THE CITY OF NAPLES, FLORIDA

Annual Comprehensive Financial Report

For the Year Ended September 30, 2023

(With Independent Auditor's Report Thereon)

Prepared By:

FINANCE DEPARTMENT

City of Naples

September 30, 2023

Principal Officers

Mayor	Teresa Heitmann
Vice-Mayor	Terry Hutchison
Council Member	Berne Barton
Council Member	Raymond Christman
Council Member	Bill Kramer
Council Member	Linda Penniman
Council Member	Beth Petrunoff
City Manager	Jay Boodheshwar
City Clerk	Patricia L. Rambosk
City Attorney (Interim)	Ralph Brooks

Department Directors

Deputy City Manager/CFO-Finance Director	Gary Young
Deputy City Manager	Mari Gallet
Building Director/Building Official	Stephen Beckman
Fire Chief (Interim)	Phillip Pennington
Human Resources Director	Charlotte Loewel
Parks, Recreation, and Facilities Director	Chad Merritt
Planning Director	Erica Martin
Police Chief	Ciro Domingues
Public Works Director	Robert H. Middleton
Technology Services Director	Andrew Hunter

CITY OF NAPLES, FLORIDA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

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City of Naples

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April 30, 2024

Honorable Mayor, Members of City Council, and Citizens of Naples
City of Naples, Florida

The Annual Comprehensive Financial Report of the City of Naples, Florida (the "City"), for the fiscal year ended September 30, 2023 is hereby submitted. This Annual Report was prepared by the Finance Department, and is in compliance with Florida Statutes Chapter 218.39, Chapter 10.550 of the Rules of the Auditor General of the State of Florida, and Section 2-601 of the City Code of Ordinances.

Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the City Management. We believe the data, as presented, is accurate in all material aspects, that it is presented in a manner designed to fairly set forth the financial position and results of operations of the City as measured by the financial activity of its various funds, and that all disclosures necessary to enable the reader to gain the maximum understanding of the City's financial activities have been included.

The City's basic financial statements have been audited by Mauldin & Jenkins, LLC, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City for the fiscal year ended September 30, 2023, were free of material misstatement. The independent audit involved: examining on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was reasonable basis for rendering an unmodified opinion that the City's financial statements for the fiscal year ended September 30, 2022, are fairly presented in conformity with Generally Accepted Accounting Principles (GAAP). The independent auditor's report is presented as the first component of the financial section of this report.

The Governmental Accounting Standards Board (GASB) and GAAP require that management provide a narrative introduction, overview and analysis to accompany the financial statements in the form of "Management's Discussion and Analysis" (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The MD&A can be found just preceding the basic financial statements in the annual report's financial section.

City Profile

The City is considered by many to be the crown jewel of Southwest Florida. With its subtropical climate tempered by the soft breezes from the Gulf of Mexico, people are struck by its natural beach beauty, well designed streets and structures, and the flora and fauna that are unparalleled in any community.

With a history dating back to the late 1800's, Naples was incorporated on December 1, 1923. It is approximately 16 square miles in size and has 112 lane miles of streets. In addition, the City has 107 miles of paved pathways including sidewalks and trails. Originally developed as a winter retreat for people with permanent homes in the north, Naples grew from a small frontier-style fishing camp in the 1920s to its current status as a premier city. Naples continues to attract a retirement population that is among the most affluent and well educated in the State.

The City is located on the Gulf of Mexico in Southwest Florida, and it is the cultural and activity center of Collier County. The City has a permanent population of approximately 22,000, increasing to over 33,500 during the peak winter season. In addition to its natural features, the City is known for its world-class shopping and exceptional dining opportunities.

Naples continues to enjoy the results of proper planning. Parks and open space are abundant while most roadway medians are wide and well landscaped. Naples is one of the few Florida communities that offer adequate public access to beaches. Beachfront property is almost exclusively residential zoning; commercial uses are focused along U.S. 41 and in a number of upscale shopping districts within the community.

Naples is a multifaceted community where the many residential opportunities include beachfront mansions, canal frontage manors, downtown villas, bungalows, and high-rise condominiums, disbursed between a cohesive blend of both older and newer developments. Naples's commerce has numerous shopping enclaves and venues such as the redeveloped and bustling Naples Bay, which is directly adjacent to, and serves as a gateway for, a charming and successful downtown business and arts district.

Naples strives to respect and nurture its picturesque natural surroundings and all that inhabits it. Nature, with its beauty and benefits, is at the forefront in Naples as evidenced by its numerous parks, open spaces, preserves, and the Naples Zoo. In addition, Naples is positioned less than 20 miles from the tropical wilderness that is the Florida Everglades. The Florida Everglades reveals its natural wonder in the form of alligators, natural orchids, Florida panthers, wood storks, West Indian manatee, cypress forests and mangrove forests, just to name a few.

Naples is managed under a Council-City Manager form of government. The legislative and governing body of the City consists of a Mayor and six Council Members. Each Council Member is elected to a four-year staggered term. There is a limit of two consecutive terms that any elected City official may serve.

The Members of the City Council for the period represented by this report are as follows:

Member	Term Ends
Teresa Heitmann	March 2028
Terry Hutchison	February 2026
Berne Barton	March 2028
Raymond Christman	February 2026
Bill Kramer	March 2028
Linda Penniman	March 2028
Beth Petrunoff	February 2026

The City Council appoints the City Manager, who is the chief administrative officer of the City. The City Manager hires all other City employees, except the City Attorney, the City Clerk, and the Deputy City Clerk, who are appointed by the City Council. City Manager Jay Boodheshwar was appointed City Manager effective May 1, 2022.

The Reporting Entity and Services Provided

The City provides a full range of municipal services authorized by statute and local charter. These include police and fire services, streets, sidewalks and stormwater systems, parks and parkways, recreation, planning, water, sewer, solid waste, and general administrative services. Schools are provided by Collier County School District, while ambulance, jail, animal control, judicial, library, and human services are provided by Collier County government.

Included in the City's activities is Moorings Bay Special Taxing District and East Naples Bay Special Taxing District. The two Special Taxing Districts were created and established by Ordinances #87-5328 and #87-5330, respectively, for providing maintenance dredging in the channels and waterways within the area or boundary of the respective District, and to maintain necessary aids to navigation. Funds for the taxing districts are provided through an ad valorem tax that is levied only within these specified districts.

The Community Redevelopment Agency is a dependent special district and presented as a blended component unit of this reporting entity. Ordinance #94-7099 created the Community Redevelopment Agency for the rehabilitation, conservation or redevelopment of the designated district. The tax increment from Collier County and the City provides the source of revenue for the Community Redevelopment Agency.

The Naples Airport Authority, although governed by board members who are directly appointed by the City Council, is not a part of this report, as it does not meet the criteria of Statement Number 14 of the Governmental Accounting Standards Board. The Collier County school system is an independent taxing authority and not part of the City. Its financial data is not included in the financial statements in this report. Naples Community Hospital is a private nonprofit corporation providing quality medical care to the community. It is not part of the City's municipal government and its financial data is not included in the financial statements in this report.

Accounting System and Budgetary Control

In developing and evaluating the City's accounting system, consideration is given to the adequacy of internal accounting controls. Internal accounting controls are designed to provide reasonable, but not absolute assurance regarding: (1) the safeguarding of assets against loss from unauthorized use or disposition; and (2) the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that: (a) the cost of a control should not exceed the benefits likely to be derived therefrom; and (b) the evaluation of costs and benefits requires estimates and judgments by management.

We believe all internal control evaluations occur within the above framework and that the City's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

As a recipient of Federal, State and County financial assistance, the government is responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control structure is subject to periodic evaluation by management.

The City's fiscal year begins October 1. In January, departments start preparing their Five-Year Capital Improvement Program requests. In February, staff develops preliminary future revenue and expenditure estimates and identifies areas of need and concern. In mid-April, departments begin preparing their budget requests using line-item budget formats. At the same time, Finance will begin assessing available and potential revenue sources and analyzing the sustainability of existing (audited) fund balances as measured in the City's Annual Comprehensive Finance Report. Throughout the year staff works with boards, committees, and the City Council to gather goals for the upcoming fiscal year. The Five-Year Capital Improvement Program is presented to City Council by June 1, in accordance with the City Code of Ordinances. The proposed budget is presented to Council July then discussed during August and September, and the budget is adopted in September.

The adopted budget may be amended in two ways:

1. The budget resolution authorizes the City Manager to transfer money within a fund, except that he cannot increase regular staffing levels or modify the intent of the Capital Improvement Budget.
2. Changes that would increase the total budget of a fund, increase staffing levels, or modify the intent of the Capital Improvement Budget must have City Council approval by resolution.

The City has established standard procedures for budget amendments to control the integrity of the budget system. Budget amendments are prepared and entered at the department level, approved by the Department head, identifying both the object of expenditure requiring the budget amendment and source of funds for the amendment. Budget amendments are reviewed by the Director of Finance and may be forwarded to the City Manager for approval. If needed, a resolution is prepared for City Council approval as well.

The City utilizes the State of Florida's uniform chart of accounts for account names, numbers, and reporting purposes. Throughout the year, budgetary control was maintained over appropriations by use of on demand and quarterly revenue and expenditure reports that compare budgeted appropriations with actual expenditures and encumbrances and estimated revenues with actual revenues. In the integrated automated financial system, a purchase order is required prior to committing funds, although minor purchases may be made with a purchasing card. Purchasing cards have individually set limits, typically between $1,000 and $5,000. The City's automated enterprise software system verifies the availability of funds prior to issuance of a purchase order. Although the budget is adopted by the Fund, practical budget control is maintained at the department level in the General Fund and the fund level in all other funds.

Factors Affecting Financial Condition

Local Economy

The fiscal year 2022-2023 represented the eighth consecutive year of taxable value growth in the City. The taxable values increased by 16.5% for fiscal year 2022-2023, following a 5.7% growth in fiscal year 2021-2022. The subsequent growth for fiscal year 2023-2024 (September 2023) of 12.0% projects continued stability. With more than half of the City's General Fund revenue coming from taxable values, values and growth rates must be monitored for potential unsustainable growth patterns. While the pace of growth slowed following the COVID-19 pandemic, many facets of the Naples real estate market remained very strong resulting in steady growth. The City's growth rate exploded 28.50% exceeding all national and regional rates over that two-year period. The only one year on record exceeding the 2022 rate was 2006 where the City experienced 20.27% growth just prior to the economic downturn of 2008. The City expects "minimal" or "no" growth in the next fiscal year resulting from slower taxable value growth of existing homes and the unfortunate effect of lost homes from Hurricane Ian. While longer term projections expect increased taxable value growth as several extensive housing projects are completed and come online.

Despite the City nearing build-out, a significant amount of redevelopment is occurring. The City has maintained a high-quality infrastructure system of transportation, stormwater management, potable (drinking) water and wastewater and public safety, all which tends to be less visible than the quality-of-life amenities, such as parks, recreation, entertainment, and cultural opportunities, although they all rank high in importance.

The City is limited by the Constitution of the State of Florida to an ad valorem tax levy of ten mills on each dollar of assessed valuation for operating expenditures. At 1.15 mills in 2023, Naples' ad valorem tax remains significantly below the maximum allowed. Further evidence of this strength is evident by the City's ability to reduce the 1.18 mills to 1.15 for fiscal year 2020-2021 and continuing to maintain the 1.15 for through fiscal year 2022-2023.

The City continues to be a destination point for Collier County residents and visitors, in part due to its 42 public beach access points, attractive active and passive parks, the Naples Pier, and the multitude of vibrant mixed-use retail/dining areas.

During fiscal year 2022-2023, the City continued its journey to enhance the quality of life for its residents while providing the best essential services possible. Some of the events and projects include:

- Stormwater infrastructure, equipment, and facilities improvements had $667 million in added assets and an additional $1.8 million in construction in progress in 2023. The Stormwater Outfall Project design continues, and the City engaged a contract management at risk firm for preliminary constructability analysis and costing. This analysis has seen the price of this project grow from an estimated $32.2 million to $97.1 million, including the $11.7 million in current expenditures to date. The City is currently completing developing its financial stack with the assistance of State grants and is expected to issue debt in fiscal year 2024 or fiscal year 2025 to complete the project.
- Water and Sewer infrastructure, equipment, and facilities improvements had $14.6 million in added assets and an additional $8.0 million in construction in progress in 2023. These asset additions and construction in progress included: reclaimed water construction and expansion; utilities wide pump station improvements; increased generator capacity, water main improvements, sewer main replacement, and continued emphasis on equipment and motor vehicle replacement programs. The fiscal year 2023-2024 budget includes: $13.1 million in wastewater collections improvements; $4,6 million in water production improvements; $8.9 million in water distribution improvements; $1.7 million in utilities maintenance improvements; and $3.2 million wastewater treatment improvements.

The trends in the Southwest Florida economy is still recovery from the aftermath of Hurricane Ian. This was the first economic contraction since the onset of the COVID-19 pandemic. Despite the obvious ramifications of Hurricane Ian and impact on tourism, Collier County remained stronger than the much harder hit areas within Lee County. The City of Naples experienced significant flooding and continues to rebuild infrastructure, facilities, and its residents continue to rebuild the hundreds of destroyed homes and thousands damaged by Hurricane Ian and it's flooding. As a result, the Southwest Florida economy should be viewed with both concern and optimism. Concern for the costs yet expend or obligate in the reconstruction post Hurricane Ian, concern with downward pressure from the effects of Hurricane Ian and yet optimistic of the resiliency of the economy of Southwest Florida and more specifically Collier County and the City of Naples.

The January 2024 report by the Florida Gulf Coast University in its year over year economic indicator comparisons, taxable sales for Collier County were down 7.3% in October 2023 compared to the same period in 2022 and tourist tax revenues in Collier County were up 4% in October 2023 compared to October 2022. In part from the Hurricane Ian effect in October 2022. The three major Southwest Florida airports increased 43.4% in October 2023 compared to October 2022 and yet a 1.3% decrease below prior month (September 2023). Southwest Florida International (RSW), the City's closest commercial airport decreased 69.9% in October 2023 compared to October 2022. The unemployment rate for Collier County was 3.0% in October 2023 down 0.1% compared to October of 2022. This compares favorably with the State of Florida's 3.1% and the United States unemployment rate of 3.8%. In addition, Collier County recorded 270 single family building permits in October 2023, down 8.2% from October 2022. The greatest strength of Collier County perhaps lies in the resiliency of its property values. Collier County single family homes sales were 352 units in October 2023 compared to 344 units in October 2022. More importantly the median home price decreased by $50,000 to $750,000 in October 2023 compared to $800,000 in October 2022. However, January 2024 saw an increase of $95,000 above the same period in the prior year. From $750,000 January 2023 to $845,000 in January 2024.

While the economic indicators outlined above are extraordinary, more traditional historic economic indicators support a stable and growing economic revenue base for the City of Naples in the upcoming year.

Long-Term Financial Planning

The City has several long-term financial and operating planning processes in place, all of which eventually integrate into the budget. In January 2021, the City completed the update on the Ten-Year Vision Plan, which was created by the citizens and adopted by the City Council. This vision has been incorporated into each subsequent budget with goals and objectives to achieve the vision.

The City's Five-Year Capital Improvement Program (CIP) is used to plan for current and future financial needs. Developed during the spring and presented to City Council in June, fundable projects from this document are incorporated into the adopted budget while establishing a needs assessment for future years.

Relevant Financial Policies

The City maintains updated financial policies (19-14301) approved by City Council covering five major areas: Budgetary and Financial Planning; Financial Reporting; Capital Improvement; Debt Management; Investments and Fund Balance.

In 2019, the Debt Management Policy was adopted, via resolution 19-14302.

In 2016, the Fund Balance Policy was amended by resolution 16-13831. The City expects to update the Fund Balance Policy in 2022.

In 2017, the Investment Policy of the City was amended, via resolution 17-13942 for administerial reasons to clarify outdated references.

The financial policies exist to demonstrate that the City is committed to strong financial operations and to set a strong precedent for future policy makers and financial managers regarding the City's financial goals.

Major Initiatives

The Ten-Year Vision Plan adopted in 2021 provides a framework for many of the City's programs and projects. Major initiatives of the City typically are aimed at achieving the major goals of the vision plan. In August 2019, the City began evaluating the 2007 Vision Plan to determine if a new Visioning process was warranted. The vision plan draft had undergone significant scrutiny and changes throughout 2020 culminating in its adoption in January 2021.

Vision Goal: Preserve the Small Town Character and Culture

Maintain and embrace the features that make Naples special: a town of residential neighborhoods, waterfronts, green space, boutique shopping areas, thriving arts, diverse special events and friendly people. The goal had four objectives including: scale of development and redevelopment (low-rise building designed with open space and greenery, in scale with surrounding community); historic assets (maintain and protect City Pier, City Dock, Historic District, Old Naples while preserving historic houses in the City); safer streets and traffic calming that accommodates walking, bicycling, and while improving mobility and safety for pedestrians, bicyclists, and vehicles; zoning and building code enforcement; adopt and maintain plans and zone code to ensure they always reflect the values of the community and serve the interests of the residents.

The Naples Pier, originally built in 1888, is one of the most visited attractions in southwest Florida, drawing over 1.4 million visitors annually. The last major renovation was completed in November of 2015. The $2.7 million project included the replacement of deck boards and railings with IPE wood, a Brazilian hardwood with a life expectancy exceeding 30 years. New lighting was installed, and the restrooms were completely rebuilt and expanded to double the capacity. While the Pier was damaged in 2017 during Hurricane Irma, the pairs were completed in August of 2018 for $244,000. Hurricane Ian that made landfall in September of 2002 destroyed much of the Pier. In 2023, the City initiated engineering and architectural services for the complete replacement

of the Pier as a cost of $1.5 million. The current estimated cost related to construction is estimated at $25 million and is expected to take 20-24 months to complete.

The Naples City Dock, originally built in 1920, was removed and reconstructed as a floating dock with 84 slips accommodating 30-60 ft. vessels with an additional 450 ft. frontage to accommodate even larger size vessels. In addition to permanent and transient (daily) boat slip rental, the dock has high speed fuel pumps dispensing diesel and ethanol free gasoline, free pump out, restrooms, laundry room, outdoor lounge area, concession sales, and bait (live and frozen) sales. The dock's permanent customers include approximately 18 charter boat operators, and the dock maintains a minimum of ten slips available for transient rentals to enable tourists and residents alike to enjoy the beauty the Naples City Dock has to offer. The dock reconstruction totaling $6.2 million was initiated in 2016. Construction began in 2017 and was completed and the dock re-opened in February 2018. The available permanent slips are filled, and the City had a sizeable number of applicants on the waiting list at the end of 2021.

Residents and visitors alike recognize the ambiance created by the tree-lined streets of Naples. For the 27th consecutive year, the City of Naples received the Tree City U.S.A. designation, and for the 16th consecutive year, the City received a Tree City U.S.A. Growth Award. The City has also received the designation of Tree Cities of the World for the past three years. The City of Naples urban forest consists of 20,773 managed hardwood trees and palms on streets, rights-of-way, parks and other public property within the City. Staff continued the annual Tree Fill-In Program by continuing to plant the 1,374 vacant sites, some lost in Hurricane IRMA or before. The Trees Fill-In Program continues to: (1) Protect and enrich the environment; (2) Maintain and improve neighborhood character; (3) Enhance the appearance of streets within the City; (4) Improve the appearance and urban design of commercial corridors while protecting the residential character and charm of the City. The City's 2021-2022 budget includes $300,000 for replacing trees.

Vision Goal: Environmental Sensitivity

In a community-vision process, the goal the stewardship of our land and protection of our beaches, bays, river, estuaries, and lake through education and investments supports clean water, clean technology, resilient coastlines. This goal included seven objectives: water quality (the gulf beach, bays, and lakes health must be restored and sustained for future generations); recycling and water reclamation, environmental enhancement and monitoring (new vegetation based on right tree, right place philosophy); stormwater management, drinking water; beach maintenance and waterbody erosion; and resiliency (work with Collier County and State of Florida on issues pertaining to sea level rise and flood prevention to preserve the long-term investment of property owners.

Vision Goal: Maintain an Extraordinary Quality of Life for Residents.

The Parks, Recreation and Facilities Department - Recreation Division during the fiscal year 2022-2023 provided a wide variety of recreational opportunities for residents of all ages, socio-economic status, skills, and abilities, integrating social, athletic, wellness, educational and cultural pursuits.

Arthur L. Allen Tennis Center in Cambier Park

For fiscal year 2022-2023, the tennis center offered eight USTA sanctioned and non-sanctioned tournaments that drew 1,065 participating athletes. Six events were designed for juniors that attend from around the state and country. Our one non-sanctioned tournament was the annual city tennis championships, "The Clay In May". This year's "Clay in May" hosted 430 players playing in a total of 614 events. There were 36 separate adult and junior clinics and round robins offered for members and guests to participate in, targeted for all skill levels. These programs serve to develop new memberships for the center and provide opportunities for members and guests to meet and play with one another. Membership numbers decreased to 574 individuals in January of 2023, due to facility damage and limited courts from Hurricane Ian. Also, for fiscal year 2022-2023, tennis racquet restringing was also down due to facility closures and damage with a total of 407 racquets strung for the year. Lastly, the ball machine rental remained strong with rentals at $8,100 for the fiscal year.

	Fiscal Year 2020-2021	Fiscal Year 2021-2022	Fiscal Year 2022-2023
Membership	735	775	546
Tournament Participants	1,216	1,345	1,065
Racquets Strung	753	641	407
Ball Machine Rentals	569	509	405

Baker Park/Naples Dog Park

Baker Park offers a range of amenities and activities for visitors of all ages. Baker Park has walking paths/trails, open green spaces for picnics and sports activities, kayaking/paddleboard, fitness stations, building rentals, amphitheater, and a playground for children. Baker Park also hosts many special events throughout the year including this year the Centennial Gala celebrating 100 years of the City of Naples. The Naples Dog Park is a designated area within Baker Park for dogs to play and socialize off-leash, providing a space for canine companions to enjoy the outdoors.

	Fiscal Year 2020-2021	Fiscal Year 2021-2022	Fiscal Year 2022-2023
Facility Rentals	457	401	414
Revenue	$76,545.20	$80,393.50	$84,199

Cambier Park/Norris Center

The 2022-2023 season in Norris Center had over 16,000 patrons attend shows in our theater space by contracted groups including Gulfshore Playhouse. Our 200-seat theater has performances almost every day, often twice a day with matinees, from October through May. The space is also rented by groups for movie nights and civic presentations. The outdoor space of Cambier Park is very popular for events and our nautical themed playground. The 2022-2023 season had over 100,000 patrons attend the park grounds for events including FREE outdoor concerts, Centennial Celebrations, and special events.

	Fiscal Year 2020-2021	Fiscal Year 2021-2022	Fiscal Year 2022-2023
Cambier Park Events	103	111	99
Norris Performances	130	157	141
Norris Center Meetings	12	125	99
Norris Summer Camps	24	15	15
Norris Center Rentals	90	125	247

Charlie C. Anthony Park

Charlie C. Anthony Park underwent repairs/renovations to repair Hurricane Ian damage, including painting of the Community Center, sheet rock/trim, new counters, and countertops. Old playground gazebo was removed and replaced with a new 20x20 gazebo. Anthony Park Groundbreaking for the City's Parks Master Plan was held on May 5th, 2023. Construction commenced with the removal of dirt and redesign of the open field. Due to renovations of Anthony Park, the rec sampler program was combined with the River Park Recreation Sampler program.

	Fiscal Year 2021-2022	Fiscal Year 2022-2023
Archery Camp	44	44
Recreation Sampler	5	13

Fleischmann Park/The Edge Johnny Nocera Skate Park
Fleischmann Park provides multiple recreational opportunities and supports several athletic leagues for City and County residents. The athletic areas of Fleischmann Park are filled with activities every evening with programs changing seasonally. Youth activities and leagues include the Naples Gators football (2 seasons), Greater Naples Little League (2 seasons) and boys lacrosse. Fleischmann Park is also the current home facility for Mason Classical Academy's baseball team. Adult sports include co-ed softball, soccer, volleyball, kickball, and pickleball. The Edge Johnny Nocera Skate Park is also located at Fleischmann Park. The skate park is very popular with both skateboarding and BMX enthusiasts with an estimated 2,000 visitors annually. Fleischmann Park is the headquarters for summer specialty camps with over 1,000 registered campers. Fleischmann Park itself hosts adventure, soccer, art, and skate/BMX camps. Fleischmann Park also added a brand-new playground which has been extremely popular.

	Fiscal Year 2020-2021	**Fiscal Year 2021-2022**	**Fiscal Year 2022-2023**
Classes	12-classes/month for 5 months	7 classes per month	7 classes per month
Athletics Programs	4 for the year	9 for the year	7 for the year
Summer Camps	45 camps offered	55 camps offered	58 camps offered
Special Events	1	5	4

Pickleball Membership Summary
Total Memberships – 377

The Edge Johnny Nocera Skate Park Membership Summary
Total Memberships – 286

Naples City Dock
In the fiscal year of 2022-2023, Naples City Dock saw significant activity and revenue. With approximately 8,200 "walk-in" sales, the dock sold a total of 376,700.978 gallons of fuel, generating $1,995,699.69 in revenue. Additionally, there were a total of 1,658 nights reserved in transient slips and the mooring field, generating $253,545.50 in revenue. The dock operates a public fuel dock open 364 days per year (Closed on Christmas Day), offering ice, bait, and miscellaneous supplies. It provides transient dockage as well as annual dockage for tenants. Furthermore, the dock collaborates with various organizations to accommodate events and expos. Naples City Dock hosts 17 charter vessels offering sightseeing, shelling, fishing, and sailing excursions, contributing to its vibrant maritime activity and appeal.

	Fiscal Year 2020-2021	**Fiscal Year 2021-2022**	**Fiscal Year 2022-2023**
Walk-In Customers (No account associated)	Approx. 8250	Approx. 7640	Approx. 8200
Total Fuel Sold (Gal)	485,730.65 Gallons	419,103.216 Gallons	376,700.978 Gallons
Transient Dockage (Mooring Field/Wet Slip)	2,127 Nights Reserved	1,810 Nights Reserved	1,658 Nights Reserved
Special Events/Expos	5	16	8

Naples Preserve and the Hedges Eco Center

The Naples Preserve and Hedges Family Eco-Center are located on a 9.5-acre site at the corner of U.S. 41 North and Fleischmann Boulevard. In the preserve, walk the free and accessible 0.4-mile-long boardwalk through two Florida Upland Habitats: Pine Flatwoods and Oak-Rosemary Scrub. Here you will have one of the best opportunities to view gopher tortoises as well as native flora and fauna. The staff perform restoration for the preserve grounds and provide many public natures talks and programs. The preserve was funded by the City of Naples citizens and the Florida Communities Trust.

	Fiscal Year 2020-2021	**Fiscal Year 2021-2022**	**Fiscal Year 2022-2023**
Programs Held	29	37	33
Preserve Visitors	9,445	13,290	9,399

River Park Aquatic Center

The River Park Aquatic Center offered multiple classes, programs, and camps. Included were lifeguard training, Red Cross learn to swim classes, private lessons and recreational (Roosters) swim team program. The aquatic center continues to serve as an important community asset and is the home pool for Naples High School and the Village School. River Park Aquatic Center continued its close collaboration with the Safe and Heathy Children's Coalition with active participation in the coalition's swim central program providing preschool and special needs children with five important water safety skills to decrease the likelihood of the children drowning. Facility improvements for the aquatic center included three new heaters damaged by Hurricane Ian and racing lanes, new Life Floor matting in the zero-entry area, painting of the water features, repair to deck cracks, repair, and painting of the front entrance. Additionally, a new Earth Works lightning detection system was installed. This new system allows participants to check the lightning status of the facility via a website.

	Fiscal Year 2021-2022	**Fiscal Year 2022-2023**
Learn to Swim/Private Lessons	248	215
Swim and Snorkel Camp	N/A	7
Aqua Exercise	N/A	56
Racing Roosters	17	18
Swim Central (Swim Instruction)	2	47

River Park Community Center

The River Park Community Center is an active facility with a computer lab, fitness center, full kitchen, classroom/meeting rooms and a covered outdoor basketball court. The playground is located across the street from the community center. The River Park staff, and contracted instructors, successfully offered multiple programs and specialty camps, which included, yoga, a drop-in afterschool program, winter/spring break camps, schools out days and a summer day camp program for grades kindergarten – 6th grade and a middle/high school special needs camp. The annual "Back to School" bash was offered on Saturday, July 29th, 2023. Staff provided 301 children grades kindergarten through 12th grade with needed school supplies. On Friday, December 2nd, 2022, the annual "Santa's Coming to Town was offered; Santa and his helpers drove to the Jasmine Cay Apartment, George Washington Carver Apartments, through the River Park East/Anthony Park neighborhood and Still Water Cove Apartments, ending at Anthony Park a total of 215 gifts were provided. Facility improvements for River Park Community Center this year included purchasing a new warming and cooling table for the commercial kitchen and spraycrete for the basketball court.

	Fiscal Year 2021-2022	Fiscal Year 2022-2023
Summer Camp	65	66
Recreation Sampler	16	18
Yoga	142	76

Financial Reporting and Measurements

Independent Audit

The City Charter requires an annual audit of the books of accounts, financial records, and transactions of all administrative departments of the City by an independent certified public accountant selected by the City Council. The City staff has complied with this requirement, and the independent auditors' report has been included in this report.

Distinguished Budget

The City's budget for fiscal year 2022-2023 received the GFOA's Distinguished Budget Presentation Award. The City has achieved this award for 18 years. In order to qualify for the Distinguished Budget Presentation Award, the budget had to be judged proficient as a policy document, a financial plan, an operations guide and a communications device.

Certificate of Achievement

The Government Finance Officers' Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Naples, Florida, for the Annual Comprehensive Financial Report for the fiscal year ended September 30, 2022. In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized Annual Comprehensive Financial Report, whose contents conform to industry standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe our current report continues to conform to the Certificate of Achievement program requirements, and we will submit it to the GFOA to determine its eligibility for another certificate.

Acknowledgements

The timely preparation of the Annual Comprehensive Financial Report was made possible by the efficient and dedicated service and teamwork of the Accounting Division of the Finance Department, and we express our appreciation to them. We also thank the Mayor and City Council for their interest and support in planning and conducting the financial operations of the City in a responsible and progressive manner. In addition, we wish to express our appreciation to our audit firm, Mauldin & Jenkins, LLC. for their examination of our accounts.

Respectfully submitted,

Jay Boodheshwar
City Manage

Gary L. Young
Deputy City Manager/CFO-Finance Director

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

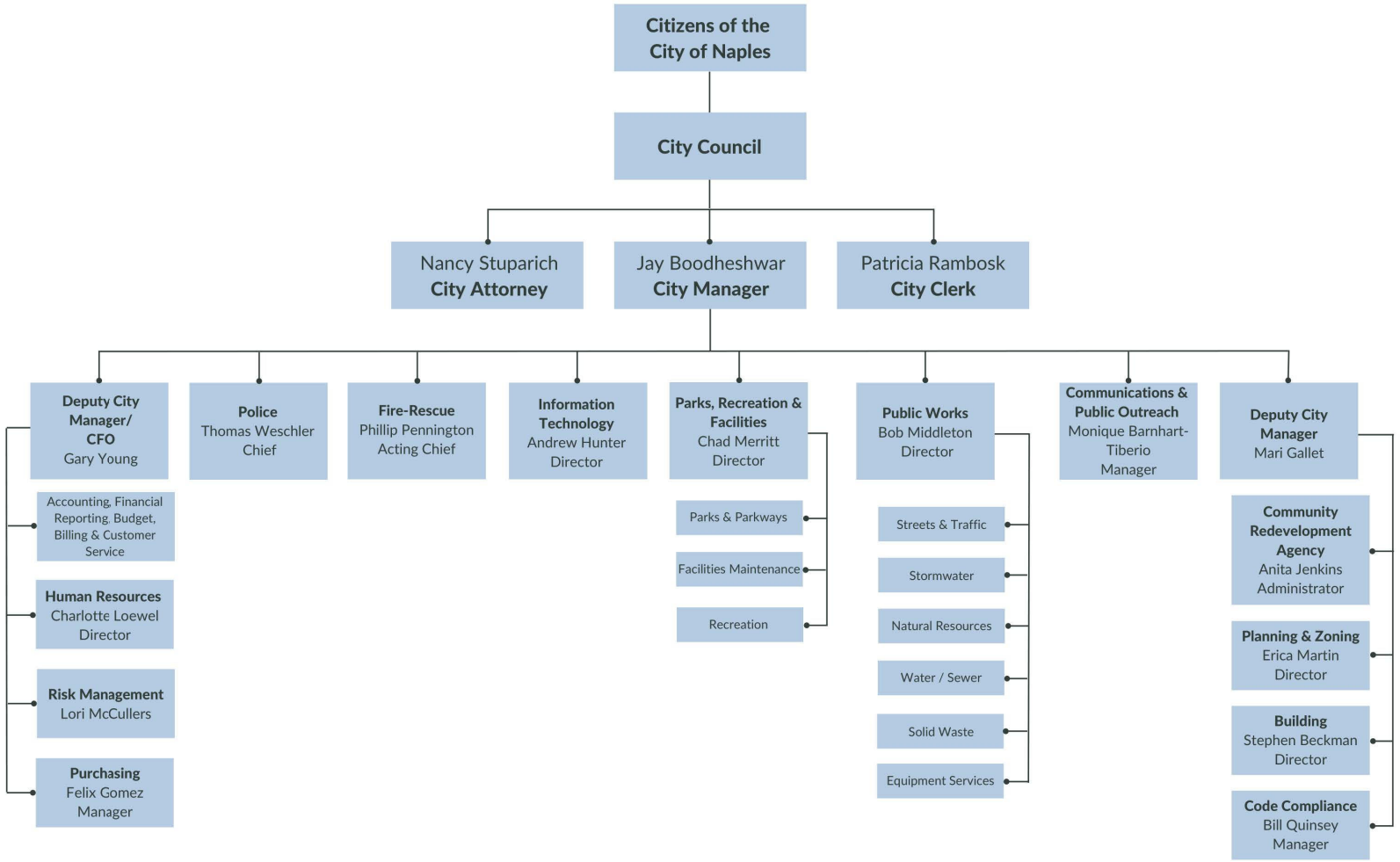
City of Naples
Florida

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

September 30, 2022

Christopher P. Morrill

Executive Director/CEO


Citizens of the City of Naples
City Council
Nancy Stuparich
City Attorney
Jay Boodheshwar
City Manager
Patricia Rambosk
City Clerk
Deputy City Manager/ CFO
Gary Young
Police
Thomas Weschler
Chief
Fire-Rescue
Phillip Pennington
Acting Chief
Information Technology
Andrew Hunter
Director
Parks, Recreation & Facilities
Chad Merritt
Director
Public Works
Bob Middleton
Director
Communications & Public Outreach
Monique Barnhart-Tiberio
Manager
Deputy City Manager
Mari Gallet
Accounting, Financial Reporting, Budget, Billing & Customer Service
Human Resources
Charlotte Loewel
Director
Risk Management
Lori McCullers
Purchasing
Felix Gomez
Manager
Parks & Parkways
Facilities Maintenance
Recreation
Streets & Traffic
Stormwater
Natural Resources
Water / Sewer
Solid Waste
Equipment Services
Community Redevelopment Agency
Anita Jenkins
Administrator
Planning & Zoning
Erica Martin
Director
Building
Stephen Beckman
Director
Code Compliance
Bill Quinsey
Manager

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MAULDIN & JENKINS
CPAs & ADVISORS

INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor, City Council
and City Manager
City of Naples, Florida

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Naples, Florida (the "City"), as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of September 30, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information
Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and pension and other post-employment benefit schedules on pages 5 through 15 and 97 through 110, respectively be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying combining and individual nonmajor fund financial statements and schedules and schedule of expenditures of federal awards as required by Title 2 *U.S. Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and schedules and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information
Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated April 30, 2024, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City's internal control over financial reporting and compliance.

