

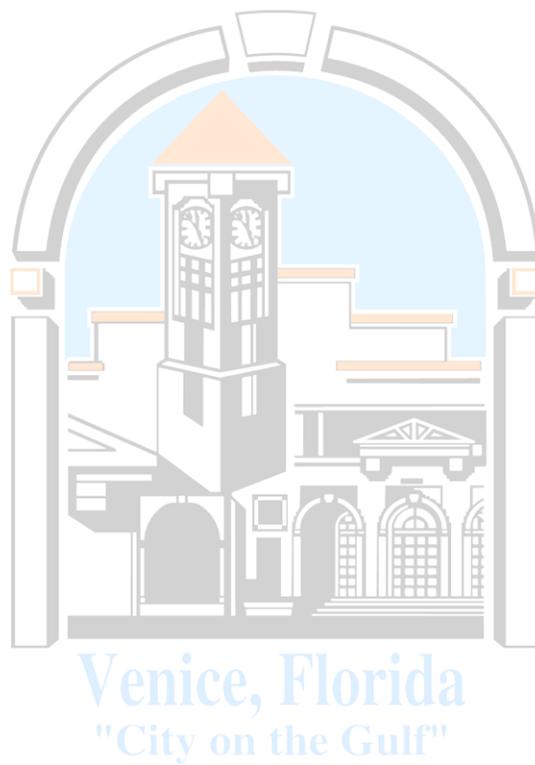
Florida

City of
Venice

Popular Annual
Financial Report

Citizens' Guide to City Finances

For Fiscal Year Ended September 30, 2014



ABOUT THIS REPORT:

Although this report is largely based on the City's 2014 Comprehensive Annual Financial Report, this report is not prepared in accordance with generally accepted accounting principles ("GAAP"). Additionally, information is presented in a summarized manner and certain financial statements and note disclosures required by GAAP are omitted. A copy of this PAFR as well as the City's audited 2014 CAFR, which is prepared in accordance with GAAP, is located at www.venicegov.com.

Finance Director's Message

Dear City of Venice Citizens,

Team Finance is happy to present the Fiscal Year 2014 *Popular Annual Financial Report: Citizens' Guide to City Finances*, the second edition of our award-winning report about Venice's fiscal health. I thank you for taking this opportunity to better understand how your tax dollars are spent and to learn more about how our City operates.

My responsibilities as Finance Director for the City of Venice include serving as the City's independent Chief Financial Officer, Auditor and Treasurer. I am dedicated to providing clear, concise information about how taxpayer money is managed, as part of my commitment to increasing transparency and accountability in government.

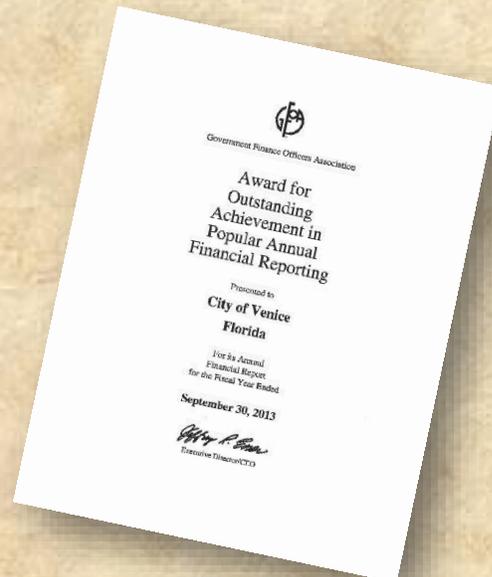
Each year, Team Finance reviews an array of data that measure the financial strength of the City of Venice. In addition to examining how much of your tax money is collected and spent, the team evaluates other key metrics that affect our city's fiscal well-being.

The *Popular Annual Financial Report: Citizens' Guide to City Finances* is one of the many useful financial publications available on our website at www.venicegov.com. For a more in-depth view of City finances, please review our *Comprehensive Annual Financial Report*, which serves as the basis for much of the information you'll find in this report.

Thank you for your trust in me as your Finance Director. I am proud to serve as your public watchdog.

Best Regards,

Jeff Snyder



Jeffery L. Snyder, MBA, CPA, CGMA, Director of Finance. Mr. Snyder has been the Director of Finance since 2006. Prior to this appointment with the City, Mr. Snyder was the Director of Fiscal Operations and Chief Accountant for the City of Lubbock, Texas; the Accounting Manager for Spokane County, Washington; and an Audit Manager for the Washington State Auditor's Office. Mr. Snyder has more than 26 years of experience in municipal corporation finance and accounting. Mr. Snyder is a licensed Certified Public Accountant. Mr. Snyder holds a Master's in Business Administration from Western Washington University, and a Bachelor of Science with emphasis in accounting from University of Montana.

Mayor and Council

Venice has a council-manager system of local government. This system combines the political leadership of elected officials in the form of a city council with the managerial experience of a city manager.

The council is the legislative body empowered to make policy decisions by the citizens who elect its members. The city manager administers the policy of the council. The city council hires and supervises the charter officers, which include city manager, city clerk and city attorney.

