

Agency Funds

Library Aid Agency	Radon	Regional Park - Impact Fees	EMS Impact Fees	Fire Control District Fees	Fire Impact Fees	Lee Co Septic Abandonment	Totals	
							2001	2000
\$ -	\$ 677	\$ 4,947	\$ 549	\$ 3,013	\$ 9,681	\$ 1,400	\$ 166,062	\$ 63,926
-	-	-	-	-	-	-	10,111,963	9,480,849
-	-	-	-	-	-	-	3,645	37,875
<u>\$ -</u>	<u>\$ 677</u>	<u>\$ 4,947</u>	<u>\$ 549</u>	<u>\$ 3,013</u>	<u>\$ 9,681</u>	<u>\$ 1,400</u>	<u>\$ 10,281,670</u>	<u>\$ 9,582,650</u>
\$ -	\$ 677	\$ 4,947	\$ 549	\$ 3,013	\$ 9,391	\$ 1,400	\$ 19,977	\$ 34,474
-	-	-	-	-	290	-	290	1,033
-	-	-	-	-	-	-	5,062	2,849
-	677	4,947	549	3,013	9,681	1,400	25,329	38,356
-	-	-	-	-	-	-	10,012,038	9,314,286
-	-	-	-	-	-	-	244,303	230,008
-	-	-	-	-	-	-	10,256,341	9,544,294
<u>\$ -</u>	<u>\$ 677</u>	<u>\$ 4,947</u>	<u>\$ 549</u>	<u>\$ 3,013</u>	<u>\$ 9,681</u>	<u>\$ 1,400</u>	<u>\$ 10,281,670</u>	<u>\$ 9,582,650</u>

CITY OF SANIBEL, FLORIDA
 COMBINING STATEMENT OF PLAN NET ASSETS -
 PENSION TRUST FUNDS
 September 30, 2001
 With Comparative Totals for September 30, 2000

	General Employees	Municipal Police Officers	Totals	
			2001	2000
Assets				
Cash and cash equivalents	\$ 79,992	\$ 17,651	\$ 97,643	\$ 6,083
Receivables				
Employer	-	-	-	36,011
Member	-	3,645	3,645	1,864
Total receivables	-	3,645	3,645	37,875
Investments				
Insurance contracts at contract value	-	-	-	4,827,603
Mutual Funds				
Equity	-	791,163	791,163	-
Pooled/Common/Commingled funds:				
Fixed Income	5,657,512	1,926,562	7,584,074	1,591,595
Equity	-	1,535,513	1,535,513	2,851,130
Total investments	5,657,512	4,253,238	9,910,750	9,270,328
Total assets	5,737,504	4,274,534	10,012,038	9,314,286
Liabilities				
Net assets held in trust for pension benefits	\$ 5,737,504	\$ 4,274,534	\$ 10,012,038	\$ 9,314,286

CITY OF SANIBEL, FLORIDA
 COMBINING STATEMENT OF CHANGES IN PLAN NET ASSETS -
 PENSION TRUST FUNDS
 Year Ended September 30, 2001
 With Comparative Totals for the Year Ended September 30, 2000

	General Employees	Municipal Police Officers	Totals	
			2001	2000
Additions				
Contributions				
Employer	\$ 432,393	\$ 185,087	\$ 617,480	\$ 802,716
Plan member	-	44,471	44,471	48,771
Buy-back	-	-	-	1,540
State contributions	-	35,448	35,448	36,011
Total contributions	<u>432,393</u>	<u>265,006</u>	<u>697,399</u>	<u>889,038</u>
Investment income				
Contract investment income	-	-	-	298,804
Net realized gain	743,938	272,427	1,016,365	-
Net change in actuarial value	-	(30,156)	(30,156)	-
Net change in fair value of investments	-	(471,321)	(471,321)	292,114
Interest and dividends	-	17,934	17,934	1,510
	743,938	(211,116)	532,822	592,428
Less investment expense	(6,200)	(41,373)	(47,573)	(34,121)
Net investment income	<u>737,738</u>	<u>(252,489)</u>	<u>485,249</u>	<u>558,307</u>
Total additions	<u>1,170,131</u>	<u>12,517</u>	<u>1,182,648</u>	<u>1,447,345</u>
Deductions				
Benefits	248,308	209,895	458,203	438,499
Administrative expenses	11,922	14,771	26,693	18,997
Total deductions	<u>260,230</u>	<u>224,666</u>	<u>484,896</u>	<u>457,496</u>
Net increase (decrease)	<u>909,901</u>	<u>(212,149)</u>	<u>697,752</u>	<u>989,849</u>
Net assets held in trust for pension benefits				
October 1	<u>4,827,603</u>	<u>4,486,683</u>	<u>9,314,286</u>	<u>8,324,437</u>
September 30	<u>\$ 5,737,504</u>	<u>\$ 4,274,534</u>	<u>\$ 10,012,038</u>	<u>\$ 9,314,286</u>

