

City of Venice, Florida
Annual Comprehensive Financial Report
For the Fiscal Year Ended
September 30, 2021

Cover Photo:

Venice Municipal Fishing Pier

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**ANNUAL COMPREHENSIVE
FINANCIAL REPORT
OF THE
CITY OF VENICE, FLORIDA
FOR THE FISCAL YEAR ENDED
SEPTEMBER 30, 2021**

**PREPARED BY THE
OFFICE OF THE FINANCE DIRECTOR
LINDA SENNE, CPA, CGMA
FINANCE DIRECTOR**

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City of Venice, Florida
Annual Comprehensive Financial Report
For the Fiscal Year Ended September 30, 2021

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February 14, 2022

Honorable Mayor, City Council, and Citizens of the City of Venice, Florida:

We are pleased to submit the Annual Comprehensive Financial Report (ACFR) of the City of Venice, Florida (City) for the fiscal year ended September 30, 2021. The purpose of this report is to provide the City Council, citizens, bondholders, representatives of financial institutions, and others with detailed information concerning the financial condition and performance of the City of Venice. In addition, the report provides assurance that the City presents fairly, in all material respects, its financial position as verified by independent auditors.

This report consists of management's representations concerning the finances of the City. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the City has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City's financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP). Because the cost of internal controls should not outweigh their benefits, the City's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The City's financial statements have been audited by MSL, P.A., a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City for the fiscal year ended September 30, 2021, are free of material misstatement. The independent audit involved performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering unmodified opinions on the City's various financial statements included in this document. The independent auditor's report is presented as the first component of the financial section of this report.

GAAP for governmental entities require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of the Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City's MD&A can be found immediately following the report of the independent auditors.

Honorable Mayor, City Council
And Citizens of the City of Venice, Florida
February 14, 2022

PROFILE OF THE GOVERNMENT

The City of Venice was incorporated in 1927, and is located in Sarasota County, in southwest Florida, on the Gulf of Mexico. Venice enjoys a semi-tropical climate with an average daily high temperature of 82 degrees, and an average daily low temperature of 64 degrees, and is known for its beautiful beaches. The City currently occupies a land area of 17.79 square miles and serves a population of 26,103. The City is empowered to levy a property tax on real and personal property located within its boundaries. The City is also empowered by state statutes to extend its corporate limits by annexation, which occurs periodically when deemed appropriate by the City Council.

The City has operated under the council-manager form of government since 1927. Policy-making and legislative authority are vested in the City Council, which consists of the Mayor and six other Council members. The City Council is responsible, among other things, for passing ordinances, adopting an annual budget, appointing committees, and hiring the City Manager, City Attorney, and City Clerk. The City Manager is responsible for carrying out the policies and ordinances adopted by the City Council, for overseeing the day-to-day operations of the City, and for appointing the heads of the various departments. The Mayor and Council members are elected at large, on a non-partisan basis, for three-year staggered terms.

The mission of Venice City Government is to provide exceptional municipal services through a financially sustainable City with engaged citizens.

The City provides a full range of services that include public safety, construction and maintenance of streets and other infrastructure, solid waste collection and disposal services, recreational activities, and cultural events. The City also operates water, wastewater, and storm water utilities, and has a municipal airport which is a historic general aviation facility.

Public safety includes police services, fire protection, and emergency medical services (EMS). Police services are provided by the City's Police Department, which had 70 full-time equivalent employees (FTE's) in 2021. Fire protection and EMS are provided by the City's Fire Department, which operates 3 fire stations and had 71.6 FTE's in 2021. (Beginning in 2021, the City's Fire Department took over primary responsibility for EMS from the County).

The annual budget serves as the foundation for the City's financial planning and control. All departments of the City are required to submit requests for appropriation to the City Manager in April of each year. The City Manager uses these requests as the starting point for developing a proposed budget. The City Manager then presents this proposed budget to the Council for review prior to July 31. The Council is required to hold public hearings on the proposed budget and to adopt a final budget no later than September 30, which is the close of the City's fiscal year. The appropriations budget is prepared by fund, function (e.g., public safety), and department (e.g., police). The City Manager may make transfers of appropriations within a fund. Transfers of appropriations between funds, however, require the approval of the City Council. Fiscal year 2021 budget-to-actual comparison schedules are provided in this report for all governmental funds.

Honorable Mayor, City Council
And Citizens of the City of Venice, Florida
February 14, 2022

LOCAL ECONOMY

The economy of the City and Sarasota County is a blend of tourism and retirement industries, service industries, light manufacturing and construction. When the recession started in 2007, the City faced the same economic challenges as most of the nation. Around 2014, the local economy started recovering and by 2020, new construction activity and tourism had recovered above pre-recession levels. When the economic effects of the coronavirus pandemic hit in March 2020, the local economy was hit again. Travel restrictions meant fewer tourists, and some restaurants, bars and other businesses closed, a few permanently. At the City, gas taxes, sales taxes and commercial garbage collection revenues dropped for a couple months. The hiring of several vacant positions was delayed and some capital projects were deferred or brought in-house, but otherwise, the impact on the City's Budget has not been significant. Even though the pandemic persists, the financial impact to the City's finances has mostly recovered.

The combination of cultural and recreational facilities, together with the continuing expansion of programs and facilities makes Venice and Sarasota County ideal retirement areas. Retirees contribute an important stabilizing effect on the City's economy since their incomes are affected very little by the cyclical nature of the economy and by unemployment levels.

The population of Venice has risen over the past ten years from 20,918 in 2012 to 26,103 in 2021, an average increase of 2.2% per year. The population increase is attributed more to migration than births and deaths.

Over the past decade, City property assessed valuations were between \$2.7 and \$2.8 billion from 2012 to 2014, but rebounded steadily beginning in 2015. For 2021, assessed valuations were \$4.5 billion, an average annual increase of 5.85% since 2015. There are no indications that this growth will moderate any time soon.

LONG-TERM FINANCIAL PLANNING

The City uses a five-year model for long-range capital planning City-wide. The five-year capital improvement plan (CIP) is updated annually. In long-range planning, the City Council's main objectives are (a) to preserve the quality of life by providing and maintaining adequate financial resources necessary to sustain a sufficient level of municipal services, (b) to respond to changes in the economy, the priorities of governmental and non-governmental organizations, and other changes that may affect the City's financial well-being, (c) to protect the City from emergency fiscal crisis by ensuring the maintenance of service even in the event of an unforeseen occurrence, and (d) to maintain a strong credit rating in the financial community through sound, conservative financial decision-making.

The City Council has established a preference for pay-as-you-go financing for most capital improvements to reduce the debt burden on its citizens, but ultimately determines the most appropriate financing structure for each individual project on a case by case basis, after examining all relevant factors of the project. Fund balances in excess of required amounts and target balances, may be used as a capital source for pay-as-you-go financing.

Honorable Mayor, City Council
And Citizens of the City of Venice, Florida
February 14, 2022

RELEVANT FINANCIAL POLICIES

The City has financial management policies that were developed within the guidelines of the NACSLB (National Advisory Council on State and Local Budgeting).

Significant guidelines include the following:

- Accounting systems shall be maintained in order to facilitate financial reporting in conformance with Generally Accepted Accounting Principles (United States).
- The books of the City shall be subjected to an independent annual financial audit.
- An annual budget shall be prepared, which demonstrates fiscal restraint.
- The annual budget should be maintained in such a manner as to avoid an operating fund deficit.
- Operating expenditures should be managed to create a positive cash balance (surplus) or not to exceed available resources in each fund at the end of the fiscal year.
- Reserve funds should not be used to fund recurring expenditures.
- Fund balances should be maintained at fiscally sound levels in all funds.

To expand on the last bullet, the City Council has adopted specific fund balance policies, and the City's Finance Department has established additional targets for minimum fund balances in certain funds. Results and projections should not fall below these minimum levels without a replenishment plan. They are as follows:

- General Fund – Unassigned fund balance of three months' operating expenditures (25%) plus a \$2 million disaster reserve.
- Building Permit Fund – Unencumbered fund balance of one years' operating expenditures (100%).
- Enterprise Funds – Working capital of six months' operating expenses (50%) in the Utilities Fund (because of the bond issues) and four months' operating expenses (33%) in the other three enterprise funds.

The City is in compliance with both its debt management policy and its investment management policy.

CHALLENGES AND MAJOR INITIATIVES

Over the past decade, the City's challenge has been to preserve the breadth and quality of municipal services, with available revenues.

The main operating fund of the City is the General Fund. Property taxes represent approximately half the revenues in the General Fund. The growth in property valuations since 2015 has led to increased revenues that have allowed the City's General Fund to get back to a level where revenues are funding services at desired service levels.

Honorable Mayor, City Council
And Citizens of the City of Venice, Florida
February 14, 2022

Over 75% of the General Fund budget goes to personnel costs, and it wasn't until 2020 that the City surpassed the City-wide staffing level from 2006 (345.5 FTE's). Also, as property tax revenues grew, the City's General Fund has absorbed more responsibility for capital financing. In 2014, the City started a Fleet Replacement Program where Departments now make annual fleet rent payments to advance-fund the cost of fleet replacements. In addition, other Department equipment and small projects previously budgeted in the One Cent Sales Tax Fund are now being funded by the General Fund.

Unfunded pension and other post-employment benefit costs continue to be funded in the annual budget. On October 1, 2014, to address these concerns, the City closed its firefighters' and police officers' pension plans (the Plans) to new entrants; new hires after that date enroll in the Florida Retirement System (FRS), like other City employees. And beginning with retirees after January 1, 2016, the City stopped subsidizing the cost of retiree health insurance. The City's net pension liabilities at September 30, 2021 were \$22.8 million (includes FRS) and the City's OPEB liability was \$10.2 million. Over \$2 million of the General Fund's annual budget goes to fund pension legacy costs, i.e., costs for services performed in prior years. During 2020 and 2021, the City overpaid the annual required contributions to the City's two single employer plans in a multi-year budgeting plan to reduce these obligations, but it is projected to take eight to twelve years at *current funding levels* to retire the Plans' net pension liabilities in full.

The 2021 fiscal year has been a period of achievement and change. Following are two of the City's major accomplishments in 2021.

- **Assumed Primary Responsibility for Emergency Medical Services** – During 2020, the City hired 24 paramedics and lease-purchased four rescue vehicles (ambulances) and related equipment. The Department assigned half of the paramedics to the engine units and transferred firefighter/EMTs to the new rescue units; now all units have advanced life support capabilities. 2021 was the first full year of operations, and the new activity generated a surplus which was earmarked for a new replacement ladder truck in 2023.
- **City Hall Complex Project** – During 2021, construction continued on the large project on the City Hall campus. By year end, the rebuild of Fire Station #51, the new Building Annex, and the new generator had been substantially complete. The last phase of the project, renovations to the existing City Hall building, will be completed in 2022. Total project costs are estimated at \$13.7 million and the project is funded with existing revenues, grants, and reserves.

A list of all capital expenditures for 2021 can be found in the Management Discussion & Analysis within this document.

AWARDS AND ACKNOWLEDGEMENTS

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Venice for its annual comprehensive financial report (ACFR) for the fiscal year ended September 30, 2020. This was the thirty third consecutive year that the City has received this prestigious award. In order to be awarded a Certificate of

Honorable Mayor, City Council
And Citizens of the City of Venice, Florida
February 14, 2022

Achievement, the City had to publish an easily readable and efficiently organized ACFR that satisfied both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current ACFR continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The preparation of this report would not have been possible without the efficient and dedicated services of the entire staff of the Finance Department. We would like to express our appreciation to all members of the City's departments who assisted with and contributed to the preparation of this report. Credit also must be given to the Mayor and the City Council for their support for maintaining the highest standards of professionalism in the management of the City of Venice's finances.

Respectfully submitted,



Edward F. Lavallee, MPA, ICMA-CM
City Manager



Linda Senne, CPA, CGFM, CGMA
Finance Director



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Venice
Florida**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

September 30, 2020

Christopher P. Morill

Executive Director/CEO



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CITY OF VENICE, FLORIDA
COUNCIL-MANAGER FORM OF GOVERNMENT

CITY COUNCIL

Ron Feinsod, Mayor

Jim Boldt

Mitzie Fiedler

Rachel Frank

Helen Moore

Joe Neunder

Nick Pachota – Vice Mayor

CITY MANAGER

Edward F. Lavalley, MPA, ICMA-CM

FINANCE DIRECTOR

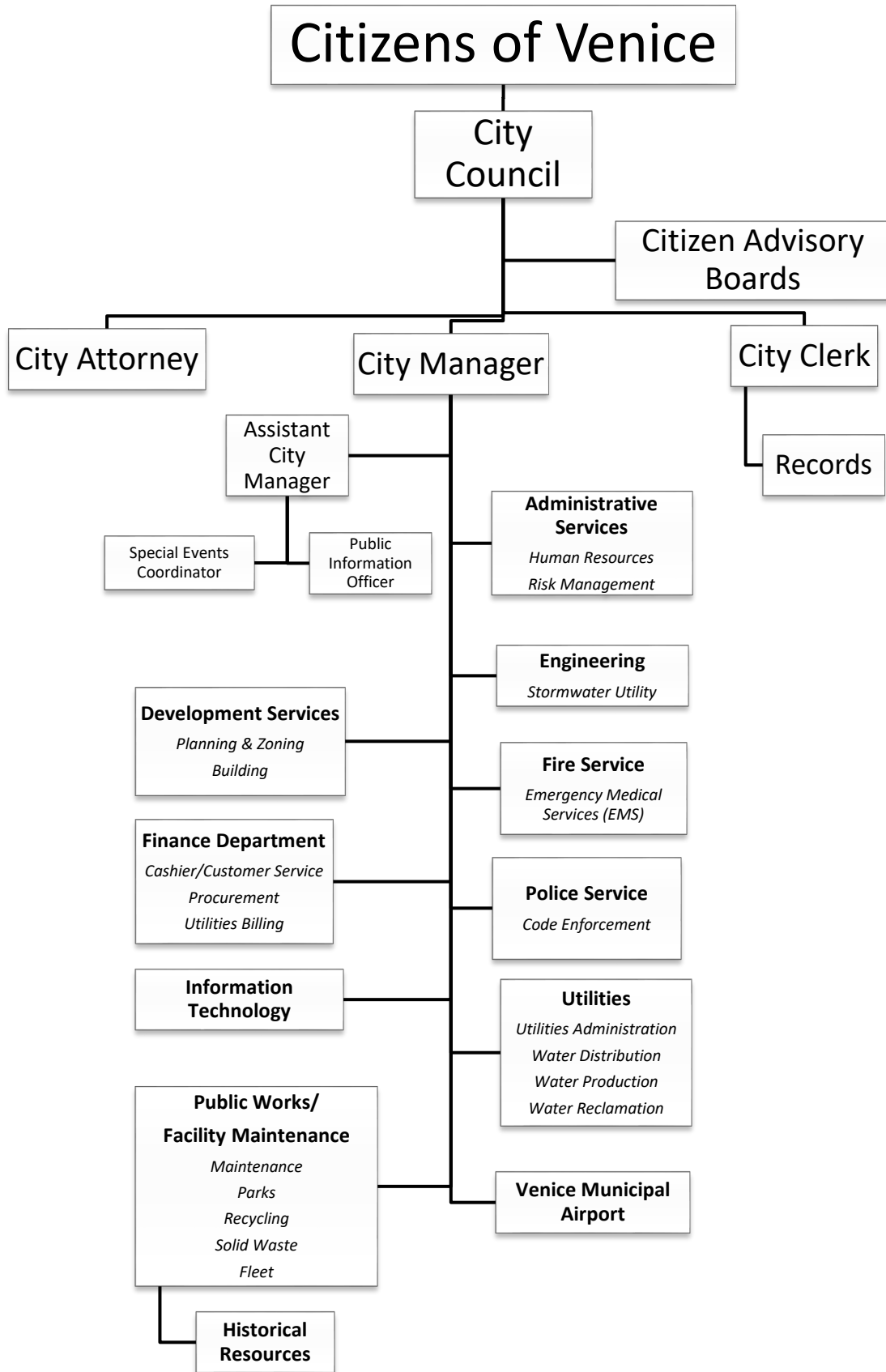
Linda Senne, CPA, CGMA

CITY CLERK

Kelly Michaels, MMC

CITY ATTORNEY

Persson, Cohen, Mooney, Fernandez, & Jackson, P.A.



FINANCIAL SECTION

◆ **INDEPENDENT AUDITOR'S REPORT**

◆ **MANAGEMENT'S DISCUSSION AND ANALYSIS**

◆ **GOVERNMENT-WIDE FINANCIAL STATEMENTS**

◆ **FUND FINANCIAL STATEMENTS**

◆ **NOTES TO FINANCIAL STATEMENTS**

◆ **REQUIRED SUPPLEMENTARY INFORMATION**

◆ **COMBINING FUND STATEMENTS AND SCHEDULES**



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INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and City Council
City of Venice, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Venice, Florida (the "City") as of and for the fiscal year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the City's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of September 30, 2021, and the respective changes in financial position and cash flows, where applicable, and the budgetary comparisons for the General Fund and the Building Permit Fee Fund thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

INDEPENDENT AUDITOR'S REPORT
(Concluded)

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and Required Supplementary Information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements as a whole. The introductory section, combining and individual fund statements and schedules, and statistical section, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the financial statements. The combining and individual fund financial statements and schedules 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. Such 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 auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund statements and schedules are fairly stated, in all material respects, in relation to the financial statements as a whole. The introductory section and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 14, 2022 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

MSL, P.A.

Certified Public Accountants

Tampa, Florida
February 14, 2022

City of Venice, Florida
Management's Discussion and Analysis
For the Year Ended September 30, 2021

This Management's Discussion and Analysis (MD&A) is designed to provide an objective and easy to read analysis of the City's financial activities as of, and for the year ended September 30, 2021.

We encourage readers of these financial statements to consider the information included in the transmittal letter and in the other sections of this Annual Comprehensive Financial Report (ACFR) (e.g., combining statements and the statistical section) in conjunction with this discussion and analysis.

FINANCIAL HIGHLIGHTS

These financial highlights summarize the City's financial position and operations as presented in more detail in the Basic Financial Statements, as listed in the accompanying Table of Contents.

- At the close of fiscal year 2021, the City's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$251.5 million (total net position). Most of this amount is invested in capital assets (\$191.6 million). A total of \$33.1 million is restricted for specific purposes. The balance of \$26.8 million is unrestricted.
- The City's business-type activities reported a combined total net position of \$167.8 million at September 30, 2021. Of this amount \$39.3 million is unrestricted.
- The City's governmental activities reported combined ending total net position of \$83.7 million at September 30, 2021. The unrestricted net position component is a \$12.5 million deficit.
- The City's total net position increased by \$27.0 million, or 12.0% for the fiscal year. Total net position of the governmental activities increased by \$16.8 million, and total net position of the business-type activities increased by \$10.2 million.
- The General Fund's fund balance increased by \$3.2 million for the year ended September 30, 2021, much better than the budgeted increase of \$22,388 (final amended).
- At the end of the current year, fund balance for the General Fund was \$16.9 million, or 47.2% of total general fund expenditures. Of this amount, \$42,281 is nonspendable, \$519,512 is committed for encumbrances, and the remaining balance of \$16.3 million is unassigned. Under the City's fund balance policy, the City has earmarked \$8.9 million of the unassigned fund balance for working capital/emergency reserves (25% of annual expenditures); the remaining \$7.4 million is available for any lawful purpose.
- The City's long-term debt (bonds and notes) decreased by \$2.6 million during the fiscal year. In governmental-type activities, there was no new debt. In business-type activities, an additional \$1.5 million was borrowed under the State Revolving Fund program during the year and there was an advance refunding of one of the utilities fund bond issues (no new money). Other long-term obligations at year end include net pension liabilities (\$22.8 million), and total Other Post-Employment Benefit (OPEB) liability (\$10.2 million).

City of Venice, Florida
Management's Discussion and Analysis
For the Year Ended September 30, 2021

OVERVIEW OF THE FINANCIAL STATEMENTS

Basic Financial Statements. The Basic Financial Statements (BFS) are comprised of three components: Government-Wide Financial Statements (GWFS), Fund Financial Statements (FFS), and Notes to Financial Statements (Notes). This ACFR also contains other supplementary information in addition to the BFS.

Government-Wide Financial Statements. The GWFS, shown on pages 35-37 of this report, consist of the *statement of net position* and the *statement of activities*. These statements represent an overview of the City as a whole, separating its operations between governmental and business-type activities. The governmental activities of the City include general government, finance, information services, parks and recreation, police, fire and emergency medical services (EMS), public works, and beach renourishment. The business-type activities of the City include water and sewer utilities, solid waste, airport, and stormwater drainage. All information is presented utilizing the economic resources measurement focus and the accrual basis of accounting. This method matches revenues and expenses to the period in which the revenue is earned and the expenses are incurred.

The *statement of net position* presents information on all the City's assets (plus deferred outflows of resources) and liabilities (plus deferred inflows of resources), with the difference between the two reported as net position. This is similar to a "balance sheet" presentation for businesses. All assets (including capital assets) are included, as are all obligations. Over time, the increase or decrease in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The *statement of activities* shows how the City's total net position changed during the most recent fiscal year, focusing on both the gross and net cost of its primary activities. This format is intended to summarize and simplify the user's analysis of the cost of various governmental and business-type services the City offers, and the extent to which these programs are funded by program versus general revenues.

Fund Financial Statements. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. A fund is a grouping of related accounts that is used to maintain control and accountability over resources that have been segregated for specific activities or objectives. The funds of the City can be divided into three categories: *governmental*, *proprietary*, and *fiduciary*. Traditional users of governmental financial statements may find the fund financial statement presentation more familiar than the GWFS.

Governmental FFS. Governmental FFS consist of a balance sheet and a statement of revenues, expenditures, and changes in fund balance. These statements are prepared on an accounting basis (modified accrual) that is significantly different from the GWFS. In general, these financial statements have a short-term emphasis, focusing on near-term inflows and outflows of spendable resources, as well as balances of available resources at the end of the year. Such information is useful in evaluating the City's near-term financing requirements.

City of Venice, Florida
Management's Discussion and Analysis
For the Year Ended September 30, 2021

Because the focus of governmental funds is narrower than that of the GWFS, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the GWFS. By doing so, readers may better understand the long-term impact of the near-term financing decisions. Reconciliations are provided for both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances to facilitate the comparison between governmental funds and governmental activities.

The City maintains 21 individual governmental funds. The governmental FFS present separate columns for the funds that are most significant (major funds), with all other *nonmajor* funds aggregated and reported in a single column. Budgetary comparison statements are presented in the BFS for the General Fund and major special revenue funds.

The governmental FFS can be found on pages 38-41 of this report. Nonmajor governmental FFS and budgetary comparison schedules can be found on pages 126-143.

Proprietary FFS. The proprietary FFS consist of a statement of net position; statement of revenues, expenses, and changes in net position; and a statement of cash flows. These statements are prepared on the same basis of accounting (accrual) as the GWFS.

The proprietary fund type includes both *enterprise* and *internal service* funds. Enterprise funds are used to report the same functions presented as business-type activities in the GWFS. The City uses enterprise funds to account for its water and sewer utility, solid waste/recycling collection and disposal, storm water drainage, and airport. Each of these activities is considered a *major* fund, and presented separately in the proprietary FFS. These FFS can be found on pages 44-51 of this report.

Internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for its employees' group health and life insurance, workers' compensation self-insurance, employee flexible spending, property and liability insurance, and fleet replacement. All internal service funds are combined into a single aggregated presentation in the proprietary FFS. Combining financial statements for the internal service funds can be found on pages 146-151 of this report.

Fiduciary FFS. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. These balances are not reflected in the GWFS because the resources of those funds are not available to support the City's own programs. Fiduciary funds come in several types, but the City only uses the *pension trust* type, to account for the balances and activities of its firefighters' and police officers' defined-benefit pension plans. The pension FFS include a statement of fiduciary net position and a statement of changes in fiduciary net position. The combined fiduciary FFS can be found on pages 52-53 of this report. Combining financial statements for the separate trust funds can be found on pages 154-155. Required supplementary information for the separate plans can be found on pages 110-121, along with information for the City's participation in two multiple-employer pension plans, and the City's OPEB Plan.

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Notes to Basic Financial Statements. The Notes provide additional information that is essential to a full understanding of the data provided in the GWFS and FFS. The Notes can be found on pages 55-107 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Summary of Net Position

As noted earlier, net position serves as a useful indicator of the City's financial position. At the end of the current year, net position was \$251.5 million. The following table reflects a summary of net position compared to the prior year. For additional information, see the Statement of Net Position on page 35.

City of Venice
Summary of Net Position
(in 000's)

	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Current and other assets	\$ 62,519	\$ 57,224	\$ 67,196	\$ 60,405	\$ 129,715	\$ 117,629
Capital assets	110,941	101,199	150,722	147,588	261,663	248,787
Total assets	<u>173,460</u>	<u>158,423</u>	<u>217,918</u>	<u>207,993</u>	<u>391,378</u>	<u>366,416</u>
Deferred outflows of resources	<u>8,101</u>	<u>10,974</u>	<u>2,463</u>	<u>2,429</u>	<u>10,564</u>	<u>13,403</u>
Current liabilities	7,354	6,083	5,957	4,652	13,311	10,735
Noncurrent liabilities	67,376	93,164	43,022	48,036	110,398	141,200
Total liabilities	<u>74,730</u>	<u>99,247</u>	<u>48,979</u>	<u>52,688</u>	<u>123,709</u>	<u>151,935</u>
Deferred inflows of resources	<u>23,128</u>	<u>3,245</u>	<u>3,637</u>	<u>142</u>	<u>26,765</u>	<u>3,387</u>
Net position:						
Net investment in capital assets:	77,180	66,199	114,379	111,094	191,559	177,293
Restricted	19,058	21,698	14,048	11,690	33,106	33,388
Unrestricted	<u>(12,535)</u>	<u>(20,992)</u>	<u>39,338</u>	<u>34,808</u>	<u>26,803</u>	<u>13,816</u>
Total net position	<u>\$ 83,703</u>	<u>\$ 66,905</u>	<u>\$ 167,765</u>	<u>\$ 157,592</u>	<u>\$ 251,468</u>	<u>\$ 224,497</u>

At September 30, 2021, \$191.6 million, or approximately 76.2% of the City's total net position reflects its investment in capital assets, e.g., land, buildings, infrastructure, machinery, and equipment, net of any related debt used to acquire those assets that is still outstanding at the end of the fiscal year. The City uses these capital assets to provide services to citizens; consequently, this component of net position is not available for future spending. Although the City's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

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An additional 13.2% of the City's total net position (\$33.1 million), represents resources that are subject to external restrictions on how they may be used. The remaining balance of total net position is unrestricted (\$26.8 million or 10.7%), and may be used to meet the City's ongoing obligations to citizens and creditors, although in general, business-type net position may not be used to fund governmental activities.

As of each year end shown above, the City was able to report positive balances in all categories of net position except unrestricted net position – governmental activities. The negative unrestricted net position for governmental activities results because of unfunded long-term obligations such as net pension liabilities, total OPEB liability, and accrued compensated absences. Unfunded long-term obligations – Governmental Activities totaled \$33.6 million at September 30, 2021 and \$57.4 million at the end of the prior year (Note G).

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City of Venice, Florida
Management's Discussion and Analysis
For the Year Ended September 30, 2021

Changes in Net Position

The City's total net position increased by \$27.0 million during the current year, compared to an increase of \$14.3 million in the prior year. The following table shows a summary of the changes in total net position compared to the prior year. For additional information, see the Statement of Activities on page 36-37.

City of Venice Changes in Net Position
For the Year Ended September 30
(in 000's)

	Governmental Activities		Business- Type Activities		Totals	
	2021	2020	2021	2020	2021	2020
Revenues:						
<i>Program Revenues:</i>						
Charges for services	\$ 7,481	\$ 3,807	\$ 38,089	\$ 38,087	\$ 45,570	\$ 41,894
Operating grants and contributions	2,403	824	228	367	2,631	1,191
Capital grants and contributions	2,066	1,366	6,831	5,977	8,897	7,343
<i>General Revenues:</i>						
Property taxes	21,513	17,732	-	-	21,513	17,732
Sales taxes	6,605	5,858	-	-	6,605	5,858
Utility services taxes	2,855	2,792	-	-	2,855	2,792
Franchise fees	2,577	2,422	-	-	2,577	2,422
Intergovernmental	3,293	2,895	-	-	3,293	2,895
Interest earnings	79	980	57	601	136	1,581
Other	1,398	1,600	62	7	1,460	1,607
Total revenues	<u>50,270</u>	<u>40,276</u>	<u>45,267</u>	<u>45,039</u>	<u>95,537</u>	<u>85,315</u>
Expenses:						
General government	6,840	6,262	-	-	6,840	6,262
Finance	1,481	1,644	-	-	1,481	1,644
Information services	1,663	1,561	-	-	1,663	1,561
Parks and recreation	2,373	2,381	-	-	2,373	2,381
Police	7,861	11,263	-	-	7,861	11,263
Fire and EMS	11,610	10,914	-	-	11,610	10,914
Public works	4,734	4,222	-	-	4,734	4,222
Interest on long-term debt	1,007	1,036	-	-	1,007	1,036
Water and sewer utility	-	-	20,126	19,563	20,126	19,563
Solid waste	-	-	5,372	6,446	5,372	6,446
Airport	-	-	3,621	3,661	3,621	3,661
Stormwater drainage	-	-	1,878	2,012	1,878	2,012
Total expenses	<u>37,569</u>	<u>39,283</u>	<u>30,997</u>	<u>31,682</u>	<u>68,566</u>	<u>70,965</u>
Change in net position before transfers	12,701	993	14,270	13,357	26,971	14,350
Transfers	4,097	3,109	(4,097)	(3,109)	-	-
Change in net position	16,798	4,102	10,173	10,248	26,971	14,350
Net position - beginning	66,905	62,803	157,592	147,344	224,497	210,147
Net position - end of year	<u>\$ 83,703</u>	<u>\$ 66,905</u>	<u>\$ 167,765</u>	<u>\$ 157,592</u>	<u>\$ 251,468</u>	<u>\$ 224,497</u>

Governmental Activities

As shown above, governmental activities increased the City's net position by \$16.8 million in 2021, compared to an increase of \$4.1 million for 2020.

Following is a further detail of the expenses and program revenues for governmental activities in 2021, compared to 2020:

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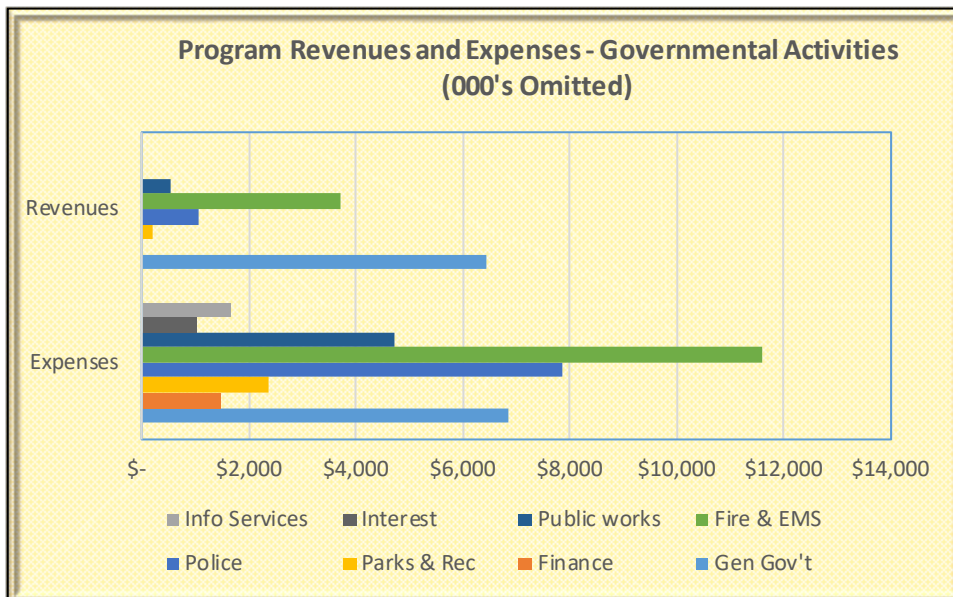
Expenses and Net Program Revenue (Expense) - Governmental Activities

Program	2021			2020		
	Expenses	Program		Expenses	Program	
		Revenue	Net		Revenue	Net
General government	\$ 6,840,270	\$ 6,439,391	\$ (400,879)	\$ 6,261,718	\$ 3,844,940	\$ (2,416,778)
Finance	1,481,207	-	(1,481,207)	1,643,763	-	(1,643,763)
Information services	1,662,718	-	(1,662,718)	1,561,511	-	(1,561,511)
Parks and recreation	2,372,866	208,500	(2,164,366)	2,381,201	150,000	(2,231,201)
Police	7,861,030	1,045,005	(6,816,025)	11,263,055	484,043	(10,779,012)
Fire and EMS	11,610,186	3,725,084	(7,885,102)	10,914,091	381,515	(10,532,576)
Public works	4,734,041	532,066	(4,201,975)	4,222,303	1,137,378	(3,084,925)
Interest on long-term del	1,006,887	-	(1,006,887)	1,035,615	-	(1,035,615)
Total	\$ 37,569,205	\$ 11,950,046	\$ (25,619,159)	\$ 39,283,257	\$ 5,997,876	\$ (33,285,381)

As shown above, net costs of governmental activities decreased \$7.7 million from \$33.3 million in 2020 to \$25.6 million in 2021. Of this increase, \$6.0 was an increase in program revenues which related primarily to grants and EMS transport fees, and \$1.7 million was a decrease in expenses (4.4%). The largest expense decrease was in police, which saw a negative pension cost in the single-employer plan due to exceptional investment performance. The largest expense increase was in fire and EMS, 2021 being the City's first full year of EMS operations.

The negative amounts in the "net" columns above, show that *program revenues are not* sufficient to cover expenses for any of the City's governmental activities. This is not unusual; governmental activities are primarily funded with *general revenues*.

Following is a graphic representation of the 2021 information in the above table, illustrating how only a small portion of the governmental activities expenses are funded with program revenues:



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Net program expenses must be funded from general revenues and transfers, or from beginning net position. Following is a comparison of these general revenue sources for the two years:

General Revenues and Transfers

	<u>2021</u>	<u>% of Total</u>	<u>2020</u>	<u>Increase (Decrease)</u>	<u>% Change</u>
General Revenues:					
Property taxes	\$ 21,512,830	50.7%	\$ 17,731,625	\$ 3,781,205	21.3%
Sales taxes	6,605,589	15.6%	5,858,552	747,037	12.8%
Utility services taxes	2,855,635	6.7%	2,791,724	63,911	2.3%
Franchise fees	2,576,962	6.1%	2,422,047	154,915	6.4%
Intergovernmental	3,292,722	7.8%	2,894,707	398,015	13.7%
Interest earnings	78,609	0.2%	979,783	(901,174)	-92.0%
Miscellaneous	1,398,551	3.3%	1,599,845	(201,294)	-12.6%
Net Transfers In	4,096,557	9.7%	3,108,795	987,762	31.8%
Total	<u>\$ 42,417,455</u>	<u>100.0%</u>	<u>\$ 37,387,078</u>	<u>\$ 5,030,377</u>	<u>13.5%</u>

General revenues plus transfers increased by \$5.0 million from 2020 to 2021, as shown above. The largest increase was in property taxes, caused by an increase in assessed values on new and existing properties (1.54% and 5.51% respectively), and an increase in the millage rate. The millage rate in the general fund increased from 3.70 (per \$1,000 of assessed value) in 2020 to 4.36 (per \$1,000 of assessed value) in 2021. The increase in millage rate of .66 was for EMS, and replaced the .66 millage rate the County had previously assessed for this service. The millage rate in the debt service fund decreased (from .6200 per \$1,000 of assessed value in 2020 to .5974 in 2021).

Investment yields dropped significantly in the spring of 2020 and continued through 2021.

Business-type activities. As stated previously, business-type activities increased the City's net position by \$10.2 million in 2021 almost identical to the increase of \$10.2 million in 2020. Following is further detail of this change:

Change in Net Position - Business-Type Activities

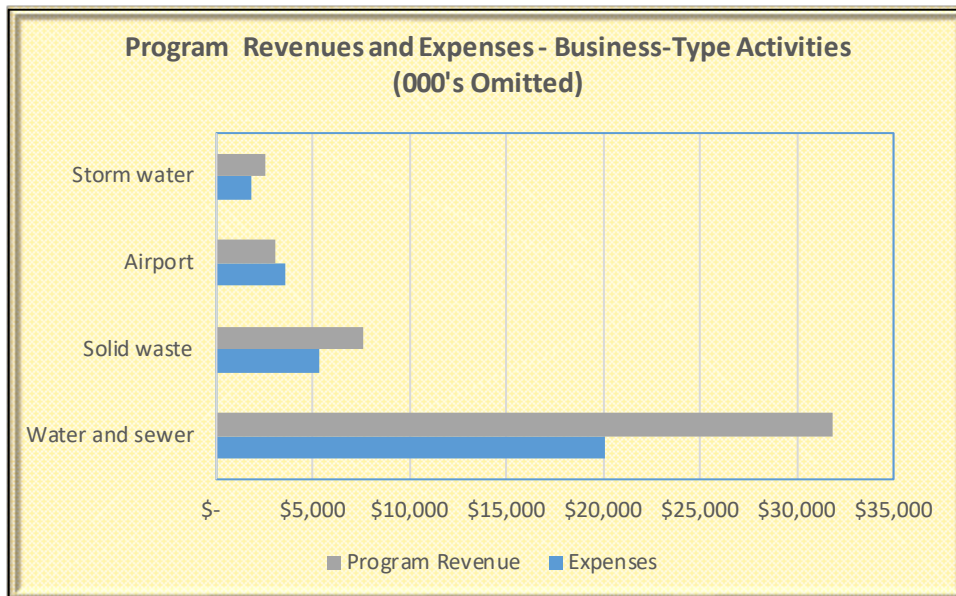
	<u>2021</u>			<u>2020</u>		
	<u>Expenses</u>	<u>Program Revenue</u>	<u>Net</u>	<u>Expenses</u>	<u>Program Revenue</u>	<u>Net</u>
Program						
Water and sewer utility	\$ 20,126,594	\$ 31,856,874	\$ 11,730,280	\$ 19,562,992	\$ 30,652,562	\$ 11,089,570
Solid waste	5,371,769	7,613,312	2,241,543	6,446,564	7,203,297	756,733
Airport	3,621,227	3,110,332	(510,895)	3,661,016	4,838,801	1,177,785
Storm water drainage	1,878,600	2,567,898	689,298	2,011,764	1,735,854	(275,910)
Total	<u>\$ 30,998,190</u>	<u>\$ 45,148,416</u>	14,150,226	<u>\$ 31,682,336</u>	<u>\$ 44,430,514</u>	12,748,178
General Revenues			118,946			608,089
(Transfers)			<u>(4,096,557)</u>			<u>(3,108,795)</u>
Change in net position			<u>\$ 10,172,615</u>			<u>\$ 10,247,472</u>

As shown above, expenses for business-type activities decreased from \$31.7 million in 2020 to \$31.0 million in 2021; a 2.2% reduction. Program revenues increased \$717,902, or 1.6%. The program revenues are somewhat skewed because of the accounting requirements for capital grants (e.g., airport construction grants) and utility developer contributions. Under accounting rules, capital grants and contributions are reported in the year earned, while the related projects are

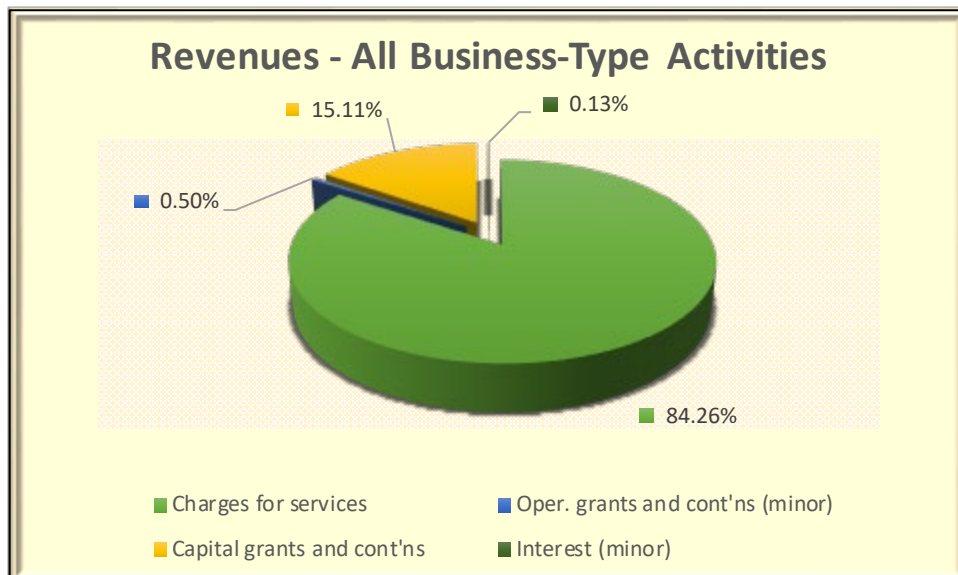
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capitalized and depreciated over their useful lives. Capital grants and contributions (including plant capacity/impact fees) were \$9.0 million in 2020 and \$6.8 million in 2021, for business-type activities. Most of this change was caused by non-cash developer contributions.

The table on the previous page shows that program revenues *are* sufficient to cover expenses for three of the four business-type activities of the City each year (the Stormwater Drainage Fund is the exception in 2020; the Airport Fund is the exception in 2021). Following is a graphic representation of the 2021 information in the table on the previous page, illustrating the relative significance of the four business-type activities to the total:



The following graph reflects the significance of the different types of revenues generated by the business-type activities in 2021, user charges being the most significant by far.



A more detailed discussion of each major fund follows in the next section of this MD&A.

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FINANCIAL ANALYSIS OF THE CITY'S FUNDS

Following is a discussion of the balances and activities in the City's major funds.

