



City of Venice, Florida

Annual Comprehensive Financial Report

For the Fiscal Year Ended September 30, 2023

**ANNUAL COMPREHENSIVE
FINANCIAL REPORT
OF THE
CITY OF VENICE, FLORIDA
FOR THE FISCAL YEAR
ENDED SEPTEMBER 30, 2023**

**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, 2023

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February 7, 2024

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, 2023. 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, 2023, 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.

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 17.85 square miles and serves a population of 27,793. 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 71 full-time equivalent employees (FTE's) in 2023. Fire protection and EMS are provided by the City's Fire Department, which operates 3 fire stations and had 75.6 FTE's in 2023.

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 2023 budget-to-actual comparison schedules are provided in this report for all governmental funds.

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 several 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 was not significant. In these 2023 financial statements, revenues are now above pre-COVID levels.

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 21,188 in 2014 to 27,793 in 2023, an average increase of 3.1% per year. The population increase is attributed more to migration than births and deaths.

Over the past decade, City property assessed valuations have steadily increased from \$2.8 billion in 2014 to \$5.7 billion in 2023, an average annual increase of 8.2%. 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 7, 2024

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 six months' operating expenditures (50%).
- 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 just over half the revenues in the General Fund. The combination of new construction and increasing property valuations has produced new revenues annually. This now allows the City's General Fund to operate at a level where services are being funded at desired service levels.

Honorable Mayor, City Council
And Citizens of the City of Venice, Florida
February 7, 2024

Over 70% 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). In 2023, the City had 383.40 FTEs. 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. Including these fleet rent payments, a significant amount of capital outlay is now being funded by the General Fund on a pay-as-you-go basis.

Pension and other post-employment benefit costs however, are not fully funded. To address these concerns, on October 1, 2014, 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, 2023 were \$61.8 million (includes FRS) and the City's OPEB liability was an additional \$6.2 million. Over \$2 million of the General Fund's annual budget goes to fund pension legacy costs each year, i.e., costs for services performed in prior years. And since 2020, the City has been overpaying the annual required contributions to the City's two single employer plans in a multi-year budgeting plan to reduce these obligations. It is projected to take eight to twelve more years at *current funding levels* to retire the Plans' net pension liabilities in full.

The 2023 fiscal year has been a period of achievement and change. Following are some of the City's recent major accomplishments:

- **City Buildings** – City Hall Complex Project – During 2022, construction continued on the large project on the City Hall campus. By the beginning of 2022, 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, was completed in 2023. The project was funded with a combination of one cent sales taxes, impact fees, property sales proceeds, and grants. The City commenced the design of a \$492,300 building to house the City's 1926 LaFrance Fire Engine, Old Betsy.
- **City Land** – Paid \$1.8 million for land for the relocation of Fire Station #2 and commenced the design. It is expected that construction will start in 2024. Paid \$1.4 million for land in the Seaboard Area. The City will commence a Master Plan to redevelop the Seaboard Area. In 2022, the City received \$1.5 million in park impact fees from Sarasota County that were used to acquire land in Northeast Venice for a new park. The design for improvements on the property commenced in 2023 and construction will be in upcoming years.
- **Airport Projects** – The Venice Municipal Airport continued its multi-year, systematic upgrade of facilities including runways, taxiways, aprons, and hanger buildings. The largest 2023 project was the completion of a Rejuvenation of Runway 5-23 costing \$839,233.

A list of all capital expenditures for 2023 can be found in the Management Discussion & Analysis within this document.

Honorable Mayor, City Council
And Citizens of the City of Venice, Florida
February 7, 2024

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, 2022. This was the thirty fourth consecutive year that the City has received this prestigious award. In order to be awarded a Certificate of 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
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, 2022

Christopher P. Morill

Executive Director/CEO



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CITY OF VENICE, FLORIDA
COUNCIL-MANAGER FORM OF GOVERNMENT

CITY COUNCIL

Nick Pachota, Mayor

Jim Boldt – Vice Mayor

Joan Farrell

Rachel Frank

Rick Howard

Helen Moore

Ron Smith

CITY MANAGER

Edward F. Lavalley, MPA, ICMA-CM

FINANCE DIRECTOR

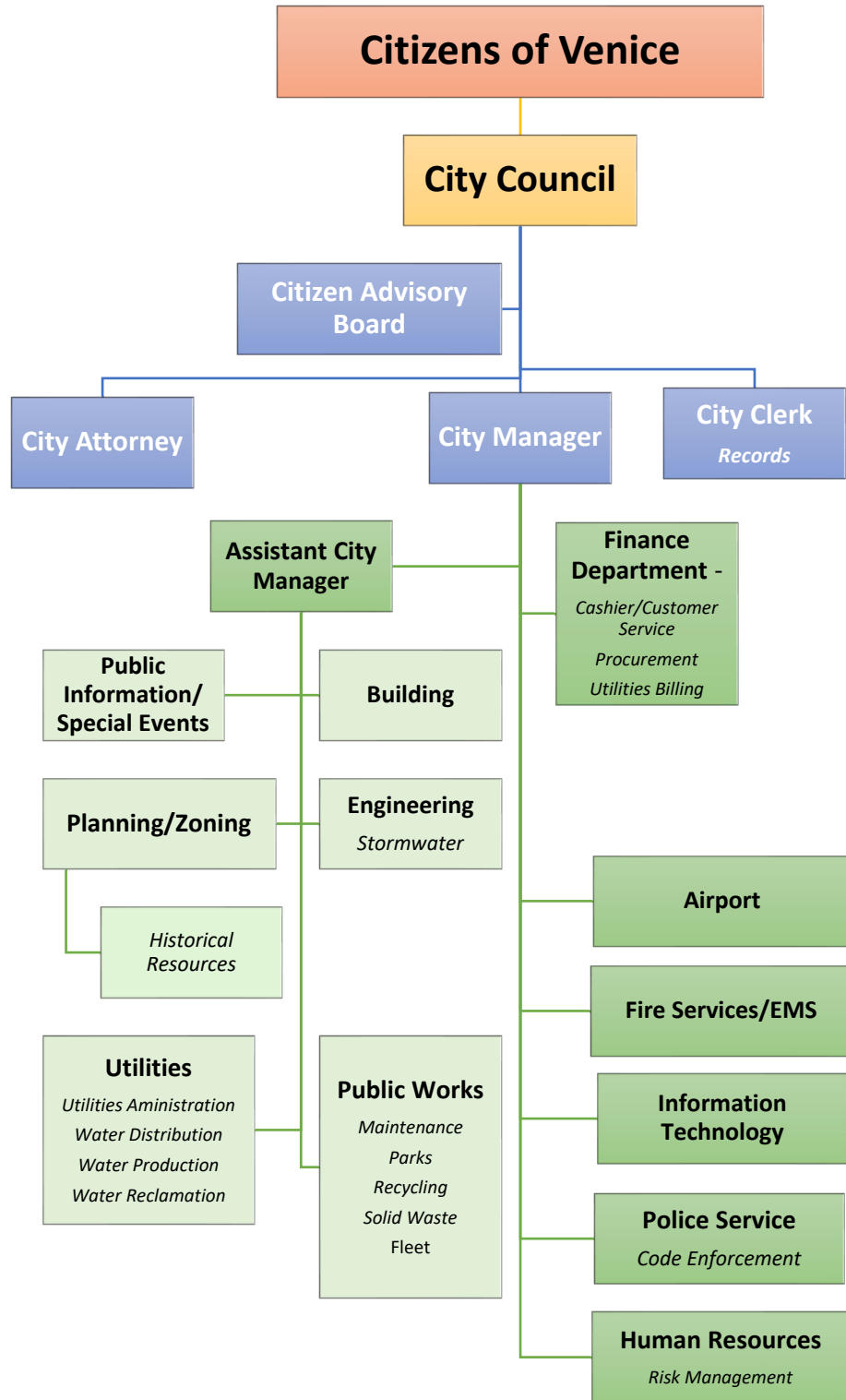
Linda Senne, CPA, CGMA

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 Audit of the Financial Statements

Opinions

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 year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, as listed in the table of contents.

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, 2023, and the respective changes in financial position and cash flows, where applicable, and the budgetary comparisons for the General Fund and each major special revenue fund thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinions

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

INDEPENDENT AUDITOR'S REPORT
(Continued)

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters.

INDEPENDENT AUDITOR'S REPORT *(Continued)*

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 combining and individual fund statements and schedules, 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.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

The Honorable Mayor and City Council
City of Venice, Florida

INDEPENDENT AUDITOR'S REPORT
(Concluded)

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 7, 2024 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 7, 2024

City of Venice, Florida
Management's Discussion and Analysis
For the Year Ended September 30, 2023

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, 2023.

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 2023, the City's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$310.6 million (total net position). The majority is invested in capital assets (\$210.4 million). A total of \$52.2 million is restricted for specific purposes. The balance of \$48.0 million is unrestricted.
- The City's business-type activities reported a combined total net position of \$198.6 million at September 30, 2023. Of this amount \$48.8 million is unrestricted.
- The City's governmental activities reported combined ending total net position of \$112.0 million at September 30, 2023. The unrestricted net position component is a deficit of \$873,456.
- The City's total net position increased by \$25.8 million, or 9.1% for the fiscal year. Total net position of the governmental activities increased by \$11.1 million, and total net position of the business-type activities increased by \$14.7 million.
- The General Fund's fund balance increased by \$6.0 million for the year ended September 30, 2023, much better than the budgeted increase of \$429,916 (final amended).
- At the end of the current year, fund balance for the General Fund was \$26.3 million, or 62.3% of total general fund expenditures. Of this amount, \$59,975 is nonspendable, \$1.5 million is committed for encumbrances, and the remaining balance of \$24.8 million is unassigned. Under the City's fund balance policy, the City has earmarked \$10.6 million of the unassigned fund balance for working capital/emergency reserves (25% of annual expenditures); the remaining \$14.2 million is available for any lawful purpose.
- The City's long-term debt (bonds and notes) decreased by \$4.1 million during the fiscal year. In governmental-type activities, there was no new debt. In business-type activities, an additional \$56,951 was borrowed under the State Revolving Fund program during the year. Other long-term obligations at year end include net pension liabilities (\$61.8 million), and total Other Post-Employment Benefit (OPEB) liability (\$6.2 million).

City of Venice, Florida
Management's Discussion and Analysis
For the Year Ended September 30, 2023

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 37-39 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
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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 23 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 40-44 of this report. Nonmajor governmental FFS and budgetary comparison schedules can be found on pages 134-152.

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 48-55 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 154-159 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 56-57 of this report. Combining financial statements for the separate trust funds can be found on pages 162-163. Required supplementary information for the separate plans can be found on pages 118-129, 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 59-113 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 \$310.6 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 37.

City of Venice
Summary of Net Position
September 30
(in 000's)

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Current and other assets	\$ 85,262	\$ 69,979	\$ 100,754	\$ 92,476	\$ 186,016	\$ 162,455
Capital assets	114,713	114,182	159,180	155,919	273,893	270,101
Total assets	<u>199,975</u>	<u>184,161</u>	<u>259,934</u>	<u>248,395</u>	<u>459,909</u>	<u>432,556</u>
Deferred outflows of resources	13,672	16,844	2,480	2,830	16,152	19,674
Current liabilities	7,507	6,260	5,375	6,509	12,882	12,769
Noncurrent liabilities	91,290	91,528	43,927	45,979	135,217	137,507
Total liabilities	<u>98,797</u>	<u>97,788</u>	<u>49,302</u>	<u>52,488</u>	<u>148,099</u>	<u>150,276</u>
Deferred inflows of resources	2,854	2,291	14,497	14,847	17,351	17,138
Net position:						
Net investment in capital assets:	84,825	82,338	125,578	120,212	210,403	202,550
Restricted	28,044	23,991	24,203	18,440	52,247	42,431
Unrestricted	(873)	(5,403)	48,834	45,238	47,961	39,835
Total net position	<u>\$ 111,996</u>	<u>\$ 100,926</u>	<u>\$ 198,615</u>	<u>\$ 183,890</u>	<u>\$ 310,611</u>	<u>\$ 284,816</u>

At September 30, 2023, \$210.4 million, or approximately 67.7% 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 16.8% of the City's total net position (\$52.2 million), represents resources that are subject to external restrictions on how they may be used. The remaining balance of total net position is unrestricted (\$48.0 million or 15.4%), 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 \$61.4 million at September 30, 2023 versus \$59.6 million at the beginning of the year (Note H).

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City of Venice, Florida
Management's Discussion and Analysis
For the Year Ended September 30, 2023

Changes in Net Position

The City's total net position increased by \$25.8 million during the current year, compared to an increase of \$33.3 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 38-39.

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

	Governmental Activities		Type Activities		Totals	
	2023	2022	2023	2022	2023	2022
Revenues:						
<i>Program Revenues:</i>						
Charges for services	\$ 6,780	\$ 7,971	\$ 41,709	\$ 39,883	\$ 48,489	\$ 47,854
Operating grants and contributions	1,026	1,707	39	5	1,065	1,712
Capital grants and contributions	4,596	3,122	15,112	11,748	19,708	14,870
<i>General Revenues:</i>						
Property taxes	26,807	22,886	-	-	26,807	22,886
Sales taxes	8,500	7,590	-	-	8,500	7,590
Utility services taxes	3,703	3,154	-	-	3,703	3,154
Franchise fees	3,480	3,045	-	-	3,480	3,045
Intergovernmental	4,696	4,165	-	-	4,696	4,165
Interest earnings	3,795	244	2,830	524	6,625	768
Other	2,148	1,921	42	97	2,190	2,018
Total revenues	<u>65,531</u>	<u>55,805</u>	<u>59,732</u>	<u>52,257</u>	<u>125,263</u>	<u>108,062</u>
Expenses:						
General government	13,954	6,770	-	-	13,954	6,770
Finance	1,893	1,526	-	-	1,893	1,526
Information services	2,039	1,748	-	-	2,039	1,748
Parks and recreation	3,037	2,655	-	-	3,037	2,655
Police	14,639	10,950	-	-	14,639	10,950
Fire and EMS	15,856	12,658	-	-	15,856	12,658
Public works	6,106	4,822	-	-	6,106	4,822
Interest on long-term debt	897	935	-	-	897	935
Water and sewer utility	-	-	23,669	20,740	23,669	20,740
Solid waste	-	-	10,955	5,914	10,955	5,914
Airport	-	-	4,093	3,844	4,093	3,844
Storm water drainage	-	-	2,330	2,152	2,330	2,152
Total expenses	<u>58,421</u>	<u>42,064</u>	<u>41,047</u>	<u>32,650</u>	<u>99,468</u>	<u>74,714</u>
Change in net position before Transfers	7,110	13,741	18,685	19,607	25,795	33,348
Transfers	3,960	3,482	(3,960)	(3,482)	-	-
Change in net position	<u>11,070</u>	<u>17,223</u>	<u>14,725</u>	<u>16,125</u>	<u>25,795</u>	<u>33,348</u>
Net position - beginning	<u>100,926</u>	<u>83,703</u>	<u>183,890</u>	<u>167,765</u>	<u>284,816</u>	<u>251,468</u>
Net position - end of year	<u>\$ 111,996</u>	<u>\$ 100,926</u>	<u>\$ 198,615</u>	<u>\$ 183,890</u>	<u>\$ 310,611</u>	<u>\$ 284,816</u>

Governmental Activities

As shown above, governmental activities increased the City's net position by \$11.1 million in 2023, compared to an increase of \$17.2 million for 2022.

On the next page is a further detail of the expenses and program revenues for governmental activities in 2023, compared to 2022:

City of Venice, Florida
Management's Discussion and Analysis
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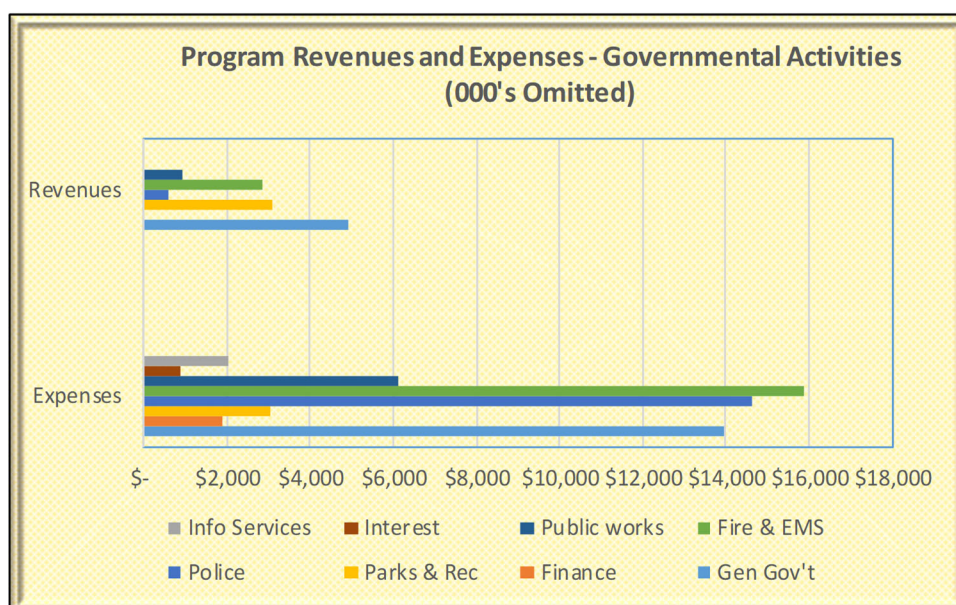
Expenses and Net Program Revenue (Expense) – Governmental Activities

	2023			2022		
	Expenses	Program Revenue	Net	Expenses	Program Revenue	Net
Program						
General government	\$ 13,954,256	\$ 4,904,288	\$ (9,049,968)	\$ 6,770,422	\$ 6,455,877	\$ (314,545)
Finance	1,892,758	-	(1,892,758)	1,525,605	-	(1,525,605)
Information services	2,038,506	-	(2,038,506)	1,747,542	-	(1,747,542)
Parks and recreation	3,036,517	3,100,000	63,483	2,654,583	1,754,573	(900,010)
Police	14,639,540	605,926	(14,033,614)	10,950,233	758,967	(10,191,266)
Fire and EMS	15,856,373	2,855,168	(13,001,205)	12,658,003	2,675,580	(9,982,423)
Public works	6,106,188	936,222	(5,169,966)	4,822,000	1,154,800	(3,667,200)
Interest on long-term debt	896,845	-	(896,845)	935,329	-	(935,329)
Total	\$ 58,420,983	\$ 12,401,604	\$ (46,019,379)	\$ 42,063,717	\$ 12,799,797	\$ (29,263,920)

As shown above, net costs of governmental activities increased \$16.7 million from \$29.3 million in 2022 to \$46.0 million in 2023. Increases in expenses of \$16.3 million (38.9%) *added to* a reduction in program revenues of \$398,193. The largest expense increase was in general government (\$7.2 million), with the single largest item being a one-time refund of building permit fees totaling \$4.4 million. In addition, police expenses increased \$3.7 million and fire/EMS increased \$3.2 million – due to operations and pension costs. Program revenues decreased in general government (building permit fees) and increased in parks and recreation (impact fees).

The negative amounts in the “net” columns above, show that *program revenues are generally 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. The exception was in parks and recreation in 2023, where impact fees were received from the County for a park project.

Following is a graphic representation of the 2023 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

	2023	% of Total	2022	Increase (Decrease)	% Change
General Revenues:					
Property taxes	\$ 26,806,503	47.0%	\$ 22,886,021	\$ 3,920,482	17.1%
Sales taxes	8,499,960	14.9%	7,590,403	909,557	12.0%
Utility services taxes	3,702,928	6.5%	3,153,470	549,458	17.4%
Franchise fees	3,480,028	6.1%	3,045,283	434,745	14.3%
Intergovernmental	4,696,515	8.2%	4,164,490	532,025	12.8%
Interest earnings	3,794,995	6.6%	244,420	3,550,575	1452.7%
Miscellaneous	2,147,975	3.8%	1,920,617	227,358	11.8%
Net Transfers In	3,960,145	6.9%	3,482,142	478,003	13.7%
Total	\$ 57,089,049	100.0%	\$ 46,486,846	\$ 10,602,203	22.8%

General revenues plus transfers increased by \$10.6 million from 2022 to 2023, as shown above. The largest increase was in property taxes, caused by an increase in assessed values on new and existing properties (4.79% and 14.21% respectively), with no change in the millage rate (4.36 per \$1,000 of assessed value for both years). However, the millage rate in the debt service fund decreased (from .5570 per \$1,000 of assessed value in 2022 to .4694 in 2023). Increased interest earnings matched market performance for cash and short-term investments. Other general revenues like sales taxes and state revenue sharing also increased significantly in 2023.

Business-type activities. As stated previously, business-type activities increased the City's net position by \$14.7 million in 2023 versus an increase of \$16.1 million in 2022. Following is further detail of this change:

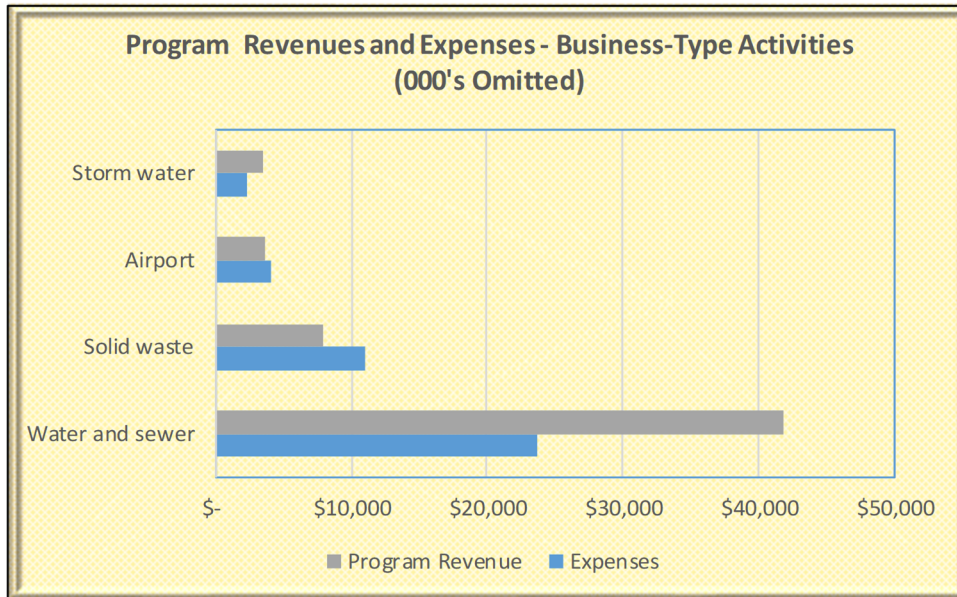
Change in Net Position – Business-Type Activities

	2023			2022		
	Expenses	Program Revenue	Net	Expenses	Program Revenue	Net
Program						
Water and sewer utility	\$23,669,526	\$41,822,343	\$18,152,817	\$20,739,816	\$35,806,187	\$15,066,371
Solid waste	10,955,023	7,852,896	(3,102,127)	5,913,985	7,982,758	2,068,773
Airport	4,092,773	3,640,118	(452,655)	3,844,544	4,627,689	783,145
Storm water drainage	2,329,704	3,544,104	1,214,400	2,151,685	3,219,549	1,067,864
Total	\$41,047,026	\$56,859,461	15,812,435	\$32,650,030	\$51,636,183	18,986,153
General Revenues			2,872,215			621,447
(Transfers)			(3,960,145)			(3,482,142)
Change in net position			\$14,724,505			\$16,125,458

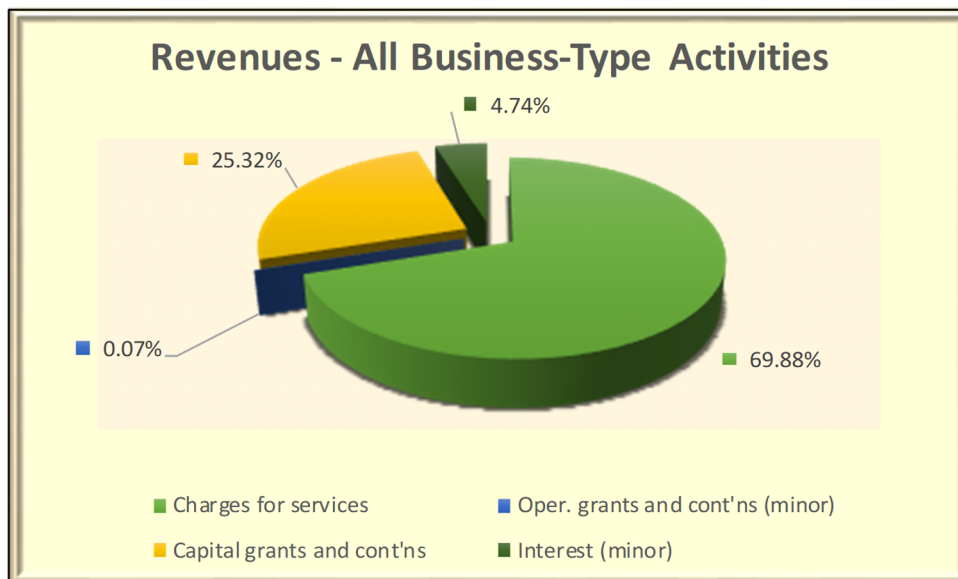
As shown above, expenses for business-type activities increased from \$32.7 million in 2022 to \$41.0 million in 2023; a 25.7% increase. This is analyzed further by individual fund in subsequent pages. Program revenues increased \$5.2 million, or 10.1%. Of this amount, the increase in the water and sewer utility was \$6.0 million, of which \$4.4 million was in capital contributions (developers, grants and capacity fees). The decrease in the Airport program revenues was \$1.0 million, mostly related to capital grants. Under accounting rules, capital grants and contributions are reported in the year earned, while the related projects are capitalized and depreciated over their useful lives.

City of Venice, Florida **Management's Discussion and Analysis** **For the Year Ended September 30, 2023**

The table on the previous page shows that program revenues cover expenses in the water/sewer utility and the storm water drainage program. Airport showed a slight loss because depreciation exceeded capital grants. Solid waste reported a loss because of Hurricane Ian cleanup costs (expecting to be reimbursed in 2024). Following is a graphic representation of the 2023 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 2023, 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.

City of Venice, Florida
Management's Discussion and Analysis
For the Year Ended September 30, 2023

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 2023 as shown on page 41, the City's governmental funds reported combined ending fund balances of \$55.8 million. Of this amount, *restricted fund balances* comprise \$28.2 million and *committed fund balances* comprise \$2.7 million. Restricted fund balances, like unexpended gas taxes, voted sales taxes, and building 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 \$24.8 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 \$26.3 million, and the unassigned portion was \$24.8 million. This represents 62.3% and 58.7% respectively of annual expenditures (2023 actual). During 2023, the fund balance increased by \$6.0 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 \$1.5 million will carry over to 2024.

The *Building Permit Fees Special Revenue Fund* is presented as a major fund for 2023. During 2023, the fund balance decreased by \$3.8 million, because in addition to a 30% discount on permit fees (lowering revenues), \$4.4 million was refunded to prior fee payers (increasing expenditures). At the end of the fiscal year, the fund balance in the Building Permit Fees Fund was down to \$3.6 million, representing 45.4% of annual expenditures plus transfers (2023 actual).

The *One Cent Voted Sales Tax Fund* is presented as a major fund for 2023 due to its significance to the community as a whole. This fund accounts for the proceeds from the City's share of the county-wide voter-adopted one-cent discretionary sales surtax. Proceeds of this fund are primarily restricted to expenditures for capital outlay under Florida Statutes 212.055. For the year, revenues were strong, exceeding budget by \$1.4 million. Expenditures were under budget but a significant amount was rolled over to 2024. In the end, fund balance increased to \$9.3 million, but \$3.5 in commitments have been automatically rolled to 2024 and do not require reappropriation.

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 48-51, total net position in the enterprise funds at year end was \$198.6 million. Of this amount, \$125.6 million was invested in capital assets (net of related debt), \$24.2 million is restricted for specific purposes, and the balance of \$48.8 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,	
	2023	2022
Water and Sewer Utility	\$ 37,716,758	\$ 32,144,927
Solid Waste	706,635	4,584,923
Airport	6,354,942	5,783,899
Storm Water Drainage	4,055,726	2,724,188
	<u>\$ 48,834,061</u>	<u>\$ 45,237,937</u>

Following is a discussion of each enterprise fund's performance for 2023, compared to the prior year. Most of the information is summarized from pages 52-55 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 \$17.8 million for 2023 compared to an increase of \$13.3 million for 2022. Following is a summary of the items that contributed to these changes:

<i>Water and Sewer Utility</i>				
	2023	2022	Change	Percent
<i>Operating:</i>				
Revenues	\$ 28,195,157	\$ 26,578,818	\$ 1,616,339	6.1%
Expenses	(22,864,505)	(19,887,588)	(2,976,917)	15.0%
Net	5,330,652	6,691,230	(1,360,578)	-20.3%
Net non-operating	1,151,940	(695,105)	1,847,045	-265.7%
Capital contributions	13,625,206	9,222,074	4,403,132	47.7%
Transfers out	(2,284,727)	(1,954,143)	(330,584)	16.9%
Change in net position	<u>\$ 17,823,071</u>	<u>\$ 13,264,056</u>	<u>\$ 4,559,015</u>	<u>34.4%</u>

Operating revenues increased significantly from 2022 to 2023, due to increases in both customer counts and rates. Most rates increased 2.15% at the beginning of both 2022 and 2023.

