

# Financial Section

Report of Independent Accountants  
General Purpose Financial Statements  
Combining and Individual Fund Statements and  
Schedules

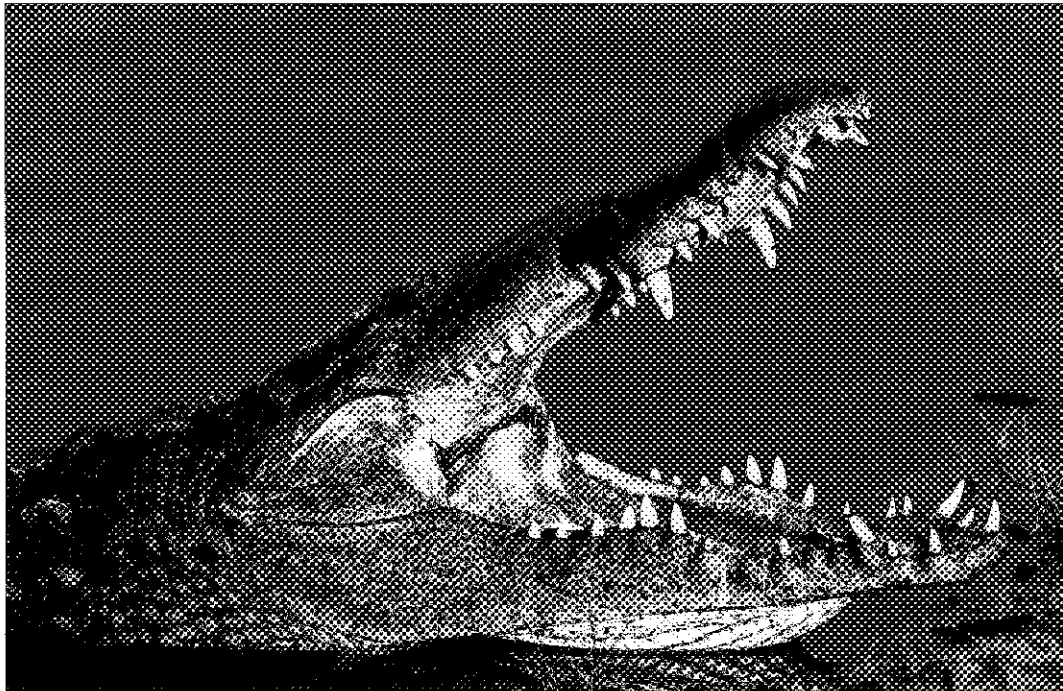


Photo by D. Meardon

American Crocodile

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## INDEPENDENT AUDITORS' REPORT

Honorable Mayor and City Council  
City of Sanibel  
Sanibel, Florida

We have audited the accompanying general-purpose financial statements of the City of Sanibel, Florida (the "City"), as of and for the year ended September 30, 2001, as listed in the Table of Contents. These general-purpose financial statements are the responsibility of the City's management. Our responsibility is to express an opinion on these general-purpose financial statements based on our audit. We did not audit the financial statements of Community Housing and Resources, Inc., a component unit. Those financial statements were audited by other auditors whose report has been furnished to us, and our opinion on the general-purpose financial statements, insofar as it relates to the amounts included for Community Housing and Resources, Inc., is based solely on the report of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general-purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general-purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the report of other auditors provide a reasonable basis for our opinion.

In our opinion, based on our audit and the report of other auditors, the general-purpose financial statements referred to above present fairly, in all material respects, the financial position of the City, as of September 30, 2001, and the results of its operations and the cash flows of its proprietary fund types for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

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As discussed in Note 1 to the general-purpose financial statements, the City has adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 33 *Accounting and Financial Reporting for Nonexchange Transactions*.