Governmental funds. The focus of the City's *governmental funds* is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, *unassigned fund balance* serves as a useful measure of the City's net resources available for spending at the end of the fiscal year.

At the end of 2021, as shown on page 38, the City's governmental funds reported combined ending fund balances of \$37.3 million. Of this amount, *restricted fund balances* comprise \$19.3 million and *committed fund balances* comprise \$1.6 million. Restricted fund balances, like unexpended gas taxes, voted sales taxes, and permit fees, can only be spent for specific purposes, as stipulated by statute, enabling legislation, or donors. Committed fund balances, like the general capital projects fund balances, are constrained by action of the City Council. Unassigned fund balances of \$16.3 million in the general fund are available for spending at the City's discretion.

The *General Fund* is the primary operating fund of the City. At the end of the fiscal year, the total fund balance in the General Fund was \$16.9 million, and the unassigned portion was \$16.3 million. This represents 47.2% and 45.6% respectively of annual expenditures (2021 actual). During 2021, the fund balance increased by \$3.2 million, as revenues plus transfers exceeded expenditures for the year. These results were significantly better than either the original or final amended budget. Out of that current year surplus, encumbrances totaling \$519,512 will carry over to 2022.

The *Building Permit Fees Special Revenue Fund* is a major fund for 2021. During 2021, the fund balance decreased by \$2.1 million, as expenditures and transfers out exceeded revenues for the year. At the end of the fiscal year, the fund balance in the Building Permit Fees Fund was \$5.8 million, representing 86.4% of annual expenditures plus transfers (2021 actual).

The *One Cent Voted Sales Tax Fund* is a major fund for 2021. This fund accounts for the proceeds from the City's share of the county-wide voter-adopted one-cent discretionary sales surtax. At the end of the fiscal year, the total fund balance decreased by \$2.1 million, as expenditures for capital outlay were \$6.3 million. Proceeds of this fund are primarily restricted for expenditures for capital outlay under Florida Statutes 212.055

Enterprise funds. The City's enterprise funds provide essentially the same type of information found in the business-type activities column of the GWFS, but in more detail, and by fund.

As shown on pages 44-47, total net position in the enterprise funds at year end was \$167.8 million. Of this amount, \$114.4 million was invested in capital assets (net of related debt), \$14.0 million is restricted for specific purposes, and the balance of \$39.3 million is unrestricted. Unrestricted net position of the enterprise funds at the end of the current and prior year are as follows:

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	Unrestricted Net Position	
	September 30,	
	2021	2020
Water and Sewer Utility	\$ 29,819,023	\$ 27,939,362
Solid Waste	3,403,591	1,820,209
Airport	4,823,126	4,429,165
Stormwater Drainage	1,292,495	620,196
	\$ 39,338,235	\$ 34,808,932

Following is a discussion of each fund's performance for 2021, compared to the prior year. Most of the information is summarized from pages 48-51 of this report, and the same section from the prior year report.

Water and Sewer Utility Fund

Water utility activities include water supply, treatment, storage and distribution. Sewer utility activities include collection, treatment, and disposal. This fund also includes a reclaimed water distribution system. All three activities require billing and collection, repair/maintenance, and other administrative functions. The Water and Sewer Utility Fund reported an increase in net position of \$9.0 million for 2021 compared to an increase of \$9.6 million for 2020. Following is a summary of the items that contributed to these changes:

<i>Water and Sewer Utility</i>	2021	2020	Change	Percent
<i>Operating:</i>				
Revenues	\$ 25,952,960	\$ 24,159,818	\$ 1,793,142	7.4%
Expenses	(18,904,135)	(18,366,649)	(537,486)	2.9%
Net	7,048,825	5,793,169	1,255,656	21.7%
Net non-operating	(1,129,227)	(709,668)	(419,559)	59.1%
Capital contributions	5,854,486	6,483,528	(629,042)	-9.7%
Transfers out	(2,752,680)	(1,954,685)	(797,995)	40.8%
Change in net position	\$ 9,021,404	\$ 9,612,344	\$ (590,940)	-6.1%

Operating revenues increased significantly from 2020 to 2021, due to increases in both customer counts and rates. Most rates increased 2.15% at the beginning of both 2020 and 2021.

Operating expenses increased \$537,486 or 2.9% year over year, for some of the following reasons:

- Insurance and utilities increased by a net amount of \$36,658,
- Repair and maintenance costs increased \$400,313 or 17.8%,
- Other services and charges decreased \$64,381 or 3.4% for various items, and
- Depreciation increased \$763,688 or 14.3%.

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Offsetting these operating expense increases were the following reductions:

- Personnel services costs decreased \$513,339 or 8.4% although there were pay increases, and no changes in full time equivalents (FTE's) in 2020 or 2021 (the decrease related to the pension accrual adjustments), and
- Professional/contractual services decreased \$214,215 or 13.6%, for various utility studies.

Non-operating interest earnings decreased in 2021 by \$433,655 due to reduced yields. Capital contributions represent water and sewer infrastructure contributed by developers in both years (which decreased), as well as capital grants and plant capacity fees (which increased). Transfers out are to the General Fund for indirect costs (\$1.9 million in 2021 and \$1.7 million in 2020) and to the Fleet Replacement Fund for catch-up payments (\$877,434 in 2021 and \$251,285 in 2020).

The Water and Sewer Utility Fund generated net cash from operating activities of \$13.1 million in 2021 compared to \$15.3 million in 2020.

Solid Waste Fund

Solid waste operations include collection and disposal, garbage and recycling activities. The Solid Waste Fund reported an increase in net position of \$1.7 million for 2021 compared to \$243,666 for 2020. Following is a summary of the items that contributed to these changes:

<i>Solid Waste Fund</i>				
	2021	2020	Change	Percent
<i>Operating:</i>				
Revenues	\$ 7,444,463	\$ 7,030,178	\$ 414,285	5.9%
Expenses	(5,371,769)	(6,446,564)	1,074,795	-16.7%
Net	2,072,694	583,614	1,489,080	255.1%
Non-operating revenues	85,548	213,218	(127,670)	-59.9%
Capital contributions	147,711	-	147,711	N/A
Transfers out	(625,879)	(553,166)	(72,713)	13.1%
Change in net position	<u>\$ 1,680,074</u>	<u>\$ 243,666</u>	<u>\$ 1,436,408</u>	<u>589.5%</u>

Operating revenues increased because of a 3% rate increase on residential and commercial “can” collection (garbage and recycling), and a modest increase in the customer base. In addition, a 23% recycling surcharge was lowered to 19% effective July 1, 2020 and to 14% effective July 1, 2021 as the resale market for recycled product improves.

Operating expenses decreased by \$1.1 million or 16.7% year over year, for some of the following reasons:

- Personnel services costs decreased \$457,650 or 20.7% even though there were pay increases, and no changes in FTE's in 2020 or 2021 (the decrease related to the pension accrual adjustments),
- Professional/contractual services decreased \$44,031 or 3.0%, mainly because recycling volumes were down,

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- Other services and charges decreased \$641,401 or 35.1%; 2020 included the one-time purchase of new recycling cans for automated pickup, and
- Depreciation decreased \$3,287, or 5.1%, as older garbage trucks reached the end of their depreciable lives.

Offsetting these expense reductions were the following increases:

- Insurance and utilities increased by a net amount of \$1,601, and
- Repair and maintenance costs increased \$69,973 or 8.7%, mostly vehicle repairs.

Non-operating revenues in 2020 included a recycling grant for automated pickup that is causing most of the variance. Transfers out are to the General Fund for indirect costs (\$475,899 in 2021 and \$553,166 in 2020) and to the Fleet Replacement Fund for a new solid waste truck (\$149,980 in 2021).

The Solid Waste Fund generated net cash from operating activities of \$1.8 million in 2021 compared to \$1.0 million in 2020.

Airport Fund

The Airport Fund records the activities of the Venice Municipal Airport, a historic general aviation facility. The Airport Fund reported a *decrease* in net position of \$845,125 for 2021 compared to an *increase* in net position of \$934,080 for 2020. Following is a summary of the items that contributed to these changes:

<i>Airport</i>	2021	2020	Change	Percent
<i>Operating:</i>				
Revenues	\$ 2,258,031	\$ 2,221,747	\$ 36,284	1.6%
Expenses	(3,621,227)	(3,661,016)	39,789	-1.1%
Net	(1,363,196)	(1,439,269)	76,073	-5.3%
Net Non-operating	32,162	136,274	(104,112)	-76%
Capital grants	829,301	2,548,054	(1,718,753)	-67.5%
Transfers out	(343,392)	(310,979)	(32,413)	10.4%
Change in net position	<u>\$ (845,125)</u>	<u>\$ 934,080</u>	<u>\$ (1,779,205)</u>	<u>-190.5%</u>

Airport operating revenues are up 1.6% mostly due to annual rate increases. Operating expenses decreased by \$39,789 or 1.1% year over year, mostly for the following reasons:

- Personnel services costs decreased \$92,360 or 12.5% even though there were pay increases, and no changes in FTE's in 2020 or 2021; the decrease related to the pension accrual adjustments),
- Professional/contractual services decreased \$205,737 or 53.1%, of which \$183,739 was the write-off in 2020 of design fees on a discontinued project.

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Offsetting these expense reductions were the following increases:

- Insurance, repair and maintenance costs, utilities, and other services and charges increased by a net amount of \$62,479 for various reasons, and
- Depreciation increased \$195,829, or 9.6%, as older assets reached the end of their depreciable lives.

Under accounting rules, capital grants are reported in the year earned, while the related projects are capitalized and depreciated over their useful lives. There was significantly less capital grant activity in the Airport Fund in 2021 compared to 2020. Transfers out are to the General Fund for indirect costs (\$278,392 in 2021 and \$290,979 in 2020) and to the Fleet Replacement Fund for new equipment purchases (\$65,000 in 2021 and \$20,000 in 2020).

The Airport Fund generated net cash from operating activities of \$1.1 million in 2021 compared to \$410,820 in 2020. The difference relates to the timing of project costs and related grant reimbursements.

Stormwater Drainage Fund

The Stormwater Drainage Fund accounts for the management, operation, and maintenance of a Citywide drainage system. The Stormwater Drainage Fund reported an *increase* in net position of \$316,262 for 2021 compared to a *decrease* in net position of \$542,618 for 2020. Following is a summary of the items that contributed to these changes:

<i>Storm Water Drainage</i>				
	2021	2020	Change	Percent
<i>Operating:</i>				
Revenues	\$ 2,433,740	\$ 1,620,178	\$ 813,562	50.2%
Expenses	(1,870,787)	(2,004,550)	133,763	-6.7%
Net	562,953	(384,372)	947,325	-246.5%
Non-operating revenues	127,915	131,719	(3,804)	-2.9%
Transfers out	(374,606)	(289,965)	(84,641)	29.2%
Change in net position	<u>\$ 316,262</u>	<u>\$ (542,618)</u>	<u>\$ 858,880</u>	<u>-158.3%</u>

Operating revenues in this fund are up 50.2% corresponding to an approximate 50% increase in rates for the average customer. This significant rate increase was to provide more revenues for capital and major maintenance projects.

Operating expenses decreased by \$133,763 or 6.7% year over year, mostly for the following reasons:

- Personnel costs decreased \$32,237 or 4.1% even though there were pay increases, and no changes in FTE's in 2020 or 2021; the decrease related to the pension accrual adjustments,
- Repair and maintenance costs decreased \$144,823 or 47.2%. There are large maintenance projects periodically as the stormwater collection system continues to age; but less in 2021 than 2020, and
- Depreciation decreased \$27,023 or 6.1%.

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Offsetting these expense reductions were the following increases:

- Professional/contractual services increased \$66,919 or 20.0%. There were several studies conducted in 2020 and 2021, in preparation of significant capital improvements, and
- Insurance, utilities, and other services and charges increased by a net amount of \$3,401 for various reasons.

Transfers out are to the General Fund for indirect costs (\$274,164 in 2021 and \$254,965 in 2020) and to the Fleet Replacement Fund for new equipment purchases (\$100,442 in 2021 and \$35,000 in 2020).

The Storm Water Drainage Fund generated net cash from operating activities of \$626,906 in 2021 compared to \$206,374 in 2020.

GENERAL FUND BUDGETARY HIGHLIGHTS

A budget versus actual comparison of the operating results of the City's General Fund for 2021 can be found on page 42. As shown on that page, the original General Fund budget anticipated increasing fund balance by \$212,754 during 2021. Changes to the original budget during 2021 increased expenditures further, resulting in a projected budget surplus (addition to fund balance) of only \$22,388. Following are the changes from the original to final budget:

Increased appropriations:

- Various 2020 encumbrances totaling \$169,733 were "rolled over" to the 2021 budget,
- A budget amendment provided \$20,633 for half a position in the planning department for the remainder of that year.

Actual Results

In the end, as shown on page 42, actual General Fund revenues exceeded the final amended 2021 budgeted revenues by \$1.6 million, and actual General Fund expenditures were lower than the final amended 2021 budget by another \$1.6 million, for a combined favorable variance of \$3.2 million.

General Fund revenues that came in significantly better than budget for 2021 included property taxes (by \$203,960), intergovernmental revenues (by \$783,240), and charges for services (by \$274,866). The favorable revenue variances are from a combination of growth and conservative budgeting assumptions. General Fund revenues that came in below budget for 2021 included communications services tax (by \$61,513) and interest (by \$125,515), the latter being due to the eroding of investment yields.

As stated above and shown on page 42, General Fund expenditures came in under budget by \$1.6 million. Most departments and divisions were under budget in 2021. Only the police department was over budget, which was related to the pandemic and had the City Manager's approval. In the City's budgeting policies, General Fund departments can go over budget with the City Manager's approval, as long as the Fund in total is under budget.

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A portion of the favorable expenditure variance totaling \$519,512 was encumbered at the end of 2021 and will automatically roll over to the 2022 budget.

CAPITAL ASSETS

The City's investment in capital assets includes land, construction in progress, buildings, machinery and equipment, infrastructure, and other improvements, net of accumulated depreciation. Following is a table of the balances at the end of 2021 and 2020:

City of Venice Capital Assets
(Net of Accumulated Depreciation)
September 30
(in 000's)

	Governmental		Business-Type		Totals	
	Activities		Activities			
	2021	2020	2021	2020	2021	2020
Land	\$ 15,582	\$ 15,585	\$ 2,628	\$ 2,628	\$ 18,210	\$ 18,213
Construction in progress	243	6,821	10,472	11,789	10,715	18,610
Buildings	34,310	24,393	9,791	5,400	44,101	29,793
Machinery and equipment	16,503	12,069	3,150	3,159	19,653	15,228
Infrastructure	33,267	30,727	56,488	52,391	89,755	83,118
Other improvements	11,036	11,604	68,193	72,221	79,229	83,825
Total	\$ 110,941	\$ 101,199	\$ 150,722	\$ 147,588	\$ 261,663	\$ 248,787

Governmental Activities:

Capital assets in the City's governmental activities increased from \$101.2 million in 2020 to \$110.9 million in 2021, an increase of \$9.7 million, or 9.6%. The 2021 activity included additions of \$15.7 million, less depreciation of \$5.9 million and disposals of \$119,268 (book value).

Governmental activities additions totaled \$13.1 million in governmental funds and \$2.6 million in the Fleet Services internal service fund. Following is a list of the 2021 additions:

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Governmental Fund Additions:

Projects in process:

Park impact fee projects	\$ 35,014
Pavement Sealing & Restoration	155,657

Completed projects:

Fire station 51 rebuild	4,159,548
City Hall campus generator	832,790
Building department annex	3,652,741
Public works facility relocation	857,085
Road paving phase III	250,836
Marine trailer	100,657
Triangle Inn	25,396
Archives & Research Center	66,511
Park impact fee projects	5,300
Building major maintenance	264,581
Parks improvements	193,265
Decorative streetlights	49,878

Governmental Fund Additions (Cont'd):

Vehicles and Equipment:

General government	\$ 31,257
Police	910,158
Fire	749,728
EMS	509,574
Public works	-
Parks	173,767
Building	22,829
Information Technology	41,531
Governmental Funds	<u>\$ 13,088,103</u>

Fleet Replacement Fund Additions:

Direct Purchases:

Airport fleet	\$ 15,888
Solid waste fleet	1,760,200
Water and sewer utility fleet	424,624
Stormwater fleet	450,112
Fleet Replacement Fund	<u>\$ 2,650,824</u>

Business-type Activities:

Capital assets in the City's business-type activities increased from \$147.6 million in 2020 to \$150.7 million in 2021, an increase of \$3.1 million, or 2.1%. The 2021 activity included additions of \$11.9 million, less depreciation of \$8.8 million. Enterprise fund 2021 capital additions consisted of the following:

Enterprise Fund Additions:

Water and Sewer Utility:

Distribution System:

Developer water/sewer lines	\$ 1,499,285
Meter changeout program	377,387
Eastgate utilities relocation ph. II	1,030,150
Lift station 27 WM replacement	451,665
Lift station 5 isolation manhole	336,378
Watermain replacement ph. VI	844,999
Venetian Parkway utilities relo.	2,379,062
Other	1,364,005

Water Treatment Plant:

WTP building upgrades	417,760
Water booster station	508,422
Other	448,734

Enterprise Fund Additions (Cont'd):

Water and Sewer Utility (Cont'd):

Water Reclamation:

ASR well	138,841
Master Lift Station PLC	221,218
WRF Effluent pumps	153,599
Other	722,321

Solid Waste:

Building renovations	10,632
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Airport:

Northeast drainage improv.	808,291
Parallel taxiway E	161,033
Other	36,429

Storm Water Drainage:

Park Blvd. North imp.	48,290
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Total	<u>\$ 11,958,501</u>
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At the end of the fiscal year, the City has construction commitments of \$47.0 million on projects approved and in process. Additional information can be found on pages 72-74 of this report.

DEBT ADMINISTRATION

There is no direct debt limitation in the City Charter or under State law. Article VII, Section 9 of the Constitution of the State of Florida provides that, exclusive of taxes levied for the payment of voter-approved general obligation bonds, cities may levy up to ten mills for municipal services. Pursuant to the Florida Constitution, there is no limit on the amount of ad valorem taxes a city

City of Venice, Florida
Management's Discussion and Analysis
For the Year Ended September 30, 2021

may levy for the payment of debt service on voter-approved general obligation bonds. The voter approved debt service millage tax rate for 2021 was .5974 per \$1,000 of assessed valuation. A summary of the City's total outstanding debt follows:

City of Venice Long-Term Debt
September 30
(in 000's)

	Governmental Activities		Business-Type Activities		Totals	
	2021	2020	2021	2020	2021	2020
General obligation bonds	\$ 32,625	\$ 34,247	\$ -	\$ -	\$ 32,625	\$ 34,247
Revenue bonds	-	-	31,248	32,629	31,248	32,629
Notes	-	150	7,294	6,473	7,294	6,623
Lease-purchase obligation	1,137	1,401	-	-	1,137	1,401
Total	\$ 33,762	\$ 35,798	\$ 38,542	\$ 39,102	\$ 72,304	\$ 74,900

Governmental Activities:

The outstanding balance of long-term debt in the City's governmental activities decreased from \$35.8 million in 2020 to \$33.8 million in 2021, a decrease of \$2.0 million. There was no new governmental debt issued in 2021. Scheduled principal payments of \$1.8 million were made during 2021, and amortization of bond premiums was \$263,873.

Business-type Activities:

The outstanding balance of long-term debt in the City's business-type activities decreased from \$39.1 million in 2020 to \$38.5 million in 2021, a decrease of \$0.6 million or 1.4%. There was an advance refunding of the City's 2012 Utilities Revenue Bonds in 2021, and State Revolving Fund (SRF) loans were partially drawn down in 2021 for water and wastewater projects. Gross SRF draws were \$1.5 million. Scheduled principal payments of \$1.7 million were made during 2021.

Independent Ratings:

Three major rating institutions (Standard & Poor's, Moody's Investor Services, and Fitch) have evaluated the City's financial management, economic conditions and administrative practices. The bond ratings continue to reflect investment quality, as shown below:

	Standard & Poor's	Moody's	Fitch
Utility System Revenue Bonds	AA	Aa2	AA
General Obligation Bonds (Transportation)	AA+	Aa1	AA+
General Obligation Bonds (Public Safety)	AA+	Aa1	AA+

Other Long-term Liabilities

The City has unfunded OPEB and net pension obligations at September 30, 2021. Additional information on all long-term liabilities of the City can be found on pages 76-80 of this report.

City of Venice, Florida
Management's Discussion and Analysis
For the Year Ended September 30, 2021

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

The budget for the 2022 fiscal year is a balanced budget in all funds, with 2022 appropriations fully funded by 2022 revenues, transfers in, and beginning reserves. The City's General Fund is projecting a budget surplus of \$660,057 for 2022. Citywide, full-time equivalent (FTE) positions will increase from 371.40 in 2020 to 375.40 in 2021. Revenues continue to grow even during the pandemic, and are providing funds for scheduled capital projects. Capital projects/outlays totaling \$31.0 million are included in the Citywide Capital Improvement Program budget for 2022, and an additional \$47.0 million in construction/capital commitments will be rolled into 2022 from 2021. These projects will be funded by operating revenues, grants, utilities bonds, low-interest rate SRF loans, and reserves. Factors considered in preparing the City's 2022 budget were:

- The assessed valuation of commercial and residential property increased from \$4.512 billion in 2021 to \$4.830 billion in 2022, an increase of 7.05%, of which 1.54% is due to new construction. The increase in property values is expected to add \$1.3 million to General Fund revenues.
- The General Fund property tax millage rate remained constant at 4.36 per \$1,000 taxable value for 2022.
- The voter approved debt service property tax millage rate was reduced from .5974 per \$1,000 taxable value for 2021 to .5570 for 2021.
- The City's estimated population increased from 24,016 in 2020 to 26,103 in 2021, an increase of 8.7%. This increasing trend is expected to continue based on ongoing construction activity, although perhaps not at that high of a level.
- The unemployment rate for Sarasota County (Venice area) decreased from 5.2% in 2020 to 3.7% in 2021. The general trend has been a decrease in the unemployment rate from a high of 12.5% in 2010. The year 2020 is considered an anomaly due to the pandemic.
- Water and sewer retail rates will increase by 2.15% for 2022 and solid waste "can" rates will increase by 1%. Stormwater rates will increase by almost 20% for increased maintenance and capital needs. Building permit fees will continue to be discounted by 20%, to refund excess reserves.

Requests for Information

This financial report is designed to provide a general overview of the City of Venice's finances. Questions concerning any of the information provided in the report or requests for additional financial information should be addressed to the Finance Director, 401 West Venice Avenue, Venice, Florida, 34285.



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City of Venice, Florida
Statement of Net Position
September 30, 2021

	Primary Government		Total
	Governmental Activities	Business-type Activities	
ASSETS			
Pooled cash and investments	\$ 57,033,263	\$ 46,969,477	\$ 104,002,740
Other cash and investments	29,229	100	29,329
Accounts receivables (net of allowance for uncollectibles)	885,637	4,035,258	4,920,895
Due from other governments	1,416,270	427,433	1,843,703
Inventories	42,281	483,895	526,176
Net pension asset	3,111,928	-	3,111,928
Restricted assets:			
Pooled cash and investments	-	15,279,328	15,279,328
Capital assets (net of accumulated depreciation):			
Non-depreciable	15,825,437	13,100,965	28,926,402
Depreciable	95,115,932	137,621,338	232,737,270
Total assets	<u>173,459,977</u>	<u>217,917,794</u>	<u>391,377,771</u>
DEFERRED OUTFLOWS OF RESOURCES			
Related to debt refundings	-	581,301	581,301
Related to pensions	7,388,942	1,755,814	9,144,756
Related to OPEB	711,870	126,117	837,987
Total deferred inflows of resources	<u>8,100,812</u>	<u>2,463,232</u>	<u>10,564,044</u>
LIABILITIES			
Accounts payable	3,408,249	2,599,968	6,008,217
Accrued liabilities	1,675,719	611,045	2,286,764
Due to other governments	911,014	156,609	1,067,623
Accrued interest payable	224,037	278,124	502,161
Claims and judgments	1,135,157	-	1,135,157
Customer deposits	-	1,069,392	1,069,392
Unearned revenue	-	1,241,516	1,241,516
Noncurrent liabilities:			
Due within one year:			
Compensated absences	738,733	267,520	1,006,253
Notes payable	-	726,692	726,692
Lease-purchase obligation	271,769	-	271,769
Bonds payable	1,435,000	1,315,000	2,750,000
Due in more than one year:			
Compensated absences	738,732	267,520	1,006,252
Net pension liabilities	23,497,456	2,415,544	25,913,000
Total OPEB liability	8,638,946	1,530,502	10,169,448
Notes payable	-	6,567,273	6,567,273
Lease-purchase obligation	865,078	-	865,078
Bonds payable	31,189,872	29,932,789	61,122,661
Total liabilities	<u>74,729,762</u>	<u>48,979,494</u>	<u>123,709,256</u>
DEFERRED INFLOWS OF RESOURCES			
Related to pensions	22,730,166	3,566,557	26,296,723
Related to OPEB	397,442	70,412	467,854
Total deferred inflows of resources	<u>23,127,608</u>	<u>3,636,969</u>	<u>26,764,577</u>
NET POSITION			
Net investment in capital assets	77,179,650	114,378,532	191,558,182
Restricted for:			
Public safety	176,437	-	176,437
Capital improvements	9,298,907	11,638,395	20,937,302
Building code enforcement	5,783,809	-	5,783,809
Beach renourishment	3,732,520	-	3,732,520
Debt service	67,447	1,409,401	1,476,848
Renewal and replacement	-	1,000,000	1,000,000
Unrestricted	(12,535,351)	39,338,235	26,802,884
Total net position	<u>\$ 83,703,419</u>	<u>\$ 167,764,563</u>	<u>\$ 251,467,982</u>

See accompanying Notes to Financial Statements.

City of Venice, Florida
Statement of Activities
For the Year Ended September 30, 2021

	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Governmental activities:				
General government	\$ 6,840,270	\$ 5,581,857	\$ -	\$ 857,534
Finance	1,481,207	-	-	-
Information services	1,662,718	-	-	-
Parks and recreation	2,372,866	-	-	208,500
Police	7,861,030	1,983	490,496	552,526
Fire and EMS	11,610,186	1,897,103	1,380,473	447,508
Public works	4,734,041	-	532,066	-
Interest on long-term debt	1,006,887	-	-	-
Total governmental activities	<u>37,569,205</u>	<u>7,480,943</u>	<u>2,403,035</u>	<u>2,066,068</u>
Business-type activities:				
Water and sewer utility	20,126,594	25,952,960	49,428	5,854,486
Solid waste	5,371,769	7,444,463	21,138	147,711
Airport	3,621,227	2,258,031	23,000	829,301
Storm water drainage	1,878,600	2,433,740	134,158	-
Total business-type activities	<u>30,998,190</u>	<u>38,089,194</u>	<u>227,724</u>	<u>6,831,498</u>
Total primary government	<u>\$ 68,567,395</u>	<u>\$ 45,570,137</u>	<u>\$ 2,630,759</u>	<u>\$ 8,897,566</u>

General revenues:
Property taxes
Local option, fuel, and communication services taxes
Utility services taxes
Franchise fees
Intergovernmental - unrestricted
Interest earnings
Miscellaneous
Transfers, net
Total general revenues and transfers
Change in net position
Total net position at beginning of year
Total net position at end of year

**Net (Expenses) Revenues and
Changes in Net Position**

Primary Government		
Governmental Activities	Business-type Activities	Total
\$ (400,879)	\$ -	\$ (400,879)
(1,481,207)	-	(1,481,207)
(1,662,718)	-	(1,662,718)
(2,164,366)	-	(2,164,366)
(6,816,025)	-	(6,816,025)
(7,885,102)	-	(7,885,102)
(4,201,975)	-	(4,201,975)
(1,006,887)	-	(1,006,887)
<u>(25,619,159)</u>	<u>-</u>	<u>(25,619,159)</u>
-	11,730,280	11,730,280
-	2,241,543	2,241,543
-	(510,895)	(510,895)
-	689,298	689,298
-	<u>14,150,226</u>	<u>14,150,226</u>
<u>\$ (25,619,159)</u>	<u>\$ 14,150,226</u>	<u>\$ (11,468,933)</u>
21,512,830	-	21,512,830
6,605,589	-	6,605,589
2,855,635	-	2,855,635
2,576,962	-	2,576,962
3,292,722	-	3,292,722
78,609	56,696	135,305
1,398,551	62,250	1,460,801
4,096,557	(4,096,557)	-
<u>42,417,455</u>	<u>(3,977,611)</u>	<u>38,439,844</u>
16,798,296	10,172,615	26,970,911
66,905,123	157,591,948	224,497,071
<u>\$ 83,703,419</u>	<u>\$ 167,764,563</u>	<u>\$ 251,467,982</u>

City of Venice, Florida
Balance Sheet
Governmental Funds
September 30, 2021

	General Fund	Building Permit Fees	One Cent Voted Sales Tax	Non-Major Governmental Funds	Total Governmental Funds
ASSETS					
Pooled cash and investments	\$ 18,180,976	\$ 6,786,476	\$ 4,633,735	\$ 9,851,920	\$ 39,453,107
Other cash	14,450	-	-	-	14,450
Accounts receivable	817,077	-	-	66,158	883,235
Due from other governments	580,984	-	509,084	326,202	1,416,270
Inventory	42,281	-	-	-	42,281
Total assets	<u>\$ 19,635,768</u>	<u>\$ 6,786,476</u>	<u>\$ 5,142,819</u>	<u>\$ 10,244,280</u>	<u>\$ 41,809,343</u>
LIABILITIES					
Accounts payable	\$ 205,236	\$ 938,216	\$ 386,097	\$ 379,244	\$ 1,908,793
Accrued payroll	1,369,962	64,451	-	-	1,434,413
Due to other governments	910,978	-	-	36	911,014
Deposits and other liabilities	226,597	-	-	-	226,597
Total liabilities	<u>2,712,773</u>	<u>1,002,667</u>	<u>386,097</u>	<u>379,280</u>	<u>4,480,817</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue - grants	41,855	-	-	-	41,855
FUND BALANCES					
Nonspendable:					
Inventory and prepayments	42,281	-	-	-	42,281
Restricted for:					
Public safety	-	-	-	176,437	176,437
Boating and waterway improvements	-	-	-	65,007	65,007
Street improvements	-	-	-	3,510,465	3,510,465
Capital improvements	-	-	4,756,722	966,713	5,723,435
Building code enforcement	-	5,783,809	-	-	5,783,809
Debt service	-	-	-	291,484	291,484
Beach renourishment	-	-	-	3,732,520	3,732,520
Committed to:					
Training and education	-	-	-	181,550	181,550
Capital improvements	300,593	-	-	792,832	1,093,425
Economic development/public works	36,850	-	-	57,332	94,182
Historic preservation/parks	43,634	-	-	90,660	134,294
Public safety	108,171	-	-	-	108,171
General government	30,264	-	-	-	30,264
Unassigned:					
General fund	16,319,347	-	-	-	16,319,347
Total fund balances	<u>16,881,140</u>	<u>5,783,809</u>	<u>4,756,722</u>	<u>9,865,000</u>	<u>37,286,671</u>
Total liabilities, deferred inflows, and fund balances	<u>\$ 19,635,768</u>	<u>\$ 6,786,476</u>	<u>\$ 5,142,819</u>	<u>\$ 10,244,280</u>	<u>\$ 41,809,343</u>

See accompanying Notes to Financial Statements

City of Venice, Florida
Reconciliation of the Balance Sheet of Governmental Funds
To the Statement of Net Position
September 30, 2021

Total fund balance - governmental funds \$ 37,286,671

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

Capital assets used in governmental funds are not financial resources and therefore are not reported in the funds.

Capital assets	\$ 158,365,784	
Accumulated depreciation	(57,676,184)	100,689,600

Internal service funds (ISF's) are used by management to charge the costs of certain activities, such as insurance and workers compensation, to individual funds. The portion of the assets and liabilities of the ISF's primarily serving governmental funds are included in governmental activities in the statement of net position.

25,199,784

Certain liabilities are not due and payable in the current period and therefore are not reported in the funds. Those liabilities are as follows:

Bonds payable	(32,624,872)	
Lease-purchase obligation	(1,136,847)	
Compensated absences	(1,477,465)	
Accrued interest on general obligation bonds	(224,037)	(35,463,221)

In the government-wide financial statements, the City reports an asset (liability) for the amount that its single employer pension plans are overfunded (underfunded). It also reports a liability for its proportionate share of the unfunded liability in the multiple employer pension plan in which it participates. Gains and losses on these plans are also sometimes deferred to be reported in a subsequent period. In the governmental fund financial statements, deferred inflows and outflows are not reported, and a liability would only be reported if the required contributions were not made. Following is a summary of the differences:

Net pension asset	3,111,928	
Net pension liabilities	(23,497,456)	
Deferred outflows of resources related to pensions	7,388,942	
Deferred inflows of resources related to pensions	(22,730,166)	(35,726,752)

In the government-wide financial statements, the City reports a liability for its accrued post-employment benefits obligation. Gains and losses on the plan are also sometimes deferred to be reported in a subsequent period. In the governmental fund financial statements, deferred inflows and outflows are not reported, and a liability would only be reported if the required contributions were not made. Following is a summary of the differences:

Total OPEB liability	(8,638,946)	
Deferred outflows of resources related to OPEB	711,870	
Deferred inflows of resources related to OPEB	(397,442)	(8,324,518)

Net position of governmental activities		<u>\$ 83,703,419</u>
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See accompanying Notes to Financial Statements.

City of Venice, Florida
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended September 30, 2021

	<u>General Fund</u>	<u>Building Permit Fees</u>	<u>One Cent Voted Sales Tax</u>	<u>Non-Major Governmental Funds</u>	<u>Total Governmental Funds</u>
REVENUES					
Taxes:					
Property tax	\$ 18,917,460	\$ -	\$ -	\$ 2,595,370	\$ 21,512,830
Local option, use and fuel taxes	426,176	-	4,149,270	1,100,532	5,675,978
Communications services tax	1,355,787	-	-	-	1,355,787
Utility services taxes	2,855,635	-	-	-	2,855,635
Franchise fees	2,576,962	-	-	-	2,576,962
Fees and fines	33,157	-	-	87,596	120,753
Licenses and permits	551,490	4,583,108	-	963,846	6,098,444
Intergovernmental	4,871,740	-	624,592	954,178	6,450,510
Charges for services	2,042,030	-	-	-	2,042,030
Investment income	24,485	10,074	7,655	13,750	55,964
Miscellaneous	1,184,284	31,688	-	125,647	1,341,619
Total revenues	<u>34,839,206</u>	<u>4,624,870</u>	<u>4,781,517</u>	<u>5,840,919</u>	<u>50,086,512</u>
EXPENDITURES					
Current:					
General government	4,953,679	2,487,821	-	31,032	7,472,532
Finance	1,528,702	-	-	-	1,528,702
Information services	1,513,227	-	-	-	1,513,227
Parks and recreation	1,601,965	-	-	-	1,601,965
Police	10,511,818	-	-	7,579	10,519,397
Fire and EMS	11,566,935	-	-	-	11,566,935
Public works	2,250,728	-	-	-	2,250,728
Grants and aid	-	-	120,500	413,472	533,972
Debt service:					
Principal	263,873	-	150,000	1,390,000	1,803,873
Interest	41,912	-	-	1,180,368	1,222,280
Fiscal charges	-	-	-	1,500	1,500
Capital outlay	1,529,415	3,758,849	6,338,500	1,461,339	13,088,103
Total expenditures	<u>35,762,254</u>	<u>6,246,670</u>	<u>6,609,000</u>	<u>4,485,290</u>	<u>53,103,214</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(923,048)</u>	<u>(1,621,800)</u>	<u>(1,827,483)</u>	<u>1,355,629</u>	<u>(3,016,702)</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	4,155,419	-	-	634,800	4,790,219
Transfers out	-	(444,418)	(250,000)	(1,192,100)	(1,886,518)
Net other financing sources (uses)	<u>4,155,419</u>	<u>(444,418)</u>	<u>(250,000)</u>	<u>(557,300)</u>	<u>2,903,701</u>
Net change in fund balances	3,232,371	(2,066,218)	(2,077,483)	798,329	(113,001)
Fund balances at beginning of year	13,648,769	7,850,027	6,834,205	9,066,671	37,399,672
Fund balances at end of year	<u>\$ 16,881,140</u>	<u>\$ 5,783,809</u>	<u>\$ 4,756,722</u>	<u>\$ 9,865,000</u>	<u>\$ 37,286,671</u>

City of Venice
Reconciliation of the Statement of Revenues, Expenditures and Changes
in Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended September 30, 2021

Net change in fund balances - total governmental funds \$ (113,001)

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

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. In addition, donated assets and asset disposals are accounted for differently in the two statements.

Capital additions	\$ 13,088,103	
Depreciation	(4,503,537)	
Transfers to other funds	(1,788,338)	6,796,228
	<hr/>	

Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.

Principal paid	1,803,873	
Premium amortization	232,436	2,036,309
	<hr/>	

Certain long-term liabilities (and related deferred outflows/inflows) are recognized as expenses in the Statement of Activities as earned, but are recognized when current financial resources are used in the governmental funds. This amount is the net change during the year.

Compensated absences	18,810	
Other post-employment benefits	273,995	
Pensions	3,814,968	4,107,773
	<hr/>	

Internal service funds are used by management to charge the costs of certain activities, such as property and worker's compensation insurance, to individual funds. The net revenue (expense) of internal service funds is reported with governmental activities.

3,944,675

Certain grant revenues are deferred in the governmental funds because they are not available to pay current liabilities. These deferred inflows are recognized as revenues in the Statement of Activities.

41,855

Accrued interest is recognized as expenses in the Statement of Activities as incurred, but is recognized when current financial resources are used in the governmental funds. This amount is the net change in the accrued interest this year.

(15,543)

Change in net position of governmental activities \$ 16,798,296

See accompanying Notes to Financial Statements.

City of Venice, Florida
Budget Comparison Statement
General Fund
For the Year Ended September 30, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
REVENUES				
Taxes:				
Property tax	\$ 18,713,500	\$ 18,713,500	\$ 18,917,460	\$ 203,960
Local option, use and fuel taxes	393,741	393,741	426,176	32,435
Communications services tax	1,417,300	1,417,300	1,355,787	(61,513)
Utility service taxes	2,849,100	2,849,100	2,855,635	6,535
Franchise fees	2,474,890	2,474,890	2,576,962	102,072
Fees and fines	16,000	16,000	33,157	17,157
Licenses and permits	362,900	362,900	551,490	188,590
Intergovernmental	3,044,573	4,088,500	4,871,740	783,240
Charges for services	1,767,164	1,767,164	2,042,030	274,866
Investment income	150,000	150,000	24,485	(125,515)
Miscellaneous	924,350	959,350	1,184,284	224,934
Total revenues	<u>32,113,518</u>	<u>33,192,445</u>	<u>34,839,206</u>	<u>1,646,761</u>
EXPENDITURES				
General government:				
Mayor and council	173,018	173,018	140,500	32,518
City manager	1,116,857	1,117,607	1,030,972	86,635
Historical	326,264	326,264	310,634	15,630
City clerk	642,643	642,643	595,736	46,907
City attorney	424,165	424,165	347,448	76,717
City hall maintenance	228,102	228,102	195,821	32,281
Engineering	521,095	543,165	481,091	62,074
Planning	1,234,946	1,321,572	940,198	381,374
Human resources	971,071	971,071	942,536	28,535
Finance	1,548,374	1,548,374	1,528,702	19,672
Information technology	1,578,906	1,578,906	1,554,757	24,149
Parks and recreation	1,821,439	1,866,439	1,720,230	146,209
Police	10,441,043	10,670,239	10,685,250	(15,011)
Fire and EMS:				
Fire	9,234,257	9,242,074	9,156,516	85,558
Emergency medical services	3,368,893	4,246,727	3,881,135	365,592
Public works:				
Administration	360,190	360,190	330,175	30,015
Maintenance	1,851,819	1,851,819	1,731,060	120,759
Fleet	213,101	213,101	189,493	23,608
Total expenditures	<u>36,056,183</u>	<u>37,325,476</u>	<u>35,762,254</u>	<u>1,563,222</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(3,942,665)</u>	<u>(4,133,031)</u>	<u>(923,048)</u>	<u>3,209,983</u>
OTHER FINANCING SOURCES				
Transfers in	4,155,419	4,155,419	4,155,419	-
Total other financing sources	<u>4,155,419</u>	<u>4,155,419</u>	<u>4,155,419</u>	<u>-</u>
Net change in fund balances	212,754	22,388	3,232,371	3,209,983
Fund balances at beginning of year	12,653,752	12,823,485	13,648,769	825,284
Fund balances at end of year	<u>\$ 12,866,506</u>	<u>\$ 12,845,873</u>	<u>\$ 16,881,140</u>	<u>\$ 4,035,267</u>

See accompanying Notes to Financial Statements.

City of Venice, Florida
Budget Comparison Statement
Building Permit Fees Fund
For the Year Ended September 30, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
REVENUES				
Licenses and permits	\$ 3,004,721	\$ 3,004,721	\$ 4,583,108	\$ 1,578,387
Interest	37,500	37,500	10,074	(27,426)
Miscellaneous	-	-	31,688	31,688
Total revenues	<u>3,042,221</u>	<u>3,042,221</u>	<u>4,624,870</u>	<u>1,582,649</u>
EXPENDITURES				
Current:				
General government	2,634,686	2,701,521	2,487,821	213,700
Capital outlay	<u>133,333</u>	<u>4,398,131</u>	<u>3,758,849</u>	<u>639,282</u>
Total expenditures	<u>2,768,019</u>	<u>7,099,652</u>	<u>6,246,670</u>	<u>852,982</u>
Excess (deficiency) of revenues over (under) expenditures	<u>274,202</u>	<u>(4,057,431)</u>	<u>(1,621,800)</u>	<u>2,435,631</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	<u>(444,418)</u>	<u>(444,418)</u>	<u>(444,418)</u>	<u>-</u>
Net other financing sources (uses)	<u>(444,418)</u>	<u>(444,418)</u>	<u>(444,418)</u>	<u>-</u>
Net change in fund balances	(170,216)	(4,501,849)	(2,066,218)	2,435,631
Fund balances at beginning of year	<u>3,111,051</u>	<u>7,354,051</u>	<u>7,850,027</u>	<u>495,976</u>
Fund balances at end of year	<u><u>\$ 2,940,835</u></u>	<u><u>\$ 2,852,202</u></u>	<u><u>\$ 5,783,809</u></u>	<u><u>\$ 2,931,607</u></u>

See accompanying Notes to Financial Statements.