Strategic Goals

Venice City Council held its annual strategic planning process in February with a daylong session of interaction with the public. This "Think Tank" offered opportunities for residents, business groups, volunteer organizations and other stakeholder groups in the community to address city council and present their varying perspectives on important current and future issues. The comments and suggestions were summarized and provided to council for consideration. With those in mind, Council has defined six priority goals for fiscal year 2015:

- Keep Venice Beautiful and Eco-Friendly
- Provide Efficient, Responsive Government with High Quality Service
- Ensure a Financially Sound City
- Upgrade and Maintain City Infrastructure and Facilities
- Encourage and Support a Growing, Diverse Economy
- Preserve the Venice Quality of Life through Planning



John Holic
Mayor



Jeanette Gates
Vice Mayor



Deborah Anderson
Council Member



James Bennett
Council Member



Emilio Carlisemo
Council Member



Bob Daniels
Council Member



Thomas "Kit" McKeon
Council Member

FINANCIAL POSITION STATEMENT

All Funds

FOR THE YEARS ENDING SEPTEMBER 30

(IN 000'S)

FINANCIAL BENEFITS	2014	2013	2012
Cash and Cash Equivalents	\$ 39,191	\$ 44,606	\$ 37,396
Investments	27,234	33,650	20,136
Receivables	10,231	5,187	5,141
Capital Assets	158,044	152,945	145,406
Other Assets	2,838	1,063	1,063
TOTAL FINANCIAL BENEFITS	\$ 237,538	\$ 237,451	\$ 209,142

FINANCIAL BURDENS	2014	2013	2012
Amounts Owed to Employees, Vendors & Other	\$ 5,615	\$ 4,993	\$ 3,919
Customer Deposits	860	872	918
Notes Payable	8,958	11,967	14,653
Bonds Payable	27,664	28,855	7,585
Other Liabilities	14,618	14,319	13,956
TOTAL FINANCIAL BURDENS	\$ 57,715	\$ 61,006	\$ 41,031

BENEFITS OVER BURDENS	\$ 179,823	\$ 176,445	\$ 168,111
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Benefits over Burdens represents the difference between the financial good stuff (assets) and financial bills (liabilities) of the City, providing the Net Position of Venice.

The Financial Position Statement, commonly referred to as the "Balance Sheet", reports the benefits (assets) available to provide services while burdens (liabilities) are the amounts for which the City must pay in the future.



FINANCIAL ACTIVITY STATEMENT

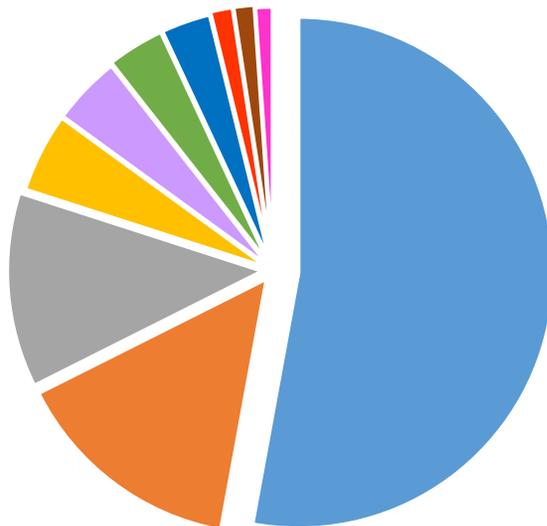
All Funds

FOR THE YEARS ENDING SEPTEMBER 30

(IN 000'S)

SOURCES OF REVENUE	2014	2013	2012
PROGRAM			
Charges for Services	\$ 32,137	\$ 31,478	\$ 29,235
Operating Grants and Contributions	859	673	890
Capital Grants and Contributions	3,065	7,870	8,391
GENERAL			
Property Taxes	8,946	8,428	8,401
Sales Taxes	5,109	5,037	4,747
Excise Taxes	2,402	2,170	1,979
Franchise Fees	2,213	1,694	1,665
Intergovernmental	1,903	1,784	1,748
Interest Earnings	662	141	520
Other	802	765	366
Disposition of Asset (release of federal surplus property obligations-airport land)	2,675	-	-
TOTAL SOURCES	\$ 60,773	\$ 60,040	\$ 57,942

Where The Money Comes From



Charges for Services	\$ 32,137	52.89%
Property Taxes	8,946	14.72%
Sales and Excise Taxes	7,512	12.36%
Capital Grants and Contributions	3,065	5.04%
Disposition of Assets	2,675	4.40%
Franchise Fees	2,213	3.64%
Intergovernmental	1,903	3.13%
Operating Grants and Contributions	859	1.41%
Other	801	1.32%
Investment Earnings	662	1.09%

City of Venice - Entity Wide Financial Information

Readers of the City of Venice's Financial Activity Statement and Financial Position Statement should keep in mind that both statements are in a summary format. Those desiring to review the full detailed financial statements should refer to the City's audited financial statements which are contained in the 2014 CAFR, available on the City's website.

http://venicegov.com/Files/Finance/2014_CAFR.pdf

FINANCIAL ACTIVITY STATEMENT

All Funds

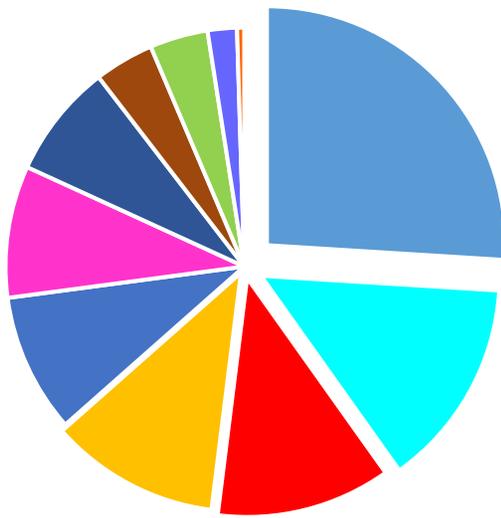
FOR THE YEARS ENDING SEPTEMBER 30

(IN 000'S)

