

Village of Wellington, Florida

Comprehensive Annual Financial Report
for the year ended September 30, 2010

VILLAGE OF WELLINGTON, FLORIDA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED SEPTEMBER 30, 2010

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INTRODUCTORY SECTION



A GREAT HOMETOWN

Great Neighborhoods • Great Schools • Great Parks

Let Us Show You!



Council

Darell Bowen, Mayor
Matt Willhite, Vice Mayor
Dr. Carmine A. Priore, Mayor pro tem
Howard K. Coates, Jr., Councilman
Anne Gerwig, Councilwoman

Manager

Paul Schofield

March 8, 2011

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

It is with pleasure that we submit to you the Comprehensive Annual Financial Report (CAFR) of the Village of Wellington (“Wellington”) for the year ended September 30, 2010. This report was prepared by the Office of Financial Management and Budget in accordance with the Wellington Charter, State Statutes and U.S. generally accepted accounting principles for governments. In addition to meeting legal requirements, this report reflects Wellington’s commitment to full financial disclosure. We encourage you to thoroughly read this report and some of the important items it addresses.

State law requires that a complete set of financial statements reporting Wellington’s financial position and results of activities be published within 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 Wellington. To the best of our knowledge and belief, the data, as presented, is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of Wellington on a government-wide and fund basis. All disclosures necessary to enable the reader to gain an understanding of Wellington’s financial activities have been included.

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

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

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

The 2010 Comprehensive Annual Financial Report is the fifteenth Comprehensive Annual Financial Report prepared by Wellington. Wellington was incorporated on December 31, 1995, and municipal operations commenced on March 28, 1996. Concurrent with incorporation, the former local government – Acme Improvement District (the “District”) – became a dependent district of Wellington. During 2009, the Wellington Community Foundation, Inc. (the “Foundation”) was created. The Foundation's sole purpose is to raise funds for various projects and the Foundation provides exclusive benefit to Wellington.

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

PROFILE OF THE GOVERNMENT

The Village of Wellington is a full-service municipality located within the boundaries of Palm Beach County. Wellington derives its government authority from a charter granted by the legislature of the State of Florida and operates under a Council-Manager form of government. 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 Wellington Council appoints the Manager who is the Chief Administrative Officer and who directs the business of Wellington and its various departments. The Wellington Council determines policy, adopts legislation, approves the budget, sets taxes and fees, and appoints the Attorney and members of various boards and committees.

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

Wellington currently encompasses approximately 45 square miles in the east-central portion of Palm Beach County and is the 3rd largest municipality in the County based on its geographic area. When the District was initially created in 1953, fewer than 100 individuals resided in the area. Today, Wellington is an affluent bedroom community with an estimated current permanent population of 55,560 people residing in over 19,700 single-family homes with an average housing value of approximately \$150,000. Projections indicate that this population will exceed 60,000 residents by the year 2018.

Wellington offers tremendous diversity: the 10,000 acres north of Pierson Road consist of developments ranging from apartments to estate homes at the Polo Club and from town homes to the Aero Club where the residents have airplane hangars attached to their homes. The 10,000 acres south of Pierson Road contain one of the world's premiere equestrian facilities, horse farms, agriculture, nurseries, and fully developed multi-million dollar 80-acre estates promoting equestrian activities. The primary sources of employment within Wellington are construction, agriculture and retail sales.

ECONOMIC CONDITION AND OUTLOOK

The growth and development of Wellington 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 housing market (including housing values, insurance, property taxes and mortgage interest rates), the regional job market, new construction, weather events and uncertainty of any future tax reform. In 2010, the Consumer Price Index decreased slightly and minimal increases are expected for 2011. Consideration of the impact of these economic indicators is critical as Wellington endeavors to develop its resources and facilities to meet the demand of its residents as well as to comply with regulatory requirements.

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, 2011, 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, 2010. For the fiscal year ending September 30, 2011 the Council adopted a rate of 2.50 mills. This millage rate results in a total tax levy of \$12.87 million, representing a reduction of \$1.6 million, or 11.2% from the property tax levy for 2010. Future property tax growth is limited to the annual growth rate of per capita personal income, which is currently minimal, plus the value of new construction.

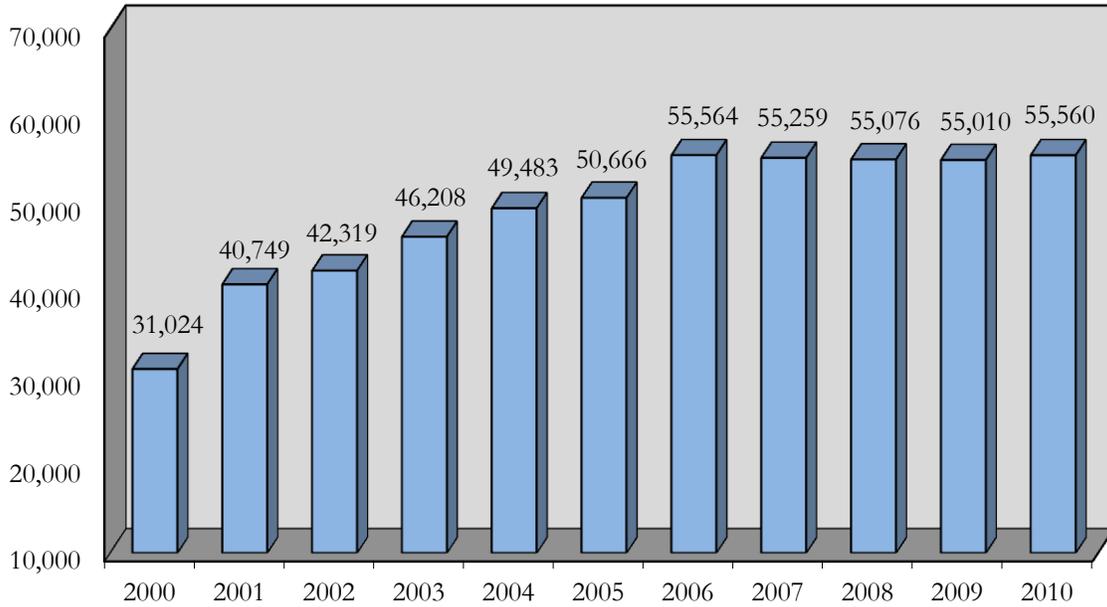
The impact of the ongoing recession and declining property values became a central influence in decisions made during this fiscal year and in next year's budget. The combination of the current recession and collapse of the housing market have resulted in declining property values and in a large loss of tax dollars, state shared revenues, and new construction related revenues. Foreclosures have continued to increase, and while Wellington 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 strategic initiatives that are expected to impact future fiscal results in the near and far future. These initiatives include neighborhood renaissance, economic development, protecting our investment, respecting the environment, and responsive government. Wellington's key initiatives were the focus of the FY 2011 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%. However, the current economic recession has resulted in high unemployment rates in Wellington and the region. Current unemployment rate estimates approximate 12.4%. Population growth for Wellington, based on information obtained from Palm Beach County, the U.S. Census Bureau, the Bureau of Economic and Business Research at the University of Florida, and the Treasure Coast Regional Planning Council (TCRPC), is illustrated in the 2000-2010 Historical Population Chart.

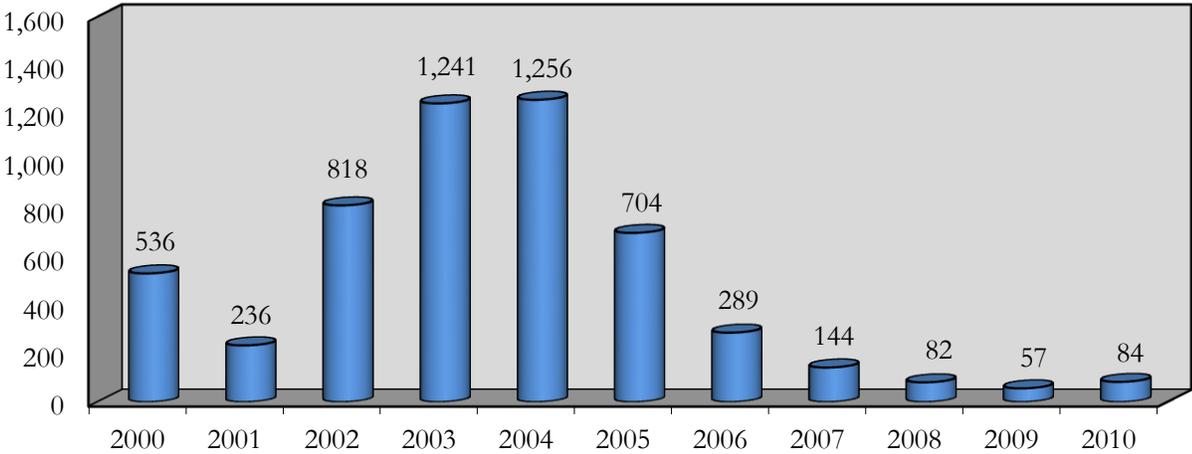
The population growth of the area within Wellington has consistently exceeded that of the County. Specifically, in the years 2003 to 2007, Palm Beach County estimates a total population growth of 7%, where Wellington’s residents grew by an estimated 20%. Wellington’s estimated 2010 permanent population of 55,560 (excluding seasonal residents) makes it the 5th largest municipality in Palm Beach County.

2000-2010 HISTORICAL POPULATION



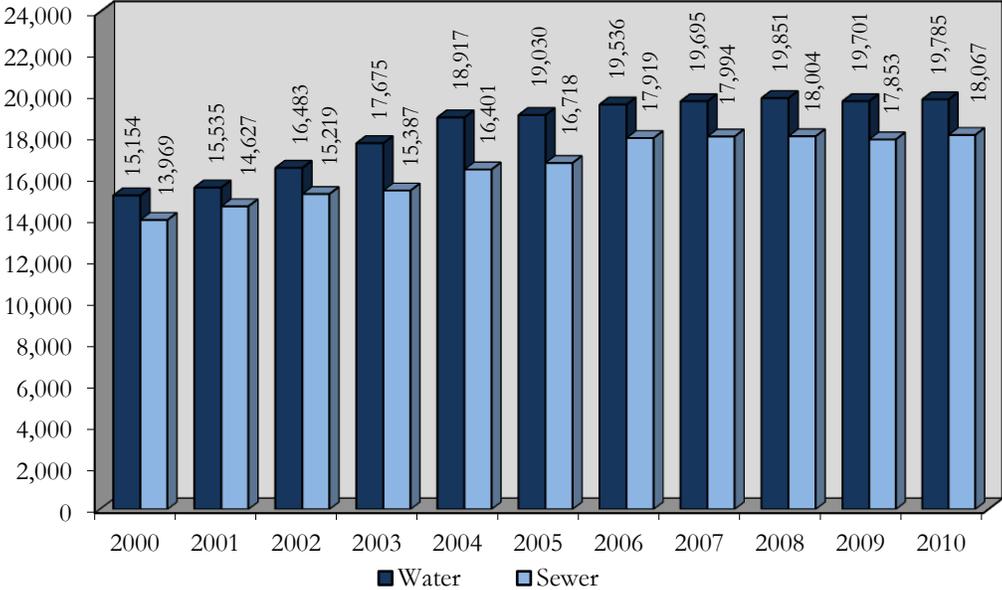
The strength of the local economy can also be seen in the beginning of this decade by the number of single family building permits issued as well as in the growth of Wellington’s number of active water and sewer accounts. The local housing market saw a large boom beginning in 2002, with major new developments 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 five years. A reduction in new construction is evidenced by Wellington’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.

2000-2010 SINGLE FAMILY BUILDING PERMITS



Between 2000 and 2010, Wellington’s number of active utility accounts increased 30%, or at an average annual rate of 3.0%. At present, Wellington has 19,785 water service customers and 18,067 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.

2000-2010 HISTORICAL ACTIVE WATER AND WASTEWATER ACCOUNTS



MAJOR INITIATIVES

Strategic Planning Model

The Village of Wellington’s Comprehensive Plan was adopted in January 1999, in compliance with Florida Statutes Chapter 163, Florida Department of Community Affairs. The Plan document is intended to guide future growth and development and to provide an overall vision for the community. The Comprehensive Plan was developed with community participation which established numerous goals for the community.

During the 2007 fiscal year Wellington’s 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, Plan, Execution, Mission and Core Beliefs for the next 15 years of 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”

Plan updates for 2011 include a vision for “A Great Hometown” and a streamlined Vision and Mission to clarify our direction. The Vision for Wellington is, “A Great Hometown” and the Mission “To provide high quality services that create economic, environmental and social sustainability for residents”. Or more simply put, to provide services that our customers need, want, and are willing to pay for. The Strategic Plan was updated as well to narrow the focus to the five major areas mentioned below which shape our annual budget initiatives and support the vision and mission.

- ❖ Neighborhood Renaissance
- ❖ Protecting the Investment
- ❖ Respecting the Environment
- ❖ Economic Development

❖ Responsive Government

Wellington's 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 following key initiatives are the focus of the FY 2011 budget development:

- *Safe Neighborhoods* – Focus on neighborhood advocacy, code enforcement, nuisance abatement and outreach activities.
- *Public Safety* – Focus on improving the safety of Wellington residents by maintaining a police contract with the Palm Beach County Sheriff's Office and putting into place a Comprehensive Emergency Management Plan that emphasizes mitigation as well as an early, organized response to an emergency.
- *Economic Development* – Pursue community partnerships, attract businesses, foster growth of quality jobs, and develop housing clusters that support Wellington's community identity. Focus on capital projects that improve Wellington services, emphasize personal safety and security and create jobs.
- *Infrastructure Maintenance* – Focus on existing infrastructure and enhanced maintenance programs for Wellington facilities, roadways and hardscapes.

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 2009/2010.

- ❖ GFOA Certificate of Achievement for Excellence in Financial Reporting was received for Wellington's Comprehensive Annual Financial Report for the Fiscal Year October 1, 2008 through September 30, 2009. This award has been received for fourteen consecutive years.
- ❖ GFOA Award for Distinguished Budget Presentation was received for Wellington's Annual Budget for the Fiscal Year October 1, 2009 through September 30, 2010. This award has been received for fifteen consecutive years.
- ❖ Acknowledged by Money Magazine as the 72nd ranked city in its annual list of the Top 100 Best Small Cities to Live.
- ❖ Received Gold Certification in Transparency from NBBLO for implementation of Open Wellington.
- ❖ Named Top Ten Digital City by Center for Digital Government.
- ❖ Awarded over \$6.0 million in grants to support Forest Hill Boulevard project, energy efficiency at the new Municipal Complex, hazard mitigation, construction of a new amphitheater and funding for safe neighborhood initiatives.
- ❖ Installed Wi-Fi capabilities throughout Wellington, mainly to be used for water meters and telemetry.
- ❖ Implemented fully electronic document management system and upgraded software and file structure.
- ❖ Equestrian Trail relocation and reconfiguration of trail heads.
- ❖ Completed the following capital projects during 2010:
 - Aquatic Facility Renovation and Improvements
 - Amphitheater Construction
 - Intersection Improvement at Greenview Shores and Wellington Trace
 - Emergency Utility Interconnect
 - Flying Cow Road Paving and Traffic Calming
 - Scott's Place Playground Construction
 - 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.

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.
- ❖ Relocation of Boys and Girls Club in order to better facilitate the users of the club.
- ❖ Patriot Memorial pays tribute to the people who lost their lives on September 11, 2001 and will be anchored at the entrance to the Town Center off of Wellington Trace.
- ❖ Greenview Shores landscape project to beautify the roadway. The project will provide landscaping, irrigation and accent lighting.
- ❖ Canal Sump Mitigation to replace plantings in the C2 canal with the creation of 8 sumps in the canals in lieu of filter marshes to trap phosphorus laden sediment.
- ❖ South Shore Widening involves the expansion to a two-lane medianed roadway from Pierson Road to Lake Worth Road.
- ❖ Lift Station and Force Main upgrades and rehabilitation to repair, replace and renew existing sewage lift stations throughout Wellington.
- ❖ Section 25 wells will be equipped and connected to raw water transmission main, including all well head equipment and piping.

Water Quality Issues

Surface Water Issues/Basin B drainage issues continue to be one of the biggest issues and challenges Wellington 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.

Completed Water Quality Improvement projects include:

Basin B Improvement Project - Section 24 Wetland

Since 2004, Wellington has worked with the SFWMD to improve water resource management facilities for Basins A and B that meet regional multi-purpose objectives including environmental restoration, flood protection, water quality enhancement, and recreation. A component of the Comprehensive Everglades Restoration Plan (CERP), Acme Basin B (Section 24 Wetland) improves water quality entering the Arthur R. Marshall Loxahatchee Wildlife Refuge (Refuge) from Wellington by passing the stormwater through an impoundment, and then through STA 1 East to remove nutrients before being discharged into the Refuge. The engineering effort associated with this stormwater re-distribution added pump stations, created a surface water impoundment area, and improved the overall water quality.

Peaceful Waters Sanctuary

The Peaceful Waters Sanctuary was constructed from converted percolation ponds adjacent to Acme's wastewater treatment plant. The ponds were used as a back up to the deep well injection system and for the required mechanical integrity test. The ponds were converted to a wetland park, which has the necessary infrastructure to utilize reclaimed water to support the wetland hydration and to vary the water depths, thus enhancing the wildlife habitat. The environmental benefits of the park are the creation of a wildlife habitat that is available during dry periods (winter season), treatment of the WWTP effluent to remove nutrients, passive recreation that enhances the citizens' use of Village Park, and an educational platform to study Florida's wetland flora and fauna.

Current and future Water Quality Improvement programs include:

Through much dedication and unparalleled cooperation with SFWMD, U.S. Army Corps of Engineers (ACOE), and other local and state agencies, Wellington 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 completed the Section 24 Wetland project which has redesigned the Wellington drainage system to divert unclean water from direct discharge to the Loxahatchee Wildlife Preserve. Future direction of the water quality initiatives includes the following:

- ❖ Continue to explore the use of different materials to reduce phosphorus levels in our water.
- ❖ Continue to develop the mechanical weed removal program to remove weeds from lakes and canals.
- ❖ The Wellington laboratory will continue to prepare annual water quality reports to measure phosphorus and gauge the effectiveness of BMP's.
- ❖ Continue to educate the public on sound BMP practices.

In November 2010 the Environmental Protection Agency developed rule making that proposes numeric water quality standards for Florida that will require further improvements from Wellington. However, 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, Wellington 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 Wellington 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, Wellington now encompasses approximately 45 square miles.

FINANCIAL INFORMATION & RELEVANT FINANCIAL POLICIES

Accounting and Administrative Controls

Wellington's internal control structure is designed to ensure that Wellington's assets are protected against loss from theft, unauthorized use, or disposition and to ensure that adequate and reliable financial records are available for preparing financial statements in conformity with U.S. generally accepted accounting principles. The internal controls provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of the control should not exceed the benefits likely to be derived, and (2) the valuation of costs and benefits requires estimates and judgments by management.

All internal control evaluations occur within the above framework and it is our belief that Wellington's internal accounting controls adequately safeguard assets and provide reasonable assurance of the proper recording of financial transactions.

Budgetary Control

Wellington adopts fiscal year budgets for all funds and maintains budgetary controls with the objective being to ensure compliance with legal provisions contained in the annual appropriated budget approved by the Council. The level of budgetary control is the fund. The Wellington Manager or designee is authorized to transfer budgeted amounts within departments of any fund, while revisions that alter the budgeted totals

of any fund require approval of the Council. Monthly budget reports are prepared in detail for each department, with actual revenues and expenditures being compared with appropriated revenues and estimated expenditures. Corrective actions are initiated as necessary to maintain budgetary compliance.

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

Capital Financing

In conjunction with the operating budget, the Manager annually presents a program to provide for improvements to Wellington's public facilities for the ensuing fiscal year and next four years, along with proposals for the financing of these improvements. This five-year plan is called the Capital Improvement Program. The first year of the program constitutes the capital budget for the coming fiscal year; the remaining years are used as a planning guide. The program allocates funding over five years for Wellington's roads, park development, public works projects, and new equipment. Wellington's Capital Improvement Program for fiscal years 2011 through 2015 calls for expenditures approximating \$17.7 million in the governmental funds and approximately \$17.8 million in the enterprise funds.

Reserves and Surplus

One of the primary reasons the Council and staff feels they were able to and will continue to respond effectively to potential future tax reform, declining property values, and the ongoing recession despite increased cost for products and services is the strong financial position of Wellington.

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

- √ To fund governmental and utility 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 fund future capital projects.
- √ To fully fund Other Postemployment Benefits (OPEB).

Wellington maintains unreserved and undesignated reserves for the general fund (\$12.9 million), planning, zoning and building (\$3.6 million) and other governmental funds (\$1.7 million). The general fund undesignated reserves are equal to roughly 35% of Wellington's 2010/2011 adopted general fund budget while the other reserves are equal to between 25% and 30% of their respective funds' operating budgets.

The Council has set a target for reserves between 25% and 30% 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: since 2000, 11-16% of Wellington’s revenues have been 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.

Cash & Investment Management

The investment policy stresses safety, liquidity, and investment yields on invested assets. To ensure the safety and the protection of the public’s assets, Wellington strives to invest in assets that have the highest possible credit rating. The portfolio consists of securities that strive to maximize the return on investments while being structured to provide sufficient liquidity to pay current obligations and to match future capital project spending. Additional information can be found in Note 2 to the financial statements.

Wellington’s investment strategy is promulgated within the framework of an investment policy which establishes a conservative set of investment criteria that prudently protects Wellington’s principal and enables Wellington to generate a fair rate of return from its investment activities. The primary focus of Wellington’s investment policy is the safeguarding of public assets by minimizing credit and market risk. Wellington uses a pooled cash concept for the funds under its control. Wellington invests in those instruments authorized by State Statutes, municipal resolutions, and applicable bond resolutions. Wellington’s temporarily idle cash was invested within the guidelines of the adopted investment policy in money market mutual funds and U.S. Treasury securities. Wellington’s invested funds achieved an annual average rate of return of 1.7%, resulting in total investment income of \$2.0 million in 2010.

