



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

FROM: Jeff Snyder, CPA, Finance Director

DATE: August 19, 2014

SUBJECT: Financial Management Report

The Finance Department is supplying the July budget to actual financial management report. 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 an annual projection for each fund based upon the first four months 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 principles. 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 be meet the beginning of the year budgeted amounts. Sales taxes appear to have stabilized and are trending as expected during the beginning of the year. The proposed payment to the Airport Fund has not been included in these projections as it is unknown whether this will be closed by end of year. 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 bright spot is the Building Fund which continues to improve year over year. The projected operations of this fund would tend to indicate that the economy is improving.

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, 2014

	Annual Budget	Actual Amount	Year End Projection
REVENUES			
Taxes	\$ 8,381,652	\$ 8,396,451	\$ 8,396,451
Sales taxes	1,164,916	857,925	1,176,583
Other taxes	2,029,935	1,711,786	2,162,256
Franchise fees	2,127,482	1,505,357	2,097,143
Fees and fines	25,707	15,924	19,109
Licenses and permits	327,608	435,078	522,094
Intergovernmental	3,114,183	2,033,686	2,711,581
Charges for services	206,290	85,852	103,022
Interest	171,291	75,643	170,772
Miscellaneous	721,104	714,724	757,669
Total revenues	<u>18,270,168</u>	<u>15,832,426</u>	<u>18,116,680</u>

EXPENDITURES			
Current:			
Mayor and council	248,476	212,982	248,378
City manager	489,243	390,542	485,650
Historical resources	217,587	168,631	202,366
City clerk	498,407	397,399	486,879
Finance	1,201,913	1,045,517	1,201,620
City attorney	300,000	259,392	299,770
Public works administration	211,451	173,387	208,064
City hall maintenance	225,635	160,660	192,792
General maintenance	4,041,572	940,845	1,159,014
Parks maintenance	1,172,750	913,147	1,169,776
Engineering	434,766	253,621	369,345
Police	8,080,319	6,201,149	7,941,379
Fire	6,661,285	5,204,998	6,655,998
Planning and zoning	571,719	395,763	524,916
Information services	956,109	863,209	955,851
Administrative services	533,549	491,817	590,180
Non-departmental	155,332	155,332	155,332
Total expenditures	<u>26,000,113</u>	<u>18,228,391</u>	<u>22,847,310</u>
expenditures	<u>(7,729,945)</u>	<u>(2,395,965)</u>	<u>(4,730,630)</u>

OTHER FINANCING SOURCES (USES)			
Transfers in	<u>3,534,260</u>	<u>3,079,292</u>	<u>3,534,260</u>
Net other financing sources (uses)	<u>3,534,260</u>	<u>1,592,262</u>	<u>3,534,260</u>
Net change in fund balances	<u>(4,195,685)</u>	<u>(803,703)</u>	<u>(1,196,370)</u>
Unassigned fund balance (deficit) at beginning of year	9,991,064	9,991,064	9,991,064
Fund balance policy - emergency reserves	<u>(5,690,922)</u>	<u>(5,690,922)</u>	<u>(5,690,922)</u>
Unassigned fund balance (deficit) at end of period	<u>\$ 104,458</u>	<u>\$ 3,496,440</u>	<u>\$ 3,103,773</u>

City of Venice, Florida
Budget Comparison Management Report
Building Permit Fees Fund
For the Period Ended July 31, 2014

	Annual Budget	Actual Amount	Year End Projection
REVENUES			
Fees and fines	\$ -	\$ 8,425	\$ 10,110
Licenses and permits	1,389,433	1,723,692	1,868,430
Interest	1,738	7,913	9,496
Miscellaneous	1,252	151	181
Total revenues	<u>1,392,423</u>	<u>1,619,463</u>	<u>1,888,217</u>
EXPENDITURES			
Current:			
General government	880,298	716,189	880,227
Capital outlay	126,000	42,683	126,000
Total expenditures	<u>1,006,298</u>	<u>707,472</u>	<u>1,006,227</u>
Excess (deficiency) of revenues over (under) expenditures	<u>386,125</u>	<u>911,991</u>	<u>881,990</u>
OTHER FINANCING SOURCES (USES)			
Transfers out	<u>(291,394)</u>	<u>(242,820)</u>	<u>(291,394)</u>
Net other financing sources (uses)	<u>(291,394)</u>	<u>(242,820)</u>	<u>(291,394)</u>
Net change in fund balances	94,731	669,171	590,596
Unassigned fund balance (deficit) at beginning of year	912,325	912,325	912,325
Fund balance policy - emergency reserves	<u>(227,724)</u>	<u>(227,724)</u>	<u>(227,724)</u>
Unassigned fund balance (deficit) available for appropriations	<u>\$ 779,332</u>	<u>\$ 1,353,772</u>	<u>\$ 1,275,197</u>