USES AND EXPENSES	2014	2013	2012
General Government	\$ 4,475	\$ 4,207	\$ 4,447
Finance	1,205	1,087	1,152
Information Services	927	802	768
Parks and Recreation	5,402	3,713	3,756
Police	8,133	8,087	7,816
Fire	6,780	6,077	6,008
Public Works	2,261	3,970	3,451
Interest on Long-Term Debt	279	411	349
Water and Sewer Utility	14,913	16,086	15,746
Solid Waste	4,437	4,154	3,753
Airport	2,316	2,269	1,886
Storm Water Drainage	1,136	850	751
Special Item-North/South Connector Transferred to Sarasota County	5,123	-	-
TOTAL USES	\$ 57,387	\$ 51,713	\$ 49,883

TOTAL SOURCES OVER (UNDER) USES	\$ 3,386	\$ 8,327	\$ 8,059
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Where The Money Goes



Water & Sewer Utilities	\$ 14,913	25.99%
Police	8,133	14.17%
Fire	6,780	11.81%
General Government	6,607	11.51%
Parks and Recreation	5,402	9.41%
Special Item-North/South Connector Transferred to Sarasota County	5,123	8.93%
Solid Waste	4,437	7.73%
Airport	2,317	4.04%
Public Works	2,260	3.94%
Storm Water Drainage	1,137	1.98%
Interest	279	0.49%

City of Venice - Entity Wide Financial Information

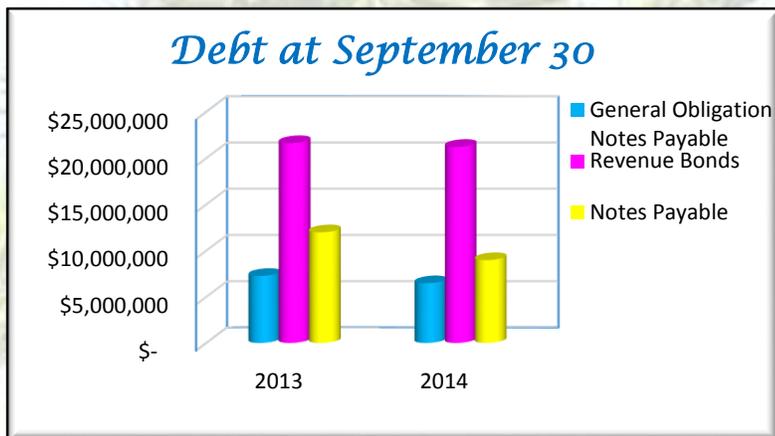
The City follows the accounting rules applicable to governments. This requires the use of separate buckets (called funds) to account for all of our activities. Funds are further divided into special types requiring different accounting treatment based upon their purpose. The City has 26 separate funds that we use during our operations. The information provided here is presented in a combined format (less our pension funds) for a holistic look at the results of City operations.

Debt

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

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 \$0.2020.



The City of Venice has employed a variety of financing techniques as described below:

General Obligation Notes Payable

General Obligation Notes Payable is long-term debt payable from ad valorem taxes levied without limit on all taxable property

in the City and for which the City pledges its full faith and credit. 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.

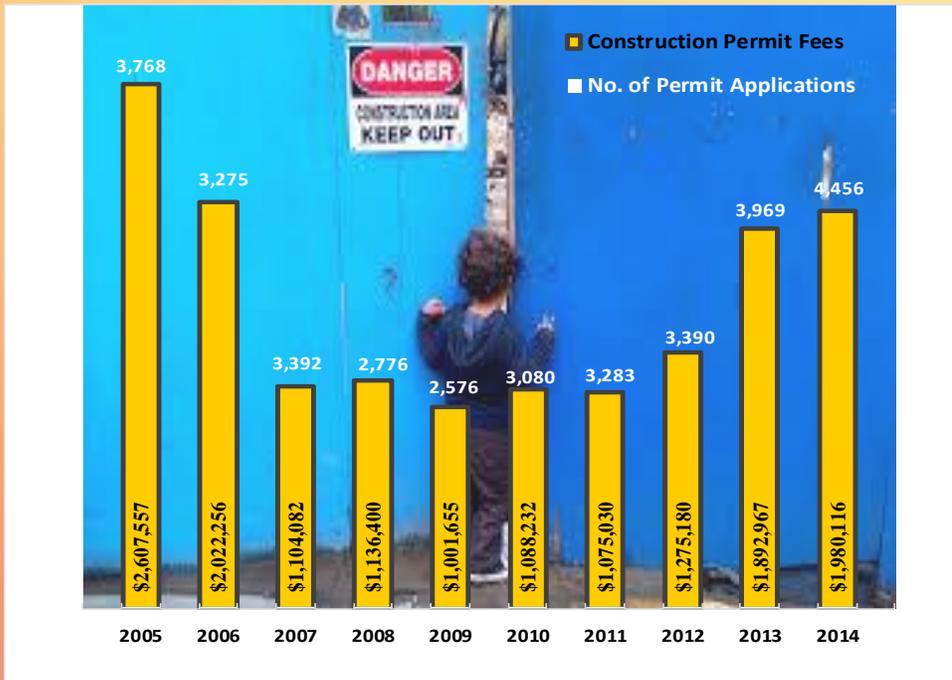
Utility System Revenue Bonds

Utility Revenue Bonds are special limited obligations for which revenues of the utility system are pledged to re-pay the bonds. In December 2012, the City issued \$20,770,000 utility system revenue bonds for the purpose of financing the cost of design, permitting, acquisition, construction and reconstruction of water and sewer capital projects.