Debt Service Administration

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

All applicable debt covenants such as ratios of net income to debt service, sinking funds and insurance coverage have been met or exceeded. Wellington has an underlying bond rating of Aa3 from Moody’s Investors Services and AA+ from Fitch based on the financial stability of Wellington.

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. Wellington 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 exposure, to produce what Wellington feels is an effective and efficient program.

Wellington 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 Wellington.

Independent Audit

An audit of Wellington's financial records, as required by State Statutes and the Wellington 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, 2009. 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 fourteen consecutive years (1996-2009). We believe our current report continues to conform to Certificate of Achievement Program requirements, and we are submitting it to the GFOA.

In addition, Wellington also received the GFOA's Award for Distinguished Budget Presentation for the Fiscal Year beginning October 1, 2009. Wellington has received this award for the last fifteen years. In order to earn the Distinguished Budget Presentation Award, the budget document was judged to be proficient in several categories including policy documentation, financial planning and organization. We have submitted Wellington's 2011 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, Director of Financial Management and Budget. The following OFMB staff also contributed to this report: Mindy Boersma; Chris Johnson, CPA; Rachelle Handwerker; Carol Stone; 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 Wellington'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 Wellington. We would like to thank the Mayor, the Council, and the residents of Wellington for their interest and support toward the planning and administration of the financial operations of Wellington in a responsible, progressive manner. With this support, we have been able to maintain a high degree of fiscal health and responsibility for Wellington in our challenging environment.

Respectfully submitted,



Francine L. Ramaglia, CPA
Assistant City Manager



Paul Schofield
City Manager

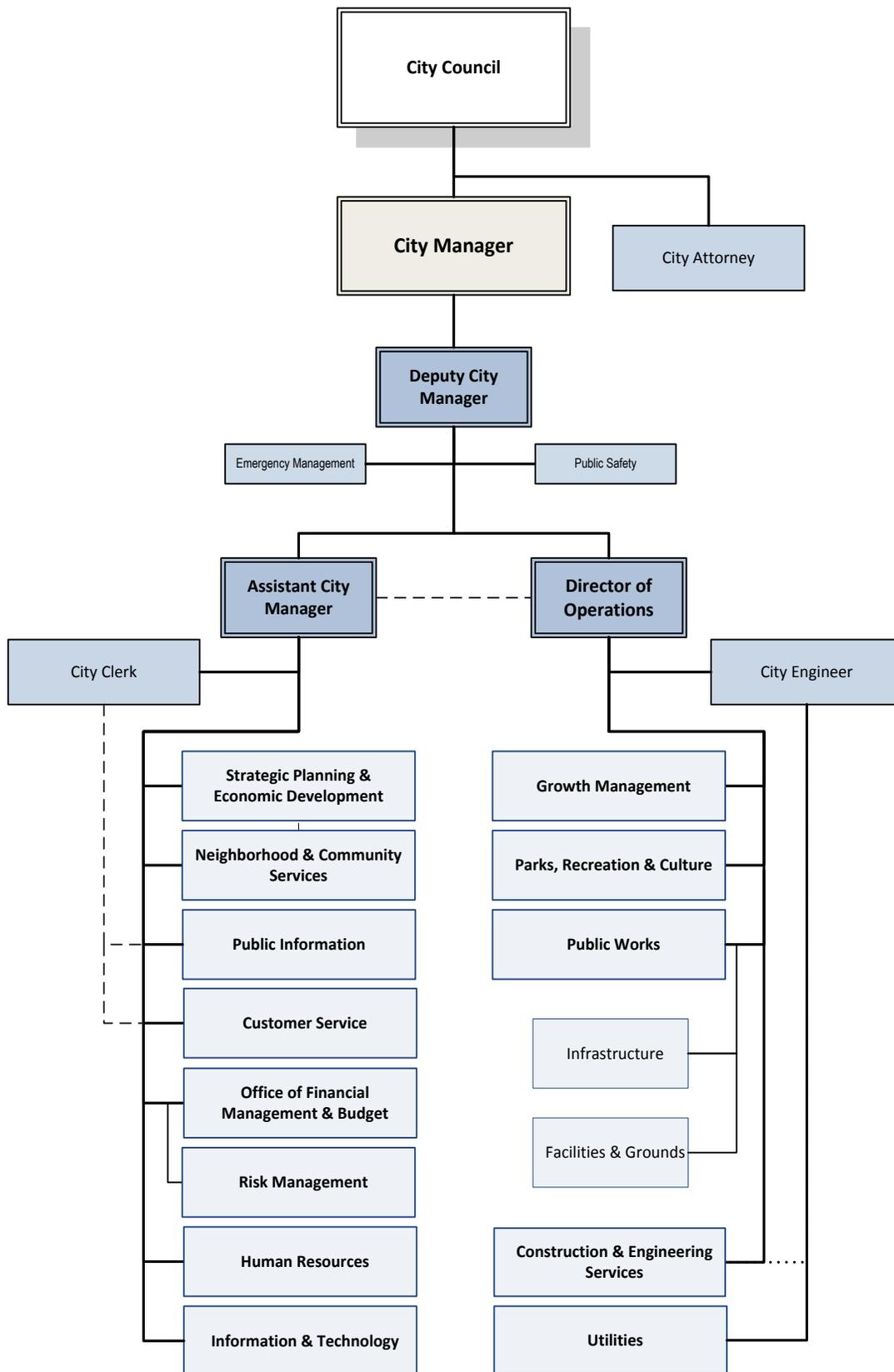
VILLAGE OF WELLINGTON, FLORIDA
LIST OF PRINCIPAL OFFICIALS
SEPTEMBER 30, 2010

TITLE	NAME
Mayor	Darell Bowen
Vice Mayor	Matt Willhite
Mayor pro tem	Dr. Carmine A. Priore
Council Member	Howard K. Coates, Jr.
Council Member	Anne Gerwig
City Manager	Paul Schofield
Deputy City Manager	John Bonde
Assistant City Manager	Francine L. Ramaglia, CPA
Clerk	Awilda Rodriguez, CMC
Attorney	Jeffrey Kurtz, ESQ

VILLAGE OF WELLINGTON, FLORIDA

ORGANIZATIONAL CHART

SEPTEMBER 30, 2010



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, 2009

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.



A stylized handwritten signature in black ink, appearing to read "Jeffrey R. Emer".

President

A handwritten signature in black ink, appearing to read "Jeffrey R. Emer".

Executive Director

FINANCIAL SECTION



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

CERTIFIED PUBLIC ACCOUNTANTS

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CERTIFIED PUBLIC ACCOUNTANTS

Independent Auditor's Report

To 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, 2010, 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, 2010, 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 8, 2011, 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.

U.S. generally accepted accounting principles require that the *management's discussion and analysis* on pages 3 through 12 and the budgetary comparison information on pages 56 through 60 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with U.S. generally accepted auditing standards, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village of Wellington, Florida's financial statements as a whole. The introductory section, the combining nonmajor fund financial 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 financial statements of the Village of Wellington, Florida. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the financial statements. The combining nonmajor fund financial statements, other supplemental information and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with U.S. generally accepted auditing standards. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

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

March 8, 2011

MANAGEMENT'S DISCUSSION AND ANALYSIS
(MD&A)



VILLAGE OF WELLINGTON, FLORIDA

Management's Discussion and Analysis

September 30, 2010

Wellington's Management's Discussion and Analysis (MD&A) is designed to provide an objective and easy to read analysis of financial activities based on currently known facts, decisions, and conditions. It is intended to provide a broad overview and short-term and long-term analysis of Wellington'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 financial activity, identify changes in financial position (the 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

- ❖ Government-wide total assets exceeded liabilities (net assets) at the close of the fiscal year by \$358.9 million, which is an increase of 6.1% or \$20.8 million over 2009. Of this amount, \$50.5 million is in unrestricted net assets, which is available to meet the ongoing commitments to citizens and creditors.
- ❖ Net assets of governmental activities increased approximately \$16.4 million, or 8.3%.
- ❖ Government-wide total revenues were \$78.2 million, while government-wide total expenses were \$57.4 million. The total revenues increased 4.0% or \$3.0 million while the total expenses decreased 11.0 % or \$7.1 million.
- ❖ Governmental Activities generated \$55.9 million in revenue with \$41.3 million in direct expenses.
- ❖ Business-type Activities generated \$22.3 million in revenue with \$16.0 million in direct expenses.
- ❖ Total investment in capital assets, net of related debt, accounts for \$248.4 million of total net assets of \$358.9 million.
- ❖ Governmental funds ended the year with a combined fund balance of \$73.7 million, which is a decrease of 11.3% or \$9.4 million over 2009. Of that amount, the unreserved, undesignated portion is \$18.2 million.

OVERVIEW OF THE FINANCIAL STATEMENTS

The basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. 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 finances, in a manner similar to a private-sector business.

The statement of net assets presents information on all 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 is improving or deteriorating. Other factors should be considered, however, such as the condition of capital assets (canals, bridges, buildings, etc.) to assess Wellington's overall health.

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 13-15 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. Wellington, like other state and local governments, uses fund accounting to ensure and demonstrate legal compliance with finance-related legal requirements. Wellington'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 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 Wellington 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, 2010 were the General Fund, Planning, Zoning, and Building Special Revenue Fund, Gas Tax Capital Projects Fund, and the Capital Projects Fund. The basic governmental fund financial statements can be found on pages 16-20 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. Proprietary activities are accounted for in enterprise funds for water and wastewater operations and solid waste collection and recycling. Major enterprise funds for the year ended September 30, 2010 were the Utility System Fund and the Solid Waste Fund. The basic proprietary fund financial statements can be found on pages 22-25 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 Wellington's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The basic fiduciary fund financial statements can be found on pages 26-27 of this report.

Notes to the Financial Statements

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

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information. This information includes budgetary comparisons for the general fund and major special revenue funds. It also includes statistical information on the assessed condition of the road system and on budgeted road maintenance expenses. Required supplementary information can be found on pages 53-57 of this report.

The major capital projects funds and 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 the major capital projects fund and the nonmajor funds can be found on pages 58-68 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 Wellington, assets exceeded liabilities by \$358.9 million at the close of the most recent year. The largest portion of net assets (69.2%) reflects its investment in capital assets, net of related debt. Wellington uses capital assets to provide services to citizens; accordingly, these assets are not available for future spending.

Restricted net assets of \$60.0 million are reported in both the governmental and business-type activities. These net assets have limits on their use that are externally imposed (gas tax, impact fees, and bond covenants) and imposed by enabling legislation (planning, zoning and building and surface water management). These resources can be used only for future construction; planning, zoning and building; surface water management; or debt service activities. The remaining unrestricted net assets may be used to meet the government's ongoing operations.

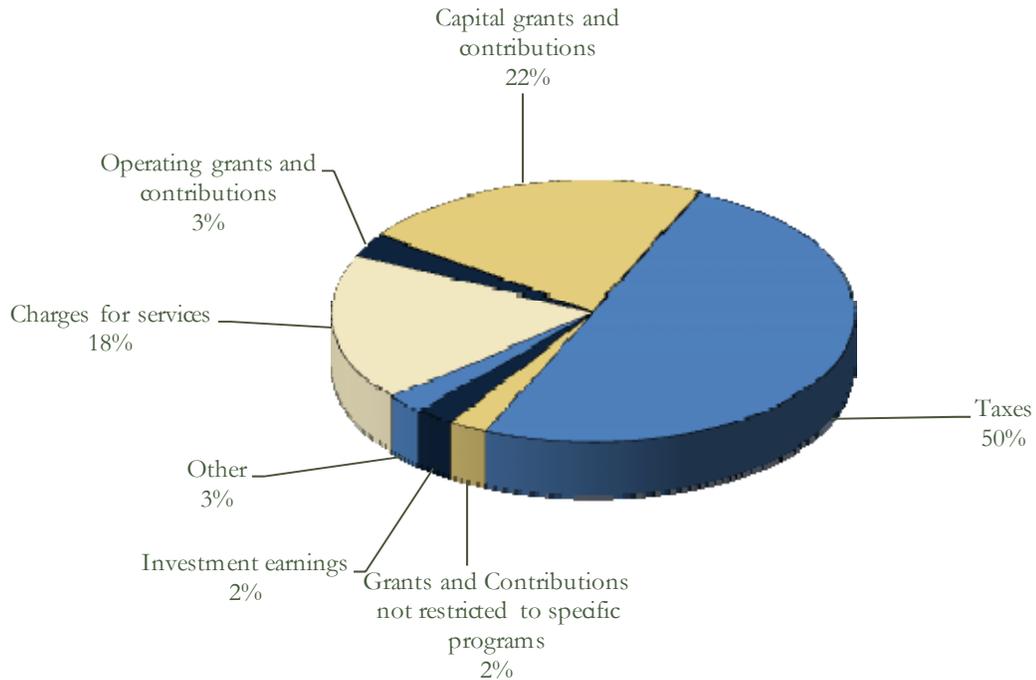
Village of Wellington's Net Assets						
	Governmental Activities		Business-Type Activities		Total	
	2010	2009 *	2010	2009	2010	2009
Current and other assets	\$ 82,687,949	\$ 91,330,272	\$ 41,108,424	\$ 44,089,345	\$ 123,796,373	\$ 135,419,617
Capital Assets	157,998,696	132,350,735	116,825,146	110,284,068	274,823,842	242,634,803
Total Assets	\$ 240,686,645	\$ 223,681,007	\$ 157,933,570	\$ 154,373,413	\$ 398,620,215	\$ 378,054,420
Noncurrent liabilities	\$ 18,878,469	\$ 20,065,498	\$ 8,857,491	\$ 11,097,764	\$ 27,735,960	\$ 31,163,262
Other liabilities	8,470,624	7,674,832	3,507,440	2,081,559	11,978,064	9,756,391
Total Liabilities	\$ 27,349,093	\$ 27,740,330	\$ 12,364,931	\$ 13,179,323	\$ 39,714,024	\$ 40,919,653
Net Assets:						
Invested in capital assets, net	\$ 140,245,218	\$ 114,279,239	\$ 108,139,572	\$ 99,398,303	\$ 248,384,790	\$ 213,677,542
Restricted	43,881,398	50,325,250	16,090,694	21,642,000	59,972,092	71,967,250
Unrestricted	29,210,936	32,332,563	21,338,373	20,153,787	50,549,309	52,486,350
Total Net Assets	\$ 213,337,552	\$ 196,937,052	\$ 145,568,639	\$ 141,194,090	\$ 358,906,191	\$ 338,131,142

* As restated. See footnote 5 for additional information.

Village of Wellington's Change In Net Assets						
	Governmental		Business-Type		Total	
	Activities		Activities			
	2010	2009	2010	2009	2010	2009
Revenues						
Program revenues:						
Charges for services	\$ 10,185,101	\$ 9,231,086	\$ 18,783,866	\$ 18,192,631	\$ 28,968,967	\$ 27,423,717
Operating grants and contributions	1,559,255	2,696,528	1,503,794	-	3,063,049	2,696,528
Capital grants and contributions	12,217,514	6,344,784	1,347,655	2,093,940	13,565,169	8,438,724
General revenues:						
Taxes	27,929,071	29,661,130	-	-	27,929,071	29,661,130
Grants and contributions not restricted to specific programs	1,336,641	1,288,129	-	-	1,336,641	1,288,129
Investment earnings	1,335,770	3,401,293	616,175	1,689,327	1,951,945	5,090,620
Other	1,336,712	534,529	-	-	1,336,712	534,529
Total Revenues	55,900,064	53,157,479	22,251,490	21,975,898	78,151,554	75,133,377
Program expenses including indirect expenses:						
General government	4,749,143	1,831,740	-	-	4,749,143	1,831,740
Public safety	7,484,841	7,216,055	-	-	7,484,841	7,216,055
Planning and development	3,338,003	5,047,424	-	-	3,338,003	5,047,424
Engineering and public works	9,017,755	6,462,735	-	-	9,017,755	6,462,735
Surface water management	4,987,861	3,835,707	-	-	4,987,861	3,835,707
Transportation	2,870,890	3,177,259	-	-	2,870,890	3,177,259
Culture and recreation	6,229,044	10,456,158	-	-	6,229,044	10,456,158
Interest on debt	822,027	882,802	-	-	822,027	882,802
Water and wastewater	-	-	14,395,882	17,501,971	14,395,882	17,501,971
Solid waste	-	-	3,481,059	8,031,396	3,481,059	8,031,396
Total expenses	39,499,564	38,909,880	17,876,941	25,533,367	57,376,505	64,443,247
Increase (decrease) in net assets	16,400,500	14,247,599	4,374,549	(3,557,469)	20,775,049	10,690,130
Beginning net assets, as restated	196,937,052	182,689,453	141,194,090	144,751,559	338,131,142	327,441,012
Ending net assets	\$ 213,337,552	\$ 196,937,052	\$ 145,568,639	\$ 141,194,090	\$ 358,906,191	\$ 338,131,142

Governmental Activities

Village of Wellington
Revenues by Source
Governmental Activities



Governmental activities increased Wellington's net assets by \$16.4 million.

Revenues increased by \$2.7 million or 5.2%. Key elements of this increase are as follows:

- ❖ Capital grants increased by \$5.9 million from the prior year. This is mainly the result of the Section 24 impoundment grant from South Florida Water Management District. This grant accounted for an additional \$3.1 million in grant revenue for 2010. Wellington also received \$600,000 from Palm Beach County in 2010 for the construction of the new amphitheater as well as \$2.2 million in Federal grants received for improvements to Forest Hill Boulevard.
- ❖ Total taxes decreased by \$1.7 million or 5.8% during the year mostly due to the decrease in property taxes resulting from the decline in property values experienced throughout Wellington.
- ❖ Operating grants and contributions decreased by \$1.1 million or 42.2%. This results from Federal grants received in 2009 to reimburse for culture and recreation damages related to past storm events of \$1.2 million.
- ❖ Charges for services increased by \$1.0 million or 10.3%. This increase is mainly due to an increase in building permit revenue of \$426,000 over prior year as well as an increase in the surface water management assessment revenue of \$700,000 because of a higher assessment rate in 2010.

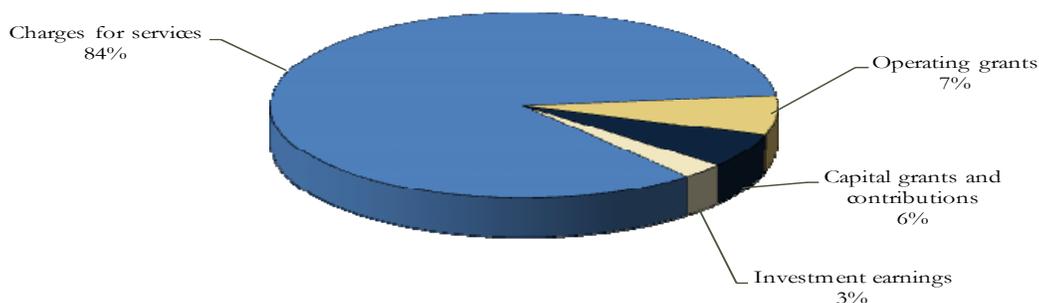
- ❖ Investment earnings decreased by \$2.1 million or 60.7% compared to the prior year due to smaller investment balances related to major capital outlay that was completed in 2010 as well as lower yields from 2009.

Expenses increased by \$590,000 or approximately 2%. Key elements of this increase are as follows:

- ❖ General government increased by \$2.9 million due to a reallocation of approximately \$1.8 million of additional indirect costs and departmental reorganization of the Village Manager's office.
- ❖ Planning and Development decreased by \$1.7 million which is attributable to departmental reorganization of code compliance activities and a reallocation of approximately \$765,000 less of indirect costs.
- ❖ Engineering and public works expenses increased by \$2.6 million due to reallocating nearly \$2 million more of indirect costs and a reorganization of the departmental activities mentioned above.
- ❖ Culture and recreation costs decreased by \$4.2 million due to reallocating nearly \$1 million less of indirect costs, and a departmental reorganization of nearly \$2.5 million of costs to public works. Additionally, the Wellington aquatic complex was closed for a portion of 2010 resulting in savings totaling nearly \$300,000 compared to 2009.
- ❖ Transportation costs decreased by \$306,000 mainly due to less operating and maintenance costs in 2010 when compared to 2009.
- ❖ Public safety increased \$269,000 due to contractual increases with Palm Beach County Sheriff's Office.
- ❖ Surface water management expenses increased by \$1.2 million due to an additional \$600,000 of depreciation expense related to capital projects that have been recently completed and an additional \$600,000 related to additional personnel costs and landscaping contract costs.

Business-type Activities

Village of Wellington
Revenues by Source
Business-type Activities



Business-type activities increased net assets by \$4.4 million accounting for an increase of 21.1% of the total growth in the net assets of Wellington.

Revenues increased by \$276,000 or 1.3%. Key elements of this increase are as follows:

- ❖ Capital grants and contributions decreased \$746,000 or 35.6% compared to the prior year due to a decrease in commercial development contributions of distribution lines.
- ❖ Investment earnings decreased \$1.1 million or 63.5% compared to the prior year mostly due to the significant use of cash and investments for capital projects during 2010.
- ❖ Charges for services increased \$591,000 or 3.2% due to a 7.5% increase in water/wastewater user charges that were enacted for 2010. This was offset by slight decreases in other miscellaneous utility charges.
- ❖ Operating grants increased by \$1.5 million due to reimbursements from FEMA for storm cleanup costs related to the 2004-2005 hurricane season.