CITY OF SANIBEL, FLORIDA
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES-
 EXPENDABLE TRUST FUNDS
 Year Ended September 30, 2001
 With Comparative Totals for the Year Ended September 30, 2000

	Father Madden Trust	Harriet Spoth Historical Trust	Totals	
			2001	2000
Revenues				
Miscellaneous	\$ 2,731	\$ 14,272	\$ 17,003	\$ 9,158
Expenditures				
Current				
General government	-	50	50	-
Human services	2,658	-	2,658	1,393
Total expenditures	2,658	50	2,708	1,393
Excess of revenue over expenditures	73	14,222	14,295	7,765
Fund Balances, October 1	28,384	201,624	230,008	934,315
Residual equity transfer out	-	-	-	(712,072)
Fund Balances, September 30	<u>\$ 28,457</u>	<u>\$ 215,846</u>	<u>\$ 244,303</u>	<u>\$ 230,008</u>

CITY OF SANIBEL
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES -
 ALL AGENCY FUNDS
 Year Ended September 30, 2001

	October 1, 2000	Additions	Deletions	September 30, 2001
LIBRARY AID AGENCY				
ASSETS				
Cash and cash equivalents	\$ -	\$ 1,583,148	\$ 1,583,148	\$ -
LIABILITIES				
Intergovernmental payable	\$ -	\$ 1,583,148	\$ 1,583,148	\$ -
RADON				
ASSETS				
Cash and cash equivalents	\$ 992	\$ 3,192	\$ 3,507	\$ 677
LIABILITIES				
Intergovernmental payable	\$ 942	\$ 3,192	\$ 3,457	\$ 677
Due to other funds	50	-	50	-
TOTAL LIABILITIES	\$ 992	\$ 3,192	\$ 3,507	\$ 677
REGIONAL PARK IMPACT FEE				
ASSETS				
Cash and cash equivalents	\$ 8,349	\$ 25,393	\$ 28,795	\$ 4,947
LIABILITIES				
Intergovernmental payable	\$ 8,099	\$ 25,393	\$ 28,545	\$ 4,947
Due to other funds	250	-	250	-
TOTAL LIABILITIES	\$ 8,349	\$ 25,393	\$ 28,795	\$ 4,947
EMS IMPACT FEE				
ASSETS				
Cash and cash equivalents	\$ 330	\$ 2,321	\$ 2,102	\$ 549
LIABILITIES				
Intergovernmental payable	\$ 320	\$ 2,321	\$ 2,092	\$ 549
Due to other funds	10	-	10	-
TOTAL LIABILITIES	\$ 330	\$ 2,321	\$ 2,102	\$ 549
FIRE CONTROL DISTRICT FEES				
ASSETS				
Cash and cash equivalents	\$ 6,815	\$ 17,800	\$ 21,602	\$ 3,013
LIABILITIES				
Intergovernmental payable	\$ 6,607	\$ 17,800	\$ 21,394	\$ 3,013
Due to other funds	208	-	208	-
TOTAL LIABILITIES	\$ 6,815	\$ 17,800	\$ 21,602	\$ 3,013
FIRE IMPACT FEE				
ASSETS				
Cash and cash equivalents	\$ 17,181	\$ 49,823	\$ 57,323	\$ 9,681
LIABILITIES				
Intergovernmental payable	\$ 16,666	\$ 49,533	\$ 56,808	\$ 9,391
Due to other funds	515	290	515	290
TOTAL LIABILITIES	\$ 17,181	\$ 49,823	\$ 57,323	\$ 9,681
LEE CO. SEPTIC ABANDONMENT				
ASSETS				
Cash and cash equivalents	\$ 1,840	\$ 6,760	\$ 7,200	\$ 1,400
LIABILITIES				
Intergovernmental payable	\$ 1,840	\$ 6,760	\$ 7,200	\$ 1,400
TOTAL ALL AGENCY FUNDS				
ASSETS				
Cash and cash equivalents	\$ 35,507	\$ 1,688,437	\$ 1,703,677	\$ 20,267
LIABILITIES				
Intergovernmental payable	34,474	1,688,147	1,702,644	19,977
Due to other funds	1,033	290	1,033	290
TOTAL LIABILITIES	\$ 35,507	\$ 1,688,437	\$ 1,703,677	\$ 20,267



- This page intentionally left blank -

Account Groups

The General Fixed Assets Account Group is a self-balancing group of accounts used to account for the fixed assets of the City.

