



Village of Wellington

Comprehensive Annual Financial Report
For The Year Ended September 30, 2005



Prepared by: Finance Department
Francine L Ramaglia, CPA
Director of Administrative and Financial Services

VILLAGE OF WELLINGTON, FLORIDA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED SEPTEMBER 30, 2005

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INTRODUCTORY SECTION





VILLAGE OF WELLINGTON

March 10, 2006

*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 (the Village) for the year ended September 30, 2005. This report was prepared by the Finance Department in accordance with the Village Charter, State Statutes and generally accepted accounting principles for governments. In addition to meeting legal requirements, this report reflects the Village's commitment to full financial disclosure. We encourage you to thoroughly read this report and take the opportunity to discuss some of the important items it addresses.

State law requires that a complete set of financial statements be published within one year of fiscal year end and presented in conformance with generally accepted accounting principles (GAAP) as applicable to governmental entities and audited in accordance with generally accepted auditing standards by licensed independent certified public accountants.

The financial statements are presented in accordance with Governmental Accounting Standards Board Statement 34, *Basic Financial Statements – and Management's Discussion and Analysis – For State and Local Governments*. The presentation of the Village's financial information includes two financial statements that provide a government-wide perspective using the accrual basis of accounting. The two government-wide statements present governmental activities separately from business-type activities. The inclusion of the government-wide statements in this format enables a more thorough understanding of the financial operations and condition of the Village.

The fund financial statements focus on individual major funds. Each major fund is presented in a separate column in the fund financial statements. Nonmajor funds are aggregated and presented in a combined column. Budget to actual comparisons are presented as required supplementary information. The comparisons are informative, including both the original adopted budget and the final amended budget.

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 Village operations.

Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the Village. 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 operation of the various funds and account groups of the Village. All disclosures necessary to enable the reader to gain an understanding of the Village's financial activities have been included.

FINANCIAL STATEMENT FORMAT

This report has been prepared and organized to meet the requirements of the Government Finance Officers Association (GFOA) Certificate of Achievement for Excellence in Financial Reporting Program. By following the guidelines of this program, the report's format facilitates understanding by the residents and provides information needed by the most sophisticated and interested financial observers. The report is presented in four sections: introductory, financial, statistical, and compliance.

- ❖ The **introductory section**, which is unaudited, includes this transmittal letter, the Village's organization chart, and a list of principal officials. This section is designed to provide an overview and general understanding of the report.
- ❖ The **financial section** provides a detailed presentation of the financial position and results of operations for the fiscal year ended September 30, 2005. The financial section is divided into four main subsections:
 - ❖ Management's Discussion and Analysis
 - ❖ Basic Financial Statements
 - ❖ Required Supplementary Information
 - ❖ Combining Financial Statements

Readers are encouraged to pay particular attention to management's discussion and analysis and to the footnotes in the basic financial statements. These provide valuable analysis and explanation of the financial statements.

- ❖ The **statistical section**, which is unaudited, includes a number of multi-year tables and other data designed to present social, economic and financial trends of the Village, providing an overall view of the fiscal capacity of the Village.
- ❖ The **compliance section** includes the report of the independent auditors on internal control over financial reporting and on compliance and other matters in accordance with *Government Auditing Standards*, and the management letter.

The 2005 Comprehensive Annual Financial Report is the tenth Comprehensive Annual Financial Report prepared by the Village. The Village was incorporated on December 31, 1995, and municipal operations commenced on March 28, 1996. Concurrent with incorporation, the former local government – Acme Improvement District (the District) – became a dependent district of the Village. Hence, comparative data provided herein for 1995/1996 is comprised of the combined actual operating results of the two separately adopted budgets for each entity, whereas data for the years prior to incorporation results solely from the now dependent district's operations.

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 the

Village's combined financial statements to be misleading or incomplete. The primary government is considered financially accountable if it appoints a voting majority of an organization's governing body and imposes its will on that organization. The primary government may also be financially accountable if an organization is fiscally dependent on the primary government regardless of the authority of the organization's governing board. Blended component units, although legally separate entities, are, in substance, part of the primary government's operations and are included as part of the primary government. Accordingly, the District is reported in the governmental funds (special revenue) of the primary government as a blended component unit.

PROFILE OF THE GOVERNMENT

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

The Village 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.

The Village currently encompasses approximately 46.6 square miles in the east-central portion of Palm Beach County and is the 3rd largest municipality in the County based on its geographic area. When the District was initially created in 1953, fewer than 100 individuals resided in the area. Today, the Village is an affluent bedroom community with an estimated current permanent population of 55,427 people residing in over 18,600 dwellings with an average housing value of \$400,000. Projections indicate that this population will exceed 65,000 residents by the year 2015.

The Village 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 Aeroclub 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 the Village are construction, agriculture and retail sales. Approximately 95% of employed Village residents work outside of the Village.

ECONOMIC CONDITION AND OUTLOOK

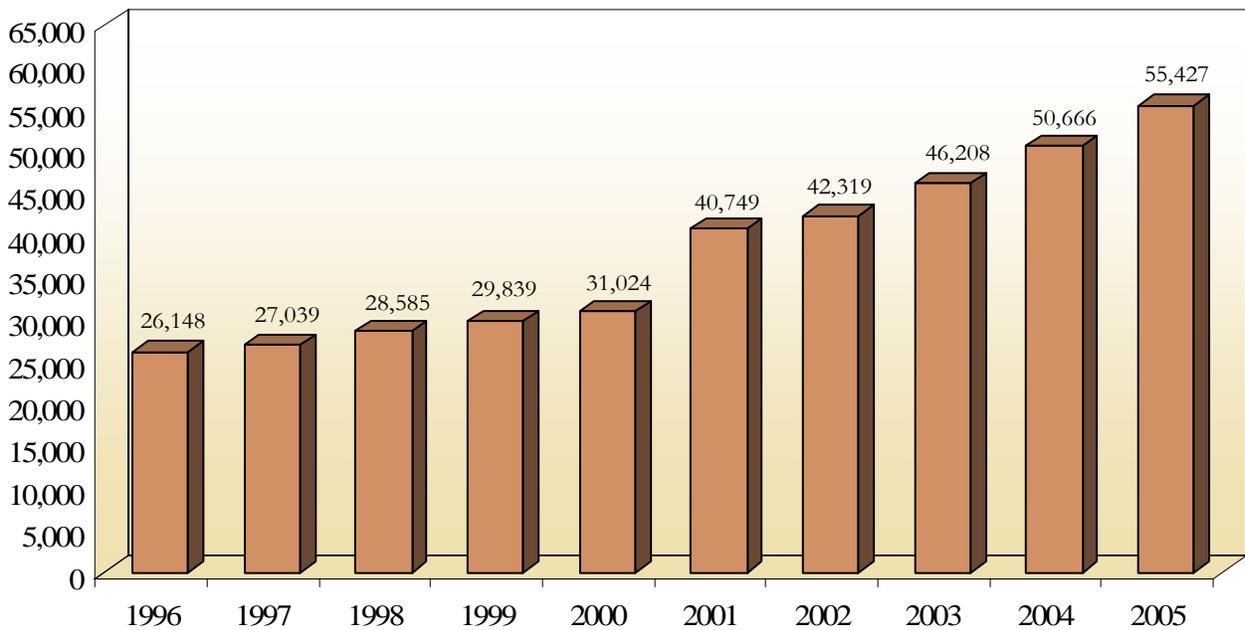
The growth and development of the Village is dependent upon the economic environment of South Florida and particularly that of Palm Beach County. Consideration of the impact of these economic indicators is critical as the Village endeavors to develop its resources and facilities to meet the demand of its residents as well as to comply with regulatory requirements.

Between 1996 and 2005, total employment in Palm Beach County was relatively stable while population increased at an average annual rate of approximately 3%. Population growth for Palm Beach County and the Village, 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, and the Treasure Coast Regional Planning Council (TCRPC), are illustrated below.

The population growth of the area within the Village has consistently exceeded that of the County. Between 1996 and 2005, the population of the area within the Village increased by 112% or at an annual rate of 11%. The Village's estimated 2005 permanent population of 55,427 (excluding seasonal residents) makes it the 5th largest municipality in Palm Beach County, based on its permanent population.

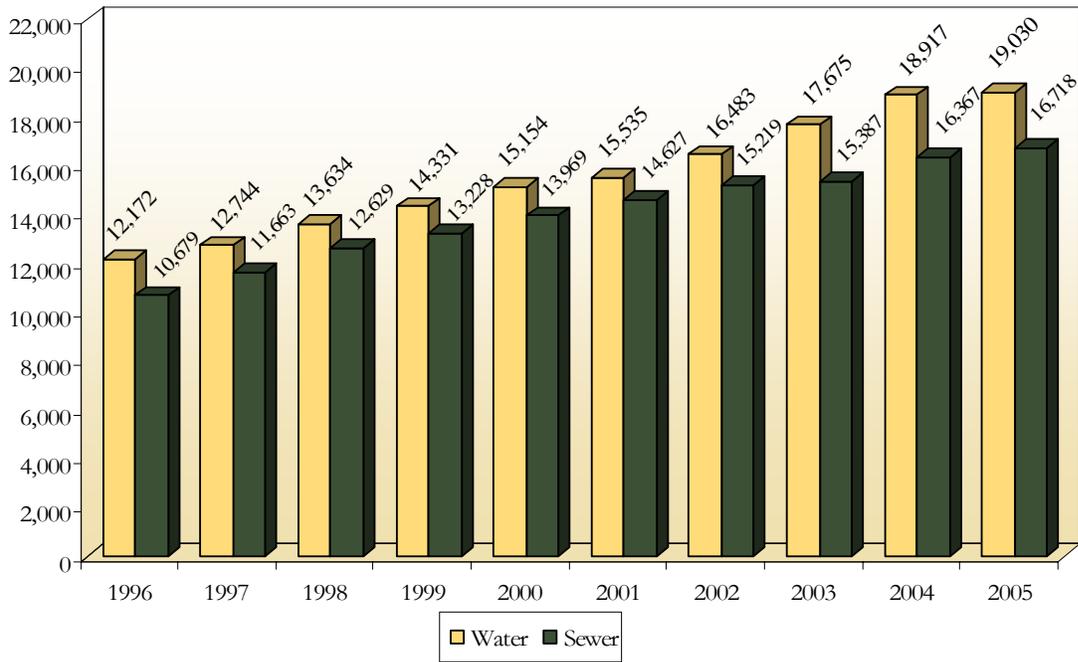
1996-2005 HISTORICAL POPULATION



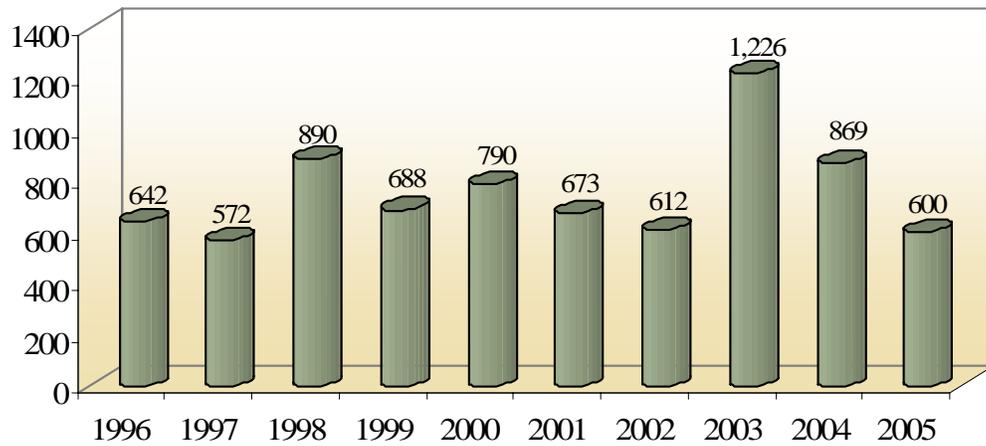
The strength of the local economy can also be seen in the growth of the Village's water production and number of active accounts. Between 1996 and 2005, the Village's water production increased 43%, or at an average annual rate of 4.3%, while the number of active accounts grew at approximately 56% over the same period. At present, the Village has 19,030 water service customers and 16,718 sewer service customers. At buildout, it is projected that the water system will service over 24,000 customers and the wastewater system will service over 20,000 customers.

In the early 1990's, a reduction in housing construction activity in the area within the Village occurred. From 1988 to 1996, new construction activity (as measured by the number of new water meter installations) declined from a high of 982 units to a low of 340 units. However, the trend has reversed itself in the second half of the decade and has continued over the recent years with a high of 1,226 units in 2003. The local housing market saw a tremendous boom beginning in 2002, with major new developments coming on line. Construction activity is expected to remain steady. In fact, growth estimates project approximately 850 new homes to be added for fiscal year 2005/2006. However, some of the new areas of development will not utilize the Village of Wellington's water and wastewater services. Total new meter installations for the year ended September 30, 2005 were 600. Conservative estimates anticipate future growth of the water and wastewater customers at approximately 715 new units in the coming year.

1996-2005 HISTORICAL ACTIVE WATER AND SEWER ACCOUNTS



1996-2005 HISTORICAL NEW METER INSTALLATIONS



MAJOR INITIATIVES

The following were among those many diverse activities and accomplishments to which the elected officials and staff devoted their energies in Fiscal Year 2004/2005.

- ❖ Received GFOA Certificate of Achievement for Excellence in Financial Reporting was received for the Village's Comprehensive Annual Financial Report for the Fiscal Year October 1, 2003 through September 30, 2004. This award has been received for nine consecutive years
- ❖ Received GFOA Award for Distinguished Budget Presentation was received for the Village's Annual Budget for the Fiscal Year October 1, 2003 through September 30, 2004. This award has been received for ten consecutive years
- ❖ Named one of six finalists and received the Florida City of Excellence Award
- ❖ Named the sixth best Digital City in the United States for 2004 by the Center for Digital Government
- ❖ Completed three wall replacement projects in the neighborhoods of Amesbury, Farmington, and Lynton
- ❖ Awarded a grant to public schools in the Village of Wellington of \$5 per student for materials, supplies, equipment or curriculum needs
- ❖ Awarded Reading Challenge Grant to five elementary schools for a total of \$125,000
- ❖ Completed the following projects
 - Binks Forest Median Landscaping
 - Veterans Memorial Park Phase II Renovations
 - Aquatic Center Slides
 - Minto Baseball Complex
 - Water Treatment Plant Renovation
- ❖ Implemented Tier III of the Wellington Beautification Grant Program in order to enhance the aesthetics of the community and to assist neighborhood funding of beautification projects
- ❖ Provided additional radar guns to deputies to increase safety in school zones
- ❖ Completed K-Park master planning and design phase in preparation for a bid in fiscal year 2006
- ❖ Researched and obtained grant funding to correct Lake Wellington erosion and restore banks

Water Quality Issues / Surface Water Action Team (SWAT)

SWAT (Surface Water Issues)/Basin B drainage issues continue to be one of the biggest issues and challenges the Village faces. The Everglades Forever Act requires that all discharge into the Everglades Protection Area meet water quality standards established by the State by the December 31, 2006 deadline for compliance. Wellington residents must pay the cost of phosphorus removal from Basin B, the area roughly south of Pierson Road. The Village entered into an interlocal agreement with South Florida Water Management District (SFWMD) for a Basin B solution. Measures to clean up phosphorus levels within Basin B include drafting of the *Phase II* Best Management Practices (BMP) Ordinance along with identification and evaluation of methods to fix "hot spots" within Basin B. BMP's are practices that minimize environmental impacts, maintain economic viability and allow users to get the principal methods for treating storm water to achieve water quality standards while holding down costs to taxpayers. The *Phase I* BMP Ordinance (2000-18) has been in effect for approximately 3 years.

Progress to date includes:

- ❖ Canals continue to have sediment removed, aquatic weeds harvested and sumps maintained
- ❖ Compliance Officer hired
- ❖ 15 fertilizer applicators registered with the Village
- ❖ Livestock waste aspect has been successful: 129 noncompliance notices with 122 of these corrected. Continuing to work with the others to achieve compliance

- ❖ There are 43 designated surface water samples collected bi-weekly throughout Basin A and Basin B. Each sample is analyzed for total phosphorus. Although “hot spots” still exist, the implemented Best Management Practices continue to effectively reduce phosphorus loading from Wellington’s Basin B to the Everglades Protection Area
- ❖ New programs to add to our BMP program (*Phase II*) include additional tree plantings in cooperation with the Arthur R. Marshall Foundation. Staff planted 4,800 trees on the C2 canal and the C4 canal in 2003
- ❖ Evaluating some of the Village’s building practices for BMP impacts
- ❖ Village entered into an agreement with Aqua Technologies Inc. to perform a pilot test at Pump Station #2. The purpose of the test was to research alternate solutions that may be available to the Village. The pilot test results will be available soon

Future direction of the water quality initiatives includes the following:

- ❖ Continue working with the South Florida Water Management District and the United States Army Corps of Engineers in drafting the cooperation agreement
- ❖ Draft Phase II BMP Ordinance
- ❖ Continue to educate the public on sound BMP practices
- ❖ Continue lobbying presence at Federal level

Basically, the Village of Wellington has done more than any municipal government to reduce the phosphorus content in its storm water runoff to the level mandated by the Everglades Forever Act. Through innovative practices and unparalleled cooperation with SFWMD, US Corps of Engineers, and other local and state agencies, the Village is making great strides toward reducing phosphorus levels to 10 ppb before December 31, 2006. By continuously investigating technological advances, studying environmental indicators, educating the public and working as a team with all concerned agencies, the Village is doing its share for tomorrow’s Everglades.

Annexations/Growth

Within the past few years, the Village Council approved the annexation of several properties. In March 2004, after an affirmative vote of the residents in the area approving annexation, the Rustic Ranches neighborhood was annexed into Wellington. Other annexations this year included: Bangland property (101 acres), Kahlert & Lanier properties (218 acres), Palomino Executive Park (12.15 acres), Stormwater Treatment areas (6,584 acres), Mickelson property (60 acres), Village Professional Center (54 acres), and Wellington Regional Medical Center (57.5 acres). Additionally, there is known interest by a number of properties exploring annexation opportunities with the Village. We anticipate additional activity in this area.

Including these annexations, the Village now encompasses over 46 square miles and stretches as far as the Florida Turnpike. Due to the anticipated impact of the growth along the State Road 7/US 441 Corridor, the Village of Wellington, in conjunction with the Cities of Greenacres and Royal Palm Beach, have completed a State Road 7/US 441 Corridor Study to develop a vision for future development. The intent of the study was to promote economically reliable development that will enhance the quality of life for residents while avoiding the pitfalls of growth.

Annexations of property along the boundaries of the Village and the Corridor Study will provide protection for Wellington residents through managed growth and by ensuring that the properties adjacent to the Village are developed in compliance with the high quality standards of Wellington.

Reserves and Surplus

One of the primary reasons we are once again able to hold the line on total taxes and assessments despite the increased spending for higher levels of services desired by residents is the continued strong and robust economy

combined with the greater than expected growth of our community. The Village maintains unreserved and undesignated reserves for the general fund (\$10.5 million) and recreation programs (\$1.7 million). The Village has decided to use some of its reserves to fund capital projects on a pay-as-you-go basis. Additionally, \$2.8 million was loaned to Surface Water Management and \$2.5 million to Solid Waste for hurricane expenditures. The reserves are also being used to fund a millage rate stabilization account to offset the need for future millage rate increases as well as to establish a health insurance reserve to defray those rising costs. Also, reserves are being used to supply funds for renewal and replacement of capital projects and equipment. These undesignated reserves are equal to roughly 27% of the Village's 2005/2006 adopted general fund budget.

The Council has set a target for reserves of between 23% to 27% and has generally set tax rates in the last few years that keep these reserves around 25%. The reserves are generally considered a necessary function of sound fiscal management for a variety of reasons:

- ◆ A time lag in the first fiscal 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
- ◆ Elastic revenues: roughly 50% of the Village's revenues are elastic, that is, based on economic factors and growth estimates that can easily deviate from projections
- ◆ Increases in expenditures: there exists a potential for increases to anticipated expenditures based on bid results, litigation, contract renewals, additional services, etc.
- ◆ There could be a significant gap in the timing of the receipts of borrowed funds, intergovernmental revenues, and other sources of funds

FINANCIAL INFORMATION

Accounting and Administrative Controls

The Village's internal control structure is designed to ensure that the assets of the Village 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 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 the Village's internal accounting controls adequately safeguard assets and provide reasonable assurance of the proper recording of financial transactions.

Budgetary Control

The Village adopts fiscal year budgets for all funds. The Village maintains budgetary controls with the objective being to ensure compliance with legal provisions contained in the annual appropriated budget approved by the Village Council. The level of budgetary control is the department. The Village 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 Village Council. Monthly budget reports are prepared in detail for each department, with actual revenues and expenditures being compared with appropriated revenues and estimated expenditures.

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

Capital Financing

In conjunction with the operating budget, the Village Manager annually prepares a program to provide for improvements to the Village'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 current fiscal year; the remaining years are used as a planning guide. The program allocates funding over five years for Village roads, park development, public works projects, and new equipment. The Village's Capital Improvement Program for fiscal years 2006 through 2010 calls for expenditures approximating \$61 million in the governmental funds and approximately \$36 million in the enterprise funds. The Village anticipates borrowing to provide funds for a new municipal complex.

Retirement Plans

The Village provides a non-contributory defined contribution pension plan for all employees. The Village also offers a deferred compensation plan to employees and permits participants to contribute any amount within the limitations as prescribed by the Internal Revenue Service while deferring a portion of their salary until future years when it would become available upon termination, retirement, death, or unforeseen non-reimbursement emergency. The deferred compensation plan does not allow for the Village to make contributions. In addition to the above plans, 12 employees employed prior to January 1, 1996, who did not elect to participate in the Local Option Retirement Plan, are participants of the Florida Retirement System.