Expenses decreased by \$7.7 million or 30%. Key elements of this decrease are as follows:

- ❖ The water/wastewater fund recorded a loss on sale of assets in 2009 for \$2.3 million. Additionally, approximately \$750,000 less was spent for electricity, repairs and maintenance, and other necessary plant operating costs.
- ❖ The solid waste fund repaid \$2 million to the general fund in 2009 for monies borrowed after the 2004 and 2005 hurricanes.
- ❖ The solid waste fund refunded approximately \$2.26 million worth of assessments in 2009 that were collected in 2006 related to an additional hurricane assessment that was levied after the 2004 hurricane season.

Governmental Funds Financial Analysis

The focus 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 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, Wellington's governmental funds reported combined ending fund balances of \$73,748,190, a decrease of \$9,429,873 from prior year. The majority of the decrease is due to major capital outlay projects completed during 2010 that were funded mainly from prior years.

The unreserved and undesignated fund balance of \$18,166,656 is available for spending at Wellington's discretion, including uses earmarked that do not meet the criteria for a designation. The remainder of fund balance (\$55,581,534) 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 (\$10,688,043), for capital improvements (\$29,915,813), to pay debt service (\$75,126), for future disaster recovery (\$3,000,000), for funding future expenditures (\$5,540,000) and stabilizing millage or rate increases (\$2,366,078), or other specified purposes (\$3,996,474).

The general fund is Wellington's main operating fund. At the end of the current fiscal year, unreserved and undesignated fund balance of the general fund was \$12,853,511, while the total fund balance was \$24,480,053. 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 39.2% of total 2010/2011 general fund budgeted expenditures. Total revenues in the general fund were \$30,262,717 which represents a decrease of approximately \$2.2 million from the prior year. This is mostly due to a decrease in ad valorem taxes of \$1.6 million and from decreased investment income of \$596,000.

The planning, zoning and building fund is used to account for operations of the planning and building functions. At the end of the current fiscal year, \$2,485,535 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 \$3,182,658 and \$3,364,700 for fiscal years 2010 and 2009, respectively. This represents a decrease of \$182,042, or 5.4% from 2009. This is mostly due to a decrease in investment income of \$139,170 from the prior year.

The gas tax capital fund is used to account for gas tax revenues and expenditures related to road construction projects. At the end of the fiscal year, the entire fund balance of \$8,171,606 is reserved for either encumbrances related to ongoing road construction projects or for future capital projects.

The capital projects fund is used to segregate all financial activity applicable to governmental capital expenditures from governmental operating expenditures. At the end of the current fiscal year, \$12,736,483 was reserved for either year-end encumbrances or future capital expenditures.

Proprietary Funds

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

Unrestricted net assets for business-type funds was \$21,338,373; \$15,302,259 for the Utility System and \$6,036,114 for Solid Waste. Total net assets for these funds were \$145,568,639, representing an increase of \$4,374,549, or 3.1%. In the Solid Waste fund, the increase was mainly due to less expenditures related to hurricane assessment refunds and a loan repayment, both of which occurred during 2009, as well as a \$1.5 million operating grant received in 2010 that relates to the 2004/2005 hurricanes. In the Utility System, during 2009, a large loss on the sale of assets was recorded. During 2010, there were no losses recorded on the sale of assets, thus resulting in an increase to net assets for 2010.

General Fund Budgetary Highlights

Differences between the original expenditure budget and the final expenditure amended budget totaled an increase of \$781,491, 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:

- ❖ \$927,234 increase allocated to general government
- ❖ \$274,213 decrease allocated to physical environment
- ❖ \$128,470 increase allocated to capital outlay

Actual results of operations were greater than the final amended budget by \$3,763,278, excluding transfers. These results can be attributed to the following:

- ❖ Revenues exceeded budget due to increased electricity consumption that resulted in higher than anticipated utility taxes. As the local economy rebounded slightly in 2010, consumer spending increased resulting in higher than anticipated half-cent sales tax collections from the State of Florida.
- ❖ Personnel costs were less than budget due to overtime freezes, attrition, and budgeted positions that were open throughout the year.
- ❖ Capital outlay was less than budgeted by \$341,712 due to fixed asset purchases related to the new

City Hall. These expenditures were delayed until fiscal year 2011 when City Hall opened.

The budget amendments were funded in part with \$48,371 of prior year carry forwards. Additional information on budgetary comparisons can be found on pages 53-57 of this report.

Long-Term Debt Activity

At the end of the current fiscal year, Wellington had total long-term debt outstanding of \$27,735,960. Governmental activities debt of \$17,753,478 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 \$8,685,574 is for Utility System revenue bonds which financed projects to increase the capacity of the Utility System. An additional \$1,296,908 for compensated absences is also outstanding. Additional information on long-term debt can be found in Note 6 of this report.

Village of Wellington's Outstanding Debt						
	Governmental		Business-Type		Total	
	Activities		Activities			
	2010	2009	2010	2009	2010	2009
Revenue bonds and loans	\$17,753,478	\$19,067,871	\$8,685,574	\$10,885,765	\$26,439,052	\$29,953,636
Compensated absences	1,124,991	997,627	171,917	211,999	1,296,908	1,209,626
Total	\$18,878,469	\$20,065,498	\$8,857,491	\$11,097,764	\$27,735,960	\$31,163,262

Capital Assets Activity

Wellington's investment in capital assets for its governmental and business-type activities as of September 30, 2010, amounts to \$274,823,842 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, machinery and equipment, infrastructure and construction in progress.

Wellington 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 Wellington. 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 2010 was not material. Additional information on the condition level of the street system can be found on page 57 of this report.

Village of Wellington's Capital Assets						
(net of accumulated depreciation)						
	Governmental		Business-Type		Total	
	Activities		Activities			
	2010	2009 *	2010	2009	2010	2009
Land	\$ 19,703,294	\$ 20,059,544	\$ 8,996,705	\$ 8,996,705	\$ 28,699,999	\$ 29,056,249
Buildings	11,416,273	10,158,183	2,500,415	2,611,691	13,916,688	12,769,874
Improvements	32,188,848	30,517,134	2,247,164	2,140,393	34,436,012	32,657,527
Machinery and equipment	1,141,094	2,027,788	1,280,698	1,171,021	2,421,792	3,198,809
Water and wastewater plant	-	-	29,943,807	31,493,380	29,943,807	31,493,380
Meters	-	-	3,668,732	4,042,040	3,668,732	4,042,040
Wells	-	-	4,765,434	5,146,934	4,765,434	5,146,934
Distribution lines	-	-	50,953,283	49,348,997	50,953,283	49,348,997
Infrastructure	60,020,919	56,247,533	-	-	60,020,919	56,247,533
Construction in progress	33,528,268	14,336,928	12,468,908	5,332,907	45,997,176	19,669,835
Total	\$ 157,998,696	\$ 133,347,110	\$ 116,825,146	\$ 110,284,068	\$ 274,823,842	\$ 243,631,178

* As restated. See footnote 5 for additional information.

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

- ❖ New Pool and Restroom/Concession Building
- ❖ Amphitheater
- ❖ Scott's Place Barrier-Free Playground
- ❖ System Transmission Lines
- ❖ Flying Cow Road Paving
- ❖ Village Park Second Entry

Additional information on 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 Wellington is dependent upon that of South Florida and particularly Palm Beach County.

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

Additional economic factors that can have a significant impact on Wellington include inflation, weak economic growth, natural disasters, commodities prices, increasing property insurance rates, and the potential for declining population.

While property taxes are important, they represent 18.5% of total revenue. Another 34% comes from program revenues such as licenses, permits, and other charges for services, while approximately 21% is related to intergovernmental revenue. Additionally, special assessments levied total approximately 5% and utility taxes and franchise fees total another 17%. Wellington monitors all of its resources and determines the need for program adjustments or fee increases accordingly.

Next Year's Budget and Rates

The operating millage rate of 2.50 mills for fiscal year 2010/2011 is unchanged from the millage rate for the 2009/2010 fiscal year. This millage resulted in a total tax levy of approximately \$12.8 million, a reduction of \$1.6 million, or 11.4% from the property tax levy for 2010. The decrease in levy is due to falling property values experienced throughout the entire local economy. The Surface Water Management Assessment rate increased to \$200 per unit in the fiscal year 2010/2011, a 14% increase compared to the prior fiscal year. The Solid Waste Assessment is unchanged for fiscal year 2010/2011 at \$160 per curbside unit and \$125 per containerized unit. Additional information regarding the adoption of the annual budget can be found on page 56 of this report.

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

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

BASIC FINANCIAL STATEMENTS

VILLAGE OF WELLINGTON, FLORIDA

STATEMENT OF NET ASSETS

SEPTEMBER 30, 2010

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 20,282,177	\$ 9,922,207	\$ 30,204,384
Investments	55,539,114	29,108,263	84,647,377
Receivables (net)	984,093	1,924,388	2,908,481
Internal balances	293,536	(293,536)	-
Due from other governments	4,852,836	43,994	4,896,830
Prepaid expenses	43,587	4,737	48,324
Inventories	10,167	177,381	187,548
Deposits	2,480	-	2,480
Net other postemployment benefit asset	508,830	90,139	598,969
Deferred charges	171,129	130,851	301,980
Capital assets:			
Capital assets not being depreciated	113,252,481	21,465,613	134,718,094
Capital assets being depreciated, net	44,746,215	95,359,533	140,105,748
Total assets	\$ 240,686,645	\$ 157,933,570	\$ 398,620,215
LIABILITIES			
Accounts payable and accrued liabilities	\$ 5,685,635	\$ 1,717,257	\$ 7,402,892
Contracts and retainage payable	820,016	649,485	1,469,501
Due to other governments	51,787	11,700	63,487
Deposits	-	940,273	940,273
Unearned revenue	1,702,362	-	1,702,362
Accrued interest	210,824	188,725	399,549
Noncurrent liabilities:			
Due within one year	1,891,246	2,497,363	4,388,609
Due in more than one year	16,987,223	6,360,128	23,347,351
Total liabilities	27,349,093	12,364,931	39,714,024
NET ASSETS			
Invested in capital assets, net of related debt	140,245,218	108,139,572	248,384,790
Restricted for:			
Debt service	75,126	-	75,126
Building department	2,485,535	-	2,485,535
Road maintenance	1,309,481	-	1,309,481
Capital projects	40,011,256	16,090,694	56,101,950
Unrestricted	29,210,936	21,338,373	50,549,309
Total net assets	\$ 213,337,552	\$ 145,568,639	\$ 358,906,191

See notes to basic financial statements

VILLAGE OF WELLINGTON, FLORIDA

STATEMENT OF ACTIVITIES

YEAR ENDED SEPTEMBER 30, 2010

Function/Program Activities	Expenses	Indirect Expense Allocation	Program Revenues		
			Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities:					
General government	\$ 10,291,524	\$ (5,542,381)	\$ -	\$ -	\$ 35,604
Public safety	7,386,470	98,371	380,068	82,065	16,061
Planning and development	2,561,247	776,756	3,439,374	-	-
Engineering and public works	8,504,675	513,080	-	-	-
Surface water management	4,323,388	664,473	4,536,675	-	10,002,265
Transportation	2,333,704	537,186	118,893	1,477,190	2,163,584
Culture and recreation	5,107,602	1,121,442	1,710,091	-	-
Interest on long-term debt	822,027	-	-	-	-
Total governmental activities	<u>41,330,637</u>	<u>(1,831,073)</u>	<u>10,185,101</u>	<u>1,559,255</u>	<u>12,217,514</u>
Business-type activities:					
Utility system	12,915,882	1,480,000	15,094,014	-	1,347,655
Solid waste	3,129,986	351,073	3,689,852	1,503,794	-
Total business-type activities	<u>16,045,868</u>	<u>1,831,073</u>	<u>18,783,866</u>	<u>1,503,794</u>	<u>1,347,655</u>
Total primary government	<u>\$ 57,376,505</u>	<u>\$ -</u>	<u>\$ 28,968,967</u>	<u>\$ 3,063,049</u>	<u>\$ 13,565,169</u>

General revenues:

Taxes:

Property taxes

Franchise fees

Utility taxes

Sales tax

Grants and contributions not restricted

to specific programs

Investment earnings

Gain on sale of assets

Other

Total general revenues

Change in net assets

Net assets, beginning of year, as restated

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
\$ (4,713,539)	\$ -	\$ (4,713,539)
(7,006,647)	-	(7,006,647)
101,371	-	101,371
(9,017,755)	-	(9,017,755)
9,551,079	-	9,551,079
888,777	-	888,777
(4,518,953)	-	(4,518,953)
(822,027)	-	(822,027)
<u>(15,537,694)</u>	<u>-</u>	<u>(15,537,694)</u>
-	2,045,787	2,045,787
-	1,712,587	1,712,587
<u>-</u>	<u>3,758,374</u>	<u>3,758,374</u>
<u>(15,537,694)</u>	<u>3,758,374</u>	<u>(11,779,320)</u>
14,459,669	-	14,459,669
3,298,051	-	3,298,051
6,771,127	-	6,771,127
3,400,224	-	3,400,224
1,336,641	-	1,336,641
1,335,770	616,175	1,951,945
482,601	-	482,601
854,111	-	854,111
<u>31,938,194</u>	<u>616,175</u>	<u>32,554,369</u>
16,400,500	4,374,549	20,775,049
<u>196,937,052</u>	<u>141,194,090</u>	<u>338,131,142</u>
<u>\$ 213,337,552</u>	<u>\$ 145,568,639</u>	<u>\$ 358,906,191</u>

See notes to basic financial statements

VILLAGE OF WELLINGTON, FLORIDA

BALANCE SHEET

GOVERNMENTAL FUNDS

SEPTEMBER 30, 2010

	General	Planning, Zoning and Building	Gas Tax Capital	Capital Projects	Other Governmental Funds	Total Governmental Funds
ASSETS						
Cash and cash equivalents	\$ 3,024,473	\$ 2,356,193	\$ 3,897,255	\$ 5,001,506	\$ 6,002,750	\$ 20,282,177
Investments	21,332,503	4,782,796	5,016,225	7,877,353	16,530,237	55,539,114
Receivables:						
Utility taxes	304,933	-	-	-	-	304,933
Franchise fees	310,722	-	-	-	-	310,722
Accounts	152,064	53,410	-	-	-	205,474
Interest	60,936	12,485	12,594	30,569	46,380	162,964
Due from other funds	125,567	-	-	90,414	-	215,981
Advances to other funds	167,969	-	-	-	-	167,969
Due from other governments	820,575	-	1,551,869	2,345,360	135,032	4,852,836
Prepaid expenditures	23,322	-	-	20,265	-	43,587
Inventory	10,167	-	-	-	-	10,167
Deposits	2,480	-	-	-	-	2,480
Total assets	\$ 26,335,711	\$ 7,204,884	\$ 10,477,943	\$ 15,365,467	\$ 22,714,399	\$ 82,098,404

See notes to basic financial statements

VILLAGE OF WELLINGTON, FLORIDA

BALANCE SHEET (Continued)

GOVERNMENTAL FUNDS

SEPTEMBER 30, 2010

	General	Planning, Zoning and Building	Gas Tax Capital	Capital Projects	Other Governmental Funds	Total Governmental Funds
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable and accrued liabilities	\$ 1,499,952	\$ 157,541	\$ 1,626,229	\$ 2,044,267	\$ 357,646	\$ 5,685,635
Contracts and retainage payable	-	-	227,513	584,717	7,786	820,016
Due to other funds	-	-	-	-	90,414	90,414
Due to other governments	-	48,617	-	-	3,170	51,787
Unearned revenue	355,706	829,162	452,595	-	64,899	1,702,362
Total liabilities	1,855,658	1,035,320	2,306,337	2,628,984	523,915	8,350,214
Fund balances:						
Reserved for:						
Encumbrances	519,006	48,729	4,001,383	3,218,081	2,900,844	10,688,043
Advances	167,969	-	-	-	-	167,969
Capital improvements	-	-	4,170,223	9,518,402	16,227,188	29,915,813
Prepaid expenditures	23,322	-	-	-	-	23,322
Inventory	10,167	-	-	-	-	10,167
Building department	-	2,485,535	-	-	-	2,485,535
Debt service	-	-	-	-	75,126	75,126
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	5,000,000	-	-	-	-	5,000,000
Special revenue funds:						
Road maintenance	-	-	-	-	1,309,481	1,309,481
Unreserved, undesignated, reported in:						
General fund	12,853,511	-	-	-	-	12,853,511
Special revenue funds	-	3,635,300	-	-	1,677,845	5,313,145
Total fund balances	24,480,053	6,169,564	8,171,606	12,736,483	22,190,484	73,748,190
Total liabilities and fund balances	\$ 26,335,711	\$ 7,204,884	\$ 10,477,943	\$ 15,365,467	\$ 22,714,399	\$ 82,098,404

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, 2010

Total governmental fund balances \$ 73,748,190

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. 157,998,696

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 171,129

Net other postemployment benefit (OPEB) asset created through funding of the plan as employer contribution to the defined benefit OPEB plan is not recognized in the funds. 508,830

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

Bonds payable (17,753,478)

Accrued interest (210,824)

Compensated absences (1,124,991)

Net assets of governmental activities \$ 213,337,552

See notes to basic financial statements

VILLAGE OF WELLINGTON, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED SEPTEMBER 30, 2010

	General	Planning, Zoning and Building	Gas Tax Capital Capital	Capital Projects	Other Governmental Funds	Total Governmental Funds
Revenues:						
Ad valorem taxes	\$ 14,459,669	\$ -	\$ -	\$ -	\$ -	\$ 14,459,669
Franchise fees	3,298,051	-	-	-	-	3,298,051
Utility taxes	6,771,127	-	-	-	-	6,771,127
Special assessments	-	-	-	-	4,193,890	4,193,890
Impact fees	-	-	-	-	479,118	479,118
Licenses and permits	273,806	3,040,837	-	-	-	3,314,643
Intergovernmental revenue	4,178,479	-	2,905,760	10,016,492	1,147,017	18,247,748
Charges for services	5,664	-	-	-	1,704,752	1,710,416
Fines and forfeitures	446,362	1,077	-	-	-	447,439
Investment income	522,128	96,427	97,266	236,096	383,853	1,335,770
Miscellaneous	307,431	44,317	106,812	233,812	467,219	1,159,591
Total revenues	<u>30,262,717</u>	<u>3,182,658</u>	<u>3,109,838</u>	<u>10,486,400</u>	<u>8,375,849</u>	<u>55,417,462</u>

See notes to basic financial statements

VILLAGE OF WELLINGTON, FLORIDA

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

GOVERNMENTAL FUNDS

YEAR ENDED SEPTEMBER 30, 2010

	General	Planning, Zoning and Building	Gas Tax Capital	Capital Projects	Other Governmental Funds	Total Governmental Funds
Expenditures:						
Current:						
General government	\$ 9,931,835	\$ -	\$ -	\$ -	\$ -	\$ 9,931,835
Public safety	7,386,470	-	-	-	-	7,386,470
Physical environment	7,540,038	2,400,324	-	-	2,232,471	12,172,833
Transportation	-	-	-	-	1,399,144	1,399,144
Culture and recreation	-	-	-	-	2,872,983	2,872,983
Capital outlay	305,916	-	6,541,489	22,096,564	2,693,053	31,637,022
Debt service:						
Principal	-	-	-	-	1,325,000	1,325,000
Interest and other fiscal charges	-	-	-	-	824,483	824,483
Total expenditures	<u>25,164,259</u>	<u>2,400,324</u>	<u>6,541,489</u>	<u>22,096,564</u>	<u>11,347,134</u>	<u>67,549,770</u>
 Excess (deficiency) of revenues over expenditures	 <u>5,098,458</u>	 <u>782,334</u>	 <u>(3,431,651)</u>	 <u>(11,610,164)</u>	 <u>(2,971,285)</u>	 <u>(12,132,308)</u>
 Other financing sources (uses):						
Transfers in	4,929,904	1,000,000	4,254,500	4,536,025	5,372,938	20,093,367
Transfers out	(10,643,947)	(777,690)	(115,056)	-	(6,725,601)	(18,262,294)
Sale of capital asset	871,362	-	-	-	-	871,362
Total other financing sources (uses)	<u>(4,842,681)</u>	<u>222,310</u>	<u>4,139,444</u>	<u>4,536,025</u>	<u>(1,352,663)</u>	<u>2,702,435</u>
 Net change in fund balances	 <u>255,777</u>	 <u>1,004,644</u>	 <u>707,793</u>	 <u>(7,074,139)</u>	 <u>(4,323,948)</u>	 <u>(9,429,873)</u>
 Fund balances, beginning of year	 <u>24,224,276</u>	 <u>5,164,920</u>	 <u>7,463,813</u>	 <u>19,810,622</u>	 <u>26,514,432</u>	 <u>83,178,063</u>
 Fund balances, end of year	 <u>\$ 24,480,053</u>	 <u>\$ 6,169,564</u>	 <u>\$ 8,171,606</u>	 <u>\$ 12,736,483</u>	 <u>\$ 22,190,484</u>	 <u>\$ 73,748,190</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, 2010

Net change in fund balances - total governmental funds	\$	(9,429,873)
<p>Amounts reported for governmental activities in the statement of activities are different because:</p>		
The Village's annual OPEB cost is not reported in the governmental funds.		(5,652)
<p>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:</p>		
Expenditures for capital assets	\$ 31,378,201	
Less current year depreciation	<u>(6,337,854)</u>	25,040,347
<p>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:</p>		
Proceeds from sale of capital assets	\$ (871,362)	
Gain on sale of capital assets	<u>482,601</u>	(388,761)
<p>Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets:</p>		
Principal payments on debt		1,325,000
<p>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:</p>		
Amortization of refunding loss	\$ (41,838)	
Amortization of issuance costs	(15,656)	
Amortization of premium	<u>31,231</u>	(26,263)
<p>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.</p>		
Change in accrued interest		13,066
Change in compensated absences		<u>(127,364)</u>
Change in net assets of governmental activities	\$	<u><u>16,400,500</u></u>