Operating expenses increased \$3.0 million or 15.0% year over year, for the following reasons:

- Personnel services costs increased \$745,241 or 11.8%, most of which represented scheduled employee wage increases,
- Professional/contractual services increased \$533,017 or 36.1%, for various utility studies across all divisions,
- Repair and maintenance costs increased \$919,976 or 43.8%, mostly in the distribution and collection area,

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- Insurance, utilities and other services and charges increased by a total of \$505,088 for various items, and
- Depreciation increased \$273,595 or 4.4%.

The increase in net non-operating revenues/expenses was the result of higher investment yields in 2023. Interest earnings on investments increased from \$139,986 in 2022 to \$1.9 million in 2023. Capital contributions represent water and sewer infrastructure contributed by developers in both years (which increased \$1.5 million), as well as capital grants and plant capacity fees (which increased \$1.2 million and \$1.6 million respectively). Transfers out are to the General Fund for indirect costs (\$1.9 million in 2022; \$2.0 million in 2023) and to the Fleet Replacement Fund for catch-up payments (\$60,000 in 2022 and \$320,000 in 2023).

The Water and Sewer Utility Fund generated net cash from operating activities of \$12.2 million in 2023 compared to \$12.0 million in 2022.

Solid Waste Fund

Solid waste operations include collection and disposal, garbage and recycling activities. The Solid Waste Fund reported a *decrease* in net position of \$3.8 million for 2023 compared to an *increase* in net position of \$1.4 million for 2022. Following is a summary of the items that contributed to these changes:

<i>Solid Waste Fund</i>				
	2023	2022	Change	Percent
<i>Operating:</i>				
Revenues	\$ 7,708,550	\$ 7,697,626	\$ 10,924	0.1%
Expenses	(10,955,023)	(5,913,985)	(5,041,038)	85.2%
Net	(3,246,473)	1,783,641	(5,030,114)	-282.0%
Non-operating revenues	118,109	113,566	4,543	4.0%
Capital contributions	144,346	285,132	(140,786)	N/A
Transfers out	(822,622)	(744,988)	(77,634)	10.4%
Change in net position	<u>\$ (3,806,640)</u>	<u>\$ 1,437,351</u>	<u>\$ (5,243,991)</u>	<u>-364.8%</u>

Operating revenues were basically unchanged from 2022 to 2023. A reduction in the recycling surcharge through most of 2023 offset any new revenues generated from customer growth.

Operating expenses increased by \$5.0 million or 85.2% year over year, for the following reasons:

- Personnel services costs increased \$246,714 or 11.1%, most of which represented scheduled employee wage increases,
- Professional/contractual services increased \$4.7 million, including approximately \$4.2 million in landfill disposal costs from trees and branches collected after Hurricane Ian. Most of this cost is expected to be reimbursed from FEMA or state agencies in 2024,
- Repair and maintenance costs increased \$114,164 or 13.6%, mostly garbage truck repairs, and

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- Insurance, utilities, and other services and charges increased by a total of \$61,427, for various items.

Offsetting these expense increases was the following reduction:

- Depreciation decreased \$34,088, or 77.8%, as the remaining garbage trucks reached the end of their depreciable lives and were transferred to the Fleet Replacement Fund.

Capital contributions in both years are solid waste impact fees. Transfers out are to the General Fund for indirect costs (\$491,379 in 2023 and \$474,988 in 2022) and to the Fleet Replacement Fund for new solid waste vehicles (\$331,243 in 2023 and \$270,000 in 2022).

The Solid Waste Fund lost \$3.4 million in net cash from operating activities in 2023 (Hurricane Ian disposal costs) compared to generating \$2.0 million in 2022.

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 \$308,503 for 2023 compared to an *increase* in net position of \$804,174 for 2022. Following is a summary of the items that contributed to these changes:

<i>Airport</i>	2023	2022	Change	Percent
<i>Operating:</i>				
Revenues	\$ 2,298,184	\$ 2,386,516	\$ (88,332)	-3.7%
Expenses	(4,092,773)	(3,740,384)	(352,389)	9.4%
Net	(1,794,589)	(1,353,868)	(440,721)	32.6%
Net Non-operating	603,492	242,321	361,171	149%
Capital grants	1,341,934	2,241,173	(899,239)	-40.1%
Transfers out	(459,340)	(325,452)	(133,888)	41.1%
Change in net position	<u>\$ (308,503)</u>	<u>\$ 804,174</u>	<u>\$ (1,112,677)</u>	<u>-138.4%</u>

Airport operating revenues are down 3.7% because certain hangar rents were waived during 2023 while hurricane damage was being repaired. Operating expenses increased by \$352,389 or 9.4% year over year, for the following reasons:

- Professional/contractual services increased \$24,901 or 15.1%, for various items,
- Repair and maintenance costs increased \$253,339 or 153.9%, mostly for Hurricane Ian repairs,
- Insurance, utilities, and other services and charges increased by a total of \$40,866 for various reasons, and
- Depreciation increased \$58,541, or 2.6%.

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Offsetting these operating expense increases was the following reduction:

- Personnel services costs decreased \$25,258 or 3.5% with unfilled vacancies more than offsetting scheduled wage increases.

The increase in net non-operating revenues/expenses was primarily the result of higher investment yields in 2023. Interest earnings on investments increased from \$18,514 in 2022 to \$276,386 in 2023. Capital grant revenues will fluctuate from year to year based on the level of grant-related capital expenditures. Transfers out are to the General Fund for indirect costs (\$237,401 in 2023 and \$278,452 in 2022) and to the Fleet Replacement Fund for new equipment purchases (\$221,939 in 2023 and \$47,000 in 2022).

The Airport Fund lost \$344,244 in net cash from operating activities in 2023 compared to generating \$545,290 in 2022. The difference mirrors operating results, but also 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 \$1.0 million for 2023 compared to an increase of \$619,877 for 2022. Following is a summary of the items that contributed to these changes:

<i>Storm Water Drainage</i>				
	2023	2022	Change	Percent
<i>Operating:</i>				
Revenues	\$ 3,507,384	\$ 3,219,549	\$ 287,835	8.9%
Expenses	(2,325,507)	(2,147,266)	(178,241)	8.3%
Net	1,181,877	1,072,283	109,594	10.2%
Non-operating revenues	228,156	5,153	223,003	4327.6%
Transfers out	(393,456)	(457,559)	64,103	-14.0%
Change in net position	<u>\$ 1,016,577</u>	<u>\$ 619,877</u>	<u>\$ 396,700</u>	<u>64.0%</u>

Operating revenues in this fund are up 8.9%. Stormwater Operation and Maintenance rates remained unchanged at \$7.00 per Equivalent Stormwater Factor but Water Quality (WQ) rates increased from \$1.06 to \$1.48 per Equivalent WQ Factor. The WQ rate increase was Year 3 in a four-year plan to provide more revenues for capital and major maintenance projects.

Operating expenses increased by \$178,241 or 8.3% year over year, for the following reasons:

- Personnel costs increased \$53,673 or 6.1%, all of which represented scheduled employee wage increases,
- Repair and maintenance costs increased \$116,533 or 27.4%. There are large maintenance projects periodically as the stormwater collection system continues to age, and

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- Insurance, utilities, and other services and charges increased by a total of \$52,242 for various reasons.

Offsetting these operating expense increases was the following reduction:

- Professional/contractual services decreased \$44,207 or 18.5%, as the Fund moves from the study phase into the capital phase for WQ projects.

The increase in net non-operating revenues/expenses was primarily the result of higher investment yields in 2023. Interest earnings on investments increased from \$9,572 in 2022 to \$158,408 in 2023. Transfers out are to the General Fund for indirect costs (\$225,945 in 2023 and \$276,524 in 2022) and to the Fleet Replacement Fund for new equipment purchases (\$167,511 in 2023 and \$181,035 in 2022).

The Storm Water Drainage Fund generated net cash from operating activities of \$1.6 million in both 2023 and 2022. Much of this cash is earmarked for upcoming water quality projects.

GENERAL FUND BUDGETARY HIGHLIGHTS

A budget versus actual comparison of the operating results of the City's General Fund for 2023 can be found on page 45. As shown on that page, the original General Fund budget anticipated increasing fund balance by \$3.0 million during 2023. Changes to the original budget during 2023 increased certain appropriations, reducing the projected budget surplus (addition to fund balance) to \$429,916. Following are the changes from the original to final budget:

Increased appropriations:

- Various 2022 encumbrances totaling \$317,595 were "rolled over" to the 2023 budget,
- Budget amendment #1 appropriated \$250,000 for Hurricane Ian contract management, and \$246,525 for information technology infrastructure,
- Budget amendment #2 appropriated \$1.5 million to purchase land in the City's "seaboard area", and
- Budget amendment #3 provided \$170,205 for a transfer to the Fleet Replacement Fund (to get Public Works "fully funded") and \$110,000 to demolish the concrete plant in the seaboard area.

Actual Results

In the end, as shown on page 45, actual General Fund revenues exceeded the final amended 2023 budgeted revenues by \$4.9 million, and actual General Fund expenditures were lower than the final amended 2023 budget by another \$656,190, for a combined favorable variance of \$5.6 million.

General Fund revenues that came in significantly better than budget for 2023 included property taxes (by \$381,262), insurance premium taxes for pensions (by \$349,361), utility service taxes (by \$801,728), franchise fees (by \$675,753), intergovernmental revenues (by \$760,712 – sales taxes were above budget by \$527,631 and state revenue sharing by \$317,669), charges for services, mostly ambulance fees (by \$258,842), interest earnings (by \$1.4 million) due to higher

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yields, and miscellaneous revenues (by \$258,132). The favorable revenue variances are from a combination of increased building and/or economic activity, and conservative budgeting assumptions.

As stated above and shown on page 45, General Fund expenditures came in under budget by \$656,190. Most departments and divisions were under budget in 2023. However, seven departments/divisions were over budget by various amounts, all of which were approved by the City Manager. Most overages were related to Hurricane Ian. 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.

Unspent General Fund appropriations totaling \$1.5 million at the end of 2023 will automatically roll over to the 2024 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 2023 and 2022:

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

	Governmental Activities		Business-Type Activities		Totals	
	2023	2022	2023	2022	2023	2022
Land	\$ 20,315	\$ 17,092	\$ 2,628	\$ 2,628	\$ 22,943	\$ 19,720
Construction in progress	364	550	10,400	12,172	10,764	12,722
Buildings	31,670	33,099	8,763	9,221	40,433	42,320
Machinery and equipment	18,202	17,832	2,620	2,905	20,822	20,737
Infrastructure	31,504	32,886	71,298	63,666	102,802	96,552
Other improvements	12,658	12,723	63,471	65,327	76,129	78,050
Total	<u>\$ 114,713</u>	<u>\$ 114,182</u>	<u>\$ 159,180</u>	<u>\$ 155,919</u>	<u>\$ 273,893</u>	<u>\$ 270,101</u>

Governmental Activities:

Capital assets in the City's governmental activities increased from \$114.2 million in 2022 to \$114.7 million in 2023, an increase of \$0.5 million, or 0.5%. The 2023 activity included additions of \$8.0 million and transfers in of \$86,243 (book value), less depreciation of \$7.6 million.

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Governmental activities additions totaled \$6.0 million in governmental funds and \$2.0 million in the Fleet Replacement internal service fund. Following is a list of the 2023 additions:

Governmental Fund Additions:

Projects:

Land - Seaboard area	\$ 1,410,723
Land - Fire Station #2	1,812,158
Old Betsy display building	18,300
City Hall	316,519
Public Works headquarters	12,765
Fire Stations	55,036
Venice Community Center	213,234
Triangle Inn	6,400
Park improvements	166,843
Decorative streetlights	49,542
Cockrill St. sidewalk	621,150

Impact Fee Expenditures:

Northeast Venice Park	661
Hecksher Park	24,400
Wellfield Park	200,000

Governmental Fund Additions (Cont'd):

Vehicles and Equipment:

Police	\$ 389,226
Fire	68,750
EMS	50,031
Public works	128,496
Building	14,708
Information technology	462,731
Governmental Funds	<u>\$ 6,021,673</u>

Fleet Replacement Fund Additions:

Airport	\$ 55,195
Building	216,040
Police	453,886
EMS	50,075
Solid waste	213,652
Stormwater	391,731
Water and sewer utility	614,191
Fleet Replacement Fund	<u>\$ 1,994,770</u>

Business-type Activities:

Capital assets in the City's business-type activities increased from \$155.9 million in 2022 to \$159.2 million in 2023, an increase of \$3.3 million, or 2.1%. The 2023 activity included additions of \$12.6 million, less depreciation of \$9.2 million and transfers out of \$86,243 (book value). Enterprise fund 2023 capital additions consisted of the following:

Enterprise Fund Additions:

Water and Sewer Utility:

Distribution System:

Developer water/sewer lines	\$ 3,006,689
Collection system improvements	377,625
W. Venice Ave. WM imps.	384,963
Meter changeout program	336,403
2nd forcemain under I-75	71,830
Intercoastal 2nd forcemain	46,058
Eastgate utilities relocation ph. II	450,823
Bay Indies utilities relocation	101,853
Knights Trail forcemain	269,792
Other	392,951

Water Treatment Plant:

New booster station	120,852
WTP 2nd stage membrane	232,797
WTP generator/switchgear	2,757,537
Other	224,223

Enterprise Fund Additions (Cont'd):

Water and Sewer Utility (Cont'd):

Water Reclamation:

ASR well	440,657
Master Lift Station PLC	27,622
Knights Trail lift station	105,804
Nokomis Groves lift station	67,436
WRF Effluent pumps	292,910
3MG equilization tank	80,613
Other	1,376,742

Airport:

New terminal building	31,061
Rejuvenate runway 5-23	793,997
Rejuv. taxiway A,B,C&E	289,445
Design runway 13-31	217,202

Storm Water Drainage:

Water Quality Improvem'ts	79,851
Total	<u>\$ 12,577,736</u>

At the end of the fiscal year, the City has construction commitments of \$88.8 million on projects approved and in process. More detailed information can be found on pages 76-78 of this report.

City of Venice, Florida
Management's Discussion and Analysis
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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 may levy for the payment of debt service on voter-approved general obligation bonds. The voter approved debt service millage tax rate for 2023 was .4694 per \$1,000 of assessed valuation. A summary of the City's total outstanding debt follows:

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

	Governmental Activities		Business-Type Activities		Totals	
	2023	2022	2023	2022	2023	2022
General obligation bonds	\$ 29,302	\$ 30,979	\$ -	\$ -	\$ 29,302	\$ 30,979
Revenue bonds	-	-	28,463	29,870	28,463	29,870
Notes	-	-	6,767	7,492	6,767	7,492
Lease-purchase obligation	585	865	-	-	585	865
Total	<u>\$ 29,887</u>	<u>\$ 31,844</u>	<u>\$ 35,230</u>	<u>\$ 37,362</u>	<u>\$ 65,117</u>	<u>\$ 69,206</u>

Governmental Activities:

The outstanding balance of long-term debt in the City's governmental activities decreased from \$31.8 million in 2022 to \$29.9 million in 2023, a decrease of \$1.9 million or 6.1%. There was no new governmental debt issued in 2023. Scheduled principal payments of \$1.8 million were made during 2023, and amortization of bond premiums was \$181,566.

Business-type Activities:

The outstanding balance of long-term debt in the City's business-type activities decreased from \$37.4 million in 2022 to \$35.2 million in 2023, a decrease of \$2.2 million or 5.7%. State Revolving Fund (SRF) loans were partially drawn down in 2023 for water or wastewater projects. Gross SRF draws were \$56,951. Scheduled principal payments of \$2.1 million were made during 2023, and amortization of bond premiums was \$62,429.

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+

City of Venice, Florida
Management's Discussion and Analysis
For the Year Ended September 30, 2023

Other Long-term Liabilities

The City has unfunded OPEB and net pension obligations at September 30, 2023. Additional information on all long-term liabilities of the City can be found on pages 83-87 of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

The budget for the 2024 fiscal year is a balanced budget in all funds, with 2024 appropriations fully funded by 2024 revenues, transfers in, and beginning reserves. The City's General Fund millage rate was reduced to the level that will produce a break-even budget for 2024. Citywide, full-time equivalent (FTE) positions will decrease from 383.4 in 2023 to 382.4 in 2024. Revenues continue to grow and are providing funds for scheduled capital projects. Capital projects/outlays totaling \$72.1 million are included in the Citywide Capital Improvement Program budget for 2024, and an additional \$88.8 million in construction/capital commitments will be rolled into 2024 from 2023. 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 2024 budget were:

- The assessed valuation of commercial and residential property increased from \$5.748 billion in 2023 to \$6.614 billion in 2024, an increase of 15.07%, of which 3.75% is due to new construction and 11.32% due to increased valuations. The increase in property taxes would have added \$3.6 million to General Fund revenues had the millage rate remained unchanged.
- The General Fund property tax millage rate was reduced from 4.3600 per \$1,000 taxable value for 2023 to 3.9041 per \$1,000 in 2024. This still yielded an increase in property tax revenues of \$722,000 over the 2023 budget. The voter approved debt service property tax millage rate was also reduced from .4694 per \$1,000 taxable value for 2023 to .4061 for 2024.
- The City's estimated population increased from 26,728 in 2022 to 27,793 in 2023, an increase of 4.0%. New building activity continues at a high rate.
- The unemployment rate for Sarasota County (Venice area) increased from 2.5% in 2022 to 3.4% in 2023. The unemployment rate had decreased steadily from a high of 12.5% in 2010 to a low of 2.5% in 2022.
- Retail wastewater and reclaimed water rates will increase by 3.0% for 2024; water rates will increase by 5.25%. The recycling surcharge will increase from 2% to 15% at the start of 2024, which will offset increased processing and disposal costs. Stormwater "operations and maintenance" rates will increase about 4% and "water quality" rates will increase another 50 cents for capital. Most other rates will remain unchanged.

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, 2023

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Pooled cash and investments	\$ 81,495,725	\$ 53,270,197	\$ 134,765,922
Other cash	36,152	100	36,252
Accounts receivables (net of allowance for uncollectibles)	1,167,961	5,372,694	6,540,655
Due from other governments	1,358,693	853,372	2,212,065
Lease receivables - current	128,456	345,731	474,187
Inventories	46,808	1,013,236	1,060,044
Prepaid items	13,167	1,725	14,892
Lease receivables - noncurrent	173,461	14,332,157	14,505,618
Restricted assets:			
Pooled cash and investments	-	25,564,474	25,564,474
Other cash	842,015	-	842,015
Capital assets (net of accumulated depreciation)			
Non-depreciable	20,678,989	13,028,058	33,707,047
Depreciable	94,033,717	146,151,946	240,185,663
Total assets	199,975,144	259,933,690	459,908,834
DEFERRED OUTFLOWS OF RESOURCES			
Related to debt refundings	-	526,375	526,375
Related to pensions	13,633,814	1,945,245	15,579,059
Related to OPEB	38,533	7,650	46,183
Total deferred inflows of resources:	13,672,347	2,479,270	16,151,617
LIABILITIES			
Accounts payable	2,519,997	3,167,039	5,687,036
Accrued liabilities	2,738,648	506,762	3,245,410
Due to other governments	1,090,467	174,716	1,265,183
Accrued interest payable	189,146	260,914	450,060
Claims and judgments	969,223	-	969,223
Customer deposits	-	1,265,728	1,265,728
Noncurrent liabilities:			
Due within one year:			
Compensated absences	761,624	292,998	1,054,622
Notes payable	-	359,328	359,328
Lease-purchase obligation	288,276	-	288,276
Bonds payable	1,550,000	1,365,000	2,915,000
Due in more than one year:			
Compensated absences	761,623	292,998	1,054,621
Net pension liabilities	54,718,620	7,086,281	61,804,901
Total OPEB liability	5,160,956	1,024,689	6,185,645
Notes payable	-	6,407,215	6,407,215
Lease-purchase obligation	296,902	-	296,902
Bonds payable	27,752,051	27,097,931	54,849,982
Total liabilities	98,797,533	49,301,599	148,099,132
DEFERRED INFLOWS OF RESOURCES			
Related to leases	301,917	13,968,900	14,270,817
Related to pensions	675,000	155,258	830,258
Related to OPEB	1,877,026	372,677	2,249,703
Total deferred inflows of resources:	2,853,943	14,496,835	17,350,778
NET POSITION			
Net investment in capital assets	84,825,477	125,578,080	210,403,557
Restricted for:			
Public safety	260,761	-	260,761
Capital improvements	19,617,949	21,857,672	41,475,621
Building code enforcement	3,563,757	-	3,563,757
Beach renourishment	4,386,782	-	4,386,782
Debt service	214,745	1,344,713	1,559,458
Renewal and replacement	-	1,000,000	1,000,000
Unrestricted	(873,456)	48,834,061	47,960,605
Total net position	\$ 111,996,015	\$ 198,614,526	\$ 310,610,541

See accompanying Notes to Financial Statements

City of Venice, Florida
Statement of Activities
For the Year Ended September 30, 2023

		Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
	Expenses			
Primary government:				
Governmental activities:				
General government	\$ 13,954,256	\$ 4,626,539	\$ 19,402	\$ 258,347
Finance	1,892,758	-	-	-
Information services	2,038,506	-	-	-
Parks and recreation	3,036,517	-	-	3,100,000
Police	14,639,540	2,087	398,644	205,195
Fire and EMS	15,856,373	2,151,861	445,929	257,378
Public works	6,106,188	-	161,576	774,646
Interest on long-term debt	896,845	-	-	-
Total governmental activities	<u>58,420,983</u>	<u>6,780,487</u>	<u>1,025,551</u>	<u>4,595,566</u>
Business-type activities:				
Water and sewer utility	23,669,526	28,195,157	1,980	13,625,206
Solid waste	10,955,023	7,708,550	-	144,346
Airport	4,092,773	2,298,184	-	1,341,934
Storm water drainage	2,329,704	3,507,384	36,720	-
Total business-type activities	<u>41,047,026</u>	<u>41,709,275</u>	<u>38,700</u>	<u>15,111,486</u>
Total primary government	<u>\$ 99,468,009</u>	<u>\$ 48,489,762</u>	<u>\$ 1,064,251</u>	<u>\$ 19,707,052</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

See accompanying Notes to Financial Statements.

Net (Expenses) Revenues and

Changes in Net Position

Primary Government		
Governmental Activities	Business-type Activities	Total
\$ (9,049,968)	\$ -	\$ (9,049,968)
(1,892,758)	-	(1,892,758)
(2,038,506)	-	(2,038,506)
63,483	-	63,483
(14,033,614)	-	(14,033,614)
(13,001,205)	-	(13,001,205)
(5,169,966)	-	(5,169,966)
(896,845)	-	(896,845)
<u>(46,019,379)</u>	<u>-</u>	<u>(46,019,379)</u>
-	18,152,817	18,152,817
-	(3,102,127)	(3,102,127)
-	(452,655)	(452,655)
-	1,214,400	1,214,400
-	15,812,435	15,812,435
<u>\$ (46,019,379)</u>	<u>\$ 15,812,435</u>	<u>\$ (30,206,944)</u>
26,806,503	-	26,806,503
8,499,960	-	8,499,960
3,702,928	-	3,702,928
3,480,028	-	3,480,028
4,696,515	-	4,696,515
3,794,995	2,829,990	6,624,985
2,147,975	42,225	2,190,200
3,960,145	(3,960,145)	-
<u>57,089,049</u>	<u>(1,087,930)</u>	<u>56,001,119</u>
11,069,670	14,724,505	25,794,175
100,926,345	183,890,021	284,816,366
<u><u>\$ 111,996,015</u></u>	<u><u>\$ 198,614,526</u></u>	<u><u>\$ 310,610,541</u></u>

City of Venice, Florida
Balance Sheet
Governmental Funds
September 30, 2023

	General Fund	Building Permit Fees	One Cent Voted Sales Tax	Non-Major Governmental Funds	Total Governmental Funds
ASSETS					
Pooled cash and investments	\$ 27,932,616	\$ 3,713,200	\$ 8,829,601	\$ 16,929,435	\$ 57,404,852
Restricted cash	842,015	-	-	-	842,015
Other cash	14,600	-	-	1,000	15,600
Accounts receivable (net)	1,132,482	-	-	2,846	1,135,328
Due from other governments	616,873	-	535,444	206,376	1,358,693
Lease receivables - current	128,456	-	-	-	128,456
Inventory	46,808	-	-	-	46,808
Prepaid items	13,167	-	-	-	13,167
Lease receivables - noncurrent	173,461	-	-	-	173,461
Total assets	<u>\$ 30,900,478</u>	<u>\$ 3,713,200</u>	<u>\$ 9,365,045</u>	<u>\$ 17,139,657</u>	<u>\$ 61,118,380</u>
LIABILITIES					
Accounts payable	\$ 560,813	\$ 117,497	\$ 34,762	\$ 499,241	\$ 1,212,313
Accrued payroll	1,134,110	31,946	-	-	1,166,056
Due to other governments	1,090,386	-	-	81	1,090,467
Deposits and other liabilities	1,483,759	-	-	79,920	1,563,679
Total liabilities	<u>4,269,068</u>	<u>149,443</u>	<u>34,762</u>	<u>579,242</u>	<u>5,032,515</u>
DEFERRED INFLOWS OF RESOURCES					
Related to leases	301,917	-	-	-	301,917
Unavailable revenue	533	-	-	28,019	28,552
Total deferred inflows of resources	<u>302,450</u>	<u>-</u>	<u>-</u>	<u>28,019</u>	<u>330,469</u>
FUND BALANCES					
Nonspendable:					
Inventory and prepaid items	59,975	-	-	-	59,975
Restricted for:					
Public safety	-	-	-	260,761	260,761
Boating and waterway improvements	-	-	-	107,279	107,279
Street improvements	-	-	-	4,565,605	4,565,605
Capital improvements	-	-	9,330,283	5,614,782	14,945,065
Building code enforcement	-	3,563,757	-	-	3,563,757
Debt service	-	-	-	403,891	403,891
Beach renourishment	-	-	-	4,386,782	4,386,782
Committed to:					
Training and education	-	-	-	214,548	214,548
Capital improvements	-	-	-	777,184	777,184
Economic development/public works	237,540	-	-	72,739	310,279
Historic preservation/parks	195,511	-	-	128,825	324,336
Public safety	724,405	-	-	-	724,405
General government	309,032	-	-	-	309,032

Unassigned:

City of Venice, Florida
Balance Sheet
Governmental Funds
September 30, 2023

	General Fund	Building Permit Fees	One Cent Voted Sales Tax	Non-Major Governmental Funds	Total Governmental Funds
General fund	<u>24,802,497</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>24,802,497</u>
Total fund balances	<u>26,328,960</u>	<u>3,563,757</u>	<u>9,330,283</u>	<u>16,532,396</u>	<u>55,755,396</u>
Total liabilities, deferred inflows, and fund balances	<u>\$ 30,900,478</u>	<u>\$ 3,713,200</u>	<u>\$ 9,365,045</u>	<u>\$ 17,139,657</u>	<u>\$ 61,118,380</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, 2023

Total fund balance - governmental funds	\$ 55,755,396
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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	\$ 167,061,888	
Accumulated depreciation	<u>(66,218,019)</u>	100,843,869

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.	35,727,075
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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	(29,302,051)	
Lease-purchase obligation	(585,178)	
Compensated absences	(1,523,247)	
Accrued interest on general obligation bonds	<u>(189,146)</u>	(31,599,622)

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 liabilities	(54,718,620)	
Deferred outflows of resources related to pensions	13,633,814	
Deferred inflows of resources related to pensions	<u>(675,000)</u>	(41,759,806)

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	(5,160,956)	
Deferred outflows of resources related to OPEB	38,533	
Deferred inflows of resources related to OPEB	<u>(1,877,026)</u>	(6,999,449)

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.	<u>28,552</u>
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Net position of governmental activities	<u><u>\$ 111,996,015</u></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, 2023

	<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	\$ 24,199,262	\$ -	\$ -	\$ 2,607,241	\$ 26,806,503
Local option, use and fuel taxes	775,537	-	5,744,980	1,271,107	7,791,624
Communications services tax	1,483,873	-	-	-	1,483,873
Utility services taxes	3,702,928	-	-	-	3,702,928
Franchise fees	3,480,028	-	-	-	3,480,028
Fees and fines	50,498	-	-	62,088	112,586
Licenses and permits	508,115	3,762,503	-	785,861	5,056,479
Intergovernmental	4,610,812	-	-	4,053,967	8,664,779
Charges for services	2,332,342	-	-	-	2,332,342
Investment income	1,415,078	304,393	317,207	719,771	2,756,449
Miscellaneous	1,747,252	8,180	153,495	129,217	2,038,144
Total revenues	<u>44,305,725</u>	<u>4,075,076</u>	<u>6,215,682</u>	<u>9,629,252</u>	<u>64,225,735</u>
EXPENDITURES					
Current:					
General government	6,067,779	7,263,888	-	125,954	13,457,621
Finance	1,757,087	-	-	-	1,757,087
Information services	1,798,541	-	-	-	1,798,541
Parks and recreation	2,131,349	-	-	-	2,131,349
Police	11,893,795	-	-	28,940	11,922,735
Fire and EMS	13,206,014	-	-	-	13,206,014
Public works	2,936,290	-	-	-	2,936,290
Grants and aid	-	-	-	462,000	462,000
Debt service:					
Principal	279,900	-	-	1,495,000	1,774,900
Interest	25,885	-	-	1,068,810	1,094,695
Fiscal charges	-	-	-	1,500	1,500
Capital outlay	2,180,541	14,708	2,899,600	926,824	6,021,673
Total expenditures	<u>42,277,181</u>	<u>7,278,596</u>	<u>2,899,600</u>	<u>4,109,028</u>	<u>56,564,405</u>
Excess (deficiency) of revenues over (under) expenditures	<u>2,028,544</u>	<u>(3,203,520)</u>	<u>3,316,082</u>	<u>5,520,224</u>	<u>7,661,330</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	4,174,421	-	-	703,600	4,878,021
Transfers out	(170,205)	(577,069)	(250,000)	(1,278,500)	(2,275,774)
Net other financing sources (uses)	<u>4,004,216</u>	<u>(577,069)</u>	<u>(250,000)</u>	<u>(574,900)</u>	<u>2,602,247</u>
Net change in fund balances	6,032,760	(3,780,589)	3,066,082	4,945,324	10,263,577
Fund balances at beginning of year	20,296,200	7,344,346	6,264,201	11,587,072	45,491,819
Fund balances at end of year	<u>\$ 26,328,960</u>	<u>\$ 3,563,757</u>	<u>\$ 9,330,283</u>	<u>\$ 16,532,396</u>	<u>\$ 55,755,396</u>

See accompanying Notes to Financial Statements.