City of Venice, Florida
Statement of Net Position
Proprietary Funds
September 30, 2021

	Business-Type Activities		
	Water and Sewer Utility	Solid Waste	Airport
ASSETS			
Current assets:			
Pooled cash and investments	\$ 35,331,440	\$ 4,344,397	\$ 5,483,730
Other cash	-	-	100
Accounts receivable	2,810,291	881,574	17,253
Due from other governments	323,647	-	3,786
Inventories	483,895	-	-
Total current assets	38,949,273	5,225,971	5,504,869
Noncurrent assets:			
Restricted assets:			
Pooled cash and investments	12,433,163	-	2,831,751
Capital assets:			
Land	956,663	220,000	-
Construction in progress	10,273,117	-	199,350
Buildings	8,854,112	23,132	7,853,997
Improvements and infrastructure	176,231,326	59,268	38,881,182
Machinery and equipment	10,040,406	2,061,309	544,949
Less accumulated depreciation	(90,518,336)	(1,960,676)	(19,660,318)
Total capital assets	115,837,288	403,033	27,819,160
Total noncurrent assets	128,270,451	403,033	30,650,911
Total assets	167,219,724	5,629,004	36,155,780
DEFERRED OUTFLOWS OF RESOURCES			
Related to debt refundings	581,301	-	-
Related to pensions	1,096,313	376,858	137,039
Related to OPEB	93,184	23,296	8,464
Total deferred outflows	1,770,798	400,154	145,503

See accompanying Notes to Financial Statements

Business-Type Activities		Governmental
Storm Water Drainage	Total Enterprise Funds	Activities Internal Service Funds
\$ 1,809,910	\$ 46,969,477	\$ 17,580,156
-	100	14,779
326,140	4,035,258	2,402
100,000	427,433	-
-	483,895	-
<u>2,236,050</u>	<u>51,916,163</u>	<u>17,597,337</u>
<u>14,414</u>	<u>15,279,328</u>	<u>-</u>
1,451,835	2,628,498	-
-	10,472,467	-
-	16,731,241	-
10,108,094	225,279,870	-
416,318	13,062,982	16,296,784
(5,313,425)	(117,452,755)	(6,045,015)
<u>6,662,822</u>	<u>150,722,303</u>	<u>10,251,769</u>
<u>6,677,236</u>	<u>166,001,631</u>	<u>10,251,769</u>
<u>8,913,286</u>	<u>217,917,794</u>	<u>27,849,106</u>
-	581,301	-
145,604	1,755,814	-
1,173	126,117	-
<u>146,777</u>	<u>2,463,232</u>	<u>-</u>

continued

City of Venice, Florida
Statement of Net Position
Proprietary Funds
September 30, 2021

	Business-Type Activities		
	Water and Sewer Utility	Solid Waste	Airport
LIABILITIES			
Current liabilities:			
Accounts payable	\$ 2,464,690	\$ 97,429	\$ 6,130
Accrued liabilities	395,639	91,038	92,230
Due to other governments	148,983	-	7,626
Accrued interest payable	276,794	-	-
Accrued insurance claims	-	-	-
Customer deposits	813,805	145,261	110,326
Unearned Revenue	1,241,516	-	-
Compensated absences	168,540	80,680	18,300
Notes payable	702,348	-	-
Bonds payable	1,315,000	-	-
Total current liabilities	<u>7,527,315</u>	<u>414,408</u>	<u>234,612</u>
Noncurrent liabilities:			
Compensated absences	168,540	80,679	18,301
Net pension liabilities	1,508,243	518,458	188,530
Total OPEB liability	1,130,843	282,711	102,711
Notes payable	6,076,110	-	-
Bonds payable	29,932,789	-	-
Total noncurrent liabilities	<u>38,816,525</u>	<u>881,848</u>	<u>309,542</u>
Total liabilities	<u>46,343,840</u>	<u>1,296,256</u>	<u>544,154</u>
DEFERRED INFLOWS OF RESOURCES			
Related to pensions	2,226,923	765,505	278,366
Related to OPEB	52,025	13,006	4,726
Total deferred inflows	<u>2,278,948</u>	<u>778,511</u>	<u>283,092</u>
NET POSITION			
Net investment in capital assets	79,493,517	403,033	27,819,160
Restricted for:			
Capital projects	8,658,877	147,767	2,831,751
Debt service	1,396,317	-	-
Renewal and replacement	1,000,000	-	-
Unrestricted	29,819,023	3,403,591	4,823,126
Total net position	<u>\$ 120,367,734</u>	<u>\$ 3,954,391</u>	<u>\$ 35,474,037</u>

See accompanying Notes to Financial Statements

Business-Type Activities		Governmental
Storm Water Drainage	Total Enterprise Funds	Activities Internal Service Funds
\$ 31,719	\$ 2,599,968	\$ 1,499,456
32,138	611,045	14,709
-	156,609	-
1,330	278,124	-
-	-	1,135,157
-	1,069,392	-
-	1,241,516	-
-	267,520	-
24,344	726,692	-
-	1,315,000	-
<u>89,531</u>	<u>8,265,866</u>	<u>2,649,322</u>
-	267,520	-
200,313	2,415,544	-
14,237	1,530,502	-
491,163	6,567,273	-
-	29,932,789	-
<u>705,713</u>	<u>40,713,628</u>	<u>-</u>
<u>795,244</u>	<u>48,979,494</u>	<u>2,649,322</u>
295,763	3,566,557	-
655	70,412	-
<u>296,418</u>	<u>3,636,969</u>	<u>-</u>
6,662,822	114,378,532	10,251,769
-	11,638,395	-
13,084	1,409,401	-
-	1,000,000	-
<u>1,292,495</u>	<u>39,338,235</u>	<u>14,948,015</u>
<u>\$ 7,968,401</u>	<u>\$ 167,764,563</u>	<u>\$ 25,199,784</u>

City of Venice, Florida
Statement of Revenues, Expenses and Changes in Net Position
Proprietary Funds
For Fiscal Year Ended September 30, 2021

	Business-Type Activities		
	Water and Sewer Utility	Solid Waste	Airport
OPERATING REVENUES			
Charges for services	\$ 25,815,779	\$ 7,415,826	\$ -
Rentals	-	-	2,189,582
Interfund charges	-	-	-
Miscellaneous	137,181	28,637	68,449
Total operating revenues	<u>25,952,960</u>	<u>7,444,463</u>	<u>2,258,031</u>
OPERATING EXPENSES			
Personal services	5,611,537	1,752,379	648,514
Insurance	378,866	38,493	108,284
Professional/contractual services	1,365,193	1,441,656	181,487
Claims	-	-	-
Repair and maintenance	2,647,059	872,722	133,613
Utilities	820,617	16,507	88,749
Other services and charges	1,981,105	1,188,305	215,741
Depreciation	6,099,758	61,707	2,244,839
Total operating expenses	<u>18,904,135</u>	<u>5,371,769</u>	<u>3,621,227</u>
Operating income (loss)	<u>7,048,825</u>	<u>2,072,694</u>	<u>(1,363,196)</u>
NON OPERATING REVENUES (EXPENSES)			
Operating Grants	49,428	21,138	23,000
Interest earnings	43,804	4,410	6,912
Disposition of capital assets	-	60,000	2,250
Interest expense and fiscal charges	(1,222,459)	-	-
Net non-operating revenues (expenses)	<u>(1,129,227)</u>	<u>85,548</u>	<u>32,162</u>
Income (loss) before contributions and transfers	<u>5,919,598</u>	<u>2,158,242</u>	<u>(1,331,034)</u>
CAPITAL CONTRIBUTIONS			
Developer capital contributions	1,499,285	-	-
Federal and state grants	113,322	-	829,301
Impact/plant capacity fees	4,241,879	147,711	-
Capital assets transferred in from governmental funds	-	-	-
Total capital contributions	<u>5,854,486</u>	<u>147,711</u>	<u>829,301</u>
TRANSFERS			
Transfers in	-	-	-
Transfers out	(2,752,680)	(625,879)	(343,392)
Net transfers	<u>(2,752,680)</u>	<u>(625,879)</u>	<u>(343,392)</u>
Change in net position	9,021,404	1,680,074	(845,125)
Total net position at beginning of year	<u>111,346,330</u>	<u>2,274,317</u>	<u>36,319,162</u>
Total net position at end of year	<u>\$ 120,367,734</u>	<u>\$ 3,954,391</u>	<u>\$ 35,474,037</u>

See accompanying Notes to Financial Statements.

Business-Type Activities		Governmental
Storm Water Drainage	Total Enterprise Funds	Activities Internal Service Funds
\$ 2,433,740	\$ 35,665,345	\$ -
-	2,189,582	-
-	-	9,319,403
-	234,267	2,759,988
<u>2,433,740</u>	<u>38,089,194</u>	<u>12,079,391</u>
747,014	8,759,444	212,768
11,857	537,500	2,925,261
400,797	3,389,133	465,795
-	-	6,143,264
161,874	3,815,268	-
4,200	930,073	-
127,634	3,512,785	137,146
417,411	8,823,715	1,374,253
<u>1,870,787</u>	<u>29,767,918</u>	<u>11,258,487</u>
<u>562,953</u>	<u>8,321,276</u>	<u>820,904</u>
134,158	227,724	-
1,570	56,696	22,645
-	62,250	119,932
(7,813)	(1,230,272)	-
<u>127,915</u>	<u>(883,602)</u>	<u>142,577</u>
<u>690,868</u>	<u>7,437,674</u>	<u>963,481</u>
-	1,499,285	-
-	942,623	-
-	4,389,590	-
-	-	1,788,338
-	<u>6,831,498</u>	<u>1,788,338</u>
-	-	1,202,856
(374,606)	(4,096,557)	(10,000)
<u>(374,606)</u>	<u>(4,096,557)</u>	<u>1,192,856</u>
316,262	10,172,615	3,944,675
<u>7,652,139</u>	<u>157,591,948</u>	<u>21,255,109</u>
<u>\$ 7,968,401</u>	<u>\$ 167,764,563</u>	<u>\$ 25,199,784</u>

City of Venice, Florida
Statement of Cash Flows
Proprietary Funds
For the Year Ended September 30, 2021

	Business-type Activities - Enterprise Funds		
	Water and Sewer Utility	Solid Waste	Airport
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers	\$ 25,728,946	\$ 7,354,511	\$ 2,245,961
Interfund charges	-	-	-
Payments to suppliers	(7,087,502)	(3,563,023)	(507,948)
Payments to employees	(5,571,917)	(1,974,944)	(658,643)
Claims paid	-	-	-
Net cash provided (used) by operating activities	<u>13,069,527</u>	<u>1,816,544</u>	<u>1,079,370</u>
CASH FLOWS FROM NONCAPITAL AND RELATED FINANCING ACTIVITIES			
Transfers in from other funds	-	-	-
Transfers out to other funds	(2,752,680)	(625,879)	(343,392)
Operating grants	49,428	21,138	23,000
Net cash provided (used) by noncapital and related financing activities	<u>(2,703,252)</u>	<u>(604,741)</u>	<u>(320,392)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Note proceeds	1,303,003	-	-
Purchases of capital assets	(9,394,541)	(10,632)	(1,005,753)
Proceeds from sale of capital assets	-	60,000	2,250
Principal paid on notes	(650,023)	-	-
Principal paid on revenue bonds	(1,080,000)	-	-
Interest paid on revenue bonds and notes	(1,071,142)	-	-
Cash paid at bond refunding	(1,160,050)	-	-
Impact/plant capacity fees	4,241,879	147,711	-
Capital grants	1,354,838	-	829,301
Net cash provided (used) by capital and related financing activities	<u>(6,456,036)</u>	<u>197,079</u>	<u>(174,202)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest earnings	43,804	4,410	6,912
Net cash provided (used) by investing activities	<u>43,804</u>	<u>4,410</u>	<u>6,912</u>
Net increase (decrease) in cash and cash equivalents	3,954,043	1,413,292	591,688
Cash and cash equivalents at beginning of year	43,810,560	2,931,105	7,723,893
Cash and cash equivalents at end of year	<u>\$ 47,764,603</u>	<u>\$ 4,344,397</u>	<u>\$ 8,315,581</u>
Cash and cash equivalents classified as:			
Pooled cash and investments	\$ 35,331,440	\$ 4,344,397	\$ 5,483,730
Other cash	-	-	100
Pooled cash and investments - restricted	12,433,163	-	2,831,751
Total cash and cash equivalents at end of year	<u>\$ 47,764,603</u>	<u>\$ 4,344,397</u>	<u>\$ 8,315,581</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating income (loss)	\$ 7,048,825	\$ 2,072,694	\$ (1,363,196)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation	6,099,758	61,707	2,244,839
Pension adjustments	(228,338)	(143,468)	(42,222)
OPEB adjustments	64,535	(111,757)	2,927
Change in assets and liabilities:			
Accounts receivable	(274,559)	(89,952)	(13,139)
Inventory	(84,847)	-	-
Due from other governments	(113,782)	-	393,711
Accounts payable	340,137	(17,990)	(174,895)
Accrued liabilities	181,349	19,769	23,910
Compensated absences	22,074	12,891	5,256
Due to other governments	50,545	-	1,069
Customer deposits	(36,170)	12,650	1,110
Accrued claims	-	-	-
Net cash provided (used) by operating activities	<u>\$ 13,069,527</u>	<u>\$ 1,816,544</u>	<u>\$ 1,079,370</u>

Supplemental disclosure of noncash investing, capital and financing activities:

Water and Sewer Utility Fund recognized \$1,499,285 in utility line donations through capital contributions.
Capital assets with a cost of \$1,788,338 (no depreciation) were transferred into the internal service funds from Governmental Activities.

See accompanying Notes to Financial Statements.

Business-type Activities		Activities	
Storm Water Drainage	Totals	Internal Service Funds	
\$ 2,288,897	\$ 37,618,315	\$ 2,936,798	
-	-	9,319,403	
(928,871)	(12,087,344)	(2,673,908)	
(733,120)	(8,938,624)	(209,052)	
-	-	(6,023,908)	
<u>626,906</u>	<u>16,592,347</u>	<u>3,349,333</u>	
-	-	1,202,856	
(374,606)	(4,096,557)	(10,000)	
134,158	227,724	-	
<u>(240,448)</u>	<u>(3,868,833)</u>	<u>1,192,856</u>	
179,796	1,482,799	-	
(48,290)	(10,459,216)	(2,650,824)	
-	62,250	239,200	
-	(650,023)	-	
(12,092)	(1,092,092)	-	
(6,483)	(1,077,625)	-	
-	(1,160,050)	-	
-	4,389,590	-	
-	2,184,139	-	
<u>112,931</u>	<u>(6,320,228)</u>	<u>(2,411,624)</u>	
1,570	56,696	22,645	
<u>1,570</u>	<u>56,696</u>	<u>22,645</u>	
500,959	6,459,982	2,153,210	
1,323,365	55,788,923	15,441,725	
<u>\$ 1,824,324</u>	<u>\$ 62,248,905</u>	<u>\$ 17,594,935</u>	
\$ 1,809,910	\$ 46,969,477	\$ 17,580,156	
-	100	14,779	
14,414	15,279,328	-	
<u>\$ 1,824,324</u>	<u>\$ 62,248,905</u>	<u>\$ 17,594,935</u>	
\$ 562,953	\$ 8,321,276	\$ 820,904	
417,411	8,823,715	1,374,253	
281	(413,747)	-	
7,654	(36,641)	-	
(144,843)	(522,493)	176,810	
-	(84,847)	-	
(2,539)	277,390	-	
(219,970)	(72,718)	854,294	
5,959	230,987	3,716	
-	40,221	-	
-	51,614	-	
-	(22,410)	-	
-	-	119,356	
<u>\$ 626,906</u>	<u>\$ 16,592,347</u>	<u>\$ 3,349,333</u>	

City of Venice, Florida
Statement of Fiduciary Net Position
Pension Trust Funds
September 30, 2021

	ASSETS	Total Pension Trust Funds
Cash and cash equivalents		<u>\$ 2,793,137</u>
Receivables:		
Interest and dividends		84,824
Total receivables		<u>84,824</u>
Investments, at fair value:		
U.S. Government and agency obligations		6,368,419
Mortgage-backed obligations		7,020,938
Domestic equities		31,271,333
Foreign equities		1,436,478
Corporate obligations		3,285,666
Fixed income mutual funds		1,232,981
Real estate investment funds		7,161,931
Domestic equity mutual funds		9,465,779
Foreign equity mutual funds		11,997,681
Total investments		<u>79,241,206</u>
Total assets		<u>82,119,167</u>
	LIABILITIES	
Accounts payable		<u>28,315</u>
	NET POSITION	
Restricted for pension benefits		<u><u>\$ 82,090,852</u></u>

See accompanying Notes to Financial Statements.

City of Venice, Florida
Statement of Changes in Fiduciary Net Position
Pension Trust Funds
For the Year Ended September 30, 2021

	Total Pension Trust Funds
	<u> </u>
ADDITIONS	
Contributions:	
Employer	\$ 3,600,000
Plan members	139,246
State of Florida (passed through general fund)	426,176
Total contributions	<u>4,165,422</u>
Investment income:	
Net appreciation (depreciation) in fair value of investments	12,820,342
Interest and dividends	1,773,665
Investment income (loss)	<u>14,594,007</u>
Less investment expenses	<u>(386,928)</u>
Net investment income	<u>14,207,079</u>
Total additions	<u>18,372,501</u>
DEDUCTIONS	
Benefit payments	5,892,220
Administrative expense	137,683
Total deductions	<u>6,029,903</u>
Change in net position	12,342,598
Net position restricted for pension benefits at beginning of year	<u>69,748,254</u>
Net position restricted for pension benefits at end of year	<u>\$ 82,090,852</u>

See accompanying Notes to Financial Statements.



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City of Venice, Florida
Notes to Financial Statements

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the City of Venice, Florida, (City) have been prepared in conformity with accounting principles generally accepted (GAAP) in the United States of America as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

1. The financial reporting entity

The City of Venice, Florida, was established in 1927 as a municipality in the County of Sarasota, Florida, by Chapter 11776, Special Acts of 1925, Extraordinary Session, as amended. The City is functionally organized under a Council-Manager form of government and provides the following services as authorized by its charter: public safety, water and sewer utilities, solid waste collection, public improvements, municipal airport administration, culture-recreation, building and zoning, stormwater drainage, and general administrative services.

As required by GAAP, these financial statements present the activities of the City of Venice, Florida. No component units are included in these financial statements, as no entity meets the criteria for inclusion as a component unit.

The Mayor and/or City Council are responsible for appointing members of the Venice Housing Authority. However, the City's accountability for this organization does not extend beyond these appointments.

2. Government-wide and fund financial statements

The City's financial statements are prepared using the reporting model specified by GASB. As specified, the Basic Financial Statements (BFS) include both Government-Wide and Fund Financial Statements.

The Government-Wide Financial Statements (GWFS) (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the non-fiduciary activities of the City. Fiduciary funds are excluded from the GWFS since by definition these are being held for other parties and are not available for the City's operations. The effect of interfund activity has been removed from the GWFS except for quasi-external interfund services provided or used. Internal service fund net revenues/expenses are combined entirely within the governmental activities category.

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

The Government-Wide Statement of Net Position reports all financial and capital resources of the City, excluding those reported in the fiduciary funds. It is displayed in the format of assets, plus deferred outflows of resources, less liabilities, less deferred inflows of resources equals net position, with the assets and liabilities shown in order of their relative liquidity.

City of Venice, Florida Notes to Financial Statements

The Statement of Activities demonstrates the degree to which the direct expenses for a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. 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. The general revenues support the net costs of the functions and segments not covered by program revenues.

The financial transactions of the City are recorded in individual funds. Each fund is accounted for as a separate set of self-balancing accounts. Separate Fund Financial Statements (FFS) are presented for governmental funds, proprietary funds, and fiduciary funds. The emphasis of the FFS is on major funds. As such, the City's major governmental and enterprise funds are presented in separate columns within the FFS. Non-major funds are combined in a single column in the appropriate FFS, and fiduciary funds are shown by type. The City only has one type of fiduciary fund, the pension trust fund.

3. Measurement focus, basis of accounting, and financial statement presentation

The GWFS, the proprietary FFS and the fiduciary FFS are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* 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. In enterprise funds, the revenues are from customers. In internal service funds, they are from within the City. Operating expenses for proprietary funds include personnel, professional and contractual services, repair and maintenance, insurance and claims, utilities, depreciation, and other services and charges. All revenues and expenses not meeting the definition of *operating* are reported as nonoperating revenues and expenses.

Governmental FFS are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. This presentation is necessary to demonstrate: (1) legal and debt covenant compliance, (2) the sources and uses of liquid resources, and (3) how the City's actual revenues and expenditures conform to the annual budget. 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 City considers revenues to be available, generally, if they are collected within 45 days of the end of the current fiscal period (60 days for sales taxes and grants). 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, claims and judgments, pensions, and OPEB, are recorded only when the liability is due.

Taxes, franchise fees, intergovernmental revenues, certain fines and fees, and interest associated with the current fiscal period are all considered to be susceptible to accrual and have been

City of Venice, Florida
Notes to Financial Statements

recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only at time of receipt.

Because the governmental FFS are presented on a different basis of accounting than the GWFS, a reconciliation is provided immediately following each fund statement. These reconciliations explain the adjustments necessary to convert the governmental FFS into the governmental activities column of the GWFS.

Major and Nonmajor Funds

GASB sets forth minimum criteria for determination of major funds, i.e., a percentage of assets (plus deferred outflows of resources), liabilities (plus deferred inflows of resources), revenues, or expenditures/expenses of a fund category *and* of the governmental and enterprise funds combined. It also gives governments the option of displaying funds that do not meet this criteria as major funds.

Governmental funds are those through which most of the governmental functions of the City are financed. The City reports the following major governmental funds:

The *General Fund* is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The *One-Cent Voted Sales Tax Fund* is a capital projects fund that accounts for the proceeds from the City's share of the county-wide voter-adopted one-cent discretionary sales surtax. Proceeds are primarily restricted to expenditures for capital outlay under FS 212.055.

The *Building Permit Fees Special Revenue Fund* accounts for revenues primarily from building permits, which must be used for enforcing the Florida Building Code under Florida Statute 553.80.

Enterprise Funds are used to account for operations: (1) that are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered through user charges; or (2) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. The City reports the following major enterprise funds:

The *Water and Sewer Utility Fund* accounts for the activities associated with providing water and sewer services to the residents of the City. The City operates a sewage collection, treatment and disposal system, a water treatment plant and distribution system, and a reclaimed water distribution system.

The *Solid Waste Fund* accounts for the activities associated with providing waste collection and disposal services to the residents of the City, as well as recycling collection and processing.

The *Airport Fund* accounts for the activities associated with the operations of the City's municipal airport.

City of Venice, Florida
Notes to Financial Statements

The *Stormwater Drainage Fund* accounts for the activities of the stormwater utility, which provides stormwater drainage for the City.

One of the major funds listed above (the *Stormwater Drainage Enterprise Fund*) does not meet the technical threshold to require inclusion as a major fund. However, the City reports this fund as major fund because it believes that the information presented is of significant importance to the public.

Additionally, the government reports the following non-major and other fund types:

Special Revenue Funds are used to account for the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects.

Debt Service Funds are used to account for the accumulation of resources for the payment of principal and interest on governmental debt.

Capital Project Funds are used to account for resources restricted for the acquisition or construction of capital projects, and certain other large projects or capital outlay.

Internal Service Funds are used to account for services provided to other departments of the City on a cost-reimbursement basis. These include group health and life, workers' compensation, property and liability insurance, employee flexible spending accounts, and fleet replacement.

Pension Trust Funds account for the activities of the City's firefighters' and police officers' pension trust funds, which accumulate resources for pension benefit payments to plan members.

4. Assets, deferred outflows or inflows of resources, liabilities, and net position/fund balance

a) Deposits and investments

The City maintains a pool of cash and investments in which each fund participates on a dollar equivalent and transaction basis. Each fund's portion of the pool is reflected in the balance sheets or statements of net position as "pooled cash and investments." Small amounts of cash and certain bond proceeds that are not in the pool, are reported separately as "other cash" or "other investments." The investments of the pension trust funds are held by an investment custodian selected by the respective pension boards, and therefore are not pooled with other funds of the City.

Investment earnings from the pool are distributed monthly to each fund based upon the fund's average monthly balance within the pool. Funds that borrow from the pool receive a negative earnings allocation.

City of Venice, Florida Notes to Financial Statements

The City's cash and investment pool includes deposits in local government investment pools, and interest-bearing time deposits with financial institutions who qualify as "authorized depositories" under Florida law. The pension trust funds have broader investment options, including corporate stocks and bonds, mutual funds, real estate securities, and foreign investments.

Investments are reported at fair value, generally using a market approach. The hierarchy used to measure fair value prioritizes the inputs into three categories – level 1, level 2, and level 3 inputs – considering the relative reliability of the inputs, as follows:

Level 1 – Quoted prices in active markets for identical assets or liabilities.

Level 2 – Inputs other than quoted prices, that are observable, either directly or indirectly.

Level 3 – Unobservable inputs.

The valuations used for the City's (and pension trust fund) investments were obtained through third party custodians. Level 2 market values were determined by the City's investment advisors/custodians using a market approach, and matrix pricing techniques.

b) Cash and cash equivalents

For purposes of the statement of cash flows, cash and cash equivalents include pooled cash and investments, and other cash, whether restricted or unrestricted. Highly liquid investments with maturities of three months or less when purchased are reported as cash equivalents.

c) Receivables and payables

Activity between funds that represent 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 (if any), as reported in the fund financial statements, are offset by a nonspendable fund balance account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

All trade receivables are shown net of an allowance for uncollectibles.

City of Venice, Florida
Notes to Financial Statements

d) Inventories and prepaid items

All inventories are valued at cost (using average cost) in both governmental and proprietary fund types. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased.

Certain payments reflect costs applicable to future accounting periods and are recorded as prepaid items (using the consumption method) in both the GWFS and FFS.

e) Restricted assets

Certain pooled cash and investments are reported as restricted on the statements of net position. Restricted assets in the Airport Fund are from prior airport property sales and are restricted for FAA-approved capital improvements. Restricted assets in the Water and Sewer Utility Fund include capital improvement fees that are restricted to capital expansion, and bond-related accounts. Following are the balances in these accounts at September 30, 2021:

<i>Water and Sewer Utility Fund:</i>	
Sinking Funds	\$ 1,422,490
Debt service reserves	1,101,175
Renewal and replacement fund	1,000,000
Capacity improvement fees	8,658,877
Loan reserve	250,621
Sub-total	12,433,163
 <i>Airport Fund:</i>	
Property sales proceeds	2,831,751
 <i>Stormwater Fund:</i>	
Loan reserve	14,414
Total	\$ 15,279,328

f) Capital assets

Capital assets, which include property, plant, equipment, and infrastructure assets (i.e., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the GWFS and the proprietary FFS. Capital assets are defined by the City as assets with an initial, individual cost of more than \$5,000 (amount not rounded) and an estimated useful life extending beyond one year. Such assets are recorded at historical cost, or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

City of Venice, Florida
Notes to Financial Statements

Major outlays for capital assets and improvements are capitalized as projects are constructed. When material, interest incurred during the project construction phase for capital assets financed with bond proceeds (in business-type activities and enterprise funds only) is included as part of the capitalized value of the assets constructed. No interest was capitalized in 2021.

Property, plant, and equipment of the primary government are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	20-50
Building improvements	10-20
Water and sewer systems	10-50
Public domain infrastructure	50
Equipment	3-10

g) Deferred outflows and inflows of resources

In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. These deferred outflows represent a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow (expense) until then. Deferred outflows of resources at September 30, 2021, consist of the following:

Deferred Outflows of Resources:	Florida Retirement System		Firefighters' Pension	Police Officers' Pension	OPEB	Debt Refundings	Total
	FRS	HIS					
<i>Related to pensions</i>							
Employer contributions subsequent to measurement date	\$ 645,546	\$ 78,600	\$ -	\$ -	\$ -	\$ -	\$ 724,146
Changes in assumptions	3,356,094	540,486	579,817	-	-	-	4,476,397
Differences between actual and expected experience	840,687	230,168	-	-	-	-	1,070,855
Net difference between projected and actual investment earnings	-	7,171	-	-	-	-	7,171
Changes in proportion differences	1,990,529	875,658	-	-	-	-	2,866,187
	<u>6,832,856</u>	<u>1,732,083</u>	<u>579,817</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,144,756</u>
<i>Related to OPEB</i>							
Differences between actual and expected experience	-	-	-	-	837,987	-	837,987
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>837,987</u>	<u>-</u>	<u>837,987</u>
<i>Related to debt refundings</i>							
Unamortized loss on bond refunding	-	-	-	-	-	581,301	581,301
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>581,301</u>	<u>581,301</u>
Total	<u>\$ 6,832,856</u>	<u>\$ 1,732,083</u>	<u>\$ 579,817</u>	<u>\$ -</u>	<u>\$ 837,987</u>	<u>\$ 581,301</u>	<u>\$10,564,044</u>

In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources. These deferred inflows represent an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow (revenue) until then.

City of Venice, Florida
Notes to Financial Statements

Deferred inflows of resources at September 30, 2021, consist of the following:

Deferred Inflows of Resources:	Florida Retirement System		Firefighters' Pension	Police Officers' Pension	OPEB	Total
	FRS	HIS				
Related to pensions						
Changes in assumptions	\$ -	\$ 283,406	\$ -	\$ -	\$ -	\$ 283,406
Differences between actual and expected experience	-	2,881	207,229	-	-	210,110
Net difference between projected and actual investment earnings	17,111,544	-	2,510,215	6,181,448	-	25,803,207
	<u>17,111,544</u>	<u>286,287</u>	<u>2,717,444</u>	<u>6,181,448</u>	<u>-</u>	<u>26,296,723</u>
Related to OPEB						
Differences between actual and expected experience	-	-	-	-	467,854	467,854
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>467,854</u>	<u>467,854</u>
Total	<u>\$17,111,544</u>	<u>\$ 286,287</u>	<u>\$2,717,444</u>	<u>\$6,181,448</u>	<u>\$ 467,854</u>	<u>\$26,764,577</u>

h) Accounts payable

Accounts payable include trade and contract obligations due shortly after year-end. Accounts payable at September 30, 2021 also includes retainage payable of \$743,601.

i) Compensated absences and other post-employment benefits (OPEB)

It is the government's policy to permit employees to accumulate earned but unused vacation, sick pay, and other employee benefit amounts. These amounts are accrued when incurred in the GWFS and proprietary FFS. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

OPEB refers to postemployment benefits other than pension benefits and includes postemployment healthcare benefits and life insurance. Like pensions, OPEB arises from an exchange of salaries and benefits for employee services rendered and constitute part of compensation for those services. These amounts are accrued when incurred in the GWFS and proprietary FFS.

j) Long-term obligations

In the GWFS and proprietary FFS, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bonds payable are reported together with unamortized bond premiums/discounts and/or refunding losses. These premiums/discounts and refunding losses are then amortized over the life of the bonds using the effective interest method. Debt issuance costs are recognized as an expense in the period incurred.

In the governmental FFS, the face amount of new debt issued and any related premium, are reported as other financing sources while discounts are reported as other financing uses. Debt issuance costs are reported as debt service expenditures in the period incurred.

City of Venice, Florida
Notes to Financial Statements

k) Net Pension Liabilities/Assets and Pension Cost

In the GWFS and proprietary FFS, net pension asset (NPA) represents Plan assets in excess of pension liabilities in the City's single employer pension plan for police officers. In the GWFS and proprietary FFS, net pension liabilities (NPL) represent the unfunded balance of the City's single employer pension plan for firefighters, *plus the City's proportionate share of* the unfunded balance of the Florida Retirement System (FRS), the cost-sharing retirement system in which the City participates. The unfunded liabilities are considered obligations of the employer (the City). They represent the present value of projected benefit payments attributed to services through the measurement date *less* the balance of plan investments at that date. In the case of the City's two single employer plans, the measurement date of the NPA/NPL is the same as the City's year-end. In the case of the FRS, the measurement date coincides with the FRS June 30 fiscal year, three months prior to the City's year-end.

In the governmental FFS, pension cost (expenditure) is the actuarially determined required contribution to each plan (or the amount actually contributed, if greater). In the GWFS and the proprietary FFS, pension cost is on the full *accrual* basis, and therefore includes the current year adjustments to the NPL, as well as the current year changes in deferred outflows and inflows of resources related to pensions, discussed above. Total pension cost (expense) – all plans was \$3,109,701 for 2021.

l) Fund Balance and Net Position

In the FFS, governmental funds classify *fund balance* in a hierarchy based primarily on the extent to which constraints have been placed on the spending of the fund revenues. Fund balances are reported in governmental FFS in the following classifications:

- *Nonspendable fund balance* – Represents fund balance that is either (a) not in a spendable form (such as inventory and prepaid items) or (b) legally or contractually required to be maintained intact, such as an endowment.
- *Restricted fund balance* – Consists of amounts that can be spent only for the specific purposes stipulated by law, or by the external providers of those resources (such as grantors, bondholders), or by the City as a result of enabling legislation.
- *Committed fund balance* – Represents amounts constrained to specific purposes based on a formal action (ordinance) of the highest level of decision-making authority (the City Council). When reported as committed, the amounts will only be able to be used for a *different* purpose if the City Council removes or changes the constraint with a similar formal action (ordinance).
- *Assigned fund balance* – Amounts represent the intended use by the City Council or its designee. (To date, the City Council has not designated such by an individual or body for this purpose). To fall into this category, the purpose of the assignment must be narrower than the purpose of the fund itself. Formal action is *not* necessary to impose, modify, or remove a constraint in this category. Additionally, this category is used to reflect the appropriation of existing fund balance to eliminate a projected

City of Venice, Florida Notes to Financial Statements

deficit in the subsequent years' budget. It is also used for residual balances in special revenue, debt service, and capital projects funds.

- *Unassigned fund balance* – Represents the residual fund balance in the general fund, i.e., all amounts that have not been classified in the previous four categories. This category is also appropriate for deficit fund balances in other governmental funds, when applicable.

In the GWFS and the proprietary FFS, *net position* is displayed in three components: (1) net investment in capital assets, (2) restricted, and (3) unrestricted. Net investment in capital assets is the book value of capital assets reduced by the outstanding principal balance of related debt. Restricted net position represents net assets (reduced by related debt) where constraints were placed on their use that are either: (1) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or (2) imposed by law through constitutional provisions or enabling legislation. Unrestricted net position is the remainder of net position.

The City has a Fund Balance and Reserve Policy that states that it “will strive to maintain” an unassigned fund balance in the General Fund and Building Permit Fund equivalent to three months’ operating expenditures (25%), and an unrestricted net position of four months’ operating expenses (33%) in each of the four enterprise funds. The policy requires that a replenishment plan be established when the balances fall below these targets.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance/net position are available, the City considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the City considers amounts to have been spent first out of committed funds, then assigned and finally unassigned funds as needed, unless the City Council has provided otherwise.

5. Accounting estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America as applied to governmental entities requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements. Actual results could differ from these estimates.

NOTE B – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Budgetary information

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all governmental funds. Certain unexpended, encumbered amounts are automatically carried over to the subsequent year, and do not require re-appropriation.

City of Venice, Florida
Notes to Financial Statements

Not later than two months prior to the end of the fiscal year, the City Manager submits to the City Council a proposed operating budget for the fiscal year commencing October 1. The operating budget includes proposed expenditures and the means of financing them, by fund. The Council holds public hearings to obtain taxpayer comments and a final budget must be prepared and adopted by October 1, through the passage of an ordinance.

The appropriated budget is prepared by fund, function, and department. The City Manager has the authority to make line item transfers within fund budgets. Transfers of appropriations between funds require the approval of Council. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the fund level. The City Council can amend the budget as necessary throughout the year by adopting an amending ordinance in the same manner as the original budget adoption. The Council made five supplementary budgetary appropriations during the current year.

Encumbrance accounting is employed in governmental funds. Encumbrances (i.e., purchase orders, contracts) outstanding at year end, which are payable from restricted or committed resources, are included in that same category of fund balance. Encumbrances payable from assigned or unassigned resources, are classified as committed in the fund balance section of the governmental balance sheets.

Deficit Fund Balance of Individual Funds

No funds reported deficit fund balances or total net position at September 30, 2021.

Funds Where Expenditures Exceeded Appropriations

No funds reported expenditures over budget for the year ended September 30, 2021.

NOTE C – DEPOSITS AND INVESTMENTS

Municipalities in Florida are required by Chapter 280 of the Florida statutes (the Security for Public Deposit Act), to generally limit deposits of operating funds to financial institutions which are “qualified public depositories” (QPD’s) as defined in that statute. QPD’s are required to collateralize these public deposits with federal depository insurance, eligible securities, or a surety bond having an aggregate value at least equal to the amount of the deposits. Any loss to the City on these deposits would be covered by the depository insurance, sale of the securities pledged as collateral, if necessary, and assessments against other similar QPD’s, if necessary.

The City’s investment guidelines have been defined in a written investment policy, approved by the City Council. The policy applies to the cash and investment pool, and to all funds of the City, except the pension trust funds. Following is a list of authorized investments under the policy, and portfolio concentration limits by investment type:

City of Venice, Florida
Notes to Financial Statements

Authorized Investments	Maximum Concentration
Qualified intergovernmental investment pool	100%
U.S. government securities	100%
Specific U.S. government agency securities	80%
Time and savings accounts in QPD's	85%
Certain repurchase and reverse repurchase agreements	30%
Highest-rated, registered money market funds	100%
Bankers acceptances	10%
State or local government obligations	30%

At September 30, 2021, the City had the following deposits and investments:

Investment Type	Market Value	Weighted Average Maturity	Hierarchy Level
Pooled cash and investments:			
<i>Deposits</i>			
Financial institutions	\$ 16,143,048		
Bank money market accounts	20,423,379		
Total deposits	36,566,427		
<i>Investments</i>			
Florida Surplus Asset Fund Trust:			
FL SAFE Stable NAV Fund	21,608,079	54 days	Not applicable
FL SAFE Variable NAV Fund	19,676,186	Not applicable	Not applicable
State Board of Administration - PRIME	41,431,376	49 days	Not applicable
Total investments	82,715,641		
Total pooled cash and investments	119,282,068		
Other Cash and Investments:			
Petty cash	\$ 14,550		
Financial institutions	14,779		
Total other cash and investments	29,329		
Total - City	\$ 119,311,397		

Money Market accounts are held at local financial institutions, and are available for immediate withdrawal, with no restrictions.

The Florida Surplus Asset Fund Trust (FL SAFE) is a local government investment pool that serves the cash management needs of governments in Florida. FL SAFE is organized pursuant to Florida Statutes (FS) 163.01, is an authorized investment under FS 218.415, and invests according to the provisions of its Permitted Investments as listed in the Indenture of Trust. The Indenture of Trust provides for the creation of multiple separate investment portfolios called "Series" within the FL SAFE and sets forth the manner in which the Series can be created and managed.

City of Venice, Florida Notes to Financial Statements

Currently, FL SAFE includes a liquid stable net asset value \$1.00 fund (Stable NAV), a variable net asset value fund (Variable NAV) and one or more Term Series portfolios, as may be established from time to time. FL SAFE is governed by a Board of Trustees consisting of representatives from its local government members (the City Finance Director is a member of the Board). The Administrator is Florida Management and Administrative Services, LLC, and the Investment Advisor is Prudent Man Advisors, Inc.

The FL SAFE Stable NAV Fund is a liquid money market-like investment rated AAAM by Standard & Poor's. The fund invests in high-quality fixed income investments with a weighted average maturity of less than 60 days. It seeks to maintain, but does not guarantee, a constant net asset value at \$1.00 per share. The FL SAFE Variable NAV Fund invests in high-quality fixed income investments with an average maturity of about one year. It is rated AA Af/S1 by Standard & Poor's.

Florida PRIME is administered by the Florida State Board of Administration (SBA) and managed by professional money managers. Florida PRIME invests exclusively in short-term, high-quality fixed income securities rated in the highest short-term rating category by one or more nationally recognized statistical rating agencies, or securities of comparable quality. Florida PRIME has a Standard & Poor's rating of AAAM.

The City has no unfunded commitments to either the FL SAFE or Florida PRIME, and is allowed daily redemptions and investments with a 1-day minimum holding period.

Following is a discussion of the various risks applicable to the City's investments (excluding the pension trust funds), and how the City responds to those risks.

Interest Rate Risk – Interest rate risk exists when changes in interest rates could adversely affect an investment's fair value. When interest rates rise, the value of fixed rate securities fall. The City manages its exposure to declines in fair market values by reducing the weighted average maturity of its investment portfolio during periods of rising interest rates. In addition, unless matched to a specific cash flow, the City does not invest in securities maturing more than five years from date of purchase. Finally, the City uses a one-year treasury bond benchmark rate to measure performance.

Credit risk – Credit quality risk results from potential default of investments that are not financially sound. The City assures the credit quality of its portfolio by investing in state-approved investment pools and U.S. government/agency securities. In addition, the investment policy requires specific ratings for investments in money market funds, bankers' acceptances, and state/local government obligations.

Custodial Credit Risk - For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. The City's investment policy generally requires independent third party custodians, and for investments to be held in the city's name.

