

# Village of Wellington

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Comprehensive Annual Financial Report  
for the year ended September 30, 2008



**VILLAGE OF WELLINGTON, FLORIDA**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2008**

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## **INTRODUCTORY SECTION**

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# ***VILLAGE OF WELLINGTON***

March 16, 2009

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

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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, 2008. This report was prepared by the Administrative and Financial Services Department in accordance with the Village Charter, State Statutes and U.S. 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 some of the important items it addresses.

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

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 operations of the Village on a government-wide and fund basis. All disclosures necessary to enable the reader to gain an understanding of the Village's financial activities have been included.

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

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

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

The 2008 Comprehensive Annual Financial Report is the thirteenth 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.

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

## ***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 45 square miles in the east-central portion of Palm Beach County and is the 3<sup>rd</sup> 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 60,271 people residing in over 19,800 single-family homes with an average housing value of \$299,268. Projections indicate that this population will exceed 70,000 residents by the year 2016.

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.

## ***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. The major economic influences in this area are predominantly the cost of housing (including affordable housing, insurance, taxes and interest rates), the regional job market, new construction, weather events and uncertainty of tax reform. 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.

During 2007 the Florida Legislature passed property tax reform legislation limiting the property tax levies of local government in the State of Florida. For the fiscal year ending September 30, 2009, the maximum tax levy allowed by a majority vote of the governing body is based on a percentage reduction applied to the prior year property tax revenue. The percentage reduction is calculated based on the annual growth rate in the per capita property taxes levied for fiscal year ended September 30, 2008. For the fiscal year ending September 30, 2009 the Village Council adopted a rate of 2.34 mills. This millage rate results in a total tax levy of \$16 million, representing a reduction of \$1.3 million, or 7.7% from the property tax levy for 2008. Future property tax growth is limited to the annual growth rate of per capita personal income, which is currently 2% to 2.5%, plus the value of new construction.

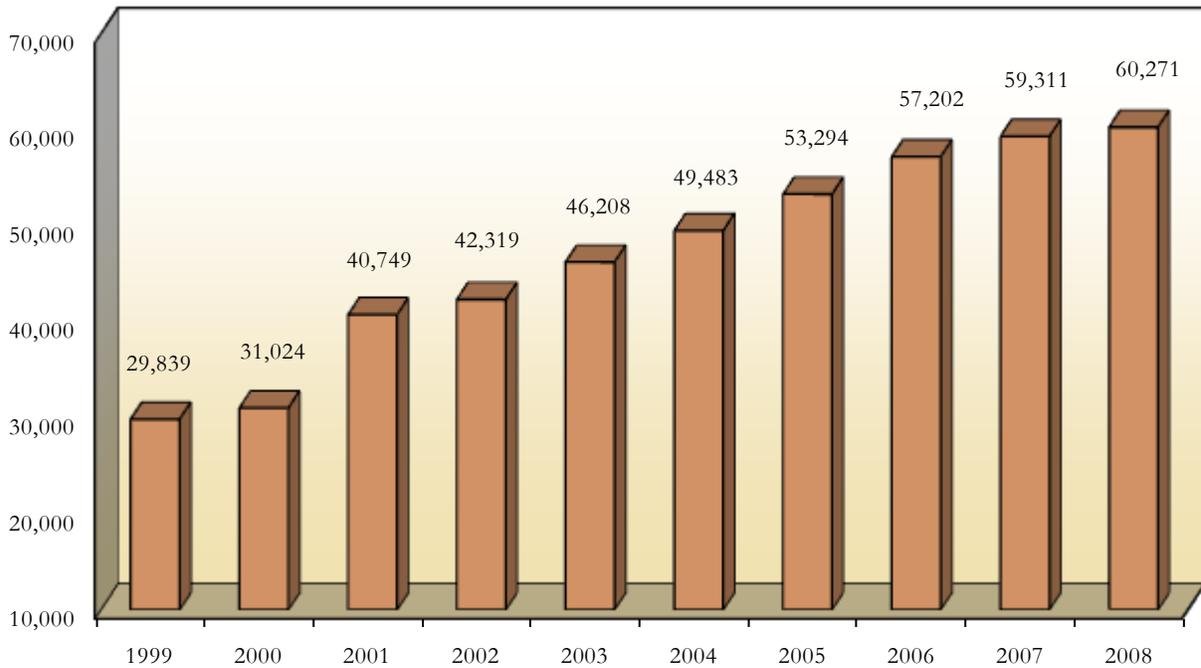
The impact of tax reform became a central influence in decisions made during this fiscal year and in next year's budget. The combination of tax reform, the current recession, and collapse of the housing market have resulted in declining property values and in a large loss of tax dollars and state shared revenues. Foreclosures have also increased exponentially, and while the Village has been able to collect on its property tax levies, there is some future uncertainty. Additionally, there is current proposed legislation that could place further restrictions on the amount of property taxes a municipality in Florida could levy.

Forecasts have long indicated a decline in the local growth, and tax reform was anticipated for several years. In order to meet the challenges posed by these dynamics, council and management have identified key initiatives that are expected to impact future fiscal results in the near and far future. The key Village initiatives were the focus of the FY 2009 budget development and impact the major programs and issues described later.

Between 1999 and 2008, total employment in Palm Beach County was relatively stable while population increased at an average annual rate of approximately 3%. Population growth for 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), is illustrated below.

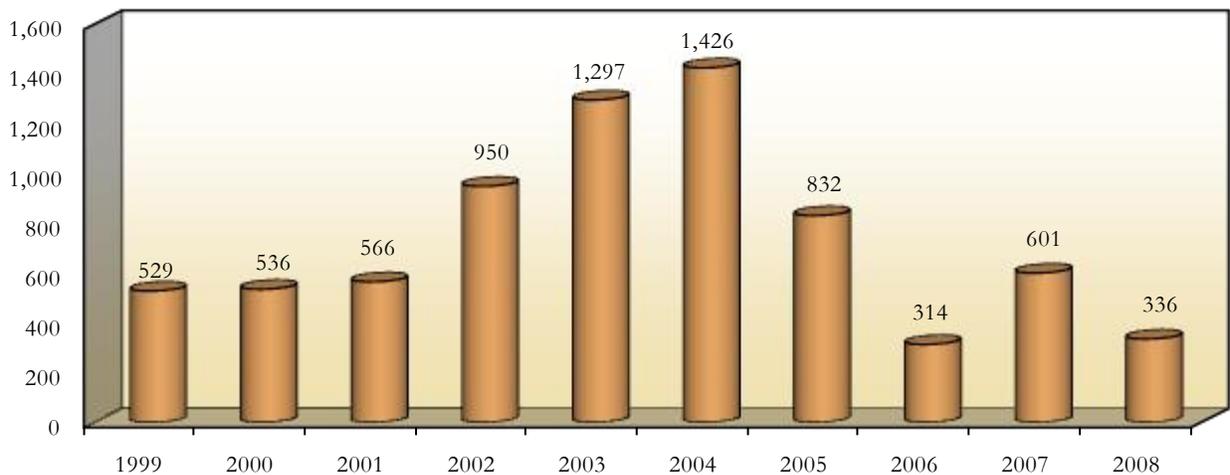
The population growth of the area within the Village has consistently exceeded that of the County. Specifically, in the years 2003 to 2007, Palm Beach County estimates a total population growth of 7%, where the Village of Wellington's residents grew by an estimated 20%. The Village's estimated 2008 permanent population of 60,271 (excluding seasonal residents) makes it the 5th largest municipality in Palm Beach County.

### 1999-2008 HISTORICAL POPULATION



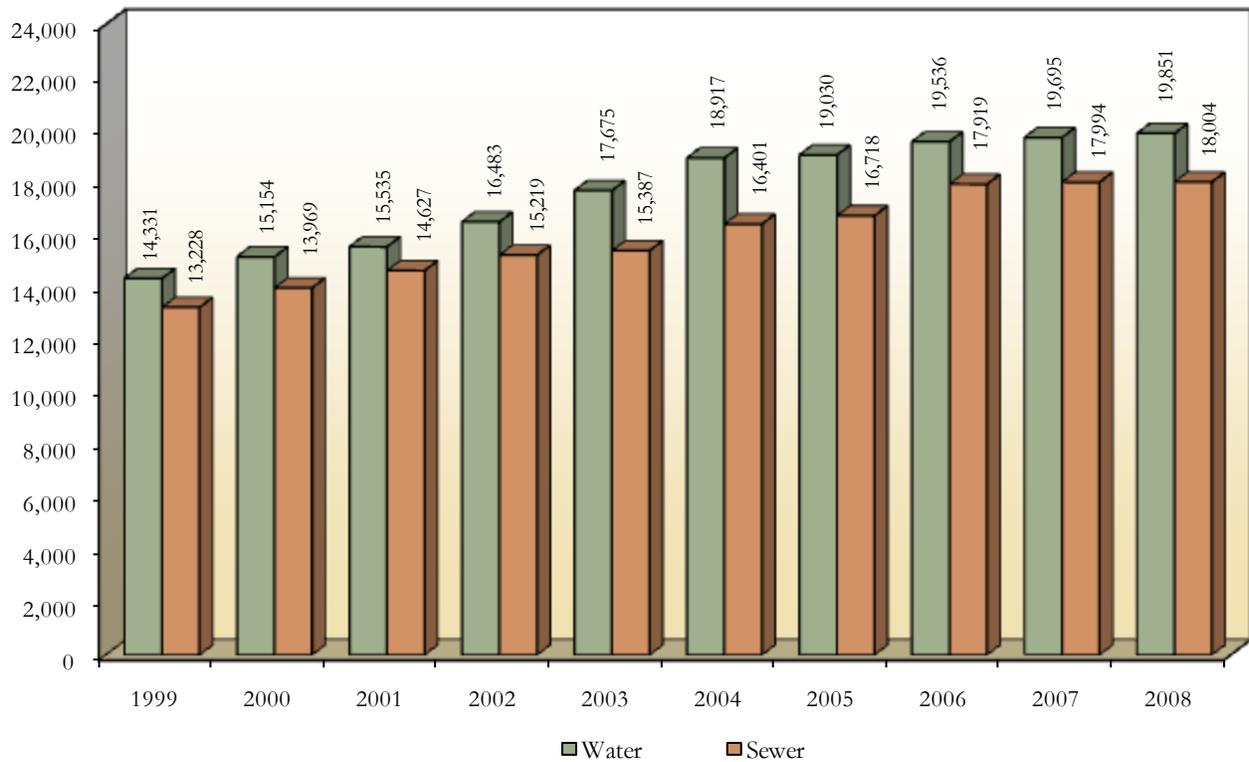
During the first half of this decade, the strength of the local economy can also be seen in the number of single family building permits issued as well as in the growth of the Village’s number of active water and sewer accounts. The local housing market saw a tremendous boom beginning in 2002, with major new developments coming on line. This boom was evidenced in the increase in water accounts and in single family building permits. This fast-paced increase leveled off in 2005 and has declined in the last three years. A reduction in new construction is evidenced by the Village’s single family building permits issued in recent years as shown below, signifying a halt to the expansive growth period primarily due to the economy. While new home construction has significantly decreased, there has been an increase in multi-family residential units.

### 1999-2008 SINGLE FAMILY BUILDING PERMITS



Between 1999 and 2008, the Village’s number of utility active accounts increased 40%, or at an average annual rate of 4.0%. At present, the Village has 19,851 water service customers and 18,004 wastewater service customers. At buildout, it is projected that the water system will service over 21,000 accounts and the wastewater system will service over 19,000 accounts.

**1999-2008 HISTORICAL ACTIVE WATER AND WASTEWATER ACCOUNTS**



***MAJOR INITIATIVES***

**Strategic Planning Model**

The Village Comprehensive Plan was adopted in January 1999, in compliance with Florida Statutes Chapter 163, Florida Department of Community Affairs. The Plan provides the Vision for the community and assures that the intent of the Village Charter becomes a reality. The Comprehensive Plan was developed with community participants setting forth hundreds of potential community goals for the Village.

During the 2007 fiscal year Village leaders revisited the original vision and strategic plan to reaffirm its principles and values, and to identify the challenges and needs of the current and future community. Additionally, the goals had to be realigned to respond to tax reform. The result is a comprehensive strategic plan incorporating the Vision, Mission, Plan, Execution and Core Beliefs for the next 15 years of Village governance.

## STRATEGIC PLANNING MODEL

Value-based principles that describe the preferred future in 10 years	VISION	Destination "You Have Arrived"
Strategic goals that focus outcome-base objectives and potential actions for 5 years	PLAN	Map "The Right Route"
Focus for one year – a work program: policy agenda for Mayor and Council, Management for staff; major projects	EXECUTION	Itinerary "The Right Direction"
Principles that define the responsibility of city government and frame the primary services – core service businesses	MISSION	Vehicle "The Right Bus"
Personal values that define performance standards and expectations for employees	CORE BELIEFS	Fuel "The Right People"

Through the Strategic Planning Model, Village Council revised the Wellington Vision to include nine principles as follows:

Wellington 2022 is a village for Family Living with a reputation as a World Class Equestrian Community and a Regional Business and Job Center. Wellington 2022 has Beautiful Neighborhoods with High Quality Homes, and has Preserved the Natural Florida Environment. In 2022, Wellington residents enjoy Personal Safety and Security, Excellent Education for a Lifetime, Leisure Amenities and Opportunities for an Active Lifestyle. We take Pride in Wellington and contribute to a great future.

These principles were aligned with five broad goals reflecting the original Core Values and Vision. Each goal is supported by specific objectives achievable in the short term. The Village strategic plan provides definition and value to the objectives by setting forth the meaning to citizens and describing the long- and short-term challenges and opportunities presented by the current social and economic environment.

The revised broad goals are as follows:

1. Sustainable Village Government - Financially Sound Services
2. Convenient Daily Living for Residents - High Quality, Functional Infrastructure
3. Premier Place to Live in Palm Beach County - Ideal Choice for Families
4. Distinctive Livable Neighborhoods - Place You Make Home
5. Services and Jobs for Residents Within Wellington - Business and Employment Opportunities

## Accomplishments and Future Projects

The following were among many additional diverse activities and accomplishments to which the elected officials and staff devoted their energies in Fiscal Year 2007/2008.

- ❖ 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, 2006 through September 30, 2007. This award has been received for twelve consecutive years.
- ❖ GFOA Award for Distinguished Budget Presentation was received for the Village's Annual Budget for the Fiscal Year October 1, 2007 through September 30, 2008. This award has been received for thirteen consecutive years.
- ❖ Revised, coordinated and implemented capital planning and reporting process.
- ❖ Updated and implemented budgeting process aligned with strategic plan.
- ❖ Best Green Facility award from Aquatics International Magazine.
- ❖ Hosted the 2<sup>nd</sup> annual AYSO Soccer State Games tournament with over 100 teams participating.
- ❖ Updated Hurricane Preparedness Plan to continue to achieve compliance according to the National Incident Management System (NIMS) issued by the Department of Homeland Security.
- ❖ Best of the West – Best Park for Wellington Village Park.
- ❖ The 2008 Wellington Senior Games designated by the Florida State Games as a state qualifier.
- ❖ Continued funding per the “Wellington Education Initiative”, developed by the Village Council and the Village's Education Committee, to Wellington schools through challenge grants and funding for materials.
- ❖ Completed the following projects:
  - Completed the construction of a Wetland Park that opened to the public in May 2008
  - Water Treatment Plant Phase I and Phase II completed including:
    - A new degasifier/scrubber system
    - A new polymer/lime room was built and two new lime slakers commissioned
    - A new sodium hydroxide system installed
    - A new generator was installed
    - A new computer control system was installed
    - Repairs to lime treatment unit #3 and rebuilding of 3 filters
    - Replacements of the RO elements in trains 3, 4, and 5 made
  - Pump Station #7 completed
  - Completed extension and Reconstruction of Pierson Road
- ❖ Continued grant programs to correct Lake Wellington erosion and restore banks.

The Village of Wellington has identified the following key initiatives for the coming year:

*Economic Development* - Pursue economic, environmental, and equity/social sustainability through development and community partnerships; attract businesses, foster growth of quality jobs, and develop housing clusters that support our community identity

*Investment in Infrastructure* - Focus on existing infrastructure and enhanced maintenance programs for Village facilities, roadways and hardscapes; reduce debt balances

*Go Green* - Develop a proactive standard in green initiatives to lead our community toward a sustainable, eco-friendly environment

*IT Governance and Technology* - Develop a comprehensive IT investment and management strategy which strengthens and streamlines delivery of service, while extending data collection and reporting capabilities

*Customer Relations Management* - Invest in a system to easily collect, process, evaluate and disseminate customer relations data for improved performance and efficiency

*Performance Management System* - Develop a results-based Performance Management System that links budgeting, reporting, and outcomes to action plans

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

- ❖ Forest Hill Boulevard improvements including roadway overlay and drainage, landscape, signalization, signage and lighting.
- ❖ Town Center at the Community Center Site including a one-stop municipal complex, barrier free playground and amphitheater.
- ❖ The completion of paving and Traffic Calming on Flying Cow Road.
- ❖ Aquatics facilities enhancements including renovation of the existing building, the addition of a concession stand and pool enhancements to increase capacity.
- ❖ The addition of a second entry at Village Park from 120<sup>th</sup> Avenue as well as additional parking to alleviate traffic backups during weekends and large events.
- ❖ Section 24 Impoundment including the inflow pump station #9, outflow water control structures and related features as set forth by SFWMD Basin B discharge MOU amendment. This will improve water resource management facilities to meet regional multi-purpose objectives including environmental restoration, flood protection, water quality enhancements and recreation.
- ❖ Beautification Grant Programs – In a continuing effort to enhance the aesthetics of the community and to assist neighborhood funding of beautification projects, the Village will offer a three tier matching grant program available to Wellington residents and entities domiciled within the Village of Wellington for the purpose of neighborhood enhancement projects.

### **Water Quality Issues / Surface Water Action Team (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 required that all discharge into the Everglades Protection Area meet water quality standards established by the State which required Wellington residents to pay the cost of phosphorus removal from Basin B, the area roughly south of Pierson Road.

Through much dedication and unparalleled cooperation with SFWMD, U.S. Army Corps of Engineers (ACOE), and other local and state agencies, the Village has developed state-of-the-art pilot programs, explored green technologies such as PSTA (Periphyton Assisted Stormwater Treatment Areas), worms, soil additives, filters and mushrooms to reduce phosphorus runoff. Additionally, Wellington has completely redesigned the Wellington drainage system to divert unclean water from direct discharge to the Loxahatchee Wildlife Preserve and installed auto-samplers and telemetry systems which identified three primary phosphorus “hot-spots”. Future direction of the water quality initiatives includes the following:

- ❖ Continue working with SFWMD and ACOE in refining the cooperation agreement to ensure that structured parts of the project are built on time and within budget
- ❖ Draft Phase II BMP Ordinance
- ❖ Continue to educate the public on sound BMP practices

Major SWAT projects include:

*Basin B Improvement Project*

The Village of Wellington completed the construction of Pump Station 7, a major part of the Basin B Improvement Project. Pump Station 7 will move water from the C-1 canal into the C-51 West canal ensuring proper water flow to allow the redirection of Basin B waters from the C-51 Canal to STA 1-E for proper cleansing prior to discharge into the Everglades. The Village has been working very closely with its partner, South Florida Water Management District on the completion of the entire Acme Basin B Discharge Project that when complete, will divert urban storm water runoff from the local drainage basin ending all direct discharges into the federally-managed lands. The only remaining phase of the project is the construction of Section 24.

*Section 24 Pilot Project*

One of the final components of compliance with the Everglades Forever Act is the successful implementation of Section 24 (Recreational Wetland Acquisition, Planning and Development Study) providing for the development of a wetlands park for the purpose of preserving the wetlands for environmental and recreational uses. The potential future uses of the property include recreational uses consisting of elevated nature boardwalks and walking trails, canoeing and fishing, wetlands mitigation bank, storm water retention and recharge area. It is also proposed to develop an environmental education and conference center on eight acres of land within Section 24 next to the Loxahatchee National Wildlife Refuge for environmental conferences, education and ecological exhibits in the midst of the distinctive area ecological systems.

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. 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**

Since Wellington incorporated in 1995, nine separate neighborhoods have chosen to join our community. Every annexation into the Village has been voluntary. Owners approach Wellington for a variety of reasons. Some seek the higher property values Wellington residents enjoy; others desire higher levels of service and lower density levels that cannot be matched by the County. Including these annexations, the Village now encompasses 45 square miles.

**Reserves and Surplus**

One of the primary reasons the Village Council and staff feels they were able to and will continue to respond effectively to tax reform despite increased cost for products and services is the strong financial position of the Village.

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

- √ To fund capital projects on a pay-as-you-go basis.
- √ To fund a millage rate stabilization account to balance rising costs with future tax reform-mandated millage rate decreases.
- √ To reserve \$3 million for possible future storm event expenditures.
- √ To establish a health insurance reserve to defray those rising costs.
- √ To supply funds for renewal and replacement of capital projects and equipment.
- √ To fully fund Other Post Employment Benefits (OPEB).

The Village maintains unreserved and undesignated reserves for the general fund (\$15.8 million), planning, zoning and building (\$766,000) and recreation programs (\$2.3 million). The general fund undesignated reserves are equal to roughly 51% of the Village's 2008/2009 adopted general fund budget while the other reserves are equal to between 23% and 29% of their respective funds' operating budgets.

The Council has set a target for reserves between 23% and 29% and has generally set tax rates in the last few years that keep these reserves within the target range. 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, which 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.
- ◆ 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 U.S generally accepted accounting principles. The internal controls provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of the control should not exceed the benefits likely to be derived, and (2) the valuation of costs and benefits requires estimates and judgments by management.

All internal control evaluations occur within the above framework and it is our belief that 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 presents 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 coming 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 2009 through 2013 calls for expenditures approximating \$21.8 million in the governmental funds and approximately \$13.4 million in the enterprise funds.

## **Retirement Plans**

Effective January 1, 2008, the Village of Wellington began participating solely in the Florida Retirement System. The Village of Wellington terminated its defined contribution Local Option Retirement Plan effective December 31, 2007.

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.

## **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. 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 achieved an annual average rate of return of 3.8%, resulting in total investment income of \$5.1 million in 2008.

