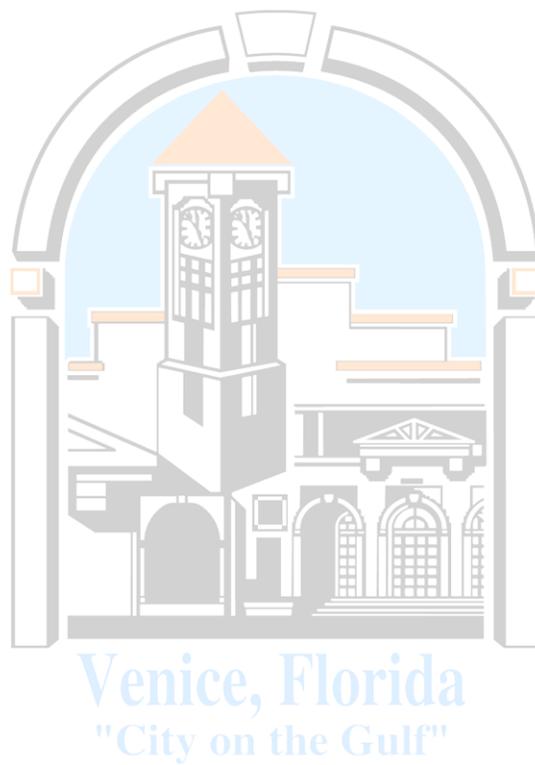


City of Venice, Florida

Popular Annual Financial Report For Fiscal Year Ended September 30, 2015

Citizens' Guide to City Finances





ABOUT THIS REPORT:

Although this report is largely based on the City's 2015 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 2015 CAFR, which is prepared in accordance with GAAP, is located at www.venicegov.com.

Finance Director's Message

Dear City of Venice Citizens,

We are happy to present the Fiscal Year 2014 *Popular Annual Financial Report: Citizens' Guide to City Finances*, the third 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 Interim 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, the Finance Department 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 Interim Finance Director. I am proud to serve as your public watchdog.

Best Regards,

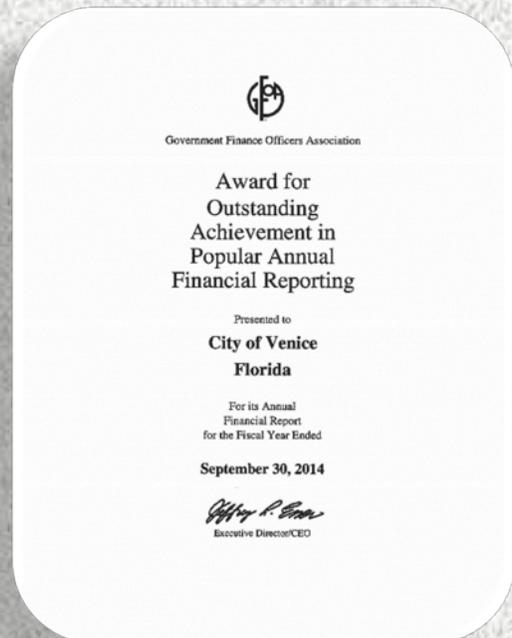


Linda Senne



Linda Senne, CPA, CGFM, is currently the Interim Finance Director and Controller for the City of Venice, having joined the City in 2011. Prior to January 1, 2011, she was the Deputy Financial Services Director/Controller for the City of Cape Coral. Ms. Senne started in 2001 as the Controller for the City of Cape Coral managing the City's Financial Management System including accounting, financial reporting, treasury, cash management and investments, debt issues, payroll, grant coordination, capital assets, capital construction projects, and customer billing services. Ms. Senne was also instrumental in leading the Accounting Division in early implementing GASB 34, the biggest change in the history of financial reporting for governmental entities.

Ms. Senne worked for the Office of the State Auditor in North Dakota for 13 years prior to joining the City of Cape Coral. While working for the State of North Dakota she was selected by the National Auditor's Association to be on the quality review team for the states of Rhode Island and Alabama. Linda attended Moorhead State University –Minnesota where she earned a B.S. in Accounting and has been a Certified Public Accountant since 1988.



