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City of Sanibel, Florida

Presentation of the 2025 Audit Results to the City Council

May 5, 2026

Services Performed



Financial Statements

Audit of the City's Annual Comprehensive Financial Report (ACFR) for the year ended September 30, 2025, in accordance with *Government Auditing Standards*



Federal Compliance

Single Audit in accordance with Uniform Guidance

Includes audit of the Schedule of Expenditures of Federal Awards and certification of the Data Collection Form



State Compliance

State Single Audit in accordance with Section 215.97, *Florida Statutes* and Chapter 10.550, *Rules of the Auditor General*

Examination of compliance with applicable Florida Statutes for investments



Reports Delivered



Independent Auditors' Report



Report on Internal Control Over Financial Reporting and On Compliance And Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*



Independent Auditors' Report on Compliance for Each Major Federal Program and State Project and Report on Internal Control Over Compliance Required by the Uniform Guidance and Chapter 10.550, Rules of the Auditor General of the State of Florida
(Single Audit Report)



Independent Accountants' Report on Compliance with specific Florida Statutes as required by Chapter 10.550 Rules of the Auditor General



Management Letter as required by Chapter 10.550 Rules of the Auditor General

Audit Process

RISK-BASED APPROACH

Internal controls

Revenue recognition

Significant estimates

Debt and covenants

Cutoff of accruals and expenditures

Information Technology

Grant compliance

New Accounting Pronouncements





AUDIT OPINIONS

Financial statement

Financial statement audit opinion is **unmodified**.

Single Audit – Federal Programs and State Projects

Federal and State awards audit opinion is **unmodified**.



AUDIT RESULTS

Financial statement

One material weakness noted.
No significant deficiencies noted.

Federal and State awards

No material weaknesses noted.
One significant deficiency noted.



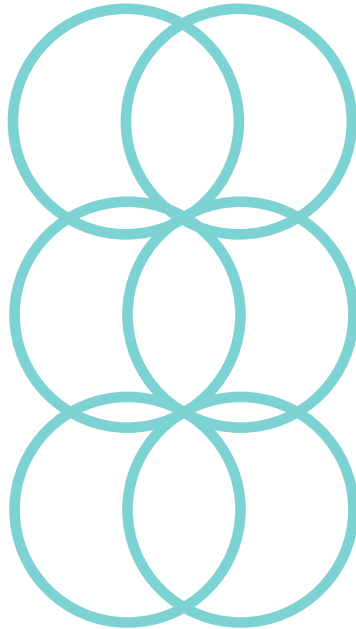
Governance Communications

Overall

- Scope and timing of audit proceeded as planned
- Significant risks were addressed as planned
- Significant accounting policies are in accordance with generally accepted accounting principles and consistent with industry practice and standards

Difficulties

- No difficulties were encountered in performing the audit
- No disagreements with management
- THANK YOU to the City's management for their effort and hard work to complete the audit



Emphasis of Matter – Prior Period Adjustment

- The City corrected an error related to revenue recognition, resulting in a restatement of beginning fund balance. Our opinion is not modified with respect to this matter.

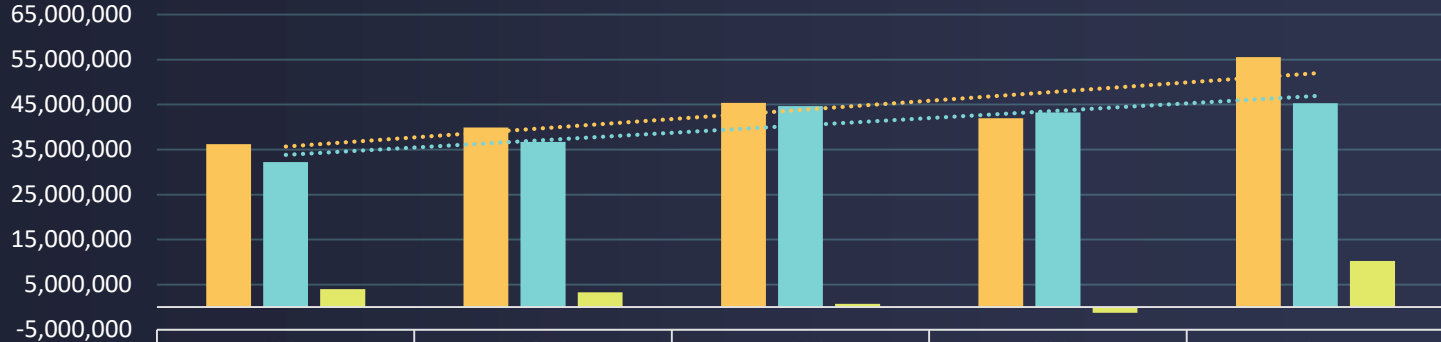
Other

- The City implemented GASB 101 *Compensated Absences*, resulting in a re-evaluation of the City's liability for leave balances



Total Revenue and Expenses

5 Year Trend



	2021	2022	2023	2024	2025
Total Revenue	36,198,132	39,936,905	45,391,500	41,947,896	55,539,558
Total Expenses	32,207,522	36,678,458	44,648,410	43,219,812	45,287,419
Change in Net Position	3,990,610	3,258,447	743,090	-1,271,916	10,252,139



General Fund Spendable Fund Balance

Five Year Trend

	2025	2024	2023	2022	2021
Total Spendable Fund Balance	13,063,181	13,279,560	15,888,125	10,305,917	11,451,125
Total Unassigned Fund Balance	5,122,462	6,577,080	8,606,623	4,522,879	3,198,783
Total Operating Expenditures	26,992,013	20,386,314	17,789,758	13,376,204	14,442,358
Unassigned Fund Balance as a Percentage of Operating Expenditures	18.98%	32.26%	48.38%	33.81%	22.15%
Spendable Fund Balance as a Percentage of Operating Expenditures	48.40%	65.14%	89.31%	77.05%	79.29%



Thank you again to everyone involved in the audit!

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