Mauldin & Jenkins, LLC

Bradenton, Florida
April 30, 2024

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The City of Naples, Florida
Management's Discussion and Analysis
September 30, 2023
(Unaudited)

The City of Naples' (the "City") management's discussion and analysis is designed to: (a) assist the reader in focusing on significant financial issues, (b) provide an overview of the City's financial activities, (c) identify changes in the City's financial position and its ability to address the next and subsequent year challenges, (d) identify any material deviations from the financial plan (the approved budget), and (e) identify individual fund issues or concerns for the fiscal year ended September 30, 2023.

Financial Highlights

- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows at September 30, 2023, by $388.5 million (net position). Of this amount, $93.4 million of unrestricted net position may be used to meet the City's ongoing obligations to citizens and creditors.

- The City's total net position increased by $25.6 million due in part to: additional revenue recognition related to FEMA and Mitigation reimbursements; continued influx of the Collier County Capital Improvement One Cent Sales Tax revenue; increased property tax collections; increased revenue for charges for service in both governmental and business-type activities, and expenditures coming in significantly lower than authorized budgets in 2023.

- As of September 30, 2023, the City's governmental activities reported a combined ending net position of $180 million. This is an increase of $22 million from the prior year. The City's governmental activities unrestricted net position is $24.5 million compared to $21.5 million as of September 30, 2022.

- The City's total debt decreased $1.5 million during the current fiscal year due to scheduled debt service payments in 2023. The City's Governmental Activities Debt decreased by $329 thousand from scheduled debt service payments. The City's Business-Type Activities Debt decreased by $1.1 million in scheduled debt service payments in 2023. In addition, the City Dock made the equivalent of two principal payment of $305 thousand in FY2023 thus reducing the outstanding interfund loan by $610 thousand in 2022 leaving a balance of $3.1 million outstanding from the $6.5 loan received in 2017.

Overview of the Financial Statements

The financial statements' focus is on both the City as a whole (government-wide) and on the major individual funds. Both perspectives (government-wide and major fund) allow the user to address relevant questions, broaden a basis for comparison (year to year or government to government) and enhance the City's accountability.

Major Fund Presentation

An important element of the governmental financial reporting model is the focus on reporting significant financial activity by fund type with emphasis on major funds in both governmental and proprietary fund financial statements. In following GASB 34, the City is required to separate major funds from nonmajor funds. Only major funds are shown separately in the financial statements, while nonmajor funds are combined and shown in a single column. Nonmajor funds, however, are disclosed separately in the combining and individual fund financial statements and schedules section of this report.

GASB requires that the General Fund always be considered a major fund. The statement also requires other governmental and or enterprise funds to be shown as major funds if they meet the following criteria:

- Total assets, liabilities, revenues, or expenditures/expenses of the individual governmental or enterprise fund are at least 10% of the corresponding total of all funds of that category; and
- Total assets, liabilities, revenues, or expenditures/expenses of the individual governmental or enterprise fund are at least 5% of the total for all governmental and enterprise funds combined.

The statement also allows management the flexibility to report funds that do not meet the above criteria but believe the funds have a significant impact on the City. Management determined that three additional funds, the Capital Projects Fund, Community Redevelopment Fund, and Streets and Traffic Fund, were to be included as major funds even though they did not meet the above criteria.

The Government-Wide Financial Statements

Government-wide financial statements are designed to be corporate-like in structure, showing and combining governmental and business-type activities. They are intended to allow the reader to assess the government's operational accountability. Operational accountability is defined as the extent to which the government has met its operating objectives efficiently and effectively, using all resources available for that purpose, and whether it can continue to meet its objectives for the foreseeable future. For the purpose of these statements, both governmental and business-type activities are measured and reported using the economic resources measurement focus and the full accrual basis of accounting.

The Statement of Net Position (page 18) presents information on all the City's assets and liabilities, with the difference being reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or not.

The Statement of Activities (page 19) is focused on the gross and net cost of various functions supported by the City's taxes and other revenues and shows how the City's net position changed during the fiscal year. This statement is intended to summarize and simplify the costs of various governmental services. Changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flow. Therefore, some revenues and expenditures, such as uncollected taxes and earned but unused vacation leave, may be reported but will result in cash flows in future fiscal periods.

Both of these financial statements distinguish the primary types of functions of the City as defined below:

- ***Governmental Activities***–Most of the City's basic services are reported here, including police, fire, street maintenance, planning, parks and recreation, building and code enforcement, and general administration. Major revenues supporting these activities are ad valorem taxes, sales and gas taxes, franchise fees, utility and communications service taxes, as well as revenues from building permits, fees, grants and investments.
- ***Business-type Activities***–The City's utilities (Water and Sewer, Solid Waste, Stormwater) and "Other Nonmajor" proprietary fund types such as Naples Beach, City Dock and Tennis are reported here. These services are supported primarily from user fees. Financing of major capital is sometimes necessary. Both user fees and impact fees support debt service.

Effective October 1, 2014, the City implemented the provisions of **GASB No. 68** ***Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27***, which significantly changed the City's accounting for pension amounts by requiring that the total net pension liability and the deferred inflows and outflows of resources related to the net pension liability and the deferred inflows and outflows of resources related to the net pension liability be reported in the government-wide financial statements. Specifically, the net pension liability is listed on the Statement of Net Position and the amount in explained in the related note disclosure.

Fund Financial Statements

The Fund Financial Statements, which report by individual fund, begin on page 21.

A fund is a grouping of related accounts that is used to maintain financial control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. In a highly regulatory environment, fund accounting serves a very important purpose, in that funds received for specific purposes are identified as such. All of the funds of the City can be divided into three categories:

- ***Governmental Funds***–account for the City's tax-supported activities and those supported by other special revenues. These governmental funds include the General Fund, the Debt Service Fund, the Capital Projects Fund, the Community Redevelopment Fund, the Streets and Traffic Fund and other Nonmajor Funds consisting of the Building and Zoning Fund, the Community Development Block Grant Fund, the Improvement Fund, the Public Arts Fund, the Grants Fund, the Confiscated Properties Fund, the Business Improvement District, the 41-10 Public Open Space Fund, the Parking Trust Fund, the Impact Fee Fund, the Land Contribution Fund, and the Maintenance Dredging Funds for the East Naples Bay District, Port Royal and Moorings Bay District. The accounting method used is called modified accrual basis of accounting, which measures cash and all other financial assets that can readily be converted to cash (usually 60 day focus). The two criteria used are that the revenue is measurable and available. Examples of the difference between this and the economic resources measurement focus are that debt financing is considered current revenue, and purchases of capital assets are considered expenditures whereas depreciation is not since there is no outlay of cash.
- ***Proprietary Funds***–are used to account for the business-type activities of the City. There are two types: Enterprise Funds and Internal Service Funds. The City's Major Enterprise Funds are the Water and Sewer Fund, the Solid Waste Fund, the Stormwater Fund, and Nonmajor Enterprise Funds consist of the Naples Beach Fund, the City Dock Fund and the Tennis Fund. The Internal Service Funds include the Equipment Services Fund, Risk Management Fund, Health Benefits Fund, and the Technology Services Fund. All Proprietary Funds use the full accrual basis of accounting and the economic resources measurement focus. Fees or charges for services are the primary revenue sources for Proprietary Funds.
- ***Fiduciary Funds*–**are used to account for resources held for the benefit of parties outside the government. Fiduciary Funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. The accounting method used for Fiduciary Funds is similar to Proprietary Funds.

The fund financial statements present information in more detail than the government-wide financial statements. Major funds are reflected separately and nonmajor funds are combined into "other funds" and are reflected in detail in the combining and individual fund financial statements and schedules section of this report. Governmental Accounting Standards Board (GASB) Statement No. 34 provides the authoritative guidance on the governmental financial reporting model.

The governmental funds measure and report activities using the current financial resources measurement focus and the modified accrual basis of accounting. The reconciliations on pages 24 and 28 convert this data to an economic resources measurement focus and the accrual basis of accounting for use in the government-wide financial statements.

The total column on the Proprietary Fund financial statements is reconciled to the business-type activities column in the government-wide statements on pages 29 through 36.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes can be found beginning on page 40.

Required Supplementary Information

Generally accepted accounting principles (GAAP) call for certain unaudited information to accompany the audited basic financial statements and accompanying footnotes. This information is called required supplementary information (RSI) and includes this analysis (the MD&A), the budgetary comparison schedules for the General Fund, Community Redevelopment Fund, and Streets and Traffic Fund, and trend data on pension funding and other post-employment benefits.

Government-Wide Financial Analysis

The City's combined net position as of September 30, 2023, was $388.5 million. Table 1 reflects the summary Statement of Net Position (in thousands) for the current and prior year.

Table 1
Statement of Net Position
(In Thousands)

	Governmental Activities		Business Type Activities		Total Primary Government	
	2023	2022	2023	2022	2023	2022
Current and other assets	$ 120,538	$ 107,340	$ 79,978	$ 73,636	$ 200,516	$ 180,976
Capital assets	105,160	94,195	146,345	147,470	251,505	241,665
Total assets	225,698	201,535	226,323	221,106	452,021	422,641
Total deferred outflow of resources	30,698	13,817	2,983	1,379	33,681	15,196
Longterm liabilities outstanding	63,522	30,633	13,463	11,396	76,985	42,029
Other liabilities	11,042	9,274	6,886	4,672	17,928	13,946
Total liabiliaties	74,564	39,907	20,349	16,068	94,913	55,975
Total deferred inflow of resources	1,607	17,026	634	1,955	2,241	18,981
Net position						
Net investment in capital assets	103,372	92,079	139,471	139,477	242,843	231,556
Restricted	52,309	44,802	-	-	52,309	44,802
Unrestricted	24,543	21,538	68,853	64,985	93,396	86,523
Total net position	$ 180,224	$ 158,419	$ 208,324	$ 204,462	$ 388,548	$ 362,881

The largest portion of the City's net position is $242.85 million or 62.5% of total net position, reflects its investment in capital assets (land, buildings, plants, and equipment) less outstanding debt used to acquire those assets. The City uses these assets to provide services to citizens; consequently, these assets are not available for future spending. It is also important to recognize that other resources will be required to repay the outstanding debt on capital assets. Restricted net position representing 13.5% of the total net position) is subject to external restrictions on how it may be used. The remaining 24.0% of the unrestricted net position, $93.4 million, may be used to meet the City's ongoing obligations to the citizens and creditors.

The City's combined revenues, including contributions, grants, charges for services and taxes were $157 million. Total expenses, City-wide were $131 million. For the total primary government, including both governmental and business-type activities, net position increased $25.6 million. Net position for Governmental activities increased by $21.8 million and net position for Business-type activities increased by $3.8 million in 2023.

Table 2 reflects the summary Statement of Activities (in thousands) for the current year compared with the prior year.

Table 2
Changes in Net Position
(In thousands)

	Governmental Activities		Business Type Activities		Total Primary Government	
	2023	2022	2023	2022	2023	2022
Revenues						
Program revenues						
Charges for services	$ 14,543	$ 15,079	$ 60,705	$ 58,175	$ 75,248	$ 73,254
Operating grants and contributions	8,772	8,359	1,695	1,204	10,467	9,563
Capital grants and contributions	7,307	7,848	1,292	3,346	8,599	11,194
General revenues						
Property taxes	35,097	30,189	-	-	35,097	30,189
Other taxes	11,680	10,054	-	-	11,680	10,054
Franchise fees	4,497	4,241	-	-	4,497	4,241
Intergovernmental revenues	4,414	4,914	-	-	4,414	4,914
Unrestricted investment earnings	3,662	(3,309)	2,140	(2,529)	5,802	(5,838)
Other	437	89	709	100	1,146	189
Total revenues	90,409	77,464	66,541	60,296	156,950	137,760
Expenses						
General government	14,677	10,314	-	-	14,677	10,314
Public safety	38,530	32,077	-	-	38,530	32,077
Physical and economic environment	3,798	5,106	-	-	3,798	5,106
Transportation	3,349	3,548	-	-	3,349	3,548
Cultural and recreation	10,218	9,878	-	-	10,218	9,878
Interest and fiscal charges	99	126	-	-	99	126
Water and sewer	-	-	38,842	33,130	38,842	33,130
Solid waste	-	-	8,249	7,273	8,249	7,273
Stormwater	-	-	6,490	4,986	6,490	4,986
Dock	-	-	2,593	2,623	2,593	2,623
Other	-	-	4,438	3,418	4,438	3,418
Total expenses	70,671	61,049	60,612	51,430	131,283	112,479
Increase (decrease) in net position before transfers	19,738	16,415	5,929	8,866	25,667	25,281
Transfers	2,067	2,020	(2,067)	(2,020)	-	-
Change in net position	21,805	18,435	3,862	6,846	25,667	25,281
Net position, beginning	158,419	139,984	204,462	197,616	362,881	337,600
Net position, ending	$ 180,224	$ 158,419	$ 208,324	$ 204,462	$ 388,548	$ 362,881

The total primary government revenues reported a $19.2 million or 13.9% increase over last year's total revenues. The total business-type activities' revenue increased $6.2 million including increased revenue from operating grants, FEMA mitigation grants, and capital grants supplemented by an increase in interest revenue. Revenue from governmental activities shows a $13 million increase. The primary reasons for the increase in governmental activity revenue are as follows (Rate increases consistent with consumer price index in this inflationary environment.):

- An increase in charges for service of $2.0 million included decreases in governmental activities stemming from Hurricane Ian and significant increases in business type activities resulting from the returning to near pre pandemic levels.
- An increase in investment interest earnings to $5.8 million as downward pressure from market to market adjustments coupled with increased rate of return in fiscal year 2023.
- An increase in property tax revenue of $4.9 million due to taxable value growth.

Business-type activities showed an increase in revenues in the amount of $6.2 million or 10.3% from 2022. The charges for services increased by $2.5 million, interest revenue increased by $4.6million.

The total primary government's expenses increased $18.8 million or just over 16.7%. Governmental activities reported a 15.9% increase in expenses, with business-type activities reporting a 17.9% increase.

Governmental Activities

Table 3 presents the cost of each of the City's four largest programs as well as each program's net cost (total cost less revenues, excluding taxes, generated by the activities). The net cost represents the portion of each program that is supported by various taxes.

The cost of all governmental activities this year was $70.7 million. As shown in the Statement of Activities on page 19, the net cost that was ultimately paid through taxes was $40 million. The $31.3 million of costs for governmental activities not covered by general revenues was provided by:

- $14.5 million in charges for services, made of $5.3 million in building/permit fees, $2.3 million in police and fire services, $1.1 million for recreation fees, and the balance from various fees related to transportation, economic environment and general government services.
- $8.8 million in operating grants and contributions including $5.8 million from Collier County's share of the Community Redevelopment tax increment financing.
- $7.3 million in capital grants and contributions including $6.4 million from Collier County's One Cent Sales Tax.

The total cost of all governmental activities increased by 3.7% in fiscal year 2022, representing increases in all categories of governmental activities as identified in Table 3 below.

Table 3
Governmental Activities
(In Thousands)

	Total Cost of Service		Net Cost of Service	
	2023	2022	2023	2022
Public safety	38,530	32,077	31,734	23,822
Physical and economic environment	3,798	5,106	(4,956)	(3,560)
Transportation	3,371	3,548	2,849	3,080
Cultural and recreation	10,218	9,878	7,165	8,377
All others	14,776	10,440	3,257	(1,956)
	70,693	61,049	40,049	29,763

Business-Type Activities

Revenues of the City's business-type activities (see Table 2) totaled $66.5 million. The Water and Sewer Fund represents 63.9% of the business-type activities' expenses. Total water and sewer operating revenues were $2.4 million higher than last year, while corresponding operating expenses were $2.4 million higher. City Code allows for Water Sewer Fees, Stormwater Fees, and Solid Waste Fees to be adjusted automatically, based on the Consumers Price Index, respectively. The Water and Sewer Fees and Solid Waste Fees were increased 5.0% in 2023 across all components of the rate structures. The water/sewer charges are tiered for higher rate with higher usage making a year over year comparison difficult in large part. While the stormwater rate increase was 9.6% for fiscal year 2023.

Financial Analysis of the City's Funds

The City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The fund financial statements for the governmental funds start on page 21. The focus of the City's governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the City's financing requirements.

In particular, the unassigned fund balance may serve as a useful measurement of a government's net resources for spending at the end of the fiscal year. As of September 30, 2023, the City's governmental funds reported combined ending fund balances of $105.4 million, an increase of $21.9 million in comparison with the prior year. This increase resulted from increased tax property tax revenue, increased operational and program revenue, and increased revenue from Collier County's sales tax obligated to capital projects underway. In 2023, approximately 20.5% of this total (or $21.6 million) constitutes unassigned fund balance, which is available for spending at the City's discretion. This is up $1.5 million from 2022. The remainder of fund balance is restricted, committed or assigned to indicate that it is not available for new spending. Major restrictions, commitments or assignments include funds: (1) restricted for capital projects ($23.1 million); (2) restricted for building and zoning ($5.5 million); (3) restricted for transportation ($4.8 million); (4) restricted for economic development ($15.9 million); (5) committed for City-wide emergencies ($5.0 million); (6) assigned to meet debt service requirements ($2.8 million); and (7) restricted for Baker Park capital construction project ($1.8 million); (8) for a variety of other restricted ($3.0 million).

The General Fund is the chief operating fund of the City. At the end of the current fiscal year, unassigned fund balance of the General Fund was $21.6 million, while the total fund balance was $28.6 million. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 37.4% of the total fiscal year 2023 General Fund expenditures, while total fund balance represents 49.5% of that same amount.

General Fund expenditures were $4.7 million under the amended budget. Most variances in general government areas were due to periods of vacancies or minor cost under-runs in operating expenses, and unused contingencies. The general government divisions came in $1.4 million more than the original budget resulting from supplemental appropriations needed for Hurricane Ian recovery, public safety divisions came in $1.3 million less than budget, and community services was $1.1 million less than budget. Employee vacancies and reduction in normal operational expenses while preponderance of work priorities was related to Hurricane Ian recovery and those funds from appropriations directly appropriated for those efforts and reflected in the general government function as indicated above.

The fund balance in the General Fund increased by $1.0 million during the fiscal year. This increase resulted from higher property tax collections, charges for service, and intergovernmental revenue. The total revenue received exceeded the original estimated revenue in the budget by $4.7 million resulting from increases in insurance reimbursement related to Hurricane Ian of $1.4 million and investment interest revenue above original estimate in the amount of $900 thousand. This increased revenue was more than adequate to offset the increased expenses from the original budget outlined above, resulting in an increase to fund balance.

The Debt Service Fund reports a total fund balance of $2.8 million which is totally assigned for the payment of debt service. The slight increase in fund balance during the current year in the Debt Service Fund was the direct result of an increase in interest revenue of $150 thousand and the decrease in debt service of $30 thousand. Taxes received in this fund first pay for the general government debt, and the balance may be used to provide funds for general government capital projects. This year the amount transferred to fund capital projects was $4.1 million.

The Capital Projects Fund reports a total fund balance of $7.3 million, $3.4 million is assigned for future capital projects, and $2.5 million is committed to existing project contractual commitments. Fund balance decreased by $400 thousand.

The fund balance in the Community Redevelopment Fund increased $5.7 million in 2023 with an ending fund balance of $16 million. As a fund with major capital goals, the fund balance will be directed toward future capital projects identified in the Redevelopment Plan including a planned parking garage, neighborhood improvements, design district, and $3.0 million budgeted for affordable housing in fiscal year 2023.

The fund balance in the Streets and Traffic Fund increased $800 thousand in 2023 with an ending fund balance of $4.5 million. The fund balance in the East Naples Bay District increased $210 thousand in 2023 due to continued strong tax collections and ended the year with a fund balance of $321 thousand. The fund balance in the Sales Tax Fund increased $975 thousand in 2023 due to continued strong sales tax collections and ended the year with a fund balance of $19.7 million.

The combined fund balances for all governmental (major and non-major) funds increased by $21.9 million for fiscal year 2023 or 26.2%.

Proprietary Funds

Like the fund financial statements of governmental funds, the fund financial statements for the City's Proprietary Funds provide the same type of information in the government-wide financial statements, but in more detail. The fund statements of the Proprietary Funds start on page 29.

Unrestricted net position of the Proprietary Funds at the end of the fiscal year amounted to $46.4 million in the Water and Sewer Fund, $4.3 million in the Solid Waste Fund, $8.5 million in the Stormwater Fund, ($2.9) million in the City Dock Fund, $6.9 million in the Naples Beach Fund, and $831 thousand in the Tennis Fund.

General Fund Budgetary Highlights

The original adopted budget for fiscal year 2022-2023 was $54.0 million in expenditures and other financing uses and $54.1 million in revenues and other financing sources, with the difference of $100 thousand being a planned increase in fund balance. The amended budget for fiscal year 2022-2023 is $62.5 million in expenditures and other financing uses, and $54.1 million in revenues and other financing sources. The actual fiscal year 2022-2023 is $57.8 million in expenditures and other financing uses and $58.8 million in revenues and other financing sources, with the combined net difference of $1.0 million resulting in an increase in the fund balance.

The increase between the General Fund's original budgeted expenditures and the amended budgeted expenditures is $7.5 million of which $4.2 million was directly related to recovering from damage caused by Hurricane Irma.

The General Fund contingency was budgeted at $100,000. The City did not use any portion of the budgeted contingency.

Capital Assets and Debt Administration

Capital Assets

The City as of year-end had $241.7 million invested in a variety of capital assets, as reflected in the following table, which represents a net increase (additions less retirements and depreciation) of $167 thousand or 0.07% over last year.

Table 4
Capital Assets at Year-End
(In Thousands)

	Governmental Activities		Business Type Activities		Total Primary Government	
	2023	2022	2023	2022	2023	2022
Land	16,418	16,418	3,142	3,142	19,560	19,560
Buildings	52,592	52,243	64,340	63,940	116,932	116,183
Improvements other than buildings	51,854	50,886	83,927	82,814	135,781	133,700
Infrastructure	57,262	57,029	151,665	149,951	208,927	206,980
Machinery and equipment	40,756	35,960	69,455	54,322	110,211	90,282
Construction in progress	13,796	3,617	10,468	13,865	24,264	17,482
Less accumulated depreciation	(127,519)	(121,958)	(236,652)	(220,564)	(364,171)	(342,522)
Total	105,159	94,195	146,345	147,470	251,504	241,665

This year's major additions include:

- Stormwater Improvements and Lake Restoration $5.2 million.
- Water and Sewer Fund building and infrastructure improvement $12.9 million.
- Once Cent Sales Tax – Phase I outfall $1.3 million.

Note: Land and construction in progress in the table 4 (above) equate to the capital assets not being depreciated on the Statement of Net Position on page 18. Additional information regarding the City's capital assets is included in the Note 3 (D) to the financial statements.

Debt Outstanding

As of September 30, 2023, the City had $8.7 million in debt (bonds, notes, etc.) outstanding compared to $10.2 million in 2022, a $1.5 million decrease. This decrease is the result of regular amortization in accordance with the payment schedules.

Table 5
Outstanding Debt at Year-end

	2023	2022
Governmental		
Capital improvement revenue note	1,787,391	2,116,685
Subtotal	1,787,391	2,116,685
Business-type		
Public Utilities refunding revenue bonds	6,907,712	8,034,621
Subtotal	6,907,712	8,034,621
Total	8,695,103	10,151,306

Additional information regarding the City's outstanding debt is included in the Note 3 (G) to the financial statements.

Economic Factors and Next Year Budget and Rates

In September 2023, the City Council approved a $197.2 million budget for fiscal year 2023-2024, approximately $18.7 million less than the fiscal year 2022-2023 budget. The budget includes $139.4 million for operations and transfers, $2.4 million for debt service, and $55.4 million for capital improvements.

The adopted fiscal year 2022-2023 budget continues the City's fiscally conservative approach to budget development, while providing quality services to the citizens.

The budget for fiscal year 2023-2024 was developed with an emphasis on:

- The City's ten-year vision plan.
- Reasonable revenue projections.
- Maintenance of levels of service desired by the community.
- Maintenance of fiscally responsible reserves while utilizing excess reserves to provide capital investment into quality-of-life improvement initiatives and essential service infrastructure.
- This budget contains significant investment both capital and operational to water quality and water quality improvements. Among these are Stormwater infrastructure includes $2.8 million in equipment, City-wide lake management and restoration improvements, basin drainage improvements, and City-wide stormwater improvement. Water and Sewer infrastructure, equipment, and facilities improvements budgeted include: $2.1 million in wastewater collections improvements; $650 thousand in water production improvements; $3.8 million in water distribution improvements; $1.8 million in utilities maintenance improvements; and $250 thousand in wastewater treatment improvements.

The City's fiscal year 2023-2024 General Fund budget was balanced using a millage rate of 1.1700 remaining increased 0.02 from fiscal year 2022-2023. The East Naples Bay Taxing District millage rate remained at .5000 and the Moorings Bay Taxing District remained at .0125. The City's aggregate millage rate of 1.1872 is greater than the aggregate roll back rate of 1.0473 mills.
The following economic and operating factors were considered in developing the budget for fiscal year 2022-2023:

- The City showed the twelfth consecutive year of increase in taxable value as values increased 12% over fiscal year 2022-2023 to $35 billion.
- The City expects minimal fluctuations for most other revenue sources, including an incremental increase in investment earnings compared to the substantial increase experienced in fiscal year 2022-2023.
- The City has five union contracts for its employees. All union contracts included negotiated increases ranging from 5% to 7% effective October 1, 2022. Specifically, the Fraternal Order of Police (Sergeants) and International Association of Fire Fighters will receive 7% while the OPEIU, AFSCME, and Fraternal Order of Police (Officers) will receive 5% October 1, 2024. Non-union employees were awarded a 4% cost of living increase on October 1, 2024 and the City instituted a merit based increase from 0-6% depending on the employees composite score. The City will be evaluating this initiative for effectiveness in hopes of potentially applying this methodology in future negotiated contracts.
- Health insurance benefits remained unchanged from fiscal year 2022-2023. The City last increased health insurance rates by 5% in fiscal year 2021-2022. The City increased both the employer and employee premium contributions to maintain the current 85% employer and 15% employee cost sharing of healthcare premiums and comply with the labor contracts.
- The budget has a net increase of 14 positions over the fiscal year 2022-2023.
- Within the adopted fiscal year 2023-2024 there was one potential debt issuance opportunity of $12 million related to the CRA Garage Parking Partnership.

- As of March 2024, the possibility of additional debt in 2024 has increased to include potential debt issuance related to the City's Beach Fund and Stormwater Fund. The Beach Fund includes $11 million for the reconstruction of the Naples Pier. The total project cost is expected to exceed $26 million (including design). The Stormwater Fund may include issuance related to the Stormwater Outfall Project expected to exceed $97 million including design. The specific amount of debt is expected to be between $15-$50 million pending on final decisions related to the $25 million in State appropriations and $10 million in TDC Grant application and provided the project moves forward.

Requests for Information

This financial report is designed to provide a general overview of the City of Naples finances to all users (citizens, taxpayers, customers, investors and creditors). If you have questions regarding this report or need additional financial information, contact the Finance Director at City Hall, 735 8th Street South, Naples, Florida 34102, or at (239) 213-1820, or by email at finance@naplesgov.com. Additional information about the City, including email addresses for the various departments, can be obtained at the City's website www.naplesgov.com.

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BASIC FINANCIAL STATEMENTS

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CITY OF NAPLES, FLORIDA
Statement of Net Position
September 30, 2023

	Primary Government		
Assets	**Governmental Activities**	**Business-Type Activities**	**Total**
Cash and cash equivalents	$ 15,707,835	8,222,514	23,930,349
Investments	101,960,742	55,444,859	157,405,601
Restricted cash	-	198,376	198,376
Receivables (net, where applicable, of allowance for uncollectible)	1,802,167	12,705,617	14,507,784
Accrued interest	527,283	282,553	809,836
Internal balances	(1,840,025)	1,840,025	-
Due from other governments	2,085,841	59,768	2,145,609
Inventories	77,940	1,184,780	1,262,720
Prepaid items	215,966	39,990	255,956
Capital assets not being depreciated	30,214,518	13,609,095	43,823,613
Capital assets, net of accumulated depreciation	74,945,042	132,735,793	207,680,835
Net capital assets	105,159,560	146,344,888	251,504,448
Total assets	225,697,309	226,323,370	452,020,679
Deferred Outflows of Resources			
Deferred outflows - pensions	30,140,391	2,699,292	32,839,683
Deferred outflows - OPEB	557,542	250,490	808,032
Deferred charge on refunding	-	33,483	33,483
Total deferred outflows of resources	30,697,933	2,983,265	33,681,198
Liabilities			
Accounts payable and other current liabilities	6,745,165	4,750,869	11,496,034
Due to other governments	37,143	1,996,002	2,033,145
Unearned revenue	3,210,279	20,131	3,230,410
Accrued interest payable	12,288	27,310	39,598
Customer deposits	1,095,233	91,952	1,187,185
Noncurrent liabilities			
Due within one year	3,515,604	1,471,528	4,987,132
Due in more than one year	59,948,732	11,991,038	71,939,770
Total liabilities	74,564,444	20,348,830	94,913,274
Deferred Inflows of Resources			
Deferred inflows - pensions	465,433	120,821	586,254
Deferred inflows - OPEB	1,141,370	512,790	1,654,160
Total deferred inflows of resources	1,606,803	633,611	2,240,414
Net Position			
Net investment in capital assets	103,372,169	139,470,659	242,842,828
Restricted for			
Building and zoning	5,539,890	-	5,539,890
Capital projects	23,988,182	-	23,988,182
Streets and infrastructure	4,518,644	-	4,518,644
Economic development	15,915,375	-	15,915,375
Police programs	728,317	-	728,317
Culture and recreation improvements	1,618,695	-	1,618,695
Unrestricted	24,542,723	68,853,535	93,396,258
Total net position	$ 180,223,995	$ 208,324,194	$ 388,548,189

The accompanying notes to financial statements are an integral part of this statement.

CITY OF NAPLES, FLORIDA
Statement of Activities
Year Ended September 30, 2023

Functions/programs	Expenses	Indirect Expenses Allocation
Governmental activities		
General government	$ 18,133,199	(3,456,085)
Public safety	38,070,932	458,792
Physical and economic environment	3,680,788	116,993
Transportation	3,247,317	124,455
Culture and recreation	10,218,486	-
Interest	98,985	-
Total governmental activities	73,449,707	(2,755,845)
Business-type activities		
Water and sewer	37,083,106	1,758,249
Solid waste	7,812,956	436,532
Stormwater	6,288,996	201,363
Dock	2,509,812	83,681
Beach	2,987,277	219,314
Tennis	1,173,132	56,706
Total business-type activities	57,855,279	2,755,845
Total primary government	$ 131,304,986	-

The accompanying notes to financial statements are an integral part of this statement.

Program Revenues			Net (Expense) Revenue and Change In Net Position		
Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Totals
4,758,783	350,231	6,409,537	(3,158,563)	-	(3,158,563)
6,700,858	-	94,618	(31,734,248)	-	(31,734,248)
16,602	8,105,509	631,993	4,956,323	-	4,956,323
127,618	316,040	56,796	(2,871,318)	-	(2,871,318)
2,961,885	-	113,992	(7,142,609)	-	(7,142,609)
-	-	-	(98,985)	-	(98,985)
14,565,746	8,771,780	7,306,936	(40,049,400)	-	(40,049,400)
38,879,393	1,054,398	1,292,311	-	2,384,747	2,384,747
9,536,051	-	-	-	1,286,563	1,286,563
5,946,260	378,043	-	-	(166,056)	(166,056)
2,623,243	-	-	-	29,750	29,750
2,938,835	262,768	-	-	(4,988)	(4,988)
780,781	-	-	-	(449,057)	(449,057)
60,704,563	1,695,209	1,292,311	-	3,080,959	3,080,959
75,270,309	10,466,989	8,599,247	(40,049,400)	3,080,959	(36,968,441)
General revenues					
Property taxes			35,096,841	-	35,096,841
Local communication and utility taxes			7,600,693	-	7,600,693
Insurance premium tax			2,305,604	-	2,305,604
Motor fuel taxes			1,535,343	-	1,535,343
Business tax			238,621	-	238,621
Franchise fees			4,496,531	-	4,496,531
Intergovernmental revenues–unrestricted			4,414,654	-	4,414,654
Unrestricted investment losses			3,661,603	2,139,748	5,801,351
Gain on sale of capital assets			437,165	709,238	1,146,403
Transfers			2,067,600	(2,067,600)	-
Total general revenues and transfers			61,854,655	781,386	62,636,041
Change in net position			21,805,255	3,862,345	25,667,600
Net position, beginning			158,418,740	204,461,849	362,880,589
Net position, ending			$ 180,223,995	208,324,194	388,548,189

The accompanying notes to financial statements are an integral part of this statement.

CITY OF NAPLES, FLORIDA
Balance Sheet
Governmental Funds
September 30, 2023

	General Fund	Debt Service Fund	Capital Projects Fund	Community Redevelopment Fund
Assets				
Cash and cash equivalents	$ 3,841,434	319,069	880,611	2,100,239
Investments	25,072,086	2,100,819	5,798,120	13,828,404
Receivables (net, where applicable, of allowance for uncollectible)				
Accounts	774,991	-	-	-
Special assessments	-	-	464,326	-
Utility taxes	-	403,321	-	-
Accrued interest	198,930	5,631	54,232	49,359
Due from other funds	158,700	-	-	-
Advances due from other funds	1,229,050	-	-	-
Due from other governments	1,515,237	-	-	-
Inventories	-	-	-	-
Prepaid items	16,124	-	99,842	-
Total assets	$ 32,806,552	2,828,840	7,297,131	15,978,002
Liabilities				
Accounts payable	$ 3,317,125	-	909,038	48,594
Accrued payroll	621,066	-	-	14,033
Due to other governments	7,492	-	-	-
Due to other funds	-	-	-	-
Advances payable to other funds	-	-	-	-
Unearned revenue	198,395	-	273,243	-
Customer deposits	-	-	-	-
Total liabilities	4,144,078	-	1,182,281	62,627
Deferred inflows of resources				
Unavailable revenue	16,300	-	136,157	-
Fund balances				
Nonspendable	1,245,174	-	99,842	-
Restricted	-	-	-	15,915,375
Committed	5,081,980	-	2,514,557	-
Assigned	747,324	2,828,840	3,364,294	-
Unassigned	21,571,696	-	-	-
Total fund balances	28,646,174	2,828,840	5,978,693	15,915,375
Total liabilities, deferred inflows of resources and fund balances	$ 32,806,552	2,828,840	7,297,131	15,978,002

The accompanying notes to financial statements are an integral part of this statement.

American Rescue Plan Act Fund	Streets and Traffic Fund	East Naples Bay District Fund	Sales Tax Fund	Other Nonmajor Governmental Funds	Total
338,057	610,288	384,030	2,614,206	2,072,228	13,160,162
2,225,833	4,018,259	2,528,534	17,212,464	13,643,977	86,428,496
-	-	-	-	-	774,991
-	-	152,219	-	-	616,545
-	-	-	-	-	403,321
-	25,175	8,326	35,282	81,425	458,360
-	-	-	-	-	158,700
-	-	-	-	-	1,229,050
-	-	-	546,942	-	2,062,179
-	16,375	-	-	-	16,375
-	-	-	-	-	115,966
2,563,890	4,670,097	3,073,109	20,408,894	15,797,630	105,424,145
-	120,408	261,864	680,115	119,434	5,456,578
-	14,670	-	-	56,940	706,709
-	-	-	-	29,651	37,143
-	-	290,000	-	-	290,000
-	-	2,030,000	-	-	2,030,000
2,563,890	-	170,414	-	-	3,205,942
-	-	-	-	1,095,233	1,095,233
2,563,890	135,078	2,752,278	680,115	1,301,258	12,821,605
-	-	-	-	-	152,457
-	16,375	-	-	-	1,361,391
-	4,518,644	320,831	19,728,779	11,825,474	52,309,103
-	-	-	-	2,528,701	10,125,238
-	-	-	-	142,197	7,082,655
-	-	-	-	-	21,571,696
-	4,535,019	320,831	19,728,779	14,496,372	92,450,083
2,563,890	4,670,097	3,073,109	20,408,894	15,797,630	105,424,145

The accompanying notes to financial statements are an integral part of this statement.