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:

- 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



Thomas "Kit" McKeon
Vice Mayor



Deborah Anderson
Council Member



Rich Cautero
Council Member



Bob Daniels
Council Member



Fred Fraize
Council Member



Jeanette Gates
Council Member

World renowned city planner John Nolen planned Venice in 1926 for the Brotherhood of Locomotive Engineers, who were building the gulf-side city to replenish its dwindling retirement funds. The 1926 plan, which includes parks, roads and zoning, resulted in the most fully realized of the three towns designed by Nolen. The distinguished urban plan is famous for establishing a distinctive sense of place for the community. That sense of

place he gave Venice is one of the reasons we all love living here. In his Venice plan, Nolen sought to achieve balance between two transcendental ideals – the promotion of civic virtue through harmonizing effect of effective urban planning and the humanizing influence of the beauty of nature. For Nolen, “nature led the way” and the plan, Nolen wrote, “followed her way.” It is significant that the plan was never abandoned, even in

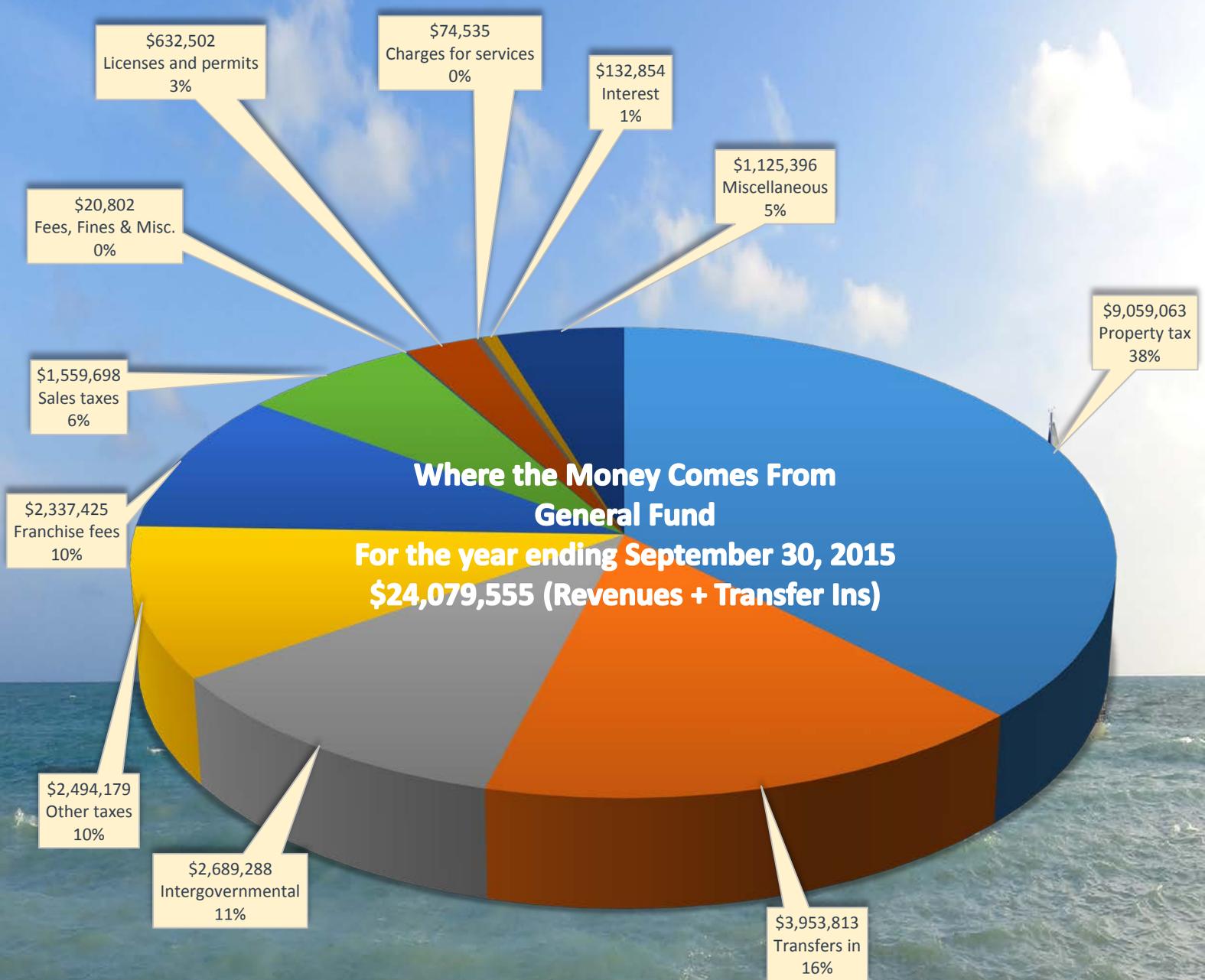
the bust years of the city’s economic history.