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 ..." The Village 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. The Village has an underlying bond rating of Aa3 from Moody's Investors Services and AA- from Fitch based on the financial stability of the Village.

Cash Management

The Village's investment strategy is promulgated within the framework of an investment policy which establishes a conservative set of investment criteria that prudently protects the Village's principal and enables the Village to generate a fair rate of return from its investment activities. The primary focus of the Village's investment policy is the safeguarding of public assets by minimizing credit and market risk. The Village uses a pooled cash concept for the funds under its control, except for the assets of the deferred compensation plan and the local retirement plan. The Village invests in those instruments authorized by State Statutes, Village resolutions, and applicable bond resolutions. The Village's temporarily idle cash was invested within the guidelines of the adopted investment policy in money market mutual funds and U.S. Treasury securities. The Village's invested funds, excluding the assets of the local retirement plan, achieved an annual average rate of return of 3%, resulting in total investment income of \$2.2 million in 2005.

Risk Management

Risk management is the systematic, logical, and continuous process which identifies exposures to different types of losses, evaluates the potential cost of these losses, and identifies the most cost effective method or methods to deal with them. These methods include reducing or eliminating the risk by sound loss control and safety practices. The Village has traditionally financed loss exposures through conventional insurance with varying levels of retention. An active and ongoing risk management program along with loss control measures is coupled with an annual evaluation of the methods of financing the exposures, to produce what the Village feels is an effective and efficient program.

The Village purchases insurance coverage for workers compensation, property damage and general liability through the Florida League of Cities insurance program, which assumes all risk of loss up to the policy maximum. Insurance coverages are evaluated annually by management and adjusted as necessary to provide the most cost effective protection for the Village.

Independent Audit

An audit of the Village's financial records, as required by State Statutes and the Village Charter, was performed by the independent certified public accounting firm Rachlin Cohen & Holtz LLP. The auditors' report on the financial statements is included in the financial section of this report.

Awards

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, 2004. 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 nine consecutive years (1996-2004). We believe our current report continues to conform to Certificate of Achievement Program requirements, and we are submitting it to the GFOA.

In addition, the Village also received the GFOA's Award for Distinguished Budget Presentation for the Fiscal Year beginning October 1, 2004. The Village has received this award for the last nine years. In order to earn the Distinguished Budget Presentation Award, the Village's budget document was judged to be proficient in several categories including policy documentation, financial planning and organization. We have submitted the Village's 2006 budget document to the GFOA, as we believe it also conforms to the program requirements.

Acknowledgements

Preparation of this report could not have been accomplished without the dedicated efforts of Mireya P. McIlveen, Deputy Director of Administrative and Financial Services. The following Finance staff also contributed to this report; Sean O'Brien, Accounting Supervisor; Carol Stone, Accounting Supervisor; Chris Johnson, Staff

Accountant; Tisa Sullivan, Accounting Technician and Maria Miserendino, Accounting Technician. 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 the Village's financial and economic position. We also extend our sincere appreciation to the independent certified public accounting firm of Rachlin Cohen & Holtz LLP for the professionalism and cooperation shown during the performance of the engagement and the expertise shown in financial reporting for government entities.

We believe that this report reflects the sound financial position of the Village of Wellington. We would like to thank the Mayor, the Village Council, and the residents of the Village of Wellington for their interest and support toward the planning and administration of the financial operations of the Village 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 the Village of Wellington in our challenging environment.

Respectfully submitted,



Francine L. Ramaglia, CPA
Director of Administrative and Financial Services



Charles H. Lynn, AICP
Village Manager

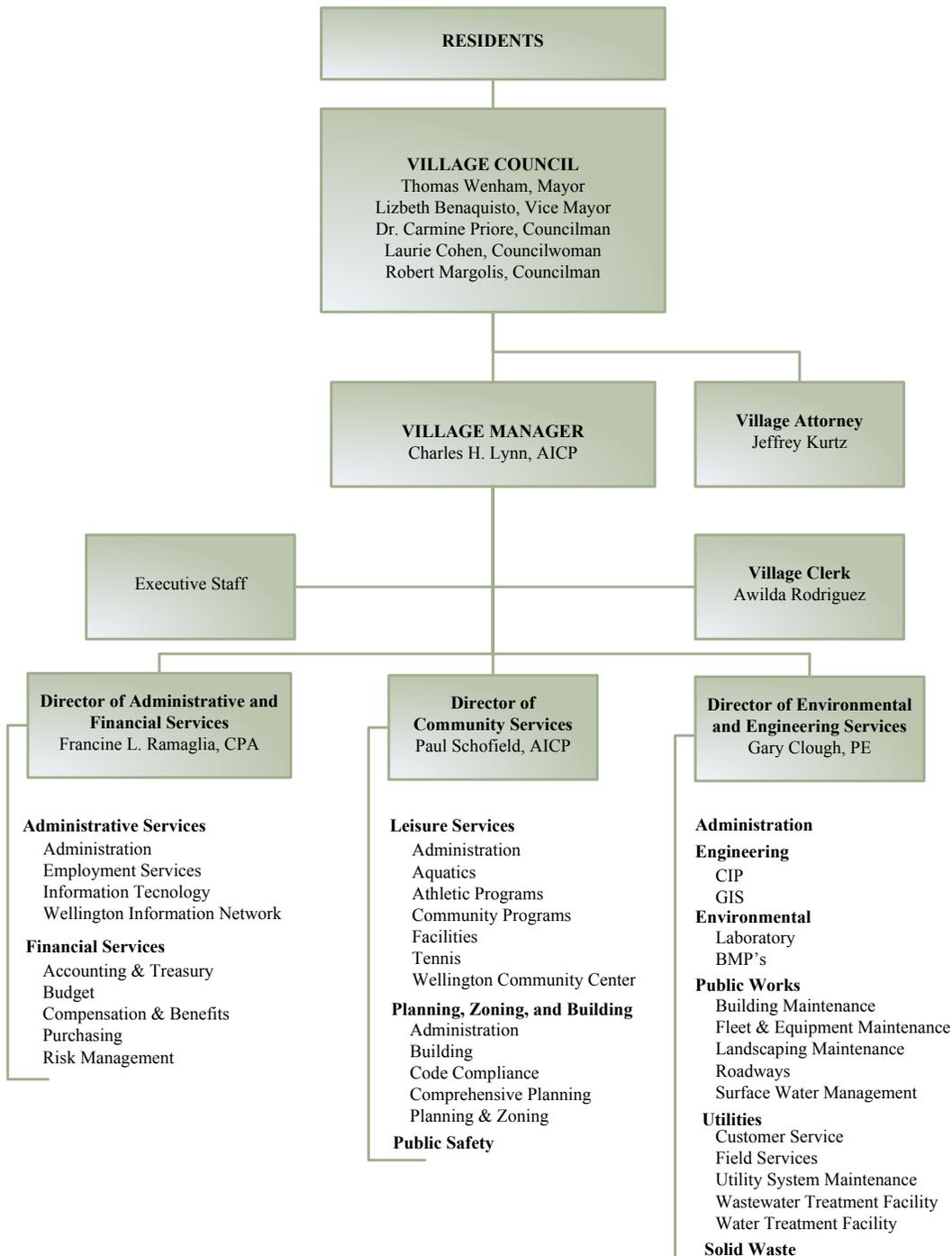
VILLAGE OF WELLINGTON, FLORIDA

FOR THE YEAR ENDED SEPTEMBER 30, 2005

LIST OF PRINCIPAL OFFICIALS

TITLE	NAME
Mayor	Thomas M. Wenham
Vice Mayor	Lizbeth Benacquisto
Council Member	Laurie S. Cohen
Council Member	Robert S. Margolis
Council Member	Dr. Carmine A. Priore
Village Manager	Charles H. Lynn, AICP
Director of Administrative and Financial Services	Francine L. Ramaglia, CPA
Director of Environmental and Engineering Services	Gary R. Clough, P.E.
Director of Community Services	Paul Schofield
Village Clerk	Awilda Rodriguez
Village Attorney	Jeffrey Kurtz

Village of Wellington Organization



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, 2004

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



Carla E. Perry

President

Jeffrey R. Emer

Executive Director

FINANCIAL SECTION



MANAGEMENT'S DISCUSSION AND ANALYSIS
(MD&A)



VILLAGE OF WELLINGTON, FLORIDA

Management's Discussion and Analysis

September 30, 2005

The Village of Wellington's discussion and analysis (MD&A) is designed to provide an objective and easy to read analysis of the Village's 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 the Village's 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 the Village's financial activity, identify changes in the Village's financial position (its ability to address the next and 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 Village's government-wide total assets exceeded liabilities (net assets) at the close of the fiscal year by \$264 million, which is an increase of 6% or \$14.3 million over 2004. Of this amount, \$29.1 million is in unrestricted net assets, which is available to meet the Village's ongoing commitments to citizens and creditors.
- ❖ The Village's governmental funds ended the year with a combined fund balance of \$52.1 million, which is an increase of 12% or \$5,626,232 over 2004. Of that amount, the unreserved, undesignated portion is \$12.2 million.
- ❖ Net assets of our business-type activities increased 3% or \$4.1 million, with \$2.8 million coming from capital contributions.
- ❖ The Village's total revenues were \$67.7 million, while total expenses were \$53.4 million. The total revenues increased 7% or \$4.4 million while the total expenses increased 15% or \$7 million.
- ❖ Governmental Activities generated \$46.4 million in revenue with \$33.9 million in expenses.
- ❖ Business-type Activities generated \$21.3 million in revenue with \$19.4 million in expenses.
- ❖ The Village's total investment in capital assets, net of related debt, account for \$155 million of the Village's total net assets of \$264 million.

OVERVIEW OF THE FINANCIAL STATEMENTS

The Village's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also includes other supplementary information in addition to the basic financial statements.

Government-Wide Financial Statements

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

The statement of net assets presents information on all of the Village's assets and liabilities, with the

difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Village is improving or deteriorating. Other factors should be considered, however, such as the condition of the Village's capital assets (canals, bridges, buildings, etc.) to assess the overall health of the Village.

The statement of activities presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets 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. The government-wide financial statements can be found on pages 12-13 of this report.

Fund Financial Statements

Traditional users of governmental financial statements will find the fund financial statements presentation more familiar. 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. The Village, like other state and local governments, uses fund accounting to ensure and demonstrate legal compliance with finance-related legal requirements. The Village's funds can be divided into two categories: governmental funds and proprietary funds. The two kinds of funds use different accounting approaches.

Basic services are reported in governmental funds, which 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 the Village's 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.

The fund financial statements provide detailed information about the most significant funds – not the Village as a whole. Accordingly, 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, 2005 were the General Fund, Planning, Zoning, and Building Special Revenue Fund, Recreation Programs Special Revenue Fund, Recreation Impact Fees Special Revenue Fund, and the Surface Water Management Special Revenue Fund. The basic governmental fund financial statements can be found on pages 14-23 of this report.

Proprietary funds are used to account for revenues and expenses from services provided on a user-charge basis to the public. Proprietary fund activities are reported on the same accounting basis and measurement focus as the statement of net assets and the statement of activities. This is similar to that found in the private sector and provides a periodic measurement of net income. The Village's proprietary activities are accounted for in enterprise funds for water and sewer operations and for solid waste collection and recycling. The Village's major enterprise funds for the year ended September 30, 2005 were the Utility System Enterprise Fund and the Solid Waste Fund. The basic proprietary fund financial statements can be found on pages 24-27 of this report.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found beginning on page 28 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain

required supplementary information. This information includes budgetary comparisons for the Village's general fund and major special revenue funds. It also includes statistical information on the assessed condition of the Village's road system and on budgeted road maintenance expenses. Required supplementary information can be found on pages 49-62 of this report.

The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the required supplementary information. Combining and individual fund statements and schedules for nonmajor funds can be found on pages 63-70 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the Village of Wellington, assets exceeded liabilities by \$264 million at the close of the most recent year. The largest portion of the Village's net assets (59%) reflects its investment in capital assets. The Village uses capital assets to provide services to citizens; accordingly, these assets are not available for future spending.

Restricted net assets of the Village (\$79.8 million) are reported in both the governmental and business-type activities. These net assets have limits on their use that are externally imposed (gas tax, impact fees, and bond covenants) and imposed by enabling legislation (planning, zoning and building and surface water management). These resources can be used only for future construction; planning, zoning and building; surface water management; or debt service activities. The remaining unrestricted net assets may be used to meet the government's ongoing operations.

Village of Wellington's Net Assets						
	Governmental Activities		Business-Type Activities		Total	
	2005	2004	2005	2004	2005	2004
Current and other assets	\$ 56,513,088	\$ 49,590,644	\$ 60,859,144	\$ 62,420,775	\$ 117,372,232	\$ 112,011,419
Capital Assets	110,673,042	107,101,870	86,723,842	84,727,117	197,396,884	191,828,987
Total Assets	\$ 167,186,130	\$ 156,692,514	\$ 147,582,986	\$ 147,147,892	\$ 314,769,116	\$ 303,840,406
Long term debt outstanding	\$ 24,341,787	\$ 25,316,552	\$ 19,302,094	\$ 21,272,452	\$ 43,643,881	\$ 46,589,004
Other liabilities	4,408,686	3,180,828	2,714,389	4,415,435	7,123,075	7,596,263
Total Liabilities	\$ 28,750,473	\$ 28,497,380	\$ 22,016,483	\$ 25,687,887	\$ 50,766,956	\$ 54,185,267
Net Assets:						
Invested in capital assets	\$ 87,127,009	\$ 82,441,223	\$ 67,896,249	\$ 63,977,950	\$ 155,023,258	\$ 146,419,173
Restricted	31,215,236	28,588,134	48,595,838	35,173,687	79,811,074	63,761,821
Unrestricted	20,093,412	17,165,777	9,074,416	22,308,368	29,167,828	39,474,145
Total Net Assets	\$ 138,435,657	\$ 128,195,134	\$ 125,566,503	\$ 121,460,005	\$ 264,002,160	\$ 249,655,139

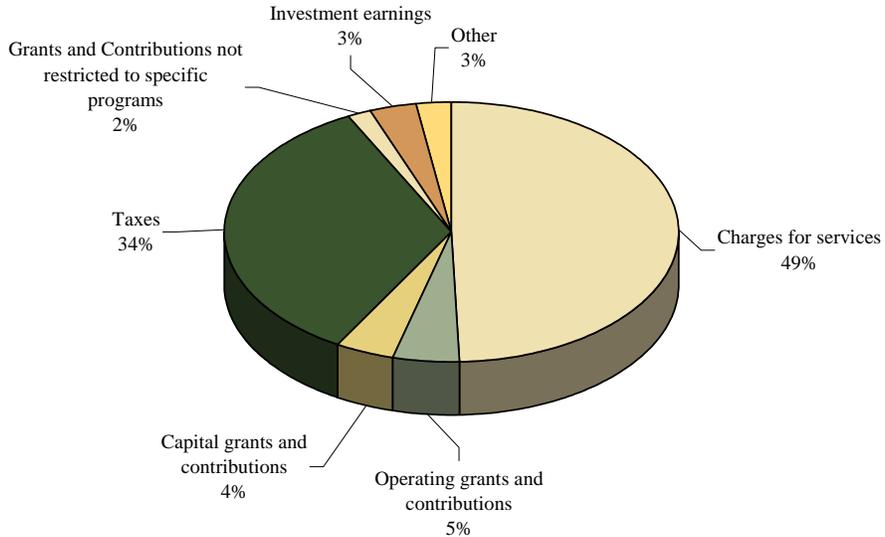
Village of Wellington's Change In Net Assets						
	Governmental Activities		Business-Type Activities		Total	
	2005	2004	2005	2004	2005	2004
Revenues						
Program revenues:						
Charges for services	\$ 17,280,703	\$ 15,918,456	\$ 16,123,497	\$ 15,544,649	\$ 33,404,200	\$ 31,463,105
Operating grants and contributions	1,943,719	1,206,275	1,305,602	1,113,196	3,249,321	2,319,471
Capital grants and contributions	10,639	962,437	2,836,718	5,973,688	2,847,357	6,936,125
General revenues:						
Taxes	23,235,084	19,755,300			23,235,084	19,755,300
Grants and contributions not restricted to specific program	1,124,386	504,157			1,124,386	504,157
Investment earnings	1,054,412	562,948	1,131,842	569,820	2,186,254	1,132,768
Other	1,748,331	1,214,021	(52,605)		1,695,726	1,214,021
Total Revenues	46,397,274	40,123,594	21,345,054	23,201,353	67,742,328	63,324,947
Program expenses including indirect expenses:						
General government	3,824,561	3,271,159			3,824,561	3,271,159
Public safety	5,166,414	4,751,759			5,166,414	4,751,759
Planning and development	5,410,087	4,687,148			5,410,087	4,687,148
Engineering and public works	3,593,416	2,486,160			3,593,416	2,486,160
Surface water management	2,166,186	1,814,288			2,166,186	1,814,288
Transportation	2,904,978	3,362,695			2,904,978	3,362,695
Culture/recreation	9,869,218	7,939,630			9,869,218	7,939,630
Interest and debt	1,027,675	1,184,013			1,027,675	1,184,013
Issuance costs	12,671	11,179			12,671	11,179
Water and wastewater			12,996,893	12,812,127	12,996,893	12,812,127
Solid waste			6,423,208	4,158,320	6,423,208	4,158,320
Total expenses	33,975,206	29,508,031	19,420,101	16,970,447	53,395,307	46,478,478
Excess before transfers	12,422,068	10,615,563	1,924,953	6,230,906	14,347,021	16,846,469
Transfers	(2,181,545)	(975,000)	2,181,545	975,000		
Increase in net assets	10,240,523	9,640,563	4,106,498	7,205,906	14,347,021	16,846,469
Beginning net assets	128,195,134	118,554,571	121,460,005	114,254,099	249,655,139	232,808,670
Total net assets	\$ 138,435,657	\$ 128,195,134	\$ 125,566,503	\$ 121,460,005	\$ 264,002,160	\$ 249,655,139

Governmental Activities

Governmental activities increased the Village of Wellington's net assets by \$10,240,523, accounting for 71% of the total growth in the net assets of the Village of Wellington. Key elements of this increase are as follows:

- ❖ Charges for services increased \$1,362,247 or 8.5% compared to the prior year mostly due to an increase in licenses and permits related to planning, zoning and building.
- ❖ Taxes increased by \$3,479,784 or 18% during the year mostly due to an increase in property taxes caused by the increase in the number and values of property that are being assessed.

**Village of Wellington
Revenues by Source
Government-wide Activities**

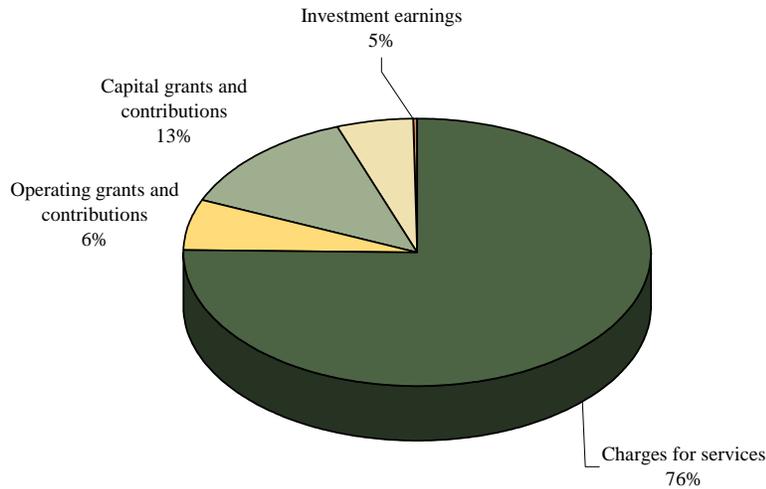


Business-type Activities

Business-type activities increased the Village of Wellington’s net assets by \$4,106,498, accounting for 29% of the total growth in the net assets of the Village of Wellington. Key elements of this increase are as follows:

- ❖ Capital contributions of \$2,836,718 that were used to increase the capacity of the Utility System were responsible for 69% of the increase in net assets. Capital contributions decreased \$3,136,970 or 52.5% compared to prior year.

**Village of Wellington
Revenues by Source
Business-type Activities**



Governmental Funds Financial Analysis

The focus of the Village of Wellington’s governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the Village of Wellington’s financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government’s net resources available for spending at the end of the fiscal year. As of the end of the current fiscal year, the Village of Wellington’s governmental funds reported combined ending fund balances of \$52,119,822, an increase of \$5,626,232 over the prior year. The majority of the increase is attributable to delays in capital project construction. The Village had \$19 million in capital outlay projects that were unspent. A majority of those projects will be completed in future years.

The unreserved and undesignated fund balance (\$12,169,585) is available for spending at the Village’s discretion including uses earmarked by the Village that do not meet the criteria for a designation. The remainder of fund balance (\$39,950,237) is reserved or designated to indicate that it is not available for new spending because it has already been committed to liquidate contracts and purchase orders of the prior period (\$6,197,286), to pay debt service (\$83,069), and for capital improvements or other specified purposes (\$33,669,882).

The general fund is the main operating fund of the Village of Wellington. At the end of the current fiscal year, unreserved and undesignated fund balance of the general fund was \$10,465,321, while the total fund balance was \$17,533,321. As a measure of the general fund’s liquidity, it is useful to compare unreserved fund balance to total general fund expenditures. Unreserved and undesignated fund balance represents approximately 27% of total 2005/2006 general fund budgeted expenditures.

The planning, zoning and building fund is used to account for operations of the planning and building functions of the Village. At the end of the current fiscal year, \$7,333,051 was reserved for future building department expenditures. Building permit fees may only be used for building and inspection services expenditures. Revenues for the fund were \$6,510,027 and \$5,745,322 for fiscal year’s 2005 and 2004,

respectively. This represents an increase of 13% (\$764,705) from 2004. Revenues increased mostly due to increases in building permit revenue (\$623,416) caused by the steady demanding housing market that is being experienced throughout Palm Beach County. The Village anticipates steady building permit revenue through 2007. The Village projects that new development will decrease significantly after 2007.

