.1%
Core bonds	10.0%	1.6%
Core real estate	10.0%	5.0%
Total	100.00%	
Weighted Arithmetic average		4.6%

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

NOTE 14. OTHER POSTEMPLOYMENT BENEFITS (continued)

	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Asset
	(a)	(b)	(a) + (b)
Balances at 9/30/2019	\$ 305,395	\$ (1,727,045)	\$ (1,421,650)
Changes for the year:			
Service cost	22,570	-	22,570
Expected interest growth	20,498	(129,116)	(108,618)
Demographic Experience	168,621		168,621
Unexpected investment growth	-	4,724	4,724
Benefit payments & refunds	(111,316)		(111,316)
Administrative expense	-	11,198	11,198
Assumption Changes	383,618		383,618
Net Changes	483,991	(113,194)	370,797
Balance at 9/30/2020	\$ 789,386	\$ (1,840,239)	\$ (1,050,853)

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

	Discount Rate		
	1% Decrease	(7.5%)	1% Increase
Net OPEB asset	\$ 1,005,918	\$ 1,050,853	\$ 1,091,429

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

	Healthcare Cost Trend Rates (6.5%)		
	Trend Rate minus 1%	decreasing to 5.0%)	Trend Rate plus 1%
Net OPEB asset	\$ 1,105,327	\$ 1,050,853	\$ 988,164

NOTE 14. OTHER POSTEMPLOYMENT BENEFITS (continued)OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended September 30, 2020, the Village recognized OPEB expense of (\$149,398). At September 30, 2020, the Village reported deferred inflows of resources related to OPEB from the following sources:

<u>Description</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Balances at 9/30/2019	\$ 90,672	\$ 106,264
Changes for the year:		
Amortization payments	(65,917)	(29,149)
Investment gain/loss	4,724	-
Demographic gain/loss	168,621	-
Assumption changes	383,618	-
Balances at 9/30/2020	<u>\$ 581,718</u>	<u>\$ 77,115</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>
2021	36,766
2022	56,358
2023	60,170
2024	51,283
2025	50,339
Thereafter	249,687
Total	\$ 504,603

NOTE 15. PRONOUNCEMENTS ISSUED BUT NOT YET ADOPTEDGASB Statement No. 87 - *Leases*

The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019.

NOTE 15. PRONOUNCEMENTS ISSUED BUT NOT YET ADOPTED (continued)

GASB Statement 89 – Accounting for Interest Cost Incurred before the End of a Construction Period

The objectives of this Statement are (a) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (b) to simplify accounting for certain interest costs. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019. Earlier application is encouraged. Changes adopted to conform to the provisions of this Statement should be applied prospectively. For construction-in-progress, interest cost incurred after the beginning of the first reporting period to which this Statement is applied should not be capitalized.

GASB 91 - Conduit Debt Obligations

The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. The requirements of this Statement are effective for reporting periods beginning after December 15, 2020. Earlier application is encouraged.

GASB 92 – Omnibus 2020

The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics and includes specific provisions about leases, intra-entity transfers, applicability of Statement No. 73 & 84, amendments to Statements No. 67, 68 and 74, asset retirement obligations, public entity risk pools, fair value measurements and derivative instruments. The effective dates for leases are upon issuance and the remaining are effective for reporting periods beginning after June 15, 2020.

GASB 93 – Replacement of Interbank Offered Rates

The objective of this Statement is to address those and other accounting and financial reporting implications that result from the replacement of an IBOR. The removal of LIBOR as an appropriate benchmark interest rate is effective for reporting periods ending after December 31, 2021. All other requirements of this Statement are effective for reporting periods beginning after June 15, 2020.

GASB 94 – Public-Private and Public-Public Partnerships and Availability Payment Arrangements

The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). This Statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). The requirements of this Statement are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter.

NOTE 15. PRONOUNCEMENTS ISSUED BUT NOT YET ADOPTED (continued)

GASB 96 – Subscription-Based Information Technology Arrangements

This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, *Leases*, as amended. The requirements of this Statement are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter.

GASB 97 – Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans—an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32

The primary objectives of this Statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans.

The requirements of this Statement that (1) exempt primary governments that perform the duties that a governing board typically performs from treating the absence of a governing board the same as the appointment of a voting majority of a governing board in determining whether they are financially accountable for defined contribution pension plans, defined contribution OPEB plans, or other employee benefit plans and (2) limit the applicability of the financial burden criterion in paragraph 7 of Statement 84 to defined benefit pension plans and defined benefit OPEB plans that are administered through trusts that meet the criteria in paragraph 3 of Statement 67 or paragraph 3 of Statement 74, respectively, are effective immediately.

The requirements of this Statement that are related to the accounting and financial reporting for Section 457 plans are effective for fiscal years beginning after June 15, 2021

Management has not completed an analysis of the effects of these GASB statements on the financial statements.

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Required Supplemental 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, 2020

	Original Adopted Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues:				
Ad valorem taxes	\$ 20,381,267	\$ 20,381,267	\$ 20,628,009	\$ 246,742
Utility services taxes	4,890,000	4,890,000	5,150,422	260,422
Communication services taxes	2,166,000	2,166,000	1,939,209	(226,791)
Local business tax receipts	950,000	950,000	864,066	(85,934)
Other permit and fees	1,006,300	1,006,300	1,233,046	226,746
Franchise fees	3,475,000	3,075,000	3,472,827	397,827
Grants	249,868	249,756	1,864,678	1,614,922
State revenue sharing	6,994,500	5,994,500	6,262,049	267,549
Charges for services	2,734,150	1,734,150	1,836,564	102,414
Fines and forfeitures	130,000	130,000	241,663	111,663
Investment income (net)	500,000	500,000	1,234,143	734,143
Miscellaneous	368,356	368,356	385,863	17,507
Total revenues	<u>43,845,441</u>	<u>41,445,329</u>	<u>45,112,539</u>	<u>3,667,210</u>
Expenditures:				
Current:				
General government	20,674,040	21,343,328	19,594,526	1,748,802
Public safety	11,373,656	11,333,871	11,433,923	(100,052)
Physical environment	1,080,126	1,194,266	1,173,135	21,131
Economic environment	1,569,735	1,663,114	1,546,594	116,520
Culture and recreation	9,371,432	9,643,371	8,401,936	1,241,435
Capital outlay	<u>377,000</u>	<u>480,950</u>	<u>356,600</u>	<u>124,350</u>
Total expenditures	<u>44,445,989</u>	<u>45,658,900</u>	<u>42,506,714</u>	<u>3,152,186</u>
Excess (deficiency) of revenues over expenditures	<u>(600,548)</u>	<u>(4,213,571)</u>	<u>2,605,825</u>	<u>6,819,396</u>
Other financing sources (uses):				
Transfers in	3,950,682	3,950,682	4,266,812	316,130
Transfers out	(4,812,921)	(8,442,921)	(8,442,921)	-
Proceeds from sale of capital assets	<u>-</u>	<u>-</u>	<u>3,465</u>	<u>3,465</u>
Total other financing sources (uses)	<u>(862,239)</u>	<u>(4,492,239)</u>	<u>(4,172,644)</u>	<u>319,595</u>
Net change in fund balances	(1,462,787)	(8,705,810)	(1,566,819)	7,138,991
Fund balances, beginning of year	<u>39,354,243</u>	<u>39,354,243</u>	<u>39,354,243</u>	<u>-</u>
Fund balances, end of year	<u>\$ 37,891,456</u>	<u>\$ 30,648,433</u>	<u>\$ 37,787,424</u>	<u>\$ 7,138,991</u>

VILLAGE OF WELLINGTON, FLORIDA

BUDGETARY COMPARISON SCHEDULE

BUILDING - SPECIAL REVENUE FUND

YEAR ENDED SEPTEMBER 30, 2020

	Original Adopted Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues:				
Building permits and fees	\$ 3,820,000	\$ 3,820,000	\$ 5,093,178	\$ 1,273,178
Investment income (net)	105,000	105,000	218,562	113,562
Miscellaneous	20,000	20,000	55,803	35,803
Total revenues	<u>3,945,000</u>	<u>3,945,000</u>	<u>5,367,543</u>	<u>1,422,543</u>
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	3,257,985	4,084,271	3,342,772	741,499
Capital outlay	69,000	942,125	813,437	128,688
Total expenditures	<u>3,326,985</u>	<u>5,026,396</u>	<u>4,156,209</u>	<u>870,187</u>
Excess (deficiency) of revenues over expenditures	<u>618,015</u>	<u>(1,081,396)</u>	<u>1,211,334</u>	<u>2,292,730</u>
Other financing sources (uses):				
Transfers in	-	-	-	-
Transfers out	(618,015)	(618,015)	(934,145)	(316,130)
Proceeds from sale of capital assets	-	-	-	-
Total other financing sources (uses)	<u>(618,015)</u>	<u>(618,015)</u>	<u>(934,145)</u>	<u>(316,130)</u>
Net change in fund balances	-	(1,699,411)	277,189	1,976,600
Fund balances, beginning of year	<u>7,194,922</u>	<u>7,194,922</u>	<u>7,194,922</u>	-
Fund balances, end of year	<u>\$ 7,194,922</u>	<u>\$ 5,495,511</u>	<u>\$ 7,472,111</u>	<u>\$ 1,976,600</u>

VILLAGE OF WELLINGTON, FLORIDA

BUDGETARY COMPARISON SCHEDULE

ACME IMPROVEMENT - SPECIAL REVENUE FUND

YEAR ENDED SEPTEMBER 30, 2020

	Original Adopted Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues:				
Special assessments	\$ 5,696,514	\$ 5,696,514	\$ 5,888,556	\$ 192,042
Charges for services	314,000	314,000	309,256	(4,744)
Investment income (net)	34,000	34,000	98,992	64,992
Licenses and permits	-	-	770	770
Miscellaneous	55,000	55,000	56,503	1,503
Total revenues	<u>6,099,514</u>	<u>6,099,514</u>	<u>6,354,077</u>	<u>254,563</u>
Expenditures:				
Current:				
General government	161,946	140,934	33,496	107,438
Physical environment	3,860,258	3,879,944	3,470,951	408,993
Culture and recreation	398,234	405,790	390,592	15,198
Capital outlay	140,500	147,700	147,843	(143)
Total expenditures	<u>4,560,938</u>	<u>4,574,368</u>	<u>4,042,882</u>	<u>531,486</u>
Excess (deficiency) of revenues over expenditures	<u>1,538,576</u>	<u>1,525,146</u>	<u>2,311,195</u>	<u>786,049</u>
Other financing uses:				
Transfers in	-	-	-	-
Transfers out	(2,097,248)	(2,097,248)	(2,097,248)	-
Proceeds from sale of capital assets	<u>-</u>	<u>-</u>	<u>12,102</u>	<u>12,102</u>
Total other financing uses	<u>(2,097,248)</u>	<u>(2,097,248)</u>	<u>(2,085,146)</u>	<u>12,102</u>
Net change in fund balances	(558,672)	(572,102)	226,049	798,151
Fund balances, beginning of year	<u>2,054,439</u>	<u>2,054,439</u>	<u>2,054,439</u>	<u>-</u>
Fund balances, end of year	<u>\$ 1,495,767</u>	<u>\$ 1,482,337</u>	<u>\$ 2,280,488</u>	<u>\$ 798,151</u>