The City, incorporated during 1927, is located in Sarasota County, the south western 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.

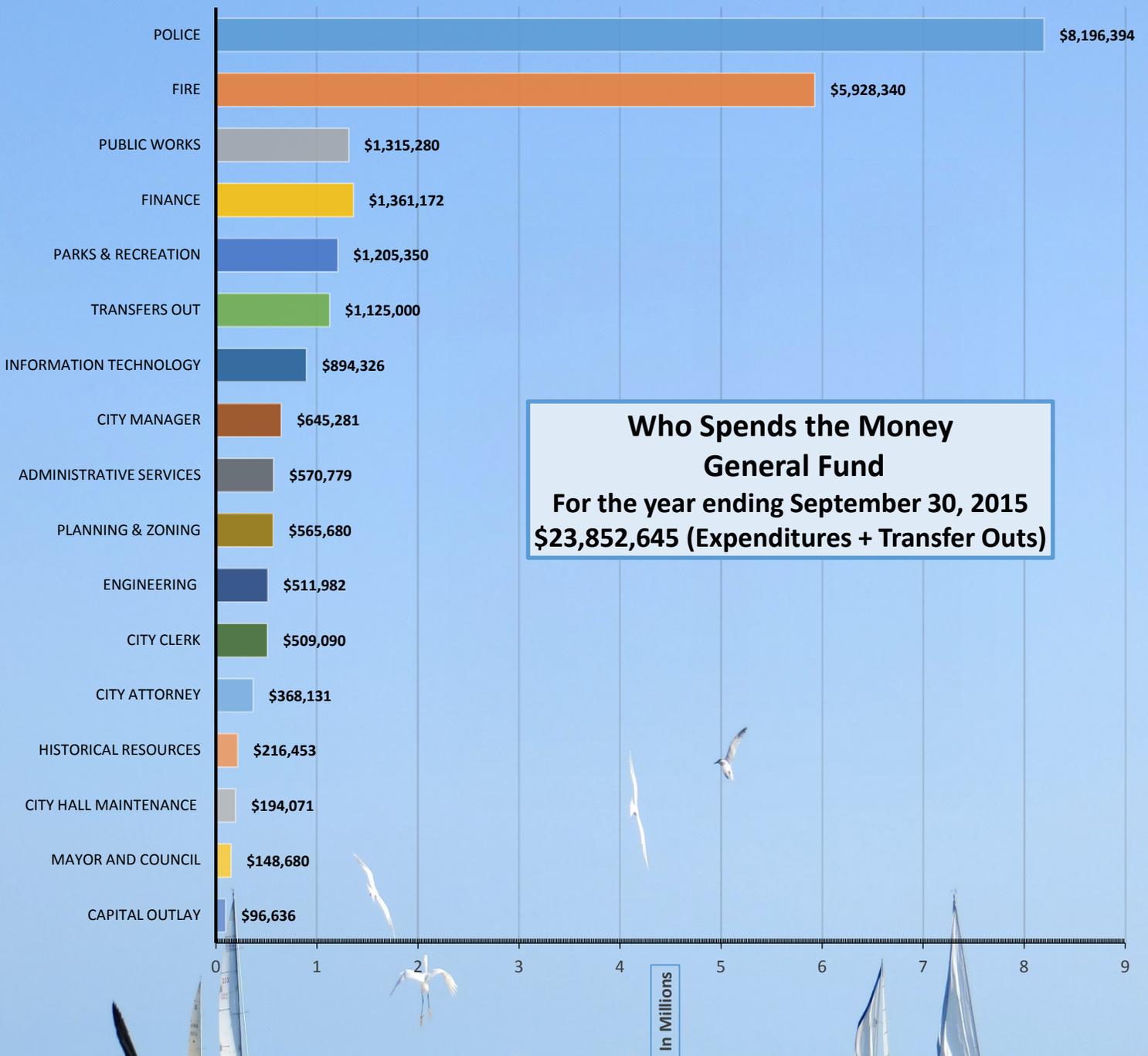
The City provides a full range of services that include public safety, construction and maintenance of streets and other infrastructure, solid waste services, a general aviation airport, recreational activities, and cultural events. The City also provides utilities for water, waste water, and storm water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

The City has operated under the Council-Manager form of government since incorporation in 1927. Policy making and legislative authority are vested in a City Council consisting of the Mayor and six other members. The Mayor and the City Council are elected at large to serve staggered three year terms.





