

CITY OF SANIBEL, FLORIDA
 NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
 September 30, 2001

Note 5. Accounts Receivable

At September 30, 2001 accounts receivable consisted of the following:

	Receivable
<u>General Fund</u>	\$ 145,237
<u>Special Revenue Fund</u>	
Franchise Tax & Occupational License Tax Revenue	227
<u>Capital Projects Fund</u>	
Capital Planning and Asset Acquisition	5,034
<u>Enterprise Funds</u>	
Sanibel Sewer System	181,902
Beach Parking	240
Below Market Rate Housing	7,738
	189,880
<u>Trust and Agency Fund</u>	
Police Officer's Retirement Fund Contribution Receivable	3,645
Total All Funds	\$ 344,023

Note 6. Difference Between Budgeted and Actual Results

The City adopts budgets on a basis consistent with U.S. Generally Accepted Accounting Principles (GAAP) except that the City did not adopt a budget for the following funds:

- Special Revenue Funds - Community Park Impact Fees
 Tourist Development Council Grants from Lee Co.

- Capital Project Funds - Environmentally Sensitive Land Restoration
 Gulf Beach Erosion
 Gulf Pines/Gulf Shores/West Gulf Drive Beach Restoration
 Beach Road Paving Special Assessment

- Expendable Trust Funds - Flexible Spending Trust
 Father Madden Trust
 Harriet Spoth Historical Trust

CITY OF SANIBEL, FLORIDA
 NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
 September 30, 2001

Note 6. Difference Between Budgeted and Actual Results, Continued

The following adjustments were necessary to present these funds actual data on a budgetary basis:

	Special Revenue Funds	Capital Project Funds	Expend- able Trust Funds
Excess of revenues and other financing sources over (under) expenditures and other financing uses	\$ (101,382)	\$ 461,899	\$ 14,295
Entity differences:			
Funds not budgeted			
Revenues	(2,408)	(16,349)	(17,003)
Expenditures	<u> —</u>	<u> —</u>	<u>2,708</u>
	<u>(2,408)</u>	<u>(16,349)</u>	<u>(14,295)</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ (103,790)</u>	<u>\$ 445,550</u>	<u>\$ —</u>

Note 7. Restricted Assets

Certain assets, scheduled as follows, are restricted for specific uses:

Cash and Cash Equivalents	\$ 3,886,306
Investments	369,686
Assessments Receivable	<u>6,129,338</u>
Total restricted assets	<u>\$ 10,385,330</u>

These assets of the Sanibel Sewer System Enterprise Fund are restricted for specific uses by authorizing resolutions and bond agreements as follows:

Debt service	\$ 9,704,327
Renewal and replacement	103,572
Bond Reserve Account	466,963
Excess Impact Fees	30,468
Rate Stabilization	80,000
Total restricted assets	<u>\$ 10,385,330</u>

CITY OF SANIBEL, FLORIDA
NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
September 30, 2001

Note 8. Notes Receivable

Notes receivable consisted of the following at September 30, 2001:

Enterprise Funds

Below Market Rate Housing Fund

Mortgage notes receivable from Community Housing and Resources, Inc., collateralized by land, principal and interest at 8% through 09/30/96 and at 6% thereafter due at the time of land sale or in 30 years (2019 -2021), whichever comes first. \$ 426,729

\$1,800,000 note receivable from Community Housing and Resources, Inc., collateralized by net rental income with interest at 5.2635%, due June, 2009. 2,061,300

Total notes receivable \$ 2,488,029

Note 9. Interfund Assets/Liabilities

At September 30, 2001, due from/to other funds consisted of the following:

	Due From	Due To
<u>General Fund</u>	\$146,799	\$ --
<u>Capital Project Fund</u> Beach Road Paving	--	2,660
<u>Trust and Agency Fund</u> Fire Impact Fees	--	290
<u>Enterprise Fund</u> Sanibel Sewer System	--	143,849
	<u>\$146,799</u>	<u>\$146,799</u>

At September 30, 2001, advances to/from other funds consisted of:

	Advances To	Advances From
General Fund	\$17,333	\$ --
Enterprise Fund - Sanibel Sewer	--	17,333
	<u>\$17,333</u>	<u>\$17,333</u>