NOTE 1. BUDGETARY ACCOUNTING

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

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

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

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

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



VILLAGE OF WELLINGTON, FLORIDA
 FLORIDA RETIREMENT SYSTEM PENSION PLAN LIABILITY AND CONTRIBUTION SCHEDULES
 SEPTEMBER 30, 2020

**Schedule of the Village's proportionate Share of the Net Pension Liability -
 Florida Retirement System Pension Plan
 Last Ten Measurement Years ⁽¹⁾**

	2020	2019	2018
Village's proportion of the FRS net pension liability	0.0503%	0.0496%	0.0513%
Village's proportionate share of the FRS net pension liability	21,803,503	17,074,811	15,440,590
Village's covered payroll	20,450,352	19,687,857	19,786,378
Village's proportionate share of the FRS net pension liability as a percentage of its covered payroll	106.62%	86.73%	78.04%
FRS plan fiduciary net position as a percentage of the total pension liability	78.85%	82.61%	84.26%

**Schedule of the Village's proportionate Share of the Net Pension Liability -
 Health Insurance Subsidy Pension Plan
 Last Ten Measurement Years ⁽¹⁾**

	2020	2019	2018
Village's proportion of the HIS net pension liability	0.0589%	0.0588%	0.0606%
Village's proportionate share of the HIS net pension liability	7,195,583	6,580,765	6,411,831
Village's covered employee payroll	20,450,352	19,687,857	19,786,378
Village's proportionate share of the HIS net pension liability as a percentage of its covered employee payroll	35.19%	33.43%	32.41%
HIS plan fiduciary net position as a percentage of the total pension liability	3.00%	2.63%	2.15%

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

VILLAGE OF WELLINGTON, FLORIDA
 FLORIDA RETIREMENT SYSTEM PENSION PLAN LIABILITY AND CONTRIBUTION SCHEDULES
 SEPTEMBER 30, 2020

Schedule of the Village's proportionate Share of the Net Pension Liabil
Florida Retirement System Pension Plan
Last Ten Measurement Years ⁽¹⁾

<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
0.0483%	0.0420%	0.0439%	0.0445%
14,276,459	10,615,415	5,674,291	2,713,638
18,900,403	17,448,015	17,158,799	19,328,166
75.54%	60.84%	33.07%	14.04%
83.89%	84.88%	92.00%	96.09%

Schedule of the Village's proportionate Share of the Net Pension Liabil
Health Insurance Subsidy Pension Plan
Last Ten Measurement Years ⁽¹⁾

<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
0.0593%	0.0565%	0.0566%	0.0571%
6,339,281	6,585,785	5,768,050	5,341,134
18,900,403	17,448,015	17,158,799	19,328,166
33.54%	37.75%	33.62%	27.63%
1.64%	0.97%	0.50%	0.99%

VILLAGE OF WELLINGTON, FLORIDA

FLORIDA RETIREMENT SYSTEM PENSION PLAN LIABILITY AND CONTRIBUTION SCHEDULES SEPTEMBER 30, 2020

Schedule of Village Contributions - Florida Retirement System Pension Plan Last Ten Fiscal Years ⁽¹⁾

	2020	2019	2018
Contractually required FRS contribution	\$ 1,671,456	\$ 1,537,351	\$ 1,333,196
FRS contributions in relation to the contractually required contribution	<u>(1,671,456)</u>	<u>(1,537,351)</u>	<u>(1,333,196)</u>
FRS contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Village's covered payroll	20,596,488	19,909,643	19,500,893
FRS contributions as a percentage of covered payroll	8.12%	7.72%	6.84%

Schedule of Village Contributions - Health Insurance Subsidy Pension Plan Last Ten Fiscal Years ⁽¹⁾

	2020	2019	2018
Contractually required HIS contribution	\$ 339,601	\$ 326,592	\$ 323,715
HIS contributions in relation to the contractually required contribution	<u>(339,601)</u>	<u>(326,592)</u>	<u>(323,715)</u>
HIS contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Village's covered employee payroll	20,596,488	19,909,643	19,500,893
HIS contributions as a percentage of covered employee payroll	1.65%	1.64%	1.66%

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

VILLAGE OF WELLINGTON, FLORIDA
FLORIDA RETIREMENT SYSTEM PENSION PLAN LIABILITY AND CONTRIBUTION SCHEDULES
SEPTEMBER 30, 2020

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

<u>2017</u>	<u>2016</u>	<u>2015</u>
\$ 1,186,398	\$ 1,205,050	\$ 1,108,302
<u>(1,186,398)</u>	<u>(1,205,050)</u>	<u>(1,108,302)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
19,478,310	18,354,726	17,179,188
6.09%	6.57%	6.45%

Schedule of Village Contributions -
Health Insurance Subsidy Pension Plan
Last Ten Fiscal Years ⁽¹⁾

<u>2017</u>	<u>2016</u>	<u>2015</u>
\$ 323,340	\$ 304,688	\$ 285,175
<u>(323,340)</u>	<u>(304,688)</u>	<u>(285,175)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
19,478,310	18,354,726	17,179,188
1.66%	1.66%	1.66%

VILLAGE OF WELLINGTON, FLORIDA
OPEB LIABILITY SCHEDULES
SEPTEMBER 30, 2020

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

	2020	2019	2018	2017
Total OPEB liability				
Service Cost	\$ 22,570	\$ 11,552	\$ 11,276	\$ 8,343
Expected interest growth	20,498	21,223	24,839	25,067
Demographic experience	168,621	60,600	(34,071)	-
Changes of benefit terms	-	-	-	-
Differences between expected and actual experience	-	-	-	-
Changes of assumptions	383,618	(30,336)	-	-
Benefit payments	(111,316)	(57,111)	(44,188)	(34,743)
Net change in total OPEB liability	483,991	5,928	(42,144)	(1,333)
Total OPEB liability - beginning	305,395	299,467	341,611	342,944
Total OPEB liability - ending (a)	\$ 789,386	\$ 305,395	\$ 299,467	\$ 341,611
Plan fiduciary net position				
Contributions - employer	\$ -	\$ -	\$ -	\$ -
Expected interest growth	129,116	123,986	114,781	100,494
Unexpected investment income	(4,724)	(44,426)	19,063	97,942
Benefit refunds	-	-	-	-
Administrative expense	(11,198)	(11,131)	(11,080)	(4,907)
Net change in plan fiduciary net position	113,194	68,429	122,764	193,529
Plan fiduciary net position - beginning	1,727,045	1,658,616	1,535,852	1,342,323
Plan fiduciary net position - ending (b)	\$ 1,840,239	\$ 1,727,045	\$ 1,658,616	\$ 1,535,852
Village's net OPEB asset - ending (b) - (a)	\$ 1,050,853	\$ 1,421,650	\$ 1,359,149	\$ 1,194,241
Plan fiduciary net position as a percentage of the total OPEB liability	233.12%	565.51%	553.86%	449.59%
Covered payroll	18,647,506	18,149,435	17,593,811	16,763,480
Village's net OPEB liability as a percentage of covered-payroll	N/A	N/A	N/A	N/A

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

VILLAGE OF WELLINGTON, FLORIDA

CONDITION RATING OF STREET SYSTEM

SEPTEMBER 30, 2020

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:

2018	100%
2019	100%
2020	100%

Percentage of lane miles in substandard condition

Overall System:

2018	0%
2019	0%
2020	0%

COMPARISON OF ESTIMATED-TO-ACTUAL MAINTENANCE/PRESERVATION

	<u>Estimated</u>	<u>Actual</u>
Overall System:		
2016	\$ 3,106,220	\$ 3,410,416
2017	1,743,687	1,445,990
2018	2,559,983	1,973,588
2019	2,366,304	2,299,024
2020	2,188,187	2,086,209





Other Supplemental 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.

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.

Capital Projects 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.

VILLAGE OF WELLINGTON, FLORIDA

COMBINING BALANCE SHEET

NONMAJOR GOVERNMENTAL FUNDS

SEPTEMBER 30, 2020

	Special Revenue					
	Fund	Capital Project Funds				Total
	Gas	Recreation	Gas	Road	Capital	Nonmajor
	Tax	Impact	Tax	Impact	Projects	Funds
	Maintenance	Fees	Capital	Fees		
ASSETS						
Cash and cash equivalents	\$ 37,195	\$ 877,150	\$ 345,541	\$ 119,187	\$ 721,015	\$ 2,100,088
Investments	1,858,202	-	2,538,922	1,338,721	11,463,849	17,199,694
Receivables:						
Accrued interest receivable	8,420	-	8,697	4,586	39,267	60,970
Prepaid expenditures	4,725	-	-	-	-	4,725
Due from other governments	162,043	-	73,015	-	-	235,058
Total assets	<u>\$ 2,070,585</u>	<u>\$ 877,150</u>	<u>\$ 2,966,175</u>	<u>\$ 1,462,494</u>	<u>\$ 12,224,131</u>	<u>\$ 19,600,535</u>
LIABILITIES						
AND FUND BALANCES						
Liabilities:						
Accounts payable and						
accrued liabilities	\$ 189,555	\$ -	\$ 245,417	\$ -	\$ 261,654	\$ 696,626
Retainage payable	-	-	40,954	-	70,158	111,112
Unearned revenue	-	-	-	30,273	-	30,273
Total liabilities	<u>189,555</u>	<u>-</u>	<u>286,371</u>	<u>30,273</u>	<u>331,812</u>	<u>838,011</u>
Fund balances:						
Nonspendable:						
Prepaid expenditures	4,725	-	-	-	-	4,725
Restricted for:						
Capital projects	-	877,150	2,679,804	1,432,221	-	4,989,175
Road capital and maintenance	1,876,305	-	-	-	-	1,876,305
Assigned for:						
Capital projects	-	-	-	-	406,899	406,899
Contracts	-	-	-	-	11,485,420	11,485,420
Unassigned	-	-	-	-	-	-
Total fund balances	<u>1,881,030</u>	<u>877,150</u>	<u>2,679,804</u>	<u>1,432,221</u>	<u>11,892,319</u>	<u>18,762,524</u>
Total liabilities, deferred inflows of						
resources and fund balances	<u>\$ 2,070,585</u>	<u>\$ 877,150</u>	<u>\$ 2,966,175</u>	<u>\$ 1,462,494</u>	<u>\$ 12,224,131</u>	<u>\$ 19,600,535</u>