Notes Payable

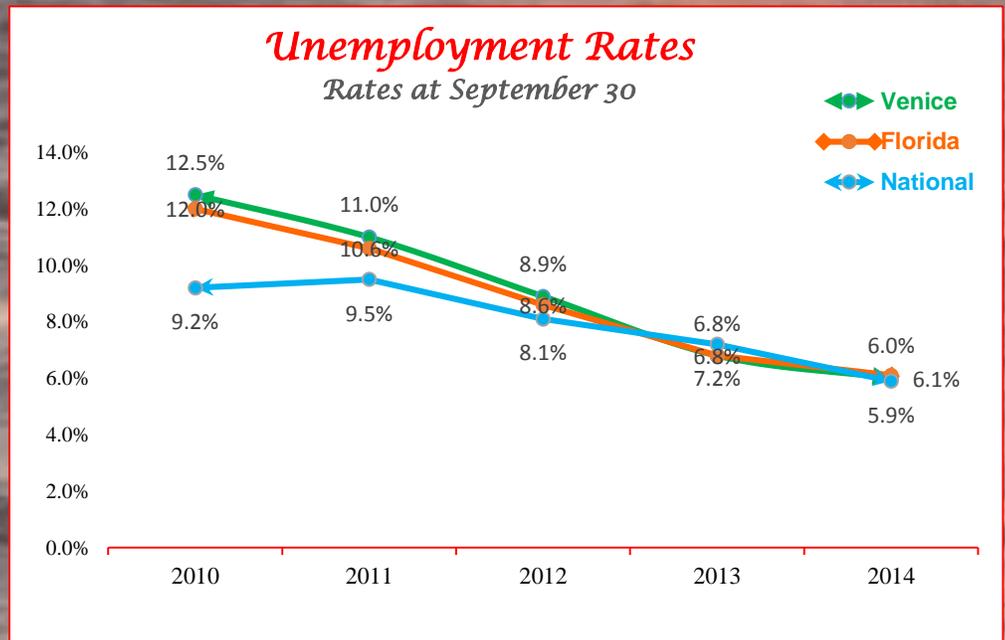
The City has refunded utility system revenue bonds, Clean Water State Revolving Fund Loan Agreements, and storm water and drainage revenue bonds to take advantage of favorable interest rates. These notes payable are secured by future water and sewer utility revenues and storm water management utility system revenues.

Construction Permit Applications



Presented in the graph is the total number of construction permit applications and building permit fees collected since 2005. The types of permits included are building, plumbing, electrical, mechanical, and various other permits.

Source: Venice Building Department



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

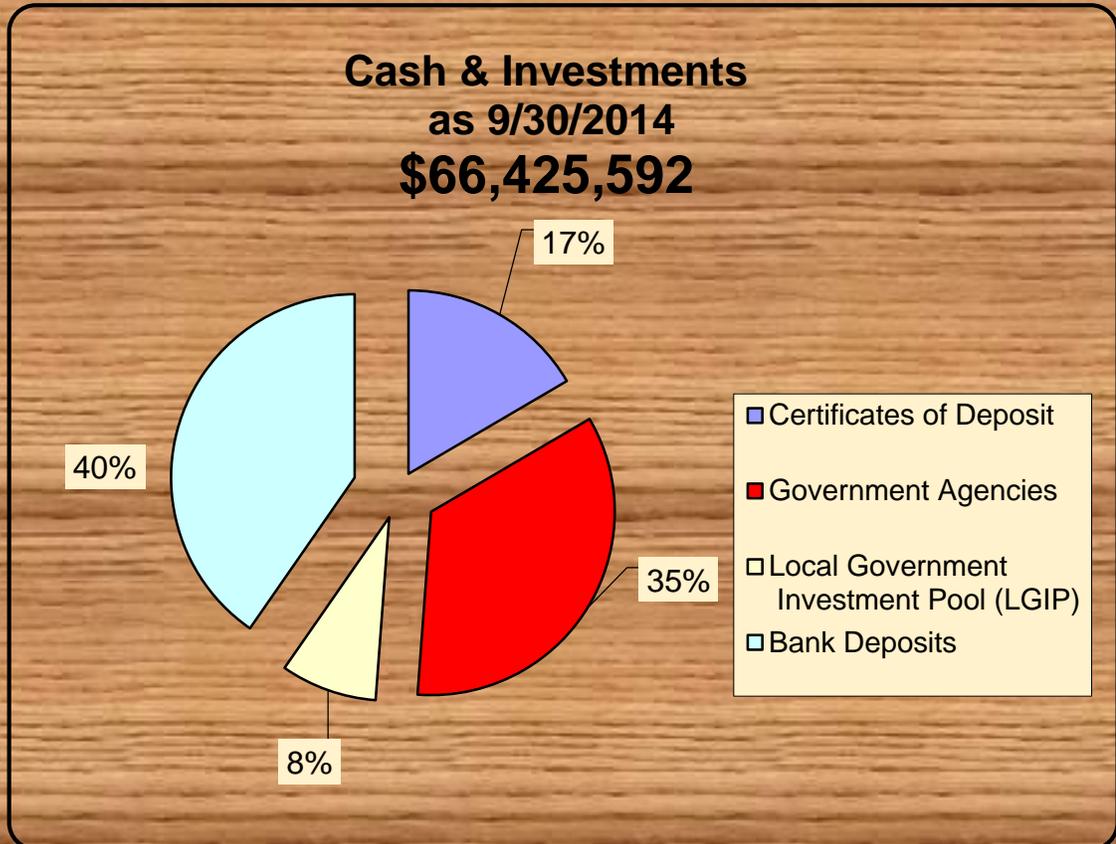
Source: U.S. Department of Labor, Bureau of Labor Statistics.

