Florida
City of
Venice
Comprehensive Annual
Financial Report
For Fiscal Year Ended September 30, 2014

Venice, FL

City on the Gulf

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COMPREHENSIVE ANNUAL

FINANCIAL REPORT

OF THE

CITY OF VENICE, FLORIDA

FOR THE FISCAL YEAR ENDED

SEPTEMBER 30, 2014

PREPARED BY THE

OFFICE OF THE FINANCE DIRECTOR

Jeff L. Snyder, MBA, CPA, CGMA

FINANCE DIRECTOR

INTRODUCTORY SECTION

- **TABLE OF CONTENTS**
- **LETTER OF TRANSMITTAL**
- **CERTIFICATE OF ACHIEVEMENT FOR EXCELLENCE IN FINANCIAL REPORTING**
- **PRINCIPAL OFFICIALS**
- **CITY OF VENICE ORGANIZATIONAL CHART**

City of Venice, Florida
Comprehensive Annual Financial Report
For the Fiscal Year Ended September 30, 2014

Reference

INTRODUCTORY SECTION

Letter of Transmittal i

Certificate of Achievement for Excellence in Financial Reporting ix

List of Principal Officials xi

Organizational Chart xii

FINANCIAL SECTION

Independent Auditor's Report 1

Management's Discussion and Analysis 3

Basic Financial Statements:

Government-Wide Financial Statements:
- Statement of Net Position 19
- Statement of Activities 20

Fund Financial Statements:

- Balance Sheet – Governmental Funds 22
- Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position 23
- Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds 24
- Reconciliation of the Statement of Revenues, Expenditures and Changes In Fund Balances of Governmental Funds to the Statement of Activities 25
- Budget Comparison Statement 26
- Statement of Net Position – Proprietary Funds 28
- Statement of Revenues, Expenses, and Changes in Fund Net Position – Proprietary Funds 34
- Statement of Cash Flows – Proprietary Funds 38
- Statement of Fiduciary Net Position – Pension Trust Funds 40
- Statement of Changes in Fiduciary Net Position – Pension Trust Funds 41

Notes to the Basic Financial Statements 42

Required Supplementary Information:

Firefighters' Schedule of Changes in Net Pension Liability and Related Ratios 84
Firefighters' Schedule of Contributions 85
Firefighters' Schedule of Investment Returns 86

Police Officers' Schedule of Changes in Net Pension Liability and Related Ratios 87
Police Officers' Schedule of Contributions 88
Police Officers' Schedule of Investment Returns 89

Combining and Individual Fund Statements and Schedules:

Fund Descriptions – Nonmajor Governmental Funds 90
Combining Balance Sheet – Nonmajor Governmental Funds 92
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Governmental Funds 96
Budget Comparison Schedules 100
Fund Description – Internal Service Funds 109
Combining Statement of Net Positions – Internal Service Funds 110
Combining Statement of Revenues, Expenses, and Changes in Fund Net Positions – Internal Service Funds 112
Combining Statement of Cash Flows – Internal Service Funds 114
Fund Description – Trust and Agency Funds 116
Combining Statement of Fiduciary Net Positions – Pension Trust Funds 117
Combining Statement of Changes in Fiduciary Net Positions – Pension Trust Funds 118

STATISTICAL SECTION (UNAUDITED)

Government-Wide Information:

Net Position by Component 122
Changes in Net Positions 124
Fund Balances of Governmental Funds 128
Changes in Fund Balances of Governmental Funds 130
Assessed Value and Estimated Actual Value of Taxable Property 132
Property Tax Rates-Direct & Overlapping Governments 133
Property Tax Levies and Collections 134
Pledged Revenue Coverage 135
Governmental Activities Tax Revenues by Source 136
Ratios of Outstanding Debt by Type 137
Ratios of General Bonded Debt Outstanding 138
Direct and Overlapping Governmental Activities Debt 139

Demographic and Economic Statistics 140
Principal Property Taxpayers 141
Principal Employers 142
Full-Time Equivalent City Government Employees by Function 143
Operating Indicators by Function/Program 144
Capital Asset Statistics by Function (Operating Indicators) 146

COMPLIANCE/SINGLE AUDIT SECTION

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* 149
Independent Auditor's Report on Compliance for Each Major Federal Program and on Internal Control Over Compliance and Report on Schedule of Expenditures of Federal Awards Required by OMB Circular A-133 151
Schedule of Findings and Questioned Costs 154
Schedule of Expenditures of Federal Awards 156
Notes to Schedule of Expenditures of Federal Awards 157
Independent Accountant's Report 159

Venice, FL

City on the Gulf

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Venice, Florida
"City on the Gulf"

March 30, 2015

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

We are pleased to submit the Comprehensive Annual Financial Report (CAFR) of the City of Venice, Florida (City) for the fiscal year ended September 30, 2014. The purpose of this report is to provide the City Council, citizens, 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 generally accepted accounting principles (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 Moore Stephens Lovelace, 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, 2014, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the City's financial statements for the fiscal year ended September 30, 2014, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

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

Honorable Mayor, City Council
And Citizens of the City of Venice, Florida
March 30, 2015

PROFILE OF THE GOVERNMENT

The City, incorporated during 1927, is located in Sarasota County, the southwestern part of the state. Venice, well known for its beautiful beaches, enjoys a semi-tropical climate with an average summer temperature of 83.5 degrees, and an average winter temperature of 63.6 degrees. The City currently occupies a land area of 16.73 square miles and serves a population of 21,188. The City is empowered to levy a property tax on real property 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 a city council consisting of the mayor and six other members. The City Council is responsible, among other things, for passing ordinances, adopting the 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 of the city council, for overseeing the day-to-day operations of the City, and for appointing the heads of the various departments. The council is elected on a non-partisan basis. Council members serve three-year staggered terms, with two council members elected every year. The mayor is elected to serve a three-year term. The mayor and the council members are elected at large.

The City provides a full range of services that include public safety, the construction and maintenance of streets and other infrastructure, solid waste services and recreational activities and cultural events. The City also provides utilities for water, wastewater, and storm water.

Public safety includes police protection and fire protection. Police protection is provided through the Police Department, which includes 44 authorized police officers. The City's Fire Department operates 3 fire stations and has 40 firefighters and officers.

The annual budget serves as the foundation for the City's financial planning and control. All agencies 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 by no later than September 30, the close of the City's fiscal year. The appropriated 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. Budget-to-actual comparisons are provided in this report for the general fund as part of the basic financial statements.

LOCAL ECONOMY

The City currently faces the same economic environment as the rest of the nation. The local economy is showing signs of modest recovery following five years of fiscal decline. An upsurge in the issuance of building permits and related real estate activity demonstrates a resurgence in the City's economy. The economy of the City and Sarasota County is a blend of tourist and

retirement industries, related service industries, light manufacturing and construction. The number of tourists visiting the County exceeds one million annually. The combination of cultural and recreational facilities, together with the continuing expansion of programs and facilities makes Venice and Sarasota County an ideal retirement area. 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 steadily increased over the past ten years from 20,035 in 2005 to 21,188 as of April 1, 2014. The population increase is due primarily to net migration versus natural increases. At the local level property values declined. In the 2010 fiscal year, the value of taxable property in the City of Venice was $3,172,976,298. As the economy has declined the property values had decreased to $2,701,271,123 in fiscal year 2013. The total decline in value is more than $470 million or a four-year decline of approximately 15%. With the modest recovery in the economy property values slightly increased to $2,803,751,805 in fiscal year 2014 and increased again to the current estimated value of $3,020,689,268. The taxable value on real property increased 7.7% for the fiscal year 2015 valuation. We anticipate that this upward trend will continue even as the nation struggles through the great recession. The past declines and the recent increases will continue to impact the fiscal year 2014-2015 operations as well as our future fiscal years.

LONG-TERM FINANCIAL PLANNING

The City uses a five-year model for long-range planning in the general fund and all enterprise funds. The plans, including a five-year capital improvement plan, are updated annually. 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.

Additionally the City Council has established a preference for pay-as-you-go financing as a significant capital financing source, but will ultimately determine the most appropriate financing structure for each capital project on an individual basis after examining all relevant factors of the project. Fund balances in excess of required debt and other continuing obligations may be used as a capital source for pay-as-you-go financing.

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).

The annual operating budget should be maintained in such a manner as to avoid an operating fund deficit. The annual budget should show fiscal restraint. 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. Such levels are delineated below.

- General Fund – The target is to maintain an unassigned fund balance of three months operating expenditures (25%). This is the target that the unassigned fund balance should not fall below without establishing a replenishment plan.
- Building Permit Fund – The target fund balance is set at three months operating expenditures (25%). This is the target that the fund balance should not fall below without establishing a replenishment plan.
- Enterprise Funds – The target unrestricted net position is set at four months operating expenses (33%). This is the target that the net position should not fall below without establishing a replenishment plan.

The City complies with its debt management policy and its investment management policy.

Accounting systems shall be maintained in order to facilitate financial reporting in conformance with Generally Accepted Accounting Principles of the United States.

An annual financial audit shall be prepared in conformance with Florida state law.

MAJOR INITIATIVES

Due to the economic times the City's challenge is to preserve the breadth and quality of municipal service in the face of reduced operating revenues. Because approximately 82.02% of the General Fund is personnel costs, substantial reductions in staffing were required. Since the 2006-2007 fiscal cycles, more than twenty percent (20%) of full time employee jobs have been vacated, either through attrition or layoff, reducing the workforce to a total of 276.5 in fiscal year 2012. There were no further reductions in the size of the work force in fiscal year 2013. Early indications of a recovering economy supported the refilling of several positions within the building department, fire department, and some key management positions in fiscal year 2014 to reach a total of 295 full time equivalent positions. In spite of the past reduction in personnel, the City's municipal professionals continue to demonstrate PRIDE in delivering quality service to residents and visitors.

A major revenue stream supporting the City's general operating budget is property tax revenue. The real estate market began a pronounced decline in 2008. Because the millage (tax rate) was not then increased to offset the falling property values as much as the property values increased from 2002 to 2008, the tax revenues summarily decreased from 2008 to 2012. The millage rate varied annually from a high of 3.406 mills in 2002, to a low of 2.779 mills in 2010. The tax revenue to support the City's general operating budget had declined by more than six million dollars ($6,082,000). At the same time the general cost of doing business continued to rise.

Through staff's initiatives, General Fund expenditures were reduced in the past several years. However, with a roll-back millage rate from 2.9350 to 2.9653, and a limited use of reserve funds, the City was able to support specific nonrecurring expenditures in fiscal year 2013. General fund expenditures increased approximately $1 million for operational enhancements during fiscal year

2013. The millage rate was increased to 3.1000 for fiscal year 2014. General Fund expenditures increased approximately $3.8 million in fiscal year 2014. Approximately $500,000 was a result of increased employee health care premiums and the cost of pension benefits, $150,000 was for communication equipment and thermal imaging cameras through the Assistance to Firefighters Grant Program, $175,000 was for professional services, $2,675,000 was for the purchase of the federally-obligated land leased to the Venice Pier Group, Inc. (Sharky's) and the Senior Friendship Center Site (land only), and $300,000 was for expenses related to filling key positions, a road condition assessment, bike lanes and sharrow striping, and other various public works projects.

The Finance Department refinanced the 2004 General Obligation Bonds saving more than $1,200,000 in interest payments.

The City continues the Development Services Partnering 4 Success Program, which includes enhanced customer service training, streamlining processes, and initiating advanced technology to make doing business with the City an easier and more pleasant experience. The Building Department improved services as well as internal functions by redesigning and remodeling the inspectors' office area. The Department enhanced customer service to both internal and external customers by creating a permit processing center to organize and process permits more effectively and efficiently and by implementing a permit imaging process. The imaging process allows permit information to be accessible to staff and customers while reducing the demand on storage space. The City also amended the Code of Ordinances, Section 90-165 for issuance of citations for unlicensed contracting and unpermitted work to implement a pro-active code enforcement approach.

City Council approved and implemented a utility rate increase that went into effect July 1, 2010 with a scheduled rate increase effective October 1, 2011. However, City Council suspended the October 1, 2011 rate increase to obtain a water and sewer utility rate study to determine the best way to satisfy the annual operating and capital cost requirements, to ensure compliance with terms of existing indebtedness, to establish and maintain adequate operating reserves, and create incentives for water conservation. This rate study resulted in a 1.5% increase that went into effect April 2012. The City then did an additional rate study to exclude condominiums, manufactured homes, and mobile homes from the single-family residential classification and create a new classification for these residential units. This rate study resulted in a 10% increase for the single-family residential classification and a 15% decrease for the condominiums, manufactured homes, and mobile homes that went into effect October 1, 2013. All residential classifications will then have an increase of 3% every first of October for the next four years.

The Utilities Department broke ground for replacement of a membrane system instrumental in the Water Department's reverse osmosis process. The $5+ million project is one of a myriad of significant capital improvement and infrastructure upgrade projects occurring citywide. Financing for the extensive Utilities Department work comes from a $20 million bond approved by the City Council. The multi-year program incorporates a proactive maintenance and replacement strategy to forecast long-term and short-term capital project work.

The Police Department completed the development of an inter-local agreement and executed transition of the Police Dispatch function to the countywide system. Incoming calls for police service are now routed through the county communications center. Previously, only "911" calls were answered at the county communications center. With the completion of the consolidation project, all emergency and non-emergency calls go directly to the county site. From that location, Venice police are dispatched to respond to calls. This transition resulted in an estimated savings of $400,000 per year in operational costs.

The Venice Police Department conducted its first Citizens Police Academy. The nine-week course provided instruction and inter-active role playing for twenty five citizens on various features of municipal police work. The program was well received and is in demand for a sequel.

The Venice Airport has been very successful in attracting federal and state grant funds to improve its facilities. In the last year, the airport completed an $8.3 million project to improve runway 5-23. The significant undertaking included redefining the airport's fence-line and supporting modifications to the adjoining Lake Venice Golf Course. Airport staff have successfully received, implemented, and completed related large-scale grant projects supporting environmental assessments, taxiway upgrades and reconstruction. The most recent grant for taxiway improvement totals $4,759,159, awarded by the FAA. The airport staff is currently working toward a $10 million grant to reconstruct runway 13-31. This grant will significantly improve the runway but will also reposition the runway surface approximately 725 feet to remove 24 private residences from a cautionary area defined as the Runway Protection Zone (RPZ)

The City of Venice and Sarasota County executed an agreement for transfer of maintenance responsibilities of approximately thirteen miles of local roads. This issue has been in discussion for several years. The successful execution of this agreement creates an efficiency of repair and maintenance between city and county work forces. The city will take over service for eleven miles of roads largely situated in neighborhoods west of the inter-coastal waterway. The county will assume responsibility for sections of road on Pinebrook Road and Laurel Road. Individual roads will be resurfaced or improved as needed as part of the transfer agreement.

The city and county are participating in the creation of a countywide Master Parks Plan. The project will include an assessment of all current park and recreational areas, define desirable levels of resources and facilities for public use, and incorporate a multi-year strategy to achieve the collective desired outcome.

Following two years of discussions and requests to the Army Corps of Engineers and the federal Office of Management and Budget the City was awarded a $10 million grant for the 2nd Periodic Nourishment for the Venice Segment of the Sarasota County, Florida, Shore Protection Project. This renourishment is schedule for fall/winter 2014/2015.

The city has been successful in attracting special events and this year is no exception. Along with perennial favorites, including the Venice Sharks Tooth Festival, arts & crafts shows, Italian American Club Feast and Carnival, Women's Sertoma Sun Fiesta, Venice Nokomis Rotary Arts Festival, numerous car shows, and the second annual Venice Brew Bash, for the first time the city also hosted a youth sailing regatta. The popular annual Sun Coast BBQ Bash enjoyed special significance this year as it was also Florida's State BBQ Championship event for 2014. Also, returning for the third consecutive year is the REV-3 Triathlon. Finally, Venice recently agreed to host the very popular Chalk Festival in the fall of 2014. This event was, formerly held in Sarasota.

With the cost of healthcare trending upward at a rate of 12% annually, the city implemented some health care initiatives including increasing healthcare contribution rates for retirees effective January 1, 2012 with the objective of a 50/50 contribution split between the City and retiree in the retiree health insurance rates within a five (5) year period.

The solid waste division completed a one-year pilot program for Big Belly solar powered trash/recycling compactors. The division also implemented a free phone app to improve communications with our customers. My Waste App gives the user information on all solid waste and recycling services as well as other information.

The storm water division completed design and permitting to install water quality improvements on the Venice Beach (Outfall #1) and Alhambra (Outfall #2). Also, completed design and permitting for the Westgate Drainage Improvement Project, completed construction of the Flamingo Ditch and Deertown Gully water quality improvement projects, and completed stormwater projects at Ridgewood Ave. and Venetian Parkway, and N. Nokomis Ave. and Santa Maria St.

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 comprehensive annual financial report (CAFR) for the fiscal year ended September 30, 2013. This was the twenty eighth 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 CAFR 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 CAFR 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

Honorable Mayor, City Council
And Citizens of the City of Venice, Florida
March 30, 2015

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

Jeff L. Snyder, CPA, CGMA
Finance Director

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Venice

Florida

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

September 30, 2013

Executive Director/CEO

Venice, FL
City on the Gulf

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CITY OF VENICE, FLORIDA

COUNCIL-MANAGER FORM OF GOVERNMENT

CITY COUNCIL

John Holic, Mayor

Jeanette Gates -Vice Mayor

James Bennett

Bob Daniels

Emilio Carlesimo

Thomas "Kit" McKeon

Deborah Anderson

CITY MANAGER

Edward F. Lavallee, MPA, ICMA-CM

FINANCE DIRECTOR

Jeff Snyder, CPA,CGMA

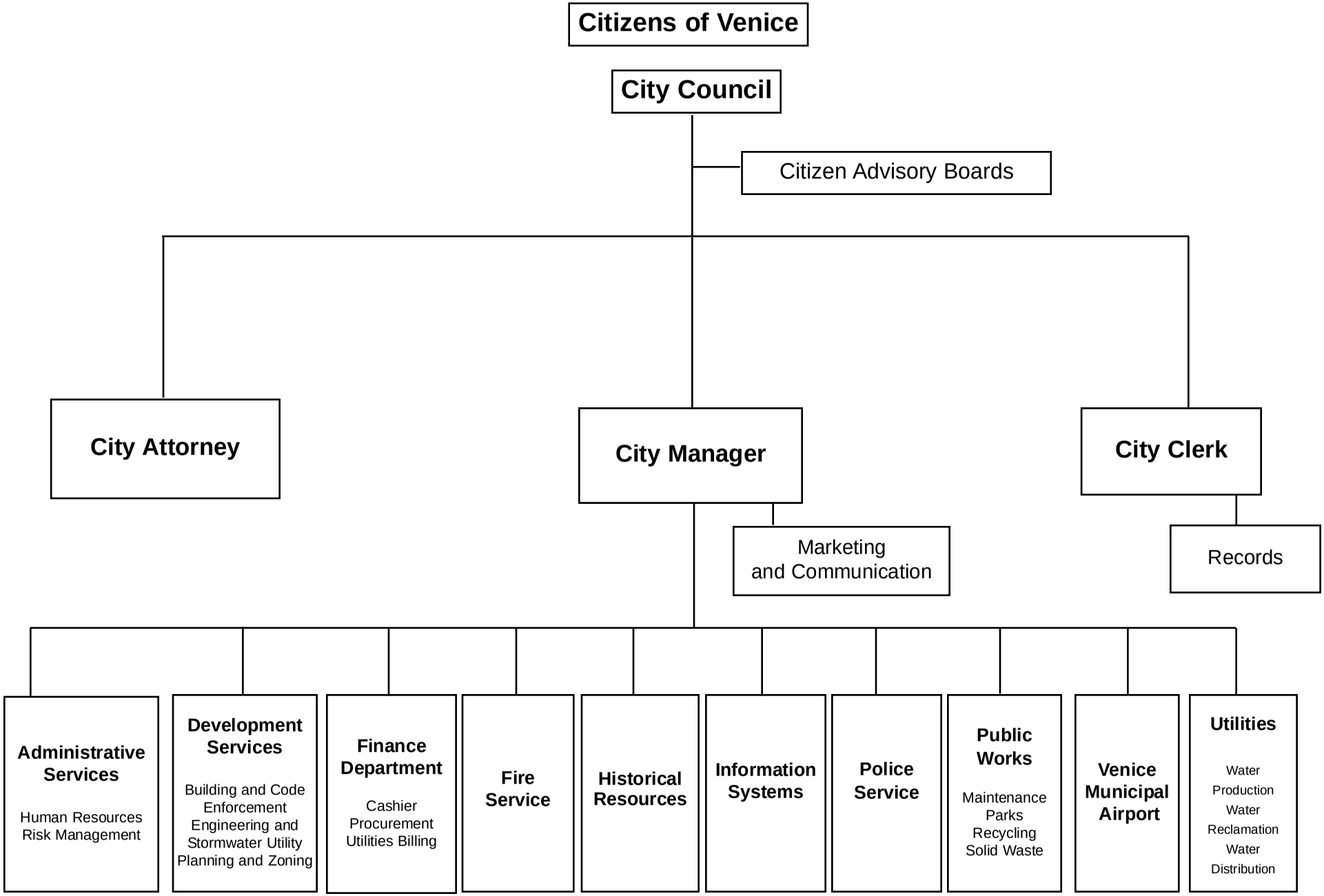
CITY CLERK

Lori Stelzer, MMC

CITY ATTORNEY

Persson & Cohen, P.A.

CITY OF VENICE ORGANIZATIONAL CHART



FINANCIAL SECTION

- **INDEPENDENT AUDITOR'S REPORT**
- **MANAGEMENT'S DISCUSSION AND ANALYSIS**
- **GOVERNMENT-WIDE FINANCIAL STATEMENTS**
- **FUND FINANCIAL STATEMENTS**
- **NOTES TO BASIC FINANCIAL STATEMENTS**
- **REQUIRED SUPPLEMENTARY INFORMATION**
- **COMBINING FUND STATEMENTS AND SCHEDULES**

Venice, FL

City on the Gulf

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MOORE STEPHENS LOVELACE, P.A.
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and City Council
City of Venice, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Venice, Florida (the "City") as of and for the fiscal year ended September 30, 2014, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of September 30, 2014, and the respective changes in financial position, and cash flows, where applicable, and the budgetary comparison for the General Fund thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The Honorable Mayor and City Council
City of Venice, Florida

INDEPENDENT AUDITOR'S REPORT
(Concluded)

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, 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.

Other Information

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 30, 2015, 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.

Moore Stephens Lovelace, P.A.

MOORE STEPHENS LOVELACE, P.A.
Certified Public Accountants

Orlando, Florida
March 30, 2015

City of Venice, Florida

Management's Discussion and Analysis
For the Year Ended September 30, 2014
(unaudited)

As management of the City of Venice, Florida (City), we offer readers this narrative overview and analysis of the financial activities of the City for the fiscal year ended September 30, 2014.

We encourage readers of these financial statements to consider the information included in the transmittal letter and in the other sections of the Comprehensive Annual Financial Report (CAFR) (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 (BFS), as listed in the accompanying Table of Contents.

- At the close of fiscal year 2014, the City's assets and deferred outflows of resources exceeded liabilities by $179.8 million (net position). Of this amount,$35.3 million (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors.

- The City's total net position increased by $3.4 million, or 1.9%, in comparison to the prior year. Net position of the business-type activities increased by $9.8 million, and net position of the governmental activities decreased by $6.4 million.

- All of the City's business-type activities reported combined ending net position of $113.2 million. Of this amount $21.9 million is available for spending at the City's discretion.

- The General Fund's fund balance decreased by $3.7 million for the year ended September 30, 2014.

- At the end of the current year, fund balance for the General Fund was $10.5 million, or 40.2% of total general fund expenditures and transfers. Of this amount, $0.7 million is for nonspendable inventories and prepayments, advances to other funds, and amounts committed or restricted for equipment and capital improvements. $9.8 million is unassigned; of this amount $6.2 million is for disaster reserve and $3.6 million is available for any purpose.

- The City's total debt decreased by $4.2 million during the fiscal year.

Overview of the Financial Statements

Basic Financial Statements. Management's Discussion and Analysis (MD&A) is intended to serve as an introduction to the City's BFS. The BFS are comprised of three components: 1) Government-Wide Financial Statements (GWFS), 2) Fund Financial Statements (FFS), and 3) Notes to Basic Financial Statements (Notes). This CAFR also contains other supplementary information in addition to the BFS.

Government-Wide Financial Statements. The GWFS, shown on pages 19-21 of this report, contain the *statement of net position* and the *statement of activities*, described below:

The *statement of net position* presents information on all the City's assets (including capital assets), deferred outflows of resources, liabilities (including short and long-term liabilities, deferred inflows of resources, and net position. Assets plus deferred outflows of resources, less liabilities, less deferred inflows of resources, equals net position using the accrual basis. Over time, increases or decreases in net position serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The *statement of activities* presents a comparison between direct expenses and program revenues for each of the City's functions or programs (referred to as "activities"). Direct expenses are those that are specifically associated with an activity and are therefore clearly identifiable with that activity. Program revenues include charges paid by the recipient of the goods or services offered by the program, in addition to grants and contributions that are restricted to meeting the operational or capital requirements of a particular activity. Revenues that are not directly related to a specific activity are presented as general revenues. The comparison of direct expenses with revenues from activities identifies the extent to which each activity is self-financing, or alternatively, draws from any City generated general revenues. The governmental activities (activities that are principally supported by taxes and intergovernmental revenues) of the City include administration of general government, public safety, culture and recreation, physical environment, transportation, and economic environment. The business-type activities (activities intended to recover all of their costs through user fees and charges) of the City include water and sewer utilities, solid waste, storm water, and airport. All changes in net position are reported as soon as the underlying event giving rise to the change occurs (accrual basis), regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods, such as uncollected taxes and earned but unused vacation leave.

Fund Financial Statements. A *fund* is defined as a fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations. The principal role of funds in the new financial reporting model is to demonstrate fiscal accountability. The City, as with other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

The focus of the FFS is on major funds. Major funds are those that meet minimum criteria (a percentage of assets, deferred outflows of resources, liabilities, deferred inflows of resources, revenue, or expenditures/expenses of fund category and of the governmental and enterprise funds combined), or those that the City chooses to report as major funds given their qualitative significance. Nonmajor funds are aggregated and shown in a single column in the appropriate financial statements. Combining schedules of nonmajor funds are included in the CAFR

following the BFS. All of the funds of the City can be divided into three categories: *governmental funds*, *proprietary funds*, and *fiduciary funds.*

Governmental FFS. Governmental funds are used to account for essentially the same functions reported as governmental activities in the GWFS. However, unlike the GWFS, governmental FFS focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the City's fiscal year. Such information is useful in evaluating the City's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the GWFS (modified accrual versus accrual basis of accounting, and current financial resources versus economic resources), 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 17 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances. The General Fund, 2004 General Obligation Bond Fund, and Beach Renourishment Fund are considered major funds. Data from the other governmental funds are combined into a single aggregated presentation. Budgetary comparisons have been presented for the General Fund, 2004 General Obligation Bond Fund, Beach Renourishment Fund, and each non-major governmental fund to demonstrate compliance with the budget. The General Fund comparison is presented in the FFS on page 26 of this report. The 2004 General Obligation Bond Fund is on page 105, the Beach Renourishment Fund is on page 107, and nonmajor governmental fund comparisons can be found on pages 92-99 of this report.

Proprietary FFS. The City maintains two different types of proprietary funds. *Enterprise funds* are used to report the same functions presented as business-type activities in the GWFS. Enterprise FFS provide the same type of information as the GWFS, only in more detail. The City uses enterprise funds to account for its Water and Sewer Utility, Solid Waste, Storm Water, and Airport activities, all of these activities are considered to be major funds by the City and are presented separately.

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 services. The services provided by the internal service funds benefit both governmental and business-type activities, and accordingly, they have been included within governmental activities and business-type activities, as appropriate, in the GWFS. All internal service funds are combined into a single aggregated presentation in the proprietary FFS. Reconciliations are provided for both the proprietary fund statement of net position and the proprietary fund statement of revenues, expenses, and changes

in net position to facilitate the comparison between enterprise funds and business-type activities. The proprietary FFS can be found on pages 28-39 of this report.

Fiduciary FFS. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the GWFS because the resources of those funds are not available to support the City's own programs. The City presents pension trust funds that represent the results of two defined benefit pension plans as fiduciary funds in the FFS. The fiduciary FFS can be found on pages 40-41 of this report.

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 42-81 of this report.

Government-Wide Financial Analysis

As noted earlier, net position serves as a useful indicator of the City's financial position. For the City, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by $179.8 million (net position) at the close of the fiscal year.

By far the largest portion of the City's net position of $121.4 million or 67.5%, reflects its net investment in capital assets, e.g., land, buildings, infrastructure, machinery, and equipment, less any related debt used to acquire those assets that is still outstanding at the close of the fiscal year. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's net 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.

(in 000's)

	Governmental Activities		Business-Type Activities		Total	
	2014	**2013**	**2014**	**2013**	**2014**	**2013**
Current and other assets	$ 31,270	$ 33,349	$ 48,152	$ 51,007	$ 79,422	$ 84,356
Capital assets	55,524	60,168	102,520	92,777	158,044	152,945
Total assets	86,794	93,517	150,672	143,784	237,466	237,301
Deferred Outflows of Resources	-	-	72	143	72	143
Current liabilities	3,353	3,067	3,122	2,798	6,475	5,865
Noncurrent liabilities	16,799	17,411	34,441	37,730	51,240	55,141
Total liabilities	20,152	20,478	37,563	40,528	57,715	61,006
Net position:						
Net investment in capital assets	49,066	52,924	72,356	59,200	121,422	112,124
Restricted	4,208	4,753	18,877	25,895	23,085	30,648
Unrestricted	13,368	15,362	21,948	18,304	35,316	33,666
Total net position	$ 66,642	$ 73,039	$ 113,181	$ 103,399	$ 179,823	$ 176,438

An additional portion of the City's net position of $23.1 million or 12.9%, represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position of $35.3 million or 19.6%, may be used to meet the City's ongoing obligations to citizens and creditors.