In accordance with *Government Auditing Standards*, we have also issued a report dated March 26, 2002, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Our audit was performed for the purpose of forming an opinion on the general-purpose financial statements of the City taken as a whole. The combining and individual fund and account group financial statements and schedules listed in the Table of Contents are presented for purposes of additional analysis and are not a required part of the general-purpose financial statements of the City. Such information has been subjected to the auditing procedures applied in the audit of the general-purpose financial statements and, in our opinion, is fairly stated in all material respects in relation to the general-purpose financial statements taken as a whole. The information presented in the introductory and statistical sections are presented for the purpose of additional analysis and are not a required part of the general-purpose financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the general-purpose financial statements and, accordingly, we express no opinion on it.

*Schultz, Chaipel & Co., LLP*  
Schultz, Chaipel & Co., L.L.P.  
March 26, 2002



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# General Purpose Financial Statements

(Combined Statements Overview)



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**CITY OF SANIBEL, FLORIDA**  
**COMBINED BALANCE SHEET - ALL FUND TYPES, ACCOUNT GROUPS AND**  
**DISCRETELY PRESENTED COMPONENT UNITS**  
September 30, 2001  
With Comparative Totals for September 30, 2000

ASSETS AND OTHER DEBITS	Governmental Fund Types				Proprietary Fund Type
	General	Special Revenue	Debt Service	Capital Projects	Enterprise
<b>ASSETS</b>					
Cash and cash equivalents	\$ 3,088,008	\$ 1,097,340	\$ 65,577	\$ 2,930,984	\$ 547,612
Investments	2,211,057	2,375	189,966	-	-
Taxes receivable	1,951	46,498	-	-	-
Accounts receivable	145,237	227	-	5,034	189,880
Accrued interest receivable	-	-	-	-	-
Assessments receivable	-	-	-	3,489	-
Due from other funds	146,799	-	-	-	-
Due from other governments	439,023	463	-	57,447	1,250,080
Inventories	3,637	-	-	-	-
Prepaid items	6,077	-	-	-	-
Advances to other funds	17,333	-	-	-	-
Restricted assets:					
Cash and cash equivalents	-	-	-	-	3,886,306
Investments	-	-	-	-	369,686
Assessments receivable	-	-	-	-	6,129,338
Property, plant and equipment	-	-	-	-	33,962,964
Accumulated depreciation	-	-	-	-	(3,520,731)
Notes receivable	-	-	-	-	2,488,029
Other assets, net	-	-	-	-	286,282
<b>OTHER DEBITS</b>					
Amount available for debt service	-	-	-	-	-
Amount to be provided for retirement of general long-term debt	-	-	-	-	-
<b>Total assets and other debits</b>	<b>\$ 6,059,122</b>	<b>\$ 1,148,903</b>	<b>\$ 255,543</b>	<b>\$ 2,996,954</b>	<b>\$ 45,589,446</b>

See Accompanying Notes.

Fiduciary Fund Types	Account Groups		Totals (Memorandum Only)	Component Unit	Totals (Memorandum Only) Reporting Entity	
	General Fixed Assets	General Long-Term Debt	Primary Government	Community Housing and Resources, Inc.	2001	2000
\$ 166,062	\$ -	\$ -	\$ 7,895,583	\$ 330,710	\$ 8,226,293	\$ 4,689,682
10,111,963	-	-	12,515,361	-	12,515,361	11,968,973
-	-	-	48,449	-	48,449	18,844
3,645	-	-	344,023	300	344,323	463,604
-	-	-	-	-	-	7,257
-	-	-	3,489	-	3,489	153,370
-	-	-	146,799	-	146,799	1,892,505
-	-	-	1,747,013	-	1,747,013	769,315
-	-	-	3,637	-	3,637	2,089
-	-	-	6,077	20,282	26,359	22,560
-	-	-	17,333	-	17,333	86,415
-	-	-	-	-	-	-
-	-	-	3,888,306	21,078	3,907,384	3,044,220
-	-	-	369,686	-	369,686	268,743
-	-	-	6,129,338	-	6,129,338	1,829,045
-	32,683,588	-	66,646,552	4,823,785	71,470,337	64,251,023
-	-	-	(3,520,731)	(805,264)	(4,325,995)	(3,375,340)
-	-	-	2,488,029	-	2,488,029	2,434,560
-	-	-	286,282	163,563	449,845	427,805
-	-	255,543	255,543	-	255,543	625,634
-	-	3,468,131	3,468,131	-	3,468,131	3,653,146
<u>\$ 10,281,670</u>	<u>\$ 32,683,588</u>	<u>\$ 3,723,674</u>	<u>\$ 102,736,900</u>	<u>\$ 4,554,454</u>	<u>\$ 107,291,354</u>	<u>\$ 93,233,450</u>