See notes to basic financial statements

VILLAGE OF WELLINGTON, FLORIDA

STATEMENT OF FUND NET ASSETS

PROPRIETARY FUNDS

SEPTEMBER 30, 2010

	Utility System	Solid Waste	Total
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 8,276,982	\$ 1,645,225	\$ 9,922,207
Investments	24,281,363	4,826,900	29,108,263
Receivables:			
Accounts, net of allowance for uncollectible amounts	1,792,257	53,485	1,845,742
Interest	67,301	11,345	78,646
Due from other governments	-	43,994	43,994
Inventories	177,381	-	177,381
Prepaid expenses	4,737	-	4,737
Total current assets	34,600,021	6,580,949	41,180,970
Noncurrent assets:			
Deferred charges	130,851	-	130,851
Net other postemployment benefit asset	84,589	5,550	90,139
Property, plant and equipment (net of accumulated depreciation)	116,820,565	4,581	116,825,146
Total noncurrent assets	117,036,005	10,131	117,046,136
Total assets	\$ 151,636,026	\$ 6,591,080	\$ 158,227,106
LIABILITIES			
Current liabilities:			
Accounts payable and accrued liabilities	\$ 1,465,373	\$ 251,884	\$ 1,717,257
Contracts and retainage payable	649,485	-	649,485
Due to other funds	-	125,567	125,567
Due to other governments	10,419	1,281	11,700
Deposits	940,273	-	940,273
Accrued interest	188,725	-	188,725
Compensated absences payable - current portion	75,705	1,658	77,363
Revenue refunding bonds payable - current portion	2,420,000	-	2,420,000
Total current liabilities	5,749,980	380,390	6,130,370
Noncurrent liabilities:			
Advances from other funds	-	167,969	167,969
Compensated absences payable - net of current portion	92,528	2,026	94,554
Revenue refunding bonds payable - net of current portion	6,265,574	-	6,265,574
Total noncurrent liabilities	6,358,102	169,995	6,528,097
Total liabilities	12,108,082	550,385	12,658,467
NET ASSETS			
Invested in capital assets, net of related debt	108,134,991	4,581	108,139,572
Restricted for capital improvements	16,090,694	-	16,090,694
Unrestricted	15,302,259	6,036,114	21,338,373
Total net assets	\$ 139,527,944	\$ 6,040,695	\$ 145,568,639

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, 2010

	Utility System	Solid Waste	Total
Operating revenues:			
Charges for services	\$ 15,069,284	\$ -	\$ 15,069,284
Special assessments	-	3,393,712	3,393,712
Franchise fees	-	252,239	252,239
Other	24,730	43,901	68,631
Total operating revenues	<u>15,094,014</u>	<u>3,689,852</u>	<u>18,783,866</u>
Operating expenses:			
Water services	3,216,172	-	3,216,172
Wastewater services	1,856,039	-	1,856,039
Laboratory	103,893	-	103,893
Water distribution	589,517	-	589,517
Customer service	659,871	-	659,871
General and administrative	753,979	-	753,979
Solid waste	-	3,124,988	3,124,988
Depreciation	5,180,536	4,998	5,185,534
Total operating expenses	<u>12,360,007</u>	<u>3,129,986</u>	<u>15,489,993</u>
Income from operations	<u>2,734,007</u>	<u>559,866</u>	<u>3,293,873</u>
Nonoperating revenues (expenses):			
Investment income	519,788	96,387	616,175
Interest expense	(377,449)	-	(377,449)
Operating grant	-	1,503,794	1,503,794
Amortization	(178,426)	-	(178,426)
Total nonoperating revenues (expenses)	<u>(36,087)</u>	<u>1,600,181</u>	<u>1,564,094</u>
Income before contributions and transfers	<u>2,697,920</u>	<u>2,160,047</u>	<u>4,857,967</u>
Capital contributions:			
Capacity charges	237,773	-	237,773
Distribution lines	1,096,932	-	1,096,932
Meters	12,950	-	12,950
Transfers out	<u>(1,480,000)</u>	<u>(351,073)</u>	<u>(1,831,073)</u>
Change in net assets	2,565,575	1,808,974	4,374,549
Net assets, beginning of year	<u>136,962,369</u>	<u>4,231,721</u>	<u>141,194,090</u>
Net assets, end of year	<u>\$ 139,527,944</u>	<u>\$ 6,040,695</u>	<u>\$ 145,568,639</u>

See notes to basic financial statements

VILLAGE OF WELLINGTON, FLORIDA

STATEMENT OF CASH FLOWS

PROPRIETARY FUNDS

YEAR ENDED SEPTEMBER 30, 2010

	<u>Utility System</u>	<u>Solid Waste</u>	<u>Total</u>
Cash flows from operating activities:			
Receipts from customers	\$ 14,784,617	\$ 3,643,801	\$ 18,428,418
Payments to suppliers for goods and services	(2,348,248)	(3,007,214)	(5,355,462)
Payments to employees for services	(3,932,477)	(148,655)	(4,081,132)
Other operating revenues	26,616	42,521	69,137
Net cash provided by operating activities	<u>8,530,508</u>	<u>530,453</u>	<u>9,060,961</u>
Cash flows from noncapital financing activity:			
Operating grant received	-	2,652,310	2,652,310
Transfers to other funds	(1,480,000)	(351,073)	(1,831,073)
Net cash provided by (used) in noncapital financing activity	<u>(1,480,000)</u>	<u>2,301,237</u>	<u>821,237</u>
Cash flows from capital and related financing activities:			
Capital contributions	250,723	-	250,723
Acquisition of property, plant and equipment	(10,013,127)	-	(10,013,127)
Repayment of advances from other funds	-	(125,567)	(125,567)
Principal paid on indebtedness	(2,335,000)	-	(2,335,000)
Interest paid on indebtedness	(417,474)	-	(417,474)
Net cash used in capital and related financing activities	<u>(12,514,878)</u>	<u>(125,567)</u>	<u>(12,640,445)</u>
Cash flows from investing activities:			
Interest received	836,535	148,842	985,377
Sale of investments	14,719,572	292,165	15,011,737
Purchase of investments	(13,101,562)	(2,604,482)	(15,706,044)
Net cash provided by (used in) investing activities	<u>2,454,545</u>	<u>(2,163,475)</u>	<u>291,070</u>
Net increase (decrease) in cash and cash equivalents	(3,009,825)	542,648	(2,467,177)
Cash and cash equivalents, beginning of year	<u>11,286,807</u>	<u>1,102,577</u>	<u>12,389,384</u>
Cash and cash equivalents, end of year	<u>\$ 8,276,982</u>	<u>\$ 1,645,225</u>	<u>\$ 9,922,207</u>

(Continued)

See notes to basic financial statements

VILLAGE OF WELLINGTON, FLORIDA

STATEMENT OF CASH FLOWS PROPRIETARY FUNDS (Continued) YEAR ENDED SEPTEMBER 30, 2010

	Utility System	Solid Waste	Total
Reconciliation of operating income to net cash provided by operating activities:			
Operating income	\$ 2,734,007	\$ 559,866	\$ 3,293,873
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation expense	5,180,536	4,998	5,185,534
Allowance for uncollectible accounts	28,000	-	28,000
OPEB expense	1,298	50	1,348
Change in assets and liabilities:			
(Increase) decrease in:			
Accounts receivable	(293,553)	(2,150)	(295,703)
Due from other governments	-	(573)	(573)
Inventories	32,513	-	32,513
Prepaid expenses	6,698	-	6,698
Increase (decrease) in:			
Accounts payable and accrued liabilities	898,663	(31,275)	867,388
Due to other governments	1,886	(807)	1,079
Deposits	(19,114)	-	(19,114)
Compensated absences payable	(40,426)	344	(40,082)
Total adjustments	5,796,501	(29,413)	5,767,088
Net cash provided by operating activities	\$ 8,530,508	\$ 530,453	\$ 9,060,961
Noncash investing, capital, and financing activities:			
Realized and unrealized losses on investments	\$ (220,576)	\$ (37,184)	\$ (257,760)
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
Contribution of distribution lines	1,096,932	-	1,096,932

See notes to basic financial statements

VILLAGE OF WELLINGTON, FLORIDA

STATEMENT OF FIDUCIARY NET ASSETS

FIDUCIARY FUND

SEPTEMBER 30, 2010

	Employee Retirement Healthcare <u>Trust</u>
ASSETS	
Investments	<u>\$ 826,183</u>
NET ASSETS	
Held in trust for other postemployment benefits	<u>\$ 826,183</u>

See notes to basic financial statements

VILLAGE OF WELLINGTON, FLORIDA
 STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
 FIDUCIARY FUND
 YEAR ENDED SEPTEMBER 30, 2010

	Employee Retirement Healthcare Trust
ADDITIONS:	
Increase in the fair value of investments	\$ 71,120
Retiree insurance contributions	<u>96,633</u>
Total additions	<u>167,753</u>
 DECREASES:	
Retiree insurance payments	<u>96,633</u>
Change in net assets	71,120
Net assets held in trust for other postemployment benefits, beginning of year	<u>755,063</u>
Net assets held in trust for other postemployment benefits, end of year	<u><u>\$ 826,183</u></u>

See notes to basic financial statements

VILLAGE OF WELLINGTON, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2010

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.

Based on the application of the criteria set forth by the Governmental Accounting Standards Board (GASB), management has included Wellington Community Foundation (the “Foundation”); a not-for-profit corporation that supports charitable initiatives throughout Wellington, in the Village’s reporting entity. The Foundation is governed by a five-member board of directors that is the same as the governing body of the Village. The Foundation’s sole purpose is to raise funds for various Wellington projects and provides exclusive benefit to Wellington. Although the Foundation 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 Foundation is presented as a special revenue fund type – Wellington Community Foundation.

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 units. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Government-Wide and Fund Financial Statements (Continued)

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

Separate financial statements are provided for governmental funds, 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.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Gas Tax Capital – This capital projects fund accounts for gas tax revenues and expenditures related to road construction projects.

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 and grant proceeds.

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 postemployment benefit plan and to disburse these monies to cover retirees' health insurance in accordance with the trust document. Since these assets are held for the benefit of third parties and cannot be used to finance activities or obligations of 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 cannot be determined from available records, estimated historical cost has been used to record the estimated value of

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Capital Assets and Depreciation (Continued)

the assets. Assets acquired by gift or bequest are recorded at their fair value at the date of donation. The road network was valued based on current construction costs discounted by consumer price indices for highway construction.

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

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

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

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 to 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.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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 \$59,972,092 of restricted net assets, of which \$23,879,523 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.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Equity (Continued)

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.

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 2009/2010 year was 2.50 (\$2.50 for each \$1,000 of assessed valuation). This levy was based upon an assessed valuation as of January 1, 2009, of approximately \$6.1 billion.

Taxes may be paid less a 4% discount in November or at declining discounts each month through the month of February. All unpaid taxes become delinquent on April 1st following the year in which they are assessed. Delinquent taxes on real property bear interest at 18% per year. On or prior to June 1st following the tax year, certificates are offered for sale for all delinquent taxes on real property.

After sale, tax certificates bear interest at 18% per year or at any lower rate bid by the buyer. Application for a tax deed on any unredeemed tax certificate may be made by the certificate holder after a period of two years. Unsold certificates are held by the County. Delinquent taxes on personal property bear interest at 18% per year until the tax is satisfied either by seizure and sale of the property or by the five-year statute of limitations. At September 30, 2010, unpaid delinquent taxes are not material and have not been recorded by the Village.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property Taxes (Continued)

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, 2010, the maximum tax levy allowed by a majority vote of the governing body is based on a percentage reduction applied to the prior year (2008/2009) 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 2009. The State law allows local governments to adopt a higher millage rate based on the following approval of the governing body: 1) a majority vote to adopt a rate equal to the prior year rolled-back millage rate, plus an adjustment for growth in per capita Florida personal income; 2) a two-thirds vote to adopt a rate equal to the prior year adjusted millage rate plus 10%; or 3) any millage rate approved by unanimous vote or referendum. Future property tax growth is limited to the annual growth rate of per capita personal income, which is currently 0% to 1%, plus the value of new construction.

On January 29, 2008, Florida voters approved a constitutional amendment that changed the way in which property is assessed for ad valorem taxes. This further limited or reduced the Village's property tax revenue.

Recent Accounting Pronouncements

In May 2009, the GASB issued Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, which establishes accounting and financial reporting requirements for all governmental funds and establishes criteria for classifying fund balances. The requirements of this statement will be effective for the Village for the fiscal year ending September 30, 2011. Management is currently completing its analysis of the effects of this statement, if any, on the financial statements of the Village.

In December 2009, the GASB issued Statement No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*. GASB 57 addresses issues related to the use of the alternative measurement method and the frequency and timing of measurements by employers that participate in agent multiple-employer other postemployment benefit (OPEB) plans and clarifies that when actuarially determined OPEB measures are reported by an agent multiple-employer OPEB plan and its participating employers. Provisions of this Statement related to the use and reporting of the alternative measurement method are effective immediately. The adoption of GASB 57 does not have any impact on the Village's financial statements.

In December 2009, the GASB issued Statement No. 58, *Accounting and Financial Reporting for Chapter 9 Bankruptcies*. GASB 58 provides accounting and financial reporting guidance for governments that have petitioned for protection from creditors by filing for bankruptcy under Chapter 9 of the United States Bankruptcy Code. It requires governments to re-measure liabilities that are adjusted in bankruptcy when the bankruptcy court confirms a new payment plan. This Statement is effective for reporting periods beginning after June 15, 2009. The adoption of GASB 58 does not have any impact on the Village's financial statements.

In June 2010, the GASB issued Statement No. 59, *Financial Instruments Omnibus*. GASB 59 updates and improves existing standards regarding financial reporting and disclosure requirements of certain financial instruments and external investment pools for which significant issues have been identified in practice. The requirements of this Statement will improve financial reporting by providing more complete information, by improving consistency of measurements, and by providing clarifications of existing standards. This Statement is effective for financial statements for periods beginning after June 15, 2010. The Village is currently assessing the impact of GASB 59 on its financial position.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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, Florida PRIME (formerly known as the Local Government Investment Pool (LGIP)), any intergovernmental investment pools authorized pursuant to Chapter 163 of the Florida Statutes, SEC registered money market funds with the highest credit quality rating from a nationally recognized rating agency 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, 2010, include petty cash of \$3,825, deposits with financial institutions with a carrying value of \$14,331,426 and a bank balance of \$16,842,876, cash held with a fiscal agent of \$1,211,055 and U.S. Government money market mutual funds with a carrying value of \$14,658,078.

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 Florida PRIME pursuant to Ch. 19-7 of the Florida Administrative Code. These rules provide guidance and establish the general operating procedures for the administration of Florida PRIME. 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. Florida PRIME 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.

NOTE 2. DEPOSITS AND INVESTMENTS (Continued)

The restructuring divided the LGIP into two separate pools, Florida PRIME and Fund B representing approximately 86% and 14%, respectively, of the original LGIP assets. Florida PRIME was designated as the ongoing fund consisting of only short-term, money market assets of the highest quality. On December 6, 2007, Florida PRIME 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, 2010, the Fund B investments had a net asset value of \$358,024, approximating 71% of amortized cost.

The ultimate realizable value and the date when Fund B investments 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 Fund B 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. Florida PRIME has a weighted average maturity of 52 days, Fund B has a weighted average maturity of 7.49 years, and the investment in the Florida Municipal Investment Trust has a weighted average maturity of 1.50 years for the 1-3 Year High Quality Bond Fund and 3.10 years for the Intermediate High Quality Bond Fund. As of September 30, 2010, the Village had the following additional investments in its internal investment pool:

Investment Type	Fair Value	Investment Maturities	
		In Years	
		Less Than 1	1-5
U.S. Treasuries	\$ 13,157,461	\$ 13,157,461	\$ -
U.S. Agency securities	53,138,850	26,094,638	27,044,212
Total	\$ 66,296,311	\$ 39,252,099	\$ 27,044,212

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. Treasuries) were as follows:

Investment	Fair Value	Rating	Rating Organization
State Board of Administration (Fund B)	\$ 358,024	Not rated	N/A
U.S. government agencies and instrumentalities:			
Fannie Mae	11,359,917	AAA	S&P
Freddie Mac	12,657,020	AAA	S&P
Freddie Mac	998,249	A	S&P
Federal Home Loan Bank	25,029,263	AAA	S&P
Federal Farm Credit Bank	3,094,401	AAA	S&P
Florida Municipal Investment Trust	17,993,042	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 Fund B 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, 2010, the Village had more than 5% of its investments in the following:

Issuer	Fair Value	Percentage
Fannie Mae	\$ 11,359,917	13.42%
Freddie Mac	13,655,269	16.13%
Federal Home Loan Bank	25,029,263	29.57%

NOTE 3. ACCOUNTS RECEIVABLE

Accounts receivable as of September 30, 2010, for individual major funds and aggregate nonmajor funds are as follows:

	General	Planning, Zoning and Building	Gas Tax Capital	Capital Projects	Nonmajor Governmental Funds	Utility System	Solid Waste	Total
Utility taxes	\$ 304,933	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 304,933
Franchise taxes	310,722	-	-	-	-	-	-	310,722
Accounts	152,064	53,410	-	-	-	1,881,557	53,485	2,140,516
Interest	60,936	12,485	12,594	30,569	46,380	67,301	11,345	241,610
Gross receivables	828,655	65,895	12,594	30,569	46,380	1,948,858	64,830	2,997,781
Less allowance for uncollectible accounts	-	-	-	-	-	(89,300)	-	(89,300)
	<u>\$ 828,655</u>	<u>\$ 65,895</u>	<u>\$ 12,594</u>	<u>\$ 30,569</u>	<u>\$ 46,380</u>	<u>\$ 1,859,558</u>	<u>\$ 64,830</u>	<u>\$ 2,908,481</u>

NOTE 4. DUE FROM OTHER GOVERNMENTS

Amounts due from other governments as of September 30, 2010, for individual major funds and aggregate nonmajor funds are as follows:

	General	Gas Tax Capital	Capital Projects	Nonmajor Governmental Funds	Solid Waste	Total
Federal Government:						
Grants	\$ 33,983	\$ 1,513,954	\$ 504,077	\$ -	\$ -	\$ 2,052,014
State of Florida:						
State Shared Revenues	536,964	-	-	-	-	536,964
Communication Services Tax	240,327	-	-	-	-	240,327
Local Option Gas Tax	-	37,915	-	79,927	-	117,842
Palm Beach County:						
County Shared Revenues	9,301	-	592,574	-	43,994	645,869
South FL Water Management Dist.	-	-	1,248,709	-	-	1,248,709
Pine Tree Water Control District	-	-	-	55,105	-	55,105
	<u>\$ 820,575</u>	<u>\$ 1,551,869</u>	<u>\$ 2,345,360</u>	<u>\$ 135,032</u>	<u>\$ 43,994</u>	<u>\$ 4,896,830</u>

NOTE 5. CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2010 was as follows:

	Beginning Balance as Restated	Increases	Decreases	Reclassifications	Ending Balance
Governmental activities:					
Capital assets, not being depreciated:					
Land	\$ 20,059,544	\$ -	\$ (356,250)	\$ -	\$ 19,703,294
Construction in progress	14,336,928	30,950,406	-	(11,759,066)	33,528,268
Infrastructure	56,247,533	-	-	3,773,386	60,020,919
Total capital assets, not being depreciated	<u>90,644,005</u>	<u>30,950,406</u>	<u>(356,250)</u>	<u>(7,985,680)</u>	<u>113,252,481</u>
Capital assets, being depreciated:					
Buildings	13,005,544	-	-	1,708,969	14,714,513
Improvements	61,431,896	-	-	5,854,359	67,286,255
Machinery and equipment	17,040,020	427,795	(274,787)	422,352	17,615,380
Total capital assets, being depreciated	<u>91,477,460</u>	<u>427,795</u>	<u>(274,787)</u>	<u>7,985,680</u>	<u>99,616,148</u>
Less accumulated depreciation for:					
Buildings	(2,847,361)	(450,879)	-	-	(3,298,240)
Improvements	(30,914,762)	(4,182,645)	-	-	(35,097,407)
Machinery and equipment	(15,012,232)	(1,704,330)	242,276	-	(16,474,286)
Total accumulated depreciation	<u>(48,774,355)</u>	<u>(6,337,854)</u>	<u>242,276</u>	<u>-</u>	<u>(54,869,933)</u>
Total capital assets, being depreciated, net	<u>42,703,105</u>	<u>(5,910,059)</u>	<u>(32,511)</u>	<u>7,985,680</u>	<u>44,746,215</u>
Governmental activities capital assets, net	<u>\$ 133,347,110</u>	<u>\$ 25,040,347</u>	<u>\$ (388,761)</u>	<u>\$ -</u>	<u>\$ 157,998,696</u>

The beginning balance of capital assets as of September 30, 2009 has been restated to reflect the implementation of GASB Statement No. 51, as well as land acquisitions that were not properly recorded in the accounting records of the Village. The impact of this is an increase in capital assets and net assets invested in capital assets of \$996,375 at October 1, 2009. See Note 13.

