



**MOORE STEPHENS
LOVELACE** CPAs & ADVISORS

CITY OF VENICE, FLORIDA

**REQUIRED AUDITOR COMMUNICATIONS
FISCAL YEAR ENDED SEPTEMBER 30, 2018**

**PRESENTED BY
JEFF WOLF, CPA
MANAGER**

AUDIT OVERVIEW

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Review of Select Statements

FY2018 CAFR

Presented by:
Joe Welch, CPA
City of Venice Controller

City of Venice, Florida
Statement of Net Position
September 30, 2018

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Pooled cash and investments	\$ 44,718,457	\$ 35,990,748	\$ 80,709,205
Other cash and investments	23,787,205	100	23,787,305
Accounts receivables (net of allowance for uncollectibles)	411,311	4,020,805	4,432,116
Interest receivable	124,237	-	124,237
Due from other governments	1,101,603	870,271	1,971,874
Prepaid items	8,996	-	8,996
Inventories	66,047	423,362	489,409
Restricted assets:			
Pooled cash and investments	-	12,393,799	12,393,799
Other investments	-	1,750,294	1,750,294
Capital assets (net of accumulated depreciation):			
Non-depreciable	19,271,924	5,254,119	24,526,043
Depreciable	50,552,340	130,674,798	181,227,138
Total assets	140,042,120	191,378,296	331,420,416
DEFERRED OUTFLOWS OF RESOURCES			
Related to pensions	8,912,131	2,627,674	11,539,805
LIABILITIES			
Accounts payable	2,336,128	1,831,101	4,167,229
Accrued liabilities	938,474	451,242	1,389,716
Due to other governments	250,411	107,658	358,069
Accrued interest payable	222,562	433,516	656,078
Claims and judgments	1,575,980	-	1,575,980
Customer deposits	-	880,735	880,735
Noncurrent liabilities:			
Due within one year:			
Bonds payable	1,279,000	990,000	2,269,000
Notes payable	100,000	446,968	546,968
Compensated absences	581,629	220,877	802,506
Due in more than one year:			
Bonds payable	36,094,865	33,846,358	69,941,223
Notes payable	250,000	4,019,136	4,269,136
Compensated absences	581,629	220,877	802,506
Net pension liabilities	38,788,551	5,131,737	43,920,288
Total OPEB liability	8,131,110	1,423,661	9,554,771
Total liabilities	91,130,339	50,003,866	141,134,205
DEFERRED INFLOWS OF RESOURCES			
Related to pensions	4,645,998	444,125	5,090,123
Related to OPEB	781,466	136,825	918,291
Total deferred inflows of resources	5,427,464	580,950	6,008,414
NET POSITION			
Net investment in capital assets	55,852,721	99,146,832	154,999,553
Restricted for:			
Public safety	53,884	-	53,884
Capital improvements	7,384,195	10,504,128	17,888,323
Building code enforcement	6,146,676	-	6,146,676
Beach renourishment	2,819,016	-	2,819,016
Debt service	162,057	119,587	281,644
Renewal and replacement	-	1,000,000	1,000,000
Unrestricted	(20,022,101)	32,650,607	12,628,506
Total net position	\$ 52,396,448	\$ 143,421,154	\$ 195,817,602

See accompanying Notes to Financial Statements.

City of Venice, Florida
Balance Sheet
Governmental Funds
September 30, 2018

"Major Funds"