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, 2023

Net change in fund balances - total governmental funds \$ 10,263,577

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	\$ 6,021,673	
Depreciation	(5,586,559)	
Transfers to other funds	<u>(614,265)</u>	(179,151)

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	1,774,900	
Premium amortization	<u>181,566</u>	1,956,466

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	(68,915)	
Other post-employment benefits	889,656	
Pensions	<u>(6,399,481)</u>	(5,578,740)

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.

4,586,834

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.

2,900

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.

17,784

Change in net position of governmental activities	<u>\$ 11,069,670</u>
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See accompanying Notes to Financial Statements.

City of Venice, Florida
Budget Comparison Statement
General Fund
For the Year Ended September 30, 2023

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
REVENUES				
Taxes:				
Property tax	\$ 23,818,000	\$ 23,818,000	\$ 24,199,262	\$ 381,262
Local option use taxes	426,176	426,176	775,537	349,361
Communications services tax	1,391,500	1,391,500	1,483,873	92,373
Utility service taxes	2,901,200	2,901,200	3,702,928	801,728
Franchise fees	2,804,275	2,804,275	3,480,028	675,753
Fees and fines	25,000	25,000	50,498	25,498
Licenses and permits	550,200	550,200	508,115	(42,085)
Intergovernmental	3,850,100	3,850,100	4,610,812	760,712
Charges for services	2,073,500	2,073,500	2,332,342	258,842
Investment income	30,000	30,000	1,415,078	1,385,078
Miscellaneous	1,489,120	1,489,120	1,747,252	258,132
Total revenues	<u>39,359,071</u>	<u>39,359,071</u>	<u>44,305,725</u>	<u>4,946,654</u>
EXPENDITURES				
General government:				
Mayor and council	185,378	185,378	261,124	(75,746)
City manager	1,245,684	1,245,684	1,288,373	(42,689)
Historical	408,785	408,785	372,428	36,357
City clerk	747,575	764,823	703,822	61,001
City attorney	423,484	423,484	386,602	36,882
City hall maintenance	182,872	182,872	213,148	(30,276)
Engineering	599,771	691,134	538,783	152,351
Planning	1,166,766	1,166,766	1,208,495	(41,729)
Human resources	1,121,334	1,121,334	1,095,004	26,330
Finance	1,704,286	1,954,286	1,757,087	197,199
Information technology	2,266,910	2,563,385	2,261,270	302,115
Parks and recreation	2,113,482	3,702,063	3,708,917	(6,854)
Police	11,659,757	11,680,132	11,928,972	(248,840)
Fire and EMS:				
Fire	9,383,446	9,452,958	9,421,289	31,669
Emergency medical services	4,461,173	4,511,204	4,195,577	315,627
Public works:				
Administration	408,376	408,376	316,980	91,396
Maintenance	2,174,963	2,202,453	2,396,416	(193,963)
Fleet	268,254	268,254	222,894	45,360
Total expenditures	<u>40,522,296</u>	<u>42,933,371</u>	<u>42,277,181</u>	<u>656,190</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,163,225)</u>	<u>(3,574,300)</u>	<u>2,028,544</u>	<u>5,602,844</u>
OTHER FINANCING SOURCES				
Transfers in	4,174,421	4,174,421	4,174,421	-
Transfers out	-	(170,205)	(170,205)	-
Total other financing sources	<u>4,174,421</u>	<u>4,004,216</u>	<u>4,004,216</u>	<u>-</u>
Net change in fund balances	<u>3,011,196</u>	<u>429,916</u>	<u>6,032,760</u>	<u>5,602,844</u>
Fund balances at beginning of year	<u>16,594,596</u>	<u>16,912,191</u>	<u>20,296,200</u>	<u>3,384,009</u>
Fund balances at end of year	<u>\$ 19,605,792</u>	<u>\$ 17,342,107</u>	<u>\$ 26,328,960</u>	<u>\$ 8,986,853</u>

See accompanying Notes to Financial Statements.

City of Venice, Florida
Budget Comparison Statement
Building Permit Fees Fund
For the Year Ended September 30, 2023

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
REVENUES				
Licenses and permits	\$ 2,368,747	\$ 2,368,747	\$ 3,762,503	\$ 1,393,756
Interest	12,000	12,000	304,393	292,393
Miscellaneous	-	-	8,180	8,180
Total revenues	<u>2,380,747</u>	<u>2,380,747</u>	<u>4,075,076</u>	<u>1,694,329</u>
EXPENDITURES				
Current:				
General government	4,851,632	7,903,474	7,263,888	639,586
Capital outlay	<u>45,000</u>	<u>67,568</u>	<u>14,708</u>	<u>52,860</u>
Total expenditures	<u>4,896,632</u>	<u>7,971,042</u>	<u>7,278,596</u>	<u>692,446</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,515,885)</u>	<u>(5,590,295)</u>	<u>(3,203,520)</u>	<u>2,386,775</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	<u>(577,069)</u>	<u>(577,069)</u>	<u>(577,069)</u>	<u>-</u>
Net other financing sources (uses)	<u>(577,069)</u>	<u>(577,069)</u>	<u>(577,069)</u>	<u>-</u>
Net change in fund balances	(3,092,954)	(6,167,364)	(3,780,589)	2,386,775
Fund balances at beginning of year	<u>6,802,944</u>	<u>6,825,512</u>	<u>7,344,346</u>	<u>518,834</u>
Fund balances at end of year	<u>\$ 3,709,990</u>	<u>\$ 658,148</u>	<u>\$ 3,563,757</u>	<u>\$ 2,905,609</u>

See accompanying Notes to Financial Statements.



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City of Venice, Florida
Statement of Net Position
Proprietary Funds
September 30, 2023

	Business-Type Activities		
	Water and Sewer Utility	Solid Waste	Airport
ASSETS			
Current assets:			
Pooled cash and investments	\$ 41,672,608	\$ 1,528,717	\$ 5,863,656
Other cash	-	-	100
Accounts receivable	3,760,540	1,072,398	7,727
Due from other governments	271,989	-	544,663
Lease receivables - current	85,628	-	260,103
Inventories	1,006,393	-	6,843
Prepaid expenses	1,725	-	-
Total current assets	46,798,883	2,601,115	6,683,092
Noncurrent assets:			
Leases receivable - noncurrent	145,007	-	14,187,150
Restricted assets:			
Pooled cash and investments	22,072,553	602,020	2,875,487
Capital assets:			
Land	956,663	220,000	-
Construction in progress	9,934,392	-	286,592
Buildings	8,864,979	23,132	7,635,375
Improvements and infrastructure	199,091,929	72,429	42,393,413
Machinery and equipment	10,528,913	58,424	191,970
Less accumulated depreciation	(103,215,112)	(97,538)	(23,768,071)
Total capital assets	126,161,764	276,447	26,739,279
Total noncurrent assets	148,379,324	878,467	43,801,916
Total assets	195,178,207	3,479,582	50,485,008
DEFERRED OUTFLOWS OF RESOURCES			
Related to debt refundings	526,375	-	-
Related to pensions	1,217,078	436,900	124,829
Related to OPEB	6,064	967	522
Total deferred outflows	1,749,517	437,867	125,351

See accompanying Notes to Financial Statements

Business-Type Activities		Governmental
Storm Water Drainage	Total Enterprise Funds	Activities Internal Service Funds
\$ 4,205,216	\$ 53,270,197	\$ 24,090,873
-	100	20,552
532,029	5,372,694	32,633
36,720	853,372	-
-	345,731	-
-	1,013,236	-
-	1,725	-
<u>4,773,965</u>	<u>60,857,055</u>	<u>24,144,058</u>
-	14,332,157	-
<u>14,414</u>	<u>25,564,474</u>	<u>-</u>
1,451,835	2,628,498	-
178,576	10,399,560	-
-	16,523,486	-
10,108,094	251,665,865	-
15,540	10,794,847	26,304,751
(5,751,531)	(132,832,252)	(12,435,914)
<u>6,002,514</u>	<u>159,180,004</u>	<u>13,868,837</u>
<u>6,016,928</u>	<u>199,076,635</u>	<u>13,868,837</u>
<u>10,790,893</u>	<u>259,933,690</u>	<u>38,012,895</u>
-	526,375	-
166,438	1,945,245	-
97	7,650	-
<u>166,535</u>	<u>2,479,270</u>	<u>-</u>

continued

City of Venice, Florida
Statement of Net Position
Proprietary Funds
September 30, 2023

	Business-Type Activities		
	Water and Sewer Utility	Solid Waste	Airport
LIABILITIES			
Current liabilities:			
Accounts payable	\$ 2,709,270	\$ 140,994	\$ 85,506
Accrued liabilities	342,785	56,031	91,786
Due to other governments	168,992	-	5,724
Accrued interest payable	259,718	-	-
Accrued insurance claims	-	-	-
Customer deposits	977,390	177,891	110,447
Unearned Revenue	-	-	-
Compensated absences	191,364	77,185	24,449
Notes payable	334,552	-	-
Bonds payable	1,365,000	-	-
Total current liabilities	<u>6,349,071</u>	<u>452,101</u>	<u>317,912</u>
Noncurrent liabilities:			
Compensated absences	191,364	77,185	24,449
Net pension liabilities	4,433,663	1,591,571	454,734
Total OPEB liability	812,256	129,515	69,903
Notes payable	5,965,388	-	-
Bonds payable	27,097,931	-	-
Total noncurrent liabilities	<u>38,500,602</u>	<u>1,798,271</u>	<u>549,086</u>
Total liabilities	<u>44,849,673</u>	<u>2,250,372</u>	<u>866,998</u>
DEFERRED INFLOWS OF RESOURCES			
Related to leases	230,635	-	13,738,265
Related to pensions	97,140	34,871	9,963
Related to OPEB	295,415	47,104	25,425
Total deferred inflows	<u>623,190</u>	<u>81,975</u>	<u>13,773,653</u>
NET POSITION			
Net investment in capital assets	93,026,443	276,447	26,739,279
Restricted for:			
Capital projects	18,380,165	602,020	2,875,487
Debt service	1,331,495	-	-
Renewal and replacement	1,000,000	-	-
Unrestricted	<u>37,716,758</u>	<u>706,635</u>	<u>6,354,942</u>
Total net position	<u>\$ 151,454,861</u>	<u>\$ 1,585,102</u>	<u>\$ 35,969,708</u>

See accompanying Notes to Financial Statements

Business-Type Activities		Governmental
Storm Water Drainage	Total Enterprise Funds	Activities Internal Service Funds
\$ 231,269	\$ 3,167,039	\$ 1,307,684
16,160	506,762	8,913
-	174,716	-
1,196	260,914	-
-	-	969,223
-	1,265,728	-
-	-	-
-	292,998	-
24,776	359,328	-
-	1,365,000	-
273,401	7,392,485	2,285,820
-	292,998	-
606,313	7,086,281	-
13,015	1,024,689	-
441,827	6,407,215	-
-	27,097,931	-
1,061,155	41,909,114	-
1,334,556	49,301,599	2,285,820
-	13,968,900	-
13,284	155,258	-
4,733	372,677	-
18,017	14,496,835	-
5,535,911	125,578,080	13,868,837
-	21,857,672	-
13,218	1,344,713	-
-	1,000,000	-
4,055,726	48,834,061	21,858,238
\$ 9,604,855	\$ 198,614,526	\$ 35,727,075

City of Venice, Florida
Statement of Revenues, Expenses and Changes in Net Position
Proprietary Funds
For Fiscal Year Ended September 30, 2023

	Business-Type Activities		
	Water and Sewer Utility	Solid Waste	Airport
OPERATING REVENUES			
Charges for services	\$ 27,820,912	\$ 7,680,026	\$ -
Rentals	91,011	-	2,150,126
Interfund charges	-	-	-
Miscellaneous	283,234	28,524	148,058
Total operating revenues	<u>28,195,157</u>	<u>7,708,550</u>	<u>2,298,184</u>
OPERATING EXPENSES			
Personal services	7,065,978	2,459,565	693,026
Insurance	471,455	56,113	129,387
Professional/contractual services	2,011,024	5,952,481	190,010
Claims	-	-	-
Repair and maintenance	3,022,639	954,371	417,938
Utilities	1,097,366	21,077	125,633
Other services and charges	2,706,779	1,501,708	224,536
Depreciation	6,489,264	9,708	2,312,243
Total operating expenses	<u>22,864,505</u>	<u>10,955,023</u>	<u>4,092,773</u>
Operating income (loss)	<u>5,330,652</u>	<u>(3,246,473)</u>	<u>(1,794,589)</u>
NON OPERATING REVENUES (EXPENSES)			
Operating Grants	1,980	-	-
Interest earnings - investments	1,942,915	118,109	276,386
Interest earnings - leases	7,066	-	327,106
Disposition of capital assets	5,000	-	-
Interest expense and fiscal charges	(805,021)	-	-
Net non-operating revenues (expenses)	<u>1,151,940</u>	<u>118,109</u>	<u>603,492</u>
Income (loss) before contributions and transfers	<u>6,482,592</u>	<u>(3,128,364)</u>	<u>(1,191,097)</u>
CAPITAL CONTRIBUTIONS			
Developer capital contributions	3,006,689	-	-
Federal and state grants	2,179,118	-	1,341,934
Impact/plant capacity fees	8,439,399	144,346	-
Capital assets transferred in from governmental funds	-	-	-
Total capital contributions	<u>13,625,206</u>	<u>144,346</u>	<u>1,341,934</u>
TRANSFERS			
Transfers in	-	-	-
Transfers out	(2,284,727)	(822,622)	(459,340)
Net transfers	<u>(2,284,727)</u>	<u>(822,622)</u>	<u>(459,340)</u>
Change in net position	17,823,071	(3,806,640)	(308,503)
Total net position at beginning of year	<u>133,631,790</u>	<u>5,391,742</u>	<u>36,278,211</u>
Total net position at end of year	<u>\$ 151,454,861</u>	<u>\$ 1,585,102</u>	<u>\$ 35,969,708</u>

See accompanying Notes to Financial Statements.

Business-Type Activities		Governmental Activities
Storm Water Drainage	Total Enterprise Funds	Internal Service Funds
\$ 3,507,384	\$ 39,008,322	\$ -
-	2,241,137	-
-	-	10,723,929
-	459,816	2,937,440
<u>3,507,384</u>	<u>41,709,275</u>	<u>13,661,369</u>
926,885	11,145,454	227,491
17,939	674,894	3,133,158
194,880	8,348,395	500,367
-	-	6,377,160
541,598	4,936,546	-
3,889	1,247,965	-
220,874	4,653,897	125,515
419,442	9,230,657	1,984,880
<u>2,325,507</u>	<u>40,237,808</u>	<u>12,348,571</u>
<u>1,181,877</u>	<u>1,471,467</u>	<u>1,312,798</u>
36,720	38,700	-
158,408	2,495,818	1,038,546
-	334,172	-
37,225	42,225	263,327
(4,197)	(809,218)	-
<u>228,156</u>	<u>2,101,697</u>	<u>1,301,873</u>
<u>1,410,033</u>	<u>3,573,164</u>	<u>2,614,671</u>
-	3,006,689	-
-	3,521,052	-
-	8,583,745	-
-	-	614,265
<u>-</u>	<u>15,111,486</u>	<u>614,265</u>
-	-	1,362,898
<u>(393,456)</u>	<u>(3,960,145)</u>	<u>(5,000)</u>
<u>(393,456)</u>	<u>(3,960,145)</u>	<u>1,357,898</u>
1,016,577	14,724,505	4,586,834
<u>8,588,278</u>	<u>183,890,021</u>	<u>31,140,241</u>
<u>\$ 9,604,855</u>	<u>\$ 198,614,526</u>	<u>\$ 35,727,075</u>

City of Venice, Florida
Statement of Cash Flows
Proprietary Funds
For the Year Ended September 30, 2023

	Business-type Activities - Enterprise Funds		
	Water and Sewer		
	Utility	Solid Waste	Airport
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers	\$ 27,412,877	\$ 7,563,622	\$ 2,302,317
Interfund charges	-	-	-
Payments to suppliers	(8,648,218)	(8,538,267)	(1,994,510)
Payments to employees	(6,559,353)	(2,375,417)	(652,051)
Claims paid	-	-	-
Net cash provided (used) by operating activities	12,205,306	(3,350,062)	(344,244)
CASH FLOWS FROM NONCAPITAL AND RELATED FINANCING ACTIVITIES			
Transfers in from other funds	-	-	-
Transfers out to other funds	(2,284,727)	(736,379)	(459,340)
Operating grants	1,980	-	-
Net cash provided (used) by noncapital and related financing activities	(2,282,747)	(736,379)	(459,340)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Note proceeds	56,951	-	-
Purchases of capital assets	(8,159,491)	-	(1,331,705)
Proceeds from sale of capital assets	5,000	-	-
Receipts (principal) on leases	82,033	-	254,355
Receipts (interest) on leases	7,066	-	99,249
Principal paid on notes	(757,471)	-	-
Principal paid on revenue bonds	(1,345,000)	-	-
Interest paid on revenue bonds and notes	(845,828)	-	-
Impact/plant capacity fees	8,439,399	144,346	-
Capital grants	-	-	1,341,934
Net cash provided (used) by capital and related financing activities	(2,517,341)	144,346	363,833
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest earnings	1,942,915	118,109	276,386
Net cash provided (used) by investing activities	1,942,915	118,109	276,386
Net increase (decrease) in cash and cash equivalents	9,348,133	(3,823,986)	(163,365)
Cash and cash equivalents at beginning of year	54,397,028	5,954,723	8,902,608
Cash and cash equivalents at end of year	\$ 63,745,161	\$ 2,130,737	\$ 8,739,243
Cash and cash equivalents classified as:			
Pooled cash and investments	\$ 41,672,608	\$ 1,528,717	\$ 5,863,656
Other cash	-	-	100
Pooled cash and investments - restricted	22,072,553	602,020	2,875,487
Total cash and cash equivalents at end of year	\$ 63,745,161	\$ 2,130,737	\$ 8,739,243
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating income (loss)	\$ 5,330,652	\$ (3,246,473)	\$ (1,794,589)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation	6,489,264	9,708	2,312,243
Amortization of lease deferrals	(82,033)	-	(389,581)
Pension adjustments	345,473	156,151	(11,926)
OPEB adjustments	68,919	(82,519)	1,008
Change in assets and liabilities:			
Accounts receivable	(765,512)	(144,928)	5,476
Due from other governments	7,747	-	(349,686)
Inventories	(275,815)	-	(6,843)
Prepaid expenses	(1,725)	-	-
Accounts payable	968,148	(71,202)	(154,996)
Accrued liabilities	95,882	1,891	48,746
Due to other governments	(16,768)	-	(1,343)
Customer deposits	44,723	18,685	(5,900)
Compensated absences	(3,649)	8,625	3,147
Accrued claims	-	-	-
Net cash provided (used) by operating activities	\$ 12,205,306	\$ (3,350,062)	\$ (344,244)
Supplemental disclosure of noncash investing, capital and financing activities:			
Water and Sewer Utility Fund recognized \$3,006,689 in utility line donations through capital contributions.			
Capital assets transferred to (from) other funds/activities:			
Cost	\$ -	\$ (1,623,583)	\$ (316,100)
Accumulated depreciation	-	1,537,340	316,100
Book value	\$ -	\$ (86,243)	\$ -

Business-type Activities		Activities	
Storm Water Drainage	Totals	Internal Service Funds	
\$ 3,404,564	\$ 40,683,380	\$ 2,907,295	
-	-	10,723,929	
(894,482)	(20,075,477)	(3,483,145)	
(885,162)	(10,471,983)	(227,415)	
-	-	(6,489,278)	
<u>1,624,920</u>	<u>10,135,920</u>	<u>3,431,386</u>	
-	-	1,276,655	
(393,456)	(3,873,902)	(5,000)	
36,720	38,700	-	
<u>(356,736)</u>	<u>(3,835,202)</u>	<u>1,271,655</u>	
-	56,951	-	
(79,851)	(9,571,047)	(1,994,770)	
37,225	42,225	263,636	
-	336,388	-	
-	106,315	-	
-	(757,471)	-	
(24,559)	(1,369,559)	-	
(4,268)	(850,096)	-	
-	8,583,745	-	
-	1,341,934	-	
<u>(71,453)</u>	<u>(2,080,615)</u>	<u>(1,731,134)</u>	
158,408	2,495,818	1,038,546	
<u>158,408</u>	<u>2,495,818</u>	<u>1,038,546</u>	
1,355,139	6,715,921	4,010,453	
2,864,491	72,118,850	20,100,972	
<u>\$ 4,219,630</u>	<u>\$ 78,834,771</u>	<u>\$ 24,111,425</u>	
\$ 4,205,216	\$ 53,270,197	\$ 24,090,873	
-	100	20,552	
14,414	25,564,474	-	
<u>\$ 4,219,630</u>	<u>\$ 78,834,771</u>	<u>\$ 24,111,425</u>	
\$ 1,181,877	\$ 1,471,467	\$ 1,312,798	
419,442	9,230,657	1,984,880	
-	(471,614)	-	
35,405	525,103	-	
4,650	(7,942)	-	
(102,820)	(1,007,784)	(30,145)	
(36,720)	(378,659)	-	
-	(282,658)	-	
-	(1,725)	-	
121,418	863,368	275,895	
1,668	148,187	76	
-	(18,111)	-	
-	57,508	-	
-	8,123	-	
-	-	(112,118)	
<u>\$ 1,624,920</u>	<u>\$ 10,135,920</u>	<u>\$ 3,431,386</u>	
\$ (400,778)	\$ (2,340,461)	\$ 4,635,687	
400,778	2,254,218	(3,935,179)	
<u>\$ -</u>	<u>\$ (86,243)</u>	<u>\$ 700,508</u>	

City of Venice, Florida
Statement of Fiduciary Net Position
Pension Trust Funds
September 30, 2023

	Total Pension Trust Funds
ASSETS	
Cash and cash equivalents	\$ 1,322,211
Receivables:	
Interest and dividends	96,270
Contributions	128,937
Due from Other Governments	157,089
Total receivables	382,296
Investments, at fair value:	
U.S. Government and agency obligations	6,561,043
Mortgage-backed obligations	7,523,344
Domestic equities	24,623,554
Foreign equities	1,168,505
Corporate obligations	1,692,199
Fixed income mutual funds	1,174,825
Real estate investment funds	7,205,978
Domestic equity mutual funds	8,863,977
Foreign equity mutual funds	9,699,295
Total investments	68,512,720
Total assets	70,217,227
LIABILITIES	
Accounts payable	25,863
NET POSITION	
Restricted for pension benefits	\$ 70,191,364

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, 2023

	Total Pension Trust Funds
ADDITIONS	
Contributions:	
Employer	\$ 3,298,088
Plan members	99,971
State of Florida (passed through general fund)	775,537
Total contributions	<u>4,173,596</u>
Investment income:	
Net appreciation (depreciation) in fair value of investments	4,896,592
Interest and dividends	1,685,096
Investment income (loss)	6,581,688
Less investment expenses	<u>(337,001)</u>
Net investment income (loss)	<u>6,244,687</u>
Total additions	<u>10,418,283</u>
DEDUCTIONS	
Benefit payments	6,325,071
Administrative expense	150,135
Total deductions	<u>6,475,206</u>
Change in net position	3,943,077
Net position restricted for pension benefits at beginning of year	<u>66,248,287</u>
Net position restricted for pension benefits at end of year	<u><u>\$ 70,191,364</u></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.

Two of the major funds listed above (the *One-Cent Voted Sales Tax Fund* and the *Stormwater Drainage Enterprise Fund*) do not meet the technical threshold to require inclusion as major funds. However, the City reports these funds as major to improve consistency from year to year, and 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 that are not in the pool, are reported separately as "restricted cash" or "other cash". 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. 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

City of Venice, Florida Notes to Financial Statements

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 or expendable.

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

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.

City of Venice, Florida
Notes to Financial Statements

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) Lease receivables

Lease receivables are separated between current (due with one year) and noncurrent, and are reported at the present value of lease payment expected to be received during the lease term.

f) Restricted assets

Certain pooled cash and investments are reported as restricted on the statements of net position. Restricted cash in the General Fund will be released to a local not-for-profit upon the satisfaction of certain conditions. 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, 2023:

Governmental Fund Types/Governmental Activities

General Fund:

Property sales proceeds	\$ 842,015
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Enterprise Funds/Business-type Activities

Water and Sewer Utility Fund:

Sinking Funds	\$ 1,394,661
Debt service reserves	1,101,175
Renewal and replacement fund	1,000,000
Capacity improvement fees	16,704,045
County wastewater account	1,676,120
Loan reserve	196,552

Sub-total	22,072,553
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Solid Waste Fund:

Impact Fees	602,020
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Airport Fund:

Property sales proceeds	2,875,487
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Stormwater Fund:

Loan reserve	14,414
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Total Enterprise Funds/Business-type Activities	\$ 25,564,474
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City of Venice, Florida
Notes to Financial Statements

g) 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. Major outlays for capital assets and improvements are capitalized as projects are constructed. Capital assets 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

h) 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 assets 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, 2023, consist of the following:

Deferred Outflows of Resources:	<u>Florida Retirement System</u>		<u>Firefighters'</u>	<u>Police Officers'</u>	<u>OPEB</u>	<u>Debt</u>	<u>Total</u>
	<u>FRS</u>	<u>HIS</u>	<u>Pension</u>	<u>Pension</u>		<u>Refundings</u>	
<i>Related to pensions</i>							
Employer contributions subsequent to measurement date	\$ 1,095,946	\$ 129,191	\$ -	\$ -	\$ -	\$ -	\$ 1,225,137
Changes in assumptions	1,862,160	245,248	-	-	-	-	2,107,408
Differences between actual and expected experience	2,682,088	136,566	-	-	-	-	2,818,654
Net difference between projected and actual investment earnings	1,192,988	4,817	1,939,014	3,237,663	-	-	6,374,482
Changes in proportion differences	2,396,804	656,574	-	-	-	-	3,053,378
	<u>9,229,986</u>	<u>1,172,396</u>	<u>1,939,014</u>	<u>3,237,663</u>	<u>-</u>	<u>-</u>	<u>15,579,059</u>
<i>Related to OPEB</i>							
Differences between actual and expected experience	-	-	-	-	46,183	-	46,183
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>46,183</u>	<u>-</u>	<u>46,183</u>
<i>Related to debt refundings</i>							
Unamortized loss on bond refunding	-	-	-	-	-	526,375	526,375
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>526,375</u>	<u>526,375</u>
Total	<u>\$ 9,229,986</u>	<u>\$1,172,396</u>	<u>\$1,939,014</u>	<u>\$3,237,663</u>	<u>\$ 46,183</u>	<u>\$ 526,375</u>	<u>\$16,151,617</u>

City of Venice, Florida

Notes to Financial Statements

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 assets that applies to a future period(s) and so will not be recognized as an inflow (revenue) until then. Deferred inflows of resources at September 30, 2023, consist of the following:

Deferred Inflows of Resources:	Florida Retirement System		Firefighters' Pension	Police Officers' Pension	OPEB	Leases	Total
	FRS	HIS					
<i>Related to pensions</i>							
Changes in assumptions	\$ -	\$ 808,362	\$ -	\$ -	\$ -	\$ -	\$ 808,362
Differences between actual and expected experience	-	21,896	-	-	-	-	21,896
	-	830,258	-	-	-	-	830,258
<i>Related to OPEB</i>							
Differences between actual and expected experience	-	-	-	-	2,249,703		2,249,703
	-	-	-	-	2,249,703		2,249,703
<i>Related to leases</i>							
Unrecognized revenues	-	-	-	-	-	14,270,817	14,270,817
	-	-	-	-	-	14,270,817	14,270,817
Total	\$ -	\$ 830,258	\$ -	\$ -	\$2,249,703	\$14,270,817	\$17,350,778

i) Accounts payable

Accounts payable include trade and contract obligations due shortly after year-end.

j) 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.

k) 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.