CITY OF SANIBEL, FLORIDA
NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
September 30, 2001

Note 10. Property, Plant and Equipment

The following is a summary of changes in the general fixed assets account group during the year ended September 30, 2001:

	Balance October 1, 2000	Additions	Deletions	Balance September 30, 2001
Land	\$ 14,034,368	\$ 631,915	\$ ---	\$ 14,666,283
Building	3,468,064	75,209	---	3,543,273
Improvements other than buildings	10,839,834	35,276	---	10,875,110
Machinery and equipment	3,298,574	302,416	(2,068)	3,598,922
Total general fixed assets	\$ 31,640,840	\$ 1,044,816	\$ (2,068)	\$ 32,683,588

A summary of fixed assets in the enterprise funds at September 30, 2001 follows:

	Sanibel Sewer System	Beach Parking	Total
Land	\$ 964,389	\$ 372,642	\$ 1,337,031
Buildings	267,848	123,024	390,872
Improvements other than buildings	18,966,294	486,775	19,453,069
Machinery and equipment	1,488,180	282,582	1,770,762
Construction in progress	11,011,230	---	11,011,230
Total Enterprise	32,697,941	1,265,023	33,962,964
Less: accumulated depreciation	<u>(3,183,015)</u>	<u>(337,716)</u>	<u>(3,520,731)</u>
Total	\$ 29,514,926	\$ 927,307	\$ 30,442,233

Note 11. Long-Term Debt

Long-term debt at September 30, 2001 consisted of the following:

General Long-Term Debt Account Group

Revenue Bonds Payable

\$3,190,000 - Revenue bonds, Series 1979, collateralized by land, franchise fees and occupational licenses, annual payments of \$187,477 including interest payable at 5%, final payment due December 17, 2020. \$ 2,261,715

CITY OF SANIBEL, FLORIDA
NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
September 30, 2001

Note 11. Long-Term Debt, Continued

Notes Payable

\$1,250,000 Promissory Note dated September, 1997, collateralized by any legally available non-ad valorem revenue, annual payments of \$120,260 including interest payable at 4.9794%, due September, 2011.	1,000,065
\$52,095 3rd Series Note B dated December 19, 1997, collateralized by any legally available non-ad valorem revenue, monthly payments of \$979 including interest payable at 4.83%; due December, 2002.	<u>14,214</u>
	<u>1,014,279</u>
Noncurrent portion of accrued compensated absences. Employees of the City are entitled to paid sick and annual leave, based on length of service and job classifications.	<u>447,680</u>
Total General Long-Term Debt	<u>\$ 3,723,674</u>

Enterprise Funds

Revenue Bonds Payable

\$7,185,000 Sanibel Sewer Utility Revenue Refunding and Improvement Bonds, Series 1993, collateralized by the net revenues of the sewer system. \$2,020,000 are serial bonds with interest from 3.10% to 5.30% payable semi-annually, principal payable from 1995 through 2007. \$5,165,000 are term bonds with interest payable semi-annually at 5.25% - 5.375%, specific principal balances due in 2013, 2020 and 2021. These bonds are subject to redemption prior to maturity on or after 2002 at stated redemption prices.	<u>\$ 5,635,000</u>
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Notes Payable

\$1,348,997 note payable to a financial institution, collateralized by the Sanibel Causeway Surplus revenues, accrued interest payable at 4.335%; due June, 2009.	1,104,460
\$650,000 note payable to a financial institution, collateralized by any legally available non-ad valorem revenue, monthly payments of \$5,006 including interest payable at 4.6%; due July, 2014.	581,595
Disbursements, service fees and capitalized interest on the \$13,637,767 State of Florida revolving loan #080, collateralized by special assessments, ad valorem taxes and the net revenues of the sewer system, accrued interest payable at 1.76%; due August, 2022.	2,632,813

CITY OF SANIBEL, FLORIDA
NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
September 30, 2001

Note 11. Long-Term Debt, Continued

Enterprise Funds, Continued

Notes Payable (Continued)

