



**TO: Honorable Mayor, City Council Members and
Ed Lavalley, MPA, City Manager**

FROM: Jeff Snyder, CPA, Finance Director

DATE: August 20, 2013

SUBJECT: Financial Management Report

The Finance Department is supplying the July budget to actual financial management report. Due to the complexity and time requirements of the year end closing process, this will be the last financial report presented until the first quarter of fiscal year 2013 – 2014. This report does not take into account the cyclical nature of many of our revenues and expenditures/expenses; property taxes and capital projects are prime examples. The vast majority of property taxes are collected during the first quarter of the year with the remaining balance collected during the last half. Additionally, many of our expenditures/expenses are not spent evenly throughout the year for instance most capital projects and the City's annual financial audit will be paid as work is completed. We have also included annual projections for each fund based upon the current trends.

This management report is more like a cash flow analysis than a report like our Comprehensive Annual Financial Report (CAFR) which is prepared using generally accepted accounting principals. There are no accruals for expenditures/expenses committed but not paid or for revenue earned but not paid. It also does not include contractually agreed upon payments which the City will be required to make. These reports are for management only and should not be taken out of context; however I believe they will provide a useful snap shot picture of the results of operations to date and a good approximation of the results expected for the year.

The General Fund revenues overall are projected to meet the beginning of the year budgeted amounts. Sales taxes appear to be holding with the bright spot being the taxes on electric, propane, and natural gas ahead of projections slightly. Because of the prudent spending practices of the past the City continues to be in a good position to weather the extended economic recession.

All of the funds presented appear to be performing as anticipated. The Building Fund continues to provide a very strong showing over budgeted expectations. The activity and revenue collections of this fund would tend to indicate that the economy is improving.

The City continues to await the FAA's approval to purchase the restrictions from the two pieces of property on the airport. Based upon the cash reporting, not GAAP as presented in the year-end financials, we have included the repayment of the Utilities loan in the transfers.

This report is a work in progress which can and will change as we determine what types of information are useful for City Council's review. Please do not hesitate to contact me with questions, concerns and/or recommendations.

City of Venice, Florida
Budget Comparison Management Report
General Fund
For the Period Ended July 31, 2013

	<u>Annual Budget</u>	<u>Actual Amount</u>	<u>Year End Projection</u>
REVENUES			
Taxes	\$ 7,658,550	\$ 7,741,908	\$ 7,741,908
Sales taxes	1,199,026	824,396	1,199,121
Other taxes	1,872,006	1,552,845	1,997,228
Franchise fees	1,924,557	1,218,935	1,791,763
Fees and fines	34,259	20,887	35,064
Licenses and permits	290,469	381,807	458,168
Intergovernmental	3,521,850	1,934,147	3,058,863
Charges for services	216,359	120,087	189,104
Interest	258,584	68,601	200,321
Miscellaneous	690,368	734,368	881,242
Total revenues	<u>17,666,028</u>	<u>14,597,981</u>	<u>17,552,782</u>
EXPENDITURES			
Current:			
Mayor and council	243,221	181,649	237,979
City manager	474,514	408,538	474,246
Historical resources	161,963	128,649	161,879
City clerk	431,398	373,916	431,199
Finance	1,122,709	903,646	1,114,375
City attorney	377,107	334,271	377,025
Public works administration	173,626	146,652	173,482
City hall maintenance	213,134	143,250	202,900
General maintenance	4,099,715	1,274,191	4,099,029
Parks maintenance	1,201,803	901,499	1,171,799
Engineering	391,617	313,902	376,682
Police	8,050,929	6,512,088	7,994,506
Fire	5,732,451	4,656,944	5,728,333
Planning and zoning	607,375	432,588	539,106
Information services	861,250	740,339	860,407
Administrative services	486,215	402,707	483,248
Non-departmental	235,567	235,567	235,567
Total expenditures	<u>24,864,594</u>	<u>18,090,396</u>	<u>24,661,762</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(7,198,566)</u>	<u>(3,492,415)</u>	<u>(7,108,980)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	<u>6,463,694</u>	<u>2,352,152</u>	<u>6,463,694</u>
Net other financing sources (uses)	<u>6,463,694</u>	<u>1,924,488</u>	<u>6,463,694</u>
Net change in fund balances	<u>(734,872)</u>	<u>(1,567,927)</u>	<u>(645,286)</u>
Unassigned fund balance (deficit) at beginning of year	9,985,185	9,985,185	9,985,185
Fund balance policy - emergency reserves	<u>(5,232,650)</u>	<u>(5,232,650)</u>	<u>(5,232,650)</u>
Unassigned fund balance (deficit) at end of period	<u>\$ 4,017,663</u>	<u>\$ 3,184,608</u>	<u>\$ 4,107,249</u>

City of Venice, Florida
Budget Comparison Management Report
Building Permit Fees Fund
For the Period Ended July 31, 2013