City of Venice, Florida Notes to Financial Statements

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.

l) Net Pension Liabilities/Assets and Pension Cost

In the GWFS and proprietary FFS, net pension liabilities (NPL) represent the unfunded balance of the City's single employer pension plan for police officers and 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 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.

m) 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

City of Venice, Florida Notes to Financial Statements

is used to reflect the appropriation of existing fund balance to eliminate a projected 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.

n) New Pronouncements

GASB Statement No. 96; *Subscription-Based Information Technology Arrangements* became effective for this reporting period. The City required no new accounting or disclosures to comply with this pronouncement.

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.

City of Venice, Florida
Notes to Financial Statements

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.

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 four 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, 2023.

Funds Where Expenditures Exceeded Appropriations

Expenditures did not exceed appropriations in any funds.

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.

City of Venice, Florida
Notes to Financial Statements

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:

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, 2023, the City had the following deposits and investments:

Investment Type	Market Value		
Pooled cash and investments:			
<i>Deposits</i>			
Financial institutions	\$ 7,463,050		
Bank money market accounts	21,422,855		
Total deposits	<u>28,885,905</u>		
<i>Investments</i>		Weighted Average Maturity	Hierarchy Level
Florida Surplus Asset Fund Trust:			
FL SAFE Stable NAV Fund	38,743,171	45 days	Not applicable
FL SAFE Variable NAV Fund	20,119,982	Not applicable	Not applicable
FL SAFE Term Series Investments	15,118,130	265 days	Not applicable
State Board of Administration - PRIME	57,463,208	35 days	Not applicable
Total investments	<u>131,444,491</u>		
Total pooled cash and investments	<u><u>160,330,396</u></u>		
Other Cash and Investments:			
Petty cash	15,700		
Financial institutions	20,552		
Florida Surplus Asset Fund Trust:			
FL SAFE Stable NAV Fund	842,015	45 days	Not applicable
Total other cash and investments	<u><u>878,267</u></u>		
Total - City	<u><u>\$ 161,208,663</u></u>		

City of Venice, Florida Notes to Financial Statements

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. 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, LLC.

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 AAAs/S1 by Standard & Poor’s.

The City also participates in several Term Series investments, which are established from time to time by FL SAFE, generally have a fixed duration between 30 days and 3 years, and which represent beneficial interests in the underlying pool instruments. The underlying instruments may include bank deposit products (collateralized or insured), government securities or municipal securities. At September 30, 2023, the City held \$15 million par amount of FL SAFE term series investments with stated interest rates from 5.35% to 5.75% and a WAM of 265 days.

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

City of Venice, Florida Notes to Financial Statements

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 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,

City of Venice, Florida Notes to Financial Statements

- 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
- 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.

City of Venice, Florida
Notes to Financial Statements

As of September 30, 2023, the Firefighters' Pension Trust Fund had the following investments:

Investment Type	Fair Value	Weighted Avg Maturity (Yrs)	Hierarchy Level
U. S. Government & agency obligations	\$ 2,400,867	5.76	1
Mortgage-backed obligations	3,737,374	23.74	2
Corporate obligations	489,616	6.58	2
Total fair value	6,627,857		
Investments not subject to risk disclosures:			
Fixed income mutual funds	1,174,825		1
Domestic equities	6,082,382		1
Foreign equities	249,729		1
Domestic equity mutual funds	8,863,977		1
Real estate investment fund	3,283,553		Not Applicable
Foreign equity mutual fund	4,255,792		1
Total investments	<u>\$ 30,538,115</u>		

The U.S. Government and agency obligations shown above were generally rated AA+ by Standard and Poor's and Aaa by Moody's. The mortgage-backed securities were not rated. The corporate obligations were rated A- to BBB+ by Standard and Poor's and A2 to A3 by Moody's.

The real estate investment fund has no unfunded commitments at September 30, 2023. 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, 2023, the Police Officers' Pension Trust Fund had the following investments:

Investment Type	Fair Value	Weighted Avg Maturity (Yrs)	Hierarchy Level
U. S. Government & agency obligations	\$ 4,160,176	11.19	1
Mortgage-backed obligations	3,785,970	25.49	2
Corporate obligations	1,202,583	6.41	2
Total fair value	9,148,729		
Investments not subject to risk disclosures:			
Domestic equities	18,541,172		1
Foreign equities	918,776		1
Real estate investment fund	3,922,425		Not Applicable
Foreign equity mutual fund	5,443,503		1
Total investments	<u>\$ 37,974,605</u>		

The U.S. Government and agency obligations shown above were generally rated AA+ by Standard and Poor's and Aaa by Moody's. The mortgage-backed securities were not rated. The corporate obligations were rated A- to BBB+ by Standard and Poor's and A1 to A3 by Moody's.

City of Venice, Florida Notes to Financial Statements

The real estate investment fund has no unfunded commitments at September 30, 2023. 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 2023 fiscal year, the City levied taxes of 4.360 mills for the general fund and an additional 0.4694 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.

Property Tax Abatements

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

One businesses currently receives a partial property tax exemption under the program. For 2023, property taxes totaling \$32,053 were abated on property valued at \$7.4 million.

City of Venice, Florida
Notes to Financial Statements

NOTE E – CAPITAL ASSETS

Capital asset activity for governmental activities for the year ended September 30, 2023, was as follows:

Governmental activities:

	Beginning Balance	Increases	Transfers	Decreases	Ending Balance
Capital assets not being depreciated:					
Land	\$ 17,091,642	\$ 3,222,882	\$ -	\$ -	\$ 20,314,524
Construction in progress	550,248	1,067,568	-	(1,253,351)	364,465
Total capital assets not being depreciated	17,641,890	4,290,450	-	(1,253,351)	20,678,989
Other capital assets:					
Buildings	45,151,532	-	-	-	45,151,532
Other improvements	28,157,531	1,298,980	-	-	29,456,511
Machinery and equipment	33,795,411	3,055,364	2,340,461	(1,081,299)	38,109,937
Infrastructure	59,344,670	625,000	-	-	59,969,670
Total other capital assets - at cost	166,449,144	4,979,344	2,340,461	(1,081,299)	172,687,650
Less accumulated depreciation for:					
Buildings	12,052,705	1,428,899	-	-	13,481,604
Other improvements	15,434,229	1,364,724	-	-	16,798,953
Machinery and equipment	15,963,436	2,770,855	2,254,218	(1,080,990)	19,907,519
Infrastructure	26,458,896	2,006,961	-	-	28,465,857
Total accumulated depreciation	69,909,266	7,571,439	2,254,218	(1,080,990)	78,653,933
Governmental activities capital assets, net	\$ 114,181,768	\$ 1,698,355	\$ 86,243	(1,253,660)	\$ 114,712,706

Capital assets with an original cost of \$2,340,461 and accumulated depreciation of \$2,254,218 (book value of \$86,243) were transferred into the Fleet Replacement internal service fund from enterprise funds in 2023.

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

Governmental activities:

General government	\$ 987,098
Information services	166,830
Parks and recreation	877,339
Police	1,122,831
Fire and EMS	1,127,965
Public works	3,289,376
Total governmental activities depreciation expense	<u>\$ 7,571,439</u>

City of Venice, Florida
Notes to Financial Statements

Capital asset activity for business-type activities for the year ended September 30, 2023, was as follows:

Business-type activities:

	Beginning Balance	Increases	Transfers	Decreases	Ending Balance
Capital assets not being depreciated:					
Land	\$ 2,628,498	\$ -	\$ -	\$ -	\$ 2,628,498
Construction in progress	12,172,398	9,317,435	-	(11,090,273)	10,399,560
Total capital assets not being depreciated	14,800,896	9,317,435	-	(11,090,273)	13,028,058
Other capital assets:					
Buildings	16,590,341	-	-	(66,855)	16,523,486
Other improvements	144,506,535	3,759,852	-	-	148,266,387
Machinery and equipment	12,881,696	253,612	(2,340,461)	-	10,794,847
Infrastructure	93,062,368	10,337,110	-	-	103,399,478
Total other capital assets - at cost	267,040,940	14,350,574	(2,340,461)	(66,855)	278,984,198
Less accumulated depreciation for:					
Buildings	7,369,360	457,536	-	(66,855)	7,760,041
Other improvements	79,180,164	5,615,544	-	-	84,795,708
Machinery and equipment	9,976,788	452,377	(2,254,218)	-	8,174,947
Infrastructure	29,396,356	2,705,200	-	-	32,101,556
Total accumulated depreciation	125,922,668	9,230,657	(2,254,218)	(66,855)	132,832,252
Business-type activities capital assets, net	\$ 155,919,168	\$ 14,437,352	\$ (86,243)	\$ (11,090,273)	\$ 159,180,004

Capital assets with an original cost of \$2,340,461 and accumulated depreciation of \$2,254,218 (book value of \$86,243) were transferred from enterprise funds to internal service funds in 2023.

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

Business-type activities:

Water and sewer utility	\$ 6,489,264
Solid waste	9,708
Airport	2,312,243
Storm water drainage	419,442
Total business-type activities depreciation expense	<u>\$ 9,230,657</u>

City of Venice, Florida
Notes to Financial Statements

Commitments

Commitments for uncompleted construction projects/capital purchases at September 30, 2023 consist of the following:

Fund	Amounts Authorized	Expended to Date	Remaining Encumbered	Other Committed
Governmental Funds:				
<i>Major Funds:</i>				
General	\$ 652,954	\$ -	\$ 652,954	\$ -
Special revenue - Building Permits	-	-	-	-
Capital projects - One Cent Sales	3,603,151	146,286	1,851,865	1,605,000
<i>Non-Major Funds:</i>				
Special Revenue - Tree Mitigation	-	-	-	-
Capital projects - General	3,620,869	225,061	919,018	2,476,790
Capital projects - Streets	1,670,949	447,000	-	1,223,949
Enterprise Funds:				
<i>Major Funds:</i>				
Water and Sewer Utility	71,170,015	5,786,130	40,059,318	25,324,567
Solid Waste	2,534,834	-	389,834	2,145,000
Airport	9,794,214	31,061	319,704	9,443,449
Storm Water Drainage	1,345,829	79,851	79,658	1,186,320
Internal Service Funds:				
Property and Liability Insurance	-	-	-	-
Fleet Replacement	1,150,515	-	1,150,515	-
Total	<u>\$ 95,543,330</u>	<u>\$ 6,715,389</u>	<u>\$ 45,422,866</u>	<u>\$ 43,405,075</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 \$813,534 in the General Fund have also been encumbered, and are reported as committed fund balance at September 30, 2023. Non-capital related encumbrances city-wide are as follows:

Governmental Funds:	
<i>Major Funds:</i>	
General	\$ 813,534
Enterprise Funds:	
<i>Major Funds:</i>	
Water and Sewer Utility	542,062
Airport	29,547
Storm Water Drainage	56,654
Nonmajor Governmental Funds	138
Internal Service Funds	11,529
Total	<u>\$ 1,487,266</u>

City of Venice, Florida
Notes to Financial Statements

NOTE F – CITY AS LESSOR

City as Lessor - Short Term and Other Leases

Airport - Mobile Home Park

The City owns and leases out approximately 185 lots in the City of Venice Mobile Home Park for rents between \$350 and \$450 per month. The rent term is one calendar year, which automatically renews unless a 90 day termination notice is provided by either party. Revenue for 2023 in the Airport Fund was \$855,300.

Airport - Hangers

The City owns and leases out approximately 192 airport hanger spaces at the Municipal Airport. The rent term is one calendar year, which automatically renews unless a 60 day termination notice is provided by either party. Revenue for 2023 in the Airport Fund was \$467,441.

Fleet Replacement Fund

The City's fleet replacement program started at the end of 2014. Qualifying vehicles and equipment purchased after that date were placed into the Fleet Replacement Program/Fund (FRP) and are being "rented back" to the user departments in exchange for monthly rent. Rents on these inter-departmental arrangements are reported in the year due and paid.

City as Lessor - Long-Term Leases

Following is a summary of receivables and deferred inflows on long-term leases in which the City is the lessor, as of September 30, 2023:

		Receivable		Deferred
	Current	Long-Term	Total	Inflows
Governmental Activities/General Fund				
Parcel 1	\$ 117,023	\$ 159,812	\$ 276,835	\$ 276,835
Parcel 2	11,433	13,649	25,082	25,082
Total Governmental Activities	128,456	173,461	301,917	301,917
Business-Type Activities				
Utilities Fund				
Tower 1	\$ 58,521	\$ -	\$ 58,521	\$ 58,521
Tower 2	27,107	145,007	172,114	172,114
Sub-total	85,628	145,007	230,635	230,635
Airport Fund				
Parcel 1	\$ 225,687	\$ 830,833	\$ 1,056,520	\$ 1,056,520
Parcel 2	34,416	3,046,279	3,080,695	3,080,695
Parcel 3	-	10,310,038	10,310,038	9,601,050
Sub-total	260,103	14,187,150	14,447,253	13,738,265
Total Business-type Activities	\$ 345,731	\$ 14,332,157	\$ 14,677,888	\$ 13,968,900

City of Venice, Florida
Notes to Financial Statements

Governmental Activities/General Fund

The City leases two parcels of land to commercial food and beverage operators. In both arrangements, rent is a fixed monthly amount, plus a percentage of gross receipts/sales. Lessee is responsible for property taxes. For parcel 1, the applicable percentage is 5% of annual sales above \$2.2 million, and the monthly rent increases annually by the CPI. The lease term is 30 years beginning January 15, 1986, plus two five-year renewal option. Receipts for 2023 were \$1,159,572 of which \$1,019,346 represented variable payments not previously included in the measurement of the lease receivable.

For parcel 2, the monthly rent is \$1,000 and the applicable percentage of sales increases in a range from 1% to 7% as monthly sales rise. There is no CPI adjustment. The lease term is four years beginning November 15, 2017, plus 2 two-year renewal options. Receipts for 2023 were \$18,205 of which \$6,205 represents variable payments not previously included in the measurement of the lease receivable.

A discount rate of 2.26% was used to calculate the beginning receivables and deferred inflows of \$550,373 at October 1, 2021. The deferred inflows are being amortized to offset the scheduled principal payments on the related receivables. Amortization expense of \$125,616 was included in lease revenue in 2023. Interest income was \$9,663 for 2023.

Business-Type Activities/Utilities Fund

The City leases space on the top of its two water towers to two communications companies. In both arrangements, rent is a fixed monthly amount, increasing by the CPI annually. On Tower Lease 1, there is a CPI floor of 3% and ceiling of 5%. Both leases are for five years with four five-year renewal options.

The final renewal term in Tower Lease 1 expires on November 30, 2023. The final renewal term in Tower Lease 2 expires on November 9, 2029. Receipts for 2023 were \$98,077.

A discount rate of 2.26% was used to calculate the beginning receivables and deferred inflows of \$391,233 at October 1, 2021. The deferred inflows are being amortized to offset the scheduled principal payments on the related receivables. Amortization expense of \$82,033 was included in lease revenue in 2023. Interest income was \$7,066 for 2023.

Business-type Activities – Airport Non-Aeronautical Leases

The City owns and leases property to three non-City tenants with terms of 30, 75 and 103 years. Fixed monthly rent increases annually by the consumer price index (CPI). Receipts for 2023 were \$401,036. Under GASB 87, the discounted future minimum lease payments have been accrued as receivables at year end, generally offset by deferred inflows.

A discount rate of 2.26% was used to calculate the beginning receivables and deferred inflows of \$14,511,805 at October 1, 2021. The deferred inflows on Parcel 1 and Parcel 2 are being amortized to offset the scheduled principal payments on the related receivables. The deferred inflow on Parcel 3 is being amortized using the straight-line method. Amortization expense of \$389,581 was included in lease revenue in 2023. Interest income was \$327,106 for 2023.

City of Venice, Florida
Notes to Financial Statements

City as Lessor - Regulated Leases

Business-type Activities – Airport Aeronautical Leases

The City owns and leases airport property to approximately nine commercial tenants at the Venice Municipal Airport. The original rent terms vary from 20 to 40 years, usually with one five year renewal option. Rent increases periodically by the consumer price index (CPI). These leases meet the definition of Regulated Leases under GASB 87 because they are subject to certain market value and non-discrimination requirements imposed by the Federal Aviation Administration. Therefore as qualifying regulated leases, revenues are recorded in the period received. Revenue for 2023 in the Airport Fund was \$281,918. Following is a schedule of future minimum lease payments on regulated leases:

Fiscal Years	Amount
2024	\$ 281,424
2025	281,424
2026	281,424
2027	272,513
2028	271,632
2029-2033	1,323,903
2034-2038	1,293,300
2039-2043	1,187,141
2044-2048	847,183
2049-2053	392,402
2054-2056	55,512
Total	\$ 6,487,859

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City of Venice, Florida
Notes to Financial Statements

NOTE G – INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

The composition of interfund balances at September 30, 2023, 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, 2023.

Interfund Transfers:

Following is a table of interfund transfers during the year ended September 30, 2023, 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:					
General Fund	\$ -	\$ -	\$ -	\$ 170,205 (3)	\$ 170,205
Building Permits	430,069 (2)	-	-	147,000 (3)	577,069
One Cent Voted Sales Tax	-	-	250,000 (1)	-	250,000
Non-major Governmental Funds:					
Motor Fuel Tax Fund	824,900 (1)	453,600 (1)	-	-	1,278,500
Water & Sewer Utilities Fund	1,964,727 (2)	-	-	320,000 (3)	2,284,727
Solid Waste Fund	491,379 (2)	-	-	331,243 (3)	822,622
Airport Fund	237,401 (2)	-	-	221,939 (3)	459,340
Storm Water Drainage Fund	225,945 (2)	-	-	167,511 (3)	393,456
Internal Service Funds	-	-	-	5,000 (4)	5,000
Totals	\$ 4,174,421	\$ 453,600	\$ 250,000	\$ 1,362,898	\$ 6,240,919

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 H – LONG-TERM LIABILITIES

Long-term liability activity for the year ended September 30, 2023, was as follows:

	Beginning Balance	Additions	(Reductions)	Ending Balance	Due Within One Year
Governmental activities:					
General obligation bonds payable	\$ 30,362,000	\$ -	\$ (1,495,000)	\$ 28,867,000	\$ 1,550,000
Unamortized bond premium	616,617	-	(181,566)	435,051	-
Lease-purchase obligation	865,078	-	(279,900)	585,178	288,276
Net pension liabilities:					
FRS and HIS	24,501,920	6,306,355	-	30,808,275	-
Firefighters' Pension	19,656,390	-	(1,134,836)	18,521,554	-
Police Officers' Pension	7,021,893	-	(1,633,102)	5,388,791	-
Compensated absences	1,454,332	1,205,918	(1,137,003)	1,523,247	761,624
Total OPEB liability	7,049,514	-	(1,888,558)	5,160,956	-
Totals	<u>\$ 91,527,744</u>	<u>\$ 7,512,273</u>	<u>\$ (7,749,965)</u>	<u>\$ 91,290,052</u>	<u>\$ 2,599,900</u>
Business-type activities:					
Revenue bonds	\$ 29,090,000	\$ -	\$ (1,345,000)	\$ 27,745,000	\$ 1,365,000
Unamortized bond premium	780,360	-	(62,429)	717,931	-
Notes payable	7,491,622	56,951	(782,030)	6,766,543	359,328
Net pension liabilities:					
FRS and HIS	6,790,443	295,838	-	7,086,281	-
Compensated absences	577,873	464,348	(456,225)	585,996	292,998
Total OPEB liability	1,248,913	-	(224,224)	1,024,689	-
Totals	<u>\$ 45,979,211</u>	<u>\$ 817,137</u>	<u>\$ (2,869,908)</u>	<u>\$ 43,926,440</u>	<u>\$ 2,017,326</u>

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.

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City of Venice, Florida

Notes to Financial Statements

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

Description of Debt

Governmental Activities:

General Obligation Bonds

\$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).

Principal Outstanding	Unamortized Premium
\$ 2,052,000	\$ -

\$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.

13,730,000	85,344
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\$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.

13,085,000	349,707
<u>\$ 28,867,000</u>	<u>\$ 435,051</u>

Total Governmental Activities - General Obligation Bonds

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.

<u>\$ 585,178</u>	<u>\$ -</u>
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City of Venice, Florida

Notes to Financial Statements

	<u>Principal Outstanding</u>	<u>Unamortized Premium</u>
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.)	\$ 16,355,000	\$ -
\$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 improvements.	11,390,000	717,931
Total Business-Type Activities - Revenue Bonds	<u>\$27,745,000</u>	<u>\$ 717,931</u>
Revenue Notes		
\$6,507,747 State Revolving Fund (SRF) Construction Loan #DW 580430 from State of Florida Department of Environmental Protection (FDEP). Repayment consists of an initial payment of \$236,194 on September 15, 2021 and 39 subsequent equal semi-annual payments of \$182,125 beginning March 15, 2022 through March 15, 2041. Interest is at a blended rate of approximately 1.02%. 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.	\$ 5,824,604	\$ -
\$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 projects.	418,385	-
Up to \$31,194,240 SRF Construction Loan #DW 580480 from FDEP. Draws are permitted as qualifying costs are incurred. Repayment will be in 40 equal semi-annual payments beginning January 15, 2027 through August 15, 2046 with no interest. The Note is secured by a junior lien on water and sewer revenues on a parity with other SRF Loans. Purpose: New water booster pump station and WTP switchgear replacement and generator projects. Balance represents draws to date.	56,951	-
\$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.	466,603	-
Total Business-Type Activities - Revenue Notes	<u>\$ 6,766,543</u>	<u>\$ -</u>

City of Venice, Florida
Notes to Financial Statements

Debt Maturity

Debt service requirements at September 30, 2023 were as follows:

Year Ended September 30,	Governmental Activities			
	Bonds Payable		Notes/Lease Purchases	
	Principal	Interest	Principal	Interest
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	1,752,000	803,819	-	-
2028	1,280,000	744,187	-	-
2029-2033	7,200,000	2,941,298	-	-
2034-2038	7,305,000	1,630,898	-	-
2039-2043	3,360,000	808,823	-	-
2044-2047	3,110,000	214,144	-	-
Totals	<u>\$ 28,867,000</u>	<u>\$ 9,966,979</u>	<u>\$ 585,178</u>	<u>\$ 26,392</u>

Year Ended September 30,	Business-Type Activities			
	Bonds Payable		Notes Payable*	
	Principal	Interest	Principal	Interest
2024	\$ 1,365,000	\$ 753,256	\$ 359,328	\$ 62,604
2025	1,405,000	715,047	362,660	59,272
2026	1,450,000	673,597	366,027	55,906
2027	1,490,000	628,922	369,428	52,504
2028	1,530,000	588,913	372,864	49,067
2029-2033	8,370,000	2,231,201	1,917,143	192,516
2034-2038	7,355,000	1,058,554	1,994,172	101,063
2039-2043	4,780,000	321,938	967,970	14,725
	<u>\$ 27,745,000</u>	<u>\$ 6,971,428</u>	<u>\$ 6,709,592</u>	<u>\$ 587,657</u>

* Debt service on the SRF Note #DW 580480 is not included above because the full loan has not been drawn down. Draws through year-end are only \$56,951; the loan is approved up to \$31,194,240. Assuming the full loan is drawn down, 40 semi-annual repayments of \$797,598 will begin on January 15, 2027, and include will interest at a rate of .22% per annum.

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, 2023:

City of Venice, Florida

Notes to Financial Statements

<u>Pledged Revenue</u>	<u>Revenue Pledged Through</u>	<u>Total Principal and Interest Outstanding</u>	<u>Current Year Principal and Interest Paid</u>	<u>Current Year Net Revenues</u>	<u>Percentage of Revenues to Principal and Interest Paid</u>
Water/sewer net revenues	2043	\$ 41,566,151	\$ 2,948,299	\$ 13,769,897	467.0%
Stormwater net revenues	2041	504,477	28,827	1,759,727	6104.4%

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, 2023 is \$1,214,163.

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, 2022 is \$17,330,000 (interest only until 2033).

City as Lessee

As discussed earlier in this Note, the City leases four rescue vehicles and related equipment for its emergency services operations. Title transfers to the City at the end of the five year lease term. Accordingly, the transaction is accounted for as an installment purchase. The City does not participate as a lessee in any other significant leases.

NOTE I – 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 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.

City of Venice, Florida
Notes to Financial Statements

Certain employees of the City also participate in the Florida Retirement System, a multiple-employer cost-sharing, public retirement system. Total pension cost (expense) – all plans was \$15,378,948 for 2023. 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, 2023:

Benefit Changes:

- None

Changes in Actuarial Assumptions:

- None

Plan Membership as of October 1, 2022 (latest valuation)

Inactive Plan members or beneficiaries currently receiving benefits	49
Inactive Plan members entitled to but not yet receiving benefits	14
Active Plan members	14
Total	<u><u>77</u></u>

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.

City of Venice, Florida
Notes to Financial Statements

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.

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.

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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, 2023, contributions totaling \$3,032,253 were made in accordance with contribution requirements determined by an actuarial valuation of the Plan as of October 1, 2021. The City contributed \$2,492,308 (including excess contributions of \$382,266), members contributed \$94,016, and the State contributed \$445,929.

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

The measurement date for the total/net pension liability is September 30, 2023, same as the reporting date. The measurement period for pension expense was October 1, 2022 to September 30, 2023. The components of the City's net pension liability at September 30, 2023, related to the Firefighters' Plan, were as follows:

Total pension liability	\$ 49,995,965
Plan fiduciary net position	<u>(31,474,411)</u>
City's net pension liability	<u><u>\$ 18,521,554</u></u>

Plan fiduciary net position as a percentage of total pension liability	62.95%
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Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of October 1, 2022, then rolled forward from the valuation date to the Plan's fiscal year end using generally accepted accounting principles. The actuarial valuation contained the following actuarial assumptions:

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

City of Venice, Florida

Notes to Financial Statements

Mortality Rates

Healthy Active Lives:

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

Healthy Retiree Lives:

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

Beneficiary Lives:

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

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 2023, 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, 2023 are summarized in the following table:

<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	100%	

* Source: AndCo Consulting

Discount Rate

The discount rate used to measure the total pension liability was 6.50%, same as 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.

City of Venice, Florida
Notes to Financial Statements

Changes in Net Pension Liability (Firefighters' Plan)

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a) - (b)
Balances at September 30, 2022	\$ 48,377,225	\$ 28,720,835	\$ 19,656,390
<i>Changes for the Year:</i>			
Service cost	539,278	-	539,278
Interest	3,082,471	-	3,082,471
Share plan allocation	74,964	-	74,964
Experience gain/(losses)	895,598	-	895,598
Contributions - employer	-	2,492,308	(2,492,308)
Contributions - State	-	445,929	(445,929)
Contributions - employee	-	79,849	(79,849)
Contributions - buy back	14,167	14,167	-
Net investment income (loss)	-	2,778,362	(2,778,362)
Benefit payments	(2,987,738)	(2,987,738)	-
Administrative expense	-	(69,301)	69,301
Net Changes	<u>1,618,740</u>	<u>2,753,576</u>	<u>(1,134,836)</u>
Balances at September 30, 2023	<u>\$ 49,995,965</u>	<u>\$ 31,474,411</u>	<u>\$ 18,521,554</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:

	1% Decrease (5.50%)	Current Discount Rate (6.50%)	1% Increase (7.50%)
City's net pension liability - Firefighters' Pension	\$24,318,454	\$ 18,521,554	\$13,700,724

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

For the year ended September 30, 2023 the City recognized pension expense of \$3,441,819 for the Firefighters' Plan. At September 30, 2023, 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	\$ 1,939,014	\$ -
Total	<u>\$ 1,939,014</u>	<u>\$ -</u>

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

<u>Year ended September 30:</u>	
2024	\$ 462,989
2025	456,917
2026	1,201,571
2027	<u>(182,463)</u>
Total	<u>\$ 1,939,014</u>

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.