Disbursements, service fees and capitalized interest for a \$5,886,759 State of Florida revolving loan #504P, collateralized by special assessments, ad valorem taxes and the net revenues of the sewer system, accrued interest payable at 1.59%; due February, 2020.	5,562,350
Disbursements, service fees and capitalized interest for a \$7,980,398 State of Florida revolving loan #060, collateralized by voted debt service ad valorem taxes, special assessments and net revenues of the sewer system, accrued interest payable at 1.56%; due October, 2021.	7,980,398
Disbursements and service fees for a \$1,651,824 State of Florida revolving loan #090, collateralized by voted debt service ad valorem taxes, special assessments and net revenues of the sewer system, accrued interest payable at 1.76%, due December, 2022.	1,651,824
\$8,930 3 rd Series Note B dated December 19, 1997, collateralized by any legally available non-ad valorem revenue, monthly payments of \$168 including interest payable at 4.83%; due December, 2002.	2,434
	19,515,874

Accrued Compensated Absences

Noncurrent portion of accrued compensated absences. Employees of the City are entitled to paid sick and annual leave, based on length of service and job classifications.	53,083
Total Enterprise Funds	\$ 25,203,957

The following is a summary of the changes in bonded and other indebtedness of the City:

General Long-Term Debt

	Revenue Bonds		Notes Payable	Accrued	Total
	1979	1996		Compensated Absences	
Debt payable at October 1, 2000	\$ 2,331,938	\$ 374,542	\$ 1,174,875	\$ 397,425	\$ 4,278,780
Increase in accrued Compensated absences	—	—	—	50,255	50,255
Debt retired	(70,223)	(374,542)	(160,596)	—	(605,361)
Debt payable at September 30, 2001	\$ 2,261,715	\$ —	\$ 1,014,279	\$ 447,880	\$ 3,723,674

CITY OF SANIBEL, FLORIDA
NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
September 30, 2001

Note 11. Long-Term Debt, Continued

	Enterprise Funds			
	Revenue	Notes	Accrued	Total
	Bonds Payable	Payable	Compen- sated Absences	
Debt payable at October 1, 2000:	\$ 5,795,000	\$ 14,224,335	\$ 33,725	\$ 20,053,060
Debt issued:	—	5,659,551	—	5,659,551
Change in accrual for compensated absences:	—	—	19,358	19,358
Debt Retired:	(160,000)	(368,012)	—	(528,012)
Debt payable at Sept. 30, 2001:	<u>\$ 5,635,000</u>	<u>\$ 19,515,874</u>	<u>\$ 53,083</u>	<u>\$ 25,203,957</u>

The annual requirements to amortize all debt outstanding as of September 30, 2001, are as follows:

General Long-Term Debt			
Year Ending September 30	Revenue Bonds	Notes Payable	Total
2002	\$ 187,477	\$ 131,618	\$ 319,095
2003	187,477	123,201	310,678
2004	187,477	120,260	307,737
2005	187,477	120,260	307,737
2006	187,477	120,260	307,737
Thereafter:	2,626,093	721,539	3,347,632
	<u>3,563,478</u>	<u>1,337,138</u>	<u>4,900,616</u>
Less amounts representing interest	(1,301,763)	(322,859)	(1,624,622)
	<u>\$ 2,261,715</u>	<u>\$ 1,014,279</u>	<u>3,275,994</u>
Amount to be provided for compensated absences			447,680
Total			<u>\$ 3,723,674</u>

Enterprise Funds			
Year Ending September 30	Revenue Bonds	Notes Payable	Total
2002	\$ 466,864	\$ 898,549	\$ 1,365,413
2003	463,874	2,186,112	2,649,986
2004	465,478	2,185,613	2,651,091
2005	466,224	2,185,612	2,651,836
2006	466,474	2,185,612	2,652,086
Thereafter:	6,961,214	15,208,056	22,169,270
	<u>9,290,128</u>	<u>24,849,554</u>	<u>34,139,682</u>
Less amounts representing interest	(3,655,128)	(5,333,680)	(8,988,808)
	<u>\$ 5,635,000</u>	<u>\$ 19,515,874</u>	<u>25,150,874</u>
Amount to be provided for compensated absences			53,083
Total			<u>\$ 25,203,957</u>