VILLAGE OF WELLINGTON, FLORIDA

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES NONMAJOR GOVERNMENTAL FUNDS YEAR ENDED SEPTEMBER 30, 2020

	Special Revenue Fund	Capital Project Funds				Total Nonmajor Funds
	Gas Tax Maintenance	Recreation Impact Fees	Gas Tax Capital	Road Impact Fees	Capital Projects	
Revenues:						
Impact fees	\$ -	\$ 625,525	\$ -	\$ 117,466	\$ -	\$ 742,991
Grants	-	-	-	-	346,445	346,445
Local option taxes	1,015,110	-	466,069	-	-	1,481,179
State revenue sharing	432,688	-	-	-	-	432,688
Investment income (net)	71,627	-	69,164	35,891	312,619	489,301
Miscellaneous	24,314	-	-	-	-	24,314
Total revenues	<u>1,543,739</u>	<u>625,525</u>	<u>535,233</u>	<u>153,357</u>	<u>659,064</u>	<u>3,516,918</u>
Expenditures:						
Current:						
General Government	-	-	-	-	-	-
Transportation	3,598,398	-	-	-	-	3,598,398
Capital outlay	201,883	-	482,769	28,078	2,633,624	3,346,354
Total expenditures	<u>3,800,281</u>	<u>-</u>	<u>482,769</u>	<u>28,078</u>	<u>2,633,624</u>	<u>6,944,752</u>
Excess (deficiency) of revenues over expenditures	<u>(2,256,542)</u>	<u>625,525</u>	<u>52,464</u>	<u>125,279</u>	<u>(1,974,560)</u>	<u>(3,427,834)</u>
Other financing sources (uses):						
Transfers in	2,302,421	-	-	-	5,450,500	7,752,921
Transfers out	-	-	-	-	(600,000)	(600,000)
Proceeds from sale of capital assets	-	-	-	-	-	-
Total other financing sources (uses)	<u>2,302,421</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,850,500</u>	<u>7,152,921</u>
Net change in fund balances	45,879	625,525	52,464	125,279	2,875,940	3,725,087
Fund balances, beginning of year	<u>1,835,151</u>	<u>251,625</u>	<u>2,627,340</u>	<u>1,306,942</u>	<u>9,016,379</u>	<u>15,037,437</u>
Fund balances, end of year	<u>\$ 1,881,030</u>	<u>\$ 877,150</u>	<u>\$ 2,679,804</u>	<u>\$ 1,432,221</u>	<u>\$ 11,892,319</u>	<u>\$ 18,762,524</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, 2020

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Local option taxes	\$ 1,125,000	\$ 1,125,000	\$ 1,015,110	\$ (109,890)
State revenue sharing	462,000	462,000	432,688	(29,312)
Investment income (net)	21,000	21,000	71,627	50,627
Miscellaneous	4,000	4,000	24,314	20,314
Total revenues	<u>1,612,000</u>	<u>1,612,000</u>	<u>1,543,739</u>	<u>(68,261)</u>
Expenditures:				
Current:				
General government	-	-	-	-
Transportation	3,708,921	3,744,816	3,598,398	146,418
Capital outlay	205,500	201,883	201,883	-
Total expenditures	<u>3,914,421</u>	<u>3,946,699</u>	<u>3,800,281</u>	<u>146,418</u>
Excess (deficiency) of revenues over expenditures	<u>(2,302,421)</u>	<u>(2,334,699)</u>	<u>(2,256,542)</u>	<u>78,157</u>
Other financing sources (uses):				
Transfers in	2,302,421	2,302,421	2,302,421	-
Proceeds from sale of capital assets	-	-	-	-
Total other financing sources	<u>2,302,421</u>	<u>2,302,421</u>	<u>2,302,421</u>	<u>-</u>
Net change in fund balances	-	(32,278)	45,879	78,157
Fund balances, beginning of year	<u>1,835,151</u>	<u>1,835,151</u>	<u>1,835,151</u>	<u>-</u>
Fund balances, end of year	<u>\$ 1,835,151</u>	<u>\$ 1,802,873</u>	<u>\$ 1,881,030</u>	<u>\$ 78,157</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, 2020

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Impact fees	\$ 120,000	\$ 120,000	\$ 625,525	\$ 505,525
Investment income (net)	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	<u>120,000</u>	<u>120,000</u>	<u>625,525</u>	<u>505,525</u>
Expenditures:				
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>120,000</u>	<u>120,000</u>	<u>625,525</u>	<u>505,525</u>
Other financing sources (uses):				
Transfers in	-	-	-	-
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	120,000	120,000	625,525	505,525
Fund balances, beginning of year	<u>251,625</u>	<u>251,625</u>	<u>251,625</u>	<u>-</u>
Fund balances, end of year	<u><u>\$ 371,625</u></u>	<u><u>\$ 371,625</u></u>	<u><u>\$ 877,150</u></u>	<u><u>\$ 505,525</u></u>

VILLAGE OF WELLINGTON, FLORIDA

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL GAS TAX CAPITAL - CAPITAL PROJECTS FUND YEAR ENDED SEPTEMBER 30, 2020

	Original Adopted Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues:				
Local option taxes	\$ 525,000	\$ 525,000	\$ 466,069	\$ (58,931)
Grants	-	91,946	-	(91,946)
Miscellaneous	-	-	-	-
Investment income (net)	40,000	40,000	69,164	29,164
Total revenues	<u>565,000</u>	<u>656,946</u>	<u>535,233</u>	<u>(121,713)</u>
Expenditures:				
Capital outlay	<u>50,000</u>	<u>1,616,304</u>	<u>482,769</u>	<u>1,133,535</u>
Total expenditures	<u>50,000</u>	<u>1,616,304</u>	<u>482,769</u>	<u>1,133,535</u>
Excess (deficiency) of revenues over expenditures	<u>515,000</u>	<u>(959,358)</u>	<u>52,464</u>	<u>1,011,822</u>
Other financing sources (uses):				
Transfers in	-	-	-	-
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	515,000	(959,358)	52,464	1,011,822
Fund balances, beginning of year	<u>2,627,340</u>	<u>2,627,340</u>	<u>2,627,340</u>	<u>-</u>
Fund balances, end of year	<u>\$ 3,142,340</u>	<u>\$ 1,667,982</u>	<u>\$ 2,679,804</u>	<u>\$ 1,011,822</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, 2020

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Impact fees	\$ 75,000	\$ 75,000	\$ 117,466	\$ 42,466
Investment income (net)	18,000	18,000	35,891	17,891
Miscellaneous	-	-	-	-
Total revenues	<u>93,000</u>	<u>93,000</u>	<u>153,357</u>	<u>60,357</u>
Expenditures:				
Capital outlay	-	28,078	28,078	-
Total expenditures	<u>-</u>	<u>28,078</u>	<u>28,078</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>93,000</u>	<u>64,922</u>	<u>125,279</u>	<u>60,357</u>
Other financing uses:				
Transfers out	-	-	-	-
Total other financing uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	93,000	64,922	125,279	60,357
Fund balances, beginning of year	<u>1,306,942</u>	<u>1,306,942</u>	<u>1,306,942</u>	<u>-</u>
Fund balances, end of year	<u>\$ 1,399,942</u>	<u>\$ 1,371,864</u>	<u>\$ 1,432,221</u>	<u>\$ 60,357</u>

VILLAGE OF WELLINGTON, FLORIDA

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

CAPITAL PROJECTS FUND

YEAR ENDED SEPTEMBER 30, 2020

	Original Adopted Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues:				
Grants	\$ -	\$ 200,000	\$ 346,445	\$ 146,445
Investment income (net)	100,000	100,000	312,619	212,619
Miscellaneous	-	-	-	-
Total revenues	<u>100,000</u>	<u>300,000</u>	<u>659,064</u>	<u>359,064</u>
Expenditures:				
Capital outlay:				
General government-technology	275,500	29,144	25,394	3,750
Public safety	600,000	-	427	(427)
Surface water management	1,520,000	1,229,606	992,099	237,507
Transportation- roads	250,000	47,400	46,429	971
Community services	-	140,063	137,656	2,407
Parks and recreation	1,100,000	1,947,228	1,001,342	945,886
Other	<u>305,000</u>	<u>494,445</u>	<u>430,277</u>	<u>64,168</u>
Total expenditures	<u>4,050,500</u>	<u>3,887,886</u>	<u>2,633,624</u>	<u>1,254,262</u>
Excess (deficiency) of revenues over expenditures	(3,950,500)	(3,587,886)	(1,974,560)	1,613,326
Other financing sources (uses):				
Transfers in	3,950,500	5,450,500	5,450,500	-
Transfers out	<u>-</u>	<u>(600,000)</u>	<u>(600,000)</u>	<u>-</u>
Total other financing sources (uses)	<u>3,950,500</u>	<u>4,850,500</u>	<u>4,850,500</u>	<u>-</u>
Net change in fund balances	-	1,262,614	2,875,940	1,613,326
Fund balances, beginning of year	<u>9,016,379</u>	<u>9,016,379</u>	<u>9,016,379</u>	<u>-</u>
Fund balances, end of year	<u>\$ 9,016,379</u>	<u>\$ 10,278,993</u>	<u>\$ 11,892,319</u>	<u>\$ 1,613,326</u>