## **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 coverage is 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 Caler, Donten, Levine, Porter & Veil, P.A. 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, 2007. 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 twelve consecutive years (1996-2007). 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, 2007. The Village has received this award for the last thirteen 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 2009 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, CPA, Deputy Director of Administrative and Financial Services. The following Finance staff also contributed to this report: Mindy Boersma; Chris Johnson, CPA; Carol Stone; Valerie Dayton; Tisa Sullivan; Maria Miserendino and Candy Nasby. 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 Caler, Donten, Levine, Porter & Veil, P.A. 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



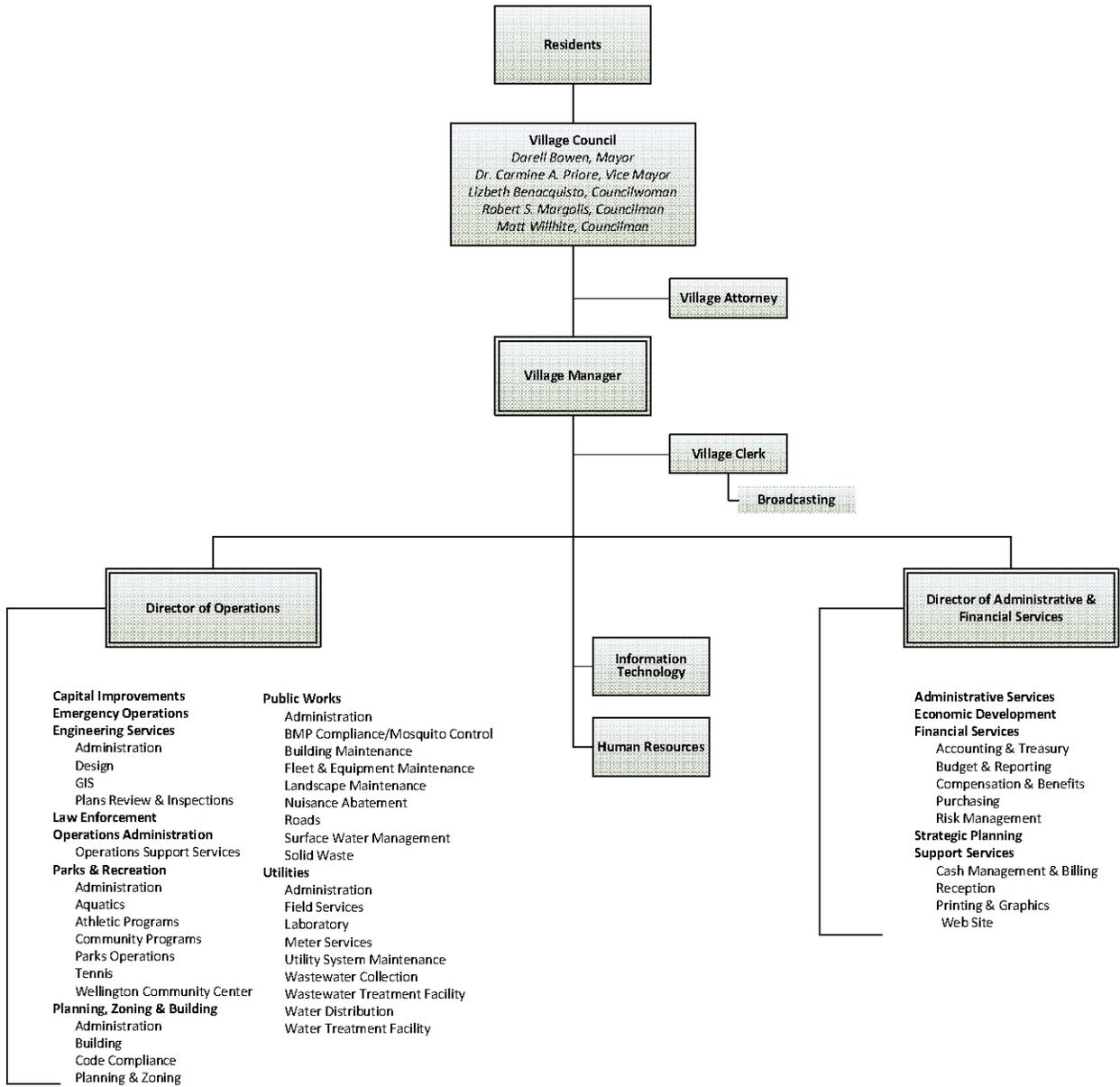
Paul Schofield  
Village Manager

**VILLAGE OF WELLINGTON, FLORIDA**  
AS OF THE YEAR ENDED SEPTEMBER 30, 2008  
LIST OF PRINCIPAL OFFICIALS

<b>TITLE</b>	<b>NAME</b>
Mayor	Darell Bowen
Vice Mayor	Dr. Carmine A. Priore
Council Member	Lizbeth Benacquisto
Council Member	Robert S. Margolis
Council Member	Matt Willhite
Village Manager	Paul Schofield
Director of Operations	John Bonde
Director of Administrative and Financial Services	Francine L. Ramaglia, CPA
Village Clerk	Awilda Rodriguez, CMC
Village Attorney	Jeffrey Kurtz, ESQ

# VILLAGE OF WELLINGTON ORGANIZATION

## AS OF THE YEAR ENDED SEPTEMBER 30, 2008



# 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, 2007

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.



President

Executive Director

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## **FINANCIAL SECTION**

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# CALER, DONTEN, LEVINE, PORTER & VEIL, P.A.

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LOUIS M. COHEN, CPA  
JOHN C. COURTNEY, CPA, JD  
DAVID S. DONTEN, CPA  
JAMES B. HUTCHISON, CPA  
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JAMES F. MULLEN, IV, CPA  
THOMAS A. PENCE, JR., CPA  
SCOTT L. PORTER, CPA  
MARK D. VEIL, CPA

CERTIFIED PUBLIC ACCOUNTANTS

505 SOUTH FLAGLER DRIVE, SUITE 900  
WEST PALM BEACH, FL 33401-5948

TELEPHONE (561) 832-9292  
FAX (561) 832-9455

info@cdlcpa.com

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CERTIFIED PUBLIC ACCOUNTANTS

## Independent Auditor's Report

The Honorable Mayor and  
Village Council  
Village of Wellington, Florida

We have audited the accompanying financial statements of the governmental activities, business-type activities, each major fund and the aggregate remaining fund information of the Village of Wellington, Florida, as of and for the year ended September 30, 2008, which collectively comprise the Village's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the management of the Village of Wellington, Florida. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Village's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Village of Wellington, Florida, as of September 30, 2008, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with U.S. generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 16, 2009, on our consideration of the internal control over financial reporting of the Village of Wellington, Florida, and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The *management's discussion and analysis* and the *required supplementary information* on pages 3 through 11 and pages 50 through 56, respectively, are not a required part of the basic financial statements, but are supplementary information required by U.S. generally accepted accounting principles. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements of the Village of Wellington, Florida. The introductory section, the combining nonmajor fund statements and other supplemental information, and the statistical section listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements of the Village of Wellington, Florida. The combining nonmajor fund statements and other supplemental information have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

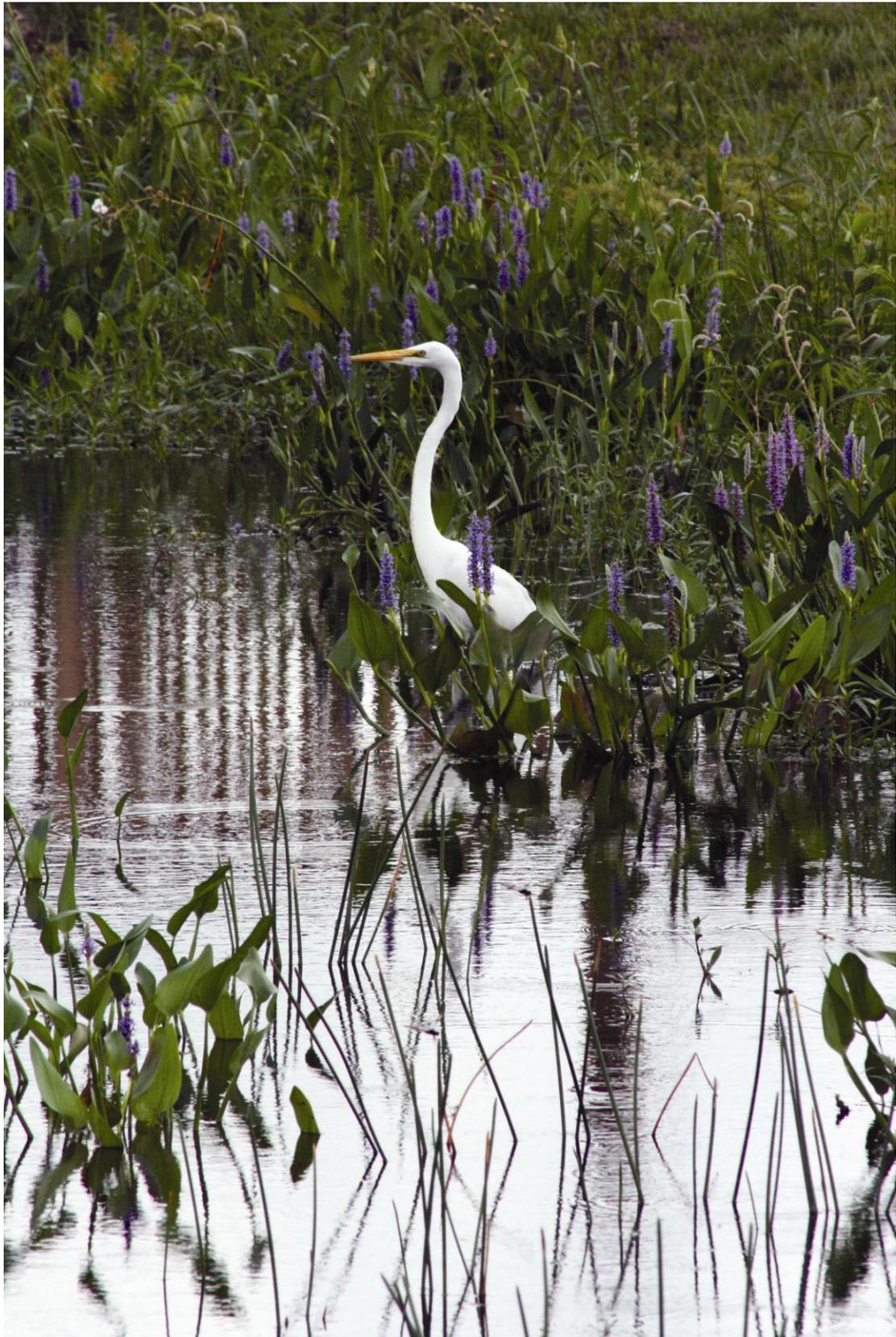
*Caler, Dontem, Levine,  
Porter & Veil, P.A.*

March 16, 2009

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**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**(MD&A)**

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# VILLAGE OF WELLINGTON, FLORIDA

## Management's Discussion and Analysis

September 30, 2008

The Village of Wellington's Management'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 \$326.4 million, which is an increase of 5.0% or \$15.4 million over 2007. Of this amount, \$65.4 million is in unrestricted net assets, which is available to meet the Village's ongoing commitments to citizens and creditors.
- ❖ Net assets of our governmental activities increased approximately \$14.2 million, or 8.5%.
- ❖ The Village's government-wide total revenues were \$71.6 million, while government-wide total expenses were \$56.2 million. The total revenues decreased 10.4% or \$8.3 million while the total expenses increased .7% or \$404,000.
- ❖ Governmental Activities generated \$50.7 million in revenue with \$41.9 million in direct expenses.
- ❖ Business-type Activities generated \$21 million in revenue with \$14.3 million in direct expenses.
- ❖ The Village's total investment in capital assets, net of related debt, account for \$201.3 million of the Village's total net assets of \$326.4 million.
- ❖ The Village's governmental funds ended the year with a combined fund balance of \$77.1 million, which is an increase of 18.3% or \$11.9 million over 2007. Of that amount, the unreserved, undesignated portion is \$19.0 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 12-14 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 three categories: governmental funds, proprietary funds, and fiduciary funds. Governmental funds use different accounting approaches from proprietary and fiduciary funds.

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, four 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, 2008 were the General Fund, Planning, Zoning, and Building Special Revenue Fund, Recreation Programs Special Revenue Fund, and the Capital Projects Capital Project Fund. The basic governmental fund financial statements can be found on pages 15-20 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 wastewater operations and for solid waste collection and recycling. The Village's major enterprise funds for the year ended September 30, 2008 were the Utility System Enterprise Fund and the Solid Waste Fund. The basic proprietary fund financial statements can be found on pages 21-24 of this report.

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the Village's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The basic fiduciary fund financial statements can be found on pages 25-26 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 27 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 50-56 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 57-64 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 \$326.4 million at the close of the most recent year. The largest portion of the Village's net assets (61.7%) 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.

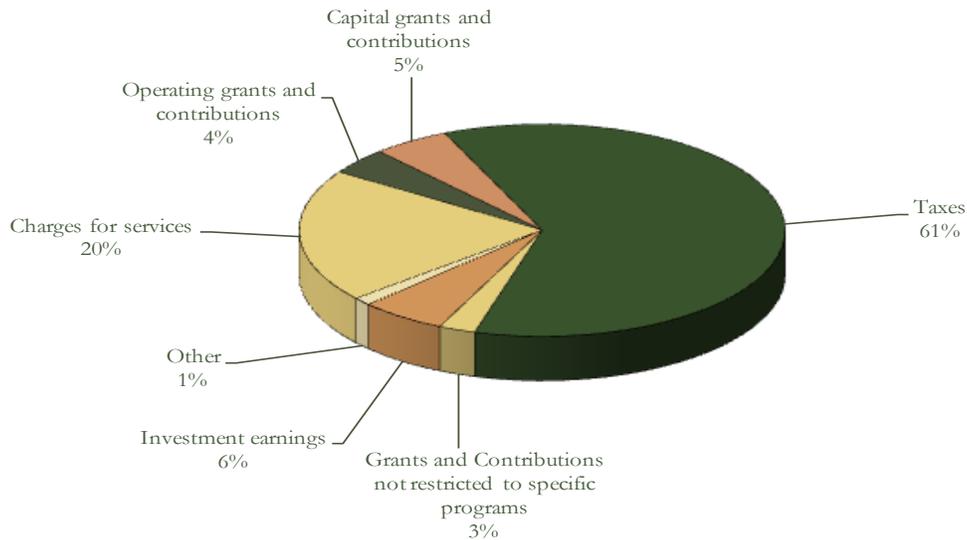
Restricted net assets of the Village (\$59.7 million) are reported in both the governmental and business-type activities. These net assets have limits on their use that are externally imposed (gas tax, impact fees, and bond covenants) and imposed by enabling legislation (planning, zoning and building 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.

<b>Village of Wellington's Net Assets</b>						
	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total</b>	
	<b>2008</b>	<b>2007</b>	<b>2008</b>	<b>2007</b>	<b>2008</b>	<b>2007</b>
Current and other assets	\$ 82,333,822	\$ 70,502,643	\$ 54,776,470	\$ 67,404,498	\$ 137,110,292	\$ 137,907,141
Capital Assets	125,438,141	124,214,210	108,827,510	95,567,926	234,265,651	219,782,136
<b>Total Assets</b>	<b>\$ 207,771,963</b>	<b>\$ 194,716,853</b>	<b>\$ 163,603,980</b>	<b>\$ 162,972,424</b>	<b>\$ 371,375,943</b>	<b>\$ 357,689,277</b>
Long-term debt outstanding	\$ 21,321,191	\$ 22,460,122	\$ 13,212,164	\$ 15,298,925	\$ 34,533,355	\$ 37,759,047
Other liabilities	4,757,694	4,790,115	5,640,257	4,127,581	10,397,951	8,917,696
<b>Total Liabilities</b>	<b>\$ 26,078,885</b>	<b>\$ 27,250,237</b>	<b>\$ 18,852,421</b>	<b>\$ 19,426,506</b>	<b>\$ 44,931,306</b>	<b>\$ 46,676,743</b>
Net Assets:						
Invested in capital assets	\$ 105,313,318	\$ 102,900,650	\$ 96,014,639	\$ 80,708,481	\$ 201,327,957	\$ 183,609,131
Restricted	50,931,320	31,349,198	8,742,086	33,665,075	59,673,406	65,014,273
Unrestricted	25,448,440	33,216,768	39,994,834	29,172,362	65,443,274	62,389,130
<b>Total Net Assets</b>	<b>\$ 181,693,078</b>	<b>\$ 167,466,616</b>	<b>\$ 144,751,559</b>	<b>\$ 143,545,918</b>	<b>\$ 326,444,637</b>	<b>\$ 311,012,534</b>

Village of Wellington's Change In Net Assets						
	Governmental Activities		Business-Type Activities		Total	
	2008	2007	2008	2007	2008	2007
<b>Revenues</b>						
Program revenues:						
Charges for services	\$ 10,318,121	\$ 11,245,833	\$ 16,148,006	\$ 16,293,724	\$ 26,466,127	\$ 27,539,557
Operating grants and contributions	2,057,158	3,902,464	1,522,575	778,676	3,579,733	4,681,140
Capital grants and contributions	2,590,188	5,368,533	1,068,875	713,453	3,659,063	6,081,986
General revenues:						
Taxes	30,926,885	32,191,505	-	-	30,926,885	32,191,505
Grants and contributions not restricted to specific programs	1,231,994	1,604,210	-	-	1,231,994	1,604,210
Investment earnings	2,910,930	3,644,017	2,238,123	3,563,790	5,149,053	7,207,807
Other	626,048	626,192	-	-	626,048	626,192
<b>Total Revenues</b>	<b>50,661,324</b>	<b>58,582,754</b>	<b>20,977,579</b>	<b>21,349,643</b>	<b>71,638,903</b>	<b>79,932,397</b>
<b>Program expenses including indirect expenses:</b>						
General government	2,026,436	6,344,455	-	-	2,026,436	6,344,455
Public safety	7,090,722	6,471,273	-	-	7,090,722	6,471,273
Planning and development	4,921,497	5,287,753	-	-	4,921,497	5,287,753
Engineering and public works	3,551,706	3,355,094	-	-	3,551,706	3,355,094
Surface water management	3,283,273	2,643,569	-	-	3,283,273	2,643,569
Transportation	3,198,612	2,983,647	-	-	3,198,612	2,983,647
Culture and recreation	11,425,868	11,616,146	-	-	11,425,868	11,616,146
Interest on debt	936,748	983,376	-	-	936,748	983,376
Water and wastewater	-	-	16,962,649	13,802,934	16,962,649	13,802,934
Solid waste	-	-	2,809,289	2,314,221	2,809,289	2,314,221
<b>Total expenses</b>	<b>36,434,862</b>	<b>39,685,313</b>	<b>19,771,938</b>	<b>16,117,155</b>	<b>56,206,800</b>	<b>55,802,468</b>
Increase in net assets	14,226,462	18,897,441	1,205,641	5,232,488	15,432,103	24,129,929
Beginning net assets	167,466,616	148,569,175	143,545,918	138,313,430	311,012,534	286,882,605
<b>Total net assets</b>	<b>\$ 181,693,078</b>	<b>\$ 167,466,616</b>	<b>\$ 144,751,559</b>	<b>\$ 143,545,918</b>	<b>\$ 326,444,637</b>	<b>\$ 311,012,534</b>

## Governmental Activities

Village of Wellington  
Revenues by Source  
Governmental Activities



Governmental activities increased the Village of Wellington's net assets by \$14,226,462, accounting for 92% of the total growth in the net assets of the Village of Wellington.

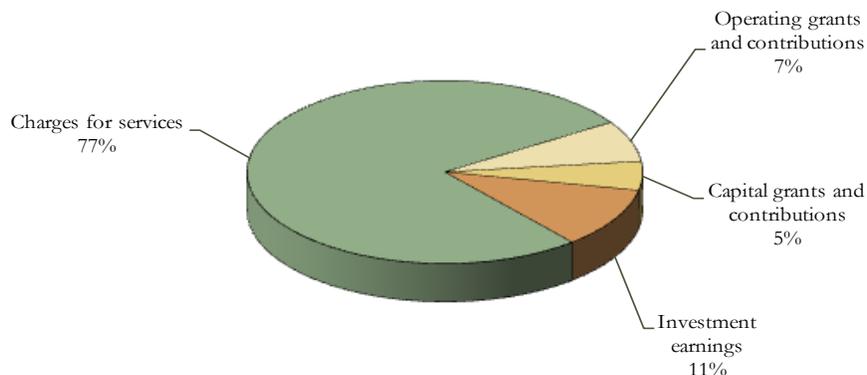
Revenues decreased by \$7,921,430 or 13.5%. Key elements of this decrease are as follows:

- ❖ Capital grants decreased by \$2,778,345 from the prior year. This is a result of the following grants related to surface water management:
  - Canal work under a Natural Resource Conservation Grant Watershed Protection Program of approximately \$1.4 million in 2007
  - Pump Station #7 design and construction under an interlocal agreement with South Florida Water Management District of approximately \$3.8 million in 2007
  - Section 24 impoundment under interlocal agreement with South Florida Water Management District of \$2.5 million in 2008
- ❖ Total taxes decreased by \$1,264,620 or 3.9% during the year mostly due to the decrease in property taxes resulting from legislative tax reform.
- ❖ Operating grants and contributions decreased by \$1,845,306 or 47.3%. This is mainly due to grants from FEMA related to past storm events of \$2.3 million related to culture and recreation in 2007.
- ❖ Charges for services decreased by \$927,712 or 8.2% mainly due to planning and development fees being reduced because of the dramatic slowdown in building activity during 2008.
- ❖ Investment earnings decreased by \$733,087 or 20.1% compared to the prior year mostly due to lower interest rates as provided by financial institutions.

Expenses decreased by \$3,250,451 or 8.2%. The decrease is attributable to decreases in labor in all departments and indirect expense allocations from the business-type activities.

### Business-type Activities

Village of Wellington  
Revenues by Source  
Business-type Activities



Business-type activities increased the Village of Wellington's net assets by \$1,232,516, accounting for 8% of the total growth in the net assets of the Village of Wellington.

Revenues decreased by \$372,064 or 2%. Key elements of this decrease are as follows:

- ❖ Capital grants and contributions increased \$355,422 or 49.8% compared to the prior year due to no income from distribution lines in 2008 compared to \$151,000 received in 2007, as well as a decrease in meter revenues of \$58,000 due to less construction in 2008. The Village received grant revenues (\$599,000) to be used for reuse water production.
- ❖ Operating grants and contributions increased \$743,899 or 95.5% compared to the prior year due to reimbursements from federal and local agencies received in 2008 related to disaster recovery expenditures incurred for hurricane events that took place during 2004 and 2005.
- ❖ Investment earnings decreased \$1,325,667 or 37.2% compared to the prior year mostly due to lower interest rates as provided by financial institutions.

Expenses increased by \$3,654,783, or 22.5%. This increase is attributable to transfers to the capital projects fund of \$3.4 million to fund a municipal complex project.

### **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 \$77,053,618, an increase of \$11,909,256 over the prior year. The majority of the increase is attributable to the reduction of capital outlay expenditures of \$7.5 million, as well as transfers in from the utilities funds to fund a municipal complex project of \$3.4 million in 2008.

The unreserved and undesignated fund balance (\$18,974,845) 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 (\$58,078,773) 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 (\$936,631), for capital improvements (\$44,190,350), to pay debt service (\$75,092), for future disaster recovery (\$3,000,000), for funding future expenditures and stabilizing millage or rate increases (\$2,366,078), or other specified purposes (\$7,510,622).

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 \$15,811,110, while the total fund balance was \$22,635,381. 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 50.8% of total 2008/2009 general fund budgeted expenditures. Total revenues in the general fund were \$34,027,492 which represents a decrease of approximately \$2.3 million from the prior year. This is mostly due to a decrease in ad valorem taxes of \$1.2 million and from decreased investment earnings of \$734,000.