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CITY OF NAPLES, FLORIDA

Reconciliation of the Balance Sheet–Governmental Funds
to the Statement of Net Position
September 30, 2023

Total fund balances governmental funds (page 21)		$ 92,450,083
Total net position reported for governmental activities in the Statement of Net Position is different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. Total capital assets ($105,159,560) less amounts included in the internal service funds ($1,332,670).		103,826,890
Some deferred inflows of resources are not available to pay for current period expenditures and, therefore, are reported as unavailable revenue in the funds.		152,457
Accrued interest on long-term debt is not due and payable in the current period and, therefore, is not reported in the funds.		(12,288)
Deferred outflows ($30,140,391), deferred inflows ($465,433), and the net pension liability ($49,546,637) related to the City's pension plans less amounts reported in the internal service funds ($214,398) are not expected to be liquidated with expendable available financial resources and, therefore, are not reported in the funds.		(19,657,281)
Deferred outflows ($557,542), deferred inflows ($1,141,370), and the total OPEB liability ($3,039,836) related to the City's other post-employment benefit plan less amounts reported in the internal service funds ($210,067) are not expected to be liquidated with expendable available financial resources and, therefore, are not reported in the funds.		(3,413,597)
Long-term liabilities, including bonds payable, compensated absences, and insurance claims payable are not due and payable in the current period and, therefore, are not reported in the funds. This is the total amount of long-term liabilities ($10,877,863) less the amounts reported in the internal service funds ($5,857,555) for compensated absences, and insurance claims payable.		
Debt payable	$(1,787,391)	
Compensated absences	(3,232,917)	(5,020,308)
Internal service funds are used by management to charge the costs of certain activities, such as fleet management, insurance and information services to individual funds. This is the net position included in the governmental activities in the Statement of Net Position.		11,898,039
Net position of governmental activities (page 19)		$ 180,223,995

The accompanying notes to financial statements are an integral part of this statement.

CITY OF NAPLES, FLORIDA

Statement of Revenues, Expenditures and Changes in Fund Balances

Governmental Funds

Year Ended September 30, 2023

	General Fund	Debt Service Fund	Capital Projects Fund	Community Redevelopment Fund
Revenues				
Taxes	$ 36,143,740	5,144,005	-	1,859,011
Permits, fees and assessments	4,873,702	-	299,996	-
Intergovernmental	5,694,654	-	100,000	5,762,125
Charges for services	2,562,890	-	-	-
Charges to other funds	4,196,889	-	-	-
Fines and forfeitures	258,514	-	-	-
Investment earnings	1,300,985	69,676	269,443	484,929
Donations	-	-	-	-
Miscellaneous	1,735,890	-	-	-
Total revenues	56,767,264	5,213,681	669,439	8,106,065
Expenditures				
Current				
General government	14,489,134	32,496	103,884	-
Public safety	30,502,976	-	-	-
Physical and economic environment	-	-	-	1,667,783
Transportation	44,222	-	-	-
Culture and recreation	7,818,881	-	-	-
Capital outlay				
General government	2,868,683	-	146,105	-
Public safety	49,920	-	1,635,617	-
Physical and economic environment	-	-	-	829,346
Transportation	1,988,095	-	42,575	-
Culture and recreation	-	-	3,327,020	-
Debt service				
Principal	-	329,294	-	-
Interest and fiscal charges	-	58,184	-	-
Total expenditures	57,761,911	419,974	5,255,201	2,497,129
Excess (deficiency) of revenues over (under) expenditures	(994,647)	4,793,707	(4,585,762)	5,608,936
Other financing sources (uses)				
Transfers in	2,067,600	-	4,100,000	-
Transfers out	-	(4,100,000)	-	-
Proceeds from sale of capital assets	333	-	79,794	-
Total other financing sources (uses)	2,067,933	(4,100,000)	4,179,794	-
Change in fund balances	1,073,286	693,707	(405,968)	5,608,936
Fund balances, beginning of year	27,572,888	2,135,133	6,384,661	10,306,439
Fund balances, end of year	$ 28,646,174	2,828,840	5,978,693	15,915,375

The accompanying notes to financial statements are an integral part of this statement.

American Rescue Plan Act Fund	Streets and Traffic Fund	East Naples Bay District Fund	Sales Tax Fund	Other Nonmajor Governmental Funds	Total
-	3,135,343	463,207	-	31,796	46,777,102
-	304,150	6,312	-	6,031,316	11,515,476
-	592,836	-	6,409,537	665,265	19,224,417
-	-	-	-	10,426	2,573,316
-	-	-	-	-	4,196,889
-	-	-	-	1,151	259,665
-	143,565	97,873	379,466	457,683	3,203,620
-	-	-	-	297,216	297,216
-	7,058	-	-	22,650	1,765,598
-	4,182,952	567,392	6,789,003	7,517,503	89,813,299
-	-	-	-	42,075	14,667,589
-	-	-	-	5,972,271	36,475,247
-	-	261	-	665,351	2,333,395
-	2,509,894	-	-	-	2,554,116
-	-	-	-	12,765	7,831,646
-	-	-	734,003	-	3,748,791
-	-	-	-	217,949	1,903,486
-	-	314,115	4,964,823	612,250	6,720,534
-	813,322	-	114,866	-	2,958,858
-	-	-	-	84,859	3,411,879
-	-	-	-	-	329,294
-	-	43,065	-	-	101,249
-	3,323,216	357,441	5,813,692	7,607,520	83,036,084
-	859,736	209,951	975,311	(90,017)	6,777,215
-	-	-	-	-	6,167,600
-	-	-	-	-	(4,100,000)
-	8,600	-	-	-	88,727
-	8,600	-	-	-	2,156,327
-	868,336	209,951	975,311	(90,017)	8,933,542
-	3,666,683	110,880	18,753,468	14,586,389	83,516,541
-	4,535,019	320,831	19,728,779	14,496,372	92,450,083

The accompanying notes to financial statements are an integral part of this statement.

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CITY OF NAPLES, FLORIDA

Reconciliation of the Statement of Revenues,
Expenditures and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
Year Ended September 30, 2023

Net change in fund balances–total governmental funds (page 25)		$ 8,933,542
Amounts reported for governmental activities in the Statement of Activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.		
Capital outlay	$ 17,878,815	
Less current year depreciation	(7,329,892)	10,548,923
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to decrease net position.		(101,918)
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. This amount is the net effect of these differences in the treatment of long-term debt and related items.		
Repayment of principal of long-term debt		329,294
Some revenues reported in the Statement of Activities do not provide current financial resources and, therefore, are not reported as revenues in governmental funds.		(276,930)
Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		
Compensated absences	(154,027)	
Deferred outflows - pensions	16,686,341	
Deferred outflows - OPEB	(62,947)	
Accrued interest	2,264	
Net pension liability	(32,189,286)	
Total OPEB liability	402,720	
Deferred inflows - pensions	15,569,028	
Deferred inflows - OPEB	(298,128)	(44,035)
Internal service funds are used by management to charge the costs of certain activities, such as fleet management, insurances and information systems. This is the net revenue of the internal service funds reported within governmental activities.		2,416,379
Change in net position of governmental activities (page 26)		$ 21,805,255

The accompanying notes to financial statements are an integral part of this statement.

CITY OF NAPLES, FLORIDA
Statement of Net Position
Proprietary Funds
September 30, 2023

	Business-Type Activities–Enterprise Funds			
Assets	**Water and Sewer Fund**	**Solid Waste Fund**	**Stormwater Fund**	**City Dock Fund**
Current assets				
Cash and cash equivalents	$ 5,277,531	659,392	1,152,820	92,225
Investments	36,054,486	4,341,575	7,590,399	607,230
Restricted cash	198,376	-	-	-
Receivables (net, where applicable, of allowance for uncollectible)				
Accounts	7,167,075	1,233,675	770,983	22,670
Special assessments	3,511,214	-	-	-
Accrued interest	173,718	18,325	51,659	5,048
Advances due from other funds	3,016,900	-	529,050	-
Due from other governments	-	-	-	-
Due from other funds	377,600	-	58,700	-
Prepaid items	-	-	-	-
Inventories	1,154,312	-	-	24,076
Total current assets	56,931,212	6,252,967	10,153,611	751,249
Capital assets				
Land	1,761,684	1,145,053	234,866	-
Buildings and utility plants	61,273,624	528,790	-	-
Improvements other than buildings	64,829,940	4,511,402	-	6,869,536
Infrastructure	103,021,864	-	48,643,611	-
Equipment	57,768,862	7,421,961	1,924,794	237,414
Accumulated depreciation	(184,236,912)	(8,713,102)	(31,070,633)	(2,443,785)
Construction in progress	5,961,143	-	3,442,318	8,695
Net capital assets	110,380,205	4,894,104	23,174,956	4,671,860
Total assets	167,311,417	11,147,071	33,328,567	5,423,109
Deferred Outflow of Resources				
Deferred outflows - pensions	1,633,009	415,599	274,967	64,019
Deferred outflows - OPEB	169,686	40,402	16,161	4,040
Deferred charge on refunding	33,483	-	-	-
Total deferred outflows of resources	1,836,178	456,001	291,128	68,059

The accompanying notes to financial statements are an integral part of this statement.

Nonmajor Funds	Total	Governmental Activities– Internal Service Funds
1,040,546	8,222,514	2,547,673
6,851,169	55,444,859	15,532,246
-	198,376	-
-	9,194,403	7,310
-	3,511,214	-
33,803	282,553	68,923
-	3,545,950	-
59,768	59,768	23,662
-	436,300	-
39,990	39,990	100,000
6,392	1,184,780	61,565
8,031,668	82,120,707	18,341,379
-	3,141,603	-
2,537,944	64,340,358	846,944
7,716,319	83,927,197	-
-	151,665,475	-
2,102,113	69,455,144	4,995,584
(10,187,949)	(236,652,381)	(4,669,707)
1,055,336	10,467,492	159,849
3,223,763	146,344,888	1,332,670
11,255,431	228,465,595	19,674,049
311,698	2,699,292	384,114
20,201	250,490	32,321
-	33,483	-
331,899	2,983,265	416,435

(Continued)

CITY OF NAPLES, FLORIDA
Statement of Net Position
Proprietary Funds
September 30, 2023

	Business-Type Activities–Enterprise Funds			
Liabilities	**Water and Sewer Fund**	**Solid Waste Fund**	**Stormwater Fund**	**City Dock Fund**
Current liabilities				
Accounts payable	$ 3,319,829	218,318	281,496	22,002
Accrued payroll	152,522	37,156	24,680	5,113
Due to other funds	-	-	-	305,000
Due to other governments	1,996,002	-	-	-
Unearned revenue	17,237	-	-	2,894
Accrued interest payable	27,310	-	-	-
Current portion of compensated absences	196,000	69,000	-	11,000
Current maturities of long-term debt	1,157,528	-	-	-
Insurance claims payable	-	-	-	-
Total payable from current assets	6,866,428	324,474	306,176	346,009
Current liabilities (payable from restricted assets)				
Customer deposits	16,612	-	-	75,340
Total current liabilities	6,883,040	324,474	306,176	421,349
Noncurrent liabilities				
Due in more than one year				
Revenue bonds payable, net of unamortized discounts and premiums	5,750,184	-	-	-
Compensated absences	503,969	82,903	75,118	15,686
Advances due to other funds	-	-	-	2,745,000
Net pension liability	2,471,400	628,968	416,136	96,887
Total OPEB liability	925,168	220,278	88,111	22,028
Insurance claims payable	-	-	-	-
Total noncurrent liabilities	9,650,721	932,149	579,365	2,879,601
Total liabilities	16,533,761	1,256,623	885,541	3,300,950
Deferred Inflows of Resources				
Deferred inflows - pension	73,094	18,602	12,308	2,866
Deferred inflows - OPEB	347,374	82,708	33,083	8,271
Total deferred inflows of resources	420,468	101,310	45,391	11,137
Net Position				
Net investment in capital assets	103,505,976	4,894,104	23,174,956	4,671,860
Restricted for flexible benefits	-	-	-	-
Unrestricted	48,687,390	5,351,035	9,513,807	(2,492,779)
Net position of business-type activities	$ 152,193,366	10,245,139	32,688,763	2,179,081
Adjustment to report cumulative internal balance for the net effect of the activity between the internal service funds and the enterprise funds.				
Net position of business-type activities				

The accompanying notes to financial statements are an integral part of this statement.

Nonmajor Funds	Total	Governmental Activities– Internal Service Funds
664,505	4,506,150	411,685
25,248	244,719	170,193
-	305,000	-
-	1,996,002	-
-	20,131	4,337
-	27,310	-
38,000	314,000	20,000
-	1,157,528	-
-	-	1,520,754
727,753	8,570,840	2,126,969
-	91,952	-
727,753	8,662,792	2,126,969
-	5,750,184	-
112,337	790,013	192,801
-	2,745,000	-
471,726	4,085,117	581,319
110,139	1,365,724	176,222
-	-	4,124,000
694,202	14,736,038	5,074,342
1,421,955	23,398,830	7,201,311
13,951	120,821	17,193
41,354	512,790	66,166
55,305	633,611	83,359
3,223,763	139,470,659	1,332,670
-	-	375,785
6,886,307	67,945,760	11,097,359
10,110,070	207,416,419	12,805,814
	907,775	
	$ 208,324,194	

The accompanying notes to financial statements are an integral part of this statement.

CITY OF NAPLES, FLORIDA
Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Funds
Year Ended September 30, 2023

	Business-Type Activities–Enterprise Funds			
	Water and Sewer Fund	**Solid Waste Fund**	**Stormwater Fund**	**City Dock Fund**
Operating revenues				
Charges for services				
Water revenues	$ 21,079,268	-	-	-
Sewer revenues	17,153,232	-	-	-
Intergovernmental	1,054,398	-	-	-
Other	646,893	9,536,051	5,946,260	2,623,243
Total operating revenues	39,933,791	9,536,051	5,946,260	2,623,243
Operating expenses				
Personal services	9,207,580	2,340,448	1,561,989	337,271
Supplies, services and claims	8,463,327	4,587,847	1,640,322	1,674,540
Materials	3,961,994	-	-	-
Utilities	2,222,202	12,546	31,822	85,233
Depreciation and amortization	12,256,997	779,481	2,975,426	318,131
General administration	1,758,249	436,532	201,363	83,681
Other	716,226	83,030	78,420	-
Total operating expenses	38,586,575	8,239,884	6,489,342	2,498,856
Operating income (loss)	1,347,216	1,296,167	(543,082)	124,387
Nonoperating revenues (expenses)				
Nonoperating grants	-	-	378,043	-
Investment earnings	1,333,042	153,647	306,174	48,755
Interest expense	(205,541)	-	-	(91,500)
Gain (loss) on sale of capital assets	215,692	12,866	6,728	(10,809)
Total nonoperating revenues (expenses)	1,343,193	166,513	690,945	(53,554)
Income before contributions and transfers	2,690,409	1,462,680	147,863	70,833
Capital contributions	1,292,311	-	-	-
Transfers out	(1,722,000)	(345,600)	-	-
Change in net position	2,260,720	1,117,080	147,863	70,833
Net position, beginning of year	149,932,646	9,128,059	32,540,900	2,108,248
Net position, end of year	$ 152,193,366	10,245,139	32,688,763	2,179,081

Adjustment for the net effect of the current year activity between the internal service funds and the enterprise funds.

The accompanying notes to financial statements are an integral part of this statement.

Nonmajor Funds	Totals	Governmental Activities– Internal Service Funds
-	21,079,268	-
-	17,153,232	-
-	1,054,398	-
3,719,616	22,472,063	19,714,420
3,719,616	61,758,961	19,714,420
1,751,235	15,198,523	1,953,342
1,732,306	18,098,342	15,447,956
-	3,961,994	-
115,459	2,467,262	29,870
482,958	16,812,993	235,105
276,020	2,755,845	498,594
75,974	953,650	5,069
4,433,952	60,248,609	18,169,936
(714,336)	1,510,352	1,544,484
262,768	640,811	-
298,130	2,139,748	457,983
-	(297,041)	-
484,761	709,238	348,438
1,045,659	3,192,756	806,421
331,323	4,703,108	2,350,905
-	1,292,311	-
-	(2,067,600)	-
331,323	3,927,819	2,350,905
9,778,747		10,454,909
10,110,070		12,805,814
	(65,474)	
	$ 3,862,345	

The accompanying notes to financial statements are an integral part of this statement.

CITY OF NAPLES, FLORIDA
Statement of Cash Flows
Proprietary Funds
Year Ended September 30, 2023

	Business-Type Activities–Enterprise Funds			
	Water and Sewer Fund	Solid Waste Fund	Stormwater Fund	City Dock Fund
Cash flows from operating activities				
Cash received from customers	$ 40,516,391	9,801,269	6,128,093	2,626,991
Cash payments to suppliers	(13,478,315)	(4,668,819)	(2,067,856)	(1,787,563)
Cash payments to employees for services	(9,148,804)	(2,355,049)	(1,538,333)	(83,681)
Cash payments for interfund services	(1,758,249)	(436,532)	(201,363)	(324,297)
Net cash provided by operating activities	16,131,023	2,340,869	2,320,541	431,450
Cash flows from noncapital financing activities				
Transfers in (out)	(1,722,000)	(345,600)	-	-
Loans/advances and repayments from other funds	565,200	-	117,400	(610,000)
Nonoperating grants	-	-	378,043	-
Net cash provided by (used in) noncapital financing activities	(1,156,800)	(345,600)	495,443	(610,000)
Cash flows from capital and related financing activities				
Principal paid on long-term debt	(1,126,909)	-	-	-
Interest paid on long-term debt	(208,815)	-	-	(91,500)
Capital contributions	1,292,311	-	-	-
Proceeds from sale of capital assets	257,553	12,866	6,728	-
Acquisition and construction of capital assets	(11,117,468)	(813,184)	(2,116,953)	(14,061)
Net cash used in capital and related financing activities	(10,903,328)	(800,318)	(2,110,225)	(105,561)
Cash flows from investing activities				
Purchase of investments	(7,423,034)	(1,523,860)	(1,483,536)	-
Sale of investments	4,710,006	567,165	991,578	263,206
Interest and investment earnings	1,018,997	107,993	213,323	32,923
Net cash used in investing activities	(1,694,031)	(848,702)	(278,635)	296,129
Net change in cash and cash equivalents	2,376,864	346,249	427,124	12,018
Cash and cash equivalents, beginning of year	3,099,043	313,143	725,696	80,207
Cash and cash equivalents, end of year	$ 5,475,907	659,392	1,152,820	92,225
Reconciliation of operating income (loss) to net cash provided by operating activities				
Operating income (loss)	$ 1,347,216	1,296,167	(543,082)	124,387
Adjustments to reconcile operating income (loss) to net cash provided by operating activities				
Depreciation and amortization	12,256,997	779,481	2,975,426	318,131
Changes in assets - (increase) decrease				
Accounts receivable, net	277,456	265,218	141,098	9,045
Due from other governments	305,144	-	40,735	-
Inventories	(127,437)	-	-	(239)
Decrease in prepaid items	-	-	-	-
Deferred outflows	(958,171)	(241,067)	(166,528)	(41,886)
Changes in liabilities - increase (decrease)				
Accounts payable	1,546,664	14,604	(317,292)	(27,551)
Accrued payroll	(58,334)	(9,928)	(8,653)	(264)
Due to other governments	465,957	-	-	-
Unearned revenue	-	-	-	234
Customer deposits	250	-	-	(5,531)
Insurance claims payable	-	-	-	-
Deferred inflows	(810,834)	(212,610)	(138,029)	(27,265)
Net pension liability	1,947,278	493,081	330,849	79,551
Total OPEB liability	(130,110)	(30,979)	(12,392)	(3,097)
Compensated absences	68,947	(13,098)	18,409	5,935
Net cash provided by operating activities	$ 16,131,023	2,340,869	2,320,541	431,450
Noncash investing, capital, and financing activities				
Unrealized gains on investments	$ (290,788)	(34,008)	(66,718)	(12,169)
Amortization of loss on revenue refunding bonds	7,440	-	-	-
Total noncash investing, capital and financing activities	$ (283,348)	(34,008)	(66,718)	(12,169)

The accompanying notes to financial statements are an integral part of this statement.

Nonmajor Funds	Total	Governmental Activities– Internal Service Funds
3,719,616	62,792,360	19,719,583
(1,362,574)	(23,365,127)	(14,602,557)
(1,357,847)	(14,483,714)	(912,203)
(573,770)	(3,294,211)	(1,472,835)
425,425	21,649,308	2,731,988
-	(2,067,600)	-
-	72,600	-
262,768	640,811	-
262,768	(1,354,189)	-
-	(1,126,909)	-
-	(300,315)	-
-	1,292,311	-
484,761	761,908	348,438
(1,671,039)	(15,732,705)	(752,254)
(1,186,278)	(15,105,710)	(403,816)
(385,066)	(10,815,496)	(3,753,223)
1,030,137	7,562,092	2,266,811
200,066	1,573,302	314,050
845,137	(1,680,102)	(1,172,362)
347,052	3,509,307	1,155,810
693,494	4,911,583	1,391,863
1,040,546	8,420,890	2,547,673
(714,336)	1,510,352	1,544,484
482,958	16,812,993	235,105
-	692,817	5,163
(59,768)	286,111	-
(3,350)	(131,026)	22,009
-	-	(50,000)
(204,071)	(1,611,723)	(257,365)
624,283	1,840,708	158,315
(7,239)	(84,418)	2,328
-	465,957	-
-	234	-
-	(5,281)	-
-	-	744,827
(132,152)	(1,320,890)	(148,496)
387,476	3,238,235	482,920
(15,489)	(192,067)	(24,783)
67,113	147,306	17,481
425,425	21,649,308	2,731,988
(75,339)	(479,022)	(104,258)
-	7,440	-
(75,339)	(471,582)	(104,258)

The accompanying notes to financial statements are an integral part of this statement.

CITY OF NAPLES, FLORIDA
Statement of Fiduciary Net Position
Fiduciary Funds
September 30, 2023

	Pension Trust Funds
Assets	
Cash and cash equivalents	$ 5,301,301
Contributions receivable	1,512,703
Investments, at fair value	
U.S. Treasury securities	18,829,141
U.S. government agency securities	4,405,422
Asset-backed securities	3,321,318
Corporate bonds	6,218,667
Common stock/equity funds	123,314,297
Real estate investment trusts	14,632,009
Alternative investments	19,582,685
Total investments	190,303,539
Total assets	197,117,543
Liabilities	
Accounts payable	15,322
Total liabilities	15,322
Net position	
Restricted for pension benefits	$ 197,102,221

The accompanying notes to financial statements are an integral part of this statement.

CITY OF NAPLES, FLORIDA

Statement of Changes in Fiduciary Net Position

Fiduciary Funds

Year Ended September 30, 2023

	Pension Trust Funds
Additions	
Contributions	
Employee contributions	$ 1,219,101
Employer contributions	7,687,937
State contributions	2,305,604
Total contributions	11,212,642
Investment earnings	
Interest and dividend income	5,050,041
Net appreciation in fair value of investments	16,012,396
Less investment expense	(948,310)
Net investment earnings	20,114,127
Total additions	31,326,769
Deductions	
Benefits paid	13,757,607
Refunds of contributions	781,468
General administration	418,249
Total deductions	14,957,324
Change in net position	16,369,445
Net position, restricted for pension benefits	
Beginning of year	180,732,776
End of year	$ 197,102,221

The accompanying notes to financial statements are an integral part of this statement.

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NOTE 1 − SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND PRACTICES

The accounting policies and practices and the presentation of the financial report of the City of Naples, Florida (the "City"), have been designed to conform to generally accepted accounting principles as applicable to governmental units, in accordance with the Governmental Accounting Standards Board (GASB). The following is a summary of the more significant accounting policies and practices:

A. Reporting Entity

The City is a political subdivision of the State of Florida, located in Collier County along the lower Southwest coast of the state. The City was incorporated in December 1923. The City operates under a Council Manager form of government. The governing body of the City is comprised of an elected City Council (six members) and an elected Mayor. In addition to the public safety, general government, recreation, sanitation, and public works services provided to its residents, the City operates water and sewer enterprises and maintains various pension funds in a fiduciary capacity.

Included in the City's activities are the Moorings Bay Special Taxing District and the East Naples Bay Special Taxing District. The two Special Taxing Districts were created and established by Ordinances No. 87-5328 and No. 87-5330, respectively, for the purpose of providing maintenance dredging in the channels and waterways within the area or boundary of the respective District, and to maintain necessary aids to navigation. Funds for the taxing districts are provided through an ad valorem tax that is levied only within these specified districts.

The accompanying financial statements present the government and its blended component unit, entities for which the government is considered to be financially accountable. Blended component units, although legally separate entities, are, in substance, part of the government's operations. The City has no discretely presented component units to report.

Blended Component Unit. The Community Redevelopment Agency is a blended component unit of this reporting entity, as the governing board of the Community Redevelopment Agency is substantively the same as the City Council and a financial benefit/burden relationship does exist between the two entities. Ordinance No. 94-7099 created the Community Redevelopment Agency for the rehabilitation, conservation or redevelopment of the designated district. The tax increment from both Collier County and the City provides the source of revenue for the Community Redevelopment Agency. Separate financial statements for the blended component unit can be obtained at City Hall.

Fiduciary Component Units. The City has three single-employer defined benefit pension plans. The General Employees Pension Plan is administered by a Board of Trustees established by City Ordinance. The Board of Trustees is comprised of two Council appointees, three City Manager appointees, one retiree of the Plan elected by the Membership, and a seventh member elected by the other six who is a City resident. The Firefighters' Pension Plan is administered by a Board of Trustees established by City Ordinance. The Board consists of two Council appointees, two members of the Plan elected by the membership, and a fifth member elected by the other four and appointed by Council as a ministerial duty. The Police Officers' Pension Plan is administered by a Board of Trustees established by City Ordinance. The Board consists of two Council appointees, two members of the Plan elected by the membership, and a fifth member elected by the other four and appointed by Council as a ministerial duty. The Plans are reported as fiduciary component units in accordance with Governmental Accounting Standards Board Statement Number 84, *Fiduciary Activities*.

Separate financial statements for the fiduciary component units are not prepared.

NOTE 1 − SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND PRACTICES (Continued)

Entities that benefit residents of the City but are excluded from this report are the Naples Community Hospital and the Naples Airport Authority. They are excluded because they do not meet the criteria of component units.

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities,* which principally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities,* which rely to a significant extent on fees and charges for support.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment, are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include: (1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment, and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not included among program revenues are reported instead as *general revenues.*

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting,* as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting.* Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period, with the exception of grant revenues as they are considered available when eligible expenditures have occurred even though they may be collected for up to one year after the current fiscal year-end. Property taxes, gas taxes, utility taxes, franchise fees, licenses, intergovernmental revenues and interest associated with the current fiscal period are all considered to be susceptible to accrual and therefore have been recognized as revenues of the current period. All other revenue items are considered to be measurable and available only when cash is received by the City. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when the liability has matured.

NOTE 1 − SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND PRACTICES (Continued)

The City reports the following major governmental funds:

General Fund is the general operating fund of the City. All general tax revenue and other receipts that are not required either legally or by generally accepted accounting principles to be accounted for in other funds are accounted for in the General Fund.

Debt Service Fund is used to account for the accumulation of resources for the payment of principal, interest and other expenditures on long-term debt, other than notes and bonds payable from the operation of Proprietary Funds.

Capital Projects Fund is used to account for financial resources segregated for the acquisition or construction of major capital facilities as designated by City Council.

Community Redevelopment Fund, a blended component unit, is used to account for the receipt and disbursement of tax increment financing resources received for the redevelopment program and to finance capital improvements in the redevelopment area of the City.

American Rescue Plan Act Fund is used to account for the receipt and disbursement of the City's share of the American Rescue Plan Act grant funds.

Streets and Traffic Fund is used to account for the City's share of the local option fuel taxes, state revenue sharing and road impact fees for the purpose of improving streets and traffic within the City.

East Naples Bay District is used to account for the receipt and disbursement of monies used for the purpose of maintenance dredging in the canals and waterways within the area or boundary of the district of East Naples Bay.

The Sales Tax Fund is used to account for the receipt and disbursement of sales tax funds used solely for capital projects approved by the Board.

The City reports the following major proprietary funds:

Water and Sewer Fund is used to account for all of the activities of providing customers with potable water and wastewater disposal services.

Solid Waste Fund is used to account for all of the activities of the collection and disposal of solid waste.

Stormwater Fund is used to account for funds used in the construction of storm sewers and subsequent operations of the system.

City Dock Fund is used to account for funds used in the construction of the City's dock and all the subsequent operations of the dock. Repayment of any funding will be provided through user charges.

Additionally, the City reports the following fund types:

Internal Service Funds account for technology management, equipment services, health insurance, and risk management services provided to other departments or agencies of the City.

NOTE 1 − SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND PRACTICES (Continued)

Fiduciary Funds account for the activities of the City's retirement systems, which accumulate resources for pension benefit payments made to qualified general and public safety employees.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments in lieu of taxes and other charges between the government's water and sewer functions and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as *program revenues* include: (1) charges to customers or applicants for goods, services or privileges provided, (2) operating grants and contributions, and (3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services, producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Water and Sewer Enterprise Fund, Solid Waste Enterprise Fund, Stormwater Enterprise Fund, other Nonmajor Enterprise Funds, and the City's Internal Service Funds are charges to customers for sales and services.

The Water and Sewer Fund also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses. When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed.

D. Assets, Liabilities and Fund Balance/Net Position

1. Deposits and Investments

a. Cash and Cash Equivalents

Cash and cash equivalents are defined as highly liquid investments with original maturities of three months or less and consist of cash on hand, cash on deposit with financial institutions, and funds on deposit in the Local Government Surplus Trust Fund Investment Pool administered by the Florida State Board of Administration.

b. Investments

The City follows the provisions of Statement No. 31 of the Governmental Accounting Standards Board, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools,* in which all investments are reported at fair value based on quoted market prices.

The City maintains a centralized bank account to maximize investment yields. Investment income resulting from pooling of investments is allocated to participating funds based on average monthly invested balances.

NOTE 1 − SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND PRACTICES (Continued)

2. Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the noncurrent portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

a. Advances to Other Funds

In governmental fund types, noncurrent portions of long-term interfund loan receivables are reported as advances and are offset equally by nonspendable fund balance, which indicates that they do not constitute expendable available financial resources, and therefore, are not available for appropriation.

b. Short-Term Interfund Receivables/Payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered and the cash used/generated in those transactions is recorded in a general cash clearing fund. Each operating fund maintains a positive cash equity position (receivable balance) or a negative cash deficit position (payable balance) in the cash clearing fund. These receivables and payables are classified as "due from other funds" or "due to other funds" on the balance sheet. The net receivable balance is allocated as cash to the individual funds based on their percentage of positive equity to total positive equity. Interfund receivables and payables are liquidated on a monthly basis.

3. Inventories

Inventories are valued at cost (first-in, first-out method) in the Streets Fund and consist of expendable supplies held for consumption. Inventories are reported using the "Consumption Method" and are reported as an asset in governmental funds (rather than as an expenditure) until consumed, at which time expenditure is reported. Reported inventories are equally offset by nonspendable fund balance which indicates that they do not constitute "available spendable resources" even though they are a component of net current assets.

Inventories are valued at the lower of cost (first-in, first-out method) or market in the Enterprise and Internal Service Funds. They consist of water meters, supplies, maintenance parts, tires, and fuel held for consumption. Allowances have been recorded for obsolete and surplus items, when appropriate. Inventories of proprietary funds are reported as an expense when consumed.

4. Restricted Assets

Restricted cash and investments are reported for amounts held as deposits in the enterprise funds.

NOTE 1 − SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND PRACTICES (Continued)

5. Capital Assets

Capital assets which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items) are reported in the applicable City or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of more than $1,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets, works of art and similar items, and capital assets received in a service concession arrangement are recorded at the acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

Capital assets of the primary government, as well as the component units, are depreciated using the straight line method over the following estimated useful lives:

Buildings	10-50 years
Utility plants	40-50 years
Improvements other than buildings	5-20 years
Infrastructure	10-50 years
Equipment	2-10 years

6. Compensated Absences

It is the City's policy to allow employees to accumulate personal leave (sick and vacation) benefits. The liability relating to such unused leave, to the extent of certain vested maximum hours, is recorded in the accompanying Statement of Net Position. Expenditures for compensated absences in governmental funds are those paid during the current fiscal year and the amount unpaid at the end of the reporting period that has matured. For proprietary funds, the liability relating to vested personal leave is reflected on the accrual basis.

7. Long-Term Obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt. In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures/expenses.

NOTE 1 − SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND PRACTICES (Continued)

8. Net Position

The government-wide and business-type fund financial statements utilize a net position presentation. Net position is presented in three components–invested in capital assets (net of related debt), restricted and unrestricted.

Net investment in Capital Assets–This component of net position consists of capital assets, net of accumulated depreciation reduced by the outstanding balances of any bonds, notes or other borrowings attributable to the acquisition, construction, or improvement of those assets. This component does not include the portion of debt attributable to the unspent proceeds.

Restricted–This component of net position consists of funds that have constraints placed on them either externally by third-parties (creditors, grantors, contributors, or laws or regulations of other governments) or by law through constitutional provisions or enabling legislation. The City would typically use restricted assets first, as appropriate opportunities arise, but reserves the right to selectively defer the use of these funds.

Unrestricted–This component consists of net position that does not meet the definition of "net investment in capital assets" or "restricted."

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed.

9. Fund Balance

In the fund financial statements, fund balance for governmental funds is reported in classifications that comprise a hierarchy based primarily on the extent to which the City is bound to honor constraints on the specific purpose for which amounts in the funds can be spent. Fund balance is reported in five components: (1) nonspendable, (2) restricted, (3) committed, (4) assigned, and (5) unassigned.

Nonspendable–This component includes amounts that cannot be spent because they are either: (a) not in spendable form or, (b) legally or contractually required to be maintained intact.

Restricted–This component consists of amounts that have constraints placed on them either externally by third-parties (creditors, grantors, contributors, or laws or regulations of other governments) or by law through constitutional provisions or enabling legislation. Enabling legislation authorizes the City to assess, levy, charge or otherwise mandate payment of resources (from external resource providers) and includes a legally enforceable requirement (compelled by external parties) that those resources be used only for the specific purposes stipulated in the legislation.

Committed–This component consists of amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the City Council through the adoption of an ordinance. Those committed amounts cannot be used for any other purpose unless the City Council removes or changes the specified use by taking the same type of action it employed previously to commit those amounts.

NOTE 1 − SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND PRACTICES (Continued)

Assigned–This component consists of amounts that are constrained by the City's intent to be used for specific purposes, but are neither restricted nor committed. The City Manager and City Council are designated the authorities for assigning fund balance.

Unassigned–This classification represents amounts that have not been restricted, committed or assigned to specific purposes within the General Fund. The General Fund is the only fund that reports a positive unassigned fund balance amount. Other governmental funds besides the General Fund can only report a negative unassigned fund balance amount.