Following is a brief description of the changes in benefit terms and/or actuarial assumptions during the year ended September 30, 2023:

Benefit Changes:

- None

Changes in Actuarial Assumptions:

- None

City of Venice, Florida
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Plan Membership as of October 1, 2022 (latest valuation)

Inactive Plan members or beneficiaries currently receiving benefits	61
Inactive Plan members entitled to but not yet receiving benefits	30
Active Plan members	1
Total	<u>92</u>

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.

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 salary per plan document 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 salary per plan document paid to spouse until death or remarriage, or if no spouse, in equal shares to dependent children.

City of Venice, Florida
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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, 2023, contributions totaling \$1,141,343 were made in accordance with contribution requirements determined by an actuarial valuation of the Plan as of October 1, 2021. The City contributed \$805,780 (including excess contributions of \$362,460), members contributed \$5,955, and the State contributed \$329,608.

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

The measurement date for the total/net pension liability is September 30, 2023, same as the reporting date. The measurement period for pension expense was October 1, 2022 to September 30, 2023. The components of the City's net pension liability at September 30, 2023, related to the Police Officers' Plan, were as follows:

Total pension liability	\$ 44,105,744
Plan fiduciary net position	<u>(38,716,953)</u>
City's net pension liability (asset)	<u>\$ 5,388,791</u>

Plan fiduciary net position as a percentage of total pension liability	87.78%
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City of Venice, Florida

Notes to Financial Statements

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of October 1, 2022, then rolled forward from the valuation date to the Plan's fiscal year end using generally accepted accounting principles. The actuarial valuation contained the following actuarial assumptions:

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

Mortality Rates

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.

Healthy Retiree Lives:

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

Beneficiary Lives:

- PubG.H-2010 (Above Median) for Healthy Retirees.

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 can be 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 2023, 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, 2023 are summarized in the following table:

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

* Source: AndCo Consulting

City of Venice, Florida
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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)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a) - (b)
Balances at September 30, 2022	\$ 44,549,345	\$ 37,527,452	\$ 7,021,893
<i>Changes for the Year:</i>			
Service cost	22,076	-	22,076
Interest	2,895,936	-	2,895,936
Experience gain/(losses)	(24,280)	-	(24,280)
Changes of assumptions	-	-	-
Changes of benefit terms	-	-	-
Contributions - employer	-	805,780	(805,780)
Contributions - State	-	329,608	(329,608)
Contributions - employee	-	5,955	(5,955)
Net investment income (loss)	-	3,453,075	(3,453,075)
Benefit payments	(3,337,333)	(3,337,333)	-
Administrative expense	-	(67,584)	67,584
Net Changes	(443,601)	1,189,501	(1,633,102)
Balances at September 30, 2023	\$ 44,105,744	\$ 38,716,953	\$ 5,388,791

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	\$ 10,103,828	\$ 5,388,791	\$ 1,437,833

City of Venice, Florida
Notes to Financial Statements

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, 2023 the City recognized pension expense of \$1,221,011. At September 30, 2023, 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	\$ 3,237,663	\$ -
Total	<u>\$ 3,237,663</u>	<u>\$ -</u>

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

<u>Year ended September 30:</u>	
2024	\$ 355,294
2025	956,908
2026	2,124,647
2027	<u>(199,186)</u>
Total	<u>\$ 3,237,663</u>

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.

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).

City of Venice, Florida Notes to Financial Statements

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, 2023, the City recorded pension contributions of \$4,808,452 (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.

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

City of Venice, Florida

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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 96 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:

	<u>% Value (per year of service)</u>
<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%

City of Venice, Florida

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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 2023 were as follows:

Class	Year Ended June 30, 2023		Year Ended June 30, 2024	
	Percent of Gross Salary		Percent of Gross Salary	
	Employee	Employer (1)	Employee	Employer (1)
Regular Class	3.00	10.19	3.00	11.51
Elected Officers Class	3.00	55.28	3.00	56.62
Senior Management Service Class	3.00	29.85	3.00	32.46
Special Risk Class	3.00	26.11	3.00	30.61
DROP - Applicable to Members				
from All of the Above Classes	0.00	16.94	0.00	19.13
Reemployed Retiree	(2)	(2)	(2)	(2)
Investment Plan Members	0.00	4.23	0.00	4.78

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 \$3,701,291 for the fiscal year ended September 30, 2023. Employee contributions totaled \$577,677 for the same period, for a total contribution amount of \$4,278,958.

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

At September 30, 2023, the City reported a liability of \$28,565,868 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 determined by the Plan's actuary and reported in the Plan's GASB 67 valuation as of June 30, 2023. The City's proportionate share of the net

City of Venice, Florida
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pension liability was based on the City's 2023 contributions relative to the 2023 contributions of all participating members (based on the June 30 Plan year). At June 30, 2023, the City's proportionate share was .0717% which was an increase of .0040 percentage points from its proportionate share of .0677% measured as of June 30, 2022.

For the fiscal year ended September 30, 2023, the City recognized pension expense of \$7,812,222 related to the Plan. At September 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to the Plan from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Employer contributions subsequent to measurement date	\$ 1,095,946	\$ -
Changes in assumptions	1,862,160	-
Differences between actual and expected experience	2,682,088	-
Net difference between projected and actual investment earnings	1,192,988	-
Changes in proportion differences	2,396,804	-
Total	\$ 9,229,986	\$ -

The deferred outflows of resources related to the Plan totaling \$1,095,946 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, 2024. The other deferred outflows of resources and deferred inflows of resources shown above will be recognized in pension expense as follows:

Year Ended September 30:	
2024	\$ 1,538,607
2025	415,720
2026	5,260,549
2027	727,834
2028	191,330
Total	\$ 8,134,040

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, 2023. 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, 2023 valuation included the following:

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Inflation	2.40%
Salary Increases	3.25% including inflation
Investment Rate of Return	6.70% net of pension plan investment expense, including inflation

Mortality rates were based on the PUB-2010 base table, projected generationally with Scale MP-2018. The actuarial assumptions that determined the total pension liability as of June 30, 2023, were based on an experience study for the period July 1, 2013 through June 30, 2018.

The long-term expected rate of return assumption of 6.70% consists of two building block components: 1) an inferred real (in excess of inflation) return of 4.20%, which is consistent with the 4.48% 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 2023 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.

Asset Class	Target Allocation	Annual Arithmetic Return	Compound Annual (Geometric) Return	Standard Deviation
Cash	1.0%	2.9%	2.9%	1.1%
Fixed income	19.8%	4.5%	4.4%	3.4%
Global equity	54.0%	8.7%	7.1%	18.1%
Real Estate	10.3%	7.6%	6.6%	14.8%
Private equity	11.1%	11.9%	8.8%	26.3%
Strategic investments	3.8%	6.3%	6.1%	7.7%
Total	100%			

Assumed inflation - Mean	2.4%	1.4%
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Discount Rate

The discount rate used to measure the total pension liability was 6.70%. The prior year discount rate was also 6.70%. 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 in full 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.

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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 6.70%, 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 (5.70%) or one percentage point higher (7.70%) than the current rate:

	1% Decrease (5.70%)	Current Discount Rate (6.70%)	1% Increase (7.70%)
City's proportionate share of the FRS net pension liability	\$ 48,796,319	\$ 28,565,868	\$ 11,640,675

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 \$7.50 per month per year of service (formerly \$5), with a minimum benefit of \$45 per month (formerly \$30) and a maximum benefit of \$225 per month (formerly \$150). These benefit changes occurred in 2023 and apply to all years of service for both members currently receiving benefits and members not yet receiving benefits. 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, 2023 and 2022, the contribution rate was 1.66% of payroll as defined in Section 112.63, Florida Statutes. On July 1, 2023, the employer contribution rate increased to 2.00% of payroll. There are no employee contributions required.

The City's contributions to the HIS Program totaled \$421,010 for the fiscal year ended September 30, 2023.

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

At September 30, 2023, the City reported a liability of \$9,328,688 for its proportionate share of the HIS Program net pension liability. The net pension liability was determined by the Program's actuary and reported in the Plan's GASB 67 valuation as of June 30, 2023. The City's proportionate share of the net pension liability was based on the City's 2023 contributions relative to the 2023 contributions of all participating members (based on the June 30 Program year). At June 30, 2023, the City's proportionate share was .0587%, which was an increase .0012 percentage points from its proportionate share of .0575% measured as of June 30, 2022.

For the fiscal year ended September 30, 2023 the City recognized pension expense of \$3,870,595 related to the Program. At September 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Employer contributions subsequent to measurement date	\$ 129,191	\$ -
Changes in assumptions	245,248	(808,362)
Differences between actual and expected experience	136,566	(21,896)
Net difference between projected and actual investment earnings	4,817	-
Changes in proportion differences	656,574	-
Total	\$ 1,172,396	\$ (830,258)

The deferred outflows of resources related to the Program totaling \$129,191 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, 2024. The other deferred outflows of resources and deferred inflows of resources shown above will be recognized in pension expense as follows:

Year Ended September 30:	
2024	\$ 124,850
2025	128,261
2026	78,255
2027	(69,533)
2028	(49,104)
Thereafter	218
Total	\$ 212,947

City of Venice, Florida

Notes to Financial Statements

Actuarial Assumptions

The HIS Program has an actuarial valuation performed biennially. The HIS actuarial valuation was prepared as of July 1, 2023, using the individual entry age actuarial cost method. 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, 2023 valuation included the following:

Inflation	2.40%
Salary Increases	3.25% including inflation
Municipal Bond Rate	3.65% net of pension plan investment expense, including inflation

Mortality rates were based on the Generational PUB-2010 with Projection Scale MP-2018. 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 3.65%. The prior year discount rate was 3.54%. 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 2022).

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 3.65%, 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 (2.65%) or one percentage point higher (4.65%) than the current rate:

	1% Decrease (2.65%)	Current Discount Rate (3.65%)	1% Increase (4.65%)
City's proportionate share of the HIS net pension liability	\$ 10,642,577	\$ 9,328,688	\$ 8,239,562

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 Annual Comprehensive Financial Report.

City of Venice, Florida

Notes to Financial Statements

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 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, 2023		Year Ended June 30, 2024	
	Percent of Gross Salary		Percent of Gross Salary	
	Employee	Employer	Employee	Employer
Regular Class	3.00	3.30	3.00	5.30
Elected Officers Class	3.00	8.34	3.00	10.34
Senior Management Service Class	3.00	4.67	3.00	6.67
Special Risk Class	3.00	11.00	3.00	13.00

City of Venice, Florida
Notes to Financial Statements

Contributions to member accounts for the year ended September 30, 2023 were \$686,151 (employer) and \$124,841 (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, 2023, 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.

NOTE J - 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, 2022, the latest actuarial valuation date:

Retirees and beneficiaries	
currently receiving benefits	113
Active employees	<u>301</u>
Total	<u><u>414</u></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

City of Venice, Florida
Notes to Financial Statements

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 2023 were \$878 for individual coverage, \$1,755 for individual plus one, \$2,720 for family coverage, and \$274 for the Medicare supplement plan.

Total OPEB Liability of the City

The measurement date for the City's total/net OPEB liability is September 30, 2023, same as the reporting date. The measurement period for OPEB cost was October 1, 2022 to September 30, 2023. The components of the City's net OPEB liability at September 30, 2023, are as follows:

Total OPEB liability	\$ 6,185,645
OPEB Plan fiduciary net position	<u>-</u>
City's net OPEB liability	<u><u>\$ 6,185,645</u></u>
OPEB Plan fiduciary net position as a percentage of total OPEB liability	0.00%

Actuarial Assumptions

The total OPEB liability at September 30, 2023 was based on an actuarial valuation as of October 1, 2022, updated to September 30, 2023, using the Entry Age Normal actuarial cost method, and the following actuarial assumptions:

Inflation	2.50% per annum
Discount Rate*	4.09% Bond Buyer's 20-Bond GO Index (September 2023)
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 2022 PPA Mortality Table (RP-2014 mortality, base year 2006, adjusted to 2022 with Mortality Improvement Scale MP-2020).

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

City of Venice, Florida
Notes to Financial Statements

Discount Rate

The discount rate used to measure the total OPEB liability at September 30, 2023 was 4.09%. The discount rate used to measure the total OPEB liability at September 30, 2022 was 4.02%. 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 2023).

Changes in the Total OPEB Liability

	Total OPEB Liability
Balances at September 30, 2022	\$ 8,298,427
<i>Changes for the Year:</i>	
Service cost	(12,177)
Interest	254,186
Differences between expected and actual experience	(1,756,651)
Benefit payments	(484,612)
Implicit rate subsidy	(113,528)
Balances at September 30, 2023	<u>\$ 6,185,645</u>

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 4.09%, 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 (3.09%) or one percentage-point higher (5.09%) than the current discount rate:

	1% Decrease (3.09%)	Current Discount Rate (4.09%)	1% Increase (5.09%)
Total OPEB liability	\$ 6,731,395	\$ 6,185,645	\$ 5,711,303

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	\$ 6,757,939	\$ 6,185,645	\$ 5,678,334

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, 2023, the City recognized negative OPEB expense of \$412,986. At September 30, 2023, the City has deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 46,183	\$ (2,249,703)
Total	<u>\$ 46,183</u>	<u>\$ (2,249,703)</u>

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

<u>Year Ended September 30:</u>	
2024	\$ (760,887)
2025	(755,168)
2026	(527,769)
2027	(159,696)
Total	<u>\$ (2,203,520)</u>

NOTE K – 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 L – 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 \$125,000 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
Liability balance, September 30, 2021	\$ 281,157	\$ 854,000
Claims and changes in estimate	5,449,518	204,136
Claims payments	(5,446,334)	(261,136)
Liability balance, September 30, 2022	284,341	797,000
Claims and changes in estimate	6,181,605	195,555
Claims payments	(6,198,723)	(290,555)
Liability balance, September 30, 2023	<u>\$ 267,223</u>	<u>\$ 702,000</u>

City of Venice, Florida
Notes to Financial Statements

NOTE M – CONTINGENT LIABILITIES

Hurricane Ian

Hurricane Ian struck the southwest coast of Florida on September 28, 2022, causing over 100 deaths statewide and catastrophic damages estimated at over \$100 billion. Landfall was Cayo Costa Island, less than 50 miles south of the City of Venice. The City's Building Official has estimated the total residential damage within the City at \$71.1 million and the commercial damage at \$18.8 million.

Damage to City-owned buildings and equipment was estimated at \$2.58 million, a significant portion of which occurred at the City Airport, primarily T-hangars rented to pilots for plane storage. Property damage less deductibles, was covered by commercial insurance. Most of the property damage did not significantly impair the use of the property. Most of the repairs were performed in 2023 using insurance proceeds and fund reserves.

The cost of debris removal Citywide was \$4.2 million, most of which was expensed as incurred in 2023 in the Solid Waste enterprise fund. As such, that fund reported a significant operating loss for 2023. Deductibles and debris removal are eligible for reimbursement from the Federal Emergency Management Agency (FEMA) and State of Florida Division of Emergency Management (FDEM). Reimbursements are pending at September 30, 2023. The City expects to record the revenue from these reimbursements in 2024.

Grants

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.

Litigation

On August 26, 2022, Neal Communities of SWF LLC and Neal Signature Homes LLC filed a lawsuit against the City of Venice alleging they were charged excessive building permit fees since approximately 2014, totaling \$1.5 million. The Complaint contains a count for declaratory relief and a count for inverse condemnation. The City disputes all claims. Under Florida Statute 553.80, when building fee fund balances exceed certain limits, the City is required to discount future fees or refund the excess. Fund balances have exceeded the minimums for some time, and the City has been discounting applicable fees. In July 2023, the City also refunded \$4.4 million in building permit fees to prior fee-payers, including a significant portion to the claimant. The refund brought the fund balance down below the statutory maximum. However, the lawsuit has not been rescinded; trial is currently set for June 2024.

The government is a defendant in various other 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.



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REQUIRED SUPPLEMENTARY INFORMATION



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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				
	2023	2022	2021	2020	2019
Total Pension Liability					
Service Cost	\$ 539,278	\$ 698,736	\$ 830,057	\$ 804,177	\$ 763,821
Interest	3,082,471	3,052,291	3,068,569	2,957,569	2,897,034
Change in excess State money	-	-	-	-	(8,861)
Share plan allocation	74,964	-	-	-	4,431
Changes of benefit terms (1)	-	-	-	-	-
Difference between expected and actual experience	895,598	(233,313)	(414,457)	28,410	(382,046)
Changes of assumptions (2)	-	-	1,159,634	2,060,398	-
Contributions - buy back	14,167	195,737	-	-	-
Benefit payments, including refunds	(2,987,738)	(3,191,618)	(2,837,258)	(2,497,024)	(2,420,604)
Net change in total pension liability	1,618,740	521,833	1,806,545	3,353,530	853,775
Total pension liability, beginning	48,377,225	47,855,392	46,048,847	42,695,317	41,841,542
Total pension liability, ending (a)	<u>\$ 49,995,965</u>	<u>\$ 48,377,225</u>	<u>\$ 47,855,392</u>	<u>\$ 46,048,847</u>	<u>\$ 42,695,317</u>
Plan Fiduciary Net Position					
Contributions - City	\$ 2,492,308	\$ 2,492,308	\$ 2,400,000	\$ 2,406,800	\$ 2,372,720
Contributions - State	445,929	204,879	188,963	180,552	173,349
Contributions - employee	79,849	97,409	122,301	122,740	125,174
Contributions - buy back	14,167	195,737	-	-	-
Net investment income (loss)	2,778,362	(4,736,718)	5,626,260	1,817,126	485,854
Benefit payments, including refunds	(2,987,738)	(3,191,618)	(2,837,258)	(2,497,024)	(2,420,604)
Administrative expense	(69,301)	(66,705)	(60,316)	(61,444)	(57,886)
Accrual adjustments	-	-	-	-	-
Net change in Plan fiduciary net position	2,753,576	(5,004,708)	5,439,950	1,968,750	678,607
Plan fiduciary net position, beginning	28,720,835	33,725,543	28,285,593	26,316,843	25,638,236
Plan fiduciary net position, ending (b)	<u>\$ 31,474,411</u>	<u>\$ 28,720,835</u>	<u>\$ 33,725,543</u>	<u>\$ 28,285,593</u>	<u>\$ 26,316,843</u>
Net pension liability (actuary), ending (a) - (b)	<u>\$ 18,521,554</u>	<u>\$ 19,656,390</u>	<u>\$ 14,129,849</u>	<u>\$ 17,763,254</u>	<u>\$ 16,378,474</u>
Plan fiduciary net position as a percentage of the total pension liability	62.95%	59.37%	70.47%	61.43%	61.64%
Covered payroll	\$ 1,140,702	\$ 1,391,559	\$ 1,747,719	\$ 1,752,857	\$ 1,788,140
Net pension liability (actuary) as a percentage of covered payroll	1623.70%	1412.54%	808.47%	1013.39%	915.95%

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.

Fiscal Year				
2018	2017	2016	2015	2014
\$ 756,801	\$ 756,425	\$ 702,057	\$ 1,139,410	\$ 672,304
2,798,028	2,719,112	2,661,396	2,653,780	2,581,984
-	-	(155,521)	-	8,861
-	-	-	-	-
-	-	-	(797,774)	-
131,239	(232,436)	(1,795,453)	(473,564)	-
-	-	1,320,858	2,961,891	-
-	-	-	-	-
(2,136,820)	(2,095,414)	(2,141,983)	(1,991,123)	(2,003,310)
1,549,248	1,147,687	591,354	3,492,620	1,259,839
40,292,294	39,144,607	38,553,253	35,060,633	33,800,794
<u>\$ 41,841,542</u>	<u>\$ 40,292,294</u>	<u>\$ 39,144,607</u>	<u>\$ 38,553,253</u>	<u>\$ 35,060,633</u>
\$ 2,530,184	\$ 2,350,314	\$ 3,047,697	\$ 756,197	\$ 1,674,244
180,163	193,290	246,276	272,353	304,802
120,956	118,053	114,049	116,523	269,968
-	-	-	-	-
2,011,838	2,241,924	1,321,617	9,360	1,727,970
(2,136,820)	(2,095,414)	(2,141,983)	(1,991,123)	(2,003,310)
(59,501)	(61,907)	(66,382)	(67,814)	(42,307)
(79,147)	79,147	17,224	5,671	7,631
2,567,673	2,825,407	2,538,498	(898,833)	1,938,998
23,070,563	20,245,156	17,706,658	18,605,491	16,666,493
<u>\$ 25,638,236</u>	<u>\$ 23,070,563</u>	<u>\$ 20,245,156</u>	<u>\$ 17,706,658</u>	<u>\$ 18,605,491</u>
<u>\$ 16,203,306</u>	<u>\$ 17,221,731</u>	<u>\$ 18,899,451</u>	<u>\$ 20,846,595</u>	<u>\$ 16,455,142</u>
61.27%	57.26%	51.72%	45.93%	53.07%
\$ 1,727,707	\$ 1,686,471	\$ 1,629,271	\$ 1,710,697	\$ 2,768,905
937.85%	1021.17%	1159.99%	1218.60%	594.28%

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
2023	\$ 2,481,007	\$ 2,863,273	\$ (382,266)	\$ 1,140,702	251.01%
2022	2,497,947	2,697,187	(199,240)	1,391,559	193.82%
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%

Valuation date: October 1, 2021

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:	<i>Healthy Active Lives:</i> PubS.H-2010 for Employees, set forward one year.										
Interest rate:	6.50% (prior year 6.75%) \ 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 fees).										
Funding method:	Entry Age Normal actuarial cost method.										
Salary increases:	<table> <tr> <th>Years of Service</th><th>% Increase in Salary</th></tr> <tr> <td>Less than 10</td><td>10.00%</td></tr> <tr> <td>10-15</td><td>6.50%</td></tr> <tr> <td>15-20</td><td>5.50%</td></tr> <tr> <td>20 and greater</td><td>5.00%</td></tr> </table>	Years of Service	% Increase in Salary	Less than 10	10.00%	10-15	6.50%	15-20	5.50%	20 and greater	5.00%
Years of Service	% Increase in Salary										
Less than 10	10.00%										
10-15	6.50%										
15-20	5.50%										
20 and greater	5.00%										
Amortization method:	New UAAL bases are amortized over 10 - 30 years.										

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
2023	9.78%
2022	-14.09%
2021	19.86%
2020	6.92%
2019	1.90%
2018	8.68%
2017	11.00%
2016	7.29%
2015	0.05%
2014	10.38%

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

	Fiscal Year			
	2023	2022	2021	2020
Total Pension Liability				
Service Cost	\$ 22,076	\$ 53,593	\$ 82,943	\$ 100,479
Interest	2,895,936	2,928,407	2,936,307	2,940,637
Changes of benefit terms (1)	-	-	-	-
Difference between expected and actual experience	(24,280)	160,303	343,681	114,455
Changes of assumptions (2)	-	-	-	1,639,570
Contributions - buy back	-	-	-	-
Benefit payments, including refunds	(3,337,333)	(3,846,339)	(3,054,905)	(3,516,816)
Net change in total pension liability	(443,601)	(704,036)	308,026	1,278,325
Total pension liability, beginning	44,549,345	45,253,381	44,945,355	43,667,030
Total pension liability, ending (a)	<u>\$ 44,105,744</u>	<u>\$ 44,549,345</u>	<u>\$ 45,253,381</u>	<u>\$ 44,945,355</u>
Plan Fiduciary Net Position				
Contributions - City	\$ 805,780	\$ 1,246,154	\$ 1,200,000	\$ 1,282,012
Contributions - State	329,608	272,172	237,213	246,447
Contributions - employee	5,955	14,474	16,945	28,721
Contributions - buy back	-	-	-	-
Net investment income (loss)	3,453,075	(8,435,159)	8,580,789	5,590,310
Benefit payments, including refunds of employee contribution	(3,337,333)	(3,846,339)	(3,054,905)	(3,516,816)
Administrative expense	(80,584)	(76,159)	(77,394)	(73,908)
Accrual adjustments	13,000	(13,000)	-	-
Net change in Plan fiduciary net position	1,189,501	(10,837,857)	6,902,648	3,556,766
Plan fiduciary net position, beginning	37,527,452	48,365,309	41,462,661	37,905,895
Plan fiduciary net position, ending (b)	<u>\$ 38,716,953</u>	<u>\$ 37,527,452</u>	<u>\$ 48,365,309</u>	<u>\$ 41,462,661</u>
Net pension (asset) liability, ending (a) - (b)	<u>\$ 5,388,791</u>	<u>\$ 7,021,893</u>	<u>\$ (3,111,928)</u>	<u>\$ 3,482,694</u>
Plan fiduciary net position as a percentage of the total pension liability	87.78%	84.24%	106.88%	92.25%
Covered payroll	\$ 85,072	\$ 189,812	\$ 242,227	\$ 410,149
Net pension liability as a percentage of covered payroll	6334.39%	3699.39%	-1284.72%	849.13%

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:

Service as of 10/1/12	Final Salary Load
- 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 nine years of information is available.

Fiscal Year					
2019	2018	2017	2016	2015	2014
\$ 98,766	\$ 160,319	\$ 196,691	\$ 203,840	\$ 597,047	\$ 560,060
2,981,724	2,974,942	2,766,512	2,751,065	2,850,130	2,760,145
-	2,467,573	-	-	174,206	(1,837,786)
(134,263)	495,274	486,909	(1,512,423)	(638,090)	-
-	-	-	1,343,437	3,277,827	-
-	-	-	-	-	17,465
(3,552,978)	(3,391,201)	(2,416,303)	(2,699,899)	(2,240,847)	(2,578,773)
(606,751)	2,706,907	1,033,809	86,020	4,020,273	(1,078,889)
44,273,781	41,566,874	40,533,065	40,447,045	36,426,772	37,505,661
<u>\$ 43,667,030</u>	<u>\$ 44,273,781</u>	<u>\$ 41,566,874</u>	<u>\$ 40,533,065</u>	<u>\$ 40,447,045</u>	<u>\$ 36,426,772</u>
\$ 1,498,868	\$ 1,316,647	\$ 1,337,865	\$ 2,108,231	\$ 1,753,275	\$ 1,651,993
220,392	231,096	214,704	207,731	189,276	178,617
26,716	28,738	35,922	38,297	40,508	205,801
-	-	-	-	-	17,465
824,171	4,669,948	4,303,140	3,176,622	(1,481,414)	3,307,423
(3,552,978)	(3,391,201)	(2,416,303)	(2,699,899)	(2,240,847)	(2,578,773)
(77,401)	(69,712)	(60,469)	(85,428)	(73,554)	(62,991)
-	-	(22,081)	22,081	-	-
(1,060,232)	2,785,516	3,392,778	2,767,635	(1,812,756)	2,719,535
38,966,127	36,180,611	32,787,833	30,020,198	31,832,954	29,113,419
<u>\$ 37,905,895</u>	<u>\$ 38,966,127</u>	<u>\$ 36,180,611</u>	<u>\$ 32,787,833</u>	<u>\$ 30,020,198</u>	<u>\$ 31,832,954</u>
<u>\$ 5,761,135</u>	<u>\$ 5,307,654</u>	<u>\$ 5,386,263</u>	<u>\$ 7,745,232</u>	<u>\$ 10,426,847</u>	<u>\$ 4,593,818</u>
86.81%	88.01%	87.04%	80.89%	74.22%	87.39%
\$ 381,654	\$ 410,497	\$ 513,171	\$ 547,100	\$ 761,681	\$ 2,838,631
1509.52%	1292.98%	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
2023	\$ 772,928	\$ 1,135,388	\$ (362,460)	\$ 85,072	1334.62%
2022	1,119,821	1,518,326	(398,505)	189,812	799.91%
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, 2021

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:	<i>Healthy Active Lives:</i> Female: PubS.H-2010 for Employees, set forward one year. Male: PubS.H-2010 (Below Median) for Employees, set forward one year.
Interest rate:	6.75% (prior year 6.75%) \ 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 rate:	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:	New UAAL bases are amortized over 15 years.
Other items:	This information is required for ten years; only nine 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
2023	9.49%
2022	-17.88%
2021	21.11%
2020	15.26%
2019	2.18%
2018	13.13%
2017	13.34%
2016	10.80%
2015	-4.79%
2014	11.57%

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
2023	2023	0.0717%	\$ 28,565,868	\$ 23,277,229	122.72%	82.38%
2022	2022	0.0677%	25,199,114	20,969,819	120.17%	82.89%
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%

**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
2023	2023	0.0587%	\$ 9,328,688	\$ 23,277,229	40.08%	4.12%
2022	2022	0.0575%	6,093,249	20,969,819	29.06%	4.81%
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%

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
2023	\$ 3,701,291	\$ 3,701,291	\$ -	\$ 24,039,008	15.40%
2022	3,087,765	3,087,765	-	21,932,651	14.08%
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%

**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
2023	\$ 421,010	\$ 421,010	\$ -	\$ 24,039,008	1.75%
2022	364,082	364,082	-	21,932,651	1.66%
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%
2014	114,589	114,589	-	9,424,325	1.22%

Florida Retirement System

NOTE 1 - CHANGES IN BENEFIT TERMS

FRS Pension Plan:

2023, 2022, 2021, 2020, 2019, 2018, 2017, 2016 and 2015:

No significant changes.