City of Venice, Florida
Budget Comparison Management Report
Airport Fund
For Period Ended June 30, 2014

	<u>Annual Budget</u>	<u>Actual Amount</u>	<u>Year End Projection</u>
OPERATING REVENUES			
Rentals	\$ 1,776,362	\$ 1,507,824	\$ 2,010,432
Miscellaneous	33,645	43,280	57,707
Total operating revenues	<u>1,810,007</u>	<u>1,551,104</u>	<u>2,068,139</u>
OPERATING EXPENSES			
Personal services	572,327	391,407	521,876
Insurance	99,213	82,670	99,212
Professional services	399,562	359,200	399,533
Maintenance	338,425	151,723	302,297
Utilities	99,000	67,412	89,883
Other services and charges	140,993	118,595	140,627
Total operating expenses	<u>1,649,520</u>	<u>1,171,007</u>	<u>1,553,428</u>
Operating income (loss)	<u>160,487</u>	<u>380,097</u>	<u>514,711</u>
NON OPERATING REVENUES (EXPENSES)			
Interest earnings	12,000	25,862	34,483
Federal and state grants	6,960,000	431,595	3,575,460
Capital Outlay	(8,016,086)	(871,309)	(4,161,745)
Net non-operating revenues (expenses)	<u>(1,044,086)</u>	<u>(413,852)</u>	<u>(551,802)</u>
Income (loss) before contributions and transfers	(883,599)	(33,755)	(37,091)
Transfers out	<u>(301,242)</u>	<u>(251,030)</u>	<u>(301,242)</u>
Change in net assets	<u>(1,184,841)</u>	<u>(284,785)</u>	<u>(338,333)</u>
Total unrestricted net assets - beginning	3,757,270	3,757,270	3,757,270
Fund balance policy - emergency reserves	<u>(630,255)</u>	<u>(630,255)</u>	<u>(630,255)</u>
Total unrestricted net assets available for appropriations	<u>\$ 1,942,174</u>	<u>\$ 2,842,230</u>	<u>\$ 2,788,682</u>

City of Venice, Florida
Budget Comparison Management Report
Water and Sewer Fund
For Period Ended June 30, 2014

	<u>Annual Budget</u>	<u>Actual Amount</u>	<u>Year End Projection</u>
OPERATING REVENUES			
Charges for services	\$ 19,235,487	\$ 15,003,819	\$ 19,705,092
Miscellaneous	303,183	623,680	831,573
Total operating revenues	<u>19,538,670</u>	<u>15,627,499</u>	<u>20,536,665</u>
OPERATING EXPENSES			
Personal services	4,674,952	3,419,506	4,559,341
Insurance	435,571	363,590	434,787
Professional services	1,315,904	830,545	1,107,393
Maintenance	1,569,894	1,163,903	1,551,871
Utilities	1,177,800	706,957	942,609
Other services and charges	1,705,054	1,147,013	1,529,351
Total operating expenses	<u>10,879,175</u>	<u>7,631,514</u>	<u>10,125,352</u>
Operating income (loss)	<u>8,659,495</u>	<u>7,995,985</u>	<u>10,411,313</u>
NON OPERATING REVENUES (EXPENSES)			
Interest earnings	55,431	153,948	205,264
Federal and state grants	-	1,043,226	1,390,968
Disposition of assets	-	18,977	25,303
Interest expense	(916,379)	(587,582)	(916,379)
Principal payments	(3,222,000)	(3,038,000)	(3,222,000)
Capital Outlay	(34,491,906)	(19,098,217)	(20,464,289)
Net non-operating revenues (expenses)	<u>(38,574,854)</u>	<u>(21,507,648)</u>	<u>(22,981,133)</u>
Income (loss) before contributions and transfers	(29,915,359)	(13,511,663)	(12,569,820)
Transfers out	<u>(1,610,885)</u>	<u>(1,412,035)</u>	<u>(1,610,885)</u>
Change in net assets	(31,526,244)	(14,923,698)	(14,180,705)
Total unrestricted net assets - beginning	8,576,644	8,576,644	8,576,644
Fund balance policy - emergency reserves	<u>(5,426,082)</u>	<u>(5,426,082)</u>	<u>(5,426,082)</u>
Total unrestricted net assets available for appropriations	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