	General Fund	Streets	Buildings and Renovations	Building Permit Fees	Non-Major Governmental Funds	Total Governmental Funds
ASSETS						
Pooled cash and investments	\$ 13,479,008	\$ 2,093,387	\$ 199,812	\$ 6,180,051	\$ 10,748,769	\$ 32,701,027
Other cash	12,450	-	-	-	-	12,450
Other investments	-	9,965,469	13,786,853	-	-	23,752,322
Accounts receivable	408,187	-	-	-	2,413	410,600
Interest receivable	120,254	2,400	1,583	-	-	124,237
Due from other governments	435,434	263,475	-	-	402,694	1,101,603
Prepaid items	1,746	-	-	-	-	1,746
Inventory	66,047	-	-	-	-	66,047
Total assets	<u>\$ 14,523,126</u>	<u>\$ 12,324,731</u>	<u>\$ 13,988,248</u>	<u>\$ 6,180,051</u>	<u>\$ 11,153,876</u>	<u>\$ 58,170,032</u>
LIABILITIES						
Accounts payable	\$ 412,914	\$ 769,961	\$ 69,753	\$ 920	\$ 729,799	\$ 1,983,347
Accrued payroll	819,144	-	-	32,455	-	851,599
Due to other governments	250,346	-	-	-	65	250,411
Deposits and other liabilities	32,877	-	-	-	39,874	72,751
Total liabilities	<u>1,515,281</u>	<u>769,961</u>	<u>69,753</u>	<u>33,375</u>	<u>769,738</u>	<u>3,158,108</u>
DEFERRED INFLOWS OF RESOURCES						
Grants	-	220,242	-	-	-	220,242
FUND BALANCES						
Nonspendable:						
Inventory and prepayments	67,793	-	-	-	-	67,793
Restricted for:						
Public safety	-	-	-	-	53,884	53,884
Boating and waterway improvements	-	-	-	-	75,996	75,996
Street improvements	-	11,334,528	-	-	382,253	11,716,781
Capital improvements	-	-	13,717,100	-	5,626,640	19,343,740
Building code enforcement	-	-	-	6,146,676	-	6,146,676
Debt service	-	-	-	-	384,619	384,619
Beach renourishment	-	-	-	-	2,819,016	2,819,016
Committed to:						
Public safety	52,232	-	-	-	-	52,232
Training and education	-	-	-	-	101,609	101,609
Capital improvements	-	-	201,395	-	828,292	1,029,687
Economic development	-	-	-	-	38,915	38,915
Historic preservation	-	-	-	-	72,914	72,914
Parks and recreation	12,718	-	-	-	-	12,718
General government	327,647	-	-	-	-	327,647
Assigned (litigation)	1,743,859	-	-	-	-	1,743,859
Unassigned:						
General fund	<u>10,803,596</u>	-	-	-	-	10,803,596
Total fund balances	<u>13,007,845</u>	<u>11,334,528</u>	<u>13,918,495</u>	<u>6,146,676</u>	<u>10,384,138</u>	<u>54,791,682</u>
Total liabilities, deferred inflows, and fund balances	<u>\$ 14,523,126</u>	<u>\$ 12,324,731</u>	<u>\$ 13,988,248</u>	<u>\$ 6,180,051</u>	<u>\$ 11,153,876</u>	<u>\$ 58,170,032</u>

See accompanying Notes to Financial Statements

City of Venice, Florida
Budget Comparison Statement

General Fund

For the Year Ended September 30, 2018

General Fund - Better (Worse) than budget



	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
REVENUES				
Taxes:				
Property tax	\$ 13,066,709	\$ 13,066,709	\$ 13,268,110	\$ 201,401
Local option, use and fuel taxes	454,007	454,007	411,259	(42,748)
Communications services tax	1,099,316	1,099,316	1,167,823	68,507
Utility service taxes	2,574,762	2,574,762	2,702,317	127,555
Franchise fees	2,381,134	2,381,134	2,414,825	33,691
Fees and fines	23,844	23,844	21,320	(2,524)
Licenses and permits	693,460	693,460	659,976	(33,484)
Intergovernmental	2,795,182	2,871,082	3,106,309	235,227
Charges for services	109,480	109,480	180,995	71,515
Investment income	148,000	148,000	126,026	(21,974)
Miscellaneous	991,528	991,528	1,165,783	174,255
Total revenues	<u>24,337,422</u>	<u>24,413,322</u>	<u>25,224,743</u>	<u>811,421</u>
EXPENDITURES				
Current:				
General government	5,191,382	5,629,090	5,083,920	545,170
Finance	1,437,230	1,437,230	1,378,337	58,893
Information services	1,229,617	1,233,802	1,270,830	(37,028)
Parks and recreation	1,429,493	1,443,920	1,376,873	67,047
Police	8,996,055	9,076,702	8,881,167	195,535
Fire	8,072,292	8,076,993	7,946,675	130,318
Public works	1,787,917	1,858,131	1,895,011	(36,880)
Capital outlay	93,725	185,150	295,757	(110,607)
Total expenditures	<u>28,237,711</u>	<u>28,941,018</u>	<u>28,128,570</u>	<u>812,448</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(3,900,289)</u>	<u>(4,527,696)</u>	<u>(2,903,827)</u>	<u>1,623,869</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	3,602,427	3,602,427	3,602,427	-
Net other financing sources (uses)	<u>3,602,427</u>	<u>3,602,427</u>	<u>3,602,427</u>	<u>-</u>
Net change in fund balances	(297,862)	(925,269)	698,600	1,623,869
Fund balances at beginning of year	<u>12,309,245</u>	<u>12,309,245</u>	<u>12,309,245</u>	<u>-</u>
Fund balances at end of year	<u>\$ 12,011,383</u>	<u>\$ 11,383,976</u>	<u>\$ 13,007,845</u>	<u>\$ 1,623,869</u>