The recreation programs fund is used to account for operations relating to recreation facilities. At the end of the current fiscal year, unreserved and undesignated fund balance of the recreation programs fund was \$1,704,264, while the total fund balance was \$2,627,978. Unreserved and undesignated fund balance represents approximately 16% of total 2005/2006 recreation program fund budgeted expenditures. Additionally, revenues were \$1,949,662 and \$1,915,025 for fiscal year's 2005 and 2004, respectively. This represents an increase of 2% (\$34,637) over 2004.

The recreation impact fees fund is used to account for impact fee revenues and expenditures for recreation construction purposes. At the end of the current fiscal year, \$8,102,880 was reserved for future recreation construction projects. During the current year, fund balance increased \$2,362,391 or 39% over 2004.

The surface water management fund is used to account for operations related to water management facilities. Funding is provided through a non-ad valorem assessment within the Acme Improvement District (a dependent district). At the end of the current fiscal year \$5,275,426 was reserved for future expenses relating to water management. Additionally, revenues were \$4,335,079 and \$3,544,357 for fiscal years 2005 and 2004, respectively.

Proprietary Funds

The Village of Wellington's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net assets for business-type funds was \$9,074,416; \$9,347,173 for the Utility System and -\$272,757 for Solid Waste. Total growth in net assets for these funds was \$4,106,498. The majority of this increase is attributable to an increase in capital contributions for increasing the capacity of the Utility System.

General Fund Budgetary Highlights

Differences between the original budget and the final amended budget totaled \$2,886,225 without transfers, and can be briefly summarized as follows:

- \$1,183,427 in increases allocated to general government
- \$2,700 in increases allocated to public safety
- \$213,805 in decreases allocated to physical environment
- \$33,297 in increases allocated to transportation
- \$1,880,606 in increases allocated to capital outlay

The budget amendments were funded with \$3,115,506 of prior year carry forwards and additional intergovernmental funding. Additional information on the Village's budgetary comparisons can be found on pages 50-62 of this report.

Long-Term Debt Activity

At the end of the current fiscal year, the Village of Wellington had total long-term debt outstanding of \$43,643,881. \$23,795,443 is for revenue bonds and loans issued to finance capital improvements for roadways, parks and recreation, public building and infrastructure. \$19,176,529 is for Utility System revenue bonds which financed projects to increase the capacity of the Utility System. An additional \$671,910 for compensated absences is also outstanding. Additional information on the Village's long-term debt can be found in Note 6 on pages 40-44 of this report.

Village of Wellington's Outstanding Debt						
	Governmental		Business-Type		Total	
	Activities		Activities			
	2005	2004	2005	2004	2005	2004
Revenue bonds	\$ 23,795,443	\$ 24,858,925	\$ 19,176,529	\$ 21,141,720	\$ 42,971,972	\$ 46,000,645
Compensated absences	546,344	457,627	125,565	131,232	671,909	588,859
Total	\$ 24,341,787	\$ 25,316,552	\$ 19,302,094	\$ 21,272,952	\$ 43,643,881	\$ 46,589,504

Capital Assets Activity

The Village of Wellington's investment in capital assets for its governmental and business-type activities as of September 30, 2005, amounts to \$197,396,884 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, machinery and equipment, infrastructure and construction in progress.

The Village has elected to use the modified approach for its street system in lieu of the depreciation method. An up-to-date inventory of these infrastructure assets was performed and the annual costs to maintain and preserve these assets was established and disclosed through administrative policy. The current condition level of the street system meets the target condition level established by the Village. There were no significant changes in the condition levels of infrastructure assets, and the differences between the estimated amounts necessary to maintain and preserve the street system at target condition levels and the actual amount of expense incurred for that purpose for 2005 was not material.

Village of Wellington's Capital Assets (net of depreciation)						
	Governmental		Business-Type		Total	
	Activities		Activities			
	2005	2004	2005	2004	2005	2004
Land	\$ 19,063,169	\$ 19,115,991	\$ 8,996,705	\$ 8,996,705	\$ 28,059,874	\$ 28,112,696
Buildings	10,844,230	6,968,281	2,257,943	2,319,690	13,102,173	9,287,971
Improvements	17,977,580	16,234,785	1,181,260	771,766	19,158,840	17,006,551
Machinery and equipment	4,550,595	4,308,086	2,509,000	2,577,018	7,059,595	6,885,104
Water and wastewater plant	-	-	12,762,796	13,529,768	12,762,796	13,529,768
Meters	-	-	2,879,879	2,699,778	2,879,879	2,699,778
Wells	-	-	1,852,097	2,124,148	1,852,097	2,124,148
Distribution lines	-	-	45,248,608	46,508,857	45,248,608	46,508,857
Infrastructure	51,256,079	51,256,079	-	-	51,256,079	51,256,079
Construction in progress	6,981,389	9,218,648	9,035,554	5,199,387	16,016,943	14,418,035
Total	\$ 110,673,042	\$ 107,101,870	\$ 86,723,842	\$ 84,727,117	\$ 197,396,884	\$ 191,828,987

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

- ❖ Binks Forest Median Landscaping
- ❖ Veterans Memorial Phase II Renovations
- ❖ Aquatic Center Slides
- ❖ Minto Baseball Complex
- ❖ Water Treatment Plant Renovation

Additional information on the Village's capital assets can be found in Note 5 on pages 39 – 40 of this report.

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.

While property taxes are important to the Village, they represent 24% of total governmental revenue.

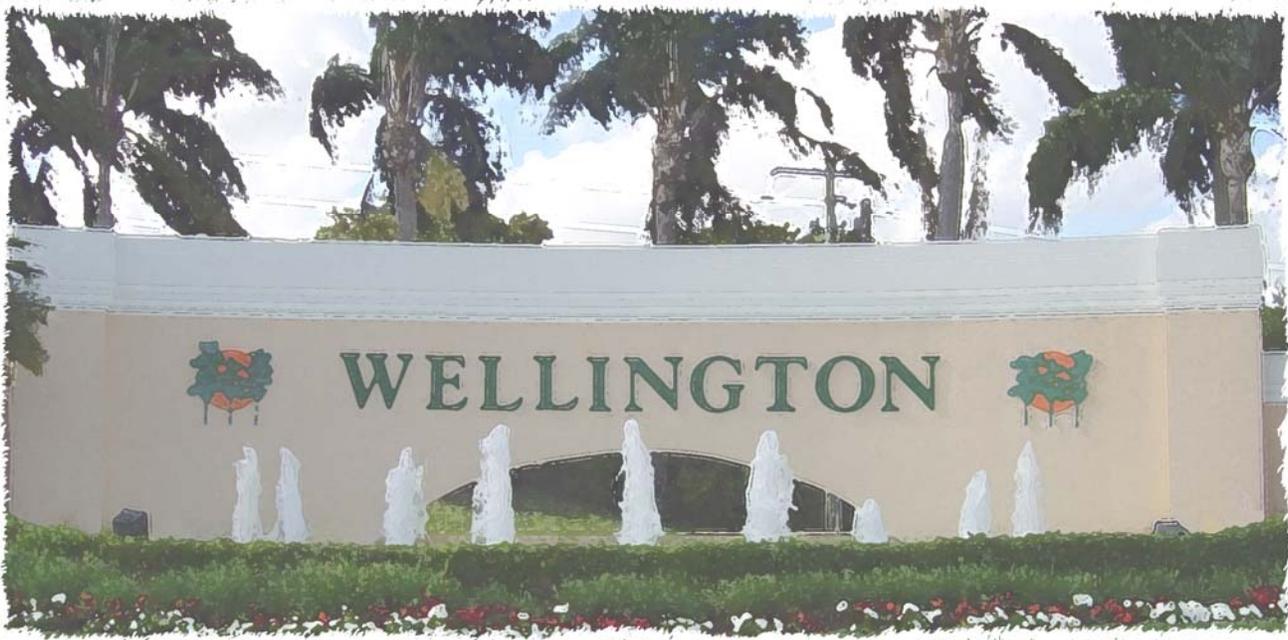
19% comes from program revenues such as licenses, permits, and other charges for services, while approximately 15% is related to intergovernmental revenue. Because of the decreased dependence upon property taxes, the Village's resources tend to keep pace with increased demand for services. Nevertheless, the Village monitors all of its resources and determines the need for program adjustment or fee increases accordingly.

Next Year's Budget and Rates

The operating millage rate (2.70 mills) for fiscal year 2005/2006 remained constant over the current fiscal year. The Surface Water Management Assessment rate (\$120 per unit) for fiscal year 2005/2006 also remained the same as the current fiscal year. The Solid Waste Assessment was increased for fiscal year 2005/2006 to \$120 per unit (\$114 per unit in fiscal year 2004/2005). The increase was necessary to enhance the level of service for solid waste collection. Additional information regarding the adoption of the annual budget can be found on page 61 of this report.

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

Finance Department
14000 Greenbriar Boulevard
Wellington, FL 33414
561-791-4000
www.ci.wellington.fl.us



BASIC FINANCIAL STATEMENTS



VILLAGE OF WELLINGTON, FLORIDA

STATEMENT OF NET ASSETS

SEPTEMBER 30, 2005

	<u>Governmental</u> <u>Activities</u>	<u>Business-type</u> <u>Activities</u>	<u>Total</u>
<u>ASSETS</u>			
Cash and cash equivalents	\$ 14,732,697	\$ 17,469,541	\$ 32,202,238
Investments	33,016,299	39,238,144	72,254,443
Receivables (net)	1,102,913	1,609,758	2,712,671
Internal balances	1,046,939	(1,046,939)	-
Due from other governments	1,031,432	13,500	1,044,932
Inventories	7,122	741,715	748,837
Prepaid expenses	378,492	16,977	395,469
Deposits	57,230	-	57,230
Restricted assets:			
Cash and cash equivalents	4,890,554	2,467,512	7,358,066
Deferred charges	249,410	348,936	598,346
Capital assets:			
Capital assets not being depreciated	77,300,637	18,032,259	95,332,896
Capital assets being depreciated, net	<u>33,372,405</u>	<u>68,691,583</u>	<u>102,063,988</u>
Total assets	<u>167,186,130</u>	<u>147,582,986</u>	<u>314,769,116</u>
<u>LIABILITIES</u>			
Accounts payable and other current liabilities	2,758,830	691,828	3,450,658
Contracts and retainage payable	162,997	459,792	622,789
Due to other governments	336,085	41,860	377,945
Deposits	-	1,193,397	1,193,397
Unearned revenue	885,944	-	885,944
Accrued interest	264,830	327,512	592,342
Noncurrent liabilities:			
Due within one year	1,360,855	2,196,504	3,557,359
Due in more than one year	<u>22,980,932</u>	<u>17,105,590</u>	<u>40,086,522</u>
Total liabilities	<u>28,750,473</u>	<u>22,016,483</u>	<u>50,766,956</u>
<u>NET ASSETS</u>			
Invested in capital assets (net of related debt)	87,127,009	67,896,249	155,023,258
Restricted for:			
Debt service	83,069	-	83,069
Capital projects	31,132,167	48,595,838	79,728,005
Unrestricted	<u>20,093,412</u>	<u>9,074,416</u>	<u>29,167,828</u>
Total net assets	<u>\$ 138,435,657</u>	<u>\$ 125,566,503</u>	<u>\$ 264,002,160</u>

See notes to basic financial statements.



VILLAGE OF WELLINGTON, FLORIDA

STATEMENT OF ACTIVITIES
YEAR ENDED SEPTEMBER 30, 2005

Function/Program Activities	Expenses	Indirect Expense Allocation	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
			Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities:								
General government	\$ 8,214,967	\$ (4,390,406)	\$ -	\$ -	\$ 10,639	\$ (3,813,922)	\$ -	\$ (3,813,922)
Public safety	5,031,954	134,460	285,956	10,000	-	(4,870,458)	-	(4,870,458)
Planning and development	4,091,661	1,318,426	6,374,037	-	-	963,950	-	963,950
Engineering and public works	5,102,076	(1,508,660)	344,956	-	-	(3,248,460)	-	(3,248,460)
Surface water management	1,582,326	583,860	3,126,587	350,000	-	1,310,401	-	1,310,401
Transportation	2,658,572	246,406	1,465,267	1,523,294	-	83,583	-	83,583
Culture and recreation	8,489,261	1,379,957	5,683,900	60,425	-	(4,124,893)	-	(4,124,893)
Interest on long-term debt	1,027,675	-	-	-	-	(1,027,675)	-	(1,027,675)
Issuance costs	12,671	-	-	-	-	(12,671)	-	(12,671)
Total governmental activities	<u>36,211,163</u>	<u>(2,235,957)</u>	<u>17,280,703</u>	<u>1,943,719</u>	<u>10,639</u>	<u>(14,740,145)</u>	<u>-</u>	<u>(14,740,145)</u>
Business-type activities:								
Utility system	10,945,930	2,050,963	13,642,693	257,796	2,836,718	-	3,740,314	3,740,314
Solid waste	6,238,214	184,994	2,480,804	1,047,806	-	-	(2,894,598)	(2,894,598)
Total business-type activities	<u>17,184,144</u>	<u>2,235,957</u>	<u>16,123,497</u>	<u>1,305,602</u>	<u>2,836,718</u>	<u>-</u>	<u>845,716</u>	<u>845,716</u>
Total government	<u>\$ 53,395,307</u>	<u>\$ -</u>	<u>\$ 33,404,200</u>	<u>\$ 3,249,321</u>	<u>\$ 2,847,357</u>	<u>(14,740,145)</u>	<u>845,716</u>	<u>(13,894,429)</u>
General revenues:								
Taxes:								
Property taxes						11,305,840	-	11,305,840
Utility taxes						5,493,444	-	5,493,444
Sales tax						3,691,449	-	3,691,449
Franchise taxes						2,744,351	-	2,744,351
Grants and contributions not restricted to specific programs								
Investment earnings						1,054,412	1,131,842	2,186,254
Gain/(loss) on sale of assets						119,566	(52,605)	66,961
Miscellaneous						1,628,765	-	1,628,765
Transfers						(2,181,545)	2,181,545	-
Total general revenues and transfers						<u>24,980,668</u>	<u>3,260,782</u>	<u>28,241,450</u>
Change in net assets						10,240,523	4,106,498	14,347,021
Net assets, beginning of year						<u>128,195,134</u>	<u>121,460,005</u>	<u>249,655,139</u>
Net assets, end of year						<u>\$ 138,435,657</u>	<u>\$ 125,566,503</u>	<u>\$ 264,002,160</u>

See notes to basic financial statements.

VILLAGE OF WELLINGTON, FLORIDA

BALANCE SHEET GOVERNMENTAL FUNDS

SEPTEMBER 30, 2005

	<u>General</u>	<u>Planning, Zoning and Building</u>	<u>Recreation Programs</u>	<u>Recreation Impact Fees</u>
<u>ASSETS</u>				
Cash and cash equivalents	\$ 2,767,358	\$ 2,646,010	\$ 2,066,679	\$ 2,610,627
Investments	10,012,084	5,849,068	919,672	5,809,160
Receivables:				
Utility taxes	334,129	-	-	-
Franchise fees	286,905	-	-	-
Accounts	232,190	-	-	-
Interest	120,832	-	11,924	23,550
Due from other funds	625,567	-	-	-
Advances to other funds	3,221,372	-	-	-
Due from other governments	870,501	-	-	28,425
Inventories	7,122	-	-	-
Prepaid expenditures	343,010	35,482	-	-
Deposits	57,230	-	-	-
Restricted assets:				
Cash and cash equivalents	-	-	-	-
Total assets	<u>\$ 18,878,300</u>	<u>\$ 8,530,560</u>	<u>\$ 2,998,275</u>	<u>\$ 8,471,762</u>

See notes to basic financial statements.

<u>Surface Water Management</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 2,715,945	\$ 1,926,078	\$ 14,732,697
6,111,809	4,314,506	33,016,299
-	-	334,129
-	-	286,905
-	7,223	239,413
55,713	30,447	242,466
-	-	625,567
-	-	3,221,372
26,764	105,742	1,031,432
-	-	7,122
-	-	378,492
-	-	57,230
-	4,890,554	4,890,554
<u>\$ 8,910,231</u>	<u>\$ 11,274,550</u>	<u>\$ 59,063,678</u>

(Continued)

VILLAGE OF WELLINGTON, FLORIDA

BALANCE SHEET GOVERNMENTAL FUNDS (Continued)

SEPTEMBER 30, 2005

	<u>General</u>	<u>Planning, Zoning and Building</u>	<u>Recreation Programs</u>	<u>Recreation Impact Fees</u>
<u>LIABILITIES AND FUND BALANCES</u>				
Liabilities:				
Accounts payable and accrued liabilities	\$ 1,074,946	\$ 259,390	\$ 258,033	\$ 7,360
Contracts and retainage payable	28,681	-	9,302	37,522
Due to other funds	-	-	-	-
Advances from other funds	-	-	-	-
Due to other governments	-	311,512	2,534	-
Deposits	-	-	-	-
Unearned revenue	241,352	544,164	100,428	-
Total liabilities	1,344,979	1,115,066	370,297	44,882
Fund balances:				
Reserved for:				
Encumbrances	555,000	82,443	449,919	207,758
Advances	3,221,372	-	-	-
Capital improvements	575,418	7,333,051	473,795	3,745,177
Prepaid expenditures	343,010	-	-	-
Inventory	7,122	-	-	-
Building department expenditures	-	-	-	-
Debt service	-	-	-	-
Unreserved, designated for, reported in:				
General fund:				
Subsequent year's expenditures	2,366,078	-	-	-
Special revenue funds:				
Recreation capital projects	-	-	-	4,473,945
Road improvements	-	-	-	-
Road maintenance	-	-	-	-
Unreserved, undesignated, reported in:				
General fund	10,465,321	-	-	-
Special revenue funds	-	-	1,704,264	-
Total fund balances	17,533,321	7,415,494	2,627,978	8,426,880
Total liabilities and fund balances	\$ 18,878,300	\$ 8,530,560	\$ 2,998,275	\$ 8,471,762

See notes to basic financial statements.

<u>Surface Water Management</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 802,955	\$ 356,146	\$ 2,758,830
31,850	55,642	162,997
500,000	-	500,000
2,300,000	-	2,300,000
-	22,039	336,085
-	-	-
-	-	885,944
<u>3,634,805</u>	<u>433,827</u>	<u>6,943,856</u>
3,751,782	1,150,384	6,197,286
-	-	3,221,372
1,523,644	7,792,651	21,443,736
-	-	343,010
-	-	7,122
-	-	-
-	83,069	83,069
		2,366,078
-	-	4,473,945
-	830,491	830,491
-	984,128	984,128
-	-	10,465,321
-	-	1,704,264
<u>5,275,426</u>	<u>10,840,723</u>	<u>52,119,822</u>
<u>\$ 8,910,231</u>	<u>\$ 11,274,550</u>	<u>\$ 59,063,678</u>

See notes to basic financial statements.



VILLAGE OF WELLINGTON, FLORIDA

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET ASSETS

SEPTEMBER 30, 2005

Total governmental fund balances	\$ 52,119,822
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.	110,673,042
Governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.	
Deferred charges	249,410
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.	
Bonds payable	(23,795,443)
Accrued interest	(264,830)
Compensated absences	<u>(546,344)</u>
Net assets of governmental activities	<u>\$ 138,435,657</u>

VILLAGE OF WELLINGTON, FLORIDA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS

YEAR ENDED SEPTEMBER 30, 2005

	<u>General</u>	<u>Planning, Zoning and Building</u>	<u>Recreation Programs</u>	<u>Recreation Impact Fees</u>
Revenues:				
Ad valorem taxes	\$ 11,305,840	\$ -	\$ -	\$ -
Franchise fees	2,744,351	-	-	-
Utility taxes	5,493,443	-	-	-
Special assessments	-	-	-	-
Impact fees	-	-	-	3,732,225
Licenses and permits	457,320	6,150,944	-	-
Intergovernmental revenue	4,485,631	-	3,500	56,925
Charges for services	-	-	1,900,210	-
Fines and forfeitures	197,893	205,633	-	-
Investment income	434,764	-	45,952	71,685
Miscellaneous	<u>775,825</u>	<u>153,450</u>	<u>-</u>	<u>61,672</u>
Total revenues	<u>25,895,067</u>	<u>6,510,027</u>	<u>1,949,662</u>	<u>3,922,507</u>

See notes to basic financial statements.

<u>Surface Water Management</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ -	\$ -	\$ 11,305,840
-	-	2,744,351
-	-	5,493,443
2,827,653	-	2,827,653
-	1,458,426	5,190,651
-	-	6,608,264
350,000	1,874,138	6,770,194
298,934	-	2,199,144
-	-	403,526
204,594	297,415	1,054,410
<u>653,898</u>	<u>35,387</u>	<u>1,680,232</u>
<u>4,335,079</u>	<u>3,665,366</u>	<u>46,277,708</u>

(Continued)

VILLAGE OF WELLINGTON, FLORIDA

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

YEAR ENDED SEPTEMBER 30, 2005

	<u>General</u>	<u>Planning, Zoning and Building</u>	<u>Recreation Programs</u>	<u>Recreation Impact Fees</u>
Expenditures:				
Current:				
General government	\$ 7,733,680	\$ -	\$ -	\$ -
Public safety	5,031,954	-	-	-
Physical environment	3,827,563	3,951,019	-	-
Transportation	303,628	-	-	-
Culture and recreation	-	-	6,044,649	-
Capital outlay	2,617,755	125,359	479,448	3,051,059
Debt service:				
Principal	-	-	-	-
Interest and other fiscal charges	66,803	-	-	-
Total expenditures	<u>19,581,383</u>	<u>4,076,378</u>	<u>6,524,097</u>	<u>3,051,059</u>
Excess (deficiency) of revenues over (under) expenditures	<u>6,313,684</u>	<u>2,433,649</u>	<u>(4,574,435)</u>	<u>871,448</u>
Other financing sources (uses):				
Transfers in	13,719,885	746,574	6,646,904	2,728,750
Transfer out	(20,535,975)	(1,660,083)	(1,598,274)	(1,509,077)
Refunding bonds issued	9,995,000	-	-	-
Payment to refunded bond escrow agent	(9,931,197)	-	-	-
Sale of capital asset	33,315	-	-	271,270
Total other financing sources (uses)	<u>(6,718,972)</u>	<u>(913,509)</u>	<u>5,048,630</u>	<u>1,490,943</u>
Net change in fund balances	(405,288)	1,520,140	474,195	2,362,391
Fund balances, beginning of year	<u>17,938,609</u>	<u>5,895,354</u>	<u>2,153,783</u>	<u>6,064,489</u>
Fund balances, end of year	<u>\$ 17,533,321</u>	<u>\$ 7,415,494</u>	<u>\$ 2,627,978</u>	<u>\$ 8,426,880</u>

See notes to basic financial statements.