City of Venice, Florida
Budget Comparison Management Report
Solid Waste Fund
For Period Year Ended June 30, 2014

	Annual Budget	Actual Amount	Year End Projection
OPERATING REVENUES			
Charges for services	\$ 4,918,118	\$ 3,679,304	\$ 4,905,739
Miscellaneous	85,068	101,162	134,883
Total operating revenues	<u>5,003,186</u>	<u>3,780,466</u>	<u>5,040,622</u>
OPERATING EXPENSES			
Personal services	1,468,064	1,172,948	1,467,931
Insurance	256,597	213,820	255,093
Supplies and materials	1,438,318	829,105	1,305,473
Professional services	25,074	23,770	31,693
Maintenance	597,371	396,386	528,515
Utilities	16,623	6,111	8,148
Other services and charges	19,891	11,518	15,357
Total operating expenses	<u>3,821,938</u>	<u>2,653,658</u>	<u>3,612,210</u>
Operating income (loss)	<u>1,181,248</u>	<u>1,126,808</u>	<u>1,428,412</u>
NON OPERATING REVENUES (EXPENSES)			
Interest earnings	32,880	26,243	34,991
Capital outlay	(1,154,262)	(848,535)	(1,131,380)
Net non-operating revenues (expenses)	<u>(1,121,382)</u>	<u>(822,292)</u>	<u>(1,096,389)</u>
Income (loss) before contributions and transfers	59,866	304,516	332,023
Transfers out	(751,567)	(626,300)	(751,567)
Change in net assets	(691,701)	(321,784)	(419,544)
Total unrestricted net assets - beginning	3,856,526	3,856,526	3,856,526
Fund balance policy - emergency reserves	(1,504,493)	(1,504,493)	(1,504,493)
Total unrestricted net assets available for appropriations	<u>\$ 1,660,332</u>	<u>\$ 2,030,249</u>	<u>\$ 1,932,489</u>

City of Venice, Florida
Budget Comparison Management Report
Storm Water Drainage Fund
For Period Ended June 30, 2014

	Annual Budget	Actual Amount	Year End Projection
OPERATING REVENUES			
Charges for services	\$ 1,368,593	\$ 1,146,324	\$ 1,528,432
Miscellaneous	-	88	117
Total operating revenues	<u>1,368,593</u>	<u>1,146,412</u>	<u>1,528,549</u>
OPERATING EXPENSES			
Personal services	305,963	218,054	290,739
Insurance	13,174	10,970	13,127
Professional services	134,298	48,327	64,436
Maintenance	546,946	396,344	528,459
Utilities	200	63	84
Other services and charges	157,234	56,064	74,752
Total operating expenses	<u>1,157,815</u>	<u>729,822</u>	<u>971,597</u>
Operating income (loss)	<u>210,778</u>	<u>416,590</u>	<u>556,952</u>
NON OPERATING REVENUES (EXPENSES)			
Interest earnings	5,875	10,585	14,113
Federal and state grants	1,493,262	333,985	445,313
Interest expense	(10,399)	(6,066)	(10,399)
Principal payments	(162,000)	(162,000)	(162,000)
Capital outlay	(2,492,611)	(714,857)	(953,143)
Net non-operating revenues (expenses)	<u>(1,165,873)</u>	<u>(538,353)</u>	<u>(666,116)</u>
Income (loss) before contributions and transfers	(955,095)	(121,763)	(109,164)
Transfers out	<u>(192,335)</u>	<u>(160,270)</u>	<u>(192,335)</u>
Change in net assets	(1,147,430)	(282,033)	(301,499)
Total unrestricted net assets - beginning	2,079,195	2,079,195	2,079,195
Fund balance policy - emergency reserves	<u>(396,023)</u>	<u>(396,023)</u>	<u>(396,023)</u>
Total unrestricted net assets available for appropriations	<u>\$ 535,742</u>	<u>\$ 1,401,139</u>	<u>\$ 1,381,673</u>