See Note 3 (H) for a detail of restricted, committed and assigned fund balances.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources (committed, assigned and unassigned) as they are needed. When unrestricted resources (committed, assigned and unassigned) are available for use, it is the City's policy to use committed resources first, then assigned, and then unassigned as they are needed.

10. Fund Balance/Net Position Policy

A fund balance/net position policy has been adopted by the City Council to protect against unanticipated events that would adversely affect the financial condition of the City and jeopardize the continuation of necessary public services. This policy ensures the City maintains an adequate fund balance/net position in the City's various operating funds to provide the capacity to: (1) provide sufficient cash flow for daily financial needs, (2) secure and maintain investment grade bond ratings, (3) offset significant economic downturns and revenue shortfalls, and (4) provide funds for unforeseen expenditures related to emergencies.

In the General Fund, there is committed fund balance equal to 10% of the prior year adopted General Fund operating budget as an emergency reserve for recovery after catastrophic events such as a hurricane. In addition, the General Fund shall retain an unassigned fund balance of 16% to 30% of the prior year General Fund operating budget. In any fiscal year where the City is unable to fund the unassigned fund balance as required in this section, the City shall not budget an amount of unassigned fund balance for the purpose of balancing the budget.

Enterprise Funds–The City maintains a Solid Waste Fund, a Water and Sewer Fund, a Stormwater Fund, a City Dock Fund, a Tennis Fund and a Naples Beach Fund. With the exclusion of the City Dock and Tennis Funds the City's policy requires a balance of unrestricted net position equal to 8% to 16% of the annual budget for that fund plus 10% of the net capital assets from the most recent audit. For the purposes of this calculation, the current year shall be the budget as originally adopted by resolution on or before September 30, for the subsequent fiscal year. The unrestricted amount shall be in addition to all other required restrictions of net position.

Utilization of Surplus Reserve–In the event that the unassigned fund balance or unrestricted net position exceeds the amounts set forth above, the excess may be utilized for any lawful purpose.

NOTE 1 − SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND PRACTICES (Continued)

11. Administrative Fees

Certain administrative expenses are incurred by the General Fund on behalf of other funds of the City. The General Fund collects for these services based on a percentage of operating costs and personnel costs. The related reimbursements for these services are recorded as either an operating expense in the proprietary funds or as expenditure in the governmental funds. Such fees amounted to $4,091,059 for fiscal year 2023, and included $2,755,845 charged to enterprise funds, $498,594 charged to internal service and fiduciary funds, and $836,620 charged to the debt service fund, building and zoning, streets and traffic and CRA special revenue funds, and capital projects funds.

12. Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of* resources, represents an acquisition of net assets that applies to a future period and so will not be recognized as an inflow of resources (revenue) until then. The following items qualify for reporting in these categories.

A deferred charge on refunding, which is reported in the government-wide Statement of Net Position, results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded debt or the refunding debt.

Deferred inflows and deferred outflows related to the recording of changes in its net pension liability are recognized as pension expense over time instead of all being recognized in the year of occurrence. Experience gains or losses result from periodic actuary studies and changes in actuarial assumptions adjust the net pension liability based on actual experience that was previously assumed, such as the assumed dates of retirement of plan members. These differences are deferred and amortized into pension expense over the expected remaining service life of plan members. The difference between projected investment return on pension investments and actual return on those investments is also deferred and amortized against pension expense over a five-year period. The changes in proportion and differences between City contributions and proportionate share of contributions are also deferred and amortized against pension expense over a five-year period. Additionally, any contributions made by the City to the pension plan before year-end but subsequent to the measurement date of the City's net pension liability are reported as deferred outflows of resources.

NOTE 1 − SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND PRACTICES (Continued)

The City also has deferred inflows and deferred outflows related to the recording of changes in its total other post-employment benefit (OPEB) liability. Certain changes in the total OPEB liability are recognized as OPEB expense over time instead of all being recognized in the year of occurrence. Experience gains or losses resulting from periodic actuary studies and changes in actuarial assumptions adjust the total OPEB liability based on actual experience that was previously assumed, such as the assumed dates of retirement of plan members. These differences are recorded as deferred outflows of resources or deferred inflows of resources and are amortized into OPEB expense over the expected remaining service life of plan members. Additionally, any benefits paid by the City to the OPEB plans before year-end but subsequent to the measurement date of the City's total OPEB liability are reported as deferred outflows of resources.

13. Pension

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the City's plans and additions to/deductions from these plan's fiduciary net position have been determined on the same basis as they are reported by the plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

NOTE 2 − STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

Annual budgets are adopted for the general, special revenue, debt service, and capital project funds on a basis consistent with generally accepted accounting principles. The Improvement Fund, Public Arts Fund, Grants Fund, 41-10 Open Space Fund, Parking Trust Fund, Impact Fee Fund, and Land Contribution Fund, were governmental funds excluded from the appropriation process.

The City follows these procedures in establishing the budgetary data reflected in the financial statements:

1. The budget process begins in March, with the development of the Capital Improvement Program and the operating budgets.
2. The Five-Year Capital Improvement Program document is presented to Council in June.
3. The Preliminary Budget document is presented to Council in July.
4. A workshop on the proposed budget is conducted in August.
5. In September, two public hearings are conducted to obtain taxpayer comments.
6. The budget is legally enacted through passage of an ordinance, effective October 1.
7 The appropriated budget is prepared by fund, function, department, activity, and object. The appropriations ordinance is enacted on an annual basis. The legal level of budgetary control is maintained at the fund level in accordance with the adopted annual budget ordinance. Total expenditures may not legally exceed appropriations for each budgeted fund.
8. Within a single fund or department, budget amendments may be made by the department head with the City Manager's approval. All other changes, including increasing the budget, transfers, capital amendments and addition of employees require City Council approval via resolution.
9. Unused appropriations lapse at the end of the year.

NOTE 2 − STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

Budgeted amounts in the accompanying financial statements are as originally adopted, or as amended by the appropriate authority. Significant budget amendments made during the year include an increase in appropriations in the Confiscated Properties Fund for Police Programs and Equipment, and $1,000,000 from the unappropriated balances of the City's funds participating in the Employee Benefits Fund to the Employee Benefits Fund for health insurance claims.

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to restrict that portion of the applicable appropriation, is employed throughout the fiscal year as an operating tool for budgeted funds. At year-end, the amount of encumbrances expected to be honored upon performance by the vendor in the next year were as follows:

Governmental activities	
General Fund	$ 747,324
Capital Projects Fund	2,514,557
Community Redevelopment Fund	595,893
Streets and Traffic Fund	1,393,844
East Naples Bay District Fund	2,560,582
Sales Tax Fund	2,117,010
Nonmajor governmental funds	178,274
Internal service funds	422,591
Business-type activities	
Water and Sewer Fund	7,193,061
Solid Waste Fund	1,063,296
Stormwater Fund	1,727,274
City Dock	190,240
Nonmajor Business-type funds	826,363
	$ 21,530,309

NOTE 3 − DETAILED NOTES ON ALL FUNDS

A. Cash and Investments

On April 18, 2014, the City Council formally adopted a revised comprehensive investment policy pursuant to Section 218.415, Florida Statutes that established permitted investments, asset allocation limits and issuer limits, credit ratings requirements and maturity limits to protect the City's cash and investment assets. The City maintains a common cash and investment pool for the use of all funds. In addition, several separate accounts are maintained for specialty purposes including debt service, capital projects and trust funds.

Cash and Cash Equivalents

Cash and cash equivalents in the general investment portfolio and pension portfolio consist of cash and money market accounts held by banks that qualify as public depositories under the Florida Security for Public Deposits Act as required by Chapter 280, Florida Statutes in the amount of $24,123,416.

NOTE 3 − DETAILED NOTES ON ALL FUNDS (Continued)

Investment Portfolios

Investment holdings consist of a $157,405,601 General Investment Portfolio and a $190,303,539 Pension Portfolio. Both portfolios are reported at fair value in accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*.

Section 218.415, Florida Statutes, limits the types of investments in which the City can invest unless specifically authorized in the City's investment policy.

The City has a formal investment policy for excess funds that allows for investments in the Local Government Surplus Funds Trust Fund ("SBA"), United States Government Securities, United States Government Agencies, Federal Instrumentalities, Interest Bearing Time Deposit or Saving Accounts, Repurchase Agreements, Commercial Paper, Corporate Notes, Bankers' Acceptances, State and/or Local Government Taxable and/or Tax-Exempt Debt, Registered Investment Companies (Money Market Mutual Funds), and Intergovernmental Investment Pools.

The City has a formal investment policy for the pension funds that allows for the following investments: Federal Instrumentalities, Interest Bearing Time Deposit or Saving Accounts, Commercial Paper, Corporate Notes, Bankers' Acceptances, asset-backed securities (ABS), Real Estate Investment Trusts (REIT), Collateralized Mortgage Obligations (CMO), equity securities, and private real estate investments.

As of September 30, 2023, the City had the following investments with effective durations presented in terms of years:

General Investment Portfolio

Investment Type	Credit Rating (Moody's)	Fair Market	Investment Maturity (in Years) Less Than 1	1 - 5
U.S. Treasury securities		$ 76,607,385	20,314,667	56,292,718
U.S. government agency securities		26,369,405	13,162,842	13,206,563
Other government	Aaa	23,761,773	1,813,444	21,948,329
Corporate bonds	Aaa..Aa2	3,247,332	3,247,332	-
Money market fund	Aaa..Aa2	765,382	765,382	-
State investment pool	AAAm	26,654,324	26,654,324	-
Total investments		$ 157,405,601	65,957,991	91,447,610

NOTE 3 − DETAILED NOTES ON ALL FUNDS (Continued)

Pension Portfolio

Investment Type	Credit Rating (Moody's)	Fair Market	Investment Maturity (in Years) Less Than 1	1 - 5	6 - 10	More than 10
U.S. Treasury securities		$ 18,829,142	-	18,032,564	796,578	-
U.S. government agency securities		4,405,422	-	222	1,563,437	2,841,763
Asset-backed securities	Aaa..Baa3	3,321,318	-	1,462,260	198,209	1,660,849
Corporate bonds	Aaa..Ba3	6,218,668	-	4,056,060	1,912,433	250,175
		32,774,550	$ -	23,551,106	4,470,657	4,752,787
Common stock/equity funds	Not rated	123,314,295				
Real estate investment trusts	Not rated	14,632,009				
Alternative investments	Not rated	19,582,685				
Total investments		$ 190,303,539				

Fair Value Measurements

The City categorizes its fair value measurements within fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation of inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs for similar assets; and Level 3 inputs are significant unobservable inputs. The City has the following recurring fair value measurements as of September 30, 2023:

General Investment Portfolio

Investment Type	Fair Value	Level 1	Level 2	Level 3
U.S. Treasury securities	$ 76,607,385	76,607,385	-	-
U.S. government agency securities	26,369,405	-	26,369,405	-
Other government	23,761,773	-	23,761,773	-
Corporate bonds	3,247,332	-	3,247,332	-
Investments exempt from level disclosure:				
Money market fund	765,382	-	-	-
State investment pool	26,654,324	-	-	-
Total investments	$ 157,405,601	76,607,385	53,378,510	-

NOTE 3 − DETAILED NOTES ON ALL FUNDS (Continued)

Pension Portfolio

Investment Type	Fair Value	Level 1	Level 2	Level 3
U.S. Treasury securities	$ 18,829,142	18,829,142	-	-
U.S. government agency securities	4,405,422	-	4,405,422	-
Asset-backed securities	3,321,318	-	3,321,318	-
Corporate bonds	6,218,668	-	6,163,673	54,995
Common stock/equity funds	123,314,295	120,659,373	2,654,922	-
Total by fair value level	156,088,845	$ 139,488,515	16,545,335	54,995
Investments measured at NAV:				
Real estate trust funds	14,632,009			
Alternative investments	19,582,685			
Total measured at fair value	$ 190,303,539			

Level 1 securities are priced based on trading in the exact security. Level 2 securities are priced based on tracing in the exact security, or by using a discounted cash flow model.

Real estate funds. This type includes two real estate funds that invest primarily in U.S. commercial real estate. The fair values of the investments in this type have been determined using the net asset value (NAV) per share (or its equivalent) of the Plan's ownership interest in partners' capital. Distributions from each fund will be received as the underlying investments of the funds are liquidated. It is expected that the underlying assets of the funds will be liquidated over the next seven to ten years. 20% of the total investment in this type is expected to be sold. However, the individual investments that will be sold have not yet been determined. Because it is not probable that any individual investment will be sold, the fair value of each individual investment has been determined using the NAV per share (or its equivalent) of the Plan's ownership interest in partners' capital.

Once it has been determined which investments will be sold and whether those investments will be sold individually or in a group, the investments will be sold in an auction process. The investee fund's management is required to approve of the buyer before the sale of the investments can be completed. There were no known unfunded commitments for the City's funds.

Interest Rate Risk

In accordance with the City's investment policy, the City has purchased investments with maturities that are less than or equal to three years in length. This policy reduces the City's exposure to fluctuations in interest rates over the life of the investments. Also, although it is not the City's policy to hold investments to maturity, most investments are purchased with the intent to do so.

Liquidity Rate Risk

The City's investment policy limits interest rate risk by attempting to match investment maturities with known cash needs and anticipated cash flow requirements. Unless matched to a specific cash flow requirement, such as a bond requirement, the City will not directly invest in securities maturing more than three years from the date of purchase.

NOTE 3 − DETAILED NOTES ON ALL FUNDS (Continued)

Credit Risk
The City's investment policy permits investments which are limited to credit quality ratings from nationally recognized rating agencies as follows:

State and/or local government taxable and/or tax-exempt debt, general obligation and/or revenue bonds, rated at least "A" by Moody's and "A" by Standard & Poor's for long-term debt.

Bankers' acceptances issued by a domestic bank or a federally chartered domestic office of a foreign bank, which are eligible for purchase by the Federal Reserve System, at the time of purchase, the short-term paper is rated, at a minimum, "P-1" by Moody's Investors Services and "A-1" by Standard & Poor's. Additionally, the bank shall not be listed with any recognized credit watch information service.

Custodial Credit Risk
The City's investment policy pursuant to Section 218.415(18), Florida Statutes requires securities, with the exception of certificates of deposits, to be held with a third-party custodian; and all securities purchased by, and all collateral obtained by the City should be properly designated as an asset of the City. The securities must be held in an account separate and apart from the assets of the financial institution. A third-party custodian is defined as any bank depository chartered by the Federal Government, the State of Florida, or any other state or territory of the United States which has a branch or principal place of business in the State of Florida, or by a national association organized and existing under the laws of the United States which is authorized to accept and execute trusts and which is doing business in the State of Florida. Certificates of deposits will be placed in the provider's safekeeping department for the term of the deposit.

As of September 30, 2023, the City's investment portfolio was held with a third-party custodian as required by the City's investment policy.

Concentration of Credit Risk
The City's investment policy has established asset allocation limits on the following investments which are designed to reduce concentration of credit risk of the City's investment portfolio.

All or 100% of available funds may be invested in United States Government Securities with the exception of Treasury Strips, which are limited to 10% of available funds, 50% of available funds may be invested in U.S. Government Agencies and Federal Instrumentalities, 25% of available funds may be invested in the SBA, prime commercial paper, bankers' acceptances, state and local government debts or intergovernmental investment pools, 20% of available funds may be invested in repurchase agreements or money market mutual funds, 15% of available funds may be invested in corporate notes, and 10% of available funds may be invested in non-negotiable interest-bearing time certificates of deposit.

NOTE 3 − DETAILED NOTES ON ALL FUNDS (Continued)

As of September 30, 2023, the City's General Investment Portfolio had the following issuer concentration based on fair value:

General Concentration

Issuer	Fair Value	Percentage of Portfolio
Cash	$ 24,123,416	13.29%
Money Market	765,382	0.42%
State investment pool	26,654,324	14.68%
United States Treasury securities	76,607,385	42.20%
United States Agency securities	26,369,405	14.53%
Other government securities	23,761,773	13.09%
Corporate bonds	3,247,332	1.79%
Total	$ 181,529,017	

The City's Pension Investment Policy has established asset allocation limits on the following investments which are designed to reduce concentration of credit risk of the City's pension investment portfolio.

The pension investment policies target an asset allocation of 62.5% in equities, 17.5% in fixed income securities, 10% in real estate trust funds, 5% in master limited partnership, and 5% in hedge funds.

As of September 30, 2023, the City's Pension Portfolio had the following issuer concentration based on fair value:

Pension Concentration

Issuer	Fair Value	Percentage of Portfolio
Cash and cash equivalents	$ 5,301,301	2.71%
U.S. Treasury securities	18,829,141	9.63%
U.S. government agency securities	4,405,422	2.25%
Asset-backed securities	3,321,318	1.70%
Corporate bonds	6,218,667	3.18%
Common stock/equity funds	123,314,297	63.04%
Real estate investment trusts	14,632,009	7.48%
Alternative investments	19,582,685	10.01%
Total	$ 195,604,840	

Foreign Currency Risk

The City's investment policy does not allow for investments in foreign currency; therefore, the City has no exposure to foreign currency risk.

NOTE 3 − DETAILED NOTES ON ALL FUNDS (Continued)

B. Property Taxes

The City's property tax is levied each November 1, on the assessed value for all property located within the City. Assessed values are established by the Collier County Property Appraiser at fair values. At January 1, 2022, the assessed value of the principal taxing authority's property upon which the 2022-2023 tax levy was based was $31.3 billion. The millage rate to finance general government services for the fiscal year ended September 30, 2023, was 1.1500 ($1.15 per $1,000 of assessed value). The assessed values at January 1, 2022, of the dependent special districts, East Naples Bay and Moorings Bay, were $969 million, and $2,720 million, respectively. In addition to the City's millage rate and the voted debt service millage rate, 0.5000 ($0.5000 per $1,000 of assessed value) is added to the East Naples Bay dependent special district and 0.0125 ($0.0125 per $1,000 of assessed value) is added to the Moorings Bay dependent special district to finance capital projects for the fiscal year ended September 30, 2023.

Total ad valorem taxes collected for the year ended September 30, 2023 aggregated $35,096,841, net of cash discounts, of which $32,742,827 was designated for general government services, $1,859,011 for the Community Redevelopment Agency, $463,207 for East Naples Bay Taxing District, and $31,796 for the Moorings Bay Taxing District.

Taxes in the City are levied by the City Council. The millage levies are determined on the basis of estimates of revenue needs and the total taxable valuations within the jurisdiction of the City. As specified in Florida Statute 200.081, no aggregate ad valorem tax millage in excess of 10 mills on the dollar is levied against property of the City.

Each year on July 1, the total taxable valuation is established by the Collier County Property Appraiser for City property.

The property owners' tax calendar is as follows:

Assessment date (date of property ownership)	January 1
Levy date	November 1
Due date	March 31
Delinquent date	April 1
Lien date	June 1

For the 2022 tax roll year, the assessment roll was opened for collection on November 1, 2022 and discounts for payment prior to April 1, 2023 were determined as follows:

Discounts Allowed	
Percentage	**If Paid By**
4%	November 30
3%	December 31
2%	January 31
1%	February 28

NOTE 3 − DETAILED NOTES ON ALL FUNDS (Continued)

Taxes become delinquent on April 1 of each year and tax certificates for the full amount of any unpaid taxes must be sold no later than June 1 of the same year. No amount for the property tax levy becoming due in November 2023, is included in the accompanying financial statements since such taxes are levied to finance expenditures of the subsequent period.

C. Receivables

Receivables at September 30, 2023 for the City's individual major funds and for the total nonmajor funds were as follows:

	Accounts/ Miscellaneous Receivable	Special Assessments	Utility Taxes	Due From Other Governments	Interest and Other	Total
Governmental activities						
Major funds						
General Fund	$ 774,991	-	-	1,515,237	198,930	2,489,158
Debt Service Fund	-	-	403,321	-	5,631	408,952
Capital Projects Fund	-	464,326	-	-	54,232	518,558
Community Redevelopment Fund	-	-	-	-	49,359	49,359
Sales Tax Fund	-	-	-	546,942	35,282	582,224
Streets and Traffic Fund	-	-	-	-	25,175	25,175
East Naples Bay District Fund	-	152,219	-	-	8,326	160,545
Nonmajor funds	-	-	-	-	81,425	81,425
Internal Service Fund	7,310	-	-	23,662	68,923	99,895
	$ 782,301	616,545	403,321	2,085,841	527,283	4,415,291
Business type activities						
Major funds						
Water and Sewer Fund	$ 7,167,075	3,511,214	-	-	173,718	10,852,007
Solid Waste Fund	1,233,675	-	-	-	18,325	1,252,000
Stormwater Fund	770,983	-	-	-	51,659	822,642
City Dock Fund	22,670	-	-	-	5,048	27,718
Nonmajor funds	-	-	-	59,768	33,803	93,571
	$ 9,194,403	3,511,214	-	59,768	282,553	13,047,938

The above receivables are net of an allowance for uncollectible accounts which is based on historical trends and/or the age of the receivable. The allowances at September 30, 2023 are as follows:

Nonmajor Funds	$ 1,587,959

NOTE 3 − DETAILED NOTES ON ALL FUNDS (Continued)

D. Capital Assets

Governmental Activities

A summary of changes in the capital assets of governmental activities for the year ended September 30, 2023 is as follows:

Governmental Activities	Balance October 1	Additions	Transfers/ Retirements	Balance September 30
Capital assets not being depreciated				
Land	$ 16,418,277	-	-	16,418,277
Construction in progress	3,616,576	11,182,835	(1,003,170)	13,796,241
Total capital assets not being depreciated	20,034,853	11,182,835	(1,003,170)	30,214,518
Capital assets being depreciated				
Buildings	52,242,735	349,013	-	52,591,748
Improvements other than buildings	50,885,711	968,504	-	51,854,215
Infrastructure	57,029,278	232,909	-	57,262,187
Equipment	35,960,414	6,807,756	(2,012,138)	40,756,032
Total capital assets being depreciated	196,118,138	8,358,182	(2,012,138)	202,464,182
Less accumulated depreciation for				
Buildings	(27,323,556)	(1,693,515)	-	(29,017,071)
Improvements other than buildings	(36,975,745)	(1,753,110)	-	(38,728,855)
Infrastructure	(30,060,971)	(1,697,742)	-	(31,758,713)
Equipment	(27,597,313)	(2,420,630)	2,003,442	(28,014,501)
Total accumulated depreciation	(121,957,585)	(7,564,997)	2,003,442	(127,519,140)
Total capital assets being depreciated, net	74,160,553	793,185	(8,696)	74,945,042
Total governmental capital assets, net	$ 94,195,406	11,976,020	(1,011,866)	105,159,560

Depreciation expense was charged to the governmental activities as follows:

Governmental activities	
General government	$ 341,190
Public safety	2,320,709
Physical and economic environment	1,443,159
Transportation	791,664
Cultural and recreation	2,433,170
Internal service	235,105
Total depreciation expense, governmental activities	$ 7,564,997

NOTE 3 − DETAILED NOTES ON ALL FUNDS (Continued)

Business-Type Activities

A summary of changes in capital assets of business-type activities for the year ended September 30, 2023 is as follows:

Water and Sewer Fund	Balance October 1	Additions	Transfers/ Retirements	Balance September 30
Capital assets not being depreciated				
Land and easements	$ 1,761,684	-	-	1,761,684
Construction in progress	11,718,620	8,003,451	(13,760,928)	5,961,143
Total capital assets not being depreciated	13,480,304	8,003,451	(13,760,928)	7,722,827
Capital assets being depreciated				
Buildings and utility plants	61,273,624	-	-	61,273,624
Improvements other than buildings	63,778,926	1,051,014	-	64,829,940
Infrastructure	101,753,841	1,268,023	-	103,021,864
Equipment	43,564,659	14,555,907	(351,704)	57,768,862
Total capital assets being depreciated	270,371,050	16,874,944	(351,704)	286,894,290
Less accumulated depreciation for				
Buildings	(39,179,241)	(1,264,096)	-	(40,443,337)
Improvements other than buildings	(42,679,298)	(3,244,315)	-	(45,923,613)
Infrastructure	(64,485,542)	(3,544,421)	-	(68,029,963)
Equipment	(25,953,118)	(4,196,725)	309,844	(29,839,999)
Total accumulated depreciation	(172,297,199)	(12,249,557)	309,844	(184,236,912)
Total capital assets being depreciated, net	98,073,851	4,625,387	(41,860)	102,657,378
Water and sewer fund capital assets, net	$ 111,554,155	12,628,838	(13,802,788)	110,380,205

Solid Waste Fund	Balance October 1	Additions	Transfers/ Retirements	Balance September 30
Capital assets not being depreciated				
Land	$ 1,145,053	-	-	1,145,053
Total capital assets not being depreciated	1,145,053	-	-	1,145,053
Capital assets being depreciated				
Buildings and utility plants	528,790	-	-	528,790
Improvements other than buildings	4,511,402	-	-	4,511,402
Equipment	6,889,118	813,184	(280,341)	7,421,961
Total capital assets being depreciated	11,929,310	813,184	(280,341)	12,462,153
Less accumulated depreciation for				
Buildings	(528,791)	-	-	(528,791)
Improvements other than buildings	(2,536,934)	(196,266)	-	(2,733,200)
Equipment	(5,148,237)	(583,215)	280,341	(5,451,111)
Total accumulated depreciation	(8,213,962)	(779,481)	280,341	(8,713,102)
Total capital assets being depreciated, net	3,715,348	33,703	-	3,749,051
Solid waste fund capital assets, net	$ 4,860,401	33,703	-	4,894,104

NOTE 3 − DETAILED NOTES ON ALL FUNDS (Continued)

Stormwater Fund	Balance October 1	Additions	Transfers/ Retirements	Balance September 30
Capital assets not being depreciated				
Land	$ 234,866	-	-	234,866
Construction in progress	1,992,520	1,762,952	(313,154)	3,442,318
Total capital assets not being depreciated	2,227,386	1,762,952	(313,154)	3,677,184
Capital assets being depreciated				
Infrastructure	48,197,371	446,240	-	48,643,611
Equipment	1,703,879	220,915	-	1,924,794
Total capital assets being depreciated	49,901,250	667,155	-	50,568,405
Less accumulated depreciation for				
Infrastructure	(26,438,004)	(2,517,934)	-	(28,955,938)
Equipment	(1,657,203)	(457,492)	-	(2,114,695)
Total accumulated depreciation	(28,095,207)	(2,975,426)	-	(31,070,633)
Total capital assets being depreciated, net	21,806,043	(2,308,271)	-	19,497,772
Stormwater fund capital assets, net	$ 24,033,429	(545,319)	(313,154)	23,174,956

City Dock Fund	Balance October 1	Additions	Transfers/ Retirements	Balance September 30
Capital assets not being depreciated				
Construction in progress	$ 10,809	8,695	(10,809)	8,695
Total capital assets not being depreciated	10,809	8,695	(10,809)	8,695
Capital assets being depreciated				
Improvements other than buildings	6,869,536	-	-	6,869,536
Equipment	279,378	5,367	(47,331)	237,414
Total capital assets being depreciated	7,148,914	5,367	(47,331)	7,106,950
Less accumulated depreciation for				
Improvements other than buildings	(1,918,036)	(311,089)	-	(2,229,125)
Equipment	(254,948)	(7,042)	47,330	(214,660)
Total accumulated depreciation	(2,172,984)	(318,131)	47,330	(2,443,785)
Total capital assets being depreciated, net	4,975,930	(312,764)	(1)	4,663,165
Stormwater fund capital assets, net	$ 4,986,739	(304,069)	(10,810)	4,671,860

Nonmajor Funds	Balance October 1	Additions	Transfers/ Retirements	Balance September 30
Capital assets not being depreciated:				
Construction in progress	$ 143,522	1,340,000	(428,186)	1,055,336
Total capital assets not being depreciated	143,522	1,340,000	(428,186)	1,055,336
Capital assets being depreciated				
Buildings and utility plants	2,138,045	399,899	-	2,537,944
Improvements other than buildings	7,653,999	62,320	-	7,716,319
Equipment	1,885,259	297,006	(80,152)	2,102,113
Total capital assets being depreciated	11,677,303	759,225	(80,152)	12,356,376
Less accumulated depreciation for				
Buildings	(1,755,569)	(32,625)	-	(1,788,194)
Improvements other than buildings	(6,457,947)	(326,455)	47,531	(6,736,871)
Equipment	(1,571,627)	(123,878)	32,621	(1,662,884)
Total accumulated depreciation	(9,785,143)	(482,958)	80,152	(10,187,949)
Total capital assets being depreciated, net	1,892,160	276,267	-	2,168,427
Nonmajor fund capital assets, net	$ 2,035,682	1,616,267	(428,186)	3,223,763
Total business-type capital assets, net	$ 147,470,406	13,429,421	(14,554,939)	146,344,888

NOTE 3 − DETAILED NOTES ON ALL FUNDS (Continued)

Depreciation expense was charged to the business-type activities as follows:

Business-type activities	
Water and Sewer	$ 12,249,557
Solid Waste	779,481
Stormwater	2,975,426
City Dock	318,131
Other	482,958
Total depreciation expense, business-type activities	$ 16,805,553

E. Interfund Transactions

Advances from/to other funds are as follows:

	Advances Receivable	Advances Payable
Governmental activities		
Major fund		
General Fund	$ 1,229,050	-
East Naples Bay District Fund	-	2,030,000
Business-type activities		
Major funds		
Water and Sewer Fund	3,016,900	-
Stormwater Fund	529,050	-
City Dock Fund	-	2,745,000
	$ 4,775,000	4,775,000

Advances to the City Dock Fund represent funds used to construct certain infrastructure and dredging improvements and will be repaid according to set schedules. Repayment amounts scheduled to be paid within one year are recorded as Due from the City Dock Fund and East Naples Bay Fund (nonmajor), as follows:

	Interfund Receivable	Interfund Payable
Governmental activities		
Major fund		
General Fund	$ 158,700	-
East Naples Bay District Fund	-	290,000
Business-type activities		
Major funds		
Water and Sewer Fund	377,600	-
Stormwater Fund	58,700	-
City Dock Fund	-	305,000
	$ 595,000	595,000

NOTE 3 − DETAILED NOTES ON ALL FUNDS (Continued)

Transfers during the year consisted of the following:

	Transfers In	Transfers Out
Governmental activities		
Major funds		
General Fund	$ 2,067,600	-
Debt Service Fund	-	4,100,000
Capital Projects Fund	4,100,000	-
Business-type activities		
Major funds		
Water and Sewer Fund	-	1,722,000
Solid Waste Fund	-	345,600
	$ 6,167,600	6,167,600

Transfers into the General Fund in the amount of $2,067,600 were payments in-lieu of taxes from the Water and Sewer Fund and Solid Waste Fund. The transfer into the Capital Projects Fund included utility tax revenues from the Debt Service Fund in the amount of $4,100,000 used for capital expenditures.

NOTE 3 − DETAILED NOTES ON ALL FUNDS (Continued)

F. Accounts Payable and Accrued Expenses

Accounts payable and accrued expenses at September 30, 2023 for the City's individual major funds and for the total nonmajor funds were as follows:

	Accounts Payable	Accrued Payroll	Total
Governmental activities			
Major funds			
General Fund	$ 3,317,125	621,066	3,938,191
Capital Projects Fund	909,038	-	909,038
Community Redevelopment Fund	48,594	14,033	62,627
Streets and Traffic Fund	120,408	14,670	135,078
East Naples Bay District Fund	261,864	-	261,864
Sales Tax Fund	680,115	-	680,115
Nonmajor funds	119,434	56,940	176,374
Internal Service Fund	411,685	170,193	581,878
	$ 5,868,263	876,902	6,745,165
Business-type activities			
Major funds			
Water and Sewer Fund	$ 3,319,829	152,522	3,472,351
Solid Waste Fund	218,318	37,156	255,474
Stormwater Fund	281,496	24,680	306,176
City Dock Fund	22,002	5,113	27,115
Nonmajor funds	664,505	25,248	689,753
	$ 4,506,150	244,719	4,750,869

NOTE 3 − DETAILED NOTES ON ALL FUNDS (Continued)

G. Long-Term Obligations

Long-term liabilities of the governmental activities at September 30, 2023 are comprised of the following:

Capital Improvement Refunding Revenue Note, Series 2018, issued in the amount of $3,427,883 to finance the construction of Fire Station #1; annual principal and interest payments in the amount of $387,503 through September 30, 2028. Non-ad valorem revenues are pledged to secure this issue. Interest rate is 2.75%.	$ 1,787,391
Claims payable	5,644,754
Net pension liability	49,546,637
Total OPEB liability	3,039,836
Compensated absences payable	3,445,718
	$ 63,464,336

Changes in long-term obligations for governmental activities for the year ended September 30, 2023 are as follows:

Governmental Activities	Balance October 1	Additions	Retired	Balance September 30	Due in One Year
Debt payable					
Bonds					
2018 Capital Improvement Revenue Note	$ 2,116,685	-	(329,294)	1,787,391	338,350
Total debt payable	2,116,685	-	(329,294)	1,787,391	338,350
Claims payable	4,899,927	8,120,471	(7,375,644)	5,644,754	1,520,754
Net pension liability	16,874,431	42,140,808	(9,468,602)	49,546,637	-
Total OPEB liability	3,467,339	295,804	(723,307)	3,039,836	-
Compensated absences payable	3,274,210	2,537,916	(2,366,408)	3,445,718	1,656,500
Total	$ 30,632,592	53,094,999	(20,263,255)	63,464,336	3,515,604

Internal service funds predominantly serve the governmental funds. Accordingly, long-term liabilities for them are included as part of the above totals for governmental activities. At year-end $212,801 in compensated absences, $5,644,754 in claims payable, $176,222 in total other post-employment benefits liability, and $581,319 in net pension liability reported in the internal service funds are included in the above amounts and will be liquidated by the internal service funds. The remaining compensated absences balances are expected to be liquidated by the following funds: General Fund, Building and Zoning Fund, Community Redevelopment Fund, and the Streets and Traffic Fund. The remaining total other post-employment benefits liability and net pension liability will generally be liquidated by the General Fund.