The City also reports positive balances in all three categories of net position for the City as a whole, as well as for its separate governmental activities and business-type activities.

The City's governmental activities net position of $66.6 million decreased $6.4 million, or 8.8%, in comparison to the prior year. This is primarily a result of constructing a North-South Connector East of I-75. The majority of these expenses occurred in fiscal year 2013, the road was then transferred to Sarasota County in fiscal year 2014. The city purchased the release of federal surplus property obligations at the Venice Municipal Airport (land). There were increases in pension and health care costs. Additionally, new positions were added and positions which had been frozen or eliminated in prior years were re-instated during fiscal year 2014.

The City's business-type activities experienced an increase in net position of $9.8 million, or 9.5%, in comparison to the prior year. This is primarily due to a 1.5% water and sewer utility rate increase that went into effect April 2012, along with additional changes to the utility rates that went into effect October 1, 2013. In addition, the utilities department had an increase of approximately $1.5 million in capital grants, while decreasing their operating expenses. Airport had a decrease in their capital grant funding, but had a gain on releasing the federal surplus property obligations at the Venice Municipal Airport.

Changes in Net Position

Details of the following summarized information can be found on pages 20-21 of this report.

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

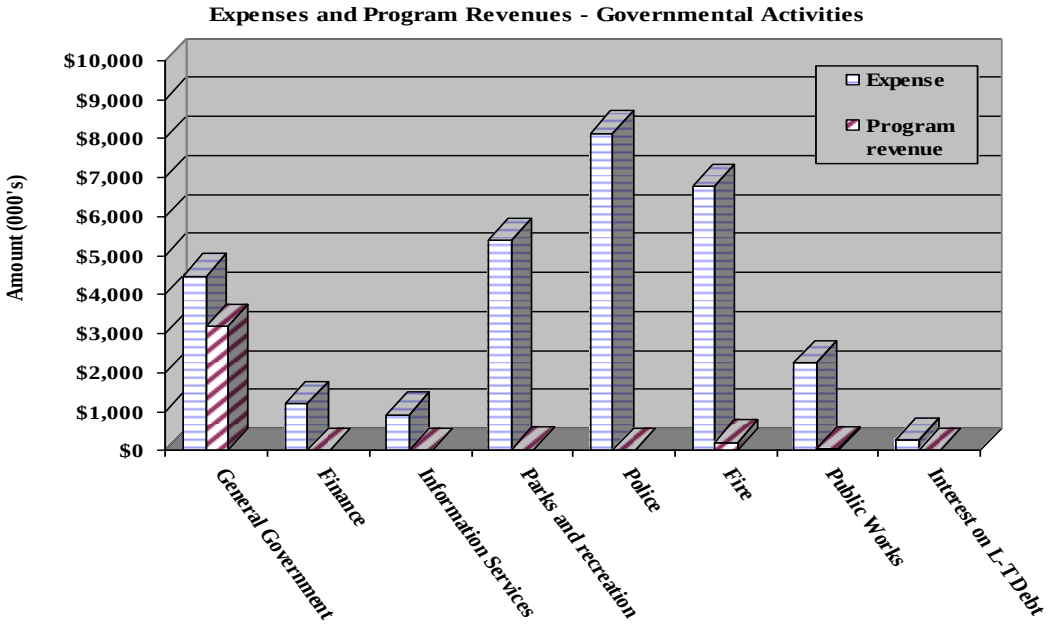
	Governmental Activities		Business-Type Activities		Totals	
Revenues:	**2014**	**2013**	**2014**	**2013**	**2014**	**2013**
Program Revenues:						
Charges for services	$ 2,686	$ 2,590	$ 29,451	$ 28,888	$ 32,137	$ 31,478
Operating grants and contributions	829	639	30	34	859	673
Capital grants and contributions	310	1,282	2,755	6,588	3,065	7,870
General Revenues:						
Property taxes	8,946	8,428	-	-	8,946	8,428
Sales taxes	5,109	5,037	-	-	5,109	5,037
Excise taxes	2,402	2,170	-	-	2,402	2,170
Franchise fees	2,213	1,694	-	-	2,213	1,694
Intergovernmental	1,903	1,784	-	-	1,903	1,784
Interest earnings	327	143	335	(2)	662	141
Other	802	765	-	-	802	765
Total revenues	25,527	24,532	32,571	35,508	58,098	60,040
Expenses:						
General government	4,475	4,207	-	-	4,475	4,207
Finance	1,205	1,087	-	-	1,205	1,087
Information services	927	802	-	-	927	802
Parks and recreation	5,402	3,713	-	-	5,402	3,713
Police	8,133	8,087	-	-	8,133	8,087
Fire	6,780	6,077	-	-	6,780	6,077
Public works	2,261	3,970	-	-	2,261	3,970
Interest on long-term debt	279	411	-	-	279	411
Water and sewer utility	-	-	14,913	16,086	14,913	16,086
Solid waste	-	-	4,437	4,154	4,437	4,154
Airport	-	-	2,316	2,269	2,316	2,269
Storm water drainage	-	-	1,137	850	1,137	850
Total Expenses	29,462	28,354	22,803	23,359	52,265	51,713
Change in net position before disposition of assets, special items & transfers	(3,935)	(3,822)	9,768	12,149	5,833	8,327
Disposition of assets	-	-	2,675	-	2,675	-
Special items	(5,123)	-	-	-	(5,123)	-
Transfers	2,661	2,253	(2,661)	(2,253)	-	-
Change in net position	(6,397)	(1,569)	9,782	9,896	3,385	8,327
Net position - beginning of year	73,039	74,608	103,399	93,503	176,438	168,111
Net position - end of year	$ 66,642	$ 73,039	$ 113,181	$ 103,399	$ 179,823	$ 176,438

Governmental activities. The net position of the City's governmental activities decreased by $6.4 million. Key elements of the operations follow:

- Revenues increased by approximately $1.0 million, or 4.1% in comparison to the prior year. The key factors impacting this increase is approximately a 6% increase in property values, and slight increases in sales taxes, excise taxes and franchise fees revenues. The city also had an increases in building permits and investment earnings, and received funds through the firefighter's assistance grant program.

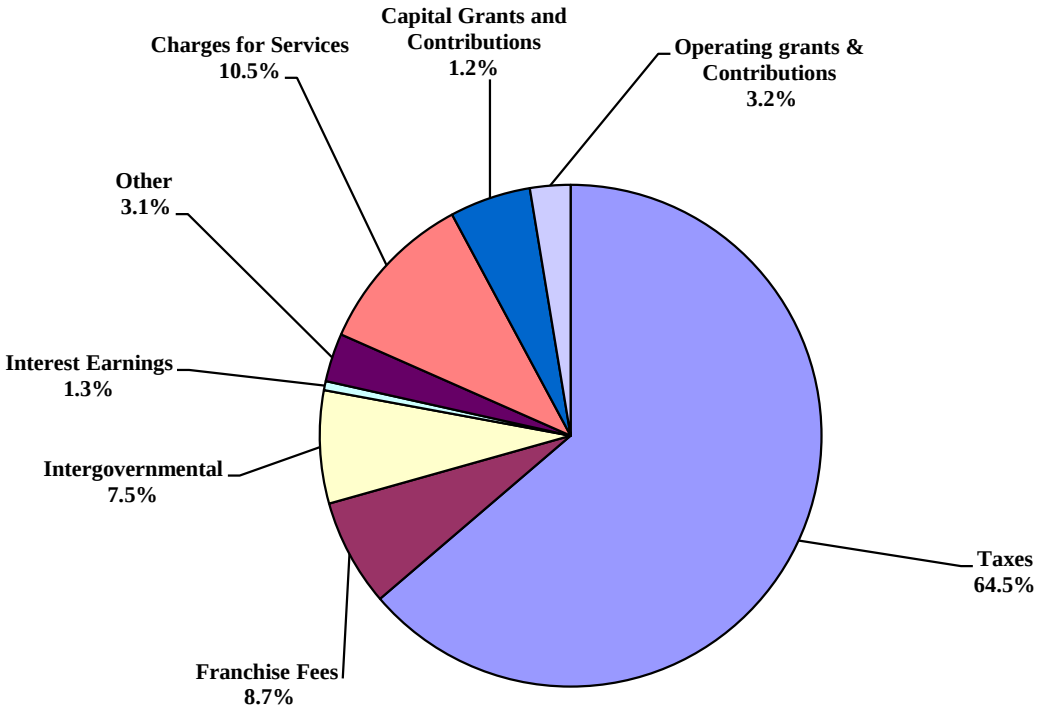
- Total expenses increased by $1.1 million, or 3.9% from the prior year. For the first time since the great recession the City added employees: a second resource officer was assigned to Venice High School, the public works department added two maintenance crew to supplement the workforce responsible for road repairs, park services and general property maintenance, the fire department added three firefighters to increase engine company strength and enhance response capacity to fire emergencies, an IT network specialist was added to the Information Services Department, and the Building Department added a deputy building official, a senior building inspector, and a clerical assistant to support the significant increase in applications for building permits, plans review, and field inspections. Approximately $2.7 million was for the release of federal surplus property obligations at Venice Municipal Airport. These increases in expenditures were offset by a decrease in personnel costs (approximately $400,000) for the police department as a result of consolidating its dispatch services with Sarasota County.

This graph depicts the expenses and program revenues generated through the City's various governmental funds.



The following graph reflects the source of the revenue and the percentage each source represents of the total.

Revenues by Source – Governmental Activities



Business-type activities. Business-type activities increased the City's net position by $9.8 million as a result of operations. Key elements of this increase follow:

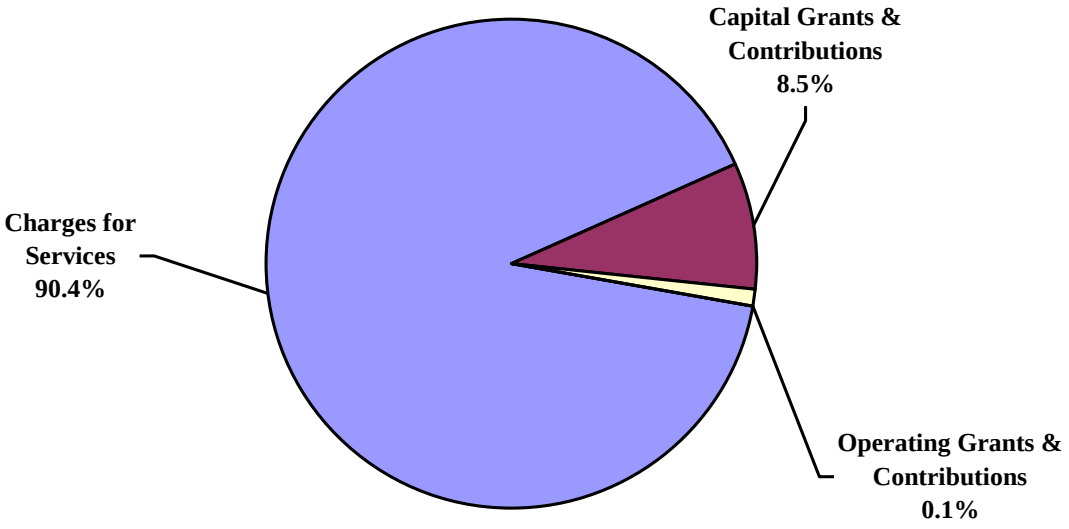
- Charges for services reported in business-type activities increased by $0.6 million, or 1.9%, in comparison to the prior year. A 10% water and sewer utility rate increase for the single-family residential classification and a 15% decrease for the condominiums, manufactured homes, and mobile homes went into effect October 1, 2013; there was an increase in water and sewer plant capacity fees; the effect of these increases is the primary reason for the increase in charges for services. There was also approximately $1.4 million in capital grants and contributions from the Southwest Florida Water Management District used for the reclaimed water storage tank. This increase in capital grants was offset by a reduction of approximately $5.5 million in capital grants related to the FAA Airport Improvement Program and State Aviation Development Grants.

- Expenses reported in business-type activities decreased by $0.6 million, or 2.4%, in comparison to the prior year. This is a result of a decrease in repairs and maintenance of the utility system.

- Transfers out to the general fund decreased by $200,000, or 5.4%, due to a decrease in the central services cost allocation resulting from the methodology and process established in the full cost allocation plan.

The following graph reflects the revenue sources generated by the business-type activities. As noted earlier, these activities include Water and Sewer, Solid Waste, Airport, and Storm Water Drainage.

Revenues by Source – Business-type Activities



Financial Analysis of the City's 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 resources available for any purpose that is not included in other spendable classifications at the end of the fiscal year.

- At the end of the fiscal year, the City's governmental funds reported combined ending fund balances of $24.3 million. This compared to $27.7 million at the end of the prior fiscal year. The decrease of $3.4 million is primarily due to paying $2.7 million for the release of federal surplus property obligations at Venice Municipal Airport, nearly $1.0 million for beach renourishment, and various capital improvements. There was an increase in expenses related to personnel costs: hiring for new positions, pension costs and health care premiums. The increases in expenses were slightly offset by increases in property values, sales taxes, franchise fees and building permits. Of the ending governmental fund balance $14.5 million are nonspendable inventories and prepayments, advances to other funds, and amounts committed or restricted for capital improvements and debt service. $9.8 million is *unassigned*; of this amount $6.2 million is for disaster reserve and $3.6 million is available for any purpose.

The *General Fund* is the chief operating fund of the City. At the end of the fiscal year, the unassigned fund balance in the General Fund was $9.8 million, compared to $10.0 million unassigned fund balance in the previous fiscal year, representing a decrease of approximately $200,000. The difference in activity from year to year is reflected as follows: transfers-out increased in fiscal year 2014 by approximately $1.3 million. $999,744 of this amount was to the beach renourishment fund, $81,795 was used for design and permitting for parking facilities at the beach and downtown parking areas, and $195,210 was transferred to the airport fund for administrative costs related to the release of federal surplus property obligations at Venice Municipal Airport. Expenses increased in fiscal year 2014 by approximately $3.8 million. Of this amount, approximately $2.7 million was for the release of federal surplus property obligations at Venice Municipal Airport. Approximately $500,000 was a result of increased employee health care premiums and the cost of pension benefits, $150,000 was for communication equipment and thermal imaging, and approximately $450,000 was for expenses related to filling key positions, professional services, a road condition assessment, bike lanes and sharrow striping, and other various public works projects. The City continues to evaluate services provided and streamline operations. Revenues increased approximately $1.6 million. Approximately $650,000 was an increase in property values, the remaining increases were in sales and other taxes and franchise fees. The fund balance includes a reduction of $3.3 million in advances to other funds as a result of a scheduled repayment and refunding the interfund advance. Total fund balance approximated $10.5 million at the end of the fiscal year compared to $14.2 million at the end of the prior fiscal year. As a measure of the General Fund's liquidity, it is useful to compare unassigned fund balance and total fund balance to total fund expenditures (including transfers out). Unassigned fund balance represented 37.5% of total General Fund expenditures (including transfers out) compared to 47.2% in the prior year. Total fund balance represented 40.2% of total General Fund expenditures (including transfers out) compared to 67.3% in the prior year.

The *2004 General Obligation Bond Fund is a debt service fund* used to account for the financing (principal and interest) of certain recreational facilities that are not included in proprietary funds. The fund balance decreased $0.5 million in comparison to the prior year as a result of paying principal and interest during the fiscal year.

The *Beach Renourishment Fund is a capital project fund* used to account for the cost of beach renourishment. The fund balance increased $1.0 million as a result of transfers-in from the general fund and the one-cent sales tax fund versus the timing of the expenditures for beach renourishment.

Proprietary funds. The City's proprietary funds are comprised of the enterprise funds and internal service funds. An enterprise fund is used to account for activities for which a fee is charged to external users for goods and services. These funds provide essentially the same type of information found in the GWFS, but in more detail.

Unrestricted net position of the major proprietary funds at the end of September 30 are shown next with amounts presented in 000's:

	2014	2013
Water and Sewer Utility Fund	$ 12,094	$ 8,577
Solid Waste Fund	3,764	3,857
Airport Fund	4,584	3,757
Storm Water Drainage Fund	1,825	2,079
	$ 22,267	$ 18,270

The Water and Sewer Utility Fund reflected a current year increase in unrestricted net position of nearly $3.5 million which is close to the $3.4 million increase in the prior fiscal year. The increase is due to a rate study that resulted in a 10% increase for the single-family residential classification and a 15% decrease for the condominiums, manufactured homes, and mobile homes that went into effect October 1, 2013. All residential classifications will then have an increase of 3% every first of October for the next four years. There was also a decrease of approximately $0.8 million in expenses for maintenance of the utility system. There was also a reduction of $3.3 million in advances from other funds as a result of a scheduled repayment and refunding of an interfund advance. City Management continues to monitor this fund.

The Solid Waste Fund remained constant in unrestricted net position of nearly $3.8 million compared to the prior year. This is due to stable solid waste activities and administrative charges through the full cost allocation plan.

The Airport Fund increased $0.8 million compared to the prior year's unrestricted net position which decreased $0.4 million. This is due to the cash received for the release of federal surplus property obligations at Venice Municipal Airport and amounts due from FAA and Florida Department of Transportation (FDOT) for various airport construction projects. Airport's operating revenues and operating expenses were fairly consistent from FY2013 to FY2014.

The Storm Water Drainage Fund reflected a decrease in unrestricted net position of $0.3 million during the current year compared to a $0.5 million increase during the prior year. The decrease was primarily due to an increase in maintenance expenses related to stormwater drains, ditches and outfalls, and an increase in central services cost allocation resulting from the methodology and process established in the full cost allocation plan.

General Fund Budgetary Highlights

The difference between the original budget and the final amended budget (including transfers-out) was $4.9 million with an increase to expenditures. These changes can be briefly summarized as follows:

- $426,168 increase due to "rolling over" encumbrances, $176,760 of this amount was for capital outlay expenditures.
- $2,875,000 to purchase the release of federal surplus property obligations at the Venice Municipal Airport. This transaction resulted in a $131,790 transfer to the airport for administrative costs.
- $999,744 transferred to the beach renourishment fund.
- $150,543 through the Assistance to Firefighters Grant Program for communication equipment and thermal imaging cameras.
- $88,897 increase for various public works projects: parks, decorative street light poles, landscaping and community center flooring.
- $81,795 increase for design and permitting of parking facilities at the beach and downtown parking areas.
- $70,000 increase in engineering: $20,000 of this amount is for bike lane and sharrow striping and $50,000 for a road condition assessment.
- $37,340 increase for equipment, support, and professional services to facilitate with the installation and activation of the fiber network.
- $14,647 of grant funds and donations used for the classroom and cops program, digital cameras for patrol vehicles, and fire extinguisher training equipment.

The General Fund ended the fiscal year with expenditures and transfers-out nearly $1.0 million less than budgeted. This is due to positions becoming vacant and the timing of hiring new individuals resulted in positions not being paid for the entire year, and a concentrated effort by management to control costs during the year and curtailing spending.

Actual total revenues exceeded budgeted revenues by $706,389 for the fiscal year. This is largely due to intergovernmental revenue received through the Assistance to Firefighter's Grant Program, and implementing a tax on water to the utility department.

Capital Assets and Debt Administration

Capital assets. The City's net investment in capital assets for its governmental and business-type activities as of September 30, 2014 amounted to $121.4 million (net of accumulated depreciation), or a 8.3% increase, in comparison to the prior year. This increase is due to purchasing the release of federal surplus property obligations at Venice Municipal Airport (land), purchase of vehicles, and various utilities, airport, and stormwater capital improvement projects. The net investment in capital assets includes land, construction in progress, buildings, improvements, equipment, and infrastructure, net of accumulated depreciation, and the outstanding related debt used to acquire the assets.

Major capital asset events during the fiscal year included the following:

- Completed airport 04/22 runway rehabilitation and the mobile home park clubhouse renovations.
- Completed wellfield park fencing.
- Completed fiber optics installation.
- Completed stormwater improvements at Venice Mobile Home Park.
- Purchased seven police vehicles, one patrol motorcycle, two vehicles for public works/ parks, two vehicles for the building department, and four trucks for solid waste.
- Purchased a marine patrol boat lift and a firefighter boat lift.
- Construction-in-Progress includes: utility projects funded via bond issue, design runway 13-31 and construction of taxiways A&C, beach renourishment, and stormwater improvements to flamingo ditch.

At the end of the fiscal year, the City has construction commitments of $15.5 million.

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

	Governmental Activities		Business-Type Activities		Totals	
	2014	**2013**	**2014**	**2013**	**2014**	**2013**
Land	$ 13,713	$ 11,038	$ 1,838	$ 1,838	$ 15,551	$ 12,876
Buildings	11,375	11,850	4,265	4,434	15,640	16,284
Improvements, machinery, and equipment	17,441	20,006	77,321	72,731	94,762	92,737
Infrastructure	9,268	9,504	-	-	9,268	9,504
Construction in progress	3,727	7,770	19,096	13,774	22,823	21,544
Total	$ 55,524	$ 60,168	$ 102,520	$ 92,777	$ 158,044	$ 152,945

Additional information about the City's capital assets can be found on pages 58-60 of this report.

Long-term debt. A summary of the City's total outstanding debt follows:

City of Venice Outstanding Debt
General Obligation and Revenue Bonds
September 30
(in 000's)

	Governmental Activities		Business-Type Activities		Totals	
	2014	**2013**	**2014**	**2013**	**2014**	**2013**
General obligation notes payable	$ 6,458	$ 7,245	$ -	$ -	$ 6,458	$ 7,245
Notes	-	-	8,958	11,967	8,958	11,967
Revenue bonds	-	-	21,206	21,610	21,206	21,610
Total	$ 6,458	$ 7,245	$ 30,164	$ 33,577	$ 36,622	$ 40,822

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 current voter approved debt service millage tax rate per $1,000 of assessed valuation is $0.202.

As of September 30, 2014, the City's total outstanding debt has decreased by $4.2 million or 10.3% over the prior fiscal year end. The decrease in outstanding debt is attributed to a current year refunding. The City issued Florida Recreation Capital Improvement General Obligation Refunding Bond, Series 2014 to refund all of its outstanding City of Venice, Florida Recreation Capital Improvement General Obligation Bonds, Series 2004; and due to payment of scheduled debt service.

Three major rating institutions (Standard & Poor's, Moody's and Fitch) have evaluated the City's financial management, economic conditions and administrative practices. S&P has recently raised its long-term rating on the revenue bonds to 'AA' from 'AA-' and Moody's raised its rating to 'Aa2' from 'Aa3'. Fitch's rating stayed constant at AA. The bond ratings continue to reflect that the City's bonds have the characteristics of investment quality as shown below:

	Standard & Poor's	Moody's Investors Service	Fitch Ratings
Revenue Bonds	AA	Aa2	AA

In January 2015, the City issued Utility System Revenue Bonds and received the revenue bond ratings noted above. These ratings reflect the general credit characteristics of the City, sound management, and low debt levels.

Additional information on the City's long-term debt can be found on pages 61-64 of this report.

Economic Factors and the Next Fiscal Year's Budget and Rates

- At the end of the City's fiscal year the unemployment rate for Sarasota County (Venice area) was 6.0%. This is a decrease from a rate of 6.8% one year earlier. This compares to the state's average unemployment rate of 6.1% and the national average of 5.9% at September 2014.

- The City's population is estimated to have slightly increased, 21,188 for 2014 and 21,117 just one year earlier.

- Building permits issued increased from 6,555 during 2013 to 7,244 in fiscal year 2014, or about a 10.5% increase. This compares to a 17.5% increase from fiscal year 2012 to 2013, and an 11.2% increase from fiscal year 2011 to 2012.

- The assessed valuation of commercial and residential property increased to $2,804 billion in 2014 from $2,701 billion in 2013. This is a 3.8% increase during 2014 compared to a 0.23% decrease during the prior year. In developing the fiscal year 2015 budget, the assessed values increased to $3,021 billion from $2,804 billion in 2014. This is a 7.8% increase for 2015.

- The General Fund property tax millage rate for fiscal year 2015 remained the same as fiscal year 2014 at $3.1000 per thousand. The voter approved debt service property tax millage rate was slightly decreased from $0.2020 in fiscal year 2014 to $0.1920 for fiscal year 2015.

- Over the past ten years extreme fluctuation in the general economy, building industry, and real estate market has directly affected the revenues that support the local government.

All of these factors were considered in preparing the City of Venice's budget for the 2014-2015 fiscal year.

At the end of the fiscal year, the unassigned fund balance in the General Fund was $9.8 million, a decrease of $0.2 million from the $10.0 million in the previous fiscal year. It is intended that the unassigned fund balance be equal to 25% of annual General Fund expenditures and transfers out, which equates to approximately $6.6 million. The City Council authorized a consistent millage rate of 3.1000, and $1.3 million use of reserve funds for various capital improvements, and to support specific other nonrecurring expenditures and ensure the same level of delivery of city services. This action does not compromise the City's protected emergency fund balance to provide three months of operating costs. We anticipate fiscal year 2016 will find the city still operating with restricted revenue streams and have identified some future programs and activities that will provide operational efficiencies and financial advantage to the City. It is imperative that the budget process continues to weigh long term alternatives for meeting the city's obligations within the constraints of projected revenue streams.

The City did a utility rate study that resulted in a 10% increase for the single-family residential classification and a 15% decrease for the condominiums, manufactured homes, and mobile homes that went into effect October 1, 2013. All residential classifications will then have an increase of 3% every first of October for the next four years. This enables the Utility Enterprise Fund to

support improvements to the infrastructure, while providing regular operations and repaying loans from the General Fund.

The fiscal year 2015 Utility Fund budget includes $22.2 million for capital projects, including water main replacement program, RO membrane improvements, Venetian Parkway Utilities Relocation, replacement and installation of WTP Odor Control (degasifier/scrubber), adding a reclaimed water filtration system, improvements to the Eastside WRF aeration system and replacement of grit removal system, and replacement of various sewer lines. Some of the planned funding will come from revenue bonds issued in December 2012 and revenue bonds issued in January 2015.

The fiscal year 2015 airport budget includes funds for capital items, including Runway 13-31 safety improvements with funding from FAA, installation of an aircraft wash rack, landscaping, and airport security improvements.

The Storm Water utility rates increased by 1.1%, the CPI for all urban consumers southern region, effective October 1, 2010, this rate along with the Solid Waste rates remained unchanged for the 2014-2015 fiscal year. In addition, for solid waste the City evaluated the pros and cons of changing from our twice a week pickup to a once a week pickup and decided to stay at our twice a week pickup during the 2014-2015 fiscal year.

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.

City of Venice, Florida
Statement of Net Position
September 30, 2014

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	$ 11,251,829	$ 12,849,480	$ 24,101,309
Investments	7,819,068	8,929,300	16,748,368
Interest receivable	57,108	97,935	155,043
Accounts receivables (net of allowance for uncollectibles)	7,005,507	3,070,406	10,075,913
Internal balances	(3,092,800)	3,092,800	-
Due from other governments	406,366	669,237	1,075,603
Inventories	59,422	566,474	625,896
Prepaid expenses	388,974	-	388,974
Net pension asset	412,239	-	412,239
Restricted assets:			
Cash and cash equivalents	3,952,452	11,137,338	15,089,790
Investments	2,746,620	7,739,505	10,486,125
Interest receivable	-	-	-
Due from other governments	262,942	-	262,942
Capital assets (net of accumulated depreciation):			
Non-depreciable	17,439,513	20,933,206	38,372,719
Depreciable	38,084,374	81,586,736	119,671,110
Total assets	86,793,614	150,672,417	237,466,031
DEFERRED OUTFLOWS OF RESOURCES			
Deferred loss on refunding	-	71,586	71,586
LIABILITIES			
Accounts payable	1,521,368	1,143,372	2,664,740
Accrued liabilities	1,779,465	774,944	2,554,409
Due to other governments	23,601	55,100	78,701
Accrued expenses	-	-	-
Accrued interest payable	28,630	288,754	317,384
Customer deposits	-	860,182	860,182
Noncurrent liabilities:			
Due within one year:			
Bonds payable	387,000	413,713	800,713
Notes payable	-	3,047,000	3,047,000
Compensated absences	638,652	269,408	908,060
Due in more than one year:			
Bonds payable	6,071,000	20,792,421	26,863,421
Notes payable	-	5,911,000	5,911,000
Compensated absences	638,651	269,408	908,059
OPEB payable	9,063,226	3,737,416	12,800,642
Total liabilities	20,151,593	37,562,718	57,714,311
NET POSITION			
Net investment in capital assets	49,065,887	72,355,808	121,421,695
Restricted for:			
Public safety	18,015	-	18,015
Capital improvements	3,486,130	16,716,793	20,202,923
Debt service	703,855	1,160,050	1,863,905
Renewal and replacement	-	1,000,000	1,000,000
Unrestricted	13,368,134	21,948,634	35,316,768
Total net position	$ 66,642,021	$ 113,181,285	$ 179,823,306

See accompanying Notes to Basic Financial Statements.