Cash & Investments

The City's investment policy is 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 deposits. The City's investment policy requires the minimum collateral level to be 102% of market value of principal and accrued interest. The City is authorized to invest its surplus public funds in Local Government Investment Pools (LGIP), 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.

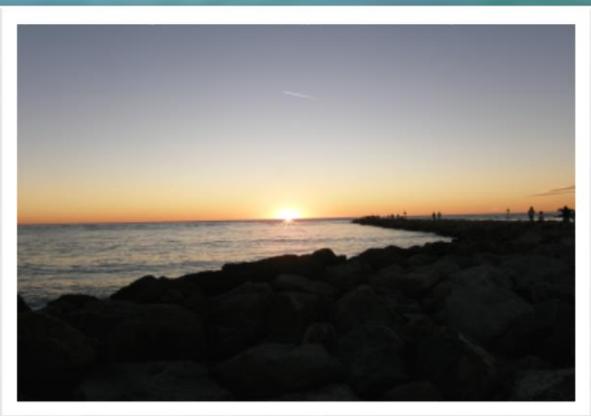
The City maintains a pool of cash and investments in which each fund participates on a dollar equivalent and transaction basis.

The primary objective of the city's cash and investment strategy is the safety of investments, including preservation and protection of the investment principal. As of September 30, 2014 the City's fair market value of its pooled cash and investments total was \$66.4 million (excluding the pension trust funds) and the weighted average return was .84%.





Venice is located on the Gulf of Mexico in Sarasota County, about half way between Tampa and Fort Myers. Just south of Sarasota along Florida's white-sanded Gulf Coast, Venice offers 14 miles of beaches from Casey Key to Manasota Key and plenty of recreational opportunities, including swimming, sunbathing, fishing and boating. Shelling is also a favorite pastime, and fossilized shark's teeth can be found in abundance by sifting through the sand. Golfers enjoy excellent courses in the Venice area. Venice is graced by northern Italian architecture and beautifully landscaped boulevards that date to the original city plans of 1925 and reminiscent of the Italian city whose name it borrowed.



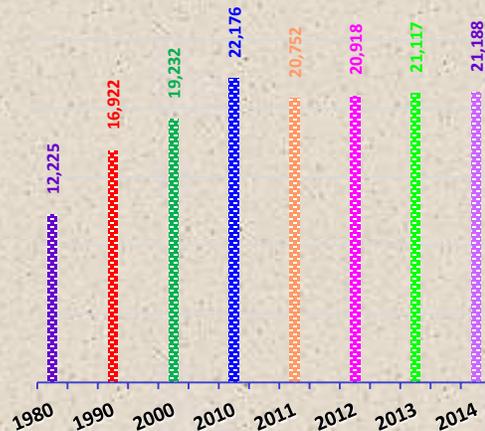
Sarasota County Top 10 Employers

1. School Board of Sarasota County
2. Sarasota County Government
3. Sarasota Memorial Hospital
4. PGT Industries
5. Publix Super Markets
6. Venice Regional Medical Center
7. Sun Hydraulics Corporation
8. Sunset Automotive Group
9. Tervis Tumbler
10. Goodwill Industries