Concentration of Credit Risk – Concentration of credit risk is the risk of loss attributable to the dollar amount of investments with a single issuer. The table above shows the maximum portfolio

City of Venice, Florida
Notes to Financial Statements

concentration by investment type. With the exception of the U.S. government securities, each investment type is then further diversified by issuer.

Foreign Currency Risk – Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment. The City’s investment policy limits investments to domestic securities.

Firefighters’ and Police Officers’ Pension Trust Funds

The Pension Boards of Trustees (the Boards) of the Firefighters’ and Police Officers’ Pension Trust Funds (the Funds) have each adopted Investment Policy Statements that are required to be followed by the professional investment managers that select the Funds’ investments. These managers select specific investments within the authorized categories and asset allocation ranges established by the Boards. Certain investments require specific Board approval.

Authorized Investments

Authorized investments for both Funds include the following:

- Equities traded on a national exchange or electronic network, but not more than 5% of Fund assets in any one company,
- Fixed income securities with at least 85% having a minimum rating of investment grade or higher as reported by a major credit rating service, but not more than 3% of Fund assets in bonds issued by any single corporation,
- Real estate investments managed by experienced and qualified professional real property investment managers,
- Money market funds or STIF options with a minimum rating of A1/P1 or equivalent, by a major credit rating service,
- Pooled funds, such as Board approved mutual funds, commingled funds, and exchange-traded funds, limited partnerships, and private equity,
- Board approved group trusts meeting the requirements of Internal Revenue Service Revenue Ruling 81-100, or successor rulings.

Investment Objectives

The general investment objective for both Funds is to obtain a reasonable rate of return commensurate with the Prudent Investor Rule and any other applicable statutes or ordinances. Specific investment performance objectives include the following:

- The performance of the various asset classes in the portfolio will be compared to specified benchmarks on three and five-year rolling averages,
- On a relative basis, it is expected that the total portfolio will rank in the top 40th percentile of the appropriate peer universe over three and five-year time periods, and

City of Venice, Florida
Notes to Financial Statements

- On an absolute basis, the total portfolio return will equal or exceed the actuarial earnings assumption (6.75%) and provide inflation protection by meeting Consumer Price Index plus 3%.

Target Allocations

The following is the policy’s target allocation and allocation range:

Asset Class	Firefighters		Police Officers	
	Target Allocation	Range	Target Allocation	Range
Domestic equity	45%	40% - 60%	50%	40% - 70%
International equity	15%	10% - 20%	15%	5% - 20%
Broad market fixed income	25%	20% - 30%	25%	20% - 40%
Global fixed income	5%	0% - 10%	-	-
Real estate	10%	0% - 15%	10%	0% - 15%
Total	100%		100%	

There are other performance objectives written into the Investment Policy Statement for each of the above categories.

Portfolio Composition

Investments are held by the Funds’ custodians, trust companies having trust powers in the State of Florida. Investments in the Fund are reported at fair value. Level 2 hierarchy market values were determined by the custodians using a market approach, and matrix pricing techniques. Investment transactions are recognized on the trade date.

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City of Venice, Florida
Notes to Financial Statements

As of September 30, 2021, the Firefighters' Pension Trust Fund had the following investments:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Weighted Avg Maturity (Yrs)</u>	<u>Hierarchy Level</u>
U. S. Government & agency obligations	\$ 2,159,120	5.27	1
Mortgage-backed obligations	3,883,700	17.50	2
Corporate obligations	<u>793,745</u>	20.75	2
Total fair value	6,836,565		
Investments not subject to risk disclosures:			
Fixed income mutual funds	1,232,981		1
Domestic equities	6,718,994		1
Foreign equities	217,666		1
Domestic equity mutual funds	9,465,779		1
Real estate investment fund	3,050,949		Not Applicable
Foreign equity mutual fund	<u>5,103,430</u>		1
Total investments	<u>\$ 32,626,364</u>		

The U.S. Government and agency obligations shown above were rated Aaa by Moody's Investor Services at September 30, 2021 (except securities totaling \$265,000 were not rated), and AA+ by Standard and Poor's (except securities totaling \$1,542,000 were not rated). The mortgage-backed securities were not rated. The corporate obligations in the year-end portfolio were rated A1 to A3 by Moody's Investor Services and AA- to BBB+ by Standard and Poor's.

The real estate investment fund has no unfunded commitments at September 30, 2021. The redemption frequency is quarterly and requires 10 days' notice. The fund is valued at the net asset value (NAV) of units held at the end of the period based upon the fair value of the underlying investments.

At September 30, 2021, the Police Officers' Pension Trust Fund had the following investments:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Weighted Avg Maturity (Yrs)</u>	<u>Hierarchy Level</u>
U. S. Government & agency obligations	\$ 4,209,299	8.09	1
Mortgage-backed obligations	3,137,238	15.81	2
Corporate obligations	<u>2,491,921</u>	7.24	2
Total fair value	9,838,458		
Investments not subject to risk disclosures:			
Domestic equities	24,552,339		1
Foreign equities	1,218,812		1
Real estate investment fund	4,110,982		Not Applicable
Foreign equity mutual fund	<u>6,894,251</u>		1
Total investments	<u>\$ 46,614,842</u>		

City of Venice, Florida
Notes to Financial Statements

The U.S. Government and agency obligations shown above were rated Aaa by Moody's Investor Services at September 30, 2021 (except securities totaling \$364,987 were not rated), and AA+ by Standard and Poor's (except securities totaling \$1,417,408 were not rated). The mortgage-backed securities were not rated. The corporate obligations in the year-end portfolio were rated A1 to A3 by Moody's Investor Services and A- to BBB+ by Standard and Poor's.

The real estate investment fund has no unfunded commitments at September 30, 2021. The redemption frequency is quarterly and requires 30 days' notice. The fund is valued at the NAV of units held at the end of the period based upon the fair value of the underlying investments.

Investment Risks

The Investment Policy Statements adopted by the Funds do not further address how the Funds manage interest rate risk, credit risk, custodial credit risk, concentration of credit risk, or foreign currency risk. The Funds use investment performance monitors and independent third party custodians, and require investments be held in the Funds' name. Acquisitions of foreign investments are denominated in US dollars.

NOTE D – PROPERTY TAX

Property taxes are levied on November 1 of each year on real and personal property located within the City. Property taxes are based on the assessed values determined by the Sarasota County Property Appraiser as of the prior January 1, and millage rates approved by the City Council during the annual budget process. The State of Florida permits the City to levy taxes for the general fund of up to 10 mills annually. For the 2021 fiscal year, the City levied taxes of 4.360 mills for the general fund and an additional 0.5974 mills for debt service on general obligation bonds.

The Sarasota County Tax Collector bills and collects property taxes on behalf of the City. Taxes are due and payable upon receipt of the notice of levy, no later than March 31. Taxes become delinquent on April 1. If still unpaid on May 31, a lien is placed on the property and a related tax certificate is offered for sale at public auction. Any proceeds from the auction are remitted to the City in June.

Property tax revenues are recognized in the fiscal year they are levied. Receivables are not recorded for delinquent taxes, as the amount is not considered significant.

The property tax calendar is as follows:

July 1	Assessment roll validated.
September 30	Millage resolution approved.
October 1	Beginning of fiscal year for which tax is to be levied.
November 1	Tax bills rendered and due.
November 1 – March 31	Property taxes due with various discount rates.
April 1	Taxes delinquent.
May 31	Tax certificates sold by County.

City of Venice, Florida
Notes to Financial Statements

Property Tax Abatements

In 2010, the City established economic development policy guidelines governing the granting of ad valorem tax exemptions to qualifying businesses.

Two businesses currently receive partial property tax exemptions under the program. For 2021, property taxes totaling \$39,456 were abated on property valued at \$9.5 million.

NOTE E – CAPITAL ASSETS

Capital asset activity for governmental activities for the year ended September 30, 2021, was as follows:

Governmental activities:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets not being depreciated:				
Land	\$ 15,585,404	\$ -	\$ (3,435)	\$ 15,581,969
Construction in progress	6,821,305	10,156,637	(16,734,474)	243,468
Total capital assets not being depreciated	<u>22,406,709</u>	<u>10,156,637</u>	<u>(16,737,909)</u>	<u>15,825,437</u>
Other capital assets:				
Buildings	33,968,212	10,983,050	-	44,951,262
Other improvements	24,896,400	484,765	-	25,381,165
Machinery and equipment	25,435,851	6,583,586	(1,310,702)	30,708,735
Infrastructure	53,527,171	4,268,798	-	57,795,969
Total other capital assets - at cost	<u>137,827,634</u>	<u>22,320,199</u>	<u>(1,310,702)</u>	<u>158,837,131</u>
Less accumulated depreciation for:				
Buildings	9,574,782	1,066,660	-	10,641,442
Other improvements	13,292,849	1,052,343	-	14,345,192
Machinery and equipment	13,366,739	2,029,890	(1,191,434)	14,205,195
Infrastructure	22,800,473	1,728,897	-	24,529,370
Total accumulated depreciation	<u>59,034,843</u>	<u>5,877,790</u>	<u>(1,191,434)</u>	<u>63,721,199</u>
Governmental activities capital assets, net	<u>\$101,199,500</u>	<u>\$ 26,599,046</u>	<u>\$ (16,857,177)</u>	<u>\$110,941,369</u>

Depreciation expense was charged to functions/programs of the governmental activities as follows:

Governmental activities:	
General government	\$ 695,742
Information services	172,391
Parks and recreation	847,039
Police	958,066
Fire and EMS	766,687
Public works	2,437,865
Total governmental activities depreciation expense	<u>\$ 5,877,790</u>

City of Venice, Florida
Notes to Financial Statements

Capital asset activity for business-type activities for the year ended September 30, 2021, was as follows:

Business-type activities:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets not being depreciated:				
Land	\$ 2,628,498	\$ -	\$ -	\$ 2,628,498
Construction in progress	11,789,288	9,904,434	(11,221,255)	10,472,467
Total capital assets not being depreciated	<u>14,417,786</u>	<u>9,904,434</u>	<u>(11,221,255)</u>	<u>13,100,965</u>
Other capital assets:				
Buildings	12,066,770	4,664,471	-	16,731,241
Other improvements	140,000,966	1,809,996	-	141,810,962
Machinery and equipment	13,256,673	495,858	(689,549)	13,062,982
Infrastructure	77,163,911	6,304,997	-	83,468,908
Total other capital assets - at cost	<u>242,488,320</u>	<u>13,275,322</u>	<u>(689,549)</u>	<u>255,074,093</u>
Less accumulated depreciation for:				
Buildings	6,667,062	273,411	-	6,940,473
Other improvements	67,780,465	5,837,365	-	73,617,830
Machinery and equipment	10,098,112	504,688	(689,549)	9,913,251
Infrastructure	24,772,950	2,208,251	-	26,981,201
Total accumulated depreciation	<u>109,318,589</u>	<u>8,823,715</u>	<u>(689,549)</u>	<u>117,452,755</u>
Business-type activities capital assets, net	<u>\$ 147,587,517</u>	<u>\$ 14,356,041</u>	<u>\$ (11,221,255)</u>	<u>\$ 150,722,303</u>

Depreciation expense was charged to functions/programs of the business-type activities as follows:

Business-type activities:	
Water and sewer utility	\$ 6,099,758
Solid waste	61,707
Airport	2,244,839
Storm water drainage	417,411
Total business-type activities depreciation expense	<u>\$ 8,823,715</u>

Commitments

Commitments for uncompleted construction projects/capital purchases at September 30, 2021 consist of the following:

City of Venice, Florida
Notes to Financial Statements

Fund	Amounts Authorized	Expended to Date	Remaining Encumbered	Other Committed
Governmental Funds:				
<i>Major Funds:</i>				
General	\$ 300,593	\$ -	\$ 300,593	\$ -
Special revenue - Building Permits	617,573	24,869	574,055	18,649
Capital projects - One Cent Sales	1,785,465	-	1,785,465	-
<i>Non-Major Funds:</i>				
Capital projects - General	564,348	62,942	103,587	397,819
Capital projects - Streets	1,713,205	155,657	1,231,750	325,798
Capital projects - Buildings & Renov.	141,637	-	141,637	-
Capital projects - Gen. Gov. Impact	300,000	-	300,000	-
Enterprise Funds:				
<i>Major Funds:</i>				
Water and Sewer Utility	48,972,396	10,273,117	12,647,019	26,052,260
Solid Waste	13,158	-	13,158	-
Airport	2,602,216	199,349	2,099,364	303,503
Storm Water Drainage	164,796	-	164,694	102
Internal Service Funds:				
Fleet Replacement	577,025	-	577,025	-
Total	<u>\$ 57,752,412</u>	<u>\$ 10,715,934</u>	<u>\$ 19,938,347</u>	<u>\$ 27,098,131</u>

The above amounts represent construction commitments/capital purchases that have been encumbered or otherwise committed within the City's accounting records and do not require further spending authorization. Additional (non-capital) amounts totaling \$218,919 in the General Fund have also been encumbered, and are reported as committed fund balance at September 30, 2021. Non-capital related encumbrances city-wide are as follows:

	<u>Additional Encumbrances</u>
Governmental Funds:	
<i>Major Funds:</i>	
General	\$ 218,919
Special revenue - Building Permits	66,825
Capital projects - One Cent Sales	338,940
<i>Non-Major Funds</i>	52,556
Enterprise Funds:	
<i>Major Funds:</i>	
Water and Sewer Utility	1,037,074
Airport	675
Storm Water Drainage	451,660
Total	<u>\$ 2,166,649</u>

City of Venice, Florida
Notes to Financial Statements

NOTE F – INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

The composition of interfund balances at September 30, 2021, is as follows:

Due to/from other funds:

Due to and due from other funds, are short-term loans usually to cover a temporary cash deficit in a fund. This may occur when a fund has made grant-related expenditures and is waiting on reimbursement, or for other reasons. There were no interfund short-term loans outstanding at September 30, 2021.

Interfund Transfers:

Following is a table of interfund transfers during the year ended September 30, 2021, with the purpose noted by numerical reference to the above listing:

	Transfers In				Totals
	General Fund	Streets Fund	Beach Renourishment Fund	Internal Service Funds	
Transfers Out:					
Major Governmental Funds:					
Building Permits	\$ 444,418 (2)	\$ -	\$ -	\$ -	\$ 444,418
Non-major Governmental Funds:					
Motor Fuel Tax Fund	807,300 (1)	384,800 (1)	-	-	1,192,100
One Cent Voted Sales Tax	-	-	250,000 (1)	-	250,000
Water & Sewer Utilities Fund	1,875,246 (2)	-	-	877,434 (3)	2,752,680
Solid Waste Fund	475,899 (2)	-	-	149,980 (3)	625,879
Airport Fund	278,392 (2)	-	-	65,000 (3)	343,392
Storm Water Drainage Fund	274,164 (2)	-	-	100,442 (3)	374,606
Internal Service Funds	-	-	-	10,000 (4)	10,000
Totals	<u>\$ 4,155,419</u>	<u>\$ 384,800</u>	<u>\$ 250,000</u>	<u>\$ 1,202,856</u>	<u>\$ 5,993,075</u>

Transfers are used for the following purposes:

- (1) to move restricted revenues from the funds where they are deposited to the funds where they are budgeted for expenditure,
- (2) to move indirect costs (administrative charges) from the user departments to the general fund,
- (3) to move funds from user departments to the fleet services fund for the city’s fleet replacement program and associated costs,
- (4) to provide fund working capital.

City of Venice, Florida
Notes to Financial Statements

NOTE G – LONG-TERM LIABILITIES

Long-term liability activity for the year ended September 30, 2021, was as follows:

Governmental activities:	Beginning Balance	Additions	(Reductions)	Ending Balance	Due Within One Year
General obligation bonds payable	\$ 33,187,000	\$ -	\$ (1,390,000)	\$ 31,797,000	\$ 1,435,000
Unamortized bond premium	1,060,308	-	(232,436)	827,872	-
Notes payable	150,000	-	(150,000)	-	-
Lease-purchase obligation	1,400,720	-	(263,873)	1,136,847	271,769
Net pension liabilities:					
FRS and HIS	25,222,942	-	(15,855,335)	9,367,607	-
Firefighters' Pension	17,763,254	-	(3,633,405)	14,129,849	-
Police Officers' Pension*	3,482,694	-	(6,594,622)	(3,111,928)	-
Compensated absences	1,496,275	1,087,070	(1,105,880)	1,477,465	738,733
Total OPEB liability	9,399,913	-	(760,967)	8,638,946	-
Totals	\$ 93,163,106	\$ 1,087,070	\$(29,986,518)	\$ 64,263,658	\$ 2,445,502
Business-type activities:					
Revenue bonds	\$ 31,085,000	\$ 400,000	\$ (1,080,000)	\$ 30,405,000	\$ 1,315,000
Unamortized bond premium	1,544,075	-	(701,286)	842,789	-
Notes payable	6,473,281	1,482,799	(662,115)	7,293,965	726,692
Net pension liabilities:					
FRS and HIS	6,785,869	-	(4,370,325)	2,415,544	-
Compensated absences	494,819	410,581	(370,360)	535,040	267,520
Total OPEB liability	1,652,307	17,754	(139,559)	1,530,502	-
Totals	\$ 48,035,351	\$ 2,311,134	\$ (7,323,645)	\$ 43,022,840	\$ 2,309,212

* Reported as a net pension asset on the statement of net position at September 30, 2021.

In governmental activities, payments on bonds payable are made by the debt service fund, payments on notes payable are made by the One Cent Voted Sales Tax special revenue fund, and payments on lease-purchase obligations are made by the General Fund. The compensated absences, net pension liabilities, and total OPEB liability attributed to the governmental activities, will be liquidated by the General Fund.

On December 22, 2020 the City issued Taxable Utility System Refunding Revenue Bonds, Series 2020, in the par amount of \$17,750,000, to advance-refund the remaining principal outstanding on the City's Utility System Revenue bonds, Series 2012, in the par amount of \$17,350,000. The primary purpose was to achieve interest rate savings. The final maturity was unchanged. Debt Service Reserve cash of \$1,160,050 was contributed to the transaction.

The net proceeds of \$18,593,044 were used to purchase non-interest bearing U.S. government securities at a discount to par. These securities were deposited with an escrow agent to provide for the payment of scheduled principal and interest on the refunded debt through the first call date of December 1, 2022, whereupon the outstanding balance will be paid in full, with no call premium. The deferred amount at refunding was \$604,187, which is the reacquisition price of \$18,593,044 less

City of Venice, Florida
Notes to Financial Statements

the carrying amount of the old debt (\$17,988,857 including unamortized premium). This loss will be amortized over the life of the refunding bonds using the straight-line method. The City achieved a gross debt service savings on the transaction of \$2,001,660 and a net present value savings of \$1,340,317 (after issuance costs of \$301,332).

The City's bonds and notes payable are described in the tables below and on the following pages.

Description of Debt

	Principal Outstanding	Unamortized Premium
Governmental Activities:		
\$3,482,000 Recreation Capital Improvement General Obligation Refunding Bond, Series 2020. Issued at par. Interest is payable semi-annually on February 1 and August 1 at 2.09%, with principal due in annual installments of \$470,000 - \$527,000 beginning February 1, 2021 through February 1, 2027. The full faith, credit and taxing power of the City are pledged for the full and prompt payment of the principal and interest on the Bonds. Purpose: Refunding of 2014 Bonds (original purpose: construct a park, beach renourishment, community center improvements, and fishing pier).	\$ 3,012,000	\$ -
\$15,420,000 General Obligation Bonds (Public Safety Improvements), Series 2017. Issued at par plus a net premium of \$578,246. Interest is payable semi-annually on February 1 and August 1 at coupon rates varying from 3.0% to 5.0% (all-in true interest cost is 3.36%), with principal due in annual installments of \$130,000 - \$815,000 beginning February 1, 2018 through February 1, 2047. The full faith and credit and taxing power of the City are pledged for the full and prompt payment of the principal and interest on the Bonds. Purpose: financing the costs of certain public safety-related capital improvements.	14,395,000	221,253
\$16,725,000 General Obligation Bonds (Transportation Improvements), Series 2017. Issued at par plus a net premium of \$1,272,715. Interest is payable semi-annually on February 1 and August 1 at coupon rates varying from 2.0% to 5.0% (all-in true interest cost is 3.19%), with principal due in annual installments of \$565,000 - \$1,170,000 beginning February 1, 2018 through February 1, 2037. The full faith and credit and taxing power of the City are pledged for the full and prompt payment of the principal and interest on the Bonds. Purpose: financing the costs of certain road and transportation-related capital improvements.	14,390,000	606,619
Total Governmental Activities - General Obligation Bonds	\$ 31,797,000	\$ 827,872
Lease-Purchase Obligation:		
\$1,400,720 lease-purchase of 4 Braun ambulances, 8 Lifepak monitors and 8 med vaults. Lease payments are \$305,785 annually each November 1 for five years, beginning November 1, 2020, including interest at 2.99%. Titles transfer to the City at the end of the lease.	\$ 1,136,847	\$ -

City of Venice, Florida
Notes to Financial Statements

	Principal Outstanding	Unamortized Premium
Business-Type Activities:		
Revenue Bonds:		
\$17,750,000 Taxable Utility System Refunding Revenue Bonds, Series 2020. Issued at par. Interest is payable semi-annually on December 1 and June 1 at coupon rates varying from 0.201% to 2.641% (all-in true interest cost is 2.40%), with principal due in annual installments of \$695,000 - \$1,005,000 beginning December 1, 2021 through December 1, 2042. The Bonds are secured by a senior lien on water and sewer revenues. Purpose: Refund 2012 Bonds (original purpose: to finance cost of design, permitting, acquisition, construction, and reconstruction of water and sewer capital projects.)	\$ 17,750,000	\$ -
\$15,355,000 Utility System Revenue Bonds (Green Bonds) Series 2015. Issued at par plus a net premium of \$1,248,576. Interest is payable semi-annually on December 1 and June 1 at coupon rates varying from 2.0% to 5.0% (all-in true interest cost is 3.23%), with principal due in annual installments of \$490,000 - \$1,080,000 beginning December 1, 2016 through December 1, 2035. The Bonds are secured by a senior lien on water and sewer revenues on a parity with the Series 2012 Bonds (above) and the Series 2013 Note (below). Purpose: finance cost of acquisition, construction, and equipping of various water and sewer capital	<u>12,655,000</u>	<u>842,789</u>
Total Business-Type Activities - Revenue Bonds	<u><u>\$ 30,405,000</u></u>	<u><u>\$ 842,789</u></u>
Revenue Notes:		
\$4,157,000 Utility System Revenue Refunding Note, Series 2013. Issued at par. Interest and principal are payable semi-annually with interest at 1.65% and principal due in installments of \$183,000 - \$214,000 through August 15, 2023. The Note is secured by a senior lien on water and sewer revenues on a parity with the Series 2012 and 2015 Bonds (above). Purpose: Refunding of Series 2001 & Series 2002 SRF Loans, plus costs of issuance (original projects were wastewater re-use, utility upgrades and improvements).	\$ 844,000	\$ -
Up to \$8,449,718 State Revolving Fund (SRF) Construction Loan #DW 580430 from State of Florida Department of Environmental Protection (FDEP). Draws are permitted as eligible project costs are incurred. Repayment is in 40 equal semi-annual payments beginning September 15, 2021 through March 15, 2041 including interest at a blended rate of approximately 0.97%. The Note is secured by a junior lien on water and sewer revenues on a parity with other SRF Loans. Purpose: Qualified drinking water supply and distribution projects. Balance represents draws, fees, and accrued interest to date.	5,458,364	-
\$587,140 SRF Construction Loan #WW 580440 from FDEP. Repayment is in 40 equal semi-annual payments beginning July 15, 2018 through January 15, 2038 with no interest. The Note is secured by a junior lien on water and sewer revenues on a parity with other SRF Loans. Purpose: Qualified reclaimed water distribution	476,094	-
\$527,599 SRF Construction Loan #SW 580460 from FDEP. Repayment is in 40 equal semi-annual payments beginning June 15, 2021 through December 15, 2040 including interest at an interest rate of .88%. The Note is secured by a lien on storm water revenues. Purpose: Live Oak stormwater project.	<u>515,507</u>	-
Total Business-Type Activities - Revenue Notes	<u><u>\$ 7,293,965</u></u>	<u><u>\$ -</u></u>

City of Venice, Florida
Notes to Financial Statements

Debt Maturity

Debt service requirements at September 30, 2021 were as follows:

Year Ended September 30,	Governmental Activities			
	Bonds Payable		Notes/Leases Payable	
	Principal	Interest	Principal	Interest
2022	\$ 1,435,000	\$ 1,128,174	\$ 271,769	\$ 34,016
2023	1,495,000	1,068,892	279,900	25,885
2024	1,550,000	1,007,026	288,276	17,509
2025	1,625,000	942,274	296,902	8,883
2026	1,685,000	874,510	-	-
2027-2031	7,197,000	3,467,017	-	-
2032-2036	7,970,000	2,163,272	-	-
2037-2041	4,320,000	1,041,320	-	-
2042-2046	3,705,000	457,807	-	-
2047	815,000	13,753	-	-
Totals	\$ 31,797,000	\$ 12,164,045	\$ 1,136,847	\$ 86,293

Year Ended September 30,	Business-Type Activities			
	Bonds Payable		Notes Payable *	
	Principal	Interest	Principal	Interest
2022	\$ 1,315,000	\$ 802,546	\$ 471,198	\$ 16,693
2023	1,345,000	778,914	479,413	9,548
2024	1,365,000	753,256	53,630	4,052
2025	1,405,000	715,047	53,848	3,833
2026	1,450,000	673,597	54,069	3,613
2027-2031	7,905,000	2,695,834	273,718	14,689
2032-2036	9,090,000	1,512,795	279,528	8,879
2037-2041	4,545,000	568,145	170,197	2,808
2042-2043	1,985,000	52,754	-	-
	\$ 30,405,000	\$ 8,552,888	\$ 1,835,601	\$ 64,115

* Debt service on the SRF Note #DW580430 is not included above because the loan is not fully drawn. The first semi-annual payment of \$236,194 was made on the Note on September 15, 2021. A final draw of \$949,436 is expected in 2022 at an interest rate of 1.45%, bringing the final loan amount to approximately \$6.6 million. At that point, the semi-annual loan payment amount will be adjusted to provide for level debt service over the remaining term.

City of Venice, Florida
Notes to Financial Statements

Pledged Revenues

The City has pledged future water and sewer utility net revenues toward the repayment of its enterprise fund bonds and notes. Net revenues are defined in the bond/note resolutions, and include certain gross revenues, less operating costs (excluding depreciation) of the enterprise funds. Following is information related to these pledged revenues as of September 30, 2021:

Pledged Revenue	Revenue Pledged Through	Total Principal and Interest Outstanding	Current Year Principal and Interest Paid	Current Year Net Revenues	Percentage of Revenues to Principal and Interest Paid
Water/sewer net revenues	2043	\$ 40,295,472	\$ 2,766,820	\$ 13,192,387	476.8%
Stormwater net revenues	2041	562,132	14,413	981,934	6812.8%

Conduit Debt

From time to time, the City has issued Industrial Revenue Bonds to provide financial assistance to private sector entities for the acquisition and construction of industrial and commercial facilities deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loans. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private sector entity served by the bond issuance. Neither the City, the State, nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements.

During fiscal year 2016 the City issued \$3,850,000 Florida Educational Facilities Revenue Refunding Bonds (Island Village Montessori Charter School Project), Series 2016. The principal amount payable at September 30, 2021 is \$1,760,384.

During fiscal year 2020 the City issued \$17,330,000 Retirement Community Revenue Improvement Bonds (Village on the Isle Project), Series 2019. The principal amount payable at September 30, 2021 is \$17,330,000 (interest only until 2033).

Defeased Debt

The City's Utility System Revenue Bonds, Series 2012, in the outstanding par amount of \$17,350,000, remain outstanding at September 30, 2021. These bonds will be retired under terms of an escrow deposit agreement on or before December 1, 2022.

NOTE H – EMPLOYEE RETIREMENT SYSTEMS

The City maintains two single-employer, public employee retirement systems. Assets are held separately from other City funds and may be used only for the payment of benefits to the members of the respective plans. Each plan is accounted for as a pension trust fund in the City's financial statements, which are prepared using the accrual basis of accounting. Employee and employer contributions are recognized as revenues in the period in which employee contributions are due and a formal commitment has been made by the employer. Benefits and refunds are recognized when due and payable in accordance with the terms of each plan. The Firefighters' and Police

City of Venice, Florida
Notes to Financial Statements

Officers' Pension Trust Funds issue annual financial reports that include financial statements and required supplementary information. The reports may be obtained from the City Finance Director.

Certain employees of the City also participate in the Florida Retirement System, a multiple-employer cost-sharing, public retirement system. Required disclosures for these three retirement systems follow.

FIREFIGHTERS' PENSION PLAN

General Information about the Firefighters' Pension Plan

Plan description

The City of Venice, Municipal Firefighters' Pension Plan (the Plan), a single employer defined benefit public employee retirement plan, is administered in accordance with the City Charter and Florida Statute 175. The Plan is administered by a Board of Trustees comprised of:

- a) Two City Council appointees who are City residents,
- b) Two elected members of the City's fire department, and
- c) A fifth member elected by the other four and appointed by Council.

Eligible members of the Plan have full-time employment with the City as a firefighter. The Plan is closed to firefighters hired after September 30, 2014. Members active on September 30, 2014, were given the option of participating prospectively in the Florida Retirement System.

Following is a brief description of the changes in benefit terms and/or actuarial assumptions during the year ended September 30, 2021:

Benefit Changes:

- None

Changes in Actuarial Assumptions:

For the year ending September 30, 2021, the following changes were made as a result of an experience study dated September 10, 2021:

- The investment rate of return was lowered from 6.75% to 6.50% per year, compounded annually, net of investment related expenses.
- The salary rates were decreased overall.
- The withdrawal rates were adjusted, resulting in generally more withdrawals for members with less than 13 years of service, followed by a 2% assumption for members between 13 and 19 years of service.

City of Venice, Florida
Notes to Financial Statements

Plan Membership as of October 1, 2020 (latest valuation)

Inactive Plan members or beneficiaries currently receiving benefits	43
Inactive Plan members entitled to but not yet receiving benefits	15
Active Plan members	21
Total	<hr style="border: 1px solid black;"/> <hr style="border: 1px solid black;"/> 79

Benefits Provided

The Plan provides retirement, termination, disability and death benefits.

Normal Retirement:

Eligibility: Earlier of age 55 and 10 years of credited service, or 25 years of credited service, regardless of age.

Benefit Amount: 3.50% of average final compensation times years of credited service, plus \$175 per month for members eligible for normal retirement as of October 1, 2014. The benefit accrual rate is 2.75% for credited service on and after October 1, 2014 for members not eligible for normal retirement as of that date.

Form of Benefit: 10 years certain and life thereafter. Optional forms are available.

Early Retirement:

Eligibility: Earlier of age 50 and 10 years of credited service, or the completion of 20 years of credited service regardless of age for members with 10 or more years of credited service as of October 1, 2014. Early retirement is not available for members with less than 10 years of credited service as of that date.

Benefit: Deferred benefit payable at normal retirement date or reduced 2% per year and payable immediately.

Disability:

Eligibility: Total and permanent as determined by the Board. Members are covered from date of employment for service-incurred disabilities and after five years of service for non-service disabilities.

Benefit: Greater of 2% times average final compensation times credited service, or 50% of average final compensation. Benefits are payable as a 100% joint and survivor annuity to spouse or children. Optional forms are available.

Pre-Retirement Death:

Eligibility: Coverage in effect from date of employment for service-incurred death and after five years of service for non-service incurred death.

City of Venice, Florida
Notes to Financial Statements

Benefit: 50% of average final compensation paid to spouse until death, if service incurred, or until death or remarriage, if non-service incurred.

Minimum Benefit for Vested Members: Accrued benefit, less any spouse or surviving children benefits payable.

Cost-of-Living Adjustment:

Normal and early service retirees who retire after October 1, 1998 receive a 3.0% increase each year after retirement through age 65. For members not eligible for normal retirement as of October 1, 2014, no cost-of-living adjustments are applicable to benefits based on credited service after that date.

Vesting (Termination):

Less than 10 years of contributing service: Refund of member contributions.

10 years or more: Accrued benefit payable at early retirement age or later if member contributions left in Plan; otherwise, refund of member contributions. Additionally, members are 100% vested for benefits accrued prior to October 1, 2014, regardless of accrued service as of that date.

Share Plan

Funded using half the excess state monies reserve as of September 30, 2018. Future allocations of state monies in excess of \$296,000.

Contributions

Employee: Required to contribute 7.00% of salary to the Plan.

State of Florida: 1.85% property insurance premium tax.

City of Venice: Remaining amount necessary for payment of normal (current year's) cost and amortization of the accrued past service liability, as provided in Part VII of Florida Statutes Chapter 112.

During the year ended September 30, 2021, contributions totaling \$2,711,264 were made in accordance with contribution requirements determined by an actuarial valuation of the Plan as of October 1, 2019. The City contributed \$2,400,000 (including excess contributions of \$216,870), members contributed \$122,301, and the State contributed \$188,963.

Net Pension Liability of the City (Firefighter's Plan)

The measurement date for the total/net pension liability is September 30, 2021, same as the reporting date. The measurement period for pension expense was October 1, 2020 to September 30, 2021. The components of the City's net pension liability at September 30, 2021, related to the Firefighters' Plan, were as follows:

City of Venice, Florida
Notes to Financial Statements

Total pension liability	\$ 47,855,392
Plan fiduciary net position	(33,725,543)
City's net pension liability	<u>\$ 14,129,849</u>

Plan fiduciary net position as a
percentage of total pension liability 70.47%

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of October 1, 2020, updated to September 30, 2021 using the following actuarial assumptions:

Inflation	2.50%
Salary Increases	Service based
Discount Rate	6.50%
Investment Rate of Return	6.50%

Mortality Rate Healthy Active Lives:

- Female: PubS.H-2010 for Employees, set forward one year.
- Male: PubS.H-2010 for Employees, set forward one year.

Mortality Rate Healthy Retiree Lives:

- Female: PubS.H-2010 (Above Median) for Healthy Retirees, set forward one year.
- Male: PubS.H-2010 (Above Median) for Healthy Retirees, set forward one year.

Mortality Rate Beneficiary Lives:

- Female: PubG.H-2010 (Above Median) for Healthy Retirees.
- Male: PubG.H-2010 (Above Median) for Healthy Retirees, set back one year.

Mortality Rate Disabled Lives:

- PubG.H-2010 for Disabled Retirees / 20% PubS.H-2010 for Disabled Retirees.

All rates are projected generationally with Mortality Improvement Scale MP-2018.

The most recent actuarial experience study used to review the other significant assumptions was dated September 10, 2021.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) are developed for each major asset class. For 2021, the inflation rate assumption of the investment advisor was 2.50%. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Best estimates of arithmetic real rates of return for each major asset class included in the Plan's target asset allocation as of September 30, 2021 are summarized in the following table:

City of Venice, Florida
Notes to Financial Statements

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long Term Expected Real Rate of Return</u>
Domestic Equity	45%	7.50%
International Equity	15%	8.50%
Broad Market Fixed Income	25%	2.50%
Global Fixed Income	5%	3.50%
Real Estate	10%	4.50%
Total	<u>100%</u>	

Discount Rate

The discount rate used to measure the total pension liability was 6.50%, versus 6.75% used in the prior year. The projection of cash flows used to determine the discount rate assumed that Plan member contributions will be made at the current contribution rate and that sponsor contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on Plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in Net Pension Liability (Firefighters' Plan)

	<u>Increase (Decrease)</u>		
	<u>Liability (a)</u>	<u>Net Position (b)</u>	<u>Liability (a) - (b)</u>
Balances at September 30, 2020	\$ 46,048,847	\$ 28,285,593	\$ 17,763,254
<i>Changes for the Year:</i>			
Service cost	830,057	-	830,057
Interest	3,068,569	-	3,068,569
Differences between expected and actual experience	(414,457)	-	(414,457)
Changes of assumptions	1,159,634	-	1,159,634
Changes of benefit terms	-	-	-
Contributions - employer	-	2,400,000	(2,400,000)
Contributions - State	-	188,963	(188,963)
Contributions - employee	-	122,301	(122,301)
Net investment income	-	5,626,260	(5,626,260)
Benefit payments, including refunds of employee contributions	(2,837,258)	(2,837,258)	-
Administrative expense	-	(60,316)	60,316
Net Changes	<u>1,806,545</u>	<u>5,439,950</u>	<u>(3,633,405)</u>
Balances at September 30, 2021	<u>\$ 47,855,392</u>	<u>\$ 33,725,543</u>	<u>\$ 14,129,849</u>

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following table presents the net pension liability calculated using the discount rate of 6.50%, as well as what the Plan's net pension liability would be if it were calculated using a discount rate that is one percentage-point lower (5.50%) or one percentage-point higher (7.50%) than the current rate:

City of Venice, Florida
Notes to Financial Statements

	1% Decrease (5.50%)	Current Discount Rate (6.50%)	1% Increase (7.50%)
City's net pension liability - Firefighters' Pension	\$ 19,315,930	\$ 14,129,849	\$ 9,799,383

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to the Firefighters' Pension Plan

For the year ended September 30, 2021 the City recognized pension expense of \$2,637,711 for the Firefighters' Plan. At September 30, 2021, the City has deferred outflows of resources and deferred inflows of resources related to the Plan as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 207,229
Changes of assumptions	579,817	-
Net difference between projected and actual earnings on Plan investments	-	2,510,215
Total	\$ 579,817	\$ 2,717,444

Net deferred outflows/inflows of resources shown above will be recognized in pension expense in the following years:

<u>Year ended September 30:</u>	
2022	\$ (178,923)
2023	(475,468)
2024	(738,582)
2025	(744,654)
Total	\$ (2,137,627)

POLICE OFFICERS' PENSION PLAN

General Information about the Police Officers' Pension Plan

Plan description

The City of Venice, Municipal Police Officers' Pension Plan (the Plan), a single-employer defined benefit public employee retirement plan, is administered in accordance with the City Charter and Florida Statute 185. The Plan is administered by a *Board of Trustees* comprised of:

- d) Two City Council appointees who are City residents,
- e) Two elected members of the City's police department, and
- f) A fifth member elected by the other four and appointed by Council.

Eligible members of the Plan have full-time employment with the City as a sworn police officer. The Plan is closed to police officers hired after September 30, 2014. Members active on September 30, 2014, were given the option of participating prospectively in the Florida Retirement System.

City of Venice, Florida
Notes to Financial Statements

Following is a brief description of the changes in benefit terms and/or actuarial assumptions during the year ended September 30, 2021:

Benefit Changes:

- None

Changes in Actuarial Assumptions:

- None

Plan Membership as of October 1, 2020 (latest valuation)

Inactive Plan members or beneficiaries currently receiving benefits	57
Inactive Plan members entitled to but not yet receiving benefits	30
Active Plan members	5
Total	<hr style="border: 1px solid black;"/> <hr style="border: 1px solid black;"/> 92

Benefits Provided

The Plan provides retirement, termination, disability and death benefits.

Normal Retirement:

Eligibility: Earlier of age 52 and 10 years of credited service, or 25 years of credited service.

Benefit Amount: 3.50% of average final compensation times credited service through September 30, 2014, plus 2.75% of average final compensation times credited service on and after October 1, 2014, plus \$175 per month supplement. Members eligible for normal retirement as of October 1, 2014 will continue to accrue benefits under Plan provisions in effect prior to Ordinance No. 2014-23.

Form of Benefit: 10 years certain and life annuity. Optional forms are available.

Early Retirement:

Eligibility: 20 years of credited service, regardless of age. There is no early retirement option for members with less than 10 years of credited service as of October 1, 2014.

Benefit: Accrued benefit, reduced 2% per year preceding normal retirement date.

Disability:

Eligibility: Total and permanent as determined by the Board.

Service Incurred: Covered from date of employment.

Non-Service Incurred: Covered after 5 years of credited service.

City of Venice, Florida
Notes to Financial Statements

Benefit: 62.5% (service incurred), or 50% (non-service incurred) of salary (base hourly pay, plus shift differential plus incentive pay) at time of disability plus \$175 per month. Paid as a 100% joint and survivor annuity.

Pre-Retirement Death Benefits:

Service Incurred: Covered from date of employment. 62.5% of earnings paid to spouse until death, or if no spouse, in equal shares to dependent children.

Non-Service Incurred: Eligible after 5 years of credited service. 50% of earnings paid to spouse until death or remarriage, or if no spouse, in equal shares to dependent children.

Vesting (Termination):

Members are 100% vested for benefits accrued prior to October 1, 2014.

Deferred Retirement Option Plan

Eligibility: Satisfaction of normal retirement requirements.

Participation: Not to exceed 60 months.

Rate of return: At member's election: a) an effective annual rate of 6.50%, or b) actual net rate of investment return.

Form of Distribution: Cash lump sum at termination of employment. Optional forms are available.

Chapter 185 Share Account

Pursuant to Chapter 2015-39, Laws of Florida, a share plan exists but is currently not funded as the City and membership mutually consented to allow the City to use all annual state monies to offset its funding requirement.

Contributions

Employee: Required to contribute 7.00% of their salary to the Plan.

State of Florida: 0.85% casualty insurance premium tax.

City of Venice: Remaining amount required in order to pay current costs and amortize unfunded past service cost, if any, over 30 years. In no event will City contributions be less than 12% of the total salary of the members.

During the year ended September 30, 2021, contributions totaling \$1,454,158 were made in accordance with contribution requirements determined by an actuarial valuation of the Plan as of October 1, 2019. The City contributed \$1,200,000 (including excess contributions of \$597,689), members contributed \$16,945, and the State contributed \$237,213.