HIS Program:

2023: Benefits increased from \$5 times years of service to \$7.50, with an increased min. of \$45, max. of \$225 (Applies to all years of service for both members currently receiving benefits and members not yet receiving benefits).

2022, 2021, 2020, 2019, 2018, 2017, 2016 and 2015:

No significant changes.

NOTE 2 - CHANGES IN ASSUMPTIONS

FRS Pension Plan:

2023: No significant changes.

2022: The long-term expected rate of return was decreased from 6.80% to 6.70%

2021: Decreased 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:

2023 The municipal bond rate used to determine total pension liability was increased from 3.54% to 3.65%, plus changes in assumptions to reflect the benefit change noted above.

2022: The municipal bond rate used to determine total pension liability was increased from 2.16% to 3.54%,

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						
	2023	2022	2021	2020	2019	2018	2017
Total Pension Liability							
Service Cost	\$ (12,177)	\$ (8,406)	\$ (8,792)	\$ (42,721)	\$ (33,374)	\$ 6,650	\$ 6,868
Interest	254,186	229,640	244,060	253,027	386,669	370,289	364,756
Difference between expected and actual experience	(1,756,651)	(1,413,833)	(380,631)	661,896	1,600,759	(552,067)	(614,411)
Benefit payments	(484,612)	(625,689)	(684,676)	(609,354)	(638,195)	(640,339)	(723,867)
Implicit rate subsidy	(113,528)	(52,733)	(52,733)	(40,629)	(40,630)	(288,187)	(288,188)
Net change in total OPEB liability	(2,112,782)	(1,871,021)	(882,772)	222,219	1,275,229	(1,103,654)	(1,254,842)
Total OPEB liability, beginning	8,298,427	10,169,448	11,052,220	10,830,001	9,554,772	10,658,426	11,913,268
Total OPEB liability, ending	<u>\$ 6,185,645</u>	<u>\$ 8,298,427</u>	<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 employee payroll	 \$ 23,744,091	 \$ 21,573,427	 \$ 22,253,668	 \$ 20,044,779	 \$ 18,840,882	 \$ 17,400,191	 \$ 16,138,903
 Total OPEB liability as a percentage of covered employee payroll	 26.05%	 38.47%	 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 seven 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.

Police Community Fund – To account for donations made to the Venice Police Department restricted for specific community supported programs.

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.

Opioid Remediation – To account for funds received from the Florida Opioid Settlement designated for opioid remediation.

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, 2023

	Special Revenue				
	Motor Fuel Tax	Contraband Forfeiture	Police Training	Police Community Fund	Boat Registration Fees
ASSETS					
Pooled cash and investments	\$ 723,413	\$ 229,827	\$ 22,033	\$ 55,686	\$ 105,869
Other cash	-	-	-	1,000	-
Accounts receivable (net)	-	-	-	-	-
Due from other governments	184,683	-	499	-	1,410
Total assets	<u>\$ 908,096</u>	<u>\$ 229,827</u>	<u>\$ 22,532</u>	<u>\$ 56,686</u>	<u>\$ 107,279</u>
LIABILITIES					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other governments	-	-	-	-	-
Unearned revenue	-	79,920	-	-	-
Total liabilities	<u>-</u>	<u>79,920</u>	<u>-</u>	<u>-</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue	<u>9,469</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES					
Restricted for:					
Public safety	-	149,907	22,532	56,686	-
Boating and waterway improvements	-	-	-	-	107,279
Street improvements	898,627	-	-	-	-
Capital improvements	-	-	-	-	-
Debt service	-	-	-	-	-
Beach renourishment	-	-	-	-	-
Committed to:					
Training and education	-	-	-	-	-
Capital improvements	-	-	-	-	-
Economic development	-	-	-	-	-
Historic preservation	-	-	-	-	-
Total fund balances	<u>898,627</u>	<u>149,907</u>	<u>22,532</u>	<u>56,686</u>	<u>107,279</u>
Total liabilities, deferred inflows, and fund balances	<u>\$ 908,096</u>	<u>\$ 229,827</u>	<u>\$ 22,532</u>	<u>\$ 56,686</u>	<u>\$ 107,279</u>

Special Revenue						
Second Occupational License	Growth Management Training	Parking Fines Handicapped Access Improvement	Tree Mitigation	Opioid Remediation	Centennial Community	Historical Commission
\$ 69,893	\$ 214,548	\$ 109,339	\$ 73,512	\$ 31,636	\$ 63,421	\$ 30,835
-	-	-	-	-	-	-
2,846	-	-	-	-	-	-
-	-	-	18,550	-	-	-
<u>\$ 72,739</u>	<u>\$ 214,548</u>	<u>\$ 109,339</u>	<u>\$ 92,062</u>	<u>\$ 31,636</u>	<u>\$ 63,421</u>	<u>\$ 30,835</u>
\$ -	\$ -	\$ -	\$ 38,862	\$ -	\$ -	\$ -
-	-	-	-	-	13	68
-	-	-	-	-	-	-
-	-	-	38,862	-	13	68
-	-	-	18,550	-	-	-
-	-	-	-	31,636	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	109,339	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	214,548	-	-	-	-	-
-	-	-	-	-	-	-
72,739	-	-	-	-	-	-
-	-	-	34,650	-	63,408	30,767
<u>72,739</u>	<u>214,548</u>	<u>109,339</u>	<u>34,650</u>	<u>31,636</u>	<u>63,408</u>	<u>30,767</u>
<u>\$ 72,739</u>	<u>\$ 214,548</u>	<u>\$ 109,339</u>	<u>\$ 92,062</u>	<u>\$ 31,636</u>	<u>\$ 63,421</u>	<u>\$ 30,835</u>

City of Venice, Florida
Combining Balance Sheet
Non-Major Governmental Funds
September 30, 2023

	Special Revenue	Debt Service	Capital Projects		
	Total Special Revenue Funds	General Obligation Bonds	General Capital Projects	Streets	Buildings and Renovations
ASSETS					
Pooled cash and investments	\$ 1,730,012	\$ 402,657	\$ 3,723,399	\$ 4,118,778	\$ 167,927
Other cash	1,000	-	-	-	-
Accounts receivable (net)	2,846	-	-	-	-
Due from other governments	205,142	1,234	-	-	-
Total assets	<u>\$ 1,939,000</u>	<u>\$ 403,891</u>	<u>\$ 3,723,399</u>	<u>\$ 4,118,778</u>	<u>\$ 167,927</u>
LIABILITIES					
Accounts payable	\$ 38,862	\$ -	\$ 8,579	\$ 451,800	\$ -
Due to other governments	81	-	-	-	-
Unearned revenue	79,920	-	-	-	-
Total liabilities	<u>118,863</u>	<u>-</u>	<u>8,579</u>	<u>451,800</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue	<u>28,019</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES					
Restricted for:					
Public safety	260,761	-	-	-	-
Boating and waterway improvements	107,279	-	-	-	-
Street improvements	898,627	-	-	3,666,978	-
Capital improvements	109,339	-	3,105,563	-	-
Debt service	-	403,891	-	-	-
Beach renourishment	-	-	-	-	-
Committed to:					
Training and education	214,548	-	-	-	-
Capital improvements	-	-	609,257	-	167,927
Economic development	72,739	-	-	-	-
Historic preservation	128,825	-	-	-	-
Total fund balances	<u>1,792,118</u>	<u>403,891</u>	<u>3,714,820</u>	<u>3,666,978</u>	<u>167,927</u>
Total liabilities, deferred inflows, and fund balances	<u>\$ 1,939,000</u>	<u>\$ 403,891</u>	<u>\$ 3,723,399</u>	<u>\$ 4,118,778</u>	<u>\$ 167,927</u>

Capital Projects					Total Non-Major Governmental Funds
Beach Re-nourishment	Fire Impact Fees	Law Enforcement Impact Fees	General Government Impact Fees	Total Capital Project Funds	
\$ 4,386,782	\$ 1,011,725	\$ 809,100	\$ 579,055	\$14,796,766	\$16,929,435
-	-	-	-	-	1,000
-	-	-	-	-	2,846
-	-	-	-	-	206,376
<u>\$ 4,386,782</u>	<u>\$ 1,011,725</u>	<u>\$ 809,100</u>	<u>\$ 579,055</u>	<u>\$ 14,796,766</u>	<u>\$ 17,139,657</u>
\$ -	\$ -	\$ -	\$ -	\$ 460,379	\$ 499,241
-	-	-	-	-	81
-	-	-	-	-	79,920
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>460,379</u>	<u>579,242</u>
-	-	-	-	-	28,019
-	-	-	-	-	260,761
-	-	-	-	-	107,279
-	-	-	-	3,666,978	4,565,605
-	1,011,725	809,100	579,055	5,505,443	5,614,782
-	-	-	-	-	403,891
4,386,782	-	-	-	4,386,782	4,386,782
-	-	-	-	-	214,548
-	-	-	-	777,184	777,184
-	-	-	-	-	72,739
-	-	-	-	-	128,825
<u>4,386,782</u>	<u>1,011,725</u>	<u>809,100</u>	<u>579,055</u>	<u>14,336,387</u>	<u>16,532,396</u>
<u>\$ 4,386,782</u>	<u>\$ 1,011,725</u>	<u>\$ 809,100</u>	<u>\$ 579,055</u>	<u>\$ 14,796,766</u>	<u>\$ 17,139,657</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, 2023

	Special Revenue				
	Motor Fuel Tax	Contraband Forfeiture	Police Training	Police Community Fund	Boat Registration Fees
REVENUES					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Local option, use and fuel taxes	1,271,107	-	-	-	-
Fees and fines	-	12,129	7,795	-	-
Licenses and permits	-	-	-	-	-
Intergovernmental	277,736	-	-	-	21,851
Interest	23,629	9,898	905	2,365	4,141
Miscellaneous	-	-	-	45,169	9,093
Total revenues	<u>1,572,472</u>	<u>22,027</u>	<u>8,700</u>	<u>47,534</u>	<u>35,085</u>
EXPENDITURES					
Current:					
General government	-	-	-	-	-
Police	-	-	2,988	25,622	330
Grants and aid	-	15,000	-	-	-
Debt service:					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Fiscal charges	-	-	-	-	-
Capital outlay	-	35,177	-	-	-
Total expenditures	<u>-</u>	<u>50,177</u>	<u>2,988</u>	<u>25,622</u>	<u>330</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,572,472</u>	<u>(28,150)</u>	<u>5,712</u>	<u>21,912</u>	<u>34,755</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	-	-
Transfers out	(1,278,500)	-	-	-	-
Total other financing sources (uses)	<u>(1,278,500)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	293,972	(28,150)	5,712	21,912	34,755
Fund balances at beginning of year	604,655	178,057	16,820	34,774	72,524
Fund balances at end of year	<u>\$ 898,627</u>	<u>\$ 149,907</u>	<u>\$ 22,532</u>	<u>\$ 56,686</u>	<u>\$ 107,279</u>

Special Revenue						
Second Occupational License	Growth Management Training	Parking Fines Handicapped Access Improvement	Tree Mitigation	Opioid Remediation	Centennial Community	Historical Commission
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
-	-	42,164	-	-	-	-
7,128	-	-	57,813	-	-	-
-	-	-	-	-	-	-
3,044	9,992	4,258	2,137	1,256	2,880	1,408
-	35,129	-	-	30,380	-	9,446
10,172	45,121	46,422	59,950	31,636	2,880	10,854
-	36,886	-	39,275	-	-	8,371
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	36,886	-	39,275	-	-	8,371
10,172	8,235	46,422	20,675	31,636	2,880	2,483
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
10,172	8,235	46,422	20,675	31,636	2,880	2,483
62,567	206,313	62,917	13,975	-	60,528	28,284
\$ 72,739	\$ 214,548	\$ 109,339	\$ 34,650	\$ 31,636	\$ 63,408	\$ 30,767

City of Venice, Florida
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-Major Governmental Funds
For the Year Ended September 30, 2023

	Special Revenue	Debt Service	Capital Projects		
	Total Special Revenue Funds	General Obligation Bonds	General Capital Projects	Streets	Buildings and Renovations
REVENUES					
Property taxes	\$ -	\$ 2,607,241	\$ -	\$ -	\$ -
Local option, use and fuel taxes	1,271,107	-	-	-	-
Fees and fines	62,088	-	-	-	-
Licenses and permits	64,941	-	-	-	-
Intergovernmental	299,587	-	3,100,000	621,150	-
Interest	65,913	37,038	149,993	175,785	7,624
Miscellaneous	129,217	-	-	-	-
Total revenues	1,892,853	2,644,279	3,249,993	796,935	7,624
EXPENDITURES					
Current:					
General government	84,532	-	-	-	-
Police	28,940	-	-	-	-
Grants and aid	15,000	-	-	447,000	-
Debt service:					
Principal	-	1,495,000	-	-	-
Interest	-	1,068,810	-	-	-
Fiscal charges	-	1,500	-	-	-
Capital outlay	35,177	-	231,461	621,150	-
Total expenditures	163,649	2,565,310	231,461	1,068,150	-
Excess (deficiency) of revenues over (under) expenditures	1,729,204	78,969	3,018,532	(271,215)	7,624
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	453,600	-
Transfers out	(1,278,500)	-	-	-	-
Total other financing sources (uses)	(1,278,500)	-	-	453,600	-
Net change in fund balances	450,704	78,969	3,018,532	182,385	7,624
Fund balances at beginning of year	1,341,414	324,922	696,288	3,484,593	160,303
Fund balances at end of year	\$ 1,792,118	\$ 403,891	\$ 3,714,820	\$ 3,666,978	\$ 167,927

Capital Projects					Total Non-Major Governmental Funds
Beach Re-nourishment	Fire Impact Fees	Law Enforcement Impact Fees	General Government Impact Fees	Total Capital Project Funds	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,607,241
-	-	-	-	-	1,271,107
-	-	-	-	-	62,088
-	257,378	205,195	258,347	720,920	785,861
33,230	-	-	-	3,754,380	4,053,967
194,693	38,395	30,836	19,494	616,820	719,771
-	-	-	-	-	129,217
227,923	295,773	236,031	277,841	5,092,120	9,629,252
41,422	-	-	-	41,422	125,954
-	-	-	-	-	28,940
-	-	-	-	447,000	462,000
-	-	-	-	-	1,495,000
-	-	-	-	-	1,068,810
-	-	-	-	-	1,500
-	-	39,036	-	891,647	926,824
41,422	-	39,036	-	1,380,069	4,109,028
186,501	295,773	196,995	277,841	3,712,051	5,520,224
250,000	-	-	-	703,600	703,600
-	-	-	-	-	(1,278,500)
250,000	-	-	-	703,600	(574,900)
436,501	295,773	196,995	277,841	4,415,651	4,945,324
3,950,281	715,952	612,105	301,214	9,920,736	11,587,072
\$ 4,386,782	\$ 1,011,725	\$ 809,100	\$ 579,055	\$ 14,336,387	\$ 16,532,396

City of Venice, Florida
Budget Comparison Schedule
Motor Fuel Tax Fund
For the Year Ended September 30, 2023

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
REVENUES				
Fuel taxes	\$ 998,500	\$ 998,500	\$ 1,271,107	\$ 272,607
Intergovernmental	207,700	207,700	277,736	70,036
Interest	2,000	2,000	23,629	21,629
Total revenues	<u>1,208,200</u>	<u>1,208,200</u>	<u>1,572,472</u>	<u>364,272</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,208,200</u>	<u>1,208,200</u>	<u>1,572,472</u>	<u>364,272</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	<u>(1,278,500)</u>	<u>(1,278,500)</u>	<u>(1,278,500)</u>	<u>-</u>
Net other financing sources (uses)	<u>(1,278,500)</u>	<u>(1,278,500)</u>	<u>(1,278,500)</u>	<u>-</u>
Net change in fund balances	(70,300)	(70,300)	293,972	364,272
Fund balances at beginning of year	<u>531,725</u>	<u>531,725</u>	<u>604,655</u>	<u>72,930</u>
Fund balances at end of year	<u>\$ 461,425</u>	<u>\$ 461,425</u>	<u>\$ 898,627</u>	<u>\$ 437,202</u>

City of Venice, Florida
Budget Comparison Schedule
Contraband Forfeiture Fund
For the Year Ended September 30, 2023

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
REVENUES				
Fees and fines	\$ 20,000	\$ 20,000	\$ 12,129	\$ (7,871)
Interest	<u>500</u>	<u>500</u>	<u>9,898</u>	<u>9,398</u>
Total revenues	<u>20,500</u>	<u>20,500</u>	<u>22,027</u>	<u>1,527</u>
EXPENDITURES				
Current:				
Police	50,000	50,000	-	50,000
Grants and aid	15,000	15,000	15,000	-
Capital outlay	<u>-</u>	<u>-</u>	<u>35,177</u>	<u>(35,177)</u>
Total expenditures	<u>65,000</u>	<u>65,000</u>	<u>50,177</u>	<u>14,823</u>
Net change in fund balances	(44,500)	(44,500)	(28,150)	16,350
Fund balances at beginning of year	<u>174,814</u>	<u>174,814</u>	<u>178,057</u>	<u>3,243</u>
Fund balances at end of year	<u>\$ 130,314</u>	<u>\$ 130,314</u>	<u>\$ 149,907</u>	<u>\$ 19,593</u>

City of Venice, Florida
Budget Comparison Schedule
Police Training Fund
For the Year Ended September 30, 2023

	<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	\$ 7,795	\$ 4,595
Interest	50	50	905	855
Total revenues	<u>3,250</u>	<u>3,250</u>	<u>8,700</u>	<u>5,450</u>
EXPENDITURES				
Current:				
Police	3,300	3,300	2,988	312
Total expenditures	<u>3,300</u>	<u>3,300</u>	<u>2,988</u>	<u>312</u>
Net change in fund balances	(50)	(50)	5,712	5,762
Fund balances at beginning of year	<u>14,849</u>	<u>14,849</u>	<u>16,820</u>	<u>1,971</u>
Fund balances at end of year	<u>\$ 14,799</u>	<u>\$ 14,799</u>	<u>\$ 22,532</u>	<u>\$ 7,733</u>

City of Venice, Florida
Budget Comparison Schedule
Police Community Fund
For the Year Ended September 30, 2023

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
REVENUES				
Interest	\$ 50	\$ 50	\$ 2,365	\$ 2,315
Miscellaneous	40,000	40,000	45,169	5,169
Total revenues	<u>40,050</u>	<u>40,050</u>	<u>47,534</u>	<u>7,484</u>
EXPENDITURES				
Current:				
Police	30,000	30,000	25,622	4,378
Grants and aid	10,000	10,000	-	10,000
Total expenditures	<u>40,000</u>	<u>40,000</u>	<u>25,622</u>	<u>14,378</u>
Net change in fund balances	50	50	21,912	21,862
Fund balances at beginning of year	<u>11,100</u>	<u>11,100</u>	<u>34,774</u>	<u>23,674</u>
Fund balances at end of year	<u>\$ 11,150</u>	<u>\$ 11,150</u>	<u>\$ 56,686</u>	<u>\$ 45,536</u>

City of Venice, Florida
Budget Comparison Schedule
Boat Registration Fees Fund
For the Year Ended September 30, 2023

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
REVENUES				
Intergovernmental	\$ 15,200	\$ 15,200	\$ 21,851	\$ 6,651
Interest	325	325	4,141	3,816
Miscellaneous	-	-	9,093	9,093
Total revenues	<u>15,525</u>	<u>15,525</u>	<u>35,085</u>	<u>19,560</u>
EXPENDITURES				
Current:				
Police	12,500	12,500	330	12,170
Grants and aid	<u>2,500</u>	<u>2,500</u>	-	<u>2,500</u>
Total expenditures	<u>15,000</u>	<u>15,000</u>	<u>330</u>	<u>14,670</u>
Net change in fund balances	525	525	34,755	34,230
Fund balances at beginning of year	<u>65,077</u>	<u>65,077</u>	<u>72,524</u>	<u>7,447</u>
Fund balances at end of year	<u>\$ 65,602</u>	<u>\$ 65,602</u>	<u>\$ 107,279</u>	<u>\$ 41,677</u>

City of Venice, Florida
Budget Comparison Schedule
Second Occupational License Fund
For the Year Ended September 30, 2023

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
REVENUES				
Licenses and permits	\$ 5,050	\$ 5,050	\$ 7,128	\$ 2,078
Interest	<u>250</u>	<u>250</u>	<u>3,044</u>	<u>2,794</u>
Total revenues	<u>5,300</u>	<u>5,300</u>	<u>10,172</u>	<u>4,872</u>
EXPENDITURES				
Current:				
Economic environment	<u>10,000</u>	<u>10,000</u>	-	<u>10,000</u>
Total expenditures	<u>10,000</u>	<u>10,000</u>	<u>-</u>	<u>10,000</u>
Net change in fund balances	(4,700)	(4,700)	10,172	14,872
Fund balances at beginning of year	<u>54,342</u>	<u>54,342</u>	<u>62,567</u>	<u>8,225</u>
Fund balances at end of year	<u>\$ 49,642</u>	<u>\$ 49,642</u>	<u>\$ 72,739</u>	<u>\$ 23,097</u>

City of Venice, Florida
Budget Comparison Schedule
Growth Management Training Fund
For the Year Ended September 30, 2023

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
REVENUES				
Interest	\$ 900	\$ 900	\$ 9,992	\$ 9,092
Miscellaneous	40,000	40,000	35,129	(4,871)
Total revenues	40,900	40,900	45,121	4,221
EXPENDITURES				
Current:				
General government	100,000	100,000	36,886	63,114
Total expenditures	100,000	100,000	36,886	63,114
Net change in fund balances	(59,100)	(59,100)	8,235	67,335
Fund balances at beginning of year	186,750	186,750	206,313	19,563
Fund balances at end of year	<u>\$ 127,650</u>	<u>\$ 127,650</u>	<u>\$ 214,548</u>	<u>\$ 86,898</u>

City of Venice, Florida
Budget Comparison Schedule
Parking Fines Handicapped Access Improvement Fund
For the Year Ended September 30, 2023

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
REVENUES				
Fees and fines	\$ 10,000	\$ 10,000	\$ 42,164	\$ 32,164
Interest	200	200	4,258	4,058
Total revenues	10,200	10,200	46,422	36,222
EXPENDITURES				
Capital outlay	-	-	-	-
Total expenditures	-	-	-	-
Net change in fund balances	10,200	10,200	46,422	36,222
Fund balances at beginning of year	36,317	36,317	62,917	26,600
Fund balances at end of year	<u>\$ 46,517</u>	<u>\$ 46,517</u>	<u>\$ 109,339</u>	<u>\$ 62,822</u>

City of Venice, Florida
Budget Comparison Schedule
Tree Mitigation Fund
For the Year Ended September 30, 2023

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
REVENUES				
Licenses and permits	\$ 40,000	\$ 40,000	\$ 57,813	\$ 17,813
Interest	40	40	2,137	2,097
Total revenues	<u>40,040</u>	<u>40,040</u>	<u>59,950</u>	<u>19,910</u>
EXPENDITURES				
Current:				
General government	<u>40,000</u>	<u>40,000</u>	<u>39,275</u>	<u>725</u>
Total expenditures	<u>40,000</u>	<u>40,000</u>	<u>39,275</u>	<u>725</u>
Net change in fund balances	40	40	20,675	20,635
Fund balances at beginning of year	<u>8,024</u>	<u>8,024</u>	<u>13,975</u>	<u>5,951</u>
Fund balances at end of year	<u>\$ 8,064</u>	<u>\$ 8,064</u>	<u>\$ 34,650</u>	<u>\$ 26,586</u>

City of Venice, Florida
Budget Comparison Schedule
Opioid Remediation Fund
For the Year Ended September 30, 2023

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
REVENUES				
Interest	\$ -	\$ -	\$ 1,256	\$ 1,256
Miscellaneous	<u>-</u>	<u>-</u>	<u>30,380</u>	<u>30,380</u>
Total revenues	<u>-</u>	<u>-</u>	<u>31,636</u>	<u>31,636</u>
EXPENDITURES				
Current:				
Public safety	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	-	-	31,636	31,636
Fund balances at beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 31,636</u>	<u>\$ 31,636</u>

City of Venice, Florida
Budget Comparison Schedule
Centennial Community Fund
For the Year Ended September 30, 2023

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
REVENUES				
Interest	\$ 300	\$ 300	\$ 2,880	\$ 2,580
Total revenues	<u>300</u>	<u>300</u>	<u>2,880</u>	<u>2,580</u>
EXPENDITURES				
Current:				
General government	<u>900</u>	<u>900</u>	<u>-</u>	<u>900</u>
Total expenditures	<u>900</u>	<u>900</u>	<u>-</u>	<u>900</u>
Net change in fund balances	(600)	(600)	2,880	3,480
Fund balances at beginning of year	<u>60,059</u>	<u>60,059</u>	<u>60,528</u>	<u>469</u>
Fund balances at end of year	<u>\$ 59,459</u>	<u>\$ 59,459</u>	<u>\$ 63,408</u>	<u>\$ 3,949</u>

City of Venice, Florida
Budget Comparison Schedule
Historical Commission Fund
For the Year Ended September 30, 2023

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
REVENUES				
Interest	\$ 100	\$ 100	\$ 1,408	\$ 1,308
Miscellaneous	<u>8,700</u>	<u>8,700</u>	<u>9,446</u>	<u>746</u>
Total revenues	<u>8,800</u>	<u>8,800</u>	<u>10,854</u>	<u>2,054</u>
EXPENDITURES				
Current:				
General government	<u>8,700</u>	<u>8,700</u>	<u>8,371</u>	<u>329</u>
Total expenditures	<u>8,700</u>	<u>8,700</u>	<u>8,371</u>	<u>329</u>
Net change in fund balances	100	100	2,483	2,383
Fund balances at beginning of year	<u>24,367</u>	<u>24,367</u>	<u>28,284</u>	<u>3,917</u>
Fund balances at end of year	<u>\$ 24,467</u>	<u>\$ 24,467</u>	<u>\$ 30,767</u>	<u>\$ 6,300</u>

City of Venice, Florida
Budget Comparison Schedule
General Obligation Bonds Fund
For the Year Ended September 30, 2023

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
REVENUES				
Taxes	\$ 2,568,400	\$ 2,568,400	\$ 2,607,241	\$ 38,841
Interest	1,400	1,400	37,038	35,638
Total revenues	<u>2,569,800</u>	<u>2,569,800</u>	<u>2,644,279</u>	<u>74,479</u>
EXPENDITURES				
Debt Service:				
Principal	1,495,000	1,495,000	1,495,000	-
Interest	1,068,893	1,068,893	1,068,810	83
Fiscal charges	1,500	1,500	1,500	-
Total expenditures	<u>2,565,393</u>	<u>2,565,393</u>	<u>2,565,310</u>	<u>83</u>
Net change in fund balances	4,407	4,407	78,969	74,562
Fund balances at beginning of year	291,610	291,610	324,922	33,312
Fund balances at end of year	<u>\$ 296,017</u>	<u>\$ 296,017</u>	<u>\$ 403,891</u>	<u>\$ 107,874</u>

City of Venice, Florida
Budget Comparison Schedule
General Capital Projects Fund
For the Year Ended September 30, 2023

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
REVENUES				
Intergovernmental	\$ 2,950,000	\$ 3,100,000	\$ 3,100,000	\$ -
Interest	1,500	1,500	149,993	148,493
Total revenues	<u>2,951,500</u>	<u>3,101,500</u>	<u>3,249,993</u>	<u>148,493</u>
EXPENDITURES				
Capital outlay	3,260,000	3,655,509	231,461	3,424,048
Total expenditures	<u>3,260,000</u>	<u>3,655,509</u>	<u>231,461</u>	<u>3,424,048</u>
Net change in fund balances	(308,500)	(554,009)	3,018,532	3,572,541
Fund balances at beginning of year	440,394	685,903	696,288	10,385
Fund balances at end of year	<u>\$ 131,894</u>	<u>\$ 131,894</u>	<u>\$ 3,714,820</u>	<u>\$ 3,582,926</u>

City of Venice, Florida
Budget Comparison Schedule
One Cent Voted Sales Tax Fund
For the Year Ended September 30, 2023

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
REVENUES				
Sales taxes	\$ 4,674,200	\$ 4,674,200	\$ 5,744,980	\$ 1,070,780
Interest	9,000	9,000	317,207	308,207
Miscellaneous	180,000	180,000	153,495	(26,505)
Total revenues	<u>4,863,200</u>	<u>4,863,200</u>	<u>6,215,682</u>	<u>1,352,482</u>
EXPENDITURES				
Capital outlay	<u>5,970,495</u>	<u>6,738,360</u>	<u>2,899,600</u>	<u>3,838,760</u>
Total expenditures	<u>5,970,495</u>	<u>6,738,360</u>	<u>2,899,600</u>	<u>3,838,760</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,107,295)</u>	<u>(1,875,160)</u>	<u>3,316,082</u>	<u>5,191,242</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	<u>(250,000)</u>	<u>(250,000)</u>	<u>(250,000)</u>	<u>-</u>
Net other financing sources (uses)	<u>(250,000)</u>	<u>(250,000)</u>	<u>(250,000)</u>	<u>-</u>
Net change in fund balances	(1,357,295)	(2,125,160)	3,066,082	5,191,242
Fund balances at beginning of year	<u>4,802,259</u>	<u>5,318,659</u>	<u>6,264,201</u>	<u>945,542</u>
Fund balances at end of year	<u>\$ 3,444,964</u>	<u>\$ 3,193,499</u>	<u>\$ 9,330,283</u>	<u>\$ 6,136,784</u>