NOTE 5. CAPITAL ASSETS (Continued)

	Beginning Balance	Increases	Decreases	Reclassifications	Ending Balance
Business-type activities:					
Capital assets, not being depreciated:					
Land	\$ 8,996,705	\$ -	\$ -	\$ -	\$ 8,996,705
Construction in progress	5,332,907	10,246,515	(7,200)	(3,103,314)	12,468,908
Total capital assets, not being depreciated	<u>14,329,612</u>	<u>10,246,515</u>	<u>(7,200)</u>	<u>(3,103,314)</u>	<u>21,465,613</u>
Capital assets, being depreciated:					
Buildings	3,363,187	-	-	-	3,363,187
Land improvements	3,162,890	-	-	426,400	3,589,290
Furniture, fixtures, equipment and vehicles	3,527,118	135,472	(82,620)	-	3,579,970
Meters	4,690,342	-	-	99,785	4,790,127
Major equipment	9,345,250	287,825	-	22,543	9,655,618
Water and wastewater plant	45,995,995	-	-	-	45,995,995
Wells	11,572,286	-	-	-	11,572,286
Telemetry	479,020	-	-	-	479,020
Distribution lines	77,885,903	1,064,000	-	2,554,586	81,504,489
Total capital assets, being depreciated	<u>160,021,991</u>	<u>1,487,297</u>	<u>(82,620)</u>	<u>3,103,314</u>	<u>164,529,982</u>
Less accumulated depreciation for:					
Buildings	(751,496)	(111,276)	-	-	(862,772)
Land improvements	(1,022,497)	(319,629)	-	-	(1,342,126)
Furniture, fixtures, equipment and vehicles	(3,178,963)	(208,124)	82,620	-	(3,304,467)
Meters	(648,302)	(473,093)	-	-	(1,121,395)
Major equipment	(8,537,092)	(119,273)	-	-	(8,656,365)
Water and wastewater plant	(14,502,615)	(1,549,573)	-	-	(16,052,188)
Wells	(6,425,352)	(381,500)	-	-	(6,806,852)
Telemetry	(464,312)	(8,766)	-	-	(473,078)
Distribution lines	(28,536,906)	(2,014,300)	-	-	(30,551,206)
Total accumulated depreciation	<u>(64,067,535)</u>	<u>(5,185,534)</u>	<u>82,620</u>	<u>-</u>	<u>(69,170,449)</u>
Total capital assets, being depreciated, net	<u>95,954,456</u>	<u>(3,698,237)</u>	<u>-</u>	<u>3,103,314</u>	<u>95,359,533</u>
Business-type activities capital assets, net	<u>\$ 110,284,068</u>	<u>\$ 6,548,278</u>	<u>\$ (7,200)</u>	<u>\$ -</u>	<u>\$ 116,825,146</u>

Depreciation expense was charged to functions as follows:

Governmental activities:

General government	\$ 214,084
Planning and development	61,037
Engineering and public works	1,190,836
Surface water management	2,088,624
Transportation	545,021
Culture and recreation	2,238,252
Total depreciation expense - governmental activities	<u>\$ 6,337,854</u>

Business-type activities:

Water utility	\$ 5,180,536
Solid waste	4,998
Total depreciation expense - business-type activities	<u>\$ 5,185,534</u>

NOTE 6. NONCURRENT LIABILITIES

Changes in Noncurrent Liabilities

Noncurrent liability activity for the year ended September 30, 2010, was as follows:

Governmental Activities

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Public Service Tax Revenue Bonds, Series 1999	\$ 305,000	\$ -	\$ (305,000)	\$ -	\$ -
Public Service Tax Revenue Refunding Bonds, Series 2005	9,645,000	-	(530,000)	9,115,000	870,000
Florida Municipal Loan Council:					
Series 2001A	4,200,000	-	(235,000)	3,965,000	250,000
Series 2002C	4,935,000	-	(255,000)	4,680,000	265,000
Less deferred amount on refunding	(414,899)	-	41,838	(373,061)	-
Plus unamortized bond premium	<u>397,770</u>	<u>-</u>	<u>(31,231)</u>	<u>366,539</u>	<u>-</u>
Total Bonds Payable, net	19,067,871	-	(1,314,393)	17,753,478	1,385,000
Compensated absences payable	<u>997,627</u>	<u>893,657</u>	<u>(766,293)</u>	<u>1,124,991</u>	<u>506,246</u>
Total	<u>\$ 20,065,498</u>	<u>\$ 893,657</u>	<u>\$ (2,080,686)</u>	<u>\$ 18,878,469</u>	<u>\$ 1,891,246</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. All remaining principal and interest was paid on 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, 2010, the outstanding balance was \$0.

\$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 \$870,000 to \$1,165,000 with the final payment due September 1, 2019. At September 30, 2010, the outstanding balance was \$9,115,000.

NOTE 6. NONCURRENT LIABILITIES (Continued)

Changes in Noncurrent 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:			
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	970,000	238,720	1,208,720
2015	1,005,000	202,539	1,207,539
2016 - 2019	<u>4,425,000</u>	<u>420,185</u>	<u>4,845,185</u>
Total Public Service Tax Revenue Refunding Bonds, Series 2005	<u>\$ 9,115,000</u>	<u>\$ 1,782,755</u>	<u>\$ 10,897,755</u>

Defeased Debt

As a result of the refunding, the refunded portion of the Public Service Tax Revenue Bonds, Series 1999 is considered to be defeased and the liability has been removed from the financial statements. At September 30, 2010, the amount of defeased debt outstanding, but removed from the financial statements was \$5,760,000.

\$5,605,000 Florida Municipal Loan Council

In November 2001, the Village entered into a loan agreement with the Florida Municipal Loan Council for \$5,605,000 (Series 2001A). Proceeds from the loan were 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 \$250,000 to \$425,000 with the final payment due in November 2021. At September 30, 2010, the outstanding balance was \$3,965,000.

Future debt service requirements to maturity are:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Year Ending September 30:			
2011	\$ 250,000	\$ 193,825	\$ 443,825
2012	260,000	181,075	441,075
2013	275,000	167,700	442,700
2014	285,000	153,344	438,344
2015	300,000	137,988	437,988
2016 - 2020	1,760,000	430,250	2,190,250
2021 - 2022	<u>835,000</u>	<u>40,019</u>	<u>875,019</u>
Total Loan Payable, Series 2001A	<u>\$ 3,965,000</u>	<u>\$ 1,304,201</u>	<u>\$ 5,269,201</u>

NOTE 6. NONCURRENT LIABILITIES (Continued)

Changes in Noncurrent Liabilities (Continued)

Governmental Activities (Continued)

\$6,290,000 Florida Municipal Loan Council

In November 2002, the Village entered into a loan agreement with the Florida Municipal Loan Council for \$6,290,000 (Series 2002C). Proceeds from the loan were 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 \$265,000 to \$480,000 with the final payment due in November 2022. At September 30, 2010, the outstanding balance was \$4,680,000.

Future debt service requirements to maturity are:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Year Ending September 30:			
2011	\$ 265,000	\$ 231,288	\$ 496,288
2012	280,000	219,063	499,063
2013	290,000	207,663	497,663
2014	300,000	193,988	493,988
2015	320,000	177,713	497,713
2016 - 2020	1,855,000	613,069	2,468,069
2021 - 2023	<u>1,370,000</u>	<u>110,250</u>	<u>1,480,250</u>
Total Loan Payable, Series 2002C	<u>\$ 4,680,000</u>	<u>\$ 1,753,034</u>	<u>\$ 6,433,034</u>

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.

Pledged Revenue

The Village has pledged future public service tax revenues to repay \$9,995,000 in Public Service Tax Revenue Refunding Bonds, Series 2005. 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 and interest remaining to be paid on the Public Service Tax Revenue Refunding Bonds, Series 2005, is \$10,897,755. Total principal and interest paid for the current year, including the final principal and interest payments on the Series 1999 Bonds, and total public service tax revenues were \$1,209,246 and \$10,069,178, respectively.

NOTE 6. NONCURRENT LIABILITIES (Continued)

Business-type Activities

	Balance September 30,			Balance September 30,		Due Within
	2009	Additions	Reductions	2010	One Year	
Utility System Revenue Refunding Bonds	\$ 11,425,000	\$ -	\$ (2,335,000)	\$ 9,090,000	\$ 2,420,000	
Plus unamortized bond premium	111,170	-	(27,792)	83,378	-	
Less unamortized refunding loss	(650,405)	-	162,601	(487,804)	-	
Total Bonds Payable	10,885,765	-	(2,200,191)	8,685,574	2,420,000	
Compensated absences payable	211,999	127,029	(167,111)	171,917	77,363	
Total	<u>\$ 11,097,764</u>	<u>\$ 127,029</u>	<u>\$ (2,367,302)</u>	<u>\$ 8,857,491</u>	<u>\$ 2,497,363</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, 2010, the outstanding balance was \$9,090,000.

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

	Principal	Interest	Total
Year Ending September 30:			
2011	\$ 2,420,000	\$ 319,549	\$ 2,739,549
2012	2,535,000	210,889	2,745,889
2013	2,635,000	110,065	2,745,065
2014	<u>1,500,000</u>	<u>30,000</u>	<u>1,530,000</u>
Total Utility System Revenue Refunding and Improvement Bonds, Series 2003	<u>\$ 9,090,000</u>	<u>\$ 670,503</u>	<u>\$ 9,760,503</u>

Federal Arbitrage Regulations

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

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,

NOTE 6. NONCURRENT LIABILITIES (Continued)

Business-type Activities (Continued)

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 as of September 30, 2010 is \$9,760,503. Total principal and interest paid for the current year and total water and sewer net revenues were \$2,752,474 and \$7,914,543, respectively.

Interest Expense

Total interest costs incurred and paid on all Village debt for the year ended September 30, 2010 totaled \$1,199,476 and \$1,241,957, respectively.

NOTE 7. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The composition of interfund balances as of September 30, 2010 is as follows:

Due to/from Other Funds

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	Solid waste	\$ 125,567
Capital Projects	Nonmajor Funds	90,414

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	\$ 167,969

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, 2010 were as follows:

	<u>Transfers In</u>	<u>Transfers Out</u>
General fund	\$ 4,929,904	\$ 10,643,947
Planning, zoning and building fund	1,000,000	777,690
Gas tax capital fund	4,254,500	115,056
Capital projects fund	4,536,025	-
Nonmajor governmental funds	5,372,938	6,725,601
Utility system fund	-	1,480,000
Solid waste fund	-	351,073
Total	<u>\$ 20,093,367</u>	<u>\$ 20,093,367</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, 1317 Winewood Boulevard, Building 8, Tallahassee, Florida 32399-1560.

Plan members are not required to contribute to the Plan. As of September 30, 2010, the required annual contribution rate is 10.77% of the covered salary for regular members. On January 1, 2008 Wellington opted to participate solely in the FRS and opted out of the 401A pension plan. Contributions to FRS for the years ended September 30, 2010, 2009, and 2008 were \$1,400,720, \$1,389,523, and \$1,068,856, respectively, equal to 100% of the required contributions for each year.

NOTE 9. RISK MANAGEMENT

Wellington 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. Wellington is also covered by Florida Statutes under the Doctrine of Sovereign Immunity, which effectively limits the amount

NOTE 9. RISK MANAGEMENT (Continued)

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 10. 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.

During September 2004, the Village was adversely affected from Hurricane's Frances and Jeanne. FEMA subsequently paid the Village much of the uninsured costs incurred by the Village. As of September 30, 2010, FEMA has begun the process of re-examining all reimbursements related to Hurricane's Frances and Jeanne. Depending on the results of the re-examination, there exists a possibility that the Village will have to repay FEMA for items that were previously paid. Village management believes that its insurance would cover most of its exposure to any necessary repayments to FEMA. While management cannot reasonably estimate the potential impact to the Village, they believe the maximum exposure to be between \$300,000 and \$500,000.

NOTE 11. COMMITMENTS

Facilities Management and Information Technology

An Application Service Provider Agreement was executed during 2009 which provides for the use of the SunGard Public Sector, Inc. software package. According to the agreement, the Village will pay SunGard Public Sector, Inc. \$240,000 for 2010 and \$247,200 per year from 2011-2014. The total amount of the contract remaining is \$988,800. For the year ended September 30, 2010, amounts were remitted pursuant to this agreement.

Agreement for Police Services

During 2010, the Village entered into an agreement with the Palm Beach County Sheriff's Office for the provision of professional police services through September 30, 2011. 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 \$7,503,942 for the year ended September 30, 2010. Amounts to be paid pursuant to this agreement in fiscal year 2011 total \$7,578,981.

Solid Waste Collection and Recycling

During the year ended September 30, 2008, the contract for waste and recycling collection services was bid. The bid was awarded to Waste Management, Inc. at a contract cost totaling \$2,979,000 for the year ended September 30, 2010 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. Amounts to be paid pursuant to this agreement in fiscal year 2011 total \$3,008,790. According to the agreement, future year payments to Waste Management, Inc. will be adjusted by a yearly CPI index.

NOTE 11. COMMITMENTS (Continued)

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 project budget of \$21.5 million. As of September 30, 2010, cumulative expenditures of \$15.7 million have been expended and reimbursed through the Capital Projects Fund.

Town Center

Wellington has undertaken the creation of a "Town Center" in which a new municipal complex, amphitheater, and barrier-free playground will be constructed. In addition, improvements to the aquatics complex, and the Wellington Community Center will help to create a sense of identity for the Village and a focal point for residents and businesses alike.

The amphitheater, barrier-free playground and improvements to the aquatics complex were completed during 2010. Wellington has contracted with The Weitz Company, LLC for the construction of the new Municipal Complex. This project, started during the first quarter of fiscal year 2010, will be completed during fiscal year 2011 and will be used to consolidate many departments under one roof. A contract has been awarded in the amount of approximately \$10.5 million and is being accounted for in the Capital Projects Fund. As of September 30, 2010, cumulative expenditures of \$9.4 million have been expended.

Forest Hill Boulevard

Wellington has contracted with various contractors for improvements to Forest Hill Boulevard. This project is one of the Village's economic development initiatives and the improvements serve to promote and enhance the roadway as the main corridor through the Village. The improvements include drainage improvements, milling and resurfacing, additional signage, landscaping and irrigation, hardscape improvements, lighting and pedestrian crossing signals. As of September 30, 2010, contracts totaling approximately \$5.4 million have been awarded. The total project is estimated to cost \$6.1 million and is being accounted for in the Gas Tax Capital Fund. Federal stimulus monies totaling approximately \$5 million will be used to fund the majority of the project. As of September 30, 2010, cumulative expenditures total \$3.1 million.

Wastewater Treatment Facility Expansion and Improvements

Wellington has contracted with Wharton Smith, Inc. for the construction of additional treatment, reuse and biosolids processing facilities at the wastewater treatment facility. This project will increase the capacity of the wastewater treatment facility from 4.75 MGD to 6.50 MGD. In addition, the project will allow the Village to comply with current and pending regulatory requirements mandated by the Florida Department of Environmental Protection and strengthen odor control. A contract has been awarded in the amount of

NOTE 11. COMMITMENTS (Continued)

approximately \$21.6 million with an anticipated completion date of August 2011 and is being accounted for in the Utility System Fund. As of September 30, 2010, cumulative expenditures total \$8.2 million.

Southshore Boulevard Improvements

Wellington has contracted with H&J Contracting, Inc. for the expansion of the existing roadway to a two lane roadway with a median from Pierson Road to Lake Worth Road. A contract has been awarded in the amount of approximately \$2.8 million. The project is to meet traffic demands and level of service standards in the equestrian area and is to be completed in 2011. As of September 30, 2010, cumulative expenditures total \$429,000.

NOTE 12. OTHER POSTEMPLOYMENT 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 determination of contribution levels. The Plan does not issue a separate financial statement and required supplementary information. There were 14 retirees eligible to receive benefits as of September 30, 2010.

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. Except for the former Village Manager whose premiums are paid in full by the Village, 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. Plan members receiving benefits contribute 100% of the monthly premium ranging from a minimum of \$692 to a maximum of \$2,069.

Annual OPEB Cost: The annual other postemployment benefit (OPEB) cost for the fiscal year was \$7,000, an amount actuarially determined in accordance with the parameters of GASB Statement 45. The 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, 2010 and the preceding years were as follows:

NOTE 12. OTHER POSTEMPLOYMENT BENEFITS (Continued)

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Asset
9/30/2008	\$ 49,000	0%	\$ 655,969
9/30/2009	50,000	0%	605,969
9/30/2010	7,000	1529%	705,969
Annual required contribution			\$ (13,000)
Interest on OPEB obligation			(42,000)
Adjustment to annual required contribution			62,000
Annual OPEB cost			7,000
Contribution made			(107,000)
Change in net OPEB asset			(100,000)
Net OPEB liability (asset), beginning of year			(605,969)
Net OPEB liability (asset), end of year			\$ (705,969)

The annual required contributions for 2010 and 2009 were \$13,000 and \$18,000, respectively, of which the Village made contributions of \$0 for each year.

Funded Status and Funding Progress: The following schedule of funding progress is presented based upon available information.

Actuarial Valuation Date	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL)	(3) Unfunded AAL (UAAL) (2) - (1)	Funded Ratio (1) / (2)	(4) Covered Payroll	UAAL As % of Covered Payroll (3) / (4)
July 1, 2008	\$ 735,000	\$ 503,000	\$ (232,000)	146.1%	\$11,641,000	(2.0)%
October 1, 2010	826,000	536,000	(290,000)	154.1%	13,045,000	(2.2)%

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. The schedule of funding progress shown above, presents multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

NOTE 12. OTHER POSTEMPLOYMENT BENEFITS (Continued)

Actuarial Methods and Assumptions: Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. 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 September 30, 2010, the projected unit credit actuarial cost method was used. The actuarial assumptions included a 7.0% 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% after ten years. Both rates included a 3% 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 fifteen years.

The assumptions above were modified from the previous actuarial valuation for the plan. The original actuarial assumptions included an investment rate of return of 7.5%, an annual health-care cost trend rate of 9%, and a 5% inflation assumption. In addition, the implied subsidy and the retiree participation rate was reduced. The change in these assumptions, plus actual retiree data, resulted in a substantially lower annual OPEB cost for 2010.

NOTE 13. RESTATEMENT OF BEGINNING NET ASSETS FOR GOVERNMENTAL ACTIVITIES

Net assets at September 30, 2009 for the Governmental Activities have been restated as a result of adopting GASB Statement No. 51, *Accounting and Financial Reporting for Intangible Assets*, and correcting an error for not recording certain land acquisitions in prior years. There was no effect on operations of the prior year. The restatement is calculated as follows:

Net assets at September 30, 2009, as originally reported	\$ 195,940,677
Recording of easements in accordance with GASB Statement No. 51	29,605
Correction of an error for not recording land previously deeded to Wellington	<u>966,770</u>
Net assets at September 30, 2009, as restated	<u><u>\$ 196,937,052</u></u>



REQUIRED SUPPLEMENTARY INFORMATION

Budgetary Comparison Schedules:

General Fund

Special Revenue Fund:

Planning, Zoning and Building

VILLAGE OF WELLINGTON, FLORIDA

BUDGETARY COMPARISON SCHEDULE

GENERAL FUND

YEAR ENDED SEPTEMBER 30, 2010

	<u>Original</u>	<u>Prior</u>	<u>Legally</u>	<u>Final</u>	<u>Actual</u>	<u>Variance</u>
	<u>Adopted</u>	<u>Year</u>	<u>Adopted</u>	<u>Revised</u>		<u>With</u>
	<u>Budget</u>	<u>Carryforward</u>	<u>Budget</u>	<u>Budget</u>		<u>Final Budget</u>
			<u>Amendments</u>			<u>Positive</u>
						<u>(Negative)</u>
Revenues:						
Ad valorem taxes	\$ 14,435,635	\$ -	\$ -	\$ 14,435,635	\$ 14,459,669	\$ 24,034
Franchise fees	3,400,000	-	-	3,400,000	3,298,051	(101,949)
Utility taxes	3,138,000	-	-	3,138,000	3,792,079	654,079
Public services tax	2,767,000	-	200,000	2,967,000	2,979,048	12,048
Licenses and permits	148,500	-	-	148,500	273,806	125,306
Intergovernmental	3,658,000	-	18,200	3,676,200	4,178,479	502,279
Charges for services	-	-	-	-	5,664	5,664
Fines and forfeitures	275,000	-	-	275,000	446,362	171,362
Investment income	527,000	-	-	527,000	522,128	(4,872)
Miscellaneous	198,200	-	-	198,200	307,431	109,231
Total revenues	<u>28,547,335</u>	<u>-</u>	<u>218,200</u>	<u>28,765,535</u>	<u>30,262,717</u>	<u>1,497,182</u>

(Continued)