Net Pension Liability of the City (Police Officers' Plan)

The measurement date for the total/net pension liability is September 30, 2021, same as the reporting date. The measurement period for pension expense was October 1, 2020 to September 30, 2021. The components of the City's net pension liability at September 30, 2021, related to the Police Officers' Plan, were as follows:

City of Venice, Florida
Notes to Financial Statements

Total pension liability	\$ 45,253,381
Plan fiduciary net position	(48,365,309)
City's net pension liability (asset)	<u>\$ (3,111,928)</u>

Plan fiduciary net position as a
percentage of total pension liability 106.88%

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of October 1, 2020 updated to September 30, 2021 using the following actuarial assumptions:

Inflation	2.50%
Salary Increases	Service Based
Discount Rate	6.75%
Investment Rate of Return	6.75%

Mortality Rate Healthy Active Lives:

- Female: PubS.H-2010 for Employees, set forward one year.
- Male: PubS.H-2010 (Below Median) for Employees, set forward one year.

Mortality Rate Healthy Retiree Lives:

- Female: PubS.H-2010 (Above Median) for Healthy Retirees, set forward one year.
- Male: PubS.H-2010 (Above Median) for Healthy Retirees, set forward one year.

Mortality Rate Beneficiary Lives:

- Female: PubG.H-2010 (Above Median) for Healthy Retirees.
- Male: PubG.H-2010 (Above Median) for Healthy Retirees, set back one year.

Mortality Rate Disabled Lives:

- 80% PubG.H-2010 for Disabled Retirees / 20% PubS.H-2010 for Disabled Retirees.

All rates are projected generationally with Mortality Improvement Scale MP-2018.

The most recent actuarial experience study used to review the other significant assumptions was dated December 9, 2011.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) are developed for each major asset class. For 2021, the inflation rate assumption of the investment advisor was 2.5%. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Best estimates of arithmetic real rates of return for each major asset class included in the Plan's target asset allocation as of September 30, 2021 are summarized in the following table:

City of Venice, Florida
Notes to Financial Statements

Asset Class	Target Allocation	Long Term Expected Real Rate of Return
Domestic Equity	50%	7.50%
International Equity	15%	8.50%
Broad Market Fixed Income	25%	2.50%
Real Estate	10%	4.50%
Total	<u>100%</u>	

Discount Rate

The discount rate used to measure the total pension liability was 6.75%, same as in the prior year. The projection of cash flows used to determine the discount rate assumed that Plan member contributions will be made at the current contribution rate and that sponsor contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on Plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in Net Pension Liability/(Asset) (Police Officers' Plan)

	Increase (Decrease)		
	Liability (a)	Net Position (b)	Liability/(Asset) (a) - (b)
Balances at September 30, 2020	\$ 44,945,355	\$ 41,462,661	\$ 3,482,694
<i>Changes for the Year:</i>			
Service cost	82,943	-	82,943
Interest	2,936,307	-	2,936,307
Differences between expected and actual experience	343,681	-	343,681
Changes of assumptions	-	-	-
Changes of benefit terms	-	-	-
Contributions - employer	-	1,200,000	(1,200,000)
Contributions - State	-	237,213	(237,213)
Contributions - employee	-	16,945	(16,945)
Net investment income	-	8,580,789	(8,580,789)
Benefit payments, including refunds of employee contributions	(3,054,905)	(3,054,905)	-
Administrative expense	-	(77,394)	77,394
Net Changes	<u>308,026</u>	<u>6,902,648</u>	<u>(6,594,622)</u>
Balances at September 30, 2021	<u>\$ 45,253,381</u>	<u>\$ 48,365,309</u>	<u>\$ (3,111,928)</u>

City of Venice, Florida
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Sensitivity of the Net Pension Liability/(Asset) to Changes in the Discount Rate

The following table presents the net pension liability, calculated using the discount rate of 6.75%, as well as what the Plan's net pension liability would be if it were calculated using a discount rate that is one percentage-point lower (5.75%) or one percentage-point higher (7.75%) than the current rate:

	1% Decrease (5.75%)	Current Discount Rate (6.75%)	1% Increase (7.75%)
City's net pension liability (asset) - Police Officers' Pension	\$ 1,795,179	\$ (3,111,928)	\$ (7,209,881)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to the Police Officers' Pension Plan

For the year ended September 30, 2021 the City recognized pension expense of (\$1,569,343). At September 30, 2021, the City has deferred outflows of resources and deferred inflows of resources related to the Plan as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on Plan investments	\$ -	\$ (6,181,448)
Total	\$ -	\$ (6,181,448)

Net deferred outflows/inflows of resources shown above will be recognized in pension expense in the following years:

Year ended September 30:	
2022	\$ (1,842,504)
2023	(1,401,852)
2024	(1,769,353)
2025	(1,167,739)
Total	\$ (6,181,448)

Effective October 1, 2014, the City elected to join the Florida Retirement System for new firefighters and police officers. Consequently, the City closed both the Municipal Firefighters' Pension Trust Fund and the Municipal Police Officers' Pension Trust Fund to new members effective October 1, 2014, and all firefighters and police officers hired on or after October 1, 2014, shall become members of the Florida Retirement System (FRS) in accordance with applicable state law and rules of the Florida Division of Retirement.

City of Venice, Florida
Notes to Financial Statements

FLORIDA RETIREMENT SYSTEM

The Florida Retirement System (FRS) is a single retirement system with two cost-sharing multiple-employer defined benefit pension plans, a defined contribution plan, and other non-integrated programs.

The FRS Pension Plan was created in Chapter 121, Florida Statutes, effective December 1, 1970, to provide a defined benefit pension plan for participating public employers. The Department of Management Services, Division of Retirement administers the FRS Pension Plan. The State Board of Administration invests the assets held in trust. The FRS Pension Plan was amended in 1998 to add the Deferred Retirement Option Program (DROP). It was amended in 2000 to provide a defined contribution plan alternative to the defined benefit plan for FRS members effective July 1, 2002 (the Investment Plan).

The Retiree Health Insurance Subsidy (HIS) Program was established under Section 112.363, Florida Statutes, to provide a defined benefit plan to assist retired members and their beneficiaries in paying the costs of health insurance. The Department of Management Services, Division of Retirement administers the HIS Program.

An annual comprehensive financial report of the FRS, which includes its financial statements, required supplementary information, actuarial report, and other relevant information, is available from the Florida Department of Management Services' website at <http://www.dms.myflorida.com>.

For the year ended September 30, 2021, the City recorded pension contributions of \$3,312,241 (all three plans). Following are required disclosures for each of the three FRS Plans in which the City participates.

The FRS Pension Plan

Membership

All full-time City employees who do not participate in either the City's Firefighter's Pension Plan or Police Officer's Pension Plan, are eligible to participate in the FRS Pension Plan (the Plan).

The general classes of membership applicable to the City are as follows:

- *Regular Class* – Members of the Plan who do not qualify for membership in the other classes.
- *Senior Management Service Class (SMSC)* – Members in senior management level positions.
- *Elected Officers Class (EOC)* – Elected City Council members.
- *Special Risk Class* – Members who are employed as law enforcement, fire/rescue, EMS and others who meet the criteria to qualify for this class.

City of Venice, Florida
Notes to Financial Statements

Members enrolled in the Plan prior to July 1, 2011, vest at six years of creditable service. Members initially enrolled on or after July 1, 2011, vest at eight years of creditable service.

Members are eligible for normal retirement when they have met the requirements listed below.

- *Regular Class, Senior Management Services Class, and Elected Officers' Class members* – For members initially enrolled in the Plan before July 1, 2011, six or more years of creditable service and age 62, *or* the age after completing six years of creditable service if after age 62, *or* thirty years of creditable service regardless of age.

For members initially enrolled in the Plan on or after July 1, 2011, eight or more years of creditable service and age 65, *or* the age after completing eight years of creditable service if after age 65, *or* thirty-three years of creditable service regardless of age.

- *Special Risk Class* – For members enrolled in the Plan before July 1, 2011, six or more years of special risk class service and age 55, *or* the age after completing six years of special risk class service if after age 55, *or* twenty-five years of special risk class service regardless of age, *or* a total of 25 years of service including special risk class service and up to four years of active duty wartime service and age 52.

For members initially enrolled in the Plan on or after July 1, 2011, eight or more years of special risk class service and age 60, *or* the age after completing eight years of special risk class service if after age 60, *or* thirty years of special risk class service regardless of age.

Early retirement may be taken any time after vesting within 20 years of normal retirement age; however, there is a 5 percent benefit reduction for each year prior to the normal retirement age.

The DROP is available under the FRS Pension Plan when the member first reaches eligibility for normal retirement, subject to provisions of Section 121.091, Florida Statutes. The DROP allows the member to retire while continuing employment for up to 60 months. While in the DROP, the member's retirement benefits accumulate in the FRS Trust Fund and accrue interest. Upon termination, the DROP account is paid out as a lump sum payment, a rollover, or a combination of a lump sum payment and rollover.

Benefits Provided

The Florida Legislature establishes and amends the benefit terms of the Plan. Benefits are computed based on age and/or years of service, average final compensation, and service credit. Credit for years of service is expressed as a percentage of the average final compensation. For members initially enrolled before July 1, 2011, the average final compensation is the average of the five highest fiscal years' earnings; for members initially enrolled on or after July 1, 2011, the average final compensation is the average of the eight highest fiscal years' earnings. The following chart gives the percentage value for each year of credited service earned:

City of Venice, Florida
Notes to Financial Statements

	% Value (per year of service)
<i>Regular Class members initially enrolled before July 1, 2011</i>	
Retirement up to age 62 or up to 30 years of service	1.60%
Retirement at age 63 or with 31 years of service	1.63%
Retirement at age 64 or with 32 years of service	1.65%
Retirement at age 65 or with 33 or more years of service	1.68%
<i>Regular Class members initially enrolled on or after July 1, 2011</i>	
Retirement up to age 65 or up to 33 years of service	1.60%
Retirement at age 66 or with 34 years of service	1.63%
Retirement at age 67 or with 35 years of service	1.65%
Retirement at age 68 or with 36 or more years of service	1.68%
<i>Elected Officers Class</i>	3.00%
<i>Senior Management Service Class</i>	2.00%
<i>Special Risk Class</i>	
Service from December 1, 1970 through September 30, 1974	2.00%
Service on and after October 1, 1974	3.00%

The benefits received by retirees and beneficiaries are increased by cost-of-living adjustment (COLA) each July. The COLA for retirements or DROP participation effective before August 1, 2011, is 3 percent per year. The COLA formula for retirees with an effective retirement date or DROP begin date on or after August 1, 2011, is the sum of the pre-July 2011 service credit divided by the total service credit at retirement multiplied by 3 percent. Plan members initially enrolled on or after July 1, 2011 will not have a COLA after retirement.

Certain members are eligible for in-line-of duty or regular disability and survivors' benefits.

Contributions

The Florida Legislature establishes and amends the contribution requirements of the Plan. Effective July 1, 2011, both employees and employers of the Plan are required to contribute to establish service credit for work performed in a regularly established position. Effective July 1, 2002, the Florida Legislature established a uniform contribution rate system for the FRS, covering both the Pension Plan and the Investment Plan. The uniform rates for the City's fiscal year 2021 were as follows:

City of Venice, Florida
Notes to Financial Statements

Class	Year Ended June 30, 2020		Year Ended June 30, 2021	
	Percent of Gross Salary		Percent of Gross Salary	
	Employee	Employer (1)	Employee	Employer (1)
Regular Class	3.00	6.75	3.00	8.28
Elected Officers Class	3.00	47.10	3.00	47.46
Senior Management Service Class	3.00	23.69	3.00	25.57
Special Risk Class	3.00	23.76	3.00	22.73
DROP - Applicable to Members from All of the Above Classes	0.00	12.94	0.00	15.32
Reemployed Retiree	(2)	(2)	(2)	(2)
Investment Plan Members	0.00	3.56	0.00	3.44

- Notes: (1) These rates include the normal cost and unfunded actuarial liability contributions, but do not include contributions to the HIS Plan, or the fee of 0.06% for administration of the Investment Plan.
- (2) Contribution rates are dependent upon retirement class in which the member is re-employed.

The City's contributions to the FRS Pension Plan totaled \$2,593,443 for the fiscal year ended September 30, 2021. Employee contributions totaled \$494,123 for the same period, for a total contribution amount of \$3,087,566.

Pension Liabilities, Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to the FRS Pension Plan

At September 30, 2021, the City reported a liability of \$4,904,780 for its proportionate share of the FRS Pension Plan's net pension liability (the net pension liability does not include amounts for DROP participants, as these members are considered retired and are not accruing additional pension benefits). The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2021. The City's proportionate share of the net pension liability was based on the City's 2021 contributions relative to the 2021 contributions of all participating members (based on the June 30 Plan year). At June 30, 2021, the City's proportionate share was .0649% which was an increase of .0056 percentage points from its proportionate share of .0593% measured as of June 30, 2020.

For the fiscal year ended September 30, 2021, the City recognized pension expense of \$809,580 related to the Plan. At September 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to the Plan from the following sources:

City of Venice, Florida
Notes to Financial Statements

<u>Description</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Employer contributions subsequent to measurement date	\$ 645,546	\$ -
Changes in assumptions	3,356,094	-
Differences between actual and expected experience	840,687	-
Net difference between projected and actual investment earnings	-	(17,111,544)
Changes in proportion differences	1,990,529	-
Total	<u>\$ 6,832,856</u>	<u>\$ (17,111,544)</u>

The deferred outflows of resources related to the Plan totaling \$645,546 as shown above, result from City contributions to the Plan subsequent to the measurement date, and will be recognized as a reduction of the net pension liability in the fiscal year ended September 30, 2022. The other deferred outflows of resources and deferred inflows of resources shown above will be recognized in pension expense as follows:

<u>Year Ended September 30:</u>	
2022	\$ (1,727,444)
2023	(2,204,391)
2024	(3,108,589)
2025	(4,128,557)
2026	244,747
Thereafter	-
Total	<u>\$ (10,924,234)</u>

Actuarial Assumptions

The FRS Pension Plan has an actuarial valuation performed annually. The total pension liability was determined by the Plan's actuary using the individual entry age normal actuarial cost method, and was reported in the Plan's GASB 67 valuation as of June 30, 2021. The fiduciary net position used by the actuary to determine the net pension liability was determined on the same basis used by the Plan. Update procedures were not used. Actuarial assumptions in the June 30, 2021 valuation included the following:

Inflation	2.40%
Salary Increases	3.25% average, including inflation
Investment Rate of Return	6.80% net of pension plan investment expense, including inflation

City of Venice, Florida
Notes to Financial Statements

Mortality rates were based on the PUB-2010 base table, projected generationally with Scale MP-2018. The actuarial assumptions were based on an experience study completed in 2019 for the period July 1, 2013 through June 30, 2018.

The long-term expected rate of return assumption of 6.80% consists of two building block components: 1) an inferred real (in excess of inflation) return of 4.30%, which is consistent with the 4.17% real return from the capital market outlook model developed by the FRS consulting actuary, and 2) a long-term average inflation assumption of 2.40% as adopted in October 2021 by the FRS Actuarial Assumption Conference.

The table below contains a summary of the actuary's assumptions for each of the asset classes in which the Plan was invested at that time based on the long-term target asset allocation. Each asset class assumption is based on a consistent set of underlying assumptions, and includes an adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model.

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Annual Arithmetic Return</u>	<u>Compound Annual (Geometric) Return</u>	<u>Standard Deviation</u>
Cash	1.0%	2.1%	2.1%	1.1%
Fixed income	20.0%	3.8%	3.7%	3.3%
Global equity	54.2%	8.2%	6.7%	17.8%
Real Estate	10.3%	7.1%	6.2%	13.8%
Private equity	10.8%	11.7%	8.5%	26.4%
Strategic investments	3.7%	5.7%	5.4%	8.4%
Total	<u>100%</u>			
Assumed inflation - Mean			2.4%	1.2%

Discount Rate

The discount rate used to measure the total pension liability was 6.80%. The prior year discount rate was also 6.80%. The Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees if future experience follows assumptions and the actuarially determined contributions are contributed each year. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return on Plan investments.

Sensitivity of the City's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following represents the City's proportionate share of the net pension liability, calculated using the discount rate of 6.80%, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (5.80%) or one percentage point higher (7.80%) than the current rate:

City of Venice, Florida
Notes to Financial Statements

	1% Decrease (5.80%)	Current Discount Rate (6.80%)	1% Increase (7.80%)
City's proportionate share of the FRS net pension liability	\$ 21,934,504	\$ 4,904,780	\$ (9,330,160)

The Retiree Health Insurance Subsidy (HIS) Program

Membership

The HIS subsidy is provided to most retired employees and beneficiaries entitled to receive benefits under a retirement system administered by the State of Florida. The retiree must apply for and provide certification of health insurance coverage to be eligible for the subsidy.

Benefits Provided

The Florida Legislature establishes and amends the benefit terms of the HIS Program (the Program). The benefits are described in Section 112.363 of the Florida Statutes. In general, an eligible retiree is entitled to a benefit of \$5 per month per year of service, with a minimum benefit of \$30 per month and a maximum benefit of \$150 per month. HIS benefits are not guaranteed and are subject to annual legislative appropriation. In the event the legislative appropriation or available funds fail to provide full subsidy benefits to all participants, the legislation may reduce or cancel HIS payments.

Contributions

The Florida Legislature establishes and amends the contribution requirements of the Program. The Program is funded by required contributions from FRS participating employers as set annually by the Florida Legislature. Presently, HIS can be viewed as effectively using a “pay-as-you-go” funding structure. Employer contributions are a percentage of gross compensation. For the Program’s fiscal years ended June 30, 2021 and 2020, the contribution rate was 1.66% of payroll as defined in Section 112.63, Florida Statutes. There are no employee contributions required.

The City’s contributions to the HIS Program totaled \$336,626 for the fiscal year ended September 30, 2021.

Pension Liabilities, Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to the HIS Program

At September 30, 2021, the City reported a liability of \$6,878,371 for its proportionate share of the HIS Program net pension liability. The HIS actuarial valuation was prepared as of June 30, 2020, and updated to June 30, 2021. The City’s proportionate share of the net pension liability was based on the City’s 2021 contributions relative to the 2021 contributions of all participating members (based on the June 30 Program year). At June 30, 2021, the City’s proportionate share was .0561%, which was an increase .0044 percentage points from its proportionate share of .0517% measured as of June 30, 2020.

City of Venice, Florida
Notes to Financial Statements

For the fiscal year ended September 30, 2021 the City recognized pension expense of \$849,581 related to the Program. At September 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<u>Description</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Employer contributions subsequent to measurement date	\$ 78,600	\$ -
Changes in assumptions	540,486	(283,406)
Differences between actual and expected experience	230,168	(2,881)
Net difference between projected and actual investment earnings	7,171	-
Changes in proportion differences	875,659	-
Total	<u>\$ 1,732,084</u>	<u>\$ (286,287)</u>

The deferred outflows of resources related to the Program totaling \$78,600 as shown above, result from City contributions to the Program subsequent to the measurement date, and will be recognized as a reduction of the net pension liability in the fiscal year ended September 30, 2022. The other deferred outflows of resources and deferred inflows of resources shown above will be recognized in pension expense as follows:

<u>Year Ended September 30:</u>	
2022	\$ 391,931
2023	235,020
2024	243,683
2025	245,709
2026	197,119
Thereafter	53,735
Total	<u>\$ 1,367,197</u>

Actuarial Assumptions

The HIS Program has an actuarial valuation performed biennially. The HIS actuarial valuation was prepared as of July 1, 2020, using the individual entry age actuarial cost method, and updated to June 30, 2021. The fiduciary net position used by the actuary to determine the net pension liability was determined on the same basis used by the Program. Actuarial assumptions in the July 1, 2021 update included the following:

Inflation	2.40%
Salary Increases	Varies by service
Municipal Bond Rate	2.16% net of pension plan investment expense, including inflation

City of Venice, Florida
Notes to Financial Statements

Mortality rates were based on the PUB-2010 with Projection Scale MP-2018 tables. Because the HIS Program is essentially funded on a pay-as-you-go basis, no experience study has been completed for the Program. The actuarial assumptions that determined the total pension liability for the HIS Program were based on certain results of the most recent experience study for the FRS Pension Plan.

Discount Rate

The discount rate used to measure the total pension liability was 2.16%. The prior year discount rate was 2.21%. Because the HIS Program is essentially funded on a pay-as-you-go funding structure, a municipal bond rate was used to determine the total pension liability for the Program. The Bond Buyer General Obligation 20-Bond Municipal Bond Index was adopted for this purpose (June 2021).

Sensitivity of the City's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following represents the City's proportionate share of the net pension liability, calculated using the discount rate of 2.16%, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (1.16%) or one percentage point higher (3.16%) than the current rate:

	1% Decrease (1.16%)	Current Discount Rate (2.16%)	1% Increase (3.16%)
City's proportionate share of the HIS net pension liability	\$ 7,952,063	\$ 6,878,371	\$ 5,998,720

The FRS Investment Plan

The FRS Investment Plan is administered by the State Board of Administration (SBA), and is reported in the SBA's annual financial statements and in the State of Florida Comprehensive Annual Financial Report.

Membership

As provided in Section 121.4501, Florida Statutes, eligible FRS members may elect to participate in the FRS Investment Plan (Investment Plan) in lieu of the FRS Pension Plan. City employees already participating in DROP are not eligible to participate in the Investment Plan.

Benefits

Retirement benefits are based upon the value of the member's account upon retirement. Employee and employer contributions are directed to individual accounts, and the individual members allocate contributions and account balances among various approved investment choices. The ultimate benefit depends in part on the performance of invested funds.

For all membership classes, employees are immediately vested in their own contributions and are vested after one year of service for employer contributions and investment earnings. If an

City of Venice, Florida
Notes to Financial Statements

accumulated benefit obligation for service credit originally earned under the FRS Pension Plan is transferred to the Investment Plan, the member must have the years of service required for FRS Pension Plan vesting (including the service credit represented by the transferred funds) to be vested for these funds and the earnings on the funds. Non-vested employer contributions are placed in a suspense account for up to five years. If the employee returns to FRS-covered employment within the five-year period, the employee will regain control over their account. If the employee does not return within the five-year period, the employee will forfeit the accumulated account balance.

After termination and applying to receive benefits, the members may rollover vested funds to another qualified plan, structure a periodic payment under the Investment Plan, receive a lump-sum distribution, leave the funds invested for future distribution, or any combination of these options. Disability coverage is provided; the member may either transfer the account balance to the FRS Pension Plan when approved for disability retirement to receive guaranteed lifetime monthly benefits under the FRS Pension Plan, or remain in the Investment Plan and rely upon that account balance for retirement income.

Contributions

The Florida Legislature establishes and amends the contribution requirements of the Investment Plan. Participating employers pay identical membership class rates (e.g., regular class, special risk class, etc.) on behalf of an Investment Plan participant that they would otherwise pay for a participant in the FRS Pension Plan (see FRS Pension Plan contributions above). However, portions of these contributions are transferred to the FRS Pension Plan (to fund the unfunded actuarial accrued liability), and for other purposes. The amounts deposited to member accounts are set forth in Section 121.71, Florida Statutes, and were as follows:

Class	Year Ended June 30, 2020		Year Ended June 30, 2021	
	Percent of Gross Salary		Percent of Gross Salary	
	Employee	Employer	Employee	Employer
Regular Class	3.00	3.30	3.00	3.30
Elected Officers Class	3.00	8.34	3.00	8.34
Senior Management Service Class	3.00	4.67	3.00	4.67
Special Risk Class	3.00	11.00	3.00	11.00

Contributions to member accounts for the year ended September 30, 2021 were \$382,172 (employer) and \$92,489 (employee).

Other

Costs of administering the Investment Plan, including the FRS Financial Guidance Program, are funded through an employer contribution of 0.06% of payroll and by forfeited benefits of Investment Plan members. For the fiscal year ended September 30, 2021, the information for the amount of forfeitures was unavailable from the SBA; however, management believes that these amounts, if any, would be immaterial to the City.

City of Venice, Florida
Notes to Financial Statements

NOTE I - OTHER POST EMPLOYMENT BENEFITS (OPEB)

Plan Description

The City administers a single-employer defined benefit healthcare plan (the “OPEB Plan”) available to retirees and their spouse/dependents. To be eligible for participation in the OPEB Plan, the employee must:

- 1) Retire under the Florida Retirement System, the City of Venice, Municipal Police Officers’ Pension Plan or the Municipal Firefighters’ Pension Plan, and
- 2) Attain the minimum service requirements under the OPEB Plan, and
- 3) Elect to continue medical coverage by paying the applicable monthly premium.

The City does not issue a stand-alone financial report on the OPEB Plan. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

Employees Covered by Benefit Terms

The following employees were covered by the benefit terms as of October 1, 2020, the latest actuarial valuation date:

Retirees and beneficiaries	
currently receiving benefits	129
Active employees	<u>309</u>
Total	<u>438</u>

Benefits Provided

Participants in the City’s OPEB Plan become participants in the City’s group health self-insurance program, and receive the healthcare benefits of that program for themselves and their dependents. (Pursuant to Section 112.0801, Florida Statutes, the City is required to offer participation in such a program at a cost to the retiree that is no greater than the cost at which coverage is available to active City employees i.e., the average blended cost. In other words, the premium payments to the group health self-insurance program cannot be *age-adjusted*, and there is therefore an *implicit subsidy* of retirees by the City and its active employees). As an alternative, the City also offers retirees or their spouse/dependents the option to purchase a reduced level of coverage under a Medicare supplement plan.

Contributions

Contributions to the OPEB Plan are shared by the retiree and the City. OPEB Plan participants who retire on or after January 1, 2016, must reimburse the City for the City’s average blended cost (the City provides the implicit subsidy). OPEB Plan participants who retired prior to January 1, 2016, may continue coverage under the OPEB Plan at 50% of the average blended cost (the City pays the other 50%, plus the implicit subsidy). The monthly average blended costs of the various options for calendar year 2021 were \$784 for individual coverage, \$1,568 for individual plus one, \$2,431 for family coverage, and \$271 for the Medicare supplement plan.

City of Venice, Florida
Notes to Financial Statements

Total OPEB Liability of the City

The measurement date for the City’s total/net OPEB liability is September 30, 2021, same as the reporting date. The measurement period for OPEB cost was October 1, 2020 to September 30, 2021. The components of the City’s net OPEB liability at September 30, 2021, are as follows:

Total OPEB liability	\$ 10,169,448
OPEB Plan fiduciary net position	-
City's net OPEB liability	\$ 10,169,448
OPEB Plan fiduciary net position as a percentage of total OPEB liability	0.00%

Actuarial Assumptions

The total OPEB liability at September 30, 2021 was based on an actuarial valuation as of October 1, 2020, using the Entry Age Normal actuarial cost method, and the following actuarial assumptions:

Inflation	2.50% per annum
Discount Rate*	2.26% Bond Buyer's 20-Bond GO Index (September 2021)
Healthcare cost trend rates	4.50% per annum (including inflation of 2.5%)

* Adjusted annually

Mortality rates for police officers and firefighters were based on the Group Annuity 1983 Mortality Table. Mortality rates for other employees were based on the 2020 PPA Mortality Table (RP-2014 mortality, base year 2006, adjusted to 2020 with Mortality Improvement Scale MP-2018).

An experience study was not done, as it was not considered necessary to support the actuarial results.

Discount Rate

The discount rate used to measure the total OPEB liability at September 30, 2021 was 2.26%. The discount rate used to measure the total OPEB liability at September 30, 2020 was 2.21%. Because the City’s OPEB costs are essentially funded on a pay-as-you-go funding structure, a municipal bond rate was used to determine the total pension liability for the Program. The Bond Buyer General Obligation 20-Bond Municipal Bond Index was adopted for this purpose (September 2021).

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City of Venice, Florida
Notes to Financial Statements

Changes in the Total OPEB Liability

	Total OPEB Liability
Balances at September 30, 2020	\$ 11,052,220
<i>Changes for the Year:</i>	
Service cost	(8,792)
Interest	244,060
Differences between expected and actual experience	(380,631)
Benefit payments	(684,676)
Implicit rate subsidy	(52,733)
Balances at September 30, 2021	\$ 10,169,448

Sensitivity of the total OPEB Liability to Changes in the Discount Rate

The following table presents the total OPEB liability, calculated using the discount rate of 2.26%, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is one percentage-point lower (1.26%) or one percentage-point higher (3.26%) than the current discount rate:

	1% Decrease (1.26%)	Current Discount Rate (2.26%)	1% Increase (3.26%)
Total OPEB liability	\$ 11,289,855	\$ 10,169,448	\$ 9,220,282

Sensitivity of the total OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following table presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a healthcare cost trend rate that is one percentage-point lower (3.50%) or one percentage-point higher (5.50%) than the current discount rate:

	1% Decrease (3.50%)	Current Discount Rate (4.50%)	1% Increase (5.50%)
Total OPEB liability	\$ 9,182,587	\$ 10,169,448	\$ 11,308,550

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City of Venice, Florida
Notes to Financial Statements

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended September 30, 2021, the City recognized negative OPEB expense of \$374,040. At September 30, 2021, the City has deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 837,987	\$ (467,854)
Total	\$ 837,987	\$ (467,854)

Deferred inflows of resources shown above will be recognized in OPEB expense in the following years:

Year Ended September 30:	
2022	\$ 265,961
2023	179,103
2024	(40,328)
2025	(34,603)
Total	\$ 370,133

NOTE J – DEFERRED COMPENSATION PLAN

The City offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all City employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency.

Plan amendments have been made so that the plan is in compliance with IRC Section 457, as amended by the 1996 changes to the tax code. The assets are held in various custodial accounts. All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property, or rights are solely the property and rights of the various participants of the plan.

City of Venice, Florida
Notes to Financial Statements

NOTE K – SELF-INSURANCE INTERNAL SERVICE FUNDS

The City maintains a self-insurance program with regard to medical benefits for employees, with optional coverage for retirees and dependents. The City, retirees, and employees share the cost of the program. The employee’s contribution is a three-tier rate structure based on the employee’s base salary and whether dependents are included. Employees who retire on or after January 1, 2016, can elect to continue coverage in retirement, but must reimburse the City monthly for the full average blended cost. Employees who retired prior to January 1, 2016, and continue coverage under the program, are only required to reimburse the City for 50% of the average blended cost. Commercial insurance generally covers individual claims in excess of \$85,000 annually.

The City also maintains a self-insurance program with regard to workers' compensation risks. The City carries commercial coverage for property losses, general liability, and other risks.

These programs are accounted for in internal service funds. Revenues of the internal service funds consist of inter-departmental billings, and contributions from employees and retirees, where applicable. Expenses of the fund include claims payments, insurance, and administrative costs.

The medical benefits and workers’ compensation programs are reviewed annually by actuaries to determine both the liability for accrued claims at year-end, and the basis for premiums for the upcoming year. There have been no significant reductions in insurance coverage during the current fiscal year. Settlement amounts have not exceeded insurance coverage for the current year or the two prior years.

The activity in the accrued claims liability in the City’s two self-insurance funds is shown in the following table:

	Employees' Group Health & Life Insurance Program	Workers' Compensation Self-Insurance Program
	<u> </u>	<u> </u>
Liability balance, September 30, 2019	\$ 263,232	\$ 572,000
Claims and changes in estimate	4,247,886	623,519
Claims payments	<u>(4,269,317)</u>	<u>(421,519)</u>
Liability balance, September 30, 2020	241,801	774,000
Claims and changes in estimate	5,626,510	516,754
Claims payments	<u>(5,587,154)</u>	<u>(436,754)</u>
Liability balance, September 30, 2021	<u>\$ 281,157</u>	<u>\$ 854,000</u>

City of Venice, Florida
Notes to Financial Statements

NOTE L – CONTINGENT LIABILITIES

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal and state governments. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the government expects such amounts, if any, to be immaterial.

The government is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, it is the opinion of the government's counsel that resolution of these matters will not have a material adverse effect on the financial condition of the government.

**REQUIRED SUPPLEMENTARY
INFORMATION**

REQUIRED SUPPLEMENTARY INFORMATION

The following supplementary schedules present information to supplement the basic financial statements. Such information 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.

The schedules represent trend information on the following retirement and/or post-employment benefit plans covering former City employees and their beneficiaries:

- Municipal Firefighters' Pension Trust Fund
- Police Officers' Pension Trust Fund
- Florida Retirement System
- Other Post-Employment Benefits (OPEB) Plan

Municipal Firefighters' Pension Trust Fund
Schedule of Changes in Net Pension Liability and Related Ratios
Last Ten Fiscal Years

	Fiscal Year				
	2021	2020	2019	2018	2017
Total Pension Liability					
Service Cost	\$ 830,057	\$ 804,177	\$ 763,821	\$ 756,801	\$ 756,425
Interest	3,068,569	2,957,569	2,897,034	2,798,028	2,719,112
Change in excess State money	-	-	(8,861)	-	-
Share plan allocation	-	-	4,431	-	-
Changes of benefit terms (1)	-	-	-	-	-
Difference between expected and actual experience	(414,457)	28,410	(382,046)	131,239	(232,436)
Changes of assumptions (2)	1,159,634	2,060,398	-	-	-
Benefit payments, including refunds	(2,837,258)	(2,497,024)	(2,420,604)	(2,136,820)	(2,095,414)
Net change in total pension liability	1,806,545	3,353,530	853,775	1,549,248	1,147,687
Total pension liability, beginning	46,048,847	42,695,317	41,841,542	40,292,294	39,144,607
Total pension liability, ending (a)	<u>\$ 47,855,392</u>	<u>\$ 46,048,847</u>	<u>\$ 42,695,317</u>	<u>\$ 41,841,542</u>	<u>\$ 40,292,294</u>
Plan Fiduciary Net Position					
Contributions - City	\$ 2,400,000	\$ 2,406,800	\$ 2,372,720	\$ 2,530,184	\$ 2,350,314
Contributions - State	188,963	180,552	173,349	180,163	193,290
Contributions - employee	122,301	122,740	125,174	120,956	118,053
Net investment income	5,626,260	1,817,126	485,854	2,011,838	2,241,924
Benefit payments, including refunds	(2,837,258)	(2,497,024)	(2,420,604)	(2,136,820)	(2,095,414)
Administrative expense	(60,316)	(61,444)	(57,886)	(59,501)	(61,907)
Accrual adjustments	-	-	-	(79,147)	79,147
Net change in Plan fiduciary net position	5,439,950	1,968,750	678,607	2,567,673	2,825,407
Plan fiduciary net position, beginning	28,285,593	26,316,843	25,638,236	23,070,563	20,245,156
Plan fiduciary net position, ending (b)	<u>\$ 33,725,543</u>	<u>\$ 28,285,593</u>	<u>\$ 26,316,843</u>	<u>\$ 25,638,236</u>	<u>\$ 23,070,563</u>
Net pension liability (actuary), ending (a) - (b)	<u>\$ 14,129,849</u>	<u>\$ 17,763,254</u>	<u>\$ 16,378,474</u>	<u>\$ 16,203,306</u>	<u>\$ 17,221,731</u>
Plan fiduciary net position as a percentage of the total pension liability	70.47%	61.43%	61.64%	61.27%	57.26%
Covered payroll	\$ 1,747,719	\$ 1,752,857	\$ 1,788,140	\$ 1,727,707	\$ 1,686,471
Net pension liability (actuary) as a percentage of covered payroll	808.47%	1013.39%	915.95%	937.85%	1021.17%

Notes to Schedule:

(1) *Changes of benefit terms:*

- For year ending September 30, 2015, amounts reported as changes of benefit terms were resulted from Ordinance 2014-22, adopted and effective August 26, 2014, which amended certain Plan provisions for current Firefighters, in addition to the closure of the Plan to Firefighters hired after September 30, 2014. Details of the impact of these changes are set forth in the Actuary's August 18, 2014 Actuarial Impact Statement. Furthermore as outlined in the Actuary December 7, 2015 Actuarial Impact Statement the below changes were included as well:

- 100% vesting for benefits accrued prior to October 1, 2014.
- A salary definition using base pay, effective October 1, 2014 for members not eligible for normal retirement as of that date. This definition is applicable only for service after October 1, 2014. Notwithstanding the foregoing, effective October 1, 2014, sick or vacation time which is accrued, but for which a member has not been paid prior to October 1, 2014, shall not be considered in determining the value of any future retirement benefit, including the calculation of any frozen benefit.

(2) *Changes of assumptions:*

- For year ending September 30, 2021, the following changes were made as a result of an experience study dated September 10, 2021:

1. The investment return assumption was reduced from 6.75% to 6.50%, net of investment related expenses.
2. The salary rates were decreased overall.
3. The withdrawal rates were adjusted, resulting in generally more withdrawals for members with less than 13 years of service, followed by a 2% assumption for members between 13 and 19 years of service.

- For year ending September 30, 2020, as mandated by Chapter 2015-157, Laws of Florida, the assumed rates of mortality were changed to the rates used by the Florida Retirement System for special risk employees. Also, the investment rate of return was lowered from 7.00% to 6.75% per year compounded annually, net of investment related expenses.

- For year ending September 30, 2016, as a result of Chapter 2015-157, Laws of Florida, the assumed rates of mortality were changed to the assumptions used by the Florida Retirement System for special risk employees. Also, the inflation assumption rate was lowered from 3.00% to 2.50%, matching the long-term inflation assumption utilized by the Plan's investment consultant.

- For year ending September, 30 2015, amounts reported as changes of assumptions were resulted from a reduction in the investment return assumption from 7.75% to 7.00%. Plus a change in funding method from percent of payroll to dollar funding. In addition, the load assumption for the projected salary at retirement to account for lump sum accrued sick and vacation leave payouts was modified from a fixed 0% per individual to an amount equal to their individual accrual, as provided by the City.

Other items:

This information is required for ten years. However, only nine years of information is available.

Fiscal Year			
2016	2015	2014	2013
\$ 702,057	\$ 1,139,410	\$ 672,304	\$ 623,948
2,661,396	2,653,780	2,581,984	2,487,337
(155,521)	-	8,861	-
-	-	-	-
-	(797,774)	-	-
(1,795,453)	(473,564)	-	-
1,320,858	2,961,891	-	-
(2,141,983)	(1,991,123)	(2,003,310)	(1,873,445)
591,354	3,492,620	1,259,839	1,237,840
38,553,253	35,060,633	33,800,794	32,562,954
<u>\$ 39,144,607</u>	<u>\$ 38,553,253</u>	<u>\$ 35,060,633</u>	<u>\$ 33,800,794</u>
\$ 3,047,697	\$ 756,197	\$ 1,674,244	\$ 1,451,786
246,276	272,353	304,802	270,222
114,049	116,523	269,968	269,835
1,321,617	9,360	1,727,970	1,723,100
(2,141,983)	(1,991,123)	(2,003,310)	(1,873,445)
(66,382)	(67,814)	(42,307)	(42,357)
17,224	5,671	7,631	(3,181)
2,538,498	(898,833)	1,938,998	1,795,960
17,706,658	18,605,491	16,666,493	14,870,533
<u>\$ 20,245,156</u>	<u>\$ 17,706,658</u>	<u>\$ 18,605,491</u>	<u>\$ 16,666,493</u>
\$ 18,899,451	\$ 20,846,595	\$ 16,455,142	\$ 17,134,301
51.72%	45.93%	53.07%	49.31%
\$ 1,629,271	\$ 1,710,697	\$ 2,768,905	\$ 2,767,537
1159.99%	1218.60%	594.28%	619.12%

Municipal Firefighters' Pension Trust Fund
Schedule of Contributions
 Last Ten Fiscal Years

Fiscal Year Ending Sept 30	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Deficiency (Excess)	Plan Covered Payroll	Contributions as a Percentage of Covered Payroll
2021	\$2,372,093	\$2,588,963	\$ (216,870)	\$1,747,719	148.13%
2020	2,439,152	2,587,352	(148,200)	1,752,857	147.61%
2019	2,546,069	2,546,069	-	1,788,140	142.39%
2018	2,619,397	2,710,347	(90,950)	1,727,707	156.88%
2017	2,596,590	2,543,604	52,986	1,686,471	150.82%
2016	3,022,244	3,293,973	(271,729)	1,629,271	202.17%
2015	1,184,071	1,184,071	-	1,710,697	69.22%
2014	1,960,108	1,960,108	-	2,768,905	70.79%
2013	1,692,902	1,692,902	-	2,767,537	61.17%

Valuation date: October 1, 2019

Actuarially determined contribution rates are calculated as of October 1, two years prior to the end of the fiscal year in which contributions are reported.

Methods & assumptions used to determine contribution rates:

Mortality: *Healthy Lives (Active):*
 Female: RP2000 Generational, 100% Combined Healthy White Collar, Scale BB. Male: RP2000 Generational, 10% Combined Healthy White Collar, 90% Combined Healthy Blue Collar, Scale BB.

Interest rate: 7.0% per year compounded annually, net of investment related expenses

Retirement age: Earlier of age 55 and 10 years of service or 25 years of service regardless of age. Also, any member who reaches normal retirement is assumed to continue employment for one additional year.

Early retirement: Commencing with eligibility for early retirement age (earlier of age 50 with 10 years of service or 20 years of service regardless of age), members are assumed to retire with an immediate subsidized benefit at the rate of 15% per year. There is no early retirement assumption for members with less than 10 years of credited service as of October 1, 2014.

Payroll growth: 0.00% for purposes of amortizing the unfunded actuarial accrued liability.

Cost-of-living adjustment: 3% per year from retirement to age 65. Benefits on credited service after September 30, 2014 are not subject to the COLA.

Asset valuation method: Each year, the prior actuarial value of assets is brought forward utilizing the historical geometric four-year average market value return (net of $r_{m,t}$)

Funding method: Entry Age Normal actuarial cost method.

Years of Service	% Increase in Salary
Less than 10	10.00%
10-15	6.50%
15-20	5.50%
20 and greater	5.00%

Additionally, projected salary at retirement is increased based on individual accruals in order to account for lump sum accrued sick and vacation leave payouts.

Amortization method: New UAAL bases are amortized over 20 years.

Other items: This information is required for ten years; only nine years is available.

Municipal Firefighters' Pension Trust Fund
Schedule of Investment Returns
Last Ten Fiscal Years

Fiscal Year Ending Sept 30	Annual Money-Weighted Rate of Return Net of Investment Expense
2021	19.86%
2020	6.92%
2019	1.90%
2018	8.68%
2017	11.00%
2016	7.29%
2015	0.05%
2014	10.38%
2013	11.54%

Notes to Schedule:

This information is required for ten years. However, only nine years of information is available.