<u>Surface Water Management</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ -	\$ -	\$ 7,733,680
-	-	5,031,954
1,298,055	-	9,076,637
-	1,310,620	1,614,248
-	-	6,044,649
1,603,912	1,459,590	9,337,123
-	1,110,000	1,110,000
-	1,059,182	1,125,985
<u>2,901,967</u>	<u>4,939,392</u>	<u>41,074,276</u>
<u>1,433,112</u>	<u>(1,274,026)</u>	<u>5,203,432</u>
-	2,958,600	26,800,713
(583,861)	(859,031)	(26,746,301)
	-	9,995,000
	-	(9,931,197)
-	-	304,585
<u>(583,861)</u>	<u>2,099,569</u>	<u>422,800</u>
849,251	825,543	5,626,232
<u>4,426,175</u>	<u>10,015,180</u>	<u>46,493,590</u>
<u>\$ 5,275,426</u>	<u>\$ 10,840,723</u>	<u>\$ 52,119,822</u>

See notes to basic financial statements.

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, 2005

Net change in fund balances - total governmental funds (Page 22) \$ 5,626,232

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of capital assets is allocated over their estimated useful lives and reported as depreciation expense:

Expenditures for capital assets	\$ 8,007,326	
Less current year depreciation	<u>(4,251,135)</u>	3,756,191

In the statement of activities, only the gain on the sale of capital assets is reported, whereas in the governmental funds, the proceeds from the disposal increase financial resources:

Proceeds from sale of capital assets	\$ (304,585)	
Gain on sale of capital assets	<u>119,566</u>	(185,019)

Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets:

Principal payments on debt		1,110,000
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Governmental funds report the effect of debt issuance costs, premiums, discounts, and similar items when debt is first issued. However, these costs are capitalized and amortized in the government-wide financial statements:

Amortization of issuance costs	\$ (26,617)	
Amortization of premium	<u>31,231</u>	4,614

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		17,222
Change in compensated absences		<u>(88,717)</u>

Change in net assets of governmental activities		<u>\$ 10,240,523</u>
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VILLAGE OF WELLINGTON, FLORIDA

STATEMENT OF NET ASSETS PROPRIETARY FUNDS

SEPTEMBER 30, 2005

	<u>Utility System</u>	<u>Solid Waste</u>	<u>Total</u>
<u>ASSETS</u>			
Current assets:			
Cash and cash equivalents	\$ 17,185,837	\$ 283,704	\$ 17,469,541
Cash with fiscal agent	2,467,512	-	2,467,512
Investments	38,607,892	630,252	39,238,144
Receivables:			
Accounts, net of allowance for uncollectible amounts	1,243,413	40,738	1,284,151
Interest	323,496	2,111	325,607
Due from other governments	-	13,500	13,500
Inventories	741,715	-	741,715
Prepaid expenses	16,977	-	16,977
Total current assets	<u>60,586,842</u>	<u>970,305</u>	<u>61,557,147</u>
Noncurrent assets:			
Deferred charges	348,936	-	348,936
Property, plant and equipment (net of allowance for depreciation)	86,297,349	426,493	86,723,842
Total noncurrent assets	<u>86,646,285</u>	<u>426,493</u>	<u>87,072,778</u>
Total assets	<u>147,233,127</u>	<u>1,396,798</u>	<u>148,629,925</u>
<u>LIABILITIES</u>			
Current liabilities:			
Accounts payable and accrued liabilities	540,417	151,411	691,828
Contracts and retainage payable	459,792	-	459,792
Due to other funds	-	125,567	125,567
Due to other governments	-	41,860	41,860
Deposits	1,193,397	-	1,193,397
Accrued interest	327,512	-	327,512
Compensated absences payable - current portion	55,221	1,283	56,504
Revenue refunding bonds payable - current portion	2,140,000	-	2,140,000
Total current liabilities	<u>4,716,339</u>	<u>320,121</u>	<u>5,036,460</u>
Noncurrent liabilities:			
Advances from other funds	-	921,372	921,372
Compensated absences payable	67,492	1,569	69,061
Revenue refunding bonds payable	17,036,529	-	17,036,529
Total noncurrent liabilities	<u>17,104,021</u>	<u>922,941</u>	<u>18,026,962</u>
Total liabilities	<u>21,820,360</u>	<u>1,243,062</u>	<u>23,063,422</u>
<u>NET ASSETS</u>			
Invested in capital assets, net of related debt	67,469,756	426,493	67,896,249
Restricted for capital projects	48,595,838	-	48,595,838
Unrestricted	9,347,173	(272,757)	9,074,416
Total net assets	<u>\$ 125,412,767</u>	<u>\$ 153,736</u>	<u>\$ 125,566,503</u>

See notes to basic financial statements.

VILLAGE OF WELLINGTON, FLORIDA

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS PROPRIETARY FUNDS

YEAR ENDED SEPTEMBER 30, 2005

	<u>Utility</u> <u>System</u>	<u>Solid</u> <u>Waste</u>	<u>Total</u>
Operating revenues:			
Charges for services	\$ 13,228,396	\$ -	\$ 13,228,396
Special assessments	-	2,024,609	2,024,609
Franchise fees	-	153,660	153,660
Intergovernmental	257,796	1,047,806	1,305,602
Other	414,297	302,535	716,832
Total operating revenues	<u>13,900,489</u>	<u>3,528,610</u>	<u>17,429,099</u>
Operating expenses:			
Water services	2,662,360	-	2,662,360
Wastewater services	1,937,352	-	1,937,352
Laboratory	80,574	-	80,574
Water distribution	350,096	-	350,096
Customer service	601,082	-	601,082
General and administrative	329,980	-	329,980
Solid waste	-	6,097,963	6,097,963
Depreciation	4,151,036	140,251	4,291,287
Total operating expenses	<u>10,112,480</u>	<u>6,238,214</u>	<u>16,350,694</u>
Income (loss) from operations	<u>3,788,009</u>	<u>(2,709,604)</u>	<u>1,078,405</u>
Nonoperating revenues (expenses):			
Investment income	1,124,991	6,851	1,131,842
Gain/(loss) on sale of assets	(52,605)	-	(52,605)
Interest expense	(655,024)	-	(655,024)
Amortization of bond issuance costs	(178,426)	-	(178,426)
Total nonoperating revenues (expenses)	<u>238,936</u>	<u>6,851</u>	<u>245,787</u>
Income (loss) before contributions and transfers	<u>4,026,945</u>	<u>(2,702,753)</u>	<u>1,324,192</u>
Capital contributions:			
Capacity charges	1,864,941	-	1,864,941
Distribution lines	405,099	-	405,099
Meters	566,678	-	566,678
Transfers in	181,545	2,000,000	2,181,545
Transfers out	(2,050,963)	(184,994)	(2,235,957)
Change in net assets	4,994,245	(887,747)	4,106,498
Net assets, beginning of year	<u>120,418,522</u>	<u>1,041,483</u>	<u>121,460,005</u>
Net assets, end of year	<u>\$ 125,412,767</u>	<u>\$ 153,736</u>	<u>\$ 125,566,503</u>

See notes to basic financial statements.

VILLAGE OF WELLINGTON, FLORIDA

STATEMENT OF CASH FLOWS PROPRIETARY FUNDS

YEAR ENDED SEPTEMBER 30, 2005

	<u>Utility System</u>	<u>Solid Waste</u>	<u>Total</u>
Cash flows from operating activities:			
Receipts from customers	\$ 13,330,748	\$ 3,197,864	\$ 16,528,612
Payments to suppliers for goods and services	(3,181,019)	(7,989,692)	(11,170,711)
Payments to employees for services	(2,759,499)	(125,132)	(2,884,631)
Other operating revenues	<u>672,093</u>	<u>1,350,341</u>	<u>2,022,434</u>
Net cash provided by (used in) operating activities	<u>8,062,323</u>	<u>(3,566,619)</u>	<u>4,495,704</u>
Cash flows from noncapital financing activities:			
Transfer from other funds	181,545	2,000,000	2,181,545
Transfer to other funds	<u>(2,050,963)</u>	<u>(184,994)</u>	<u>(2,235,957)</u>
Net cash provided by (used in) noncapital financing activities	<u>(1,869,418)</u>	<u>1,815,006</u>	<u>(54,412)</u>
Cash flows from capital and related financing activities:			
Collection of capacity and meter charges from customers	1,864,941	-	1,864,941
Acquisition of property, plant and equipment	(5,366,315)	(2,525)	(5,368,840)
Repayment of advances from other funds	-	(125,567)	(125,567)
Principal paid on indebtedness	(2,100,000)	-	(2,100,000)
Interest paid on indebtedness	<u>(676,024)</u>	<u>-</u>	<u>(676,024)</u>
Net cash used in capital and related financing activities	<u>(6,277,398)</u>	<u>(128,092)</u>	<u>(6,405,490)</u>
Cash flows from investing activities:			
Interest received	959,080	12,604	971,684
Sale of investments	39,240,139	2,625,269	41,865,408
Purchase of investments	<u>(40,569,664)</u>	<u>(1,448,917)</u>	<u>(42,018,581)</u>
Net cash provided by (used in) investing activities	<u>(370,445)</u>	<u>1,188,956</u>	<u>818,511</u>
Net increase (decrease) in cash and cash equivalents	(454,938)	(690,749)	(1,145,687)
Cash and cash equivalents, beginning of year	<u>20,108,287</u>	<u>974,453</u>	<u>21,082,740</u>
Cash and cash equivalents, end of year	<u>\$ 19,653,349</u>	<u>\$ 283,704</u>	<u>\$ 19,937,053</u>

(Continued)

VILLAGE OF WELLINGTON, FLORIDA

STATEMENT OF CASH FLOWS PROPRIETARY FUNDS (Continued)

YEAR ENDED SEPTEMBER 30, 2005

	<u>Utility System</u>	<u>Solid Waste</u>	<u>Total</u>
Reconciliation of operating income (loss) to net cash provided by operating activities:			
Operating income (loss)	\$ 3,788,009	\$ (2,709,604)	\$ 1,078,405
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Depreciation expense	4,151,036	140,251	4,291,287
Change in assets and liabilities:			
(Increase) decrease in:			
Accounts receivable	57,679	(27,988)	29,691
Due from other governments	-	1,047,584	1,047,584
Inventories	(282,435)	-	(282,435)
Prepaid expenses	16,385	-	16,385
Increase (decrease) in:			
Accounts payable and accrued liabilities	128,916	(2,059,777)	(1,930,861)
Contracts and retainage payable	164,782	-	164,782
Due to other governments	-	41,860	41,860
Deposits	44,673	-	44,673
Compensated absences payable	(6,722)	1,055	(5,667)
Total adjustments	<u>4,274,314</u>	<u>(857,015)</u>	<u>3,417,299</u>
Net cash provided by (used in) operating activities	<u>\$ 8,062,323</u>	<u>\$ (3,566,619)</u>	<u>\$ 4,495,704</u>
Noncash investing, capital, and financing activities:			
Developer contributed distribution lines and meters	<u>\$ 971,777</u>	<u>\$ -</u>	<u>\$ 971,777</u>

See notes to basic financial statements.

VILLAGE OF WELLINGTON, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

SEPTEMBER 30, 2005

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The Village of Wellington (the "Village") was incorporated December 31, 1995, pursuant to Chapter 95-496, Laws of Florida, and commenced operations on March 28, 1996. The Village 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. The Village Council (the "Council") is responsible for legislative and fiscal control of the Village.

As required by 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 the Village's combined 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.

Based on the application of the criteria set forth by the Governmental Accounting Standards Board (GASB), management has included Acme Improvement District (the "District") in the Village'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, the Village now provides those municipal services and the District has become a dependent district of the Village. Because of the breadth of the services it already provided to residents, the District formed the backbone of the Village. The District is governed by a five-member board of supervisors that is the same as the governing body of the Village. Although the District is legally separate from the Village, it is reported as if it were part of the primary government as a blended component unit of the Village. The District is presented as a special revenue fund type.

Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the Village and its component unit. For the most part, the effect of interfund activity has been removed from these statements. 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.

VILLAGE OF WELLINGTON, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Government-Wide and Fund Financial Statements (Continued)

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

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

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 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, the Village 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 taxes, licenses, and interest 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 the Village.

The Village 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 of the Village except those required to be accounted for in another fund.

VILLAGE OF WELLINGTON, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued)

Planning, Zoning and Building – This special revenue fund accounts for revenues and expenditures applicable to the planning, zoning and building divisions of the Village. The purpose of the fund is to segregate various permitting and inspection services pertaining to planning, zoning and building and to ensure that the fee structure for such activities is accurate. Any shortfalls (revenues less than expenditures) are funded by the general fund through operating transfers.

Recreation Programs – This special revenue fund accounts for financial resources and expenditures applicable to specific recreational programs. The purpose of the fund is to implement a wide variety of recreational programs for all ages, as well as various special events, and to provide net operating results. Any shortfalls (program revenues less than program expenditures) are funded by the general fund through operating transfers.

Recreation Impact Fees – This special revenue fund accounts for impact fee revenues and expenditures for recreation construction purposes.

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

The Village reports the following major proprietary funds:

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

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

Private sector standards of accounting and financial reporting issued prior to December 1, 1989, are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of GASB. Governments also have the option of following subsequent private sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The Village has elected not to follow subsequent private sector guidance.

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 and various other functions of the Village. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

VILLAGE OF WELLINGTON, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued)

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

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 Village's utility system enterprise fund are charges to customers for sales and services. The principal operating revenues of the Village's 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 the Village'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 the Village to invest idle cash for short periods of time, thereby maximizing earnings potential. Income earned from this pooling of investments is allocated to the respective funds based upon average monthly proportionate balances.

The Village 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.

The Village is authorized to invest in obligations of the U.S. Treasury, its agencies and instrumentalities, repurchase agreements, certificates of deposit, Local Government Surplus Funds Trust Fund, 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 and money market and mutual funds that restrict its investments to obligations of the U.S. government.

VILLAGE OF WELLINGTON, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Deposits and Investments (Continued)

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 market value equal or greater than the average daily or monthly balance of all public deposits. The Village's investment practices are governed by Chapter 218.415 of the Florida Statutes and the requirements of outstanding bond issues. All investments are accounted for at fair value.

Inventories and Prepaid Items

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

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements.

Restricted Assets

Certain debt proceeds, as well as certain resources set aside for their repayment, are classified as restricted assets because their use is limited by applicable bond covenants.

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 the Village as assets with an initial individual cost of \$750 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 assets of the Village 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 assets. General capital assets are carried at historical cost. Where cost can not be determined from the 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 fair 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 Statements of Financial Accounting Standards No. 34 and 62.

VILLAGE OF WELLINGTON, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Capital Assets and Depreciation (Continued)

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 fixed assets are as follows:

Distribution lines	40 years
Buildings and utility plants	30 years
Telemetry and wells	20 years
Major equipment	15 years
Land improvements	10 years
Meters	10 years
Furniture, fixtures, equipment and vehicles	5 years
Computers	3 years

The street network is not depreciated. The Village 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 or improve the asset. Additions and improvements to the street network are capitalized. The Village uses an asset management system to rate street condition and quantify the results of maintenance efforts.

Compensated Absences

The Village's employees are granted compensated absence pay for annual leave in varying amounts based on length of service. Annual leave is accrued as a liability when benefits are earned by the employees, that is, the employees have rendered services that give rise to the liability and it is probable that the Village will compensate the employees in some manner, e.g., in cash or in paid time-off, now or upon termination or retirement. During the prior year, benefits for employees were amended to include major illness leave. This benefit accrues at 4 hours per month per employee. Employees may utilize this benefit for an illness lasting more than one day. Upon separation of service, and with 10 years of continuous service, any balance of these hours are valued at the current hourly pay rate, and are paid into the Retirement Health Savings Plan sponsored by the ICMA. 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. Compensated absences are accrued when incurred in the government-wide and proprietary 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. Those funds are the General; Planning, Zoning and Building; Recreation Programs, and Surface Water Management.

VILLAGE OF WELLINGTON, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Long-Term Obligations

In the government-wide financial statements, and proprietary fund types in the 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 assets. Bond premiums and discounts, as well as issuance costs, 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 reported as deferred charges and amortized over the term of the related debt.

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 Assets

Equity in the government-wide statement of net assets is displayed in three categories: 1) invested in capital assets net of related debt, 2) restricted, 3) unrestricted. Net assets invested in capital assets net of related debt consist of capital assets reduced by accumulated depreciation and by any outstanding debt incurred to acquire, construct, or improve those assets. Net assets are reported as restricted when there are legal limitations imposed on their use by Village legislation or external restrictions by other governments, creditors, or grantors. Unrestricted net assets consist of all net assets that do not meet the definition of either of the other two components.

Fund Equity

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Unreserved fund balance amounts that are reported as designations of fund balances represent tentative plans for financial resource utilization in a future period. The following is a description of the reserves and designations used by the Village.

Reserved for encumbrances – represents outstanding purchase orders and open contracts at year end which will be re-appropriated in the new year.

Reserved for advances – represents funds set aside to indicate the long-term nature of certain interfund loans.

Reserved for capital improvements – represents spendable resources restricted for construction projects.

Reserved for prepaid expenditures – established to account for certain payments made in advance. This reserve indicates that funds are not “available spendable resources”.

VILLAGE OF WELLINGTON, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Equity (Continued)

Reserved for inventory – indicates that a portion of fund balance is segregated since these items do not represent “available spendable resources”.

Reserved for building department expenditures – represents spendable resources restricted solely for building department expenditures.

Reserved for debt service – represents spendable resources restricted to the payment of future debt service of general long-term debt.

Designated for recreation capital projects – represents funds set aside for future improvements of Village owned roads.

Designated for road maintenance – represents funds set aside for future maintenance of Village owned roads.

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.

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in the applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

Property Taxes

Under Florida law, the assessment of all properties and the collection of all county, municipal, school board, and special district property taxes are consolidated in the offices of 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. The Village Charter permits it to levy property taxes at a rate of up to 5 mills.

The millage rate assessed by the Village for the 2004/2005 year was 2.7 (\$2.70 for each \$1,000 of assessed valuation). This levy was based upon an assessed valuation of January 1, 2004, of approximately \$4.3 billion.

VILLAGE OF WELLINGTON, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property Taxes (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, 2005, unpaid delinquent taxes are not material and have not been recorded by the Village.

Service Delivery Units

The District's enabling legislation provides that the owners of a majority of the acreage within a particular portion of the District may petition the Board to designate that portion of the District as a unit wherein a water management system will be constructed and maintained. After formation of the unit and preparation of a water control plan and approval by the Board of Supervisors, bonds can be issued for the purpose of constructing the improvements. Bonds issued for that purpose will then be secured by assessments on the lands located within that unit, and will not be secured by assessments owing on any other District lands.

Concentration of Credit Risk

The Village performs ongoing credit evaluations of its customers and does not require collateral. The Village maintains an allowance for uncollectible accounts at a level which management believes is sufficient to cover potential credit losses.

NOTE 2. DEPOSITS AND INVESTMENTS

Deposits

All of the Village's 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.

VILLAGE OF WELLINGTON, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

NOTE 2. DEPOSITS AND INVESTMENTS (Continued)

Investments

As of September 30, 2005, the Village had the following investments in its internal investment pool.

<u>Investment Type</u>	<u>Fair Value</u>	<u>Investment Maturities In Years</u>	
		<u>Less Than 1</u>	<u>1-5</u>
Government money market fund	\$ 9,109,121	\$ 9,109,121	\$ -
State Board of Administration	5,109,350	5,109,350	-
Commercial Paper	2,939,440	2,939,440	-
U.S. Treasuries and U.S. Agencies securities	55,017,041	9,869,903	45,147,138
Florida Municipal Investment Trust	<u>17,237,402</u>	<u>-</u>	<u>17,237,402</u>
Total	<u>\$89,412,354</u>	<u>\$27,027,814</u>	<u>\$62,384,540</u>

Interest Rate Risk

The Village's investment policy matches its investments with anticipated cash flow requirements. In order to mitigate interest rate risk unless approved by the Village Council, the Village will not directly invest in securities maturing in more than 5 years. Additionally, 56% of the Village's portfolio is positioned to mature within two years.

Credit Risk

The Village's policy is to limit investments to the safest types of securities, pre-qualify financial institutions, broker/dealers, intermediaries, and advisors with which the Village will do business, and diversify the investment portfolio to minimize potential losses on individual securities.

The Village's investments in U.S. Treasuries and U.S. Agencies are rated AAA by Standard & Poor's. The Florida Municipal Investment Trust (the Fund) 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. The Florida Municipal Investment Trust is not a registrant with the Securities and Exchange Commission (SEC); however, the funds have adopted operating procedures consistent with the requirements for a 2a-7 Fund. No credit ratings are available for this investment or the government money market fund.

