



**MOORE STEPHENS**  
**LOVELACE** CPAs & ADVISORS

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# **CITY OF VENICE, FLORIDA**

**REQUIRED AUDITOR COMMUNICATIONS**  
**FISCAL YEAR ENDED SEPTEMBER 30, 2015**

**PRESENTED BY**  
**JOEL KNOPP, CPA**  
**MANAGER**

# AUDIT OVERVIEW

# Required Communications

- **Auditor Responsibilities**
- **Management Responsibilities**
- **Internal Controls and Compliance**
- **Significant Matters**
- **Management Representations**
- **Assigned Individual for Oversight**
- **Audit Schedule**

# Services and Deliverables

**Independent Auditor's Report (Pages 1 & 2)**

**Report on Internal Control over Financial Reporting and on Compliance (Pages 165 & 166)**

**Single Audit Report (Pages 167-169)**

**Independent Accountant's Report (Page 176)**

**Management Letter (Page 177 & 178)**



# FINANCIAL HIGHLIGHTS

# Effect on Net Position from GASB 68 Implementation (Page 52)

	Governmental	Business-Type	Total
Ending Net Position as previously reported, 9/30/14	\$66.6M	\$113.2M	\$179.8M
Restatement for GASB 68*	(25.8M)	(3.0M)	(28.8M)
Restated Beginning Net Position, 10/1/14	\$40.8M	\$110.2M	\$151.0M

\*Note: GASB 68 required the City to report the unfunded pension liability of the Firefighters' and Police Officers' pension plans as well as its proportionate share of the FRS unfunded pension liability.

# City-Wide Analysis (Pages 19-21)

	Governmental Activities		Business-type Activities	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Current Ratio	5.00	5.46	4.15	4.27
Total Assets	\$95.2M	\$86.8M	\$176.6M	\$150.7M
Total Deferred Outflows of Resources	\$11.6M	-	\$2.6M	\$0.1M
Total Liabilities	\$58.3M	\$20.1M	\$56.1M	\$37.6M
Total Deferred Outflows of Resources	\$2.4M	-	\$0.8M	\$0.1M
Total Net Position				
Investment in Capital Assets	\$52.3M	\$49.1M	\$77.3M	\$72.4M
Restricted	10.9M	4.2M	20.7M	18.9M
Unrestricted	(17.1M)	13.4M	24.3M	21.9M
Unrestricted NP as a % of Total Expenses	(58.6%)	45.4%	101.8%	96.2%
Change in Net Position	\$5.3M	(\$6.4M)	\$12.2M	\$9.8M

# General Fund (Pages 22-26)

	<u>2015</u>	<u>2014</u>
<b>Total Assets</b>	<b>\$15.1M</b>	<b>\$12.4M</b>
<b>Total Liabilities</b>	<b>2.9M</b>	<b>1.9M</b>
<b>Fund Balance:</b>		
<b>Nonspendable</b>	<b>\$0.0M</b>	<b>\$0.4M</b>
<b>Restricted</b>	<b>0.2M</b>	<b>0.2M</b>
<b>Committed</b>	<b>0.3M</b>	<b>0.1M</b>
<b>Unassigned</b>	<b>11.7M</b>	<b>9.8M</b>
<b>Unassigned FB as a % of Total Expenditures and Transfers Out</b>	<b>49.0%</b>	<b>37.5%</b>
<b>Net Change in Fund Balance</b>	<b>\$1.7M</b>	<b>(\$3.7M)</b>

# General Fund Budget (Page 26)

	Final Budget	Actual	Variance
<b>Resources:</b>			
Beginning Fund Balance	\$10.5M	\$10.5M	
Total Revenues & Transfers In	<u>23.0M</u>	<u>25.5M</u>	\$2.5M
Total Resources	33.5M	36.0M	
Total Expenditures & Transfers Out	<u>24.6M</u>	<u>23.8M</u>	<u>0.8M</u>
Ending Fund Balance	\$8.9M	\$12.2M	
Net Change in Fund Balance	(\$1.6M)	\$1.7M	\$3.3M

# Enterprise Funds (Pages 28-39)

	Water and Sewer Utility		Solid Waste	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Total Assets & Deferred Outflows	\$135.7M	\$111.7M	\$6.8M	\$7.5M
Total Liabilities & Deferred Inflows	52.9M	35.2M	2.4M	1.5M
Net Position:				
Net Investment in Capital Assets	49.6M	49.0M	1.9M	2.2M
Restricted	17.3M	15.5M	0.0M	0.0M
Unrestricted	<u>15.9M</u>	<u>12.1M</u>	<u>2.5M</u>	<u>3.8M</u>
Total Net Position	\$82.8M	\$76.5M	\$4.4M	\$6.0M
Total Operating Revenues	\$21.0M	\$20.7M	\$5.3M	\$5.3M
Total Operating Expenses	<u>14.6M</u>	<u>13.8M</u>	<u>4.5M</u>	<u>4.5M</u>
Operating Income	\$6.4M	\$6.9M	\$0.8M	\$0.8M



# Enterprise Funds (Pages 28-39)

	Airport		Storm Water Drainage	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Total Assets & Deferred Outflows	\$26.7M	\$23.2M	\$9.5M	\$8.5M
Total Liabilities & Deferred Inflows	1.0M	0.7M	0.7M	0.4M
Net Position:				
Net Investment in Capital Assets	18.4M	14.5M	7.5M	6.3M
Restricted	3.4M	3.4M	0.0M	0.0M
Unrestricted	<u>3.9M</u>	<u>4.6M</u>	<u>1.3M</u>	<u>1.8M</u>
Total Net Position	\$25.7M	\$22.5M	\$8.8M	\$8.1M
Total Operating Revenues	\$1.9M	\$2.1M	\$ 1.4M	\$ 1.4M
Total Operating Expenses	<u>3.0M</u>	<u>2.3M</u>	<u>0.9M</u>	<u>1.1M</u>
Operating Income (Loss)	(\$1.1M)	(\$0.2M)	\$0.5M	\$0.3M

# New Accounting Standards

- **GASB 72 – New Fair Value Standard (effective for FY16)**

# Questions or Comments



**MSL**

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