See accompanying Notes to Financial Statements.

City of Venice, Florida
Statement of Net Position
Proprietary Funds
September 30, 2018

	Business-Type Activities		
	Water and Sewer Utility	Solid Waste	Airport
Enterprise Fund "Working Capital"			
ASSETS			
Current assets:			
Pooled cash and investments	\$ 28,851,133	\$ 1,914,076	\$ 3,465,921
Other cash	-	-	100
Accounts receivable	3,019,586	792,956	1,608
Due from other governments	107,681	-	762,590
Prepaid items	-	-	-
Inventories	423,362	-	-
Total current assets	32,401,762	2,707,032	4,230,219
Noncurrent assets:			
Restricted assets:			
Pooled cash and investments	9,047,583	-	3,346,216
Other investments	1,750,294	-	-
Total restricted assets	10,797,877	-	3,346,216
Capital assets:			
Land	956,663	220,000	-
Construction in progress	2,109,931	-	251,321
Buildings	4,052,220	12,500	7,852,599
Improvements other than buildings	157,254,114	59,268	34,777,193
Machinery and equipment	8,144,007	4,609,929	660,810
Less accumulated depreciation	(73,876,989)	(4,224,841)	(13,780,734)
Total capital assets	98,639,946	676,856	29,761,189
Total noncurrent assets	109,437,823	676,856	33,107,405
Total assets	141,839,585	3,383,888	37,337,624
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows of resources related to pensions	1,623,649	633,396	203,101

See accompanying Notes to Financial Statements

City of Venice, Florida
Statement of Net Position
Proprietary Funds
September 30, 2018

Business-Type Activities			
	Water and Sewer Utility	Solid Waste	Airport
LIABILITIES			
Current liabilities:			
Accounts payable	\$ 1,459,473	\$ 180,506	\$ 171,724
Accrued liabilities	227,715	52,298	156,632
Accrued interest payable	433,516	-	-
Accrued insurance claims	-	-	-
Due to other governments	100,500	-	7,158
Customer deposits	749,425	131,310	-
Compensated absences	145,710	67,302	7,865
Notes payable	446,968	-	-
Bonds payable	990,000	-	-
Total current liabilities	4,553,307	431,416	343,379
Noncurrent liabilities:			
Compensated absences	145,710	67,302	7,865
Net pension liabilities	3,170,920	1,236,995	396,645
Total OPEB obligation	977,453	260,845	89,815
Notes payable	4,019,136	-	-
Bonds payable	33,846,358	-	-
Total noncurrent liabilities	42,159,577	1,565,142	494,325
Total liabilities	46,712,884	1,996,558	837,704
DEFERRED INFLOWS OF RESOURCES			
Related to pensions	274,427	107,056	34,327
Related to OPEB	93,941	25,069	8,632
Total deferred inflows	368,368	132,125	42,959
NET POSITION			
Net investment in capital assets	61,857,861	676,856	29,761,189
Restricted for:			
Capital projects	7,157,912	-	3,346,216
Debt service	119,587	-	-
Renewal and replacement	1,000,000	-	-
Unrestricted	26,246,622	1,211,745	3,552,657
Total net position	\$ 96,381,982	\$ 1,888,601	\$ 36,660,062

See accompanying Notes to Financial Statements

City of Venice, Florida
Statement of Revenues, Expenses and Changes in Net Position
Proprietary Funds
For Fiscal Year Ended September 30, 2018