CITY OF SANIBEL, FLORIDA
NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
September 30, 2001

Note 11. Long-Term Debt, Continued

Bond Resolutions

Resolutions for various debt obligations established certain funds and accounts and determined the order in which certain revenues are to be deposited into the funds and accounts. The City has also covenanted to budget and appropriate sufficient revenue sources to pay the various debt obligations when due. All required balances at year-end were maintained in accordance with the various resolutions which are summarized below:

The 1979 revenue bond indenture requires the establishment of a Revenue Fund into which franchise taxes and occupational license tax revenue are to be deposited. In addition, a Debt Service Fund was required into which a portion of the principal and interest was deposited.

The 1993 revenue bond indenture requires the establishment of certain funds and accounts including a Construction Fund, Revenue Fund, Bond Amortization Account, Reserve Fund, Renewal and Replacement Fund and a Rate Stabilization Fund. The net revenues of the Sewer System operations are the sole revenue source pledged to the repayment of this debt.

Note 12. Changes in Fund Equity - Enterprise Funds

The following summarizes the changes in fund equity of the City's Enterprise Funds:

	<u>Contributed Capital</u>	<u>Reserved Retained Earnings</u>	<u>Unreserved Retained Earnings</u>
Balances, October 1, 2000	\$ 7,343,710	\$ 1,466,302	\$ 2,027,190
Additions (deductions):			
Net income	---	---	6,356,524
Reserved for debt service	---	5,283,994	(5,283,994)
Reserved for renewal & replacement		3,708	(3,708)
Depreciation on assets acquired with contributed capital	(215,985)	---	215,985
Balances, September 30, 2001	<u>\$ 7,127,725</u>	<u>\$ 6,754,004</u>	<u>\$ 3,311,997</u>

Note 13. Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City participates in a public entity risk pool administered by Florida League of Cities, Inc. with insurance programs for general/professional liability, automobile, property and workers compensation. The City pays an annual premium to Florida League of Cities, Inc. for these insurance programs. Participation in this risk pool is non-assessable. There were no significant reductions in insurance coverages as compared to the prior year. Settled claims have not exceeded insurance coverage in any of the past three fiscal years.

CITY OF SANIBEL, FLORIDA
NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
September 30, 2001

Note 13. Risk Management, Continued

The City retains the risk of loss up to a deductible amount (normally \$25,000) with the risk of loss in excess of this amount transferred to the pool with limits of liability of \$5,000,000 per occurrence for general and professional liability and \$5,000,000 for automobile liability.

The Florida League of Cities, Inc. published financial report for the year ended September 30, 2001, can be obtained from Florida League of Cities, Inc., Public Risk Service, 135 East Colonial Drive, Orlando, Florida 32853-0065.

Note 14. Pension Plans

The City has two (2) defined benefit single-employer pension plans:

- General Employees Pension Plan
- Municipal Police Officers' Pension Plan

The plans do not issue stand-alone financial reports and are not included in any other retirement system's or entity's financial report. The City accounts for both plans as pension trust funds; therefore, they are accounted for in substantially the same manner as proprietary funds with a capital maintenance measurement focus and employment of the accrual basis of accounting. Plan member contributions, employer contributions and contributions from other entities are recognized in the period in which the contributions are due. Benefits and refunds are recognized when due and payable in accordance with the terms of the plans. For financial statement purposes, plan assets are valued at market value for both the General Employees and Municipal Police Officers' plans, as reported within the annual trustee statements.

General Employees' Pension Plan

Current membership is comprised of the following:

Active employees	79
Retirees and beneficiaries of deceased retirees currently receiving benefits:	20
Terminated employees entitled to benefits but not yet receiving them	25
Total	<u>124</u>

Plan Description

All full-time employees who are non-sworn police officers, and who have attained age 18 but not attained age 65, are required to participate in the City's General Employees' Pension Plan. The Plan provides retirement and pre-retirement death benefits to plan members and beneficiaries. There is a 5 year cliff vesting in the Plan. The Normal Retirement Benefit of the Plan is 3% of Average Compensation multiplied by the number of years of service (maximum 30 years). Average

CITY OF SANIBEL, FLORIDA
NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
September 30, 2001

Note 14. Pension Plans, Continued

Compensation is calculated over all years of service. Cost-of-living adjustments are not provided for by this plan. This plan and any amendments were adopted by Resolution of the City Council of the City of Sanibel. The plan is governed by the City, which is responsible for the management of plan assets. All costs of administering the plan are paid from plan assets.