MAJOR CAPITAL PROJECTS FUND AND DEBT SERVICE FUND

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

SALES SURTAX -CAPITAL PROJECTS FUND

YEAR ENDED SEPTEMBER 30, 2020

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Local option taxes	\$ 3,615,000	\$ 3,615,000	\$ 4,308,476	\$ 693,476
Investment income (net)	91,000	91,000	283,826	192,826
Total revenues	<u>3,706,000</u>	<u>3,706,000</u>	<u>4,592,302</u>	<u>886,302</u>
Expenditures:				
Capital outlay:				
Parks and recreation	<u>3,706,000</u>	<u>16,109,593</u>	<u>8,203,947</u>	<u>(7,905,646)</u>
Total expenditures	<u>3,706,000</u>	<u>16,109,593</u>	<u>8,203,947</u>	<u>(7,905,646)</u>
Excess (deficiency) of revenues over expenditures	-	(12,403,593)	(3,611,645)	8,791,948
Other financing sources (uses):				
Transfers in	-	2,730,000	2,730,000	-
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net gain on sale or disposition of capital assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources	<u>-</u>	<u>2,730,000</u>	<u>2,730,000</u>	<u>-</u>
Net change in fund balances	-	(9,673,593)	(881,645)	8,791,948
Fund balances, beginning of year	<u>11,189,026</u>	<u>11,189,026</u>	<u>11,189,026</u>	<u>-</u>
Fund balances, end of year	<u>\$ 11,189,026</u>	<u>\$ 1,515,433</u>	<u>\$ 10,307,381</u>	<u>\$ 8,791,948</u>

VILLAGE OF WELLINGTON, FLORIDA

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

DEBT SERVICE FUND

YEAR ENDED SEPTEMBER 30, 2020

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Special Assessments	\$ 268,536	\$ 268,536	\$ 271,041	\$ 2,505
Investment income (net)	-	-	57	57
Total revenues	<u>268,536</u>	<u>268,536</u>	<u>271,098</u>	<u>2,562</u>
Expenditures:				
General government	-	-	625	(625)
Debt service:				
Principal	1,275,104	1,275,104	185,000	1,090,104
Interest and other fiscal charges	<u>659,074</u>	<u>659,074</u>	<u>81,952</u>	<u>577,122</u>
Total expenditures	<u>1,934,178</u>	<u>1,934,178</u>	<u>267,577</u>	<u>1,666,601</u>
Excess (deficiency) of revenues over expenditures	(1,665,642)	(1,665,642)	3,521	1,669,163
Other financing sources (uses):				
Transfers in	1,667,225	1,667,225	-	(1,667,225)
Transfers out	-	-	-	-
Issuance of long-term debt	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>1,667,225</u>	<u>1,667,225</u>	<u>-</u>	<u>(1,667,225)</u>
Net change in fund balances	1,583	1,583	3,521	1,938
Fund balances, beginning of year	<u>292,341</u>	<u>292,341</u>	<u>292,341</u>	<u>-</u>
Fund balances, end of year	<u>\$ 293,924</u>	<u>\$ 293,924</u>	<u>\$ 295,862</u>	<u>\$ 1,938</u>

STATISTICAL SECTION

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

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

VILLAGE OF WELLINGTON, FLORIDA

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

	Fiscal Year			
	2011	2012	2013	2014
Governmental activities:				
Net investment in capital assets	\$ 148,993,447	\$ 156,259,669	\$ 157,294,472	\$ 152,841,077
Restricted	35,101,628	15,688,323	13,054,226	11,860,096
Unrestricted	34,009,368	46,488,944	45,664,992	44,669,371
Total governmental activities net position	<u>218,104,443</u>	<u>218,436,936</u>	<u>216,013,690</u>	<u>209,370,544</u>
Business-type activities:				
Net investment in capital assets	119,615,685	121,309,078	119,051,675	121,767,825
Restricted	11,959,724	14,600,130	19,715,884	22,519,428
Unrestricted	16,818,277	18,068,745	20,957,498	26,295,502
Total business-type activities net position	<u>148,393,686</u>	<u>153,977,953</u>	<u>159,725,057</u>	<u>170,582,755</u>
Total government:				
Net investment in capital assets	268,609,132	277,568,747	276,346,147	274,608,902
Restricted	47,061,352	30,288,453	32,770,110	34,379,524
Unrestricted	50,827,645	64,557,689	66,622,490	70,964,873
Total government net position	<u>\$ 366,498,129</u>	<u>\$ 372,414,889</u>	<u>\$ 375,738,747</u>	<u>\$ 379,953,299</u>

Fiscal Year

2015	2016	2017	2018	2019	2020
\$ 153,712,972	\$ 156,477,844	\$ 154,637,467	\$ 152,677,755	\$ 151,803,103	\$ 156,470,856
8,668,360	12,878,989	17,654,628	21,227,099	26,716,506	27,193,033
34,090,973	31,647,938	28,892,221	32,947,080	37,059,717	33,875,099
196,472,305	201,004,771	201,184,316	206,851,933	215,579,326	217,538,988
118,477,452	117,260,300	112,584,261	110,518,031	96,986,412	125,555,240
25,911,904	26,253,113	31,999,595	49,900,680	55,622,834	28,706,804
28,415,561	32,608,255	31,719,596	14,971,159	27,218,416	29,970,580
172,804,917	176,121,668	176,303,452	175,389,870	179,827,662	184,232,624
272,190,424	273,738,144	267,221,728	267,221,728	248,789,515	282,026,096
34,580,264	39,132,102	49,654,223	49,654,223	82,339,340	55,899,837
62,506,534	64,256,193	60,611,817	60,611,817	64,278,133	63,845,679
\$ 369,277,222	\$ 377,126,439	\$ 377,487,768	\$ 377,487,768	\$ 395,406,988	\$ 401,771,612

VILLAGE OF WELLINGTON, FLORIDA

CHANGES IN NET POSITION

LAST TEN FISCAL YEARS (ACCRUAL BASIS OF ACCOUNTING)

	Fiscal Year			
Expenses:	2011	2012	2013	2014
Governmental activities:				
General government	\$ 13,877,976	\$ 13,904,267	\$ 11,971,092	\$ 12,054,127
Public safety	7,461,621	7,839,229	10,795,719	11,783,514
Physical environment	14,191,365	14,513,657	15,308,064	17,276,231
Economic environment	-	-	1,249,167	672,675
Transportation	1,815,080	3,052,299	3,621,583	3,176,258
Culture and recreation	5,722,589	5,440,873	6,211,642	6,025,857
Interest on long-term debt	762,276	404,574	270,673	235,607
	<u>43,830,907</u>	<u>45,154,899</u>	<u>49,427,940</u>	<u>51,224,269</u>
Indirect expense allocation	(1,938,467)	(1,616,157)	(1,182,578)	(1,526,246)
Total governmental activities	<u>41,892,440</u>	<u>43,538,742</u>	<u>48,245,362</u>	<u>49,698,023</u>
Business-type activities:				
Utility system	13,288,369	13,599,774	14,332,462	14,775,996
Solid waste	3,175,847	3,287,632	3,334,847	3,434,234
Lake wellington professional centre	-	-	-	448,951
	<u>16,464,216</u>	<u>16,887,406</u>	<u>17,667,309</u>	<u>18,659,181</u>
Indirect expense allocation	1,938,467	1,616,157	1,182,578	1,526,246
Total business-type activities	<u>18,402,683</u>	<u>18,503,563</u>	<u>18,849,887</u>	<u>20,185,427</u>
Total government expenses	<u>\$ 60,295,123</u>	<u>\$ 62,042,305</u>	<u>\$ 67,095,249</u>	<u>\$ 69,883,450</u>
Program revenues:				
Governmental activities:				
Charges for services:				
General government	\$ 298,700	\$ 441,844	\$ 693,477	\$ 1,764,741
Public safety	4,188,311	4,857,628	4,230,725	3,013,632
Physical environment	5,168,777	5,602,962	5,800,532	5,258,966
Economic environment	-	-	-	521,575
Transportation	409,993	374,677	421,328	282,850
Culture and recreation	2,208,716	1,999,818	2,041,164	2,350,399
Operating grants and contributions	1,527,840	1,496,711	1,546,079	1,593,870
Capital grants and contributions	3,897,603	33,692	1,432,186	842,361
Total governmental activities	<u>17,699,940</u>	<u>14,807,332</u>	<u>16,165,491</u>	<u>15,628,394</u>
program revenues:				
Business-type activities:				
Charges for services:				
Utility system	16,649,755	17,723,213	17,831,536	18,893,050
Solid waste	3,686,592	3,747,741	3,803,172	3,788,513
Lake wellington professional centre	-	-	-	72,877
Operating grants and contributions	166,415	105,973	66,333	58,880
Capital grants and contributions	350,943	2,353,122	2,758,152	2,399,062
Total business-type activities	<u>20,853,705</u>	<u>23,930,049</u>	<u>24,459,193</u>	<u>25,212,382</u>
program revenues				
Total program revenues	<u>\$ 38,553,645</u>	<u>\$ 38,737,381</u>	<u>\$ 40,624,684</u>	<u>\$ 40,840,776</u>

(Continued)