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, \$4,585,573 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 \$3,694,070 and \$3,934,292 for fiscal years 2008 and 2007, respectively. This represents a decrease of 6.1% (\$240,222) from 2007. During the year, building permit activity decreased by \$443,366 due to decreased activity in the housing market due to the economic downturn

that was experienced throughout Palm Beach County, Florida, and most of the country. The Village anticipates continued decreases in new development after 2008.

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 \$2,312,281, while the total fund balance was \$3,134,233. Unreserved and undesignated fund balance represents approximately 27% of total 2008/2009 recreation program fund budgeted expenditures. Revenues were \$2,081,764 and \$4,481,281 for fiscal years 2008 and 2007, respectively. This represents a decrease of 54% (\$2,399,517) from 2007 mostly due to reimbursements from federal and local agencies related to disaster recovery expenditures incurred for hurricane events that took place during 2004 and 2005 received in the prior year.

The capital projects fund is used to segregate all financial activity applicable to governmental capital expenditures from governmental operating expense. These expenditures are funded by the Village General Fund, Recreation Fund, and Surface Water Management Fund through operating transfers. At the end of the current fiscal year, \$18,763,737 was reserved for future capital expenditures, mainly related to the ongoing Section 24 Impoundment project.

### **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 \$39,994,834; \$31,695,726 for the Utility System and \$8,299,108 for Solid Waste. Total net assets for these funds were \$144,751,559, representing net growth of \$1,205,641, or 1%. In the Solid Waste fund, the increase was mainly due to the reimbursement of costs of \$1,522,575 associated with 2004 and 2005 hurricanes from the U.S. Department of Homeland Security (FEMA).

### **General Fund Budgetary Highlights**

Differences between the original expenditure budget and the final expenditure amended budget totaled an increase of \$770,057, excluding transfers, and are primarily comprised of purchase orders carried forward from prior years (increases) and capital projects delayed and carried forward to next year (decreases). Additionally, some budget amendments were done during the year as interdepartmental transfers to realign funding to personnel changes. These can be briefly summarized as follows:

- ❖ \$297,938 increase allocated to general government
- ❖ \$24,852 increase allocated to public safety
- ❖ \$213,885 increase allocated to physical environment
- ❖ \$233,382 increase allocated to capital outlay

Actual results were more than the final amended budget by \$2,627,024, excluding transfers. These results can be attributed to the following expenditures:

- ❖ Personnel costs were less than budget due to a hiring freeze as well as attrition in response to tax reform and the downturn in the economy
- ❖ Operating contingency was less than budget by \$872,000 due to the operating contingency not being put to use
- ❖ Capital outlay was less than budgeted by \$356,257 due to capital projects that were delayed or cut in response to tax reform and the downturn in the economy

The budget amendments were funded in part with \$887,416 of prior year carry forwards. Additional information on the Village's budgetary comparisons can be found on pages 50-55 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 \$34,533,355. Governmental activities debt of \$20,327,264 is for revenue bonds and loans issued to finance capital improvements for roadways, parks and recreation, public building and infrastructure. Business-type activities debt of \$13,030,956 is for Utility System revenue bonds which financed projects to increase the capacity of the Utility System. An additional \$1,175,135 for compensated absences is also outstanding. Additional information on the Village's long-term debt can be found in Note 6 of this report.

<b>Village of Wellington's Outstanding Debt</b>						
	<b>Governmental</b>		<b>Business-Type</b>		<b>Total</b>	
	<b>Activities</b>		<b>Activities</b>			
	<b>2008</b>	<b>2007</b>	<b>2008</b>	<b>2007</b>	<b>2008</b>	<b>2007</b>
Revenue bonds	\$20,327,264	\$21,531,657	\$13,030,956	\$15,121,147	\$33,358,220	\$36,652,804
Compensated absences	993,927	928,465	181,208	177,778	1,175,135	1,106,243
<b>Total</b>	<b>\$21,321,191</b>	<b>\$22,460,122</b>	<b>\$13,212,164</b>	<b>\$15,298,925</b>	<b>\$34,533,355</b>	<b>\$37,759,047</b>

### Capital Assets Activity

The Village of Wellington's investment in capital assets for its governmental and business-type activities as of September 30, 2008, amounts to \$234,265,651 (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 2008 was not material. Additional information on the condition level of the street system can be found on page 56 of this report.

<b>Village of Wellington's Capital Assets</b> (net of depreciation)						
	<b>Governmental</b>		<b>Business-Type</b>		<b>Total</b>	
	<b>Activities</b>		<b>Activities</b>			
	<b>2008</b>	<b>2007</b>	<b>2008</b>	<b>2007</b>	<b>2008</b>	<b>2007</b>
Land	\$ 19,063,169	\$ 19,063,169	\$ 8,996,705	\$ 8,996,705	\$ 28,059,874	\$ 28,059,874
Buildings	10,590,583	10,885,994	2,717,891	2,829,831	13,308,474	13,715,825
Improvements	22,680,226	19,180,065	2,437,294	921,256	25,117,520	20,101,321
Machinery and equipment	5,793,624	6,692,511	1,357,038	1,643,702	7,150,662	8,336,213
Water and wastewater plant			12,038,057	11,221,820	12,038,057	11,221,820
Meters			2,277,028	2,996,644	2,277,028	2,996,644
Wells			1,295,130	1,314,957	1,295,130	1,314,957
Distribution lines			45,007,764	45,475,836	45,007,764	45,475,836
Infrastructure	55,212,891	51,256,079			55,212,891	51,256,079
Construction in progress	12,097,648	17,136,392	32,700,603	20,167,175	44,798,251	37,303,567
<b>Total</b>	<b>\$ 125,438,141</b>	<b>\$ 124,214,210</b>	<b>\$ 108,827,510</b>	<b>\$ 95,567,926</b>	<b>\$ 234,265,651</b>	<b>\$ 219,782,136</b>

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

- ❖ Pump Station #7
- ❖ Pierson Road Reconstruction & Extension
- ❖ Birkdale Drive Pathway
- ❖ Paddock Drive Traffic Calming
- ❖ Calming Waters Wetland Park
- ❖ Chlorine Conversion

Additional information on the Village's capital assets can be found in Note 5 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. As a predominantly residential community, the economic environment of the Village is dependent upon that of South Florida and particularly Palm Beach County.

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

While property taxes are important to the Village, they represent 24% of total Village revenue. Another 26% comes from program revenues such as licenses, permits, and other charges for services, while approximately 14% is related to intergovernmental revenue. Additionally, special assessments levied total approximately 9% and utility taxes and franchise fees total another 14%. 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 adjustments or fee increases accordingly.

### **Next Year's Budget and Rates**

The operating millage rate of 2.34 mills for fiscal year 2008/2009 is the same as the millage rate for the 2007/2008 fiscal year. This millage resulted in a total tax levy of approximately \$16 million, a reduction of \$1.3 million, or 7.7% from the property tax levy for 2008. The decrease in levy was due to the Florida Legislature property tax reform legislation limiting the property tax levies of local government in the State of Florida as well as falling property values. This legislation is discussed further in Note 1.

The Surface Water Management Assessment rate remained at \$146 per unit in the fiscal year 2008/2009 as the prior fiscal year. The Solid Waste Assessment was increased for fiscal year 2008/2009 to \$162 per curbside unit (\$129 per unit in fiscal year 2007/2008) and \$126 per containerized unit (\$93 per unit in fiscal year 2007/2008). The increase was necessary to recover the cost for solid waste collection. Additional information regarding the adoption of the annual budget can be found on page 55 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](http://www.ci.wellington.fl.us)



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## **BASIC FINANCIAL STATEMENTS**

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# VILLAGE OF WELLINGTON, FLORIDA

## STATEMENT OF NET ASSETS

SEPTEMBER 30, 2008

	Governmental Activities	Business-type Activities	Total
<b>ASSETS</b>			
Cash and cash equivalents	\$ 18,960,849	\$ 11,194,511	\$ 30,155,360
Investments	59,199,551	37,269,558	96,469,109
Receivables (net)	1,118,005	1,495,080	2,613,085
Internal balances	544,670	(544,670)	-
Due from other governments	1,297,232	2,139,381	3,436,613
Prepaid expenses	389,240	9,633	398,873
Inventories	9,307	355,546	364,853
Deposits	57,230	-	57,230
Restricted assets:			
Cash and cash equivalents	-	2,538,674	2,538,674
Net other post-employment benefit asset	555,297	100,672	655,969
Deferred charges	202,441	218,085	420,526
Capital assets:			
Capital assets not being depreciated	86,373,708	41,697,308	128,071,016
Capital assets being depreciated, net	39,064,433	67,130,202	106,194,635
Total assets	\$ 207,771,963	\$ 163,603,980	\$ 371,375,943
<b>LIABILITIES</b>			
Accounts payable and other current liabilities	\$ 2,207,068	\$ 3,456,365	\$ 5,663,433
Contracts and retainage payable	53,858	927,987	981,845
Due to other governments	365,454	13,706	379,160
Deposits	-	983,524	983,524
Unearned revenue	1,896,086	-	1,896,086
Accrued interest	235,228	258,675	493,903
Noncurrent liabilities:			
Due within one year	1,717,267	2,360,000	4,077,267
Due in more than one year	19,603,924	10,852,164	30,456,088
Total liabilities	26,078,885	18,852,421	44,931,306
<b>NET ASSETS</b>			
Invested in capital assets, net of related debt	105,313,318	96,014,639	201,327,957
Restricted for:			
Debt service	75,092	2,538,674	2,613,766
Building department	4,585,573	-	4,585,573
Road maintenance	850,786	-	850,786
Capital projects	44,864,572	6,102,740	50,967,312
Other post-employment benefits	555,297	100,672	655,969
Unrestricted	25,448,440	39,994,834	65,443,274
Total net assets	\$ 181,693,078	\$ 144,751,559	\$ 326,444,637

See notes to basic financial statements

# VILLAGE OF WELLINGTON, FLORIDA

## STATEMENT OF ACTIVITIES

YEAR ENDED SEPTEMBER 30, 2008

Function/Program Activities	Expenses	Indirect Expense Allocation	Program Revenues		
			Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities:					
General government	\$ 9,819,425	\$ (7,792,989)	\$ -	\$ -	\$ 19,430
Public safety	6,457,703	633,019	308,626	13,204	-
Planning and development	3,883,055	1,038,442	3,262,929	-	-
Engineering and public works	6,175,334	(2,623,628)	289,984	-	-
Surface water management	2,377,394	905,879	3,865,813	-	2,468,720
Transportation	2,813,499	385,113	334,597	1,487,660	102,038
Culture and recreation	9,425,290	2,000,578	2,256,172	556,294	-
Interest on long-term debt	936,748	-	-	-	-
Total governmental activities	<u>41,888,448</u>	<u>(5,453,586)</u>	<u>10,318,121</u>	<u>2,057,158</u>	<u>2,590,188</u>
Business-type activities:					
Utility system	12,089,449	4,873,200	13,129,276	-	1,068,875
Solid waste	2,228,903	580,386	3,018,730	1,522,575	-
Total business-type activities	<u>14,318,352</u>	<u>5,453,586</u>	<u>16,148,006</u>	<u>1,522,575</u>	<u>1,068,875</u>
Total government	<u>\$ 56,206,800</u>	<u>\$ -</u>	<u>\$ 26,466,127</u>	<u>\$ 3,579,733</u>	<u>\$ 3,659,063</u>

General revenues:

Taxes:

Property taxes

Franchise fees

Utility taxes

Sales tax

Grants and contributions not restricted  
to specific programs

Investment earnings

Other

Total general revenues

Change in net assets

Net assets, beginning of year

Net assets, end of year

See notes to basic financial statements

Net (Expense) Revenue and  
Changes in Net Assets

Governmental Activities	Business-type Activities	Total
\$ (2,007,006)	\$ -	\$ (2,007,006)
(6,768,892)	-	(6,768,892)
(1,658,568)	-	(1,658,568)
(3,261,722)	-	(3,261,722)
3,051,260	-	3,051,260
(1,274,317)	-	(1,274,317)
(8,613,402)	-	(8,613,402)
(936,748)	-	(936,748)
<u>(21,469,395)</u>	<u>-</u>	<u>(21,469,395)</u>
-	(2,764,498)	(2,764,498)
<u>-</u>	<u>1,732,016</u>	<u>1,732,016</u>
<u>-</u>	<u>(1,032,482)</u>	<u>(1,032,482)</u>
<u>(21,469,395)</u>	<u>(1,032,482)</u>	<u>(22,501,877)</u>
17,412,203	-	17,412,203
3,492,742	-	3,492,742
6,184,787	-	6,184,787
3,837,153	-	3,837,153
1,231,994	-	1,231,994
2,910,930	2,238,123	5,149,053
626,048	-	626,048
<u>35,695,857</u>	<u>2,238,123</u>	<u>37,933,980</u>
14,226,462	1,205,641	15,432,103
<u>167,466,616</u>	<u>143,545,918</u>	<u>311,012,534</u>
<u>\$ 181,693,078</u>	<u>\$ 144,751,559</u>	<u>\$ 326,444,637</u>

See notes to basic financial statements

# VILLAGE OF WELLINGTON, FLORIDA

## BALANCE SHEET

### GOVERNMENTAL FUNDS

SEPTEMBER 30, 2008

	General	Planning, Zoning and Building	Recreation Programs	Capital Projects	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>						
Cash and cash equivalents	\$ 5,022,913	\$ 1,561,658	\$ 780,590	\$ 4,524,379	\$ 7,071,309	\$ 18,960,849
Investments	16,721,251	5,197,122	2,595,937	15,064,633	19,620,608	59,199,551
Receivables:						
Utility taxes	329,195	-	-	-	-	329,195
Franchise fees	367,484	-	-	-	-	367,484
Accounts	97,373	34,910	-	-	14,349	146,632
Interest	115,903	35,990	13,693	3,438	105,670	274,694
Due from other funds	125,567	-	-	-	-	125,567
Advances to other funds	419,103	-	-	-	-	419,103
Due from other governments	812,002	340	-	90,215	394,675	1,297,232
Prepaid expenditures	383,066	2,095	4,079	-	-	389,240
Inventory	9,307	-	-	-	-	9,307
Deposits	57,230	-	-	-	-	57,230
Total assets	\$ 24,460,394	\$ 6,832,115	\$ 3,394,299	\$ 19,682,665	\$ 27,206,611	\$ 81,576,084

See notes to basic financial statements

# VILLAGE OF WELLINGTON, FLORIDA

## BALANCE SHEET

### GOVERNMENTAL FUNDS

SEPTEMBER 30, 2008

	General	Planning, Zoning and Building	Recreation Programs	Capital Projects	Other Governmental Funds	Total Governmental Funds
<b>LIABILITIES AND FUND BALANCES</b>						
Liabilities:						
Accounts payable and accrued liabilities	\$ 815,945	\$ 276,857	\$ 190,762	\$ 206,817	\$ 716,687	\$ 2,207,068
Contracts and retainage payable	-	-	-	37,889	15,969	53,858
Due to other governments	-	364,136	1,318	-	-	365,454
Unearned revenue	1,009,068	819,032	67,986	-	-	1,896,086
Total liabilities	1,825,013	1,460,025	260,066	244,706	732,656	4,522,466
Fund balances:						
Reserved for:						
Encumbrances	106,717	21,003	71,952	674,222	62,737	936,631
Advances	419,103	-	-	-	-	419,103
Capital improvements	-	-	-	18,763,737	25,426,613	44,190,350
Prepaid expenditures	383,066	-	-	-	-	383,066
Inventory	9,307	-	-	-	-	9,307
Building department	-	4,585,573	-	-	-	4,585,573
Debt service	-	-	-	-	75,092	75,092
Unreserved, designated for, reported in:						
General fund:						
Rate stabilization	2,366,078	-	-	-	-	2,366,078
Insurance	540,000	-	-	-	-	540,000
Disaster recovery	3,000,000	-	-	-	-	3,000,000
Subsequent year expenditures	-	-	750,000	-	-	750,000
Special revenue funds:						
Road maintenance	-	-	-	-	823,573	823,573
Unreserved, undesignated, reported in:						
General fund	15,811,110	-	-	-	-	15,811,110
Special revenue funds	-	765,514	2,312,281	-	85,940	3,163,735
Total fund balances	22,635,381	5,372,090	3,134,233	19,437,959	26,473,955	77,053,618
Total liabilities and fund balances	\$ 24,460,394	\$ 6,832,115	\$ 3,394,299	\$ 19,682,665	\$ 27,206,611	\$ 81,576,084

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, 2008

Total governmental fund balances \$ 77,053,618

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. 125,438,141

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 202,441

Net other post-employment benefit (OPEB) asset created through funding of the plan as employer contribution to the defined benefit OPEB plan is not recognized in the funds. 555,297

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

Bonds payable (20,327,264)  
Accrued interest (235,228)  
Compensated absences (993,927)

Net assets of governmental activities \$ 181,693,078

**VILLAGE OF WELLINGTON, FLORIDA**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**YEAR ENDED SEPTEMBER 30, 2008**

	<u>General</u>	<u>Planning, Zoning and Building</u>	<u>Recreation Programs</u>	<u>Capital Projects</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Revenues:</b>						
Ad valorem taxes	\$ 17,412,203	\$ -	\$ -	\$ -	\$ -	\$ 17,412,203
Franchise fees	3,492,742	-	-	-	-	3,492,742
Utility taxes	6,184,787	-	-	-	-	6,184,787
Special assessments	-	-	-	-	3,572,397	3,572,397
Impact fees	-	-	-	-	676,741	676,741
Licenses and permits	466,355	2,810,280	-	-	-	3,276,635
Intergovernmental revenue	4,687,703	-	-	2,468,720	2,560,070	9,716,493
Charges for services	-	-	1,851,897	-	293,416	2,145,313
Fines and forfeitures	196,699	416,383	-	-	-	613,082
Investment income	1,260,580	361,678	137,603	34,554	1,116,515	2,910,930
Miscellaneous	326,423	105,729	92,264	-	135,586	660,002
Total revenues	<u>34,027,492</u>	<u>3,694,070</u>	<u>2,081,764</u>	<u>2,503,274</u>	<u>8,354,725</u>	<u>50,661,325</u>

(Continued)

**VILLAGE OF WELLINGTON, FLORIDA**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS (Continued)**  
**YEAR ENDED SEPTEMBER 30, 2008**

	<u>General</u>	<u>Planning, Zoning and Building</u>	<u>Recreation Programs</u>	<u>Capital Projects</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Expenditures:</b>						
Current:						
General government	\$ 9,228,588	\$ -	\$ -	\$ -	\$ -	\$ 9,228,588
Public safety	6,457,703	-	-	-	-	6,457,703
Physical environment	4,927,058	3,817,272	-	-	1,635,149	10,379,479
Transportation	-	-	-	-	1,453,173	1,453,173
Culture and recreation	-	-	7,035,024	-	-	7,035,024
Capital outlay	476,431	24,337	339,133	4,177,937	2,482,335	7,500,174
Debt service:						
Principal	-	-	-	-	1,215,000	1,215,000
Interest and other fiscal charges	-	-	-	-	936,915	936,915
Total expenditures	<u>21,089,780</u>	<u>3,841,609</u>	<u>7,374,157</u>	<u>4,177,937</u>	<u>7,722,572</u>	<u>44,206,056</u>
Excess (deficiency) of revenues over expenditures	<u>12,937,712</u>	<u>(147,539)</u>	<u>(5,292,393)</u>	<u>(1,674,663)</u>	<u>632,153</u>	<u>6,455,270</u>
<b>Other financing sources (uses):</b>						
Transfers in	12,888,059	1,753,414	8,873,591	21,112,622	19,568,435	64,196,121
Transfers out	(32,757,878)	(4,788,442)	(3,638,253)	-	(17,557,962)	(58,742,535)
Sale of capital asset	<u>400</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>400</u>
Total other financing sources (uses)	<u>(19,869,419)</u>	<u>(3,035,028)</u>	<u>5,235,338</u>	<u>21,112,622</u>	<u>2,010,473</u>	<u>5,453,986</u>
Net change in fund balances	(6,931,707)	(3,182,567)	(57,055)	19,437,959	2,642,626	11,909,256
Fund balances, beginning of year	<u>29,567,088</u>	<u>8,554,657</u>	<u>3,191,288</u>	<u>-</u>	<u>23,831,329</u>	<u>65,144,362</u>
Fund balances, end of year	<u>\$ 22,635,381</u>	<u>\$ 5,372,090</u>	<u>\$ 3,134,233</u>	<u>\$ 19,437,959</u>	<u>\$ 26,473,955</u>	<u>\$ 77,053,618</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, 2008**

Net change in fund balances - total governmental funds	\$	11,909,256
Amounts reported for governmental activities in the statement of activities are different because:		
The Village's annual OPEB cost is not reported in the governmental funds.		(40,774)
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	\$ 6,735,149	
Less current year depreciation	<u>(5,425,373)</u>	1,309,776
In the statement of activities, only the gain (loss) 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	\$ (400)	
Loss on sale of capital assets	<u>(85,445)</u>	(85,845)
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		1,215,000
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 refunding loss	\$ (41,838)	
Amortization of issuance costs	(15,656)	
Amortization of premium	<u>31,231</u>	(26,263)
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		10,774
Change in compensated absences		<u>(65,462)</u>
Change in net assets of governmental activities	\$	<u><u>14,226,462</u></u>

See notes to basic financial statements

**VILLAGE OF WELLINGTON, FLORIDA**  
**STATEMENT OF FUND NET ASSETS**  
**PROPRIETARY FUNDS**  
**SEPTEMBER 30, 2008**

	Utility System	Solid Waste	Total
<b>ASSETS</b>			
Current assets:			
Cash and cash equivalents	\$ 9,477,259	\$ 1,717,252	\$ 11,194,511
Investments	31,551,697	5,717,861	37,269,558
Receivables:			
Accounts, net of allowance for uncollectible amounts	1,225,651	48,073	1,273,724
Interest	191,545	29,811	221,356
Due from other governments	599,200	1,540,181	2,139,381
Inventories	355,546	-	355,546
Prepaid expenses	9,633	-	9,633
Restricted cash and cash equivalents	2,538,674	-	2,538,674
Total current assets	45,949,205	9,053,178	55,002,383
Noncurrent assets:			
Deferred charges	218,085	-	218,085
Net other post-employment benefit asset	94,738	5,934	100,672
Property, plant and equipment (net of allowance for depreciation)	108,799,886	27,624	108,827,510
Total noncurrent assets	109,112,709	33,558	109,146,267
Total assets	\$ 155,061,914	\$ 9,086,736	\$ 164,148,650
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable and accrued liabilities	\$ 3,255,580	\$ 200,785	\$ 3,456,365
Contracts and retainage payable	927,987	-	927,987
Due to other funds	-	125,567	125,567
Due to other governments	8,465	5,241	13,706
Deposits	983,524	-	983,524
Accrued interest	258,675	-	258,675
Compensated absences payable - current portion	78,512	1,488	80,000
Revenue refunding bonds payable - current portion	2,280,000	-	2,280,000
Total current liabilities	7,792,743	333,081	8,125,824
Noncurrent liabilities:			
Advances from other funds	-	419,103	419,103
Compensated absences payable - net of current portion	99,322	1,886	101,208
Revenue refunding bonds payable - net of current portion	10,750,956	-	10,750,956
Total noncurrent liabilities	10,850,278	420,989	11,271,267
Total liabilities	18,643,021	754,070	19,397,091
<b>NET ASSETS</b>			
Invested in capital assets, net of related debt	95,987,015	27,624	96,014,639
Restricted for debt service	2,538,674	-	2,538,674
Restricted for capital improvements	6,102,740	-	6,102,740
Restricted for other post-employment benefits	94,738	5,934	100,672
Unrestricted	31,695,726	8,299,108	39,994,834
Total net assets	\$ 136,418,893	\$ 8,332,666	\$ 144,751,559