The General Long-term Debt Account Group is a self-balancing group of accounts used to account for bonded debt and other forms of long-term debt supported by general revenue sources.

CITY OF SANIBEL, FLORIDA
 SCHEDULE OF GENERAL FIXED ASSETS BY SOURCE
 September 30, 2001
 With Comparative Totals for September 30, 2000

	2001	2000
Land	\$ 14,666,283	\$ 14,034,368
Buildings	3,543,273	3,468,064
Improvements other than buildings	10,875,110	10,839,834
Machinery and equipment	3,598,922	3,298,574
	\$ 32,683,588	\$ 31,640,840
 Investments in general fixed assets from:		
General Fund	\$ 11,407,519	\$ 18,177,066
Special Revenue Funds	2,385,927	2,305,552
Capital Project Funds	18,255,363	10,523,443
Trust Funds	213,008	213,008
Donations	421,771	421,771
	\$ 32,683,588	\$ 31,640,840

CITY OF SANIBEL, FLORIDA
SCHEDULE OF CHANGES IN GENERAL FIXED ASSETS - BY FUNCTION AND ACTIVITY
Year Ended September 30, 2001

Function and Activity	October 1, 2000	Additions	Deletions	September 30, 2001
General Government				
Legislative	\$ 125,880	\$ -	\$ -	\$ 125,880
Executive	1,888,521	-	-	1,888,521
Management Information	437,681	26,958	-	464,639
Financial	74,190	-	-	74,190
Legal	28,074	4,786	-	32,860
Planning	61,458	-	-	61,458
	<u>2,615,804</u>	<u>31,744</u>	<u>-</u>	<u>2,647,548</u>
Public Safety				
Law Enforcement	1,114,037	117,037	-	1,231,074
Vehicle Weigh Station	75,760	-	-	75,760
Protective Inspections	22,367	-	-	22,367
Emergency and Disaster Relief Services	28,254	-	-	28,254
	<u>1,240,418</u>	<u>117,037</u>	<u>-</u>	<u>1,357,455</u>
Physical Environment				
Solid Waste	7,069	2,086	-	9,155
Conservation and Resource Management	11,311,819	631,915	-	11,943,734
	<u>11,318,888</u>	<u>634,001</u>	<u>-</u>	<u>11,952,889</u>
Economic Environment				
Below Market Rate Housing Program	104,225	-	-	104,225
Scenic Lands	218,607	-	-	218,607
	<u>322,832</u>	<u>-</u>	<u>-</u>	<u>322,832</u>
Transportation				
Road and Street Facilities	10,815,253	144,226	(2,068)	10,957,411
Other	56,646	-	-	56,646
	<u>10,871,899</u>	<u>144,226</u>	<u>(2,068)</u>	<u>11,014,057</u>
Culture/Recreation	5,270,999	117,808	-	5,388,807
Total General Fixed Assets allocated to functions	<u>\$ 31,640,840</u>	<u>\$ 1,044,816</u>	<u>\$ (2,068)</u>	<u>\$ 32,683,588</u>

CITY OF SANIBEL, FLORIDA
SCHEDULE OF GENERAL FIXED ASSETS - BY FUNCTION AND ACTIVITY
September 30, 2001

Function and Activity	Land	Buildings	Improvements Other Than Buildings	Machinery and Equipment	Total
General Government					
Legislative	\$ 86,839	\$ 9,878	\$ -	\$ 29,163	\$ 125,880
Executive	196,522	1,619,172	3,467	69,360	1,888,521
Management Information	-	7,010	-	457,629	464,639
Financial	-	7,300	-	66,890	74,190
Legal	-	576	-	32,284	32,860
Planning	-	5,232	-	56,226	61,458
Total General Government	<u>283,361</u>	<u>1,649,168</u>	<u>3,467</u>	<u>711,552</u>	<u>2,647,548</u>
Public Safety					
Law Enforcement	-	131,925	17,389	1,081,760	1,231,074
Vehicle Weigh Station	-	-	5,310	70,450	75,760
Protective Inspections	-	-	-	22,367	22,367
Emergency and Disaster Relief Services	-	-	-	28,254	28,254
Total Public Safety	<u>-</u>	<u>131,925</u>	<u>22,699</u>	<u>1,202,831</u>	<u>1,357,455</u>
Physical Environment					
Solid Waste	-	-	2,450	6,705	9,155
Conservation and Resource Management	10,217,438	-	1,704,997	21,299	11,943,734
Total Physical Environment	<u>10,217,438</u>	<u>-</u>	<u>1,707,447</u>	<u>28,004</u>	<u>11,952,889</u>
Economic Environment					
Below Market Rate Housing	-	104,225	-	-	104,225
Scenic Lands	218,607	-	-	-	218,607
Total Economic Environment	<u>218,607</u>	<u>104,225</u>	<u>-</u>	<u>-</u>	<u>322,832</u>
Transportation					
Road and Street facilities	528,163	225,596	8,873,641	1,330,011	10,957,411
Other	-	-	4,270	52,376	56,646
Total Transportation	<u>528,163</u>	<u>225,596</u>	<u>8,877,911</u>	<u>1,382,387</u>	<u>11,014,057</u>
Culture/Recreation	<u>3,418,714</u>	<u>1,432,359</u>	<u>263,586</u>	<u>274,148</u>	<u>5,388,807</u>
Total General Fixed Assets allocated to functions	<u>\$ 14,666,283</u>	<u>\$ 3,543,273</u>	<u>\$ 10,875,110</u>	<u>\$ 3,598,922</u>	<u>\$ 32,683,588</u>