	Annual Budget	Actual Amount	Year End Projection
REVENUES			
Fees and fines	\$ -	\$ 900	\$ 900
Licenses and permits	1,332,967	1,618,239	1,771,887
Interest	370	1,998	2,398
Miscellaneous	717	-	-
Total revenues	<u>1,334,054</u>	<u>1,621,137</u>	<u>1,775,185</u>
EXPENDITURES			
Current:			
General government	722,223	601,976	722,221
Debt Service:			
Principal	-	-	-
Capital outlay	<u>102,095</u>	<u>79,088</u>	<u>102,095</u>
Total expenditures	<u>824,318</u>	<u>681,064</u>	<u>824,352</u>
Excess (deficiency) of revenues over (under) expenditures	<u>509,736</u>	<u>940,073</u>	<u>950,833</u>
OTHER FINANCING SOURCES (USES)			
Transfers out	<u>(313,376)</u>	<u>(287,254)</u>	<u>(313,376)</u>
Net other financing sources (uses)	<u>(313,376)</u>	<u>(287,254)</u>	<u>(313,376)</u>
Net change in fund balances	196,360	652,819	637,457
Unassigned fund balance (deficit) at beginning of year	109,347	109,347	109,347
Fund balance policy - emergency reserves	<u>(250,267)</u>	<u>(250,267)</u>	<u>(250,267)</u>
Unassigned fund balance (deficit) available for appropriati	<u>\$ 55,440</u>	<u>\$ 511,899</u>	<u>\$ 496,537</u>

City of Venice, Florida
Budget Comparison Management Report
Airport Fund
For Period Ended July 31, 2013

	Annual Budget	Actual Amount	Year End Projection
OPERATING REVENUES			
Rentals	\$ 1,908,358	\$ 1,794,401	\$ 2,153,281
Miscellaneous	27,185	300,587	360,704
Total operating revenues	<u>1,935,543</u>	<u>2,094,988</u>	<u>2,513,985</u>
OPERATING EXPENSES			
Personal services	511,900	360,735	432,882
Insurance	89,489	82,027	89,432
Professional services	249,689	192,412	230,894
Maintenance	288,010	55,708	286,850
Utilities	106,616	68,363	82,036
Other services and charges	141,289	100,018	120,022
Total operating expenses	<u>1,386,993</u>	<u>859,263</u>	<u>1,242,116</u>
Operating income (loss)	<u>548,550</u>	<u>1,235,725</u>	<u>1,271,869</u>
NON OPERATING REVENUES (EXPENSES)			
Interest earnings	19,663	9,903	11,884
Federal and state grants	1,215,000	5,849,567	7,019,480
Capital Outlay	<u>(9,293,038)</u>	<u>(7,721,680)</u>	<u>(9,293,000)</u>
Net non-operating revenues (expenses)	<u>(8,058,375)</u>	<u>(1,862,210)</u>	<u>(2,261,636)</u>
Income (loss) before contributions and transfers	(7,509,825)	(626,485)	(989,767)
Transfers in	2,675,000	-	2,675,000
Transfers out	<u>(276,082)</u>	<u>(253,066)</u>	<u>(276,082)</u>
Change in net assets	<u>(5,110,907)</u>	<u>(879,551)</u>	<u>1,409,151</u>
Total unrestricted net assets - beginning	4,155,121	4,155,121	4,155,121
Fund balance policy - emergency reserves	<u>(523,589)</u>	<u>(523,589)</u>	<u>(523,589)</u>
Total unrestricted net assets available for appropriations	<u>\$ -</u>	<u>\$ 2,751,981</u>	<u>\$ 5,040,683</u>

City of Venice, Florida
Budget Comparison Management Report
Water and Sewer Fund
For Period Ended July 31, 2013

	Annual Budget	Actual Amount	Year End Projection
OPERATING REVENUES			
Charges for services	\$ 18,197,982	\$ 16,201,078	\$ 18,941,294
Miscellaneous	244,169	500,533	600,640
Total operating revenues	<u>18,442,151</u>	<u>16,701,611</u>	<u>19,541,934</u>
OPERATING EXPENSES			
Personal services	4,284,144	3,246,637	3,985,964
Insurance	392,876	360,107	392,128
Professional services	1,382,332	951,882	1,232,258
Maintenance	2,288,502	1,555,173	2,056,208
Utilities	1,236,474	679,189	815,027
Other services and charges	1,257,337	1,057,037	1,256,944
Total operating expenses	<u>10,841,665</u>	<u>7,850,025</u>	<u>9,738,529</u>
Operating income (loss)	<u>7,600,486</u>	<u>8,851,586</u>	<u>9,803,405</u>
NON OPERATING REVENUES (EXPENSES)			
Interest earnings	48,690	31,312	37,574
Federal and state grants	-	26,866	26,866
Disposition of assets	-	(155,151)	(155,151)
Interest expense	(227,583)	(227,583)	(227,583)
Principal payments	(2,788,790)	(2,740,156)	(2,788,790)
Capital Outlay	(30,066,056)	(7,246,856)	(9,996,227)
Net non-operating revenues (expenses)	<u>(33,033,739)</u>	<u>(10,311,568)</u>	<u>(13,103,311)</u>
Income (loss) before contributions and transfers	(25,433,253)	(1,459,982)	(3,299,906)
Capital contributions (reductions)	20,000,000	20,000,000	20,000,000
Transfers out	(3,661,608)	(904,387)	(3,661,608)
Change in net assets	(9,094,861)	17,635,631	13,038,486
Total unrestricted net assets - beginning	5,153,257	5,153,257	5,153,257
Restricted net assets - bond funds	(10,000,000)	(12,500,000)	(12,500,000)
Fund balance policy - emergency reserves	(4,551,261)	(4,551,261)	(4,551,261)
Total unrestricted net assets available for appropriations	<u>\$ -</u>	<u>\$ 5,737,627</u>	<u>\$ 1,140,482</u>