Police Officers' Pension Trust Fund
Schedule of Changes in Net Pension Liability and Related Ratios
Last Ten Fiscal Years

	Fiscal Year			
	2021	2020	2019	2018
Total Pension Liability				
Service Cost	\$ 82,943	\$ 100,479	\$ 98,766	\$ 160,319
Interest	2,936,307	2,940,637	2,981,724	2,974,942
Changes of benefit terms (1)	-	-	-	2,467,573
Difference between expected and actual experience	343,681	114,455	(134,263)	495,274
Changes of assumptions (2)	-	1,639,570	-	-
Contributions - buy back	-	-	-	-
Benefit payments, including refunds	(3,054,905)	(3,516,816)	(3,552,978)	(3,391,201)
Net change in total pension liability	308,026	1,278,325	(606,751)	2,706,907
Total pension liability, beginning	44,945,355	43,667,030	44,273,781	41,566,874
Total pension liability, ending (a)	<u>\$ 45,253,381</u>	<u>\$ 44,945,355</u>	<u>\$ 43,667,030</u>	<u>\$ 44,273,781</u>
Plan Fiduciary Net Position				
Contributions - City	\$ 1,200,000	\$ 1,282,012	\$ 1,498,868	\$ 1,316,647
Contributions - State	237,213	246,447	220,392	231,096
Contributions - employee	16,945	28,721	26,716	28,738
Contributions - buy back	-	-	-	-
Net investment income	8,580,789	5,590,310	824,171	4,669,948
Benefit payments, including refunds of employee contributions	(3,054,905)	(3,516,816)	(3,552,978)	(3,391,201)
Administrative expense	(77,394)	(73,908)	(77,401)	(69,712)
Accrual adjustments	-	-	-	-
Net change in Plan fiduciary net position	6,902,648	3,556,766	(1,060,232)	2,785,516
Plan fiduciary net position, beginning	41,462,661	37,905,895	38,966,127	36,180,611
Plan fiduciary net position, ending (b)	<u>\$ 48,365,309</u>	<u>\$ 41,462,661</u>	<u>\$ 37,905,895</u>	<u>\$ 38,966,127</u>
Net pension (asset) liability, ending (a) - (b)	<u>\$ (3,111,928)</u>	<u>\$ 3,482,694</u>	<u>\$ 5,761,135</u>	<u>\$ 5,307,654</u>
Plan fiduciary net position as a percentage of the total pension liability	106.88%	92.25%	86.81%	88.01%
Covered payroll	\$ 242,227	\$ 410,149	\$ 381,654	\$ 410,497
Net pension liability as a percentage of covered payroll	-1284.72%	849.13%	1509.52%	1292.98%

Notes to Schedule:

(1) *Changes of benefit terms:*

- For year ending September 30, 2018, amounts reported as changes of benefit terms were resulted from the following:
at least one year as of October 1, 2017, shall be increased by one percent for each full year of retirement up to a maximum increase of ten percent.
- For year ending September 30, 2015, amounts reported as changes of benefit terms were resulted from Ordinance 2015-17, adopted and effective June 23, 2015, which amended the definition of Salary, in addition to providing 100% vesting in benefits accrued prior to October 1, 2014.
- For year ending September 30, 2014, amounts reported as changes of benefit terms were resulted from the March 6, 2015 Actuarial Impact Statement.

(2) *Changes of assumptions:*

- For year ending September 30, 2020, as mandated by Chapter 2015-157, Laws of Florida, the assumed rates of mortality were changed to the rates used by the Florida Retirement System for special risk employees. Also, the investment rate of return was lowered from 7.00% to 6.75% per year compounded annually, net of investment related expenses.
- For year ending September 30, 2016, amounts reported as changes of assumptions were resulted from the new mortality assumption under Chapter 2015-157, Florida Statutes. Also, the inflation assumption rate was lowered from 3.00% to 2.50%, matching the long-term inflation assumption utilized by the Plan's investment consultant.
- For year ending September 30, 2015, amounts reported as changes of assumptions were resulted from: (a) the net-of-fees investment return assumption was lowered from 7.9% to 7.0%, and (b) the final salary load assumption was increased from 0% to the below table, based on census data provided by the City:

<u>Service as of 10/1/12</u>	<u>Final Salary Load</u>
- 10 or more years	20%
- More than 1, less than 10 years	10%
- Less than 1 year	0%

Other items:

This information is required for ten years. However, only eight years of information is available.

Fiscal Year			
2017	2016	2015	2014
\$ 196,691	\$ 203,840	\$ 597,047	\$ 560,060
2,766,512	2,751,065	2,850,130	2,760,145
-	-	174,206	(1,837,786)
486,909	(1,512,423)	(638,090)	-
-	1,343,437	3,277,827	-
-	-	-	17,465
(2,416,303)	(2,699,899)	(2,240,847)	(2,578,773)
1,033,809	86,020	4,020,273	(1,078,889)
40,533,065	40,447,045	36,426,772	37,505,661
<u>\$ 41,566,874</u>	<u>\$ 40,533,065</u>	<u>\$ 40,447,045</u>	<u>\$ 36,426,772</u>
\$ 1,337,865	\$ 2,108,231	\$ 1,753,275	\$ 1,651,993
214,704	207,731	189,276	178,617
35,922	38,297	40,508	205,801
-	-	-	17,465
4,303,140	3,176,622	(1,481,414)	3,307,423
(2,416,303)	(2,699,899)	(2,240,847)	(2,578,773)
(60,469)	(85,428)	(73,554)	(62,991)
(22,081)	22,081	-	-
3,392,778	2,767,635	(1,812,756)	2,719,535
32,787,833	30,020,198	31,832,954	29,113,419
<u>\$ 36,180,611</u>	<u>\$ 32,787,833</u>	<u>\$ 30,020,198</u>	<u>\$ 31,832,954</u>
<u>\$ 5,386,263</u>	<u>\$ 7,745,232</u>	<u>\$ 10,426,847</u>	<u>\$ 4,593,818</u>
87.04%	80.89%	74.22%	87.39%
\$ 513,171	\$ 547,100	\$ 761,681	\$ 2,838,631
1049.60%	1415.69%	1368.93%	161.83%

Municipal Police Officers' Pension Trust Fund
Schedule of Contributions
 Last Ten Fiscal Years

Fiscal Year Ending Sept 30	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Deficiency (Excess)	Plan Covered Payroll	Contributions as a Percentage of Covered Payroll
2021	\$ 839,524	\$ 1,437,213	\$ (597,689)	\$ 242,227	593.33%
2020	1,486,570	1,528,459	(41,889)	410,149	372.66%
2019	1,713,572	1,719,260	(5,688)	381,654	450.48%
2018	1,524,378	1,547,743	(23,365)	410,497	377.04%
2017	1,527,141	1,552,569	(25,428)	513,171	302.54%
2016	2,268,143	2,315,962	(47,819)	547,100	423.32%
2015	1,942,551	1,942,551	-	761,681	255.03%
2014	1,818,711	1,830,610	(11,899)	2,838,631	64.49%

Notes to Schedule

Valuation Date: October 1, 2019

Actuarially determined contribution rates are generally calculated as of October 1, two years prior to the end of the fiscal year in which contributions are reported.

Methods & assumptions used to determine contribution rates:

- Mortality:* *Healthy Lives (Active):*
 Female: RP2000 Generational, 100% Combined Healthy White Collar, Scale BB. Male: RP2000 Generational, 10% Combined Healthy White Collar, 90% Combined Healthy Blue Collar, Scale BB.
- Interest rate:* 7.0% per year compounded annually, net of investment related expenses
- Retirement age:* Earlier of age 52 and 10 years of service or 25 years of service regardless of age. Also, any member who has reached normal retirement age is assumed to retire at a rate of 25% for the first three years upon attaining first eligibility, and a rate of 100% thereafter.
- Early retirement:* Commencing at the member's eligibility for early retirement (20 years of credited service), members are assumed to retire with an immediate, subsidized benefit at the rate of 10% per year.
- Inflation growth:* 2.50% per year.
- Payroll growth:* 0.00% for purposes of amortizing the unfunded actuarial accrued liability.
- Asset smoothing methodology:* The actuarial value of assets is brought forward using the historical four-year geometric average of market value returns (net of fees).
- Funding method:* Entry Age Normal actuarial cost method.
- Salary increases:* 10.0% for members with less than 10 years of service, and 5.5% with 10 or more years of service.
 Additionally, projected salary at retirement is increased individually for each Officer for a lump sum payment in the year of termination, based on census data provided by the City.
- Amortization method:* The total UAAL as of October 1, 2019 is amortized over a 12-year period. UAAL amortization bases established on and after October 1, 2020 will be amortized over 15 years.
- Other items:* This information is required for ten years; only eight years is available.

City of Venice, Florida
Required Supplementary Information

Police Officers' Pension Trust Fund
Schedule of Investment Returns
Last Ten Fiscal Years

Fiscal Year Ending Sept 30	Annual Money-Weighted Rate of Return Net of Investment Expense
2021	21.11%
2020	15.26%
2019	2.18%
2018	13.13%
2017	13.34%
2016	10.80%
2015	-4.79%
2014	11.57%

Notes to Schedule:

This information is required for ten years. However, only eight years of information is available.

Florida Retirement System

**Schedule of the City's Proportionate Share of the Net Pension Liability
 Florida Retirement System (FRS) Defined Benefit Pension Plan**

City's Fiscal Year Ending Sept 30	Plan Sponsor Measurement Date June 30	City's Proportion of the FRS Net Pension Liability	City's Proportionate Share of the FRS Net Pension Liability	City's Covered Payroll	City's Proportionate Share of the FRS Net Pension Liability as a Percentage of Covered Payroll	FRS Plan Fiduciary Net Position as a Percentage of Total Pension Liability
2021	2021	0.0649%	\$ 4,904,780	\$ 19,855,783	24.70%	96.40%
2020	2020	0.0593%	25,693,325	17,955,663	143.09%	78.85%
2019	2019	0.0578%	19,897,342	16,629,277	119.65%	82.61%
2018	2018	0.0573%	17,274,013	15,850,602	108.98%	84.26%
2017	2017	0.0559%	16,522,306	14,895,723	110.92%	83.89%
2016	2016	0.0540%	13,628,488	13,649,458	99.85%	84.88%
2015	2015	0.0458%	5,918,323	12,287,619	48.16%	92.00%
2014	2014	0.0248%	1,511,824	8,595,833	17.59%	96.09%

Notes:

The City implemented GASB Statement No. 68 for the fiscal year ended September 30, 2015, including restatement as of September 30, 2014. Information for prior years is not available.

**Schedule of the City's Proportionate Share of the Net Pension Liability
 Retiree Health Insurance Subsidy (HIS) Program Defined Benefit Pension Plan**

City's Fiscal Year Ending Sept 30	Plan Sponsor Measurement Date June 30	City's Proportion of the HIS Net Pension Liability	City's Proportionate Share of the HIS Net Pension Liability	City's Covered Payroll	City's Proportionate Share of the HIS Net Pension Liability as a Percentage of Covered Payroll	HIS Plan Fiduciary Net Position as a Percentage of Total Pension Liability
2021	2021	0.0561%	\$ 6,878,371	\$ 19,855,783	34.64%	3.56%
2020	2020	0.0517%	6,315,486	17,955,663	35.17%	3.00%
2019	2019	0.0497%	5,562,284	16,629,277	33.45%	2.63%
2018	2018	0.0485%	5,135,315	15,850,602	32.40%	2.15%
2017	2017	0.0467%	4,995,784	14,895,723	33.54%	1.64%
2016	2016	0.0442%	5,151,966	13,649,458	37.74%	0.97%
2015	2015	0.0405%	4,130,575	12,287,619	33.62%	0.50%
2014	2014	0.0301%	2,815,452	8,595,833	32.75%	0.99%

Notes:

The City implemented GASB Statement No. 68 for the fiscal year ended September 30, 2015, including restatement as of September 30, 2014. Information for prior years is not available.

Florida Retirement System

**Schedule of City Contributions
 Florida Retirement System (FRS) Defined Benefit Pension Plan**

City's Fiscal Year Ending Sept 30	FRS Contractually Required Contribution	FRS Contributions in Relation to the Contractually Required Contribution	FRS Contribution Deficiency (Excess)	City's Covered Payroll	FRS Contributions as a Percentage of Covered Payroll
2021	\$ 2,593,443	\$ 2,593,443	\$ -	\$ 20,278,675	12.79%
2020	2,085,606	2,085,606	-	18,351,928	11.36%
2019	1,813,253	1,813,253	-	16,856,566	10.76%
2018	1,666,399	1,666,399	-	15,801,867	10.55%
2017	1,454,335	1,454,335	-	14,943,976	9.73%
2016	1,337,626	1,337,626	-	13,732,651	9.74%
2015	1,305,351	1,305,351	-	13,398,243	9.74%
2014	610,675	610,675	-	9,424,325	6.48%

Notes:

The City implemented GASB Statement No. 68 for the fiscal year ended September 30, 2015, including restatement as of September 30, 2014. Information for prior years is not available.

**Schedule of City Contributions
 Retiree Health Insurance Subsidy (HIS) Program Defined Benefit Pension Plan**

City's Fiscal Year Ending Sept 30	HIS Contractually Required Contribution	HIS Contributions in Relation to the Contractually Required Contribution	HIS Contribution Deficiency (Excess)	City's Covered Payroll	HIS Contributions as a Percentage of Covered Payroll
2021	\$ 336,626	\$ 336,626	\$ -	\$ 20,278,675	1.66%
2020	304,642	304,642	-	18,351,928	1.66%
2019	279,819	279,819	-	16,856,566	1.66%
2018	262,311	262,311	-	15,801,867	1.66%
2017	248,070	248,070	-	14,943,976	1.66%
2016	227,962	227,962	-	13,732,651	1.66%
2015	183,241	183,241	-	13,398,243	1.37%

Notes:

The City implemented GASB Statement No. 68 for the fiscal year ended September 30, 2015, including restatement as of September 30, 2014. Information for prior years is not available.

City of Venice, Florida
Notes to Required Supplementary Information -
Schedules of the City's Proportionate Share of the Net Pension Liability
and Schedules of City Contributions

Florida Retirement System

NOTE 1 - CHANGES IN BENEFIT TERMS

FRS Pension Plan:

2021, 2020, 2019, 2018, 2017, 2016 and 2015:

No significant changes.

HIS Program:

2021, 2020, 2019, 2018, 2017, 2016 and 2015:

No significant changes.

NOTE 2 - CHANGES IN ASSUMPTIONS

FRS Pension Plan:

2021: Decreasing the maximum amortization period to 20 years for all current and future amortization bases.

2020: The long-term expected rate of return was decreased from 6.90% to 6.80%

2019: The long-term expected rate of return was decreased from 7.00% to 6.90%, and the mortality assumption was changed from the Generational RP-2000 with Projection Scale BB tables to the PUB-2010 base table, projected generationally with Scale MP-2018.

2018: The long-term expected rate of return was decreased from 7.10% to 7.00%

2017: The long-term expected rate of return was decreased from 7.60% to 7.10%

2016: The long-term expected rate of return was decreased from 7.65% to 7.60%

2015: No significant changes. The inflation assumption remained at 2.60%, the real payroll growth assumption remained at 0.65%, and the overall payroll growth rate assumption remained at 3.25%. The long-term expected rate of return remained at 7.65%.

HIS Program:

2021: The municipal bond rate used to determine total pension liability was decreased from 2.21% to 2.16%,

2020: The municipal bond rate used to determine total pension liability was decreased from 3.50% to 2.21%, and the mortality rate assumption was changed from Generational RP-2000 with Projection Scale BB tables to the PUB-2010 base table, projected generationally with Scale MP-2018.

2019: The municipal bond rate used to determine total pension liability was decreased from 3.87% to 3.50%

2018: The municipal bond rate used to determine total pension liability was increased from 3.58% to 3.87%

2017: The municipal bond rate used to determine total pension liability was increased from 2.85% to 3.58%

2016: The municipal bond rate used to determine total pension liability was decreased from 3.80% to 2.85%

2015: The municipal bond rate used to determine total pension liability was decreased from 4.29% to 3.80%

OPEB Plan
Schedule of Changes in Total OPEB Liability
 Last Ten Fiscal Years

	Fiscal Year				
	2021	2020	2019	2018	2017
Total Pension Liability					
Service Cost	\$ (8,792)	\$ (42,721)	\$ (33,374)	\$ 6,650	\$ 6,868
Interest	244,060	253,027	386,669	370,289	364,756
Difference between expected and actual experience	(380,631)	661,896	1,600,759	(552,067)	(614,411)
Benefit payments	(684,676)	(609,354)	(638,195)	(640,339)	(723,867)
Implicit rate subsidy	(52,733)	(40,629)	(40,630)	(288,187)	(288,188)
Net change in total OPEB liability	(882,772)	222,219	1,275,229	(1,103,654)	(1,254,842)
Total OPEB liability, beginning	11,052,220	10,830,001	9,554,772	10,658,426	11,913,268
Total OPEB liability, ending	<u>\$ 10,169,448</u>	<u>\$ 11,052,220</u>	<u>\$ 10,830,001</u>	<u>\$ 9,554,772</u>	<u>\$ 10,658,426</u>
Covered payroll	\$ 22,253,668	\$ 20,044,779	\$ 18,840,882	\$ 17,400,191	\$ 16,138,903
Total OPEB liability as a percentage of covered payroll	45.70%	55.14%	57.48%	54.91%	66.04%

Notes to Schedule:

(1) Plan Assets:

- No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75 to pay related benefits.

Other items:

This information is required for ten years. However, only five years of information is available.



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NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Special revenue funds are used to account for the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The term *proceeds of specific revenue sources* establishes that one or more specific restricted or committed revenues should be the foundation for a special revenue fund.

Motor Fuel Tax Fund – Revenue sources for this fund are restricted for street improvement and other transportation expenditures. Funds are generally used to reimburse the General Fund for street improvement expenditures made by the Public Works Department.

Contraband-Forfeiture Fund – To account for proceeds derived from the sale of confiscated property. Proceeds must be expended for law enforcement purposes as described in Florida Statute (FS) 932.7055.

Police Training Fund – To account for the City's share of certain court fines revenue. Proceeds are restricted to police education and training under FS 938.15.

Boat Registration Fees Fund – To account for the City's portion of county boat registration fees. Proceeds are restricted to specified marine or boating activities under FS 328.72 and interlocal agreement.

Second Occupational License Fund – To account for second occupational license revenue. Proceeds are committed to economic development activities under City Ordinance 93-21.

Growth Management Training Fund – Revenues are from a fee on building permits, which must be spent on departmental training under City Ordinance 97-61.

Parking Fines Handicapped Access Improvement Fund – Revenues are from certain parking fines. Proceeds are committed to handicap accessible programs under FS 316.008(4) and City Ordinance 2000-14.

Tree Mitigation – To account for funds received for the protection and replacement of trees on all property within the City.

Centennial Community Fund – To account for the administration of the Centennial Community Trust resources. Funds are designated for historic preservation and other projects of historical significance, under City Resolution 1042-90.

Historical Commission Fund – To account for donations from private sources specifically earmarked for the Venice Historical Commission.

DEBT SERVICE FUND

Debt service funds are used to account for the accumulation of resources for the payment of principal, interest, and related costs, on long-term governmental debt obligations.

General Obligation Bonds Debt Service Fund – to account for the accumulation of resources and payment of principal, interest, and related costs, on the City’s General Obligation Bonds.

CAPITAL PROJECTS FUNDS

Capital projects funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. Capital projects funds exclude those types of capital-related outflows financed by proprietary funds (enterprise funds).

General Projects Fund - To account for the cost of major park projects and other capital improvement projects which are not accounted for in one of the City’s other capital projects funds.

Streets Capital Projects Fund – To account for the cost of major road and street improvement capital projects. These projects are financed by a combination of revenue sources, including bond proceeds, motor fuel taxes, grants, and interest revenues.

Buildings and Renovations Capital Projects Fund – To account for the cost of constructing new City buildings and/or major renovations to existing City buildings. The new public safety building project was recorded in this fund, financed from bond proceeds and related investment earnings.

Beach Renourishment Fund– To account for the cost of beach renourishment projects and related resources.

Fire Impact Fee Fund– To account for the collection and expenditure of fire impact fees.

Police Impact Fee Fund– To account for the collection and expenditure of law enforcement impact fees.

General Government Impact Fee Fund– To account for the collection and expenditure of general government impact fees, first adopted in 2021.



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**City of Venice, Florida
Combining Balance Sheet
Non-Major Governmental Funds
September 30, 2021**

	Special Revenue			
	Motor Fuel Tax	Contraband Forfeiture	Police Training	Boat Registration Fees
ASSETS				
Pooled cash and investments	\$ 345,295	\$ 161,508	\$ 14,632	\$ 63,784
Accounts receivable (net)	-	-	-	-
Due from other governments	116,130	-	297	1,223
 Total assets	 <u>\$ 461,425</u>	 <u>\$ 161,508</u>	 <u>\$ 14,929</u>	 <u>\$ 65,007</u>
LIABILITIES				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Due to other governments	-	-	-	-
 Total liabilities	 <u>-</u>	 <u>-</u>	 <u>-</u>	 <u>-</u>
FUND BALANCES				
Restricted for:				
Public safety	-	161,508	14,929	-
Boating and waterway improvements	-	-	-	65,007
Street improvements	461,425	-	-	-
Capital improvements	-	-	-	-
Debt service	-	-	-	-
Beach renourishment	-	-	-	-
Committed to:				
Training and education	-	-	-	-
Capital improvements	-	-	-	-
Economic development	-	-	-	-
Historic preservation	-	-	-	-
 Total fund balances	 <u>461,425</u>	 <u>161,508</u>	 <u>14,929</u>	 <u>65,007</u>
 Total liabilities and fund balances	 <u>\$ 461,425</u>	 <u>\$ 161,508</u>	 <u>\$ 14,929</u>	 <u>\$ 65,007</u>

Special Revenue

<u>Second Occupational License</u>	<u>Growth Management Training</u>	<u>Parking Fines Handicapped Access Improvement</u>	<u>Tree Mitigation</u>	<u>Centennial Community</u>	<u>Historical Commission</u>	<u>Total Special Revenue Funds</u>
\$ 54,174	\$ 182,658	\$ 27,192	\$ 8,014	\$ 60,329	\$ 22,353	\$ 939,939
3,158	-	-	-	-	-	3,158
-	-	-	-	-	-	117,650
<u>\$ 57,332</u>	<u>\$ 182,658</u>	<u>\$ 27,192</u>	<u>\$ 8,014</u>	<u>\$ 60,329</u>	<u>\$ 22,353</u>	<u>\$ 1,060,747</u>
\$ -	\$ 1,108	\$ -	\$ -	\$ -	\$ -	\$ 1,108
-	-	-	-	-	36	36
-	1,108	-	-	-	36	1,144
-	-	-	-	-	-	176,437
-	-	-	-	-	-	65,007
-	-	-	-	-	-	461,425
-	-	27,192	-	-	-	27,192
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	181,550	-	-	-	-	181,550
-	-	-	-	-	-	-
57,332	-	-	-	-	-	57,332
-	-	-	8,014	60,329	22,317	90,660
<u>57,332</u>	<u>181,550</u>	<u>27,192</u>	<u>8,014</u>	<u>60,329</u>	<u>22,317</u>	<u>1,059,603</u>
<u>\$ 57,332</u>	<u>\$ 182,658</u>	<u>\$ 27,192</u>	<u>\$ 8,014</u>	<u>\$ 60,329</u>	<u>\$ 22,353</u>	<u>\$ 1,060,747</u>

City of Venice, Florida
Combining Balance Sheet
Non-Major Governmental Funds
September 30, 2021

	Debt Service	Capital Projects		
	General Obligation Bonds	General Capital Projects	Streets	Buildings and Renovations
ASSETS				
Pooled cash and investments	\$ 291,432	\$ 579,300	\$ 3,422,483	\$ 198,371
Accounts receivable (net)	-	63,000	-	-
Due from other governments	52	208,500	-	-
Total assets	<u>\$ 291,484</u>	<u>\$ 850,800</u>	<u>\$ 3,422,483</u>	<u>\$ 198,371</u>
LIABILITIES				
Accounts payable	\$ -	\$ -	\$ 373,443	\$ -
Due to other governments	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>373,443</u>	<u>-</u>
FUND BALANCES				
Restricted for:				
Public safety	-	-	-	-
Boating and waterway improvements	-	-	-	-
Street improvements	-	-	3,049,040	-
Capital improvements	-	256,339	-	-
Debt service	291,484	-	-	-
Beach renourishment	-	-	-	-
Committed to:				
Training and education	-	-	-	-
Capital improvements	-	594,461	-	198,371
Economic development	-	-	-	-
Historic preservation	-	-	-	-
Total fund balances	<u>291,484</u>	<u>850,800</u>	<u>3,049,040</u>	<u>198,371</u>
Total liabilities and fund balances	<u>\$ 291,484</u>	<u>\$ 850,800</u>	<u>\$ 3,422,483</u>	<u>\$ 198,371</u>

Capital Projects					Total Non-Major Governmental Funds
Beach Renourishment	Fire Impact Fees	Law Enforcement Impact Fees	General Government Impact Fees	Total Capital Project Funds	
\$ 3,737,213	\$ 211,512	\$ 301,666	\$ 170,004	\$ 8,620,549	\$ 9,851,920
-	-	-	-	63,000	66,158
-	-	-	-	208,500	326,202
<u>\$ 3,737,213</u>	<u>\$ 211,512</u>	<u>\$ 301,666</u>	<u>\$ 170,004</u>	<u>\$ 8,892,049</u>	<u>\$ 10,244,280</u>
\$ 4,693	\$ -	\$ -	\$ -	\$ 378,136	\$ 379,244
-	-	-	-	-	36
<u>4,693</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>378,136</u>	<u>379,280</u>
-	-	-	-	-	176,437
-	-	-	-	-	65,007
-	-	-	-	3,049,040	3,510,465
-	211,512	301,666	170,004	939,521	966,713
-	-	-	-	-	291,484
3,732,520	-	-	-	3,732,520	3,732,520
-	-	-	-	-	181,550
-	-	-	-	792,832	792,832
-	-	-	-	-	57,332
-	-	-	-	-	90,660
<u>3,732,520</u>	<u>211,512</u>	<u>301,666</u>	<u>170,004</u>	<u>8,513,913</u>	<u>9,865,000</u>
<u>\$ 3,737,213</u>	<u>\$ 211,512</u>	<u>\$ 301,666</u>	<u>\$ 170,004</u>	<u>\$ 8,892,049</u>	<u>\$ 10,244,280</u>

City of Venice, Florida
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-Major Governmental Funds
For the Year Ended September 30, 2021

	Special Revenue			
	Motor Fuel Tax	Contraband Forfeiture	Police Training	Boat Registration Fees
REVENUES				
Property taxes	\$ -	\$ -	\$ -	\$ -
Local option, use and fuel taxes	1,100,532	-	-	-
Fees and fines	-	65,422	4,484	-
Licenses and permits	-	-	-	-
Intergovernmental	228,167	-	-	119,039
Interest	123	205	16	76
Miscellaneous	-	5,500	-	-
Total revenues	<u>1,328,822</u>	<u>71,127</u>	<u>4,500</u>	<u>119,115</u>
EXPENDITURES				
Current:				
General government	-	-	-	-
Police	-	-	1,422	6,157
Grants and aid	-	15,000	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Fiscal charges	-	-	-	-
Capital outlay	-	-	-	100,657
Total expenditures	<u>-</u>	<u>15,000</u>	<u>1,422</u>	<u>106,814</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,328,822</u>	<u>56,127</u>	<u>3,078</u>	<u>12,301</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	(1,192,100)	-	-	-
Total other financing sources (uses)	<u>(1,192,100)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	136,722	56,127	3,078	12,301
Fund balances at beginning of year	324,703	105,381	11,851	52,706
Fund balances at end of year	<u>\$ 461,425</u>	<u>\$ 161,508</u>	<u>\$ 14,929</u>	<u>\$ 65,007</u>

Special Revenue

<u>Second Occupational License</u>	<u>Growth Management Training</u>	<u>Parking Fines Handicapped Access Improvement</u>	<u>Tree Mitigation</u>	<u>Centennial Community</u>	<u>Historical Commission</u>	<u>Total Special Revenue Funds</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	1,100,532
-	-	17,690	-	-	-	87,596
7,007	-	-	6,613	-	-	13,620
-	-	-	-	-	-	347,206
67	224	176	7	80	25	999
-	44,820	-	-	-	12,327	62,647
<u>7,074</u>	<u>45,044</u>	<u>17,866</u>	<u>6,620</u>	<u>80</u>	<u>12,352</u>	<u>1,612,600</u>
-	14,694	-	233	-	5,520	20,447
-	-	-	-	-	-	7,579
-	-	-	-	-	-	15,000
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	117,500	-	-	-	218,157
-	14,694	117,500	233	-	5,520	261,183
<u>7,074</u>	<u>30,350</u>	<u>(99,634)</u>	<u>6,387</u>	<u>80</u>	<u>6,832</u>	<u>1,351,417</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	(1,192,100)
-	-	-	-	-	-	(1,192,100)
7,074	30,350	(99,634)	6,387	80	6,832	159,317
50,258	151,200	126,826	1,627	60,249	15,485	900,286
<u>\$ 57,332</u>	<u>\$ 181,550</u>	<u>\$ 27,192</u>	<u>\$ 8,014</u>	<u>\$ 60,329</u>	<u>\$ 22,317</u>	<u>\$ 1,059,603</u>

City of Venice, Florida
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-Major Governmental Funds
For the Year Ended September 30, 2021

	Debt Service	Capital Projects		
	General Obligation Bonds	General Capital Projects	Streets	Buildings and Renovations
REVENUES				
Property taxes	\$ 2,595,370	\$ -	\$ -	\$ -
Local option, use and fuel taxes	-	-	-	-
Fees and fines	-	-	-	-
Licenses and permits	-	-	-	-
Intergovernmental	-	208,500	398,472	-
Interest	1,314	881	4,514	-
Miscellaneous	-	63,000	-	-
Total revenues	2,596,684	272,381	402,986	-
EXPENDITURES				
Current:				
General government	-	-	-	-
Police	-	-	-	-
Grants and aid	-	-	398,472	-
Debt service:				
Principal	1,390,000	-	-	-
Interest	1,180,368	-	-	-
Fiscal charges	1,500	-	-	-
Capital outlay	-	118,880	406,493	4,809
Total expenditures	2,571,868	118,880	804,965	4,809
Excess (deficiency) of revenues over (under) expenditures	24,816	153,501	(401,979)	(4,809)
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	384,800	-
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	384,800	-
Net change in fund balances	24,816	153,501	(17,179)	(4,809)
Fund balances at beginning of year	266,668	697,299	3,066,219	203,180
Fund balances at end of year	\$ 291,484	\$ 850,800	\$ 3,049,040	\$ 198,371

Capital Projects					
Beach Renourishment	Fire Impact Fees	Law Enforcement Impact Fees	General Government Impact Fees	Total Capital Project Funds	Total Non- Major Governmental Funds
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,595,370
-	-	-	-	-	1,100,532
-	-	-	-	-	87,596
-	436,058	344,226	169,942	950,226	963,846
-	-	-	-	606,972	954,178
4,748	784	448	62	11,437	13,750
-	-	-	-	63,000	125,647
<u>4,748</u>	<u>436,842</u>	<u>344,674</u>	<u>170,004</u>	<u>1,631,635</u>	<u>5,840,919</u>
10,585	-	-	-	10,585	31,032
-	-	-	-	-	7,579
-	-	-	-	398,472	413,472
-	-	-	-	-	1,390,000
-	-	-	-	-	1,180,368
-	-	-	-	-	1,500
-	613,000	100,000	-	1,243,182	1,461,339
<u>10,585</u>	<u>613,000</u>	<u>100,000</u>	<u>-</u>	<u>1,652,239</u>	<u>4,485,290</u>
<u>(5,837)</u>	<u>(176,158)</u>	<u>244,674</u>	<u>170,004</u>	<u>(20,604)</u>	<u>1,355,629</u>
250,000	-	-	-	634,800	634,800
-	-	-	-	-	(1,192,100)
<u>250,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>634,800</u>	<u>(557,300)</u>
244,163	(176,158)	244,674	170,004	614,196	798,329
3,488,357	387,670	56,992	-	7,899,717	9,066,671
<u>\$ 3,732,520</u>	<u>\$ 211,512</u>	<u>\$ 301,666</u>	<u>\$ 170,004</u>	<u>\$ 8,513,913</u>	<u>\$ 9,865,000</u>

City of Venice, Florida
Budget Comparison Schedule
Motor Fuel Tax Fund
For the Year Ended September 30, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
REVENUES				
Fuel taxes	\$ 997,200	\$ 997,200	\$ 1,100,532	\$ 103,332
Intergovernmental	192,400	192,400	228,167	35,767
Interest	2,500	2,500	123	(2,377)
Total revenues	<u>1,192,100</u>	<u>1,192,100</u>	<u>1,328,822</u>	<u>136,722</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,192,100</u>	<u>1,192,100</u>	<u>1,328,822</u>	<u>136,722</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	<u>(1,192,100)</u>	<u>(1,192,100)</u>	<u>(1,192,100)</u>	<u>-</u>
Net other financing sources (uses)	<u>(1,192,100)</u>	<u>(1,192,100)</u>	<u>(1,192,100)</u>	<u>-</u>
Net change in fund balances	-	-	136,722	136,722
Fund balances at beginning of year	<u>324,703</u>	<u>324,703</u>	<u>324,703</u>	<u>-</u>
Fund balances at end of year	<u>\$ 324,703</u>	<u>\$ 324,703</u>	<u>\$ 461,425</u>	<u>\$ 136,722</u>

City of Venice, Florida
Budget Comparison Schedule
Contraband Forfeiture Fund
For the Year Ended September 30, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
REVENUES				
Fees and fines	\$ 5,000	\$ 5,000	\$ 65,422	\$ 60,422
Interest	1,250	1,250	205	(1,045)
Miscellaneous	-	-	5,500	5,500
Total revenues	<u>6,250</u>	<u>6,250</u>	<u>71,127</u>	<u>64,877</u>
EXPENDITURES				
Current:				
Police	40,000	40,000	-	40,000
Grants and aid	-	-	15,000	(15,000)
Total expenditures	<u>40,000</u>	<u>40,000</u>	<u>15,000</u>	<u>25,000</u>
Net change in fund balances	(33,750)	(33,750)	56,127	89,877
Fund balances at beginning of year	<u>103,036</u>	<u>103,036</u>	<u>105,381</u>	<u>2,345</u>
Fund balances at end of year	<u>\$ 69,286</u>	<u>\$ 69,286</u>	<u>\$ 161,508</u>	<u>\$ 92,222</u>

City of Venice, Florida
Budget Comparison Schedule
Police Training Fund
For the Year Ended September 30, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
REVENUES				
Fees and fines	\$ 3,200	\$ 3,200	\$ 4,484	\$ 1,284
Interest	100	100	16	(84)
Total revenues	<u>3,300</u>	<u>3,300</u>	<u>4,500</u>	<u>1,200</u>
EXPENDITURES				
Current:				
Police	<u>3,300</u>	<u>3,300</u>	<u>1,422</u>	<u>1,878</u>
Total expenditures	<u>3,300</u>	<u>3,300</u>	<u>1,422</u>	<u>1,878</u>
Net change in fund balances	-	-	3,078	3,078
Fund balances at beginning of year	<u>10,594</u>	<u>10,594</u>	<u>11,851</u>	<u>1,257</u>
Fund balances at end of year	<u>\$ 10,594</u>	<u>\$ 10,594</u>	<u>\$ 14,929</u>	<u>\$ 4,335</u>

City of Venice, Florida
Budget Comparison Schedule
Boat Registration Fees Fund
For the Year Ended September 30, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
REVENUES				
Intergovernmental	\$ 15,000	\$ 115,000	\$ 119,039	\$ 4,039
Interest	150	150	76	(74)
Total revenues	<u>15,150</u>	<u>115,150</u>	<u>119,115</u>	<u>3,965</u>
EXPENDITURES				
Current:				
Police	12,500	12,500	6,157	6,343
Grants and aid	2,500	2,500	-	2,500
Capital outlay	-	100,000	100,657	(657)
Total expenditures	<u>15,000</u>	<u>115,000</u>	<u>106,814</u>	<u>8,186</u>
Net change in fund balances	150	150	12,301	12,151
Fund balances at beginning of year	<u>46,458</u>	<u>46,458</u>	<u>52,706</u>	<u>6,248</u>
Fund balances at end of year	<u>\$ 46,608</u>	<u>\$ 46,608</u>	<u>\$ 65,007</u>	<u>\$ 18,399</u>

City of Venice, Florida
Budget Comparison Schedule
Second Occupational License Fund
For the Year Ended September 30, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
REVENUES				
Licenses and permits	\$ 5,000	\$ 5,000	\$ 7,007	\$ 2,007
Interest	500	500	67	(433)
Total revenues	<u>5,500</u>	<u>5,500</u>	<u>7,074</u>	<u>1,574</u>
EXPENDITURES				
Current:				
Economic environment	<u>8,000</u>	<u>8,000</u>	<u>-</u>	<u>8,000</u>
Total expenditures	<u>8,000</u>	<u>8,000</u>	<u>-</u>	<u>8,000</u>
Net change in fund balances	(2,500)	(2,500)	7,074	9,574
Fund balances at beginning of year	<u>45,839</u>	<u>45,839</u>	<u>50,258</u>	<u>4,419</u>
Fund balances at end of year	<u>\$ 43,339</u>	<u>\$ 43,339</u>	<u>\$ 57,332</u>	<u>\$ 13,993</u>

City of Venice, Florida
Budget Comparison Schedule
Growth Management Training Fund
For the Year Ended September 30, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
REVENUES				
Interest	\$ 1,500	\$ 1,500	\$ 224	\$ (1,276)
Miscellaneous	<u>28,000</u>	<u>28,000</u>	<u>44,820</u>	<u>16,820</u>
Total revenues	<u>29,500</u>	<u>29,500</u>	<u>45,044</u>	<u>15,544</u>
EXPENDITURES				
Current:				
General government	<u>27,000</u>	<u>27,000</u>	<u>14,694</u>	<u>12,306</u>
Total expenditures	<u>27,000</u>	<u>27,000</u>	<u>14,694</u>	<u>12,306</u>
Net change in fund balances	2,500	2,500	30,350	27,850
Fund balances at beginning of year	<u>127,425</u>	<u>127,425</u>	<u>151,200</u>	<u>23,775</u>
Fund balances at end of year	<u>\$ 129,925</u>	<u>\$ 129,925</u>	<u>\$ 181,550</u>	<u>\$ 51,625</u>

City of Venice, Florida
Budget Comparison Schedule
Parking Fines Handicapped Access Improvement Fund
For the Year Ended September 30, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
REVENUES				
Fees and fines	\$ 9,000	\$ 9,000	\$ 17,690	\$ 8,690
Interest	125	125	176	51
Total revenues	<u>9,125</u>	<u>9,125</u>	<u>17,866</u>	<u>8,741</u>
EXPENDITURES				
Capital outlay	-	117,500	117,500	-
Total expenditures	<u>-</u>	<u>117,500</u>	<u>117,500</u>	<u>-</u>
Net change in fund balances	9,125	(108,375)	(99,634)	8,741
Fund balances at beginning of year	<u>11,568</u>	<u>129,068</u>	<u>126,826</u>	<u>(2,242)</u>
Fund balances at end of year	<u>\$ 20,693</u>	<u>\$ 20,693</u>	<u>\$ 27,192</u>	<u>\$ 6,499</u>

City of Venice, Florida
Budget Comparison Schedule
Tree Mitigation Fund
For the Year Ended September 30, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
REVENUES				
Licenses and permits	\$ 50,000	\$ 50,000	\$ 6,613	\$ (43,387)
Interest	500	500	7	(493)
Total revenues	<u>50,500</u>	<u>50,500</u>	<u>6,620</u>	<u>(43,880)</u>
EXPENDITURES				
Current:				
General government	40,000	40,000	233	39,767
Total expenditures	<u>40,000</u>	<u>40,000</u>	<u>233</u>	<u>39,767</u>
Net change in fund balances	10,500	10,500	6,387	(4,113)
Fund balances at beginning of year	<u>-</u>	<u>-</u>	<u>1,627</u>	<u>1,627</u>
Fund balances at end of year	<u>\$ 10,500</u>	<u>\$ 10,500</u>	<u>\$ 8,014</u>	<u>\$ (2,486)</u>

**City of Venice, Florida
Budget Comparison Schedule
Centennial Community Fund
For the Year Ended September 30, 2021**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
REVENUES				
Interest	\$ 750	\$ 750	\$ 80	\$ (670)
Total revenues	<u>750</u>	<u>750</u>	<u>80</u>	<u>(670)</u>
EXPENDITURES				
Current:				
General government	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	750	750	80	(670)
Fund balances at beginning of year	<u>60,715</u>	<u>60,715</u>	<u>60,249</u>	<u>(466)</u>
Fund balances at end of year	<u>\$ 61,465</u>	<u>\$ 61,465</u>	<u>\$ 60,329</u>	<u>\$ (1,136)</u>

**City of Venice, Florida
Budget Comparison Schedule
Historical Commission Fund
For the Year Ended September 30, 2021**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
REVENUES				
Interest	\$ 125	\$ 125	\$ 25	\$ (100)
Miscellaneous	8,000	8,000	12,327	4,327
Total revenues	<u>8,125</u>	<u>8,125</u>	<u>12,352</u>	<u>4,227</u>
EXPENDITURES				
Current:				
General government	5,800	5,800	5,520	280
Total expenditures	<u>5,800</u>	<u>5,800</u>	<u>5,520</u>	<u>280</u>
Net change in fund balances	2,325	2,325	6,832	4,507
Fund balances at beginning of year	<u>12,308</u>	<u>12,308</u>	<u>15,485</u>	<u>3,177</u>
Fund balances at end of year	<u>\$ 14,633</u>	<u>\$ 14,633</u>	<u>\$ 22,317</u>	<u>\$ 7,684</u>

