



AGENDA MEMORANDUM

Finance Department

City Council Meeting Date: May 5, 2026

To: City Council
From: Steve C. Chaipel, Deputy City Manager/CFO
Date: April 29, 2026

SUBJECT: Annual Audit Adjustment to Budgeted Beginning Fund Balances

BACKGROUND: A significant component of the budget process each year is estimating the beginning fund balance in each fund. This becomes the starting point for the annual budget. After the financial statements have been audited each year, the previously mentioned **estimated** beginning fund balances are adjusted to match the **actual** fund balances per the Annual Comprehensive Financial Report (ACFR).

The City has completed the fiscal year 2025 audit. The City-wide beginning fund balances will decrease \$22,828,682 based on the audited results and ending fund balance will decrease by the same amount, however no new funds are being allocated or budgeted for expenditures. The adjustments only affect beginning and ending fund balances. Most of the adjustments relate to the timing of expenditure outlays and the receipt of grant funds to reimburse the City. Significant expenditures in fiscal year 2025 were not reimbursed to the City until fiscal year 2026.

The schedule on the next page details the individual fund adjustments.

FUNDING SOURCE: N/A

RECOMMENDED ACTION: Approve Resolution 26-017 authorizing budget amendment 2026-004.

City of Sanibel

Budgeted Fund Balance Adjustments

Prepared by the Finance Department

Data as of April 21, 2026

		FY 2026 Beginning Fund Balance		
Fund		Amended Beginning Fund Balance	Final Audited Beginning Balance	Adjustment to Budget
001	General	\$ 22,437,569	\$ 21,418,730	\$ (1,018,839)
115	Hurricane Ian Fund	45,125,994	32,125,741	(13,000,253)
119	School Speed Zone Citations	-	1,695	1,695
120	Road Impact Fee	1,706,783	1,717,992	11,209
121	Community Park Impact Fee	88,272	87,583	(689)
129	Shell Harbor Dredging	62,617	71,864	9,247
141	Sanibel Estates Canal Trimming	22,427	8,938	(13,489)
142	Sanibel Isles/Water Shadows Dredging	224,214	225,365	1,151
143	Wulfert Channel Dredging	739,000	241,536	(497,464)
169	Building Department	2,124,126	2,212,592	88,466
171	Recreation Financial Assistance	172,204	143,715	(28,489)
173	School Ball Park Maintenance	38,023	44,948	6,925
270	2016 \$6.52M G. O. Recreation	47,181	49,583	2,402
271	2020 \$5.0M Capital Improvement	1,352	868	(484)
300	Capital Asset Acquisition	920,815	865,484	(55,331)
301	Transportation Capital Projects	3,176,836	(2,519,079)	(5,695,915)
302	2475 Library Way Capital Improvement	3,106,346	3,157,713	51,367
370	Recreation Facility Sinking Fund	464,566	385,889	(78,677)
450	Sewer System	13,919,231	10,826,696	(3,092,535)
470	Beach Parking	1,851,043	2,332,064	481,021
		<u>\$ 96,228,599</u>	<u>\$ 73,399,917</u>	<u>\$ (22,828,682)</u>

Summary

Governmental Funds	35,332,331	28,115,416	(7,216,915)
Hurricane Ian Fund	45,125,994	32,125,741	(13,000,253)
Enterprise Funds	15,770,274	13,158,760	(2,611,514)
	<u>\$ 96,228,599</u>	<u>\$ 73,399,917</u>	<u>\$ (22,828,682)</u>