Property tax	Transfers in	Intergovernmental	Other taxes
Franchise fees	Sales taxes	Fees, Fines & Misc.	Licenses and permits
Charges for services	Interest	Miscellaneous	



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 you, the readers, with a method of presenting the financial data in a form that will assist with oversight. The City has 21 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.

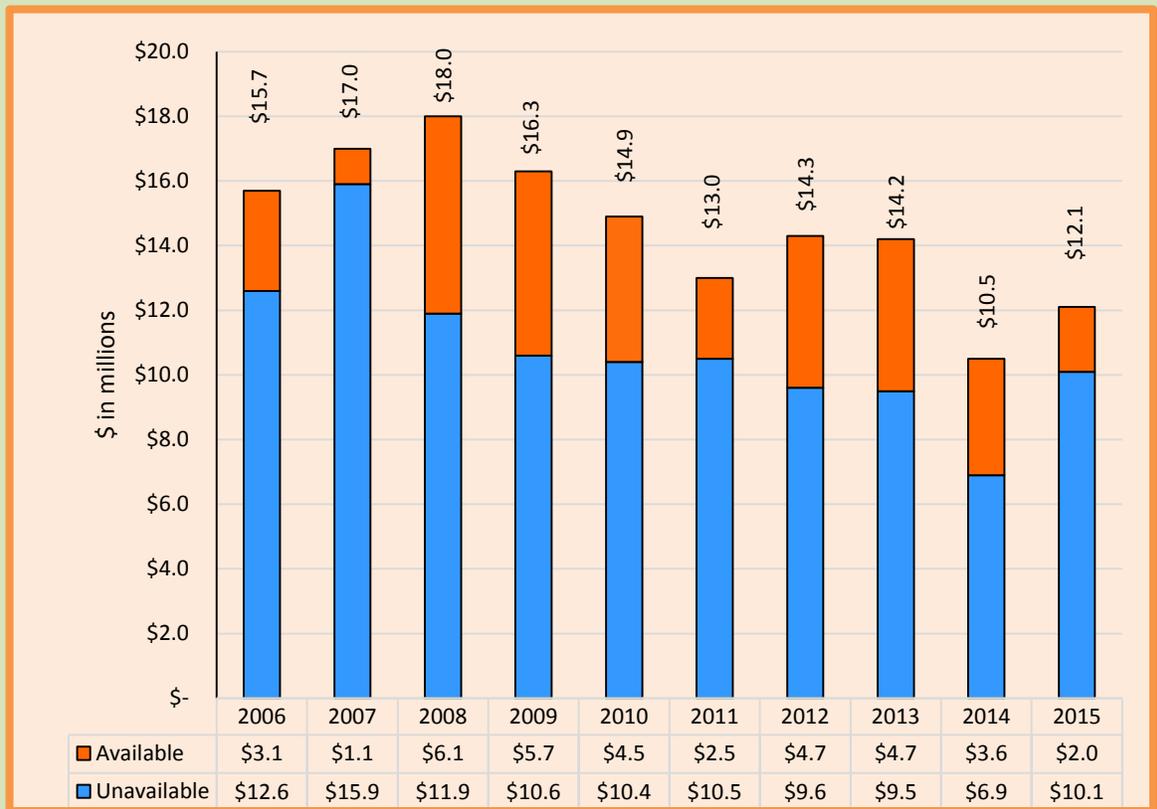
As the chart demonstrates, Venice's revenues exceeded expenditures from 2006 to 2008, as the corresponding increases in fund balances illustrates. Venice's expenditures exceeded revenues from 2009 to 2014 with a corresponding drop in fund balance. The decrease in resources was due primarily to falling 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. A one-time cash payment of \$1.4 million from British Petroleum related to the Deepwater Horizon Oil Spill was received in 2015.

The City Council has 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 has maintained this emergency savings account throughout the great recession.

A healthy 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.

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. Changes in the actuarial assumptions in police and fire pension costs have negatively affected the general fund. However, several factors, including a decreased unemployment rate, an increase in population, building permit application increase, and an increase in assessed valuation of commercial and residential property are expected to have a positive impact on the General Fund Balance in FY 2016.