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, 2008

	Utility System	Solid Waste	Total
	<u>          </u>	<u>          </u>	<u>          </u>
<b>Operating revenues:</b>			
Charges for services	\$ 12,660,694	\$ -	\$ 12,660,694
Special assessments	-	2,692,826	2,692,826
Franchise fees	-	140,572	140,572
Other	468,582	185,332	653,914
Total operating revenues	<u>13,129,276</u>	<u>3,018,730</u>	<u>16,148,006</u>
<b>Operating expenses:</b>			
Water services	3,910,320	-	3,910,320
Wastewater services	2,090,166	-	2,090,166
Laboratory	99,726	-	99,726
Water distribution	527,775	-	527,775
Customer service	663,501	-	663,501
General and administrative	7,788	-	7,788
Solid waste	-	2,087,256	2,087,256
Depreciation	3,908,005	141,647	4,049,652
Total operating expenses	<u>11,207,281</u>	<u>2,228,903</u>	<u>13,436,184</u>
Income from operations	<u>1,921,995</u>	<u>789,827</u>	<u>2,711,822</u>
<b>Nonoperating revenues (expenses):</b>			
Investment income	1,924,925	313,198	2,238,123
Loss on sale of assets	(186,393)	-	(186,393)
Interest expense	(517,349)	-	(517,349)
Operating grant	-	1,522,575	1,522,575
Amortization	(178,426)	-	(178,426)
Total nonoperating revenues (expenses)	<u>1,042,757</u>	<u>1,835,773</u>	<u>2,878,530</u>
Income before contributions and transfers	<u>2,964,752</u>	<u>2,625,600</u>	<u>5,590,352</u>
Capital contributions:			
Capacity charges	427,318	-	427,318
Meters	42,357	-	42,357
Capital grant	599,200	-	599,200
Transfers out	<u>(4,873,200)</u>	<u>(580,386)</u>	<u>(5,453,586)</u>
Change in net assets	(839,573)	2,045,214	1,205,641
Net assets, beginning of year	<u>137,258,466</u>	<u>6,287,452</u>	<u>143,545,918</u>
Net assets, end of year	<u>\$ 136,418,893</u>	<u>\$ 8,332,666</u>	<u>\$ 144,751,559</u>

See notes to basic financial statements

# VILLAGE OF WELLINGTON, FLORIDA

## STATEMENT OF CASH FLOWS

### PROPRIETARY FUNDS

YEAR ENDED SEPTEMBER 30, 2008

	Utility System	Solid Waste	Total
<b>Cash flows from operating activities:</b>			
Receipts from customers	\$ 12,613,942	\$ 2,829,136	\$ 15,443,078
Payments to suppliers for goods and services	(1,906,781)	(1,982,809)	(3,889,590)
Payments to employees for services	(3,467,697)	(143,573)	(3,611,270)
Other operating revenues	469,638	185,332	654,970
Net cash provided by operating activities	7,709,102	888,086	8,597,188
<b>Cash flows from noncapital financing activities:</b>			
Operating grant	-	346,711	346,711
Transfers to other funds	(4,873,200)	(580,386)	(5,453,586)
Net cash used in noncapital financing activities	(4,873,200)	(233,675)	(5,106,875)
<b>Cash flows from capital and related financing activities:</b>			
Capital contributions	469,675	-	469,675
Acquisition of property, plant and equipment	(17,495,629)	-	(17,495,629)
Repayment of advances from other funds	-	(125,567)	(125,567)
Principal paid on indebtedness	(2,225,000)	-	(2,225,000)
Interest paid on indebtedness	(542,936)	-	(542,936)
Net cash used in capital and related financing activities	(19,793,890)	(125,567)	(19,919,457)
<b>Cash flows from investing activities:</b>			
Interest received	2,097,844	328,466	2,426,310
Sale of investments	40,210,011	3,589,276	43,799,287
Purchase of investments	(32,113,425)	(4,644,153)	(36,757,578)
Net cash provided by (used in) investing activities	10,194,430	(726,411)	9,468,019
Net decrease in cash and cash equivalents	(6,763,558)	(197,567)	(6,961,125)
Cash and cash equivalents, beginning of year	18,779,491	1,914,819	20,694,310
Cash and cash equivalents, end of year	\$ 12,015,933	\$ 1,717,252	\$ 13,733,185
Cash and cash equivalents			
Unrestricted	\$ 9,477,259	\$ 1,717,252	\$ 11,194,511
Restricted	2,538,674	-	2,538,674
	\$ 12,015,933	\$ 1,717,252	\$ 13,733,185

(Continued)

See notes to basic financial statements

# VILLAGE OF WELLINGTON, FLORIDA

## STATEMENT OF CASH FLOWS PROPRIETARY FUNDS (Continued) YEAR ENDED SEPTEMBER 30, 2008

	Utility System	Solid Waste	Total
Reconciliation of operating income to net cash provided by operating activities:			
Operating income	\$ 1,921,995	\$ 789,827	\$ 2,711,822
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation expense	3,908,005	141,647	4,049,652
Allowance for uncollectible accounts	23,300	-	23,300
OPEB expense	7,899	327	8,226
Change in assets and liabilities:			
(Increase) decrease in:			
Accounts receivable	(17,874)	(4,262)	(22,136)
Inventories	282,182	-	282,182
Prepaid expenses	2,449	-	2,449
Increase (decrease) in:			
Accounts payable and accrued liabilities	1,376,727	36,097	1,412,824
Contracts and retainage payable	252,178	-	252,178
Due to other governments	1,056	(75,617)	(74,561)
Deposits	(52,178)	-	(52,178)
Compensated absences payable	3,363	67	3,430
Total adjustments	5,787,107	98,259	5,885,366
Net cash provided by operating activities	\$ 7,709,102	\$ 888,086	\$ 8,597,188
Noncash investing, capital, and financing activities:			
Loss on investments	\$ (94,387)	\$ (14,690)	\$ (109,077)
Amortization of deferred charges	43,617	-	43,617
Amortization of premium on bonds	27,792	-	27,792
Amortization of advance refunding loss on bonds	162,601	-	162,601

See notes to basic financial statements

**VILLAGE OF WELLINGTON, FLORIDA**  
STATEMENT OF FIDUCIARY NET ASSETS  
FIDUCIARY FUND  
SEPTEMBER 30, 2008

	Employee Retirement Healthcare Trust
<b>ASSETS</b>	
Investments	<u>\$ 747,998</u>
<b>NET ASSETS</b>	
Held in trust for other post-employment benefits	<u>\$ 747,998</u>

See notes to basic financial statements

**VILLAGE OF WELLINGTON, FLORIDA**  
 STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS  
 FIDUCIARY FUND  
 YEAR ENDED SEPTEMBER 30, 2008

	Employee Retirement Healthcare Trust
<b>DECREASES:</b>	
Decrease in the fair value of investments	\$ (130,953)
Net decrease	(130,953)
Net assets held in trust for other post-employment benefits:	
Beginning of year	878,951
Net assets held in trust for other post-employment benefits	\$ 747,998

See notes to basic financial statements

# VILLAGE OF WELLINGTON, FLORIDA

## NOTES TO BASIC FINANCIAL STATEMENTS

SEPTEMBER 30, 2008

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

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 – Surface Water Management Fund.

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

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

## NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### ***Government-Wide and Fund Financial Statements*** (Continued)

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, although the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. All remaining nonmajor governmental funds are aggregated and reported as nonmajor funds.

### ***Measurement Focus, Basis of Accounting and Financial Statement Presentation***

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, 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 fees, 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.

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.

Capital Projects – This fund is used to segregate all financial activity applicable to governmental capital expenditures from governmental operating expenditures. These expenditures are funded by the Village's General Fund, Recreation Fund, and Surface Water Management Fund through operating transfers.

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

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.

Additionally, the Village reports the following fiduciary fund:

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

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 as well as the solid waste 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.

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.

## NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### ***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. Investments are stated at fair value.

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.

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 to a percentage of 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.

### ***Receivables***

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

### ***Inventories and Prepaid Items***

Inventories are valued at the lower of cost (first-in, first-out) or market. 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 \$1,000 or more and an estimated useful life in excess of one year.

The accounting and reporting treatment applied to the capital assets associated with a fund are determined by its measurement focus. General capital assets are 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.

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Capital Assets and Depreciation*** (Continued)

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.

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 to 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. Benefits for employees 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 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 fund financial statements. A liability for these amounts is reported in the governmental funds only if they have matured. For the governmental funds, compensated absences are liquidated by the fund in which employees are compensated. Those funds are the General; Planning, Zoning and Building; Recreation Programs; Surface Water Management; and, Gas Tax Maintenance.

***Long-Term Obligations***

In the government-wide financial statements, and proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net 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.

## NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### *Long-Term Obligations* (Continued)

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

### *Net 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, and 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 enabling 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. The government-wide statement of net assets reports \$59,673,406 of restricted net assets, of which \$25,426,613 is restricted by enabling legislation.

### *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”.

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 – 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 subsequent year expenditures – represents funds set aside for future expenditures.

Designated for insurance – represents funds set aside to offset future years’ insurance premium increases.

Designated for disaster recovery – represents funds set aside for future emergency and disaster recovery.

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

## **NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Designated for rate stabilization – represents funds set aside to offset future years’ property tax rate increases.

### ***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 2007/2008 year was 2.34 (\$2.34 for each \$1,000 of assessed valuation). This levy was based upon an assessed valuation as of January 1, 2008, of approximately \$7.6 billion.

Taxes may be paid less a 4% discount in November or at declining discounts each month through the month of February. All unpaid taxes become delinquent on April 1<sup>st</sup> following the year in which they are assessed. Delinquent taxes on real property bear interest at 18% per year. On or prior to June 1<sup>st</sup> 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, 2008, unpaid delinquent taxes are not material and have not been recorded by the Village.

During 2007 the Florida Legislature passed property tax reform legislation limiting the property tax levies of local government in the State of Florida. For the fiscal year ending September 30, 2008, the maximum tax levy allowed by a majority vote of the governing body is based on a percentage reduction applied to the prior year (2006/2007) property tax revenue. The percentage reduction is calculated based on the compound annual growth rate in the per capita property taxes levied for fiscal years ended September 30, 2002 through 2007. The State law allows local governments to adopt a higher millage rate based on the following approval of the governing body: 1) a two-thirds vote to adopt a rate equal to the prior year rolled-back millage rate; 2) a unanimous vote to adopt a rate equal to the prior year millage rate; or 3) any millage rate approved by referendum. Beginning in 2009, future property tax growth is limited to the annual growth rate of per capita personal income, which is currently 4% to 5%, plus the value of new construction.

## **NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

On January 29, 2008, Florida voters decided on a constitutional amendment that changed the way in which property is assessed for ad valorem taxes. This further limits or reduces the Village's property tax revenue for the fiscal year beginning October 1, 2008.

### ***Use of Estimates***

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements. Estimates also affect the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from estimates.

## **NOTE 2. DEPOSITS AND INVESTMENTS**

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

The Village's cash and cash equivalents include cash on hand, time and demand deposits, cash held with a fiscal agent and money market mutual funds. The Village maintains a cash and investment pool that is available for use by all funds. Interest earned on pooled cash and investments is allocated to each of the funds based on the fund's average equity balance. Cash and cash equivalents at September 30, 2008, include petty cash of \$4,050, deposits with financial institutions with a carrying value of \$17,322,284 and a bank balance of \$18,218,694, cash held with a fiscal agent of \$3,717,302 and U.S. Government money market mutual funds with a carrying value of \$11,650,398.

All of the Village's bank deposits are held in qualified public depositories pursuant to State of Florida Statutes, Chapter 280, "Florida Security for Public Deposits Act". Under the Act, every qualified public depository shall deposit with the Treasurer eligible collateral of the depository to be held subject to his or her order. The Treasurer, by rule, shall establish minimum required collateral pledging levels. The pledging level may range from 25% to 125% of the average monthly balance of public deposits depending upon the depository's financial condition and establishment period. All collateral must be deposited with an approved financial institution. Any losses to public depositors are covered by applicable deposit insurance, sale of securities pledged as collateral and, if necessary, assessments against other qualified public depositories of the same type as the depository in default. The money market mutual fund deposits are uninsured and uncollateralized.

The State Board of Administration administers the LGIP pursuant to Ch. 19-7 of the Florida Administrative Code. These rules provide guidance and establish the general operating procedures for the administration of the LGIP. Additionally, the State of Florida Office of the Auditor General performs the operational audit of the activities and investments of the State Board of Administration. The fair value of the position in the external investment pool is the same as the value of the pool shares. The LGIP is not a registrant with the Securities and Exchange Commission (SEC); however, the board has adopted operating procedures consistent with the requirements for a 2a-7 fund. These investments are valued using the pooled share price.

On November 29, 2007, the Board of Trustees of the State Board of Administration (SBA) closed the LGIP to all redemptions by participants in response to substantial withdrawals from the Pool over the two preceding weeks that severely reduced the overall liquidity of the LGIP. On December 4, 2007, the Board of Trustees approved a restructuring plan for the LGIP.

The restructuring divided the LGIP into two separate pools, the LGIP and Fund B representing approximately 86% and 14%, respectively, of the original LGIP assets. The LGIP was designated as the ongoing fund consisting of only short-term, money market assets of the highest quality. On December 6, 2007, the LGIP re-opened to accept new deposits from participants and allow restricted withdrawals. Fund B retained all securities from the original LGIP that had defaulted, were in default or had extended payment terms or potentially elevated credit risk. Fund B is closed to deposits and withdrawals and is generally expected to hold all assets to their ultimate maturity and to distribute funds to participants as they become available. The Fund B investment is recorded at fair value based on the net asset value of the Fund B assets reported by the SBA. At September 30, 2008, the Fund B investments had a net asset value of \$632,281, approximating 64% of amortized cost.

The ultimate realizable value and the date when the LGIP Fund B investment will be available to the Village cannot be determined at this time, however, it is the opinion of management, based upon consultation with the SBA, that the amount of loss, if any, and the limited availability of the funds will not adversely affect the services provided by the Village. Additional information on the current status of the LGIP may be obtained from the State Board of Administration.

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

The Village's cash and investments are subject to several types of risk, which are examined in more detail below:

***Interest Rate Risk***

Interest rate risk is the risk that the value of investments will decrease as a result of a rise in interest rates. The Village's investment policy matches its investments with anticipated cash flow requirements. Unless matched to a specific cash flow requirement or otherwise approved by the Village Council, the Village will not directly invest in securities maturing in more than 5 years. The LGIP has a weighted average maturity of less than 90 days, the LGIP Fund B has a weighted average maturity of 9.4 years, and the investment in the Florida Municipal Investment Trust has a weighted average maturity of 1.43 years (1-3 Year High Quality Bond Fund) and 4.01 years (Intermediate High Quality Bond Fund), respectively. As of September 30, 2008, the Village had the following additional investments in its internal investment pool:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Investment Maturities</u>	
		<u>In Years</u>	
		<u>Less Than 1</u>	<u>1-5</u>
Commercial Paper	\$ 3,041,331	\$ 3,041,331	\$ -
Corporate Notes	4,689,405	2,843,669	1,845,736
U.S. Treasuries and U.S. Agencies securities	<u>68,663,981</u>	<u>22,350,120</u>	<u>46,313,861</u>
Total	<u>\$ 76,394,717</u>	<u>\$ 28,235,120</u>	<u>\$ 48,159,597</u>

**NOTE 2. DEPOSITS AND INVESTMENTS (Continued)**

***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. As of the year end, the credit quality ratings of debt securities and external investment pools (other than U.S. government) were as follows:

Investment	Fair Value	Rating	Rating Organization
State Board of Administration (LGIP)	\$ 2,420	AAAm	S&P
State Board of Administration (Fund B)	632,281	Not rated	N/A
Commercial Paper	3,041,331	A-1+	S&P
Corporate Note	1,407,079	AA	S&P
Corporate Note	3,282,326	AA-	S&P
U.S. government agencies and instrumentalities:			
Fannie Mae	22,874,894	AAA	S&P
Freddie Mac	18,907,577	AAA	S&P
Federal Home Loan Bank	14,902,678	AAA	S&P
Federal Farm Credit Bank	4,310,563	AAA	S&P
Florida Municipal Investment Trust	19,439,691	AAA	Fitch

***Custodial Credit Risk***

Custodial credit risk is defined as the risk that the Village may not recover the securities held by another party in the event of a financial failure. The Village's investment policy for custodial credit risk requires all investment securities to be held in the Village's name by a third party safekeeping institution. The investments in money market mutual funds, the Local Government Investment Pool and the Florida Municipal Investment Trust are considered *unclassified* pursuant to the custodial credit risk categories of GASB Statement No. 3. All deposits with financial institutions and investments in U.S. Government and Instrumentality securities are considered fully insured or collateralized pursuant to the custodial credit risk categories of GASB Statement No. 3.

***Concentration of Credit Risk***

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investments in a single issuer. The Village limits the amount that can be invested in any one issuer of Federal Agencies and Instrumentalities to 40% of the portfolio. The Village was in compliance with this policy at year-end. At September 30, 2008, the Village had more than 5% of its investments in the following:

Issuer	Fair Value	Percentage
Fannie Mae	\$ 22,874,894	23.71%
Freddie Mac	18,907,577	19.60%
Federal Home Loan Bank	14,902,678	15.45%

**NOTE 3. ACCOUNTS RECEIVABLE**

Accounts receivable as of September 30, 2008, for the Village’s individual major funds and aggregate nonmajor funds are as follows:

	General	Planning, Zoning and Building	Recreation Programs	Capital Projects	Nonmajor Funds	Utility System	Solid Waste	Total
Utility taxes	\$ 329,195	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 329,195
Franchise taxes	367,484	-	-	-	-	-	-	367,484
Accounts	97,373	34,910	-	-	14,349	1,275,551	48,073	1,470,256
Interest	115,903	35,990	13,693	3,438	105,670	191,545	29,811	496,050
Gross receivables	909,955	70,900	13,693	3,438	120,019	1,467,096	77,884	2,662,985
Less allowance for uncollectible accounts	-	-	-	-	-	(49,900)	-	(49,900)
	<u>\$ 909,955</u>	<u>\$ 70,900</u>	<u>\$ 13,693</u>	<u>\$ 3,438</u>	<u>\$ 120,019</u>	<u>\$ 1,417,196</u>	<u>\$ 77,884</u>	<u>\$ 2,613,085</u>

**NOTE 4. DUE FROM OTHER GOVERNMENTS**

Amounts due from other governments as of September 30, 2008, for the Village’s individual major funds and aggregate nonmajor funds are as follows:

	General	Planning, Zoning and Building	Capital Projects	Nonmajor Funds	Utility System	Solid Waste	Total
Federal Government:							
FEMA	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,522,575	\$ 1,522,575
State of Florida:							
State Shared Revenues	563,531	-	-	-	-	-	563,531
Communication Services Tax	233,538	-	-	-	-	-	233,538
Local Option Gas Tax	-	-	-	125,594	-	-	125,594
Department of Agriculture and Consumer Services	-	-	-	120,000	-	-	120,000
Palm Beach County:							
County Shared Revenues	14,933	340	-	23,756	-	17,606	56,635
South FL Water Management Dist.	-	-	90,215	-	599,200	-	689,415
Pine Tree Water Control District	-	-	-	125,325	-	-	125,325
	<u>\$ 812,002</u>	<u>\$ 340</u>	<u>\$ 90,215</u>	<u>\$ 394,675</u>	<u>\$ 599,200</u>	<u>\$ 1,540,181</u>	<u>\$ 3,436,613</u>

## NOTE 5. CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2008 was as follows:

	Beginning Balance	Increases	Decreases	Reclassification	Ending Balance
<b>Governmental activities:</b>					
Capital assets, not being depreciated:					
Land	\$ 19,063,169	\$ -	\$ -	\$ -	\$ 19,063,169
Construction in progress	17,136,392	5,713,369	-	(10,752,113)	12,097,648
Infrastructure	<u>51,256,079</u>	<u>-</u>	<u>-</u>	<u>3,956,812</u>	<u>55,212,891</u>
Total capital assets, not being depreciated	<u>87,455,640</u>	<u>5,713,369</u>	<u>-</u>	<u>(6,795,301)</u>	<u>86,373,708</u>
Capital assets, being depreciated:					
Buildings	12,872,975	-	-	132,569	13,005,544
Improvements	45,689,169	-	(27,890)	6,590,579	52,251,858
Machinery and equipment	<u>16,359,697</u>	<u>1,021,780</u>	<u>(639,400)</u>	<u>72,153</u>	<u>16,814,230</u>
Total capital assets, being depreciated	<u>74,921,841</u>	<u>1,021,780</u>	<u>(667,290)</u>	<u>6,795,301</u>	<u>82,071,632</u>
Less accumulated depreciation for:					
Buildings	(1,986,981)	(427,980)	-	-	(2,414,961)
Improvements	(26,509,104)	(3,090,418)	27,890	-	(29,571,632)
Machinery and equipment	<u>(9,667,186)</u>	<u>(1,906,975)</u>	<u>553,555</u>	<u>-</u>	<u>(11,020,606)</u>
Total accumulated depreciation	<u>(38,163,271)</u>	<u>(5,425,373)</u>	<u>581,445</u>	<u>-</u>	<u>(43,007,199)</u>
Total capital assets, being depreciated, net	<u>36,758,570</u>	<u>(4,403,593)</u>	<u>(85,845)</u>	<u>6,795,301</u>	<u>39,064,433</u>
Governmental activities capital assets, net	<u>\$ 124,214,210</u>	<u>\$ 1,309,776</u>	<u>\$ (85,845)</u>	<u>\$ -</u>	<u>\$ 125,438,141</u>