**CITY OF SANIBEL, FLORIDA**  
**COMBINED BALANCE SHEET - ALL FUND TYPES, ACCOUNT GROUPS AND**  
**DISCRETELY PRESENTED COMPONENT UNITS**  
September 30, 2001  
With Comparative Totals for September 30, 2000

	Governmental Fund Types				Proprietary Fund Type
	General	Special Revenue	Debt Service	Capital Projects	Enterprise
<b>LIABILITIES, EQUITY AND OTHER CREDITS</b>					
<b>LIABILITIES</b>					
Accounts payable	\$ 176,541	\$ 5,887	\$ -	\$ 148,069	\$ 2,463,808
Due to other governments	-	-	-	-	-
Retainages payable	-	-	-	16,209	407,227
Due to other funds	-	-	-	2,660	143,849
Accrued liabilities	276,458	1,994	-	-	35,731
Deferred revenue	348	765,641	-	-	11,158
Deposits	-	-	-	-	-
Advances from other funds	-	-	-	-	17,333
Bonds payable	-	-	-	-	5,635,000
Notes payable	-	-	-	-	19,515,874
Accrued compensated absences	-	-	-	-	53,083
Accrued interest payable	-	-	-	-	112,657
<b>Total liabilities</b>	<b>453,345</b>	<b>773,522</b>	<b>-</b>	<b>166,938</b>	<b>28,395,720</b>
<b>EQUITY AND OTHER CREDITS</b>					
Investment in general fixed assets	-	-	-	-	-
Contributed capital	-	-	-	-	7,127,725
Retained earnings:					
Reserved for debt service	-	-	-	-	6,670,432
Reserved for renewal & replacement	-	-	-	-	83,572
Unreserved	-	-	-	-	3,311,997
Fund balances					
Reserved for employee pension benefits	-	-	-	-	-
Other reserves	27,047	-	-	-	-
Unreserved					
Designated for debt service	-	-	255,543	-	-
Designated for future years' expenditures	1,250,000	-	-	250,815	-
Undesignated	4,328,730	373,381	-	2,579,201	-
<b>Total equity and other credits</b>	<b>5,605,777</b>	<b>373,381</b>	<b>255,543</b>	<b>2,830,016</b>	<b>17,193,726</b>
<b>Total liabilities, equity and other credits</b>	<b>\$ 6,059,122</b>	<b>\$ 1,146,903</b>	<b>\$ 255,543</b>	<b>\$ 2,996,954</b>	<b>\$ 45,589,446</b>

See Accompanying Notes.