City of Venice, Florida
Statement of Activities
For the Year Ended September 30, 2014

		Program Revenues	
	Expenses	**Charges for Services**	**Operating Grants and Contributions**
Primary government:			
Governmental activities:			
General government	$ 4,474,822	$ 2,685,997	$ 485,819
Finance	1,205,358	-	-
Information services	926,971	-	-
Parks and recreation	5,402,255	-	-
Police	8,132,658	-	206,424
Fire	6,780,381	-	-
Public works	2,260,453	-	136,713
Interest on long-term debt	278,728	-	-
Total governmental activities	29,461,626	2,685,997	828,956
Business-type activities:			
Water and sewer utilities	14,912,950	20,746,517	30,100
Solid waste	4,436,619	5,270,417	-
Airport	2,316,491	2,064,538	-
Storm water drainage	1,136,533	1,370,008	-
Total business-type activities	22,802,593	29,451,480	30,100
Total primary government	$ 52,264,219	$ 32,137,477	$ 859,056
	General revenues:		
	Property taxes		
	Sales taxes		
	Excise taxes		
	Franchise fees		
	Intergovermental - unrestricted		
	Investment earnings		
	Miscellaneous		
	Disposition of assets		
	Transfers, net		
	Special item- North/South Connector Transferred to Sarasota County		
	Total general revenues, special item and transfers		
	Change in net position		
	Net position - beginning		
	Net position - ending		

See accompanying Notes to Basic Financial Statements.

Capital Grants and Contributions	Net (Expenses) Revenues and Changes in Net Position — Primary Government: Governmental Activities	Business-type Activities	Total
$ 8,940	$ (1,294,066)	$ -	$ (1,294,066)
-	(1,205,358)	-	(1,205,358)
-	(926,971)	-	(926,971)
29,477	(5,372,778)	-	(5,372,778)
-	(7,926,234)	-	(7,926,234)
221,373	(6,559,008)	-	(6,559,008)
50,519	(2,073,221)	-	(2,073,221)
-	(278,728)	-	(278,728)
310,309	(25,636,364)	-	(25,636,364)
1,437,472	-	7,301,139	7,301,139
-	-	833,798	833,798
977,960	-	726,007	726,007
339,078	-	572,553	572,553
2,754,510	-	9,433,497	9,433,497
$ 3,064,819	$ (25,636,364)	$ 9,433,497	$ (16,202,867)
	8,946,291	-	8,946,291
	5,109,151	-	5,109,151
	2,402,437	-	2,402,437
	2,213,124	-	2,213,124
	1,902,549	-	1,902,549
	327,007	334,752	661,759
	801,527	-	801,527
	-	2,675,000	2,675,000
	2,660,819	(2,660,819)	-
	(5,123,295)	-	(5,123,295)
	19,239,610	348,933	19,588,543
	(6,396,754)	9,782,430	3,385,676
	73,038,775	103,398,855	176,437,630
	$ 66,642,021	$ 113,181,285	$ 179,823,306

City of Venice, Florida
Balance Sheet
Governmental Funds
September 30, 2014

	General Fund	2004 General Obligation Bond	Beach Renourishment	Non-Major Governmental Funds	Total Governmental Funds
ASSETS					
Cash and cash equivalents	$ 6,624,625	$ 414,352	$ 590	$ 5,650,217	$ 12,689,784
Investments	4,603,553	287,940	410	3,926,422	8,818,325
Accounts receivable	452,316	-	6,549,170	1,655	7,003,141
Interest receivable	24,800	1,563	-	21,316	47,679
Due from other governments	379,316	-	-	289,992	669,308
Prepaid assets	36,490	-	-	-	36,490
Inventory	59,422	-	-	-	59,422
Advances to other funds	256,337	-	-	-	256,337
Total assets	$ 12,436,859	$ 703,855	$ 6,550,170	$ 9,889,602	$ 29,580,486
LIABILITIES					
Accounts payable	$ 873,451	$ -	$ 20,560	$ 12,139	$ 906,150
Accrued payroll payable	912,696	-	-	18,238	930,934
Due to other funds	-	-	3,345,747	-	3,345,747
Due to other governments	23,585	-	-	16	23,601
Deposits and other liabilities	94,435	-	6,440	-	100,875
Total liabilities	1,904,167	-	3,372,747	30,393	5,307,307
FUND BALANCES					
Nonspendable:					
Inventory, Prepayments and Advances to Other Funds	352,249	-	-	-	352,249
Restricted for:					-
Public safety	-	-	-	18,015	18,015
Boating and waterway improvements	-	-	-	39,303	39,303
Street improvements	-	-	-	3,143,046	3,143,046
Capital improvements	170,000	-	-	3,098,672	3,268,672
Debt service	-	703,855	-	-	703,855
Beach renourishment	-	-	250,000	-	250,000
Committed to:					
Public safety	37,758	-	-	-	37,758
Training and education	-	-	-	72,027	72,027
Capital improvements	-	-	-	1,672,153	1,672,153
Beach Renourishment	-	-	2,927,423	-	2,927,423
Economic Development	-	-	-	14,531	14,531
Florida building code	-	-	-	1,735,337	1,735,337
Historic preservation	-	-	-	66,125	66,125
General government	151,885	-	-	-	151,885
Unassigned:					
General fund	9,820,800	-	-	-	9,820,800
Total fund balance	10,532,692	703,855	3,177,423	9,859,209	24,273,179
Total liabilities and fund balances	$ 12,436,859	$ 703,855	$ 6,550,170	$ 9,889,602	$ 29,580,486

See accompanying Notes to Basic Financial Statements

City of Venice, Florida
Reconciliation of the Balance Sheet of Governmental Funds
To the Statement of Net Position
September 30, 2014

Total fund balance - governmental funds	$	24,273,179
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		55,523,887
Internal service funds (ISF's) are used by management to charge the costs of certain activities, such as insurance and telecommunications, 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 as follows:		
Net position		3,428,920
Amounts due from business-type ISFs for amounts overcharged		(3,390)
Capital assets of the fleet fund recorded in governmental activities on the statement of net position		(165,655)
Net pension asset resulting from the effect of contributing more than the annual required contribution		412,239
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		(6,458,000)
Compensated absences		(1,277,303)
OPEB Payable		(9,063,226)
Accrued interest on general obligation bonds		(28,630)
Net position of governmental activities	$	66,642,021

See accompanying Notes to Basic Financial Statements.

City of Venice, Florida
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended September 30, 2014

	General Fund	2004 General Obligation Bond	Beach Renourishment	Non-Major Governmental Funds	Total Governmental Funds
REVENUES					
Property tax	$ 8,398,173	$ 548,118	$ -	$ -	$ 8,946,291
Sales taxes	1,602,147	-	-	3,507,004	5,109,151
Other taxes	2,402,437	-	-	-	2,402,437
Franchise fees	2,213,124	-	-	-	2,213,124
Fees and fines	18,693	-	-	34,494	53,187
Licenses and permits	540,238	-	-	1,985,950	2,526,188
Intergovernmental	2,712,037	-	4,882	324,895	3,041,814
Charges for services	106,622	-	-	-	106,622
Interest	205,236	7,231	8,659	78,306	299,432
Miscellaneous	777,850	-	-	23,677	801,527
Total revenues	18,976,557	555,349	13,541	5,954,326	25,499,773
EXPENDITURES					
Current:					
General government	3,294,175	-	40,607	861,624	4,196,406
Finance	1,186,974	-	-	-	1,186,974
Information services	879,974	-	-	-	879,974
Parks and recreation	1,232,352	-	-	1,891,432	3,123,784
Police	7,807,759	-	-	15,000	7,822,759
Fire	6,383,527	-	-	-	6,383,527
Public works	1,182,801	-	-	52,583	1,235,384
Debt service:					
Principal	-	7,245,000	-	-	7,245,000
Interest and fiscal charges	-	304,299	-	-	304,299
Capital outlay	2,972,602	-	159,346	1,356,201	4,488,149
Total expenditures	24,940,164	7,549,299	199,953	4,176,840	36,866,256
Excess (deficiency) of revenues over (under) expenditures	(5,963,607)	(6,993,950)	(186,412)	1,777,486	(11,366,483)
OTHER FINANCING SOURCES (USES)					
Long-term debt issued	-	6,458,000	-	-	6,458,000
Transfers in	3,534,260	-	1,249,744	419,130	5,203,134
Transfers out	(1,276,749)	-	-	(2,394,361)	(3,671,110)
Net other financing sources (uses)	2,257,511	6,458,000	1,249,744	(1,975,231)	7,990,024
Net change in fund balances	(3,706,096)	(535,950)	1,063,332	(197,745)	(3,376,459)
Fund balances (deficits) at beginning of year	14,238,788	1,239,805	2,114,091	10,056,954	27,649,638
Fund balances (deficits) at end of year	$ 10,532,692	$ 703,855	$ 3,177,423	$ 9,859,209	$ 24,273,179

See accompaning Notes to Basic 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, 2014

Net change in fund balances - total governmental funds	$	(3,376,459)
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. This is the amount by which capital outlay of $4,488,149 exceeded depreciation of $4,178,878 in the current period.		309,271
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. This is the amount by which repayments and debt defeasance of $7,245,000 exceeded proceeds of $6,458,000.		787,000
Estimated long-term liabilities for compensated absences 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 in the estimated long-term liability for compensated absences during the year.		99,620
Other post employment benefits are recognized as expense 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 in the estimated long-term liability for OPEB payables during the year.		(274,363)
Pension contributions more than the annual pension cost increases the net pension asset on the statement of net position.		26,758
Internal service funds are used by management to charge the costs of certain activities, such as insurance and worker's compensation, to individual funds. The net revenue (expense) of certain internal service funds is reported with governmental activities.		1,129,143
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.		25,571
Capital contributions donated are recognized as an expense on the Statement of Activities at fair market value as of the date donated. These contributions/donations are not recognized in the fund statements. This amount is the fair market value of the capital assets donated this year.		(5,123,295)
Change in net position of governmental activities	$	(6,396,754)

See accompanying Notes to Basic Financial Statements.

City of Venice, Florida
Budget Comparison Statement
General Fund
For the Year Ended September 30, 2014

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
REVENUES				
Taxes	$ 8,381,652	$ 8,381,652	$ 8,398,173	$ 16,521
Sales taxes	1,664,916	1,664,916	1,602,147	(62,769)
Other taxes	2,029,935	2,029,935	2,402,437	372,502
Franchise fees	2,127,482	2,127,482	2,213,124	85,642
Fees and fines	25,707	25,707	18,693	(7,014)
Licenses and permits	327,608	327,608	540,238	212,630
Intergovernmental	2,456,924	2,614,183	2,712,037	97,854
Charges for services	206,290	206,290	106,622	(99,668)
Interest	171,291	171,291	205,236	33,945
Miscellaneous	721,104	721,104	777,850	56,746
Total revenues	18,112,909	18,270,168	18,976,557	706,389
EXPENDITURES				
Current:				
General government	3,465,414	3,604,810	3,294,175	310,635
Finance	1,184,030	1,220,312	1,186,974	33,338
Information services	856,838	887,665	879,974	7,691
Parks and recreation	1,127,853	1,304,540	1,232,352	72,188
Police	7,963,284	8,056,906	7,807,759	249,147
Fire	6,339,839	6,492,301	6,383,527	108,774
Public works	1,189,927	1,268,918	1,182,801	86,117
Capital outlay	55,000	3,089,689	2,972,602	117,087
Total expenditures	22,182,185	25,925,141	24,940,164	984,977
Excess (deficiency) of revenues over (under) expenditures	(4,069,276)	(7,654,973)	(5,963,607)	1,691,366
OTHER FINANCING SOURCES (USES)				
Transfers in	3,534,260	3,534,260	3,534,260	-
Transfers out	-	(1,276,749)	(1,276,749)	-
Net other financing sources (uses)	3,534,260	2,257,511	2,257,511	-
Net change in fund balances	(535,016)	(5,397,462)	(3,706,096)	1,691,366
Fund balances (deficits) at beginning of year	14,238,788	14,238,788	14,238,788	-
Fund balances (deficits) at end of year	$ 13,703,772	$ 8,841,326	$ 10,532,692	$ 1,691,366

See accompaning Notes to Basic Financial Statements.

Venice, FL
City on the Gulf

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City of Venice, Florida
Statement of Net Position
Proprietary Funds
September 30, 2014

	Business-Type Activities		
	Water and Sewer Utility	**Solid Waste**	**Airport**
ASSETS			
Current assets:			
Cash and cash equivalents	$ 6,277,930	$ 2,687,514	$ 2,772,192
Investments	4,362,629	1,867,595	1,926,438
Accounts receivable	2,330,686	670,457	5,505
Interest receivable	65,468	10,138	18,135
Due from other funds	3,345,747	-	-
Due from other governments	152,954	-	511,190
Prepaid assets	-	-	-
Inventories	566,474	-	-
Total current assets	17,101,888	5,235,704	5,233,460
Noncurrent assets:			
Restricted cash and cash equivalents	9,102,019	-	2,035,319
Restricted investments	6,325,131	-	1,414,374
Capital assets:			
Land	165,783	220,000	-
Construction in progress	17,709,457	-	511,362
Buildings	3,949,334	12,500	5,700,172
Improvements other than buildings	106,401,079	6,802	16,771,497
Machinery and equipment	7,212,670	5,217,137	694,059
Less accumulated depreciation	(56,258,783)	(3,214,021)	(9,164,925)
Total capital assets	79,179,540	2,242,418	14,512,165
Total noncurrent assets	94,606,690	2,242,418	17,961,858
Total Assets	111,708,578	7,478,122	23,195,318
DEFERRED OUTFLOWS OF RESOURCES			
Deferred loss on refunding	71,586	-	-

See accompanying Notes to Basic Financial Statements

Business-Type Activities		Governmental Activities
Storm Water Drainage	**Total Enterprise Funds**	**Internal Service Funds**
$ 1,111,844	$ 12,849,480	$ 2,514,497
772,638	8,929,300	1,747,363
63,758	3,070,406	2,366
4,194	97,935	9,429
-	3,345,747	-
5,093	669,237	-
-	-	352,484
-	566,474	-
1,957,527	29,528,579	4,626,139
-	11,137,338	-
-	7,739,505	-
1,451,835	1,837,618	-
874,769	19,095,588	-
-	9,662,006	-
6,393,643	129,573,021	-
736,644	13,860,510	169,409
(2,871,072)	(71,508,801)	(3,754)
6,585,819	102,519,942	165,655
6,585,819	121,396,785	165,655
8,543,346	150,925,364	4,791,794
-	71,586	-

City of Venice, Florida
Statement of Net Position
Proprietary Funds
September 30, 2014

	Business-Type Activities		
	Water and Sewer Utility	**Solid Waste**	**Airport**
LIABILITIES			
Current liabilities:			
Accounts payable	$ 680,528	$ 271,426	$ 175,419
Accrued liabilities	576,348	33,156	158,593
Accrued interest payable	285,851	-	-
Accrued insurance claims	-	-	-
Due to other governments	49,205	-	5,895
Customer deposits	737,347	122,835	-
Compensated absences	170,094	91,718	7,596
Notes, contracts, and leases payable	2,883,000	-	-
Bonds payable	413,713	-	-
Total current liabilities	5,796,086	519,135	347,503
Noncurrent liabilities:			
Compensated absences	170,094	91,718	7,596
OPEB Payable	2,475,733	860,473	294,489
Advances from other funds	256,337	-	-
Notes, contracts, and leases payable	5,746,000	-	-
Bonds payable	20,792,421	-	-
Total noncurrent liabilities	29,440,585	952,191	302,085
Total Liabilities	35,236,671	1,471,326	649,588
NET POSITION			
Net investment in capital assets	49,022,565	2,242,418	14,512,165
Restricted for:			
Capital projects	13,267,100	-	3,449,693
Debt service	1,160,050	-	-
Renewal and replacement	1,000,000	-	-
Other purposes	-	-	-
Unrestricted	12,093,778	3,764,378	4,583,872
Total Net Position	$ 76,543,493	$ 6,006,796	$ 22,545,730

See accompanying Notes to Basic Financial Statements

Business-Type Activities		Governmental Activities
Storm Water Drainage	Total Enterprise Funds	Internal Service Funds
$ 15,999	$ 1,143,372	$ 615,218
6,847	774,944	3,656
2,903	288,754	-
-	-	744,000
-	55,100	-
-	860,182	-
-	269,408	-
164,000	3,047,000	-
-	413,713	-
189,749	6,852,473	1,362,874
-	269,408	-
106,721	3,737,416	-
-	256,337	-
165,000	5,911,000	-
-	20,792,421	-
271,721	30,966,582	-
461,470	37,819,055	1,362,874
6,256,819	72,033,967	165,655
	-	
-	16,716,793	-
-	1,160,050	-
-	1,000,000	-
-	-	-
1,825,057	22,267,085	3,263,265
$ 8,081,876	$ 113,177,895	$ 3,428,920

City of Venice, Florida
Reconciliation of the Statement of Net Position - Proprietary Funds
To the Statement of Net Position
September 30, 2014

Total net position - proprietary funds	$ 113,177,895
Amounts reported for business-type activities in the Statement of Net Position are different because:	
Internal service funds (ISFs) are used by management to charge the costs of certain activities, such as insurance and employee flexible spending, to individual funds. The portion of assets and liabilities of the ISFs primarily serving enterprise funds are included in business-type activities in the Statement of Net Position as follows:	
Amounts due from governmental ISFs for amounts overcharged	3,390
Net position of business-type activities	$ 113,181,285

See accompanying Notes to Basic Financial Statements.

Venice, FL
City on the Gulf

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City of Venice, Florida
Statement of Revenues, Expenses and Changes in Net Position
Proprietary Funds
For Fiscal Year Ended September 30, 2014

	Business Type Activities		
	Water and Sewer Utilities	Solid Waste	Airport
OPERATING REVENUES			
Charges for services (net)	$ 19,949,419	$ 5,163,716	$ -
Rentals	-	-	1,941,709
Miscellaneous	797,098	106,701	122,829
Total operating revenues	20,746,517	5,270,417	2,064,538
OPERATING EXPENSES			
Personal services	4,433,457	1,521,703	508,751
Insurance	436,308	256,584	99,204
Supplies and materials	-	1,430,554	-
Professional services	700,822	31,452	350,526
Maintenance	1,118,557	611,576	233,444
Utilities	933,084	9,439	86,523
Other services and charges	1,606,697	15,526	141,767
Depreciation and amortization	4,629,512	553,918	893,216
Total operating expenses	13,858,437	4,430,752	2,313,431
Operating income (loss)	6,888,080	839,665	(248,893)
NON OPERATING REVENUES (EXPENSES)			
Interest earnings	234,395	38,557	45,968
Federal and state grants	1,467,572	-	977,960
Disposition of assets	18,977	-	2,675,000
Interest expense	(1,053,275)	-	-
Net non-operating revenues (expenses)	667,669	38,557	3,698,928
Income (loss) before contributions and transfers	7,555,749	878,222	3,450,035
Transfers in	-	-	195,210
Transfers out	(1,610,885)	(751,567)	(301,242)
Change in net position	5,944,864	126,655	3,344,003
Total net position - beginning	70,598,629	5,880,141	19,201,727
Total net position- ending	$ 76,543,493	$ 6,006,796	$ 22,545,730

See accompanying Notes to Basic Financial Statements.

Business Type Activities		Governmental Activities
Storm Water Drainage	Total Enterprise Funds	Internal Service Funds
$ 1,369,919	$ 26,483,054	$ 6,592,451
-	1,941,709	-
89	1,026,717	190,418
1,370,008	29,451,480	6,782,869
275,031	6,738,942	171,540
13,164	805,260	6,060,347
-	1,430,554	-
85,169	1,167,969	490,035
440,744	2,404,321	-
87	1,029,133	-
86,714	1,850,704	118,809
225,161	6,301,807	3,754
1,126,070	21,728,690	6,844,485
243,938	7,722,790	(61,616)
15,832	334,752	27,575
339,078	2,784,610	-
-	2,693,977	-
(8,970)	(1,062,245)	-
345,940	4,751,094	27,575
589,878	12,473,884	(34,041)
-	195,210	1,728,795
(192,335)	(2,856,029)	(600,000)
397,543	9,813,065	1,094,754
7,684,333	103,364,830	2,334,166
$ 8,081,876	$ 113,177,895	$ 3,428,920

City of Venice, Florida
Reconciliation of the Statement of Revenues, Expenses, and Changes in Fund Net Position - Proprietary Funds
To the Statement of Activities
For the Year Ended September 30, 2014

Net change in fund net position - total enterprise funds	$ 9,813,065
Amounts reported for business-type activities in the statement of activities are different because:	
Internal service funds (ISFs) are used by management to charge the costs of certain activities such as employees' health and life insurance, workers' compensation self insurance, employee flexible spending, etc. to individual funds. The net revenue (expense) of certain ISFs is reported with business-type activities.	(30,635)
Change in net position of business-type activities	$ 9,782,430

See accompanying Notes to Basic Financial Statements.

Venice, FL
City on the Gulf

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City of Venice, Florida
Statement of Cash Flows
Proprietary Funds
For the Year Ended September 30, 2014

	Business-type Activities - Enterprise Funds		
	Water and Sewer Utility	Solid Waste	Airport
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers	$ 20,769,749	$ 5,233,363	$ 2,060,934
Payments to suppliers	(5,034,489)	(2,047,954)	(1,444,725)
Payments to employees	(4,433,457)	(1,521,703)	(506,711)
Net cash provided (used) by operating activities	11,301,803	1,663,706	109,498
CASH FLOWS FROM NONCAPITAL AND RELATED FINANCING ACTIVITIES			
Operating grants	30,100	-	-
Transfers in from other funds	-	-	195,210
Transfers out to other funds	(1,610,885)	(751,567)	(301,242)
Short-term interfund borrowings	(3,345,747)	-	-
Payments received/(made) on advances (to)/from other funds	(3,271,757)	-	-
Net cash provided (used) by noncapital and related financing activities	(8,198,289)	(751,567)	(106,032)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Purchases of capital assets	(13,428,323)	(752,721)	(735,617)
Sale of capital assets	18,977	-	2,675,000
Receipts(payments) on leases and notes	(2,990,173)	-	-
Principal paid on revenue bonds	-	-	-
Interest paid on revenue bonds, leases and notes	(1,242,228)	-	-
Contributed capital: capital grants	1,437,472	-	977,960
Net cash provided (used) by capital and related financing activities	(16,204,275)	(752,721)	2,917,343
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sales and maturities of investments	9,644,243	633,132	8,351
Purchase of investments	(3,562,200)	(622,800)	(1,113,300)
Interest earnings on cash and investments	168,927	28,419	27,833
Net cash provided by (used by) investing activities	6,250,970	38,751	(1,077,116)
Net increase (decrease) in cash and cash equivalents	(6,849,791)	198,169	1,843,693
Cash and cash equivalents - beginning of year	22,229,740	2,489,345	2,963,818
Cash and cash equivalents - end of year	$ 15,379,949	$ 2,687,514	$ 4,807,511
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating income (loss)	$ 6,888,080	$ 839,665	$ (248,893)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation and amortization	4,629,512	533,918	893,216
Change in assets and liabilities:			
Accounts receivable	23,232	(37,054)	(3,604)
Inventory	(127,725)	-	-
Prepaid expenses	758	-	-
Accounts payable	(70,128)	261,945	(337,927)
Other accrued liabilities	19,508	5,283	16,105
Due to/from other governments	(99,810)	-	(220,565)
Customer deposits	(21,611)	9,920	-
OPEB payable	59,987	50,029	11,166
Net cash provided (used) by operating activities	$ 11,301,803	$ 1,663,706	$ 109,498

See accompanying Notes to Basic Financial Statements.

Business-type Activities		Governmental Activities
Storm Water Drainage	Totals	Internal Service Funds
$ 1,371,464	$ 29,435,510	$ 6,780,906
(579,611)	(9,106,779)	(6,448,525)
(273,412)	(6,735,283)	(171,540)
518,441	13,593,448	160,841
-	30,100	-
-	195,210	1,728,795
(192,335)	(2,856,029)	(600,000)
-	(3,345,747)	-
-	(3,271,757)	-
(192,335)	(9,248,223)	1,128,795
(714,842)	(15,631,503)	(169,409)
-	2,693,977	-
-	(2,990,173)	-
(162,000)	(162,000)	-
(8,970)	(1,251,198)	-
339,078	2,754,510	-
(546,734)	(14,586,387)	(169,409)
384,955	10,670,681	620,082
(257,400)	(5,555,700)	(1,024,346)
11,638	236,817	18,146
139,193	5,351,798	(386,118)
(81,435)	(4,889,364)	734,109
1,193,279	28,876,182	1,780,388
$ 1,111,844	$ 23,986,818	$ 2,514,497
$ 243,938	$ 7,722,790	$ (61,616)
225,161	6,281,807	3,754
1,456	(15,970)	(1,963)
-	(127,725)	-
-	758	(333,555)
10,446	(135,664)	344,606
(829)	40,067	209,615
36,650	(283,725)	-
-	(11,691)	-
1,619	122,801	-
$ 518,441	$ 13,593,448	$ 160,841

City of Venice, Florida
Statement of Fiduciary Net Position
Pension Trust Funds
September 30, 2014

	Total Pension Funds
ASSETS	
Cash and cash equivalents	$ 1,285,957
Contributions receivable	597,133
Interest and dividends receivable	102,460
Investments, at fair value:	
U.S. Government and agency obligations	4,446,787
Mortgage-backed obligations	1,963,521
Domestic equities	20,304,869
Foreign equities	2,310,149
Corporate obligations	6,056,534
Foreign corporate obligations	526,486
Fixed income mutual funds	906,107
Equity securities	9,999,499
Real estate investment fund	1,180,511
Foreign equity mutual funds	781,327
Total investments	48,475,790
Total Assets	50,461,340
LIABILITIES	
Accounts payable	22,895
NET POSITION	
Restricted for pension benefits	$ 50,438,445

See accompanying Notes to Basic Financial Statements.

City of Venice, Florida
Statement of Changes in Fiduciary Net Position
Pension Trust Funds
For the Year Ended September 30, 2014

	Total Pension Funds
ADDITIONS	
Contributions:	
Employer	$ 3,326,237
Plan members	493,233
State of Florida (passed through general fund)	483,419
Total contributions	4,302,889
Investment income:	
Net appreciation (depreciation) in fair value of investments	4,362,811
Interest	433,306
Dividends	553,464
Investment income (loss)	5,349,581
Less investment expenses	(325,312)
Net investment income	5,024,269
Total additions	9,327,158
DEDUCTIONS	
Benefits:	
Benefits to participants	4,168,948
DROP payments	418,263
Administrative expense	81,414
Total deductions	4,668,625
Change in net position	4,658,533
Net position restricted for pension benefits - beginning of year	45,779,912
Net position restricted for pension benefits - end of year	$ 50,438,445

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. The effect of interfund activity has been removed from these statements by allocation of the activities of the various internal service funds to the governmental and business-type activities on a fund basis based on the predominant users of the services. 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. All activities, both governmental and business-type, are reported in the GWFS using the economic resources measurement focus and the accrual basis of accounting, which includes long-term assets and receivables as well as long-term debt and obligations. The GWFS focus more on the sustainability of the City as an entity and the change in aggregate financial position resulting from the activities of the fiscal period.

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. Net position is required to be displayed in three components: (1) net investment in capital assets, (2) restricted, and (3) unrestricted. The net investment in capital assets component of net position consists of capital assets, net of accumulated depreciation, reduced by outstanding balances of bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to these assets or related debt also are included in this component of net position. The restricted component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Restricted assets are those with constraints 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. The unrestricted component of net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position.

The Government-Wide 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.

Also part of the BFS are Fund Financial Statements (FFS) for governmental funds, proprietary funds, and the fiduciary pension funds, even though the latter is excluded from the GWFS. The focus of the FFS is on major funds. Although 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 other funds as major funds. The City can elect to add some funds as major funds because of outstanding debt or community focus. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the FFS. Other non-major funds are combined in a single column in the appropriate FFS.

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

Fund Financial Statements

The GWFS are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary FFS. The City's fiduciary FFS includes two pension trust funds that use 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. Grants and similar items are recognized as revenue as soon as all eligibility requirements have been met.

Because the enterprise funds are combined into a single business-type activities column on the GWFS, certain interfund activities between these funds are eliminated in the consolidation for the GWFS, but are included in the fund columns in the proprietary FFS. The effect of inter-fund activity has been eliminated from the GWFS. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the City's water and sewer functions and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Governmental FFS are reported using the current financial resources measurement focus and the modified accrual basis of accounting. This is the traditional basis of accounting for governmental funds. This presentation is necessary: (1) to demonstrate legal and covenant compliance, (2) to demonstrate the sources and uses of liquid resources, and (3) to demonstrate 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 government considers revenues to be available, generally, if they are collected within 45 days of the end of the current fiscal period, with the exception of sales taxes which are considered to be available if they are collected within 60 days of year end. The City considers the grant availability period to be 60 days for revenue recognition. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, and claims and judgments are recorded only when the liability is due. 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 FFS into the governmental activities column of the GWFS.

Property taxes, sales taxes, utility excise taxes, franchise fees, grants, and interest associated with the current fiscal period are all considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when the City receives cash.

Fund Accounting

The City uses funds to report its financial position and the results of its operations. Fund accounting segregates funds according to their intended purpose and is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain governmental functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts, which includes assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund balance/net position, revenues and expenditures/expenses.

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

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

2004 General Obligation Bond Debt Service Fund accounts for the resources accumulated and payments made for principal and interest on long-term debt of the governmental funds. The 2004 general obligation bond funds were used to finance certain recreational facilities.