**NOTE 5. CAPITAL ASSETS (Continued)**

	Beginning Balance	Increases	Decreases	Reclassification	Ending Balance
<b>Business-type activities:</b>					
Capital assets, not being depreciated:					
Land	\$ 8,996,705	\$ -	\$ -	\$ -	\$ 8,996,705
Construction in progress	20,167,175	17,113,795	-	(4,580,367)	32,700,603
Total capital assets, not being depreciated	<u>29,163,880</u>	<u>17,113,795</u>	<u>-</u>	<u>(4,580,367)</u>	<u>41,697,308</u>
Capital assets, being depreciated:					
Buildings	3,358,222	-	-	-	3,358,222
Land improvements	1,512,184	-	-	1,650,705	3,162,889
Furniture, fixtures, equipment and vehicles	3,368,022	127,928	(80,972)	-	3,414,978
Meters	5,653,245	91,631	(648,088)	(166,327)	4,930,461
Major equipment	9,262,574	162,274	(60,419)	-	9,364,429
Water and wastewater plant	23,702,740	-	-	1,640,264	25,343,004
Wells	7,189,126	-	-	166,327	7,355,453
Telemetry	479,020	-	-	-	479,020
Distribution lines	70,381,981	-	-	1,289,398	71,671,379
Total capital assets, being depreciated	<u>124,907,114</u>	<u>381,833</u>	<u>(789,479)</u>	<u>4,580,367</u>	<u>129,079,835</u>
Less accumulated depreciation for:					
Buildings	(528,391)	(111,940)	-	-	(640,331)
Land improvements	(590,928)	(134,667)	-	-	(725,595)
Furniture, fixtures, equipment and vehicles	(2,776,229)	(360,131)	76,807	-	(3,059,553)
Meters	(2,656,601)	(488,783)	491,951	-	(2,653,433)
Major equipment	(8,255,965)	(170,626)	34,328	-	(8,392,263)
Water and wastewater plant	(12,480,920)	(823,049)	-	(978)	(13,304,947)
Wells	(5,874,169)	(186,154)	-	-	(6,060,323)
Telemetry	(433,720)	(15,853)	-	-	(449,573)
Distribution lines	(24,906,145)	(1,758,448)	-	978	(26,663,615)
Total accumulated depreciation	<u>(58,503,068)</u>	<u>(4,049,651)</u>	<u>603,086</u>	<u>-</u>	<u>(61,949,633)</u>
Total capital assets, being depreciated, net	<u>66,404,046</u>	<u>(3,667,818)</u>	<u>(186,393)</u>	<u>4,580,367</u>	<u>67,130,202</u>
Business-type activities capital assets, net	<u>\$ 95,567,926</u>	<u>\$ 13,445,977</u>	<u>\$ (186,393)</u>	<u>\$ -</u>	<u>\$108,827,510</u>

Depreciation expense was charged to functions as follows:

<b>Governmental activities:</b>	
General government	\$ 475,749
Planning and development	62,696
Engineering and public works	1,208,191
Surface water management	735,958
Transportation	631,528
Culture and recreation	2,311,251
Total depreciation expense - governmental activities	<u>\$ 5,425,373</u>
<b>Business-type activities:</b>	
Water utility	\$ 3,908,005
Solid waste	141,647
Total depreciation expense - business-type activities	<u>\$ 4,049,652</u>

## NOTE 6. LONG-TERM DEBT

### *Changes in Long-Term Liabilities*

Long-term liability activity for the year ended September 30, 2008, was as follows:

#### Governmental Activities

	Balance September 30, 2007	Additions	Reductions	Balance September 30, 2008	Due Within One Year
Public Service Tax Revenue Bonds, Series 1999	\$ 1,735,000	\$ -	\$ (700,000)	\$ 1,035,000	\$ 730,000
Public Service Tax Revenue Refunding Bonds, Series 2005	9,780,000	-	(65,000)	9,715,000	70,000
Florida Municipal Loan Council:					
Series 2001A	4,640,000	-	(215,000)	4,425,000	225,000
Series 2002C	5,415,000	-	(235,000)	5,180,000	245,000
Less deferred amount on refunding	(498,575)	-	41,838	(456,737)	-
Plus unamortized bond premium	460,232	-	(31,231)	429,001	-
Total Bonds Payable	21,531,657	-	(1,204,393)	20,327,264	1,270,000
Compensated absences payable	928,465	1,018,205	(952,743)	993,927	447,267
Total	<u>\$ 22,460,122</u>	<u>\$ 1,018,205</u>	<u>\$ (2,157,136)</u>	<u>\$ 21,321,191</u>	<u>\$ 1,717,267</u>

#### \$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 were 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, 2008, the outstanding balance was \$1,035,000.

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, 2008, 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:			
2009	\$ 730,000	\$ 48,797	\$ 778,797
2010	305,000	14,487	319,487
Total Public Service Tax Revenue Bonds, Series 1999	<u>\$1,035,000</u>	<u>\$ 63,284</u>	<u>\$ 1,098,284</u>

**NOTE 6. LONG-TERM DEBT** (Continued)

***Changes in Long-Term Liabilities*** (Continued)

Governmental Activities (Continued)

\$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. Interest at a rate of 3.73% is payable semi-annually on March 1 and September 1. The remaining principal is payable in annual installments of \$70,000 to \$1,165,000 with the final payment due September 1, 2019. At September 30, 2008, the outstanding balance was \$9,715,000.

Future debt service requirements to maturity are:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Year Ending September 30:			
2009	\$ 70,000	\$ 362,370	\$ 432,370
2010	530,000	359,759	889,759
2011	870,000	339,990	1,209,990
2012	905,000	307,539	1,212,539
2013	940,000	273,782	1,213,782
2014 - 2018	5,235,000	817,989	6,052,989
2019	<u>1,165,000</u>	<u>43,455</u>	<u>1,208,455</u>
Total Public Service Tax Revenue Refunding Bonds, Series 2005	<u>\$ 9,715,000</u>	<u>\$ 2,504,884</u>	<u>\$ 12,219,884</u>

\$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 (Series 2001A). 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. The remaining principal is payable in annual installments of \$185,000 to \$425,000 with the final payment due in November 2021. At September 30, 2008, the outstanding balance was \$4,425,000.

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, 2008, the amount of defeased debt outstanding, but removed from the financial statements was \$7,325,000.

Debt Compliance

Various bond indentures contain covenants which specify certain limitations and restrictions for the Village regarding annual debt service requirements and minimum revenue bond coverage. Management believes that the Village has complied with all covenants. Additional information can be found in the statistical section of this report.

**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:			
2009	\$ 225,000	\$ 217,450	\$ 442,450
2010	235,000	205,950	440,950
2011	250,000	193,825	443,825
2012	260,000	181,075	441,075
2013	275,000	167,700	442,700
2014 - 2018	1,585,000	604,756	2,189,756
2019 - 2022	<u>1,595,000</u>	<u>156,844</u>	<u>1,751,844</u>
Total Loan Payable	<u>\$ 4,425,000</u>	<u>\$ 1,727,600</u>	<u>\$ 6,152,600</u>

\$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 (Series 2002C). 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. The remaining principal is payable in annual installments of \$245,000 to \$480,000 with the final payment due in November 2022. At September 30, 2008, the outstanding balance was \$5,180,000.

Future debt service requirements to maturity are:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Year Ending September 30:			
2009	\$ 245,000	\$ 254,950	\$ 499,950
2010	255,000	244,288	499,288
2011	265,000	231,288	496,288
2012	280,000	219,063	499,063
2013	290,000	207,663	497,663
2014 - 2018	1,675,000	798,394	2,473,394
2019 - 2023	<u>2,170,000</u>	<u>296,625</u>	<u>2,466,625</u>
Total Loan Payable	<u>\$ 5,180,000</u>	<u>\$ 2,252,271</u>	<u>\$ 7,432,271</u>

***Pledged Revenue***

The Village has pledged future public service tax revenues to repay \$15,670,000 in Public Service Tax Revenue Bonds, Series 1999 and \$9,995,000 in Public Service Tax Revenue Refunding Bonds, Series 2005, respectively. Proceeds from the 1999 bonds provided funds for construction of infrastructure and recreational projects under the Village's Capital Improvement Plan. Proceeds of the 2005 bonds were used to refund a portion of the Public Service Tax Revenue Bonds, Series 1999. The bonds are payable solely from public service tax revenues and are payable through 2019. Annual principal and interest payments on the bonds are expected to require less than 14% of annual public service tax revenues. The total principal

**NOTE 6. LONG-TERM DEBT (Continued)**

***Pledged Revenue*** (Continued)

Governmental Activities (Continued)

and interest remaining to be paid on the Public Service Tax Revenue Bonds, Series 1999 is \$1,098,284 and Public Service Tax Revenue Refunding Bonds, Series 2005, is \$12,219,884. Total principal and interest paid for the current year and total public service tax revenues were \$1,210,065 and \$9,677,529, respectively.

Business-type Activities

	Balance September 30, 2007	Additions	Reductions	Balance September 30, 2008	Due Within One Year
Utility System Revenue Refunding Bonds	\$ 15,930,000	\$ -	\$(2,225,000)	\$ 13,705,000	\$ 2,280,000
Plus unamortized bond premium	166,754	-	(27,792)	138,962	-
Less unamortized refunding loss	(975,607)	-	162,601	(813,006)	-
Total Bonds Payable	15,121,147	-	(2,090,191)	13,030,956	2,280,000
Compensated absences payable	177,778	185,631	(182,201)	181,208	80,000
Total	<u>\$ 15,298,925</u>	<u>\$ 185,631</u>	<u>\$(2,272,392)</u>	<u>\$ 13,212,164</u>	<u>\$ 2,360,000</u>

\$22,355,000 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. Interest, at rates ranging from 2.00% to 4.00%, is payable semi-annually on April 1 and October 1. The remaining 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 the 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, 2008, the outstanding balance was \$13,705,000.

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

	Principal	Interest	Total
Year Ending September 30:			
2009	\$ 2,280,000	\$ 487,424	\$ 2,767,424
2010	2,335,000	417,474	2,752,474
2011	2,420,000	319,549	2,739,549
2012	2,535,000	210,889	2,745,889
2013	2,635,000	80,065	2,715,065
2014	1,500,000	60,000	1,560,000
Total Debt Service Requirements	<u>\$ 13,705,000</u>	<u>\$ 1,575,401</u>	<u>\$ 15,280,401</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

**NOTE 6. LONG-TERM DEBT (Continued)**

***Changes in Long-Term Liabilities*** (Continued)

***Business-type Activities*** (Continued)

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.

***Pledged Revenue***

The Village has pledged future water and sewer revenues, net of specified operating expenses, to repay \$22,355,000 in Utility System Revenue Refunding and Improvement Bonds issued in August 2003. Proceeds from the bonds provided funds to refund all of the Utility System Revenue Refunding Bonds, Series 1993 and finance certain capital expenditures related to the water and sewer system. The bonds are payable solely from water and sewer net revenues and are payable through 2014. Annual principal and interest payments on the bonds are expected to require less than 43% of annual net revenues. The total principal and interest remaining to be paid on the bonds is \$15,280,401. Total principal and interest paid for the current year and total water and sewer net revenues were \$2,742,349 and \$5,855,330, respectively.

***Interest Expense***

Total interest costs incurred and paid on all Village debt for the year ended September 30, 2008 totaled \$1,454,097 and \$1,479,851, respectively.

**NOTE 7. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS**

The composition of interfund balances as of September 30, 2008 is as follows:

***Due to/from Other Funds***

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	Solid waste	\$ 125,567

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 year.

***Advances from/to Other Funds***

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	Solid waste	\$ 419,103

These amounts payable to the General Fund relate 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.

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

Transfers for the year ended September 30, 2008 were as follows:

	<u>Transfers In</u>	<u>Transfers Out</u>
General fund	\$ 12,888,059	\$ 32,757,878
Planning, zoning and building fund	1,753,414	4,788,442
Recreation programs fund	8,873,591	3,638,253
Capital projects fund	21,112,622	-
Nonmajor governmental funds	19,568,435	17,557,962
Utility system fund	-	4,873,200
Solid waste fund	-	580,386
Total	<u>\$ 64,196,121</u>	<u>\$ 64,196,121</u>

Transfers are used to (1) move revenues from the fund budgeted to collect them to the fund budgeted to expend them, (2) use unrestricted revenues collected in the general fund to finance recreation programs, and (3) allocate indirect expenses for overhead.

**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 and 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, 2008, the Village's required annual contribution is 9.85% of the covered salary for regular members. On January 1, 2008 the Village opted to participate solely in the FRS and opted out of the 401A pension plan. The Village's contributions to FRS for the years ended September 30, 2008, 2007, and 2006 were \$1,068,856, \$56,454, and \$46,140, respectively, equal to 100% of 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 MetLife, 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 new plan in January 2003. Village employees had an option to remain in the previous plan (FRS) or to join the Defined Contribution plan.

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

#### **NOTE 9. DEFINED CONTRIBUTION PLAN (Continued)**

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. The Village opted out of its 401A pension plan on December 31, 2007.

The Village's total payroll for the three months ended December 31, 2007, was \$3,101,471. The Village's contribution was calculated using the base salary amount of \$3,009,927. The Village made one hundred percent of its required contributions of \$223,887, \$860,700, and \$849,355, for fiscal years 2008, 2007, and 2006, 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 ending September 2009.

The Facilities Management Agreement provides for on site management services. According to the agreement, the Village will pay HTE, Inc. \$785,200 per year. The total amount of the contract remaining is \$785,200, subject to a consumer price index increase. For the year ended September 30, 2008, 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, 2008. 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 \$6,346,436 for the year ended September 30, 2008. This agreement has been extended through the year ending September 30, 2009. Amounts to be paid pursuant to this agreement in fiscal year 2009 total \$6,854,151.

##### ***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,

## **NOTE 12. COMMITMENTS (Continued)**

2003. In December 2002, the Village executed its right to extend the contract through September 30, 2008. The cost of the contract totaled \$1,815,600 for the year ended September 30, 2008 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. During the year ended September 30, 2008, the contract for waste and recycling collection services was re-bid in order to obtain the lowest possible cost for the Village. The bid was awarded to the same contractor. Amounts to be paid pursuant to this agreement in fiscal year 2009 total \$3,018,000.

### ***South Florida Water Management District Memorandum of Understanding (MOU)***

On February 4, 2004, the Village Council approved a Memorandum of Understanding (MOU) with South Florida Water Management District (SFWMD) for funding and construction of the Basin B project. The original MOU acknowledged the need for improved water resource management facilities for Basins A and B that met regional multi-purpose objectives including environmental restoration, flood protection, water quality enhancement and recreation. This MOU was amended on June 26, 2007 authorizing the Village to construct pump station 7 and related ancillary project features with full reimbursement by SFWMD to the Village upon satisfactory completion of each phase of the project.

On October 23, 2007, the Village agreed to design, permit, construct, operate and maintain the Section 24 Impoundment, including an inflow pump station, outflow water control structures, and related project features to complete the Phase 2 project under the same basic terms of MOU No. 1 initially approved for the construction of pump station No. 7. Under the revised MOU, SFWMD will reimburse the Village for all costs incurred for the design and construction of a standard electric inflow Pump Station No. 9, Section 24 Impoundment, outflow water control structures and various other project features at a cost of \$21 million and then split any additional costs 50/50 with the Village not to exceed the total SFWMD budget of \$21.5 million. As of September 30, 2008 \$1,436,735 has been expended.

### ***Reverse Osmosis Plant Expansion***

The Village of Wellington has planned to increase its overall water system to meet the needs of projected growth. Approximately \$20.4 million will be expended on this expansion which was started in fiscal year 2004. The existing water treatment plant is being expanded to a 5.4 Million Gallons per Day (MGD) Reverse Osmosis (RO) plant along with injection wells, addition of a storage reservoir and expansion of transmission lines. Construction is expected to be completed in an eight-year timeframe. The majority of the construction is being performed through a contract awarded to Wharton-Smith, Inc. for \$13.132 million. As of September 30, 2008, \$11.888 million has been expended under this contract, with a value of work remaining of \$1.244 million.

### ***Southshore Boulevard Improvements***

The Village of Wellington has planned the expansion of the existing roadway to a two lane roadway with a median from Greenview Shores to Lake Worth Road. This project, to be completed in 2010, is to meet traffic demands and level of service standards in the equestrian area. This project is estimated to cost \$10.247 million.

## **NOTE 13. OTHER POST-EMPLOYMENT BENEFITS**

Plan Description: On September 28, 2007, the Village established the Employee Retirement Healthcare Trust Fund, an agent multiple-employer, defined benefit healthcare plan administered by the League of Cities. The Plan provides medical and dental insurance benefits to eligible retirees and their spouses and families. The Village Council is authorized to establish and amend benefit levels, subject to the minimum requirements set forth by Florida Statutes, and to approve the actuarial assumptions used in the

**NOTE 13. OTHER POST-EMPLOYMENT BENEFITS (Continued)**

determination of contribution levels. The Plan does not issue a separate financial statement and required supplementary information. There were two retirees eligible to receive benefits as of September 30, 2008.

Funding Policy: The Village Council is authorized to establish benefit levels and to approve the actuarial assumptions used in the determination of contribution levels. The Village Council also establishes the contribution requirements of plan members and the Village. These contributions are neither mandated nor guaranteed. The retiree contributes the premium cost each month. Spouses and other dependents are also eligible for coverage, although the retiree pays the full cost of the premium. The Village does not subsidize any member premiums.

Annual OPEB Cost: The Village's annual other postemployment benefit (OPEB) cost for the fiscal year was \$49,000, an amount actuarially determined in accordance with the parameters of GASB Statement 45. The Village's annual OPEB cost, percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation (asset) for the fiscal year ended September 30, 2008 and the preceding year were as follows:

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Asset</u>
9/30/2007	\$ 173,982	505%	\$ 704,969
9/30/2008	49,000	0%	655,969
Annual required contribution			\$ 15,000
Interest on OPEB obligation			(66,000)
Adjustment to annual required contribution			<u>100,000</u>
Annual OPEB cost			49,000
Contribution made			<u>-</u>
Change in net OPEB asset			49,000
Net OPEB asset, beginning of year			<u>(704,969)</u>
Net OPEB asset, end of year			<u>\$ (655,969)</u>

The Village's annual required contributions for 2008 and 2007 were \$15,000 and \$173,982, respectively, of which the Village made contributions of \$0 and \$878,951, respectively.

Funded Status and Funding Progress: The funded status of the plan as of September 30, 2008 was as follows (based upon the first actuarial valuation since the plan was funded):

Actuarial accrued liability (AAL)	\$ 527,000
Actuarial value of plan assets	<u>748,000</u>
Unfunded actuarial accrued liability (UAAL)	<u>\$ (221,000)</u>
Funded Ratio (actuarial value of plan assets/AAL)	141.9%
Covered payroll (active plan members)	\$ 11,641,000
UAAL as a percentage of covered payroll	-1.9%

### **NOTE 13. OTHER POST-EMPLOYMENT BENEFITS (Continued)**

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

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the actuarial valuation for the Plan as of July 1, 2008, the projected unit credit actuarial cost method was used. The actuarial assumptions included a 7.5% investment rate of return (net of administrative expenses), and an annual healthcare cost trend rate of 10% initially, reduced by decrements to an ultimate rate of 5.5% after ten years. Both rates included a 3.5% inflation assumption. The actuarial value of assets will be determined using fair value. The UAAL will be amortized as a level percentage of projected payroll on an open basis. The remaining amortization period is fourteen years.

The assumptions above were modified from the initial actuarial valuation for the plan. These assumptions included an investment rate of return of 8%, an annual health-care cost trend rate of 12%, and a 4% inflation assumption. The change in these assumptions, plus actual retiree data, resulted in a substantially lower annual OPEB cost for 2008.

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**REQUIRED SUPPLEMENTARY INFORMATION**

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## Budgetary Comparison Schedules:

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General Fund

Special Revenue Funds:

Planning, Zoning and Building  
Recreation Programs

Capital Projects Fund

**VILLAGE OF WELLINGTON, FLORIDA**  
 BUDGETARY COMPARISON SCHEDULE  
 GENERAL FUND  
 YEAR ENDED SEPTEMBER 30, 2008

	Original Adopted Budget	Prior Year Carryforward	Legally Adopted Budget Amendments	Final Revised Budget	Actual	Variance With Final Budget Positive (Negative)
<b>Revenues:</b>						
Ad valorem taxes	\$ 17,357,103	\$ -	\$ -	\$ 17,357,103	\$ 17,412,203	\$ 55,100
Franchise fees	3,400,000	-	-	3,400,000	3,492,742	92,742
Utility taxes	3,360,000	-	-	3,360,000	3,433,777	73,777
Public services tax	2,860,920	-	(230,000)	2,630,920	2,751,010	120,090
Licenses and permits	585,200	-	26,000	611,200	466,355	(144,845)
Intergovernmental	5,194,000	-	(204,800)	4,989,200	4,687,703	(301,497)
Fines and forfeitures	145,000	-	-	145,000	196,699	51,699
Investment income	1,353,000	-	(40,000)	1,313,000	1,260,580	(52,420)
Miscellaneous	205,000	-	-	205,000	326,423	121,423
Total revenues	<u>34,460,223</u>	<u>-</u>	<u>(448,800)</u>	<u>34,011,423</u>	<u>34,027,492</u>	<u>16,069</u>

(Continued)

# VILLAGE OF WELLINGTON, FLORIDA

## BUDGETARY COMPARISON SCHEDULE

### GENERAL FUND

YEAR ENDED SEPTEMBER 30, 2008

	<u>Original Adopted Budget</u>	<u>Prior Year Carryforward</u>	<u>Legally Adopted Budget Amendments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget Positive (Negative)</u>
<b>Expenditures:</b>						
Current:						
General government:						
Village Council	\$ 750,072	\$ 20,315	\$ (13,500)	\$ 756,887	\$ 571,623	\$ 185,264
Village Clerk	1,378,711	20,085	28,750	1,427,546	1,162,915	264,631
Village Manager	296,179	165,051	148,965	610,195	565,120	45,075
Financial services	2,136,634	94,024	306,983	2,537,641	2,430,660	106,981
Administrative services	1,298,023	32,922	(109,258)	1,221,687	1,143,600	78,087
Human resources	476,291	12,641	(9,700)	479,232	363,609	115,623
Risk management	1,348,050	1,058	-	1,349,108	844,595	504,513
Legal	750,000	2,234	-	752,234	531,451	220,783
MIS	1,328,950	44,711	25,400	1,399,061	1,365,011	34,050
Council and community relations	255,422	-	(151,068)	104,354	104,046	308
Other	654,000	-	-	654,000	145,958	508,042
Total general government	<u>10,672,332</u>	<u>393,041</u>	<u>226,572</u>	<u>11,291,945</u>	<u>9,228,588</u>	<u>2,063,357</u>
Public safety:						
Law enforcement	<u>6,457,161</u>	<u>24,852</u>	<u>-</u>	<u>6,482,013</u>	<u>6,457,703</u>	<u>24,310</u>
Physical environment:						
Operations administration	-	-	294,853	294,853	290,589	4,264
Public works	2,989,078	16,121	(162,449)	2,842,750	2,783,175	59,575
GIS	-	-	197,429	197,429	175,033	22,396
Emergency operations	60,000	-	6,250	66,250	47,312	18,938
Engineering	<u>2,152,801</u>	<u>31,610</u>	<u>(491,604)</u>	<u>1,692,807</u>	<u>1,630,949</u>	<u>61,858</u>
Total physical environment	<u>5,201,879</u>	<u>47,731</u>	<u>(155,521)</u>	<u>5,094,089</u>	<u>4,927,058</u>	<u>167,031</u>
Capital outlay	<u>599,306</u>	<u>421,792</u>	<u>(188,410)</u>	<u>832,688</u>	<u>476,431</u>	<u>356,257</u>
Total expenditures	<u>22,930,678</u>	<u>887,416</u>	<u>(117,359)</u>	<u>23,700,735</u>	<u>21,089,780</u>	<u>2,610,955</u>
Excess (deficiency) of revenues over expenditures	<u>11,529,545</u>	<u>(887,416)</u>	<u>(331,441)</u>	<u>10,310,688</u>	<u>12,937,712</u>	<u>2,627,024</u>
<b>Other financing sources (uses):</b>						
Transfers in	13,078,635	-	(10,000)	13,068,635	12,888,059	(180,576)
Transfers out	(24,555,871)	-	(4,521,189)	(29,077,060)	(32,757,878)	(3,680,818)
Sale of capital asset	-	-	-	-	400	400
Total other financing uses	<u>(11,477,236)</u>	<u>-</u>	<u>(4,531,189)</u>	<u>(16,008,425)</u>	<u>(19,869,419)</u>	<u>(3,860,994)</u>
Net change in fund balance	(228,634)	(887,416)	(5,180,630)	(5,697,737)	(6,931,707)	(1,233,970)
Fund balance, beginning of year	<u>228,634</u>	<u>887,416</u>	<u>5,180,630</u>	<u>5,697,737</u>	<u>29,567,088</u>	<u>23,869,351</u>
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 22,635,381</u>	<u>\$ 22,635,381</u>