Fiduciary Fund Types	Account Groups		Totals (Memorandum Only)	Component Unit	Totals (Memorandum Only) Reporting Entity	
	General Fixed Assets	General Long-Term Debt	Primary Government	Community Housing and Resources, Inc.	2001	2000
\$ -	\$ -	\$ -	\$ 2,794,305	\$ 29,873	\$ 2,823,978	\$ 1,023,913
19,977	-	-	19,977	-	19,977	34,474
-	-	-	423,438	-	423,438	117,825
290	-	-	146,799	-	146,799	1,892,505
5,062	-	-	319,245	-	319,245	308,713
-	-	-	777,145	-	777,145	842,607
-	-	-	-	25,750	25,750	24,450
-	-	-	17,333	-	17,333	86,415
-	-	2,261,715	7,896,715	-	7,896,715	8,501,480
-	-	1,014,279	20,530,153	2,289,920	22,820,073	17,846,725
-	-	447,680	500,783	-	500,783	431,150
-	-	-	112,657	201,729	314,386	390,838
<u>25,329</u>	<u>-</u>	<u>3,723,674</u>	<u>33,538,528</u>	<u>2,547,072</u>	<u>36,085,600</u>	<u>31,100,895</u>
-	32,683,588	-	32,683,588	-	32,683,588	31,640,840
-	-	-	7,127,725	600,000	7,727,725	7,943,710
-	-	-	6,670,432	-	6,670,432	1,386,438
-	-	-	83,572	-	83,572	79,864
-	-	-	3,311,997	1,407,382	4,719,379	3,561,795
10,012,038	-	-	10,012,038	-	10,012,038	9,314,286
-	-	-	27,047	-	27,047	91,436
-	-	-	255,543	-	255,543	625,634
-	-	-	1,500,815	-	1,500,815	2,296,395
244,303	-	-	7,525,615	-	7,525,615	5,192,157
<u>10,256,341</u>	<u>32,683,588</u>	<u>-</u>	<u>69,198,372</u>	<u>2,007,382</u>	<u>71,205,754</u>	<u>62,132,555</u>
\$ <u>10,281,670</u>	\$ <u>32,683,588</u>	\$ <u>3,723,674</u>	\$ <u>102,736,900</u>	\$ <u>4,554,454</u>	\$ <u>107,291,354</u>	\$ <u>93,233,450</u>

**CITY OF SANIBEL, FLORIDA**  
**COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES-**  
**ALL GOVERNMENTAL FUND TYPES AND SIMILAR TRUST FUNDS**  
**Year Ended September 30, 2001**  
**With Comparative Totals for the Year Ended September 30, 2000**

	Governmental Funds Types			
	General	Special Revenue	Debt Service	Capital Projects
<b>Revenues</b>				
Taxes	\$ 5,791,439	\$ 572,148	\$ -	\$ -
Licenses and permits	1,180,305	264,176	-	-
Intergovernmental	1,800,316	75,282	-	274,142
Charges for services	998,718	9,268	-	-
Fines and forfeitures	95,492	2,903	-	-
Miscellaneous	435,184	249,514	30,017	59,833
<b>Total revenues</b>	<u>10,101,454</u>	<u>1,173,289</u>	<u>30,017</u>	<u>333,975</u>
<b>Expenditures</b>				
<b>Current</b>				
General government	2,274,147	-	-	-
Public safety	2,466,678	33,997	-	-
Physical environment	179,991	-	-	-
Transportation	1,240,737	-	-	-
Economic environment	-	-	-	-
Human services	-	-	-	-
Culture / Recreation	1,029,320	252,506	-	-
Capital outlay	-	-	-	1,935,326
<b>Debt service</b>				
Principal	-	-	605,362	-
Interest	-	-	186,997	-
<b>Total expenditures</b>	<u>7,190,873</u>	<u>286,503</u>	<u>792,359</u>	<u>1,935,326</u>
<b>Excess of revenues over (under) expenditures</b>	<u>2,910,581</u>	<u>886,786</u>	<u>(762,342)</u>	<u>(1,601,351)</u>
<b>Other financing sources (uses)</b>				
Operating transfers in	-	42,368	384,260	2,063,250
Operating transfers (out)	(1,803,914)	(1,030,536)	-	-
<b>Total other financing sources (uses)</b>	<u>(1,803,914)</u>	<u>(988,168)</u>	<u>384,260</u>	<u>2,063,250</u>
<b>Excess of revenues and other financing sources over (under) expenditures and other financing uses</b>	<u>1,106,667</u>	<u>(101,382)</u>	<u>(378,082)</u>	<u>461,899</u>
<b>Fund Balances, October 1</b>	<u>5,347,194</u>	<u>474,763</u>	<u>625,634</u>	<u>1,528,024</u>
<b>Residual equity transfers in (out)</b>	<u>(848,084)</u>	<u>-</u>	<u>7,991</u>	<u>840,093</u>
<b>Fund Balances, September 30</b>	<u>\$ 5,605,777</u>	<u>\$ 373,381</u>	<u>\$ 255,543</u>	<u>\$ 2,830,018</u>

See Accompanying Notes.