City of Venice, Florida
Budget Comparison Schedule
General Obligation Bonds Fund
For the Year Ended September 30, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
REVENUES				
Taxes	\$ 2,568,000	\$ 2,568,000	\$ 2,595,370	\$ 27,370
Interest	10,000	10,000	1,314	(8,686)
Total revenues	<u>2,578,000</u>	<u>2,578,000</u>	<u>2,596,684</u>	<u>18,684</u>
EXPENDITURES				
Debt Service:				
Principal	1,390,000	1,390,000	1,390,000	-
Interest	1,180,449	1,180,449	1,180,368	81
Fiscal charges	1,500	1,500	1,500	-
Total expenditures	<u>2,571,949</u>	<u>2,571,949</u>	<u>2,571,868</u>	<u>81</u>
Net change in fund balances	6,051	6,051	24,816	18,765
Fund balances at beginning of year	237,828	237,828	266,668	28,840
Fund balances at end of year	<u>\$ 243,879</u>	<u>\$ 243,879</u>	<u>\$ 291,484</u>	<u>\$ 47,605</u>

City of Venice, Florida
Budget Comparison Schedule
General Capital Projects Fund
For the Year Ended September 30, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
REVENUES				
Intergovernmental	\$ 250,000	\$ 308,500	\$ 208,500	\$ (100,000)
Interest	6,250	6,250	881	(5,369)
Miscellaneous	63,000	63,000	63,000	-
Total revenues	<u>319,250</u>	<u>377,750</u>	<u>272,381</u>	<u>(105,369)</u>
EXPENDITURES				
Capital outlay	411,667	636,720	118,880	517,840
Total expenditures	<u>411,667</u>	<u>636,720</u>	<u>118,880</u>	<u>517,840</u>
Net change in fund balances	(92,417)	(258,970)	153,501	412,471
Fund balances at beginning of year	702,635	835,188	697,299	(137,889)
Fund balances at end of year	<u>\$ 610,218</u>	<u>\$ 576,218</u>	<u>\$ 850,800</u>	<u>\$ 274,582</u>

**City of Venice, Florida
Budget Comparison Schedule
One Cent Voted Sales Tax Fund
For the Year Ended September 30, 2021**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
REVENUES				
Sales taxes	\$ 3,646,500	\$ 3,646,500	\$ 4,149,270	\$ 502,770
Intergovernmental	-	728,838	624,592	(104,246)
Interest	31,250	31,250	7,655	(23,595)
Total revenues	<u>3,677,750</u>	<u>4,406,588</u>	<u>4,781,517</u>	<u>374,929</u>
EXPENDITURES				
Grants and aid	-	120,500	120,500	-
Debt Service:				
Principal	150,000	150,000	150,000	-
Capital outlay	<u>1,935,552</u>	<u>8,409,743</u>	<u>6,338,500</u>	<u>2,071,243</u>
Total expenditures	<u>2,085,552</u>	<u>8,680,243</u>	<u>6,609,000</u>	<u>2,071,243</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,592,198</u>	<u>(4,273,655)</u>	<u>(1,827,483)</u>	<u>2,446,172</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	(250,000)	(250,000)	(250,000)	-
Net other financing sources (uses)	<u>(250,000)</u>	<u>(250,000)</u>	<u>(250,000)</u>	<u>-</u>
Net change in fund balances	1,342,198	(4,523,655)	(2,077,483)	2,446,172
Fund balances at beginning of year	<u>4,225,192</u>	<u>10,819,883</u>	<u>6,834,205</u>	<u>(3,985,678)</u>
Fund balances at end of year	<u>\$ 5,567,390</u>	<u>\$ 6,296,228</u>	<u>\$ 4,756,722</u>	<u>\$ (1,539,506)</u>

**City of Venice, Florida
Budget Comparison Schedule
Streets Capital Projects Fund
For the Year Ended September 30, 2021**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
REVENUES				
Intergovernmental	\$ 725,000	\$ 725,000	\$ 398,472	\$ (326,528)
Interest	25,000	25,000	4,514	(20,486)
Total revenues	<u>750,000</u>	<u>750,000</u>	<u>402,986</u>	<u>(347,014)</u>
EXPENDITURES				
Grants and aid	-	400,000	398,472	1,528
Capital outlay	<u>2,225,000</u>	<u>1,977,367</u>	<u>406,493</u>	<u>1,570,874</u>
Total expenditures	<u>2,225,000</u>	<u>2,377,367</u>	<u>804,965</u>	<u>1,572,402</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,475,000)</u>	<u>(1,627,367)</u>	<u>(401,979)</u>	<u>1,225,388</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	384,800	384,800	384,800	-
Net other financing sources (uses)	<u>384,800</u>	<u>384,800</u>	<u>384,800</u>	<u>-</u>
Net change in fund balances	(1,090,200)	(1,242,567)	(17,179)	1,225,388
Fund balances at beginning of year	<u>2,930,360</u>	<u>3,082,727</u>	<u>3,066,219</u>	<u>(16,508)</u>
Fund balances at end of year	<u>\$ 1,840,160</u>	<u>\$ 1,840,160</u>	<u>\$ 3,049,040</u>	<u>\$ 1,208,880</u>

**City of Venice, Florida
Budget Comparison Schedule
Building and Renovation Fund
For the Year Ended September 30, 2021**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
REVENUES				
Interest	\$ -	\$ -	\$ -	\$ -
Total revenues	-	-	-	-
EXPENDITURES				
Capital outlay	-	203,180	4,809	198,371
Total expenditures	-	203,180	4,809	198,371
Net change in fund balances	-	(203,180)	(4,809)	198,371
Fund balances at beginning of year	-	203,180	203,180	-
Fund balances at end of year	\$ -	\$ -	\$ 198,371	\$ 198,371

**City of Venice, Florida
Budget Comparison Schedule
Beach Renourishment Fund
For the Year Ended September 30, 2021**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
REVENUES				
Intergovernmental	\$ 14,000	\$ 14,000	\$ -	\$ (14,000)
Interest	43,750	43,750	4,748	(39,002)
Total revenues	57,750	57,750	4,748	(53,002)
EXPENDITURES				
Current:				
General government	30,000	30,000	10,585	19,415
Total expenditures	30,000	30,000	10,585	19,415
Excess (deficiency) of revenues over (under) expenditures	27,750	27,750	(5,837)	(33,587)
OTHER FINANCING SOURCES (USES)				
Transfers in	250,000	250,000	250,000	-
Net other financing sources (uses)	250,000	250,000	250,000	-
Net change in fund balances	277,750	277,750	244,163	(33,587)
Fund balances at beginning of year	3,511,541	3,511,541	3,488,357	(23,184)
Fund balances at end of year	\$ 3,789,291	\$ 3,789,291	\$ 3,732,520	\$ (56,771)

City of Venice, Florida
Budget Comparison Schedule
Fire Impact Fee Fund
For the Year Ended September 30, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
REVENUES				
Licenses and permits	\$ 115,000	\$ 115,000	\$ 436,058	\$ 321,058
Interest	5,625	5,625	784	(4,841)
Total revenues	<u>120,625</u>	<u>120,625</u>	<u>436,842</u>	<u>316,217</u>
EXPENDITURES				
Capital outlay	613,000	613,000	613,000	-
Total expenditures	<u>613,000</u>	<u>613,000</u>	<u>613,000</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(492,375)</u>	<u>(492,375)</u>	<u>(176,158)</u>	<u>316,217</u>
OTHER FINANCING SOURCES (USES)				
Issuance of long-term debt	138,000	138,000	-	(138,000)
Net other financing sources (uses)	<u>138,000</u>	<u>138,000</u>	<u>-</u>	<u>(138,000)</u>
Net change in fund balances	(354,375)	(354,375)	(176,158)	178,217
Fund balances at beginning of year	377,977	377,977	387,670	9,693
Fund balances at end of year	<u>\$ 23,602</u>	<u>\$ 23,602</u>	<u>\$ 211,512</u>	<u>\$ 187,910</u>

City of Venice, Florida
Budget Comparison Schedule
Law Enforcement Impact Fee Fund
For the Year Ended September 30, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
REVENUES				
Licenses and permits	\$ 90,000	\$ 90,000	\$ 344,226	\$ 254,226
Interest	625	625	448	(177)
Total revenues	<u>90,625</u>	<u>90,625</u>	<u>344,674</u>	<u>254,049</u>
EXPENDITURES				
Capital outlay	100,000	100,000	100,000	-
Total expenditures	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>	<u>-</u>
Net change in fund balances	(9,375)	(9,375)	244,674	254,049
Fund balances at beginning of year	43,566	43,566	56,992	13,426
Fund balances at end of year	<u>\$ 34,191</u>	<u>\$ 34,191</u>	<u>\$ 301,666</u>	<u>\$ 267,475</u>

City of Venice, Florida
Budget Comparison Schedule
General Government Impact Fee Fund
For the Year Ended September 30, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	Variance with Final Budget - Positive (Negative)
REVENUES				
Licenses and permits	\$ 100,000	\$ 100,000	\$ 169,942	\$ 69,942
Interest	500	500	62	(438)
Total revenues	<u>100,500</u>	<u>100,500</u>	<u>170,004</u>	<u>69,504</u>
EXPENDITURES				
Capital outlay	<u>300,000</u>	<u>300,000</u>	<u>-</u>	<u>300,000</u>
Total expenditures	<u>300,000</u>	<u>300,000</u>	<u>-</u>	<u>300,000</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(199,500)</u>	<u>(199,500)</u>	<u>170,004</u>	<u>369,504</u>
OTHER FINANCING SOURCES (USES)				
Issuance of long-term debt	<u>220,000</u>	<u>220,000</u>	<u>-</u>	<u>(220,000)</u>
Net other financing sources (uses)	<u>220,000</u>	<u>220,000</u>	<u>-</u>	<u>(220,000)</u>
Net change in fund balances	20,500	20,500	170,004	149,504
Fund balances at beginning of year	-	-	-	-
Fund balances at end of year	<u>\$ 20,500</u>	<u>\$ 20,500</u>	<u>\$ 170,004</u>	<u>\$ 149,504</u>



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INTERNAL SERVICE FUNDS

Internal Service Funds are established to finance and account for services and/or commodities furnished by a designated department to other departments within the City, on a cost-reimbursement basis.

The Employees' Group Health and Life Insurance Fund - To account for receipts and disbursements for health and life insurance claims which are partially self-insured by the City.

The Workers' Compensation Self Insurance Fund - To account for receipts and disbursements for workers' compensation claims which are partially self-insured by the City.

The Employee Flexible Spending Fund - To account for receipts and disbursements of the program established by the City.

The Property and Liability Insurance Fund - To account for receipts and disbursements for insurance of facilities, equipment and other risk exposures by the City.

The Fleet Replacement Fund - To account for the costs and revenue derived from assets that have been transferred into the City's fleet replacement program.

City of Venice, Florida
Combining Statement of Net Position
Internal Service Funds
September 30, 2021

	Governmental Activities		
	Employees' Group Health and Life Insurance	Workers' Compensation Self Insurance	Employee Flexible Spending
ASSETS			
Current assets:			
Pooled cash and investments	\$ 7,612,469	\$ 1,170,483	\$ 21,353
Other cash	-	14,779	-
Accounts receivable (net)	1,319	-	1,083
Total current assets	<u>7,613,788</u>	<u>1,185,262</u>	<u>22,436</u>
Noncurrent assets:			
Capital assets:			
Machinery and equipment	-	-	-
Less accumulated depreciation	-	-	-
Total capital assets	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>7,613,788</u>	<u>1,185,262</u>	<u>22,436</u>
LIABILITIES			
Current liabilities:			
Accounts payable	1,152,588	-	-
Accrued liabilities	9,981	2,604	-
Accrued insurance claims	281,157	854,000	-
Total liabilities	<u>1,443,726</u>	<u>856,604</u>	<u>-</u>
NET POSITION			
Net investment in capital assets	-	-	-
Unrestricted	<u>6,170,062</u>	<u>328,658</u>	<u>22,436</u>
Total net position	<u>\$ 6,170,062</u>	<u>\$ 328,658</u>	<u>\$ 22,436</u>

Governmental Activities

Property and Liability Insurance	Fleet Replacement	Total Internal Service Funds
\$ 1,051,330	\$ 7,724,521	\$ 17,580,156
-	-	14,779
-	-	2,402
<u>1,051,330</u>	<u>7,724,521</u>	<u>17,597,337</u>
-	16,296,784	16,296,784
-	(6,045,015)	(6,045,015)
-	<u>10,251,769</u>	<u>10,251,769</u>
<u>1,051,330</u>	<u>17,976,290</u>	<u>27,849,106</u>
10,169	336,699	1,499,456
2,124	-	14,709
-	-	1,135,157
<u>12,293</u>	<u>336,699</u>	<u>2,649,322</u>
-	10,251,769	10,251,769
<u>1,039,037</u>	<u>7,387,822</u>	<u>14,948,015</u>
<u>\$ 1,039,037</u>	<u>\$ 17,639,591</u>	<u>\$ 25,199,784</u>

City of Venice, Florida
Statement of Revenues, Expenses and Changes in Fund Net Position
Internal Service Funds
For Fiscal Year Ended September 30, 2021

	Governmental Activities		
	Employees' Group Health and Life Insurance	Workers' Compensation Self Insurance	Employee Flexible Spending
OPERATING REVENUES			
Interfund charges	\$ 5,193,045	\$ 663,040	\$ -
Miscellaneous	2,552,884	13,900	145,040
Total operating revenues	<u>7,745,929</u>	<u>676,940</u>	<u>145,040</u>
OPERATING EXPENSES			
Personal services	106,379	58,837	-
Insurance	1,659,101	153,642	-
Professional services	395,526	27,441	3,626
Claims	5,626,510	516,754	-
Other services and charges	-	-	137,146
Depreciation	-	-	-
Total operating expenses	<u>7,787,516</u>	<u>756,674</u>	<u>140,772</u>
Operating income (loss)	<u>(41,587)</u>	<u>(79,734)</u>	<u>4,268</u>
NON OPERATING REVENUES (EXPENSES)			
Interest earnings	10,502	1,556	-
Disposition of capital assets	-	-	-
Net non-operating revenues (expenses)	<u>10,502</u>	<u>1,556</u>	<u>-</u>
Income (loss) before contributions and transfers	(31,085)	(78,178)	4,268
CAPITAL CONTRIBUTIONS			
Capital assets transferred in from governmental funds	-	-	-
TRANSFERS			
Transfers in	-	-	10,000
Transfers out	(10,000)	-	-
Change in net position	<u>(41,085)</u>	<u>(78,178)</u>	<u>14,268</u>
Total net position at beginning of year	<u>6,211,147</u>	<u>406,836</u>	<u>8,168</u>
Total net position at end of year	<u>\$ 6,170,062</u>	<u>\$ 328,658</u>	<u>\$ 22,436</u>

Governmental Activities

Property and Liability Insurance	Fleet Replacement	Total Internal Service Funds
\$ 1,124,320	\$ 2,338,998	\$ 9,319,403
48,164	-	2,759,988
<u>1,172,484</u>	<u>2,338,998</u>	<u>12,079,391</u>
47,552	-	212,768
1,112,518	-	2,925,261
39,202	-	465,795
-	-	6,143,264
-	-	137,146
-	1,374,253	1,374,253
<u>1,199,272</u>	<u>1,374,253</u>	<u>11,258,487</u>
<u>(26,788)</u>	<u>964,745</u>	<u>820,904</u>
1,310	9,277	22,645
-	119,932	119,932
<u>1,310</u>	<u>129,209</u>	<u>142,577</u>
(25,478)	1,093,954	963,481
-	1,788,338	1,788,338
-	1,192,856	1,202,856
-	-	(10,000)
<u>(25,478)</u>	<u>4,075,148</u>	<u>3,944,675</u>
<u>1,064,515</u>	<u>13,564,443</u>	<u>21,255,109</u>
<u>\$ 1,039,037</u>	<u>\$ 17,639,591</u>	<u>\$ 25,199,784</u>

City of Venice, Florida
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended September 30, 2021

	Governmental Activities		
	Employees' Group Health and Life Insurance	Workers' Compensation Self Insurance	Employee Flexible Spending
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers	\$ 2,554,072	\$ 13,900	\$ 145,020
Interfund charges	5,193,045	663,040	-
Payments to suppliers	(1,341,602)	(181,083)	(140,772)
Payments to employees	(103,094)	(58,600)	-
Claims paid	(5,587,154)	(436,754)	-
Net cash provided (used) by operating activities	<u>715,267</u>	<u>503</u>	<u>4,248</u>
CASH FLOWS FROM NONCAPITAL AND RELATED FINANCING ACTIVITIES			
Transfers in from other funds	-	-	10,000
Transfers out to other funds	(10,000)	-	-
Net cash provided (used) by noncapital and related financing activities	<u>(10,000)</u>	<u>-</u>	<u>10,000</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Purchases of capital assets	-	-	-
Proceeds from sale of capital assets	-	-	-
Net cash provided (used) by capital and related financing activities	<u>-</u>	<u>-</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest earnings	10,502	1,556	-
Net cash provided (used) by investing activities	<u>10,502</u>	<u>1,556</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents	715,769	2,059	14,248
Cash and cash equivalents at beginning of year	6,896,700	1,183,203	7,105
Cash and cash equivalents at end of year	<u>\$ 7,612,469</u>	<u>\$ 1,185,262</u>	<u>\$ 21,353</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating income (loss)	\$ (41,587)	\$ (79,734)	\$ 4,268
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation	-	-	-
Change in assets and liabilities:			
Accounts receivable	1,188	-	(20)
Accounts payable	713,025	-	-
Accrued liabilities	3,285	237	-
Accrued claims	39,356	80,000	-
Net cash provided (used) by operating activities	<u>\$ 715,267</u>	<u>\$ 503</u>	<u>\$ 4,248</u>

Supplemental disclosure of noncash investing, capital and financing activities:

Capital assets with a cost of \$1,788,338 (no depreciation) were transferred into the fleet replacement fund from Governmental Activities.

Governmental Activities

Property and Liability Insurance	Fleet Replacement	Total Governmental Activities
\$ 223,806	\$ -	\$ 2,936,798
1,124,320	2,338,998	9,319,403
(1,143,289)	132,838	(2,673,908)
(47,358)	-	(209,052)
-	-	(6,023,908)
<u>157,479</u>	<u>2,471,836</u>	<u>3,349,333</u>
-	1,192,856	1,202,856
-	-	(10,000)
-	<u>1,192,856</u>	<u>1,192,856</u>
-	(2,650,824)	(2,650,824)
-	239,200	239,200
-	<u>(2,411,624)</u>	<u>(2,411,624)</u>
1,310	9,277	22,645
<u>1,310</u>	<u>9,277</u>	<u>22,645</u>
158,789	1,262,345	2,153,210
892,541	6,462,176	15,441,725
<u>\$ 1,051,330</u>	<u>\$ 7,724,521</u>	<u>\$ 17,594,935</u>
\$ (26,788)	\$ 964,745	\$ 820,904
-	1,374,253	1,374,253
175,642	-	176,810
8,431	132,838	854,294
194	-	3,716
-	-	119,356
<u>\$ 157,479</u>	<u>\$ 2,471,836</u>	<u>\$ 3,349,333</u>



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TRUST FUNDS

Trust Funds are used to administer resources reserved and held by a governmental unit as the trustee or as the agent for others. Use of these Trust Funds facilitates the discharge of responsibilities placed upon the governmental unit by virtue of law or other authority.

PENSION TRUST FUNDS:

Police Officers' Retirement Trust Fund accounts for contributions and related pension benefits for certain retired City police officers. The City administers the funds only as authorized by the Police Officer's Pension Board.

Firefighters' Retirement Trust Fund accounts for contributions and related pension benefits for certain retired City firefighters. The City administers the funds only as authorized by the Firefighters' Pension Board.

City of Venice, Florida
Combining Statement of Fiduciary Net Position
Pension Trust Funds
September 30, 2021

	Police Officers' Retirement	Firefighters' Retirement	Total Pension Funds
ASSETS			
Cash and cash equivalents	\$ 1,692,690	\$ 1,100,447	\$ 2,793,137
Receivables:			
Interest and dividends	57,777	27,047	84,824
Total receivables	57,777	27,047	84,824
Investments, at fair value:			
U.S. Government and agency obligations	4,209,299	2,159,120	6,368,419
Mortgage-backed obligations	3,137,238	3,883,700	7,020,938
Domestic equities	24,552,339	6,718,994	31,271,333
Foreign equities	1,218,812	217,666	1,436,478
Corporate obligations	2,491,921	793,745	3,285,666
Fixed income mutual funds	-	1,232,981	1,232,981
Real estate investment funds	4,110,982	3,050,949	7,161,931
Domestic equity mutual funds	-	9,465,779	9,465,779
Foreign equity mutual funds	6,894,251	5,103,430	11,997,681
Total investments	46,614,842	32,626,364	79,241,206
 Total assets	 48,365,309	 33,753,858	 82,119,167
LIABILITIES			
Accounts payable	-	28,315	28,315
NET POSITION			
Restricted for pension benefits	\$ 48,365,309	\$ 33,725,543	\$ 82,090,852

City of Venice, Florida
Combining Statement of Changes in Fiduciary Net Position
Pension Trust Funds
For the Year Ended September 30, 2021

	Police Officers' Retirement	Firefighters' Retirement	Total Pension Funds
ADDITIONS			
Contributions:			
Employer	\$ 1,200,000	\$ 2,400,000	\$ 3,600,000
Plan members	16,945	122,301	139,246
State of Florida (passed through general fund)	237,213	188,963	426,176
Total contributions	<u>1,454,158</u>	<u>2,711,264</u>	<u>4,165,422</u>
Investment income:			
Net appreciation (depreciation) in fair value of investments	7,854,605	4,965,737	12,820,342
Interest and dividends	982,379	791,286	1,773,665
Investment income (loss)	8,836,984	5,757,023	14,594,007
Less investment expenses	(256,195)	(130,733)	(386,928)
Net investment income	<u>8,580,789</u>	<u>5,626,290</u>	<u>14,207,079</u>
Total additions	<u>10,034,947</u>	<u>8,337,554</u>	<u>18,372,501</u>
DEDUCTIONS			
Benefit payments, including refunds of contributions	3,054,905	2,837,315	5,892,220
Administrative expense	77,394	60,289	137,683
Total deductions	<u>3,132,299</u>	<u>2,897,604</u>	<u>6,029,903</u>
Change in net position	6,902,648	5,439,950	12,342,598
Net position restricted for pension benefits at beginning of year	<u>41,462,661</u>	<u>28,285,593</u>	<u>69,748,254</u>
Net position restricted for pension benefits at end of year	<u>\$ 48,365,309</u>	<u>\$ 33,725,543</u>	<u>\$ 82,090,852</u>



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STATISTICAL SECTION

(UNAUDITED)



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STATISTICAL SECTION

This part of the City of Venice'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 government's overall financial health.

Financial Trends

These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.

Revenue Capacity

These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.

Debt Capacity

These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.

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

City of Venice, Florida
Net Position by Component
Last Ten Fiscal Years
(accrual basis of accounting)

Schedule 1

	Fiscal Year			
	2021	2020	2019	2018
Governmental activities				
Net investment in capital assets	\$ 77,179,650	\$ 66,199,215	\$ 61,248,557	\$ 55,852,721
Restricted	19,059,120	21,697,921	19,644,583	16,565,828
Unrestricted	(12,535,351)	(20,992,013)	(18,089,714)	(20,022,101)
Total governmental activities net position	\$ 83,703,419	\$ 66,905,123	\$ 62,803,426	\$ 52,396,448
Business-type activities				
Net investment in capital assets	\$ 114,378,532	\$ 111,094,189	\$ 100,726,901	\$ 99,146,832
Restricted	14,047,796	11,688,827	11,136,445	11,623,715
Unrestricted	39,338,235	34,808,932	35,481,130	32,650,607
Total business-type activities net position	\$ 167,764,563	\$ 157,591,948	\$ 147,344,476	\$ 143,421,154
Primary government				
Net investment in capital assets	\$ 191,558,182	\$ 177,293,404	\$ 161,975,458	\$ 154,999,553
Restricted	33,106,916	33,386,748	30,781,028	28,189,543
Unrestricted	26,802,884	13,816,919	17,391,416	12,628,506
Total primary government net position	\$ 251,467,982	\$ 224,497,071	\$ 210,147,902	\$ 195,817,602

Schedule 1

Fiscal Year					
2017	2016	2015	2014	2013	2012
\$ 52,885,644	\$ 53,650,492	\$ 52,302,676	\$ 49,065,887	\$ 52,923,502	\$ 50,783,764
14,064,748	11,431,796	10,944,412	4,208,000	4,752,964	4,161,566
(20,950,436)	(20,582,734)	(17,074,877)	13,368,134	15,362,309	19,662,287
\$ 45,999,956	\$ 44,499,554	\$ 46,172,211	\$ 66,642,021	\$ 73,038,775	\$ 74,607,617
\$ 98,987,903	\$ 99,361,353	\$ 91,881,058	\$ 82,198,144	\$ 79,086,596	\$ 72,384,149
9,295,950	9,016,054	9,343,400	9,106,093	6,151,773	6,044,652
30,522,933	24,798,266	21,145,069	21,877,048	18,160,486	15,074,544
\$ 138,806,786	\$ 133,175,673	\$ 122,369,527	\$ 113,181,285	\$ 103,398,855	\$ 93,503,345
\$ 151,873,547	\$ 153,011,845	\$ 144,183,734	\$ 131,264,031	\$ 132,010,098	\$ 123,167,913
23,360,698	20,447,850	20,287,812	13,314,093	10,904,737	10,206,218
9,572,497	4,215,532	4,070,192	35,245,182	33,522,795	34,736,831
\$ 184,806,742	\$ 177,675,227	\$ 168,541,738	\$ 179,823,306	\$ 176,437,630	\$ 168,110,962

City of Venice, Florida
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

Schedule 2

Expenses	Fiscal Year			
	2021	2020	2019	2018
Governmental activities				
General government	\$ 6,840,270	\$ 6,261,718	\$ 6,237,711	\$ 7,391,960
Finance	1,481,207	1,643,763	1,583,824	1,434,720
Information services	1,662,718	1,561,511	1,426,812	1,321,336
Parks & recreation	2,372,866	2,381,201	2,233,509	2,183,647
Police	7,861,030	11,263,055	10,246,062	11,483,134
Fire and EMS	11,610,186	10,914,091	8,420,748	8,141,917
Public works	4,734,041	4,222,303	3,985,668	3,287,816
Beach renourishment	-	-	-	-
Interest on long-term debt	1,006,887	1,035,615	1,037,889	1,053,916
Total governmental activities	37,569,205	39,283,257	35,172,223	36,298,446
Business-type activities				
Water and sewer utility	20,126,594	19,562,992	19,098,039	20,439,286
Solid waste	5,371,769	6,446,564	6,284,205	5,991,508
Airport	3,621,227	3,661,016	3,626,330	3,292,425
Storm water drainage	1,878,600	2,011,764	1,547,742	1,806,949
Total business-type activities	30,998,190	31,682,336	30,556,316	31,530,168
Total primary government	\$ 68,567,395	\$ 70,965,593	\$ 65,728,539	\$ 67,828,614
Program Revenues				
Governmental activities				
Charges for services				
General government	\$ 5,581,857	\$ 3,771,115	\$ 4,143,634	\$ 4,687,529
Police	1,983	1,757	173	-
Fire and EMS	1,897,103	34,150	63,491	65,780
Operating grants and contributions	2,403,035	824,264	1,262,808	702,592
Capital grants and contributions	2,066,068	1,366,590	2,396,281	778,354
Total governmental activities	11,950,046	5,997,876	7,866,387	6,234,255
Business-type activities				
Charges for services				
Water and sewer utility	25,952,960	27,214,709	24,071,196	24,566,121
Solid waste	7,444,463	7,030,178	6,763,082	6,103,515
Airport	2,258,031	2,221,747	2,145,443	2,024,005
Storm water drainage	2,433,740	1,620,178	1,583,737	1,561,333
Operating grants and contributions	227,724	367,011	299,741	16,789
Capital grants and contributions	6,831,498	5,976,691	1,760,398	5,831,302
Total business-type activities	45,148,416	44,430,514	36,623,597	40,103,065
Total primary government	\$ 57,098,462	\$ 50,428,390	\$ 44,489,984	\$ 46,337,320

Schedule 2

Fiscal Year

	2017	2016	2015	2014	2013	2012
\$	7,444,298	\$ 6,256,467	\$ 4,971,377	\$ 4,474,822	\$ 4,206,832	\$ 4,446,788
	1,310,820	1,445,224	1,327,639	1,205,358	1,087,557	1,152,095
	1,204,449	1,103,661	930,268	926,971	802,515	768,393
	2,200,809	2,033,492	1,902,949	5,402,255	3,712,915	3,756,177
	10,010,304	9,612,374	9,122,052	8,132,658	8,086,812	7,816,343
	8,403,776	7,701,186	7,522,111	6,780,381	6,077,107	6,007,408
	2,809,258	2,754,047	3,196,019	2,260,453	3,970,036	3,451,185
	-	7,194,623	-	-	-	-
	954,628	154,484	164,892	278,728	411,059	348,675
	<u>34,338,342</u>	<u>38,255,558</u>	<u>29,137,307</u>	<u>29,461,626</u>	<u>28,354,833</u>	<u>27,747,064</u>
	18,234,994	15,864,009	15,399,504	14,912,950	16,086,267	15,745,402
	5,233,081	4,584,448	4,400,676	4,436,619	4,153,871	3,753,293
	2,463,977	2,329,077	3,101,428	2,316,491	2,269,392	1,886,028
	1,507,749	1,248,508	971,776	1,136,533	849,906	751,336
	<u>27,439,801</u>	<u>24,026,042</u>	<u>23,873,384</u>	<u>22,802,593</u>	<u>23,359,436</u>	<u>22,136,059</u>
\$	<u>61,778,143</u>	<u>62,281,600</u>	<u>53,010,691</u>	<u>52,264,219</u>	<u>51,714,269</u>	<u>49,883,123</u>
\$	3,637,318	\$ 3,518,295	\$ 2,877,449	\$ 2,685,997	\$ 2,590,060	\$ 2,154,292
	-	-	-	-	-	-
	-	-	-	-	-	-
	1,822,632	2,961,887	745,310	828,956	639,423	842,277
	472,029	1,223,537	3,217,028	310,309	1,282,348	6,662,348
	<u>5,931,979</u>	<u>7,703,719</u>	<u>6,839,787</u>	<u>3,825,262</u>	<u>4,511,831</u>	<u>9,658,917</u>
	23,325,175	22,414,162	20,992,313	20,746,517	20,256,649	18,692,175
	5,746,326	5,325,375	5,294,321	5,270,417	4,946,247	5,016,252
	1,992,621	1,811,426	1,926,773	2,064,538	2,231,127	2,028,300
	1,498,618	1,555,512	1,463,535	1,370,008	1,454,101	1,343,924
	18,924	14,945	41,777	30,100	33,934	48,302
	1,709,815	8,109,307	8,730,593	2,754,510	6,588,388	1,729,140
	<u>34,291,479</u>	<u>39,230,727</u>	<u>38,449,312</u>	<u>32,236,090</u>	<u>35,510,446</u>	<u>28,858,093</u>
\$	<u>40,223,458</u>	<u>46,934,446</u>	<u>45,289,099</u>	<u>36,061,352</u>	<u>40,022,277</u>	<u>38,517,010</u>

City of Venice, Florida
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

Schedule 2

	Fiscal Year			
	2021	2020	2019	2018
Net (Expense)/Revenue				
Governmental activities	\$ (25,619,159)	\$ (33,285,381)	\$ (27,305,836)	\$ (30,064,191)
Business-type activities	14,150,226	12,748,178	6,067,281	8,572,897
Primary government	<u>\$ (11,468,933)</u>	<u>\$ (20,537,203)</u>	<u>\$ (21,238,555)</u>	<u>\$ (21,491,294)</u>
General Revenues and Other Changes in Net Position				
Governmental activities				
Property taxes	\$ 21,512,830	\$ 17,731,625	\$ 17,059,106	\$ 15,778,381
Sales taxes	6,605,589	5,858,552	5,936,490	5,594,380
Utility services taxes	2,855,635	2,791,724	2,770,328	2,702,317
Franchise fees	2,576,962	2,422,047	2,418,997	2,414,825
Intergovernmental	3,292,722	2,894,707	3,163,492	2,937,739
Investment earnings	78,609	979,783	1,891,529	1,000,125
Miscellaneous	1,398,551	1,599,845	1,210,697	1,364,448
Special Item	-	-	-	-
Transfers, net	4,096,557	3,108,795	3,262,175	4,668,468
Total governmental activities	<u>42,417,455</u>	<u>37,387,078</u>	<u>37,712,814</u>	<u>36,460,683</u>
Business-type activities				
Investment earnings	56,696	601,189	1,105,916	705,814
Gain on asset sales	-	-	-	-
Miscellaneous	62,250	6,900	12,300	4,125
Transfers, net	(4,096,557)	(3,108,795)	(3,262,175)	(4,668,468)
Total business-type activities	<u>(3,977,611)</u>	<u>(2,500,706)</u>	<u>(2,143,959)</u>	<u>(3,958,529)</u>
Total primary government	<u>38,439,844</u>	<u>34,886,372</u>	<u>35,568,855</u>	<u>32,502,154</u>
Change in Net Position				
Governmental activities	16,798,296	4,101,697	10,406,978	6,396,492
Business-type activities	10,172,615	10,247,472	3,923,322	4,614,368
Primary government	<u>\$ 26,970,911</u>	<u>\$ 14,349,169</u>	<u>\$ 14,330,300</u>	<u>\$ 11,010,860</u>

Schedule 2

Fiscal Year					
2017	2016	2015	2014	2013	2012
\$ (28,406,363)	\$ (30,551,839)	\$ (22,297,520)	\$ (25,636,364)	\$ (23,843,002)	\$ (18,088,147)
6,851,678	15,204,685	14,575,928	9,433,497	12,151,010	6,722,034
<u>\$ (21,554,685)</u>	<u>\$ (15,347,154)</u>	<u>\$ (7,721,592)</u>	<u>\$ (16,202,867)</u>	<u>\$ (11,691,992)</u>	<u>\$ (11,366,113)</u>
\$ 12,874,039	\$ 10,255,897	\$ 9,620,785	\$ 8,946,291	\$ 8,428,377	\$ 8,401,213
5,725,871	5,615,140	5,479,373	5,109,151	5,037,404	4,746,512
2,629,333	2,564,309	2,494,179	2,402,437	2,169,465	1,979,004
2,393,474	2,305,140	2,337,425	2,213,124	1,694,100	1,664,783
2,391,413	2,240,615	2,128,987	1,902,549	1,783,665	1,747,719
94,685	93,739	240,218	327,007	143,453	352,056
1,415,113	1,329,299	1,149,849	801,527	765,062	365,311
-	-	1,444,163	(5,123,295)	-	-
3,597,117	4,475,043	2,746,712	2,660,819	2,252,633	2,152,555
<u>31,121,045</u>	<u>28,879,182</u>	<u>27,641,691</u>	<u>19,239,610</u>	<u>22,274,159</u>	<u>21,409,153</u>
382,799	60,185	340,372	334,752	(2,867)	168,094
-	-	-	2,675,000	-	-
60,934	16,319	-	-	-	-
<u>(3,597,117)</u>	<u>(4,475,043)</u>	<u>(2,746,712)</u>	<u>(2,660,819)</u>	<u>(2,252,633)</u>	<u>(2,152,555)</u>
<u>(3,153,384)</u>	<u>(4,398,539)</u>	<u>(2,406,340)</u>	<u>348,933</u>	<u>(2,255,500)</u>	<u>(1,984,461)</u>
<u>27,967,661</u>	<u>24,480,643</u>	<u>25,235,351</u>	<u>19,588,543</u>	<u>20,018,659</u>	<u>19,424,692</u>
2,714,682	(1,672,657)	5,344,171	(6,396,754)	(1,568,843)	3,321,006
3,698,294	10,806,146	12,169,588	9,782,430	9,895,510	4,737,573
<u>\$ 6,412,976</u>	<u>\$ 9,133,489</u>	<u>\$ 17,513,759</u>	<u>\$ 3,385,676</u>	<u>\$ 8,326,667</u>	<u>\$ 8,058,579</u>

City of Venice, Florida
Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

Schedule 3

	Fiscal Year			
	2021	2020	2019	2018
General Fund				
Nonspendable	\$ 42,281	\$ 29,089	\$ 38,053	\$ 67,793
Restricted	-	-	-	-
Committed	519,512	169,733	336,521	392,597
Assigned	-	-	1,190,636	1,743,859
Unassigned	16,319,347	13,449,947	12,278,577	10,803,596
Total general fund	<u>16,881,140</u>	<u>13,648,769</u>	<u>13,843,787</u>	<u>13,007,845</u>
All Other Governmental Funds				
Restricted, reported in:				
Special revenue funds (1)	6,513,870	8,471,494	8,370,939	6,767,666
Debt service funds	291,484	266,668	325,103	384,619
Capital project funds	12,477,803	13,965,996	26,873,182	33,388,427
Committed, reported in:				
Special revenue funds (1)	329,542	278,819	239,067	213,438
Capital project funds	792,832	767,926	769,909	1,029,687
Unassigned, reported in:				
Special revenue funds	-	-	-	-
Total all other governmental funds	<u>20,405,531</u>	<u>23,750,903</u>	<u>36,578,200</u>	<u>41,783,837</u>
Total governmental funds	<u>\$ 37,286,671</u>	<u>\$ 37,399,672</u>	<u>\$ 50,421,987</u>	<u>\$ 54,791,682</u>

Note (1): Building Permit Fees fund balances were classified as restricted, beginning in 2016. In prior years, they were classified as committed.

Schedule 3

Fiscal Year					
2017	2016	2015	2014	2013	2012
\$ 38,099	\$ 21,707	\$ 40,896	\$ 352,249	\$ 3,596,456	\$ 3,979,298
-	-	170,000	170,000	225,100	225,100
190,800	477,246	307,089	189,643	426,168	99,911
1,482,243		-	-	-	-
10,598,103	10,737,128	11,685,780	9,820,800	9,991,064	9,985,185
<u>12,309,245</u>	<u>11,236,081</u>	<u>12,203,765</u>	<u>10,532,692</u>	<u>14,238,788</u>	<u>14,289,494</u>
9,431,556	9,219,624	2,980,968	3,254,145	3,204,422	2,884,625
257,291	225,578	718,797	703,855	1,239,805	1,222,167
35,640,738	2,011,758	7,244,647	3,294,891	3,625,444	7,472,403
195,776	186,946	2,577,347	1,964,755	1,109,384	294,851
1,435,159	1,388,997	1,819,531	4,522,841	4,231,795	4,621,835
-	-	-	-	-	-
<u>46,960,520</u>	<u>13,032,903</u>	<u>15,341,290</u>	<u>13,740,487</u>	<u>13,410,850</u>	<u>16,495,881</u>
<u>\$ 59,269,765</u>	<u>\$ 24,268,984</u>	<u>\$ 27,545,055</u>	<u>\$ 24,273,179</u>	<u>\$ 27,649,638</u>	<u>\$ 30,785,375</u>

City of Venice, Florida
 Changes in Fund Balances of Governmental Funds
 Last Ten Fiscal Years
 (modified accrual basis of accounting)

Schedule 4

	Fiscal Year			
	2021	2020	2019	2018
Revenues:				
Taxes	\$ 31,400,230	\$ 26,808,899	\$ 26,166,478	\$ 24,486,337
Franchise fees	2,576,962	2,422,047	2,418,997	2,414,825
Licenses & permits	6,098,444	3,811,818	4,186,105	4,578,996
Intergovernmental revenues	6,450,510	4,722,991	5,774,435	3,612,653
Charges for services	2,042,030	249,380	199,101	180,995
Fees and fines	120,753	29,817	145,043	67,849
Investment income	55,964	756,365	1,600,610	855,795
Miscellaneous	1,341,619	1,270,082	1,279,351	1,340,244
Total Revenues	50,086,512	40,071,399	41,770,120	37,537,694
Expenditures				
General government services	10,514,461	9,844,707	10,586,227	9,369,880
Public safety	22,086,332	19,431,084	17,772,506	16,829,154
Public works (incl. parks and rec)	3,852,693	3,667,566	3,593,082	3,271,884
Beach renourishment	-	-	-	-
Capital outlay	13,088,103	22,617,137	14,211,582	12,386,685
Grants and aid	533,972	1,999	108,250	550,000
Debt service				
Principal	1,803,873	1,428,000	1,379,000	1,121,000
Interest	1,222,280	1,249,085	1,310,094	1,273,364
Bond issuance costs/fiscal charges	1,500	46,250	1,700	1,500
Total Expenditures	53,103,214	58,285,828	48,962,441	44,803,467
Excess (deficiency) of revenues over (under) expenditures	(3,016,702)	(18,214,429)	(7,192,321)	(7,265,773)
Other financing sources (uses)				
Transfers from other funds	4,790,219	4,775,832	4,664,347	4,312,627
Transfers to other funds	(1,886,518)	(1,973,322)	(1,841,721)	(1,874,937)
Issuance of long-term debt	-	3,482,000	-	350,000
Lease proceeds	-	1,400,720	-	-
Principal paid - current refunding	-	(3,482,000)	-	-
Sale of capital asset	-	988,884	-	-
Total other financing sources (uses)	2,903,701	5,192,114	2,822,626	2,787,690
Special item	-	-	-	-
Net change in fund balance	\$ (113,001)	\$ (13,022,315)	\$ (4,369,695)	\$ (4,478,083)
Debt service as a percentage of non- capital expenditures	7.56%	7.51%	7.74%	7.39%

Schedule 4

Fiscal Year					
2017	2016	2015	2014	2013	2012
\$ 21,229,243	\$ 18,435,346	\$ 17,594,337	\$ 16,457,879	\$ 15,635,246	\$ 15,126,729
2,393,474	2,305,140	2,337,425	2,213,124	1,694,100	1,664,783
3,363,941	3,353,782	2,755,529	2,526,188	2,369,345	1,617,757
4,310,989	6,426,039	6,091,325	3,041,814	3,705,436	9,252,344
245,021	119,424	74,535	106,622	171,962	502,440
28,356	45,089	47,385	53,187	35,056	34,095
36,749	77,751	197,735	299,432	156,114	324,317
1,350,175	1,306,501	1,149,849	801,527	765,062	365,311
<u>32,957,948</u>	<u>32,069,072</u>	<u>30,248,120</u>	<u>25,499,773</u>	<u>24,532,321</u>	<u>28,887,776</u>
8,292,732	7,825,328	7,087,380	6,263,354	5,682,908	5,618,736
16,360,912	16,325,110	14,134,827	14,206,286	13,249,160	12,775,263
2,944,217	2,791,477	3,295,185	4,359,168	4,003,651	4,043,054
-	6,573,491	-	-	-	-
5,508,898	3,542,378	4,999,251	4,488,149	6,313,241	866,854
-	-	-	-	-	-
406,000	895,000	387,000	787,000	340,000	330,000
134,314	156,235	166,607	304,299	331,732	342,208
673,064	-	-	-	-	-
<u>34,320,137</u>	<u>38,109,019</u>	<u>30,070,250</u>	<u>30,408,256</u>	<u>29,920,692</u>	<u>23,976,115</u>
(1,362,189)	(6,039,947)	177,870	(4,908,483)	(5,388,371)	4,911,661
4,235,660	4,555,145	5,664,450	5,203,134	4,067,001	5,804,005
(1,868,651)	(1,791,269)	(4,014,607)	(3,671,110)	(1,814,368)	(3,651,450)
33,995,961	-	-	6,458,000	-	-
-	-	-	-	-	-
-	-	-	(6,458,000)	-	-
-	-	-	-	-	-
<u>36,362,970</u>	<u>2,763,876</u>	<u>1,649,843</u>	<u>7,990,024</u>	<u>2,252,633</u>	<u>2,152,555</u>
-	-	1,444,163	-	-	-
<u>\$ 35,000,781</u>	<u>\$ (3,276,071)</u>	<u>\$ 3,271,876</u>	<u>\$ 3,081,541</u>	<u>\$ (3,135,738)</u>	<u>\$ 7,064,216</u>
1.88%	3.04%	2.21%	4.21%	2.85%	2.91%

City of Venice, Florida
 Assessed Value and Estimated Actual Value of Taxable Property
 Last Ten Fiscal Years

Schedule 5

Fiscal Year Ended 30-Sep	Assessed Value		Less Tax-Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate
	Real Property	Personal Property			
2021	\$ 5,060,396,490	\$ 231,884,065	\$ 789,303,582	\$ 4,502,976,973	4.957
2020	4,821,442,291	202,954,751	772,165,133	4,252,231,909	4.320
2019	4,581,568,812	211,641,179	737,407,454	4,055,802,537	4.338
2018	4,323,513,339	213,745,524	717,323,755	3,819,935,108	4.278
2017	4,026,844,232	203,020,521	682,711,628	3,547,153,125	3.766
2016	3,643,753,887	195,366,001	610,975,231	3,228,144,657	3.277
2015	3,417,689,098	192,979,601	586,116,448	3,024,552,251	3.292
2014	3,213,484,644	189,768,403	578,857,865	2,824,395,182	3.302
2013	3,123,945,509	180,194,496	604,960,792	2,699,179,213	3.227
2012	3,132,796,468	178,139,329	600,923,287	2,710,012,510	3.195

Note: The basis of assessed value required by the state is 100% of actual value. For each fiscal year ending September 30, property is valued as of the preceding January 1st.