NOTE 3 − DETAILED NOTES ON ALL FUNDS (Continued)

Annual debt service requirements to maturity for governmental activities are as follows:

Governmental Activities	Bonds		
	Principal	Interest	Total
Year ended September 30			
2024	$ 338,350	49,153	387,503
2025	347,655	39,849	387,504
2026	357,215	30,288	387,503
2027	367,039	20,465	387,504
2028	377,132	10,371	387,503
	$ 1,787,391	150,126	1,937,517

Long-term liabilities of the business-type activities at September 30, 2023 are comprised of the following issues:

Water and Sewer Fund

Public Utilities Refunding Revenue Bond, Series 2012A, issued in the amount of $8,324,000 to currently refund the outstanding principal amount of the City's Public Utilities Revenue Bond, Series 2007A. Bonds mature annually on September 1, with final maturity on September 1, 2027. Interest is payable semi-annually on March 1 and September 1, at a fixed rate of 2.65%. The principal and interest is secured by the net revenue of the water and sewer system and from the investment of monies in various funds established by Ordinance.	$ 2,479,000
Public Utilities Refunding Revenue Bond, Series 2012B, issued in the amount of $4,835,000 to currently refund the outstanding principal amount of the City's Public Utilities Revenue Bond, Series 2007B. Bonds mature annually on September 1, with final maturity on September 1, 2027. Interest is payable semi-annually on March 1 and September 1, at a fixed rate of 2.54%. The principal and interest is secured by the net revenue of the water and sewer system and from the investment of monies in various funds established by Ordinance.	1,432,000
Special Assessment Revenue Bond, Series 2015, issued in the amount of $650,000 to currently fund the Bembury Project; semi-annual principal and interest payments are $73,882, with final maturity on July 1, 2025; secured by special assessment revenues of the water/sewer utility system; interest rate of 2.35%.	142,712

NOTE 3 − DETAILED NOTES ON ALL FUNDS (Continued)

Special Assessment Revenue Bond, Series 2019, issued in the amount of $3,377,000 to currently fund the Gulf Acres/Rosemary Heights Assessment Project; semi-annual principal and interest payments range from $27,316 to $217,795, with final maturity on July 1, 2039; secured by special assessment revenues of the water/sewer utility system; interest rate of 2.60%.	2,854,000
Net pension liability	2,471,400
Total OPEB liability	925,168
Compensated absences payable	699,969
Total Water and Sewer Fund	$ 11,004,249
Nonmajor funds	
Net pension liability	$ 471,726
Total OPEB liability	110,139
Compensated absences payable	150,337
Total nonmajor funds	$ 732,202
Solid Waste Fund	
Net pension liability	$ 628,968
Total OPEB liability	220,278
Compensated absences payable	151,903
Total Solid Waste Fund	$ 1,001,149
City Dock Fund	
Net pension liability	$ 96,887
Total OPEB liability	22,028
Compensated absences payable	26,686
Total City Dock Fund	$ 145,601
Stormwater Fund	
Net pension liability	$ 416,136
Total OPEB liability	88,111
Compensated absences payable	75,118
Total Stormwater Fund	$ 579,365

NOTE 3 − DETAILED NOTES ON ALL FUNDS (Continued)

Changes in long-term obligations for business-type activities for the year ended September 30, 2023 are as follows:

Business-Type Activities	Balance October 1	Additions	Retired	Balance September 30	Due in One Year
Debt payable					
Bonds					
Public Utilities Refunding Revenue Bond, Series 2012A	$ 3,059,000	-	(580,000)	2,479,000	596,000
Public Utilities Refunding Revenue Bond, Series 2012B	1,768,000	-	(336,000)	1,432,000	345,000
Special Assessment Revenue Bond, Series 2015	211,621	-	(68,909)	142,712	70,528
Special Assessment Revenue Bond, Series 2019	2,996,000	-	(142,000)	2,854,000	146,000
Total debt payable	8,034,621	-	(1,126,909)	6,907,712	1,157,528
Net pension liability	846,882	4,119,701	(881,466)	4,085,117	-
Total OPEB liability	1,557,791	132,898	(324,965)	1,365,724	-
Compensated absences payable	956,707	1,338,808	(1,191,502)	1,104,013	314,000
Total	$ 11,396,001	5,591,407	(3,524,842)	13,462,566	1,471,528

In accordance with bond covenants and Section 148 of the Internal Revenue Code, the City is required to rebate to the U.S. Treasury, every five years, arbitrage earnings on bond proceeds in excess of the bond yield. For the fiscal year ending September 30, 2023 no amounts were earned that will have to be rebated.

Annual debt service requirements to maturity for Water and Sewer Fund business-type activities are as follows:

Water and Sewer Fund:	Bonds		
	Principal	Interest	Total
Year ended September 30			
2024	$ 1,157,528	179,624	1,337,152
2025	1,186,184	149,614	1,335,798
2026	1,144,000	118,860	1,262,860
2027	1,174,000	89,019	1,263,019
2028	162,000	58,396	220,396
2029 - 2033	874,000	226,642	1,100,642
2034 - 2038	995,000	106,860	1,101,860
2039	215,000	5,590	220,590
	$ 6,907,712	934,605	7,842,317

NOTE 3 − DETAILED NOTES ON ALL FUNDS (Continued)

Legal Debt Margin–Neither the Charter nor the Code of the City of Naples or Florida Statutes limits the amount of debt the City can issue.

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H. Fund Equity

The following is a summary of fund balances that were nonspendable, restricted, committed or assigned as of September 30, 2023:

	General Fund	Debt Service Fund	Capital Projects Fund	Community Redevelopment Fund	Streets and Traffic Fund	East Naples Bay District Fund	Sales Tax Fund	Other Nonmajor Governmental	Total
Fund balances									
Nonspendable									
Inventory	$ -	-	-	-	16,375	-	-	-	16,375
Prepaid items	16,124	-	99,842	-	-	-	-	-	115,966
Advances to other funds	1,229,050	-	-	-	-	-	-	-	1,229,050
	1,245,174	-	99,842	-	16,375	-	-	-	1,361,391
Restricted									
Donations, various	-	-	-	-	-	-	-	793,009	793,009
Capital projects - impact fees	-	-	-	-	-	-	-	1,701,512	1,701,512
Capital projects - sales tax	-	-	-	-	-	-	19,728,779	1,764,882	21,493,661
Dredging projects	-	-	-	-	-	-	-	1,297,864	1,297,864
Transportation	-	-	-	-	4,518,644	320,831	-	-	4,839,475
Police programs	-	-	-	-	-	-	-	704,121	704,121
Economic development	-	-	-	15,915,375	-	-	-	-	15,915,375
Coral reef construction	-	-	-	-	-	-	-	24,196	24,196
Building and zoning operations	-	-	-	-	-	-	-	5,539,890	5,539,890
	-	-	-	15,915,375	4,518,644	320,831	19,728,779	11,825,474	52,309,103
Committed									
Public arts program	-	-	-	-	-	-	-	479,302	479,302
Emergency reserve	4,989,948	-	-	-	-	-	-	-	4,989,948
Capital projects	-	-	2,514,557	-	-	-	-	-	2,514,557
Handicap accessibility	92,032	-	-	-	-	-	-	-	92,032
Economic development	-	-	-	-	-	-	-	2,040,189	2,040,189
Land conservation	-	-	-	-	-	-	-	9,210	9,210
	5,081,980	-	2,514,557	-	-	-	-	2,528,701	10,125,238
Assigned									
Debt service	-	2,828,840	-	-	-	-	-	-	2,828,840
Encumbrances (capital outlay)	747,324	-	-	-	-	-	-	-	747,324
Economic development	-	-	-	-	-	-	-	142,197	142,197
Capital projects	-	-	3,364,294	-	-	-	-	-	3,364,294
	747,324	2,828,840	3,364,294	-	-	-	-	142,197	7,082,655
Unassigned	21,571,696	-	-	-	-	-	-	-	21,571,696
Total fund balance	$ 28,646,174	2,828,840	5,978,693	15,915,375	4,535,019	320,831	19,728,779	14,496,372	92,450,083

NOTE 3 − DETAILED NOTES ON ALL FUNDS (Continued)

I. Employee Pension Plans

The City maintains three single-employer, defined benefit pension plans that cover its general, police, and fire employees, which represent substantially all of the City's employees. The City also has two defined contribution 401(a) plans that cover management and serve as a supplement to all full-time City employees except persons covered by the International Association of Firefighters (IAFF) or the Fraternal Order of Police (FOP).

General Pension Plan (the "Plan")

The Plan provides benefits for all full-time American Federation of State and Municipal Employees (AFSME) Union, Government Supervisor Association of Florida Office and Professional Employees International Union (OPEIU), and non-bargaining employees of the City. All retirement plan provisions, including benefits, eligibility, vesting, etc., are established by City Ordinance, the most recent of which is Ordinance 12-13142 which reinstated benefits for certain members previously reduced by the provisions of Ordinance 11-12951. The Plan Ordinance may be amended by City Council after public notice has been made, two public readings are conducted, and one public hearing is held. The Plan does not issue a stand-alone financial report and is not included in any other retirement system or entity's financial report.

The current membership as of October 1, 2022, the date of the most recent actuarial valuation, is as follows:

Inactive plan members or beneficiaries currently receiving benefits	257
Inactive plan members entitled to but not yet receiving benefits	188
Active plan members	325
	770

Benefits are determined by category and length of service as follows:

Benefits	Vesting
Normal retirement is at age 60 with five years of service or the rule of 85 (when age plus service equals 85). For members hired after September 30, 2011, normal retirement is the earlier of age 65 with eight years of credited service or the completion of 33 years of credited service regardless of age. Benefits are 2.50% of average final compensation (AFC) times years of service for each year of service prior to September 30, 2011, plus 1.6% of AFC for each year of credited service after September 30, 2011. The early retirement benefit is reduced by 3% for each year that the early retirement date precedes age 60, or for members hired after September 30, 2011, the early retirement benefit is reduced by 5% for each year that the early retirement date precedes age 65.	If hired prior to September 30, 2011, vesting is 100%. If hired after September 30, 2011, vesting is 100% after eight years of creditable service; 0% prior to that. General pension employees hired after February 28, 1995, have an effective start date six months after employment.

The Plan is accounted for as a pension trust fund; therefore it is accounted for in substantially the same manner as a proprietary fund using the "economic resources" measurement focus and the accrual basis of accounting. Plan member contributions and employer contributions are recognized in the period in which contributions are due. Benefits and refunds are recognized when due and payable in accordance with terms of the Plan. Plan assets are valued at fair value for financial statement purposes.

NOTE 3 − DETAILED NOTES ON ALL FUNDS (Continued)

General Pension Plan (the "Plan") (Continued)

As of September 30, 2023, there were no investments (other than U.S. Government or U.S. Government guaranteed obligations) in any one organization comprising 5% or more of the net position available for benefits. As of September 30, 2023, there was no investment type or similar relationships with any related party, including officers and employees of the Pension Plan, the sponsoring City of Naples, and organizations included in the reporting entity.

The City Council has established contribution requirements for the City and participating employees. These requirements may be amended by the City Council at any time by ordinance.

The Plan's funding policy requires employees to contribute no less than 5% of compensation to the Plan on a pre-tax basis, or 3% for employees hired after September 30, 2011. This amount is fixed unless changed by ordinance. The City is required to make annual contributions that fluctuate according to the most recent actuarial valuation report, after deducting estimated contributions by members, investment earnings and all Plan expenses. Significant actuarial assumptions used to compute actuarially determined contribution requirements are the same as those used to compute the net pension obligation. The Plan prepares a valuation report annually, and the City's contribution is adjusted accordingly. All costs of administering the Plan are paid from Plan assets.

The Plans do not issue separate financial statements.

Net Pension Liability of the City

The City's net pension liability was measured as of September 30, 2022. The components of the net pension liability of the City at September 30, 2023 were as follows:

Total pension liability	$ 77,404,721
Plan fiduciary net position	(61,521,686)
City's net pension liability	$ 15,883,035
Plan fiduciary net position as a percentage of Total pension liability	79.48%

NOTE 3 − DETAILED NOTES ON ALL FUNDS (Continued)

General Pension Plan (the "Plan") (Continued)

In addition, in accordance with GASB Statement No. 67, information related to the plan measured as of September 30, 2023 is as follows:

Total pension liability	$ 80,118,541
Plan fiduciary net position	(65,993,255)
City's net pension liability	$ 14,125,286
Plan fiduciary net position as a percentage of Total pension liability	82.37%

For the year ended September 30, 2023, the City recognized pension expense of $3,288,091 for the general employee plan. At September 30, 2023, the City reported deferred outflows of resources and deferred inflows related to its plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions	$ 566,635	-
Differences between expected and actual experience	246,916	469,758
Net difference between projected and actual earnings on investments	6,960,549	-
City pension plan contributions subsequent to the measurement date	2,720,813	-
Total	$ 10,494,913	469,758

The deferred outflows of resources related to the Pension Plan, totaling $2,720,813 resulting from City contributions to the plan subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the fiscal year ended September 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the plans will be recognized in pension expense as follows:

Year ended September 30,	
2024	$ 2,148,341
2025	1,431,894
2026	925,163
2027	2,798,944
Total	$ 7,304,342

The required schedule of changes in the City's net pension liability and related ratios immediately following the notes to the financial statements presents multi-year trend information about whether the value of plan assets is increasing or decreasing over time relative to the total pension liability.

NOTE 3 − DETAILED NOTES ON ALL FUNDS (Continued)

General Pension Plan (the "Plan") (Continued)

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of September 30, 2022 are summarized in the following table:

Asset Class	Long-Term Expected Real Rate of Return
Domestic Equity	5.35%
International Equity	4.30%
Fixed Income	1.12%
Real Estate	3.95%
MLP/Energy Infrastructure	3.44%

Discount Rate. The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that City contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

NOTE 3 − DETAILED NOTES ON ALL FUNDS (Continued)

General Pension Plan (the "Plan") (Continued)

Changes in the Net Pension Liability of the City. The changes in components of the net pension liability to the City for the year ended September 30, 2023 were as follows:

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at September 30, 2022	$ 75,880,853	72,573,012	3,307,841
Changes for the year:			
Service cost	1,628,610	-	1,628,610
Interest	5,247,064	-	5,247,064
Differences between expected and actual experience	(248,994)	-	(248,994)
Assumption changes	-	-	-
Contributions-employer	-	2,461,428	(2,461,428)
Contributions-employee	-	731,882	(731,882)
Net investment income	-	(8,952,214)	8,952,214
Benefit payments, including refunds of employee contributions	(5,102,812)	(5,102,812)	-
Administrative expense	-	(189,610)	189,610
Net changes	1,523,868	(11,051,326)	12,575,194
Balances at September 30, 2023	$ 77,404,721	61,521,686	15,883,035

The required schedule of changes in the City's net pension liability and related ratios, immediately following the notes to the financial statements, present multi-year trend information about whether the value of the plan assets is increasing or decreasing over time relative to the total pension liability.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate. The following presents the net pension liability of the City, calculated using the discount rate of 7.00%, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00%) or 1-percentage-point higher (8.00%) than the current rate:

	1% Decrease 6.00%	Current Discount Rate 7.00%	1% Increase 8.00%
City's net pension liability - September 30, 2023 (Measurement date of September 30, 2022)	$ 24,026,654	15,883,035	9,076,021

NOTE 3 − DETAILED NOTES ON ALL FUNDS (Continued)

General Pension Plan (the "Plan") (Continued)

In addition, in accordance with GASB 67, the following presents the net pension liability of the Plan, calculated using the discount rate of 7.00%, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00%) or 1-percentage-point higher (8.00%) than the current rate:

	1% Decrease 6.00%	Current Discount Rate 7.00%	1% Increase 8.00%
City's net pension liability - September 30, 2024 (Measurement date of September 30, 2023)	$ 22,820,649	14,125,286	7,429,030

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revision as results are compared to past expectations and new estimates are made about the future. Actuarial calculations reflect a long-term perspective. Calculations are based on the substantive plan in effect as of October 1, 2021 updated to September 30, 2022 using the following actuarial assumptions:

Actuarial Assumptions

Funding Method	Entry Age Actuarial Cost Method.
Amortization Method	New UAAL amortization amounts are amortized over the following amortization periods: Experience: 10 years. Assumption/Method Changes: 20 years. Benefit Changes: 30 years.
Actuarial Asset Valuation Method	All assets are valued at market value with an adjustment made to uniformly spread actuarial investment gains and losses (as measured by actual market value investment return against expected market value investment return) over a five-year period.
Inflation	2.30%.
Interest Rate	7.00% per year, compounded annually, net of investment related expenses.
Projected Salary Increases	4.0% to 6.0% based on service.

There have been no plan changes since the prior actuarial valuation.

NOTE 3 − DETAILED NOTES ON ALL FUNDS (Continued)

Police Officers' Pension Plan (the "Plan")
The Plan provides benefits for all full-time sworn police personnel of the City. All retirement plan provisions, including benefits, eligibility, vesting, etc., are established by City Ordinance, the most recent of which is Ordinance 12-13063. The Plan Ordinance may be amended by City Council after public notice has been made, two public readings are conducted, and one public hearing is held. The Plan does not issue a stand-alone financial report and is not included in any other retirement system or entity's financial report.

The current membership as of October 1, 2022, the date of the most recent actuarial valuation, is as follows:

Inactive plan members or beneficiaries currently receiving benefits	93
Inactive plan members entitled to but not yet receiving benefits	24
Active plan members	56

Benefits are determined by category and length of service as follows:

Benefits	Vesting
If hired prior to April 1, 2012, normal retirement is age 50 with five years of credited service or 25 years of credited service regardless of age, and if hired after March 31, 2012, normal retirement is age 60 with eight years of credited service or 30 years of credited service regardless of age. If hired prior to April 1, 2012, benefits are frozen as of March 31, 2012, plus future benefits are 3% of average final compensation (AFC) times each year of service beyond March 31, 2012. If hired after March 31, 2012, benefits are 3% of AFC times years of credited service. If hired prior to April 1, 2012, early retirement is at age 45 or the completion of 20 years of credited service. If hired after March 31, 2012, early retirement is at age 45 and the completion of 20 years of credited service. The early retirement benefit is reduced 3% for each year prior to normal retirement for members hired prior to April 1, 2012, and 5% for members hired after March 31, 2012.	If hired prior to April 1, 2012, vesting is 100% after five years of credited service, and if hired after March 31, 2012, vesting is 100% after eight years of credited service; 0% prior to that.

The Plan also provides disability and survivors' benefits.

The Plan is accounted for as a pension trust fund; therefore it is accounted for in substantially the same manner as a proprietary fund using the "economic resources" measurement focus and the accrual basis of accounting. Plan Member contributions, employer contributions, and contributions from other entities are recognized in the period in which contributions are due. Benefits and refunds are recognized when due and payable in accordance with terms of the Plan. Plan assets are valued at fair value for financial statement purposes.

As of September 30, 2023, there were no investments (other than U.S. Government or U.S. Government guaranteed obligations) in any one organization comprising 5% or more of the net position available for benefits. As of September 30, 2023, there were no investment types or similar relationships with any related party, including officers and employees of the Pension Plan, the sponsoring City of Naples, and organizations included in the reporting entity.

NOTE 3 − DETAILED NOTES ON ALL FUNDS (Continued)

Police Officers' Pension Plan (the "Plan") (Continued)

The City Council has established contribution requirements for the City and participating employees. These requirements may be amended by the City Council at any time by ordinance.

The Plan's funding policy requires employees to contribute 5% of annual salary to the Plan on a pre-tax basis or 3% for employees hired after April 1, 2012. This amount is fixed unless changed by ordinance. The City is required to make annual contributions that fluctuate according to the most recent actuarial valuation report, after deducting estimated contributions by members, investment earnings and all Plan expenditures. Significant actuarial assumptions used to compute actuarially determined contribution requirements are the same as those used to compute the net pension obligation. The Plan prepares a valuation report annually, and the City's contribution is adjusted accordingly. All costs of administering the Plan are paid from the Plan assets. The State of Florida makes contributions from taxes on casualty insurance premiums. The State of Florida's contribution to the Police Officers' Pension Plan for the year ended September 30, 2023, was $1,041,101. The City recognized these on-behalf payments from the state as revenues and expenditures in the governmental fund financial statements.

Net Pension Liability of the City

The City's net pension liability was measured as of September 30, 2022. The components of the net pension liability of the City at September 30, 2023 were as follows:

Total pension liability	$ 77,434,849
Plan fiduciary net position	(57,605,050)
City's net pension liability	$ 19,829,799
Plan fiduciary net position as a percentage of Total pension liability	74.39%

In addition, in accordance with GASB Statement No. 67, information related to the plan measured as of September 30, 2023 is as follows:

Total pension liability	$ 80,354,728
Plan fiduciary net position	(62,846,692)
City's net pension liability	$ 17,508,036
Plan fiduciary net position as a percentage of Total pension liability	78.21%

NOTE 3 − DETAILED NOTES ON ALL FUNDS (Continued)

Police Officers' Pension Plan (the "Plan") (Continued)

For the year ended September 30, 2023, the City recognized pension expense of $3,379,817 for the police employee plan. At September 30, 2023, the City reported deferred outflows of resources and deferred inflows related to its plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions	$ -	-
Differences between expected and actual experience	2,672	116,496
Net difference between projected and actual earnings on investments	6,469,363	-
City pension plan contributions subsequent to the measurement date	3,756,949	-
Total	$ 10,228,984	116,496

The deferred outflows of resources related to the Pension Plan, totaling $3,756,949 resulting from City contributions to the plan subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the fiscal year ended September 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the plans will be recognized in pension expense as follows:

Year ended September 30,	
2024	$ 1,519,827
2025	1,280,597
2026	954,774
2027	2,600,341
Total	$ 6,355,539

The required schedule of changes in the City's net pension liability and related ratios immediately following the notes to the financial statements presents multi-year trend information about whether the value of plan assets is increasing or decreasing over time relative to the total pension liability.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of September 30, 2022, are summarized in the table on the following page.

NOTE 3 − DETAILED NOTES ON ALL FUNDS (Continued)

Police Officers' Pension Plan (the "Plan") (Continued)

Asset Class	Long-Term Expected Real Rate of Return
Domestic Equity	5.35%
International Equity	4.30%
Fixed Income	1.12%
Real Estate	3.95%
MLP/Infrastructure	3.44%

Discount Rate. The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that City contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in the Net Pension Liability of the City. The changes in components of the net pension liability to the City for the year ended September 30, 2023, were as follows:

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at September 30, 2022	$ 75,401,960	66,711,914	8,690,046
Changes for the year:			
Service cost	933,890	-	933,890
Interest	5,202,255	-	5,202,255
Differences between expected and actual experience	74,985	-	74,985
Contributions-buyback	(445)	-	(445)
Contributions-employer	-	2,460,777	(2,460,777)
Contributions-state	-	836,870	(836,870)
Contributions subsequent to plan year			
Contributions-employee	-	222,472	(222,472)
Net investment income	-	(8,332,776)	8,332,776
Benefit payments, including refunds of employee contributions	(4,177,796)	(4,177,796)	-
Administrative expense	-	(116,411)	116,411
Net changes	2,032,889	(9,106,864)	11,139,753
Balances at September 30, 2023	$ 77,434,849	57,605,050	19,829,799

NOTE 3 − DETAILED NOTES ON ALL FUNDS (Continued)

Police Officers' Pension Plan (the "Plan") (Continued)

The required schedule of changes in the City's net pension liability and related ratios immediately following the notes to the financial statements present multi-year trend information about whether the value of the plan assets is increasing or decreasing over time relative to the total pension liability.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate. The following presents the net pension liability of the City, calculated using the discount rate of 7.00%, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00%) or 1-percentage-point higher (8.00%) than the current rate:

	1% Decrease 6.00%	Current Discount Rate 7.00%	1% Increase 8.00%
City's net pension liability - September 30, 2023 (Measurement date of September 30, 2022)	$ 28,394,168	19,829,799	12,721,532

In addition, in accordance with GASB 67, the following presents the net pension liability of the Plan, calculated using the discount rate of 7.00%, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00%) or 1-percentage-point higher (8.00%) than the current rate:

	1% Decrease 6.00%	Current Discount Rate 7.00%	1% Increase 8.00%
City's net pension liability - September 30, 2024 (Measurement date of September 30, 2023)	$ 26,795,547	17,508,036	10,505,796

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revision as results are compared to past expectations and new estimates are made about the future. Actuarial calculations reflect a long-term perspective. Calculations are based on the substantive plan in effect as October 1, 2022.

NOTE 3 − DETAILED NOTES ON ALL FUNDS (Continued)

Police Officers' Pension Plan (the "Plan") (Continued)

The assumptions used in the October 1, 2022 actuarial valuation are as follows.

Actuarial Assumptions

Funding Method	Entry Age Actuarial Cost Method.
Amortization Method	New UAAL amortization amounts are amortized over the following amortization periods: Experience: 10 years. Assumption/Method Changes: 20 years. Benefit Changes: 30 years.
Actuarial Asset Valuation Method	All assets are valued at market value with an adjustment made to uniformly spread actuarial investment gains and losses (as measured by actual market value investment return against expected market value investment return) over a five-year period.
Inflation	2.30%.
Interest Rate	7.00% per year, compounded annually, net of investment related expenses.
Projected Salary Increases	4.0% to 6.0% based on service.

There have been no plan changes since the prior actuarial valuation. Actuarial assumption/method changes since prior actuarial valuation include the following:

Firefighters' Pension Plan (the "Plan")

The Plan provides benefits for all full-time sworn fire personnel of the City. All retirement plan provisions, including benefits, eligibility, vesting, etc., are established by City Ordinance, the most recent of which is Ordinance 13-13283. The Plan Ordinance may be amended by City Council after public notice has been made, two public readings are conducted, and one public hearing is held. The Plan does not issue a stand-alone financial report and is not included in any other retirement system or entity's financial report.

NOTE 3 − DETAILED NOTES ON ALL FUNDS (Continued)

Firefighters' Pension Plan (the "Plan") (Continued)

The current membership as of October 1, 2022, the date of the most recent actuarial valuation, is as follows:

Inactive plan members or beneficiaries currently receiving benefits	57
Inactive plan members entitled to but not yet receiving benefits	9
Active plan members	57

Benefits are determined by category and length of service as follows:

Benefits	Vesting
Normal retirement at age 55 with five years of credited service, age 50 with 20 years of credited service, or the completion of 25 years of credited service regardless of age. For members hired after May 31, 2013, the normal retirement date is the earlier of age 55 with eight years of credited service, or the completion of 25 years of credited service, regardless of age. Benefits are 4% of average final compensation (AFC) times years of service for each year prior to May 31, 2013, plus 3% of AFC times years of service for each year of credited service after May 31, 2013. The early retirement benefit is reduced 3% for each year prior to age 55 or the completion of 20 years of credited service for members hired prior to May 31, 2013, and for all other members early retirement is reduced for each year early retirement precedes the earlier of age 55 and eight years of credited service, or the completion of 25 years of credited of service, regardless of age.	100% after five years of credited service for members hired prior to May 31, 2013, and 100% after eight years of credited service for members hired after May 31, 2013; 0% prior to that.

The Plan also provides disability and survivors' benefits.

The Plan is accounted for as a pension trust fund; therefore it is accounted for in substantially the same manner as a proprietary fund using the "economic resources" measurement focus and the accrual basis of accounting. Plan member contributions, employer contributions, and contributions from other entities are recognized in the period in which contributions are due. Benefits and refunds are recognized when due and payable in accordance with terms of the Plan. Plan assets are valued at fair value for financial statement purposes.

As of September 30, 2023, there were no investments (other than U.S. government or U.S. government guaranteed obligations) in any one organization comprising 5% or more of the net position available for benefits. As of September 30, 2023, there were no investment types or similar relationships with any related party, including officers and employees of the Pension Plan, the sponsoring City of Naples, and organizations included in the reporting entity.

NOTE 3 − DETAILED NOTES ON ALL FUNDS (Continued)

Firefighters' Pension Plan (the "Plan") (Continued)

The City Council has established contribution requirements for the City and participating employees. These requirements may be amended by the City Council at any time by ordinance.

The Plan's funding policy requires employees to contribute 5% of annual salary to the Plan on a pre-tax basis or 3% for employees hired after May 31, 2014. This amount is fixed unless changed by ordinance. The City is required to make annual contributions that fluctuate according to the most recent actuarial valuation report, after deducting estimated contributions by members, investment earnings and all plan expenditures. Significant actuarial assumptions used to compute actuarially determined contribution requirements are the same as those used to compute the net pension obligation. The Plan prepares a valuation report annually, and the City's contribution is adjusted accordingly. All costs of administering the Plan are paid from Plan assets. The State of Florida makes contributions from taxes on casualty insurance premiums. The State of Florida's contribution to the Firefighters' Pension Plan for the year ended September 30, 2023, was $1,264,503. The City recognized these on-behalf payments from the state as revenues and expenditures in the governmental fund financial statements.

Net Pension Liability of the City

The City's net pension liability was measured as of September 30, 2022. The components of the net pension liability of the City at September 30, 2023 were as follows:

Total pension liability	$ 77,434,849
Plan fiduciary net position	(57,605,050)
City's net pension liability	$ 19,829,799
Plan fiduciary net position as a percentage of Total pension liability	74.39%

In addition, in accordance with GASB Statement No. 67, information related to the plan measured as of September 30, 2023 is as follows:

Total pension liability	$ 80,354,728
Plan fiduciary net position	(62,846,692)
City's net pension liability	$ 17,508,036
Plan fiduciary net position as a percentage of Total pension liability	78.21%

NOTE 3 − DETAILED NOTES ON ALL FUNDS (Continued)

Firefighters' Pension Plan (the "Plan") (Continued)

For the year ended September 30, 2023, the City recognized pension expense of $3,532,266 for the firefighters employee plan. At September 30, 2023, the City reported deferred outflows of resources and deferred inflows related to its plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions	$ 911,735	-
Differences between expected and actual experience	849,471	-
Net difference between projected and actual earnings on investments	6,838,801	-
City pension plan contributions subsequent to the measurement date	3,515,779	-
Total	$ 12,115,786	-

The deferred outflows of resources related to the Pension Plan, totaling $3,515,779 resulting from City contributions to the plans subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the fiscal year ended September 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the plans will be recognized in pension expense as follows:

Year ended September 30,	
2024	$ 2,743,115
2025	1,882,406
2026	1,119,351
2027	2,855,135
Total	$ 8,600,007

The required schedule of changes in the City's net pension liability and related ratios immediately following the notes to the financial statements presents multi-year trend information about whether the value of plan assets is increasing or decreasing over time relative to the total pension liability.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of September 30, 2023 are summarized in the table on the following page.

NOTE 3 − DETAILED NOTES ON ALL FUNDS (Continued)

Firefighters' Pension Plan (the "Plan") (Continued)

Asset Class	Long-Term Expected Real Rate of Return
Domestic Equity	5.35%
International Equity	4.30%
Fixed Income	1.12%
Real Estate	3.95%
MLP/Infrastructure	3.44%

Discount Rate. The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that City contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in the Net Pension Liability of the City. The changes in components of the net pension liability to the City for the year ended September 30, 2023 were as follows:

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at September 30, 2022	$ 75,401,960	66,711,914	8,690,046
Changes for the year:			
Service cost	933,890	-	933,890
Interest	5,202,255	-	5,202,255
Differences between expected and actual experience	74,985	-	74,985
Contributions-buyback	(445)	-	(445)
Contributions-employer	-	2,460,777	(2,460,777)
Contributions-state	-	836,870	(836,870)
Contributions subsequent to plan year			
Contributions-employee	-	222,472	(222,472)
Net investment income	-	(8,332,776)	8,332,776
Benefit payments, including refunds of employee contributions	(4,177,796)	(4,177,796)	-
Administrative expense	-	(116,411)	116,411
Net changes	2,032,889	(9,106,864)	11,139,753
Balances at September 30, 2023	$ 77,434,849	57,605,050	19,829,799

NOTE 3 − DETAILED NOTES ON ALL FUNDS (Continued)

Firefighters' Pension Plan (the "Plan") (Continued)

The required schedule of changes in the City's net pension liability and related ratios immediately following the notes to the financial statements present multi-year trend information about whether the value of the plan assets is increasing or decreasing over time relative to the total pension liability.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate. The following presents the net pension liability of the City, calculated using the discount rate of 7.00%, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00%) or 1-percentage-point higher (8.00%) than the current rate:

	1% Decrease 6.00%	Current Discount Rate 7.00%	1% Increase 8.00%
City's net pension liability - September 30, 2023 (Measurement date of September 30, 2022)	$ 28,394,168	19,829,799	12,721,532

In addition, in accordance with GASB 67, the following presents the net pension liability of the Plan, calculated using the discount rate of 7.00%, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00%) or 1-percentage-point higher (8.00%) than the current rate:

	1% Decrease 6.00%	Current Discount Rate 7.00%	1% Increase 8.00%
City's net pension liability - September 30, 2024 (Measurement date of September 30, 2023)	$ 26,795,547	17,508,036	10,505,796

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revision as results are compared to past expectations and new estimates are made about the future. Actuarial calculations reflect a long-term perspective. Calculations are based on the substantive plan in effect as October 1, 2022.

NOTE 3 − DETAILED NOTES ON ALL FUNDS (Continued)

Firefighters' Pension Plan (the "Plan") (Continued)

The assumptions used in the October 1, 2022 actuarial valuation are as follows:

Actuarial Assumptions

Funding Method	Entry Age Actuarial Cost Method.
Amortization Method	New UAAL amortization amounts are amortized over the following amortization periods: Experience: 10 years. Assumption/Method Changes: 20 years. Benefit Changes: 30 years.
Actuarial Asset Valuation Method	All assets are valued at market value with an adjustment made to uniformly spread actuarial investment gains and losses (as measured by actual market value investment return against expected market value investment return) over a five-year period.
Inflation	2.30%.
Interest Rate	7.00% per year, compounded annually, net of investment related expenses.
Projected Salary Increases	4.0% to 6.0% based on service.

There have been no plan changes since the prior actuarial valuation. Actuarial assumption/method changes since prior actuarial valuation include the following:

The "share plan" supplemental retirement benefit, effective October 1, 2009, created an individual share account for each active firefighter as of that date. This supplemental benefit is funded solely by the premium tax revenues received by the City. The initial amount allocated to the active members' share accounts was $663,717. For all years beginning on and after October 1, 2009, all premium tax revenues received by the City in excess of $1,668,662 are allocated to the members' individual share accounts. Effective January 1, 2011, and each January following, the individual share accounts for each active firefighter is credited or debited with earnings or losses at a rate equal to the Plan's actual net rate of investment return for the preceding Plan year. A firefighter must attain five complete years of credited service to be entitled to receive a distribution of their accumulated account. At September 30, 2022, there was $651,176 in the share plan.

NOTE 3 − DETAILED NOTES ON ALL FUNDS (Continued)

Applicable totals for all of the City's defined benefit pension plans are reflected below:

	General Employees' Pension Plan	Police Officers' Pension Plan	Firefighters' Pension Plan	Totals
Net Pension Liability	$ 15,883,035	19,829,799	17,918,920	53,631,754
Deferred Outflows	10,494,913	10,228,984	12,115,786	32,839,683
Deferred Inflows	469,758	116,496	-	586,254
Pension Expense	3,288,091	3,379,817	3,532,266	10,200,174

Statements of Fiduciary Net Position and Statements of Changes in Fiduciary Net Position for the City's defined benefit pension plans are as follows, as of and for the year ended September 30, 2023:

Statements of Fiduciary Net Position

	General Pension Fund	Police Officers' Pension Fund	Firefighters' Pension Fund
Assets			
Cash and cash equivalents	$ 904,990	1,992,350	2,403,961
Contributions receivable	609,398	440,909	462,396
Investments, at fair value	64,483,489	60,418,820	65,401,230
Total assets	65,997,877	62,852,079	68,267,587
Liabilities			
Accounts payable	4,622	5,387	5,313
Total liabilities	4,622	5,387	5,313
Net position			
Restricted for pension benefits	$ 65,993,255	62,846,692	68,262,274

NOTE 3 − DETAILED NOTES ON ALL FUNDS (Continued)

Statements of Changes in Fiduciary Net Position

	General Pension Fund	Police Officers' Pension Fund	Firefighters' Pension Fund
Additions			
Contributions			
Employee contributions	$ 772,441	249,911	196,749
Employer contributions	2,720,813	2,715,848	2,251,276
Direct state contributions	-	1,041,101	1,264,503
Total contributions	3,493,254	4,006,860	3,712,528
Investment earnings			
Interest and dividend income	1,720,915	1,597,136	1,731,990
Net change in fair value of investments	5,403,792	5,080,354	5,528,250
Less investment expense	(349,372)	(290,570)	(308,368)
Net investment earnings	6,775,335	6,386,920	6,951,872
Total additions	10,268,589	10,393,780	10,664,400
Deductions			
Benefits paid	4,871,441	5,006,496	3,879,670
Refunds of contributions	738,375	25,274	17,819
General administration	187,204	120,368	110,677
Total deductions	5,797,020	5,152,138	4,008,166
Changes in net position	4,471,569	5,241,642	6,656,234
Net position, beginning of year	61,521,686	57,605,050	61,606,040
Net position, end of year	$ 65,993,255	62,846,692	68,262,274

J. Employee Retirement Savings Plans

Supplemental Retirement Savings Plan

All Retirement Plan provisions, including benefits, eligibility, vesting, etc., are established by City Ordinance, the most recent of which is Ordinance 99-8642. The Plan Ordinance may be amended by the City Council after public notice has been made, two public readings are conducted and one public hearing held. The Supplemental Plan does not issue a stand-alone financial report and is not included in any other retirement system or entity's financial report. Membership is voluntary and includes all full-time employees who have completed six months employment with the City. Persons rendering services on a contractual basis are excluded from participation in this plan, as well as temporary and seasonal employees and persons covered by the International Association of Firefighters (IAFF) or the Fraternal Order of Police (FOP).