GENERAL FUND BALANCE



FINANCIAL POSITION STATEMENT

All Funds

FOR THE YEARS ENDING SEPTEMBER 30

(IN 000'S)

FINANCIAL BENEFITS	2015	2014	2013
Cash and Cash Equivalents	\$ 53,409	\$ 39,191	\$ 44,606
Investments	26,305	27,234	33,650
Receivables	10,852	10,231	5,187
Capital Assets	178,963	158,044	152,945
Other Assets	16,606	2,838	1,063
TOTAL FINANCIAL BENEFITS	\$ 286,135	\$ 237,538	\$ 237,451

FINANCIAL BURDENS	2015	2014	2013
Amounts Owed to Employees, Vendors & Other	\$ 8,139	\$ 5,615	\$ 4,993
Customer Deposits	844	860	872
Notes Payable	11,982	8,958	11,967
Bonds Payable	37,364	27,664	28,855
Other Liabilities	59,264	14,618	14,319
TOTAL FINANCIAL BURDENS	\$ 117,593	\$ 57,715	\$ 61,006

BENEFITS OVER BURDENS	\$ 168,542	\$ 179,823	\$ 176,445
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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

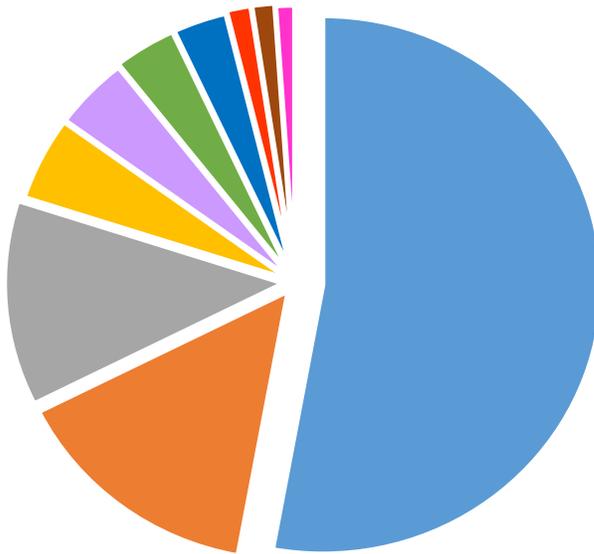
All Funds

FOR THE YEARS ENDING SEPTEMBER 30

(IN 000'S)

SOURCES OF REVENUE	2015	2014	2013
PROGRAM			
Charges for Services	\$ 32,554	\$ 32,137	\$ 31,478
Operating Grants and Contributions	787	859	673
Capital Grants and Contributions	11,947	3,065	7,870
GENERAL			
Property Taxes	9,620	8,946	8,428
Sales Taxes	5,479	5,109	5,037
Excise Taxes	2,494	2,402	2,170
Franchise Fees	2,337	2,213	1,694
Intergovernmental	2,128	1,903	1,784
Interest Earnings	580	662	141
Other	1,149	802	765
Disposition of Asset (release of federal surplus property obligations-airport)	-	2,675	-
Special Item-BP Settlement	1,444	-	-
TOTAL SOURCES	\$ 70,519	\$ 60,773	\$ 60,040

Where The Money Comes From



Charges for Services	\$ 32,554	52.89%
Property Taxes	9,620	13.64%
Sales and Excise Taxes	7,973	11.31%
Capital Grants and Contributions	11,947	16.94%
Special Item: BP Settlement	1,444	4.40%
Franchise Fees	2,337	3.31%
Intergovernmental	2,128	3.02%
Operating Grants and Contributions	787	1.12%
Other	1,149	1.63%
Investment Earnings	580	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 2015 CAFR, available on the City's website.

http://venicegov.com/Files/Finance/2015_CAFR.pdf

FINANCIAL ACTIVITY STATEMENT

All Funds

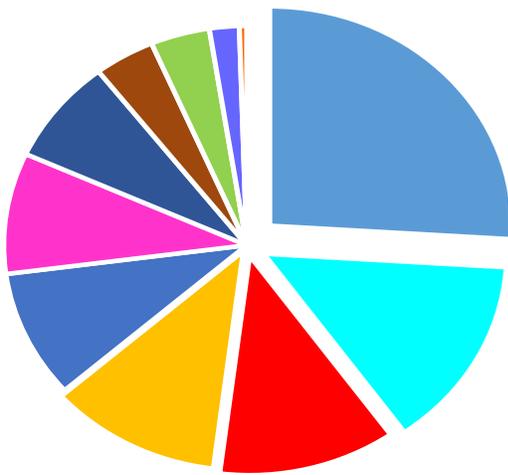
FOR THE YEARS ENDING SEPTEMBER 30

(IN 000'S)