	Business-Type Activities		
	Water and Sewer Utility	Solid Waste	Airport
OPERATING REVENUES			
Charges for services	\$ 22,743,950	\$ 6,034,696	\$ -
Rentals	-	-	1,945,078
Miscellaneous	1,838,960	68,819	78,927
Total operating revenues	24,582,910	6,103,515	2,024,005
OPERATING EXPENSES			
Personal services	5,381,497	2,152,112	648,177
Insurance	366,108	39,708	102,156
Professional/contractual services	1,548,113	1,372,436	216,855
Claims	-	-	-
Repair and maintenance	2,059,087	650,473	98,907
Utilities	848,731	9,439	95,588
Other services and charges	1,857,435	1,384,711	167,542
Depreciation	5,066,537	382,629	1,963,200
Total operating expenses	17,127,508	5,991,508	3,292,425
Operating income (loss)	7,455,402	112,007	(1,268,420)
NON OPERATING REVENUES (EXPENSES)			
Interest earnings	554,172	33,110	92,361
Disposition of capital assets	2,400	-	1,725
Cleanup project	(2,056,702)	-	-
Interest expense	(1,255,076)	-	-
Net non-operating revenues (expenses)	(2,755,206)	33,110	94,086
Income (loss) before contributions and transfers	4,700,196	145,117	(1,174,334)
CAPITAL CONTRIBUTIONS			
Developer capital contributions	43,895	-	-
Federal and state grants	-	-	5,787,407
Capital assets transferred in from governmental funds	-	-	-
Total capital contributions	43,895	-	5,787,407
TRANSFERS			
Transfers in	-	-	-
Transfers out	(3,028,874)	(1,182,257)	(280,221)
Net transfers	(3,028,874)	(1,182,257)	(280,221)
Change in net position	1,715,217	(1,037,140)	4,332,852
Total net position at beginning of year	94,666,765	2,925,741	32,327,210
Total net position at end of year	\$ 96,381,982	\$ 1,888,601	\$ 36,660,062

City of Venice, Florida
Statement of Cash Flows
Proprietary Funds
For the Year Ended September 30, 2018

	Business-type Activities - Enterprise Funds		
	Water and Sewer		
	Utility	Solid Waste	Airport
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers	\$ 24,348,608	\$ 6,052,871	\$ 2,030,572
Payments to suppliers	(6,743,650)	(3,559,138)	(1,266,964)
Payments to employees	(5,068,755)	(1,987,020)	(627,879)
Claims paid	-	-	-
Net cash provided (used) by operating activities	12,536,203	506,713	135,729
CASH FLOWS FROM NONCAPITAL AND RELATED FINANCING ACTIVITIES			
Transfers in from other funds	-	-	-
Transfers out to other funds	(2,774,735)	(1,182,257)	(280,221)
Cleanup project	(2,056,702)	-	-
Net cash provided (used) by noncapital and related financing activities	(4,831,437)	(1,182,257)	(280,221)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Note proceeds	1,159,817	-	-
Purchases of capital assets	(3,975,876)	-	(6,425,478)
Proceeds from sale of capital assets	2,400	-	1,725
Principal paid on notes	(416,484)	-	-
Principal paid on revenue bonds	(950,000)	-	-
Interest paid on revenue bonds and notes	(1,361,428)	-	-
Capital grants	-	-	5,787,407
Net cash provided (used) by capital and related financing activities	(5,541,571)	-	(636,346)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of investments	(1,750,294)	-	-
Interest earnings	554,172	33,110	92,361
Net cash provided (used) by investing activities	(1,196,122)	33,110	92,361
Net increase (decrease) in cash and cash equivalents	967,073	(642,434)	(688,477)
Cash and cash equivalents at beginning of year	36,931,643	2,556,510	7,500,714
Cash and cash equivalents at end of year	\$ 37,898,716	\$ 1,914,076	\$ 6,812,237
Cash and cash equivalents classified as:			
Pooled cash and investments	\$ 28,851,133	\$ 1,914,076	\$ 3,465,921
Other cash	-	-	100
Pooled cash and investments - restricted	9,047,583	-	3,346,216
Total cash and cash equivalents at end of year	\$ 37,898,716	\$ 1,914,076	\$ 6,812,237
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating income (loss)	\$ 7,455,402	\$ 112,007	\$ (1,268,420)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation	5,066,537	382,629	1,963,200
Pension adjustments	368,468	185,040	39,853
OPEB adjustments	(81,377)	(21,812)	(7,480)
Change in assets and liabilities:			
Accounts receivable	(230,434)	(50,644)	5,401
Inventory	220,815	-	-
Due from other governments	(101,214)	-	(560,235)
Prepaid items	-	-	-
Accounts payable	(215,239)	(102,984)	(25,681)
Accrued liabilities	10,157	(3,964)	(14,350)
Compensated absences	15,494	5,828	2,275
Due to other governments	(3,868)	-	1,166
Customer deposits	31,462	613	-
Accrued claims	-	-	-
Net cash provided (used) by operating activities	\$ 12,536,203	\$ 506,713	\$ 135,729