The plan, which started on April 1, 1995, has a plan year date of April 1. Employee contributions vest immediately and employer contributions vest as follows:

Employer Contributions
25% - Year 1
50% - Year 2
100% - Year 3

NOTE 3 − DETAILED NOTES ON ALL FUNDS (Continued)

Supplemental Retirement Savings Plan (the "Plan") (Continued)
The Plan is a defined contribution plan. Plan members are required to contribute 3% of annual base pay to the Plan and the City is required to contribute 2% of the employee's annual base pay. Plan provision and contribution requirements are established and may be amended by the City Council. The plan falls under IRC Code Section 401(a)(17) and IRC 414(s) rules.

As of September 30, 2023 there were 235 active Plan members. Covered payroll for the year ended September 30, 2023 was $15,837,864. City contributions for the year were $316,589, and employee contributions were $474,886, excluding rollovers. Contributions and earnings are returned to participants upon retirement or termination.

The Plan accounts for its financial activities using the accrual basis of accounting. Employer and member contributions are recognized in the period that contributions are due.

All investments are reported at their fair value. All investments are directed by Plan participants, including the non-vested portion of the City's contributions, if any. Plan participants may elect to allocate investments among different mutual funds and fixed return funds. No individual stocks, bonds or other investments are held within the Plan. Plan administrators are Mission Square.

Managers' Retirement Savings Plan (the "Plan")
All Plan provisions, including benefits, eligibility, vesting, etc., are established by City resolution, the most recent of which is Resolution No. 96-7751. The Plan resolution authorizes participation in the Plan by exempting managers from participating in the General Pension Plan. The Plan does not issue a stand-alone financial report and is not included in any other retirement system's or entity's financial report. Membership is voluntary and includes all full-time employees whose service to the city is rendered on a contractual or fee basis except the city attorney.

Employee and employer contributions are vested as follows: 25% after one year of service; 50% after two years of service; 100% after three years of service.

The Plan is a defined contribution plan. Plan members are required to contribute 3% of annual base pay to the Plan and the City is required to contribute 7% of the employee's annual base pay. Plan provision and contribution requirements are established and may be amended by the City Council. The plan falls under IRC Code Section 401(a)(17) and IRC 414(s) rules. The City contributes 17% of the City Manager's salary.

As of September 30, 2023, there were five active Plan members and eight retired and terminated members who have maintained account balances. Covered payroll for the year ended September 30, 2023 was $808,348. City contributions for the year were $84,130, and employee contributions were $15,987.

The Plan accounts for its financial activities using the accrual basis of accounting. Employer and all member contributions are recognized in the period that the contributions are due.

All investments are reported at their fair value. All investments are directed by Plan participants, including the City's contributions. Plan participants may elect to allocate investments among a variety of mutual funds holding U.S. government and agency securities, corporate and asset-backed bonds, common stocks and a variety of money market-type instruments. No individual stocks, bonds or other investments are held within the Plan. Plan administrators are Mission Square.

NOTE 3 − DETAILED NOTES ON ALL FUNDS (Continued)

Managers' Retirement Savings Plan (the "Plan") (Continued)
Statements of Net Position and Statements of Changes in Net Position for the City's defined contribution pension plans are as follows, as of and for the year ended September 30, 2023. These plans do not meet the definition of a Fiduciary Activity per GASB Statement No. 84, *Fiduciary Activities*.

Statements of Net Position

	Supplemental General Pension	Managers' 401 Pension
Assets		
Investments, at fair value	$ 11,793,065	1,746,441
Total assets	11,793,065	1,746,441
Net position		
Restricted for pension benefits	$ 11,793,065	1,746,441

Statements of Changes in Net Position

	Supplemental General Pension	Managers' 401 Pension
Additions		
Contributions		
Employee contributions	$ 872,039	62,796
Employer contributions	316,522	37,303
Total contributions	1,188,561	100,099
Investment earnings		
Net change in fair value of investments	1,249,992	181,454
Less investment expense	(16,382)	(1,090)
Net investment earnings	1,233,610	180,364
Total additions	2,422,171	280,463
Deductions		
Refunds of contributions	915,375	34,438
Total deductions	915,375	34,438
Changes in net position	1,506,796	246,025
Net position, beginning of year	10,286,269	1,500,416
Net position, end of year	$ 11,793,065	1,746,441

NOTE 3 − DETAILED NOTES ON ALL FUNDS (Continued)

K. Other Post-Employment Benefits

Plan Description. The post-employment Health Care Benefits Plan (the "Plan") is a single-employer defined benefit plan administered by the City. Pursuant to the provisions of Section 112.0801, Florida Statutes, former employees and eligible dependents who retire from the City may continue to participate in the City's self-funded health and hospitalization plans for medical and prescription drug coverage, as well as participate in the life insurance group plan. The City subsidizes the premium rates paid by retirees by allowing them to participate in the plans at reduced or blended group (implicitly subsidized) premium rates for both active and retired employees. These rates provide an implicit subsidy for retirees because, on an actuarial basis, their current and future claims are expected to result in higher costs to the plan on average than those of active employees. Retirees who are eligible for Medicare are in a stand-alone plan with no cost to the employer. The Plan does not issue a stand-alone financial report.

Funding Policy. Contribution requirements for the Plan of the City are established and may be amended through recommendations of the Insurance Committee and action from the City Council. The City has not advance-funded or established a funding methodology for the annual Other Post-Employment Benefit (OPEB) costs.

Plan Membership. Membership of the plan consisted of the following at September 30, 2021 rolled forward 12 months from the valuation date to the measurement date using standard actuarial techniques:

Retirees and Beneficiaries	32
Inactive, Nonretired Members	-
Active Members	398
Total	430

The City's total OPEB liability was measured as of September 30, 2022 rolled forward 12 months from the valuation date to the measurement date using standard actuarial techniques.

Actuarial Assumptions. The total OPEB liability in the September 30, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Discount Rate	4.40%
Healthcare Cost Trend Rate	Based on the Getzen Model with trend starting at 6.00% (0.00% for premiums), followed by 5.75%, and gradually decreasing to an ultimate trend rate of 3.75%.
Inflation Rate	2.25%
Salary Increase	Rates based on those used in the October 1, 2021 actuarial valuations of the City's three pension plans
Participation Rate	Medical Acceptance Rate: 25% Coverage Lapsing Rate: 100%

NOTE 3 − DETAILED NOTES ON ALL FUNDS (Continued)

Mortality rates were based on the mortality tables used in the July 1, 2019 actuarial valuation of the Florida Retirement System. They are based on the results of a statewide experience study covering the period 2013 through 2018.

Discount Rate. Under GASB Statement No. 75, when there are currently no invested plan assets held in trust to finance the OPEB obligations, the discount rate equals the tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date. The rate used in the September 30, 2021 valuation was 4.40%.

Changes in the Total OPEB Liability of the City. The changes in the total OPEB liability of the City for the year ended September 30, 2023 were as follows:

	Total OPEB Liability
Balances at September 30, 2022	$ 5,025,130
Changes for the year:	
Service cost	314,904
Interest on the total OPEB liability	113,798
Difference between expected and actual experience	-
Changes in assumptions and other inputs	(760,713)
Benefit payments	(287,559)
Net changes	(619,570)
Balances at September 30, 2023	$ 4,405,560

The required schedule of changes in the City's total OPEB liability and related ratios in the Required Supplementary Information immediately following the notes to the financial statements presents multi-year trend information about the total OPEB liability.

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate. The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.19%) or 1-percentage-point higher (3.19%) than the current discount rate:

	1% Decrease 3.40%	Current Discount Rate 4.40%	1% Increase 4.40%
Total OPEB liability	$ 4,730,076	$ 4,405,560	$ 4,111,435

NOTE 3 − DETAILED NOTES ON ALL FUNDS (Continued)

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rate. The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a healthcare cost trend rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
Total OPEB liability	$ 4,015,344	$ 4,405,560	$ 4,856,675

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revisions as results are compared to past expectations and new estimates are made about the future. Actuarial calculations reflect a long-term perspective. Calculations are based on the substantive plan in effect as of September 30, 2021, and the current sharing pattern of costs between employer and inactive employees.

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB. For the year ended September 30, 2023, the City recognized OPEB expense of $274,571. At September 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 72,902	-
Changes in assumptions and other inputs	396,487	1,654,160
Benefits paid subsequent to the measurement date	338,643	-
Total	$ 808,032	1,654,160

The deferred outflows of resources related to the total OPEB liability, totaling $338,643 resulting from benefits paid subsequent to the measurement date, will be recognized as a reduction of the total OPEB liability in the fiscal year ended September 30, 2024. Other amounts reported as inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended September 30,	
2024	$ (154,131)
2025	(136,296)
2026	(119,308)
2027	(256,075)
2028	(245,159)
Thereafter	(273,802)
Total	$(1,184,771)

NOTE 3 − DETAILED NOTES ON ALL FUNDS (Continued)

L. Contingencies

1. Litigation

The City is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, it is the opinion of the City that the resolution of these matters will not have a material adverse effect to the financial condition of the City.

2. Federal and State Assistance Programs

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although the City expects such amounts, if any, to be immaterial.

3. Self-Insurance Funds

Since 1981, the City has been self-insured for workers' compensation, general liability, automobile liability, and the deductible portion of all insured risks. The insurance program established by the City has not changed from fiscal year 2004 with the exception of increases in premiums.

The City is responsible up to specified limits for the self-insurance retention amounts and purchases excess insurance against catastrophic losses. Policies are maintained to provide coverage for all individual claims in excess of the amounts shown:

Property damage	$ 25,000
Third party liability	200,000
Excess workers' compensation	350,000
Blanket bond and money and securities	25,000
Employee medical	125,000
Aggregate losses	2,000,000

The liability for unpaid claims is estimated based upon historical actual results adjusted for current economic trends. The estimated claims liability for all self-insured risks are reported as claims payable in the Risk Management Fund and Health Benefits Fund which include an estimate for incurred but not reported claims. In addition, reimbursements from excess loss reinsurers are netted against claims expenses, as applicable, in the Risk Management and Health Benefits Internal Service funds. During the current year, $202,348 and $1,090,690 of excess loss reimbursements were recorded in the Risk Management Fund and Health Benefits Fund, respectively.

Estimated liabilities for unpaid claims are based on estimates of pending claims and claims incurred but not reported at September 30, 2023. Estimates were based on an evaluation of claims pending and past experience. At September 30, 2023, $5,155,000 was accrued for estimated self-insurance claims. For the past three fiscal years, the City's insurance settlements have not exceeded the insurance coverage and there were no significant reductions in insurance coverage from the previous year.

NOTE 3 − DETAILED NOTES ON ALL FUNDS (Continued)

A reconciliation of estimated claims liabilities is as follows:

	Risk Management	Health Benefits	Total
Balance September 30, 2021	$ 3,714,000	372,554	4,086,554
Current year claims incurred and change in estimates	2,212,834	5,069,564	7,282,398
Claim payments	(1,430,834)	(5,038,191)	(6,469,025)
Balance September 30, 2022	4,496,000	403,927	4,899,927
Current year claims incurred and change in estimates	2,289,552	5,830,919	8,120,471
Claim payments	(1,630,552)	(5,745,092)	(7,375,644)
Balance September 30, 2023	$ 5,155,000	489,754	5,644,754

4. Construction Projects

At September 30, 2023, the City had the following commitments:

Project	Contract Amount	Completed to Date	Balance
Gulf Shore Boulevard North Seawall	$ 2,099,995	1,987,264	112,731
East Naples Bay Dredging Project	5,573,396	3,171,424	2,401,972
Beach Restoration Stormwater Outfall Phase I & II Design	1,658,400	1,629,024	29,376
Beach Restoration Stormwater Outfall Project Construction	4,219,741	4,203,375	16,366
Naples Pier Design - Hurricane Ian Damage	1,478,400	1,152,006	326,394
Septic to Sewer Design Services	2,747,120	2,009,737	737,383

M. Subsequent Events

Events and transactions that occur after fiscal year-end but prior to issuance of the Annual Comprehensive Financial Report are subsequent events. The City has evaluated all subsequent events through the date the financial statements were available to be issued.

REQUIRED SUPPLEMENTARY INFORMATION

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CITY OF NAPLES, FLORIDA

General Fund

Schedule of Revenues, Expenditures and Changes in Fund Balances–Budget and Actual

Year Ended September 30, 2023

	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues				
Taxes				
Ad valorem	$ 32,428,126	32,428,126	32,742,827	314,701
Local communication and business	1,484,975	1,484,975	1,095,309	(389,666)
Insurance premium tax	1,300,000	1,300,000	2,305,604	1,005,604
Permits, fees and assessments	4,137,000	4,137,000	4,873,702	736,702
Intergovernmental	5,585,000	5,585,000	5,694,654	109,654
Charges for services	2,333,614	2,333,614	2,562,890	229,276
Charges to other funds	4,196,889	4,196,889	4,196,889	-
Fines and forfeitures	147,000	147,000	258,514	111,514
Investment earnings	405,000	405,000	1,300,985	895,985
Miscellaneous	20,000	20,000	1,735,890	1,715,890
Total revenues	52,037,604	52,037,604	56,767,264	4,729,660
Expenditures				
Current				
General government				
Mayor and City Council	585,830	585,830	558,903	26,927
City Attorney	697,107	826,379	733,031	93,348
City Clerk	1,108,194	1,108,194	1,029,817	78,377
City Manager	1,127,771	1,195,710	1,005,653	190,057
Human resources	915,261	918,390	850,107	68,283
Planning	969,886	989,574	1,032,377	(42,803)
Finance	1,386,912	1,402,002	1,434,272	(32,270)
Nondepartmental	6,908,504	7,814,798	7,844,974	(30,176)
Total general government	13,699,465	14,840,877	14,489,134	351,743
Public safety				
Fire	13,707,515	13,743,905	13,733,025	10,880
Police	17,119,515	17,167,894	16,043,203	1,124,691
Code inspections	918,470	934,840	726,748	208,092
Total public safety	31,745,500	31,846,639	30,502,976	1,343,663
Transportation	-	93,614	44,222	49,392
Culture and recreation				
Community services	8,491,576	8,881,869	7,818,881	1,062,988
Total culture and recreation	8,491,576	8,881,869	7,818,881	1,062,988

(Continued)

CITY OF NAPLES, FLORIDA

General Fund

Schedule of Revenues, Expenditures and Changes in Fund Balances–Budget and Actual

Year Ended September 30, 2023

	Original Budget	Final Budget	Actual	Variance With Final Budget
Capital outlay				
General government	$ 10,000	4,624,983	2,868,683	1,756,300
Public safety	44,000	63,745	49,920	13,825
Transportation	-	2,099,995	1,988,095	111,900
Total capital outlay	54,000	6,788,723	4,906,698	1,882,025
Total expenditures	53,990,541	62,451,722	57,761,911	4,689,811
Deficiency of revenues under expenditures	(1,952,937)	(10,414,118)	(994,647)	9,419,471
Other financing sources				
Transfers in	2,067,600	2,067,600	2,067,600	-
Proceeds from sale of capital assets	500	500	333	(167)
Total other financing sources, net	2,068,100	2,068,100	2,067,933	(167)
Change in fund balance	115,163	(8,346,018)	1,073,286	9,419,304
Fund balance, beginning of year	27,572,888	27,572,888	27,572,888	-
Fund balance, end of year	$ 27,688,051	19,226,870	28,646,174	9,419,304

CITY OF NAPLES, FLORIDA
Community Redevelopment Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Year Ended September 30, 2023

	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues				
Taxes				
Ad valorem	$ 1,859,011	1,859,011	1,859,011	-
Intergovernmental	5,762,125	5,762,125	5,762,125	-
Investment earnings (loss)	55,000	55,000	484,929	429,929
Total revenues	7,676,136	7,676,136	8,106,065	429,929
Expenditures				
Current				
Economic development	1,860,366	1,921,197	1,667,783	253,414
Capital outlay				
Economic development	18,150,000	21,386,715	829,346	20,557,369
Total expenditures	20,010,366	23,307,912	2,497,129	20,810,783
Excess (deficiency) of revenues over (under) expenditures	(12,334,230)	(15,631,776)	5,608,936	21,240,712
Other financing sources				
Debt proceeds	9,000,000	9,000,000	-	(9,000,000)
Total other financing sources (uses)	9,000,000	9,000,000	-	(9,000,000)
Change in fund balance	(3,334,230)	(6,631,776)	5,608,936	12,240,712
Fund balance, beginning of year	10,306,439	10,306,439	10,306,439	-
Fund balance, end of year	$ 6,972,209	3,674,663	15,915,375	12,240,712

CITY OF NAPLES, FLORIDA
Streets and Traffic Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Year Ended September 30, 2023

	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues				
Taxes				
Motor fuel taxes	$ 2,340,000	2,340,000	3,135,343	795,343
Permits, fees and assessments	290,000	290,000	304,150	14,150
Intergovernmental	819,593	819,593	592,836	(226,757)
Investment earnings (loss)	30,000	30,000	143,565	113,565
Miscellaneous	-	-	7,058	7,058
Total revenues	3,479,593	3,479,593	4,182,952	703,359
Expenditures				
Current				
Transportation	3,863,902	4,893,286	2,509,894	2,383,392
Capital outlay				
Transportation	780,000	2,994,390	813,322	2,181,068
Total expenditures	4,643,902	7,887,676	3,323,216	4,564,460
Excess (deficiency) of revenues over (under) expenditures	(1,164,309)	(4,408,083)	859,736	5,267,819
Other financing sources				
Proceeds from sale of capital assets	-	-	8,600	8,600
Total other financing sources	-	-	8,600	8,600
Net change in fund balances	(1,164,309)	(4,408,083)	868,336	5,276,419
Fund balance, beginning of year	3,666,683	3,666,683	3,666,683	-
Fund balance, end of year	$ 2,502,374	(741,400)	4,535,019	5,276,419

CITY OF NAPLES, FLORIDA
East Naples Bay District Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Year Ended September 30, 2023

	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues				
Taxes - property	$ 460,073	460,073	463,207	3,134
Permits, fees and assessments	-	-	6,312	6,312
Investment earnings	15,000	15,000	97,873	82,873
Total revenues	475,073	475,073	567,392	92,319
Expenditures				
Current				
Economic and physical development	11,000	11,000	261	10,739
Capital outlay				
Economic and physical development	-	2,874,697	314,115	2,560,582
Debt service				
Principal	290,000	290,000	-	290,000
Interest	43,065	43,065	43,065	-
Total expenditures	344,065	3,218,762	357,441	2,861,321
Change in fund balances	131,008	(2,743,689)	209,951	2,953,640
Fund balances, beginning of year	110,880	110,880	110,880	-
Fund balances, end of year	$ 241,888	(2,632,809)	320,831	2,953,640

Basis of Presentation

The budget was adopted on a basis consistent with generally accepted accounting principles using the modified accrual basis of accounting. Expenditures were controlled at the fund level.

THE CITY OF NAPLES, FLORIDA

Required Supplementary Information
September 30, 2023
(Unaudited)

Schedule of Changes in Net Pension Liability and Related Ratios
General Employees' Pension

Reporting period ending	9/30/24	9/30/23	9/30/22	9/30/21	9/30/20	9/30/19	9/30/18	9/30/17	9/30/16	9/30/15
Measurement date	9/30/23	9/30/22	9/30/21	9/30/20	9/30/19	9/30/18	9/30/17	9/30/16	9/30/15	9/30/14
Total pension liability										
Service cost	$ 1,755,252	$ 1,628,610	1,658,150	1,537,130	1,565,934	1,505,743	1,550,588	1,515,025	1,500,184	1,471,441
Interest on total pension liability	5,346,931	5,252,334	5,072,240	5,080,127	4,964,402	5,093,386	4,929,787	4,718,425	4,553,080	4,418,330
Differences between expected and actual experience	1,162,117	(248,994)	493,832	(1,132,043)	(221,863)	(1,752,760)	172,717	(1,619,494)	504,129	-
Changes of assumptions	-	-	-	2,266,538	662,461	(1,062,814)	-	2,509,683	-	-
Contributions - buy back	-	-	19,159	-	-	-	-	-	-	-
Benefit payments, including refunds of employee contributions	(5,550,480)	(5,108,082)	(4,693,314)	(4,541,838)	(4,739,084)	(4,604,081)	(4,246,896)	(4,407,869)	(4,354,731)	(3,888,957)
Net change in total pension liability	2,713,820	1,523,868	2,550,067	3,209,914	2,231,850	(820,526)	2,406,196	2,715,770	2,202,662	2,000,814
Total pension liability - beginning	77,404,721	75,880,853	73,330,786	70,120,872	67,889,022	68,709,548	66,303,352	63,587,582	61,384,920	59,384,106
Total pension liability - ending (a)	$ 80,118,541	$ 77,404,721	75,880,853	73,330,786	70,120,872	67,889,022	68,709,548	66,303,352	63,587,582	61,384,920
Plan fiduciary net position										
Contributions - employer	$ 2,720,813	$ 2,461,428	2,535,318	2,489,724	2,087,382	1,943,363	1,785,446	1,970,406	2,023,395	1,945,282
Contributions - employee	772,441	731,882	716,578	692,717	682,207	667,203	670,402	711,740	694,975	715,072
Net investment income (loss)	6,775,335	(8,952,214)	13,184,129	2,428,739	2,217,376	5,865,243	7,212,061	2,994,961	414,031	5,857,072
Benefit payments, including refunds of member contributions	(5,609,816)	(5,108,082)	(4,693,314)	(4,541,838)	(4,739,084)	(4,604,081)	(4,246,896)	(4,407,869)	(4,354,731)	(3,887,856)
Administrative expenses	(187,204)	(184,340)	(101,786)	(167,348)	(159,449)	(169,463)	(168,640)	(160,414)	(150,741)	(142,904)
Net change in plan fiduciary net position	4,471,569	(11,051,326)	11,640,925	901,994	88,432	3,702,265	5,252,373	1,108,824	(1,373,071)	4,486,666
Plan fiduciary net position - beginning	61,521,686	72,573,012	60,932,087	60,030,093	59,941,661	56,239,396	50,987,023	49,878,199	51,251,270	46,764,604
Plan fiduciary net position - ending (b)	$ 65,993,255	$ 61,521,686	72,573,012	60,932,087	60,030,093	59,941,661	56,239,396	50,987,023	49,878,199	51,251,270
City's net pension liability - ending (a) - (b)	$ 14,125,286	$ 15,883,035	3,307,841	12,398,699	10,090,779	7,947,361	12,470,152	15,316,329	13,709,383	10,133,650
Plan fiduciary net position as a percentage of the total pension liability	82.37%	79.48%	95.64%	83.09%	85.61%	88.29%	81.85%	76.90%	78.44%	83.49%
Covered payroll	$ 20,943,008	$ 19,305,323	18,053,742	17,629,562	17,081,690	16,413,536	16,012,972	16,535,449	18,135,744	15,618,366
City's net pension liability as a percentage of covered payroll	67.45%	82.27%	18.32%	70.33%	59.07%	48.42%	77.88%	92.63%	75.59%	64.88%

THE CITY OF NAPLES, FLORIDA

Required Supplementary Information
September 30, 2023
(Unaudited)

Schedule of Contributions
General Employees' Pension

	9/30/23	9/30/22	9/30/21	9/30/20	9/30/19	9/30/18	9/30/17	9/30/16	9/30/15	9/30/14
Actuarially determined contribution	$ 2,379,126	$ 2,461,428	2,043,684	2,112,022	1,943,363	1,943,363	1,785,446	1,969,372	2,023,395	1,924,183
Contributions in relation to the actuarially determined contribution	2,720,813	2,461,428	2,535,318	2,489,724	2,087,382	1,943,363	1,785,446	1,969,372	2,023,395	1,945,282
Contribution deficiency (excess)	$ (341,687)	$ -	(491,634)	(377,702)	(144,019)	-	-	-	-	(21,099)
Covered payroll	$ 20,943,008	$ 19,305,323	18,053,742	17,629,562	17,081,690	16,413,536	16,012,972	16,535,449	18,135,744	15,618,366
Contributions as a percentage of covered payroll	12.99%	12.75%	14.04%	14.12%	12.22%	11.84%	11.15%	11.91%	11.16%	12.46%

Notes to the Schedule:

Valuation date October 1, 2021

Actuarially determined contribution rates are calculated as of October 1, two years prior to the end of the fiscal year in which contributions are reported.

THE CITY OF NAPLES, FLORIDA

Required Supplementary Information
September 30, 2023
(Unaudited)

Schedules of Pension Investment Returns

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
General Employees:										
Annual money-weighted rate of return, net of investment expenses	10.99%	-12.37%	21.69%	4.00%	3.66%	10.34%	12.00%	7.93%	0.79%	12.72%
Police:										
Annual money-weighted rate of return, net of investment expenses	11.16%	-12.51%	21.59%	4.26%	4.01%	10.21%	11.98%	7.89%	0.79%	12.60%
Fire:										
Annual money-weighted rate of return, net of investment expenses	11.28%	-12.85%	22.07%	4.50%	3.94%	10.43%	12.02%	8.01%	0.77%	12.67%

THE CITY OF NAPLES, FLORIDA

Required Supplementary Information
September 30, 2023
(Unaudited)

Schedule of Changes in Net Pension Liability and Related Ratios

Police Officers' Pension

Reporting period ending	9/30/24	9/30/23	9/30/22	9/30/21	9/30/20	9/30/19	9/30/18	9/30/17	9/30/16	9/30/15
Measurement date	9/30/23	9/30/22	9/30/21	9/30/20	9/30/19	9/30/18	9/30/17	9/30/16	9/30/15	9/30/14
Total pension liability										
Service cost	$ 961,907	933,890	956,334	929,192	869,370	802,840	765,046	943,492	1,007,847	944,053
Interest on total pension liability	5,310,474	5,200,077	5,107,552	5,050,903	5,002,084	4,907,047	4,773,491	4,579,541	4,448,873	4,254,147
Differences between expected and actual experience	1,192,809	4,009	(349,489)	113,753	(584,938)	(69,061)	148,418	163,041	(860,949)	-
Changes of benefit terms	486,459	70,976	-	-	-	-	-	-	-	-
Changes of assumptions	-	-	-	1,883,143	716,859	535,504	-	653,912	-	-
Contributions - buy back	-	(445)	5,782	5,782	54,485	2,295	32,551	-	-	-
Benefit payments, including refunds of employee contributions	(5,031,770)	(4,175,618)	(4,653,827)	(4,207,943)	(4,448,950)	(3,702,997)	(4,249,528)	(2,889,380)	(2,701,145)	(2,630,150)
Net change in total pension liability	2,919,879	2,032,889	1,066,352	3,774,830	1,608,910	2,475,628	1,469,978	3,450,606	1,894,626	2,568,050
Total pension liability - beginning	77,434,849	75,401,960	74,335,608	70,560,778	68,951,868	66,476,240	65,006,262	61,555,656	59,661,030	57,092,980
Total pension liability - ending (a)	$ 80,354,728	$ 77,434,849	75,401,960	74,335,608	70,560,778	68,951,868	66,476,240	65,006,262	61,555,656	59,661,030
Plan fiduciary net position										
Contributions - employer	$ 2,715,848	$ 2,460,777	2,637,659	2,191,944	1,949,202	2,053,662	1,803,678	1,985,703	1,737,998	1,672,462
Contributions - state	1,041,101	836,870	757,213	787,148	742,751	718,404	792,677	610,146	551,656	540,981
Contributions - employee	249,911	222,472	216,849	215,667	260,609	204,461	232,664	210,895	211,290	229,089
Net investment income	6,386,920	(8,332,776)	12,093,347	2,328,680	2,180,941	5,144,971	6,154,401	2,724,152	331,447	4,804,886
Benefit payments, including refunds of member contributions	(5,031,770)	(4,175,618)	(4,665,665)	(4,207,943)	(4,448,950)	(3,702,997)	(4,249,835)	(2,889,380)	(2,701,145)	(2,622,981)
Administrative expenses	(120,368)	(118,589)	(99,622)	(133,889)	(93,352)	(105,596)	(104,158)	(98,445)	(97,327)	(75,114)
Net change in plan fiduciary net position	5,241,642	(9,106,864)	10,939,781	1,181,607	591,201	4,312,905	4,629,427	2,543,071	33,919	4,549,323
Plan fiduciary net position - beginning	57,605,050	66,711,914	55,772,133	54,590,526	53,999,325	49,686,420	45,056,993	42,513,922	42,480,003	37,930,680
Plan fiduciary net position - ending (b)	$ 62,846,692	$ 57,605,050	66,711,914	55,772,133	54,590,526	53,999,325	49,686,420	45,056,993	42,513,922	42,480,003
City's net pension liability - ending (a) - (b)	$ 17,508,036	$ 19,829,799	8,690,046	18,563,475	15,970,252	14,952,543	16,789,820	19,949,269	19,041,734	17,181,027
Plan fiduciary net position as a percentage of the total pension liability	78.21%	74.39%	88.48%	75.03%	77.37%	78.31%	74.74%	69.31%	69.07%	71.20%
Covered payroll	$ 6,373,375	$ 5,481,516	4,964,737	4,888,073	4,723,555	4,533,223	4,429,884	4,597,424	5,164,848	4,786,859
City's net pension liability as a percentage of covered payroll	274.71%	361.76%	175.04%	379.77%	338.10%	329.84%	379.01%	433.92%	368.68%	358.92%

Notes to the Schedule:

Changes of benefit terms:

For measurement date 09/30/2022, amounts reported as changes of benefit terms resulted from the following addition to the definition of Prior Service Credit:

If a member should become disabled, receive a disability retirement and be awarded a benefit that does not include any prior purchased service credit as a basis for its calculation, the amount paid by the member for such prior service credit shall be refunded without interest.

THE CITY OF NAPLES, FLORIDA

Required Supplementary Information
September 30, 2023
(Unaudited)

Schedule of Contributions
Police Officers' Pension

	9/30/23	9/30/22	9/30/21	9/30/20	9/30/19	9/30/18	9/30/17	9/30/16	9/30/15	9/30/14
Actuarially determined contribution	$ 3,341,560	$ 3,196,820	2,683,440	2,705,548	2,772,066	2,772,066	2,596,355	2,595,706	2,289,654	2,213,443
Contributions in relation to the actuarially determined contribution	3,756,949	3,297,647	3,394,872	2,979,092	2,691,953	2,772,066	2,596,355	2,596,706	2,289,654	2,213,443
Contribution deficiency (excess)	$ (415,389)	$ (100,827)	(711,432)	(273,544)	80,113	-	-	(1,000)	-	-
Covered payroll	$ 6,373,375	$ 5,481,516	4,964,737	4,888,073	4,723,555	4,533,223	4,429,884	4,597,424	5,164,848	4,786,859
Contributions as a percentage of covered payroll	58.95%	60.16%	68.38%	60.95%	56.99%	61.15%	58.61%	56.48%	44.33%	46.24%

Notes to the Schedule:

Valuation date October 1, 2021

Actuarially determined contribution rates are calculated as of October 1, two years prior to the end of the fiscal year in which contributions are reported.

THE CITY OF NAPLES, FLORIDA

Required Supplementary Information
September 30, 2023
(Unaudited)

Schedule of Changes in Net Pension Liability and Related Ratios
Firefighters' Pension

Reporting period ending	9/30/24	9/30/23	9/30/22	9/30/21	9/30/20	9/30/19	9/30/18	9/30/17	9/30/16	9/30/15
Measurement date	9/30/23	9/30/22	9/30/21	9/30/20	9/30/19	9/30/18	9/30/17	9/30/16	9/30/15	9/30/14
Total pension liability										
Service cost	$ 1,035,986	$ 874,440	827,646	801,078	747,281	725,072	708,830	874,002	842,047	981,492
Interest on total pension liability	5,502,634	5,352,341	5,215,303	5,133,458	4,904,930	4,830,246	4,603,003	4,299,587	4,102,672	3,896,369
Differences between expected and actual experience	799,712	117,668	539,454	325,848	1,506,608	(549,657)	182,694	116,520	(247,033)	-
Changes of assumptions	-	-	-	1,862,522	833,637	571,688	-	1,240,006	-	-
Changes of benefit terms	177,206	-	-	-	(3,632)	-	-	-	-	-
Contributions - buy back	-	1,270	16,509	-	-	-	-	15,021	-	-
Benefit payments, including refunds of employee contributions	(3,903,790)	(4,705,395)	(4,781,924)	(3,084,416)	(4,997,133)	(2,436,995)	(2,523,758)	(2,144,757)	(2,063,933)	(1,911,491)
Net change in total pension liability	3,611,748	1,640,324	1,816,988	5,038,490	2,991,691	3,140,354	2,970,769	4,400,379	2,633,753	2,966,370
Total pension liability - beginning	79,524,960	77,884,636	76,067,648	71,029,158	68,037,467	64,897,113	61,926,344	57,525,965	54,892,212	51,925,842
Total pension liability - ending (a)	$ 83,136,708	$ 79,524,960	77,884,636	76,067,648	71,029,158	68,037,467	64,897,113	61,926,344	57,525,965	54,892,212
Plan fiduciary net position										
Contributions - employer	$ 2,251,276	$ 2,572,668	1,949,767	1,708,192	1,693,876	1,593,953	1,399,309	1,573,305	1,180,670	1,342,378
Contributions - state	1,264,503	609,491	623,358	603,786	544,971	539,925	509,868	581,196	721,101	871,999
Contributions - employee	196,749	205,041	182,388	160,322	148,990	146,837	141,266	171,558	153,807	177,737
Net investment income	6,951,872	(9,123,679)	13,342,752	2,614,446	2,305,140	5,692,001	6,505,843	2,941,905	336,431	4,996,523
Benefit payments, including refunds of member contributions	(3,897,489)	(4,705,395)	(4,780,821)	(3,084,416)	(4,997,133)	(2,436,995)	(2,523,758)	(2,144,757)	(2,063,933)	(1,911,492)
Administrative expenses	(110,677)	(113,296)	(80,622)	(107,442)	(72,724)	(95,636)	(95,118)	(80,473)	(57,827)	(65,535)
Net change in plan fiduciary net position	6,656,234	(10,555,170)	11,236,822	1,894,888	(376,880)	5,440,085	5,937,410	3,042,734	270,249	5,411,610
Plan fiduciary net position - beginning	61,606,040	72,161,210	60,924,388	59,029,500	59,406,380	53,966,295	48,028,885	44,986,151	44,715,902	39,304,292
Plan fiduciary net position - ending (b)	$ 68,262,274	$ 61,606,040	72,161,210	60,924,388	59,029,500	59,406,380	53,966,295	48,028,885	44,986,151	44,715,902
City's net pension liability - ending (a) - (b)	$ 14,874,434	$ 17,918,920	5,723,426	15,143,260	11,999,658	8,631,087	10,930,818	13,897,459	12,539,814	10,176,310
Plan fiduciary net position as a percentage of the total pension liability	82.11%	77.47%	92.65%	80.09%	83.11%	87.31%	83.16%	77.56%	78.20%	81.46%
Covered payroll	$ 4,655,168	$ 4,728,319	3,782,903	3,631,573	3,181,377	3,181,377	2,997,608	3,237,715	4,341,784	3,573,306
City's net pension liability as a percentage of covered payroll	319.53%	378.97%	151.30%	416.99%	377.18%	271.30%	364.65%	429.24%	288.82%	284.79%

THE CITY OF NAPLES, FLORIDA

Required Supplementary Information
September 30, 2023
(Unaudited)

Schedule of Contributions
Firefighters' Pension

	9/30/23	9/30/22	9/30/21	9/30/20	9/30/19	9/30/18	9/30/17	9/30/16	9/30/15	9/30/14
Actuarially determined contribution	$ 2,726,067	$ 3,182,159	2,266,338	2,254,843	2,120,706	2,120,706	1,909,177	2,148,871	1,901,771	2,214,377
Contributions in relation to the actuarially determined contribution	3,515,779	3,182,159	2,573,125	2,311,978	2,238,847	2,133,878	1,909,177	2,148,871	1,901,771	2,214,377
Contribution deficiency (excess)	$ (789,712)	$ -	(306,787)	(57,135)	(118,141)	(13,172)	-	-	-	-
Covered payroll	$ 4,655,168	$ 4,728,319	3,782,903	3,631,573	3,181,377	3,181,377	2,997,608	3,237,715	4,341,784	3,573,306
Contributions as a percentage of covered payroll	75.52%	67.30%	68.02%	63.66%	70.37%	67.07%	63.69%	66.37%	43.80%	61.97%

Notes to the Schedule:

Valuation date October 1, 2021

Actuarially determined contribution rates are calculated as of October 1, two years prior to the end of the fiscal year in which contributions are reported.