Beach Renourishment Fund is used to account for the cost of beach renourishment.

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:

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 treatment plant, sewage pumping stations and collection systems, and a water distribution system.

Solid Waste Fund accounts for the activities associated with providing waste removal services to the residents of the City.

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

Storm Water Drainage Fund accounts for the activities of the storm water utility, which provides storm water drainage for the City. While this fund does not meet the threshold to require inclusion as a major fund, the City believes that the information presented is of significant importance to the public to report as a major fund.

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 (other than special assessments or major capital projects) that are restricted or committed to expenditure for specified purposes other than debt service or capital projects.

Capital Project Funds are used to account for resources restricted for the acquisition or construction of specific capital projects or items.

Internal Service Funds account for group health and life, workers' compensation, property and liability self-insurance, employee flexible spending accounts, and fleet replacement and associated costs. These funds provide insurance and other services to other departments on a cost reimbursement basis.

Pension Trust Funds account for the activities of the City's fire and police employees' pension trust funds, which accumulate resources for pension benefit payments to qualified pension employees.

Amounts reported as *program revenues* include (1) charges to customers or applicants for goods, services, or privileges provided, (2) operating grants and contributions, and (3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish *operating* revenues and expenses from *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. The principal operating revenues of the water and sewer enterprise fund, storm water drainage, the solid waste enterprise fund, and the government's internal service funds are charges to customers for sales and services. The water and sewer fund also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, and then unrestricted resources, as they are needed.

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

a) Deposits and investments

The government's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

The City maintains a pool of cash and investments in which each fund participates on a dollar equivalent and transaction basis. The balance of the pooled cash is reflected in the balance sheets or statements of net position, and each fund's portion of the pooled investments is reflected in the balance sheets or statements of net position as "cash and cash equivalents." Interest is distributed monthly based upon an average monthly balance. The investments of the pension trust funds are held by an investment banker selected by the respective individual pension board's investment committee.

State statutes and local ordinances authorize the government to invest its surplus public funds in the Local Government Investment Pools (LGIP): Florida PRIME administered by the Florida State Board of Administration (SBA) and Florida Surplus Asset Fund Trust (FLSAFE), obligations of the U. S. Treasury, agencies and instrumentalities of the U. S. Government, and interest-bearing time deposits with banks and/or savings and loans who qualify as "authorized depositories" under Florida law. The pension trust funds are also authorized to invest in corporate stocks, bonds, commercial paper, and other investments subject to certain restrictions.

Investments for the government are reported at fair value. The LGIPs operate in accordance with appropriate state laws and regulations. Securities traded on a national or international exchange are valued at the last reported sales quote at current exchange rates. Investments that do not have an established market are reported at estimated fair value based on market indicators regarded as measures of equity or fixed income performance results. The City does not have a significant amount of investments valued at other than quoted market prices. Amortization of premium and accretion of discount on investments purchased are not recorded over the term of the investment. The effect of this policy on the financial statements of the various funds is not significant. The reported value of the pool is the same as the fair value of the pool shares.

b) Receivables and payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the noncurrent portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

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

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

c) Inventories, prepaid expenses, and deferred outflows

All inventories are valued at cost (using average cost) in governmental type funds and the lower of cost (average cost) or market in business-type funds. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased.

Certain payments reflect costs applicable to future accounting periods and are recorded as prepaid expenses or deferred outflows in both government-wide and fund financial statements.

d) Restricted assets

Certain proceeds of the City's enterprise fund revenue bonds, as well as certain resources set aside for their repayment, are classified as restricted assets on the statement of net position because their use is limited by applicable bond covenants.

e) 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 government-wide financial statements. Capital assets are defined by the government 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 estimated fair market 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. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

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

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

f) 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 government-wide and proprietary fund financial statements. 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 government-wide and proprietary fund financial statements.

g) Long-term obligations

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

statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Beginning fiscal year 2013 with the implementation of GASB Statement No. 65; *Items Previously Reported as Assets and Liabilities*, debt issuance costs are recognized as an expense in the period incurred.

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

h) Nature and Purpose of Classification of Fund Equity and Net Position

In the fund financial statements, governmental funds report fund classifications that comprise a hierarchy based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. The following classifications describe the relative strength of the spending constraints.

- **Nonspendable fund balance** – amounts that cannot be spent either because they are not in spendable form (such as inventory and deferred outflows) or because they are legally or contractually required to be maintained intact.
- **Restricted fund balance –** amounts constrained to specific purposes by their providers (such as grantors, bondholders, City Code, and higher levels of government), through constitutional provisions, or by enabling legislation.
- **Committed fund balance –** amounts constrained to specific purposes by the City itself, using its highest level of decision-making authority (i.e. City Council). To be reported as committed, amounts cannot be used for any other purpose unless the City takes the same highest level action through an ordinance to remove or change the constraint.
- **Assigned fund balance – a**mounts the City intends to use for a specific purpose but are neither restricted nor committed. Intent can be expressed by the City Council, or by an official (city manager or financial services director) or body to which the City Council delegates the authority.
- **Unassigned fund balance** – amounts that have not been assigned to other funds and that have not been restricted, committed, or assigned to specific purposes within the general fund. $6.2 million of the unassigned fund balance is for disaster reserve and $3.6 million is available for any purpose.

In the general fund, the City strives to maintain an unassigned fund balance of three months operating expenditures (25%) of the general fund. This is the target that the unassigned fund balance should not fall below without establishing a replenishment plan.

Net position of the government-wide and proprietary funds are categorized as net investment in capital assets, reduced by accumulated depreciation and any outstanding debt

incurred to acquire, construct or improve these assets excluding unexpended bond proceeds, restricted or unrestricted. The first category represents net position related to property, machinery and equipment, and infrastructure. The restricted category represents the balance of assets and deferred outflows restricted by requirements of revenue bonds and other externally imposed constraints or by legislation in excess of the related liabilities payable and deferred inflows from restricted assets. Unrestricted net position is the net amount of assets, deferred outflows, liabilities, and deferred inflows of resources that do not meet the definition of either of the other two components.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance 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 in its commitments or assignments options.

i) New Accounting Standards

Beginning with fiscal year 2014, the City implemented *GASB 67; Financial Reporting for Pension Plans – an amendment of GASB Statement No. 25*. The objective of this standard is to improve financial reporting by state and local governmental pension plans. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency. The requirements of this standard are meant to improve financial reporting primarily through enhanced note disclosures and schedules of required supplementary information that are presented by the police and firefighter pension plans.

GASB 68; *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*. The primary objective of this standard is to improve accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial support for pensions that is provided by other entities. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency. This standard is required to be implemented for the 2015 financial reporting period.

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 units requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from the estimates.

NOTE B – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

1. Budgetary information

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all governmental funds. All annual appropriations lapse at fiscal year end.

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, thru 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 two supplementary budgetary appropriations throughout the year.

Encumbrance accounting is employed in governmental funds. Encumbrances (i.e., purchase orders, contracts) outstanding at year end are included in committed fund balances and do not constitute expenditures or liabilities because the commitments will be reappropriated and honored during the subsequent year.

NOTE C – DEPOSITS AND INVESTMENTS

The City's investment policies are governed by state statute and City ordinances. State law requires collateralization of all deposits with federal depository insurance, eligible securities, or a surety bond having an aggregate value at least equal to the amount of the deposits. The City's Investment Policy requires the minimum collateral level to be 102% of market value of principal and accrued interest.

The City historically had invested surplus funds in an external investment pool, the Local Government Surplus Funds Trust Fund/Florida PRIME (State Pool). The State Pool is administered by the Florida State Board of Administration (SBA), who provided (questionable) regulatory oversight. The SBA reported that the State Pool was exposed to potential risks due to indirect exposure in the sub-prime mortgage financial market. Consequently, the SBA placed some restrictions on how participants could access portions of their surplus funds and ultimately restructured the State Pool into two separate pools (LGIP and Fund B). The City did not have any funds remaining in Fund B at September 30, 2014.

Credit risk - This risk results from potential default of investments that are not financially sound. The City (excluding the pension trust funds and Fund B) invests funds throughout the year with several area banks, money market funds, local government investment pools, and government-sponsored agencies. There is risk of loss of interest on the investments if there are changes in the underlying indexed base. It is the City's policy to invest in securities with the highest credit ratings. The Fund B is not rated by a nationally recognized statistical rating agency.

Interest Rate Risk - As a means of limiting its exposure to fair value losses arising from rising interest rates, the City's investment policy limits investments to those that can be held to maturity and by limiting final maturity to no more than five (5) years. The money market mutual funds and investment pools are presented as an investment with a maturity of less than one year.

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. Investments are held in the city's name at the City's depository institution as evidenced by safekeeping receipts.

Concentration of Credit Risk - The City places limits on the amount that may be invested in any one issuer with the exception of United States Treasury obligations.

Foreign Currency Risk - This risk relates to adverse affects on the fair value of an investment from changes in exchange rates. The City has no foreign currency risk.

The City's policy allows investment in direct obligations of and other obligations guaranteed as to principal of the U.S. Treasury and U.S. agencies and instrumentalities with the exception of mortgage-backed securities. It may also invest in bank repurchase agreements, investment pools, and to a limited extent in certificates of deposit, commercial paper and bank acceptances.

All of the City's pooled investments (excluding the pension trust funds) were allocated as detailed below as of September 30, 2014. The City does have a formal comprehensive investment policy for the investment of surplus funds which guides the investment type, length of term, the investment goals, etc.

Investment Type	Fair Market	Less than 1 year	Years 1-5
Cash and cash equivalents	$ 43,568,632	$ 43,568,632	$ -
U.S. Government Securities	22,856,960	-	22,856,960
Total fair value	$ 66,425,592	$ 43,568,632	$ 22,856,960

Fire Pension Trust Fund

Investments

Investments of the Plan are held by the Plan's custodian, a trust company having trust powers in the State of Florida. The Plan's investment policies are governed by the ordinances of the City of Venice,

Florida and Florida Statutes. Investments in the Plan are reported at fair value based on quoted market prices using various third-party pricing sources. Short-term investments are reported at fair value. Those investments that do not have an established market value are reported at estimated fair value. Investment transactions are recognized on the trade date.

Cash and Cash Equivalents
Cash and cash equivalents include short-term, highly liquid investments with a maturity of three months or less from the date of purchase.

Net Appreciation (Depreciation) in Fair Value of Investments
The Plan presents in the statement of changes in plan net position the net appreciation (depreciation) in the fair value of its investments, which consists of realized gains or losses or unrealized appreciation on those investments.

As of September 30, 2014 the Plan had the following investments:

Investment Type	Fair Value	Weighted Average Maturity (Years)
U. S. Government & agency obligations	$ 2,925,291	5.57
Mortgage-backed obligations	1,459,113	10.64
Corporate obligations	448,406	7.81
Fixed income mutual funds	906,107	
Total fair value	5,738,917	
Investments not subject to risk disclosures:		
Equity securities	9,999,499	
Real estate investment fund	1,180,511	
Foreign equity mutual fund	781,327	
Total investments	$ 17,700,254	

Investment Policy
The Plan's policy in regard to the allocation of invested assets is established and may be amended by the Board of Trustees as necessary. The objective of the policy is to obtain a reasonable total rate of return commensurate with the Prudent Investor rule and any other applicable ordinances and statutes.

The following was the Plan's adopted asset allocation policy as of September 30, 2014:

Asset Class	Target Allocation
Domestic Equity	45%
International Equity	15%
Broad Market Fixed Income	25%
Global Fixed Income	5%
Real Estate	10%
Total	100%

Risk and Uncertainties. The Plan invests in a variety of investment instruments. Investments in general are exposed to various risks, such as interest rate, credit, and overall market volatility. Due to the level of risk associated with certain investments, it is reasonably possible that changes in the values of investment securities will occur in the near team and such changes could materially affect the amounts reported in the financial statements.

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment in debt securities. Generally, the longer the time to maturity, the greater the exposure to interest rate risk. Through its investment policies, the Plan manages its exposure to fair value losses arising from increasing interest rates. The plan limits the effective duration of its fixed investment portfolio through the adoption of nationally accepted risk measure benchmarks.

Credit risk is the risk that an issuer or counterparty to an investment will not fulfill its obligations. Consistent with State law, the investment policy of the Plan requires the investments in fixed income securities be limited to a rating of A or better, as rated by one or more recognized bond rating services at time of purchase. The corporate bonds were rated BAA3 or better by Moody's Investor Services at September 30, 2014. The U.S. Agencies were rated A2 or better by Moody's Investor Services at September 30, 2014.

Custodial credit risk is the risk that the Plan may not recover cash and investments held by another party in the event of a financial failure. The Plan requires all securities to be held by a third-party custodian in the name of the Plan. The Plan's investments are held in the name of Salem Trust Company as Custodian for the City of Venice Firefighters' Pension Plan. The investments in mutual funds and investment partnerships are considered *unclassified* pursuant to the custodial credit risk categories of GASB Statement No. 3, because they are not evidenced by securities that exist in physical or book-entry form.

Foreign Currency Risk. Investing in foreign markets may involve special risks and considerations not typically associated with investing in companies in the United States of America. These risks include revaluation of currencies, high rates of inflation, repatriation restrictions on income and capital, and future adverse political, social, and economic developments. Moreover, securities of foreign governments may be less liquid, subject to delayed settlements, taxation on realized and unrealized gains, and their prices are more volatile than those of comparable securities in U.S. companies.

Concentration of Credit Risk. Authorized plan investments include obligations of the U.S. Treasury and U.S. Agencies, annuities and life insurance contracts, time deposits insured by the FDIC, bonds

issued by the State of Israel, real estate (limited to 10% of Plan assets), and common or preferred stocks, and high-quality corporate bonds or notes. The Board may invest up to 10% of the Plan's assets, at cost, in foreign securities.

In addition, the Plan limits investments in common stock (equity investments) to no more than 5% in any single corporation. The Plan's investment in the common stock of any single corporation shall not exceed 5% of such corporation's outstanding common or capital stock and no more than 60% of the Plan's assets (at cost) are to be invested in common or capital stock, or convertible stock. The Plan did not hold investments in any one organization that represents 5% or more of the Pension Plan's fiduciary net position.

Mortgage-backed Securities. The Plan invests in mortgage-backed securities representing interests in pools of mortgage loans as part of its interest rate risk management strategy. The mortgage-backed securities are not used to leverage investments in fixed income portfolios. The mortgage-backed securities held by the Plan were guaranteed by federally sponsored agencies, such as: Government National Mortgage Association, Federal National Mortgage Association, and Federal Home Loan Mortgage Corporation.

Rate of Return. For the year ended September 30, 2014 the annual money-weighed rate of return on pension plan investments, net of pension plan investment expense, was 10.4%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Police Pension Trust Fund

Investments

Investments of the Plan are held by the Plan's custodian, a trust company having trust powers in the State of Florida. The Plan's investment policies are governed by the ordinances of the City of Venice, Florida and Florida Statutes. Investments in the Plan are reported at fair value based on quoted market prices using various third-party pricing sources. Short-term investments are reported at fair value. Those investments that do not have an established market value are reported at estimated fair value. Investment transactions are recognized on the trade date.

Cash and Cash Equivalents

Cash and cash equivalents include short-term, highly liquid investments with a maturity of three months or less from the date of purchase.

Net Appreciation (Depreciation) in Fair Value of Investments

The Plan presents in the statement of changes in plan net position the net appreciation (depreciation) in the fair value of its investments, which consists of realized gains or losses or unrealized appreciation on those investments.

As of September 30, 2014 the Plan had the following investments:

Investment Type	2014 Fair Value	Weighted Average Maturity (Years)
U.S. Government & Agency Obligations	$ 1,521,496	7.51
Mortgage-backed obligations	504,408	7.15
Domestic corporate obligations	5,608,128	3.74
Foreign corporate obligations	526,486	0.3
Total Fair Value	$ 8,160,518	
Investments not subject to risk disclosures:		
Domestic equity securities	20,304,869	
Foreign equity securities	2,310,149	
Total investments	$ 30,775,536	

Investment Policy

The Plan's policy in regard to the allocation of invested assets is established and may be amended by the Board of Trustees as necessary. The objective of the policy is to obtain a reasonable total rate of return commensurate with the Prudent Investor rule and any other applicable ordinances and statutes.

The following was the Plan's adopted asset allocation policy as of September 30, 2014:

Asset Class	Target Allocation
Domestic Equity	50%
International Equity	15%
Broad Market Fixed Income	25%
Real Estate	10%
Total	100%

Risk and Uncertainties. The Plan invests in a variety of investment instruments. Investments in general are exposed to various risks, such as interest rate, credit, and overall market volatility. Due to the level of risk associated with certain investments, it is reasonably possible that changes in the values of investment securities will occur in the near term and such changes could materially affect the amounts reported in the financial statements.

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment in debt securities. Generally, the longer the time to maturity, the greater the exposure to interest rate risk. Through its investment policies, the Plan manages its exposure to fair value losses arising from increasing interest rates. The plan limits the effective duration of its fixed investment portfolio through the adoption of nationally accepted risk measure benchmarks.

Credit risk is the risk that an issuer or counterparty to an investment will not fulfill its obligations. Consistent with State law, the investment policy of the Plan requires the investments in fixed income securities be limited to a rating of A or better, as rated by one or more recognized bond rating services at time of purchase. The corporate bonds were rated Aaa to B2 by Moody's and AA+ to BB- by Standard and Poor's at September 30, 2014. The U.S. Agencies were rated Aaa by Moody's and AAA by Standard and Poor's at September 30, 2014.

Custodial credit risk is the risk that the Plan may not recover cash and investments held by another party in the event of a financial failure. The Plan requires all securities to be held by a third-party custodian in the name of the Plan. The Plan's investments are held in the name of Salem Trust Company as Custodian for the City of Venice Police Officers' Pension Plan.

Foreign Currency Risk. Investing in foreign markets may involve special risks and considerations not typically associated with investing in companies in the United States of America. These risks include revaluation of currencies, high rates of inflation, repatriation restrictions on income and capital, and future adverse political, social, and economic developments. Moreover, securities of foreign governments may be less liquid, subject to delayed settlements, taxation on realized and unrealized gains, and their prices are more volatile than those of comparable securities in U.S. companies.

Concentration of Credit Risk. The Plan limits investments as follows: No more than 5% of the Plan's assets can be invested in common or capital stock of any single corporation nor should it exceed 5% of the outstanding common or capital stock of that company. The aggregate of its investments in common stock, capital stock, and convertible bonds cannot exceed 65% of the cost of the assets of the Plan. No more than 10% of the Plan's assets valued at cost may be invested in foreign securities. The Plan did not hold investments in any one corporation that exceed 5% or more of the Plan's fiduciary net position.

Rate of Return. For the year ended September 30, 2014 the annual money-weighed rate of return on Pension Plan investments, net of pension plan investment expense, was 11.6%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

NOTE D – PROPERTY TAX

Property taxes are levied on November 1 of each year and are due and payable upon receipt of the notice of levy. The Sarasota County, Florida, Tax Collector's office bills and collects property taxes on behalf of the City. The tax rate to finance general governmental services and general obligation debt service for the fiscal year ended September 30, 2014, was $3.3020 per $1,000 of assessed taxable property value. Property tax revenues are recognized currently in the fiscal year for which the taxes are levied. On May 1 of each year, unpaid taxes become a lien on the property. The past-due tax certificates are sold at public auction and the proceeds thus collected are remitted to the City.

No accrual for the property tax levy becoming due in November 2014 is included in the accompanying financial statements since such taxes do not meet the necessary criteria.

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.

NOTE E – CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2014, was as follows:

Primary Government:

Governmental activities:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets not being depreciated:				
Land	$ 11,037,811	$ 2,675,000	$ -	$ 13,712,811
Construction in progress	7,769,984	1,080,013	5,123,295	3,726,702
Total capital assets not being depreciated	18,807,795	3,755,013	5,123,295	17,439,513
Other capital assets:				
Buildings	17,921,571	-	-	17,921,571
Other improvements	40,626,703	40,000	-	40,666,703
Machinery and equipment	9,688,158	862,545	249,163	10,301,540
Infrastructure	21,848,701	-	-	21,848,701
Total other capital assets at historical cost	90,085,133	902,545	249,163	90,738,515
Less accumulated depreciation for:				
Buildings	6,070,986	475,009	-	6,545,995
Other improvements	22,230,846	2,863,533	-	25,094,379
Machinery and equipment	8,077,562	604,067	249,163	8,432,466
Infrastructure	12,345,032	236,269	-	12,581,301
Total accumulated depreciation	48,724,426	4,178,878	249,163	52,654,141
Governmental activities capital assets, net	$ 60,168,502	$ 478,680	$ 5,123,295	$ 55,523,887

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

Governmental activities:	
General government	$ 230,023
Information services	40,860
Parks and recreation	2,278,005
Police	259,134
Fire	356,488
Public works	1,014,368
Total governmental activities depreciation expense	$ 4,178,878

Business-type activities:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets not being depreciated:				
Land	$ 1,837,618	$ -	-	$ 1,837,618
Construction in progress	13,774,137	14,798,513	9,477,062	19,095,588
Total capital assets not being depreciated	15,611,755	14,798,513	9,477,062	20,933,206
Other capital assets:				
Buildings	9,662,006	-	-	9,662,006
Other improvements	120,653,725	8,919,296	-	129,573,021
Machinery & equipment	12,928,481	1,804,184	872,155	13,860,510
Total other capital assets at historical cost	143,244,212	10,723,480	872,155	153,095,537
Less accumulated depreciation for:				
Buildings	5,228,235	168,372	-	5,396,607
Other improvements	48,679,219	3,432,284	-	52,111,503
Machinery & equipment	12,171,694	2,701,151	872,154	14,000,691
Total accumulated depreciation	66,079,148	6,301,807	872,154	71,508,801
Business-type activities capital assets, net	$ 92,776,819	$ 19,220,186	$ 9,477,063	$ 102,519,942

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

Business-type activities:	
Water and sewer utility	$ 4,629,512
Solid waste	553,918
Airport	893,216
Storm water drainage	225,161
Total business-type activities depreciation expense	$ 6,301,807

Commitments

Commitments for uncompleted construction projects at September 30, 2014 consist of the following:

	Amounts Authorized	Expended to Date	Remaining Commitment
General	$ 109,157	$ -	$ 109,157
General capital projects	2,778,680	2,029,196	749,484
Airport	5,378,000	120,349	5,257,651
Utilities	35,145,657	15,766,333	19,379,324
Stormwater Utility	799,892	798,932	960
Total	$ 44,211,386	$ 18,714,810	$ 25,496,576

NOTE F – INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

The composition of interfund balances at September 30, 2014, is as follows:

Due to/from other funds:

	Due to other funds:	
	Beach Renourishment Fund	Totals
Due from other funds:		
Water & Sewer Utility Fund	$ 3,345,747	$ 3,345,747
Totals	$ 3,345,747	$ 3,345,747

Interfund balances, specifically the due to and due from other funds, are short-term loans to cover temporary cash deficits in various funds. This occasionally occurs prior to grant reimbursements. Net interfund receivables and payables amount to $3,345,747. These outstanding balances are paid within the following year.

Advances from/to other funds:

	Advances to other funds:	
	General Fund	Totals
Advances from other funds:		
Water & Sewer Utility Fund	$ 256,337	$ 256,337
Totals	$ 256,337	$ 256,337

Interfund balances, specifically advances to and from other funds, are longer-term loans to cover City Council-directed internal financing of certain projects. At September 30, 2014 the City has $256,337 of this type of internal financing. These balances are assessed an interest charge and repaid over time through operations and transfers.

Interfund transfers:

	Transfers - In:					
	General Fund	Beach Renourishment Fund	Non-major Governmental Funds	Enterprise Funds	Internal Service Funds	Totals
Transfers - Out:						
General Fund	$ -	$ 999,744	$ 81,795	$ 195,210	$ -	$ 1,276,749
Non-major Governmental Funds	1,096,026	250,000	337,335	-	711,000	2,394,361
Airport Fund	301,242	-	-	-	-	301,242
Water & Sewer Utility Fund	1,193,090	-	-	-	417,795	1,610,885
Solid Waste Fund	751,567	-	-	-	-	751,567
Storm Water Drainage Fund	192,335	-	-	-	-	192,335
Property & Liability Fund	-	-	-	-	600,000	600,000
Totals	$ 3,534,260	$ 1,249,744	$ 419,130	$ 195,210	$ 1,728,795	$ 7,127,139

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, (3) move indirect costs from the user departments to the general fund, (4) move funds from user departments to the fleet services fund for the city's fleet replacement program and associated costs, and (5) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

NOTE G – LONG-TERM LIABILITIES

Long-Term Liability Activity

Long-term liability activity for the year ended September 30, 2014, was as follows:

Governmental activities:	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year
General obligation notes payable	$ 7,245,000	$ 6,458,000	$7,245,000	$ 6,458,000	$ 387,000
Compensated absences	1,376,923	731,565	831,185	1,277,303	638,652
OPEB payable	8,788,863	274,363	-	9,063,226	-
Totals	$ 17,410,786	$ 7,463,928	$8,076,185	$ 16,798,529	$ 1,025,652
Business-type activities:					
Revenue bonds	$ 20,770,000	$ -	$ 375,000	$ 20,395,000	$ 385,000
Notes payable	11,967,000	-	3,009,000	8,958,000	3,047,000
Compensated absences	465,423	382,315	308,922	538,816	269,408
OPEB payable	3,688,008	49,408	-	3,737,416	-
Unamortized Bond Premium	839,847	-	28,713	811,134	28,713
Totals	$ 37,730,278	$ 431,723	$3,721,635	$ 34,440,366	$ 3,730,121

Payments on notes payable that pertain to the City's governmental activities are made by the debt service fund. The compensated absence liability and net other postemployment benefit obligation attributed to the governmental activities will be liquidated by the general fund.

Current Year Refunding

In January 2014, the City issued $6,458,000 in Recreation Capital Improvement General Obligation Refunding Bond, Series 2014 for the purpose of refunding all of the City’s outstanding Recreation Capital Improvement General Obligation Bonds, Series 2004 which were issued to finance the acquisition, construction and equipping of various recreational facilities. The purpose of the Series 2004 Bonds was to construct a park, beach renourishment, community center improvements, and fishing pier. As a result, the liability for the redeemed bonds was removed from the Statement of Net Position. The transaction resulted in an economic gain (at present value) of $923,467 and a reduction in future debt service of $787,000.

Description of Debt	Governmental	Business-Type
$6,458,000 Recreation Capital Improvement General Obligation Refunding Bond, Series 2014, due in annual installments of $387,000 - $545,000 beginning February 1, 2015 through February 1, 2028; interest at 2.66%; payable from the full faith, credit and taxing authority of the City. Purpose: construct a park, beach renourishment, community center improvements, and fishing pier.	$ 6,458,000	$ -
$20,770,000 Utility System Revenue Bonds, Series 2012, due in annual installments of $375,000 - $1,135,000 beginning December 1, 2013 through December 1, 2042; interest at 2.00% - 5.00%; secured by water and sewer revenues. The Series 2012 Bonds are issued in parity with the City's Utility System Refunding Note, Series 2012. Purpose: finance cost of design, permitting, acquisition, construction and reconstruction of water and sewer capital projects, fund reserve account, and pay costs of issuance of the Series 2012 bonds.	-	20,395,000
$4,157,000 Utility System Refunding Revenue Note, Series 2013, due in semi-annual installments of $183,000 - $214,000 through August 15, 2023; interest at 1.65%; secured by future water and sewer revenues. Purpose: Project A wastewater re-use, utility upgrades and improvements.	-	3,589,000
$9,980,000 Utility System Refunding Revenue Note, Series 2012, due in installments of $2,460,000 - $2,530,000 through December 1, 2015; interest at 1.130%; secured by future water and sewer revenues. Purpose: Relocation of waste water plant.	-	5,040,000
$944,000 Storm Water and Drainage promissory note, due in annual installments of $138,000 - $165,000 beginning May 1, 2011 through May 1, 2016; interest at 2.15%; payable solely from and secured by future revenues of the City's storm water management utility system. Purpose: Refund Storm Water and Drainage Revenue Bonds (originally issued for various drainage projects) to take advantage of favorable interest rates.	-	329,000
Total bonds and notes	$ 6,458,000	$ 29,353,000

Debt Maturity

Debt service requirements at September 30, 2014 were as follows:

Year Ended September 30,	Governmental Activities Notes Payable Principal	Interest
2015	$ 387,000	$ 166,636
2016	395,000	156,235
2017	406,000	145,582
2018	416,000	134,649
2019	429,000	123,411
2020-24	2,327,000	436,918
2025-28	2,098,000	113,316
Totals	$ 6,458,000	$ 1,276,747

Year Ended September 30,	Business-type Activities Revenue Bonds Principal	Revenue Bonds Interest	Notes Payable Principal	Notes Payable Interest
2015	$ 385,000	$ 772,125	$ 3,047,000	$ 107,423
2016	400,000	758,350	3,074,000	69,294
2017	415,000	742,050	386,000	45,227
2018	435,000	725,050	392,000	38,833
2019	450,000	707,350	398,000	32,340
2020-24	2,565,000	3,219,775	1,661,000	62,263
2025-29	3,170,000	2,618,316	-	-
2030-34	3,730,000	2,054,172	-	-
2035-39	4,540,000	1,254,641	-	-
2040-43	4,305,000	319,091	-	-
	$ 20,395,000	$ 13,170,920	$ 8,958,000	$ 355,380

Other Information - 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.

No Industrial Revenue Bonds have been issued during this fiscal year.