Supplemental disclosure of noncash investing, capital and financing activities:

Water and Sewer Utility Fund recognized \$43,895 in utility line donations through capital contributions.

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, storm water 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. For the most part, the effect of interfund activity has been removed from the GWFS. 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

NOTE G – LONG-TERM LIABILITIES

Long-term liability activity for the year ended September 30, 2018, was as follows:

	Beginning Balance	Additions	(Reductions)	Ending Balance	Amounts Due Within One Year
Governmental activities:					
General obligation bonds payable	\$ 36,915,000	\$ -	\$ (1,121,000)	\$ 35,794,000	\$ 1,279,000
Unamortized bond premium	1,850,961	-	(271,096)	1,579,865	-
Notes payable	-	350,000	-	350,000	100,000
Net pension liabilities:					
FRS and HIS	16,706,643	570,948	-	17,277,591	-
Firefighters' Pension	17,221,731	-	(1,018,425)	16,203,306	-
Police Officers' Pension	5,386,263	-	(78,609)	5,307,654	-
Compensated absences	1,126,977	839,423	(803,142)	1,163,258	581,629
Total OPEB liability	9,070,820	-	(939,710)	8,131,110	-
Totals	<u>\$ 88,278,395</u>	<u>\$ 1,760,371</u>	<u>\$ (4,231,982)</u>	<u>\$ 85,806,784</u>	<u>\$ 1,960,629</u>
Business-type activities:					
Revenue bonds	\$ 34,060,000	\$ -	\$ (950,000)	\$ 33,110,000	\$ 990,000
Unamortized bond premium	1,817,500	-	(91,142)	1,726,358	-
Notes payable	3,722,771	1,159,817	(416,484)	4,466,104	446,968
Net pension liabilities:					
FRS and HIS	4,811,447	320,290	-	5,131,737	-
Compensated absences	418,157	325,246	(301,649)	441,754	220,877
Total OPEB liability	1,587,606	-	(163,945)	1,423,661	-
Totals	<u>\$ 46,417,481</u>	<u>\$ 1,805,353</u>	<u>\$ (1,923,220)</u>	<u>\$ 46,299,614</u>	<u>\$ 1,657,845</u>

Payments on bonds payable that pertain to the City's governmental activities are made by the debt service fund. Payments on notes payable that pertain to the City's governmental activities are made by the One Cent Voted Sales Tax special revenue fund. The compensated absences liability, net pension liabilities, and net OPEB obligation attributed to the governmental activities, will be liquidated by the general fund.

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

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REQUIRED SUPPLEMENTARY INFORMATION

(Pensions and OPEB)