THE CITY OF NAPLES, FLORIDA

Required Supplementary Information
September 30, 2023
(Unaudited)

SCHEDULE OF CHANGES IN THE CITY'S TOTAL OPEB LIABILITY AND RELATED RATIOS

Measurement year ended September 30,	2022	2021	2020	2019	2018	2017
Total OPEB liability						
Service cost	$ 314,904	$ 443,012	430,152	343,902	347,546	353,062
Interest on the total OPEB liability	113,798	148,193	165,826	181,646	162,005	137,586
Changes of benefit terms	-	-	-	16,473	-	-
Difference between expected and actual experience of the total OPEB liability	-	73,066	-	43,902	-	-
Changes in assumptions and other inputs	(760,713)	(1,153,792)	(134,636)	925,138	(118,384)	(140,703)
Benefit payments	(287,559)	(382,819)	(327,481)	(292,583)	(254,400)	(53,548)
Net change in total OPEB liability	(619,570)	(872,340)	133,861	1,218,478	136,767	296,397
Total OPEB liability - beginning	5,025,130	5,897,470	5,763,609	4,545,131	4,408,364	4,111,967
Total OPEB liability - ending	$ 4,405,560	$ 5,025,130	5,897,470	5,763,609	4,545,131	4,408,364
Covered-employee payroll	$28,424,903	$ 27,596,993	31,285,739	25,219,941	27,687,759	24,884,851
City's total OPEB liability as a percentage of covered-employee payroll	15.50%	18.21%	18.85%	22.85%	16.42%	17.72%

Notes to the Schedule
The schedule will present 10 years of information once it is accumulated.

There are no plan assets accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

OTHER SUPPLEMENTARY INFORMATION

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Nonmajor Governmental Funds

Special Revenue Funds

Special revenue funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditure for specified purposes.

Building and Zoning Fund–To account for the activities related to the construction industry in the City.

Community Development Block Grant–To account for federal grants received from the U.S. Department of Housing and Urban Development for home improvement grants for qualified recipients, and other community improvement projects in qualifying areas of the City.

Improvement Fund–To account for donations from private individuals for specific City projects.

Public Arts Fund–To account for donations from private individuals for specific art in public places.

Grants Fund–To account for various grant activity.

Confiscated Properties Fund–To account for monies received pursuant to sales of confiscated properties.

Business Improvement District Fund–To account for receipt and disbursement of monies used for the purpose of stabilizing and improving retail businesses within the Fifth Avenue South assessment area.

Baker Park Fund–To account for receipts and disbursements related to the design and construction of the new park located on the Gordon River.

41-10 Public Open Space Fund–To account for the receipt and disbursement of monies used for the purpose of acquiring land and/or the construction or reconstruction of public open space in the Downtown District.

Parking Trust Fund–To account for the receipt and disbursement of monies used for the purpose of construction or reconstruction of parking spaces in the Downtown District.

Port Royal Dredging District–To account for the receipt and disbursement of monies used for the purpose of maintenance dredging in the canals and waterways within the area or boundary of the district of Port Royal.

Moorings Bay District–To account for the receipt and disbursement of monies used for the purpose of maintenance dredging in the canals and waterways within the area or boundary of the district of Moorings Bay and Park Shore Units 2 and 5.

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CITY OF NAPLES, FLORIDA
Combining Balance Sheet
Nonmajor Governmental Funds
September 30, 2023

	Special Revenue Funds	Capital Project Funds	Total
Assets			
Cash and cash equivalents	$ 1,847,449	224,779	2,072,228
Investments	12,163,983	1,479,994	13,643,977
Accrued interest	75,476	5,949	81,425
Total assets	$ 14,086,908	1,710,722	15,797,630
Liabilities			
Accounts payable	$ 119,434	-	119,434
Accrued payroll	56,940	-	56,940
Due to other governments	29,651	-	29,651
Customer deposits	1,095,233	-	1,095,233
Total liabilities	1,301,258	-	1,301,258
Fund balances			
Restricted	10,123,962	1,701,512	11,825,474
Committed	2,519,491	9,210	2,528,701
Assigned	142,197	-	142,197
Total fund balances	12,785,650	1,710,722	14,496,372
Total liabilities and fund balances	$ 14,086,908	1,710,722	15,797,630

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CITY OF NAPLES, FLORIDA

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Governmental Funds

Year Ended September 30, 2023

	Special Revenue Funds	Capital Project Funds	Total
Revenues			
Taxes–property	$ 31,796	-	31,796
Permits, fees and assessments	5,922,706	108,610	6,031,316
Intergovernmental	665,265	-	665,265
Charges for services	10,426	-	10,426
Fines and forfeitures	1,151	-	1,151
Interest	415,451	42,232	457,683
Donations	297,216	-	297,216
Total revenues	7,366,661	150,842	7,517,503
Expenditures			
Current			
General government	42,075	-	42,075
Public safety	5,972,271	-	5,972,271
Physical and economic environment	665,351	-	665,351
Culture and recreation	12,765	-	12,765
Capital outlay			
Public safety	217,949	-	217,949
Physical and economic environment	612,250	-	612,250
Culture and recreation	84,859	-	84,859
Total expenditures	7,607,520	-	7,607,520
Change in fund balances	(240,859)	150,842	(90,017)
Fund balances, beginning of year	13,026,509	1,559,880	14,586,389
Fund balances, end of year	$ 12,785,650	1,710,722	14,496,372

CITY OF NAPLES, FLORIDA
Combining Balance Sheet
Nonmajor Governmental Special Revenue Funds
September 30, 2023

	Building and Zoning Fund	Community Development Block Grant Fund	Improvement Fund	Public Arts Fund	Grants Fund	Confiscated Properties Fund
Assets						
Cash and cash equivalents	$ 750,440	18,749	105,814	207,607	3,190	92,385
Investments	4,941,051	123,448	696,696	1,366,928	21,006	608,278
Accrued interest	38,315	-	-	-	-	3,458
Total assets	$ 5,729,806	142,197	802,510	1,574,535	24,196	704,121
Liabilities						
Accounts payable	$ 103,325	-	9,501	-	-	-
Accrued payroll	56,940	-	-	-	-	-
Due to other governments	29,651	-	-	-	-	-
Customer deposits	-	-	-	1,095,233	-	-
Total liabilities	189,916	-	9,501	1,095,233	-	-
Fund balances						
Restricted	5,539,890	-	793,009	-	24,196	704,121
Committed	-	-	-	479,302	-	-
Assigned	-	142,197	-	-	-	-
Total fund balances	5,539,890	142,197	793,009	479,302	24,196	704,121
Total liabilities and fund balances	$ 5,729,806	142,197	802,510	1,574,535	24,196	704,121

Business Improvement District Fund	Baker Park Fund	41-10 Public Open Space Fund	Parking Trust Fund	Port Royal Dredging District Fund	Moorings Bay District Fund	Total Nonmajor Special Revenue
883	230,646	179,470	87,968	14,111	156,186	1,847,449
5,816	1,518,621	1,181,669	579,199	92,906	1,028,365	12,163,983
-	15,615	4,050	5,101	-	8,937	75,476
6,699	1,764,882	1,365,189	672,268	107,017	1,193,488	14,086,908
3,967	-	-	-	-	2,641	119,434
-	-	-	-	-	-	56,940
-	-	-	-	-	-	29,651
-	-	-	-	-	-	1,095,233
3,967	-	-	-	-	2,641	1,301,258
-	1,764,882	-	-	107,017	1,190,847	10,123,962
2,732	-	1,365,189	672,268	-	-	2,519,491
-	-	-	-	-	-	142,197
2,732	1,764,882	1,365,189	672,268	107,017	1,190,847	12,785,650
6,699	1,764,882	1,365,189	672,268	107,017	1,193,488	14,086,908

CITY OF NAPLES, FLORIDA

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Special Revenue Funds
Year Ended September 30, 2023

	Building and Zoning Fund	Community Development Block Grant Fund	Improvement Fund	Public Arts Fund	Grants Fund	Confiscated Properties Fund
Revenues						
Taxes–property	$ -	-	-	-	-	-
Permits, fees and assessments	5,279,322	-	-	-	-	-
Intergovernmental	53,015	612,250	-	-	-	-
Charges for services	136	10,290	-	-	-	-
Fines and forfeitures	-	-	-	-	-	1,151
Investment earnings	227,507	-	-	-	-	18,904
Donations	-	-	287,216	-	-	-
Miscellaneous	-	-	-	-	-	-
Total revenues	5,559,980	622,540	287,216	-	-	20,055
Expenditures						
Current						
General government	-	-	42,075	-	-	-
Public safety	5,854,737	-	78,964	-	-	38,570
Physical and economic environment	-	-	-	-	-	-
Culture and recreation	-	-	12,765	-	-	-
Capital outlay						
Public safety	197,747	-	-	-	-	20,202
Physical and economic environment	-	612,250	-	-	-	-
Culture and recreation	-	-	84,859	-	-	-
Total expenditures	6,052,484	612,250	218,663	-	-	58,772
Change in fund balances	(492,504)	10,290	68,553	-	-	(38,717)
Fund balances, beginning of year	6,032,394	131,907	724,456	479,302	24,196	742,838
Fund balances, end of year	$ 5,539,890	142,197	793,009	479,302	24,196	704,121

Business Improvement District Fund	Baker Park Fund	41-10 Public Open Space Fund	Parking Trust Fund	Port Royal Dredging District Fund	Moorings Bay District Fund	Total Nonmajor Special Revenue
-	-	-	-	-	31,796	31,796
643,384	-	-	-	-	-	5,922,706
-	-	-	-	-	-	665,265
-	-	-	-	-	-	10,426
-	-	-	-	-	-	1,151
-	46,380	34,308	22,746	-	65,606	415,451
-	10,000	-	-	-	-	297,216
-	-	-	22,650	-	-	22,650
643,384	56,380	34,308	45,396	-	97,402	7,366,661
-	-	-	-	-	-	42,075
-	-	-	-	-	-	5,972,271
643,384	-	-	-	-	21,967	665,351
-	-	-	-	-	-	12,765
-	-	-	-	-	-	217,949
-	-	-	-	-	-	612,250
-	-	-	-	-	-	84,859
643,384	-	-	-	-	21,967	7,607,520
-	56,380	34,308	45,396	-	75,435	(240,859)
2,732	1,708,502	1,330,881	626,872	107,017	1,115,412	13,026,509
2,732	1,764,882	1,365,189	672,268	107,017	1,190,847	12,785,650

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Capital Projects Funds

Capital projects funds are used to account for the acquisition and construction of major capital facilities other than those financed by proprietary funds and trust funds.

Impact Fee Fund–To account for the receipt and disbursement of monies used for the acquisition of capital from impact fees.

Land Contribution Fund–To account for the receipt and disbursement of monies used for the acquisition of park land.

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CITY OF NAPLES, FLORIDA
Combining Balance Sheet
Nonmajor Governmental Capital Projects Funds
September 30, 2023

	Capital Project Funds		Total
	Impact Fee Fund	Land Contribution Fund	Nonmajor Capital Projects Funds
Assets			
Cash and cash equivalents	$ 223,565	1,214	224,779
Investments	1,471,998	7,996	1,479,994
Accrued interest	5,949	-	5,949
Total assets	$ 1,701,512	9,210	1,710,722
Liabilities			
Accounts payable	$ -	-	-
Total liabilities	-	-	-
Fund balances			
Restricted	1,701,512	-	1,701,512
Committed	-	9,210	9,210
Total fund balances	1,701,512	9,210	1,710,722
Total liabilities and fund balances	$ 1,701,512	9,210	1,710,722

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CITY OF NAPLES, FLORIDA

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Capital Projects Funds
Year Ended September 30, 2023

	Capital Project Funds		Total
	Impact Fee Fund	Land Contribution Fund	Nonmajor Capital Projects Funds
Revenues			
Permits, fees and assessments	$ 108,610	-	108,610
Investment earnings	42,232	-	42,232
Total revenues	150,842	-	150,842
Change in fund balances	150,842	-	150,842
Fund balances, beginning of year	1,550,670	9,210	1,559,880
Fund balances, end of year	$ 1,701,512	9,210	1,710,722

CITY OF NAPLES, FLORIDA
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual
Nonmajor Special Revenue Funds
Year Ended September 30, 2023

	Building and Zoning Fund			
	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues				
Permits, fees and assessments	$ 5,806,825	5,806,825	5,279,322	(527,503)
Charges for services	100	100	136	36
Fines and forfeitures	-	-	-	-
Investment earnings (loss)	45,000	45,000	227,507	182,507
Miscellaneous	-	-	-	-
Total revenues	5,851,925	5,851,925	5,559,980	(291,945)
Expenditures				
Current				
Public safety	6,150,880	6,197,976	5,854,737	343,239
Capital outlay				
Public safety	620,000	693,068	197,747	495,321
Economic and physical development	-	-	-	-
Total expenditures	6,770,880	6,891,044	6,052,484	838,560
Change in fund balances	(918,955)	(1,039,119)	(492,504)	546,615
Fund balances, beginning of year	6,032,394	6,032,394	6,032,394	-
Fund balances, end of year	$ 5,113,439	4,993,275	5,539,890	546,615

Community Development Block Grant Fund				Confiscated Properties Fund			
Original Budget	Final Budget	Actual	Variance With Final Budget	Original Budget	Final Budget	Actual	Variance With Final Budget
-	-	-	-	-	-	-	-
-	-	10,290	10,290	-	-	-	-
-	-	-	-	-	-	1,151	1,151
-	-	-	-	-	-	18,904	18,904
-	-	-	-	-	-	-	-
-	-	622,540	622,540	-	-	20,055	20,055
-	-	-	-	-	265,000	38,570	226,430
-	-	-	-	-	155,000	20,202	134,798
-	612,250	612,250	-	-	-	-	-
-	612,250	612,250	-	-	420,000	58,772	361,228
-	(612,250)	10,290	622,540	-	(420,000)	(38,717)	381,283
131,907	131,907	131,907	-	742,838	742,838	742,838	-
131,907	(480,343)	142,197	622,540	742,838	322,838	704,121	381,283

(Continued)

CITY OF NAPLES, FLORIDA
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual
Nonmajor Special Revenue Funds
Year Ended September 30, 2023

	Grants Fund			
	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues				
Permits, fees and assessments	$ -	-	-	-
Intergovernmental	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	-	-	-	-
Expenditures				
Current				
Public safety	-	-	-	-
Economic and physical development	-	-	-	-
Total expenditures	-	-	-	-
Change in fund balances	-	-	-	-
Fund balances, beginning of year	24,196	24,196	24,196	-
Fund balances, end of year	$ 24,196	24,196	24,196	-

Business Improvement District				Port Royal Dredging District Fund			
Original Budget	Final Budget	Actual	Variance With Final Budget	Original Budget	Final Budget	Actual	Variance With Final Budget
644,866	644,866	643,384	(1,482)	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
644,866	644,866	643,384	(1,482)	-	-	-	-
-	-	-	-	-	-	-	-
644,866	644,866	643,384	1,482	-	-	-	-
644,866	644,866	643,384	1,482	-	-	-	-
-	-	-	-	-	-	-	-
2,732	2,732	2,732	-	107,017	107,017	107,017	-
2,732	2,732	2,732	-	107,017	107,017	107,017	-

CITY OF NAPLES, FLORIDA
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual
Nonmajor Special Revenue Funds
Year Ended September 30, 2023

	Improvement Fund			
	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues				
Taxes - property	$ -	-	-	-
Investment earnings (loss)	-	-	-	-
Donations	-	-	287,216	287,216
Total revenues	-	-	287,216	287,216
Expenditures				
Current				
General government	-	-	42,075	(42,075)
Public safety	-	-	78,964	(78,964)
Economic and physical development	-	-	-	-
Culture and recreation	-	-	12,765	(12,765)
Capital outlay				
Culture and recreation	-	95,002	84,859	10,143
Total expenditures	-	95,002	218,663	(123,661)
Change in fund balances	-	(95,002)	68,553	163,555
Fund balances, beginning of year	724,456	724,456	724,456	-
Fund balances, end of year	$ 724,456	629,454	793,009	163,555

Public Arts Fund				Moorings Bay District Fund			
Original Budget	Final Budget	Actual	Variance With Final Budget	Original Budget	Final Budget	Actual	Variance With Final Budget
-	-	-	-	32,302	32,302	31,796	(506)
-	-	-	-	12,000	12,000	65,606	53,606
-	-	-	-	-	-	-	-
-	-	-	-	44,302	44,302	97,402	53,100
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	32,500	32,500	21,967	10,533
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	32,500	32,500	21,967	10,533
-	-	-	-	11,802	11,802	75,435	63,633
479,302	479,302	479,302	-	1,115,412	1,115,412	1,115,412	-
479,302	479,302	479,302	-	1,127,214	1,127,214	1,190,847	63,633

CITY OF NAPLES, FLORIDA
Baker Park Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Year Ended September 30, 2023

	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues				
Investment earnings	$ -	-	46,380	46,380
Donations	-	-	10,000	10,000
Total revenues	-	-	56,380	56,380
Expenditures				
Capital outlay				
Physical and economic environment	-	86,600	-	86,600
Total expenditures	-	86,600	-	86,600
Net change in fund balances	-	(86,600)	56,380	142,980
Fund balance, beginning of year	1,708,502	1,708,502	1,708,502	-
Fund balance, end of year	$ 1,708,502	1,621,902	1,764,882	142,980

CITY OF NAPLES, FLORIDA

Schedule of Revenues, Expenditures and Changes in Fund Balances–Budget and Actual

Debt Service Fund

Year Ended September 30, 2023

	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues				
Taxes	$ 4,435,530	4,435,530	5,144,005	708,475
Investment earnings (loss)	15,000	15,000	69,676	54,676
Total revenues	4,450,530	4,450,530	5,213,681	763,151
Expenditures				
Current				
General government	32,496	32,496	32,496	-
Debt service				
Principal	329,294	329,294	329,294	-
Interest and fiscal charges	58,209	58,209	58,184	25
Total debt service	387,503	387,503	387,478	25
Total expenditures	419,999	419,999	419,974	25
Excess of revenues over expenditures	4,030,531	4,030,531	4,793,707	763,176
Other financing uses				
Transfers out	(4,100,000)	(4,100,000)	(4,100,000)	-
Total other financing uses	(4,100,000)	(4,100,000)	(4,100,000)	-
Change in fund balance	(69,469)	(69,469)	693,707	763,176
Fund balances, beginning of year	2,135,133	2,135,133	2,135,133	-
Fund balances, end of year	$ 2,065,664	2,065,664	2,828,840	763,176

CITY OF NAPLES, FLORIDA
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Major and Nonmajor Capital Projects Funds
Year Ended September 30, 2023

	Capital Projects Fund - Major Fund			
	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues				
Permits, fees and assessments	$ 166,685	166,685	299,996	133,311
Intergovernmental	-	100,000	100,000	-
Investment earnings	50,000	50,000	269,443	219,443
Total revenues	216,685	316,685	669,439	352,754
Expenditures				
Current				
General government	103,884	103,884	103,884	-
Capital projects				
General government	-	670,891	146,105	524,786
Public safety	1,353,280	2,456,220	1,635,617	820,603
Transportation	-	111,118	42,575	68,543
Culture and recreation	3,817,100	6,941,104	3,327,020	3,614,084
Total capital projects	5,170,380	10,179,333	5,151,317	5,028,016
Total expenditures	5,274,264	10,283,217	5,255,201	5,028,016
Deficiency of revenues under expenditures	(5,057,579)	(9,966,532)	(4,585,762)	5,380,770
Other financing sources				
Transfers in	4,100,000	4,100,000	4,100,000	-
Proceeds from sale of capital assets	40,000	40,000	79,794	39,794
Total other financing sources	4,140,000	4,140,000	4,179,794	39,794
Change in fund balance	(917,579)	(5,826,532)	(405,968)	5,420,564
Fund balances, beginning of year	6,384,661	6,384,661	6,384,661	-
Fund balances, end of year	$ 5,467,082	558,129	5,978,693	5,420,564

CITY OF NAPLES, FLORIDA

Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Major and Nonmajor Capital Projects Funds
Year Ended September 30, 2023

	Sales Tax Fund			
	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues				
Intergovernmental	$ 4,350,000	4,350,000	6,409,537	2,059,537
Investment earnings	80,000	80,000	379,466	299,466
Total revenues	4,430,000	4,430,000	6,789,003	2,359,003
Expenditures				
Capital projects				
General government	1,425,000	5,349,837	734,003	4,615,834
Physical and economic environment	-	11,894,110	4,964,823	6,929,287
Transportation	300,000	463,199	114,866	348,333
Total current expenditures	1,725,000	17,707,146	5,813,692	11,893,454
Total expenditures	1,725,000	17,707,146	5,813,692	11,893,454
Change in fund balance	2,705,000	(13,277,146)	975,311	14,252,457
Fund balances, beginning of year	18,753,468	18,753,468	18,753,468	-
Fund balances, end of year	$ 21,458,468	5,476,322	19,728,779	14,252,457

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Nonmajor Enterprise Funds

Enterprise Funds are used to account for operations that are financed and operated in a manner similar to private business enterprise, where the intent of the City Council is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges, or where the City Council has decided that periodic determination of net income is appropriate for accountability purposes.

Naples Beach Fund–To account for funds used in the construction of City beach improvements and beach maintenance; financed mostly through parking meter revenue at the City's beach and related fines.

Tennis Fund–To account for funds used in the construction of the City's tennis courts and subsequent operations of the tennis facility. All activities necessary to provide such services are accounted for in this fund, including but not limited to, administration, operations, maintenance, billings and collections.

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CITY OF NAPLES, FLORIDA
Combining Statement of Net Position
Nonmajor Enterprise Funds
September 30, 2023

Assets	Naples Beach Fund	Tennis Fund	Total
Current assets			
Cash and cash equivalents	$ 944,144	96,402	1,040,546
Investments	6,216,437	634,732	6,851,169
Accrued interest	29,944	3,859	33,803
Due from other governments	59,768	-	59,768
Prepaids	39,990	-	39,990
Inventories	-	6,392	6,392
Total current assets	7,290,283	741,385	8,031,668
Capital assets			
Buildings and utility plants	1,834,675	703,269	2,537,944
Improvements other than buildings	7,436,762	279,557	7,716,319
Equipment	1,827,282	274,831	2,102,113
Accumulated depreciation	(9,078,775)	(1,109,174)	(10,187,949)
Construction in progress	1,055,336	-	1,055,336
Net capital assets	3,075,280	148,483	3,223,763
Total assets	10,365,563	889,868	11,255,431
Deferred Outflows of Resources			
Deferred outflows - pensions	246,630	65,068	311,698
Deferred outflows - OPEB	16,161	4,040	20,201
Total deferred outflows of resources	262,791	69,108	331,899
Liabilities			
Current liabilities			
Accounts payable	590,267	74,238	664,505
Accrued payroll	19,230	6,018	25,248
Current portion of compensated absences	29,000	9,000	38,000
Total current liabilities	638,497	89,256	727,753
Noncurrent liabilities			
Net pension liability	373,251	98,475	471,726
Total OPEB liability	88,111	22,028	110,139
Compensated absences	95,417	16,920	112,337
Total noncurrent liabilities	556,779	137,423	694,202
Total liabilities	1,195,276	226,679	1,421,955
Deferred Inflows of Resources			
Deferred inflows - pensions	11,039	2,912	13,951
Deferred inflows - OPEB	33,083	8,271	41,354
Total deferred inflows of resources	44,122	11,183	55,305
Net Position			
Investment in capital assets	3,075,280	148,483	3,223,763
Unrestricted	6,313,676	572,631	6,886,307
Total net position	$ 9,388,956	721,114	10,110,070

CITY OF NAPLES, FLORIDA

Combining Statement of Revenues, Expenses and Changes in Fund Net Position

Nonmajor Enterprise Funds

Year Ended September 30, 2023

	Naples Beach Fund	Tennis Fund	Total
Operating revenues			
Charges for services	$ 2,938,835	780,781	3,719,616
Total operating revenues	2,938,835	780,781	3,719,616
Operating expenses			
Personal services	1,384,537	366,698	1,751,235
Supplies and services	1,023,258	709,048	1,732,306
Utilities	114,356	1,103	115,459
Depreciation and amortization	423,608	59,350	482,958
General administration	219,314	56,706	276,020
Other	40,286	35,688	75,974
Total operating expenses	3,205,359	1,228,593	4,433,952
Operating loss	(266,524)	(447,812)	(714,336)
Nonoperating revenues			
Grant revenue	262,768	-	262,768
Interest income	265,233	32,897	298,130
Gaion on sale of capital assets	375,429	109,332	484,761
Total nonoperating revenues	903,430	142,229	1,045,659
Change in net position	636,906	(305,583)	331,323
Net position, beginning of year	8,752,050	1,026,697	9,778,747
Net position, end of year	$ 9,388,956	721,114	10,110,070

CITY OF NAPLES, FLORIDA
Combining Statement of Cash Flows
Nonmajor Enterprise Funds
Year Ended September 30, 2023

	Naples Beach Fund	Tennis Fund	Total
Cash flows from operating activities			
Cash received from customers	$ 2,938,835	780,781	3,719,616
Cash payments to suppliers	(674,007)	(688,567)	(1,362,574)
Cash payments for employee services	(1,301,141)	(56,706)	(1,357,847)
Cash payments for interfund services	(219,314)	(354,456)	(573,770)
Net cash provided by (used in) operating activities	744,373	(318,948)	425,425
Cash flows from noncapital financing activities			
Nonoperating grants	262,768	-	262,768
Net cash provided by noncapital financing activities	262,768	-	262,768
Cash flows from capital and related financing activities			
Proceeds from sale of capital assets	375,429	109,332	484,761
Acquisition and construction of capital assets	(1,658,571)	(12,468)	(1,671,039)
Net cash provided by (used in) capital and related financing activities	(1,283,142)	96,864	(1,186,278)
Cash flows from investing activities			
Purchase of investments	(385,066)	-	(385,066)
Sale of investments	812,089	218,048	1,030,137
Interest and investment earnings	178,502	21,564	200,066
Net cash provided by investing activities	605,525	239,612	845,137
Net change in cash and cash equivalents	329,524	17,528	347,052
Cash and cash equivalents, beginning of year	614,620	78,874	693,494
Cash and cash equivalents, end of year	$ 944,144	96,402	1,040,546
Reconciliation of operating loss to net cash provided by (used in) operating activities			
Operating loss	$ (266,524)	(447,812)	(714,336)
Adjustments to reconcile operating loss to net cash provided by (used in) operating activities			
Depreciation and amortization	423,608	59,350	482,958
Changes in assets - (increase) decrease			
Due from other governments	(59,768)	-	(59,768)
Inventories	-	(3,350)	(3,350)
Deferred outflows	(160,533)	(43,538)	(204,071)
Changes in liabilities - increase (decrease)			
Accounts payable	563,661	60,622	624,283
Accrued payroll	(5,579)	(1,660)	(7,239)
Deferred inflows	(105,836)	(26,316)	(132,152)
Net pension liability	305,855	81,621	387,476
Total OPEB liability	(12,391)	(3,098)	(15,489)
Compensated absences	61,880	5,233	67,113
Net cash provided by (used in) operating activities	$ 744,373	(318,948)	425,425
Schedule of noncash capital and related financing activities:			
Unrealized gain on investments	$ (66,564)	(8,775)	(75,339)

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Internal Service Funds

Internal Service Funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the City on a cost reimbursement basis.

Equipment Services Fund–To account for the costs of operating a maintenance facility for automotive equipment used by other City departments. Such costs are billed to the other departments at actual cost. Actual costs include depreciation of the garage building, improvements, and machinery and equipment used to provide the service.

Risk Management Fund–To account for the costs of operating a risk management self-insurance fund.

Health Benefits Fund–To account for the costs of operating a health benefits self-insurance fund.

Technology Services–To account for the costs of operating a computer facility used by other City departments. All activities necessary to provide such services are accounted for in this fund.

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CITY OF NAPLES, FLORIDA
Combining Statement of Net Position
Internal Service Funds
September 30, 2023

Assets	Equipment Services	Risk Management	Health Benefits	Technology Services	Total
Current assets					
Cash and cash equivalents	$ 86,472	1,254,255	1,092,773	114,173	2,547,673
Investments	569,349	8,258,274	5,952,885	751,738	15,532,246
Receivables, miscellaneous	-	-	7,310	-	7,310
Accrued interest	1,003	48,413	13,036	6,471	68,923
Due from other governments	23,662	-	-	-	23,662
Inventories	61,565	-	-	-	61,565
Prepaids	-	100,000	-	-	100,000
Total current assets	742,051	9,660,942	7,066,004	872,382	18,341,379
Capital assets					
Buildings	794,987	-	-	51,957	846,944
Equipment	637,412	25,788	-	4,332,384	4,995,584
Accumulated depreciation	(1,143,675)	(25,788)	-	(3,500,244)	(4,669,707)
Construction in progress	23,200	-	-	136,649	159,849
Net capital assets	311,924	-	-	1,020,746	1,332,670
Total assets	1,053,975	9,660,942	7,066,004	1,893,128	19,674,049
Deferred outflows of resources					
Deferred outflows - pensions	152,176	41,980	-	189,958	384,114
Deferred outflows - OPEB	12,120	4,040	-	16,161	32,321
Total deferred outflows of resources	164,296	46,020	-	206,119	416,435
Liabilities					
Current liabilities					
Accounts payable	65,224	86,740	199,020	60,701	411,685
Accrued payroll	13,677	3,584	135,190	17,742	170,193
Unearned revenue	-	-	4,337	-	4,337
Total current liabilities	78,901	90,324	338,547	78,443	586,215
Noncurrent liabilities					
Due within one year					
Compensated absences	3,000	-	-	17,000	20,000
Insurance claims payable	-	1,031,000	489,754	-	1,520,754
Due in more than one year					
Compensated absences	83,319	38,934	-	70,548	192,801
Net pension liability	230,304	63,532	-	287,483	581,319
Total OPEB liability	66,083	22,028	-	88,111	176,222
Insurance claims payable	-	4,124,000	-	-	4,124,000
Total noncurrent liabilities	382,706	5,279,494	489,754	463,142	6,615,096
Total liabilities	461,607	5,369,818	828,301	541,585	7,201,311
Deferred inflows of resources					
Deferred inflows - pensions	6,811	1,879	-	8,503	17,193
Deferred inflows - OPEB	24,812	8,271	-	33,083	66,166
Total deferred inflows of resources	31,623	10,150	-	41,586	83,359
Net Position					
Investment in capital assets	311,924	-	-	1,020,746	1,332,670
Restricted, flexible benefits	-	-	375,785	-	375,785
Unrestricted	413,117	4,326,994	5,861,918	495,330	11,097,359
Total net position	$ 725,041	4,326,994	6,237,703	1,516,076	12,805,814

CITY OF NAPLES, FLORIDA

Combining Statement of Revenues, Expenses and Changes in Fund Net Position

Internal Service Funds

Year Ended September 30, 2023

	Equipment Services	Risk Management	Health Benefits	Technology Services	Total
Operating revenues					
Charges for services	$ 3,288,343	3,565,158	9,806,169	3,054,750	19,714,420
Total operating expenses	3,288,343	3,565,158	9,806,169	3,054,750	19,714,420
Operating expenses					
Personal services	742,580	213,697	-	997,065	1,953,342
Supplies, services and claims	1,911,442	3,451,100	8,316,942	1,768,472	15,447,956
Utilities	29,870	-	-	-	29,870
Depreciation and amortization	42,749	-	-	192,356	235,105
General administration	134,274	91,968	195,803	76,549	498,594
Other	981	4,088	-	-	5,069
Total operating expenses	2,861,896	3,760,853	8,512,745	3,034,442	18,169,936
Operating income (loss)	426,447	(195,695)	1,293,424	20,308	1,544,484
Nonoperating revenues					
Interest income	1,285	325,225	79,550	51,923	457,983
Gain on sale of capital assets	348,317	-	-	121	348,438
Total nonoperating revenues	349,602	325,225	79,550	52,044	806,421
Change in net position	776,049	129,530	1,372,974	72,352	2,350,905
Net position, beginning of year	(51,008)	4,197,464	4,864,729	1,443,724	10,454,909
Net position, end of year	$ 725,041	4,326,994	6,237,703	1,516,076	12,805,814

CITY OF NAPLES, FLORIDA
Combining Statement of Cash Flows
Internal Service Funds
Year Ended September 30, 2023

	Equipment Services	Risk Management	Health Benefits	Technology Services	Total
Cash flows from operating activities					
Cash received from customers	$ 3,288,343	3,565,158	9,811,332	3,054,750	19,719,583
Cash payments to suppliers for goods and services	(2,012,069)	(2,767,971)	(8,033,925)	(1,788,592)	(14,602,557)
Cash payments for employee services	(743,686)	(91,968)	-	(76,549)	(912,203)
Cash payments for interfund services	(134,274)	(210,642)	(195,803)	(932,116)	(1,472,835)
Net cash provided by operating activities	398,314	494,577	1,581,604	257,493	2,731,988
Cash flows from capital and related financing activities					
Proceeds from the sale of capital assets	348,317	-	-	121	348,438
Acquisition and construction of capital assets	(135,874)	-	-	(616,380)	(752,254)
Net cash provided by (used in) capital and related financing activities	212,443	-	-	(616,259)	(403,816)
Cash flows from investing activities					
Purchase of investments	(603,418)	(1,287,652)	(1,862,153)	-	(3,753,223)
Sale of investments	74,377	1,078,826	777,660	335,948	2,266,811
Interest and investment earnings	989	223,212	53,429	36,420	314,050
Net cash provided by (used in) investing activities	(528,052)	14,386	(1,031,064)	372,368	(1,172,362)
Net change in cash and cash equivalents	82,705	508,963	550,540	13,602	1,155,810
Cash and cash equivalents, beginning of year	3,767	745,292	542,233	100,571	1,391,863
Cash and cash equivalents, end of year	$ 86,472	1,254,255	1,092,773	114,173	2,547,673
Reconciliation of operating income (loss) to net cash provided by operating activities					
Operating income (loss)	$ 426,447	(195,695)	1,293,424	20,308	1,544,484
Adjustments to reconcile operating income (loss) to net cash provided by operating activities					
Depreciation and amortization	42,749	-	-	192,356	235,105
Changes in assets - (increase) decrease					
Miscellaneous receivables	-	-	5,163	-	5,163
Inventories	22,009	-	-	-	22,009
Deferred outflows	(85,683)	(25,723)	-	(145,959)	(257,365)
Changes in liabilities - increase (decrease)					
Accounts payable	(91,785)	78,217	192,003	(20,120)	158,315
Accrued payroll	(6,285)	(2,858)	5,187	6,284	2,328
Insurance claims payable	-	659,000	85,827	-	744,827
Deferred inflows	(83,721)	(19,452)	-	(45,323)	(148,496)
Net pension liability	178,220	50,901	-	253,799	482,920
Total OPEB liability	(9,294)	(3,098)	-	(12,391)	(24,783)
Compensated absences	5,657	3,285	-	8,539	17,481
Net cash provided by operating activities	$ 398,314	494,577	1,581,604	257,493	2,731,988
Schedule of non-cash capital and related financing activities:					
Unrealized gain on investments	$ -	(74,268)	(18,487)	(11,503)	(104,258)

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Fiduciary Funds

Fiduciary Funds are used to account for the activities of funds held in a trustee or custodial capacity for others that cannot be used to support the City's own programs. The City reports pension trust funds which are to account for the activities of the City's retirement systems, which accumulate resources for pension benefit payments made to employees.