Fiduciary Fund Type Expendable Trust Funds	Totals (Memorandum Only)	
	2001	2000
\$ -	\$ 6,363,585	\$ 6,243,868
-	1,444,481	927,534
-	1,949,740	1,992,763
-	1,007,986	742,536
-	98,395	107,129
17,003	791,551	818,188
<u>17,003</u>	<u>11,655,738</u>	<u>10,832,018</u>
50	2,274,197	2,275,610
-	2,500,675	2,573,894
-	179,991	565,308
-	1,240,737	1,442,846
-	-	4,500
2,658	2,658	1,393
-	1,281,828	1,257,353
-	1,935,328	850,870
-	605,382	701,116
-	188,997	217,685
<u>2,708</u>	<u>10,207,769</u>	<u>9,890,573</u>
14,295	1,447,969	941,445
-	2,489,878	1,884,284
-	<u>(2,834,450)</u>	<u>(2,228,856)</u>
-	<u>(344,572)</u>	<u>(344,572)</u>
14,295	1,103,397	596,873
230,008	8,205,623	7,608,750
-	-	-
<u>\$ 244,303</u>	<u>\$ 9,309,020</u>	<u>\$ 8,205,623</u>

**CITY OF SANIBEL, FLORIDA**  
**COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES-**  
**BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) - ALL GOVERNMENTAL FUND TYPES**  
**Year Ended September 30, 2001**

	General Fund		Variance- Favorable (Unfavorable)
	Budget	Actual	
<b>Revenues</b>			
Taxes	\$ 5,857,732	\$ 5,781,439	\$ (66,293)
Licenses and permits	744,850	1,180,305	435,655
Intergovernmental	1,635,449	1,600,318	(35,133)
Charges for services	885,003	998,718	133,715
Fines and forfeitures	78,850	95,492	16,642
Miscellaneous	370,220	435,184	64,964
<b>Total revenues</b>	<u>9,551,904</u>	<u>10,101,454</u>	<u>549,550</u>
<b>Expenditures</b>			
<b>Current</b>			
General government	2,375,996	2,274,147	101,849
Public safety	2,477,211	2,466,678	10,533
Physical environment	215,483	179,991	35,492
Transportation	1,307,484	1,240,737	66,747
Economic environment	-	-	-
Culture/Recreation	1,099,854	1,029,320	70,534
Capital outlay	-	-	-
Debt service			
Principal	-	-	-
Interest	-	-	-
Other debt service	-	-	-
<b>Total expenditures</b>	<u>7,476,028</u>	<u>7,190,873</u>	<u>285,155</u>
<b>Excess of revenues over (under) expenditures</b>	<u>2,075,876</u>	<u>2,910,581</u>	<u>834,705</u>
<b>Other financing sources (uses)</b>			
Operating transfers in	-	-	-
Debt proceeds	-	-	-
Operating transfers (out)	(1,803,914)	(1,803,914)	-
<b>Total other financing sources (uses)</b>	<u>(1,803,914)</u>	<u>(1,803,914)</u>	<u>-</u>
<b>Excess of revenues and other financing sources over (under) expenditures and other financing uses</b>	<u>\$ 271,962</u>	<u>1,106,667</u>	<u>\$ 834,705</u>
<b>Fund balances, October 1</b>		5,347,194	
<b>Residual equity transfer in</b>		<u>(848,084)</u>	
<b>Fund balances, September 30</b>		<u>\$ 5,605,777</u>	

See Accompanying Notes.