Fiscal Year					
2015	2016	2017	2018	2019	2020
\$ 14,741,280	\$ 17,619,102	\$ 14,009,092	\$ 19,678,060	\$ 21,067,869	\$ 22,076,325
11,461,629	11,722,878	12,456,166	13,542,866	13,870,291	15,213,948
17,126,182	14,091,443	15,542,944	11,277,213	10,275,909	9,950,155
1,263,111	1,132,293	1,202,739	1,403,022	1,597,316	1,719,540
3,130,567	3,340,822	4,033,291	4,630,376	4,926,862	4,779,912
5,012,176	8,569,180	9,952,368	10,343,571	10,679,529	10,449,625
289,539	98,941	140,924	114,164	85,113	79,686
53,024,484	56,574,659	57,337,524	60,989,273	62,502,889	64,269,191
(1,483,933)	(2,601,695)	(2,351,344)	-	-	-
51,540,551	53,972,964	54,986,180	60,989,273	62,502,889	64,269,191
15,129,671	15,335,041	17,087,678	17,672,912	18,583,539	21,083,740
3,477,952	3,577,209	4,378,318	4,948,498	3,843,547	4,050,260
513,698	629,998	635,818	635,366	634,000	643,475
19,121,321	19,542,248	22,101,814	23,256,776	23,061,086	25,777,475
1,483,933	2,601,695	2,351,344	-	-	-
20,605,254	22,143,943	24,453,158	23,256,776	23,061,086	25,777,475
\$ 72,145,805	\$ 76,116,907	\$ 79,439,338	\$ 84,246,048	\$ 85,563,975	\$ 90,046,666
\$ 1,217,887	\$ 1,450,142	\$ 1,467,585	\$ 948,776	\$ 933,235	\$ 864,066
2,647,457	3,298,614	2,706,456	6,573,485	5,727,408	6,568,657
7,039,026	7,189,694	7,023,620	5,761,643	6,022,430	6,159,597
544,972	340,805	273,142	-	-	-
91,461	400,174	210,737	246,063	40,911	117,466
2,012,325	3,375,561	2,948,080	3,326,856	3,332,894	2,771,345
1,765,489	1,745,869	1,905,383	1,881,640	1,793,226	1,481,179
154,724	6,112,810	281,700	472,113	2,682,118	866,210
15,473,341	23,913,669	16,816,703	19,210,575	20,532,222	18,828,520
19,067,393	19,023,000	19,418,288	19,583,648	20,568,832	22,023,862
3,857,363	3,443,604	3,432,818	3,409,943	3,459,505	3,481,911
8,127	-	-	-	-	-
44,202	34,804	61,437	15,599	5,513	-
612,327	574,503	565,628	2,308,590	2,874,513	4,427,046
23,589,412	23,075,911	23,478,171	25,317,780	26,908,363	29,932,819
\$ 39,062,753	\$ 46,989,580	\$ 40,294,874	\$ 44,528,355	\$ 47,440,585	\$ 48,761,339

VILLAGE OF WELLINGTON, FLORIDA

CHANGES IN NET POSITION (Continued)

LAST TEN FISCAL YEARS

(ACCRUAL BASIS OF ACCOUNTING)

	Fiscal Year			
	2011	2012	2013	2014
Net (expense) revenue:				
Governmental activities	\$ (24,192,500)	\$ (28,731,410)	\$ (32,079,871)	\$ (34,069,629)
Business-type activities	2,451,022	5,426,486	5,609,306	5,026,955
Total net (expense) revenue	<u>\$ (21,741,478)</u>	<u>\$ (23,304,924)</u>	<u>\$ (26,470,565)</u>	<u>\$ (29,042,674)</u>
General revenues:				
Governmental activities:				
Property taxes	\$ 12,876,240	\$ 13,340,895	\$ 12,816,288	\$ 13,690,328
Franchise fees and taxes	3,266,018	3,157,328	3,205,140	3,481,665
Communications services taxes	2,792,100	2,775,696	2,734,276	2,582,291
Utility service taxes	3,863,992	3,859,536	4,070,001	4,525,286
Discretionary tax	-	-	-	-
State shared revenue	4,732,776	4,856,902	5,230,074	5,720,041
Investment earnings	834,926	523,627	170,837	201,730
Gain on sale of capital asset	29,138	9,250	-	29,694
Transfers	-	-	-	-
Other	564,201	540,669	1,460,976	2,221,124
Total governmental activities	<u>28,959,391</u>	<u>29,063,903</u>	<u>29,687,593</u>	<u>32,452,159</u>
Business-type activities:				
Investment earnings	365,721	144,603	83,528	133,156
Gain on disposal of assets	8,304	10,692	-	71,679
Other	-	2,486	97,887	600,232
Transfers	-	-	-	-
Total business-type activities	<u>374,025</u>	<u>157,781</u>	<u>181,415</u>	<u>805,067</u>
Total general revenues	<u>\$ 29,333,416</u>	<u>\$ 29,221,684</u>	<u>\$ 29,869,008</u>	<u>\$ 33,257,226</u>
Change in net position:				
Governmental activities	\$ 4,766,891	\$ 332,493	\$ (2,392,278)	\$ (1,617,470)
Business-type activities	2,825,047	5,584,267	5,790,721	5,832,022
Total change in net position	<u>\$ 7,591,938</u>	<u>\$ 5,916,760</u>	<u>\$ 3,398,443</u>	<u>\$ 4,214,552</u>

Fiscal Year					
2015	2016	2017	2018	2019	2020
\$ (36,067,210)	\$ (30,059,295)	\$ (38,169,477)	\$ (41,778,698)	\$ (40,010,155)	\$ (45,440,671)
2,984,158	931,968	(974,987)	2,061,005	1,886,765	4,155,344
<u>\$ (33,083,052)</u>	<u>\$ (29,127,327)</u>	<u>\$ (39,144,464)</u>	<u>\$ (39,717,693)</u>	<u>\$ (38,123,390)</u>	<u>\$ (41,285,327)</u>
\$ 14,818,492	\$ 16,517,935	\$ 17,599,037	\$ 18,600,500	\$ 19,953,779	\$ 20,628,009
3,541,429	3,462,576	3,557,576	3,521,919	3,606,319	3,472,827
2,490,280	2,288,128	2,162,326	2,253,094	2,254,246	1,939,209
4,599,503	4,759,925	4,818,284	4,963,800	5,091,125	5,150,422
-	-	4,685,596	4,362,375	4,547,232	4,308,476
6,171,661	6,442,134	4,856,430	7,026,410	7,223,035	6,694,737
397,527	512,059	372,218	695,797	2,463,616	2,324,881
-	-	-	-	-	-
-	-	-	4,555,522	2,596,725	2,675,419
421,457	609,004	437,403	1,466,898	2,961,994	206,353
<u>32,440,348</u>	<u>34,591,761</u>	<u>38,488,870</u>	<u>47,446,315</u>	<u>50,698,071</u>	<u>47,400,333</u>
316,422	456,863	343,924	626,843	2,250,016	2,037,253
-	-	-	-	-	-
840,763	828,167	839,620	954,081	937,224	887,784
-	-	-	(4,555,522)	(2,596,725)	(2,675,419)
<u>1,157,185</u>	<u>1,285,030</u>	<u>1,183,544</u>	<u>(2,974,598)</u>	<u>590,515</u>	<u>249,618</u>
<u>\$ 33,597,533</u>	<u>\$ 35,876,791</u>	<u>\$ 39,672,414</u>	<u>\$ 44,471,717</u>	<u>\$ 51,288,586</u>	<u>\$ 47,649,951</u>
\$ (3,626,862)	\$ 4,532,466	\$ 319,393	\$ 5,667,618	\$ 10,687,916	\$ 1,959,662
4,141,343	2,216,998	208,557	(913,594)	2,477,280	4,404,962
<u>514,481</u>	<u>6,749,464</u>	<u>527,950</u>	<u>4,754,024</u>	<u>13,165,196</u>	<u>6,364,624</u>

VILLAGE OF WELLINGTON, FLORIDA

FUND BALANCES OF GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS

(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	Fiscal Year			
	2011	2012	2013	2014
General fund:				
Reserved	\$ -	\$ -	\$ -	\$ -
Unreserved	-	-	-	-
Nonspendable:				
Prepaid expenditures	12,088	12,943	268,948	307,136
Inventory	186,739	255,960	13,880	13,200
Deposits	-	-	-	2,520
Long-term notes receivable	-	-	-	-
Advances to other funds	-	-	-	-
Long-term advance	167,969	-	-	-
Committed for:				
Debt service	2,268,107	-	-	-
Rate stabilization	3,000,000	2,785,000	2,385,000	2,385,000
Insurance	540,000	540,000	540,000	440,000
Infrastructure	-	-	-	-
Disaster recovery	3,000,000	2,483,625	2,483,625	2,483,625
Subsequent year capital expenditures	5,200,000	5,200,000	9,200,000	-
Assigned for:				
Contracts	1,201,681	657,660	455,320	382,887
Capital projects	24,824	14,375	38,353	25,000
Subsequent year operating expenditures	643,000	-	-	1,138,900
Unassigned	14,135,136	15,962,436	16,307,688	17,227,963
Total general fund	<u>30,379,544</u>	<u>27,911,999</u>	<u>31,692,814</u>	<u>24,406,231</u>
All other governmental funds:				
Reserved	-	-	-	-
Unreserved, reported in:				
Special revenue funds	-	-	-	-
Nonspendable:				
Prepaid expenditures	158,321	2,847	8,231	41,720
Assets held for resale	-	708,146	225,236	228,061
Restricted for:				
Capital projects	20,272,900	10,392,601	6,588,293	3,062,748
Building	2,431,454	4,246,883	5,064,384	4,560,745
Road capital and maintenance	1,647,113	963,922	1,216,210	3,483,801
Surface water management	-	-	-	-
Wellington community foundation	766	50,691	51,416	53,227
Debt service	-	75,357	75,544	75,642
Assigned for:				
Surface water management	1,844,878	2,951,487	3,183,185	3,294,115
Planning and zoning	4,905,650	4,403,958	4,098,509	-
Contracts	-	-	133,946	13,262,737
Capital projects	-	9,246,092	6,666,005	3,060,724
Subsequent year operating expenditures	8,457,230	1,975,655	4,500	773,452
Unassigned	-	-	-	(298,960)
Total all other governmental funds	<u>39,718,312</u>	<u>35,017,639</u>	<u>27,315,459</u>	<u>31,598,012</u>
Total governmental funds	<u>\$ 70,097,856</u>	<u>\$ 62,929,638</u>	<u>\$ 59,008,273</u>	<u>\$ 56,004,243</u>

Note: GASB Statement No. 54 was adopted for FY 2011, resulting in the reclassification of fund balances.