See note to budgetary comparison schedules

**VILLAGE OF WELLINGTON, FLORIDA**  
**BUDGETARY COMPARISON SCHEDULE**  
**PLANNING, ZONING AND BUILDING - SPECIAL REVENUE FUND**  
**YEAR ENDED SEPTEMBER 30, 2008**

	Original Adopted Budget	Prior Year Carryforward	Legally Adopted Budget Amendments	Final Budget	Actual	Variance With Final Budget Positive (Negative)
<b>Revenues:</b>						
Licenses and permits	\$ 4,012,750	\$ -	\$ (305,000)	\$ 3,707,750	\$2,810,280	\$ (897,470)
Fines and forfeitures	208,000	-	10,000	218,000	416,383	198,383
Investment income	-	-	-	-	361,678	361,678
Miscellaneous	100,000	-	-	100,000	105,729	5,729
Total revenues	<u>4,320,750</u>	<u>-</u>	<u>(295,000)</u>	<u>4,025,750</u>	<u>3,694,070</u>	<u>(331,680)</u>
<b>Expenditures:</b>						
Current:						
Physical environment:						
Planning, zoning and building administration	686,279	153,144	34,789	874,212	760,419	113,793
Community development	825,906	79,108	(218,322)	686,692	628,232	58,460
Code compliance	762,542	32,000	8,300	802,842	756,158	46,684
Building	2,031,642	161,901	(14,700)	2,178,843	1,672,463	506,380
Total physical environment	<u>4,306,369</u>	<u>426,153</u>	<u>(189,933)</u>	<u>4,542,589</u>	<u>3,817,272</u>	<u>725,317</u>
Capital outlay	64,163	2,089	24,122	90,374	24,337	66,037
Total expenditures	<u>4,370,532</u>	<u>428,242</u>	<u>(165,811)</u>	<u>4,632,963</u>	<u>3,841,609</u>	<u>791,354</u>
Excess (deficiency) of revenues over expenditures	<u>(49,782)</u>	<u>(428,242)</u>	<u>(129,189)</u>	<u>(607,213)</u>	<u>(147,539)</u>	<u>459,674</u>
<b>Other financing sources (uses):</b>						
Transfers in	1,934,225	-	(180,811)	1,753,414	1,753,414	-
Transfers out	(1,038,442)	-	(3,750,000)	(4,788,442)	(4,788,442)	-
Total other financing sources (uses)	<u>895,783</u>	<u>-</u>	<u>(3,930,811)</u>	<u>(3,035,028)</u>	<u>(3,035,028)</u>	<u>-</u>
Net change in fund balance	846,001	(428,242)	(4,060,000)	(3,642,241)	(3,182,567)	459,674
Fund balance, beginning of year	<u>(846,001)</u>	<u>428,242</u>	<u>4,060,000</u>	<u>3,642,241</u>	<u>8,554,657</u>	<u>4,912,416</u>
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$5,372,090</u>	<u>\$ 5,372,090</u>

See note to budgetary comparison schedules

**VILLAGE OF WELLINGTON, FLORIDA**  
**BUDGETARY COMPARISON SCHEDULE**  
**RECREATION PROGRAMS - SPECIAL REVENUE FUND**  
**YEAR ENDED SEPTEMBER 30, 2008**

	Original Adopted Budget	Prior Year Carryforward	Legally Adopted Budget Amendments	Final Budget	Actual	Variance With Final Budget Positive (Negative)
<b>Revenues:</b>						
Charges for services	\$ 2,176,495	\$ -	\$ (326,588)	\$ 1,849,907	\$ 1,851,897	\$ 1,990
Investment income	-	-	-	-	137,603	137,603
Miscellaneous	-	-	-	-	92,264	92,264
Total revenues	<u>2,176,495</u>	<u>-</u>	<u>(326,588)</u>	<u>1,849,907</u>	<u>2,081,764</u>	<u>231,857</u>
<b>Expenditures:</b>						
Current:						
Culture and recreation:						
Pool facilities	752,382	4,199	131,384	887,965	858,333	29,632
Tennis facilities	157,216	-	(7,832)	149,384	145,495	3,889
Community center facilities	367,596	-	22,990	390,586	289,858	100,728
Parks and recreational facilities	2,747,908	61,031	(205,917)	2,603,022	2,274,994	328,028
Parks buildings and landscape	1,101,850	5,547	-	1,107,397	964,507	142,890
Parks and recreational administration	702,099	3,218	49,491	754,808	679,399	75,409
Community programs	581,843	4,060	(11,071)	574,832	550,227	24,605
Athletics programs	<u>1,414,173</u>	<u>-</u>	<u>21,409</u>	<u>1,435,582</u>	<u>1,272,211</u>	<u>163,371</u>
Total culture and recreation	<u>7,825,067</u>	<u>78,055</u>	<u>454</u>	<u>7,903,576</u>	<u>7,035,024</u>	<u>868,552</u>
Capital outlay	<u>92,196</u>	<u>470,933</u>	<u>(119,803)</u>	<u>443,326</u>	<u>339,133</u>	<u>104,193</u>
Total expenditures	<u>7,917,263</u>	<u>548,988</u>	<u>(119,349)</u>	<u>8,346,902</u>	<u>7,374,157</u>	<u>972,745</u>
Excess (deficiency) of revenues over expenditures	<u>(5,740,768)</u>	<u>(548,988)</u>	<u>(207,239)</u>	<u>(6,496,995)</u>	<u>(5,292,393)</u>	<u>1,204,602</u>
<b>Other financing sources (uses):</b>						
Transfers in	8,873,591	-	339,088	9,212,679	8,873,591	(339,088)
Transfers out	<u>(2,972,819)</u>	<u>-</u>	<u>-</u>	<u>(2,972,819)</u>	<u>(3,638,253)</u>	<u>(665,434)</u>
Total other financing sources (uses)	<u>5,900,772</u>	<u>-</u>	<u>339,088</u>	<u>6,239,860</u>	<u>5,235,338</u>	<u>(1,004,522)</u>
Net change in fund balance	160,004	(548,988)	131,849	(257,135)	(57,055)	200,080
Fund balance, beginning of year	<u>(160,004)</u>	<u>548,988</u>	<u>(131,849)</u>	<u>257,135</u>	<u>3,191,288</u>	<u>2,934,153</u>
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,134,233</u>	<u>\$ 3,134,233</u>

See note to budgetary comparison schedules

**VILLAGE OF WELLINGTON, FLORIDA**  
 BUDGETARY COMPARISON SCHEDULE  
 CAPITAL PROJECTS FUND - CAPITAL PROJECTS FUND  
 YEAR ENDED SEPTEMBER 30, 2008

	Original Adopted Budget	Prior Year Carryforward	Legally Adopted Budget Amendments	Final Budget	Actual	Variance With Final Budget Positive (Negative)
<b>Revenues:</b>						
Intergovernmental	\$ -	\$ -	\$ 1,436,735	\$ 1,436,735	\$ 2,468,720	\$ 1,031,985
Investment income	-	-	-	-	34,554	34,554
Total revenues	<u>-</u>	<u>-</u>	<u>1,436,735</u>	<u>1,436,735</u>	<u>2,503,274</u>	<u>1,066,539</u>
<b>Expenditures:</b>						
Capital outlay:						
Surface water management	1,060,000	-	1,184,360	2,244,360	1,756,776	487,584
SWAT	100,000	-	1,913,642	2,013,642	1,475,957	537,685
Engineering & environmental services	509,250	-	(267,439)	241,811	241,406	405
Parks and recreation	936,891	-	(151,939)	784,952	703,798	81,154
Total expenditures	<u>2,606,141</u>	<u>-</u>	<u>2,678,624</u>	<u>5,284,765</u>	<u>4,177,937</u>	<u>1,106,828</u>
Excess (deficiency) of revenues over expenditures	<u>(2,606,141)</u>	<u>-</u>	<u>(1,241,889)</u>	<u>(3,848,030)</u>	<u>(1,674,663)</u>	<u>2,173,367</u>
<b>Other financing source:</b>						
Transfers in	<u>2,606,141</u>	<u>-</u>	<u>12,635,100</u>	<u>15,241,241</u>	<u>21,112,622</u>	<u>5,871,381</u>
Net change in fund balance	-	-	11,393,211	11,393,211	19,437,959	8,044,748
Fund balance, beginning of year	<u>-</u>	<u>-</u>	<u>(11,393,211)</u>	<u>(11,393,211)</u>	<u>-</u>	<u>11,393,211</u>
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 19,437,959</u>	<u>\$ 19,437,959</u>

See note to budgetary comparison schedules

**VILLAGE OF WELLINGTON, FLORIDA**  
NOTE TO BUDGETARY COMPARISON SCHEDULES  
SEPTEMBER 30, 2008

**Note 1. 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, capital projects 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 U.S. generally accepted accounting principles. The Village also adopts a nonappropriated operating budget for the enterprise funds substantially on a basis consistent with U.S. generally accepted accounting principles. All appropriations lapse at fiscal year end; however, encumbrances and amounts specifically designated to be carried forward to the subsequent year are re-appropriated in the following year.

During the year ended September 30, 2008, several supplementary appropriations were necessary. The supplementary appropriations increased the general fund budget by \$770,057, the major special revenue funds' budgets by \$692,070, and the capital projects fund budget by \$2,678,624. The supplementary appropriations consisted mainly of amounts re-appropriated from the previous budget year, except for the capital projects fund which increased due to additional funding from other Village funds.

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, 2008

CONDITION RATING OF THE VILLAGE'S STREET SYSTEM

Percentage of lane miles in good or better condition

Overall System:

2006	98%
2007	100%
2008	100%

Percentage of lane miles in substandard condition

Overall System:

2006	2%
2007	0%
2008	0%

COMPARISON OF NEEDED-TO-ACTUAL MAINTENANCE/PRESERVATION

	<u>Needed</u>	<u>Actual</u>	<u>Difference</u>
Overall System:			
2002	\$ 566,700	\$ 598,074	\$ 31,374
2003	646,700	1,052,265	405,565
2004	470,110	465,610	(4,500)
2005	535,835	146,758	(389,077)
2006	783,000	898,307	115,307
2007	835,654	438,776	(396,878)
2008	<u>726,050</u>	<u>652,505</u>	<u>(73,545)</u>
Total	<u>\$4,564,049</u>	<u>\$4,252,295</u>	<u>\$ (311,754)</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.

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**COMBINING NONMAJOR FUND STATEMENTS  
AND OTHER SUPPLEMENTAL INFORMATION**

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## NONMAJOR GOVERNMENTAL FUNDS

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### 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.

**Surface Water Management 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 the water management facilities in accordance with the Plan of Reclamation and existing operations, construction of capital facilities, and maintenance of the same. The funding source is non-ad valorem special assessments against all taxable units within the District.

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

### CAPITAL PROJECTS FUNDS

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

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

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

# VILLAGE OF WELLINGTON, FLORIDA

## COMBINING BALANCE SHEET

### NONMAJOR GOVERNMENTAL FUNDS

SEPTEMBER 30, 2008

	Special Revenue Funds		Capital Project Funds			Debt Service Fund	Total Nonmajor Funds
	Surface Water Management	Gas Tax Maintenance	Recreation Impact Fees	Gas Tax Capital	Road Impact Fees		
<b>ASSETS</b>							
Cash and cash equivalents	\$ 7,992	\$ 153,068	\$ 2,439,396	\$ 1,472,566	\$ 2,980,944	\$ 17,343	\$ 7,071,309
Investments	26,607	509,665	8,122,355	4,903,138	6,001,094	57,749	19,620,608
Receivables:							
Accounts	9,038	-	-	5,311	-	-	14,349
Interest	13,632	11,919	43,404	19,904	16,811	-	105,670
Due from other governments	149,079	204,500	-	41,096	-	-	394,675
Total assets	<u>\$ 206,348</u>	<u>\$ 879,152</u>	<u>\$ 10,605,155</u>	<u>\$ 6,442,015</u>	<u>\$ 8,998,849</u>	<u>\$ 75,092</u>	<u>\$ 27,206,611</u>
<b>LIABILITIES AND FUND BALANCES</b>							
Liabilities:							
Accounts payable and accrued liabilities	\$ 84,884	\$ 28,366	\$ -	\$ 70,650	\$ 532,787	\$ -	\$ 716,687
Retainage payable	-	-	15,969	-	-	-	15,969
Total liabilities	<u>84,884</u>	<u>28,366</u>	<u>15,969</u>	<u>70,650</u>	<u>532,787</u>	<u>-</u>	<u>732,656</u>
Fund balances:							
Reserved for:							
Encumbrances	35,524	27,213	-	-	-	-	62,737
Capital improvements	-	-	10,589,186	6,371,365	8,466,062	-	25,426,613
Debt service	-	-	-	-	-	75,092	75,092
Unreserved, designated for:							
Road maintenance	-	823,573	-	-	-	-	823,573
Unreserved, undesignated	85,940	-	-	-	-	-	85,940
Total fund balances	<u>121,464</u>	<u>850,786</u>	<u>10,589,186</u>	<u>6,371,365</u>	<u>8,466,062</u>	<u>75,092</u>	<u>26,473,955</u>
Total liabilities and fund balances	<u>\$ 206,348</u>	<u>\$ 879,152</u>	<u>\$ 10,605,155</u>	<u>\$ 6,442,015</u>	<u>\$ 8,998,849</u>	<u>\$ 75,092</u>	<u>\$ 27,206,611</u>

**VILLAGE OF WELLINGTON, FLORIDA**  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 NONMAJOR GOVERNMENTAL FUNDS  
 YEAR ENDED SEPTEMBER 30, 2008

	Special Revenue Funds		Capital Project Funds			Debt Service Fund	Total Nonmajor Funds
	Surface Water Management	Gas Tax Maintenance	Recreation Impact Fees	Gas Tax Capital	Road Impact Fees		
<b>Revenues:</b>							
Special assessments	\$ 3,572,397	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,572,397
Impact fees	-	-	404,275	-	272,466	-	676,741
Intergovernmental revenue	-	1,131,176	556,294	872,600	-	-	2,560,070
Charges for services	293,416	-	-	-	-	-	293,416
Investment income	155,814	119,776	436,191	200,022	204,712	-	1,116,515
Miscellaneous	129,957	3,963	1,666	-	-	-	135,586
Total revenues	<u>4,151,584</u>	<u>1,254,915</u>	<u>1,398,426</u>	<u>1,072,622</u>	<u>477,178</u>	-	<u>8,354,725</u>
<b>Expenditures:</b>							
Current:							
Physical environment	1,635,149	-	-	-	-	-	1,635,149
Transportation	-	1,453,173	-	-	-	-	1,453,173
Capital outlay	19,309	162,570	172,696	1,152,915	974,845	-	2,482,335
Debt service:							
Principal	-	-	-	-	-	1,215,000	1,215,000
Interest and other charges	-	-	-	-	-	936,915	936,915
Total expenditures	<u>1,654,458</u>	<u>1,615,743</u>	<u>172,696</u>	<u>1,152,915</u>	<u>974,845</u>	<u>2,151,915</u>	<u>7,722,572</u>
Excess (deficiency) of revenues over expenditures	<u>2,497,126</u>	<u>(360,828)</u>	<u>1,225,730</u>	<u>(80,293)</u>	<u>(497,667)</u>	<u>(2,151,915)</u>	<u>632,153</u>
<b>Other financing sources (uses):</b>							
Transfers in	2,300,000	6,051,674	-	5,135,217	3,929,602	2,151,942	19,568,435
Transfers out	<u>(4,837,562)</u>	<u>(5,520,330)</u>	<u>(2,665,934)</u>	<u>(4,044,799)</u>	<u>(489,337)</u>	-	<u>(17,557,962)</u>
Total other financing sources (uses)	<u>(2,537,562)</u>	<u>531,344</u>	<u>(2,665,934)</u>	<u>1,090,418</u>	<u>3,440,265</u>	<u>2,151,942</u>	<u>2,010,473</u>
Net change in fund balances	(40,436)	170,516	(1,440,204)	1,010,125	2,942,598	27	2,642,626
Fund balances, beginning of year	<u>161,900</u>	<u>680,270</u>	<u>12,029,390</u>	<u>5,361,240</u>	<u>5,523,464</u>	<u>75,065</u>	<u>23,831,329</u>
Fund balances, end of year	<u>\$ 121,464</u>	<u>\$ 850,786</u>	<u>\$ 10,589,186</u>	<u>\$ 6,371,365</u>	<u>\$ 8,466,062</u>	<u>\$ 75,092</u>	<u>\$ 26,473,955</u>

## VILLAGE OF WELLINGTON, FLORIDA

### SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL SURFACE WATER MANAGEMENT - SPECIAL REVENUE FUND

YEAR ENDED SEPTEMBER 30, 2008

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>Revenues:</b>				
Special assessments	\$ 3,577,758	\$ 3,577,758	\$ 3,572,397	\$ (5,361)
Charges for services	343,350	343,350	293,416	(49,934)
Investment income	239,000	92,000	155,814	63,814
Miscellaneous	<u>25,000</u>	<u>25,000</u>	<u>129,957</u>	<u>104,957</u>
Total revenues	<u>4,185,108</u>	<u>4,038,108</u>	<u>4,151,584</u>	<u>113,476</u>
<b>Expenditures:</b>				
Current:				
Physical environment				
Environmental services BMP	295,075	283,375	229,027	54,348
Surface water management	<u>1,546,570</u>	<u>1,572,982</u>	<u>1,406,122</u>	<u>166,860</u>
Total physical environment	<u>1,841,645</u>	<u>1,856,357</u>	<u>1,635,149</u>	<u>221,208</u>
Capital outlay	<u>21,671</u>	<u>23,266</u>	<u>19,309</u>	<u>3,957</u>
Total expenditures	<u>1,863,316</u>	<u>1,879,623</u>	<u>1,654,458</u>	<u>225,165</u>
Excess of revenues over expenditures	<u>2,321,792</u>	<u>2,158,485</u>	<u>2,497,126</u>	<u>338,641</u>
<b>Other financing sources (uses):</b>				
Transfers in	-	-	2,300,000	2,300,000
Transfers out	<u>(2,065,879)</u>	<u>(1,620,979)</u>	<u>(4,837,562)</u>	<u>(3,216,583)</u>
Total other financing sources (uses)	<u>(2,065,879)</u>	<u>(1,620,979)</u>	<u>(2,537,562)</u>	<u>(916,583)</u>
Net change in fund balance	255,913	537,506	(40,436)	(577,942)
Fund balance, beginning of year	<u>(255,913)</u>	<u>(537,506)</u>	<u>161,900</u>	<u>699,406</u>
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 121,464</u>	<u>\$ 121,464</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, 2008

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>Revenues:</b>				
Intergovernmental revenue	\$ 1,081,000	\$ 1,201,000	\$ 1,131,176	\$ (69,824)
Investment income	67,000	67,000	119,776	52,776
Miscellaneous	-	-	3,963	3,963
Total revenues	<u>1,148,000</u>	<u>1,268,000</u>	<u>1,254,915</u>	<u>(13,085)</u>
<b>Expenditures:</b>				
Current:				
Transportation	1,672,062	1,794,275	1,453,173	341,102
Capital outlay	<u>196,655</u>	<u>196,655</u>	<u>162,570</u>	<u>34,085</u>
Total expenditures	<u>1,868,717</u>	<u>1,990,930</u>	<u>1,615,743</u>	<u>375,187</u>
Deficiency of revenues under expenditures	<u>(720,717)</u>	<u>(722,930)</u>	<u>(360,828)</u>	<u>362,102</u>
<b>Other financing sources (uses):</b>				
Transfers in	6,623,135	6,266,047	6,051,674	(214,373)
Transfers out	<u>(5,852,418)</u>	<u>(5,520,330)</u>	<u>(5,520,330)</u>	<u>-</u>
Total other financing sources (uses)	<u>770,717</u>	<u>745,717</u>	<u>531,344</u>	<u>(214,373)</u>
Net change in fund balance	50,000	22,787	170,516	147,729
Fund balance, beginning of year	<u>(50,000)</u>	<u>(22,787)</u>	<u>680,270</u>	<u>703,057</u>
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 850,786</u>	<u>\$ 850,786</u>

## VILLAGE OF WELLINGTON, FLORIDA

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
RECREATION IMPACT FEES - CAPITAL PROJECTS FUND  
YEAR ENDED SEPTEMBER 30, 2008

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Impact fees	\$ 781,075	\$ 456,075	\$ 404,275	\$ (51,800)
Intergovernmental revenue	-	-	556,294	556,294
Investment income	516,000	516,000	436,191	(79,809)
Miscellaneous	-	-	1,666	1,666
Total revenues	1,297,075	972,075	1,398,426	426,351
<b>Expenditures:</b>				
Capital outlay	131,250	322,945	172,696	150,249
Excess of revenues over expenditures	1,165,825	649,130	1,225,730	576,600
<b>Other financing use:</b>				
Transfers out	(1,465,850)	(2,665,850)	(2,665,934)	(84)
Total other financing use	(1,465,850)	(2,665,850)	(2,665,934)	(84)
Net change in fund balance	(300,025)	(2,016,720)	(1,440,204)	576,516
Fund balance, beginning of year	300,025	2,016,720	12,029,390	10,012,670
Fund balance, end of year	\$ -	\$ -	\$ 10,589,186	\$ 10,589,186

## VILLAGE OF WELLINGTON, FLORIDA

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
 GAS TAX CAPITAL - CAPITAL PROJECTS FUND  
 YEAR ENDED SEPTEMBER 30, 2008