VILLAGE OF WELLINGTON, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

NOTE 3. ACCOUNTS RECEIVABLE

Accounts receivable as of September 30, 2005, for the Village's individual major funds and aggregate nonmajor funds are as follows:

	<u>General</u>	<u>Recreation Programs</u>	<u>Recreation Impact</u>	<u>Surface Water Management</u>	<u>Nonmajor Funds</u>	<u>Utility System</u>	<u>Solid Waste</u>	<u>Total</u>
Utility taxes	\$ 334,129	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 334,129
Franchise fees	286,905	-	-	-	-	-	-	286,905
Accounts	232,190	-	-	-	7,223	1,270,013	40,738	1,550,164
Interest	<u>120,832</u>	<u>11,924</u>	<u>23,550</u>	<u>55,713</u>	<u>30,447</u>	<u>323,496</u>	<u>2,111</u>	<u>568,073</u>
	974,056	11,924	23,550	55,713	37,670	1,593,509	42,849	2,739,271
Less allowance for uncollectible accounts	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>26,600</u>	<u>-</u>	<u>26,600</u>
	<u>\$ 974,056</u>	<u>\$ 11,924</u>	<u>\$ 23,550</u>	<u>\$ 55,713</u>	<u>\$ 37,670</u>	<u>\$ 1,566,909</u>	<u>\$ 42,849</u>	<u>\$ 2,712,671</u>

NOTE 4. DUE FROM OTHER GOVERNMENTS

Amounts due from other governments as of September 30, 2005, for the Village's major individual funds and aggregate nonmajor funds are as follows:

	<u>General</u>	<u>Recreation Impact</u>	<u>Surface Water Management</u>	<u>Nonmajor Funds</u>	<u>Solid Waste</u>	<u>Total</u>
State of Florida:						
State Shared Revenues	\$ 617,644	\$ -	\$ -	\$ -	\$ -	\$ 617,644
Communication Services Tax	240,115	-	-	-	-	240,115
Local Option Gas Tax	-	-	-	105,742	-	105,742
Palm Beach County:						
Excess Ad Valorem Taxes	-	-	18,506	-	13,500	32,006
County Shared Revenues	12,742	28,425	-	-	-	41,167
Pine Tree Water Control District	<u>-</u>	<u>-</u>	<u>8,258</u>	<u>-</u>	<u>-</u>	<u>8,258</u>
	<u>\$ 870,501</u>	<u>\$ 28,425</u>	<u>\$ 26,764</u>	<u>\$ 105,742</u>	<u>\$ 13,500</u>	<u>\$ 1,044,932</u>

VILLAGE OF WELLINGTON, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

NOTE 5. CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2005, was as follows:

	Balance October 1, 2004	Increases	Decreases	Reclassification	Balance September 30, 2005
Governmental activities:					
Capital assets, not being depreciated:					
Land	\$ 19,115,991	\$ -	\$ (52,822)	\$ -	\$ 19,063,169
Construction in progress	9,218,648	7,747,753	(9,985,012)	-	6,981,389
Infrastructure	51,256,079	-	-	-	51,256,079
Total capital assets, not being depreciated	<u>79,590,718</u>	<u>7,747,753</u>	<u>(10,037,834)</u>	<u>-</u>	<u>77,300,637</u>
Capital assets, being depreciated:					
Buildings	7,864,859	4,149,636	-	-	12,014,495
Improvements	33,678,089	4,505,579	-	-	38,183,668
Machinery and equipment	10,303,241	1,589,370	(697,757)	-	11,194,854
Total capital assets, being depreciated	51,846,189	10,244,585	(697,757)	-	61,393,017
Less accumulated depreciation for:					
Buildings	(896,578)	(273,687)	-	-	(1,170,265)
Improvements	(17,443,304)	(2,762,784)	-	-	(20,206,088)
Machinery and equipment	(5,995,155)	(1,214,664)	565,560	-	(6,644,259)
Total accumulated depreciation	<u>(24,335,037)</u>	<u>(4,251,135)</u>	<u>565,560</u>	<u>-</u>	<u>(28,020,612)</u>
Total capital assets, being depreciated, net	27,511,152	5,993,450	(132,197)	-	33,372,405
Governmental activities capital assets, net	<u>\$ 107,101,870</u>	<u>\$ 13,741,203</u>	<u>\$ (10,170,031)</u>	<u>\$ -</u>	<u>\$ 110,673,042</u>
Business-type activities:					
Capital assets, not being depreciated:					
Land	\$ 8,996,705	\$ -	\$ -	\$ -	\$ 8,996,705
Construction in progress	5,199,387	4,340,809	(504,642)	-	9,035,554
Total capital assets, not being depreciated	<u>14,196,092</u>	<u>4,340,809</u>	<u>(504,642)</u>	<u>-</u>	<u>18,032,259</u>
Capital assets, being depreciated:					
Buildings	2,587,818	24,999	-	-	2,612,817
Land improvements	997,392	504,642	-	-	1,502,034
Furniture, fixtures, equipment and vehicles	2,960,028	587,350	(174,197)	50,608	3,423,789
Meters	4,872,183	730,509	(444,363)	-	5,158,329
Major equipment	9,093,094	178,354	(15,565)	(50,608)	9,205,275
Water and wastewater plant	23,533,527	68,475	-	-	23,602,002
Wells	7,161,702	5,023	-	-	7,166,725
Telemetry	479,756	-	-	-	479,756
Distribution lines	66,287,987	405,099	-	-	66,693,086
Total capital assets, being depreciated	117,973,487	2,504,451	(634,125)	-	119,843,813
Less accumulated depreciation for:					
Buildings	(268,128)	(86,746)	-	-	(354,874)
Land improvements	(225,626)	(95,148)	-	-	(320,774)
Furniture, fixtures, equipment and vehicles	(1,874,365)	(430,845)	172,696	4,952	(2,127,562)
Meters	(2,172,405)	(502,767)	396,722	-	(2,278,450)
Major equipment	(7,694,852)	(382,730)	12,101	(4,244)	(8,069,725)
Water and wastewater plant	(10,003,759)	(834,739)	-	(708)	(10,839,206)
Wells	(5,037,554)	(277,074)	-	-	(5,314,628)
Telemetry	(386,643)	(15,890)	-	-	(402,533)
Distribution lines	(19,779,130)	(1,665,348)	-	-	(21,444,478)
Total accumulated depreciation	<u>(47,442,462)</u>	<u>(4,291,287)</u>	<u>581,519</u>	<u>-</u>	<u>(51,152,230)</u>
Total capital assets, being depreciated, net	70,531,025	(1,786,836)	(52,606)	-	68,691,583
Business-type activities capital assets, net	<u>\$ 84,727,117</u>	<u>\$ 2,553,973</u>	<u>\$ (557,248)</u>	<u>\$ -</u>	<u>\$ 86,723,842</u>

VILLAGE OF WELLINGTON, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

NOTE 5. CAPITAL ASSETS (Continued)

Depreciation expense was charged to functions as follows:

Governmental activities:

General government	\$ 456,606
Planning and development	121,442
Engineering and public works	350,505
Surface water management	111,222
Transportation	786,026
Culture and recreation	<u>2,425,334</u>

Total depreciation expense - governmental activities \$4,251,135

Business-type activities:

Water utility	\$4,151,036
Solid waste	<u>140,251</u>

Total depreciation expense - business-type activities \$4,291,287

NOTE 6. LONG-TERM DEBT

Changes in Long-Term Liabilities

Long-term liability activity for the year ended September 30, 2005, was as follows:

Governmental Activities

	Balance September 30, <u>2004</u>	<u>Additions</u>	<u>Reductions</u>	Balance September 30, <u>2005</u>	Due Within <u>One Year</u>
Public Service Tax Revenue Bonds, Series 1999	\$ 12,995,000	\$ -	\$ (9,950,000)	\$ 3,045,000	\$ 640,000
Public Service Tax Revenue Refunding Bonds, Series 2005	-	9,995,000	(90,000)	9,905,000	60,000
Florida Municipal Loan Council:					
Series 2001A	5,230,000	-	(190,000)	5,040,000	195,000
Series 2002C	6,080,000	-	(215,000)	5,865,000	220,000
Less unamortized bond discount	-	(596,197)	13,946	(582,251)	-
Plus unamortized bond premium	<u>553,925</u>	<u>-</u>	<u>(31,231)</u>	<u>522,694</u>	<u>-</u>
Total Bonds Payable	24,858,925	9,398,803	(10,462,285)	23,795,443	1,115,000
Compensated absences payable	<u>457,627</u>	<u>599,377</u>	<u>(510,660)</u>	<u>546,344</u>	<u>245,855</u>
Total	<u>\$ 25,316,552</u>	<u>\$ 9,998,180</u>	<u>\$ (10,972,945)</u>	<u>\$ 24,341,787</u>	<u>\$ 1,360,855</u>

VILLAGE OF WELLINGTON, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

NOTE 6. LONG-TERM DEBT (Continued)

Changes in Long-Term Liabilities (Continued)

Governmental Activities (Continued)

\$15,670,000 Public Service Tax Revenue Bonds

In August 1999, the Village issued \$15,670,000 of Public Service Tax Revenue Bonds, Series 1999. In May 2005, \$9,335,000 of the outstanding bonds was refunded as part of the \$9,995,000 Public Service Tax Revenue Refunding Bonds, Series 2005. Interest, at rates ranging from 3.60% to 5.25%, is payable semi-annually on March 1 and September 1. The remaining principal is payable in annual installments of \$305,000 to \$730,000, with the final payment due September 1, 2010. The bonds do not constitute a general obligation of the Village, or the State of Florida, or any political subdivision, but are payable solely from public service taxes levied on the purchase of electricity, gas, water service, and telecommunication service. The bonds were issued to provide funds for construction of infrastructure and recreational projects under the Village's Capital Improvement Plan. Additionally, proceeds were used to repay an outstanding promissory note. At September 30, 2005, the outstanding balance was \$3,045,000.

The bond agreement contains significant limitations and restrictions on annual debt service levels, minimum amounts to be maintained, conditions upon the issuance of additional bonds, and certain other covenants. At September 30, 2005, the Village was in compliance with these covenants.

Future debt service requirements to maturity are:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Year Ending September 30:			
2006	\$ 640,000	\$ 138,448	\$ 778,448
2007	670,000	110,448	780,448
2008	700,000	80,297	780,297
2009	730,000	48,797	778,797
2010	<u>305,000</u>	<u>14,487</u>	<u>319,487</u>
Total Public Service Tax Revenue Bonds, Series 1999	<u>\$ 3,045,000</u>	<u>\$ 392,477</u>	<u>\$ 3,437,477</u>

\$9,995,000 Public Service Tax Revenue Refunding Bonds

In May 2005, the Village issued \$9,995,000 of Public Service Tax Revenue Refunding Bonds, Series 2005 to refund a portion of the Public Service Tax Revenue Bonds, Series 1999. The bonds do not constitute a general obligation of the Village, or the State of Florida, or any political subdivision, but are payable solely from public service taxes levied on the purchase of electricity, gas, water service, and telecommunication service. Interest at a rate of 3.73% is payable semi-annually on March 1 and September 1. Principal is payable in annual installments of \$60,000 to \$1,165,000 with the final payment due September 1, 2019. The advanced refunding reduced total debt service payments by \$736,485 and resulted in an economic gain of \$63,803.

VILLAGE OF WELLINGTON, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

NOTE 6. LONG-TERM DEBT (Continued)

Changes in Long-Term Liabilities (Continued)

Governmental Activities (Continued)

Future debt service requirements to maturity are:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Year Ending September 30:			
2006	\$ 60,000	\$ 369,457	\$ 429,457
2007	65,000	367,219	432,219
2008	65,000	364,794	429,794
2009	70,000	362,370	432,370
2010	530,000	359,759	889,759
2011-2015	4,690,000	1,362,569	6,052,569
2016-2019	<u>4,425,000</u>	<u>420,185</u>	<u>4,845,185</u>
Total Public Service Tax Revenue Refunding Bonds, Series 2005	<u>\$ 9,905,000</u>	<u>\$ 3,606,351</u>	<u>\$ 13,511,351</u>

Defeased Debt

As a result of the refunding, the refunded portion of the Public Service Tax Revenue Bonds, Series 1999 is considered to be defeased and the liability has been removed from the financial statements. At September 30, 2005, the amount of defeased debt outstanding, but removed from the financial statements is \$9,335,000.

\$5,605,000 Florida Municipal Loan Council

In November 2001, the Village entered into a loan agreement with the Florida Municipal Loan Council for \$5,605,000. Proceeds from the loan are to be used for capital improvements including road construction, improvements to the storm water system, and acquisition and construction of public buildings. Interest, at rates ranging from 3.25% to 5.25% is payable semi-annually on May 1 and November 1. Principal is payable in annual installments of \$185,000 to \$425,000 beginning in November 2002, with the final payment due in November 2021.

Future debt service requirements to maturity are:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Year Ending September 30:			
2006	\$ 195,000	\$ 246,363	\$ 441,363
2007	205,000	237,363	442,363
2008	215,000	227,913	442,913
2009	225,000	217,450	442,450
2010	235,000	205,950	440,950
2011-2015	1,370,000	833,931	2,203,931
2016-2020	1,760,000	430,250	2,190,250
2021-2022	<u>835,000</u>	<u>40,019</u>	<u>875,019</u>
Total Loan Payable	<u>\$ 5,040,000</u>	<u>\$ 2,439,238</u>	<u>\$ 7,479,238</u>

VILLAGE OF WELLINGTON, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

NOTE 6. LONG-TERM DEBT (Continued)

Changes in Long-Term Liabilities (Continued)

Governmental Activities (Continued)

\$6,290,000 Florida Municipal Loan Council

In November 2002, the Village entered into a loan agreement with the Florida Municipal Loan Council for \$6,290,000. Proceeds from the loan are to be used for capital improvements including but not limited to parks and recreation improvements, road extension improvements, and surface water management projects. Interest, at rates ranging from 3.00% to 5.25% is payable annually on November 1. Principal is payable in annual installments of \$210,000 to \$480,000 beginning in November 2004, with the final payment due in November 2022.

Future debt service requirements to maturity are:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Year Ending September 30:			
2006	\$ 220,000	\$ 279,688	\$ 499,688
2007	230,000	272,375	502,375
2008	235,000	263,938	498,938
2009	245,000	254,950	499,950
2010	255,000	244,289	499,289
2011-2015	1,455,000	1,029,712	2,484,712
2016-2020	1,855,000	613,069	2,468,069
2021-2023	<u>1,370,000</u>	<u>110,250</u>	<u>1,480,250</u>
Total Loan Payable	<u>\$ 5,865,000</u>	<u>\$ 3,068,271</u>	<u>\$ 8,933,271</u>

Business-type Activities

	Balance			Balance	
	September 30,			September 30,	Due
	<u>2004</u>	<u>Additions</u>	<u>Reductions</u>	<u>2005</u>	<u>Within</u>
				<u>One Year</u>	
Utility System Revenue Refunding Bonds	\$ 22,355,000	\$ -	\$ (2,100,000)	\$ 20,255,000	\$ 2,140,000
Plus unamortized bond premium	250,130	-	(27,792)	222,338	-
Less unamortized bond discount	<u>(1,463,410)</u>	<u>-</u>	<u>162,601</u>	<u>(1,300,809)</u>	<u>-</u>
Total Bonds Payable	21,141,720	-	(1,965,191)	19,176,529	2,140,000
Compensated absences payable	<u>131,232</u>	<u>132,424</u>	<u>(138,091)</u>	<u>125,565</u>	<u>56,504</u>
Total	<u>\$ 21,272,952</u>	<u>\$ 132,424</u>	<u>\$ (2,103,282)</u>	<u>\$ 19,302,094</u>	<u>\$ 2,196,504</u>

VILLAGE OF WELLINGTON, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

NOTE 6. LONG-TERM DEBT (Continued)

Changes in Long-Term Liabilities (Continued)

Business-type Activities (Continued)

Utility System Revenue Refunding and Improvement Bonds

In August 2003, the Village issued \$22,355,000 of Utility System Revenue Refunding and Improvement Bonds, Series 2003. The bonds were sold at an original issue discount of \$81,579. Interest, at rates ranging from 2.00% to 4.00%, is payable semi-annually on April 1 and October 1. Principal is payable in annual installments of \$1,500,000 to \$2,635,000, with the final payment due October 1, 2013. The bonds do not constitute a general obligation of the Village, or the State of Florida, or any political subdivision, but are payable solely from net revenues derived from the operation of a water and sewer utility system, certain impact fees, and money and fees held in certain funds. The bonds were issued to refund all of the Utility System Revenue Refunding Bonds, Series 1993, and finance certain capital expenditures related to the water and sewer system or for any other lawful purpose. At September 30, 2005, the outstanding balance was \$20,255,000.

Annual debt service requirements to maturity for the Utility System Revenue Bonds are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Year Ending September 30:			
2006	\$ 2,140,000	\$ 633,624	\$ 2,773,624
2007	2,185,000	590,374	2,775,374
2008	2,225,000	542,936	2,767,936
2009	2,280,000	487,424	2,767,424
2010	2,335,000	417,474	2,752,474
2011-2014	<u>9,090,000</u>	<u>670,503</u>	<u>9,760,503</u>
Total Debt Service Requirements	<u>\$ 20,255,000</u>	<u>\$ 3,342,334</u>	<u>\$ 23,597,334</u>

Federal Arbitrage Regulations

The Village is subject to the arbitrage restrictions that have been imposed by the federal government for each of its outstanding debt issues (Public Services Tax Revenue Bonds, Loans with the Florida Municipal Loan Council, and the Utility System Revenue Bonds). No events have occurred since the issuance of each bond that would cause the bonds to be arbitrage bonds within the meaning of Section 148 of the Internal Revenue Code.

VILLAGE OF WELLINGTON, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

NOTE 7. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The composition of interfund balances as of September 30, 2005 is as follows:

Due to/from Other Funds

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General fund	Solid waste	\$ 125,567
	Surface water management	<u>500,000</u>
		<u>\$ 625,567</u>

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. These balances also include loans to other funds that the General Fund expects to collect in the subsequent years.

Advances from/to Other Funds

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General fund	Solid waste	\$ 921,372
	Surface water management	<u>2,300,000</u>
		<u>\$ 3,221,372</u>

These amounts payable to the General Fund are related to loans that are not scheduled to be collected in the subsequent year.

Interfund Transfers

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, 2005, were as follows:

	<u>Transfers In</u>	<u>Transfers Out</u>
General fund	\$ 13,719,885	\$ 20,535,975
Planning, zoning and building fund	746,574	1,660,083
Recreation programs fund	6,646,904	1,598,274
Recreation impact fees fund	2,728,750	1,509,077
Surface water management fund	-	583,861
Nonmajor governmental funds	2,958,600	859,031
Utility system fund	181,545	2,050,963
Solid waste fund	<u>2,000,000</u>	<u>184,994</u>
Total	<u>\$ 28,982,258</u>	<u>\$ 28,982,258</u>

VILLAGE OF WELLINGTON, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

NOTE 7. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS (Continued)

Transfers are used to (1) move revenues from the fund budgeted to collect them to the fund budgeted to expend them, and (2) use unrestricted revenues collected in the general fund to finance recreation programs.

NOTE 8. RETIREMENT PLAN

The Village contributes to the Florida Retirement System (FRS), a cost-sharing multiple-employer defined benefit pension plan. FRS was created by the Florida Legislature, and is administered by the State of Florida, Department of Management Services, Division of Retirement. FRS provides retirement, disability or death benefits for retirees or their designated beneficiaries. All retirement legislation must comply with Article X, Section 14 of the State Constitution and Part VII, Chapter 112, Florida Statutes. Both of these provisions require that any increase in retirement benefits must be funded concurrently on an actuarially sound basis.

FRS issues a publicly available financial report that includes statements of financial condition, investment objectives and policy, an actuarial report, historical and statistical information on active members, annuitants, and benefit payments, as well as a description of the retirement plans. That report may be obtained by writing to the Division of Retirement, 2639 North Monroe Street, Building C, Tallahassee, Florida 32399-1560.

Plan members are not required to contribute to the Plan. As of September 30, 2005, the Village's required annual contribution is 7.83% of the covered salary for regular members. The Village's contributions to FRS for the years ended September 30, 2005, 2004, and 2003 were \$45,654, \$50,008, and \$42,350 respectively, equal to the required contributions for each year.

NOTE 9. DEFINED CONTRIBUTION PLAN

The Florida Municipal Pension Trust Fund is a defined contribution 401A pension plan established by the Village and administered by Citistreet, who is sponsored by the Florida League of Cities, to provide benefits at retirement to the employees of the Village. This plan replaced the Acme Money Purchase Pension Trust, a previous defined contribution pension plan established by the Village and administered by Lincoln Financial Group. The funds in the previous plan were transferred to the Florida Municipal Pension Trust Fund in January 2004.

All full-time employees, who have completed 90 days of service, are eligible to participate in the plan. The Village's contribution for each employee (and interest allocated to the employee's account) is fully vested after three continuous years of service. The contribution rate is 7.5% for employees who have been with the Village from 0 – 10 years, and 10% for employees who have been with the Village for over 10 years. Employees are not required to contribute to the plan. Village contributions for, and interest forfeited by, employees who leave employment before three years of service are used to reduce the Village's current period contribution amount. Plan revisions and contribution requirements are established, and may be amended, by the Village Council.

VILLAGE OF WELLINGTON, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

NOTE 9. DEFINED CONTRIBUTION PLAN (Continued)

The Village's total payroll for the year ended September 30, 2005, was \$11,070,126. The Village's contribution was calculated using the base salary amount of \$9,228,415. The Village made one hundred percent of its required contributions of \$736,639, \$665,442, and \$612,547, for fiscal years 2005, 2004, and 2003, respectively.

NOTE 10. RISK MANAGEMENT

The Village is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters for which the Village carries commercial insurance. Specifically, the Village purchases commercial insurance for property, medical benefits, worker's compensation, general liability, automobile liability, errors and omissions, and directors and officers liability. The Village is also covered by Florida Statutes under the Doctrine of Sovereign Immunity, which effectively limits the amount of liability of municipalities to individual claims of \$100,000/\$200,000 for all claims relating to the same accident. 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 11. CONTINGENCIES

There are various claims and legal actions pending against the Village 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 the Village's Attorneys that resolution of these matters will not have a material adverse effect on the financial condition of the Village.