USES AND EXPENSES	2015	2014	2013
General Government	\$ 4,971	\$ 4,475	\$ 4,207
Finance	1,327	1,205	1,087
Information Services	930	927	802
Parks and Recreation	1,903	5,402	3,713
Police	9,122	8,133	8,087
Fire	7,522	6,780	6,077
Public Works	3,196	2,261	3,970
Interest on Long-Term Debt	165	279	411
Water and Sewer Utility	15,399	14,913	16,086
Solid Waste	4,400	4,437	4,154
Airport	3,101	2,316	2,269
Storm Water Drainage	971	1,136	850
Special Item-North/South Connector Transferred to Sarasota County	-	5,123	-
TOTAL USES	\$ 53,007	\$ 57,387	\$ 51,713

TOTAL SOURCES OVER (UNDER) USES \$ 17,512 \$ 3,386 \$ 8,327

Where The Money Goes



Water & Sewer Utilities	\$ 15,399	29.05%
Police	9,122	17.21%
Fire	7,522	14.19%
General Government	7,228	13.64%
Parks and Recreation	1,903	3.59%
Special Item-North/South Connector Transferred to Sarasota County	-	0.00%
Solid Waste	4,400	8.30%
Airport	3,101	5.85%
Public Works	3,196	6.03%
Storm Water Drainage	971	1.83%
Interest	165	0.31%

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.

Sarasota County School Board
\$2,103.85

Sarasota County
\$996.65

City of Venice
\$762.63

Sarasota Hospital
\$258.93

\$762.63/12 months
\$63.56 per month *

SWFWMD
\$85.81

Venice Debt
\$43.54

WCIND
\$9.69



*See following page for a
breakdown of what the
\$63.56 per month "buys"
you.

Above is an example of the tax bill of an average single family residence located within the City of Venice. In this example, the assessed value of the home is \$296,011 with a homestead exemption of \$50,000 (only \$25,000 applies to the School Board) which gives a taxable value of \$246,011. Total tax for all governmental entities = **\$4,261.10**

SWFWMD – Southwest Florida Water Management District

WCIND – West Coast Inland Navigation District

Monthly Cost for City of Venice Services

Fire Department
\$16.65

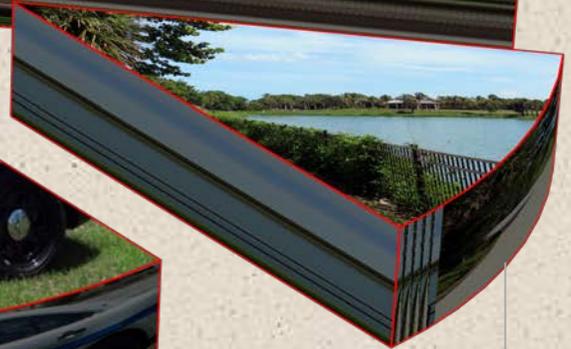


General Government
\$16.81



Police Department
\$23.02

Public Works/Parks & Recreation \$7.08



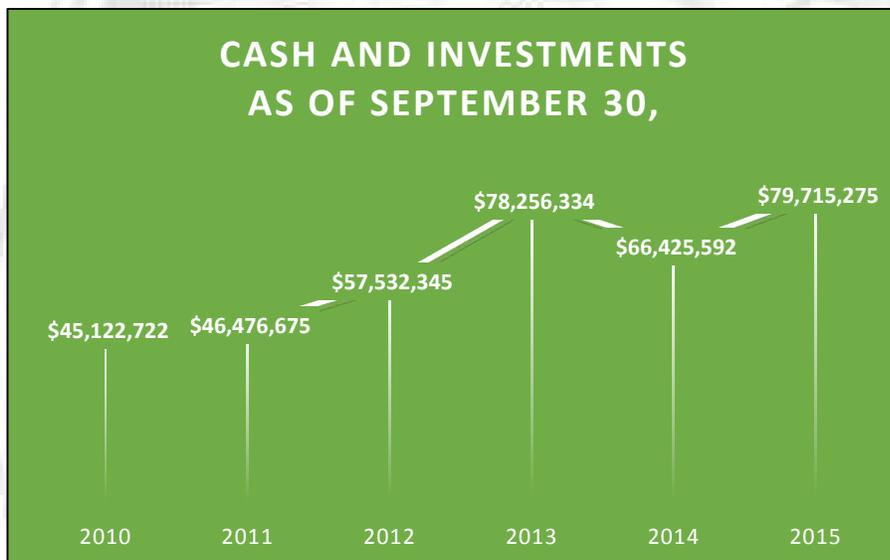
The annual taxes for 2015 that you pay to the City of Venice for a home with a taxable value of \$246,011 is \$762.63 (or \$63.56 per month). The chart above illustrates what you are "purchasing" each month with your tax payment.