Fiscal Year					
2015	2016	2017	2018	2019	2020
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
227,597	412,495	408,886	369,234	528,219	685,513
14,828	15,348	16,395	17,174	17,322	11,011
258,110	214,752	136,140	124,008	88,222	211,399
928,238	812,208	696,178	580,149	464,119	348,089
300,000	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
2,385,000	2,785,000	2,785,000	2,785,000	2,785,000	2,785,000
821,000	1,150,000	1,150,000	1,530,000	1,530,000	1,530,000
-	-	1,000,000	1,546,000	2,646,000	4,556,000
2,483,625	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000
-	-	-	-	-	-
446,951	683,463	509,803	2,469,527	2,991,215	3,746,546
100,000	500,000	124,734	117,493	103,000	226,824
3,267,779	-	5,637,362	3,359,268	1,462,782	1,213,686
<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>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>
-	-	-	-	-	-
-	-	-	-	-	-
19,360	37,993	30,277	47,597	43,836	40,463
-	-	-	-	-	-
604,018	1,773,572	4,969,198	8,628,678	15,374,933	15,296,556
4,272,256	4,769,737	5,523,326	7,863,830	7,169,435	7,443,723
1,939,600	3,469,594	4,363,582	3,968,286	1,829,146	1,876,305
-	-	2,526,534	2,113,501	2,042,095	2,273,138
5,722	-	-	-	-	-
50,063	50,063	284,190	288,806	292,341	295,862
2,379,178	2,326,887	-	-	-	-
-	-	-	-	-	-
9,165,404	3,912,825	312,480	746,818	640,645	11,485,420
2,690,992	1,370,353	4,898,212	5,556,402	8,375,734	406,899
2,754,663	2,664,839	-	-	-	-
(285,440)	-	-	-	-	-
<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>\$ 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>

VILLAGE OF WELLINGTON, FLORIDA

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS

(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	Fiscal Year			
	2011	2012	2013	2014
Revenues:				
Ad valorem taxes	\$ 12,876,240	\$ 13,340,895	\$ 12,816,288	\$ 13,690,328
Local option taxes	1,490,501	1,472,050	1,477,300	1,499,265
Utility services taxes	3,863,992	3,859,536	4,070,001	4,525,286
Special assessments	4,787,957	5,242,755	5,009,149	4,939,815
Impact fees	1,057,618	841,752	786,353	879,450
Communication services taxes	2,792,100	2,775,696	2,734,276	2,582,291
Local business tax receipts	731,705	710,390	762,505	746,377
Permits and fees	2,972,022	3,944,384	3,729,082	3,846,980
Franchise fees	3,266,018	3,157,328	3,205,140	3,481,665
Grants	4,054,944	58,353	400,965	938,466
State revenue sharing	4,706,201	4,921,864	5,351,108	5,816,636
Charges for services	1,937,417	1,875,534	2,032,985	2,066,546
Fines and forfeitures	577,412	464,171	659,581	594,576
Investment income (net)	834,816	523,538	170,738	222,055
Miscellaneous	681,258	622,240	2,086,494	1,716,457
Total revenues	<u>46,630,200</u>	<u>43,810,486</u>	<u>45,291,964</u>	<u>47,546,191</u>
Expenditures:				
Current:				
General government	9,778,406	10,013,562	10,859,650	11,176,906
Public safety	7,461,621	7,812,972	10,766,274	11,383,375
Physical environment	12,919,949	12,762,389	9,588,086	9,784,481
Economic environment	-	-	698,604	1,001,063
Transportation	1,511,575	1,529,301	1,528,289	1,647,185
Culture and recreation	3,041,699	3,137,982	3,319,296	4,256,828
Capital outlay	15,386,283	7,620,150	11,955,055	6,382,188
Debt service:				
Principal retirement	1,385,000	4,900,000	940,000	970,000
Bond issuance costs	-	-	-	-
Interest and other fiscal charges	765,102	579,153	273,595	238,622
Total expenditures	<u>52,249,635</u>	<u>48,355,509</u>	<u>49,928,849</u>	<u>46,840,648</u>
Excess (deficiency) of revenues over expenditures	<u>(5,619,435)</u>	<u>(4,545,023)</u>	<u>(4,636,885)</u>	<u>705,543</u>
Other financing sources (uses):				
Transfers in	10,522,270	15,075,310	11,893,035	26,262,483
Transfers out	(16,040,581)	(13,459,153)	(10,710,457)	(29,761,913)
Transfer of remaining balance	-	-	-	-
Bond proceeds	-	-	-	-
Payment to refunded bond escrow agent	-	(4,383,407)	-	-
Sale of capital assets	30,635	162,056	(485,058)	89,856
Contribution of properties	570,241	-	-	-
Total other financing sources (uses)	<u>(4,917,435)</u>	<u>(2,605,194)</u>	<u>697,520</u>	<u>(3,409,574)</u>
Net change in fund balances	<u>\$ (10,536,870)</u>	<u>\$ (7,150,217)</u>	<u>\$ (3,939,365)</u>	<u>\$ (2,704,031)</u>
Debt service as a percentage of non-capital expenditures	5.82%	13.08%	2.96%	2.78%

Fiscal Year					
2015	2016	2017	2018	2019	2020
\$ 14,818,492	\$ 16,517,936	\$ 17,599,037	\$ 18,600,500	\$ 19,953,779	\$ 20,628,009
1,594,480	1,633,448	4,685,596	6,036,900	6,340,458	5,789,655
4,599,503	4,759,925	4,818,284	4,963,800	5,091,125	5,150,422
5,675,878	6,876,876	6,056,741	6,033,756	6,022,430	6,159,597
303,411	1,923,074	407,227	508,798	221,461	742,991
2,490,280	2,288,128	2,162,326	2,253,094	2,254,246	1,939,209
839,202	945,538	944,494	948,776	933,235	864,066
3,852,678	4,353,618	3,912,080	6,384,902	5,370,296	6,326,994
3,541,429	3,462,576	3,557,576	3,521,919	3,606,319	3,472,827
325,733	1,767,105	209,414	407,115	1,090,372	2,211,123
6,298,616	6,566,783	6,697,363	7,026,410	7,223,035	6,694,737
2,139,469	2,213,611	3,107,111	3,064,121	3,152,344	2,145,820
615,627	841,333	339,603	188,584	357,112	241,663
397,437	511,474	371,319	695,797	2,463,616	2,324,881
563,715	772,473	769,099	1,182,783	866,865	522,483
48,055,948	55,433,898	55,637,269	61,817,253	64,946,693	65,214,477
11,049,014	12,349,978	13,853,152	18,880,572	19,460,568	19,628,647
11,427,036	11,541,197	12,256,563	13,358,951	13,522,222	14,776,695
10,922,086	8,257,011	8,828,134	4,690,122	4,806,612	4,644,086
1,228,858	1,098,172	1,126,265	1,337,009	1,489,461	1,546,594
2,708,505	2,897,195	3,029,636	3,527,134	3,784,840	3,598,398
4,425,433	7,338,176	8,700,609	8,939,294	9,169,586	8,792,528
11,080,682	17,197,640	5,343,270	4,546,264	4,274,866	12,868,181
1,064,271	1,070,015	1,086,670	2,399,044	180,000	185,000
15,000	83,997	-	-	-	-
95,064	63,741	139,288	119,158	87,318	81,952
54,015,949	61,897,122	54,363,587	57,797,548	56,775,473	66,122,081
(5,960,001)	(6,463,224)	1,273,682	4,019,705	8,171,220	(907,604)
8,163,625	12,087,413	10,769,267	15,640,516	10,145,613	14,749,733
(6,679,692)	(9,485,718)	(8,417,923)	(11,084,994)	(7,548,888)	(12,074,314)
-	(5,983)	-	-	-	-
5,445,000	3,235,000	-	-	-	-
(5,430,000)	-	-	-	-	-
(127,777)	104,855	192,061	693,552	80,833	15,567
-	-	-	-	-	-
1,371,156	5,935,567	2,543,405	5,249,074	2,677,558	2,690,986
\$ (4,588,845)	\$ (527,657)	\$ 3,817,087	\$ 9,268,779	\$ 10,848,778	\$ 1,783,382
2.74%	2.72%	2.50%	4.73%	0.53%	0.49%

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

Fiscal Year Ended September 30,	Real Property					Total	Total Direct Tax Rate
	Residential Property	Commercial Property	Industrial Property	Other Property	Personal Property		
2011	4,260,847,088	512,704,843	103,080,658	315,178,556	205,081,937	5,396,893,082	2.50
2012	4,282,833,446	515,350,446	103,612,563	316,804,906	206,140,179	5,424,741,540	2.50
2013	4,217,895,919	488,694,893	97,198,984	399,055,830	197,097,940	5,399,943,566	2.47
2014	4,482,004,183	519,295,069	103,285,207	424,043,156	209,439,448	5,738,067,063	2.47
2015	4,882,016,251	573,823,256	64,381,454	533,993,011	219,032,397	6,273,246,369	2.45
2016	5,215,829,223	715,026,267	67,061,804	685,894,075	238,955,239	6,922,766,608	2.45
2017	5,540,943,649	794,310,872	73,172,941	799,509,683	252,460,806	7,460,397,951	2.44
2018	5,873,938,822	824,685,403	81,079,131	919,404,092	224,714,343	7,923,821,791	2.43
2019	6,177,481,532	821,349,050	86,355,908	1,015,389,954	222,840,264	8,323,416,708	2.48
2020	6,386,437,533	797,333,434	95,609,678	1,148,360,302	211,723,394	8,639,464,341	2.48

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.

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	
2011	2010	2.50	2.50	8.15	8.45	1.15	0.61	0.62	0.75	0.03	22.26
2012	2011	2.50	2.50	8.18	8.45	1.13	0.61	0.44	0.75	0.03	22.08
2013	2012	2.47	2.47	7.78	8.45	1.12	0.61	0.43	0.73	0.03	21.62
2014	2013	2.47	2.47	7.78	8.45	1.12	0.61	0.43	0.73	0.03	21.62
2015	2014	2.45	2.45	7.59	8.43	1.08	0.60	0.38	0.67	0.03	21.23
2016	2015	2.45	2.45	7.51	8.39	1.04	0.60	0.36	0.67	0.03	21.04
2017	2016	2.44	2.44	7.07	8.37	0.90	0.59	0.33	0.68	0.03	20.42
2018	2017	2.43	2.43	6.77	8.36	0.78	0.59	0.31	0.66	0.03	19.93
2019	2018	2.48	2.48	6.57	8.25	0.73	0.59	0.29	0.64	0.03	19.58
2020	2019	2.47	2.47	7.16	8.32	0.73	0.59	0.28	0.65	0.03	20.22