See notes to budgetary comparison schedules

VILLAGE OF WELLINGTON, FLORIDA

BUDGETARY COMPARISON SCHEDULE

GENERAL FUND

YEAR ENDED SEPTEMBER 30, 2010

	Original Adopted Budget	Prior Year Carryforward	Legally Adopted Budget Amendments	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Expenditures:						
Current:						
General government:						
Village Council	\$ 250,124	\$ -	\$ 11,480	\$ 261,604	\$ 257,982	\$ 3,622
Village Clerk	1,230,052	-	44,160	1,274,212	1,251,103	23,109
Village Manager	986,087	25,000	335,011	1,346,098	1,319,570	26,528
Communications	232,041	-	(90,350)	141,691	135,799	5,892
Financial services	1,911,809	1,120	68,262	1,981,191	1,941,159	40,032
Administrative services	770,457	-	283,078	1,053,535	782,469	271,066
Human resources	417,116	7,340	109,700	534,156	521,197	12,959
Risk management	1,122,603	-	(1,600)	1,121,003	1,019,915	101,088
Legal	500,000	-	-	500,000	377,509	122,491
Information technology	1,305,524	8,955	248,728	1,563,207	1,524,677	38,530
Capital improvement program	803,400	-	(123,650)	679,750	672,476	7,274
Other	128,408	-	-	128,408	127,979	429
Total general government	<u>9,657,621</u>	<u>42,415</u>	<u>884,819</u>	<u>10,584,855</u>	<u>9,931,835</u>	<u>653,020</u>
Public safety:						
Law enforcement	<u>7,440,812</u>	<u>-</u>	<u>-</u>	<u>7,440,812</u>	<u>7,386,470</u>	<u>54,342</u>
Physical environment:						
Operations administration	256,647	-	(222,299)	34,348	34,347	1
Public works	3,933,451	2,636	(43,650)	3,892,437	3,558,473	333,964
Nuisance abatement	197,369	-	-	197,369	111,107	86,262
Safe neighborhoods	1,134,726	-	300	1,135,026	829,086	305,940
Code compliance	979,522	-	-	872,622	658,649	213,973
Emergency operations	29,500	-	-	29,500	27,244	2,256
Aquatics & sports fields	2,161,248	-	(17,200)	2,144,048	2,040,187	103,861
Environmental services/neighborhood parks	445,710	-	6,000	451,710	280,945	170,765
Total physical environment	<u>9,138,173</u>	<u>2,636</u>	<u>(276,849)</u>	<u>8,757,060</u>	<u>7,540,038</u>	<u>1,217,022</u>
Capital outlay	<u>519,158</u>	<u>3,320</u>	<u>125,150</u>	<u>647,628</u>	<u>305,916</u>	<u>341,712</u>
Total expenditures	<u>26,755,764</u>	<u>48,371</u>	<u>733,120</u>	<u>27,430,355</u>	<u>25,164,259</u>	<u>2,266,096</u>
Excess (deficiency) of revenues over expenditures	<u>1,791,571</u>	<u>(48,371)</u>	<u>(514,920)</u>	<u>1,335,180</u>	<u>5,098,458</u>	<u>3,763,278</u>
Other financing sources (uses):						
Transfers in	5,654,904	-	490,200	6,145,104	4,929,904	(1,215,200)
Transfers out	(6,336,455)	-	(4,307,500)	(10,643,955)	(10,643,947)	8
Sale of capital assets	-	-	-	-	871,362	871,362
Total other financing uses	<u>(681,551)</u>	<u>-</u>	<u>(3,817,300)</u>	<u>(4,498,851)</u>	<u>(4,842,681)</u>	<u>(343,830)</u>
Net change in fund balance	(228,634)	(48,371)	(4,650,220)	(3,163,671)	255,777	3,419,448
Fund balance, beginning of year	<u>24,224,276</u>	<u>48,371</u>	<u>4,650,220</u>	<u>24,224,276</u>	<u>24,224,276</u>	<u>-</u>
Fund balance, end of year	<u>\$ 23,995,642</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 21,060,605</u>	<u>\$ 24,480,053</u>	<u>\$ 3,419,448</u>

See notes to budgetary comparison schedules

VILLAGE OF WELLINGTON, FLORIDA

BUDGETARY COMPARISON SCHEDULE

PLANNING, ZONING AND BUILDING - SPECIAL REVENUE FUND

YEAR ENDED SEPTEMBER 30, 2010

	<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>
Revenues:						
Licenses and permits	\$ 2,009,000	\$ -	\$ -	\$ 2,009,000	\$ 3,040,837	\$ 1,031,837
Fines and forfeitures	-	-	-	-	1,077	1,077
Investment income	115,000	-	-	115,000	96,427	(18,573)
Miscellaneous	<u>30,000</u>	<u>-</u>	<u>-</u>	<u>30,000</u>	<u>44,317</u>	<u>14,317</u>
Total revenues	<u>2,154,000</u>	<u>-</u>	<u>-</u>	<u>2,154,000</u>	<u>3,182,658</u>	<u>1,028,658</u>
Expenditures:						
Current:						
Physical environment:						
Planning, zoning and building administration	352,328	4,484	(293,498)	63,314	52,302	11,012
Planning & zoning	488,817	27,748	1,840	518,405	473,914	44,491
Building	<u>1,697,936</u>	<u>2,500</u>	<u>290,538</u>	<u>1,990,974</u>	<u>1,874,108</u>	<u>116,866</u>
Total physical environment	<u>2,539,081</u>	<u>34,732</u>	<u>(1,120)</u>	<u>2,572,693</u>	<u>2,400,324</u>	<u>172,369</u>
Capital outlay	<u>49,740</u>	<u>-</u>	<u>3,120</u>	<u>52,860</u>	<u>-</u>	<u>52,860</u>
Total expenditures	<u>2,588,821</u>	<u>34,732</u>	<u>2,000</u>	<u>2,625,553</u>	<u>2,400,324</u>	<u>225,229</u>
Excess (deficiency) of revenues over expenditures	<u>(434,821)</u>	<u>(34,732)</u>	<u>(2,000)</u>	<u>(471,553)</u>	<u>782,334</u>	<u>1,253,887</u>
Other financing sources (uses):						
Transfers in	1,000,000	-	-	1,000,000	1,000,000	-
Transfers out	<u>(1,502,690)</u>	<u>-</u>	<u>45,000</u>	<u>(1,457,690)</u>	<u>(777,690)</u>	<u>680,000</u>
Total other financing sources (uses)	<u>(502,690)</u>	<u>-</u>	<u>45,000</u>	<u>(457,690)</u>	<u>222,310</u>	<u>680,000</u>
Net change in fund balance	(937,511)	(34,732)	43,000	(929,243)	1,004,644	1,933,887
Fund balance, beginning of year	<u>5,164,920</u>	<u>34,732</u>	<u>(43,000)</u>	<u>5,164,920</u>	<u>5,164,920</u>	<u>-</u>
Fund balance, end of year	<u>\$ 4,227,409</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,235,677</u>	<u>\$ 6,169,564</u>	<u>\$ 1,933,887</u>

See notes to budgetary comparison schedules

VILLAGE OF WELLINGTON, FLORIDA
NOTE TO BUDGETARY COMPARISON SCHEDULES
SEPTEMBER 30, 2010

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. The Wellington Community Foundation has not adopted an operating budget for the current fiscal year.
- ❖ 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 a fund must be approved by the Council. Changes within a fund which do not affect total fund expenditures may be approved at the administrative level. Accordingly, the legal level of control is at the fund level.

Budgets are adopted on a basis consistent with U.S. generally accepted accounting principles. 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, 2010, several supplementary appropriations were necessary. The supplementary appropriations increased the general fund budget by \$733,120 and the major special revenue fund budget by \$2,000. The supplementary appropriations consisted mainly of amounts re-appropriated from the previous budget year.

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

VILLAGE OF WELLINGTON, FLORIDA
CONDITION RATING OF STREET SYSTEM
SEPTEMBER 30, 2010

CONDITION RATING OF THE VILLAGE'S STREET SYSTEM

Percentage of lane miles in good or better condition

Overall System:

2008	100%
2009	100%
2010	100%

Percentage of lane miles in substandard condition

Overall System:

2008	0%
2009	0%
2010	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	726,050	652,505	(73,545)
2009	2,168,749	1,219,259	(949,490)
2010	<u>2,194,383</u>	<u>2,067,202</u>	<u>(127,181)</u>
Total	<u>\$8,927,181</u>	<u>\$7,538,756</u>	<u>\$(1,388,425)</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 and documented that the eligible infrastructure assets are being preserved at or above the condition level established. Future assessments will be completed on a cyclical basis (one-third of all the streets in the network every year for three years).

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



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

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Special Revenue Funds are maintained to account for the proceeds of specific revenue sources that are legally restricted to expenditure for specific purposes.

Surface Water Management Fund – Accounts for all financial resources and expenditures applicable to the operations of the Acme Improvement District, a dependent special 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.

Recreation Programs Fund – 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.

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

Wellington Community Foundation – Accounts for revenues and expenditures related to the Wellington Community Foundation, a blended component unit of the Village. The Foundation has not adopted an operating budget for the current fiscal year.

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.

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, 2010

	Special Revenue Funds				Capital Project Funds			Total Nonmajor Funds
	Surface Water Management	Recreation Programs	Gas Tax Maintenance	Wellington Community Foundation	Recreation Impact Fees	Road Impact Fees	Debt Service Fund	
ASSETS								
Cash and cash equivalents	\$ 304,589	\$ 290,773	\$ 318,704	\$ 137,864	\$ 2,227,554	\$ 2,704,169	\$ 19,097	\$ 6,002,750
Investments	1,352,176	3,270,982	935,041	-	6,535,386	4,380,623	56,029	16,530,237
Accrued interest receivable	6,416	9,332	2,052	-	17,150	11,430	-	46,380
Due from other governments	<u>55,105</u>	<u>-</u>	<u>79,927</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>135,032</u>
Total assets	<u>\$ 1,718,286</u>	<u>\$ 3,571,087</u>	<u>\$ 1,335,724</u>	<u>\$ 137,864</u>	<u>\$ 8,780,090</u>	<u>\$ 7,096,222</u>	<u>\$ 75,126</u>	<u>\$ 22,714,399</u>
LIABILITIES AND FUND BALANCES								
Liabilities:								
Accounts payable and accrued liabilities	\$ 60,526	\$ 110,268	\$ 26,243	\$ -	\$ 55,203	\$ 105,406	\$ -	\$ 357,646
Retainage payable	-	-	-	-	-	7,786	-	7,786
Due to other funds	-	-	-	90,414	-	-	-	90,414
Due to other governments	2,500	670	-	-	-	-	-	3,170
Unearned revenue	<u>-</u>	<u>64,899</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>64,899</u>
Total liabilities	<u>63,026</u>	<u>175,837</u>	<u>26,243</u>	<u>90,414</u>	<u>55,203</u>	<u>113,192</u>	<u>-</u>	<u>523,915</u>
Fund balances:								
Reserved for:								
Encumbrances	24,865	-	-	-	-	2,875,979	-	2,900,844
Capital improvements	-	3,395,250	-	-	8,724,887	4,107,051	-	16,227,188
Debt service	-	-	-	-	-	-	75,126	75,126
Unreserved, designated for:								
Road maintenance	-	-	1,309,481	-	-	-	-	1,309,481
Unreserved, undesignated	<u>1,630,395</u>	<u>-</u>	<u>-</u>	<u>47,450</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,677,845</u>
Total fund balances	<u>1,655,260</u>	<u>3,395,250</u>	<u>1,309,481</u>	<u>47,450</u>	<u>8,724,887</u>	<u>6,983,030</u>	<u>75,126</u>	<u>22,190,484</u>
Total liabilities and fund balances	<u>\$ 1,718,286</u>	<u>\$ 3,571,087</u>	<u>\$ 1,335,724</u>	<u>\$ 137,864</u>	<u>\$ 8,780,090</u>	<u>\$ 7,096,222</u>	<u>\$ 75,126</u>	<u>\$ 22,714,399</u>

VILLAGE OF WELLINGTON, FLORIDA

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

NONMAJOR GOVERNMENTAL FUNDS

YEAR ENDED SEPTEMBER 30, 2010

	Special Revenue Funds				Capital Project Funds			Total Nonmajor Funds
	Surface Water Management	Recreation Programs	Gas Tax Maintenance	Wellington Community Foundation	Recreation Impact Fees	Road Impact Fees	Debt Service Fund	
Revenues:								
Special assessments	\$ 4,193,890	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,193,890
Impact fees	-	-	-	-	357,175	121,943	-	479,118
Intergovernmental revenue	19,215	-	1,127,802	-	-	-	-	1,147,017
Charges for services	342,785	1,361,967	-	-	-	-	-	1,704,752
Investment income	63,879	72,076	15,846	80	132,459	99,513	-	383,853
Miscellaneous	175,235	24,020	1,257	265,884	823	-	-	467,219
Total revenues	<u>4,795,004</u>	<u>1,458,063</u>	<u>1,144,905</u>	<u>265,964</u>	<u>490,457</u>	<u>221,456</u>	<u>-</u>	<u>8,375,849</u>
Expenditures:								
Current:								
Physical environment	2,232,471	-	-	-	-	-	-	2,232,471
Transportation	-	-	1,399,144	-	-	-	-	1,399,144
Culture and recreation	-	2,654,469	-	218,514	-	-	-	2,872,983
Capital outlay	80,415	2,092	39,373	-	2,141,900	429,273	-	2,693,053
Debt service:								
Principal	-	-	-	-	-	-	1,325,000	1,325,000
Interest and other charges	-	-	-	-	-	-	824,483	824,483
Total expenditures	<u>2,312,886</u>	<u>2,656,561</u>	<u>1,438,517</u>	<u>218,514</u>	<u>2,141,900</u>	<u>429,273</u>	<u>2,149,483</u>	<u>11,347,134</u>
Excess (deficiency) of revenues over expenditures	<u>2,482,118</u>	<u>(1,198,498)</u>	<u>(293,612)</u>	<u>47,450</u>	<u>(1,651,443)</u>	<u>(207,817)</u>	<u>(2,149,483)</u>	<u>(2,971,285)</u>
Other financing sources (uses):								
Transfers in	-	1,225,000	1,094,942	-	903,513	-	2,149,483	5,372,938
Transfers out	<u>(2,273,625)</u>	<u>(1,977,710)</u>	<u>(521,141)</u>	<u>-</u>	<u>(1,463,564)</u>	<u>(489,561)</u>	<u>-</u>	<u>(6,725,601)</u>
Total other financing sources (uses)	<u>(2,273,625)</u>	<u>(752,710)</u>	<u>573,801</u>	<u>-</u>	<u>(560,051)</u>	<u>(489,561)</u>	<u>2,149,483</u>	<u>(1,352,663)</u>
Net change in fund balances	208,493	(1,951,208)	280,189	47,450	(2,211,494)	(697,378)	-	(4,323,948)
Fund balances, beginning of year	<u>1,446,767</u>	<u>5,346,458</u>	<u>1,029,292</u>	<u>-</u>	<u>10,936,381</u>	<u>7,680,408</u>	<u>75,126</u>	<u>26,514,432</u>
Fund balances, end of year	<u>\$ 1,655,260</u>	<u>\$ 3,395,250</u>	<u>\$ 1,309,481</u>	<u>\$ 47,450</u>	<u>\$ 8,724,887</u>	<u>\$ 6,983,030</u>	<u>\$ 75,126</u>	<u>\$ 22,190,484</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, 2010

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Special assessments	\$ 4,292,741	\$ 4,292,741	\$ 4,193,890	\$ (98,851)
Intergovernmental revenue	-	-	19,215	19,215
Charges for services	339,100	339,100	342,785	3,685
Investment income	31,000	31,000	63,879	32,879
Miscellaneous	-	-	175,235	175,235
Total revenues	<u>4,662,841</u>	<u>4,662,841</u>	<u>4,795,004</u>	<u>132,163</u>
Expenditures:				
Current:				
Physical environment				
Environmental services BMP	721,637	698,337	617,406	80,931
Surface water management	<u>1,600,112</u>	<u>1,615,001</u>	<u>1,615,065</u>	<u>(64)</u>
Total physical environment	<u>2,321,749</u>	<u>2,313,338</u>	<u>2,232,471</u>	<u>80,867</u>
Capital outlay	<u>65,700</u>	<u>97,832</u>	<u>80,415</u>	<u>17,417</u>
Total expenditures	<u>2,387,449</u>	<u>2,411,170</u>	<u>2,312,886</u>	<u>98,284</u>
Excess of revenues over expenditures	<u>2,275,392</u>	<u>2,251,671</u>	<u>2,482,118</u>	<u>230,447</u>
Other financing uses:				
Transfers out	<u>(1,447,970)</u>	<u>(1,434,970)</u>	<u>(2,273,625)</u>	<u>(838,655)</u>
Total other financing uses	<u>(1,447,970)</u>	<u>(1,434,970)</u>	<u>(2,273,625)</u>	<u>(838,655)</u>
Net change in fund balance	827,422	816,701	208,493	(608,208)
Fund balance, beginning of year	<u>1,446,767</u>	<u>1,446,767</u>	<u>1,446,767</u>	<u>-</u>
Fund balance, end of year	<u>\$ 2,274,189</u>	<u>\$ 2,263,468</u>	<u>\$ 1,655,260</u>	<u>\$ (608,208)</u>

VILLAGE OF WELLINGTON, FLORIDA

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

RECREATION PROGRAMS - SPECIAL REVENUE FUND

YEAR ENDED SEPTEMBER 30, 2010

	Original Adopted Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues:				
Charges for services	\$ 916,500	\$ 1,212,500	\$ 1,361,967	\$ 149,467
Investment income	38,000	38,000	72,076	34,076
Miscellaneous	-	-	24,020	24,020
Total revenues	954,500	1,250,500	1,458,063	207,563
Expenditures:				
Current:				
Culture and recreation:				
Pool facilities	405,003	449,948	449,627	321
Community center facilities	77,489	57,089	55,298	1,791
Parks and recreational facilities	-	2,604	9,809	(7,205)
Parks and recreational administration	384,793	385,693	376,002	9,691
Community programs	427,595	567,730	566,324	1,406
Athletics programs	1,103,892	1,221,870	1,197,409	24,461
Total culture and recreation	2,398,772	2,684,934	2,654,469	30,465
Capital outlay	32,717	16,427	2,092	14,335
Total expenditures	2,431,489	2,701,361	2,656,561	44,800
Excess (deficiency) of revenues over expenditures	(1,476,989)	(1,450,861)	(1,198,498)	252,363
Other financing sources (uses):				
Transfers in	1,225,000	1,225,000	1,225,000	-
Transfers out	(1,135,350)	(1,135,350)	(1,977,710)	(842,360)
Total other financing sources (uses)	89,650	89,650	(752,710)	(842,360)
Net change in fund balance	(1,387,339)	(1,361,211)	(1,951,208)	(589,997)
Fund balance, beginning of year	5,346,458	5,346,458	5,346,458	-
Fund balance, end of year	\$ 3,959,119	\$ 3,985,247	\$ 3,395,250	\$ (589,997)

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, 2010

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Intergovernmental revenue	\$ 1,042,170	\$ 1,042,170	\$ 1,127,802	\$ 85,632
Investment income	14,000	14,000	15,846	1,846
Miscellaneous	<u>-</u>	<u>-</u>	<u>1,257</u>	<u>1,257</u>
Total revenues	<u>1,056,170</u>	<u>1,056,170</u>	<u>1,144,905</u>	<u>88,735</u>
Expenditures:				
Current:				
Transportation	1,568,381	1,590,572	1,399,144	191,428
Capital outlay	<u>61,590</u>	<u>39,399</u>	<u>39,373</u>	<u>26</u>
Total expenditures	<u>1,629,971</u>	<u>1,629,971</u>	<u>1,438,517</u>	<u>191,454</u>
Excess (deficiency) of revenues over expenditures	<u>(573,801)</u>	<u>(573,801)</u>	<u>(293,612)</u>	<u>280,189</u>
Other financing sources (uses):				
Transfers in	1,094,942	1,094,942	1,094,942	-
Transfers out	<u>(521,141)</u>	<u>(521,141)</u>	<u>(521,141)</u>	<u>-</u>
Total other financing sources	<u>573,801</u>	<u>573,801</u>	<u>573,801</u>	<u>-</u>
Net change in fund balance	-	-	280,189	280,189
Fund balance, beginning of year	<u>1,029,292</u>	<u>1,029,292</u>	<u>1,029,292</u>	<u>-</u>
Fund balance, end of year	<u>\$ 1,029,292</u>	<u>\$ 1,029,292</u>	<u>\$ 1,309,481</u>	<u>\$ 280,189</u>

VILLAGE OF WELLINGTON, FLORIDA

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

WELLINGTON COMMUNITY FOUNDATION - SPECIAL REVENUE FUND

YEAR ENDED SEPTEMBER 30, 2010

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Investment income	\$ -	\$ -	\$ 80	\$ 80
Miscellaneous	-	-	265,884	265,884
Total revenues	<u>-</u>	<u>-</u>	<u>265,964</u>	<u>265,964</u>
Expenditures:				
Current:				
Culture and recreation	-	-	218,514	(218,514)
Excess of revenues over expenditures	<u>-</u>	<u>-</u>	<u>47,450</u>	<u>47,450</u>
Net change in fund balance	-	-	47,450	47,450
Fund balance, beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 47,450</u>	<u>\$ 47,450</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, 2010

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Impact fees	\$ 200,000	\$ 200,000	\$ 357,175	\$ 157,175
Investment income	207,000	207,000	132,459	(74,541)
Miscellaneous	-	-	823	823
Total revenues	<u>407,000</u>	<u>407,000</u>	<u>490,457</u>	<u>83,457</u>
Expenditures:				
Capital outlay	<u>1,350,000</u>	<u>2,145,338</u>	<u>2,141,900</u>	<u>3,438</u>
Excess (deficiency) of revenues over expenditures	(943,000)	(1,738,338)	(1,651,443)	86,895
Other financing sources (uses):				
Transfers in	903,513	903,513	903,513	-
Transfers out	<u>(1,463,633)</u>	<u>(1,463,633)</u>	<u>(1,463,564)</u>	<u>69</u>
Total other financing sources (uses)	<u>(560,120)</u>	<u>(560,120)</u>	<u>(560,051)</u>	<u>69</u>
Net change in fund balance	(1,503,120)	(2,298,458)	(2,211,494)	86,964
Fund balance, beginning of year	<u>10,936,381</u>	<u>10,936,381</u>	<u>10,936,381</u>	<u>-</u>
Fund balance, end of year	<u>\$ 9,433,261</u>	<u>\$ 8,637,923</u>	<u>\$ 8,724,887</u>	<u>\$ 86,964</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, 2010

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Impact fees	\$ 50,000	\$ 50,000	\$ 121,943	\$ 71,943
Investment income	136,000	136,000	99,513	(36,487)
Total revenues	186,000	186,000	221,456	35,456
Expenditures:				
Capital outlay	-	3,293,034	429,273	2,863,761
Excess (deficiency) of revenues over expenditures	186,000	(3,107,034)	(207,817)	2,899,217
Other financing sources uses:				
Transfers out	(489,561)	(489,561)	(489,561)	-
Total other financing uses	(489,561)	(489,561)	(489,561)	-
Net change in fund balance	(303,561)	(3,596,595)	(697,378)	2,899,217
Fund balance, beginning of year	7,680,408	7,680,408	7,680,408	-
Fund balance, end of year	\$ 7,376,847	\$ 4,083,813	\$ 6,983,030	\$ 2,899,217

VILLAGE OF WELLINGTON, FLORIDA

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

DEBT SERVICE FUND

YEAR ENDED SEPTEMBER 30, 2010

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Debt service:				
Principal	1,325,000	1,325,000	1,325,000	-
Interest and other fiscal charges	<u>824,600</u>	<u>824,600</u>	<u>824,483</u>	<u>117</u>
Total expenditures	<u>2,149,600</u>	<u>2,149,600</u>	<u>2,149,483</u>	<u>117</u>
Excess (deficiency) of revenues over expenditures	(2,149,600)	(2,149,600)	(2,149,483)	117
Other financing sources:				
Transfers in	<u>2,149,600</u>	<u>2,149,600</u>	<u>2,149,483</u>	<u>(117)</u>
Total other financing sources	<u>2,149,600</u>	<u>2,149,600</u>	<u>2,149,483</u>	<u>(117)</u>
Net change in fund balance	-	-	-	-
Fund balance, beginning of year	<u>75,126</u>	<u>75,126</u>	<u>75,126</u>	<u>-</u>
Fund balance, end of year	<u>\$ 75,126</u>	<u>\$ 75,126</u>	<u>\$ 75,126</u>	<u>\$ -</u>

BUDGETARY COMPARISON SCHEDULES

MAJOR CAPITAL PROJECTS FUNDS

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

Capital Projects Fund – Accounts for general government capital expenditures.