City of Venice, Florida
Budget Comparison Schedule
Streets Capital Projects Fund
For the Year Ended September 30, 2023

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
REVENUES				
Intergovernmental	\$ 75,000	\$ 818,231	\$ 621,150	\$ (197,081)
Interest	<u>12,000</u>	<u>12,000</u>	<u>175,785</u>	<u>163,785</u>
Total revenues	<u>87,000</u>	<u>830,231</u>	<u>796,935</u>	<u>(33,296)</u>
EXPENDITURES				
Grants and aid	-	1,000,000	447,000	553,000
Capital outlay	<u>150,000</u>	<u>1,304,223</u>	<u>621,150</u>	<u>683,073</u>
Total expenditures	<u>150,000</u>	<u>2,304,223</u>	<u>1,068,150</u>	<u>1,236,073</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(63,000)</u>	<u>(1,473,992)</u>	<u>(271,215)</u>	<u>1,202,777</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	<u>453,600</u>	<u>453,600</u>	<u>453,600</u>	<u>-</u>
Net other financing sources (uses)	<u>453,600</u>	<u>453,600</u>	<u>453,600</u>	<u>-</u>
Net change in fund balances	390,600	(1,020,392)	182,385	1,202,777
Fund balances at beginning of year	<u>2,220,992</u>	<u>3,233,116</u>	<u>3,484,593</u>	<u>251,477</u>
Fund balances at end of year	<u>\$ 2,611,592</u>	<u>\$ 2,212,724</u>	<u>\$ 3,666,978</u>	<u>\$ 1,454,254</u>

City of Venice, Florida
Budget Comparison Schedule
Buildings and Renovations Fund
For the Year Ended September 30, 2023

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
REVENUES				
Interest	\$ 250	\$ 250	\$ 7,624	\$ 7,374
Total revenues	250	250	7,624	7,374
EXPENDITURES				
Capital outlay	-	-	-	-
Total expenditures	-	-	-	-
Net change in fund balances	250	250	7,624	7,374
Fund balances at beginning of year	56,734	56,734	160,303	103,569
Fund balances at end of year	<u>\$ 56,984</u>	<u>\$ 56,984</u>	<u>\$ 167,927</u>	<u>\$ 110,943</u>

City of Venice, Florida
Budget Comparison Schedule
Beach Renourishment Fund
For the Year Ended September 30, 2023

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
REVENUES				
Intergovernmental	\$ 23,420	\$ 23,420	\$ 33,230	\$ 9,810
Interest	19,500	19,500	194,693	175,193
Total revenues	42,920	42,920	227,923	185,003
EXPENDITURES				
Current:				
General government	50,000	50,000	41,422	8,578
Total expenditures	50,000	50,000	41,422	8,578
Excess (deficiency) of revenues over (under) expenditures	(7,080)	(7,080)	186,501	193,581
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	242,920	242,920	436,501	193,581
Fund balances at beginning of year	3,958,964	3,958,964	3,950,281	(8,683)
Fund balances at end of year	<u>\$ 4,201,884</u>	<u>\$ 4,201,884</u>	<u>\$ 4,386,782</u>	<u>\$ 184,898</u>

City of Venice, Florida
Budget Comparison Schedule
Fire Impact Fee Fund
For the Year Ended September 30, 2023

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
REVENUES				
Licenses and permits	\$ 147,000	\$ 147,000	\$ 257,378	\$ 110,378
Interest	200	200	38,395	38,195
Total revenues	<u>147,200</u>	<u>147,200</u>	<u>295,773</u>	<u>148,573</u>
EXPENDITURES				
Capital outlay	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	147,200	147,200	295,773	148,573
Fund balances at beginning of year	611,812	611,812	715,952	104,140
Fund balances at end of year	<u>\$ 759,012</u>	<u>\$ 759,012</u>	<u>\$ 1,011,725</u>	<u>\$ 252,713</u>

City of Venice, Florida
Budget Comparison Schedule
Law Enforcement Impact Fee Fund
For the Year Ended September 30, 2023

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
REVENUES				
Licenses and permits	\$ 116,100	\$ 116,100	\$ 205,195	\$ 89,095
Interest	200	200	30,836	30,636
Total revenues	<u>116,300</u>	<u>116,300</u>	<u>236,031</u>	<u>119,731</u>
EXPENDITURES				
Capital outlay	43,000	44,215	39,036	5,179
Total expenditures	<u>43,000</u>	<u>44,215</u>	<u>39,036</u>	<u>5,179</u>
Net change in fund balances	73,300	72,085	196,995	124,910
Fund balances at beginning of year	601,966	603,181	612,105	8,924
Fund balances at end of year	<u>\$ 675,266</u>	<u>\$ 675,266</u>	<u>\$ 809,100</u>	<u>\$ 133,834</u>

City of Venice, Florida
Budget Comparison Schedule
General Government Impact Fee Fund
For the Year Ended September 30, 2023

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
REVENUES				
Licenses and permits	\$ 147,900	\$ 147,900	\$ 258,347	\$ 110,447
Interest	100	100	19,494	19,394
Total revenues	<u>148,000</u>	<u>148,000</u>	<u>277,841</u>	<u>129,841</u>
EXPENDITURES				
Capital outlay	<u>110,000</u>	<u>110,000</u>	<u>-</u>	<u>110,000</u>
Total expenditures	<u>110,000</u>	<u>110,000</u>	<u>-</u>	<u>110,000</u>
Net change in fund balances	38,000	38,000	277,841	239,841
Fund balances at beginning of year	<u>270,104</u>	<u>270,104</u>	<u>301,214</u>	<u>31,110</u>
Fund balances at end of year	<u><u>\$ 308,104</u></u>	<u><u>\$ 308,104</u></u>	<u><u>\$ 579,055</u></u>	<u><u>\$ 270,951</u></u>

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, 2023

	Governmental Activities		
	Employees' Group Health and Life Insurance	Workers' Compensation Self Insurance	Employee Flexible Spending
ASSETS			
Current assets:			
Pooled cash and investments	\$ 8,700,352	\$ 1,591,747	\$ 23,461
Other cash	-	20,552	-
Accounts receivable (net)	31,539	-	1,094
Total current assets	<u>8,731,891</u>	<u>1,612,299</u>	<u>24,555</u>
Noncurrent assets:			
Capital assets:			
Machinery and equipment	-	-	-
Less accumulated depreciation	<u>-</u>	<u>-</u>	<u>-</u>
Total capital assets	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>8,731,891</u>	<u>1,612,299</u>	<u>24,555</u>
LIABILITIES			
Current liabilities:			
Accounts payable	1,262,460	7,206	-
Accrued liabilities	6,978	1,059	-
Accrued insurance claims	<u>267,223</u>	<u>702,000</u>	<u>-</u>
Total liabilities	<u>1,536,661</u>	<u>710,265</u>	<u>-</u>
NET POSITION			
Net investment in capital assets	-	-	-
Unrestricted	<u>7,195,230</u>	<u>902,034</u>	<u>24,555</u>
Total net position	<u>\$ 7,195,230</u>	<u>\$ 902,034</u>	<u>\$ 24,555</u>

Governmental Activities

Property and Liability Insurance	Fleet Replacement	Total Internal Service Funds
\$ 1,115,204	\$ 12,660,109	\$ 24,090,873
-	-	20,552
-	-	32,633
<u>1,115,204</u>	<u>12,660,109</u>	<u>24,144,058</u>
-	26,304,751	26,304,751
-	(12,435,914)	(12,435,914)
-	<u>13,868,837</u>	<u>13,868,837</u>
<u>1,115,204</u>	<u>26,528,946</u>	<u>38,012,895</u>
-	38,018	1,307,684
876	-	8,913
-	-	969,223
<u>876</u>	<u>38,018</u>	<u>2,285,820</u>
-	13,868,837	13,868,837
<u>1,114,328</u>	<u>12,622,091</u>	<u>21,858,238</u>
<u>\$ 1,114,328</u>	<u>\$ 26,490,928</u>	<u>\$ 35,727,075</u>

City of Venice, Florida
Statement of Revenues, Expenses and Changes in Fund Net Position
Internal Service Funds
For Fiscal Year Ended September 30, 2023

	Governmental Activities		
	Employees' Group Health and Life Insurance	Workers' Compensation Self Insurance	Employee Flexible Spending
OPERATING REVENUES			
Interfund charges	\$ 5,771,066	\$ 671,717	\$ -
Miscellaneous	2,622,837	46,931	124,855
Total operating revenues	8,393,903	718,648	124,855
OPERATING EXPENSES			
Personal services	113,039	63,015	-
Insurance	1,587,200	149,728	-
Professional services	411,477	34,374	2,998
Claims	6,181,605	195,555	-
Other services and charges	-	-	125,515
Depreciation	-	-	-
Total operating expenses	8,293,321	442,672	128,513
Operating income (loss)	100,582	275,976	(3,658)
NON OPERATING REVENUES (EXPENSES)			
Interest earnings	396,402	69,373	-
Disposition of capital assets	-	-	-
Net non-operating revenues (expenses)	396,402	69,373	-
Income (loss) before contributions and transfers	496,984	345,349	(3,658)
CAPITAL CONTRIBUTIONS			
Capital assets transferred in from governmental funds	-	-	-
TRANSFERS			
Transfers in	-	-	5,000
Transfers out	(5,000)	-	-
Change in net position	491,984	345,349	1,342
Total net position at beginning of year	6,703,246	556,685	23,213
Total net position at end of year	\$ 7,195,230	\$ 902,034	\$ 24,555

Governmental Activities

Property and Liability Insurance	Fleet Replacement	Total Internal Service Funds
\$ 1,364,052	\$ 2,917,094	\$ 10,723,929
142,817	-	2,937,440
1,506,869	2,917,094	13,661,369
51,437	-	227,491
1,396,230	-	3,133,158
51,518	-	500,367
-	-	6,377,160
-	-	125,515
-	1,984,880	1,984,880
1,499,185	1,984,880	12,348,571
7,684	932,214	1,312,798
43,980	528,791	1,038,546
-	263,327	263,327
43,980	792,118	1,301,873
51,664	1,724,332	2,614,671
-	614,265	614,265
-	1,357,898	1,362,898
-	-	(5,000)
51,664	3,696,495	4,586,834
1,062,664	22,794,433	31,140,241
\$ 1,114,328	\$ 26,490,928	\$ 35,727,075

City of Venice, Florida
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended September 30, 2023

	Governmental Activities		
	Employees' Group Health and Life Insurance	Workers' Compensation Self Insurance	Employee Flexible Spending
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers	\$ 2,592,692	\$ 46,931	\$ 124,855
Interfund charges	5,771,066	671,717	-
Payments to suppliers	(1,715,651)	(176,896)	(128,513)
Payments to employees	(112,696)	(63,136)	-
Claims paid	(6,198,723)	(290,555)	-
Net cash provided (used) by operating activities	<u>336,688</u>	<u>188,061</u>	<u>(3,658)</u>
CASH FLOWS FROM NONCAPITAL AND RELATED FINANCING ACTIVITIES			
Transfers in from other funds	-	-	5,000
Transfers out to other funds	(5,000)	-	-
Net cash provided (used) by noncapital and related financing activities	<u>(5,000)</u>	<u>-</u>	<u>5,000</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	396,402	69,373	-
Net cash provided (used) by investing activities	<u>396,402</u>	<u>69,373</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents	728,090	257,434	1,342
Cash and cash equivalents at beginning of year	7,972,262	1,354,865	22,119
Cash and cash equivalents at end of year	<u>\$ 8,700,352</u>	<u>\$ 1,612,299</u>	<u>\$ 23,461</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating income (loss)	\$ 100,582	\$ 275,976	\$ (3,658)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation	-	-	-
Change in assets and liabilities:			
Accounts receivable	(30,145)	-	-
Accounts payable	283,026	7,206	-
Accrued liabilities	343	(121)	-
Accrued claims	(17,118)	(95,000)	-
Net cash provided (used) by operating activities	<u>\$ 336,688</u>	<u>\$ 188,061</u>	<u>\$ (3,658)</u>

Supplemental disclosure of noncash investing, capital and financing activities:

Capital assets with a cost of \$2,295,226 and accumulated depreciation of \$1,680,961 (book value of \$614,265) were transferred into the fleet replacement fund from other governmental activities.

Capital assets with a cost of \$2,340,461 and accumulated depreciation of \$2,254,218 (book value of \$86,243) were transferred into the fleet replacement fund from enterprise funds.

Governmental Activities

Property and Liability Insurance	Fleet Replacement	Total Governmental Activities
\$ 142,817	\$ -	\$ 2,907,295
1,364,052	2,917,094	10,723,929
(1,500,103)	38,018	(3,483,145)
(51,583)	-	(227,415)
-	-	(6,489,278)
<u>(44,817)</u>	<u>2,955,112</u>	<u>3,431,386</u>
-	1,271,655	1,276,655
<u>-</u>	<u>-</u>	<u>(5,000)</u>
-	1,271,655	1,271,655
<u>-</u>	<u>-</u>	<u>-</u>
-	(1,994,770)	(1,994,770)
<u>-</u>	<u>263,636</u>	<u>263,636</u>
-	(1,731,134)	(1,731,134)
<u>43,980</u>	<u>528,791</u>	<u>1,038,546</u>
<u>43,980</u>	<u>528,791</u>	<u>1,038,546</u>
(837)	3,024,424	4,010,453
1,116,041	9,635,685	20,100,972
<u>\$ 1,115,204</u>	<u>\$ 12,660,109</u>	<u>\$ 24,111,425</u>
\$ 7,684	\$ 932,214	\$ 1,312,798
-	1,984,880	1,984,880
-	-	(30,145)
(52,355)	38,018	275,895
(146)	-	76
-	-	(112,118)
<u>(44,817)</u>	<u>2,955,112</u>	<u>3,431,386</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, 2023

	Police Officers' Retirement	Firefighters' Retirement	Total Pension Funds
ASSETS			
Cash and cash equivalents	\$ 655,412	\$ 666,799	\$ 1,322,211
Receivables:			
Interest and dividends	57,010	39,260	96,270
Contributions	29,926	99,011	128,937
Due from Other Governments	-	157,089	157,089
Total receivables	86,936	295,360	382,296
Investments, at fair value:			
U.S. Government and agency obligations	4,160,176	2,400,867	6,561,043
Mortgage-backed obligations	3,785,970	3,737,374	7,523,344
Domestic equities	18,541,172	6,082,382	24,623,554
Foreign equities	918,776	249,729	1,168,505
Corporate obligations	1,202,583	489,616	1,692,199
Fixed income mutual funds	-	1,174,825	1,174,825
Real estate investment funds	3,922,425	3,283,553	7,205,978
Domestic equity mutual funds	-	8,863,977	8,863,977
Foreign equity mutual funds	5,443,503	4,255,792	9,699,295
Total investments	37,974,605	30,538,115	68,512,720
Total assets	38,716,953	31,500,274	70,217,227
LIABILITIES			
Accounts payable	-	25,863	25,863
NET POSITION			
Restricted for pension benefits	\$ 38,716,953	\$ 31,474,411	\$ 70,191,364

City of Venice, Florida
Combining Statement of Changes in Fiduciary Net Position
Pension Trust Funds
For the Year Ended September 30, 2023

	Police Officers' Retirement	Firefighters' Retirement	Total Pension Funds
ADDITIONS			
Contributions:			
Employer	\$ 805,780	\$ 2,492,308	\$ 3,298,088
Plan members	5,955	94,016	99,971
State of Florida (passed through general fund)	329,608	445,929	775,537
Total contributions	1,141,343	3,032,253	4,173,596
Investment income:			
Net appreciation (depreciation) in fair value of investments	2,791,566	2,105,026	4,896,592
Interest and dividends	880,239	804,857	1,685,096
Investment income (loss)	3,671,805	2,909,883	6,581,688
Less investment expenses	(205,730)	(131,271)	(337,001)
Net investment income (loss)	3,466,075	2,778,612	6,244,687
Total additions	4,607,418	5,810,865	10,418,283
DEDUCTIONS			
Benefit payments, including refunds of contributions	3,337,333	2,987,738	6,325,071
Administrative expense	80,584	69,551	150,135
Total deductions	3,417,917	3,057,289	6,475,206
Change in net position	1,189,501	2,753,576	3,943,077
Net position restricted for pension benefits at beginning of year	37,527,452	28,720,835	66,248,287
Net position restricted for pension benefits at end of year	\$ 38,716,953	\$ 31,474,411	\$ 70,191,364



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STATISTICAL SECTION

(UNAUDITED)



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STATISTICAL SECTION

This part of the City of Venice’s annual comprehensive 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			
	2023	2022	2021	2020
Governmental activities				
Net investment in capital assets	\$ 84,825,477	\$ 82,338,073	\$ 77,179,650	\$ 66,199,215
Restricted	28,043,994	23,991,055	19,059,120	21,697,921
Unrestricted	(873,456)	(5,402,783)	(12,535,351)	(20,992,013)
Total governmental activities net position	<u>\$ 111,996,015</u>	<u>\$ 100,926,345</u>	<u>\$ 83,703,419</u>	<u>\$ 66,905,123</u>
Business-type activities				
Net investment in capital assets	\$ 125,578,080	\$ 120,212,199	\$ 114,378,532	\$ 111,094,189
Restricted	24,202,385	18,439,885	14,047,796	11,688,827
Unrestricted	48,834,061	45,237,937	39,338,235	34,808,932
Total business-type activities net position	<u>\$ 198,614,526</u>	<u>\$ 183,890,021</u>	<u>\$ 167,764,563</u>	<u>\$ 157,591,948</u>
Primary government				
Net investment in capital assets	\$ 210,403,557	\$ 202,550,272	\$ 191,558,182	\$ 177,293,404
Restricted	52,246,379	42,430,940	33,106,916	33,386,748
Unrestricted	47,960,605	39,835,154	26,802,884	13,816,919
Total primary government net position	<u>\$ 310,610,541</u>	<u>\$ 284,816,366</u>	<u>\$ 251,467,982</u>	<u>\$ 224,497,071</u>

Schedule 1

Fiscal Year					
2019	2018	2017	2016	2015	2014
\$ 61,248,557	\$ 55,852,721	\$ 52,885,644	\$ 53,650,492	\$ 52,302,676	\$ 49,065,887
19,644,583	16,565,828	14,064,748	11,431,796	10,944,412	4,208,000
(18,089,714)	(20,022,101)	(20,950,436)	(20,582,734)	(17,074,877)	13,368,134
<u>\$ 62,803,426</u>	<u>\$ 52,396,448</u>	<u>\$ 45,999,956</u>	<u>\$ 44,499,554</u>	<u>\$ 46,172,211</u>	<u>\$ 66,642,021</u>
\$ 100,726,901	\$ 99,146,832	\$ 98,987,903	\$ 99,361,353	\$ 91,881,058	\$ 82,198,144
11,136,445	11,623,715	9,295,950	9,016,054	9,343,400	9,106,093
35,481,130	32,650,607	30,522,933	24,798,266	21,145,069	21,877,048
<u>\$ 147,344,476</u>	<u>\$ 143,421,154</u>	<u>\$ 138,806,786</u>	<u>\$ 133,175,673</u>	<u>\$ 122,369,527</u>	<u>\$ 113,181,285</u>
\$ 161,975,458	\$ 154,999,553	\$ 151,873,547	\$ 153,011,845	\$ 144,183,734	\$ 131,264,031
30,781,028	28,189,543	23,360,698	20,447,850	20,287,812	13,314,093
17,391,416	12,628,506	9,572,497	4,215,532	4,070,192	35,245,182
<u>\$ 210,147,902</u>	<u>\$ 195,817,602</u>	<u>\$ 184,806,742</u>	<u>\$ 177,675,227</u>	<u>\$ 168,541,738</u>	<u>\$ 179,823,306</u>

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

Schedule 2

Expenses	Fiscal Year			
	2023	2022	2021	2020
Governmental activities				
General government	\$ 13,954,256	\$ 6,770,422	\$ 6,840,270	\$ 6,261,718
Finance	1,892,758	1,525,605	1,481,207	1,643,763
Information services	2,038,506	1,747,542	1,662,718	1,561,511
Parks & recreation	3,036,517	2,654,583	2,372,866	2,381,201
Police	14,639,540	10,950,233	7,861,030	11,263,055
Fire and EMS	15,856,373	12,658,003	11,610,186	10,914,091
Public works	6,106,188	4,822,000	4,734,041	4,222,303
Beach renourishment	-	-	-	-
Interest on long-term debt	896,845	935,329	1,006,887	1,035,615
Total governmental activities	<u>58,420,983</u>	<u>42,063,717</u>	<u>37,569,205</u>	<u>39,283,257</u>
Business-type activities				
Water and sewer utility	23,669,526	20,739,816	20,126,594	19,562,992
Solid waste	10,955,023	5,913,985	5,371,769	6,446,564
Airport	4,092,773	3,844,544	3,621,227	3,661,016
Storm water drainage	2,329,704	2,151,685	1,878,600	2,011,764
Total business-type activities	<u>41,047,026</u>	<u>32,650,030</u>	<u>30,998,190</u>	<u>31,682,336</u>
Total primary government	<u>\$ 99,468,009</u>	<u>\$ 74,713,747</u>	<u>\$ 68,567,395</u>	<u>\$ 70,965,593</u>
Program Revenues				
Governmental activities				
Charges for services				
General government	\$ 4,626,539	\$ 6,012,048	\$ 5,581,857	\$ 3,771,115
Police	2,087	1,994	1,983	1,757
Fire and EMS	2,151,861	1,957,145	1,897,103	34,150
Operating grants and contributions	1,025,551	1,706,839	2,403,035	824,264
Capital grants and contributions	4,595,566	3,121,771	2,066,068	1,366,590
Total governmental activities	<u>12,401,604</u>	<u>12,799,797</u>	<u>11,950,046</u>	<u>5,997,876</u>
Business-type activities				
Charges for services				
Water and sewer utility	28,195,157	26,578,818	25,952,960	27,214,709
Solid waste	7,708,550	7,697,626	7,444,463	7,030,178
Airport	2,298,184	2,386,516	2,258,031	2,221,747
Storm water drainage	3,507,384	3,219,549	2,433,740	1,620,178
Operating grants and contributions	38,700	5,295	227,724	367,011
Capital grants and contributions	15,111,486	11,748,379	6,831,498	5,976,691
Total business-type activities	<u>56,859,461</u>	<u>51,636,183</u>	<u>45,148,416</u>	<u>44,430,514</u>
Total primary government	<u>\$ 69,261,065</u>	<u>\$ 64,435,980</u>	<u>\$ 57,098,462</u>	<u>\$ 50,428,390</u>

Schedule 2

Fiscal Year					
2019	2018	2017	2016	2015	2014
\$ 6,237,711	\$ 7,391,960	\$ 7,444,298	\$ 6,256,467	\$ 4,971,377	\$ 4,474,822
1,583,824	1,434,720	1,310,820	1,445,224	1,327,639	1,205,358
1,426,812	1,321,336	1,204,449	1,103,661	930,268	926,971
2,233,509	2,183,647	2,200,809	2,033,492	1,902,949	5,402,255
10,246,062	11,483,134	10,010,304	9,612,374	9,122,052	8,132,658
8,420,748	8,141,917	8,403,776	7,701,186	7,522,111	6,780,381
3,985,668	3,287,816	2,809,258	2,754,047	3,196,019	2,260,453
-	-	-	7,194,623	-	-
1,037,889	1,053,916	954,628	154,484	164,892	278,728
35,172,223	36,298,446	34,338,342	38,255,558	29,137,307	29,461,626
19,098,039	20,439,286	18,234,994	15,864,009	15,399,504	14,912,950
6,284,205	5,991,508	5,233,081	4,584,448	4,400,676	4,436,619
3,626,330	3,292,425	2,463,977	2,329,077	3,101,428	2,316,491
1,547,742	1,806,949	1,507,749	1,248,508	971,776	1,136,533
30,556,316	31,530,168	27,439,801	24,026,042	23,873,384	22,802,593
\$ 65,728,539	\$ 67,828,614	\$ 61,778,143	\$ 62,281,600	\$ 53,010,691	\$ 52,264,219
\$ 4,143,634	\$ 4,687,529	\$ 3,637,318	\$ 3,518,295	\$ 2,877,449	\$ 2,685,997
173	-	-	-	-	-
63,491	65,780	-	-	-	-
1,262,808	702,592	1,822,632	2,961,887	745,310	828,956
2,396,281	778,354	472,029	1,223,537	3,217,028	310,309
7,866,387	6,234,255	5,931,979	7,703,719	6,839,787	3,825,262
24,071,196	24,566,121	23,325,175	22,414,162	20,992,313	20,746,517
6,763,082	6,103,515	5,746,326	5,325,375	5,294,321	5,270,417
2,145,443	2,024,005	1,992,621	1,811,426	1,926,773	2,064,538
1,583,737	1,561,333	1,498,618	1,555,512	1,463,535	1,370,008
299,741	16,789	18,924	14,945	41,777	30,100
1,760,398	5,831,302	1,709,815	8,109,307	8,730,593	2,754,510
36,623,597	40,103,065	34,291,479	39,230,727	38,449,312	32,236,090
\$ 44,489,984	\$ 46,337,320	\$ 40,223,458	\$ 46,934,446	\$ 45,289,099	\$ 36,061,352

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

Schedule 2

	Fiscal Year			
	2023	2022	2021	2020
Net (Expense)/Revenue				
Governmental activities	\$ (46,019,379)	\$ (29,263,920)	\$ (25,619,159)	\$ (33,285,381)
Business-type activities	15,812,435	18,986,153	14,150,226	12,748,178
Primary government	<u>\$ (30,206,944)</u>	<u>\$ (10,277,767)</u>	<u>\$ (11,468,933)</u>	<u>\$ (20,537,203)</u>
General Revenues and Other Changes in Net Position				
Governmental activities				
Property taxes	\$ 26,806,503	\$ 22,886,021	\$ 21,512,830	\$ 17,731,625
Sales taxes	8,499,960	7,590,403	6,605,589	5,858,552
Utility services taxes	3,702,928	3,153,470	2,855,635	2,791,724
Franchise fees	3,480,028	3,045,283	2,576,962	2,422,047
Intergovernmental	4,696,515	4,164,490	3,292,722	2,894,707
Investment earnings	3,794,995	244,420	78,609	979,783
Miscellaneous	2,147,975	1,920,617	1,398,551	1,599,845
Special Item	-	-	-	-
Transfers, net	3,960,145	3,482,142	4,096,557	3,108,795
Total governmental activities	<u>57,089,049</u>	<u>46,486,846</u>	<u>42,417,455</u>	<u>37,387,078</u>
Business-type activities				
Investment earnings	2,829,990	524,447	56,696	601,189
Gain on asset sales	-	-	-	-
Miscellaneous	42,225	97,000	62,250	6,900
Transfers, net	(3,960,145)	(3,482,142)	(4,096,557)	(3,108,795)
Total business-type activities	<u>(1,087,930)</u>	<u>(2,860,695)</u>	<u>(3,977,611)</u>	<u>(2,500,706)</u>
Total primary government	<u>56,001,119</u>	<u>43,626,151</u>	<u>38,439,844</u>	<u>34,886,372</u>
Change in Net Position				
Governmental activities	11,069,670	17,222,926	16,798,296	4,101,697
Business-type activities	14,724,505	16,125,458	10,172,615	10,247,472
Primary government	<u>\$ 25,794,175</u>	<u>\$ 33,348,384</u>	<u>\$ 26,970,911</u>	<u>\$ 14,349,169</u>