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	2020			2011		
	Net Assessed Value	Rank	Percent of Total Village Net Assessed Value	Net Assessed Value	Rank	Percent of Total Village Net Assessed Value
TM Wellington Green Mall, LP	\$ 98,204,182		1.14%			
Quaye at Wellington Inc.	100,994,262		1.17%			
Florida Power & Light Corp	95,682,882		1.11%			
SGC Atlas Wellington Holdings, LLC	77,012,299		0.89%			
Polo Lakes Apartments LLC	70,483,842		0.82%	\$ 37,457,242	3	0.69%
Universal Health Realty Income	67,347,921		0.78%	26,942,118	4	0.50%
Camden Court, LLC	54,733,486		0.63%			
Wellington Residential LLC	53,668,714		0.62%			
MCP Wellington LLC	54,045,543		0.63%			
Aerc Wellington, LLC.	40,161,961		0.46%			
TJ Palm Beach Assoc Ltd Partnership				125,374,070	1	2.32%
City National Bank of Florida TR				39,804,952	2	0.74%
Autc Polo Chase FL LLC				26,855,370	5	0.50%
Shoppes at Isla Verde Ltd.				21,681,311	6	0.40%
Centre at Wellington Green Ltd.				19,820,555	7	0.37%
TCRDAD Wellington Ltd Partnership				19,232,864	8	0.36%
FWI 16, LLC				16,515,686	9	0.31%
Fig Development, LLC				15,276,048	10	0.28%
	<u>\$ 712,335,092</u>		<u>8.25%</u>	<u>\$ 348,960,216</u>		<u>6.47%</u>

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

VILLAGE OF WELLINGTON, FLORIDA

PROPERTY TAX LEVIES AND COLLECTIONS

LAST TEN FISCAL YEARS

Fiscal Year Ended September 30,	Original Taxes Levied for	Levy Adjustments	Adjusted Taxes Levied for	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years (2)	Total Collections	
	Fiscal Year	(1)	Fiscal Year	Amount	Percent of Original Levy		Amount	Percent of Adjusted Levy
2011	13,492,233	(36,689)	13,455,544	12,348,666	91.52%	947,872	13,296,538	98.82%
2012	13,435,068	(132,376)	13,302,692	12,393,023	92.24%	304,929	12,697,952	95.45%
2013	13,399,112	(61,251)	13,337,861	12,511,359	93.37%	53,574	12,808,488	96.03%
2014	14,212,850	(39,824)	14,173,026	13,634,069	95.93%	28,330	13,662,399	96.40%
2015	15,459,908	(90,454)	15,369,454	14,780,601	95.61%	124,204	14,904,805	96.98%
2016	17,011,047	(50,269)	16,960,778	16,385,496	96.32%	47,800	16,433,296	96.89%
2017	18,287,501	(84,130)	18,203,371	17,541,705	95.92%	57,332	17,599,037	96.68%
2018	19,524,188	(269,301)	19,254,887	18,565,023	95.09%	25,944	18,590,967	96.55%
2019	20,680,913	(38,839)	20,642,073	19,872,486	96.09%	55,349	19,927,835	96.54%
2020	21,540,824	(114,952)	21,425,872	20,572,660	95.51%	-	20,572,660	96.02%

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

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

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

VILLAGE OF WELLINGTON, FLORIDA
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS

<u>Fiscal Year</u> <u>Ended</u> <u>September 30,</u>	<u>Governmental</u> <u>Activities</u> <u>Special</u> <u>Assessments</u>	<u>Business-Type</u> <u>Activities</u> <u>Notes & Bonds</u>	<u>Total</u>	<u>Percent of</u> <u>Personal</u> <u>Income (1)</u>	<u>Per</u> <u>Capita (1)</u>
2011	16,375,000	6,670,000	23,045,000	n/a	406
2012	7,050,614	4,000,191	11,050,805	n/a	200
2013	6,400,000	1,500,000	7,900,000	n/a	136
2014	5,430,000	-	5,430,000	n/a	93
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

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

VILLAGE OF WELLINGTON, FLORIDA
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
SEPTEMBER 30, 2020

	<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	\$ 44,740,000	4.35%	1,946,643
Other debt:			
Palm Beach County	794,196,617	4.35%	34,555,586
Palm Beach County School Board	1,332,693,190	4.10%	54,589,947
Subtotal, Overlapping Debt	<u>2,171,629,807</u>		<u>91,092,176</u>
Village of Wellington Direct Debt	2,695,000	100.00%	<u>2,695,000</u>
Total Direct and Overlapping Debt			<u>\$ 93,787,176</u>

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

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

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

VILLAGE OF WELLINGTON, FLORIDA

PLEDGED REVENUE COVERAGE

LAST TEN FISCAL YEARS

Fiscal Year Ended Sept. 30	Utility System Revenue Bond				Utility System Note			
	Net Available	Debt Service			Available	Debt Service		
	Revenue (1)	Principal	Interest	Coverage	Revenue (2)	Principal	Interest	Coverage
2011	8,976,236	2,420,000	319,551	3.28	-	-	-	-
2012	9,805,956	2,535,000	341,713	3.41	-	-	-	-
2013	9,882,442	2,635,000	110,066	3.60	-	-	-	-
2014	10,312,989	1,500,000	58,862	6.62	-	-	-	-
2015	-	-	-	-	-	-	-	-
2016	-	-	-	-	-	-	-	-
2017	-	-	-	-	-	-	-	-
2018	-	-	-	-	-	-	-	-
2019	-	-	-	-	20,238,919	751,167	479,246	16.45
2020	-	-	-	-	19,103,412	1,088,703	575,722	11.48

Fiscal Year Ended Sept. 30	Special Assessment Bond				Public Service Tax Bond (4)				
	Special Assessment Collections	Debt Service		Coverage	Public Service Taxes (3)	Debt Service		Coverage	
		Principal	Interest			Principal	Interest		
2011	-	-	-	-	6,656,092	870,000	339,990	5.50	
2012	-	-	-	-	-	905,000	339,990	0.00	
2013	-	-	-	-	7,275,141	940,000	273,782	5.99	
2014	-	-	-	-	8,006,951	970,000	238,622	6.62	
2015	-	-	-	-	8,140,932	1,064,271	95,064	7.02	
2016	-	-	-	-	8,222,500	1,070,015	63,741	7.25	
2017	281,700	-	92,203	3.06	7,611,334	1,086,670	47,085	6.71	
2018	272,113	175,000	92,537	1.02	8,485,721	2,224,044	26,622	3.77	
2019	271,386	180,000	87,318	1.02	-	-	-	-	
2020	271,041	185,000	81,953	1.02	-	-	-	-	

Source: Wellington's Office of Financial Management and Budget

(1) Net available revenue after deducting operating expenses

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

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

Year	Village of Wellington		Palm Beach County		
	Population	School Enrollment (2)	Personal Income (1)	Per Capita Personal Income (1)	Unemployment Rate (3)
2011	56,752	13,043	n/a	n/a	10.5%
2012	57,514	13,004	n/a	n/a	8.9%
2013	58,108	13,222	n/a	n/a	7.3%
2014	59,136	13,221	n/a	n/a	5.9%
2015	59,860	13,223	n/a	n/a	5.2%
2016	60,308	13,624	n/a	n/a	5.2%
2017	61,775	13,859	n/a	n/a	4.4%
2018	62,304	14,456	n/a	n/a	3.1%
2019	65,398	14,765	n/a	n/a	3.2%
2020	66,052	14,876	n/a	n/a	7.0%

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

Note 1: Personal 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. Personal income and per capita personal income were not available after 2008.

Note 2: Palm Beach County figures were used for total personal income and unemployment rate, as Wellington data is not available.

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

Employer	2020			2011		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Palm Beach County School District	22,049	1	3.39%	21,495	1	3.87%
Tenet Healthcare Corp	6,505	2	1.00%	6,100	3	1.10%
Palm Beach County BOCC	5,438	3	0.84%	11,381	2	2.05%
Next Era Energy (FP&L)	4,807	4	0.74%	3,632	4	0.65%
Florida Atlantic University	2,898	5	0.45%	2,706	7	0.49%
Hospital Corporation of America	2,806	6	0.43%	2,714	6	0.49%
Boca Raton Regional Hospital	2,800	7	0.43%	2,250	10	0.41%
Veterans Health Administration	2,700	8	0.41%			
The Breakers	2,300	9	0.35%			
Bethesda Health, Inc	2,282	10	0.35%	2,391	8	0.43%
Office Depot				2,250	9	0.41%
Wackenhut Corporation				3,000	5	0.54%
	<u>54,585</u>		<u>8.39%</u>	<u>57,919</u>		<u>10.44%</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>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Number of Employees:										
General government	63.6	58.0	63.0	68.0	68.0	73.0	80.0	79.0	72.0	71.0
Public safety	14.0	14.0	14.0	14.0	14.0	14.0	14.0	15.0	15.0	15.0
Physical environment	56.0	54.0	63.0	64.0	64.0	63.0	65.0	63.0	59.0	59.0
Transportation	11.0	11.0	11.0	11.0	11.0	11.0	11.0	11.0	11.0	11.0
Economic environment	30.6	33.0	34.0	34.0	34.0	35.0	36.0	34.0	34.0	34.0
Culture and recreation	46.0	48.0	47.0	49.0	49.0	48.0	49.0	49.0	49.0	49.0
Professional Centre	-	-	-	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Utility system	43.0	44.0	44.0	51.0	51.0	51.0	52.0	55.0	56.0	57.0
Solid waste	<u>2.0</u>	<u>2.0</u>	<u>2.0</u>	<u>2.0</u>	<u>2.0</u>	<u>4.0</u>	<u>4.0</u>	<u>4.0</u>	<u>4.0</u>	<u>4.0</u>
 Total Number of Employees	 <u>266.2</u>	 <u>264.0</u>	 <u>278.0</u>	 <u>296.0</u>	 <u>296.0</u>	 <u>302.0</u>	 <u>314.0</u>	 <u>313.0</u>	 <u>303.0</u>	 <u>303.0</u>