As of September 30, 2014, there are two series of Industrial Revenue Bonds outstanding with principal amounts payable of $4.25 million (hospital bonds) and $2.5 million (charter school bonds).

NOTE H – EMPLOYEE RETIREMENT SYSTEMS

The City maintains two single-employer, public employee retirement systems. Assets are held separately and may be used only for the payment of benefits to the members of the respective plans. Each plan's financial statements 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 Plans issue financial reports that include financial statements and required supplementary information. The reports may be obtained from the City of Venice Finance Director.

The plans have adopted Governmental Accounting Standards Board (GASB) Statement No. 67; *Financial Reporting for Pension Plans – an amendment of GASB Statement 25.* This statement replaces the requirements of Statements No. 25, *Financial Reporting for Defined Benefit Pension Plans,* and Statement No. 50, *Pension Disclosures*. In addition to other disclosures, the GASB requires for the current year and each of the two preceding years, annual pension cost, percentage of annual pension cost contributed, and the net pension obligation at the end of the year. This information is presented later in this note**.**

1. Plan description

<u>FIREFIGHTERS' PENSION PLAN</u>

The City of Venice, Municipal Firefighters' Pension Plan, a defined benefit single-employer 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 Fire Department, and
c) Fifth Member elected by the other 4 and appointed by Council (as a ministerial duty).

There were changes in benefits, methods and assumptions since the prior valuation. Ordinance 2014-22, adopted and effective August 26, 2014, amended certain Plan provisions for current firefighters, in addition to the closure of the Plan to firefighters hired after September 30, 2014 (the plan information presented below includes the changes). In conjunction with the actuarial valuation of the Plan, the payroll growth assumption (utilized for amortization of the Unfunded Actuarial Accrued Liability) was reduced from 3.0% to 2.7%. This reduction complies with *Part VII of Chapter 112, Florida Statutes*, whereby any use of a payroll growth assumption for this purpose is limited to the Plan's actual ten-year payroll growth average as of the valuation date.

The City's total current year payroll (pensionable wages) for fire personnel for the year ended September 30, 2014, was $2,768,905 compared to total actual payroll for the entire City of $15,153,687. At September 30, 2014, membership consisted of:

Retirees, disabled participants, and beneficiaries:	
Currently receiving benefits.	43
Terminated employees entitled to benefits but not yet receiving them.	-
Current employees:	
Vested	28
Nonvested	12
Total	83

The Plan covers permanent City of Venice firefighters. The Plan provides retirement, termination, disability and death benefits.

Normal Retirement:

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

Benefit Amount: 3.50% of average final compensation times years of credited service through September 30, 2014, plus a reduction from 3.5% to 2.75% of average final compensation times credited service on and after October 1, 2014, plus $175 per month. Average final compensation is the average W-2 salary of the highest five years of service during the last ten years of credited service for members eligible for normal retirement as of October 1, 2014. Salary for all other members shall be base pay (including all years prior to the fiscal year ending September 30, 2014). Members eligible for normal retirement as of October 1, 2014 will continue to accrue benefits under Plan provision in effect prior to Ordinance No. 2014-23.

Early Retirement:

Date: Earlier of age 50 and 10 years of credited service, or the completion of 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: Deferred benefit payable at normal retirement date or reduced 2% per year and payable immediately.

Vesting (Termination):
Less than 10 years of contributing service: Refund of member contributions.
10 years or more: Accrued benefit payable at early retirement age or later if member contributions left in fund; otherwise, refund of member contributions.

Disability:
Eligibility: Total and permanent as determined by the Board.
Service Incurred: Covered from date of employment.
Non-Service Incurred: 5 years credited service.
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 Benefits:
Service Incurred: Covered from date of employment.
Non-Service Incurred: Eligible after 5 years of credited service.
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.

Contributions:
Participants are required to contribute 9.75% of their annual salary to the Plan. Effective October 1, 2014, employees will be required to contribute 7.0% of their annual covered salary to the Plan. If an employee separates service from the City before achieving ten years of credited service, the employee will receive 100% of their contributions. Other contributions are received from the State of Florida and the City of Venice. The State of Florida contribution results from the City's share of insurance tax. The City of Venice is required to fund any deficiencies between the total actuarial contribution requirement and the State Casualty Insurance premium tax and the employee contributions.

During the year ended September 30, 2014, contributions totaling $2,249,014 were made in accordance with contribution requirements determined by an actuarial valuation of the Plan as of October 1, 2013. The City contributed $1,674,244, members contributed $269,968, and the State contributed $304,802. Payments of fringe benefits and salaries on-behalf of the City’s employees are recognized as revenues and expenditures/expenses during the period.

Firefighters' Pension Plan
Three Year Trend Information

Fiscal Year Ended September 30,	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Asset
2013	$ 1,953,665	101%	$ 373,601
2013	1,687,089	102%	357,082
2012	1,545,420	103%	322,163

Actuarially Determined Contribution (A)	$ 1,960,107	$ 1,692,902	$ 1,550,520
Interest on NPA	(27,674)	(24,968)	(21,908)
Adjustment to (A)	21,232	19,155	16,808
Annual Pension Cost	1,953,665	1,687,089	1,545,420
Contributions Made	1,970,184	1,722,008	1,584,901
Increase (decrease) in NPA	16,519	34,919	39,481
NPA Beginning of Year	357,082	322,163	282,682
NPA End of Year	$ 373,601	$ 357,082	$ 322,163

NET PENSION LIABILITY OF THE CITY (FIREFIGHTER'S PLAN) – GASB 67

The components of the net pension liability of the City as of September 30, 2014 were as follows:

Total Pension Liability	$	35,060,633
Plan Fiduciary Net Position	$	(18,605,491)
City's Net Pension Liability	$	16,455,142
Plan Fiduciary Net Position as a percentage of Total Pension Liability		53.07%

Actuarial Assumptions:

The total pension liability was determined by an actuarial valuation as of October 1, 2013 updated to September 30, 2014 using the following actuarial assumptions applied to all measurement periods.

Actuarial Cost Method	Entry Age Normal Actuarial Cost Method
Amortization Method	Level percentage of pay, closed
Amortization Period	30 years
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). It is possible that over time this technique will produce an insignificant bias above or below market value of assets.

Inflation	3.00%
Salary Increases	7.70%
Investment Rate of Return	7.75%

Mortality rates were based on the RP-2000 Combined Healthy without projection, sex distinct. Disabled lives are set forward five years. Based on a study of over 650 public safety funds, this table reflects a 10% margin for future mortality improvements.

The actuarial assumptions used in the October 1, 2013 valuation were based on the results of an actuarial experience study for the period 2000-2006.

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. 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 pension plan's target asset allocation as of September 30, 2014 are summarized in the following table:

Asset Class	Long Term Expected Real Rate of Return
Domestic Equity	7.50%
International Equity	8.50%
Broad Market Fixed Income	2.50%
Global Fixed Income	3.50%
Real Estate	4.50%

Discount Rate:
The discount rate used to measure the total pension liability was 7.75% for the year ended September 30, 2014. 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 pension 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 pension plan investments was applied to all periods of projected payments to determine the total pension liability.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate:
The following presents the net pension liability, calculated using the discount rate of 7.75%, as well as what the Plan's net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower (6.75%) or 1 percentage-point higher (8.75%) than the current rate:

	1% Decrease 6.75%	Current Discount Rate 7.75%	1% Increase 8.75%
City's Net Pension Liability	$ 20,515,792	$ 16,455,142	$ 13,038,808

POLICE OFFICERS' PENSION PLAN

The City of Venice Municipal Police Officers' Pension Plan, a defined benefit single-employer 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 Council appointees,
e) Two Members of the Department elected by the membership, and
f) Fifth Member elected by the other 4 and appointed by Council.

There were changes in benefits, methods and assumptions since the prior valuation. Ordinance 2014-23, adopted and effective August 26, 2014, amended certain Plan provisions for current police officers, in addition to the closure of the Plan to police officers hired after September 30, 2014 (*plan description* above includes the changes). In conjunction with the actuarial valuation of the Plan, the payroll growth assumption (utilized for amortization of the Unfunded Actuarial Accrued Liability) was eliminated.

The City's total current year payroll for police personnel for the year ended September 30, 2014 was $2,838,631 compared to $15,153,687 for the entire City's payroll. At September 30, 2014 membership consisted of:

Retirees, disabled participants, and beneficiaries:	
Currently receiving benefits.	48
Terminated employees entitled to benefits but not yet receiving them.	5
Members in DROP	6
Current employees:	
Vested	14
Nonvested	24
Total	97

The Plan covers permanent City of Venice police officers. The Plan provides retirement, termination, disability and death benefits.

Normal Retirement:

Date: Earlier of age 52 (previously 50) and 10 years of credited service, or 25 years of credited service.

Benefit: 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. Average final compensation is the average salary of the highest five years of service during the last ten years of credited service preceding termination. Members eligible for

normal retirement as of October 1, 2014 will continue to accrue benefits under Plan provision in effect prior to Ordinance No. 2014-23.

Early Retirement:
Date: 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 October 1, 2014.
Benefit: Accrued benefit, reduced 2% per year preceding normal retirement date.

Vesting (Termination):
Less than 10 years: refund of member contributions.
After 10 years: Accrued benefit payable at normal retirement date or reduced and payable at early retirement date if member contributions are left in the fund.

Disability:
Eligibility: Total and permanent as determined by the Board.
Service Incurred: Covered from date of employment.
Non-Service Incurred: 5 years 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 earnings paid to spouse until death, or if no spouse, in equal shares to dependent children.
Non-Service Incurred: Eligible after 5 years of credited service. 50% of earnings paid to spouse until death or remarriage, or, if no spouse, in equal shares to dependent children.

Deferred Retirement Option Plan (DROP):
Eligibility: Satisfaction of normal retirement requirements (earlier of 1) age 52 (previously 50) and 10 years of credited service, or 2) 25 years of credited service.
Participation: Not to exceed 60 months.
Rate of Return: At member's election:

a) an effective annual rate of 6.5%
b) actual net rate of investment return (total return net of brokerage commissions, management fees and transaction costs) credited each fiscal quarter.

Form of Distribution: Cash lump sum (options available) at termination of employment.
The balance of the amounts held by the Plan pursuant to DROP is $369,948.

Contributions:
Participants are required to contribute 7.25% of their annual salary to the Plan. Effective October 1, 2014 employees will be required to contribute 7.0% of their annual covered salary to the Plan. Other contributions are received from the State of Florida and the City of Venice. The State of Florida contribution results from the City's share of insurance tax. The City of Venice is required

to fund any deficiencies between the total actuarial contribution requirement and the State Casualty Insurance premium tax and the employee contributions.

During the year ended September 30, 2014, contributions totaling $2,053,876 were made in accordance with contribution requirements determined by an actuarial valuation of the Plan as of October 1, 2013. The City's actual contribution was $1,651,993, the State's was $178,617, and members contributed $223,266. Payments of fringe benefits and salaries on-behalf of the City's employees are recognized as revenues and expenditures/expenses during the period.

Police Officers' Retirement Trust Fund
Three-Year Trend Information

Fiscal Year Ended September 30	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Asset
2014	$ 1,820,372	101%	$ 38,638
2013	1,935,135	100%	28,399
2012	1,673,577	100%	30,163

Police Officers' Retirement Trust Fund
Recent Development of the Net Pension Asset (NPA)

	9/30/2014	9/30/2013	9/30/2012
Actuarially Determined Contribution (A)	$ 1,818,711	$ 1,933,371	$ 1,672,201
Interest on NPA	(2,244)	(2,383)	(2,523)
Adjustment to (A)	3,904	4,147	3,899
Annual Pension Cost	1,820,371	1,935,135	1,673,577
Contributions Made	1,830,610	1,933,371	1,672,201
Increase (decrease) in NPA	10,239	(1,764)	(1,376)
NPA Beginning of Year	28,399	30,163	31,539
NPA End of Year	$ 38,638	$ 28,399	$ 30,163

NET PENSION LIABILITY OF THE CITY (POLICE OFFICERS' PLAN) – GASB 67

The components of the net pension liability of the sponsor on September 30, 2014 were as follows:

Total Pension Liability	$	36,426,772
Plan Fiduciary Net Position	$	(31,832,954)
City's Net Pension Liability	$	4,593,818
Plan Fiduciary Net Position as a percentage of Total Pension Liability		87.39%

Actuarial Assumptions:
The total pension liability was determined by an actuarial valuation as of October 1, 2013 updated to September 30, 2014 using the following actuarial assumptions.

Actuarial Cost Method	Entry Age Normal Actuarial Cost Method
Amortization Method	Level percentage of pay, closed
Amortization Period	30 years
Asset valuation Method	4 year smoothing
Inflation	3.00%
Salary Increases	5.50%-10.00%
Investment Rate of Return	7.90%

Mortality rates were based on the RP-2000 Combined Healthy without projection, sex distinct. Disabled lives are set forward five years. Based on a study of over 650 public safety funds, this table reflects a 10% margin for future mortality improvements.

The actuarial assumptions used in the October 1, 2013 valuation were based on the results of an actuarial experience study for the period 1991-2010.

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. 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 pension plan's target asset allocation as of September 30, 2014 are summarized in the following table:

Asset Class	Long Term Expected Real Rate of Return
Domestic Equity	7.50%
International Equity	8.50%
Broad Market Fixed Income	2.50%
Real Estate	2.50%

Discount Rate:
The discount rate used to measure the total pension liability was 7.90%. 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 pension 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 pension plan investments was applied to all periods of projected payments to determine the total pension liability.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate:
The following presents the net pension liability, calculated using the discount rate of 7.9%, as well as what the Plan's net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower (6.9%) or 1 percentage-point higher (8.9%) than the current rate.

	1% Decrease 6.90%	Current Discount Rate 7.90%	1% Increase 8.90%
City's Net Pension Liability	$ 8,248,811	$ 4,593,818	$ 1,489,341

SUBSEQUENT EVENT FOR FIREFIGHTER'S AND POLICE OFFICERS' PENSION PLANS
Effective October 1, 2014, the City elected to join the Florida Retirement System for 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.

Other Employees' Pension Plans

FLORIDA RETIREMENT SYSTEM (FRS)

All full-time City employees, with the exception of our public safety officers, are participants in the Florida Retirement System, "The System," a multiple-employer, cost-sharing public retirement system. The System, which is controlled by the State Legislature and administered by the State of Florida, Department of Administration, Division of Retirement, covers approximately 650,000 full-time employees of various governmental units within the State of Florida.

The System provides for vesting of benefits after six years of creditable service. Members initially enrolled on or after July 1, 2011, vest after eight years of creditable service. Normal retirement benefits for members initially enrolled before July 1, 2011 are available to employees who retire at or after age 62 with six or more years of service. Normal Retirement benefits for members initially enrolled on or after July 1, 2011 are available to employees who retire at or after age 65 with eight or more years of service. Early retirement or reduced retirement may be taken after a member is vested and is within 20 years of his/her normal retirement age; however, there is a 5 percent benefit reduction for each year remaining from a member's retirement age to his/her normal retirement age.

Service retirement benefits are computed on the basis of age and/or years of service, average final compensation, and service credit. Credit for each year 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 total percentage value of the benefit received is determined by

calculating the total value of all service, which is based on the retirement plan and/or class to which the member belonged when the service credit was earned.

There is a deferred retirement option program (DROP) available to members when the member first reaches eligibility for normal retirement. The Deferred Retirement Option Program allows a member to retire while continuing employment for up to 60 months. While in the Deferred Retirement Option Program, the member's retirement benefits accumulate in the Florida Retirement *System Trust Fund* (increased by a cost-of-living adjustment each July) and earn monthly interest equivalent to an annual rate of 1.30 percent. Deferred Retirement Option Program participants with an effective Deferred Retirement Option Program begin date before July 1, 2011, earn monthly interest equivalent to an annual rate of 6.50 percent.

Participating employer and employee contributions are based upon state-wide rates established by the State of Florida. Effective July 1, 2011, both employees and employers of the Florida Retirement System are required to make contributions to establish service credit for work performed in a regularly established position. The employer's contribution rate was 4.91% and the employee contribution rate was 3.0% for a total contribution rate of 7.91%. Effective July 1, 2012, the employer's contribution rate was 5.18% and the employee contribution rate was 3.0% for a total contribution rate of 8.18%. Effective July 1, 2013, the employer's contribution rate was 6.95% and the employee contribution rate was 3.0% for a total contribution rate of 9.95%. Effective July 1, 2014 the employer's contribution rate was 7.37% and the employee contribution rate was 3.0% for a total contribution rate of 10.37%. During the year ended September 30, 2014, employer contributions totaling $737,368 and employee contributions totaling $252,254 for a total contribution amount of $989,622 were made in accordance with contribution requirements determined by the Florida Retirement System which is 100% of the required contribution. The prior two years' contributions equaled $775,665 for the year ended September 30, 2013, and $698,677 for the year ended September 30, 2012.

The City has no responsibility to The System other than to make the periodic payments required by state statutes. The Florida Division of Retirement issues a publicly available financial report that includes financial statements and required supplementary information for The System. The report may be obtained by writing to Florida Division of Retirement, 2639 North Monroe Street, Building C, Tallahassee, FL 32399-1560.

NOTE I - OTHER POST EMPLOYMENT BENEFITS (OPEB)

1. Plan Description- The City administers a single-employer defined benefit healthcare plan (the "OPEB Plan"). The plan provides health insurance and prescription drug coverage for eligible employees, retirees and their eligible dependents through the City's health insurance program, which covers both active employees and retired employees. Pursuant to Section 112.0801, Florida Statutes, the City is required to permit participation in the health insurance program by retirees and their eligible dependents at a cost to the retiree that is no greater than the cost at which coverage is available for active employees. In addition, the City's program has elected to provide a subsidy to its retirees to offset the cost of such health insurance. Substantial changes to the terms of the Post-Retirement Health Plan were adopted in July of 2011 with an effective date of January 1, 2012. This included increasing healthcare contribution rates for retirees effective January 1, 2012

with the objective of a 50/50 contribution split between the City and retiree in the retiree health insurance rates within a five (5) year period. This objective has now been reached. The City does not issue a standalone financial report on the OPEB Plan.

2. Funding Policy - The contribution requirements of plan members and the City are established and may be amended by the City Council. These contributions are neither mandated nor guaranteed. The City has retained the right to unilaterally modify its payment for retiree health care benefits. As previously indicated, the State of Florida prohibits the City from separately rating retirees and active employees. The City therefore charges both groups an equal, blended premium. Although both groups are charged the same blended rate, GAAP requires the actuarial figures presented to be calculated using age-adjusted premiums approximating claim costs for retirees' separate from active employees. The use of age-adjusted premiums results in the addition of an implicit rate subsidy into the actuarial accrued liability. The City has elected to contribute to the OPEB Plan at a rate that is based on an actuarial valuation prepared using the blended rate premium that is actually charged to the OPEB Plan.

Effective January 1, 2012, the terms of the Post-Retirement Health Plan were substantially changed. Effective January 1, 2012, Medicare eligible retirees had the option of switching to a Medicare Advantage plan with 70% paid by the City and 30% paid by the retiree. This cost sharing will be changed annually by increasing 20.5% per year through January 1, 2016 to attain a 50/50 split between the City and retiree. The monthly contributions rates effective January 1, 2014 are $269 for individual coverage, $539 for individual plus one, and $835 for family coverage. Following January 1, 2016, all new retirees will be required to pay 100% of the health plan premium.

As these plan changes were communicated to plan members during the period December, 2010 through July, 2011, and the plan changes were adopted in July of 2011, they were considered in the OPEB actuarial valuation with an effective date of July 1, 2011. As a result of these changes, the actuary lowered the election rate to 20%, from 95%, and the family coverage election rate to 50%, from 90%. They also considered an increased retirement rate in 2015.

The schedule of funding progress presents multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial liabilities for benefits. (As an unfunded plan, there are no plan assets to report).

Schedule of Funding Progress

Actuarial * Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age Normal (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Annualized Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
October 1, 2014	$ -	$ 23,202,300	$ 23,202,300	0.00%	$ 14,644,130	158.44%
October 1, 2013	-	22,807,200	22,807,200	0.00%	14,453,477	157.80%
October 1, 2012	-	23,052,600	23,052,600	0.00%	13,690,287	168.39%

* As stated in GASB 45, *Accounting and Financial Reporting by Employers for Post Employment Benefits Other than Pensions,* OPEB plans with a total membership of 200 or more must have actuarial valuations at least biennially. The figures at October 1, 2012 and 2014 are based on the actuary's "roll-forward" calculations.

Schedule of Employer Contributions

Year Ended September 30	Annual Required Contribution	Amounts Contributed	Implicit Rate Subsidy	Percentage Contributed
2014	$ 1,571,873	$ 686,408	$ 366,982	67.01%
2013	1,567,504	655,088	366,982	65.20%
2012	1,668,676	917,961	91,125	60.47%

3. Annual OPEB Cost And Net OPEB Obligation - The contribution required to support the OPEB Plan is calculated based on the annual required contribution (ARC), an amount determined in accordance with GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year, calculated using the pay-related, entry-age normal cost method, and to amortize the unfunded actuarial liability over a period not to exceed thirty years. Fiscal Year 2014 includes the determination of the implicit rate subsidy, as required by GASB 45. This subsidy exists as the same premium rates are paid for retired employees as active employees, yet their expected claims cost is higher due to their age.

The following table shows the components of the City's annual OPEB cost for the year, the amount actually contributed, and the change in the City's net OPEB obligation:

	Fiscal Year Ending 2014	Fiscal Year Ending 2013	Fiscal Year Ending 2012
Annual Required Contribution (ARC)	$ 1,571,873	$ 1,567,504	$ 1,668,676
Interest on Net OPEB Obligation	499,075	484,824	465,708
Adjustments to ARC	(693,787)	(673,976)	(647,402)
Annual OPEB Cost (Expense)	1,377,161	1,378,352	1,486,982
Employer Contributions	(686,408)	(655,088)	(917,961)
Implicit Rate Subsidy	(366,982)	(366,982)	(91,125)
Increase in Net OPEB Obligation	323,771	356,282	477,896
Net OPEB Obligation - Beginning of Year	12,476,871	12,120,589	11,642,693
Net OPEB Obligation - End of Year	$ 12,800,642	$ 12,476,871	$ 12,120,589
Percentage of OPEB Cost Contributed	76.49%	74.15%	67.86%

4. Funded Status and Funding Progress - As of October 1, 2012, the most recent actuarial valuation date, the plan was 0% funded. The actuarial accrued liability for benefits was $23.2 million, at September 30, 2014 and the actuarial value of assets was $0 resulting in an unfunded accrued liability (UAAL) of $23.2 million. The covered payroll (annual payroll of active employees covered by the plan) was $14.6 million, and the ratio of the UAAL to the covered payroll was 158.44%. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates about the future.

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

In the October 1, 2012 actuarial valuation, the pay-related entry-age normal actuarial cost method was used. The actuarial assumptions included (a) projected salary increase of 2.50% per year, (b) a 4.00% per annum investment rate of return and (3) a general inflation assumption of 2.50% per year for medical claims and premium rates. Following the January 1, 2012 plan changes, it is assumed that the election rate for retiree medical coverage decreases annually and is 20% following 2015. Election of family coverage is assumed to decrease annually to 50% by 2016. Following January 1, 2012, two thirds of Medicare eligible retirees are assumed to elect the Medicare advantage plan in lieu of the current plan.
Special Retirement Assumption - It is assumed that the plan changes which take effect January 1, 2016 will result in a higher rate of retirement for general employees in 2015 for those who are age 60 or older in 2015. It is further assumed that the 2016 changes will result in a higher rate of

retirement for police and fire employees in 2015 for those who are age 50 or older with at least 10 years of service.

The UAAL is funded over a thirty year period which was restarted October 1, 2012 (30-year closed). Plan amendments are amortized over 30 years. Subsequent gains and losses are amortized over a fifteen year period. Amortization payments are level dollar amounts, rather than level percentage of salaries.

NOTE J – DEFERRED COMPENSATION PLAN

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

Plan amendments have been made so that the plan is in compliance with IRC Section 457, as amended by the 1996 changes to the tax code. The assets are now 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.

NOTE K – SELF-INSURANCE INTERNAL SERVICE FUNDS

The City maintains a self-insurance program with regard to medical benefits for employees and dependents. The City pays a portion of the cost of the program for active employees. The employee's contribution is a three-tier rate structure based on the employee's base salary. Dependent and retiree coverage is optional. The dependent cost is paid by employee contributions. Contribution rates for retirees will increase annually until a 50/50 cost share is reached between the city and retirees, projected to occur by January 1, 2016. Risks in excess of fixed individual limits of $85,000 annually are coinsured with an outside insurance carrier. The carrier is also responsible for excess costs over an aggregate limit.

The plan is accounted for through a separate internal service fund. Revenues for this fund consist of amounts contributed by employees and by other City funds. Both revenues and the related charges are recorded as interfund services provided and used. Accordingly, the related charges are reflected as expenditure, or expense items, in the appropriate General Fund department, or in the enterprise funds.

The plan is reviewed annually by an actuarial firm and the actuary's report is used to determine both the basis for premiums charged to other departments and for determining the liability for claims incurred but not reported.

The City also maintains self-insurance programs with regard to workers' compensation and property and general liability risks. The City carries stop loss coverage for workers' compensation, general liability, and insurance policies for property. These plans are also accounted for as separate internal service funds.

The plans are reviewed annually by management to determine the basis for premiums charged to all departments. There have been no significant reductions in insurance coverage for the current fiscal year. Settlement amounts have not exceeded insurance coverage for the current year or the three prior years.

The self-insurance funds establish a liability for both reported and unreported events, which includes estimates of both future payments of losses and related claim adjustment expenses. The following represents the changes in approximate aggregate liabilities for the City from September 30, 2011, to September 30, 2014:

	Employees' Group Health Life Insurance Program	Workers' Compensation Self Insurance Program
Liability balance, September 30, 2011	$ 225,000	$ 249,438
Claims and changes in estimates	4,201,408	352,861
Claims payments	(4,179,408)	(344,875)
Liability balance, September 30, 2012	247,000	257,424
Claims and changes in estimates	3,942,356	417,817
Claims payments	(3,967,356)	(364,494)
Liability balance, September 30, 2013	222,000	310,747
Claims and changes in estimates	4,844,402	437,312
Claims payments	(4,756,402)	(314,059)
Liability balance, September 30, 2014	$ 310,000	$ 434,000
Assets available to pay claims at September 30, 2014	$ 1,789,465	$ 824,678

NOTE L – CONTINGENT LIABILITIES

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

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

NOTE M – SUBSEQUENT EVENTS

In February 2015, the City issued $15,355,000 of Utility System Revenue Bonds, Series 2015 (Green Bonds) for the purpose of financing the cost of acquisition, construction and equipping of various capital improvements to the City's water and sewer utility system (the "2015 Project").

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Venice, FL
City on the Gulf

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REQUIRED SUPPLEMENTARY INFORMATION

City of Venice, Florida
Required Supplementary Information
GASB 67

Municipal Firefighters' Pension Trust Fund
Schedule of Changes in Net Pension Liability and Related Ratios
Year Ended September 30, 2014

	9/30/2014
Total Pension Liability	
Service Cost	$ 672,304
Interest	2,581,984
Change in Excess State Money	8,861
Changes Due to Pension Reform	(3,694,368)
Benefits Payments, Including Refunds of Employee Contributions	(2,003,310)
Net Change in Total Pension Liability	(2,434,529)
Total Pension Liability - Beginning	37,495,162
Total Pension Liability - Ending (a)	$ 35,060,633
Plan Fiduciary Net Position	
Contributions - City	$ 1,674,244
Contributions - State	304,802
Contributions - Employee	269,968
Net Investment Income	1,727,970
Benefit Payments, Including Refunds of Employee Contributions	(2,003,310)
Administrative Expense	(34,676)
Net Change in Plan Fiduciary Net Position	1,938,998
Plan Fiduciary Net Position - Beginning	16,666,493
Plan Fiduciary Net Position - Ending (b)	$ 18,605,491
Net Pension Liability - Ending (a) - (b)	$ 16,455,142
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	53.07%
Covered Employee Payroll	$ 2,768,905
Net Pension Liability as a Percentage of covered Employee Payroll	594.28%

Notes to Schedule:
Benefit changes - None
Changes of assumptions - None
Only one year of information is available. Future years will be reported as available.

City of Venice, Florida
Required Supplementary Information
GASB 67

Municipal Firefighters' Pension Trust Fund
Schedule of Contributions (unaudited)
Last Ten (10) Fiscal Years

	9/30/2014	9/30/2013	9/30/2012	9/30/2011	9/30/2010	9/30/2009	9/30/2008	9/30/2007	9/30/2006	9/30/2005
Actuarially Determined Contribution	$ 1,960,108	$ 1,692,902	$ 1,550,520	$ 1,617,566	$ 1,249,740	$ 1,079,189	$ 1,021,258	$ 1,203,867	$ 961,833	$ 699,147
Contributions in Relation to the Actuarially Determined Contributions	1,979,046	1,722,008	1,584,901	1,617,566	1,249,740	1,079,189	1,117,011	1,128,502	937,829	711,064
Contribution Deficiency (Excess)	$ (18,938)	$ (29,106)	$ (34,381)	$ -	$ -	$ -	$ (95,753)	$ 75,365	$ 24,004	$ (11,917)
Covered Employee Payroll	$ 2,768,905	$ 2,887,391	$ 2,663,341	$ 2,948,616	$ 3,124,463	$ 3,016,684	$ 2,848,256	$ 2,620,850	$ 2,471,155	$ 2,342,130
Contributions as a Percentage of Covered Employee Payroll	71.47%	59.64%	59.51%	54.86%	40.00%	35.77%	39.22%	43.06%	37.95%	30.36%

Notes to Schedule
Valuation Date: 10/01/2012

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:

Funding Method:	Entry Age Normal Actuarial Cost Method.
Amortization Period:	Level Percentage of Pay, Closed.
Remaining Amortization Period:	30 Years.
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). It is possible that over time this technique will produce an insignificant bias above or below market value of assets.
Inflation:	3.0% per year.
Salary Increases:	Service based as shown below. Projected salary at retirement is increased 20% to account for nonregular compensation.
Investment Rate of Return:	7.75% per year compounded annually, net of investment related expenses.
Payroll Growth:	3% per year.
Cost-of-Living Adjustment:	3% per year from retirement to age 65.
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.
Termination Rates:	W1304. See sample rates below.
Disability Rates:	D1205. See sample rates below. It is assumed that 75% of disablements and active deaths that occur are service related.
Mortality:	RP2000 Combined Health without projection, sex distinct. Disabled lives are set forward five years. Based on a study of over 650 public safety funds, this table reflects a 10% margin for future mortality improvements.