Source: Sarasota County CAFR

Population Figures

For the Year Ending September 30, 2014



Source: Bureau of Economic and Business Research- University of Florida

Median Household Income: \$ 45,583

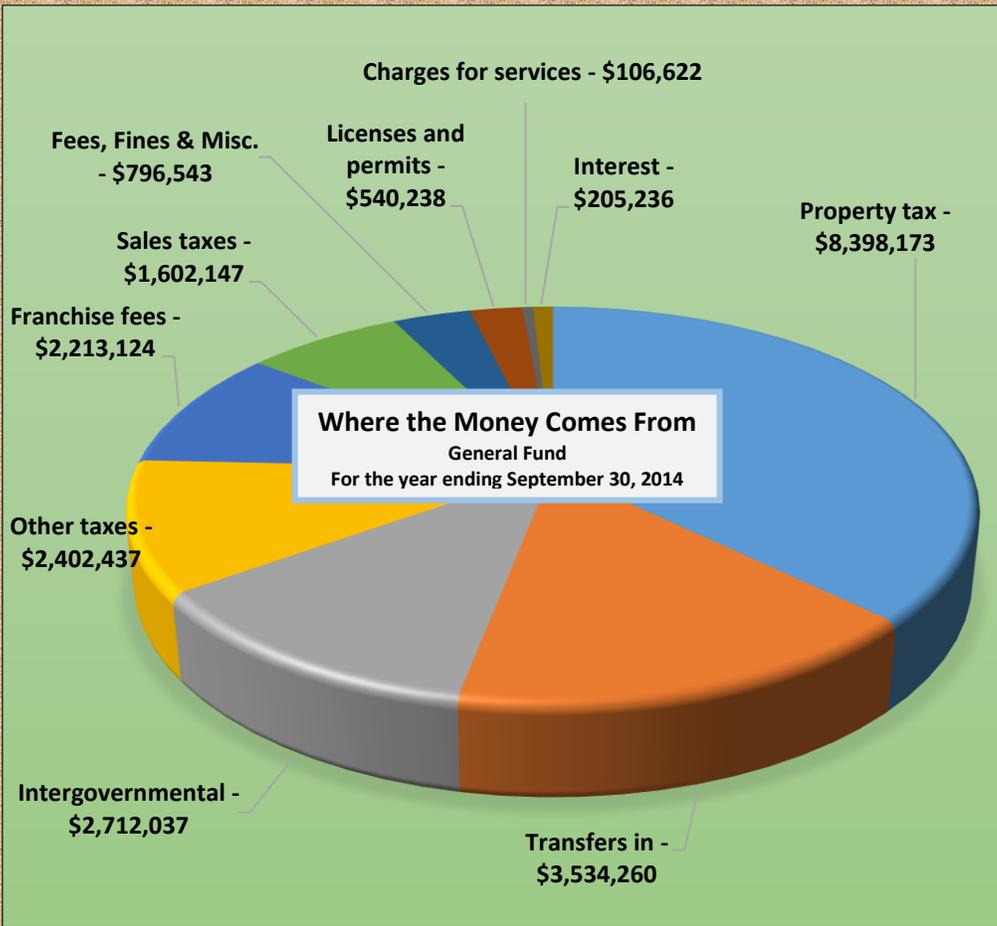
Median House or Condo Value: \$153,435

Median Gross Rent: \$981

Educational Attainment:

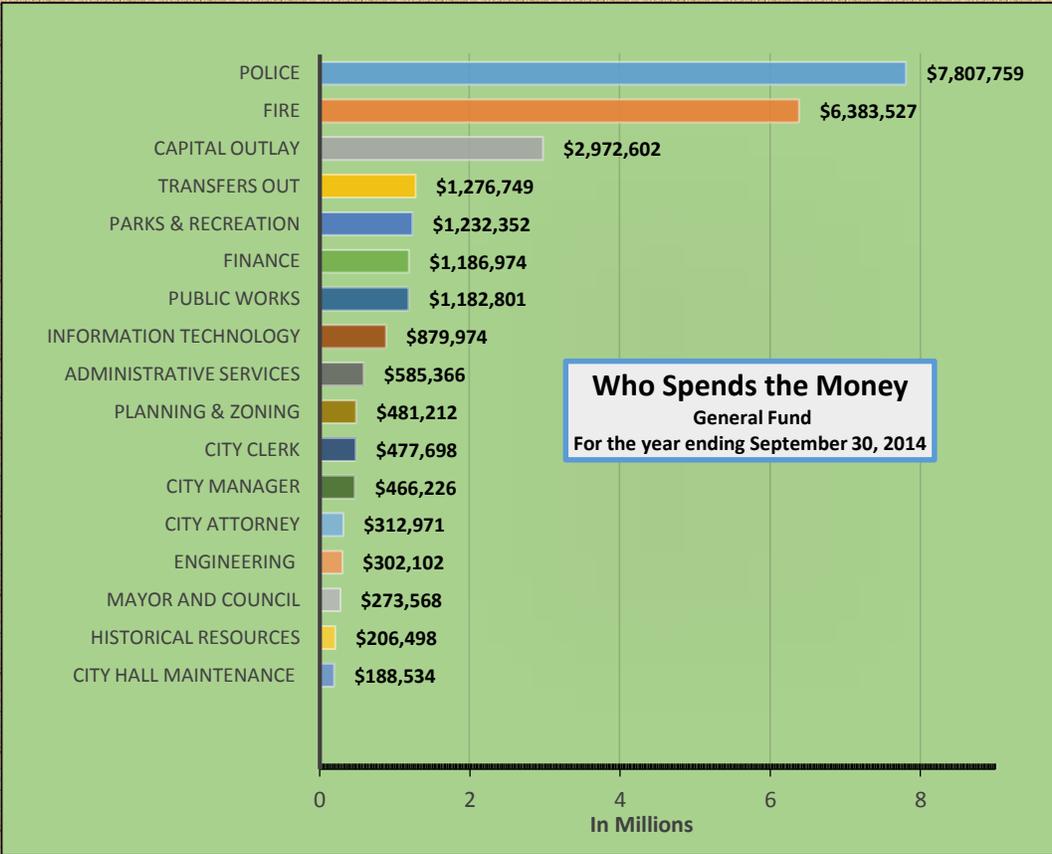
- High school or higher: 95.4%
- Bachelor's degree or higher: 36.4%
- Graduate or professional degree: 15.5%

Source: www.city-data.com



The budget is one of the most important policy decisions elected officials have to consider each fiscal year. The budget represents the council's revenue and expenditure policy direction after budget work sessions. During the budget work sessions, many issues are discussed; revenue streams, necessary purchases, enhancements, expenditures, etc. A budget is produced that recognizes the most important issue; the needs of the citizens.

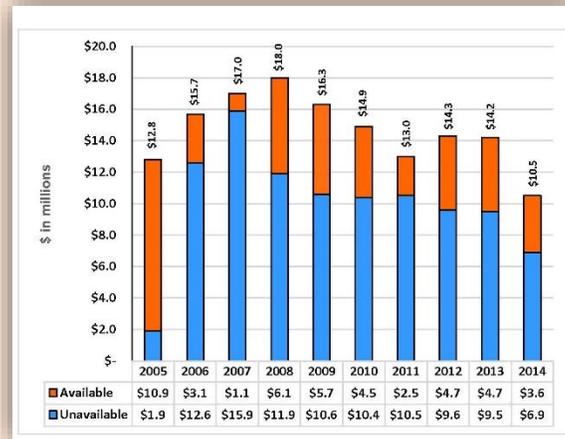
General Fund



GENERAL FUND REVENUE VS. EXPENDITURES

In governmental accounting and reporting many activities are separated into individual activity buckets called funds. This type of accounting structure has been developed to provide a method of presenting the financial data in a form that you, the readers, can use to assist with oversight. The City has 26 funds to account for all of our different activities. The only fund that is always present in each city is the *General Fund*. *The General Fund* is the chief operating fund of the City and as such accounts for activities such as public safety, general governmental services, streets, parks, etc.