Schedule 2

Fiscal Year					
2019	2018	2017	2016	2015	2014
\$ (27,305,836)	\$ (30,064,191)	\$ (28,406,363)	\$ (30,551,839)	\$ (22,297,520)	\$ (25,636,364)
6,067,281	8,572,897	6,851,678	15,204,685	14,575,928	9,433,497
<u>\$ (21,238,555)</u>	<u>\$ (21,491,294)</u>	<u>\$ (21,554,685)</u>	<u>\$ (15,347,154)</u>	<u>\$ (7,721,592)</u>	<u>\$ (16,202,867)</u>
\$ 17,059,106	\$ 15,778,381	\$ 12,874,039	\$ 10,255,897	\$ 9,620,785	\$ 8,946,291
5,936,490	5,594,380	5,725,871	5,615,140	5,479,373	5,109,151
2,770,328	2,702,317	2,629,333	2,564,309	2,494,179	2,402,437
2,418,997	2,414,825	2,393,474	2,305,140	2,337,425	2,213,124
3,163,492	2,937,739	2,391,413	2,240,615	2,128,987	1,902,549
1,891,529	1,000,125	94,685	93,739	240,218	327,007
1,210,697	1,364,448	1,415,113	1,329,299	1,149,849	801,527
-	-	-	-	1,444,163	(5,123,295)
3,262,175	4,668,468	3,597,117	4,475,043	2,746,712	2,660,819
<u>37,712,814</u>	<u>36,460,683</u>	<u>31,121,045</u>	<u>28,879,182</u>	<u>27,641,691</u>	<u>19,239,610</u>
1,105,916	705,814	382,799	60,185	340,372	334,752
-	-	-	-	-	2,675,000
12,300	4,125	60,934	16,319	-	-
(3,262,175)	(4,668,468)	(3,597,117)	(4,475,043)	(2,746,712)	(2,660,819)
<u>(2,143,959)</u>	<u>(3,958,529)</u>	<u>(3,153,384)</u>	<u>(4,398,539)</u>	<u>(2,406,340)</u>	<u>348,933</u>
<u>35,568,855</u>	<u>32,502,154</u>	<u>27,967,661</u>	<u>24,480,643</u>	<u>25,235,351</u>	<u>19,588,543</u>
10,406,978	6,396,492	2,714,682	(1,672,657)	5,344,171	(6,396,754)
3,923,322	4,614,368	3,698,294	10,806,146	12,169,588	9,782,430
<u>\$ 14,330,300</u>	<u>\$ 11,010,860</u>	<u>\$ 6,412,976</u>	<u>\$ 9,133,489</u>	<u>\$ 17,513,759</u>	<u>\$ 3,385,676</u>

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

Schedule 3

	Fiscal Year			
	2023	2022	2021	2020
General Fund				
Nonspendable	\$ 59,975	\$ 56,287	\$ 42,281	\$ 29,089
Restricted	-	-	-	-
Committed	1,466,488	317,595	519,512	169,733
Assigned	-	-	-	-
Unassigned	24,802,497	19,922,318	16,319,347	13,449,947
Total general fund	<u>26,328,960</u>	<u>20,296,200</u>	<u>16,881,140</u>	<u>13,648,769</u>
All Other Governmental Funds				
Restricted, reported in:				
Special revenue funds (1)	4,939,763	8,314,093	6,513,870	8,471,494
Debt service funds	403,891	324,922	291,484	266,668
Capital project funds	22,889,486	15,558,970	12,477,803	13,965,996
Committed, reported in:				
Special revenue funds (1)	416,112	371,667	329,542	278,819
Capital project funds	777,184	625,967	792,832	767,926
Total all other governmental funds	<u>29,426,436</u>	<u>25,195,619</u>	<u>20,405,531</u>	<u>23,750,903</u>
Total governmental funds	<u>\$ 55,755,396</u>	<u>\$ 45,491,819</u>	<u>\$ 37,286,671</u>	<u>\$ 37,399,672</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					
2019	2018	2017	2016	2015	2014
\$ 38,053	\$ 67,793	\$ 38,099	\$ 21,707	\$ 40,896	\$ 352,249
-	-	-	-	170,000	170,000
336,521	392,597	190,800	477,246	307,089	189,643
1,190,636	1,743,859	1,482,243	-	-	-
12,278,577	10,803,596	10,598,103	10,737,128	11,685,780	9,820,800
<u>13,843,787</u>	<u>13,007,845</u>	<u>12,309,245</u>	<u>11,236,081</u>	<u>12,203,765</u>	<u>10,532,692</u>
8,370,939	6,767,666	9,431,556	9,219,624	2,980,968	3,254,145
325,103	384,619	257,291	225,578	718,797	703,855
26,873,182	33,388,427	35,640,738	2,011,758	7,244,647	3,294,891
239,067	213,438	195,776	186,946	2,577,347	1,964,755
769,909	1,029,687	1,435,159	1,388,997	1,819,531	4,522,841
36,578,200	41,783,837	46,960,520	13,032,903	15,341,290	13,740,487
<u>\$ 50,421,987</u>	<u>\$ 54,791,682</u>	<u>\$ 59,269,765</u>	<u>\$ 24,268,984</u>	<u>\$ 27,545,055</u>	<u>\$ 24,273,179</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			
	2023	2022	2021	2020
Revenues:				
Taxes	\$ 39,784,928	\$ 34,106,946	\$ 31,400,230	\$ 26,808,899
Franchise fees	3,480,028	3,045,283	2,576,962	2,422,047
Fees and fines	112,586	105,046	120,753	29,817
Licenses & permits	5,056,479	7,010,286	6,098,444	3,811,818
Intergovernmental revenues	8,664,779	7,203,691	6,450,510	4,722,991
Charges for services	2,332,342	2,184,415	2,042,030	249,380
Investment income	2,756,449	179,822	55,964	756,365
Miscellaneous	2,038,144	1,980,111	1,341,619	1,270,082
Total Revenues	64,225,735	55,815,600	50,086,512	40,071,399
Expenditures				
General government services	17,013,249	10,975,051	10,514,461	9,844,707
Public safety	25,128,749	23,088,273	22,086,332	19,431,084
Public works (incl. parks and rec)	5,067,639	4,370,565	3,852,693	3,667,566
Beach renourishment	-	-	-	-
Capital outlay	6,021,673	7,564,963	13,088,103	22,617,137
Grants and aid	462,000	10,750	533,972	1,999
Debt service				
Principal	1,774,900	1,706,769	1,803,873	1,428,000
Interest	1,094,695	1,162,191	1,222,280	1,249,085
Bond issuance costs/fiscal charges	1,500	1,500	1,500	46,250
Total Expenditures	56,564,405	48,880,062	53,103,214	58,285,828
Excess (deficiency) of revenues over (under) expenditures	7,661,330	6,935,538	(3,016,702)	(18,214,429)
Other financing sources (uses)				
Transfers from other funds	4,878,021	4,853,402	4,790,219	4,775,832
Transfers to other funds	(2,275,774)	(3,583,792)	(1,886,518)	(1,973,322)
Issuance of long-term debt	-	-	-	3,482,000
Lease proceeds	-	-	-	1,400,720
Principal paid - current refunding	-	-	-	(3,482,000)
Sale of capital asset	-	-	-	988,884
Total other financing sources (uses)	2,602,247	1,269,610	2,903,701	5,192,114
Special item	-	-	-	-
Net change in fund balance	\$ 10,263,577	\$ 8,205,148	\$ (113,001)	\$ (13,022,315)
Debt service as a percentage of non- capital expenditures	5.68%	6.94%	7.56%	7.51%

Schedule 4

Fiscal Year					
2019	2018	2017	2016	2015	2014
\$ 26,166,478	\$ 24,486,337	\$ 21,229,243	\$ 18,435,346	\$ 17,594,337	\$ 16,457,879
2,418,997	2,414,825	2,393,474	2,305,140	2,337,425	2,213,124
145,043	67,849	28,356	45,089	47,385	53,187
4,186,105	4,578,996	3,363,941	3,353,782	2,755,529	2,526,188
5,774,435	3,612,653	4,310,989	6,426,039	6,091,325	3,041,814
199,101	180,995	245,021	119,424	74,535	106,622
1,600,610	855,795	36,749	77,751	197,735	299,432
1,279,351	1,340,244	1,350,175	1,306,501	1,149,849	801,527
41,770,120	37,537,694	32,957,948	32,069,072	30,248,120	25,499,773
10,586,227	9,369,880	8,292,732	7,825,328	7,087,380	6,263,354
17,772,506	16,829,154	16,360,912	16,325,110	14,134,827	14,206,286
3,593,082	3,271,884	2,944,217	2,791,477	3,295,185	4,359,168
-	-	-	6,573,491	-	-
14,211,582	12,386,685	5,508,898	3,542,378	4,999,251	4,488,149
108,250	550,000	-	-	-	-
1,379,000	1,121,000	406,000	895,000	387,000	787,000
1,310,094	1,273,364	134,314	156,235	166,607	304,299
1,700	1,500	673,064	-	-	-
48,962,441	44,803,467	34,320,137	38,109,019	30,070,250	30,408,256
(7,192,321)	(7,265,773)	(1,362,189)	(6,039,947)	177,870	(4,908,483)
4,664,347	4,312,627	4,235,660	4,555,145	5,664,450	5,203,134
(1,841,721)	(1,874,937)	(1,868,651)	(1,791,269)	(4,014,607)	(3,671,110)
-	350,000	33,995,961	-	-	6,458,000
-	-	-	-	-	-
-	-	-	-	-	(6,458,000)
-	-	-	-	-	-
2,822,626	2,787,690	36,362,970	2,763,876	1,649,843	7,990,024
-	-	-	-	1,444,163	-
\$ (4,369,695)	\$ (4,478,083)	\$ 35,000,781	\$ (3,276,071)	\$ 3,271,876	\$ 3,081,541
7.74%	7.39%	1.88%	3.04%	2.21%	4.21%

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			
2023	\$ 6,553,365,089	\$ 376,900,144	\$ 1,202,403,565	\$ 5,727,861,668	4.829
2022	5,398,873,191	299,888,680	874,982,536	4,823,779,335	4.917
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

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	
2023	4.360	0.469	4.829	4.528	6.272	0.226	15.855
2022	4.360	0.557	4.917	4.538	6.709	0.254	16.418
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

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
2023	\$ 27,659,844	\$ 26,794,977	96.9%	\$ 153	\$ 26,795,130	96.9%
2022	23,718,523	22,879,205	96.5%	6,519	22,885,724	96.5%
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%

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	
2023	\$ 30,145,138	\$ 16,375,241	\$ 13,769,897	\$ 2,102,471	\$ 845,828	4.7
2022	26,727,646	13,671,919	13,055,727	1,933,212	1,007,650	4.4
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

(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
Three Fiscal Years

Fiscal Year	Stormwater Charges and other ⁽¹⁾	Less: Operating Expenses ⁽²⁾	Net Available Revenue	Debt Service		Coverage ⁽³⁾
				Principal	Interest	
2023	\$ 3,665,792	\$ 1,906,065	\$ 1,759,727	\$ 24,559	\$ 4,268	61.0
2022	3,229,121	1,727,824	1,501,297	24,345	4,483	52.1
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
2023	\$ 26,806,503	\$ 8,499,960	\$ 3,702,928	\$ 39,009,391
2022	22,886,021	7,590,404	3,153,470	33,629,895
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

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			
2023	\$ 29,302,051	\$ -	\$ 585,178	\$ 28,462,931	\$ 6,766,543	\$ 65,116,703	3.27%	2,343
2022	30,978,617	-	865,078	29,870,360	7,491,622	69,205,677	3.87%	2,589
2021	32,624,872	-	1,136,847	31,247,789	7,293,965	72,303,473	5.85%	2,770
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

(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
2023	\$ 5,727,861,668	27,793	\$ 29,302,051	\$ 214,745	\$ 29,087,306	0.51%	\$ 1,046.57
2022	4,823,779,335	26,728	30,978,617	117,992	30,860,625	0.64%	1,154.62
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

(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, 2023

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	\$ 29,887,229	100%	\$ 29,887,229
Sarasota County School Board	233,662,822 ^(a)	6.96% ^(c)	16,262,932
Sarasota County	325,753,608 ^(b)	6.96% ^(c)	22,672,451
Subtotal, overlapping debt	<u>559,416,430</u>		<u>38,935,383</u>
Total direct and overlapping debt	<u>\$ 589,303,659</u>		<u>\$ 68,822,612</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	\$ 5,727,861,668
by the total taxable valuation of Sarasota County	\$ 82,301,462,710

City of Venice, Florida
Demographic and Economic Statistics
Last Ten Fiscal Years

Schedule 13

Fiscal Year	Population (a)	Personal Income (b)	Per Capita Personal Income (c)	Unemployment Rate (d)
2023	27,793	\$ 1,993,452,925	\$ 71,725	3.4%
2022	26,728	1,789,733,608	66,961	2.5%
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%

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 FY2023 (in 2022 dollars), 2018-2022
- (c) U.S. Census Bureau - For FY2022 (in 2021 dollars), 2017-2021
- (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	2023			2014		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
MHC Bay Indies LLC	\$ 105,652,025	1	1.84%	\$ 49,610,000	2	1.76%
JLLX Reserve at Venice	73,147,500	2	1.28%	-		0.00%
Visterra Associates	67,981,560	3	1.19%	-		0.00%
TGVF, LLC	56,869,100	4	0.99%	-		0.00%
Venice FL Senior Housing	50,638,390	5	0.88%	38,223,542	4	1.35%
PGT Industries	46,579,477	6	0.81%	47,142,459	3	1.67%
SW Florida Retirement Center	40,887,207	7	0.71%	13,787,373	8	0.49%
Meritage Homes of Florida	31,651,800	8	0.55%	-		0.00%
Heartis Venice, LLC	30,377,710	9	0.53%	-		0.00%
Neal Communities/Signature Homes	21,541,004	10	0.38%	-		0.00%
Venice Regional Medical Center	-		-	66,857,532	1	2.37%
Florida Power & Light	-		-	24,857,572	5	0.88%
Publix Supermarkets	-		-	15,371,130	6	0.54%
Tervis	-		-	15,016,805	7	0.53%
CSH-ING Bella Vita LP	-		-	11,486,600	9	0.41%
Verizon	-		-	10,952,534	10	0.39%
Totals	<u>\$ 525,325,773</u>		<u>9.16%</u>	<u>\$ 293,305,547</u>		<u>10.39%</u>
Total taxable assessed value - City of Venice	<u>\$ 5,727,861,668</u>			<u>\$ 2,824,395,182</u>		

Source: Sarasota County Property Appraiser

Total taxable assessed value of Venice for 2023 - \$ 5,727,861,668
Total taxable assessed value of Venice for 2014 - \$ 2,824,395,182

City of Venice, Florida
Principal Employers
Current Year and Nine Years Ago

Schedule 15

	2023			2014		
			Percentage of Total County Employment			Percentage of Total County Employment
<u>Employer</u>	<u>Employees</u>	<u>Rank</u>		<u>Employees</u>	<u>Rank</u>	
Sarasota Memorial Hospital	9,785	1	4.99%	3,099	3	1.91%
School Board of Sarasota County	5,917	2	3.02%	5,018	1	3.09%
Publix Super Markets, Inc.	4,611	3	2.35%	1,429	5	0.88%
Sarasota County Government	3,692	4	1.88%	3,343	2	2.06%
PGT Innovations	2,416	5	1.23%	1,761	4	1.08%
Walmart	1,883	6	0.96%	-	-	-
City of North Port	896	7	0.46%	-	-	-
City of Sarasota	865	8	0.44%	-	-	-
Target	585	9	0.30%	-	-	-
Lowe's Home Centers	555	10	0.28%	-	-	-
Venice Regional Medical Center	-	-	-	1,200	6	0.74%
Sun Hydraulics Corporation	-	-	-	704	7	0.43%
Sunset Automotive Group	-	-	-	670	8	0.41%
Tervis Tumbler	-	-	-	668	9	0.41%
Goodwill Industries	-			667	10	0.41%
	<u>31,205</u>		<u>15.91%</u>	<u>18,559</u>		<u>11.42%</u>
Total Sarasota County Employment:	<u>196,145</u>			<u>162,358</u>		

Source: Sarasota County ACFR

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

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
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	5.00	5.00	3.25	3.20	3.20	3.00
Historical Resources	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
City Clerk	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
Finance	14.00	14.00	14.00	14.00	14.00	14.00	13.00	13.00	13.00	12.00
Public Works Admin	3.00	3.00	3.00	3.00	3.00	3.00	2.00	2.00	2.00	3.00
Public Works - Fleet *	1.00	1.00	1.00	1.00	1.00	0.00	0.00	0.00	0.00	0.00
General Maintenance	16.60	16.60	15.60	15.60	15.60	15.60	12.60	9.60	9.60	11.00
Parks Maintenance	14.95	14.95	14.95	13.95	12.95	12.95	12.95	12.70	11.70	12.00
Engineering	3.30	3.30	4.00	4.00	4.10	4.10	4.10	4.65	3.15	5.00
Police	71.00	70.00	70.00	67.00	69.00	69.00	61.00	61.00	58.00	66.00
Fire	46.60	45.60	45.60	45.60	45.60	45.50	44.25	44.25	44.25	45.00
Fire - EMS **	29.00	26.00	26.00	25.00	1.00	0.00	0.00	0.00	0.00	0.00
Planning & Zoning	10.50	11.00	10.75	13.25	13.50	11.00	11.00	9.00	8.00	6.00
Information Technology	8.00	6.00	6.00	6.00	6.00	6.00	5.00	5.00	5.00	5.00
Human Resources	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
Building	21.75	22.25	19.50	19.00	18.75	15.35	15.60	12.60	12.60	10.00
Airport	8.00	8.00	8.00	8.00	8.00	8.00	8.25	8.20	8.30	8.00
Utilities Administration	11.00	11.00	11.00	11.00	11.00	11.00	10.20	10.10	9.00	9.00
Distribution / Collection	27.00	27.00	27.00	27.00	27.00	25.00	25.00	25.00	24.00	25.00
Water Production	16.00	16.00	16.00	16.00	16.00	16.00	15.00	15.00	15.00	15.00
Water Reclamation	19.00	19.00	19.00	19.00	19.00	17.00	17.00	17.00	18.00	18.00
Solid Waste	14.00	13.00	13.00	13.00	13.00	13.00	11.525	14.025	12.025	11.500
Recycling	14.00	13.00	13.00	13.00	13.00	13.00	12.525	9.025	10.025	9.500
Storm Water	9.70	9.70	9.00	9.00	9.00	9.00	8.00	5.70	5.80	1.00
TOTAL	383.40	375.40	371.40	368.40	345.50	333.50	312.25	301.05	292.65	295.00

* 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									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Parks and Recreation										
No. of trees trimmed and maintained	7,501	7,501	7,501	7,501	7,501	7,201	7,201	6,000	6,000	6,000
No. of irrigation systems maintained	31	31	31	31	31	31	31	31	30	30
Spray heads	2,800	2,800	2,800	2,800	2,710	2,510	2,510	2,510	2,450	2,450
Zones	205	205	205	205	205	188	188	188	183	183
Feet of drip line	31,400	31,400	31,400	31,400	31,200	31,200	31,200	31,200	31,200	31,200
Police										
Number of sworn officers	51	51	51	51	51	53	50	48	47	47
Total calls received	47,805	47,955	42,159	36,000	36,117	29,683	27,949	31,781	29,319	12,433
Number of crime scenes processed (property division)	51	65	36	48	45	50	75	25	54	38
Drug related arrests	43	57	53	51	64	97	129	98	61	45
Traffic citations issues	2,510	1,684	1,430	1,035	1,162	1,368	1,308	2,308	1,331	1,043
Parking citations	734	563	241	286	360	552	162	686	625	958
Marine citations	32	51	9	31	13	11	19	6	20	25
Traffic warnings	4,620	3,859	3,728	3,931	3,705	446	620	782	1,181	2,437
Parking warnings	10	0	0	1	2	87	101	2	7	20
Marine warnings	87	74	97	79	69	44	106	91	122	142
Fire										
Number of firefighters, includes Fire Chief	42	42	42	42	42	42	41	41	41	41
Number of paramedics, includes EMS Division Chief	28	25	25	25	-	-	-	-	-	-
Calls for service	8,418	8,068	7,228	4,819	4,101	3,782	3,790	3,450	3,225	2,723
Public Works										
Miles of roadway	69.77	69.77	69.77	69.77	70	70	70	63.1	63.0	59.9
Miles of sidewalk	38.69	38.69	38.69	38.69	38.69	38.6	38.6	38.6	38.6	38.6
Signalized intersections	10	10	10	10	10	10	10	10	10	10
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)	916.8	925.1	889.6	866.7	772.8	777.2	799.6	776.8	783.9	797.4
Potable water gallons delivered to customers (millions)	908.2	861.4	847.0	790.6	702.6	731.3	795.6	760.0	779.6	734.4
Produced gallons of reuse water per day (MGD)	2.9	2.9	3.0	2.5	2.5	2.7	3.1	3.3	2.7	2.8
Solid Waste										
Tons of garbage	25,535	23,574	23,462	21,538	21,148	21,357	21,537	21,325	19,932	18,343
Tons of yard waste	2,588	2,458	2,692	2,668	2,767	3,861	3,437	2,922	2,957	2,769
Tons of construction & debris	1.5	13	34	77	123	300	939	1,398	5,311	514
Tons of Recycle Material:										
Tons of paper *	N/A	N/A	N/A	N/A	1,402	1,440	1,410	1,634	1,558	1,541
Tons of commingled recyclables	3,009	3,176	3,062	3,176	1,384	1,422	1,376	1,296	1,246	1,179
Tons of cardboard	89	140	127	517	966	873	921	940	926	919
Tons of scrap metal	93	59	82	66	74	105	116	112	70	44
Airport										
Number of T-Hangars	191	170	180	180	179	179	166	166	166	166
Number of tie-downs	37	37	37	37	37	38	47	47	47	49
Number of shade hangars	12	12	12	12	12	12	12	12	12	0
Number of mobile homes	189	182	185	185	185	185	185	185	185	185
Storm Water Drainage										
Miles of pipe	27.9	27.5	26.5	25.5	25.4	25.4	25.34	24.9	24.8	19.42
Miles of swales and ditches	20.8	19.3	25	25	25	25	25	22	22	22
Ditch regrading maintenance:										
Tons of material removed	1.0	73.7	167.8	64.8	19.5	245.7	105	378.4	128	76.8

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

	2023	2022	2021	2020	2019	Fiscal Year 2018	2017	2016	2015	2014
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	5	5	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	7	5	5	5	5	5	5	5	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	1,382	1,311	1,247	1,197	1,157	1,124	1,066	1,076	1,065	1,035
Public Works										
Paved Streets (miles)	66.4	66.4	66.4	66.4	63.1	63.1	63.1	63.1	63	59.9
Water and Sewer Utilities										
Wastewater Main (miles)	142.3	141.3	141.7	140.9	137.4	137.1	137.1	157.0	157.6	200.0
(includes collection pipe and forcemain)										
Water Mains (miles)	219.5	211.5	206.9	203.2	197.3	193.5	193.5	209.8	196.3	196.2
(includes distribution pipe & raw water mains)										
Reclaimed Water Mains (miles)	56.5	52.5	52.2	52.1	51.7	50.5	50.5	59.1	52.0	49.2
Reclaimed Water Bulk connections	6	5	5	5	5	5	5	5	7	7
Reclaimed Water Residential connections	2,711	2,605	2,862	3,062	3,051	3,048	3,041	3,024	2,914	2,911
Stormwater Drainage										
Storm Sewers (miles)	27.9	27.5	26.5	25.5	25.4	25.4	50.3	46.9	46.8	41.4

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 year ended September 30, 2023, and have issued our report thereon dated February 7, 2024.

Report on 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 City'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.

Report on 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 7, 2024.

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 City'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 City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

MSL, P.A.

Certified Public Accountants

Tampa, Florida
February 7, 2024



**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR
EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL
OVER COMPLIANCE AND REPORT ON THE SCHEDULE OF EXPENDITURES OF
FEDERAL AWARDS IN ACCORDANCE WITH THE UNIFORM GUIDANCE**

Honorable Mayor and City Council
City of Venice, Florida

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the compliance of the City of Venice, Florida (the "City") with the types of compliance requirements identified as subject to audit in the U.S. Office of Management and Budget ("OMB") *Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended September 30, 2023. The City's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2023.

Basis for Opinion for Each Major Federal Program

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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the City's compliance with the compliance requirements referred to above.

Responsibility of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the City's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

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

Report on Internal Control over Compliance (Continued)

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses as defined above. However, material weaknesses may exist that have not been identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the basic financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon dated February 7, 2024 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 basic financial statements. Our report on the basic financial statements included disclosures regarding our reference to the reports of other auditors. The accompanying Schedule of Expenditures of Federal Awards and State Financial Assistance is presented for purposes of additional analysis, as required by the Uniform Guidance, and is not a required part of the basic financial statements. 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 Schedule of Expenditures of Federal Awards and State Financial Assistance is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

MSL, P.A.

Certified Public Accountants

Tampa, Florida
February 7, 2024

CITY OF VENICE, FLORIDA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended September 30, 2023

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

Internal control over major federal programs:

- | | | | | | |
|---|-------|-----|-------|---|---------------|
| • 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:

Unmodified Opinion

Any audit findings disclosed that are required to be reported in accordance with 200.516 of the Uniform Guidance?

_____ Yes _____ X No

Identification of Major Federal Programs:

Assistance Listing Number

Name of Federal Program

21.027

Coronavirus State and Local Fiscal Recovery Funds

Dollar threshold used to distinguish between Type A and Type B programs:

Federal \$750,000

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, 2023

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

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, 2023

Federal Agency/Program Title	Federal ALN Number	Federal or Pass-through Grant Number	Expenditures
U.S. DEPARTMENT OF THE TREASURY			
Coronavirus State and Local Fiscal Recovery Funds	21.207	SLT-7216	<u>\$ 2,179,118</u>
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			
Community Development Block Grants/Entitlement Grants	14.218		
<i>Passed-Through Sarasota County</i>			
Cockrill Sidewalk and Water Main Replacement		B-20-UC-12-0014/B-21-UC-12-0014	<u>621,150</u>
U.S. DEPARTMENT OF JUSTICE			
Bureau of Justice Assistance (BJA)			
Bulletproof Vest Partnership Program	16.607	2022BUBX22030289	4,040
Edward Byrne Memorial Justice Assistance Grant (JAG)	16.738		
<i>Passed-Through Florida Department of Law Enforcement</i>			
City of Venice Police Department E-Bike		8C020	3,158
Total U.S. Department of Justice			<u>7,198</u>
U.S. DEPARTMENT OF TRANSPORTATION			
Federal Aviation Administration (FAA)			
Airport Improvement Program Grant	20.106		
Rejuvenation Runway 5-23 and Taxiways A, B, C and E		03-12-0082-024-2022	972,150
Rehabilitate Runway 13/31 - Design & Construction		03-12-0082-025-2023	274,892
Construct New Terminal Building - Design		03-12-0082-026-2023	23,862
Total U.S. Department of Transportation			<u>1,270,903</u>
U.S. DEPARTMENT OF AGRICULTURE			
Cooperative Forestry Assistance	10.664		
<i>Passed-Through Florida Department of Agriculture and Consumer Services</i>			
Urban & Community Forestry Grant			
City of Venice, Tree Planting Grant		29918	<u>18,550</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>\$ 4,096,919</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, 2023

Page 2 of 2

State Agency/Program Title	State CSFA Number	State Contract/ Grant Number	Expenditures
STATE OF FLORIDA, DEPARTMENT OF TRANSPORTATION			
Aviation Development Grants	55.004		
Rejuvenation Runway 5-23		450588-1-94-01	\$ 39,571
Rejuvenation Taxiways A,B,C and E		450589-1-94-01	14,437
Runway 13-31 Rehab and Relocate Windssock		450585-1-94-01	10,994
Terminal Building Design		438750-1-94-02	6,028
Total Florida Department of Transportation			<u>71,031</u>
STATE OF FLORIDA, DEPARTMENT OF ENVIRONMENTAL PROTECTION			
Division of Water Resource Management - Beach Management Fund	37.003		
Venice Beach Nourishment		19ST4	19,402
Drinking Water Facility Construction - State Revolving Fund	37.076		
Booster Pump Station, Switchgear & Generator and Well 8E		DW580480	490,722
Office of Resilience and Coastal Protection			
Resilient Florida Program	37.098		
Resilience Plan Phase 2		22PLN97	36,720
Total Florida Department of Environmental Protection			<u>546,844</u>
TOTAL EXPENDITURES OF STATE FINANCIAL ASSISTANCE			<u>617,875</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE			<u>\$ 4,714,794</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, 2023

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 establishes 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, 2023.

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.

CITY OF VENICE, FLORIDA

Notes to Schedule of Expenditures of Federal Awards and State Financial Assistance September 30, 2023

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. 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, 2023, 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, 2023:

<u>Program Title</u>	<u>Federal CFDA / State CSFA No.</u>	<u>Grant Number</u>	<u>Balance Outstanding</u>
State Revolving Fund	66.468 (Federal)	DW580430	\$ 5,824,604
State Revolving Fund	37.077 (State)	WW580440	\$ 418,385
State Revolving Fund	37.076 (State)	DW580480	\$ 56,951
State Revolving Fund	37.077 (State)	SW580460	\$ 466,603



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 year ended September 30, 2023. 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 complied 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.

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the engagement.

In our opinion, the City complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2023.

MSL, P.A.

Certified Public Accountants

Tampa, Florida
February 7, 2024



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 year ended September 30, 2023, and have issued our report thereon dated February 7, 2024.

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").

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 on Internal Control over Compliance and Report on the Schedule of Expenditures of Federal Awards in Accordance with the Uniform Guidance; 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 7, 2024 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.

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 7, 2024