City of Venice, Florida
Budget Comparison Management Report
Solid Waste Fund
For Period Year Ended July 31, 2013

	Annual Budget	Actual Amount	Year End Projection
OPERATING REVENUES			
Charges for services	\$ 5,266,444	\$ 3,898,041	\$ 5,003,841
Miscellaneous	119,850	82,411	98,893
Total operating revenues	<u>5,386,294</u>	<u>3,980,452</u>	<u>5,102,734</u>
OPERATING EXPENSES			
Personal services	1,526,600	1,163,289	1,395,947
Insurance	231,445	212,146	231,075
Supplies and materials	1,447,175	828,045	993,654
Professional services	23,536	51,512	61,814
Maintenance	501,122	439,252	501,102
Utilities	16,623	5,460	6,552
Other services and charges	22,218	11,465	13,758
Total operating expenses	<u>3,768,719</u>	<u>2,711,169</u>	<u>3,203,902</u>
Operating income (loss)	<u>1,617,575</u>	<u>1,269,283</u>	<u>1,898,832</u>
NON OPERATING REVENUES (EXPENSES)			
Interest earnings	35,000	12,445	14,934
Capital outlay	(1,073,110)	(1,024,654)	(1,024,654)
Net non-operating revenues (expenses)	<u>(1,038,110)</u>	<u>(1,012,209)</u>	<u>(1,009,720)</u>
Income (loss) before contributions and transfers	579,465	257,074	889,112
Transfers out	(845,663)	(775,192)	(845,663)
Change in net assets	(266,198)	(518,118)	43,449
Total unrestricted net assets - beginning	3,863,397	3,863,397	3,863,397
Fund balance policy - emergency reserves	(1,492,857)	(1,492,857)	(1,492,857)
Total unrestricted net assets available for appropriations	<u>\$ 2,104,342</u>	<u>\$ 1,852,422</u>	<u>\$ 2,413,989</u>

City of Venice, Florida
Budget Comparison Management Report
Storm Water Drainage Fund
For Period Ended July 31, 2013

	Annual Budget	Actual Amount	Year End Projection
OPERATING REVENUES			
Charges for services	\$ 1,387,976	\$ 1,232,911	\$ 1,479,493
Miscellaneous	35,797	36,261	43,513
Total operating revenues	<u>1,423,773</u>	<u>1,269,172</u>	<u>1,523,006</u>
OPERATING EXPENSES			
Personal services	308,535	244,574	308,489
Insurance	11,883	10,890	11,868
Professional services	122,840	73,749	118,499
Maintenance	264,297	159,772	261,726
Utilities	200	68	82
Other services and charges	157,924	61,397	103,676
Total operating expenses	<u>865,679</u>	<u>550,450</u>	<u>804,340</u>
Operating income (loss)	<u>558,094</u>	<u>718,722</u>	<u>718,666</u>
NON OPERATING REVENUES (EXPENSES)			
Interest earnings	6,527	7,024	8,429
Federal and state grants	612,500	47,423	56,908
Interest expense	(13,767)	(13,767)	(13,767)
Principal payments	(159,000)	(159,000)	(159,000)
Capital outlay	(1,395,721)	(106,261)	(127,513)
Net non-operating revenues (expenses)	<u>(949,461)</u>	<u>(224,581)</u>	<u>(234,943)</u>
Income (loss) before contributions and transfers	(391,367)	494,141	483,723
Transfers out	<u>(144,280)</u>	<u>(132,253)</u>	<u>(144,280)</u>
Change in net assets	(535,647)	361,888	339,443
Total unrestricted net assets - beginning	1,603,435	1,603,435	1,603,435
Fund balance policy - emergency reserves	<u>(373,068)</u>	<u>(373,068)</u>	<u>(373,068)</u>
Total unrestricted net assets available for appropriations	<u>\$ 694,720</u>	<u>\$ 1,592,255</u>	<u>\$ 1,569,810</u>