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

	Fiscal Year					
	2018	2017	2016	2015	2014	2013
Total Pension Liability						
Service Cost	\$ 756,801	\$ 756,425	\$ 702,057	\$ 1,139,410	\$ 672,304	\$ 623,948
Interest	2,798,028	2,719,112	2,661,396	2,653,780	2,581,984	2,487,337
Change in excess State money	-	-	(155,521)	-	8,861	-
Changes of benefit terms (1)	-	-	-	(797,774)	-	-
Difference between expected and actual experience	131,239	(232,436)	(1,795,453)	(473,564)	-	-
Changes of assumptions (2)	-	-	1,320,858	2,961,891	-	-
Benefit payments, including refunds	(2,136,820)	(2,095,414)	(2,141,983)	(1,991,123)	(2,003,310)	(1,873,445)
Net change in total pension liability	1,549,248	1,147,687	591,354	3,492,620	1,259,839	1,237,840
Total pension liability, beginning	40,292,294	39,144,607	38,553,253	35,060,633	33,800,794	32,562,954
Total pension liability, ending (a)	\$ 41,841,542	\$ 40,292,294	\$ 39,144,607	\$ 38,553,253	\$ 35,060,633	\$ 33,800,794
Plan Fiduciary Net Position						
Contributions - City	\$ 2,530,184	\$ 2,350,314	\$ 3,047,697	\$ 756,197	\$ 1,674,244	\$ 1,451,786
Contributions - State	180,163	193,290	246,276	272,353	304,802	270,222
Contributions - employee	120,956	118,053	114,049	116,523	269,968	269,835
Net investment income	2,011,838	2,241,924	1,321,617	9,360	1,727,970	1,723,100
Benefit payments, including refunds	(2,136,820)	(2,095,414)	(2,141,983)	(1,991,123)	(2,003,310)	(1,873,445)
Administrative expense	(59,501)	(61,907)	(66,382)	(67,814)	(42,307)	(42,357)
Accrual adjustments	(79,147)	79,147	17,224	5,671	7,631	(3,181)
Net change in Plan fiduciary net position	2,567,673	2,825,407	2,538,498	(898,833)	1,938,998	1,795,960
Plan fiduciary net position, beginning	23,070,563	20,245,156	17,706,658	18,605,491	16,666,493	14,870,533
Plan fiduciary net position, ending (b)	\$ 25,638,236	\$ 23,070,563	\$ 20,245,156	\$ 17,706,658	\$ 18,605,491	\$ 16,666,493
Net pension liability (actuary), ending (a) - (b)	\$ 16,203,306	\$ 17,221,731	\$ 18,899,451	\$ 20,846,595	\$ 16,455,142	\$ 17,134,301
Plan fiduciary net position as a percentage of the total pension liability	61.27%	57.26%	51.72%	45.93%	53.07%	49.31%
Covered payroll	\$ 1,727,707	\$ 1,686,471	\$ 1,629,271	\$ 1,710,697	\$ 2,768,905	\$ 2,767,537
Net pension liability (actuary) as a percentage of covered payroll	937.85%	1021.17%	1159.99%	1218.60%	594.28%	619.12%

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

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

Other items:

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

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

	Fiscal Year				
	2018	2017	2016	2015	2014
Total Pension Liability					
Service Cost	\$ 160,319	\$ 196,691	\$ 203,840	\$ 597,047	\$ 560,060
Interest	2,974,942	2,766,512	2,751,065	2,850,130	2,760,145
Changes of benefit terms (1)	2,467,573	-	-	174,206	(1,837,786)
Difference between expected and actual experience	495,274	486,909	(1,512,423)	(638,090)	-
Changes of assumptions (2)	-	-	1,343,437	3,277,827	-
Contributions - buy back	-	-	-	-	17,465
Benefit payments, including refunds of employee contributions	(3,391,201)	(2,416,303)	(2,699,899)	(2,240,847)	(2,578,773)
Net change in total pension liability	2,706,907	1,033,809	86,020	4,020,273	(1,078,889)
Total pension liability, beginning	41,566,874	40,533,065	40,447,045	36,426,772	37,505,661
Total pension liability, ending (a)	\$ 44,273,781	\$ 41,566,874	\$ 40,533,065	\$ 40,447,045	\$ 36,426,772
Plan Fiduciary Net Position					
Contributions - City	\$ 1,316,647	\$ 1,337,865	\$ 2,108,231	\$ 1,753,275	\$ 1,651,993
Contributions - State	231,096	214,704	207,731	189,276	178,617
Contributions - employee	28,738	35,922	38,297	40,508	205,801
Contributions - buy back	-	-	-	-	17,465
Net investment income	4,669,948	4,303,140	3,176,622	(1,481,414)	3,307,423
Benefit payments, including refunds of employee contributions	(3,391,201)	(2,416,303)	(2,699,899)	(2,240,847)	(2,578,773)
Administrative expense	(69,712)	(60,469)	(85,428)	(73,554)	(62,991)
Accrual adjustments	-	(22,081)	22,081	-	-
Net change in Plan fiduciary net position	2,785,516	3,392,778	2,767,635	(1,812,756)	2,719,535
Plan fiduciary net position, beginning	36,180,611	32,787,833	30,020,198	31,832,954	29,113,419
Plan fiduciary net position, ending (b)	\$ 38,966,127	\$ 36,180,611	\$ 32,787,833	\$ 30,020,198	\$ 31,832,954
Net pension liability, ending (a) - (b)	\$ 5,307,654	\$ 5,386,263	\$ 7,745,232	\$ 10,426,847	\$ 4,593,818
Plan fiduciary net position as a percentage of the total pension liability	88.01%	87.04%	80.89%	74.22%	87.39%
Covered payroll	\$ 410,497	\$ 513,171	\$ 547,100	\$ 761,681	\$ 2,838,631
Net pension liability as a percentage of covered payroll	1292.98%	1049.60%	1415.69%	1368.93%	161.83%