Turnover and Disability Rate Table:

Age	% Terminating During the Year	% Becoming Disabled During the Year
20	12.40%	0.14%
30	11.10%	0.18%
40	6.80%	0.30%
50	2.20%	1.00%

Salary Increases:

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

City of Venice, Florida
Required Supplementary Information
GASB 67

Municipal Firefighters' Pension Trust Fund
Schedule of Investment Returns
Last Ten (10) Fiscal Years

	9/30/2014
Annual Money-Weighted Rate of Return	
Net of Investment Expense	10.38%

City of Venice, Florida
Required Supplementary Information
GASB 67

Municipal Police Officers' Pension Trust Fund
Schedule of Changes in Net Pension Liability and Related Ratios
Last Ten (10) Fiscal Years

	9/30/2014
Total Pension Liability	
Service Cost	$ 560,060
Interest	2,760,145
Changes Due to Pension Reform	(1,837,786)
Contributions - Buy Back	17,465
Benefits Payments, Including Refunds of Employee Contributions	(2,578,773)
Net Change in Total Pension Liability	(1,078,889)
Total Pension Liability - Beginning	37,505,661
Total Pension Liability - Ending (a)	$ 36,426,772
Plan Fiduciary Net Position	
Contributions - Employer	$ 1,651,993
Contributions - State	178,617
Contributions - Employee	205,801
Contributions - Buy Back	17,465
Net Investment Income	3,307,423
Benefit Payments, Including Refunds of Employee Contributions	(2,578,773)
Administrative Expense	(62,991)
Other	-
Net Change in Plan Fiduciary Net Position	2,719,535
Plan Fiduciary Net Position - Beginning	29,113,419
Plan Fiduciary Net Position - Ending (b)	$ 31,832,954
Net Pension Liability - Ending (a) - (b)	$ 4,593,818
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	87.39%
Covered Employee Payroll	$ 2,838,631
Net Pension Liability as a Percentage of covered Employee Payroll	161.83%

City of Venice, Florida
Required Supplementary Information
GASB 67

Municipal Police Officers' Pension Trust Fund
Schedule of Contributions
Last Ten (10) Fiscal Years

	9/30/2014	9/30/2013	9/30/2012	9/30/2011	9/30/2010	9/30/2009	9/30/2008	9/30/2007	9/30/2006	9/30/2005
Actuarially Determined Contribution	$ 1,818,711	$ 1,933,371	$ 1,672,201	$ 1,444,492	$ 1,154,509	$ 767,694	$ 781,352	$ 735,138	$ 735,777	$ 579,056
Contributions in Relation to the Actuarially Determined Contributions	1,830,610	1,933,371	1,672,201	1,444,492	1,154,510	771,014	781,352	752,729	749,950	618,611
Contribution Deficiency (Excess)	$ (11,899)	$ -	$ -	$ -	$ (1)	$ (3,320)	$ -	$ (17,591)	$ (14,173)	$ (39,555)
Covered Employee Payroll	$ 2,838,631	$ 3,177,273	$ 3,276,770	$ 3,208,345	$ 3,125,995	$ 3,109,302	$ 2,856,283	$ 2,681,417	$ 3,098,480	$ 3,160,736
Contributions as a Percentage of Covered Employee Payroll	64.49%	60.85%	51.03%	45.02%	36.93%	24.80%	27.36%	28.07%	24.20%	19.57%

Notes to Schedule

Valuation Date: 10/01/2012 (AIS) 9/16/2013)

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:

Funding Method: Entry Age Normal Actuarial Cost Method.

Amortization Period: Level Percentage of Pay, Closed.

Remaining Amortization Period: 30 Years (as of 10/1/2012).

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). Over time, this may result in a demines bias that is above or below the Market Value of Assets.

Inflation: 3.0% per year

Salary Increases: 10.0% for members with less than 10 years of service, and 5.5% with 10 or more years of service.

Final Salary Load:

Current Credited Service	
10 or more years	20.0%
More than 1, less than 10 years	10.0%
Less than 1 year	0.0%

`

Interest Rate: 7.9%, compounded annually, net of investment related expenses.

Payroll Growth: Up to 2% or the actual ten-year average payroll growth average for all existing bases as of 10/1/2010. Beginning 10/1/2011, all future bases will be amortized using no payroll growth assumption.

Retirement Age: Earlier of age 50 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 benefits at the rate of 10% per year.

Termination Rates: See table below.

Disability Rates: See table below. It is assumed that 75% of disablements and active deaths that occur are service-related.

Mortality: RP2000 combined health without projection, sex distinct. Disabled lives are set forward five years. Based on a study of over 650 public safety funds, this table reflects a 10% margin for future mortality improvements.

Termination and Disability Rate Table.

Age	% Terminating During the Year	% Becoming Disabled During the Year
20	15.0%	0.14%
30	11.0%	0.18%
40	7.0%	0.30%
50	3.5%	1.00%

City of Venice, Florida
Required Supplementary Information
GASB 67

Municipal Police Officers' Pension Trust Fund
Schedule of Investment Returns
Last Ten (10) Fiscal Years

	9/30/2014
Annual Money-Weighted Rate of Return	
Net of Investment Expense	11.57%

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 use only. 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.

Police Training Fund – To account for the City's share of fine revenue designated for police related travel.

Boat Registration Fees Fund – To account for the City's portion of boat registration fees designated for boat related activities.

One-Cent Voted Sales Tax Fund – To account for the additional one-cent sales tax revenues designated for the planning, financing, and construction of infrastructure within the City.

Second Occupational License Fund – To account for second occupational license revenue restricted for economic development purposes of the City.

Growth Management Training Fund – To account for building permit revenue restricted for travel related to growth management training.

Parking Fines Handicapped Access Improvement Fund – To account for funds from parking fines to be used for handicap accessible programs.

Building Permit Fees Fund – To account for the activities in the building permit functions.

Centennial Community Fund – To account for the administration of the Centennial Community Trust resources, as authorized by City Council.

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

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 street related projects or building and renovations to buildings.

Streets Capital Projects Fund – is used to account for the cost of major drainage and street improvement capital projects. The projects are generally financed by a combination of several revenue sources, including designated property taxes, road and bridge taxes, interest revenues, and contributions from other funds.

Buildings and Renovations Fund– To account for the cost of constructing new City buildings and/or major renovations to existing City buildings.

City of Venice, Florida
Combining Balance Sheet
Non-Major Governmental Funds
September 30, 2014

	Special Revenue			
	Motor Fuel Tax	**Contraband Forfeiture**	**Police Training**	**Boat Registration Fees**
ASSETS				
Cash and cash equivalents	$ 8,351	$ 6,438	$ 4,006	$ 23,137
Investments	5,803	4,474	2,784	16,079
Accounts receivable (net)	-	-	-	-
Interest receivable	32	25	21	87
Due from other governments	83,969	-	267	-
Total Assets	$ 98,155	$ 10,937	$ 7,078	$ 39,303
LIABILITIES				
Accounts payable	$ -	$ -	$ -	$ -
Accrued liabilities	-	-	-	-
Due to other funds	-	-	-	-
Due to other governments	-	-	-	-
Accrued liabilities	-	-	-	-
Total Liabilities	-	-	-	-
FUND BALANCES				
Restricted for:				
Public safety	-	10,937	7,078	-
Boating and waterway improvements	-	-	-	39,303
Street improvements	98,155	-	-	-
Capital improvements	-	-	-	-
Committed to:				
Training and education	-	-	-	-
Capital improvements	-	-	-	-
Economic development	-	-	-	-
Florida Building Code	-	-	-	-
Historic preservation	-	-	-	-
Total Fund Balances	98,155	10,937	7,078	39,303
Total Liabilities and Fund Balances	$ 98,155	$ 10,937	$ 7,078	$ 39,303

Special Revenue				
One Cent Voted Sales Tax	Second Occupational License	Growth Management Training	Park Fines Handicapped Access Improvement	Building Permit Fees
$ 1,719,006	$ 7,580	$ 42,746	$ 45,173	$ 1,038,812
1,194,563	5,267	29,705	31,391	721,887
-	1,655	-	-	-
6,484	29	161	171	3,917
178,706	-	-	-	-
$ 3,098,759	$ 14,531	$ 72,612	$ 76,735	$ 1,764,616
$ 87	$ -	$ 585	$ -	$ 11,041
-	-	-	-	18,238
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
87	-	585	-	29,279
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
3,098,672	-	-	-	-
-	-	72,027	-	-
-	-	-	76,735	-
-	14,531	-	-	-
-	-	-	-	1,735,337
-	-	-	-	-
3,098,672	14,531	72,027	76,735	1,735,337
$ 3,098,759	$ 14,531	$ 72,612	$ 76,735	$ 1,764,616

(Continued)

City of Venice, Florida
Combining Balance Sheet
Non-Major Governmental Funds
September 30, 2014

	Special Revenue			Capital Projects
	Centennial Community	Historical Commission	Total Special Revenue Funds	General
ASSETS				
Cash and cash equivalents	$ 34,270	$ 4,919	$ 2,934,438	$ 831,249
Investments	23,815	3,419	2,039,187	577,647
Accounts receivable (net)	-	-	1,655	-
Interest receivable	130	14	11,071	3,136
Due from other governments	-	-	262,942	-
Total Assets	$ 58,215	$ 8,352	$ 5,249,293	$ 1,412,032
LIABILITIES				
Accounts payable	$ -	$ 426	$ 12,139	$ -
Accrued liabilities	-	-	18,238	-
Due to other funds	-	-	-	-
Due to other governments	-	16	16	-
Accrued liabilities	-	-	-	-
Total Liabilities	-	442	30,393	-
FUND BALANCES				
Restricted for:				
Public safety	-	-	18,015	-
Boating and waterway improvements	-	-	39,303	-
Street improvements	-	-	98,155	-
Capital improvements	-	-	3,098,672	-
Committed to:				
Training and education	-	-	72,027	-
Capital improvements	-	-	76,735	1,412,032
Economic development	-	-	14,531	-
Florida Building Code	-	-	1,735,337	-
Historic preservation	58,215	7,910	66,125	-
Total Fund Balances	58,215	7,910	5,218,900	1,412,032
Total Liabilities and Fund Balances	$ 58,215	$ 8,352	$ 5,249,293	$ 1,412,032

Capital Projects			
Streets	Buildings and Renovations	Total Capital Project Funds	Total Non-Major Governmental Funds
$ 1,776,572	$ 107,958	$ 2,715,779	$ 5,650,217
1,234,567	75,021	1,887,235	3,926,422
-	-	-	1,655
6,702	407	10,245	21,316
27,050	-	27,050	289,992
$ 3,044,891	$ 183,386	$ 4,640,309	$ 9,889,602
$ -	$ -	$ -	$ 12,139
-	-	-	18,238
-	-	-	-
-	-	-	16
-	-	-	-
-	-	-	30,393
	-	-	18,015
-	-	-	39,303
3,044,891		3,044,891	3,143,046
-	-	-	3,098,672
		-	-
-	-	-	72,027
-	183,386	1,595,418	1,672,153
-	-	-	14,531
-	-	-	1,735,337
-	-	-	66,125
3,044,891	183,386	4,640,309	9,859,209
$ 3,044,891	$ 183,386	$ 4,640,309	$ 9,889,602

City of Venice, Florida
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-Major Governmental Funds
For the Year Ended September 30, 2014

	Special Revenues			
	Motor Fuel Tax	**Contraband Forfeiture**	**Police Training**	**Boat Registration Fees**
REVENUES				
Sales taxes	$ 923,075	$ -	$ -	$ -
Licenses and permits	-	-	-	-
Intergovernmental revenue	186,503	-	-	15,878
Fines and forfeitures	-	-	3,794	-
Interest	5,243	88	110	374
Miscellaneous	-	-	-	-
Total Revenues	1,114,821	88	3,904	16,252
EXPENDITURES				
General government	-	-	-	-
Parks and recreation	-	-	-	-
Police	-	-	15,000	-
Public works	-	-	-	-
Capital outlay	-	-	-	-
Total Expenditures	-	-	15,000	-
Excess (deficiency) of revenues over (under) expenditures	1,114,821	88	(11,096)	16,252
OTHER FINANCING SOURCES (USES)				
Long-term debt issued	-	-	-	-
Transfers in	-	-	-	-
Transfers out	(1,124,450)	-	-	(14,161)
Total other financing sources (uses)	(1,124,450)	-	-	(14,161)
Net change in fund balances	(9,629)	88	(11,096)	2,091
Fund balances - beginning of year	107,784	10,849	18,174	37,212
Fund balances - end of year	$ 98,155	$ 10,937	$ 7,078	$ 39,303

Special Revenue				
One Cent Voted Sales Tax	Second Occupational License	Growth Management Training	Park Fines Handicapped Access Improvement	Building Permit Fees
$ 2,583,929	$ -	$ -	$ -	$ -
-	5,834	-	-	1,980,116
-	-	-	-	-
-	-	-	20,775	9,925
19,700	85	-	579	11,834
-	-	15,038	-	157
2,603,629	5,919	15,038	21,354	2,002,032
-	-	9,171	-	846,020
1,891,432	-	-	-	-
-	-	-	-	-
-	-	-	-	-
393,928	-	-	-	41,606
2,285,360	-	9,171	-	887,626
318,269	5,919	5,867	21,354	1,114,406
-	-	-	-	-
-	-	-	-	-
(250,000)	-	-	(3,356)	(291,394)
(250,000)	-	-	(3,356)	(291,394)
68,269	5,919	5,867	17,998	823,012
3,030,403	8,612	66,160	58,737	912,325
$ 3,098,672	$ 14,531	$ 72,027	$ 76,735	$ 1,735,337

(Continued)

City of Venice, Florida
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-Major Governmental Funds
For the Year Ended September 30, 2014

	Special Revenue			Capital Project
	Centennial Community	Historical Commission	Total Special Revenue Funds	General
REVENUES				
Sales taxes	$ -	$ -	$ 3,507,004	$ -
Licenses and permits	-	-	1,985,950	-
Intergovernmental revenue	-	-	202,381	24,595
Fines and forfeitures	-	-	34,494	-
Interest	470	56	38,539	15,091
Miscellaneous	83	8,399	23,677	-
Total Revenues	553	8,455	5,792,045	39,686
EXPENDITURES				
General government	-	6,433	861,624	-
Parks and recreation	-	-	1,891,432	-
Police	-	-	15,000	-
Public works	-	-	-	-
Capital outlay	-	-	435,534	184,246
Total Expenditures	-	6,433	3,203,590	184,246
Excess (deficiency) of revenues over (under) expenditures	553	2,022	2,588,455	(144,560)
OTHER FINANCING SOURCES (USES)				
Long-term debt issued	-	-	-	-
Transfers in	-	-	-	81,795
Transfers out	-	-	(1,683,361)	(711,000)
Total other financing sources (uses)	-	-	(1,683,361)	(629,205)
Net change in fund balances	553	2,022	905,094	(773,765)
Fund balances - beginning of year	57,662	5,888	4,313,806	2,185,797
Fund balances - end of year	$ 58,215	$ 7,910	$ 5,218,900	$ 1,412,032

Capital Project			
Streets	Buildings and Renovation	Total Capital Project Funds	Total Non-Major Governmental Funds
$ -	$ -	$ -	$ 3,507,004
-	-	-	1,985,950
97,919	-	122,514	324,895
-	-	-	34,494
23,197	1,479	39,767	78,306
-	-	-	23,677
121,116	1,479	162,281	5,954,326
-	-	-	861,624
-	-	-	1,891,432
-	-	-	15,000
52,583	-	52,583	52,583
736,421	-	920,667	1,356,201
789,004	-	973,250	4,176,840
(667,888)	1,479	(810,969)	1,777,486
-	-	-	-
337,335	-	419,130	419,130
-	-	(711,000)	(2,394,361)
337,335	-	(291,870)	(1,975,231)
(330,553)	1,479	(1,102,839)	(197,745)
3,375,444	181,907	5,743,148	10,056,954
$ 3,044,891	$ 183,386	$ 4,640,309	$ 9,859,209

City of Venice, Florida
Budget Comparison Schedule
Motor Fuel Tax Fund
For the Year Ended September 30, 2014

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
REVENUES				
Sales taxes	$ 920,435	$ 920,435	$ 923,075	$ 2,640
Intergovernmental	200,459	200,459	186,503	(13,956)
Interest	3,556	3,556	5,243	1,687
Total revenues	1,124,450	1,124,450	1,114,821	(9,629)
OTHER FINANCING SOURCES (USES)				
Transfers out	(1,124,450)	(1,124,450)	(1,124,450)	-
Net other financing sources (uses)	(1,124,450)	(1,124,450)	(1,124,450)	-
Change in net position	-	-	(9,629)	(9,629)
Fund balances (deficits) at beginning of year	107,784	107,784	107,784	-
Fund balances (deficits) at end of year	$ 107,784	$ 107,784	$ 98,155	$ (9,629)

City of Venice, Florida
Budget Comparison Schedule
Contraband Forfeiture Fund
For the Year Ended September 30, 2014

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
REVENUES				
Interest	$ 125	$ 125	$ 88	$ (37)
Total revenues	125	125	88	(37)
EXPENDITURES				
Police	10,000	10,000	-	10,000
Total expenditures	10,000	10,000	-	10,000
Excess (deficiency) of revenues over (under) expenditures	(9,875)	(9,875)	88	9,963
Net change in fund balances	(9,875)	(9,875)	88	9,963
Fund balances (deficits) at beginning of year	10,849	10,849	10,849	-
Fund balances (deficits) at end of year	$ 974	$ 974	$ 10,937	$ 9,963

City of Venice, Florida
Budget Comparison Schedule
Police Training Fund
For the Year Ended September 30, 2014

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
REVENUES				
Fees and fines	$ 5,214	$ 5,214	$ 3,794	$ (1,420)
Interest	215	215	110	(105)
Total revenues	5,429	5,429	3,904	(1,525)
EXPENDITURES				
Current:				
Police	15,000	15,000	15,000	-
Total expenditures	15,000	15,000	15,000	-
Excess (deficiency) of revenues over (under) expenditures	(9,571)	(9,571)	(11,096)	(1,525)
Net change in fund balances	(9,571)	(9,571)	(11,096)	(1,525)
Fund balances (deficits) at beginning of year	18,174	18,174	18,174	-
Fund balances (deficits) at end of year	$ 8,603	$ 8,603	$ 7,078	$ (1,525)

City of Venice, Florida
Budget Comparison Schedule
Boat Registration Fees Fund
For the Year Ended September 30, 2014

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
REVENUES				
Intergovernmental	$ 17,479	$ 17,479	$ 15,878	$ (1,601)
Interest	227	227	374	147
Total revenues	17,706	17,706	16,252	(1,454)
Excess (deficiency) of revenues over (under) expenditures	17,706	17,706	16,252	(1,454)
OTHER FINANCING SOURCES (USES)				
Transfers out	(14,161)	(14,161)	(14,161)	-
Net other financing sources (uses)	(14,161)	(14,161)	(14,161)	-
Net change in fund balances	3,545	3,545	2,091	(1,454)
Fund balances (deficits) at beginning of year	37,212	37,212	37,212	-
Fund balances (deficits) at end of year	$ 40,757	$ 40,757	$ 39,303	$ (1,454)

City of Venice, Florida
Budget Comparison Schedule
One Cent Voted Sales Tax Fund
For the Year Ended September 30, 2014

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
REVENUES				
Sales taxes	$ 2,404,189	$ 2,404,189	$ 2,583,929	$ 179,740
Interest	12,537	12,537	19,700	7,163
Total revenues	2,416,726	2,416,726	2,603,629	186,903
EXPENDITURES				
Current:				
Public works	1,972,500	1,972,500	1,891,432	81,068
Capital outlay	513,121	513,121	393,928	119,193
Total expenditures	2,485,621	2,485,621	2,285,360	200,261
Excess (deficiency) of revenues over (under) expenditures	(68,895)	(68,895)	318,269	387,164
OTHER FINANCING SOURCES (USES)				
Transfers out	(250,000)	(250,000)	(250,000)	-
Net other financing sources (uses)	(250,000)	(250,000)	(250,000)	-
Net change in fund balances	(318,895)	(318,895)	68,269	387,164
Fund balances (deficits) at beginning of year	3,030,403	3,030,403	3,030,403	-
Fund balances (deficits) at end of year	$ 2,711,508	$ 2,711,508	$ 3,098,672	$ 387,164

City of Venice, Florida
Budget Comparison Schedule
Second Occupational License Fund
For the Year Ended September 30, 2014

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
REVENUES				
Licenses and permits	$ 6,129	$ 6,129	$ 5,834	$ (295)
Interest	72	72	85	13
Total revenues	6,201	6,201	5,919	(282)
Net change in fund balances	6,201	6,201	5,919	(282)
Fund balances (deficits) at beginning of year	8,612	8,612	8,612	-
Fund balances (deficits) at end of year	$ 14,813	$ 14,813	$ 14,531	$ (282)

City of Venice, Florida
Budget Comparison Schedule
Growth Management Training Fund
For the Year Ended September 30, 2014

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
REVENUES				
Miscellaneous	$ 8,665	$ 8,665	$ 15,038	$ 6,373
Total revenues	8,665	8,665	15,038	6,373
EXPENDITURES				
Current:				
General government	12,500	12,500	9,171	3,329
Total expenditures	12,500	12,500	9,171	3,329
Net change in fund balances	(3,835)	(3,835)	5,867	9,702
Fund balances (deficits) at beginning of year	66,160	66,160	66,160	-
Fund balances (deficits) at end of year	$ 62,325	$ 62,325	$ 72,027	$ 9,702

City of Venice, Florida
Budget Comparison Schedule
Parking Fines Handicapped Access Improvement Fund
For the Year Ended September 30, 2014

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
REVENUES				
Fees and fines	$ 9,881	$ 9,881	$ 20,775	$ 10,894
Interest	187	187	579	392
Total revenues	10,068	10,068	21,354	11,286
OTHER FINANCING SOURCES (USES)				
Transfers out	(3,356)	(3,356)	(3,356)	-
Net other financing sources (uses)	(3,356)	(3,356)	(3,356)	-
Net change in fund balances	6,712	6,712	17,998	11,286
Fund balances (deficits) at beginning of year	58,737	58,737	58,737	-
Fund balances (deficits) at end of year	$ 65,449	$ 65,449	$ 76,735	$ 11,286

City of Venice, Florida
Budget Comparison Schedule
Building Permit Fees Fund
For the Year Ended September 30, 2014

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
REVENUES				
Licenses and permits	$ 1,389,433	$ 1,389,433	$ 1,980,116	$ 590,683
Fines and forfeitures	-	-	9,925	9,925
Interest	1,738	1,738	11,834	10,096
Miscellaneous	1,252	1,252	157	(1,095)
Total revenues	1,392,423	1,392,423	2,002,032	609,609
EXPENDITURES				
Current:				
General government	784,895	880,298	846,020	34,278
Capital outlay	126,000	126,000	41,606	84,394
Total expenditures	910,895	1,006,298	887,626	118,672
Excess (deficiency) of revenues over (under) expenditures	481,528	386,125	1,114,406	728,281
OTHER FINANCING SOURCES (USES)				
Transfers out	(291,394)	(291,394)	(291,394)	-
Net other financing sources (uses)	(291,394)	(291,394)	(291,394)	-
Net change in fund balances	190,134	94,731	823,012	728,281
Fund balances (deficits) at beginning of year	912,325	912,325	912,325	-
Fund balances (deficits) at end of year	$ 1,102,459	$ 1,007,056	$ 1,735,337	$ 728,281

City of Venice, Florida
Budget Comparison Schedule
Centennial Community Fund
For the Year Ended September 30, 2014

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
REVENUES				
Interest	$ 109	$ 109	$ 470	$ 361
Miscellaneous	1,891	1,891	83	(1,808)
Total revenues	2,000	2,000	553	(1,447)
EXPENDITURES				
Current:				
General government	2,000	2,000	-	2,000
Total expenditures	2,000	2,000	-	2,000
Net change in fund balances	-	-	553	553
Fund balances (deficits) at beginning of year	57,662	57,662	57,662	-
Fund balances (deficits) at end of year	$ 57,662	$ 57,662	$ 58,215	$ 553

City of Venice, Florida
Budget Comparison Schedule
Historical Commission Fund
For the Year Ended September 30, 2014

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
REVENUES				
Interest	$ 109	$ 109	$ 56	$ (53)
Miscellaneous	4,434	4,434	8,399	3,965
Total revenues	4,543	4,543	8,455	3,912
EXPENDITURES				
Current:				
General government	6,000	6,433	6,433	-
Total expenditures	6,000	6,433	6,433	-
Net change in fund balances	(1,457)	(1,890)	2,022	3,912
Fund balances (deficits) at beginning of year	5,888	5,888	5,888	-
Fund balances (deficits) at end of year	$ 4,431	$ 3,998	$ 7,910	$ 3,912

City of Venice, Florida
Budget Comparison Schedule
2004 General Obligation Bond Fund
For the Year Ended September 30, 2014

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
REVENUES				
Taxes	$ 539,381	$ 539,381	$ 548,118	$ 8,737
Interest	1,526	1,526	7,231	5,705
Total revenues	540,907	540,907	555,349	14,442
EXPENDITURES				
Debt service:				
Principal	345,000	7,590,000	7,245,000	345,000
Interest and fiscal charges	186,552	399,552	304,299	95,253
Total expenditures	531,552	7,989,552	7,549,299	440,253
Excess (deficiency) of revenues over (under) expenditures	9,355	(7,448,645)	(6,993,950)	(454,695)
OTHER FINANCING SOURCES (USES)				
Long-term debt issuance	-	6,458,000	6,458,000	-
Net other financing sources (uses)	-	6,458,000	6,458,000	-
Net change in fund balances	9,355	(990,645)	(535,950)	454,695
Fund balances (deficits) at beginning of year	1,239,805	1,239,805	1,239,805	-
Fund balances (deficits) at end of year	$ 1,249,160	$ 249,160	$ 703,855	$ 454,695

City of Venice, Florida
Budget Comparison Schedule
General Projects Fund
For the Year Ended September 30, 2014

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
REVENUES				
Intergovernmental	$ 430,000	$ 430,000	$ 24,595	$ (405,405)
Interest	5,731	5,731	15,092	9,361
Total revenues	435,731	435,731	39,687	(396,044)
EXPENDITURES				
Capital outlay	430,000	617,361	184,246	433,115
Total expenditures	430,000	617,361	184,246	433,115
Excess (deficiency) of revenues over (under) expenditures	5,731	(181,630)	(144,559)	37,071
OTHER FINANCING SOURCES (USES)				
Transfers in	711,000	792,795	81,795	(711,000)
Transfers out	(711,000)	(711,000)	(711,000)	-
Net other financing sources (uses)	-	81,795	(629,205)	(711,000)
Net change in fund balances	5,731	(99,835)	(773,764)	(673,929)
Fund balances (deficits) at beginning of year	2,185,797	2,185,797	2,185,797	-
Fund balances (deficits) at end of year	$ 2,191,528	$ 2,085,962	$ 1,412,033	$ (673,929)

City of Venice, Florida
Budget Comparison Schedule
Streets Capital Projects Fund
For the Year Ended September 30, 2014

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
REVENUES				
Intergovernmental	$ 500,000	$ 500,000	$ 97,919	$ (402,081)
Interest	15,395	15,395	23,197	7,802
Total revenues	515,395	515,395	121,116	(394,279)
EXPENDITURES				
Current:				
Public works	-	47,400	52,583	(5,183)
Capital outlay	500,000	3,080,771	736,421	2,344,350
Total expenditures	500,000	3,128,171	789,004	2,339,167
Excess (deficiency) of revenues over (under) expenditures	15,395	(2,612,776)	(667,888)	1,944,888
OTHER FINANCING SOURCES (USES)				
Transfers in	-	337,335	337,335	-
Net other financing sources (uses)	-	337,335	337,335	-
Net change in fund balances	15,395	(2,275,441)	(330,553)	1,944,888
Fund balances (deficits) at beginning of year	3,375,444	3,375,444	3,375,444	-
Fund balances (deficits) at end of year	$ 3,390,839	$ 1,100,003	$ 3,044,891	$ 1,944,888

City of Venice, Florida
Budget Comparison Schedule
Beach Renourishment Fund
For the Year Ended September 30, 2014

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
REVENUES				
Intergovernmental	$ -	$ 3,349,580	$ 4,882	$ (3,344,698)
Interest	7,218	7,218	8,659	1,441
Total revenues	7,218	3,356,798	13,541	(3,343,257)
EXPENDITURES				
General government	-	-	40,607	(40,607)
Capital outlay	-	7,179,578	159,346	7,020,232
Total expenditures	-	7,179,578	199,953	6,979,625
Excess (deficiency) of revenues over (under) expenditures	7,218	(3,822,780)	(186,412)	3,636,368
OTHER FINANCING SOURCES (USES)				
Transfers in	250,000	1,249,744	1,249,744	-
Net other financing sources (uses)	250,000	1,249,744	1,249,744	-
Net change in fund balances	257,218	(2,573,036)	1,063,332	3,636,368
Fund balances (deficits) at beginning of year	2,114,091	2,114,091	2,114,091	-
Fund balances (deficits) at end of year	$ 2,371,309	$ (458,945)	$ 3,177,423	$ 3,636,368

City of Venice, Florida
Budget Comparison Schedule
Building and Renovation Fund
For the Year Ended September 30, 2014

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
REVENUES				
Interest	$ 317	$ 317	$ 1,479	$ 1,162
Total revenues	317	317	1,479	1,162
EXPENDITURES				
Capital outlay	-	-	-	-
Total expenditures	-	-	-	-
Net change in fund balances	317	317	1,479	1,162
Fund balances (deficits) at beginning of year	181,907	181,907	181,907	-
Fund balances (deficits) at end of year	$ 182,224	$ 182,224	$ 183,386	$ 1,162

Venice, FL
City on the Gulf

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INTERNAL SERVICE FUNDS

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

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

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

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

The Property and Liability Insurance Fund - To account for receipts and disbursements for insurance of properties for all departments which are partially self-insured by the City.