Funding Policy

Active members are not required to contribute to this Plan. The City contributes the actuarially determined amount designated to accumulate sufficient assets to pay benefits when due.

Annual Pension Cost and Net Pension Obligation

The City has no net pension obligation (calculated in accordance with GASB No. 27, *Accounting for Pensions by State and Local Governmental Employers*) as all actuarially determined amounts are contributed each year. The annual required contribution for the current year was determined as part of the October 1, 2000 actuarial valuation using the Aggregate Actuarial Cost method. The actuarial assumptions included (a) 7.5% investment rate of return, and (b) projected salary increases from Table S-5 from the Actuary's Pension Handbook plus an inflationary factor of 3.0%. The Aggregate Actuarial Cost method determines the total cost of the projected pension benefits of all employees combined. This total cost is then spread over the average future remaining years to retirement for the employees. If benefits are related to compensation, the cost is spread as a level percentage of compensation. If benefits are not related to compensation, the cost is spread as a level dollar amount each year. The Aggregate Actuarial Cost Method does not identify or separately amortize unfunded actuarial liabilities. The portion of cost which is attributed to each year is called the Normal Cost. The City's annual pension cost (APC) for the fiscal year ended September 30, 2001 was \$402,299.

<u>Fiscal Year Ending</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
September 30, 2001	\$ 402,299	107%	(139,733)
September 30, 2000	\$ 515,521	118%	(93,631)
September 30, 1999	\$ 532,508	100%	725

The components of the Net Pension Obligation (NPO) are as follows:

	<u>9/30/99</u>	<u>9/30/00</u>	<u>9/30/01</u>
Actuarially determined contribution (A)	\$ 532,508	\$ 515,521	\$ 402,299
Interest on NPO	50	58	(7,490)
Adjustment to (A)	56	66	(8,519)
Annual Pension Cost	532,614	515,645	386,290
Contributions made	532,508	610,001	432,392
Increase in NPO	106	(94,356)	(46,102)
NPO beginning of year	619	725	(93,631)
NPO end of year	\$ 725	\$ (93,631)	\$ (139,733)

CITY OF SANIBEL, FLORIDA
NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
September 30, 2001

Note 14. Pension Plans, Continued

Concentration of Investments

At September 30, 2001, the following are investments (other than U.S. Government and U.S. Government guaranteed obligations), in any one organization, that represents five percent or more of net assets available for benefits:

Florida Municipal Investment Trust	\$5,657,512
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Municipal Police Officers' Pension Plan

Current membership is comprised of the following:

Active employees	19
Retirees and beneficiaries of deceased retirees currently receiving benefits:	12
Terminated employees entitled to benefits but not yet receiving them	<u>2</u>
Total	<u>33</u>

Plan Description

All full-time sworn police officers who have attained age 18 are required to participate in the City's Municipal Police Officers' Pension Plan. The Plan provides retirement, disability and pre-retirement benefits to plan members and beneficiaries. There is a 5 year cliff vesting in the Plan. The Normal Retirement Benefit of the Plan is 3% of Average Compensation multiplied by the number of years of service (maximum 30 years). Average compensation is calculated by taking the highest 5 years of service. Cost of living adjustments are not provided for by this plan. This plan and any amendments were adopted by Resolution of the City Council of the City of Sanibel. This plan is self-trusted and is administered by the Municipal Police Officers' Pension Board comprised of members elected pursuant to Section 185, Florida Statutes for local law plans. All costs of administering the plan are paid from plan assets.

Funding Policy

Active members are required to contribute 5% of their compensation to the Plan until reaching Normal Retirement Age and then 1% thereafter. The State of Florida makes contributions from taxes on casualty insurance premiums. The City contributes the remaining actuarially determined amount designated to accumulate sufficient assets to pay benefits when due.