As a comparison, drinking a daily cup of coffee for \$2.50 each day would cost \$75.00 a month!

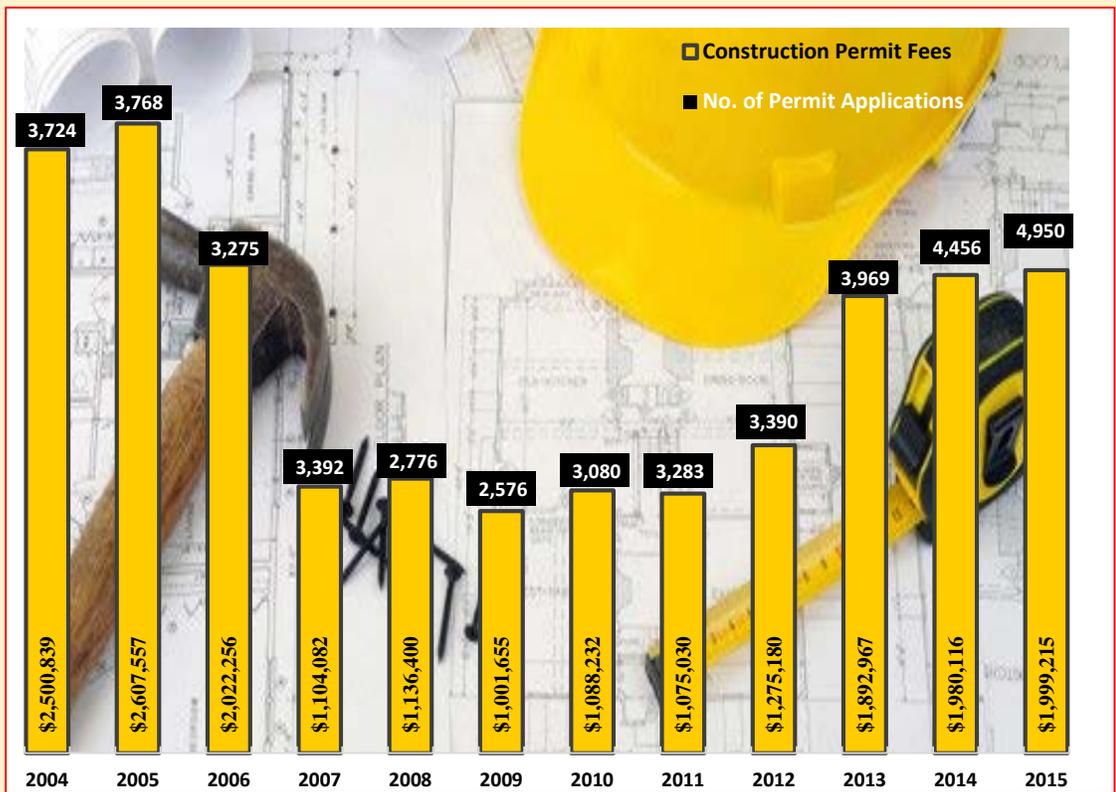
The City's investment policy is governed by state statute and city ordinances. State law requires collateralization of all deposits with federal depository insurance, eligible securities, or surety bond having an aggregate value at least equal to the amount of deposits. The City's investment policy requires 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 (LPIG), 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