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, 2010

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Intergovernmental revenue	\$ 3,116,500	\$ 2,029,000	\$ 2,905,760	\$ 876,760
Investment income	127,000	127,000	97,266	(29,734)
Miscellaneous	<u>549,407</u>	<u>549,407</u>	<u>106,812</u>	<u>(442,595)</u>
Total revenues	<u>3,792,907</u>	<u>2,705,407</u>	<u>3,109,838</u>	<u>404,431</u>
Expenditures:				
Capital outlay	<u>6,079,004</u>	<u>10,040,378</u>	<u>6,541,489</u>	<u>3,498,889</u>
Excess (deficiency) of revenues over expenditures	<u>(2,286,097)</u>	<u>(7,334,971)</u>	<u>(3,431,651)</u>	<u>3,903,320</u>
Other financing sources (uses):				
Transfers in	2,067,000	4,254,500	4,254,500	-
Transfers out	<u>(115,056)</u>	<u>(115,056)</u>	<u>(115,056)</u>	<u>-</u>
Total other financing sources	<u>1,951,944</u>	<u>4,139,444</u>	<u>4,139,444</u>	<u>-</u>
Net change in fund balance	(334,153)	(3,195,527)	707,793	3,903,320
Fund balance, beginning of year	<u>7,463,813</u>	<u>7,463,813</u>	<u>7,463,813</u>	<u>-</u>
Fund balance, end of year	<u>\$ 7,129,660</u>	<u>\$ 4,268,286</u>	<u>\$ 8,171,606</u>	<u>\$ 3,903,320</u>

VILLAGE OF WELLINGTON, FLORIDA

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

CAPITAL PROJECTS FUND

YEAR ENDED SEPTEMBER 30, 2010

	<u>Original Adopted Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget Positive (Negative)</u>
Revenues:				
Intergovernmental	\$ 562,000	\$ 10,019,227	\$ 10,016,492	\$ (2,735)
Investment income	363,000	363,000	236,096	(126,904)
Miscellaneous	-	285,780	233,812	(51,968)
Total revenues	<u>925,000</u>	<u>10,668,007</u>	<u>10,486,400</u>	<u>(181,607)</u>
Expenditures:				
Capital outlay:				
Information technology	-	139,309	135,315	3,994
Safe neighborhoods	-	58,854	58,853	1
Surface water management	2,075,625	891,246	594,850	296,396
SWAT	60,000	8,080,292	7,971,973	108,319
Strategic planning & economic development	-	13,877	13,877	-
Landscape capital	-	96,712	96,656	56
Operations	426,700	14,278,034	11,954,879	2,323,155
Community Center	-	37,995	25,171	12,824
Parks and recreation	778,700	1,316,471	1,244,990	71,481
Total expenditures	<u>3,341,025</u>	<u>24,912,790</u>	<u>22,096,564</u>	<u>2,816,226</u>
Excess (deficiency) of revenues over expenditures	<u>(2,416,025)</u>	<u>(14,244,783)</u>	<u>(11,610,164)</u>	<u>2,634,619</u>
Other financing sources (uses):				
Transfers in	2,416,025	4,536,025	4,536,025	-
Transfers out	-	(490,200)	-	490,200
Total other financing sources	<u>2,416,025</u>	<u>4,045,825</u>	<u>4,536,025</u>	<u>490,200</u>
Net change in fund balance	-	(10,198,958)	(7,074,139)	3,124,819
Fund balance, beginning of year	<u>19,810,622</u>	<u>19,810,622</u>	<u>19,810,622</u>	<u>-</u>
Fund balance, end of year	<u>\$ 19,810,622</u>	<u>\$ 9,611,664</u>	<u>\$ 12,736,483</u>	<u>\$ 3,124,819</u>

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 NINE FISCAL YEARS

(ACCRUAL BASIS OF ACCOUNTING)

	Fiscal Year				
	2002	2003	2004	2005	2006
Governmental activities:					
Invested in capital assets, net of related debt	\$ 78,064,294	\$ 84,456,045	\$ 82,441,223	\$ 87,127,009	\$ 93,261,010
Restricted	18,622,481	25,190,120	28,588,134	31,215,236	35,387,426
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>
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>
Business-type activities:					
Invested in capital assets, net of related debt	45,917,353	61,103,841	63,977,950	67,896,249	72,761,237
Restricted	3,088,414	22,753,650	35,173,687	48,595,838	30,963,300
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>
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>
Total government:					
Invested in capital assets, net of related debt	123,981,647	145,559,886	146,419,173	155,023,258	166,022,247
Restricted	21,710,895	47,943,770	63,761,821	79,811,074	66,350,726
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>
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>

Note: Information prior to 2002 is not available.

Fiscal Year			
<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
\$ 102,900,650	\$ 105,313,318	\$ 114,279,239	\$ 140,245,218
31,349,198	50,931,320	50,325,250	43,881,398
<u>33,216,768</u>	<u>25,448,440</u>	<u>32,332,563</u>	<u>29,210,936</u>
<u>167,466,616</u>	<u>181,693,078</u>	<u>196,937,052</u>	<u>213,337,552</u>
80,708,481	96,014,639	99,398,303	108,139,572
33,665,075	8,742,086	21,642,000	16,090,694
<u>29,172,362</u>	<u>39,994,834</u>	<u>20,153,787</u>	<u>21,338,373</u>
<u>143,545,918</u>	<u>144,751,559</u>	<u>141,194,090</u>	<u>145,568,639</u>
183,609,131	201,327,957	213,677,542	248,384,790
65,014,273	59,673,406	71,967,250	59,972,092
<u>62,389,130</u>	<u>65,443,274</u>	<u>52,486,350</u>	<u>50,549,309</u>
<u>\$ 311,012,534</u>	<u>\$ 326,444,637</u>	<u>\$ 338,131,142</u>	<u>\$ 358,906,191</u>

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

	Fiscal Year				
	2002	2003	2004	2005	2006
Expenses:					
Governmental activities:					
General government	\$ 5,862,465	\$ 6,783,423	\$ 7,260,676	\$ 8,214,967	\$ 9,293,043
Public safety	3,530,068	3,820,632	4,634,172	5,031,954	5,099,928
Planning and development	2,936,249	3,082,967	3,396,474	4,091,661	4,216,156
Engineering and public works	3,269,210	3,512,188	3,765,102	5,102,076	6,143,913
Surface water management	1,659,368	1,239,037	1,264,735	1,582,326	1,693,334
Transportation	2,051,330	2,778,554	2,936,346	2,658,572	3,756,901
Culture and recreation	6,018,165	6,064,085	6,564,874	8,501,932	9,881,157
Interest on long-term debt	927,545	1,188,924	1,184,013	1,027,675	1,048,372
	<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>
Indirect expense allocation	<u>(2,184,394)</u>	<u>(1,811,147)</u>	<u>(1,498,361)</u>	<u>(2,235,957)</u>	<u>(2,250,000)</u>
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>
Business-type activities:					
Utility system	10,721,966	10,278,556	11,465,865	10,945,930	11,082,245
Solid waste	1,405,410	1,573,480	4,006,221	6,238,214	8,407,711
	<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>
Indirect expense allocation	<u>2,184,394</u>	<u>1,811,147</u>	<u>1,498,361</u>	<u>2,235,957</u>	<u>2,250,000</u>
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>
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>
Program revenues:					
Governmental activities:					
Charges for services:					
General government	\$ 355,972	\$ 330,233	\$ 238,627	\$ -	\$ -
Public safety	262,650	300,308	275,880	285,956	263,345
Planning and development	4,149,690	5,633,693	5,505,353	6,374,037	4,632,493
Engineering and public works	-	-	-	344,956	612,905
Surface water management	262,300	3,105,826	3,098,084	3,126,587	3,144,338
Transportation	402,971	694,122	760,992	1,465,267	1,044,306
Culture and recreation	2,420,423	3,470,319	6,039,520	5,683,900	3,195,745
Operating grants and contributions	2,100,368	2,126,925	1,206,275	1,943,719	3,102,633
Capital grants and contributions	316,000	1,237,268	962,437	10,639	45,447
Total governmental activities	<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>
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>
Business-type activities:					
Charges for services:					
Utility system	11,692,525	12,636,193	13,348,053	13,642,693	13,799,601
Solid waste	1,742,535	1,969,284	2,196,596	2,480,804	4,833,697
Operating grants and contributions	-	-	1,113,196	1,305,602	8,037,716
Capital grants and contributions	<u>8,747,614</u>	<u>15,299,995</u>	<u>5,973,688</u>	<u>2,836,718</u>	<u>3,990,421</u>
Total business-type activities	<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>
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>
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>

Fiscal Year			
2007	2008	2009	2010
\$ 10,385,722	\$ 9,819,425	\$ 9,203,136	\$ 10,291,524
5,719,752	6,457,703	6,986,980	7,386,470
4,196,096	3,883,055	3,505,764	2,561,247
5,916,475	6,175,334	7,901,374	8,504,675
1,994,542	2,377,394	3,023,475	4,323,388
2,702,582	2,813,499	2,629,113	2,333,704
10,010,036	9,425,290	8,421,140	5,107,602
983,376	936,748	882,802	822,027
41,908,581	41,888,448	42,553,784	41,330,637
(2,223,268)	(5,453,586)	(3,643,904)	(1,831,073)
<u>39,685,313</u>	<u>36,434,862</u>	<u>38,909,880</u>	<u>39,499,564</u>
11,747,934	12,089,449	16,051,971	12,915,882
2,145,953	2,228,903	5,837,492	3,129,986
13,893,887	14,318,352	21,889,463	16,045,868
2,223,268	5,453,586	3,643,904	1,831,073
<u>16,117,155</u>	<u>19,771,938</u>	<u>25,533,367</u>	<u>17,876,941</u>
<u>\$ 55,802,468</u>	<u>\$ 56,206,800</u>	<u>\$ 64,443,247</u>	<u>\$ 57,376,505</u>
\$ -	\$ -	\$ -	\$ -
247,497	308,626	391,333	380,068
3,835,891	3,262,929	3,090,636	3,439,374
788,135	289,984	82,541	-
3,157,024	3,865,813	3,831,805	4,536,675
668,750	334,597	102,042	118,893
2,548,536	2,256,172	1,732,729	1,710,091
3,902,464	2,057,158	2,696,528	1,559,255
5,368,533	2,590,188	6,344,784	12,217,514
<u>20,516,830</u>	<u>14,965,467</u>	<u>18,272,398</u>	<u>23,961,870</u>
13,459,355	13,129,276	14,502,578	15,094,014
2,834,369	3,018,730	3,690,053	3,689,852
778,676	1,522,575	-	1,503,794
713,453	1,068,875	2,093,940	1,347,655
<u>17,785,853</u>	<u>18,739,456</u>	<u>20,286,571</u>	<u>21,635,315</u>
<u>\$ 38,302,683</u>	<u>\$ 33,704,923</u>	<u>\$ 38,558,969</u>	<u>\$ 45,597,185</u>

(Continued)

VILLAGE OF WELLINGTON, FLORIDA

CHANGES IN NET ASSETS (Continued)

LAST NINE FISCAL YEARS

(ACCRUAL BASIS OF ACCOUNTING)

	Fiscal Year				
	2002	2003	2004	2005	2006
Net (expense) revenue:					
Governmental activities	\$ (13,799,632)	\$ (9,759,969)	\$ (11,420,863)	\$(14,740,145)	\$ (22,841,592)
Business-type activities	7,870,904	16,242,289	5,661,086	845,716	8,921,479
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>
General revenues:					
Governmental activities:					
Taxes:					
Property taxes	\$ 8,801,700	\$ 7,419,620	\$ 9,276,804	\$ 11,305,840	\$ 14,618,529
Franchise fees	1,806,321	2,074,904	2,379,764	2,744,351	3,430,912
Utility taxes	3,957,238	4,599,232	4,863,526	5,493,444	6,044,216
Sales tax	2,744,678	2,913,541	3,235,206	3,691,449	3,935,555
Occupational licenses	139,427	-	-	-	-
Grants and contributions not restricted to specific programs	382,103	448,180	504,157	1,124,386	1,206,534
Investment earnings	1,376,992	781,265	562,948	1,054,412	2,494,561
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
Transfers	(253,395)	(100,000)	(975,000)	(2,181,545)	-
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>
Business-type activities:					
Investment earnings	2,163,389	1,001,488	569,820	1,131,842	2,637,429
Gain on disposal of assets	-	92,557	-	(52,605)	445,816
Transfers	253,395	100,000	975,000	2,181,545	-
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>
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>
Change in net assets:					
Governmental activities	\$ 6,395,893	\$ 9,395,178	\$ 9,640,563	\$ 10,240,523	\$ 11,717,002
Business-type activities	10,287,688	17,436,334	7,205,906	4,106,498	12,004,724
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>

Note: Information prior to 2002 is not available.

Fiscal Year			
2007	2008	2009	2010
\$ (19,168,483)	\$ (21,469,395)	\$ (20,637,482)	\$ (15,537,694)
<u>1,668,698</u>	<u>(1,032,482)</u>	<u>(5,246,796)</u>	<u>3,758,374</u>
<u>\$ (17,499,785)</u>	<u>\$ (22,501,877)</u>	<u>\$ (25,884,278)</u>	<u>\$ (11,779,320)</u>
\$ 18,591,345	\$ 17,412,203	\$ 16,049,186	\$ 14,459,669
3,512,575	3,492,742	3,594,701	3,298,051
6,130,417	6,184,787	6,634,632	6,771,127
3,957,168	3,837,153	3,382,611	3,400,224
-	-	-	-
1,604,210	1,231,994	1,288,129	1,336,641
3,644,017	2,910,930	3,401,293	1,335,770
-	-	-	482,601
626,192	626,048	534,529	854,111
-	-	-	-
<u>38,065,924</u>	<u>35,695,857</u>	<u>34,885,081</u>	<u>31,938,194</u>
3,563,790	2,238,123	1,689,327	616,175
-	-	-	-
-	-	-	-
<u>3,563,790</u>	<u>2,238,123</u>	<u>1,689,327</u>	<u>616,175</u>
<u>\$ 41,629,714</u>	<u>\$ 37,933,980</u>	<u>\$ 36,574,408</u>	<u>\$ 32,554,369</u>
\$ 18,897,441	\$ 14,226,462	\$ 14,247,599	\$ 16,400,500
<u>5,232,488</u>	<u>1,205,641</u>	<u>(3,557,469)</u>	<u>4,374,549</u>
<u>\$ 24,129,929</u>	<u>\$ 15,432,103</u>	<u>\$ 10,690,130</u>	<u>\$ 20,775,049</u>

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

	Fiscal Year				
	2002	2003	2004	2005	2006
General fund:					
Reserved	\$ 3,945,217	\$ 1,009,210	\$ 5,721,818	\$ 4,701,922	\$ 4,422,049
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>
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>
All other governmental funds:					
Reserved	13,537,529	24,375,094	23,384,127	26,593,673	36,074,651
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>
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>
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>

Note: Information prior to 2002 is not available.

Fiscal Year			
2007	2008	2009	2010
\$ 5,222,484	\$ 918,193	\$ 646,625	\$ 720,464
<u>24,344,604</u>	<u>21,717,188</u>	<u>23,577,651</u>	<u>23,759,589</u>
<u>29,567,088</u>	<u>22,635,381</u>	<u>24,224,276</u>	<u>24,480,053</u>
31,256,900	49,680,929	49,378,996	42,645,511
<u>4,320,374</u>	<u>4,737,308</u>	<u>9,574,791</u>	<u>6,622,626</u>
<u>35,577,274</u>	<u>54,418,237</u>	<u>58,953,787</u>	<u>49,268,137</u>
<u>\$ 65,144,362</u>	<u>\$ 77,053,618</u>	<u>\$ 83,178,063</u>	<u>\$ 73,748,190</u>

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

	Fiscal Year				
	2002	2003	2004	2005	2006
Revenues:					
Ad valorem taxes	\$ 5,988,044	\$ 7,419,620	\$ 9,276,804	\$ 11,305,840	\$ 14,618,529
Franchise fees	1,806,321	2,074,904	2,379,764	2,744,351	3,430,912
Utility taxes	3,957,238	4,599,232	4,863,526	5,493,443	6,044,216
Special assessments	2,813,656	2,827,160	2,824,179	2,827,653	2,847,120
Impact fees	1,243,927	2,439,987	3,631,777	5,190,651	2,334,864
Licenses and permits	4,289,117	5,715,589	5,600,787	6,608,264	5,262,986
Intergovernmental revenue	5,289,288	6,737,315	5,922,997	6,770,194	8,290,170
Charges for services	2,197,739	2,251,457	2,285,833	2,199,144	2,069,176
Fines and forfeitures	262,650	300,308	275,880	403,526	258,301
Investment income	1,376,992	781,265	562,948	1,054,410	2,494,561
Miscellaneous	781,877	1,007,004	782,116	1,680,232	2,948,972
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>
Expenditures:					
Current:					
General government	5,324,877	5,995,634	6,765,480	7,733,680	8,588,524
Public safety	3,530,068	3,820,632	4,634,172	5,031,954	5,099,928
Physical environment	6,618,249	6,918,191	7,716,972	9,076,637	10,493,497
Transportation	1,398,041	1,539,299	1,510,342	1,614,248	1,678,057
Culture and recreation	3,952,117	4,098,834	4,426,043	6,044,649	7,012,595
Capital outlay	6,160,868	11,163,250	11,756,471	9,337,123	13,630,058
Debt service:					
Principal retirement	545,000	760,000	985,000	1,110,000	1,115,000
Interest and other fiscal charges	839,106	1,098,371	1,222,401	1,125,985	1,041,979
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>
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>
Other financing sources (uses):					
Transfers in	19,525,599	12,415,248	22,539,411	26,800,713	23,552,453
Transfers out	(17,594,600)	(10,704,101)	(22,016,050)	(26,746,301)	(21,302,453)
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
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>
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>
Debt service as a percentage of non-capital expenditures	5.93%	7.27%	7.73%	6.76%	5.89%

Note: Information prior to 2002 is not available.

Fiscal Year			
2007	2008	2009	2010
\$ 18,591,345	\$ 17,412,203	\$ 16,049,186	\$ 14,459,669
3,512,575	3,492,742	3,594,701	3,298,051
6,130,417	6,184,787	6,634,632	6,771,127
2,862,096	3,572,397	3,549,190	4,193,890
1,280,370	676,741	356,648	479,118
4,132,615	3,276,635	2,963,269	3,314,643
14,832,375	9,716,493	13,507,676	18,247,748
2,223,313	2,145,313	1,766,751	1,710,416
747,439	613,082	540,967	447,439
3,644,017	2,910,930	3,401,293	1,335,770
626,192	660,002	793,166	1,159,591
<u>58,582,754</u>	<u>50,661,325</u>	<u>53,157,479</u>	<u>55,417,462</u>
9,928,265	9,228,588	8,776,393	9,931,835
5,719,752	6,457,703	6,986,980	7,386,470
10,437,973	10,379,479	11,443,114	12,172,833
1,392,802	1,453,173	1,526,599	1,399,144
7,334,738	7,035,024	6,016,607	2,872,983
15,073,268	7,500,174	13,773,712	31,637,022
1,170,000	1,215,000	1,270,000	1,325,000
987,385	936,915	883,533	824,483
<u>52,044,183</u>	<u>44,206,056</u>	<u>50,676,938</u>	<u>67,549,770</u>
<u>6,538,571</u>	<u>6,455,269</u>	<u>2,480,541</u>	<u>(12,132,308)</u>
28,615,829	64,196,121	29,451,290	20,093,367
(26,392,561)	(58,742,535)	(25,807,386)	(18,262,294)
-	-	-	-
-	-	-	-
13,348	400	-	871,362
<u>2,236,616</u>	<u>5,453,986</u>	<u>3,643,904</u>	<u>2,702,435</u>
<u>\$ 8,775,187</u>	<u>\$ 11,909,255</u>	<u>\$ 6,124,445</u>	<u>\$ (9,429,873)</u>
5.71%	5.74%	5.75%	5.94%

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				
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	
2009	6,045,508,619	675,537,691	67,877,389	373,935,182	198,237,894	7,361,096,775	2.34	
2010	4,736,001,049	665,267,744	109,364,258	345,592,130	221,937,048	6,078,162,229	2.50	

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 (2)	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	
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	7.36	6.76	0.89	0.54	0.62	0.58	0.03	19.12
2009	2008	2.34	7.25	6.92	1.00	0.54	0.62	0.60	0.04	19.31
2010	2009	2.50	7.98	8.02	1.15	0.55	0.62	0.69	0.04	21.55

Source: Wellington's Office of Financial Management and Budget and Palm Beach County Property Appraiser's Office

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

- (1) Overlapping rates are those of local and county governments that apply to property owners within 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).
- (2) The only component of the Village's direct rate is its operating millage. The Village does not have a debt service component.