CITY OF SANIBEL, FLORIDA
 NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
 September 30, 2001

Note 14. Pension Plans, Continued

Annual Pension Cost and Net Pension Obligation

The City has no net pension obligation (calculated in accordance with GASB No. 27, *Accounting for Pensions by State and Local Governmental Employers*) as all actuarially determined amounts are contributed each year. The annual required contribution for the current year was determined as part of the October 1, 2000 actuarial valuation using the frozen entry age actuarial cost method.

The actuarial assumptions included (a) 8% investment rate of return, and (b) projected salary increases of 7%, which includes an inflation component of 3.0%. The actuarial value of assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments. The unfunded actuarial accrued liability (UAAL) is being amortized as a level percentage of payroll over a four-year period on a closed basis. The remaining period as of September 30, 2000 was 30 years. The following schedule is provided to disclose the components of the Annual Pension Cost:

Unfunded Actuarial Accrued Liability as of October 1, 2000	\$ 117,234
City and State Normal Cost applicable for fiscal year 2001	195,588
Interest on UAAL and Normal Cost	25,026
Sponsor Contributions to the Plan during the year	(220,535)
Interest on sponsor contributions	(8,112)
Unfunded Accrued Liability as of October 1, 2001	\$ 109,201

The City's annual pension cost for the fiscal year ended September 30, 2001 was \$185,087.

Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
September 30, 2001	\$ 185,087	100%	--0--
September 30, 2000	192,715	100%	--0--
September 30, 1999	188,151	100%	--0--

Concentration of Investments

At September 30, 2001, the following are investments at market value (other than U.S. Government and U.S. Government guaranteed obligations), in any one organization, that represent five percent or more of net assets available for benefits:

SunTrust Mutual Fund (Equities)	18.6%	\$ 791,163
SunTrust Fixed Income	45.3%	\$1,926,562
SunTrust Equities	36.1%	\$1,535,513

CITY OF SANIBEL, FLORIDA
NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
September 30, 2001

Note 15. Miscellaneous Revenues

Miscellaneous revenues in Governmental and Expendable Trust Fund Types are composed primarily of impact fees, special assessments, fines, contributions, rents, proceeds from the sale of equipment, interest earnings and other miscellaneous revenues. Miscellaneous revenues in the Governmental and Expendable Trust Fund types at September 30, 2001 are as follows:

	General	Special Revenue	Debt Service	Capital Projects	Expendable Trust Funds	Total
Impact Fees	\$ -	\$ 170,000	\$ -	\$ -	\$ -	\$ 170,000
Contributions & Donations	3,260	52,381	-	14,000	-	69,641
Rents & Royalties	21,314	-	-	-	-	21,314
Interest	398,294	27,133	30,017	45,833	17,003	518,280
Other	12,316	-	-	-	-	12,316
Total Misc. Revenue	\$ 435,184	\$ 249,514	\$ 30,017	\$ 59,833	\$ 17,003	\$ 791,551

Note 16. Excess of Expenditure Expenses Over Appropriations

For the year ended September 30, 2001 there were no excess expenditures over appropriations in any individual fund except for the following:

Special Revenue Funds	
Historical Committee Fund	\$ 18,406
Enterprise Funds	
Below Market Rate Housing Fund	421
	<u>\$ 18,827</u>

The excess expenditures over appropriations resulted from unanticipated expenditures for these funds in 2001. Sufficient revenues and fund equity were available in 2001 to fund the excess expenditures.

Note 17. Commitments and Contingencies

At September 30, 2001, the City had in process various construction contracts in the governmental funds totaling \$563,654. Expenditures on these contracts as of September 30, 2001 totaled \$152,079, including retainage payable of \$16,209. Also construction contracts in the enterprise funds totaled \$23,401,809 with expenditures of \$9,896,082 as of September 30, 2001 including retainage payable of \$407,227.

Amounts received or receivable from grantor agencies are subject to compliance audit by grantor agencies, principally federal and state governments. Any disallowed expenses, including amounts already collected, might constitute a liability of the applicable funds. The City does not believe any contingent liabilities are material. The City is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the City's legal counsel the resolution of these matters will not have a material adverse effect on the financial condition of the City.