The Fleet Services Fund - To account for the City's fleet replacement program and associated costs.

City of Venice, Florida
Combining Statement of Net Position
Internal Service Funds
September 30, 2014

	Governmental Activities		
	Employees' Group Health and Life Insurance	**Workers' Compensation Self Insurance**	**Employee Flexible Spending**
ASSETS			
Current assets:			
Cash and cash equivalents	$ 1,025,999	$ 463,548	$ 5,066
Investments	712,983	322,127	3,520
Accounts receivable (net)	2,366	-	-
Interest receivable	3,870	1,714	-
Prepaid assets	44,247	37,289	-
Total current assets	1,789,465	824,678	8,586
Noncurrent assets:			
Capital assets:			
Machinery and equipment	-	-	-
Less accumulated depreciation	-	-	-
Total capital assets	-	-	-
Total assets	1,789,465	824,678	8,586
LIABILITIES			
Current liabilities:			
Accounts payable	$ 558,115	$ -	$ -
Accrued liabilities	1,717	1,070	-
Accrued insurance claims	310,000	434,000	-
Total liabilities	869,832	435,070	-
NET POSITION			
Net investment in capital assets	-	-	-
Unrestricted	919,633	389,608	8,586
Total Net Position	$ 919,633	$ 389,608	$ 8,586

Governmental Activities		
Property and Liability Insurance	Fleet Services	Total Internal Service Funds
$ 66,046	$ 953,838	$ 2,514,497
45,896	662,837	1,747,363
-	-	2,366
249	3,596	9,429
270,948	-	352,484
383,139	1,620,271	4,626,139
-	169,409	169,409
-	(3,754)	(3,754)
-	165,655	165,655
383,139	1,785,926	4,791,794
$ -	$ 57,103	$ 615,218
869	-	3,656
-	-	744,000
869	57,103	1,362,874
-	165,655	165,655
382,270	1,563,168	3,263,265
$ 382,270	$ 1,728,823	$ 3,428,920

City of Venice, Florida
Statement of Revenues, Expenses and Changes in Fund Net Position
Internal Service Funds
For Fiscal Year Ended September 30, 2014

	Governmental Activities		
	Employees' Group Health and Life Insurance	Workers' Compensation Self Insurance	Employee Flexible Spending
OPERATING REVENUES			
Charges for services	$ 5,542,115	$ -	$ -
Miscellaneous	-	35,108	123,640
Total operating revenues	5,542,115	35,108	123,640
OPERATING EXPENSES			
Personal services	90,084	42,782	-
Insurance	4,844,402	437,312	-
Professional services	428,045	24,315	-
Other services and charges	-	-	118,809
Depreciation and amortization	-	-	-
Total operating expenses	5,362,531	504,409	118,809
Operating income (loss)	179,584	(469,301)	4,831
NON OPERATING REVENUES (EXPENSES)			
Interest earnings	12,294	7,512	-
Net non-operating revenues (expenses)	12,294	7,512	-
Income (loss) before contributions and transfers	191,878	(461,789)	4,831
Transfers in	-	-	-
Transfers out	-	-	-
Change in net assets	191,878	(461,789)	4,831
Total net position - beginning	727,755	851,397	3,755
Total net position - ending	$ 919,633	$ 389,608	$ 8,586

Governmental Activities		
Property and Liability Insurance	**Fleet Services**	**Total Internal Service Funds**
$ 1,050,336	$ -	$ 6,592,451
31,670	-	190,418
1,082,006	-	6,782,869
38,674	-	171,540
778,633	-	6,060,347
37,675	-	490,035
-	-	118,809
-	3,754	3,754
854,982	3,754	6,844,485
227,024	(3,754)	(61,616)
3,987	3,782	27,575
3,987	3,782	27,575
231,011	28	(34,041)
-	1,728,795	1,728,795
(600,000)	-	(600,000)
(368,989)	1,728,823	1,094,754
751,259	-	2,334,166
$ 382,270	$ 1,728,823	$ 3,428,920

City of Venice, Florida
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended September 30, 2014

	Governmental Activities		
	Employees' Group Health and Life Insurance	Workers' Compensation Self Insurance	Employee Flexible Spending
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers	$ 5,539,749	$ 35,108	$ 123,640
Payments to suppliers	(4,906,587)	(371,275)	(123,508)
Payments to employees	(90,084)	(42,782)	-
Net cash provided (used) by operating activities	543,078	(378,949)	132
CASH FLOWS FROM NONCAPITAL AND RELATED FINANCING ACTIVITIES			
Transfers in from other funds	-	-	-
Transfers out to other funds	-	-	-
Net cash provided (used) by noncapital and related financing activities	-	-	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Purchases of capital assets	-	-	-
Net cash provided (used) for capital and related financing activities	-	-	-
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sales and maturities of investments	35,294	283,544	1,288
Purchase of investments	(237,661)	(107,376)	(1,173)
Interest earnings on cash and investments	8,424	5,798	-
Net cash provided (used) by investing activities	(193,943)	181,966	115
Net increase (decrease) in cash and cash equivalents	349,135	(196,983)	247
Cash and cash equivalents at beginning of year	676,864	660,531	4,819
Cash and cash equivalents at end of year	$ 1,025,999	$ 463,548	$ 5,066
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating income (loss)	$ 179,584	$ (469,301)	$ 4,831
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation and amortization	-	-	-
Change in assets and liabilities:			
Accounts receivable	(2,366)	-	-
Prepaid expenses	(30,068)	(32,539)	-
Accounts payable	308,987	-	(4,699)
Accrued liabilities	(1,059)	(362)	-
Accrued insurance claims	88,000	123,253	-
Net cash provided (used) by operating activities	$ 543,078	$ (378,949)	$ 132

Governmental Activities		
Property and Liabilitiy Insurance	**Fleet Services**	**Total Governmental Activities**
$ 1,082,409	$ -	$ 6,780,906
(1,104,258)	57,103	(6,448,525)
(38,674)	-	(171,540)
(60,523)	57,103	160,841
-	1,728,795	1,728,795
(600,000)	-	(600,000)
(600,000)	1,728,795	1,128,795
-	(169,409)	(169,409)
-	(169,409)	(169,409)
299,956	-	620,082
(15,299)	(662,837)	(1,024,346)
3,738	186	18,146
288,395	(662,651)	(386,118)
(372,128)	953,838	734,109
438,174	-	1,780,388
$ 66,046	$ 953,838	$ 2,514,497
$ 227,024	$ (3,754)	$ (61,616)
-	3,754	3,754
403	-	(1,963)
(270,948)	-	(333,555)
(16,785)	57,103	344,606
(217)	-	(1,638)
-	-	211,253
$ (60,523)	$ 57,103	$ 160,841

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 receipts and disbursements for our police officers. The City administers the funds only as authorized by the Police Officer's Pension Board.

Firefighters' Retirement Trust Fund accounts for receipts and disbursements for our 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, 2014

	Police Officers' Retirement	Firefighters' Retirement	Total Pension Funds
ASSETS			
Cash and cash equivalents	$ 696,543	$ 589,414	$ 1,285,957
Contributions receivable	292,331	304,802	597,133
Interest and dividends receivable	68,544	33,916	102,460
Investments, at fair value:			
U.S. Government and agency obligations	1,521,496	2,925,291	4,446,787
Mortgage-backed obligations	504,408	1,459,113	1,963,521
Domestic equities	20,304,869	-	20,304,869
Foreign equities	2,310,149	-	2,310,149
Corporate obligations	5,608,128	448,406	6,056,534
Foreign corporate obligations	526,486	-	526,486
Fixed income mutual funds	-	906,107	906,107
Equity securities	-	9,999,499	9,999,499
Real estate investment fund	-	1,180,511	1,180,511
Foreign equity mutual funds	-	781,327	781,327
Total investments	30,775,536	17,700,254	48,475,790
Total Assets	31,832,954	18,628,386	50,461,340
LIABILITIES			
Accounts payable	-	22,895	22,895
NET POSITION			
Restricted for pension benefits	$ 31,832,954	$ 18,605,491	$ 50,438,445

City of Venice, Florida
Combining Statement of Changes in Fiduciary Net Position
Pension Trust Funds
For the Year Ended September 30, 2014

	Police Officers' Retirement	Firefighters' Retirement	Total Pension Funds
ADDITIONS			
Contributions:			
Employer	$ 1,651,993	$ 1,674,244	$ 3,326,237
Plan members	223,265	269,968	493,233
State of Florida (passed through general fund)	178,617	304,802	483,419
Total contributions	2,053,875	2,249,014	4,302,889
Investment income:			
Net appreciation (depreciation) in fair value of investments	2,914,993	1,447,818	4,362,811
Interest	183,563	249,743	433,306
Dividends	362,921	190,543	553,464
Investment income (loss)	3,461,477	1,888,104	5,349,581
Less investment expenses	(172,217)	(153,095)	(325,312)
Net investment income	3,289,260	1,735,009	5,024,269
Total additions	5,343,135	3,984,023	9,327,158
DEDUCTIONS			
Benefits:			
Benefits to participants	2,160,510	2,008,438	4,168,948
DROP payments	418,263	-	418,263
Administrative expense	44,827	36,587	81,414
Total deductions	2,623,600	2,045,025	4,668,625
Change in net position	2,719,535	1,938,998	4,658,533
Net position restricted for pension benefits - beginning of year	29,113,419	16,666,493	45,779,912
Net position restricted for pension benefits - end of year	$ 31,832,954	$ 18,605,491	$ 50,438,445

STATISTICAL SECTION

(UNAUDITED)

Venice, FL
City on the Gulf

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STATISTICAL SECTION

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

Financial Trends

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

Revenue Capacity

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

Debt Capacity

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

Demographic and Economic Information

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

Operating Information

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

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

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

	2014	2013	2012	2011
Governmental Activities				
Net investment in capital assets	$ 49,065,887	$ 52,923,502	$ 50,783,764	$ 53,788,685
Restricted	4,208,000	4,752,964	4,161,566	4,332,318
Unrestricted	13,368,134	15,362,309	19,662,287	13,165,605
Total governmental activities net position	$ 66,642,021	$ 73,038,775	$ 74,607,617	$ 71,286,608
Business-type activities				
Net investment in capital assets	$ 72,355,808	$ 59,199,972	$ 72,384,149	$ 72,481,113
Restricted	18,876,843	25,895,223	6,044,652	4,698,588
Unrestricted	21,948,634	18,303,660	15,074,544	11,586,071
Total business-type activities net position	$ 113,181,285	$ 103,398,855	$ 93,503,345	$ 88,765,772
Primary government				
Net investment in capital assets	$ 121,421,695	$ 112,123,474	$ 123,167,913	$ 126,269,798
Restricted	23,084,843	30,648,187	10,206,218	9,030,906
Unrestricted	35,316,768	33,665,969	34,736,831	24,751,676
Total primary government net position	$ 179,823,306	$ 176,437,630	$ 168,110,962	$ 160,052,380

Schedule 1

Fiscal Year					
2010	2009	2008	2007	2006	2005
$ 56,254,962	$ 56,144,537	$ 48,816,977	$ 42,034,017	$ 35,385,725	$ 32,394,871
456,963	432,556	10,246,587	10,021,925	11,233,395	8,639,836
21,244,184	24,958,239	22,518,909	19,937,818	14,161,251	12,338,660
$ 77,956,109	$ 81,535,332	$ 81,582,473	$ 71,993,760	$ 60,780,371	$ 53,373,367
$ 72,578,375	$ 72,628,925	$ 72,556,158	$ 72,371,861	$ 68,148,618	$ 64,302,227
3,533,319	3,030,990	2,469,958	2,761,605	2,469,958	3,064,894
8,127,028	4,922,572	4,236,094	1,675,878	1,443,159	3,567,409
$ 84,238,722	$ 80,582,487	$ 79,262,210	$ 76,809,344	$ 72,061,735	$ 70,934,530
$ 128,833,337	$ 128,773,462	$ 121,373,135	$ 114,405,878	$ 103,534,343	$ 96,697,098
3,990,282	3,463,546	12,716,545	12,783,530	13,703,353	11,704,730
29,371,212	29,880,811	26,755,003	21,613,696	15,604,410	15,906,069
$ 162,194,831	$ 162,117,819	$ 160,844,683	$ 148,803,104	$ 132,842,106	$ 124,307,897

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

Expenses	2014	2013	2012	2011
Governmental Activities:				
General government	$ 4,474,822	$ 4,206,832	$ 4,446,788	$ 5,198,807
Finance	1,205,358	1,087,557	1,152,095	1,356,326
Information services	926,971	802,515	768,393	812,838
Parks & recreation	5,402,255	3,712,915	3,756,177	4,025,781
Police	8,132,658	8,086,812	7,816,343	8,721,527
Fire	6,780,381	6,077,107	6,007,408	6,947,947
Public works	2,260,453	3,970,036	3,451,185	3,964,456
Interest on long-term debt	278,728	411,059	348,675	358,664
Total Governmental Activities	29,461,626	28,354,833	27,747,064	31,386,346
Business-type activities:				
Water and sewer	14,912,950	16,086,267	15,745,402	13,946,052
Solid waste	4,436,619	4,153,871	3,753,293	3,726,327
Airport	2,316,491	2,269,392	1,886,028	1,911,288
Stormwater drainage	1,136,533	849,906	751,336	815,119
Other	-	-	-	-
Total Business-Type Activities	22,802,593	23,359,436	22,136,059	20,398,786
Total Primary Government	$ 52,264,219	$ 51,714,269	$ 49,883,123	$ 51,785,132
Program Revenues				
Governmental Activities:				
Charges for Services:				
General government	$ 2,685,997	$ 2,590,060	$ 2,154,292	$ 1,800,769
Finance	-	-	-	-
Information services	-	-	-	-
Parks & recreation	-	-	-	-
Police	-	-	-	-
Fire	-	-	-	-
Public works	-	-	-	-
Operating grants and contributions	828,956	639,423	842,277	713,750
Capital grants and contributions	310,309	1,282,348	6,662,348	208,037
Total Governmental Activities Program Revenues	3,825,262	4,511,831	9,658,917	2,722,556
Business-type activities:				
Charges for services:				
Water and sewer utilities	20,746,517	20,256,649	18,692,175	18,330,838
Solid waste	5,270,417	4,946,247	5,016,252	4,883,706
Airport	2,064,538	2,231,127	2,028,300	1,935,056
Stormwater drainage	1,370,008	1,454,101	1,343,924	1,357,669
Other	-	-	-	-
Operating grants and contributions	30,100	33,934	48,302	71,658
Capital grants and contributions	2,754,510	6,588,388	1,729,140	359,141
Total Business-Type Activities Program Revenues	32,236,090	35,510,446	28,858,093	26,938,068
Total Primary Government Program Revenues	$ 36,061,352	$ 40,022,277	$ 38,517,010	$ 29,660,624

(Continued)

Schedule 2

Fiscal Year 2010	2009	2008	2007	2006	2005
$ 5,920,863	$ 7,965,653	$ 6,299,922	$ 6,113,770	$ 6,564,303	$ 5,752,028
1,431,757	1,558,111	999,886	1,116,887	1,039,800	783,201
781,431	738,468	810,482	770,597	718,328	-
3,728,776	4,174,416	2,349,277	1,359,061	1,353,766	-
9,261,347	8,145,302	7,159,554	7,547,982	8,057,679	6,263,970
7,022,925	6,371,069	5,215,533	4,806,412	4,914,517	4,016,275
2,351,870	2,259,029	1,696,343	1,919,293	1,937,215	2,185,999
371,857	423,242	366,977	503,153	671,086	615,122
30,870,826	31,635,290	24,897,974	24,137,155	25,256,694	19,616,595
13,659,439	14,352,665	13,359,880	13,076,661	14,177,929	13,461,266
4,038,082	4,211,740	4,004,394	3,852,875	3,912,072	4,214,786
2,277,568	2,036,569	1,616,095	1,617,371	1,300,679	-
866,768	879,087	579,923	590,057	786,203	-
-	-	-	-	-	2,489,916
20,841,857	21,480,061	19,560,292	19,136,964	20,176,883	20,165,968
$ 51,712,683	$ 53,115,351	$ 44,458,266	$ 43,274,119	$ 45,433,577	$ 39,782,563
$ 1,901,769	$ 1,783,389	$ 2,003,856	$ 1,820,031	$ 3,058,345	$ 4,031,632
-	-	-	-	-	64,089
-	-	-	-	-	-
-	-	-	357,853	330,202	-
-	-	88,639	95,505	120,147	487,734
-	12,523	60,067	48,557	47,602	344,624
-	-	85,297	110,626	87,916	629,317
826,223	47,910	12,360	-	93,387	27,394
979,819	3,804,691	2,109,662	-	573,553	2,380,311
3,707,811	5,648,513	4,359,881	2,432,572	4,311,152	7,965,101
18,108,135	16,962,042	16,210,376	13,595,250	12,605,867	12,529,765
4,886,855	4,919,755	4,944,586	5,055,959	4,540,051	4,089,977
1,936,363	1,888,786	1,797,152	1,693,113	1,557,852	-
1,344,248	1,342,375	1,259,310	1,240,263	1,155,712	-
-	-	-	-	-	2,634,688
14,100	-	-	-	27,475	-
890,617	444,498	392,984	4,561,702	3,883,712	5,114,334
27,180,318	25,557,456	24,604,408	26,146,287	23,770,669	24,368,764
$ 30,888,129	$ 31,205,969	$ 28,964,289	$ 28,578,859	$ 28,081,821	$ 32,333,865

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

	2014	2013	2012	2011
Net (expense)/revenue				
Governmental Activities	$ (25,636,364)	$ (23,843,002)	$ (18,088,147)	$ (28,663,790)
Business-type activities	9,433,497	12,151,010	6,722,034	6,539,282
Total primary government net expense	$ (16,202,867)	$ (11,691,992)	$ (11,366,113)	$ (22,124,508)
General Revenues and Other Changes in Net Position				
Governmental Activities:				
Property taxes	$ 8,946,291	$ 8,428,377	$ 8,401,213	$ 8,288,532
Sales taxes	5,109,151	5,037,404	4,746,512	4,987,554
Excise taxes	2,402,437	2,169,465	1,979,004	1,809,671
Franchise fees	2,213,124	1,694,100	1,664,783	1,912,512
Intergovernmental	1,902,549	1,783,665	1,747,719	1,758,590
Investment earnings	327,007	143,453	352,056	442,335
Miscellaneous	801,527	765,062	365,311	548,717
Special Item	(5,123,295)	-	-	-
Transfers, net	2,660,819	2,252,633	2,152,555	2,246,378
Total governmental activities	19,239,610	22,274,159	21,409,153	21,994,289
Business-Type Activities:				
Investment earnings	334,752	(2,867)	168,094	234,146
Gain on asset sales	2,675,000	-	-	-
Miscellaneous	-	-	-	-
Transfers, net	(2,660,819)	(2,252,633)	(2,152,555)	(2,246,378)
Total business-type activities	348,933	(2,255,500)	(1,984,461)	(2,012,232)
Total primary government	19,588,543	20,018,659	19,424,692	19,982,057
Change in Net Position				
Governmental activities	(6,396,754)	(1,568,843)	3,321,009	(6,669,501)
Business-type activities	9,782,430	9,895,510	4,737,573	4,527,050
Total primary government	$ 3,385,676	$ 8,326,667	$ 8,058,582	$ (2,142,451)

Schedule 2

Fiscal Year 2010	2009	2008	2007	2006	2005
$ (27,163,015)	$ (25,986,777)	$ (20,538,093)	$ (21,704,583)	$ (20,945,542)	$ (11,651,494)
6,338,461	4,077,395	5,044,116	7,009,323	3,593,786	4,202,796
$ (20,824,554)	$ (21,909,382)	$ (15,493,977)	$ (14,695,260)	$ (17,351,756)	$ (7,448,698)
$ 9,217,044	$ 10,581,789	$ 12,389,422	$ 14,617,977	$ 9,376,276	$ 11,221,163
4,402,702	4,535,649	4,740,682	3,809,873	3,921,812	-
1,979,696	1,822,560	1,774,534	1,766,935	3,643,219	-
1,788,025	1,912,443	2,029,285	1,861,315	1,727,851	1,458,340
2,057,677	2,545,037	2,581,898	5,356,379	4,822,574	6,256,995
404,474	848,836	1,000,375	1,552,179	921,722	484,402
925,235	694,870	281,828	1,050,484	842,925	1,431,632
-	-	2,425,952	-	-	-
2,808,939	2,998,452	2,902,830	2,902,830	3,096,167	62,379
23,583,792	25,939,636	30,126,806	32,917,972	28,352,546	20,914,911
126,713	241,334	311,580	638,903	627,423	1,028,619
-	-	-	-	-	-
-	-	-	2,213	2,163	-
(2,808,939)	(2,998,452)	(2,902,830)	(2,902,830)	(3,096,167)	(62,379)
(2,682,226)	(2,757,118)	(2,591,250)	(2,261,714)	(2,466,581)	966,240
20,901,566	23,182,518	27,535,556	30,656,258	25,885,965	21,881,151
(3,579,223)	(47,141)	9,588,713	11,213,389	7,407,004	9,263,417
3,656,235	1,320,277	2,452,866	4,747,609	1,127,205	5,169,036
$ 77,012	$ 1,273,136	$ 12,041,579	$ 15,960,998	$ 8,534,209	$ 14,432,453

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

Schedule 3

	Fiscal Year					
	2014	2013	2012	2011	2010	2009
General Fund						
Reserved	$ -	$ -	$ -	$ -	$ 5,074,866	$ 5,342,307
Unreserved	-	-	-	-	9,773,921	10,965,345
Nonspendable	352,249	3,596,456	3,979,298	4,791,037	-	-
Restricted	170,000	225,100	225,100	244,676	-	-
Committed	189,643	426,168	99,911	205,142	-	-
Assigned	-	-	-	-	-	-
Unassigned	9,820,800	9,991,064	9,985,185	7,772,036	-	-
Total General Fund:	10,532,692	14,238,788	14,289,494	13,012,891	14,848,787	16,307,652
All other governmental funds						
Reserved	-	-	-	-	6,940,919	207,456
Unreserved, reported in:						
Special Revenue Funds	-	-	-	-	3,993,776	1,326,901
Debt Service Funds	-	-	-	-	-	25,184
Capital Project Funds	-	-	-	-	-	8,438,332
Restricted, reported in:						
Special Revenue Funds	3,254,145	3,204,422	2,884,625	3,112,112	-	-
Debt Service Funds	703,855	1,239,805	1,222,167	1,200,630	-	-
Capital Project Funds	3,294,891	3,625,444	7,472,403	1,521,923	-	-
Committed, reported in:						
Special Revenue Funds	1,964,755	1,109,384	294,851	1,446,206	-	-
Capital Project Funds	4,522,841	4,231,795	4,621,835	3,604,710	-	-
Unassigned, reported in:						
Special Revenue Funds		-	-	(177,313)	-	-
Total All Other Governmental Funds:	13,740,487	13,410,850	16,495,881	10,708,268	10,934,695	9,997,873
Total Governmental Funds:	$ 24,273,179	$ 27,649,638	$ 30,785,375	$ 23,721,159	$ 25,783,482	$ 26,305,525

Note: The City implemented GASB Statement No. 54 "Fund Balance Reporting and Governmental Fund Type Definitions" in fiscal year 2011. Fiscal years 2005-2010 amounts were not restated to reflect the fund balance categories.

Fiscal Year			
2008	2007	2006	2005
$ 6,627,747	$ 10,574,144	$ 12,623,396	$ 1,901,862
11,404,730	6,416,646	3,093,288	10,913,769
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
18,032,477	16,990,790	15,716,684	12,815,631
10,196,587	10,026,346	-	-
2,573,837	1,936,343	2,721,889	3,490,165
-	-	509,600	599,593
-	-	7,337,718	4,550,078
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
12,770,424	11,962,689	10,569,207	8,639,836
$ 30,802,901	$ 28,953,479	$ 26,285,891	$ 21,455,467

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

Schedule 4

	Fiscal Year				
	2014	2013	2012	2011	2010
Revenues:					
Taxes	$ 16,457,879	$ 15,635,246	$ 15,126,729	$ 15,085,757	$ 15,599,442
Franchise fees	2,213,124	1,694,100	1,664,783	1,912,512	1,788,025
Licenses & permits	2,526,188	2,369,345	1,617,757	1,325,033	1,312,205
Intergovernmental revenues	3,041,814	3,705,436	9,252,344	2,680,377	3,863,719
Charges for services	106,622	171,962	502,440	431,998	540,985
Fees and Fines	53,187	35,056	34,095	43,738	48,579
Interest and investments earnings	299,432	156,114	324,317	384,877	351,637
Administrative charges to other funds	-	-	-	-	-
Miscellaneous	801,527	765,062	365,311	548,717	926,092
Total Revenues	25,499,773	24,532,321	28,887,776	22,413,009	24,430,684
Expenditures					
General government services	6,263,354	5,682,908	5,618,736	5,980,606	6,341,338
Public safety	14,206,286	13,249,160	12,775,263	13,647,396	13,641,993
Public works (includes Parks & Recreation)	4,359,168	4,003,651	4,043,054	4,473,201	2,727,889
Bond issue costs	-	-	-	-	-
Capital outlay	4,488,149	6,313,241	866,854	1,877,155	4,319,557
Debt service					
Principal	7,245,000	340,000	330,000	384,849	367,147
Interest	304,299	331,732	342,208	358,503	363,742
Total Expenditures	36,866,256	29,920,692	23,976,115	26,721,710	27,761,666
Excess (deficiency) of revenues over (under) expenditures	(11,366,483)	(5,388,371)	4,911,661	(4,308,701)	(3,330,982)
Other financing sources (uses)					
Transfers from other funds	5,203,134	4,067,001	5,804,005	6,385,662	5,581,974
Transfers to other funds	(3,671,110)	(1,814,368)	(3,651,450)	(4,139,284)	(2,773,035)
Proceeds from long-term debt	6,458,000	-	-	-	-
Special item	-	-	-	-	-
Total other financing sources (uses)	7,990,024	2,252,633	2,152,555	2,246,378	2,808,939
Net Change in Fund Balance	$ (3,376,459)	$ (3,135,738)	$ 7,064,216	$ (2,062,323)	$ (522,043)
Debt Service as a percentage of non-capital expenditures	23.32%	2.85%	2.91%	2.99%	3.12%

Fiscal Year				
2009	2008	2007	2006	2005
$ 16,939,998	$ 18,904,638	$ 20,194,785	$ 16,941,307	$ 11,221,163
1,912,443	2,029,285	1,861,315	1,727,851	1,458,340
1,261,300	1,491,748	1,765,693	2,991,377	3,703,663
6,397,638	4,789,216	5,356,379	5,115,954	8,233,052
474,768	572,175	571,375	532,688	397,721
59,842	88,639	95,505	120,146	138,222
737,294	929,997	1,449,099	905,931	-
-	-	-	-	4,828,195
693,711	281,828	1,050,482	890,798	-
28,476,994	29,087,526	32,344,633	29,226,052	29,980,356
8,385,035	7,079,607	7,512,459	7,239,303	8,001,187
12,463,758	12,156,924	11,966,559	12,170,223	11,387,211
2,917,332	3,024,778	2,929,164	2,807,669	2,832,065
-	-	-	-	-
10,530,950	8,646,485	7,506,838	3,455,927	8,313,203
				1,423,584
1,241,144	1,277,385	1,257,118	1,198,426	-
434,603	381,708	491,954	620,247	-
35,972,822	32,566,887	31,664,092	27,491,795	31,957,250
(7,495,828)	(3,479,361)	680,541	1,734,257	(1,976,894)
9,226,250	10,583,725	10,880,673	16,737,038	9,557,602
(6,227,798)	(7,680,894)	(8,893,626)	(13,640,871)	(9,473,362)
-	-	-	-	83,424
-	2,425,952	-	-	-
2,998,452	5,328,783	1,987,047	3,096,167	167,664
$ (4,497,376)	$ 1,849,422	$ 2,667,588	$ 4,830,424	$ (1,809,230)
6.59%	6.94%	7.24%	7.57%	6.02%