VILLAGE OF WELLINGTON, FLORIDA
PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO

<u>Taxpayer</u>	<u>2010</u>			<u>2001</u>		
	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	\$ 140,000,000	1	2.30%			
City National Bank of Florida TR	36,186,320	2	0.60%			
Polo Lakes Apartments LLC	34,744,725	3	0.57%			
Universal Health Realty Income	27,515,206	4	0.45%			
Autc Polo Chase Florida LLC	25,918,769	5	0.43%			
Shoppes at Isla Verde Ltd.	22,868,031	6	0.38%			
Centre at Wellington Green Ltd.	21,362,400	7	0.35%			
TCRDAD Wellington Ltd. Partnership	19,232,864	8	0.32%			
FWI 16, LLC	17,748,964	9	0.29%			
Fig Development, LLC	17,430,167	10	0.29%	\$ 13,227,680	5	0.61%
Palm Beach Polo Inc.				19,612,507	1	0.90%
RRC FL Six, Inc.				17,400,000	2	0.80%
Polo Chase Venture				16,594,500	3	0.76%
Palm Beach Polo Holdings Inc.				14,313,226	4	0.66%
Courtyard Shops Associates, Inc.				12,497,466	6	0.58%
Lennar Land Partners				9,933,315	7	0.46%
Sentinel Real Estate Fund				9,644,167	8	0.44%
Regency Centers, Inc.				8,606,722	9	0.40%
Wellington Mall Ltd.				6,399,669	10	0.29%
	<u>\$ 363,007,446</u>		<u>5.97%</u>	<u>\$ 128,229,252</u>		<u>5.90%</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
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%	13,378	5,987,887	100.00%
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%	7,734	11,313,574	95.83%
2006	15,178,523	14,618,529	96.31%	36,913	14,655,442	96.55%
2007	19,256,493	18,591,345	96.55%	103,999	18,695,344	97.09%
2008	18,270,635	17,412,203	95.30%	88,560	17,500,763	95.79%
2009	16,864,233	16,049,186	95.17%	15,995	16,049,186	95.17%
2010	15,195,405	14,459,669	95.16%	-	14,459,669	95.16%

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)
2001	\$ 14,700,000	\$ 25,650,000	\$ 40,350,000	79.18%	\$ 990
2002	19,760,000	23,810,000	43,570,000	81.96%	1,030
2003	25,290,000	22,355,000	47,645,000	88.09%	1,031
2004	24,305,000	22,355,000	46,660,000	76.79%	943
2005	23,855,000	20,255,000	44,110,000	67.56%	871
2006	22,740,000	18,115,000	40,855,000	56.96%	735
2007	21,570,000	15,930,000	37,500,000	50.06%	679
2008	20,355,000	13,705,000	34,060,000	45.97%	618
2009	19,085,000	11,425,000	30,510,000	n/a	555
2010	17,760,000	9,090,000	26,850,000	n/a	483

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

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

VILLAGE OF WELLINGTON, FLORIDA
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
September 30, 2010

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	\$ 250,470,000	4.786%	\$ 11,987,494
Palm Beach County School Board	29,555,000	4.786%	1,414,502
Other debt:			
Palm Beach County	888,161,139	4.786%	42,507,392
Palm Beach County School Board	1,886,293,000	4.786%	<u>90,277,983</u>
Subtotal, Overlapping Debt			146,187,371
Village of Wellington Direct Debt			<u>17,760,000</u>
Total Direct and Overlapping Debt			<u><u>\$ 163,947,371</u></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
PLEDGED REVENUE COVERAGE
LAST TEN FISCAL YEARS

Fiscal Year Ended 09/30	Utility Charges and Other	Less Operating Expenses	Net Available Revenue	Debt Service			Public Service Taxes (1)	Debt Service		
				Principal	Interest	Coverage		Principal	Interest	Coverage
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
2009	14,502,578	8,262,523	6,240,055	2,280,000	457,499	2.28	10,229,333	800,000	411,167	8.45
2010	15,094,014	7,179,471	7,914,543	2,335,000	377,449	2.92	10,069,178	835,000	374,246	8.33

Source: Wellington's Office of Financial Management and Budget

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

VILLAGE OF WELLINGTON, FLORIDA

DEBT COMPLIANCE

SEPTEMBER 30, 2010

	Policy Limit	Actual
General government debt service as a percentage of non-ad valorem general fund expenditures:		
Debt Limit	20.00%	4.22%
Contribution to CIP from general governmental capital and debt service:	\$ 6,179,346	\$2,455,399
Weighted average maturity of all debt programs:		
Governmental	15 years	9 years
Enterprise	20 years	4 years
General government debt per capita:	\$ 850	\$ 320
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%	0.25%
General fund reserve as a percentage of future year's operating budget:	22-30%	42%
Revenue bond coverage		
As a percentage of maximum annual debt service	110.00%	366.70%
As a percentage of average annual debt service	125.00%	412.65%

Source: Wellington's Office of Financial Management and Budget

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)
2001	40,749	9,893	\$ 50,957,703	\$ 44,016	3.0%
2002	42,319	10,878	53,158,991	44,832	3.5%
2003	46,208	13,193	54,088,022	44,740	3.3%
2004	49,483	14,312	60,762,224	48,994	3.0%
2005	50,666	13,459	65,287,476	51,694	3.0%
2006	55,564	13,315	71,721,487	56,665	3.7%
2007	55,259	13,586	74,917,140	59,240	4.7%
2008	55,076	13,767	74,099,427	58,358	7.4%
2009	55,010	13,924	n/a	n/a	11.7%
2010	55,560	13,689	n/a	n/a	12.4%

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. Personal income and per capita personal income were not available for 2010 and 2009.

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

<u>Employer</u>	<u>2010</u>			<u>2001</u>		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total County Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total County Employment</u>
School Board of Palm Beach County	20,870	1	3.82%	16,841	1	3.11%
Palm Beach County	11,166	2	2.05%	9,000	2	1.66%
Tenet Healthcare Corp.	5,127	3	0.94%	3,200	4	0.59%
Hospital Corporation of America (HCA)	4,150	4	0.76%	4,000	3	0.74%
Florida Power & Light	3,658	5	0.67%	2,300	6	0.42%
Wackenhut Corporation	3,000	6	0.55%			
Florida Atlantic University	2,776	7	0.51%			
Bethesda Memorial Hospital	2,300	8	0.42%	1,600	9	0.29%
Veterans Health Administration	2,205	9	0.40%			
Boca Raton Resort & Club	2,200	10	0.40%	1,850	8	0.34%
Applied Cards				2,500	5	0.46%
Motorola Inc.				2,300	6	0.42%
Boca Raton Community Hospital				1,600	9	0.29%
	<u>57,452</u>		<u>10.52%</u>	<u>45,191</u>		<u>7.61%</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>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Number of Employees:										
General Government	34.4	39.3	38.8	35.3	44.3	48.3	53.3	50.3	50.3	59.2
Culture and Recreation	45.1	45.6	50.3	53.9	59.2	60.4	52.4	45.4	19.4	15.4
Planning and Development	41.0	41.3	36.0	41.0	47.8	48.8	51.8	39.0	42.0	42.6
Engineering and Public Works	58.0	63.8	68.2	69.2	68.5	77.5	88.5	91.8	115.0	102.0
Utility System	43.0	47.0	49.0	49.0	45.0	44.0	46.0	47.0	52.0	44.0
Solid Waste	<u>1.0</u>	<u>2.0</u>	<u>2.0</u>	<u>2.0</u>	<u>3.0</u>	<u>3.0</u>	<u>3.0</u>	<u>2.0</u>	<u>2.0</u>	<u>2.0</u>
Total Number of Employees	<u>222.5</u>	<u>239.0</u>	<u>244.3</u>	<u>250.4</u>	<u>267.8</u>	<u>282.0</u>	<u>295.0</u>	<u>275.5</u>	<u>280.7</u>	<u>265.2</u>

Source: Wellington's Office of Financial Management and Budget

Note: A full-time equivalent (FTE) employee is a measurement of 2,080 work hours per year. (One full time employee working 40 hours per week for 52 weeks is 2,080 work hours). Due to the use of part-time employees and employees on reduced schedules, the FTE count above will differ from the total number of positions and employees. At 9/30/2010, there were 267 permanent positions.

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

Function/Program	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
General government:										
Bids, contracts awarded & administered	-	-	32	32	33	38	30	20	24	33
Purchase orders processed	-	-	950	1,155	973	1,016	838	795	939	971
Payroll transactions	-	-	7,633	7,689	7,880	8,193	8,232	8,985	8,194	7,762
Public safety:										
Police personnel and officers	-	-	83	83	88	88	102	115	117	117
Fire personnel	-	-	36	36	36	68	71	71	71	71
Calls for service	-	-	-	40,458	40,228	32,458	36,714	36,784	37,962	34,672
Physical environment - Surface water:										
Aquatic weed control in acres	-	-	-	2,833	2,837	1,454	1,332	1,380	710	826
Water quality samples analyzed	-	-	-	1,257	1,233	1,236	992	777	896	861
Canal right-of-way miles maintained	-	-	-	530	495	547	560	560	560	560
Physical environment - Engineering & Public works:										
Work orders performed	-	-	-	1,111	872	1,146	1,108	1,034	869	997
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	15,781	16,774
Single family building permits issued	566	950	1,297	1,240	1,200	948	143	81	57	84
Transportation:										
Miles of roads resurfaced	-	-	-	6	17	18	8	15	14	18
Miles of streets cleaned/swept	-	-	-	908	1,201	932	2,168	1,065	1,512	2,224
Signs repaired	-	-	-	871	1,463	907	373	374	1,654	955
Culture and recreation:										
Participants registered:										
Athletics	-	-	7,755	7,749	15,839	32,732	32,607	11,282	15,829	16,599
Community programs	-	-	6,850	6,241	4,495	9,768	4,519	2,549	2,081	1,760
Tennis	-	-	38,264	34,148	39,079	34,192	39,474	39,191	39,474	39,380
Pool	-	-	6,589	1,847	2,544	1,935	13,949	13,150	11,058	16,468
Number of program sessions	-	-	-	-	1,347	1,793	2,085	1,526	1,227	1,048
Utility system:										
Active accounts - water	15,535	16,483	17,675	18,917	19,030	19,536	19,695	19,851	19,682	19,785
Active accounts - sewer	14,627	15,219	15,387	16,367	16,718	17,919	17,994	18,004	17,867	18,067
Water production (thousands of gallons)	1,733	1,872	1,990	2,096	2,046	2,019	1,841	1,684	1,848	2,102
Solid waste:										
Residential accounts	16,172	17,029	18,613	19,055	19,030	21,133	22,274	21,977	22,103	22,166

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.

Note 3: Subsequent to 2008, engineering inspections are performed and counted within Planning and Development.

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

Function/Program	2003	2004	2005	2006	2007	2008	2009	2010
General government:								
Number of general government buildings	1	1	1	1	1	1	1	1
Public safety:								
Police:								
Sheriff substations	1	1	1	1	1	1	1	1
Fire:								
Fire stations	3	3	3	4	4	4	4	4
Suppression units	6	6	6	6	6	6	9	9
Early response stabilization units	3	3	3	3	3	3	4	4
Physical environment:								
Acreage of lakes	166	166	166	166	166	166	166	166
Canal miles	110	110	110	110	110	110	110	110
Transportation:								
Miles of streets	172	179	179	178	174	176	152	152
Number of street lights	1,245	1,245	1,245	2,187	2,187	2,187	2,311	2,311
Miles of bike paths	33	33	33	32	40	40	40	40
Miles of sidewalks	290	290	286	286	348	348	348	348
Culture and recreation:								
Parks acreage	267	267	274	274	342	342	342	342
Open space preserves/passive recreation	452	452	452	452	452	452	452	452
Community center	1	1	1	1	1	1	1	1
Swimming pools	1	1	3	3	3	3	3	3
Tennis courts	16	16	16	16	16	16	16	16
Baseball/softball fields	18	18	18	18	18	18	18	18
Utility system:								
Miles of mains	434	434	434	526	526	526	526	526
Fire hydrants - Village of Wellington	1,503	1,503	1,503	1,746	1,746	1,746	1,746	1,746
Fire hydrants - Outside Village of Wellington	173	173	173	195	195	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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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*

To 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, 2010, which collectively comprise the basic financial statements of the Village of Wellington, Florida, and have issued our report thereon dated March 8, 2011. 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 internal control over financial reporting of the Village of Wellington, Florida, 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 internal control over financial reporting of the Village of Wellington, Florida. Accordingly, we do not express an opinion on the effectiveness of the internal control over financial reporting of the Village of Wellington, Florida.

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

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, 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 financial statements of the Village of Wellington, Florida, 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, the Auditor General of the State of Florida, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

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

March 8, 2011

VILLAGE OF WELLINGTON, FLORIDA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended September 30, 2010

Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	Grant Number/ Contract Number	2010 Program Expenditures	Transfers to Subrecipients
<u>U.S. Department of Agriculture</u>				
Pass-through Awards from the State of Florida Department of Agriculture and Consumer Services ARRA - Forest Health Improvement Initiative	10.688	15942	\$ 18,222	\$ 0
<u>U.S. Department of Housing and Urban Development</u>				
Pass-through Awards from the State of Florida and Palm Beach County Community Development Block Grant	14.218	B-08-UN-12-0013	13,877	0
<u>U.S. Department of Justice</u>				
Direct Awards				
Edward Byrne Memorial Formula Grant	16.579	2009-DJ-BX-1150	7,734	0
ARRA - Edward Byrne Memorial Justice Assistance Grant	16.804	2009-SB-B9-2800	64,967	0
Total U.S. Department of Justice			<u>72,701</u>	<u>0</u>
<u>U.S. Department of Transportation</u>				
Pass-through Awards from the State of Florida Department of Transportation ARRA - Highway Planning and Construction	20.205	ARRA 025 B	1,718,464	0
<u>U.S. Department of Energy</u>				
Direct Awards				
ARRA - Energy Efficiency and Conservation Block Grant	81.128	DE-SC0002991	490,200	0
Total Federal Awards			<u>\$ 2,313,464</u>	<u>\$ 0</u>

VILLAGE OF WELLINGTON, FLORIDA

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

September 30, 2010

NOTE A – SIGNIFICANT ACCOUNTING POLICIES

The accompanying Schedule of Expenditures of Federal Awards (the “Schedule”) includes the federal grant activity of the Village of Wellington, Florida (the “Village”) under programs of the federal government for the year ended September 30, 2010 and is presented on the modified accrual basis of accounting. The information is presented in accordance with the provisions of the U.S. Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Because the schedule presents only a selected portion of the operations of the Village, it is not intended to and does not present the financial position or changes in net assets of the Village of Wellington, Florida.

NOTE B – CONTINGENCY

Amounts received or receivable from grantor agencies are subject to audit and adjustment by those agencies. Any disallowed claims, including amounts already received, might constitute a liability of the Village for the return of those funds. In the opinion of management, all grant expenditures were in compliance with the terms of the grant agreements and applicable federal and state laws and regulations.



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Independent Auditor's Report on Compliance With Requirements That Could
Have a Direct and Material Effect on Each Major Federal Program and on
Internal Control Over Compliance in Accordance with OMB Circular A-133

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

Compliance

We have audited the compliance of the Village of Wellington, Florida (the "Village"), with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement*, that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2010. The major federal programs of the Village are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility the Village's management. Our responsibility is to express an opinion on the Village's compliance based on our audit.

We conducted our audit of compliance in accordance with U.S. generally accepted auditing standards; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; and, Chapter 10.550, Rules of the Auditor General of the State of Florida. Those standards, OMB Circular A-133, and Chapter 10.550, Rules of the Auditor General, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Village's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the Village's compliance with those requirements.

In our opinion, the Village complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2010.

Internal Control Over Compliance

Management of the Village is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the Village's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on

internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Village's internal control over compliance.

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

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

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

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

March 8, 2011

VILLAGE OF WELLINGTON, FLORIDA
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS -
 FEDERAL AWARD PROGRAMS

For the Year Ended September 30, 2010

SECTION I – SUMMARY OF AUDITOR’S RESULTS

Financial Statements

Type of auditor’s report issued:	<i>Unqualified Opinion</i>
Internal control over financial reporting:	
Material weakness(es) identified?	___ Yes <u> X </u> No
Significant deficiency (ies) identified that are not considered to be material weakness?	___ Yes <u> X </u> None reported
Noncompliance material to financial statements noted?	___ Yes <u> X </u> No

Federal Award Programs

Internal control over major federal award programs:	
Material weakness(es) identified?	___ Yes <u> X </u> No
Significant deficiency (ies) identified that are not considered to be material weakness(es)?	___ Yes <u> X </u> None reported

Type of auditor’s report issued on compliance for major Federal Award Programs:	<i>Unqualified Opinion</i>
---	----------------------------

Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of OMB Circular A-133?	___ Yes <u> X </u> No
--	-----------------------

Identification of major Federal Award Programs

<u>Federal Award Programs</u>	<u>CFDA No.</u>
U.S. Department of Justice ARRA - Edward Byrne Memorial Justice Assistance Grant	16.804
U.S. Department of Transportation Passed through State of Florida ARRA - Highway Planning and Construction	20.205
U.S. Department of Energy ARRA - Energy Efficiency and Conservation Block Grant	81.128
Dollar threshold used to distinguish between Type A and Type B programs:	<u> \$ 300,000 </u>
Auditee qualified as low-risk auditee?	___ Yes <u> X </u> No

VILLAGE OF WELLINGTON, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS -
FEDERAL AWARD PROGRAMS (Continued)

For the Year Ended September 30, 2010

SECTION II – FINANCIAL STATEMENT FINDINGS

None

SECTION III – FEDERAL AWARD PROGRAMS FINDINGS AND QUESTIONED COSTS

None

SECTION IV – OTHER MATTERS

1. A Summary Schedule of Prior Audit Findings is not required because there were no prior audit findings related to Federal programs.
2. A Corrective Action Plan is not required because there were no findings required to be reported for Federal programs.



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Management Letter

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

We have audited the financial statements of the Village of Wellington, Florida, as of and for the year ended September 30, 2010, and have issued our report thereon dated March 8, 2011.

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 and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. 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*, Independent Auditor's Report on Compliance with Requirements That Could Have a Direct and Material Effect on Each Major Federal Program and on Internal Control over Compliance in Accordance With OMB Circular A-133, and Schedule of Findings and Questioned Costs. Disclosures in those reports and schedule, which are dated March 8, 2011, should be considered in conjunction with this management letter. Additionally, our audit was conducted in accordance with Chapter 10.550, Rules of the Auditor General, which governs the conduct of local governmental entity audits performed in the State of Florida. This letter includes the following information, which is not included in the aforementioned auditor's reports or schedule:

1. Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. There were no findings and recommendations made in the preceding annual financial audit report.
2. Section 10.554(1)(i)2., Rules of the Auditor General, requires our audit to include 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 complied with Section 218.415, Florida Statutes.
3. Section 10.554(1)(i)3., Rules of the Auditor General, requires that we address in the management letter any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.
4. Section 10.554(1)(i)4., Rules of the Auditor General, requires that we address violations of provisions of contracts or grant agreements, or abuse, that have an effect on the financial statements that is less than material but more than inconsequential. In connection with our audit, we did not have any such findings.

5. Section 10.554(1)(i)5., Rules of the Auditor General, provides that the auditor may, based on professional judgment, report the following matters that have an inconsequential effect on financial statements, considering both quantitative and qualitative factors: (1) violations of provisions of contracts or grant agreements, fraud, illegal acts, or abuse, and (2) control deficiencies that are not significant deficiencies. In connection with our audit, we did not have any such findings.
6. Section 10.554(1)(i)6., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. This information is disclosed in Note 1 to the financial statements.
7. Section 10.554(1)(i)7.a., Rules of the Auditor General, requires a statement be included as to whether or not the local governmental entity has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and identification of the specific condition(s) met. In connection with our audit, we determined that the Village did not meet any of the conditions described in Section 218.503(1), Florida Statutes, as of and for the year ended September 30, 2010.
8. Section 10.554(1)(i)7.b., Rules of the Auditor General, requires that we determine whether the annual financial report for the Village for the fiscal year ended September 30, 2010, filed with the Florida Department of Financial Services pursuant to Section 218.32(1)(a), Florida Statutes, is in agreement with the annual financial audit report for the fiscal year ended September 30, 2010. In connection with our audit, we determined that these two reports were in substantial agreement.
9. Pursuant to Sections 10.554(1)(i)7.c. and 10.556(7), Rules of the Auditor General, we applied financial condition assessment procedures as of September 30, 2010. It is management's responsibility to monitor the Village's financial condition, and our financial condition assessment was based in part on the representations made by management and the review of financial information provided by management. The results of our procedures disclosed no matters that are required to be reported.

Pursuant to Chapter 119, Florida Statutes, this management letter is a public record and its distribution is not limited. U.S. generally accepted auditing standards require us to indicate that this report is intended solely for the information and use of the Village Council and management of the Village of Wellington, Florida, the Auditor General of the State of Florida, and federal awarding agencies and pass-through entities 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 8, 2011