CITY OF SANIBEL, FLORIDA
NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
September 30, 2001

Note 18. Subsequent Event

Pursuant to the approval of a Bond Referendum held on November 6, 2001, the City issued a \$5.6 million Ad Valorem Bond Anticipation Note, Series 2001, on December 28, 2001 for the purchase of 8.61 acres of commercially zoned land located within the City limits. The City intends to repay the Bond Anticipation Note with permanent fixed rate financing by December 28, 2002.

Note 19. Segment Information for Enterprise Funds

The City maintains three (3) Enterprise Funds, one of which provides sanitary sewer service, one for a below market rate housing program and one for beach parking. Segment information for the year ended September 30, 2001, is as follows:

	Sanibel Sewer System	Below Market Rate Housing	Beach Parking	Total Enterprise Funds
Operating Revenues	\$ 2,301,912	\$ 6,503	\$ 558,717	\$ 2,867,132
Depreciation and Amortization	\$ 770,715	\$ —	\$ 75,933	\$ 846,648
Operating income (loss)	\$ 91,290	\$ (194,453)	\$ (9,456)	\$ (112,619)
Non-operating revenues (expenses)				
Ad Valorem Taxes	\$ 851,556	\$ —	\$ —	\$ 851,556
Interest income	309,013	120,963	13,449	443,425
Special assessment interest	57,233	—	—	57,233
Intergovernmental	500,000	—	46,000	546,000
Interest expense & other debt service	(496,994)	(78,179)	(166)	(575,339)
Total Non-operating revenues (expenses)	\$ 1,220,808	\$ 42,782	\$ 59,283	\$ 1,210,256
Contributions	4,801,696	—	—	4,801,696
Operating transfers in	—	344,572	—	344,572
Net income	\$ 6,113,794	\$ 192,903	\$ 49,827	\$ 6,356,524
Additions to property, plant & equipment	\$ 6,153,606	\$ —	\$ 21,460	\$ 6,175,066
Current assets	\$ 1,431,982	\$ 17,474	\$ 538,116	\$ 1,987,572
Current liabilities payable from current assets	3,268,255	295	26,898	3,295,448
Working capital (deficiency)	\$ (1,836,273)	\$ 17,179	\$ 511,218	\$ (1,307,876)
Restricted assets	\$ 10,385,330	\$ —	\$ —	\$ 10,385,330
Property, plant & equipment, net	\$ 29,514,926	\$ —	\$ 927,307	\$ 30,442,233
Total assets	\$ 41,618,520	\$ 2,505,503	\$ 1,465,423	\$ 45,589,446
Bonds & other long-term liabilities	\$ 23,414,218	\$ 1,686,054	\$ —	\$ 25,100,272
Total fund equity	\$ 14,936,047	\$ 819,154	\$ 1,438,525	\$ 17,193,726

REQUIRED SUPPLEMENTARY INFORMATION

**CITY OF SANIBEL, FLORIDA
GENERAL EMPLOYEES PENSION PLAN**

SCHEDULE OF FUNDING PROGRESS

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a % of covered Payroll ((b-a)/c)
10/01/01	\$ 5,737,504	\$ 5,737,504	-	100.00%	\$ 3,033,837	0.00%
10/01/00	4,938,323	4,938,323	-	100.00%	2,701,065	0.00%
10/01/99	4,271,871	4,271,871	-	100.00%	2,847,122	0.00%
10/01/98	3,695,793	3,695,793	-	100.00%	2,952,226	0.00%
10/01/97	3,072,531	3,072,531	-	100.00%	2,703,503	0.00%
10/01/96	2,576,304	2,576,304	-	100.00%	2,416,163	0.00%

**SCHEDULE OF CONTRIBUTIONS FROM THE EMPLOYER AND OTHER
CONTRIBUTING ENTITIES**

Year Ended September 30	Annual Required Contribution	City Contribution	Percentage Contributed
2001	\$ 402,299	\$ 432,392	107.48%
2000	515,521	610,001	118.33%
1999	532,508	532,508	100.00%
1998	394,870	394,870	100.00%
1997	340,034	340,034	100.00%
1996	312,933	254,006	81.17%