Source: Sarasota County Property Appraiser

City of Venice, Florida
Property Tax Rates
Direct and Overlapping Governments
Last Ten Fiscal Years

Schedule 6

Fiscal Year	City of Venice			Overlapping Rates			Total Direct & Overlapping Rates
	Operating Millage	Debt Service Millage	Total City Millage	Sarasota County	School District	SWFWMD	
				Total County Millage	Total School Millage	Total SWFWMD Millage	
2021	4.360	0.597	4.957	4.541	6.975	0.267	16.740
2020	3.700	0.620	4.320	5.175	6.943	0.280	16.718
2019	3.700	0.638	4.338	5.133	7.003	0.296	16.770
2018	3.600	0.678	4.278	5.133	7.209	0.313	16.933
2017	3.600	0.166	3.766	5.143	7.433	0.332	16.674
2016	3.100	0.177	3.277	5.143	7.763	0.349	16.532
2015	3.100	0.192	3.292	5.177	7.777	0.366	16.612
2014	3.100	0.202	3.302	5.177	7.970	0.382	16.831
2013	2.965	0.262	3.227	5.177	7.816	0.393	16.613
2012	2.935	0.260	3.195	5.124	7.635	0.393	16.347

City of Venice, Florida
Property Tax Levies and Collections
Last Ten Fiscal Years

Schedule 7

Fiscal Year Ended 09/30	Total Tax Levy for Fiscal Year	Collection within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage Of Levy		Amount	Percentage Of Levy
2021	\$ 22,321,257	\$ 21,506,496	96.3%	\$ 5,775	\$ 21,512,271	96.4%
2020	18,369,642	17,693,372	96.3%	19,755	17,713,127	96.4%
2019	17,594,071	16,986,409	96.5%	22,301	17,008,710	96.7%
2018	16,341,682	15,748,855	96.4%	16,779	15,765,634	96.5%
2017	13,358,579	12,850,227	96.2%	8,254	12,858,481	96.3%
2016	10,578,630	10,244,464	96.8%	1,963	10,246,427	96.9%
2015	9,956,826	9,601,711	96.4%	7,385	9,609,096	96.5%
2014	9,326,153	8,934,711	95.8%	3,066	8,937,777	95.8%
2013	8,710,251	8,390,344	96.3%	23,551	8,413,895	96.6%
2012	8,658,490	8,333,156	96.2%	56,412	8,389,568	96.9%

Property taxes are levied on November 1 of each year, and are due and payable upon receipt of the notice of the levy. A 4% discount is allowed if the taxes are paid in November, with the discount declining by 1% each month thereafter. Accordingly, taxes collected will not be 100% of the tax levy. Taxes become delinquent on April 1 of each year, and tax certificates for the full amount of any unpaid taxes are sold at public auction prior to June 1 each year, and the proceeds collected are remitted to the City.

City of Venice, Florida
Pledged-Revenue Coverage - Water & Sewer Utility System
Last Ten Fiscal Years

Schedule 8

Fiscal Year	Water & Sewer Charges and other ⁽¹⁾	Less: Operating Expenses ⁽²⁾	Net Available Revenue	Debt Service		Coverage ⁽³⁾
				Principal	Interest	
2021	\$ 25,996,764	\$ 12,804,377	\$ 13,192,387	\$ 1,730,023	\$ 1,036,797	4.8
2020	27,692,168	13,030,579	14,661,589	1,468,854	1,250,140	5.4
2019	24,937,433	12,657,837	12,279,596	1,416,854	1,300,065	4.5
2018	25,137,082	12,060,971	13,076,111	1,366,484	1,347,932	4.8
2017	23,634,520	10,286,775	13,347,745	1,291,000	1,396,453	5.0
2016	22,476,711	8,581,186	13,895,525	3,309,000	1,583,669	2.8
2015	20,992,313	9,728,137	11,264,176	3,268,000	872,580	2.7
2014	20,746,517	9,228,925	11,517,592	3,268,000	872,580	2.8
2013	20,256,649	9,087,713	11,168,936	3,222,000	916,378	2.7
2012	18,692,175	9,557,763	9,134,412	2,460,000	98,875	3.6

- (1) Includes interest earnings. **Beginning in 2021, excludes plant capacity fees.**
(2) Excludes depreciation and amortization.
(3) Bond covenant requires Gross Revenues in each fiscal year to be sufficient to pay the Cost of Operations and Maintenance of the System and all reserve and other payments required to be made pursuant to the Resolution, and be sufficient to provide an amount equal to 115% of the Bond Service Requirement becoming due in such year on all Outstanding Bonds.

Pledged-Revenue Coverage - Stormwater Utility System
One Fiscal Year

Fiscal Year	Stormwater Charges and other ⁽¹⁾	Less: Operating Expenses ⁽²⁾	Net Available Revenue	Debt Service		Coverage ⁽³⁾
				Principal	Interest	
2021	\$ 2,435,310	\$ 1,453,376	\$ 981,934	\$ 12,092	\$ 2,321	68.1

- (1) Includes interest earnings.
(2) Excludes depreciation and amortization.
(3) Fiscal Year 2021 is the first year the Stormwater Utility System has a Clean Water State Revolving Fund Construction Loan Agreement (SW580460). The agreement requires rates and charges to provide sufficient revenues equal to or exceeding 115% of the sum of the semiannual loan payments due in such fiscal year.

City of Venice, Florida
 Governmental Activities Tax Revenues by Source
 Last Ten Fiscal Years
 (accrual basis of accounting)

Schedule 9

Fiscal Year Ended September 30	Property Taxes	Local Option, Fuel and Communication Services Taxes	Utility Service Taxes	Totals
2021	\$ 21,512,830	\$ 6,605,589	\$ 2,855,635	\$ 30,974,054
2020	17,731,625	5,858,552	2,791,724	26,381,901
2019	17,059,106	5,936,490	2,770,328	25,765,924
2018	15,778,381	6,005,639	2,702,317	24,486,337
2017	12,874,039	5,725,871	2,629,333	21,229,243
2016	10,255,897	5,615,140	2,564,309	18,435,346
2015	9,620,785	5,479,373	2,494,179	17,594,337
2014	8,946,291	5,109,151	2,402,437	16,457,879
2013	8,428,377	5,037,404	2,169,465	15,635,246
2012	8,401,213	4,746,512	1,979,004	15,126,729

City of Venice, Florida
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Schedule 10

Fiscal Year	Governmental Activities			Business-Type Activities		Total Primary Government	Percentage of Personal Income (a)	Per Capita (a)
	General Obligation Bonds	Notes Payable	Lease/Purchase Obligation	Revenue Bonds	Notes Payable			
2021	\$ 32,624,872	\$ -	\$ 1,136,847	\$ 30,666,488	\$ 7,293,965	\$ 71,722,172	5.80%	\$ 2,748
2020	34,247,308	150,000	1,400,720	32,629,075	6,473,281	74,900,384	6.59%	3,119
2019	35,827,994	250,000	-	33,755,217	5,290,813	75,124,024	7.56%	3,222
2018	37,373,865	350,000	-	34,836,358	4,466,104	77,026,327	7.94%	3,381
2017	38,765,961	-	-	35,877,500	3,722,771	78,366,232	8.29%	3,513
2016	5,176,000	-	-	36,873,641	2,837,000	44,886,641	4.99%	2,054
2015	6,071,000	-	-	37,364,783	5,911,000	49,346,783	5.79%	2,304
2014	6,458,000	-	-	21,206,134	8,958,000	36,622,134	4.60%	1,728
2013	7,245,000	-	-	21,609,847	11,967,000	40,821,847	5.36%	1,933
2012	7,585,000	-	-	-	14,867,373	22,452,373	3.00%	1,073

(a) See Schedule 13 for personal income and population data.

City of Venice, Florida
Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years

Schedule 11

Fiscal Year	Estimated Actual Taxable Value of Property	Population	General Bonded Debt	Less Amounts Available in Debt Service Fund (1)	Total	Percentage of Estimated/ Actual Taxable Value of Property	Net Bonded Debt Per Capita
2021	\$ 4,502,976,973	26,103	\$ 32,624,872	\$ 67,447	\$ 32,557,425	0.72%	\$ 1,247.27
2020	4,252,231,909	24,016	34,247,308	266,668	33,980,640	0.80%	1,414.92
2019	4,055,802,537	23,315	35,827,994	325,103	35,502,891	0.88%	1,522.75
2018	3,819,935,108	22,781	37,373,865	384,619	36,989,246	0.97%	1,623.69
2017	3,547,153,125	22,306	38,765,961	257,291	38,508,670	1.09%	1,726.38
2016	3,228,144,657	21,849	5,176,000	224,351	4,951,649	0.15%	226.63
2015	3,024,552,251	21,418	6,071,000	715,777	5,355,223	0.18%	250.03
2014	2,824,395,182	21,188	6,458,000	702,292	5,755,708	0.20%	271.65
2013	2,699,179,213	21,117	7,245,000	1,239,805	6,005,195	0.22%	284.38
2012	2,710,012,510	20,918	7,585,000	1,220,618	6,364,382	0.23%	304.25

(1) Beginning in 2021, accrued interest was deducted from amounts available in the Debt Service Fund

City of Venice, Florida
 Direct and Overlapping Governmental Activities Debt
 as of September 30, 2021

Schedule 12

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
City of Venice direct debt	\$ 33,761,719	100%	\$ 33,761,719
Sarasota County School Board	109,908,670 ^(a)	6.90% ^(c)	7,583,698
Sarasota County	379,333,666 ^(b)	6.90% ^(c)	26,174,023
Subtotal, overlapping debt	<u>489,242,336</u>		<u>33,757,721</u>
Total direct and overlapping debt	<u>\$ 523,004,055</u>		<u>\$ 67,519,440</u>

Source: ^(a) School Board of Sarasota County Annual Comprehensive Financial Report.

Source: ^(b) Sarasota County Annual Comprehensive Financial Report.

^(c) Determined by dividing:

taxable assessed valuation of the City of Venice	\$ 4,502,976,973
by the total taxable valuation of Sarasota County	\$ 65,215,252,986

City of Venice, Florida
Demographic and Economic Statistics
Last Ten Fiscal Years

Schedule 13

<u>Fiscal Year</u>	<u>Population (a)</u>	<u>Personal Income (b)</u>	<u>Per Capita Personal Income (c)</u>	<u>Unemployment Rate (d)</u>
2021	26,103	\$ 1,236,055,359	\$ 47,353	3.7%
2020	24,016	1,137,229,648	47,353	5.2%
2019	23,315	993,079,110	42,594	2.9%
2018	22,781	970,333,914	42,594	2.9%
2017	22,306	945,216,750	42,375	3.3%
2016	21,849	899,829,216	41,184	4.7%
2015	21,418	852,821,924	39,818	5.0%
2014	21,188	795,863,656	37,562	6.0%
2013	21,117	761,310,084	36,052	6.8%
2012	20,918	747,295,550	35,725	8.9%

- Sources:
- (a) Bureau of Economic and Business Research (BEBR), University of Florida. Resident population used by the City's Planning and Zoning Department.
 - (b) Determined by multiplying population by per capita personal income.
 - (c) U.S. Census Bureau - For FY2020 & FY2021 (in 2019 dollars), 2015-2019 U.S. Census Bureau - American FactFinder, 2013-2017 5-year American Community Survey (in 2017 inflation-adjusted dollars)
 - (d) U.S. Department of Labor, Bureau of Labor Statistics - Local Area Unemployment Statistics.

Notes: Statistics for unemployment rate are not available for City of Venice. Therefore, figures from North Port-Sarasota-Bradenton, FL Metropolitan Statistical Area were used.

City of Venice, Florida
Principal Property Taxpayers
Current Fiscal Year and Nine Years Ago

Schedule 14

Taxpayer	2021			2012		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
MHC Bay Indies LLC	\$ 87,267,814	1	1.94%	\$ 42,205,145	2	1.56%
Southwest Florida Retirement Center Inc.	43,547,400	2	0.97%	11,642,479	9	0.43%
Venice Senior Housing (Aston Gardens)	43,544,600	3	0.97%	23,230,600	5	0.86%
PGT Industries, Inc.	41,933,741	4	0.93%	32,595,048	3	1.20%
TGVF LLC	37,304,190	5	0.83%	-		0.00%
Venice HMA (Regional Medical Cntr)	29,442,300	6	0.65%	66,804,165	1	2.47%
Tuscan Gardens of Venice	18,057,400	7	0.40%	-		0.00%
Publix Supermarkets Inc	15,404,300	8	0.34%	11,690,183	8	0.43%
Venetian at Capri Isles I, LLC	14,884,508	9	0.33%	-		0.00%
ARHC Saven FL01, LLC	12,091,400	10	0.27%	-		0.00%
Florida Power & Light	-		-	23,959,673	4	0.88%
Csh-ing Bella Vita LP (Bella Vita Arv)	-		-	11,220,887	10	0.41%
Verizon	-		-	14,309,689	7	0.53%
WCI Communities, Inc	-		-	14,651,623	6	0.54%
Totals	\$ 343,477,653		7.63%	\$ 252,309,492		9.31%
Total taxable assessed value - City of Venice	\$ 4,502,976,973			\$ 2,710,012,510		

Source: Sarasota County Property Appraiser

Total taxable assessed value of Venice for 2021 - \$ 4,502,976,973
Total taxable assessed value of Venice for 2012 - \$ 2,710,012,510

City of Venice, Florida
 Principal Employers
 Current Year and Nine Years Ago

Schedule 15

<u>Employer</u>	2021			2012		
	<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>
Sarasota Memorial Hospital	7,704	1	4.08%	3,039	3	2.05%
School Board of Sarasota County	5,811	2	3.08%	4,309	1	2.91%
Publix Super Markets, Inc.	3,999	3	2.12%	1,454	4	0.98%
Sarasota County Government	3,583	4	1.90%	3,305	2	2.23%
PGT Innovations	2,228	5	1.18%	1,019	6	0.69%
Venice Regional Bayfront Health	1,305	6	0.69%	1,300	5	0.88%
City of Sarasota	785	7	0.42%	-	-	-
Helios Technologies, Inc.	678	8	0.36%	697	7	0.47%
Doctors Hospital of Sarasota	589	9	0.31%	-	-	-
FCCI Insurance Group	403	10	0.21%	661	9	0.45%
Tervis Tumbler	-	-	-	687	8	0.46%
Sunset Automotive Group	-	-	-	650	10	0.44%
	<u>27,085</u>		<u>14.35%</u>	<u>17,121</u>		<u>11.56%</u>
Total Sarasota County Employment:	<u>188,710</u>			<u>148,149</u>		

Source: Sarasota County CAFR

Note: Statistics are for Sarasota County; not available for City of Venice

City of Venice, Florida
 Full-Time Equivalent City Government Employees by Function
 Last Ten Fiscal Years

Schedule 16

	Fiscal Year									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Department:										
Mayor and Council	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00
City Manager	5.00	5.00	5.00	5.00	3.25	3.20	3.20	3.00	3.00	3.00
Historical Resources	5.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	2.00	2.00
City Clerk	14.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
Finance	3.00	14.00	14.00	14.00	13.00	13.00	13.00	12.00	12.00	12.00
Public Works Admin	15.60	3.00	3.00	3.00	2.00	2.00	2.00	3.00	3.00	1.00
Public Works - Fleet *	1.00	1.00	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
General Maintenance	14.95	15.60	15.60	15.60	12.60	9.60	9.60	11.00	11.00	12.00
Parks Maintenance	3.00	13.95	12.95	12.95	12.95	12.70	11.70	12.00	10.00	9.00
Engineering	4.00	4.00	4.10	4.10	4.10	4.65	3.15	5.00	5.00	6.00
Police	70.00	67.00	69.00	69.00	61.00	61.00	58.00	66.00	66.00	64.00
Fire	45.60	45.60	45.60	45.50	44.25	44.25	44.25	45.00	41.50	42.50
Fire - EMS **	26.00	25.00	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Planning & Zoning	10.75	13.25	13.50	11.00	11.00	9.00	8.00	6.00	7.00	8.00
Information Technology	6.00	6.00	6.00	6.00	5.00	5.00	5.00	5.00	4.00	4.00
Human Resources	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
Building	19.50	19.00	18.75	15.35	15.60	12.60	12.60	10.00	7.00	6.00
Airport	8.00	8.00	8.00	8.00	8.25	8.20	8.30	8.00	7.00	7.00
Utilities Administration	11.00	11.00	11.00	11.00	10.20	10.10	9.00	9.00	7.00	8.00
Distribution / Collection	27.00	27.00	27.00	25.00	25.00	25.00	24.00	25.00	21.00	20.00
Water Production	16.00	16.00	16.00	16.00	15.00	15.00	15.00	15.00	14.00	14.00
Water Reclamation	19.00	19.00	19.00	17.00	17.00	17.00	18.00	18.00	17.00	17.00
Solid Waste	13.00	13.00	13.00	13.00	11.525	14.025	12.025	11.500	12.500	11.000
Recycling	13.00	13.00	13.00	13.00	12.525	9.025	10.025	9.500	8.500	11.000
Storm Water	9.00	9.00	9.00	9.00	8.00	5.70	5.80	1.00	1.00	2.00
TOTAL	371.40	368.40	345.50	333.50	312.25	301.05	292.65	295.00	276.50	276.50

* Started Fleet Division within the General Fund for FY2019. The Fleet Manager position was under Public Works Administration in FY18 and under General Maintenance in previous years.

** The City assumed responsibility for Emergency Medical Services (EMS) effective 10/1/2020. The City hired the EMS Division Chief during FY2019; the paramedics were hired during FY2020.

Source: City of Venice Finance Department

City of Venice, Florida
Operating Indicators By Function/Program
Last Ten Fiscal Years

Schedule 17

	Fiscal Year									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Parks and Recreation										
No. of trees trimmed and maintained	7,501	7,501	7,501	7,201	7,201	6,000	6,000	6,000	6,000	6,000
No. of irrigation systems maintained	31	31	31	31	31	31	30	30	28	28
Spray heads	2,800	2,800	2,710	2,510	2,510	2,510	2,450	2,450	2,400	2,400
Zones	205	205	205	188	188	188	183	183	181	181
Feet of drip line	31,400	31,400	31,200	31,200	31,200	31,200	31,200	31,200	31,200	31,200
Police										
Number of sworn officers	51	51	51	53	50	48	47	47	43	45
Total calls received	42,159	36,000	36,117	29,683	27,949	31,781	29,319	12,433	30,454	29,041
Number of crime scenes processed (property division)	36	48	45	50	75	25	54	38	26	16
Drug related arrests	53	51	64	97	129	98	61	45	37	123
Traffic citations issues	1,430	1,035	1,162	1,368	1,308	2,308	1,331	1,043	1,000	1,366
Parking citations	241	286	360	552	162	686	625	958	346	379
Marine citations	9	31	13	11	19	6	20	25	6	23
Traffic warnings	3,728	3,931	3,705	446	620	782	1,181	2,437	3,457	4,093
Parking warnings	0	1	2	87	101	2	7	20	8	9
Marine warnings	97	79	69	44	106	91	122	142	164	140
Fire										
Number of firefighters, includes Fire Chief	42	42	42	42	41	41	41	41	41	39
Number of paramedics, includes EMS Division Chief	25	25	-	-	-	-	-	-	-	-
Calls for service	7,228	4,819	4,101	3,782	3,790	3,450	3,225	2,723	2,757	2,625
Public Works										
Miles of roadway	69.77	69.77	70	70	70	63.1	63.0	59.9	53.7	53.7
Miles of sidewalk	38.69	38.69	38.69	38.6	38.6	38.6	38.6	38.6	38.3	38.3
Signalized intersections	10	10	10	10	10	10	10	10	11	11
School zone areas	3	3	3	3	3	3	3	3	3	3
Street lights	690	690	690	690	690	690	690	690	690	690
Decorative pedestrian lights	30	30	30	30	30	30	30	30	30	30
Water and sewer utilities										
Finished water pumped to system (millions of gallons)	889.6	866.7	772.8	777.2	799.6	776.8	783.9	797.4	738.6	767.3
Potable water gallons delivered to customers (millions)	847.0	790.6	702.6	731.3	795.6	760.0	779.6	734.4	714.6	738.2
Produced gallons of reuse water per day (MGD)	3.0	2.5	2.5	2.7	3.1	3.3	2.7	2.8	2.8	2.4
Solid Waste										
Tons of garbage	23,462	21,538	21,148	21,357	21,537	21,325	19,932	18,343	16,622	15,784
Tons of yard waste	2,692	2,668	2,767	3,861	3,437	2,922	2,957	2,769	3,306	2,662
Tons of construction & debris	34	77	123	300	939	1,398	5,311	514	1,069	253
Tons of Recycle Material:										
Tons of paper *	N/A	N/A	1,402	1,440	1,410	1,634	1,558	1,541	1,546	1,431
Tons of commingled recyclables	3,062	3,176	1,384	1,422	1,376	1,296	1,246	1,179	1,182	1,021
Tons of cardboard	127	517	966	873	921	940	926	919	955	1,063
Tons of scrap metal	82	66	74	105	116	112	70	44	61	49
Airport										
Number of T-Hangars	180	180	179	179	166	166	166	166	175	175
Number of tie-downs	37	37	37	38	47	47	47	49	49	49
Number of shade hangars	12	12	12	12	12	12	12	0	3	3
Number of mobile homes	185	185	185	185	185	185	185	185	185	185
Storm Water Drainage										
Miles of pipe	26.5	25.5	25.4	25.4	25.34	24.9	24.8	19.42	19.33	19.33
Miles of swales and ditches	25	25	25	25	25	22	22	22	19	19
Ditch regrading maintenance:										
Tons of material removed	167.8	64.8	19.5	245.7	105	378.4	128	76.8	204.7	29

Source: Various departments throughout the City of Venice.

* Starting FY2020 the City changed to single-stream recycling. Paper is included in commingled recyclables.

CITY OF VENICE, FLORIDA
 Capital Asset Statistics by Function/Program
 Last Ten Fiscal Years

Schedule 18

	Fiscal Year									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Parks and Recreation										
Number of Parks	37	37	37	37	37	37	37	37	37	37
Park Acreage	383.1	383.1	383.1	383.1	383.1	383.1	383.1	383.1	383.1	383.1
Playgrounds	10	10	10	10	10	10	10	10	10	10
Baseball and Softball Diamonds	9	9	9	9	9	9	9	9	9	9
Tennis Courts	8	8	8	8	8	8	8	8	8	8
Basketball Courts	3	3	3	3	3	3	3	3	3	3
Shuffleboard Courts	18	18	18	18	18	18	18	18	18	18
Community Centers	1	1	1	1	1	1	1	1	1	1
Golf Courses	1	1	1	1	1	1	1	1	1	1
Boat Docks	5	5	5	5	5	2	2	2	2	2
Nature/Fitness Trail (miles)	1.6	1.6	1.6	1.6	1.6	1.6	1.6	1.6	1.6	1.6
Soccer Fields	3	3	3	3	3	3	3	3	3	3
Football Fields	3	3	3	3	3	3	3	3	3	3
Croquet Courts	5	5	5	5	5	5	3	3	3	3
Interactive Fountain	1	1	1	1	1	1	1	1	1	1
Gazebo	2	2	2	2	2	2	2	2	2	2
Fishing Pier	1	1	1	1	1	1	1	1	1	1
Paw (Dog) Park	1	1	1	1	1	1	1	1	1	1
Police										
Police Stations	1	1	1	1	1	1	1	1	1	1
Fire										
Fire Stations	3	3	3	3	3	3	3	3	3	3
Fire Hydrants	1,247	1,197	1,157	1,124	1,066	1,076	1,065	1,035	1,030	1,018
Public Works										
Paved Streets (miles)	66.4	66.4	63.1	63.1	63.1	63.1	63	59.9	53.7	53.7
Water and Sewer Utilities										
Wastewater Main (miles) (includes collection pipe and forcemain)	141.7	140.9	137.4	137.1	137.1	157.0	157.6	200.0	142.0	142.3
Water Mains (miles) (includes distribution pipe & raw water mains)	206.9	203.2	197.3	193.5	193.5	209.8	196.3	196.2	195.0	195.6
Reclaimed Water Mains (miles)	52.2	52.1	51.7	50.5	50.5	59.1	52.0	49.2	50.0	50
Reclaimed Water Bulk connections	5	5	5	5	5	5	7	7	6	7
Reclaimed Water Residential connections	2,862	3,062	3,051	3,048	3,041	3,024	2,914	2,911	2,970	2,976
Stormwater Drainage										
Storm Sewers (miles)	26.5	25.5	25.4	25.4	50.3	46.9	46.8	41.4	38.4	38.4

Source: Various departments throughout the City of Venice.



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COMPLIANCE



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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***

The Honorable Mayor and City Council
City of Venice, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the basic financial statements, as listed in the table of contents, of the City of Venice, Florida (the “City”) as of and for the fiscal year ended September 30, 2021, and have issued our report thereon dated February 14, 2022.

Internal Control over Financial Reporting

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

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

Our consideration of internal control 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 that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The Honorable Mayor and City Council
City of Venice, Florida

Compliance and Other Matters

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

We noted certain matters that we reported to management of the City in a separate letter dated February 14, 2022.

Purpose of this Report

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

MSL, P.A.

Certified Public Accountants

Tampa, Florida
February 14, 2022



Certified Public Accountants

INDEPENDENT AUDITOR’S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND MAJOR STATE PROJECT AND ON INTERNAL CONTROL OVER COMPLIANCE AND REPORT ON SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE IN ACCORDANCE WITH THE UNIFORM GUIDANCE AND CHAPTER 10.550, *RULES OF THE AUDITOR GENERAL*

Honorable Mayor and City Council
City of Venice, Florida

Report on Compliance for Each Major Federal Program and State Project

We have audited the compliance of the City of Venice, Florida (the “City”) with the types of compliance requirements described in the U.S. Office of Management and Budget (“OMB”) *Compliance Supplement* and the requirements described in the Department of Financial Services State Projects *Compliance Supplement* that could have a direct and material effect on each of its major federal programs and major state projects for the fiscal year ended September 30, 2021. The City’s major federal programs and state projects are identified in the summary of auditor’s results section of the accompanying Schedule of Findings and Questioned Costs.

Management’s Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs and state projects.

Auditor’s Responsibility

Our responsibility is to express an opinion on the City’s compliance based on our audit. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations*, Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (“Uniform Guidance”); and Chapter 10.550, *Rules of the Auditor General*. Those standards, the Uniform Guidance, 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 or major state project identified in the accompanying Schedule of Findings and Questioned Costs occurred. An audit includes examining, on a test basis, evidence about the City’s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program and state project. However, our audit does not provide a legal determination of the City’s compliance.

Opinion on Each Major Federal Program and State Project

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to in the first paragraph that could have a direct and material effect on each of its major federal programs and major state projects for the fiscal year ended September 30, 2021.

Report on Internal Control over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the compliance requirements referred to in the first paragraph. In planning and performing our audit, we considered the City's internal control over compliance with requirements that could have a direct and material effect on a major federal program or major state project in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with the Uniform Guidance and Chapter 10.550, *Rules of the Auditor General*, 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 City'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 or state project will not be prevented, or detected and corrected on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program or state project that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance and Chapter 10.550, *Rules of the Auditor General*. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards and State Financial Assistance Required by the Uniform Guidance and Chapter 10.550, *Rules of the Auditor General*

We have audited the basic financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of and for the fiscal year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon dated February 14, 2022, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying Schedule of Expenditures of Federal Awards and State Financial Assistance is presented for the purposes of additional analysis, as required by the Uniform Guidance, Chapter 69I-5, *Schedule of Expenditures of State Financial Assistance, Rules of the Department of Financial Services*, and Chapter 10.550, *Rules of the Auditor General*, and is not a required part of the financial statements.

The Honorable Mayor and City Council
City of Venice, Florida

Report on Schedule of Expenditures of Federal Awards and State Financial Assistance Required by the Uniform Guidance and Chapter 10.550, *Rules of the Auditor General (Cont.)*

Such information is the responsibility of management and was derived from, and relates directly to, the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

MSL, P.A.

Certified Public Accountants

Tampa, Florida
February 14, 2022

CITY OF VENICE, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended September 30, 2021

SECTION I – SUMMARY OF AUDITOR’S RESULTS

Financial Statements

Type of auditor’s report issued:

Unmodified Opinion

Internal control over financial reporting:

- Material weakness(es) identified? _____ Yes X No
- Significant deficiency(ies) identified? _____ Yes X None reported
- Noncompliance material to financial statements noted? _____ Yes X No

Federal Awards and State Financial Assistance

Internal control over major federal programs and state projects:

- Material weakness(es) identified? _____ Yes X No
- Significant deficiency(ies) identified? _____ Yes X None reported

Type of auditor’s report issued on compliance for major federal programs and state projects:

Unmodified Opinion

Any audit findings disclosed that are required to be reported in accordance with 200.516 of the Uniform Guidance or Chapter 10.557, *Rules of the Auditor General*?

_____ Yes X No

Identification of Major Federal Programs and Major State Projects:

CFDA Number

66.468

Name of Federal Program

Capitalization Grant for Drinking Water State Revolving Funds

CSFA Numbers

55.004

Name of State Project

Aviation Development Grants

Dollar threshold used to distinguish between Type A and Type B programs:

Federal	<u>\$750,000</u>
State	<u>\$300,000</u>

Auditee qualified as low-risk auditee?

_____ X Yes _____ No

CITY OF VENICE, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Cont.)
For the Year Ended September 30, 2021

SECTION II – FINDINGS RELATED TO THE FINANCIAL STATEMENT AUDIT, AS REQUIRED TO BE REPORTED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

No matters are reported.

SECTION III – FEDERAL AWARD AND STATE FINANCIAL ASSISTANCE FINDINGS AND QUESTIONED COSTS SECTION REPORTED IN ACCORDANCE WITH THE UNIFORM GUIDANCE AND CHAPTER 10.550, *RULES OF THE AUDITOR GENERAL*

No matters are reported.

SECTION IV – PRIOR YEAR AUDIT FINDINGS

No matters are reported.

CITY OF VENICE, FLORIDA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
 FOR THE YEAR ENDED SEPTEMBER 30, 2021

<u>Federal Agency/Program Title</u>	<u>Federal ALN Number</u>	<u>Federal or Pass-through Grant Number</u>	<u>Expenditures</u>
U.S. ENVIROMENTAL PROTECTION AGENCY			
<i>Passed-Through State of Florida, Department of Environmental Protection</i>			
Capitalization Grants for Drinking Water State Revolving Funds	66.468	DW580430	\$ 949,436
U.S. DEPARTMENT OF JUSTICE			
Coronavirus Emergency Supplemental Funding Program City of Venice Police Department	16.034	2020-CESF-SARA-1C9-093	35,892
Bureau of Justice Assistance (BJA) Bulletproof Vest Partnership Program	16.607	2019BUBX10996568	2,843
Total U.S. Department of Justice			<u>38,735</u>
U.S. DEPARTMENT OF TRANSPORTATION			
Federal Aviation Administration (FAA) Airport Improvement Program Grant Extend Taxiway E - Design Phase	20.106	03-12-0082-019-2020	161,229
Cares Act Airport Grant		03-12-0082-022-2021	23,000
Total U.S. Department of Transportation			<u>184,229</u>
U.S. DEPARTMENT OF HOMELAND SECURITY			
Federal Emergency Management Agency (FEMA) Hazard Mitigation Grant Program Emergency Generator-City Hall/Fire Complex	97.039	4337-33-R	624,592
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>\$ 1,796,992</u>

See independent auditor's report and notes to this schedule.

CITY OF VENICE, FLORIDA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
 FOR THE YEAR ENDED SEPTEMBER 30, 2021

Page 2 of 2

<u>State Agency/Program Title</u>	<u>State CSFA Number</u>	<u>State Contract/ Grant Number</u>	<u>Expenditures</u>
STATE OF FLORIDA, DEPARTMENT OF TRANSPORTATION			
Aviation Development Grants	55.004		
Drainage Improvements		436507-1-94-01	\$ 664,285
STATE OF FLORIDA, DEPARTMENT OF ENVIROMENTAL PROTECTION			
Statewide Surface Water Restoration and Wastewater Projects	37.039		
Venice Outfall Monitoring Project		LPA0051	24,713
Utilities East Gate Phase 2		LP58045	113,322
Office of Resilience and Coastal Protection - Resilient Florida Program	37.098		
Resilience Plan Phase 1		R2109	74,834
Total Florida Department of Environmental Protection			<u>212,869</u>
TOTAL EXPENDITURES OF STATE FINANCIAL ASSISTANCE			<u>877,154</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE			<u>\$ 2,674,146</u>

See independent auditor's report and notes to this schedule.

CITY OF VENICE, FLORIDA

Notes to Schedule of Expenditures of Federal Awards and State Financial Assistance September 30, 2021

NOTE 1. PURPOSE OF THE SCHEDULE

The Schedule of Expenditures of Federal Awards (the Schedule) is a supplementary schedule to the City's basic financial statements and is presented for purposes of additional analysis. The Schedule is required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance).

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Presentation

Federal Financial Assistance – Pursuant to the Uniform Guidance, federal financial assistance is defined as assistance provided by a federal agency, either directly or indirectly, that nonfederal entities receive or administer, in the form of grants, contracts, cooperative agreements, loans, loan guarantees, property interest subsidies, insurance, or direct appropriations.

Assistance Listing – The Uniform Guidance requires the Schedule to present the total expenditures for each of the City's federal financial assistance programs as identified in the Assistance Listing (AL). The AL is a government-wide compendium of individual federal programs. Federal financial assistance programs that have not been assigned an AL number are indicated with an "N/A."

B. Type A and Type B Programs

The Uniform Guidance establish the levels of expenditures to be used in defining Type A and Type B federal financial assistance programs. For the current year, Type A assistance programs for the City of Venice are those programs that exceeded \$750,000 for the year ended September 30, 2021.

All local governments that expend \$750,000 or more a year in federal financial assistance must undergo a Single Audit conducted in compliance with in accordance with the Uniform Guidance.

C. Reporting Entity

The Schedule includes all federal financial assistance programs administered by the City of Venice and included in the City's Annual Comprehensive Financial Report.

D. Basis of Accounting

Expenditures included in the Schedule are reported using the modified accrual basis of accounting for governmental funds and the accrual basis of accounting for enterprise funds as defined in Note A(3) to the basic financial statements. Under 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

CITY OF VENICE, FLORIDA

Notes to Schedule of Expenditures of Federal Awards and State Financial Assistance September 30, 2021

are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Grants and similar items are recognized as revenue as soon as all eligibility requirements have been met. Expenditures are generally 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 the liability has matured. Under the accrual basis, revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. The City has elected to not utilize the 10% de minimis indirect cost rate.

E. Relationship to Federal Financial Reports

Grant expenditure reports as of September 30, 2021, which have been submitted to grantor agencies will, in some cases, differ slightly from amounts disclosed herein. The reports prepared for grantor agencies are typically prepared at a later date and often reflect refined estimates of the year-end accruals. The reports will agree at termination of the grant as the discrepancies noted are timing differences.

NOTE 3. STATE REVOLVING FUND LOANS

For State Revolving Funds loans listed in this or prior Schedules of Expenditures of Federal Awards and State Financial Assistance, the City had the following loan balances outstanding at September 30, 2021:

<u>Program Title</u>	<u>Federal ALN/ State CSFA No.</u>	<u>Grant Number</u>	<u>Balance Outstanding</u>
State Revolving Fund	66.468 (Federal)	DW580430	\$ 5,458,364
State Revolving Fund	37.077 (State)	WW580440	\$ 476,094
State Revolving Fund	37.077 (State)	SW580460	\$ 515,507



INDEPENDENT ACCOUNTANT'S REPORT

The Honorable Mayor and City Council
City of Venice, Florida

We have examined the compliance of the City of Venice, Florida's (the "City") compliance with the requirements of Section 218.415, Florida Statutes, during the fiscal year ended September 30, 2021. Management is responsible for the City's compliance with those requirements. Our responsibility is to express an opinion on the City's compliance based on our examination.

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

In our opinion, the City complied, in all material respects, with the aforementioned requirements for the fiscal year ended September 30, 2021.

MSL, P.A.

Certified Public Accountants

Tampa, Florida
February 14, 2022



INDEPENDENT AUDITOR'S MANAGEMENT LETTER

The Honorable Mayor and City Council
City of Venice, Florida

Report on the Financial Statements

We have audited the basic financial statements of the City of Venice, Florida (the "City") as of and for the fiscal year ended September 30, 2021, and have issued our report thereon dated February 14, 2022.

Auditor's Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; Title 2 *U.S. Code of Federal Regulations, Cost Principles, and Audit Requirements of Federal Awards* ("Uniform Guidance"); and Chapter 10.550, *Rules of the Auditor General*.

Other Reporting Requirements

We have also 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 for Each Major Federal Program and Major State Project and on Internal Control over Compliance and Report on Schedule of Expenditures of Federal Awards and State Financial Assistance Required by the Uniform Guidance and Chapter 10.550, *Rules of the Auditor General*; Schedule of Findings and Questioned Costs; and Independent Accountant's Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, *Rules of the Auditor General*. Disclosures in those reports and schedule, which are dated February 14, 2022, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.554(1)(i)1., *Rules of the Auditor General*, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. In connection with the preceding audit, there were no findings or recommendations.

Official Title and Legal Authority

Section 10.554(1)(i)4., *Rules of the Auditor General*, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. The legal authority is disclosed in the notes to the financial statements.

The Honorable Mayor and City Council
City of Venice, Florida

Financial Condition and Management

Sections 10.554(1)(i)5.a. and 10.556(7), *Rules of the Auditor General*, requires us to apply appropriate procedures and communicate the results of our determination as to whether or not the City 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 City did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

Pursuant to Sections 10.554(1)(i)5.b. and 10.556(8), *Rules of the Auditor General*, we applied financial condition assessment procedures for the City. It is management's responsibility to monitor the City's financial condition, and our financial condition assessment was based, in part, on representations made by management and the review of financial information provided by same.

Section 10.554(1)(i)2., *Rules of the Auditor General*, requires that we communicate any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

Additional Matters

Section 10.554(1)(i)3., *Rules of the Auditor General*, requires us to communicate noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but warrants the attention of those charged with governance. In connection with our audit, we did not have any such findings.

Purpose of this Letter

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

MSL, P.A.

Certified Public Accountants

Tampa, Florida
February 14, 2022