CITY OF SANIBEL, FLORIDA
 SCHEDULE OF GENERAL LONG-TERM DEBT
 September 30, 2001
 With Comparative Totals for September 30, 2000

	2001	2000
Amount available and to be provided for the payment of general long-term debt		
Amount available in debt service funds	\$ 255,543	\$ 625,634
Amount to be provided	3,468,131	3,653,146
	\$ 3,723,674	\$ 4,278,780
 General long-term debt payable		
Revenue bonds payable		
Farmers Home Bonds, Series 1979	\$ 2,261,715	\$ 2,331,938
\$1,728,638 Special Assessment Bonds, Series 1996	-	374,542
	2,261,715	2,706,480
Other general long-term liabilities		
1995 Line of Credit	-	82,673
1997 Note - NationsBank	1,000,065	1,067,210
3rd Series 1997 Note B #208	14,214	24,992
Compensated absences	447,680	397,425
	1,461,959	1,572,300
	\$ 3,723,674	\$ 4,278,780

Supplemental Reports

Independent Auditors' Report on Compliance and on
Internal Control over Financial Reporting Based on an
Audit of General Purpose Financial Statements
Performed in Accordance with *Government Auditing
Standards*

Report on Bond Covenant Compliance

David L. Schultz, CPA* ABV
Clifford Chaipel, CPA*
Martin A. Redovan, CPA* CVA
Russell T. Baker, CPA*

**SCHULTZ
CHAIPEL**
— & CO. LLP —

CERTIFIED PUBLIC ACCOUNTANTS

*Regulated by the State of Florida

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE AND
ON INTERNAL CONTROL OVER FINANCIAL REPORTING
BASED ON AN AUDIT OF GENERAL-PURPOSE FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE
WITH GOVERNMENT AUDITING STANDARDS**

Honorable Mayor and City Council
City of Sanibel
Sanibel, Florida

We have audited the general-purpose financial statements of the City of Sanibel, Florida (the "City"), as of and for the year ended September 30, 2001, and have issued our report thereon dated March 26, 2002. 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.

Compliance

As part of obtaining reasonable assurance about whether the City's general-purpose financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

12660 World Plaza Lane
Fort Myers, Florida 33907
(239) 939-5333
Fax: (239) 939-4682
E-Mail: sec@swflcpa.com
Website: www.swflcpa.com

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the general-purpose financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the general-purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that we have reported to management of the City in a separate letter dated March 26, 2002.

This report is intended solely for the information and use of the Mayor, City Council, management of the City, and federal and state awarding agencies and is not intended to be and should not be used by anyone other than these specified parties.

Schultz, Chaipel & Co., LLP

Schultz, Chaipel & Co., L.L.P.

March 26, 2002

David L. Schultz, CPA* ABV
Clifford Chaipel, CPA*
Martin A. Redovan, CPA* CVA
Russell T. Baker, CPA*

*Regulated by the State of Florida

REPORT OF INDEPENDENT ACCOUNTANTS

Honorable Mayor and City Council
City of Sanibel
Sanibel, Florida

We have audited, in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*, issued by the Comptroller General of the United States, the 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, and have issued our report thereon dated March 26, 2002. 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.

In connection with our audit, nothing came to our attention that caused us to believe that the City failed to comply with the terms, covenants, provisions or conditions as prescribed in Articles IV and V of the authorizing resolution (No. 93-115) for the \$7,185,000 Sewer Utility Revenue Refunding and Improvement Bonds, Series 1993, insofar as they relate to accounting matters. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance.

This report is intended solely for the information and use of the Mayor, City Council, management of the City, and the paying agents and bondholders and is not intended to be and should not be used by anyone other than these specified parties.

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

12660 World Plaza Lane
Fort Myers, Florida 33907
(239) 939-5333
Fax: (239) 939-4682
E-Mail: sec@swflcpa.com
Website: www.swflcpa.com