Source: Wellington's Office of Financial Management and Budget

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

Function/Program	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General government:										
Bids, contracts awarded & administered	37	41	38	36	23	29	20	25	25	39
Purchase orders processed	1,245	1,352	1,011	1,008	1,115	1,229	973	1,018	1,141	1,302
Payroll transactions	7,666	7,801	9,143	9,721	9,668	10,046	10,634	10,157	10,364	9,792
Public safety:										
Police personnel and officers	117	117	134	132	141	141	144	145	147	148
Fire personnel	71	71	71	71	71	71	71	71	71	76
Calls for service	34,478	34,874	34,662	34,764	34,222	45,482	42,628	45,008	43,537	42,519
Physical environment - Surface water:										
Canal right-of-way miles maintained	305	265	700	850	900	300	300	300	300	300
Physical environment - Engineering & public works:										
Work orders performed	1,163	1,359	1,454	1,649	1,305	1,200	795	770	865	526
Inspections performed	1,050	1,331	1,289	1,624	1,108	1,045	755	720	780	683
Planning and development:										
Building inspections	23,979	28,146	35,384	26,023	30,609	31,348	28,384	29,189	28,309	40,265
New residential building permits issued	197	226	232	147	342	134	118	170	85	42
Transportation:										
Miles of roads resurfaced	15	14	16	11	9	10	2	25	17	20
Miles of streets cleaned/swept	3,056	2,581	3,369	1,950	1,185	3,493	4,855	4,310	4,570	10,259
Signs repaired	1,124	1,121	1,427	1,164	1,974	1,145	2,225	1,715	1,958	1,514
Culture and recreation:										
Participants registered:										
Athletics	12,726	12,962	10,282	8,166	10,077	8,856	8,183	7,940	8,110	5,335
Community programs	2,344	2,683	2,353	887	706	648	1,667	2,160	2,181	1,764
Pool	34,538	73,809	78,285	80,469	70,830	72,660	57,511	53,427	58,170	38,859
Number of program sessions	1,070	1,091	1,140	1,634	1,099	1,070	1,433	1,467	1,400	1,247
Utility system:										
Active accounts - water	19,785	19,929	20,052	20,169	20,397	20,375	20,398	20,458	20,557	20,675
Water production (millions of gallons)	2,187	2,052	2,065	2,174	2,163	2,070	2,107	2,129	1,909	2,090
Solid waste:										
Residential accounts	22,294	22,468	22,673	23,018	21,349	20,902	20,931	20,961	21,017	20,694

Source: Various Village Departments

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

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

Function/Program	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General government:										
Number of general government buildings	1	1	1	1	1	1	1	1	1	1
Public safety:										
Police:										
Sheriff substations	1	1	1	1	1	1	1	1	1	1
Fire:										
Fire stations	4	4	4	4	4	4	4	4	4	4
Suppression units	9	9	9	9	9	9	9	9	9	9
Early response stabilization units	4	4	4	4	4	4	4	4	4	4
Physical environment:										
Acreage of lakes (1)	166	166	166	166	166	553	553	553	553	523
Canal miles	110	91	89	89	89	89	89	89	89	89
Transportation:										
Miles of streets (asphalted)	152	152	152	152	152	152	152	151	150	151
Number of street lights	2,311	2,465	2,465	2,465	2,465	2,465	2,465	2,493	2,493	2,481
Miles of bike paths	40	40	40	40	40	45	45	39	39	43
Miles of sidewalks	153	153	153	153	155	198	198	198	198	206
Culture and recreation:										
Parks acreage	348	348	350	350	350	271	285	271	271	282
Open space preserves/passive recreation	452	452	452	452	452	436	422	437	437	437
Community center	1	1	1	1	1	1	1	1	1	1
Swimming pools	1	1	1	1	1	1	1	1	1	1
Tennis courts	16	16	16	16	21	21	21	21	21	21
Baseball/softball fields	18	18	18	18	18	18	17	17	17	17
Utility system:										
Fire hydrants	1,941	1,941	1,941	1,941	1,941	2,115	2,338	2,329	2344	2317
Potable water mains (miles)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	312	312
Raw water mains (miles)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	17	17
Sewer force mains (miles)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	60	60
Sewer gravity mains (miles)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	197	194
Lift stations	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	105	105

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.



Compliance Section



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

Honorable Mayor and Village Council
Village of Wellington, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Wellington, Florida, (the "Village") as of and for the fiscal year ended September 30, 2020, 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 26, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Village's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Village's internal control. Accordingly, we do not express an opinion on the effectiveness of the Village's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Village's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



February 26, 2021



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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Honorable Mayor and Village Council
Village of Wellington, Florida

Report on Compliance for The Major Federal Program

We have audited the Village of Wellington, Florida's (the "Village") compliance with the types of compliance requirements described in the OMB Compliance Supplement that could have a direct and material effect on the Village's major federal program for the fiscal year ended September 30, 2020. The Village's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for the Village's major federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Village's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the major federal program. However, our audit does not provide a legal determination of the Village's compliance.

Opinion on The Major Federal Program

In our opinion, the Village complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the fiscal year ended September 30, 2020.

Report on Internal Control Over Compliance

Management of the Village is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Village's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and 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 internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Village's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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

B. Han & Associates

February 26, 2021

Village of Wellington, Florida			
Schedule of Federal Awards, State Financial and Local Awards			
Fiscal Year Ended September 30, 2020			
Federal/State Agency	CFDA/CSFA		
Pass-through Entity Federal Programs/State Projects	Number	Contract/Grant Number	Total Expenditures
Federal Agency Name:			
U.S. DEPARTMENT OF HOUSING & URBAN DEVELOPMENT			
<i>Direct Awards</i>			
Community Development Block Grants/Entitlement Grants	14.218	B-08-UN-12-0013	222,540
DEVELOPMENT			222,540
U.S. DEPARTMENT OF AGRICULTURE			
<i>Passed-Through Awards</i>			
Florida Department of Agriculture & Consumer Services			
Cooperative Forestry Assistance	10.664	26865	10,000
TOTAL U.S. DEPARTMENT OF AGRICULTURE			10,000
U.S. DEPARTMENT OF INTERIOR			
<i>Passed-Through Awards</i>			
Florida Department of Environmental Protection			
Land and Water Conservation Fund	15.916	LW673	62,122
Recreational Trails Program	20.219	T1828	187,536
TOTAL U.S. DEPARTMENT OF INTERIOR			249,658
U.S. DEPARTMENT OF HOMELAND SECURITY/FEDERAL EMERGENCY MANAGEMENT AGENCY			
<i>Passed-Through Awards</i>			
Florida Division of Emergency Management			
Public Assistance Grants - Hurricane Dorian	97.036		145,187
TOTAL U.S. DEPARTMENT OF HOMELAND SECURITY			145,187
U.S. DEPARTMENT OF JUSTICE			
<i>Passed-Through Awards</i>			
Florida Department of Law Enforcement			
Edward Byrne Memorial Formula Grant Program	16.738	2020-JAGD-PALM-4-Y6-027	9,255
Coronavirus Emergency Supplemental Funding (CESF)	16.034	CESF	174,293
TOTAL U.S. DEPARTMENT OF JUSTICE			183,548
U.S. DEPARTMENT OF TRANSPORTATION			
<i>Passed-Through Awards</i>			
Florida Department of Transportation			
Highway Planning and Construction Program	20.205	G1K27	188,092
Highway Planning and Construction Program	20.205	G1P46	347
TOTAL U.S. DEPARTMENT OF TRANSPORTATION			188,440
Total Expenditures of Federal Awards			999,374
See Note to Schedule of Federal Awards, State Financial Assistance and Local Awards			

VILLAGE OF WELLINGTON, FLORIDA
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020

NOTE A – BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the Village of Wellington, Florida and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of 2 *CFR Part 200- Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Therefore some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020**

A. SUMMARY OF AUDIT RESULTS

1. The auditor's report expresses an unmodified opinion on the financial statements of the Village of Wellington, Florida.
2. No significant deficiencies or material weaknesses relating to the audit of the financial statements are reported in the independent auditor's report on internal control over financial reporting and on compliance and other matters based on an audit of financial statements performed in accordance with *Government Auditing Standards*.
3. No instances of noncompliance material to the financial statements of the Village of Wellington, Florida were disclosed during the audit.
4. No significant deficiencies or material weaknesses relating to the audit of the major federal award program are reported in the independent auditor's report on compliance for the major program and on internal control over compliance required by the Uniform Guidance.
5. The independent auditor's report on compliance for the major federal award program of the Village of Wellington, Florida expresses an unmodified opinion.
6. There were no audit findings relative to the major federal awards tested for the Village of Wellington, Florida.
7. Dollar threshold for Type A programs was \$750,000. The programs tested as major programs include:

Federal Program	CFDA No.
CDBG Entitlement Grants Cluster	14.218
Highway Planning and Construction Cluster	20.205/20.219

8. The Village of Wellington, Florida was not determined to be a low-risk auditee pursuant to the Uniform Guidance.

B. FINDINGS - FINANCIAL STATEMENTS AUDIT

None

C. FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL PROGRAMS

None

D. OTHER ISSUES

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

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



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

Honorable Mayor and Village Council
Village of Wellington, Florida

We have examined the Village of Wellington, Florida's (the "Village") compliance with the requirements of Section 218.415, Florida Statutes, in accordance with Rule 10.556(10) of the Auditor General of the State of Florida during the fiscal year ended September 30, 2020. Management is responsible for the Village's compliance with those requirements. Our responsibility is to express an opinion on the Village's compliance based on our examination.

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

In our opinion, the Village complied, in all material respects, with the aforementioned requirements for the fiscal year ended September 30, 2020.

This report is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, management, and the Board of Supervisors of the Village of Wellington, Florida and is not intended to be and should not be used by anyone other than these specified parties.

Grau & Associates

February 26, 2021



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

Honorable Mayor and Village Council
Village of Wellington, Florida

Report on the Financial Statements

We have audited the accompanying basic financial statements of the Village of Wellington, Florida (the "Village") as of and for the fiscal year ended September 30, 2020, and have issued our report thereon dated February 26, 2021.

Auditor's Responsibility

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

Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and Compliance and Other Matters based on an audit of the financial statements performed in accordance with *Government Auditing Standards*; and Independent Auditor's Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated February 26, 2021, should be considered in conjunction with this management letter.

Purpose of this Letter

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

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

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

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

Grau & Associates

February 26, 2021

REPORT TO MANAGEMENT

I. CURRENT YEAR FINDINGS AND RECOMMENDATIONS

None

II. PRIOR YEAR FINDINGS AND RECOMMENDATIONS

None

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

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

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

There were no significant findings and recommendations made in the preceding annual financial audit report for the fiscal year ended September 30, 2019.

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

There were no such matters discovered by, or that came to the attention of, the auditor, to be reported for the fiscal year ended September 30, 2020.

3. Noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but which warrants the attention of those charged with governance.

There were no such matters discovered by, or that came to the attention of, the auditor, to be reported, for the fiscal year ended September 30, 2020.

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

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

6. We applied financial condition assessment procedures pursuant to Rule 10.556(7) and no deteriorating financial conditions were noted as of September 30, 2020. It is management's responsibility to monitor financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same.