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:

Effective October 1, 2017, the monthly benefit currently being received by every retiree who has been receiving benefit payments for 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 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, 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 five years of information is available.

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

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

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

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

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

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

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

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

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

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.

One-Cent Voted Sales Tax Fund – To account 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.

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.

City of Venice, Florida
Combining Statement of Revenues, Expenditures and
Non-Major Governmental Funds
For the Year Ended September 30, 2018

	Debt Service	Capital Projects		
	General Obligation Bonds	General Capital Projects	One Cent Voted Sales Tax	Beach Renourishment
REVENUES				
Property taxes	\$ 2,510,271	\$ -	\$ -	\$ -
Local option, use and fuel taxes	-	-	3,349,353	-
Fees and fines	-	-	-	-
Licenses and permits	-	-	-	-
Intergovernmental	-	50,000	-	-
Interest	11,421	19,054	66,430	34,533
Miscellaneous	-	100,000	-	-
Total revenues	<u>2,521,692</u>	<u>169,054</u>	<u>3,415,783</u>	<u>34,533</u>
EXPENDITURES				
Current:				
General government	-	-	-	122,089
Police	-	-	-	-
Grants and Aid	-	550,000	-	-
Debt service:				
Principal	1,121,000	-	-	-
Interest	1,273,364	-	-	-
Capital outlay	-	402,939	2,655,748	-
Total expenditures	<u>2,394,364</u>	<u>952,939</u>	<u>2,655,748</u>	<u>122,089</u>
Excess (deficiency) of revenues over (under) expenditures	<u>127,328</u>	<u>(783,885)</u>	<u>760,035</u>	<u>(87,556)</u>
OTHER FINANCING SOURCES (USES)				
Debt proceeds	-	350,000	-	-
Transfers in	-	-	-	325,000
Transfers out	-	(75,000)	(250,000)	-
Total other financing sources (uses)	<u>-</u>	<u>275,000</u>	<u>(250,000)</u>	<u>325,000</u>
Net change in fund balances	127,328	(508,885)	510,035	237,444
Fund balances at beginning of year	257,291	1,337,177	4,932,852	2,581,572
Fund balances at end of year	<u>\$ 384,619</u>	<u>\$ 828,292</u>	<u>\$ 5,442,887</u>	<u>\$ 2,819,016</u>

Includes:
Building Reserve \$1,000,000
Proj/Enc Rollovers \$1,714,690

STATISTICAL SECTION

This part of the City of Venice’s comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government’s overall financial health.

Financial Trends

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

Revenue Capacity

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

Debt Capacity

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

Demographic and Economic Information

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

Operating Information

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

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

City of Venice, Florida
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			
2018	\$ 4,323,513,339	\$ 213,745,524	\$ 717,323,755	\$ 3,819,935,108	4.278
2017	4,026,844,232	203,020,521	682,711,628	3,547,153,125	3.766
2016	3,643,753,887	195,366,001	610,975,231	3,228,144,657	3.277
2015	3,417,689,098	192,979,601	586,116,448	3,024,552,251	3.292
2014	3,213,484,644	189,768,403	578,857,865	2,824,395,182	3.302
2013	3,123,945,509	180,194,496	604,960,792	2,699,179,213	3.227
2012	3,132,796,468	178,139,329	600,923,287	2,710,012,510	3.195
2011	3,320,275,654	180,426,958	639,821,153	2,860,881,459	3.004
2010	3,868,939,303	188,981,800	888,744,784	3,169,176,319	3.004
2009	4,559,933,132	204,905,680	1,112,393,345	3,652,445,467	2.984