The chart reflects the effects of changes in revenues (cash) and expenditures (expenses) on the General Fund balance. When revenues exceed expenditures fund balance is increased and when expenditures exceed revenues then fund balance is decreased. Just like your own personal budget, the City strives to cover all its annual expenses with the funds it receives. When this doesn't happen, the City must tap its savings account (which in government is the fund balance) to cover the shortfall.



As the chart demonstrates, Venice's revenues exceeded expenditures from 2004 to 2008, as the corresponding increases in fund balances illustrates. Venice's expenditures exceeded revenues from 2009 to 2014 with a corresponding drop in fund balance. The decrease in resources was due primarily to falling property values during the great recession which negatively impacted our tax revenues. Instead of raising taxes during the great recession, the City Council and Senior Management began a concentrated effort to reduce expenditures which included staffing reductions (25%), evaluating services provided and streamlining operations. The goal of this effort was for the City to live within its means. (The apparent increase in revenues over expenditures in 2012 was a one-time cash infusion as a result of restructuring some of our funds due to changes in the accounting rules.)

The City Council wisely decided to implement a policy of having an emergency savings account equal to the cost of three months operating expenditures due to the real possibility of experiencing a devastating hurricane. The City continues to maintain this emergency savings account now and throughout the great recession.

During the current fiscal year (2014) General Fund expenditures were increased \$3 million in excess of revenues; the majority was used to purchase the federal obligation (requirements) from the Sharky's Restaurant and the West Coast

Inland Navigational District (WCIND) properties, both one-time cash outflows, to end a long standing disagreement with the Federal Airport Administration (FAA) and allow the City to be eligible for future multi-million dollar grants. This increase in cash outflows reduced the fund balance by approximately 35% while keeping reserves at a healthy level. The City continues to be in a position to meet current operations and we are prepared to recover quickly if any catastrophic events occur.

The General Fund Balance is the primary measure of the city's financial health. These savings are necessary to cover unexpected emergencies, expenses, and cuts in funding. A major revenue stream supporting the City's General Fund operating budget is property tax revenue. From 2004 to 2012, the total ad valorem value (value derived from property) of Venice properties fluctuated from a low of 2.099 billion dollars, in 2004, to a high of 4.369 billion dollars in 2008. In 2008, the City revenue from ad valorem tax was \$13.75 million an

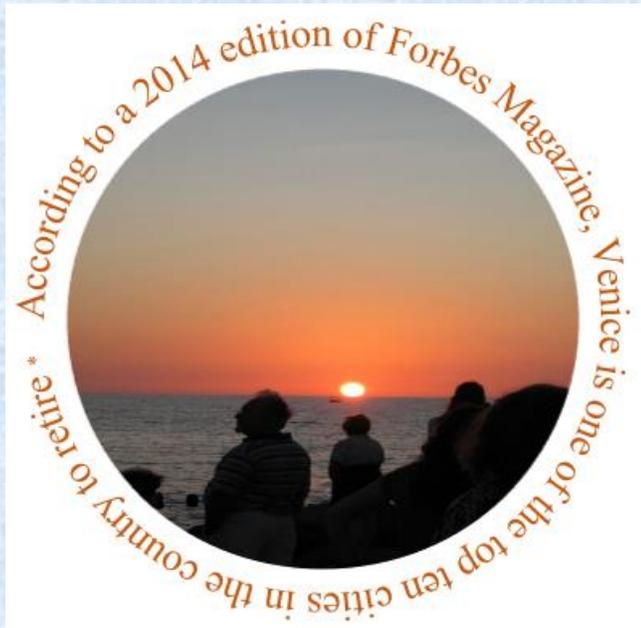
all-time high. During this time, to control the cost of taxes the millage (tax rate charged per \$1,000 in property value) was annually being reduced.

The real estate market began a pronounced decline in 2008. As much as the property values increased from 2004 to 2008, they summarily decreased from 2008 to 2012. In fact the ad valorem generated tax revenue to the City in 2012 approximated the revenue received in 2005. By 2011, the tax revenue had dropped to \$7.7 million from a high of \$13.8 million in 2007, the tax revenue to support the City's General Operating budget had declined by more than \$6 million. At the same time, the general cost of doing business continued to rise. The Consumer Price Index (CPI), as an indicator of inflation, increased approximately 19% from 2008 through 2012. During this period property values dropped an estimated 40%, or about \$1.6 billion. In summary, since 2008, while inflation and other expenses outside the control of local government continue to rise the primary source of funding to support municipal service

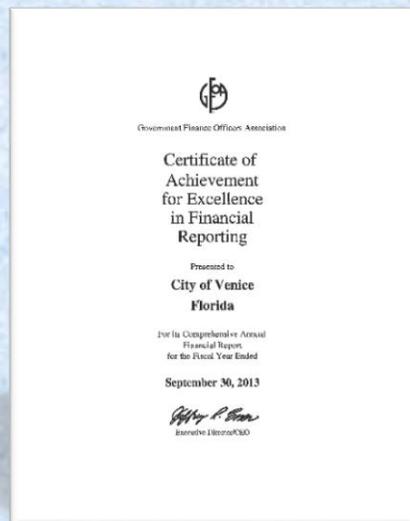
delivery has measurably declined. The challenge for the city is to create a stable stream of income for high quality service delivery while remaining sustainable for long-term financial planning. The taxable value of the city increased approximately 4% in 2014.