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Intergovernmental revenue	\$ 892,000	\$ 895,000	\$ 872,600	\$ (22,400)
Investment income	<u>136,000</u>	<u>136,000</u>	<u>200,022</u>	<u>64,022</u>
Total revenues	<u>1,028,000</u>	<u>1,031,000</u>	<u>1,072,622</u>	<u>41,622</u>
<b>Expenditures:</b>				
Capital outlay	<u>2,760,503</u>	<u>1,400,977</u>	<u>1,152,915</u>	<u>248,062</u>
Deficiency of revenues under expenditures	<u>(1,732,503)</u>	<u>(369,977)</u>	<u>(80,293)</u>	<u>289,684</u>
<b>Other financing sources (uses):</b>				
Transfers in	5,467,305	5,135,217	5,135,217	-
Transfers out	<u>(3,734,802)</u>	<u>(4,044,802)</u>	<u>(4,044,799)</u>	<u>3</u>
Total other financing sources	<u>1,732,503</u>	<u>1,090,415</u>	<u>1,090,418</u>	<u>3</u>
Net change in fund balance	-	720,438	1,010,125	289,687
Fund balance, beginning of year	<u>-</u>	<u>(720,438)</u>	<u>5,361,240</u>	<u>6,081,678</u>
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,371,365</u>	<u>\$ 6,371,365</u>

## VILLAGE OF WELLINGTON, FLORIDA

### SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL ROAD IMPACT FEES - CAPITAL PROJECTS FUND YEAR ENDED SEPTEMBER 30, 2008

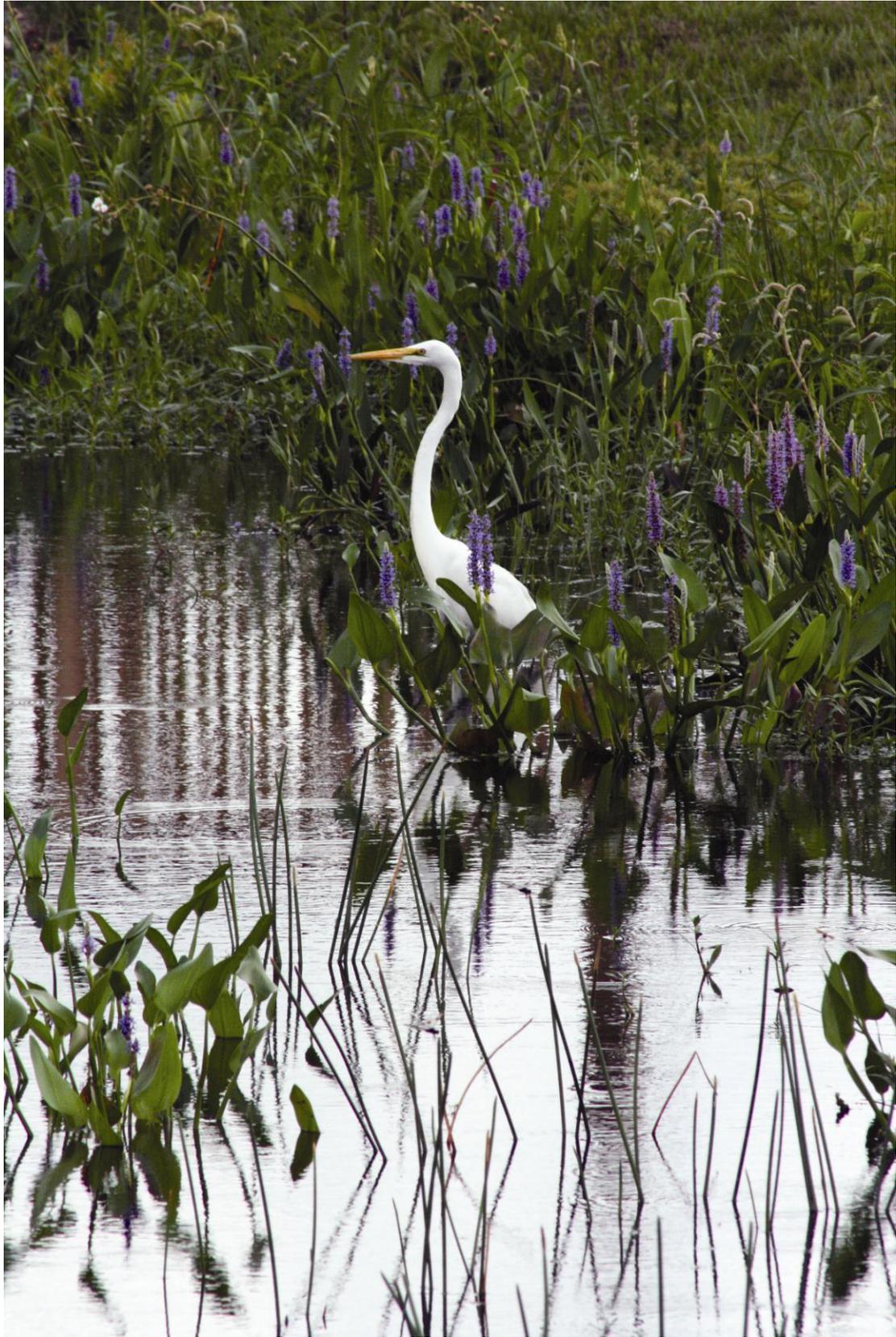
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>Revenues:</b>				
Impact fees	\$ 682,398	\$ 372,398	\$ 272,466	\$ (99,932)
Investment income	20,000	20,000	204,712	184,712
Total revenues	<u>702,398</u>	<u>392,398</u>	<u>477,178</u>	<u>84,780</u>
<b>Expenditures:</b>				
Capital outlay	<u>3,832,500</u>	<u>2,633,206</u>	<u>974,845</u>	<u>1,658,361</u>
Excess (deficiency) of revenues over expenditures	(3,130,102)	(2,240,808)	(497,667)	1,743,141
<b>Other financing sources (uses):</b>				
Transfers in	3,619,602	3,929,602	3,929,602	-
Transfers out	<u>(489,500)</u>	<u>(489,500)</u>	<u>(489,337)</u>	<u>163</u>
Total other financing sources	<u>3,130,102</u>	<u>3,440,102</u>	<u>3,440,265</u>	<u>163</u>
Net change in fund balance	-	1,199,294	2,942,598	1,743,304
Fund balance, beginning of year	<u>-</u>	<u>(1,199,294)</u>	<u>5,523,464</u>	<u>6,722,758</u>
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,466,062</u>	<u>\$ 8,466,062</u>

## VILLAGE OF WELLINGTON, FLORIDA

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

YEAR ENDED SEPTEMBER 30, 2008

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>Revenues</b>	\$ -	\$ -	\$ -	\$ -
<b>Expenditures:</b>				
Debt service:				
Principal	1,215,000	1,215,000	1,215,000	-
Interest and other fiscal charges	<u>937,100</u>	<u>937,100</u>	<u>936,915</u>	<u>185</u>
Total expenditures	<u>2,152,100</u>	<u>2,152,100</u>	<u>2,151,915</u>	<u>185</u>
Excess (deficiency) of revenues over expenditures	(2,152,100)	(2,152,100)	(2,151,915)	185
<b>Other financing source</b>				
Transfers in	<u>2,152,100</u>	<u>2,152,100</u>	<u>2,151,942</u>	<u>(158)</u>
Net change in fund balance	-	-	27	27
Fund balance, beginning of year	<u>-</u>	<u>-</u>	<u>75,065</u>	<u>75,065</u>
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 75,092</u>	<u>\$ 75,092</u>



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## **STATISTICAL SECTION**

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## 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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**VILLAGE OF WELLINGTON, FLORIDA**  
**NET ASSETS BY COMPONENT**  
**LAST SEVEN FISCAL YEARS**  
**(ACCRUAL BASIS OF ACCOUNTING)**

	Fiscal Year						
	2002	2003	2004	2005	2006	2007	2008
<b>Governmental activities:</b>							
Invested in capital assets, net of related debt	\$ 78,064,294	\$ 84,456,045	\$ 82,441,223	\$ 87,127,009	\$ 93,261,010	\$ 102,900,650	\$ 105,313,318
Restricted	18,622,481	25,190,120	28,588,134	31,215,236	35,387,426	31,349,198	50,931,320
Unrestricted	<u>12,472,618</u>	<u>8,908,406</u>	<u>17,165,777</u>	<u>20,093,412</u>	<u>19,920,739</u>	<u>33,216,768</u>	<u>25,448,440</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>	<u>148,569,175</u>	<u>167,466,616</u>	<u>181,693,078</u>
<b>Business-type activities:</b>							
Invested in capital assets, net of related debt	45,917,353	61,103,841	63,977,950	67,896,249	72,761,237	80,708,481	96,014,639
Restricted	3,088,414	22,753,650	35,173,687	48,595,838	30,963,300	33,665,075	8,742,086
Unrestricted	<u>47,811,998</u>	<u>30,396,608</u>	<u>22,308,368</u>	<u>9,074,416</u>	<u>34,588,893</u>	<u>29,172,362</u>	<u>39,994,834</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>	<u>138,313,430</u>	<u>143,545,918</u>	<u>144,751,559</u>
<b>Total government:</b>							
Invested in capital assets, net of related debt	123,981,647	145,559,886	146,419,173	155,023,258	166,022,247	183,609,131	201,327,957
Restricted	21,710,895	47,943,770	63,761,821	79,811,074	66,350,726	65,014,273	59,673,406
Unrestricted	<u>60,284,616</u>	<u>39,305,014</u>	<u>39,474,145</u>	<u>29,167,828</u>	<u>54,509,632</u>	<u>62,389,130</u>	<u>65,443,274</u>
Total government net assets	<u>\$ 205,977,158</u>	<u>\$ 232,808,670</u>	<u>\$ 249,655,139</u>	<u>\$ 264,002,160</u>	<u>\$ 286,882,605</u>	<u>\$ 311,012,534</u>	<u>\$ 326,444,637</u>

Note: Information prior to 2002 is not available.

**VILLAGE OF WELLINGTON, FLORIDA**  
**CHANGES IN NET ASSETS**  
**LAST SEVEN FISCAL YEARS**  
**(ACCRUAL BASIS OF ACCOUNTING)**

	Fiscal Year						
	2002	2003	2004	2005	2006	2007	2008
<b>Expenses:</b>							
<b>Governmental activities:</b>							
General government	\$ 5,862,465	\$ 6,783,423	\$ 7,260,676	\$ 8,214,967	\$ 9,293,043	\$ 10,385,722	\$ 9,819,425
Public safety	3,530,068	3,820,632	4,634,172	5,031,954	5,099,928	5,719,752	6,457,703
Planning and development	2,936,249	3,082,967	3,396,474	4,091,661	4,216,156	4,196,096	3,883,055
Engineering and public works	3,269,210	3,512,188	3,765,102	5,102,076	6,143,913	5,916,475	6,175,334
Surface water management	1,659,368	1,239,037	1,264,735	1,582,326	1,693,334	1,994,542	2,377,394
Transportation	2,051,330	2,778,554	2,936,346	2,658,572	3,756,901	2,702,582	2,813,499
Culture and recreation	6,018,165	6,064,085	6,564,874	8,501,932	9,881,157	10,010,036	9,425,290
Interest on long-term debt	927,545	1,188,924	1,184,013	1,027,675	1,048,372	983,376	936,748
	<u>26,254,400</u>	<u>28,469,810</u>	<u>31,006,392</u>	<u>36,211,163</u>	<u>41,132,804</u>	<u>41,908,581</u>	<u>41,888,448</u>
Indirect expense allocation	(2,184,394)	(1,811,147)	(1,498,361)	(2,235,957)	(2,250,000)	(2,223,268)	(5,453,586)
Total governmental activities	<u>24,070,006</u>	<u>26,658,663</u>	<u>29,508,031</u>	<u>33,975,206</u>	<u>38,882,804</u>	<u>39,685,313</u>	<u>36,434,862</u>
<b>Business-type activities:</b>							
Utility system	10,721,966	10,278,556	11,465,865	10,945,930	11,082,245	11,747,934	12,089,449
Solid waste	1,405,410	1,573,480	4,006,221	6,238,214	8,407,711	2,145,953	2,228,903
	<u>12,127,376</u>	<u>11,852,036</u>	<u>15,472,086</u>	<u>17,184,144</u>	<u>19,489,956</u>	<u>13,893,887</u>	<u>14,318,352</u>
Indirect expense allocation	2,184,394	1,811,147	1,498,361	2,235,957	2,250,000	2,223,268	5,453,586
Total business-type activities	<u>14,311,770</u>	<u>13,663,183</u>	<u>16,970,447</u>	<u>19,420,101</u>	<u>21,739,956</u>	<u>16,117,155</u>	<u>19,771,938</u>
Total government expenses	<u>\$ 38,381,776</u>	<u>\$ 40,321,846</u>	<u>\$ 46,478,478</u>	<u>\$ 53,395,307</u>	<u>\$ 60,622,760</u>	<u>\$ 55,802,468</u>	<u>\$ 56,206,800</u>
<b>Program revenues:</b>							
<b>Governmental activities:</b>							
<b>Charges for services:</b>							
General government	\$ 355,972	\$ 330,233	\$ 238,627	\$ -	\$ -	\$ -	\$ -
Public safety	262,650	300,308	275,880	285,956	263,345	247,497	308,626
Planning and development	4,149,690	5,633,693	5,505,353	6,374,037	4,632,493	3,835,891	3,262,929
Engineering and public works	-	-	-	344,956	612,905	788,135	289,984
Surface water management	262,300	3,105,826	3,098,084	3,126,587	3,144,338	3,157,024	3,865,813
Transportation	402,971	694,122	760,992	1,465,267	1,044,306	668,750	334,597
Culture and recreation	2,420,423	3,470,319	6,039,520	5,683,900	3,195,745	2,548,536	2,256,172
Operating grants and contributions	2,100,368	2,126,925	1,206,275	1,943,719	3,102,633	3,902,464	2,057,158
Capital grants and contributions	316,000	1,237,268	962,437	10,639	45,447	5,368,533	2,590,188
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>	<u>16,041,212</u>	<u>20,516,830</u>	<u>14,965,467</u>
<b>Business-type activities:</b>							
<b>Charges for services:</b>							
Utility system	11,692,525	12,636,193	13,348,053	13,642,693	13,799,601	13,459,355	13,129,276
Solid waste	1,742,535	1,969,284	2,196,596	2,480,804	4,833,697	2,834,369	3,018,730
Operating grants and contributions	-	-	1,113,196	1,305,602	8,037,716	778,676	1,522,575
Capital grants and contributions	8,747,614	15,299,995	5,973,688	2,836,718	3,990,421	713,453	1,068,875
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>	<u>30,661,435</u>	<u>17,785,853</u>	<u>18,739,456</u>
Total program revenues	<u>\$ 32,453,048</u>	<u>\$ 46,804,166</u>	<u>\$ 40,718,701</u>	<u>\$ 39,500,878</u>	<u>\$ 46,702,647</u>	<u>\$ 38,302,683</u>	<u>\$ 33,704,923</u>

(Continued)

**VILLAGE OF WELLINGTON, FLORIDA**  
**CHANGES IN NET ASSETS (Continued)**  
**LAST SEVEN FISCAL YEARS**  
**(ACCRUAL BASIS OF ACCOUNTING)**

	Fiscal Year						
	2002	2003	2004	2005	2006	2007	2008
Net (expense) revenue:							
Governmental activities	\$ (13,799,632)	\$ (9,759,969)	\$ (11,420,863)	\$ (14,740,145)	\$ (22,841,592)	\$ (19,168,483)	\$ (21,469,395)
Business-type activities	<u>7,870,904</u>	<u>16,242,289</u>	<u>5,661,086</u>	<u>845,716</u>	<u>8,921,479</u>	<u>1,668,698</u>	<u>(1,032,482)</u>
Total net (expense) revenue	<u>\$ (5,928,728)</u>	<u>\$ 6,482,320</u>	<u>\$ (5,759,777)</u>	<u>\$ (13,894,429)</u>	<u>\$ (13,920,113)</u>	<u>\$ (17,499,785)</u>	<u>\$ (22,501,877)</u>
General revenues:							
Governmental activities:							
Taxes:							
Property taxes	\$ 8,801,700	\$ 7,419,620	\$ 9,276,804	\$ 11,305,840	\$ 14,618,529	\$ 18,591,345	\$ 17,412,203
Franchise fees	1,806,321	2,074,904	2,379,764	2,744,351	3,430,912	3,512,575	3,492,742
Utility taxes	3,957,238	4,599,232	4,863,526	5,493,444	6,044,216	6,130,417	6,184,787
Sales tax	2,744,678	2,913,541	3,235,206	3,691,449	3,935,555	3,957,168	3,837,153
Occupational licenses	139,427	-	-	-	-	-	-
Grants and contributions not restricted to specific programs	382,103	448,180	504,157	1,124,386	1,206,534	1,604,210	1,231,994
Investment earnings	1,376,992	781,265	562,948	1,054,412	2,494,561	3,644,017	2,910,930
Gain on sale of capital asset	443,806	-	416,983	119,566	-	-	-
Miscellaneous	796,655	1,018,405	797,038	1,628,765	2,828,287	626,192	626,048
Transfers	<u>(253,395)</u>	<u>(100,000)</u>	<u>(975,000)</u>	<u>(2,181,545)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total governmental activities	<u>20,195,525</u>	<u>19,155,147</u>	<u>21,061,426</u>	<u>24,980,668</u>	<u>34,558,594</u>	<u>38,065,924</u>	<u>35,695,857</u>
Business-type activities:							
Investment earnings	2,163,389	1,001,488	569,820	1,131,842	2,637,429	3,563,790	2,238,123
Gain on disposal of assets	-	92,557	-	(52,605)	445,816	-	-
Transfers	<u>253,395</u>	<u>100,000</u>	<u>975,000</u>	<u>2,181,545</u>	<u>-</u>	<u>-</u>	<u>-</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>	<u>3,083,245</u>	<u>3,563,790</u>	<u>2,238,123</u>
Total general revenues	<u>\$ 22,612,309</u>	<u>\$ 20,349,192</u>	<u>\$ 22,606,246</u>	<u>\$ 28,241,450</u>	<u>\$ 37,641,839</u>	<u>\$ 41,629,714</u>	<u>\$ 37,933,980</u>
Change in net assets:							
Governmental activities	\$ 6,395,893	\$ 9,395,178	\$ 9,640,563	\$ 10,240,523	\$ 11,717,002	\$ 18,897,441	\$ 14,226,462
Business-type activities	<u>10,287,688</u>	<u>17,436,334</u>	<u>7,205,906</u>	<u>4,106,498</u>	<u>12,004,724</u>	<u>5,232,488</u>	<u>1,205,641</u>
Total change in net assets	<u>\$ 16,683,581</u>	<u>\$ 26,831,512</u>	<u>\$ 16,846,469</u>	<u>\$ 14,347,021</u>	<u>\$ 23,721,726</u>	<u>\$ 24,129,929</u>	<u>\$ 15,432,103</u>

Note: Information prior to 2002 is not available.

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

	Fiscal Year						
	2002	2003	2004	2005	2006	2007	2008
General fund:							
Reserved	\$ 3,945,217	\$ 1,009,210	\$ 5,721,818	\$ 4,701,922	\$ 4,422,049	\$ 5,222,484	\$ 918,193
Unreserved	<u>10,943,543</u>	<u>17,025,472</u>	<u>12,216,791</u>	<u>12,831,399</u>	<u>13,010,430</u>	<u>24,344,604</u>	<u>21,717,188</u>
Total general fund	<u>14,888,760</u>	<u>18,034,682</u>	<u>17,938,609</u>	<u>17,533,321</u>	<u>17,432,479</u>	<u>29,567,088</u>	<u>22,635,381</u>
All other governmental funds:							
Reserved	13,537,529	24,375,094	23,384,127	26,593,673	36,074,651	31,256,900	49,680,929
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>	<u>2,862,045</u>	<u>4,320,374</u>	<u>4,737,308</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>	<u>38,936,696</u>	<u>35,577,274</u>	<u>54,418,237</u>
Total governmental funds	<u>\$ 36,657,718</u>	<u>\$ 45,684,790</u>	<u>\$ 46,493,590</u>	<u>\$ 52,119,822</u>	<u>\$ 56,369,175</u>	<u>\$ 65,144,362</u>	<u>\$ 77,053,618</u>

Note: Information prior to 2002 is not available.

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

	Fiscal Year						
	2002	2003	2004	2005	2006	2007	2008
<b>Revenues:</b>							
Ad valorem taxes	\$ 5,988,044	\$ 7,419,620	\$ 9,276,804	\$ 11,305,840	\$ 14,618,529	\$ 18,591,345	\$ 17,412,203
Franchise fees	1,806,321	2,074,904	2,379,764	2,744,351	3,430,912	3,512,575	3,492,742
Utility taxes	3,957,238	4,599,232	4,863,526	5,493,443	6,044,216	6,130,417	6,184,787
Special assessments	2,813,656	2,827,160	2,824,179	2,827,653	2,847,120	2,862,096	3,572,397
Impact fees	1,243,927	2,439,987	3,631,777	5,190,651	2,334,864	1,280,370	676,741
Licenses and permits	4,289,117	5,715,589	5,600,787	6,608,264	5,262,986	4,132,615	3,276,635
Intergovernmental revenue	5,289,288	6,737,315	5,922,997	6,770,194	8,290,170	14,832,375	9,716,493
Charges for services	2,197,739	2,251,457	2,285,833	2,199,144	2,069,176	2,223,313	2,145,313
Fines and forfeitures	262,650	300,308	275,880	403,526	258,301	747,439	613,082
Investment income	1,376,992	781,265	562,948	1,054,410	2,494,561	3,644,017	2,910,930
Miscellaneous	781,877	1,007,004	782,116	1,680,232	2,948,972	626,192	660,002
Total revenues	<u>30,006,849</u>	<u>36,153,841</u>	<u>38,406,611</u>	<u>46,277,708</u>	<u>50,599,807</u>	<u>58,582,754</u>	<u>50,661,325</u>
<b>Expenditures:</b>							
<b>Current:</b>							
General government	5,324,877	5,995,634	6,765,480	7,733,680	8,588,524	9,928,265	9,228,588
Public safety	3,530,068	3,820,632	4,634,172	5,031,954	5,099,928	5,719,752	6,457,703
Physical environment	6,618,249	6,918,191	7,716,972	9,076,637	10,493,497	10,437,973	10,379,479
Transportation	1,398,041	1,539,299	1,510,342	1,614,248	1,678,057	1,392,802	1,453,173
Culture and recreation	3,952,117	4,098,834	4,426,043	6,044,649	7,012,595	7,334,738	7,035,024
Capital outlay	6,160,868	11,163,250	11,756,471	9,337,123	13,630,058	15,073,268	7,500,174
<b>Debt service:</b>							
Principal retirement	545,000	760,000	985,000	1,110,000	1,115,000	1,170,000	1,215,000
Interest and other fiscal charges	839,106	1,098,371	1,222,401	1,125,985	1,041,979	987,385	936,915
Total expenditures	<u>28,368,326</u>	<u>35,394,211</u>	<u>39,016,881</u>	<u>41,074,276</u>	<u>48,659,638</u>	<u>52,044,183</u>	<u>44,206,056</u>
Excess (deficiency) of revenues over expenditures	<u>1,638,523</u>	<u>759,630</u>	<u>(610,270)</u>	<u>5,203,432</u>	<u>1,940,169</u>	<u>6,538,571</u>	<u>6,455,270</u>
<b>Other financing sources (uses):</b>							
Transfers in	19,525,599	12,415,248	22,539,411	26,800,713	23,552,453	28,615,829	64,196,121
Transfers out	(17,594,600)	(10,704,101)	(22,016,050)	(26,746,301)	(21,302,453)	(26,392,561)	(58,742,535)
Bond proceeds	5,788,998	6,520,578	-	9,995,000	-	-	-
Payment to refunded bond escrow agent	-	-	-	(9,931,197)	-	-	-
Sale of capital asset	815,216	35,717	895,709	304,585	59,184	13,348	400
Total other financing sources (uses)	<u>8,535,213</u>	<u>8,267,442</u>	<u>1,419,070</u>	<u>422,800</u>	<u>2,309,184</u>	<u>2,236,616</u>	<u>5,453,986</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>	<u>\$ 4,249,353</u>	<u>\$ 8,775,187</u>	<u>\$ 11,909,256</u>
Debt service as a percentage of non-capital expenditures	5.93%	7.27%	7.73%	6.76%	5.89%	5.71%	5.74%

Note: Information prior to 2002 is not available.