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

COMPLIANCE

(Other Auditor Reports and Grant Schedules)

CITY OF VENICE, FLORIDA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED SEPTEMBER 30, 2018

Federal Agency/Program Title	Federal CFDA Number	Federal or Pass-through Grant Number	Expenditures
U.S. ENVIROMENTAL PROTECTION AGENCY			
<i>Passed-Through State of Florida, Department of Environmental Protection</i> Capitalization Grants for Drinking Water State Revolving Funds	66.468	DW580430	\$ 752,498
U.S. DEPARTMENT OF JUSTICE			
Bureau of Justice Assistance (BJA)			
Bulletproof Vest Partnership Program	16.607	2016BUBX16082633	2,232
Bulletproof Vest Partnership Program	16.607	2017BUBX17088955	1,611
Total U.S. Department of Justice			3,843
U.S. DEPARTMENT OF TRANSPORTATION			
Federal Aviation Administration (FAA)			
Airport Improvement Program Grant	20.106		
Apron Rehabilitation - Construction		3-12-0082-016-2017	4,309,029
Extend Taxiway D-Design		3-12-0082-017-2018	2,778
Highway Planning and Construction			
<i>Passed-Through Florida Department of Transportation</i>			
Local Agency Program	20.205		
Edmondson Road		436987-1-58-01	321,008
Downtown Corridor Roadway Improvements		435092-1-58-01	65,163
Total U.S. Department of Transportation			4,697,978
U.S. DEPARTMENT OF HOMELAND SECURITY			
Federal Emergency Management Agency (FEMA)			
<i>Passed-Through State of Florida, Florida Division of Emergency Management</i> <i>Executive Office of the Governor (Presidentially Declared Disasters)</i>			
Public Assistance Program	97.036		
Hurricane Irma		Z0126	2,843
<i>Passed-Through State of Florida, State Fire Marshall Office</i>			
Disaster Grant - Public Assistance	97.036		
30th Ave Collier Wild Fire Task Force - Regional Mutual Aid		FM5178	8,145
Total U.S. Department of Homeland Security			10,988
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$ 5,465,307

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, 2018

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		
Design and Construction General Aviation Terminal Building		438750-1-94-01	\$ 641
T-Hangers - Midfield		436988-1-94-01	1,190,246
Airport Security Improvements		436984-1-94-01	41,216
Obstruction Removal		438257-1-94-01	3,952
Apron Rehabilitation Construction		431879-1-94-01	239,391
Extend Taxiway D-Design		444192-1-94-01	154
Economic Development - Transportation Projects - Road Fund	55.032		
Downtown Corridor Roadway Improvements		439455-1-54-01	210,992
Total Florida Department of Transportation			<u>1,686,592</u>
STATE OF FLORIDA, DEPARTMENT OF ENVIROMENTAL PROTECTION			
Florida Recreation Development Assistance Program	37.017		
Legacy Park Playground		A7093	50,000
<i>Passed-Through Sarasota County Board of County Commissioners</i>			
Statewide Surface Water Restoration and Wastewater Projects	37.039		
Red Tide Management for and within Sarasota County		AB004-Venice	24,857
Clean Water State Revolving Fund Program	37.077		
Reclaimed Water Distribution System Improvements		WW580440	71,615
Total Florida Department of Enviromental Protection			<u>146,472</u>
EXECUTIVE OFFICE OF THE GOVERNOR			
Florida Division of Emergency Management			
Public Assistance Program	N/A		
Hurricane Irma		Z0126	474
STATE OF FLORIDA, DEPARTMENT OF HEALTH			
Bureau of Emergency Medical Services			
<i>Passed Through Sarasota County</i>			
County Grant Awards	64.005		
EMS Equipment - Mini Anne Plus Manikins Kit		C6056	1,097
TOTAL EXPENDITURES OF STATE FINANCIAL ASSISTANCE			<u>\$ 1,834,635</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE			<u>\$ 7,299,942</u>

See independent auditor's report and notes to this schedule.

Questions or Comments



MOORE STEPHENS
LOVELACE CPAs & ADVISORS