AWARDS, CERTIFICATIONS AND SPECIAL RECOGNITIONS



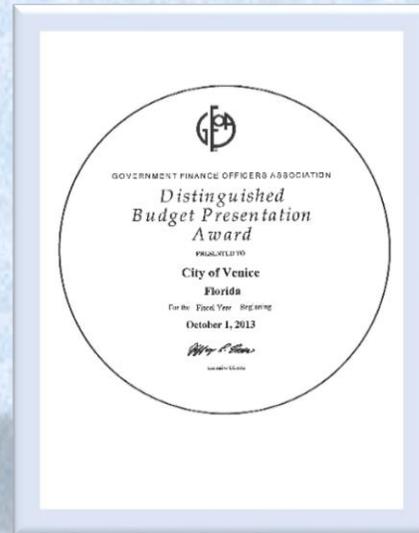
Venice is currently in the Top 10 List of America's Happiest Seaside Towns. (Winner will be announced in the July/August issue of Coastal Living Magazine and in June on coastalliving.com)



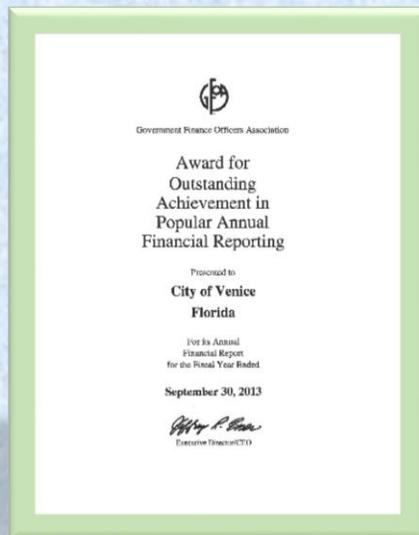
2013 General Aviation Airport
Project of the Year



Venice Municipal Airport



The **2013 Earle B. Phelps Award** was presented to the **Venice Utilities Department** by the **Florida Water Environment Association** in recognition of the wastewater treatment facility that has maintained the highest removal of major pollution causing constituents prior to discharging the treated effluent to the receiving water.



AWARDS, CERTIFICATIONS AND SPECIAL RECOGNITIONS

.....Keeping our

Police Department:
941-486-2444

Main Switchboard:
941-486-2626

Fire Department:
941-480-3030

Venice Archives:
941-486-2487

Venice Airport:
941-486-2711

Employment Hotline:
941-480-3378

Public Works:
941-486-2422

Marketing & Communications:
941-486-2626
Ext. 24005

Customer Service:
941-486-2626
Ext. 26005

Utilities:
941-480-3333

Mr. & Mrs. Citizen
123 Paradise Ave
Venice, FL 34285

City of Venice
401 W. Venice Avenue
Venice, FL 34285

City Hall
Hours:
Monday
thru Friday
8:00 AM to
4:00 PM

 Find us on:
facebook[®]

<https://www.facebook.com/CityofVeniceFlorida>

citizens connected

Watch Venice Views, a television talk show which discusses current city issues on Comcast Channel 189 on Wednesdays at 3:00 PM and 6:30 PM

The City of Venice now has a Helpline for those who have questions, concerns, compliments or suggestions. Get direct information by calling (941) 999-1415, weekdays 8 a.m. – 4 p.m. If we are handling other calls, leave a brief message and we'll get back to you quickly.

Need help?

My Waste App -

Ever forget what day your garbage collection is, what is recyclable and what is not, or want to report a pothole?

These and many more things can be done easily with the My Waste App. (Scan the QR code below on your I-Phone or Android)



Android



iPhone

Listen to a meeting on your computer

On the left column of the City's webpage (<http://venicegov.com/>), click on meetings, then click on Meetings-Granicus, find the meeting you want to view, look to the right of it and click on Agenda, click open, and view. To listen to live audio of meetings, or to watch city council meeting live videos, instead of clicking on Agenda, click on Meeting Details, go to the right and click on video.

Just the facts.....



State Animal: Panther



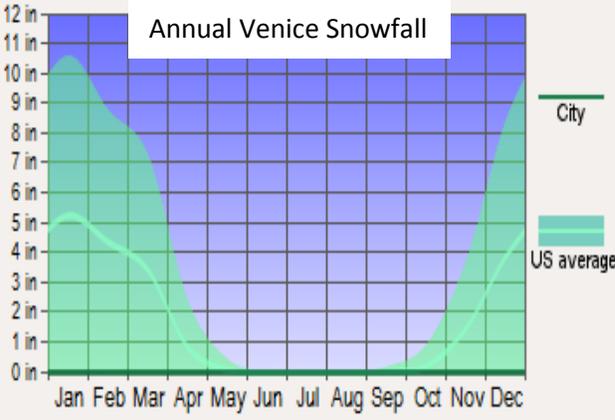
Demographic Statistics for Venice, Florida

Population:	21,188	
% Female	11,653	55.0%
% Male	9,535	45.0%
Population by Age:		
0-17 years	1,290	6.09%
18-64 years	7,827	36.94%
65 years & over	12,071	56.96%

Source: www.city-data.com

Snowfall

Annual Venice Snowfall



State Bird: Mockingbird





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