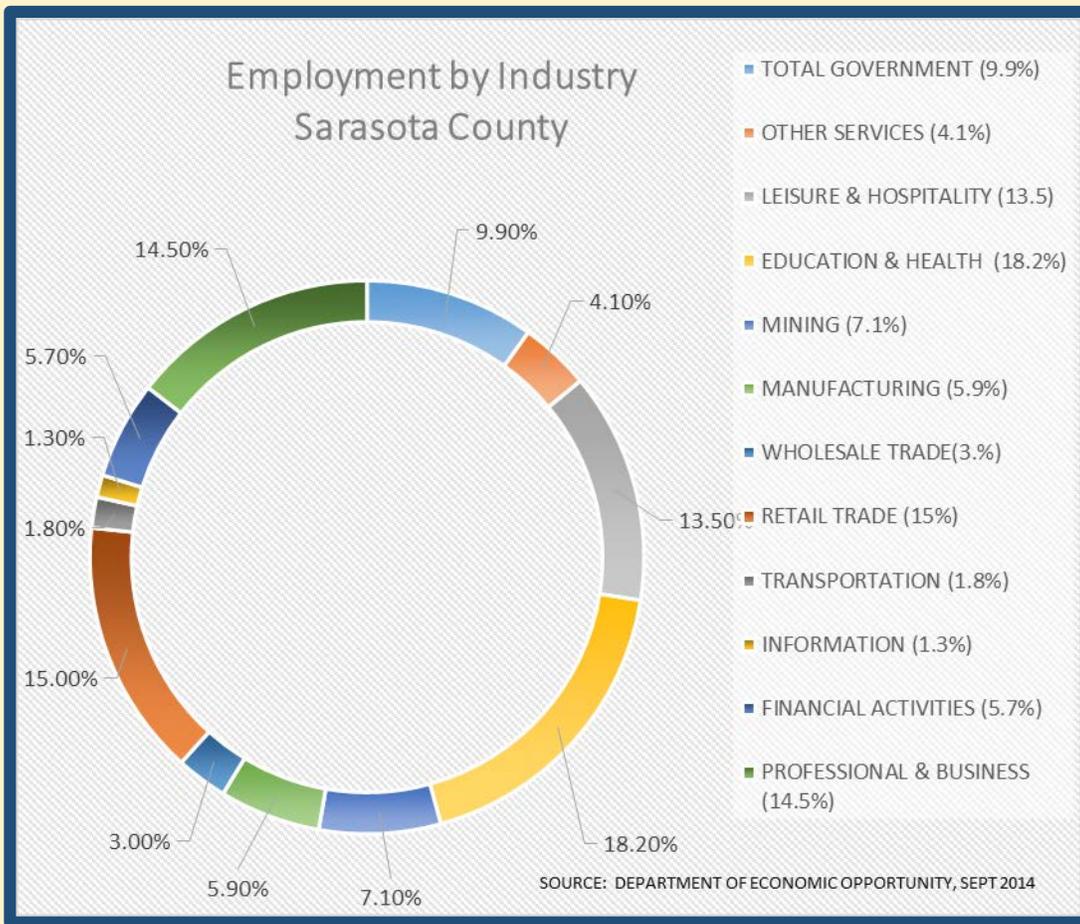
city's cash and investment strategy is the safety of investments, including preservation and protection of the investment principal. As of September 30, 2015 the City's fair market value of its pooled cash and investments total was \$ 79,715,275 (excluding the pension trust funds)



Presented in the graph is the total number of construction permit applications and building permit fees collected since 2004. The types of permits included are building, plumbing, electrical, mechanical, and various other permits.

Source: Venice Building Department





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, bicycling 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.

PRINCIPAL EMPLOYERS	EMPLOYEES	RANK	PERCENTAGE OF TOTAL COUNTY EMPLOYEMENT
School Board of Sarasota County	5,018	1	3.09
Sarasota County Government	3,343	2	2.06
Sarasota Memorial Hospital	3,099	3	1.91
PGT Industries	1,761	4	1.08
Publix Super Markets	1,429	5	0.88
Venice Regional Medical Center	1,200	6	0.74
Sun Hydraulics Corporation	704	7	0.43
Sunset Automotive Group	670	8	0.41
Tervis Tumbler	668	9	0.41
Goodwill Industries	667	10	0.41
Total	18,559		11.42%
Total Sarasota County			
Employment	162,358 *		

** Source: Florida Agency for Workforce Innovation, Labor Market Statistics*



Police Department:
941-486-2444

Main City Hall 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:
941-882-7401

Customer Service:
(Cashier's Office)
941-882-7389

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



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



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- **Family Friendly Parks & Trails**
- **Thriving Business Environment**
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- **Proactive Local Government**



City of Venice Government

401 W. Venice Ave • Venice, FL 34285
941-486-2626 • www.venicegov.com

PHOTO BY JUDY DIFABBIO