NOTE 12. COMMITMENTS

Facilities Management and Information Technology

The Village renewed a contract with HTE, Inc. to provide facilities management, information technology, and related services. The term of the agreement is for a period of five years commencing September 2004.

The Facilities Management Agreement provides for on site management services. According to the agreement, the Village will pay HTE, Inc. \$760,000 per year. The total amount of the contract is \$3,800,000. For the year ended September 30, 2005, amounts were remitted pursuant to the agreement.

Agreement for Police Services

The Village entered into an agreement with the Palm Beach County Sheriff's Office for the provision of professional police services through September 30, 2006. By May 1 of each year, the Palm Beach County Sheriff's Office submits the proposed cost of services and related staffing which is incorporated into the Village's budget. Pursuant to the agreement, the Sheriff will assign personnel to provide law enforcement coverage within the Village. Amounts paid pursuant to this agreement were \$4,961,440 for the year ended September 30, 2005.

VILLAGE OF WELLINGTON, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

NOTE 12. COMMITMENTS (Continued)

Solid Waste Collection and Recycling

On January 27, 1998, the Village entered into a five-year agreement with Browning Ferris Industries, Inc. for waste and recycling collection services. The term of the contract was October 1, 1998 to September 30, 2004. In December 2002, the Village executed its right to extend the contract for an additional five-year term. The cost of the contract totaled \$1,553,076 for the year ended September 30, 2005 for residential services. 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 the Village for rate adjustments on the basis of extraordinary and unusual changes in the cost of operations.

NOTE 13. HURRICANE COSTS

The Village was impacted by Hurricanes Frances and Jeanne in September 2004. The Village was responsible for post-hurricane clean-up which included debris (trees and landscaping), and repairs of power lines and traffic lights. It is estimated that the amount of debris that the Village disposed of in the post-hurricane Frances and Jeanne cleanup effort was equivalent to more than twenty-five months of normal Village debris waste. The total amount expended in debris removal and other clean up exceeded \$6 million. Although this expenditure was partially reimbursed by FEMA for approximately \$3.8 million, the balance of \$2.2 million was funded by Village debris management reserves. Therefore, in order to recover costs and replenish reserves utilized in the 2004 hurricane season, the Village has assessed a solid waste debris recovery surcharge in the amount of \$115 per residential curbside unit and \$70 per residential containerized unit in the 2005/2006 fiscal year.

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REQUIRED SUPPLEMENTARY INFORMATION



Budgetary Comparison Schedules:

General Fund

Special Revenue Funds:

Planning, Zoning and Building
Recreation Programs
Recreation Impact Fees
Surface Water Management

VILLAGE OF WELLINGTON, FLORIDA

BUDGETARY COMPARISON SCHEDULE GENERAL FUND

YEAR ENDED SEPTEMBER 30, 2005

	Original Adopted <u>Budget</u>	Prior Year <u>Carryforward</u>	Legally Adopted Budget <u>Amendments</u>
Revenues:			
Ad valorem taxes	\$ 11,215,692	\$ -	\$ -
Franchise fees	2,260,000	-	-
Utility taxes	2,749,337	-	-
Public services tax	2,054,650	-	-
Licenses and permits	255,000	-	-
Intergovernmental	3,816,557	91,250	62,663
Charges for services	-	-	-
Fines and forfeitures	200,000	-	-
Investment income	500,000	-	-
Sale of fixed assets	-	-	-
Miscellaneous	<u>270,567</u>	<u>-</u>	<u>-</u>
Total revenues	<u>23,321,803</u>	<u>91,250</u>	<u>62,663</u>

See note to required supplementary information.

		Variance With Final Budget Positive (Negative)
<u>Final Revised Budget</u>	<u>Actual</u>	
\$ 11,215,692	\$ 11,305,840	90,148
2,260,000	2,744,351	484,351
2,749,337	3,172,644	423,307
2,054,650	2,320,799	266,149
255,000	457,320	202,320
3,970,470	4,485,631	515,161
-	-	-
200,000	197,893	(2,107)
500,000	434,764	(65,236)
-	-	-
<u>270,567</u>	<u>775,825</u>	<u>505,258</u>
<u>23,475,716</u>	<u>25,895,067</u>	<u>2,419,351</u>

(Continued)

VILLAGE OF WELLINGTON, FLORIDA

BUDGETARY COMPARISON SCHEDULE

GENERAL FUND (Continued)

YEAR ENDED SEPTEMBER 30, 2005

	<u>Original Adopted Budget</u>	<u>Prior Year Carryforward</u>	<u>Legally Adopted Budget Amendments</u>
Expenditures:			
Current:			
General government:			
Village Council	\$ 567,294	\$ 107,891	\$ 9,300
Village Clerk	1,094,772	185,000	(64,783)
Information Center	582,822	42,224	(12,700)
Village Manager	939,817	129,000	(123,460)
Finance	2,033,923	604,197	(16,921)
Human resources	315,000	-	(3,000)
Risk management	624,800	68,000	-
Legal	577,000	-	184,560
MIS	1,199,400	76,285	(2,166)
Other	108,320	-	-
Total general government	<u>8,043,148</u>	<u>1,212,597</u>	<u>(29,170)</u>
Public safety:			
Law enforcement	<u>5,062,440</u>	<u>5,100</u>	<u>(2,400)</u>
Physical environment:			
Public works	2,582,883	271,951	(572,078)
Engineering	<u>1,784,374</u>	<u>191,277</u>	<u>(104,955)</u>
Total physical environment	<u>4,367,257</u>	<u>463,228</u>	<u>(677,033)</u>
Transportation:			
Roadways	<u>330,000</u>	<u>33,297</u>	<u>-</u>
Capital outlay	<u>1,247,170</u>	<u>1,401,284</u>	<u>479,322</u>
Debt service:			
Interest and other fiscal charges	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>19,050,015</u>	<u>3,115,506</u>	<u>(229,281)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>4,271,788</u>	<u>(3,024,256)</u>	<u>291,944</u>
Other financing sources (uses):			
Transfers in	13,822,465	-	-
Transfers out	(19,747,661)	-	(2,875,169)
Refunding bonds issued	-	-	-
Payment to refunded bond escrow agent	-	-	-
Sale of capital asset	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>(5,925,196)</u>	<u>-</u>	<u>(2,875,169)</u>
Net change in fund balance	(1,653,408)	(3,024,256)	(2,583,225)
Fund balance, beginning of year	<u>1,653,408</u>	<u>3,024,256</u>	<u>2,583,225</u>
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See note to required supplementary information.

<u>Final Budget</u>	<u>Actual</u>	Variance With Final Budget Positive (Negative)
\$ 684,485	\$ 611,331	\$ 73,154
1,214,989	986,763	228,226
612,346	480,446	131,900
945,357	782,268	163,089
2,621,199	1,891,620	729,579
312,000	291,615	20,385
692,800	599,619	93,181
761,560	760,075	1,485
1,273,519	1,216,611	56,908
108,320	113,332	(5,012)
<u>9,226,575</u>	<u>7,733,680</u>	<u>1,492,895</u>
<u>5,065,140</u>	<u>5,031,954</u>	<u>33,186</u>
2,282,756	2,231,611	51,145
<u>1,870,696</u>	<u>1,595,952</u>	<u>274,744</u>
<u>4,153,452</u>	<u>3,827,563</u>	<u>325,889</u>
<u>363,297</u>	<u>303,628</u>	<u>59,669</u>
<u>3,127,776</u>	<u>2,617,755</u>	<u>510,021</u>
-	66,803	(66,803)
<u>21,936,240</u>	<u>19,581,383</u>	<u>2,354,857</u>
<u>1,539,476</u>	<u>6,313,684</u>	<u>4,774,208</u>
13,822,465	13,719,885	(102,580)
(22,622,830)	(20,535,975)	2,086,855
-	9,995,000	9,995,000
-	(9,931,197)	(9,931,197)
-	33,315	33,315
<u>(8,800,365)</u>	<u>(6,718,972)</u>	<u>2,081,393</u>
(7,260,889)	(405,288)	6,855,601
<u>7,260,889</u>	<u>17,938,609</u>	<u>10,677,720</u>
<u>\$ -</u>	<u>\$ 17,533,321</u>	<u>\$ 17,533,321</u>

See note to required supplementary information.

VILLAGE OF WELLINGTON, FLORIDA

BUDGETARY COMPARISON SCHEDULE PLANNING, ZONING AND BUILDING - SPECIAL REVENUE FUND

YEAR ENDED SEPTEMBER 30, 2005

	Original Adopted Budget	Prior Year Carryforward	Legally Adopted Budget Amendments
Revenues:			
Licenses and permits	\$ 4,971,780	\$ -	\$ -
Fines and forfeitures	65,000	-	-
Miscellaneous	<u>100,000</u>	<u>-</u>	<u>-</u>
Total revenues	<u>5,136,780</u>	<u>-</u>	<u>-</u>
Expenditures:			
Current:			
Physical environment:			
Planning, zoning and building administration	811,877	206,720	151,977
Planning and zoning	1,039,470	244,018	(139,830)
Code compliance	711,760	52,100	-
Building	<u>1,961,089</u>	<u>61,905</u>	<u>59,195</u>
Total physical environment	<u>4,524,196</u>	<u>564,743</u>	<u>71,342</u>
Capital outlay	<u>378,600</u>	<u>60,200</u>	<u>4,721,481</u>
Total expenditures	<u>4,902,796</u>	<u>624,943</u>	<u>4,792,823</u>
Excess (deficiency) of revenues over (under) expenditures	<u>233,984</u>	<u>(624,943)</u>	<u>(4,792,823)</u>
Other financing sources (uses):			
Transfers in	1,493,148	-	(1,493,148)
Transfers out	<u>(1,727,132)</u>	<u>-</u>	<u>3,220,280</u>
Total other financing uses	<u>(233,984)</u>	<u>-</u>	<u>1,727,132</u>
Net change in fund balance	-	(624,943)	(3,065,691)
Fund balance, beginning of year	<u>-</u>	<u>624,943</u>	<u>3,065,691</u>
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See note to required supplementary information.

<u>Final Budget</u>	<u>Actual</u>	Variance With Final Budget Positive (Negative)
\$ 4,971,780	\$ 6,150,944	\$ 1,179,164
65,000	205,633	140,633
<u>100,000</u>	<u>153,450</u>	<u>53,450</u>
<u>5,136,780</u>	<u>6,510,027</u>	<u>1,373,247</u>
1,170,574	991,879	178,695
1,143,658	492,837	650,821
763,860	575,623	188,237
<u>2,082,189</u>	<u>1,890,680</u>	<u>191,509</u>
<u>5,160,281</u>	<u>3,951,019</u>	<u>1,209,262</u>
<u>367,457</u>	<u>125,359</u>	<u>242,098</u>
<u>5,527,738</u>	<u>4,076,378</u>	<u>1,451,360</u>
<u>(390,958)</u>	<u>2,433,649</u>	<u>2,824,607</u>
1,493,148	746,574	(746,574)
<u>(1,727,132)</u>	<u>(1,660,083)</u>	<u>67,049</u>
<u>(233,984)</u>	<u>(913,509)</u>	<u>(679,525)</u>
(624,942)	1,520,140	2,145,082
<u>624,942</u>	<u>5,895,354</u>	<u>5,270,412</u>
<u>\$ -</u>	<u>\$ 7,415,494</u>	<u>\$ 7,415,494</u>

See note to required supplementary information.

VILLAGE OF WELLINGTON, FLORIDA

BUDGETARY COMPARISON SCHEDULE RECREATION PROGRAMS - SPECIAL REVENUE FUND

YEAR ENDED SEPTEMBER 30, 2005

	Original Adopted <u>Budget</u>	Prior Year <u>Carryforward</u>	Legally Adopted Budget <u>Amendments</u>
Revenues:			
Intergovernmental	\$ -	\$ 9,900	\$ (9,900)
Charges for services	1,745,649	-	-
Investment income	40,000	-	-
Miscellaneous	<u>-</u>	<u>-</u>	<u>-</u>
Total revenues	<u>1,785,649</u>	<u>9,900</u>	<u>(9,900)</u>
Expenditures:			
Current:			
Culture and recreation:			
Recreational facilities - pool	623,957	11,000	54,577
Recreational facilities - tennis	374,242	1,500	(201)
Recreational facilities - Community Center	242,879	6,606	5,781
Parks and recreational facilities	2,256,540	215,800	432,999
Parks and recreational administration	294,410	73,310	13,521
Community programs	457,572	76,200	(13,456)
Athletics programs	<u>1,198,640</u>	<u>89,600</u>	<u>(10,900)</u>
Total culture and recreation	<u>5,448,240</u>	<u>474,016</u>	<u>482,321</u>
Capital outlay	<u>1,224,380</u>	<u>626,016</u>	<u>(107,602)</u>
Total expenditures	<u>6,672,620</u>	<u>1,100,032</u>	<u>374,719</u>
Deficiency of revenues under expenditures	<u>(4,886,971)</u>	<u>(1,090,132)</u>	<u>(384,619)</u>
Other financing sources (uses):			
Transfers in	6,646,903	-	-
Transfers out	<u>(1,759,932)</u>	<u>-</u>	<u>-</u>
Total other financing sources	<u>4,886,971</u>	<u>-</u>	<u>-</u>
Net change in fund balance	-	(1,090,132)	(384,619)
Fund balance, beginning of year	<u>-</u>	<u>1,090,132</u>	<u>384,619</u>
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See note to required supplementary information.

<u>Final Budget</u>	<u>Actual</u>	Variance With Final Budget Positive (Negative)
\$ -	\$ 3,500	\$ 3,500
1,745,649	1,900,210	154,561
40,000	45,952	5,952
-	-	-
<u>1,785,649</u>	<u>1,949,662</u>	<u>164,013</u>
689,534	760,584	(71,050)
375,541	335,133	40,408
255,266	219,107	36,159
2,905,339	2,559,796	345,543
381,241	335,853	45,388
520,316	535,635	(15,319)
<u>1,277,340</u>	<u>1,298,541</u>	<u>(21,201)</u>
<u>6,404,577</u>	<u>6,044,649</u>	<u>359,928</u>
<u>1,742,794</u>	<u>479,448</u>	<u>1,263,346</u>
<u>8,147,371</u>	<u>6,524,097</u>	<u>1,623,274</u>
<u>(6,361,722)</u>	<u>(4,574,435)</u>	<u>1,787,287</u>
6,646,903	6,646,904	1
<u>(1,759,932)</u>	<u>(1,598,274)</u>	<u>161,658</u>
<u>4,886,971</u>	<u>5,048,630</u>	<u>161,659</u>
(1,474,751)	474,195	1,948,946
<u>1,474,751</u>	<u>2,153,783</u>	<u>679,032</u>
<u>\$ -</u>	<u>\$ 2,627,978</u>	<u>\$ 2,627,978</u>

See note to required supplementary information.

VILLAGE OF WELLINGTON, FLORIDA

BUDGETARY COMPARISON SCHEDULE RECREATION IMPACT FEES - SPECIAL REVENUE FUND

YEAR ENDED SEPTEMBER 30, 2005

	Original Adopted Budget	Prior Year Carryforward	Legally Adopted Budget Amendments
Revenues:			
Impact fees	\$ 3,336,250	\$ -	\$ -
Intergovernmental	110,000	720,000	(720,000)
Investment income	10,000	-	-
Miscellaneous	<u>5,000</u>	<u>-</u>	<u>-</u>
Total revenues	<u>3,461,250</u>	<u>720,000</u>	<u>(720,000)</u>
Expenditures:			
Capital outlay	<u>4,680,000</u>	<u>1,854,877</u>	<u>515,573</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,218,750)</u>	<u>(1,134,877)</u>	<u>(1,235,573)</u>
Other financing sources (uses):			
Transfers in	2,728,750	-	-
Transfers out	(1,510,000)	-	-
Sale of capital asset	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources	<u>1,218,750</u>	<u>-</u>	<u>-</u>
Net change in fund balance	-	(1,134,877)	(1,235,573)
Fund balance, beginning of year	<u>-</u>	<u>1,134,877</u>	<u>1,235,573</u>
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See note to required supplementary information.

<u>Final Budget</u>	<u>Actual</u>	Variance With Final Budget Positive (Negative)
\$ 3,336,250	\$ 3,732,225	\$ 395,975
110,000	56,925	(53,075)
10,000	71,685	61,685
<u>5,000</u>	<u>61,672</u>	<u>56,672</u>
<u>3,461,250</u>	<u>3,922,507</u>	<u>461,257</u>
<u>7,050,450</u>	<u>3,051,059</u>	<u>3,999,391</u>
<u>(3,589,200)</u>	<u>871,448</u>	<u>4,460,648</u>
2,728,750	2,728,750	-
(1,510,000)	(1,509,077)	923
-	271,270	271,270
<u>1,218,750</u>	<u>1,490,943</u>	<u>272,193</u>
(2,370,450)	2,362,391	4,732,841
<u>2,370,450</u>	<u>6,064,489</u>	<u>3,694,039</u>
<u>\$ -</u>	<u>\$ 8,426,880</u>	<u>\$ 8,426,880</u>

See note to required supplementary information.

VILLAGE OF WELLINGTON, FLORIDA

BUDGETARY COMPARISON SCHEDULE SURFACE WATER MANAGEMENT - SPECIAL REVENUE FUND

YEAR ENDED SEPTEMBER 30, 2005

	Original Adopted Budget	Prior Year Carryforward	Legally Adopted Budget Amendments
Revenues:			
Special assessments	\$ 2,807,136	\$ -	\$ -
Intergovernmental revenue	-	50,000	(50,000)
Charges for services	263,220	-	-
Investment income	100,000	-	-
Miscellaneous	<u>-</u>	<u>-</u>	<u>335,000</u>
Total revenues	<u>3,170,356</u>	<u>50,000</u>	<u>285,000</u>
Expenditures:			
Current:			
Physical environment:			
Surface water management	<u>1,082,817</u>	<u>487,262</u>	<u>(87,017)</u>
Capital outlay	<u>335,760</u>	<u>10,393,982</u>	<u>297,507</u>
Total expenditures	<u>1,418,577</u>	<u>10,881,244</u>	<u>210,490</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,751,779</u>	<u>(10,831,244)</u>	<u>74,510</u>
Other financing sources (uses):			
Transfers in	211,968	-	-
Transfers out	<u>(569,087)</u>	<u>-</u>	<u>(300,000)</u>
Total other financing sources (uses)	<u>(357,119)</u>	<u>-</u>	<u>(300,000)</u>
Net change in fund balance	1,394,660	(10,831,244)	(225,490)
Fund balance, beginning of year	<u>(1,394,660)</u>	<u>10,831,244</u>	<u>225,490</u>
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See note to required supplementary information.

<u>Final Budget</u>	<u>Actual</u>	Variance With Final Budget Positive (Negative)
\$ 2,807,136	\$ 2,827,653	\$ 20,517
-	350,000	350,000
263,220	298,934	35,714
100,000	204,594	104,594
<u>335,000</u>	<u>653,898</u>	<u>318,898</u>
<u>3,505,356</u>	<u>4,335,079</u>	<u>829,723</u>
<u>1,483,062</u>	<u>1,298,055</u>	<u>185,007</u>
<u>11,027,249</u>	<u>1,603,912</u>	<u>9,423,337</u>
<u>12,510,311</u>	<u>2,901,967</u>	<u>9,608,344</u>
<u>(9,004,955)</u>	<u>1,433,112</u>	<u>10,438,067</u>
211,968	-	(211,968)
<u>(869,087)</u>	<u>(583,861)</u>	<u>285,226</u>
<u>(657,119)</u>	<u>(583,861)</u>	<u>73,258</u>
(9,662,074)	849,251	10,511,325
<u>9,662,074</u>	<u>4,426,175</u>	<u>(5,235,899)</u>
<u>\$ -</u>	<u>\$ 5,275,426</u>	<u>\$ 5,275,426</u>

See note to required supplementary information.

VILLAGE OF WELLINGTON, FLORIDA

NOTE TO REQUIRED SUPPLEMENTARY INFORMATION

SEPTEMBER 30, 2005

Budgetary Accounting

State of Florida Statutes require 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, and debt service funds. The procedures for establishing the budgetary data are as follows:

- ❖ Prior to September 1, the Village 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.
- ❖ The Village 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 the Village or a department must be approved by the Council. Changes within a department which do not affect total departmental expenditures may be approved at the administrative level. Accordingly, the legal level of control is at the departmental level.

Budgets are adopted on a basis consistent with generally accepted accounting principles. The Village also adopts a nonappropriated operating budget for the enterprise fund substantially on a basis consistent with 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.

During the year ended September 30, 2005, several supplementary appropriations were necessary. The supplementary appropriations increased the general fund budget by \$2,886,225 and the major special revenue funds' budgets by \$20,354,701. The supplementary appropriations consisted mainly of amounts re-appropriated from the previous budget 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

CONDITION RATING OF STREET SYSTEM

SEPTEMBER 30, 2005

CONDITION RATING OF THE VILLAGE'S STREET SYSTEM

Percentage of lane miles in good or better condition

Overall System:

2004	96%
2005	98%

Percentage of lane miles in substandard condition

Overall System:

2004	4%
2005	2%

COMPARISON OF NEEDED-TO-ACTUAL MAINTENANCE/PRESERVATION

	<u>Needed</u>	<u>Actual</u>	<u>Difference</u>
Overall System:			
2001	\$ 755,100	\$ 114,992	\$ (640,108)
2002	566,700	598,074	31,374
2003	646,700	1,052,265	405,565
2004	470,110	465,610	(4,500)
2005	<u>535,835</u>	<u>146,758</u>	<u>(389,077)</u>
Total	<u>\$2,974,445</u>	<u>\$2,377,699</u>	<u>\$ (596,746)</u>

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 the Village's policy to maintain at least 80% 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, the Village is required to report at least one complete condition assessment at transition using the modified approach. The condition assessment was completed by the Village and documented that the eligible infrastructure assets are being preserved at or above the condition level established by the Village. Future assessments will be completed on a cyclical basis (one-third of all the streets in the network every year for three years).