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

Fiscal Year Ended September 30,	Real Property					Personal Property	Total Net Assessed Value	Total Direct Tax Rate
	Residential Property	Commercial Property	Industrial Property	Other Property				
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	
2006	6,092,713,171	563,811,312	54,872,431	287,372,676	225,618,567	7,224,388,157	2.70	
2007	6,113,988,942	562,689,879	54,872,431	299,079,426	215,200,498	7,245,831,176	2.70	
2008	6,493,225,855	649,188,244	64,425,012	376,943,187	222,576,413	7,806,358,711	2.34	

Source: Palm Beach County Property Appraiser's Office

Note 1: Assessed values are established by the Palm Beach County Property Appraiser's Office as of January 1, each year. Assessments were increased to 100% of market value as of 1980.

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

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

Fiscal Year	Tax Roll Year	Village General Operations	Overlapping Rates (1)								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	Children's Services Council	Florida Inland Navigation District		
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	
2006	2005	2.70	8.11	7.82	1.08	0.63	0.70	0.69	0.04	21.77	
2007	2006	2.70	7.87	7.46	0.97	0.60	0.70	0.62	0.04	20.96	
2008	2007	2.34	7.25	6.92	1.00	0.54	0.62	0.60	0.03	19.30	

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

Note: All millage rates are based on \$1 for every \$1,000 of assessed value. The Village has a 5 mill limit as specified in the Village Charter.

(1) 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**  
**CURRENT YEAR AND NINE YEARS AGO**

Taxpayer	2008			1999		
	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	\$ 178,501,850	1	2.46%			
Wellington Preserve Corporation	66,357,390	2	0.92%			
Eqr-R.E. Tax Department	58,000,000	3	0.80%			
Polo Lakes Apartments LLC	47,695,727	4	0.66%			
Minto Communities, Inc.	37,817,752	5	0.52%			
Autc Polo Chase Florida LLC	34,000,000	6	0.47%			
Centre at Wellington Green Ltd.	33,968,353	7	0.47%			
Universal Health Realty Income	29,049,326	8	0.40%			
TCRDAD Wellington Ltd. Partnership	26,500,000	9	0.37%			
FR Courtyard Shops LLC	22,864,125	10	0.32%			
Palm Beach Polo Inc.				\$ 18,633,117	1	0.95%
RRC FL Six, Inc.				18,000,000	2	0.92%
Polo Chase Venture				16,594,500	3	0.84%
Palm Beach Polo Holdings Inc.				15,065,152	4	0.77%
Courtyard Shops Associates, Inc.				12,508,769	5	0.64%
Sentinel Real Estate Fund				9,774,153	6	0.50%
Regency Centers, Inc.				7,806,722	7	0.40%
Lennar Homes, Inc.				7,355,959	8	0.37%
Lennar Eastern Holdings, Inc.				6,412,140	9	0.36%
Wellington Mall Ltd.				6,400,596	10	0.33%
	<u>\$ 534,754,523</u>		<u>7.39%</u>	<u>\$ 118,551,108</u>		<u>6.08%</u>

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

**VILLAGE OF WELLINGTON, FLORIDA**  
**PROPERTY TAX LEVIES AND COLLECTIONS**  
**LAST TEN FISCAL YEARS**

Fiscal Year Ended September 30,	Total Taxes Levied for Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percent of Levy		Amount	Percent of Levy
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%	15,077	4,294,495	99.52%
2001	5,319,631	5,302,209	99.67%	5,873	5,308,082	99.78%
2002	5,987,887	5,974,509	99.78%	19,271	5,993,780	100.10%
2003	7,443,394	7,410,842	99.56%	(8,230)	7,402,612	99.45%
2004	9,332,211	9,272,110	99.36%	5,840	9,277,950	99.42%
2005	11,805,991	11,305,840	95.76%	5,765	11,311,605	95.81%
2006	15,178,523	14,618,529	96.31%	35,096	14,653,625	96.54%
2007	19,256,493	18,591,345	96.55%	5,339	18,596,684	96.57%
2008	18,270,635	17,412,203	95.30%	-	17,412,203	95.30%

Sources: 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 September 30,	Governmental Activities Revenue Bonds	Business-Type Activities Revenue Bonds	Total	Percent of Personal Income (1)	Per Capita (1)
1999	\$ 16,976,110	\$ 29,110,000	\$ 46,086,110	102.84%	\$ 543
2000	15,225,000	27,415,000	42,640,000	87.10%	491
2001	14,700,000	25,650,000	40,350,000	79.36%	361
2002	19,760,000	23,810,000	43,570,000	83.33%	1,030
2003	25,290,000	22,355,000	47,645,000	89.93%	1,031
2004	24,305,000	22,355,000	46,660,000	78.22%	921
2005	23,855,000	20,255,000	44,110,000	69.23%	828
2006	22,740,000	18,115,000	40,855,000	58.33%	714
2007	21,570,000	15,930,000	37,500,000	n/a	632
2008	20,355,000	13,705,000	34,060,000	n/a	565

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

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

n/a Information not available

**VILLAGE OF WELLINGTON, FLORIDA**  
**DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT**  
September 30, 2008

Government Unit	Net Debt Outstanding	Percentage Applicable to the Village of Wellington (1)	Amount Applicable to the Village of Wellington
Debt repaid with property taxes:			
Palm Beach County	\$ 290,410,000	5.311%	\$ 15,423,675
Palm Beach County School Board	35,805,000	5.311%	1,901,604
Other debt:			
Palm Beach County	957,498,000	5.311%	50,852,719
Palm Beach County School Board	2,035,828,000	5.311%	<u>108,122,825</u>
Subtotal, Overlapping Debt			176,300,823
Village of Wellington Direct Debt			<u>20,355,000</u>
Total Direct and Overlapping Debt			<u>\$ 196,655,823</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 by taking the value that is within the Village's boundaries and dividing it by the County's and School Board's total taxable assessed value. This approach was also used for the other debt.

**VILLAGE OF WELLINGTON, FLORIDA**  
**PLEGDED REVENUE COVERAGE**  
**LAST TEN FISCAL YEARS**

Fiscal Year Ended 09/30	Utility Charges and Other	Less Operating Expenses	Net Available Revenue	Debt Service		Coverage	Public Service Taxes (1)	Debt Service		Coverage
				Principal	Interest			Principal	Interest	
1999	\$ 10,232,335	\$ 3,866,922	\$ 6,365,413	\$ 1,630,000	\$ 1,654,259	1.94	\$ -	\$ -	\$ -	0.00
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	0.00
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
2006	13,799,601	6,277,571	7,522,030	2,140,000	612,224	2.73	9,475,128	700,000	507,905	7.84
2007	13,460,525	6,842,245	6,618,280	2,185,000	568,524	2.40	9,642,992	735,000	477,647	7.95
2008	13,129,276	7,273,946	5,855,330	2,225,000	517,349	2.14	9,677,529	765,000	445,065	8.00

Source: Village of Wellington Finance Department

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

**VILLAGE OF WELLINGTON, FLORIDA**  
DEBT COMPLIANCE  
SEPTEMBER 30, 2008

	<u>Policy Limit</u>	<u>Actual</u>
General government debt service as a percentage of non-ad valorem general fund expenditures:		
Debt Limit	20.00%	8.73%
Contribution to CIP from general governmental capital and debt service:	\$ 7,441,112	\$2,628,373
Weighted average maturity of all debt programs:		
Governmental	15 years	9 years
Enterprise	20 years	4 years
General government debt per capita:	\$ 850	\$ 338
Net direct tax supported debt as a percentage of property values:	3.00%	n/a
Overlapping governmental debt as a percentage of property values:	5.00%	0.28%
General fund reserve as a percentage of future year's operating budget:	22-30%	46%
Revenue bond coverage		
As a percentage of maximum annual debt service	110.00%	349.69%
As a percentage of average annual debt service	125.00%	380.00%

Source: Village of Wellington Finance Department

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

Year	Village of Wellington		Palm Beach County		
	Population (1)	School Enrollment (2)	Personal Income (1)	Per Capita Personal Income (1)	Unemployment Rate (3)
1999	29,839	8,707	\$ 44,811,378	\$ 40,121	2.9%
2000	31,024	9,638	48,954,794	43,101	2.6%
2001	40,749	9,893	50,843,978	43,885	3.0%
2002	42,319	10,878	52,287,552	44,042	3.5%
2003	46,208	13,193	52,980,627	43,755	3.3%
2004	49,483	14,312	59,650,738	48,034	3.0%
2005	53,294	13,459	63,717,587	50,371	3.0%
2006	57,202	13,315	70,043,565	55,311	3.7%
2007	59,311	13,586	n/a	n/a	4.7%
2008	60,271	13,767	n/a	n/a	7.4%

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

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

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

n/a Information not available

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

Employer	2008			1999		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
School Board of Palm Beach County	21,718	1	3.57%	17,000	1	3.47%
Palm Beach County	11,319	2	1.86%	9,000	2	1.84%
Tenet Healthcare Corp.	4,500	3	0.74%			
Florida Power & Light	3,632	4	0.60%	2,300	9	0.47%
Hospital Corporation of America (HCA)	3,395	5	0.56%			
Wackenhut Corporation	3,000	6	0.49%			
Florida Atlantic University	2,838	7	0.47%	3,100	8	
Veterans Health Administration	2,207	8	0.36%			
Office Depot	2,100	9	0.35%			
Boca Raton Community Hospital	1,860	10	0.31%			
State Government				8,800	3	1.80%
Federal Government				5,900	4	1.21%
Pratt & Whitney Aircraft				4,000	5	0.82%
Intracoastal Health Systems				3,200	7	0.65%
Columbia Palm Beach Health Care System				4,000	5	0.82%
Flo Sun, Inc.						0.00%
Motorola Inc.				2,300	9	0.47%
	<u>56,569</u>		<u>9.31%</u>	<u>59,600</u>		<u>11.55%</u>

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>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Number of Employees:										
General Government	31.6	32.0	34.4	39.3	38.8	35.3	45.3	48.3	53.3	50.3
Culture and Recreation	37.4	37.7	45.1	45.6	50.3	53.9	60.4	60.4	52.4	45.4
Planning and Development	28.0	26.0	41.0	41.3	36.0	41.0	48.8	48.8	51.8	39.0
Engineering and Public Works	48.0	51.0	58.0	63.8	68.2	69.2	75.5	77.5	88.5	91.8
Utility System	47.5	42.8	43.0	47.0	49.0	49.0	44.0	44.0	46.0	47.0
Solid Waste	-	-	1.0	2.0	2.0	2.0	3.0	3.0	3.0	2.0
 Total Number of Employees	<u>192.5</u>	<u>189.5</u>	<u>222.5</u>	<u>239.1</u>	<u>244.3</u>	<u>250.4</u>	<u>277.0</u>	<u>282.0</u>	<u>295.0</u>	<u>275.5</u>

Source: Village of Wellington Finance Department

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

Function/Program	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
General government:										
Bids, contracts awarded & administered	-	-	-	-	32	32	33	38	30	20
Purchase orders processed	-	-	-	-	950	1,155	973	1,016	838	795
Payroll transactions	-	-	-	-	7,633	7,689	7,880	8,193	8,232	8,985
Public safety:										
Police personnel and officers	-	-	-	-	83	83	88	88	102	115
Fire personnel	-	-	-	-	36	36	36	68	71	71
Calls for service	-	-	-	-	-	40,458	40,228	32,458	36,714	36,784
Physical environment - Surface water:										
Aquatic weed control in acres	-	-	-	-	-	2,833	2,837	1,454	1,332	1,380
Water quality samples analyzed	-	-	-	-	-	1,257	1,233	1,236	992	777
Canal right-of-way miles maintained	-	-	-	-	-	530	495	547	560	560
Physical environment - Engineering & Public works:										
Work orders performed	-	-	-	-	-	1,111	872	1,146	1,108	1,034
Engineering inspections performed	-	-	-	-	-	7,024	6,814	3,592	3,998	1,052
Planning and development:										
Building inspections	-	-	-	-	60,982	65,187	67,054	49,359	26,657	21,327
Single family building permits issued	529	536	566	950	1,297	1,240	1,200	948	143	81
Transportation:										
Miles of roads resurfaced	-	-	-	-	-	6	17	18	8	15
Streets cleaned/swept	-	-	-	-	-	908	1,201	932	2,168	1,065
Signs repaired	-	-	-	-	-	871	1,463	907	373	374
Culture and recreation:										
Participants registered:										
Athletics	-	-	-	-	7,755	7,749	15,839	32,732	32,607	11,282
Community programs	-	-	-	-	6,850	6,241	4,495	9,768	4,519	2,549
Open gym	-	-	-	-	6,865	5,855	8,590	4,737	10,856	10,381
Tennis	-	-	-	-	38,264	34,148	39,079	34,192	39,474	39,191
Pool	-	-	-	-	6,589	1,847	2,544	1,935	13,949	13,150
Number of program sessions	-	-	-	-	-	-	1,347	1,793	2,085	1,526
Utility system:										
Active accounts - water	14,331	15,154	15,535	16,483	17,675	18,917	19,030	19,536	19,695	19,851
Active accounts - sewer	13,228	13,969	14,627	15,219	15,387	16,367	16,718	17,919	17,994	18,004
Water production (thousands of gallons)	1,708	1,821	1,733	1,872	1,990	2,096	2,046	2,019	1,841	1,684
Solid waste:										
Residential accounts	14,448	15,197	16,172	17,029	18,613	19,055	19,030	21,133	22,274	21,977

Source: Various Village Departments

Note 1: Some indicators are not available for fiscal year 2004 and prior as they were not measured. Except for data on business permits, utility system and solid waste, there are no indicators available prior to fiscal 2003.

Note 2: Beginning in 2006 the Palm Beach County Sheriff's Office no longer reports "self generated" calls for resident and business checks.

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

Function/Program	2003	2004	2005	2006	2007	2008
General government:						
Number of general government buildings	1	1	1	1	1	1
Public safety:						
Police:						
Sheriff substations	1	1	1	1	1	1
Fire:						
Fire stations	3	3	3	4	4	4
Suppression units	6	6	6	6	6	6
Early response stabilization units	3	3	3	3	3	3
Physical environment:						
Acreage of lakes	270	270	270	270	270	166
Canal miles						110
Transportation:						
Miles of streets	172	179	179	178	174	176
Number of street lights	1,245	1,245	1,245	2,187	2,187	2,187
Miles of bike paths	33	33	33	32	40	40
Miles of sidewalks	290	290	286	286	348	348
Culture and recreation:						
Parks acreage	267	267	274	274	342	342
Open space preserves/passive recreation						452
Community center	1	1	1	1	1	1
Swimming pools	1	1	3	3	3	3
Tennis courts	16	16	16	16	16	16
Baseball/softball fields	18	18	18	18	18	18
Utility system:						
Miles of mains	434	434	434	526	526	526
Fire hydrants - Village of Wellington	1,503	1,503	1,503	1,746	1,746	1,746
Fire hydrants - Outside Village of Wellington	173	173	173	195	195	195

Source: Various Village Departments

Note 1: Indicators are not available prior to fiscal year 2003

Note 2: Indicators are not available for the solid waste function



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## **COMPLIANCE SECTION**

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WILLIAM K. CALER, JR., CPA  
LOUIS M. COHEN, CPA  
JOHN C. COURTNEY, CPA, JD  
DAVID S. DONTEN, CPA  
JAMES B. HUTCHISON, CPA  
JOEL H. LEVINE, CPA  
JAMES F. MULLEN, IV, CPA  
THOMAS A. PENCE, JR., CPA  
SCOTT L. PORTER, CPA  
MARK D. VEIL, CPA

CERTIFIED PUBLIC ACCOUNTANTS

505 SOUTH FLAGLER DRIVE, SUITE 900  
WEST PALM BEACH, FL 33401-5948

TELEPHONE (561) 832-9292  
FAX (561) 832-9455

info@cdlcpa.com

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AMERICAN INSTITUTE OF  
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CERTIFIED PUBLIC ACCOUNTANTS

Independent Auditor's Report on Internal Control Over Financial Reporting  
and on Compliance and Other Matters Based on an Audit of Financial  
Statements Performed in Accordance With *Government Auditing Standards*

The Honorable Mayor and  
Village Council  
Village of Wellington, Florida

We have audited the accompanying financial statements of the governmental activities, businesstype activities, each major fund and the aggregate remaining fund information of the Village of Wellington, Florida, as of and for the year ended September 30, 2008, which collectively comprise the basic financial statements of the Village of Wellington, Florida, and have issued our report thereon dated March 16, 2009. We conducted our audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

***Internal Control Over Financial Reporting***

In planning and performing our audit, we considered the Village of Wellington, Florida's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Village of Wellington, Florida's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Village of Wellington, Florida's internal control over financial reporting.

A *control deficiency* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the Village of Wellington, Florida's ability to initiate, authorize, record, process or report financial data reliably in accordance with U.S. generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the Village of Wellington, Florida's financial statements that is more than inconsequential will not be prevented or detected by the Village of Wellington, Florida's internal control.

A *material weakness* is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Village of Wellington, Florida's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

*Compliance and Other Matters*

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

This report is intended solely for the information and use of the Village Council and management of the Village of Wellington, Florida, and the Auditor General of the State of Florida and is not intended to be and should not be used by anyone other than these specified parties

*Caler, Donten, Levine,  
Porter & Veil, P.A.*

March 16, 2009



WILLIAM K. CALER, JR., CPA  
LOUIS M. COHEN, CPA  
JOHN C. COURTNEY, CPA, JD  
DAVID S. DONTEN, CPA  
JAMES B. HUTCHISON, CPA  
JOEL H. LEVINE, CPA  
JAMES F. MULLEN, IV, CPA  
THOMAS A. PENCE, JR., CPA  
SCOTT L. PORTER, CPA  
MARK D. VEIL, CPA

CERTIFIED PUBLIC ACCOUNTANTS

505 SOUTH FLAGLER DRIVE, SUITE 900  
WEST PALM BEACH, FL 33401-5948

TELEPHONE (561) 832-9292  
FAX (561) 832-9455

info@cdlcpa.com

MEMBERS  
AMERICAN INSTITUTE OF  
CERTIFIED PUBLIC ACCOUNTANTS

FLORIDA INSTITUTE OF  
CERTIFIED PUBLIC ACCOUNTANTS

## Management Letter

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

We have audited the basic financial statements of the Village of Wellington, Florida, as of and for the year ended September 30, 2008, and have issued our report thereon dated March 16, 2009.

We conducted our audit in accordance with U.S. generally accepted auditing standards and *Government Auditing Standards*, issued by the Comptroller General of the United States. We have issued our Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*. Disclosures in that report, which is dated March 16, 2009 should be considered in assessing the results of our audit. Additionally, our audit was conducted in accordance with Chapter 10.550, Rules of the Auditor General, which govern the conduct of local governmental entity audits performed in the State of Florida and require that certain items be addressed in the management letter.

### CURRENT YEAR COMMENTS AND RECOMMENDATIONS

The Rules of the Auditor General require disclosure in the management letter of the following matters if not already addressed in the Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters, unless clearly inconsequential: (1) violations of laws, rules, regulations, and contractual provisions or abuse that have occurred, or are likely to have occurred; (2) improper or illegal expenditures; (3) improper or inadequate accounting procedures; (4) failures to properly record financial transactions; and (5) other inaccuracies, shortages, defalcations, and instances of fraud discovered by, or that come to the attention of, the auditor. Our audit for the year ended September 30, 2008 disclosed no such matters that are required to be disclosed. The Rules of the Auditor General also require that we address in the management letter any other findings or recommendations noted during our audit. Our audit as of and for the year ended September 30, 2008 disclosed no other findings or recommendations.

### PRIOR YEAR FINDINGS AND RECOMMENDATIONS

The Rules of the Auditor General require that we address in the management letter, if not already addressed in the Independent Auditor's Report on Internal Control Over Financial Reporting and on

Compliance and Other Matters, whether or not inaccuracies, shortages, defalcations, fraud, and/or violations of laws, rules, regulations and contractual provisions reported in the preceding annual financial audit report have been corrected. Additionally, the Rules of the Auditor General require that we address in the management letter, if not already addressed in the Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters, whether or not recommendations made in the preceding management letter have been followed or otherwise no longer apply. There were no comments in our management letter for the year ended September 30, 2007.

## OTHER REQUIRED INFORMATION

### Consideration of Financial Emergency Criteria

As required by the Rules of the Auditor General, the scope of our audit included a review of the provisions of Section 218.503(1), Florida Statutes, regarding financial emergencies. In connection with our audit, we determined that the Village of Wellington, Florida, did not meet any of the criteria for a financial emergency during the fiscal year ended September 30, 2008 as a consequence of the conditions described in Section 218.503(1), Florida Statutes.

### Financial Condition Assessment Procedures

In connection with our audit, we applied financial condition assessment procedures, pursuant to Rule 10.556(7), Rules of the Auditor General, for the year ended September 30, 2008. The results of our procedures disclosed no matters that are required to be reported.

### Annual Financial Report

In connection with our audit, we reviewed the Annual Financial Report of Units of Local Government filed by the Village of Wellington, Florida, with the Department of Financial Services pursuant to Section 218.32, Florida Statutes, for the fiscal year ended September 30, 2008. We noted that the amounts reported in the annual financial report were in substantial agreement with the audited financial statements for the year ended September 30, 2008.

### Investment of Public Funds

As required by the Rules of the Auditor General, the scope of our audit included a review of the provisions of Section 218.415, Florida Statutes, regarding the investment of public funds. In connection with our audit, we determined that the Village of Wellington, Florida, complied with Section 218.415, Florida Statutes, for the year ended September 30, 2008.

This report is intended solely for the information and use of the Village Council and management of the Village of Wellington, Florida, and the Auditor General of the State of Florida and is not intended to be and should not be used by anyone other than these specified parties.

*Caley, Dauter, Levine,  
Porter & Veil, P.A.*

March 16, 2009