Special Revenue Funds (Non-GAAP)			Debt Service Funds		
Budget	Actual	Variance-Favorable (Unfavorable)	Budget	Actual	Variance-Favorable (Unfavorable)
\$ 570,000	\$ 572,146	\$ 2,146	\$ -	\$ -	\$ -
247,000	264,176	17,176	-	-	-
75,318	75,282	(36)	-	-	-
11,800	9,268	(2,532)	-	-	-
3,036	2,903	(133)	-	-	-
<u>220,800</u>	<u>247,106</u>	<u>26,306</u>	<u>29,190</u>	<u>30,017</u>	<u>827</u>
<u>1,127,954</u>	<u>1,170,881</u>	<u>42,927</u>	<u>29,190</u>	<u>30,017</u>	<u>827</u>
-	-	-	-	-	-
52,580	33,997	18,583	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
248,734	252,506	(3,772)	-	-	-
-	-	-	-	-	-
-	-	-	605,550	605,362	188
-	-	-	187,879	186,997	882
-	-	-	100	-	100
<u>301,314</u>	<u>286,503</u>	<u>14,811</u>	<u>793,529</u>	<u>792,359</u>	<u>1,170</u>
<u>826,640</u>	<u>884,378</u>	<u>57,738</u>	<u>(764,339)</u>	<u>(762,342)</u>	<u>1,997</u>
42,368	42,368	-	384,260	384,260	-
-	-	-	-	-	-
<u>(1,030,536)</u>	<u>(1,030,536)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>(988,168)</u>	<u>(988,168)</u>	<u>-</u>	<u>384,260</u>	<u>384,260</u>	<u>-</u>
\$ <u>(161,528)</u>	(103,790)	\$ <u>57,738</u>	\$ <u>(380,079)</u>	(378,082)	\$ <u>1,997</u>
	378,046			625,634	
	-			7,991	
	<u>\$ 274,256</u>			<u>\$ 255,543</u>	

**CITY OF SANIBEL, FLORIDA**  
**COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES-**  
**BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) - ALL GOVERNMENTAL FUND TYPES**  
**Year Ended September 30, 2001**

	<u>Capital Projects Funds (Non-GAAP)</u>		
	<u>Budget</u>	<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>
<b>Revenues</b>			
Taxes	\$ -	\$ -	\$ -
Licenses and permits	-	-	-
Intergovernmental	367,848	274,142	(93,704)
Charges for services	-	-	-
Fines and forfeitures	-	-	-
Miscellaneous	47,000	43,484	(3,516)
<b>Total revenues</b>	<u>414,848</u>	<u>317,626</u>	<u>(97,220)</u>
<b>Expenditures</b>			
<b>Current</b>			
General government	-	-	-
Public safety	-	-	-
Physical environment	-	-	-
Transportation	-	-	-
Economic environment	-	-	-
Culture/Recreation	-	-	-
<b>Capital outlay</b>	3,882,296	1,935,326	1,946,970
<b>Debt service</b>			
Principal	-	-	-
Interest	-	-	-
Other debt service	-	-	-
<b>Total expenditures</b>	<u>3,882,296</u>	<u>1,935,326</u>	<u>1,946,970</u>
<b>Excess of revenues over (under) expenditures</b>	<u>(3,467,450)</u>	<u>(1,617,700)</u>	<u>1,849,750</u>
<b>Other financing sources (uses)</b>			
Operating transfers in	2,063,250	2,063,250	-
Debt proceeds	453,606	-	(453,606)
Operating transfers (out)	-	-	-
<b>Total other financing sources (uses)</b>	<u>2,516,856</u>	<u>2,063,250</u>	<u>(453,606)</u>
<b>Excess of revenues and other financing sources over (under) expenditures and other financing uses</b>	<u>\$ (950,594)</u>	445,550	<u>\$ 1,396,144</u>
<b>Fund balances, October 1</b>		1,367,824	
<b>Residual equity transfer in</b>		<u>939,330</u>	
<b>Fund balances, September 30</b>		<u>\$ 2,752,704</u>	

See Accompanying Notes.