The Village 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.



**COMBINING NONMAJOR FUND STATEMENTS
AND 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.

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

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

DEBT SERVICE FUND

Debt service funds are maintained to account for the payment of interest and principal requirements on long-term debt. The Village maintains one debt service fund for the repayment of public service tax revenue bonds.

VILLAGE OF WELLINGTON, FLORIDA

COMBINING BALANCE SHEET NONMAJOR GOVERNMENTAL FUNDS

SEPTEMBER 30, 2005

	Special Revenue Funds		
	Gas Tax Maintenance	Gas Tax Capital	Road Impact Fees
<u>ASSETS</u>			
Cash and cash equivalents	\$ 299,776	\$ 1,092,516	\$ 507,917
Investments	676,598	2,447,822	1,132,886
Receivables:			
Accounts	-	7,223	-
Interest	7,056	17,553	5,838
Due from other governments	72,205	33,537	-
Restricted assets:			
Cash and cash equivalents	-	-	4,890,554
Total assets	\$ 1,055,635	\$ 3,598,651	\$ 6,537,195
<u>LIABILITIES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable and accrued liabilities	\$ 30,051	\$ -	\$ 326,095
Contracts and retainage payable	-	-	55,642
Due to other governments	22,039	-	-
Total liabilities	52,090	-	381,737
Fund balances:			
Reserved:			
Reserved for encumbrances	19,417	96,679	1,034,288
Reserved for capital improvements	-	2,685,651	5,107,000
Reserved for debt service	-	-	-
Unreserved:			
Designated for road improvements	-	816,321	14,170
Designated for road maintenance	984,128	-	-
Total fund balances	1,003,545	3,598,651	6,155,458
Total liabilities and fund balances	\$ 1,055,635	\$ 3,598,651	\$ 6,537,195

Debt Service Fund	Total Nonmajor Funds
\$ 25,869	1,926,078
57,200	4,314,506
-	7,223
-	30,447
-	105,742
-	<u>4,890,554</u>
<u>\$ 83,069</u>	<u>\$ 11,274,550</u>

\$ -	\$ 356,146
-	55,642
-	<u>22,039</u>
<u>-</u>	<u>433,827</u>

-	1,150,384
-	7,792,651
83,069	83,069
-	830,491
-	<u>984,128</u>
<u>83,069</u>	<u>10,840,723</u>
<u>\$ 83,069</u>	<u>\$ 11,274,550</u>

VILLAGE OF WELLINGTON, FLORIDA

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES NONMAJOR GOVERNMENTAL FUNDS

YEAR ENDED SEPTEMBER 30, 2005

	Special Revenue Funds			Debt Service Fund	Total Nonmajor Funds
	Gas Tax Maintenance	Gas Tax Capital	Road Impact Fees		
Revenues:					
Impact fees	\$ -	\$ -	\$ 1,458,426	\$ -	\$ 1,458,426
Intergovernmental revenue	1,004,946	869,192	-	-	1,874,138
Investment income	25,138	59,760	211,314	1,203	297,415
Miscellaneous	<u>1,750</u>	<u>33,637</u>	<u>-</u>	<u>-</u>	<u>35,387</u>
Total revenues	<u>1,031,834</u>	<u>962,589</u>	<u>1,669,740</u>	<u>1,203</u>	<u>3,665,366</u>
Expenditures:					
Current:					
Transportation	1,310,620	-	-	-	1,310,620
Capital outlay	224,787	482,467	752,336	-	1,459,590
Debt service:					
Principal	-	-	-	1,110,000	1,110,000
Interest and other fiscal charges	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,059,182</u>	<u>1,059,182</u>
Total expenditures	<u>1,535,407</u>	<u>482,467</u>	<u>752,336</u>	<u>2,169,182</u>	<u>4,939,392</u>
Excess (deficiency) of revenues over expenditures	<u>(503,573)</u>	<u>480,122</u>	<u>917,404</u>	<u>(2,167,979)</u>	<u>(1,274,026)</u>
Other financing sources (uses):					
Transfers in	402,558	350,686	-	2,205,356	2,958,600
Transfers out	<u>(246,406)</u>	<u>(117,765)</u>	<u>(494,860)</u>	<u>-</u>	<u>(859,031)</u>
Total other financing sources (uses)	<u>156,152</u>	<u>232,921</u>	<u>(494,860)</u>	<u>2,205,356</u>	<u>2,099,569</u>
Net change in fund balances	(347,421)	713,043	422,544	37,377	825,543
Fund balances, beginning of year	<u>1,350,966</u>	<u>2,885,608</u>	<u>5,732,914</u>	<u>45,692</u>	<u>10,015,180</u>
Fund balances, end of year	<u>\$ 1,003,545</u>	<u>\$ 3,598,651</u>	<u>\$ 6,155,458</u>	<u>\$ 83,069</u>	<u>\$ 10,840,723</u>

VILLAGE OF WELLINGTON, FLORIDA

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL GAS TAX MAINTENANCE - SPECIAL REVENUE FUND

YEAR ENDED SEPTEMBER 30, 2005

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental revenue	\$ 1,124,461	\$ 1,124,461	\$ 1,004,946	\$ (119,515)
Investment income	15,000	15,000	25,138	10,138
Miscellaneous	<u>-</u>	<u>-</u>	<u>1,750</u>	<u>1,750</u>
Total revenues	<u>1,139,461</u>	<u>1,139,461</u>	<u>1,031,834</u>	<u>(107,627)</u>
Expenditures:				
Current:				
Transportation	1,443,145	1,607,388	1,310,620	296,768
Capital outlay	<u>210,620</u>	<u>310,620</u>	<u>224,787</u>	<u>85,833</u>
Total expenditures	<u>1,653,765</u>	<u>1,918,008</u>	<u>1,535,407</u>	<u>382,601</u>
Deficiency of revenues over expenditures	<u>(514,304)</u>	<u>(778,547)</u>	<u>(503,573)</u>	<u>274,974</u>
Other financing sources (uses):				
Transfers in	805,115	805,115	402,558	(402,557)
Transfers out	<u>(290,811)</u>	<u>(290,811)</u>	<u>(246,406)</u>	<u>44,405</u>
Total other financing sources	<u>514,304</u>	<u>514,304</u>	<u>156,152</u>	<u>(358,152)</u>
Net change in fund balance	-	(264,243)	(347,421)	(83,178)
Fund balance, beginning of year	<u>-</u>	<u>264,243</u>	<u>1,350,966</u>	<u>1,086,723</u>
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,003,545</u>	<u>\$ 1,003,545</u>

VILLAGE OF WELLINGTON, FLORIDA

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL GAS TAX CAPITAL - SPECIAL REVENUE FUND

YEAR ENDED SEPTEMBER 30, 2005

	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Variance with</u> <u>Final Budget</u> <u>Positive</u> <u>(Negative)</u>
	<u>Budget</u>	<u>Budget</u>		
Revenues:				
Intergovernmental revenue	\$ 841,314	\$ 841,314	\$ 869,192	\$ 27,878
Investment income	20,000	20,000	59,760	39,760
Miscellaneous	<u>-</u>	<u>-</u>	<u>33,637</u>	<u>33,637</u>
Total revenues	<u>861,314</u>	<u>861,314</u>	<u>962,589</u>	<u>101,275</u>
Expenditures:				
Capital outlay	<u>1,092,000</u>	<u>3,264,797</u>	<u>482,467</u>	<u>2,782,330</u>
Excess (deficiency) of revenues over expenditures	(230,686)	(2,403,483)	480,122	2,883,605
Other financing sources (uses):				
Transfers in	350,686	350,686	350,686	-
Transfers out	<u>(120,000)</u>	<u>(120,000)</u>	<u>(117,765)</u>	<u>2,235</u>
Total other financing sources	<u>230,686</u>	<u>230,686</u>	<u>232,921</u>	<u>2,235</u>
Net change in fund balance	-	(2,172,797)	713,043	2,885,840
Fund balance, beginning of year	<u>-</u>	<u>2,172,797</u>	<u>2,885,608</u>	<u>712,811</u>
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,598,651</u>	<u>\$ 3,598,651</u>

VILLAGE OF WELLINGTON, FLORIDA

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL ROAD IMPACT FEES - SPECIAL REVENUE FUND

YEAR ENDED SEPTEMBER 30, 2005

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Impact fees	\$ 731,400	\$ 1,355,204	\$ 1,458,426	\$ 103,222
Investment income	<u>5,000</u>	<u>5,000</u>	<u>211,314</u>	<u>206,314</u>
Total revenues	<u>736,400</u>	<u>1,360,204</u>	<u>1,669,740</u>	<u>309,536</u>
Expenditures:				
Capital outlay	<u>-</u>	<u>7,711,790</u>	<u>752,336</u>	<u>6,959,454</u>
Excess (deficiency) of revenues over expenditures	<u>736,400</u>	<u>(6,351,586)</u>	<u>917,404</u>	<u>7,268,990</u>
Other financing sources (uses):				
Transfers out	<u>(500,000)</u>	<u>(500,000)</u>	<u>(494,860)</u>	<u>5,140</u>
Total other financing sources (uses)	<u>(500,000)</u>	<u>(500,000)</u>	<u>(494,860)</u>	<u>5,140</u>
Net change in fund balance	236,400	(6,851,586)	422,544	7,274,130
Fund balance, beginning of year	<u>(236,400)</u>	<u>6,851,586</u>	<u>5,732,914</u>	<u>(1,118,672)</u>
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,155,458</u>	<u>\$ 6,155,458</u>

VILLAGE OF WELLINGTON, FLORIDA

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL DEBT SERVICE FUND

YEAR ENDED SEPTEMBER 30, 2005

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues	\$ -	\$ -	\$ 1,203	\$ 1,203
Expenditures:				
Debt service:				
Principal	2,220,000	2,220,000	1,110,000	1,110,000
Interest and other fiscal charges	-	-	1,059,182	(1,059,182)
Total expenditures	<u>2,220,000</u>	<u>2,220,000</u>	<u>2,169,182</u>	<u>50,818</u>
Deficiency of revenues over expenditures	(2,220,000)	(2,220,000)	(2,167,979)	52,021
Other financing sources - transfers in	<u>2,220,000</u>	<u>2,220,000</u>	<u>2,205,356</u>	<u>(14,644)</u>
Net change in fund balance	-	-	37,377	37,377
Fund balance, beginning of year	-	-	<u>45,692</u>	<u>45,692</u>
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 83,069</u>	<u>\$ 83,069</u>

STATISTICAL SECTION



STATISTICAL SECTION

This part of the Village 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 Village's overall financial health.

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

VILLAGE OF WELLINGTON, FLORIDA

NET ASSETS BY COMPONENT

LAST FOUR FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)

	Fiscal Year			
	2002	2003	2004	2005
Governmental activities:				
Invested in capital assets, net of related debt	\$ 78,064,294	\$ 84,456,045	\$ 82,441,223	\$ 87,127,009
Restricted	18,622,481	25,190,120	28,588,134	31,215,236
Unrestricted	<u>12,472,618</u>	<u>8,908,406</u>	<u>17,165,777</u>	<u>20,093,412</u>
Total governmental activities net assets	<u>109,159,393</u>	<u>118,554,571</u>	<u>128,195,134</u>	<u>138,435,657</u>
Business-type activities:				
Invested in capital assets, net of related debt	45,917,353	61,103,841	63,977,950	67,896,249
Restricted	3,088,414	22,753,650	35,173,687	48,595,838
Unrestricted	<u>47,811,998</u>	<u>30,396,608</u>	<u>22,308,368</u>	<u>9,074,416</u>
Total business-type activities net assets	<u>96,817,765</u>	<u>114,254,099</u>	<u>121,460,005</u>	<u>125,566,503</u>
Primary government:				
Invested in capital assets, net of related debt	123,981,647	145,559,886	146,419,173	155,023,258
Restricted	21,710,895	47,943,770	63,761,821	79,811,074
Unrestricted	<u>60,284,616</u>	<u>39,305,014</u>	<u>39,474,145</u>	<u>29,167,828</u>
Total primary government net assets	<u>\$ 205,977,158</u>	<u>\$ 232,808,670</u>	<u>\$ 249,655,139</u>	<u>\$ 264,002,160</u>

Note: Data not available prior to fiscal 2002 implementation of Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments* .

VILLAGE OF WELLINGTON, FLORIDA

CHANGES IN NET ASSETS LAST FOUR FISCAL YEARS (ACCRUAL BASIS OF ACCOUNTING)

	Fiscal Year			
	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
Expenses:				
Governmental activities:				
General government	\$ 5,862,465	\$ 6,783,423	\$ 7,260,676	\$ 8,214,967
Public safety	3,530,068	3,820,632	4,634,172	5,031,954
Planning and development	2,936,249	3,082,967	3,396,474	4,091,661
Engineering and public works	3,269,210	3,512,188	3,765,102	5,102,076
Surface water management	1,659,368	1,239,037	1,264,735	1,582,326
Transportation	2,051,330	2,778,554	2,936,346	2,658,572
Culture/recreation	6,014,166	6,053,970	6,553,695	8,489,261
Interest on long-term debt	927,545	1,188,924	1,184,013	1,027,675
Issuance costs	3,999	10,115	11,179	12,671
	<u>26,254,400</u>	<u>28,469,810</u>	<u>31,006,392</u>	<u>36,211,163</u>
Indirect expense allocation	(2,184,394)	(1,811,147)	(1,498,361)	(2,235,957)
Total governmental activities expenses	<u>24,070,006</u>	<u>26,658,663</u>	<u>29,508,031</u>	<u>33,975,206</u>
Business-type activities:				
Utility system	10,721,966	10,278,556	11,465,865	10,945,930
Solid waste	1,405,410	1,573,480	4,006,221	6,238,214
	<u>12,127,376</u>	<u>11,852,036</u>	<u>15,472,086</u>	<u>17,184,144</u>
Indirect expense allocation	2,184,394	1,811,147	1,498,361	2,235,957
Total business-type activities expenses	<u>14,311,770</u>	<u>13,663,183</u>	<u>16,970,447</u>	<u>19,420,101</u>
Total primary government expenses	<u>\$ 38,381,776</u>	<u>\$ 40,321,846</u>	<u>\$ 46,478,478</u>	<u>\$ 53,395,307</u>
Program revenues:				
Governmental activities:				
Charges for services:				
General government	\$ 355,972	\$ 330,233	\$ 238,627	\$ -
Public safety	262,650	300,308	275,880	285,956
Planning and development	4,149,690	5,633,693	5,505,353	6,374,037
Engineering and public works	-	-	-	344,956
Surface water management	262,300	3,105,826	3,098,084	3,126,587
Transportation	402,971	694,122	760,992	1,465,267
Culture/recreation	2,420,423	3,470,319	6,039,520	5,683,900
Operating grants and contributions	2,100,368	2,126,925	1,206,275	1,943,719
Capital grants and contributions	316,000	1,237,268	962,437	10,639
Total governmental activities program revenues	<u>10,270,374</u>	<u>16,898,694</u>	<u>18,087,168</u>	<u>19,235,061</u>
Business-type activities:				
Charges for services:				
Utility system	11,692,525	12,636,193	13,348,053	13,642,693
Solid waste	1,742,535	1,969,284	2,196,596	2,480,804
Operating grants and contributions	-	-	1,113,196	1,305,602
Capital grants and contributions	8,747,614	15,299,995	5,973,688	2,836,718
Total business-type activities program revenues	<u>22,182,674</u>	<u>29,905,472</u>	<u>22,631,533</u>	<u>20,265,817</u>
Total primary government program revenues	<u>\$ 32,453,048</u>	<u>\$ 46,804,166</u>	<u>\$ 40,718,701</u>	<u>\$ 39,500,878</u>

(Continued)

VILLAGE OF WELLINGTON, FLORIDA

CHANGES IN NET ASSETS (continued)

LAST FOUR FISCAL YEARS (ACCRUAL BASIS OF ACCOUNTING)

	Fiscal Year			
	2002	2003	2004	2005
Net (expense) revenue:				
Governmental activities	\$ (13,799,632)	\$ (9,759,969)	\$ (11,420,863)	\$ (14,740,145)
Business-type activities	<u>7,870,904</u>	<u>16,242,289</u>	<u>5,661,086</u>	<u>845,716</u>
Total primary government net expense	<u>\$ (5,928,728)</u>	<u>\$ 6,482,320</u>	<u>\$ (5,759,777)</u>	<u>\$ (13,894,429)</u>
General revenues and other changes in net assets:				
Governmental activities:				
Taxes:				
Property taxes	\$ 8,801,700	\$ 7,419,620	\$ 9,276,804	\$ 11,305,840
Utility taxes	3,957,238	4,599,232	4,863,526	5,493,444
Sales tax	2,744,678	2,913,541	3,235,206	3,691,449
Franchise taxes	1,806,321	2,074,904	2,379,764	2,744,351
Occupational licenses	139,427	-	-	-
Grants and contributions not restricted to specific programs	382,103	448,180	504,157	1,124,386
Investment earnings	1,376,992	781,265	562,948	1,054,412
Gain on sale of capital asset	443,806	-	416,983	119,566
Miscellaneous	796,655	1,018,405	797,038	1,628,765
Transfers	<u>(253,395)</u>	<u>(100,000)</u>	<u>(975,000)</u>	<u>(2,181,545)</u>
Total governmental activities	<u>20,195,525</u>	<u>19,155,147</u>	<u>21,061,426</u>	<u>24,980,668</u>
Business-type activities:				
Investment earnings	2,163,389	1,001,488	569,820	1,131,842
Gain (loss) on disposal of assets	-	92,557	-	(52,605)
Transfers	<u>253,395</u>	<u>100,000</u>	<u>975,000</u>	<u>2,181,545</u>
Total business-type activities	<u>2,416,784</u>	<u>1,194,045</u>	<u>1,544,820</u>	<u>3,260,782</u>
Total primary government	<u>\$ 22,612,309</u>	<u>\$ 20,349,192</u>	<u>\$ 22,606,246</u>	<u>\$ 28,241,450</u>
Change in net assets:				
Governmental activities	\$ 6,395,893	\$ 9,395,178	\$ 9,640,563	\$ 10,240,523
Business-type activities	<u>10,287,688</u>	<u>17,436,334</u>	<u>7,205,906</u>	<u>4,106,498</u>
Total primary government	<u>\$ 16,683,581</u>	<u>\$ 26,831,512</u>	<u>\$ 16,846,469</u>	<u>\$ 14,347,021</u>

Note: Data not available prior to fiscal 2002 implementation of Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*.

VILLAGE OF WELLINGTON, FLORIDA

FUND BALANCES OF GOVERNMENTAL FUNDS

LAST FOUR FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	Fiscal Year			
	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
General fund:				
Reserved	\$ 3,945,217	\$ 1,009,210	\$ 5,721,818	\$ 4,701,922
Unreserved	<u>10,943,543</u>	<u>17,025,472</u>	<u>12,216,791</u>	<u>12,831,399</u>
Total general fund	<u>14,888,760</u>	<u>18,034,682</u>	<u>17,938,609</u>	<u>17,533,321</u>
All other governmental funds:				
Reserved	13,537,529	24,375,094	23,384,127	26,593,673
Unreserved, reported in:				
Special revenue funds	<u>8,231,429</u>	<u>3,275,014</u>	<u>5,170,854</u>	<u>7,992,828</u>
Total all other governmental funds	<u>21,768,958</u>	<u>27,650,108</u>	<u>28,554,981</u>	<u>34,586,501</u>
Total governmental funds	<u>\$ 36,657,718</u>	<u>\$ 45,684,790</u>	<u>\$ 46,493,590</u>	<u>\$ 52,119,822</u>

Note: Data not available prior to fiscal 2002 implementation of Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*.

VILLAGE OF WELLINGTON, FLORIDA

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

LAST FOUR FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	Fiscal Year			
	2002	2003	2004	2005
Revenues:				
Ad valorem taxes	\$ 5,988,044	\$ 7,419,620	\$ 9,276,804	\$ 11,305,840
Franchise fees	1,806,321	2,074,904	2,379,764	2,744,351
Utility taxes	3,957,238	4,599,232	4,863,526	5,493,443
Special assessments	2,813,656	2,827,160	2,824,179	2,827,653
Impact fees	1,243,927	2,439,987	3,631,777	5,190,651
Licenses and permits	4,289,117	5,715,589	5,600,787	6,608,264
Intergovernmental revenue	5,289,288	6,737,315	5,922,997	6,770,194
Charges for services	2,197,739	2,251,457	2,285,833	2,199,144
Fines and forfeitures	262,650	300,308	275,880	403,526
Investment income	1,376,992	781,265	562,948	1,054,410
Sale of capital assets	815,216	35,717	-	-
Miscellaneous	781,877	1,007,004	782,116	1,680,232
Total revenues	<u>30,822,065</u>	<u>36,189,558</u>	<u>38,406,611</u>	<u>46,277,708</u>
Expenditures:				
Current:				
General government	5,324,877	5,995,634	6,765,480	7,733,680
Public safety	3,530,068	3,820,632	4,634,172	5,031,954
Physical environment	6,618,249	6,918,191	7,716,972	9,076,637
Transportation	1,398,041	1,539,299	1,510,342	1,614,248
Culture and recreation	3,952,117	4,098,834	4,426,043	6,044,649
Capital outlay	6,160,868	11,163,250	11,756,471	9,337,123
Debt service:				
Principal retirement	545,000	760,000	985,000	1,110,000
Interest and other fiscal charges	839,106	1,098,371	1,222,401	1,125,985
Total expenditures	<u>28,368,326</u>	<u>35,394,211</u>	<u>39,016,881</u>	<u>41,074,276</u>
Excess (deficiency) of revenues over (under) expenditures	<u>2,453,739</u>	<u>795,347</u>	<u>(610,270)</u>	<u>5,203,432</u>
Other financing sources (uses):				
Transfers in	19,525,599	12,415,248	22,539,411	26,800,713
Transfers out	(17,594,600)	(10,704,101)	(22,016,050)	(26,746,301)
Refunding bonds issued	5,788,998	6,520,578	-	9,995,000
Payment to refunded bond escrow agent	-	-	-	(9,931,197)
Sale of capital asset	-	-	895,709	304,585
Total other financing sources (uses)	<u>7,719,997</u>	<u>8,231,725</u>	<u>1,419,070</u>	<u>422,800</u>
Net change in fund balances	<u>\$ 10,173,736</u>	<u>\$ 9,027,072</u>	<u>\$ 808,800</u>	<u>\$ 5,626,232</u>
Debt service as a percentage of non-capital expenditures	6.23%	7.67%	8.10%	7.05%

Note: Data not available prior to fiscal 2002 implementation of Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*.