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

Schedule 5

Fiscal Year Ended 30-Sep	Real Property	Personal Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value
2014	$ 2,646,591,478	$ 157,160,327	$ 2,803,751,805	3.302	$ 3,667,752,203	76.44%
2013	2,552,219,926	149,051,197	2,701,271,123	3.227	3,454,321,647	78.20%
2012	2,557,701,014	149,896,545	2,707,597,559	3.195	3,451,348,495	78.45%
2011	2,711,971,273	148,656,919	2,860,628,192	3.004	3,674,071,034	77.86%
2010	3,013,357,280	159,619,018	3,172,976,298	3.004	4,088,276,603	77.61%
2009	3,487,010,981	166,204,632	3,653,215,613	2.984	4,796,837,014	76.16%
2008	4,178,548,461	190,054,283	4,368,602,744	2.939	5,679,281,890	76.92%
2007	3,976,883,794	158,431,313	4,135,315,107	3.344	4,366,055,972	94.72%
2006	2,928,778,736	128,729,536	3,057,508,272	3.395	4,150,313,277	73.67%
2005	2,347,391,561	128,302,916	2,475,694,477	3.512	3,047,535,293	81.24%

City of Venice, Florida
Property Tax Rates
Direct and Overlapping Governments
Last Ten Fiscal Years

Schedule 6

	City of Venice			Overlapping Rates			
				Sarasota County	School District	SWFWMD	Total Direct & Overlapping Rates
Fiscal Year	Operating Millage	Debt Service Millage	Total City Millage	Total County Millage	Total School Millage	Total SWFWMD Millage	
2014	3.100	0.202	3.302	5.177	7.970	0.382	16.831
2013	2.965	0.262	3.227	5.177	7.816	0.393	16.613
2012	2.935	0.260	3.195	5.124	7.635	0.393	16.347
2011	2.779	0.225	3.004	5.273	7.901	0.377	16.555
2010	2.779	0.225	3.004	5.273	7.427	0.387	16.091
2009	2.779	0.205	2.984	5.127	7.045	0.387	15.543
2008	2.779	0.160	2.939	5.127	7.123	0.387	15.576
2007	3.129	0.215	3.344	5.554	7.210	0.422	16.530
2006	3.177	0.218	3.395	5.754	7.861	0.422	17.432
2005	3.225	0.287	3.512	5.750	7.860	0.420	17.542

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
2014	$ 9,257,988	$ 8,934,711	96.5%	$ 3,066	$ 8,937,777	96.5%
2013	8,717,002	8,390,344	96.3%	23,551	8,413,895	96.5%
2012	8,650,774	8,333,155	96.3%	56,412	8,389,567	97.0%
2011	8,593,327	8,249,561	96.0%	25,903	8,275,464	96.3%
2010	9,531,621	9,190,963	96.4%	5,183	9,196,146	96.5%
2009	10,898,897	10,492,073	96.3%	3,872	10,495,945	96.3%
2008	12,839,323	12,338,368	96.1%	6,292	12,344,660	96.1%
2007	13,828,494	13,382,891	96.8%	3,069	13,385,960	96.8%
2006	10,648,965	10,021,025	94.1%	5,163	10,026,188	94.2%
2005	8,694,639	8,664,540	99.7%	(19,193)	8,645,347	99.4%

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
Last Ten Fiscal Years

Schedule 8

	Utility System Refunding Revenue Bond					
Fiscal Year	Water & Sewer Charges and other	Less: Operating Expenses [1]	Net Available Revenue	Debt Service		Coverage [2]
				Principal	Interest	
2014	$ 20,746,517	$ 9,228,925	$ 11,517,592	$ 3,268,000	$ 872,580	2.8
2013	20,256,649	9,087,713	11,168,936	3,222,000	916,378	2.7
2012	18,692,175	9,557,763	9,134,412	2,460,000	98,875	3.6
2011	18,330,838	9,088,165	9,242,673	1,875,000	538,313	3.8
2010	18,108,135	8,905,614	9,202,521	1,635,983	996,527	3.5
2009	16,962,042	10,004,263	6,957,779	2,012,426	1,043,719	2.3
2008	16,210,376	9,530,678	6,679,698	2,150,879	1,121,846	2.0
2007	13,595,250	8,841,164	4,754,086	2,238,224	1,150,651	1.4
2006	12,605,867	8,929,845	3,676,022	2,023,895	1,244,874	1.1
2005	17,175,839	9,066,739	8,109,100	1,559,518	1,228,515	2.9

(1) Excludes depreciation and amortization.

(2) Bond covenant requires Gross Revenues in each fiscal year to be sufficient to pay the Cost of Operation 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.

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	Sales Taxes	Excise Taxes	Totals
2014	$ 8,946,291	$ 5,109,151	$ 2,402,437	$ 16,457,879
2013	8,428,377	5,037,404	2,169,465	15,635,246
2012	8,401,213	4,746,512	1,979,004	15,126,729
2011	8,288,532	4,987,554	1,809,671	15,085,757
2010	9,217,044	4,402,702	1,979,696	15,599,442
2009	10,581,789	4,535,649	1,822,560	16,939,998
2008	12,389,422	4,740,682	1,774,534	18,904,638
2007	13,435,394	4,992,456	1,766,936	20,194,786
2006	10,051,005	5,130,797	1,759,505	16,941,307
2005	8,354,228	4,970,405	1,662,779	14,987,412

2004 was first year of implementation of GASB 34. As the data becomes available we will present ten year historic

City of Venice, Florida
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Schedule 10

	Governmental Activities				Business-Type Activities					
Fiscal Year	General Obligation Bonds	Revenue Bonds	Capital Leases	Promissory Notes/Bonds	Revenue Bonds	Notes Payable	Capital Leases	Total Primary Government	Percentage Of Personal Income (a)	Per Capita (a)
2014	$ -	$ -	$ -	$ 6,458,000	$ 21,206,134	$ 8,958,000	$ -	$ 36,622,134	4.60%	$ 1,728
2013	7,245,000	-	-	-	21,609,847	11,967,000	-	40,821,847	5.36%	1,933
2012	7,585,000	-	-	-	-	14,867,373	-	22,452,373	3.00%	1,073
2011	7,915,000	-	-	-	11,855,000	5,362,211	-	25,132,211	3.46%	1,211
2010	8,235,000	-	-	69,442	14,490,983	4,865,400	-	27,660,825	3.69%	1,247
2009	8,545,000	-	-	126,589	16,503,409	5,181,057	-	30,356,055	2.84%	1,371
2008	8,850,000	760,000	111,857	200,037	18,350,705	5,503,466	33,131	33,809,196	3.28%	1,526
2007	9,145,000	1,495,000	220,340	338,688	20,501,584	5,817,075	64,597	37,582,284	4.19%	1,741
2006	9,435,000	2,200,000	325,553	495,594	22,739,808	6,122,150	96,115	41,414,220	4.93%	1,991
2005	9,720,000	2,830,000	479,174	706,566	24,525,036	6,422,963	125,956	44,809,695	6.03%	2,237

(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 Bonds/Notes	Less Amounts Available in Debt Service Fund	Total	Percentage of Estimated/ Actual Taxable Value of Property	Net Bonded Debt Per Capita
2014	$ 3,667,752,203	21,188	$ 6,458,000	$ 702,292	$ 5,755,708	0.16%	271.65
2013	3,454,321,647	21,117	7,245,000	1,239,805	6,005,195	0.17%	284.38
2012	3,451,348,495	20,918 *	7,585,000	1,220,618	6,364,382	0.18%	304.25
2011	3,674,071,034	20,752 *	7,915,000	1,198,618	6,716,382	0.18%	323.65
2010	4,088,276,603	22,176	8,304,442	231,863	8,072,579	0.20%	364.02
2009	4,796,837,014	22,146	8,671,589	231,112	8,440,477	0.18%	381.13
2008	5,679,281,890	22,149	9,810,037	847,101	8,962,936	0.16%	404.67
2007	4,366,055,972	21,584	10,978,687	812,689	10,165,998	0.23%	471.00
2006	4,150,313,277	20,800	12,130,594	663,368	11,467,226	0.28%	551.31
2005	3,047,535,293	20,035	13,256,566	599,593	12,656,973	0.42%	631.74

***** Population revised based on revisions to the 2010 Census.

City of Venice, Florida
Direct and Overlapping Governmental Activities Debt
as of September 30, 2014

Schedule 12

Governmental Unit	Debt Outstanding	Percentage Applicable	Estimated Share of Overlapping Debt
City of Venice direct debt	$ 6,458,000	100%	$ 6,458,000
Sarasota County School Board	197,617,344 [(a)]	6.45% [(c)]	12,746,319
Sarasota County	323,141,604 [(b)]	6.45% [(c)]	20,842,633
Subtotal, overlapping debt	520,758,948		33,588,952
Total direct and overlapping debt	$ 527,216,948		$ 40,046,952

Source: [(a)] School Board of Sarasota County CAFR.

Source: [(b)] Sarasota County CAFR.

[(c)] Determined by dividing:

taxable assessed valuation of the City of Venice	$ 2,803,751,805
by the total taxable valuation of Sarasota County	$ 43,458,351,000

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)
2014	21,188	$ 795,863,656	$ 37,562	6.0%
2013	21,117	761,310,084	36,052	6.8%
2012	20,918 *	747,295,550	35,725	8.9%
2011	20,752 *	725,884,208	34,979	11.0%
2010	22,176	749,526,624	33,799	12.5%
2009	22,146	1,068,655,230	48,255	11.6%
2008	22,149	1,029,618,414	46,486	4.3%
2007	21,584	897,397,968	41,577	3.0%
2006	20,800	839,404,800	40,356	2.6%
2005	20,035	743,558,955	37,113	3.2%

SOURCE:
(a) Bureau of Economic and Business Research, 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 - American FactFinder
(d) U.S. Department of Labor, Bureau of Labor Statistics - Local Area Unemployment Statistics.

***** Population revised based on revisions to the 2010 Census.

NOTES: Statistics for unemployment rate are not available for City of Venice. Therefore, figures from North Port-Bradenton-Sarasota, FL Metropolitan Statistical Area were used.

City of Venice, Florida
Principal Property Taxpayers
Current Fiscal Year and Nine Years Ago

Schedule 14

	2014			2005		
Taxpayer	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Venice HMA Inc. (Venice Regional Medical Center)	$ 66,857,532	1	2.38%			
MHC Mobile Home Communities (Bay Indies LLC)	49,610,000	2	1.77%	$ 47,563,900	1	1.92%
PGT Industries, Inc.	47,142,459	3	1.68%	14,592,900	4	0.59%
AG (Aston Gardens) Venice Senior Housing LLC	38,223,542	4	1.36%	21,416,800	2	0.87%
Florida Power & Light Co.	24,857,572	5	0.89%			
Publix Supermarkets Inc.	15,371,130	6	0.55%			
Tervis Tumbler Co.	15,016,805	7	0.54%			
Southwest Florida Retirement Center Inc.	13,787,373	8	0.49%			
CSH-ING Bella Vita LP	11,486,600	9	0.41%			
Verizon Florida LLC	10,952,534	10	0.39%			
WCI Communities, Inc.				19,371,200	3	0.78%
Sarasota County Health Facilities				10,712,823	5	0.43%
Aspen Billa Vita LP				9,545,700	6	0.39%
Healthcare Realty Trust, Inc.				9,474,000	7	0.38%
Marriott Retirement				8,266,400	8	0.33%
Venice Plaza Shopping Center, Ltd.				7,784,000	9	0.31%
Alliance BP Limited Partnership				7,393,000	10	0.30%
Totals	$ 293,305,547		10.46%	$ 156,120,723		6.30%

Source: Sarasota County Property Appraiser

Total taxable assessed value of Venice for 2014	$ 2,803,751,805
Total taxable assessed value of Venice for 2005	$ 2,475,694,477

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

Schedule 15 [(a)]

	2014			2005		
Employer	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
School Board of Sarasota County	5,018	1	3.09%	5,745	1	3.54%
Sarasota County Government	3,343	2	2.06%	3,447	3	2.12%
Sarasota Memorial Hospital	3,099	3	1.91%	3,939	2	2.43%
PGT Industries	1,761	4	1.08%	1,462	5	0.90%
Publix Super Markets	1,429	5	0.88%	3,050	4	1.88%
Venice Regional Medical Center	1,200	6	0.74%	1,009	7	0.62%
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%	-	-	-
Wal-Mart	-		-	1,207	6	0.74%
Charter One Hotels	-		-	700	8	0.43%
Nielsen Media Research	-		-	700	9	0.43%
Doctors Hospital of Sarasota	-		-	630	10	0.39%
	18,559		11.42%	21,889		13.48%
Total Sarasota County Employment:	162,358			162,295		

SOURCE: (a) Sarasota County CAFR

Statistics are for Sarasota County; not available for City of Venice

City of Venice, Florida
Full-Time Equivalent City Government Employees by Function
Last Ten Fiscal Years

Schedule 16

	Fiscal Year									
	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Department:										
Mayor and Council	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0
City Manager	3.0	3.0	3.0	4.0	4.0	4.0	4.0	6.5	5.5	7.5
Historical Resources	3.0	2.0	2.0	1.0	1.0	1.0	1.0	1.0	0.5	0.5
City Clerk	5.0	5.0	5.0	5.0	5.0	6.0	6.0	6.0	6.5	6.5
Finance *	12.0	12.0	12.0	12.0	12.0	13.0	13.0	13.0	13.5	13.5
Purchasing	-	-	-	-	-	-	-	-	5.0	5.0
Public Works										
Administration	3.0	3.0	1.0	4.0	4.0	4.0	4.0	4.0	4.5	4.0
General Maintenance	11.0	11.0	12.0	13.0	13.0	15.0	15.0	15.0	16.0	16.5
Parks Maintenance	12.0	10.0	9.0	11.0	12.0	14.0	15.0	15.0	15.0	13.5
Engineering	5.0	5.0	6.0	9.0	9.0	10.0	10.0	9.0	10.5	9.5
Police	66.0	66.0	64.0	72.0	73.0	73.0	73.0	77.0	80.5	80.5
Fire	45.0	41.5	42.5	45.5	46.5	46.5	46.0	46.5	46.5	46.0
Planning & Zoning	6.0	7.0	8.0	4.0	5.0	4.0	5.0	5.0	5.0	5.0
Information Technology	5.0	4.0	4.0	4.0	4.0	4.0	4.0	5.0	5.0	6.0
Administrative Services	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	7.0	7.0
Building & Code										
Enforcement	10.0	7.0	6.0	6.0	7.0	8.0	8.0	14.0	14.0	15.5
Airport	8.0	7.0	7.0	8.0	8.0	8.0	8.0	7.0	7.0	7.5
Utilities Administration	9.0	7.0	8.0	6.0	2.0	2.0	2.0	2.0	2.5	-
Distribution / Collection	25.0	21.0	20.0	21.0	26.0	28.0	28.0	23.0	21.0	20.0
Water Production	15.0	14.0	14.0	14.0	14.0	15.0	15.0	17.0	19.0	21.0
Water Reclamation	18.0	17.0	17.0	17.0	20.0	21.0	21.0	25.0	26.0	26.0
Reuse	-	-	-	-	-	-	-	-	-	1.0
Utility Engineering/										
Construction	-	-	-	-	-	-	-	3.0	3.0	2.0
Solid Waste	11.5	12.5	11.0	13.5	13.5	13.5	13.5	13.5	12.0	11.5
Recycling	9.5	8.5	11.0	9.5	9.5	10.5	10.5	10.5	12.0	11.5
Stormwater	1.0	1.0	2.0	2.0	2.0	2.0	2.0	2.0	3.0	2.0
TOTAL	**295.0**	**276.5**	**276.5**	**293.5**	**302.5**	**314.5**	**316.0**	**332.0**	**347.5**	**346.0**

* The Finance Department and the Purchasing Department were combined in 2007.

Source: City of Venice Finance Department

City of Venice, Florida
Operating Indicators By Function/Program
Last Four Fiscal Years

Schedule 17

	Fiscal Year				
	2014	2013	2012	2011	2010
Parks and Recreation					
Number of trees trimmed and maintained	6,000	6,000	6,000	6,000	6,000
Number of irrigation systems maintained including:	30	28	28	28	26
Spray heads	2,450	2,400	2,400	2,400	2,300
Zones	183	181	181	181	171
Feet of drip line	31,200	31,200	31,200	31,200	31,000
Police					
Number of sworn officers	47	43	45	45	51
Total calls received *	12,433	30,454	29,041	31,753	36,191
Number of crime scenes processed (property division)	38	26	16	36	24
Drug related arrests	45	37	123	93	109
Traffic citations issues	1,043	1,000	1,366	1,435	1,849
Parking citations	958	346	379	451	114
Marine citations	25	6	23	12	51
Traffic warnings	2,437	3,457	4,093	4,115	4,202
Parking warnings	20	8	9	32	95
Marine warnings	142	164	140	418	120
Fire					
Number of firefighters	41	41	39	41	42
Calls for service	2,723	2,757	2,625	2,652	2,442
Public Works					
Miles of roadway	59.9	53.7	53.7	53.7	52
Miles of sidewalk	38.6	38.3	38.3	38.3	38
Signalized intersections	10	11	11	11	11
School zone areas	3	3	3	3	3
Street lights	690	690	690	690	690
Decorative pedestrian lights	30	30	30	30	30
Water and sewer utilities					
Finished water pumped to system (millions of gallons)	797.4	738.6	767.3	720.3	746.0
Number of potable water gallons delivered to customers (millions	734.4	714.6	738.2	720.7	711.2
Produced number of gallons of reuse water per day (MGD)	2.837	2.770	2.422	2.256	3.399
Solid Waste					
Number of Residential Customers:					
Single family	6,414	6,200	6,200	6,108	6,013
Mobile homes	2,718	2,718	2,718	2,718	2,718
Duplex	89	90	90	90	90
Condos/apartments	7,630	7,600	7,600	7,600	7,600
Number of Commercial Customers:					
Commercial/retail	329	327	327	327	327
Office	255	144	144	140	140
Industrial	118	116	116	116	116
Institutional	60	60	60	60	60
Tons of garbage	18,343	16,622	15,784	15,717	15,539
Tons of yard waste	2,769	3,306	2,662	2,624	3,064
Tons of construction & debris	514	1,069	253	320	652
Tons of Recycle Material:					
Tons of paper	1,541	1,546	1,431	1,558	1,540
Tons of commingled recyclables	1,179	1,182	1,021	1,040	899
Tons of cardboard	919	955	1,063	859	781
Tons of scrap metal	44	61	49	68	61
Airport					
Number of T-Hangars	166	175	175	167	167
Number of tie-downs	49	49	49	49	49
Number of shade hangars	0	3	3	3	3
Number of mobile homes	185	185	185	186	186
Storm Water Drainage					
Miles of pipe	19.42	19.33	19.33	19.33	19
Miles of swales and ditches	22	19	19	19	19
Ditch regrading maintenance: tons of material removed	76.8	204.74	29.01	100.74	11.52

Source: Various departments throughout the City of Venice.

Note: started showing this schedule in FY 2010.

Venice, FL
City on the Gulf

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CITY OF VENICE, FLORIDA
Capital Asset Statistics by Function/Program
Last Ten Fiscal Years

Schedule 18

	Fiscal Year						
	2014	2013	2012	2011	2010	2009	2008
Parks and Recreation							
Number of Parks	37	37	37	36	35	35	35
Park Acreage	383.07	383.07	383.07	383.07	382.07	367.78	367.78
Playgrounds	10	10	10	10	10	10	10
Baseball and Softball Diamonds	9	9	9	9	9	9	9
Tennis Courts	8	8	8	8	8	8	8
Basketball Courts	3	3	3	3	3	3	3
Shuffleboard Courts	18	18	18	18	18	18	18
Community Centers	1	1	1	1	1	1	1
Golf Courses	1	1	1	1	1	1	1
Boat Docks	2	2	2	2	2	2	2
Nature/Fitness Trail (miles)	1.6	1.6	1.6	1.6	1.6	1.6	1.6
Soccer Fields	3	3	3	3	3	3	3
Football Fields	3	3	3	3	3	3	3
Croquet Courts	3	3	3	3	3	3	3
Interactive Fountain	1	1	1	1	1	1	1
Gazebo	2	2	2	2	2	2	2
Fishing Pier	1	1	1	1	1	1	1
Paw (Dog) Park	1	1	1	1	1	1	1
Police							
Police Stations	1	1	1	1	1	1	1
Fire							
Fire Stations	3	3	3	3	3	3	3
Fire Hydrants	1,035	1,030	1,018	1,018	1,018	1,018	1,019
Public Works							
Paved Streets (miles)	59.9	53.7	53.7	53.7	52	52	52
Unimproved Streets (miles)	0	0	0	0	0	0	0
Water and Sewer Utilities							
Wastewater Main (miles)							
(includes collection pipe and forcemain)	200.0	142.0	142.3	148.0	147.4	141.4	165.09
Water Mains (miles)							
(includes distribution pipe & raw water mains)	196.2	195.0	195.6	201	196.2	196.2	212.06
Reclaimed Water Mains (miles)	49.2	50.0	50	49.2	49.2	49.2	49.2
Reclaimed Water Bulk connections	7.0	6.0	7	7	7	7	7
Reclaimed Water Residential connections	2,911	2,970	2,976	2,953	2,930	2,908	2,899
Stormwater Drainage							
Storm Sewers (miles)	41.42	38.41	38.41	38.41	38.08	38.08	38.08

Source: Various departments throughout the City of Venice.

Fiscal Year		
2007	2006	2005
28	28	28
357.58	357.58	357.58
8	8	8
9	9	9
8	8	8
3	3	3
18	18	18
1	1	1
1	1	1
2	2	2
1.6	1.6	1.6
3	3	3
3	3	3
3	3	3
1	1	1
2	2	2
1	1	1
1	1	1
1	1	1
3	2	2
1,001	949	918
52	52	52
0	1	1
147.1	105.0	105.0
195.8	174.1	171.4
49.2	44	38
7	21	20
2,871	2,418	2,415
38.08	38.08	38.08

COMPLIANCE

MOORE STEPHENS LOVELACE, P.A.
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

The Honorable Mayor and 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, 2014, and have issued our report thereon dated March 30, 2015.

Internal Control over Financial Reporting

Management of the City is responsible for establishing and maintaining effective 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) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

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

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The Honorable Mayor and City Council
City of Venice, Florida

Compliance and Other Matters

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

We noted certain matters that we reported to management of the City in a separate letter dated March 30, 2015.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Moore Stephens Lovelace, P.A.

MOORE STEPHENS LOVELACE, P.A.
Certified Public Accountants

Orlando, Florida
March 30, 2015

MOORE STEPHENS LOVELACE, P.A.
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE AND REPORT ON SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY OMB CIRCULAR A-133

The Honorable Mayor and City Council
City of Venice, Florida

Report on Compliance for Each Major Federal Program

We have audited the compliance of the City of Venice, Florida (the "City") with the types of compliance requirements described in the U.S. Office of Management and Budget ("OMB") Circular A-133 *Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2014. 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.

Management Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal program.

Auditor's Responsibility

Our responsibility is to express an opinion on the City's compliance based on our audit of the types of compliance requirements referred to above. 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 OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program identified in the accompanying schedule of findings and questioned costs occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the City's compliance.

Opinion on Each Major Federal Program

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, 2014.

The Honorable Mayor and City Council
City of Venice, Florida

Report on Internal Control over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the compliance requirements referred to above. In planning and performing our audit, we considered the City's internal control over compliance with requirements that could have a direct and material effect on a major federal program to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by OMB Circular A-133

We have audited the basic financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of and for the year ended September 30, 2014, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon dated March 30, 2015, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statement. The accompanying schedule of expenditures of federal awards is presented for the purposes of additional analysis, as required by OMB Circular A-133, and is not a required part of the 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 Honorable Mayor and City Council
City of Venice, Florida

Report on Schedule of Expenditures of Federal Awards Required by OMB Circular A-133 *(Cont.)*

The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

Moore Stephens Lovelace, P.A.

MOORE STEPHENS LOVELACE, P.A.
Certified Public Accountants

Orlando, Florida
March 30, 2015

CITY OF VENICE, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended September 30, 2014

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 programs and major projects:				
• Material weakness(es) identified?	_____	**Yes**	**X**	**No**
• Significant deficiency(ies) identified?	_____	**Yes**	**X**	**None reported**
Type of auditor's report issued on compliance for major federal programs:	**Unmodified Opinion**			
Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of Circular A-133?	_____	**Yes**	**X**	**No**

Identification of Major Federal Programs:

CFDA Number	**Name of Federal Program**
97.044	Assistance to Firefighters Grant Program

Dollar threshold used to distinguish between Type A and Type B programs: $300,000

Auditee qualified as low-risk auditee pursuant to OMB Circular A-133?	**X**	**Yes**	_____	**No**

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 Findings and Questioned Costs Section reported in accordance with OMB Circular A-133.

No matters are reported.

CITY OF VENICE, FLORIDA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED SEPTEMBER 30, 2014

Federal Agency/Program Title	Federal CFDA Number	Federal or Pass-through Grant Number	Expenditures
U.S. DEPARTMENT OF COMMERCE			
National Oceanic and Atmospheric Administration	11.419		
Passed-Through State of Florida, Coastal Zone Management Program			
Hatchett Creek Invasive Species Removal		CM424	$ 24,595
U.S. DEPARTMENT OF JUSTICE:			
Bureau of Justice Assistance (BJA)			
Bulletproof Vest Partnership Program	16.607	2012BUBX12062310	146
		2013BUBX13067496	1,264
Passed-Through Florida Department of Law Enforcement:			
Edward Byrne Memorial Justice Assistance Grant	16.738		
Grant for Digital Cameras		2014-JAGD-SARA-1-E6-018	2,716
Total U.S. Department of Justice			4,126
U.S. DEPARTMENT OF TRANSPORTATION:			
Federal Aviation Administration (FAA)			
Airport Improvement Program Grant	20.106		
Runway 4/22 Rehabilitation		3-12-0082-012-2012	54,309
Environmental Assessment Runway 13-31 Safety Improvements		3-12-0082-013-2014	113,603
Design of Runway 13-31 Safety Improvements		3-12-0082-013-2014	2,160
Taxiway A/C Rehabilitation - Construction		3-12-0082-013-2014	2,160
Federal Highway Administration (FHWA)			
Passed-Through State of Florida, Department of Transportation			
Highway Planning and Construction	20.205		
Construction US41 - Contract No. AQQ90		430162-1-58-01	42,500
Construction Engineering Inspection Services (CEI) - Contract No. AQQ90		430162-1-68-01	8,330
Downtown Mobility Study - Contract No AQR33		424226-1-18-01	47,400
Total U.S. Department of Transportation			270,462
U.S. DEPARTMENT OF HOMELAND SECURITY:			
Federal Emergency Management Agency:			
Passed-Through State of Florida, Division of Emergency Management			
Hazard Mitigation Grant Program	97.039		
West Gate Drive, Stormwater System Pump Upgrade, Phase 1	FEMA #	4068-09-R	
	Contract #	14HM-6B-09-68-02-279	27,000
Assistance to Firefighters Grant Program - Operations Safety Program (AFG)	97.044	EMW-2012-FO-03812	221,372
Total U.S. Department of Homeland Security			248,372
TOTAL EXPENDITURES OF FEDERAL AWARDS			**$ 547,555**

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

CITY OF VENICE, FLORIDA

Notes to Schedule of Expenditures of Federal
September 30, 2014

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 the Office of Management and Budget (OMB) Circular A-133, *Audits of State and Local Governments, and Non-Profit Organizations.*

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Presentation

Federal Financial Assistance – Pursuant to the Single Audit Act of 1984 (Public Law 98-502), the Single Audit Act Amendments of 1996 (Public Law 104-156), and OMB Circular A-133, 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.

Catalog of Federal Domestic Assistance – OMB Circular A-133 requires the Schedule to present the total expenditures for each of the City's federal financial assistance programs as identified in the Catalog of Federal Domestic Assistance (CFDA). The CFDA is a government-wide compendium of individual federal programs. Federal financial assistance programs that have not been assigned a CFDA number are indicated with an "N/A."

B. Type A and Type B Programs

The Single Audit Act Amendments of 1996 and OMB Circular A-133 establish the levels of expenditures to be used in defining Type A and Type B federal financial assistance programs. For the current year, Type A assistance programs for the City of Venice are those programs that exceeded $300,000 for the year ended September 30, 2014.

All local governments that expend $500,000 or more a year in federal financial assistance must undergo a Single Audit conducted in compliance with OMB Circular A-133.

C. Reporting Entity

The Schedule includes all federal financial assistance programs administered by the City of Venice and included in the City's Comprehensive Annual 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 I to the

basic financial statements. Under the modified accrual basis of accounting, revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they 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.

E. Relationship to Federal Financial Reports

Grant expenditure reports as of September 30, 2014, 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.

MOORE STEPHENS LOVELACE, P.A.
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT ACCOUNTANT'S REPORT

The Honorable Mayor and City Council
City of Venice, Florida

We have examined the compliance of the City of Venice (the "City") with the requirements of Section 218.415, Florida Statutes, during the fiscal year ended September 30, 2014. 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 and, accordingly, included examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the City's compliance with specified requirements.

In our opinion, the City complied, in all material respects, with the aforementioned requirements for the fiscal year ended September 30, 2014.

Moore Stephens Lovelace, P.A.

MOORE STEPHENS LOVELACE, P.A.
Certified Public Accountants

Orlando, Florida
March 30, 2015

Venice, FL

City on the Gulf

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