VILLAGE OF WELLINGTON, FLORIDA

NET ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY

LAST TEN FISCAL YEARS

Fiscal Year Ended <u>September 30,</u>	<u>Real Property</u>					Personal <u>Property</u>	Total Net Assessed <u>Value</u>	Total Direct Tax <u>Rate</u>
	<u>Residential Property</u>	<u>Commercial Property</u>	<u>Industrial Property</u>	<u>Other Property</u>				
1996	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	-
1997	1,437,476,890	95,468,317	11,678,711	145,999,904	65,033,898	1,755,657,720	1.78	
1998	1,568,964,860	93,748,584	13,789,692	157,665,548	62,022,500	1,896,191,184	1.94	
1999	1,725,023,721	95,295,075	16,962,405	127,548,223	60,031,201	2,024,860,625	2.25	
2000	1,899,967,907	132,661,839	20,372,271	119,110,099	72,138,602	2,244,250,718	2.25	
2001	2,157,383,554	133,838,500	22,846,403	90,639,952	77,422,123	2,482,130,532	2.50	
2002	2,431,976,257	310,455,568	25,327,239	-	79,268,718	2,847,027,782	2.50	
2003	2,952,572,108	330,298,258	28,481,331	154,018,481	130,718,703	3,596,088,881	2.50	
2004	3,641,006,075	369,858,791	30,515,727	185,930,781	145,278,027	4,372,589,401	2.70	
2005	4,721,147,658	456,186,395	44,331,861	189,112,024	215,086,668	5,625,864,606	2.70	

Note: Assessed values are established by the Palm Beach County Property Appraiser's Office as of January 1, each year. Assessments were increased to 100% of market value as of 1980. The Village of Wellington commenced operations on March 28, 1996 (during the fiscal year ended September 30, 1997). Prior to incorporation of the Village, the Property Appraiser's Office did not separately accumulate data on the assessed value of real and personal property for the area within the newly legislated Village boundaries.

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

Source: Palm Beach County Property Appraiser's Office.

VILLAGE OF WELLINGTON, FLORIDA

PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS

LAST TEN FISCAL YEARS

Fiscal Year	Tax Roll Year	Village General Operations (1)	Overlapping Rates (2)							Total Direct and Overlapping Rates
			Palm Beach County School Board	Palm Beach County	Palm Beach County Health Care District	Palm Beach County Library System	South Florida Water Management District	Florida Children's Services Council	Florida Inland Navigation District	
1996	1995	\$ -	\$ 9.80	\$ 7.02	\$ 1.43	\$ 0.48	\$ 0.65	\$ 0.37	\$ 0.04	\$ 19.79
1997	1996	1.78	9.79	7.02	1.20	0.50	0.67	0.38	0.04	21.38
1998	1997	1.94	9.55	7.44	1.16	0.50	0.70	0.45	0.05	21.79
1999	1998	2.25	9.68	7.64	1.05	0.52	0.72	0.44	0.05	22.35
2000	1999	2.25	9.04	7.86	0.98	0.52	0.70	0.47	0.04	21.86
2001	2000	2.50	8.92	8.03	1.02	0.54	0.60	0.50	0.04	22.15
2002	2001	2.50	8.95	8.09	1.15	0.54	0.60	0.57	0.04	22.44
2003	2002	2.50	8.43	7.97	1.13	0.54	0.70	0.69	0.04	22.00
2004	2003	2.70	8.43	7.97	1.10	0.54	0.70	0.69	0.04	22.17
2005	2004	2.70	8.10	7.82	1.08	0.63	0.70	0.69	0.04	21.76

Note: All millage rates are based on \$1 for every \$1,000 of assessed value.

Sources: Village of Wellington Finance Department and Palm Beach County Property Appraiser's Office.

- (1) The Village of Wellington commenced operations on March 28, 1996. Ad valorem taxes were not levied until October 1, 1996.
- (2) Overlapping rates are those of local and county governments that apply to property owners within the Village of Wellington. Not all overlapping rates apply to all Village of 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

SEPTEMBER 30, 2005 AND 1997

<u>Taxpayer</u>	2005			1997		
	Net Assessed Value	Rank	Percent of Total Village Net Assessed Value	Net Assessed Value	Rank	Percent of Total Village Net Assessed Value
TJ Palm Beach Assoc Ltd Partnership	\$ 135,001,850	1	2.40%			
Minto Communities, Inc.	80,472,317	2	1.43%			
Kpers Realty Holding #42 Inc.	49,188,920	3	0.87%			
Polo Lakes Apartments LLC	41,876,322	4	0.74%			
Wellington Preserve Corporation	40,326,912	5	0.72%			
Centre at Wellington Green Ltd	26,501,855	6	0.47%			
Wellington Development LC	22,135,000	7	0.39%			
Palm Beach Polo Holdings, Inc.	21,896,005	8	0.39%			
IMT LB South Florida	20,016,515	9	0.36%			
TCRDAD Wellington Ltd Partnership	18,887,457	10	0.34%			
Palm Beach Polo Inc	18,227,513	11	0.32%	\$ 19,052,649	1	1.09%
FWI 16 LLC				16,165,877	3	0.92%
RRC FL Six, Inc.				16,500,000	2	0.94%
Lennar Homes				14,629,521	4	0.83%
Polo Chase Venture				14,269,500	5	0.81%
Courtyard Shops Associates, Inc.				12,294,038	6	0.70%
Sentinel Real Estate Fund				9,392,417	7	0.53%
Regency Centers, Inc.				7,806,722	8	0.44%
Stadium Jumping, Inc.				6,949,726	9	0.40%
Lennar Eastern Holdings, Inc.				6,412,140	10	0.37%
Wellington Mall LTD				6,022,581	11	0.34%
	\$ 474,530,666		8.43%	\$ 129,495,171		7.38%

Note: Due to the date of incorporation, ad valorem taxes were not levied until October 1, 1996.

Source: Tax roll provided by Palm Beach County Property Appraisers Office.

VILLAGE OF WELLINGTON, FLORIDA

PROPERTY TAX LEVIES AND COLLECTIONS

LAST TEN FISCAL YEARS

Fiscal Year Ended <u>September 30.</u>	Total Taxes Levied for Fiscal <u>Year</u>	Collected within the Fiscal Year of the Levy		Collections in Subsequent <u>Years</u>	Total Collections to Date	
		<u>Amount</u>	<u>Percent of Levy</u>		<u>Amount</u>	<u>Percent of Levy</u>
1996	\$ -	\$ -	-	\$ -	\$ -	-
1997	2,694,121	2,679,794	99.47%	-	2,679,794	99.47%
1998	3,126,810	3,104,186	99.28%	2,511	3,106,697	99.36%
1999	3,910,643	3,885,906	99.37%	3,348	3,889,254	99.45%
2000	4,315,360	4,279,418	99.17%	15,034	4,294,452	99.52%
2001	5,319,631	5,302,209	99.67%	4,736	5,306,945	99.76%
2002	5,987,887	5,974,509	99.78%	13,535	5,988,044	100.00%
2003	7,443,394	7,410,842	99.56%	8,778	7,419,620	99.68%
2004	9,332,211	9,272,110	99.36%	3,091	9,275,201	99.39%
2005	11,805,991	11,305,840	95.76%	-	11,305,840	95.76%

Note: Due to the date of incorporation, ad valorem taxes were not levied until October 1, 1996.

Source: Village of Wellington Finance Department and Palm Beach County Tax Collector's Office.

VILLAGE OF WELLINGTON, FLORIDA

RATIOS OF OUTSTANDING DEBT BY TYPE

LAST TEN FISCAL YEARS

Fiscal Year Ended <u>September 30.</u>	<u>Governmental Activities</u>		<u>Business-Type</u> <u>Activities</u>	<u>Total</u>	Percent of Personal <u>Income (1)</u>	Per <u>Capita (1)</u>
	<u>Revenue</u> <u>Bonds</u>	<u>Loans</u> <u>Payable</u>	<u>Revenue</u> <u>Bonds</u>			
1996	\$ -	\$ -	\$ -	\$ -	-	\$ -
1997	-	4,561,482	-	4,561,482	11.44%	169
1998	-	6,338,402	-	6,338,402	14.76%	222
1999	16,976,110	-	-	16,976,110	37.84%	543
2000	15,225,000	-	-	15,225,000	31.95%	491
2001	14,700,000	-	-	14,700,000	28.84%	361
2002	19,760,000	-	23,810,000	43,570,000	83.10%	1,030
2003	25,290,000	-	22,355,000	47,645,000	n/a	1,031
2004	24,305,000	-	22,355,000	46,660,000	n/a	921
2005	23,855,000	-	20,255,000	44,110,000	n/a	796

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 on page 84 for personal income and population data.

n/a Information not available.

VILLAGE OF WELLINGTON, FLORIDA

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

SEPTEMBER 30, 2005

<u>Government Unit</u>	<u>Net Debt Outstanding</u>	<u>Percentage Applicable to the Village of Wellington (1)</u>	<u>Amount Applicable to the Village of Wellington</u>
Debt repaid with property taxes:			
Palm Beach County	\$ 283,885,000	3.496%	\$ 9,924,620
Palm Beach County School Board	126,690,000	3.496%	4,429,082
Other debt:			
Palm Beach County	689,300,275	3.496%	24,097,938
Palm Beach County School Board	1,593,110,000	3.496%	<u>55,695,126</u>
Subtotal, Overlapping Debt			94,146,766
Village of Wellington Direct Debt			<u>23,855,000</u>
Total Direct and Overlapping Debt			<u>\$ 118,001,766</u>

Sources: Data provided by the Palm Beach County Finance Department 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) For debt repaid with property taxes, the percentage of overlapping debt applicable is estimated using taxable assessed property values. Value that is within the Village's boundaries and dividing it by the County's and School Board's total taxable assessed value. This approach was also used for the other debt.

VILLAGE OF WELLINGTON, FLORIDA

PLEGGED REVENUE COVERAGE

LAST TEN FISCAL YEARS

Fiscal Year Ended September 30,	UTILITY SYSTEM						PUBLIC SERVICE TAX BONDS				
	Utility Charges and Other	Less Operating Expenses	Net Available Revenue	Debt Service		Coverage	Public Service Tax	Debt Service		Coverage	
				Principal	Interest			Principal	Interest		
1996	\$ 8,202,610	\$ 4,107,498	\$ 4,095,112	\$ 1,475,000	\$ 1,554,625	1.35	\$ -	\$ -	\$ -	-	
1997	8,792,078	3,585,313	5,206,765	1,520,000	1,527,963	1.71	-	-	-	-	
1998	9,894,689	3,651,966	6,242,723	1,575,000	1,442,300	2.07	-	-	-	-	
1999	10,232,335	3,866,922	6,365,413	1,630,000	1,654,259	1.94	-	-	-	-	
2000	11,037,090	3,890,997	7,146,093	1,695,000	1,343,559	2.35	4,388,147	445,000	813,416	3.49	
2001	11,478,880	4,459,404	7,019,476	1,765,000	1,270,882	2.31	4,968,482	525,000	734,826	3.94	
2002	11,842,525	5,831,704	6,010,821	1,840,000	1,193,355	1.98	5,763,559	545,000	713,826	4.58	
2003	12,636,193	5,399,318	7,236,875	1,920,000	1,069,010	2.42	6,674,136	570,000	692,026	5.29	
2004	13,411,249	6,755,606	6,655,643	-	696,925	9.55	7,243,290	590,000	668,656	5.75	
2005	13,900,489	5,961,444	7,939,045	2,100,000	655,024	2.88	8,237,794	705,000	518,144	6.73	

Source: Village of Wellington Finance Department

Note: Data for the years prior to incorporation of the Village, which occurred in Fiscal Year 1996, result solely from the operations of the Acme Improvement District.

VILLAGE OF WELLINGTON, FLORIDA

DEMOGRAPHIC AND ECONOMIC STATISTICS

LAST TEN FISCAL YEARS

<u>Year</u>	<u>Population (1)</u>	<u>Personal Income (Amounts Expressed in Thousands) (1)</u>	<u>Per Capital Personal Income (1)</u>	<u>School Enrollment (2)</u>	<u>Unemployment Rate (3)</u>
1996	26,148	\$ 37,819,213	\$ 36,360	8,156	7.0%
1997	27,039	39,883,136	37,284	8,222	7.7%
1998	28,585	42,948,119	39,182	7,312	3.2%
1999	29,839	44,868,785	40,172	8,707	2.9%
2000	31,024	47,655,556	41,945	9,638	2.6%
2001	40,749	50,967,733	43,966	9,893	3.0%
2002	42,319	52,428,776	44,120	10,878	3.5%
2003	46,208	n/a	n/a	13,193	3.3%
2004	50,666	n/a	n/a	14,312	3.0%
2005	55,427	n/a	n/a	13,459	3.0%

Sources:

- (1) University of Florida, Bureau of Economic Research
 - (2) Palm Beach County School Board Budget Office
 - (3) Florida Department of Labor. Rates prior to 1998 are for the entire Palm Beach County.
- n/a Information not available.

Note: 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.

VILLAGE OF WELLINGTON, FLORIDA

PRINCIPAL EMPLOYERS - PALM BEACH COUNTY

CURRENT YEAR AND NINE YEARS AGO

<u>Employer</u>	<u>2005</u>			<u>1996</u>		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total County Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total County Employment</u>
School Board of Palm Beach County	21,618	1	3.61%	14,000	1	3.31%
Palm Beach County	6,379	2	1.88%	7,000	2	1.66%
Tenet Healthcare Corp.	5,000	3	0.54%			
Columbia PB Healthcare System, Inc.	3,750	4	0.71%			
Florida Power & Light	2,924	5	0.50%	2,000	9	0.47%
Office Depot (Headquarters)	2,680	6	0.45%			
Boca Raton Resort & Club	2,200	7	0.43%			
U.S. Sugar Corp.	2,100	8	0.39%			
Florida Crystals	2,000	9	0.36%	2,500	6	0.59%
City of Boca Raton	1,991	10	0.32%			
Pratt & Whitney Aircraft				4,900	3	1.16%
Federal Government				4,200	4	0.99%
Motorola Inc.				3,200	5	0.76%
IBM Corporation				2,000	7	0.47%
Siemens Stromberg-Carlson				2,000	8	0.47%
St. Mary's Hospital				2,000	10	0.47%
	49,200		8.79%	43,800		10.36%

Source: Business Development Board of Palm Beach County

Note: The Village 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 EQUIVALENT VILLAGE GOVERNMENT EMPLOYEES BY FUNCTION

LAST TEN FISCAL YEARS

	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
Number of Employees:										
General Government	21.5	29.0	30.0	31.6	32.0	34.4	39.3	38.8	35.3	45.3
Culture and Recreation	15.0	16.0	20.0	37.4	37.7	45.1	45.6	50.3	53.9	60.4
Planning and Development	2.0	3.5	6.8	28.0	26.0	41.0	41.3	36.0	41.0	48.8
Engineering and Public Works	37.0	43.0	44.0	48.0	51.0	58.0	63.8	68.2	69.2	75.5
Utility System	45.0	47.5	48.5	47.5	42.8	43.0	47.0	49.0	49.0	44.0
Solid Waste	-	-	-	-	-	1.0	2.0	2.0	2.0	3.0
Total Number of Employees	<u>120.5</u>	<u>139.0</u>	<u>149.3</u>	<u>192.5</u>	<u>189.5</u>	<u>222.5</u>	<u>238.9</u>	<u>244.3</u>	<u>250.4</u>	<u>277.0</u>

Source: Village of Wellington Finance Department

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

<u>Function/Program</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
Public safety:									
Police personnel and officers							83	88	88
Fire personnel							36	36	36
Calls for service								40,458	40,228
Planning and development:									
Building inspections							60,982	65,187	67,054
Single family building permits issued	415	507	529	536	566	950	1,297	1,240	1,200
Engineering and public works:									
Engineering inspections performed								7,024	6,814
Culture and recreation:									
Participants registered:									
Athletics							7,755	7,749	15,839
Special events							32,806	10,688	22,957
Community programs							6,850	6,241	4,495
Open gym							6,865	5,855	8,590
Skate park							842	677	593
Seniors club							6,994	7,398	8,095
Tennis							38,264	34,148	39,079
Pool							6,589	1,847	2,544
Utility system:									
Active accounts - water	12,744	13,634	14,331	15,154	15,535	16,483	17,675	18,917	19,030
Active accounts - sewer	11,663	12,629	13,228	13,969	14,627	15,219	15,387	16,367	16,718
Water production (thousands of gallons)	1,488	1,625	1,708	1,821	1,733	1,872	1,990	2,096	2,117
Solid waste:									
Residential accounts	N/A	13,759	14,448	15,197	16,172	17,029	18,613	19,971	21,130

Sources: Various Village Departments

Note: Indicators are not available prior to fiscal 2003, except for data on business permits which is available from fiscal 1997.

Note: Indicators are not available for the general government, surface water management and the transportation function.

VILLAGE OF WELLINGTON, FLORIDA

CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM

LAST THREE FISCAL YEARS

<u>Function/Program</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
General government:			
Number of general government buildings	1	1	1
Public safety:			
Police:			
Police stations	-	-	-
Fire:			
Fire stations	3	3	3
Suppression units	6	6	6
Early response stabilization units	3	3	3
Transportation:			
Miles of streets	172	184	179
Number of street lights	1,245	1,245	1,245
Miles of bike paths	33	33	33
Miles of sidewalks	145	145	143
Culture and recreation:			
Parks acreage	267	267	274
Community center	1	1	1
Swimming pools	1	1	1
Tennis courts	16	16	16
Baseball/softball fields	18	18	19
Utility system:			
Miles of mains	434	434	434
Fire hydrants - Village of Wellington	1,503	1,503	1,503
Fire hydrants - Outside Village of Wellington	173	173	173

Sources: Various Village Departments

Note: Indicators are not available prior to fiscal year 2003.

Note: Indicators are not available for the engineering and public works, surface water management, and the solid waste function.

COMPLIANCE SECTION



VILLAGE OF WELLINGTON, FLORIDA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FISCAL YEAR ENDED SEPTEMBER 30, 2005

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Federal Expenditures</u>
<i>U.S. Department of Justice</i>			
2005 Local Law Enforcement Block Grant	16.592	2005DJBX0180	\$ 3,587
<i>Total U.S. Department of Justice</i>			<u>3,587</u>
 <i>U.S. Department of Homeland Security</i>			
Pass-Through Program from:			
State of Florida Department of Community Affairs			
Pre-Disaster Mitigation	97.017	04DM64106002360	28,425
Public Assistance Grant - Disaster Relief	97.036	FEMA-DR-1545-FL	1,645,234
Public Assistance Grant - Disaster Relief	97.036	FEMA-DR-1561-FL	<u>591,684</u>
<i>Total U.S. Department of Homeland Security</i>			<u>2,265,343</u>
 <i>U.S. Department of Agriculture</i>			
Pass-Through Program from:			
State of Florida Department of Environmental Protection			
Natural Resources Conservation Service Watershed Protection Program	10.906		265,684
State of Florida Department of Agriculture			
2005 National Urban and Community Forestry Grant Program	10.675		<u>21,500</u>
<i>Total U.S. Department of Agriculture</i>			<u>287,184</u>
<i>Total Expenditures of Federal Awards</i>			<u><u>\$ 2,556,114</u></u>

VILLAGE OF WELLINGTON, FLORIDA

NOTE TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FISCAL YEAR ENDED SEPTEMBER 30, 2005

NOTE 1. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the Village of Wellington and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

VILLAGE OF WELLINGTON, FLORIDA

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FISCAL YEAR ENDED SEPTEMBER 30, 2005

PRIOR YEAR COMMENTS AND STATUS

In the prior year, the Village was subject to the Single Audit Act; there were no federal award findings reported in the September 30, 2004 schedule of findings and questioned costs.

VILLAGE OF WELLINGTON, FLORIDA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FISCAL YEAR ENDED SEPTEMBER 30, 2005

SECTION I – SUMMARY OF AUDITOR’S RESULTS

Financial Statements

Type of auditor’s report issued: Unqualified Opinion
Internal control over financial reporting:
Material weakness(es) identified? ___ yes X no
Reportable condition(s) identified not considered to be material weakness? ___ yes X none reported
Noncompliance material to financial statements noted? ___ yes X no

Federal Awards Programs

Internal control over major programs:
Material weakness(es) identified? ___ yes X no
Reportable condition(s) identified not considered to be material weakness? ___ yes X none reported
Type of auditor’s report issued on compliance for major programs: Unqualified Opinion
Any audit findings disclosed that are required to be reported in accordance with Circular A-133, Section .510(a)? ___ yes X no

Identification of major programs:

Table with 2 columns: Federal Program, Federal CFDA No.
Public Assistance Grant – Disaster Relief 97.036
Natural Resources Conservation Service 10.906
Watershed Protection Program

Dollar threshold used to distinguish between Type A and Type B programs: \$300,000

Auditee qualified as low risk auditee? ___ yes X no

SECTION II – FINANCIAL STATEMENT FINDINGS

None.

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None.