General Pension Fund–To account for the activities of the City's defined benefit retirement plan for all full-time non-bargaining employees and employees of the American Federation of State and Municipal Employees (AFSCME) Union and Government Supervisor Association of Florida Office and Professional Employees International Union (OPEIU).

Police Officers' Pension Fund–To account for the activities of the City's defined benefit retirement plan for all full-time sworn police personnel.

Firefighters' Pension Fund–To account for the activities of the City's defined benefit retirement plan for all full-time sworn fire personnel.

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CITY OF NAPLES, FLORIDA
Combining Statement of Fiduciary Net Position
Fiduciary Funds
September 30, 2023

	Pension Trust			
	General Pension Fund	Police Officers' Pension Fund	Firefighters' Pension Fund	Total
Assets				
Cash and cash equivalents	$ 904,990	1,992,350	2,403,961	5,301,301
Receivables				
Contributions	609,398	440,909	462,396	1,512,703
Investments, at fair value				
U.S. Treasury securities	6,004,858	6,102,295	6,721,988	18,829,141
U.S. Government agency securities	1,461,852	1,421,334	1,522,236	4,405,422
Asset-backed securities	1,096,933	1,091,764	1,132,621	3,321,318
Corporate bonds	2,142,622	1,956,476	2,119,569	6,218,667
Common stock/equity funds	41,538,944	39,199,912	42,575,441	123,314,297
Real estate investment trusts	5,429,947	4,578,209	4,623,853	14,632,009
Alternative investments	6,808,333	6,068,830	6,705,522	19,582,685
Total investments	64,483,489	60,418,820	65,401,230	190,303,539
Total assets	65,997,877	62,852,079	68,267,587	197,117,543
Liabilities				
Accounts payable	4,622	5,387	5,313	15,322
Total liabilities	4,622	5,387	5,313	15,322
Net position				
Restricted for pension benefits	$ 65,993,255	62,846,692	68,262,274	197,102,221

CITY OF NAPLES, FLORIDA
Combining Statement of Changes in Fiduciary Net Position
Fiduciary Funds
Year Ended September 30, 2023

	Pension Trust			
	General Pension Fund	Police Officers' Pension Fund	Firefighters' Pension Fund	Total
Additions				
Contributions				
Employee contributions	$ 772,441	249,911	196,749	1,219,101
Employer contributions	2,720,813	2,715,848	2,251,276	7,687,937
State contributions	-	1,041,101	1,264,503	2,305,604
Total contributions	3,493,254	4,006,860	3,712,528	11,212,642
Investment earnings				
Interest and dividend income	1,720,915	1,597,136	1,731,990	5,050,041
Net appreciation in fair value of investments	5,403,792	5,080,354	5,528,250	16,012,396
Less investment expense	(349,372)	(290,570)	(308,368)	(948,310)
Net investment earnings	6,775,335	6,386,920	6,951,872	20,114,127
Total additions	10,268,589	10,393,780	10,664,400	31,326,769
Deductions				
Benefits paid	4,871,441	5,006,496	3,879,670	13,757,607
Refunds of contributions	738,375	25,274	17,819	781,468
General administration	187,204	120,368	110,677	418,249
Total deductions	5,797,020	5,152,138	4,008,166	14,957,324
Changes in net position	4,471,569	5,241,642	6,656,234	16,369,445
Net position, beginning of year	61,521,686	57,605,050	61,606,040	180,732,776
Net position, end of year	$ 65,993,255	62,846,692	68,262,274	197,102,221

STATISTICAL SECTION
(Unaudited)

This part of the City of Naples, Florida's Annual Comprehensive Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

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Revenue Capacity	
These schedules contain information to help the reader assess the factors affecting the City's most significant local revenue source, the property tax.	165
Debt Capacity	
These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future. The City has no legal debt margin and therefore it is not reported in these schedules.	171
Demographic and Economic Information	
These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place and to help make comparisons over time and with other governments.	177
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Sources: *Unless otherwise noted, the information in these schedules is derived from the Annual Comprehensive Financial Reports for the relevant year.*

Schedule 1
City of Naples
Net Position by Component
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year				
	2014	**2015**	**2016**	**2017**	**2018**
Governmental activities					
Net investment in capital assets	$ 55,192,342	55,794,796	56,389,018	62,307,369	68,234,422
Restricted	13,908,144	22,621,775	21,362,817	24,075,554	24,295,296
Unrestricted	31,850,607	(2,227,579)	(2,990,374)	(8,830,079)	(6,184,560)
Total governmental activities net assets	$ 100,951,093	76,188,992	74,761,461	77,552,844	86,345,158
Business-type activities					
Net investment in capital assets	$ 90,439,602	100,262,238	110,151,951	115,191,402	120,073,729
Restricted	-	-	-	-	-
Unrestricted	44,977,055	40,616,760	39,299,638	43,181,206	43,600,947
Total business-type activities net assets	$ 135,416,657	140,878,998	149,451,589	158,372,608	163,674,676
Primary government					
Net investment in capital assets	$ 145,631,944	156,057,034	166,540,969	177,498,771	188,308,151
Restricted	13,908,144	22,621,775	21,362,817	24,075,554	24,295,296
Unrestricted	76,827,662	38,389,181	36,309,264	34,351,127	37,416,387
Total primary government net assets	$ 236,367,750	217,067,990	224,213,050	235,925,452	250,019,834

Fiscal Year				
2019	**2020**	**2021**	**2022**	**2023**
89,168,254	92,916,339	94,850,734	92,078,721	103,372,169
19,003,332	24,227,713	28,358,617	44,801,711	52,309,103
(1,414,044)	4,371,780	16,774,631	21,538,308	24,542,723
106,757,542	121,515,832	139,983,982	158,418,740	180,223,995
124,045,399	128,240,509	134,622,649	139,476,708	139,470,659
-	-	-	-	-
57,071,355	61,915,272	62,992,679	64,985,141	68,853,535
181,116,754	190,155,781	197,615,328	204,461,849	208,324,194
213,213,653	221,156,848	229,473,383	231,555,429	242,842,828
19,003,332	24,227,713	28,358,617	44,801,711	52,309,103
55,657,311	66,287,052	79,767,310	86,523,449	93,396,258
287,874,296	311,671,613	337,599,310	362,880,589	388,548,189

Schedule 2
City of Naples
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year				
	2014	**2015**	**2016**	**2017**	**2018**
Expenses					
Governmental activities					
General government	$ 7,715,255	7,518,425	9,555,128	9,454,060	12,982,218
Public safety	25,969,504	21,801,426	29,016,071	30,594,045	25,994,163
Physical and economic environment	2,714,222	3,784,334	2,805,708	2,633,829	2,859,398
Transportation	3,089,234	2,923,536	4,042,246	3,123,625	3,682,853
Culture and recreation	7,093,524	6,993,700	8,397,402	7,644,773	7,717,903
Interest	227,976	229,304	188,208	160,230	198,144
Total governmental activities expenses	46,809,715	43,250,725	54,004,763	53,610,562	53,434,678
Business-type activities					
Water and sewer	24,397,347	23,729,514	24,213,406	25,830,541	26,985,697
Solid waste	6,011,637	6,092,583	6,481,079	6,613,390	6,672,555
Stormwater	3,088,139	3,174,847	3,504,651	4,116,574	4,796,395
Other enterprises	3,822,843	3,552,923	4,140,463	3,949,399	4,187,376
Total business-type activities	37,319,966	36,549,867	38,339,599	40,509,904	42,642,023
Total primary governmental expenses	$ 84,129,681	79,800,592	92,344,362	94,120,466	96,076,701
Program Revenues (see Schedule 3)					
Governmental activities					
Charges for services					
General government	$ 3,724,592	3,358,243	3,475,764	3,212,513	3,842,216
Public safety	4,940,975	5,646,699	5,227,047	4,448,668	6,067,924
Physical and economic environment	17,616	-	10,000	530,000	820,925
Transportation	104,501	65,948	65,379	87,288	99,854
Culture and recreation	3,185,180	2,636,165	1,012,252	2,039,913	1,031,798
Operating grants and contributions	4,140,006	3,416,843	3,492,964	4,363,770	4,687,374
Capital grants and contributions	779,103	936,341	501,211	345,987	2,580,766
Total governmental activities revenues	16,891,973	16,060,239	13,784,617	15,028,139	19,130,857
Business-type activities					
Water and sewer	32,117,638	29,614,711	30,730,431	33,695,352	32,767,617
Solid waste	6,102,494	5,850,216	6,124,348	7,126,711	7,093,443
Stormwater	5,039,675	4,296,017	4,558,685	5,040,865	4,800,239
Beach	1,209,986	1,261,081	1,754,058	1,972,942	1,971,709
Dock	1,785,141	1,635,024	1,530,363	1,201,692	1,167,545
Tennis	531,792	568,002	591,145	560,179	605,002
Operating grants and contributions	784,245	2,067,866	1,211,932	127,100	201,900
Capital grants and contributions	1,835,613	3,664,105	1,998,774	1,424,561	1,011,861
Total business-type activities	49,406,584	48,957,022	48,499,736	51,149,402	49,619,316
Total primary governmental revenues	$ 66,298,557	65,017,261	62,284,353	66,177,541	68,750,173
Net Expense/Revenue					
Governmental activities	$ (29,917,742)	(27,190,486)	(40,220,146)	(38,582,423)	(34,303,821)
Business-type activities	12,086,618	12,407,155	10,160,137	10,639,498	6,977,293
Total primary government net expense	$ (17,831,124)	(14,783,331)	(30,060,009)	(27,942,925)	(27,326,528)

Fiscal Year				
2019	2020	2021	2022	2023
10,753,587	10,293,157	10,535,569	10,313,780	14,677,114
28,234,663	31,834,025	32,891,234	32,077,143	38,529,724
2,920,295	2,897,226	3,066,298	5,105,711	3,797,781
3,034,012	3,436,390	3,481,853	3,548,650	3,371,772
8,386,370	8,247,158	8,767,374	9,877,881	10,218,486
218,975	188,520	145,316	125,755	98,985
53,547,902	56,896,476	58,887,644	61,048,920	70,693,862
27,588,076	28,063,614	30,690,321	33,129,827	38,841,355
6,750,997	6,803,285	7,430,512	7,273,063	8,249,488
4,340,833	4,950,573	4,322,265	4,986,229	6,490,359
4,913,117	4,629,772	5,344,798	6,041,109	7,029,922
43,593,023	44,447,244	47,787,896	51,430,228	60,611,124
97,140,925	101,343,720	106,675,540	112,479,148	131,304,986
3,861,356	4,246,518	4,691,569	4,557,907	4,758,783
7,040,301	5,835,585	8,390,314	7,989,963	6,700,858
526,710	108,160	108,615	950,096	16,602
101,748	96,328	95,100	174,666	127,618
972,706	677,172	1,106,982	1,405,949	2,961,885
6,775,231	6,669,565	7,222,842	8,359,031	8,771,780
4,409,074	5,571,210	7,623,278	7,848,227	7,306,936
23,687,126	23,204,538	29,238,700	31,285,839	30,644,462
33,648,343	34,469,021	34,353,838	35,862,643	38,879,393
7,384,825	7,471,244	8,237,984	9,114,971	9,536,051
5,080,504	5,209,739	5,146,330	5,666,381	5,946,260
2,399,249	2,029,205	3,251,989	3,582,828	2,938,835
2,146,595	1,951,195	2,524,252	2,952,492	2,623,243
698,710	670,626	893,514	995,517	780,781
3,282,875	659,277	1,322,836	1,203,785	1,695,209
6,410,813	904,714	1,496,121	3,346,403	1,292,311
61,051,914	53,365,021	57,226,864	62,725,020	63,692,083
84,739,040	76,569,559	86,465,564	94,010,859	94,336,545
(29,860,776)	(33,691,938)	(29,648,944)	(29,763,081)	(40,049,400)
17,458,891	8,917,777	9,438,968	11,294,792	3,080,959
(12,401,885)	(24,774,161)	(20,209,976)	(18,468,289)	(36,968,441)

(Continued)

Schedule 2
City of Naples
Changes in Net Position (Continued)
Last Ten Fiscal Years
(accrual basis of accounting)

	2014	2015	2016	2017	2018
General Revenues and Other Changes in Net Position					
Governmental activities					
Taxes					
Property taxes	$ 18,539,883	19,523,088	21,163,455	22,706,983	24,431,766
Local communication and utility taxes	5,241,319	5,391,177	5,436,983	5,504,862	5,771,309
Insurance premium tax	1,412,980	1,272,757	1,191,342	1,302,545	1,258,329
Motor fuel taxes	1,190,133	1,167,932	1,226,385	1,221,409	1,374,149
Business taxes	269,562	215,039	304,435	302,857	256,858
Franchise fees	3,579,771	3,553,455	3,451,036	3,523,250	3,552,964
Intergovernmental revenues, unrestricted	3,158,266	3,332,872	3,440,243	3,823,706	3,883,028
Unrestricted investment earnings	232,811	543,147	524,052	415,611	675,924
Miscellaneous revenues	34,155	-	-	-	-
Gain on sale of capital assets	1,655	159,891	34,584	552,483	16,121
Transfers	1,878,880	4,138,060	2,020,100	2,020,100	2,020,100
Total governmental activities	35,539,415	39,297,418	38,792,615	41,373,806	43,240,548
Business-type activities					
Investment earnings	200,556	420,063	432,554	301,621	394,491
Gain on sale of capital assets	-	-	-	-	-
Transfers	(1,878,880)	(4,138,060)	(2,020,100)	(2,020,100)	(2,020,100)
Total business-type activities	(1,678,324)	(3,717,997)	(1,587,546)	(1,718,479)	(1,625,609)
Total primary government	$ 33,861,091	35,579,421	37,205,069	39,655,327	41,614,939
Change in Net Position					
Governmental activities	$ 5,621,673	12,106,932	(1,427,531)	2,791,383	8,936,727
Business-type activities	10,408,294	8,689,158	8,572,591	8,921,019	5,351,684
Total primary government	$ 16,029,967	20,796,090	7,145,060	11,712,402	14,288,411

Fiscal Year				
2019	**2020**	**2021**	**2022**	**2023**
26,590,992	27,799,671	28,551,238	30,189,027	35,096,841
5,992,589	6,252,727	6,531,312	6,885,720	7,600,693
1,287,722	1,390,934	1,380,571	1,446,361	2,305,604
1,374,754	1,284,751	1,378,628	1,477,117	1,535,343
251,348	265,390	251,517	243,644	238,621
3,627,333	3,478,434	3,639,643	4,240,289	4,496,531
7,148,793	4,209,062	4,216,510	4,914,931	4,414,654
1,979,529	1,927,928	147,575	(3,308,685)	3,661,603
-	-	-	-	-
-	22	-	89,335	437,165
2,020,100	1,841,309	2,020,100	2,020,100	2,067,600
50,273,160	48,450,228	48,117,094	48,197,839	61,854,655
1,825,523	1,817,706	(113,849)	(2,528,500)	2,139,748
177,764	144,853	154,528	100,329	709,238
(2,020,100)	(1,841,309)	(2,020,100)	(2,020,100)	(2,067,600)
(16,813)	121,250	(1,979,421)	(4,448,271)	781,386
50,256,347	48,571,478	46,137,673	43,749,568	62,636,041
20,412,384	14,758,290	18,468,150	18,434,758	21,805,255
17,442,078	9,039,027	7,459,547	6,846,521	3,862,345
37,854,462	23,797,317	25,927,697	25,281,279	25,667,600

Schedule 3
City of Naples
Fund Balances, Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year				
	2014	**2015**	**2016**	**2017**	**2018**
General Fund					
Non-spendable	$ 725,388	643,305	33,940	6,938,854	1,075,874
Restricted	13,791	-	-	-	-
Committed	3,597,298	3,597,298	3,507,279	4,126,391	4,046,897
Assigned	293,132	275,909	41,363	625,890	377,931
Unassigned	11,439,262	14,030,183	16,356,280	575,674	7,089,378
Total General Fund	$ 16,068,871	18,546,695	19,938,862	12,266,809	12,590,080
All other governmental funds					
Non-spendable	$ 390,271	294,674	38,524	15,333	16,931
Restricted	15,818,513	22,621,775	21,362,817	24,075,554	24,295,296
Committed	3,196,870	3,239,337	3,001,368	4,319,627	8,593,870
Assigned	5,962,952	4,412,135	5,297,819	8,182,094	4,552,336
Unassigned	240,769	(157,009)	-	-	-
Total other governmental funds	$ 25,609,375	30,410,912	29,700,528	36,592,608	37,458,433

Fiscal Year				
2019	**2020**	**2021**	**2022**	**2023**
1,014,774	897,374	1,679,974	1,462,574	1,245,174
-	-	-	-	-
4,051,297	4,164,759	4,344,507	4,443,788	5,081,980
170,682	238,334	215,755	2,593,282	747,324
12,532,308	16,262,718	20,128,676	19,073,244	21,571,696
17,769,061	21,563,185	26,368,912	27,572,888	28,646,174
15,765	15,035	14,050	41,244	116,217
19,447,961	24,227,713	33,794,859	44,801,711	52,309,103
2,827,064	2,448,468	1,782,862	3,518,743	5,043,258
5,054,810	6,035,990	6,813,222	7,581,955	6,335,331
-	-	-	-	-
27,345,600	32,727,206	42,404,993	55,943,653	63,803,909

Schedule 4
City of Naples
Changes in Fund Balances, Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year			
	2014	**2015**	**2016**	**2017**
Revenues				
Taxes	$ 26,653,877	27,569,993	29,322,600	31,038,656
Licenses, permits, fees and assessments	10,397,768	9,150,495	8,672,904	7,729,798
Intergovernmental	5,556,664	6,077,175	6,326,123	7,513,779
Charges for services	1,811,398	1,900,592	1,943,443	2,390,870
Charges to other funds	3,358,100	3,285,250	3,179,420	3,024,260
Fines and forfeitures	195,349	258,806	464,904	559,789
Interest	199,770	439,445	421,531	355,429
Contributions	2,342,947	2,069,470	108,355	543,987
Miscellaneous	35,463	57,067	67,045	674,457
Total revenues	50,551,336	50,808,293	50,506,325	53,831,025
Expenditures				
General government	8,249,859	8,033,054	8,374,046	9,527,879
Public safety	24,418,391	24,676,027	25,827,354	26,640,125
Physical and economic environment	1,341,014	1,257,343	1,371,443	1,377,329
Transportation	2,072,385	2,193,710	3,153,133	2,279,983
Culture and recreation	5,855,186	5,792,279	7,204,332	6,458,141
Capital outlay	4,537,516	5,223,589	4,354,195	9,221,059
Debt service				
Principal	1,489,000	1,468,000	1,516,000	1,566,000
Interest and fiscal charges	177,679	182,882	139,308	111,786
Total expenditures	48,141,030	48,826,884	51,939,811	57,182,302
Excess (deficit) of revenues over (under) expenditures	2,410,306	1,981,409	(1,433,486)	(3,351,277)
Other Financing Sources (Uses)				
Debt issued	-	-	-	-
Transfers in	5,819,706	12,820,232	7,354,699	16,978,221
Transfers out	(4,010,826)	(7,682,172)	(5,334,599)	(14,958,121)
Sale of capital assets	10,865	159,891	95,169	551,204
Total other financing sources	1,819,745	5,297,951	2,115,269	2,571,304
Net change in fund balance	$ 4,230,051	7,279,360	681,783	(779,973)
Debt service as a percentage of noncapital expenditures	3.9%	3.7%	3.4%	3.5%

	Fiscal Year				
2018	2019	2020	2021	2022	2023
33,092,411	35,497,405	36,993,473	38,093,266	40,241,869	46,777,102
9,604,727	11,458,193	9,344,978	11,931,372	13,468,620	11,515,476
7,894,102	15,554,180	14,826,816	17,883,148	18,148,128	19,224,417
2,965,322	2,551,278	1,767,142	2,195,754	2,672,695	2,573,316
3,455,190	3,665,200	3,796,820	3,966,090	4,139,640	4,196,889
364,634	120,603	367,113	921,365	504,899	259,665
586,247	1,635,271	1,616,579	172,866	(2,716,528)	3,203,620
2,239,082	397,475	761,448	176,431	1,138,626	297,216
106,576	80,837	218,177	230,567	243,078	1,765,598
60,308,291	70,960,442	69,692,546	75,570,859	77,841,027	89,813,299
11,586,481	11,157,463	11,079,933	11,635,347	12,747,209	14,667,589
27,273,479	28,695,737	29,787,882	30,999,528	33,598,541	36,475,247
1,487,663	1,724,531	1,864,736	1,879,196	2,221,578	2,333,395
2,888,756	2,235,087	2,604,544	2,455,558	2,727,512	2,554,116
6,541,506	6,902,886	6,552,533	6,999,211	7,430,086	7,831,646
13,033,230	25,220,835	8,613,409	7,142,988	5,681,919	18,743,548
1,669,825	1,890,432	1,928,556	2,041,904	766,481	329,294
126,711	172,597	141,522	99,670	116,162	101,249
64,607,651	77,999,568	62,573,115	63,253,402	65,289,488	83,036,084
(4,299,360)	(7,039,126)	7,119,431	12,317,457	12,551,539	6,777,215
3,427,883	-	-	-	-	-
10,394,122	7,439,241	6,309,352	6,621,819	6,431,717	6,167,600
(8,374,022)	(5,419,141)	(4,289,252)	(4,601,719)	(4,411,617)	(4,100,000)
40,473	85,174	36,199	145,957	170,997	88,727
5,488,456	2,105,274	2,056,299	2,166,057	2,191,097	2,156,327
1,189,096	(4,933,852)	9,175,730	14,483,514	14,742,636	8,933,542
3.5%	3.9%	3.8%	3.8%	1.4%	0.7%

Schedule 5
City of Naples
Tax Revenues by Source, Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

Fiscal Year	Property	Utility and Communication	Franchise Fees	Fuel Taxes	Sales and Use	One-Cent Tax	Other	Total
2014	$ 18,239,883	5,541,318	3,579,771	1,190,133	2,204,960	-	1,682,542	32,438,607
2015	19,523,089	5,391,177	3,553,455	1,167,932	2,349,564	-	1,487,795	33,473,012
2016	21,163,444	5,436,983	3,451,036	1,226,385	2,443,233	-	1,495,788	35,216,869
2017	22,706,969	5,504,862	3,523,250	1,221,409	2,460,631	-	1,605,416	37,022,537
2018	24,431,761	5,771,309	3,552,964	1,374,149	2,576,547	-	1,515,192	39,221,922
2019	26,590,992	5,992,589	3,627,333	1,374,754	2,704,892	3,233,353	1,539,070	45,062,983
2020	27,799,671	6,252,727	3,478,434	1,284,751	2,578,272	4,665,565	1,656,324	47,715,744
2021	28,203,526	6,531,312	3,639,643	1,378,628	3,159,813	5,653,369	1,979,800	50,546,091
2022	29,805,619	6,885,720	4,240,289	1,477,117	3,633,221	6,707,330	2,073,413	54,822,709
2023	34,633,634	7,600,693	4,496,531	1,535,343	3,537,883	6,409,537	3,007,432	61,221,053
Change 2014-2023	89.9%	37.2%	25.6%	29.0%	60.5%	N/A	78.7%	88.7%

Source: City of Naples Finance Department.

Schedule 6
City of Naples
Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years

Fiscal Year	Real Property	Personal Property	Less Net New Taxable Value	Adjusted Total Taxable Value (for roll back)	Final Taxable Value	Total Direct Tax Rate	Market/Just Value	Actual Taxable Value as a Percentage of Market/Just Value
2013-14	$ 15,469,458,476	355,090,471	185,411,425	15,639,137,522	15,813,172,702	1.1800	18,964,343,443	82.5%
2014-15	16,549,429,908	365,538,552	238,579,023	16,676,389,437	16,915,260,543	1.1800	20,669,042,253	80.7%
2015-16	17,982,866,222	336,010,949	222,286,865	18,096,590,306	18,318,354,095	1.1800	23,247,294,157	77.8%
2016-17	19,811,155,560	411,967,727	511,139,848	19,711,983,439	20,211,468,549	1.1500	25,880,754,301	76.2%
2017-18	21,465,448,412	293,942,163	469,960,656	21,289,429,919	21,759,390,578	1.1500	27,471,643,277	77.5%
2018-19	22,754,619,799	293,478,330	358,574,015	22,689,524,114	23,068,526,395	1.1800	28,389,087,498	79.9%
2019-20	23,833,267,516	268,739,203	318,584,152	23,783,422,567	24,127,506,073	1.1800	29,674,122,650	80.1%
2020-21	25,122,404,248	293,113,096	393,776,995	25,021,740,349	25,410,677,658	1.1500	31,180,920,796	80.2%
2021-22	26,615,183,780	291,636,056	379,877,018	26,526,942,818	26,866,404,146	1.1500	32,974,930,815	80.4%
2022-23	30,985,412,012	313,614,351	394,395,511	30,904,630,852	31,217,408,563	1.1700	46,175,293,320	66.9%

Source: Collier County Tax Appraiser.

Notes: A constitutional revision took effect January 1, 1995, known as "Save our Homes." It annually limits the increase in the assessment of Homestead properties at 3% or the Consumer Price Index (CPI), whichever is less. Tax rates are per $1,000 of assessed value.

Adjusted Taxable Value is the number upon which the state required Truth In Millage (TRIM) data is submitted. Adjusted taxable values are presented to the City by July 1, on Form DR420. The Final Taxable Values are the taxable values as of the start of the fiscal year and are presented to the City in October on Form DR422.

Net New Taxable Value consists of new construction + additions + rehabilitative improvements increasing assessed value by at least 100% + annexations - deletions.

Market/Just Value as defined in F.S. 193.011

Schedule 7
City of Naples
Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years
(rate per $1,000 of assessed value)

	City Millage Rates			Overlapping Rates*		
Fiscal Year	Operating Rate	General Obligation Debt Service	City Total	Mosquito Control	Collier County	Water Pollution Control
2014	1.1800	0.0000	1.1800	0.1050	3.5645	0.0293
2015	1.1800	0.0000	1.1800	0.1001	3.5645	0.0293
2016	1.1800	0.0000	1.1800	0.0940	3.5645	0.0293
2017	1.1500	0.0000	1.1500	0.0878	3.5645	0.0293
2018	1.1500	0.0000	1.1500	0.1832	3.5645	0.0293
2019	1.1800	0.0000	1.1800	0.1775	3.5645	0.0293
2020	1.1800	0.0000	1.1800	0.1720	3.5645	0.0293
2021	1.1500	0.0000	1.1500	0.1609	3.5645	0.0293
2022	1.1500	0.0000	1.1500	0.1609	3.5645	0.0293
2023	1.1700	0.0000	1.1700	0.1443	3.2043	0.0263

Source: Mosquito Control, Collier County, Collier County School Board, South Florida Water Management.

Note: The City's Operating and Debt service rates are not limited and are established by City Ordinances, Bond Resolutions and/or referendums in full compliance with Florida Statutes.

* Overlapping rates are those of local and County governments that apply to property owners within the City of Naples.

Overlapping Rates*			
Conservation Collier	School Board	South Water Management	Combined Total
0.0000	5.6900	0.3278	10.8966
0.0000	5.5800	0.3097	10.7636
0.0000	5.4800	0.2888	10.6366
0.0000	5.2450	0.2695	10.3461
0.0000	5.1220	0.2545	10.3035
0.0000	5.0490	0.2440	10.2443
0.0000	5.0830	0.2344	10.2632
0.2500	4.8890	0.2177	10.2614
0.2500	4.4590	0.1926	9.8063
0.2242	4.2920	0.1926	9.2537

Schedule 8
City of Naples
Principal Property Tax Payers
As of September 30, 2023

	2023			2014		
Top 10 City of Naples Taxpayers	**Taxable Assessed values**	**Rank**	**% of total City of Naples assessed values**	**Taxable Assessed values**	**Rank**	**% of total City of Naples assessed values**
The Moorings, Inc.	$ 164,960,589	1	0.70%	$ 113,657,000	2	0.60%
WSR-NB LLC	160,083,000	2	0.34%			
Naples Bch Club Land Trust Tract RT-2	158,781,885	3	0.29%			
Naples Bch Club Land Trust Tract H-2	121,877,080	4	0.23%			
Napoli Owner LLC	97,161,421	5	0.22%			
EGTDG Company LLC	88,277,970	6	0.20%			
Westbury Properties, Inc.	80,816,658	7	0.19%	50,052,000	5	0.26%
Montana Realty Company, LLC	55,640,284	8	0.19%	35,019,000	8	0.19%
Quarton Capitall LLC	57,437,251	9	0.17%			
2658 Florida Land Trust	55,307,055	10	0.14%			
Florida Power & Light				157,074,000	1	0.83%
Coastland Center, LLC				75,144,000	3	0.40%
Sandra Gerry				53,628,000	4	0.28%
Randal D. Bellestri Trust				49,901,000	6	0.26%
Harold Square Land Trust				40,636,000	7	0.21%
Linda Buonanno Trust				31,303,000	9	0.17%
Arthur L. Allen Jr.				30,963,000	10	0.16%
	$ 1,040,343,193		3.33%	$ 637,377,000		3.37%
Total City of Naples Assessed Value	$ 31,217,408,563			18,921,717,000		

Sources: Collier County Property Appraiser and 2014 Annual Comprehensive Financial Report Certificate of Taxable Value/TRIM.

Schedule 9
City of Naples
Property Tax Levies and Collections
Last Ten Fiscal Years

Fiscal Year Ended Sept. 30	Taxes Levied for the Fiscal Year[1]	Current Collections		Delinquent Collections[2]	Total Collections to Date	
		Amount	% of Levy		Amount	% of Levy
2014	$ 18,921,717	18,162,559	96.0%	77,324	18,239,883	96.4%
2015	19,959,663	19,117,239	95.8%	140,408	19,257,648	96.5%
2016	21,616,275	21,139,944	97.8%	23,512	21,163,456	97.9%
2017	23,567,473	22,696,202	96.3%	10,781	22,706,983	96.3%
2018	25,356,197	24,413,116	96.3%	18,650	24,431,766	96.4%
2019	27,545,899	26,577,090	96.5%	13,901	26,590,991	96.5%
2020	28,810,558	27,531,304	95.6%	268,367	27,799,671	96.5%
2021	29,616,534	28,551,238	96.4%	172,411	28,723,649	97.0%
2022	30,942,843	30,189,027	97.6%	184,698	30,373,725	98.2%
2023	36,512,169	34,798,653	95.3%	298,187	35,096,840	96.1%

Sources: [1]DR 420 MM Line 22.
Note: [2]From City of Naples Finance Department.

Schedule 10
City of Naples
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

	Government Activities				Business-Type Activities		
Fiscal Year	General Obligation Bonds	Public Service Tax Bonds	Redevelopment and Refunding Bonds	Capital Improvement Notes	Water Bonds/ Loans	Storm-water Loans	Non major Bonds
2014	$ -	-	-	11,536,000	19,210,230	1,465,201	80,000
2015	-	-	-	10,068,000	17,442,467	1,152,770	20,000
2016	-	-	-	8,552,000	14,602,609	1,159,674	-
2017	-	-	-	6,986,000	11,945,407	933,960	-
2018	-	-	-	8,744,058	9,237,539	705,155	-
2019	-	-	-	6,853,626	11,583,113	473,610	-
2020	-	-	-	4,925,070	10,419,985	238,232	-
2021	-	-	-	2,883,166	9,203,093	-	-
2022	-	-	-	2,116,685	8,034,621	-	-
2023	-	-	-	1,787,391	6,907,712	-	-

Notes: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

[(a)] See Schedule 14 for personal income and population data. These ratios are calculated using personal income and population for the prior calendar year.

Total Primary Government	Percentage of Personal Income [a]	Per Capita [a]
32,291,431	1.96%	403
28,683,237	1.61%	339
24,314,283	1.25%	274
19,865,367	1.00%	221
18,686,752	0.85%	188
18,910,349	0.86%	189
15,583,287	0.64%	141
12,086,259	0.55%	106
10,151,306	0.41%	80
8,695,103	0.31%	62

Schedule 11
City of Naples
Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years

Fiscal Year	General Obligation Bonds Outstanding	Percentage of Actual Taxable Value of Property	Per Capita
2014	$ -	0.00%	-
2015	-	0.00%	-
2016	-	0.00%	-
2017	-	0.00%	-
2018	-	0.00%	-
2019	-	0.00%	-
2020	-	0.00%	-
2021	-	0.00%	-
2022	-	0.00%	-
2023	-	0.00%	-

Notes: Details regarding the City's outstanding debt can be found in the notes to the financial statements. The only general obligation debt was paid off in 2013.

Schedule 12
City of Naples
Direct and Overlapping Governmental Activities Debt
As of September 30, 2023

	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Direct and Overlapping Debt
City of Naples Direct Debt			
Capital improvement notes	$ 1,787,391	100%	$ 1,787,391
Total direct debt			1,787,391
Overlapping debt [(a)]			
Collier County [(b)]	391,349,553	20%	93,923,893
Total direct and overlapping debt			93,923,893
			$ 95,711,284

Sources: Collier County Annual Comprehensive Financial Report Schedules.

Notes: [(a)]The City of Naples is not responsible for the Overlapping Debt. The applicable percentage was estimated using assessed property values.
Overlapping governments are those that coincide, at least in part with the geographic boundaries of the City.
[(b)]Collier County debt outstanding as of September 30, 2023.

Schedule 13
City of Naples
Pledged-Revenue Coverage
Last Ten Fiscal Years

	Water Revenue Bonds				
Fiscal Year	Utility Service Charges	Less Operating Expenses	Net Available Revenue	Debt Service Requirement	Coverage
2014	$ 32,117,638	24,066,181	8,051,457	2,809,207	2.87
2015	29,614,711	23,455,937	6,158,774	2,899,468	2.12
2016	30,730,431	24,010,994	6,719,437	2,899,045	2.32
2017	33,695,352	25,657,266	8,038,086	2,899,000	2.77
2018	32,767,617	26,870,256	5,897,361	2,898,555	2.03
2019	34,867,456	27,576,471	7,290,985	1,189,836	6.13
2020	34,474,021	27,938,372	6,535,649	1,190,268	5.49
2021	35,553,838	30,153,984	5,399,854	1,190,091	4.54
2022	36,878,618	32,787,006	4,091,612	1,185,031	3.45
2023	39,933,791	38,586,575	1,347,216	1,041,971	1.29

Notes: Details regarding the City's outstanding debt can be found in the notes to the financial statements.
Prior to the 2011 fiscal year, operating expenses did not include interest, depreciation or amortization expenses.

[(1)]These issues were refunded by the 2010 Capital Improvement Refunding Revenue Note, which was subsequently refunded by the 2013 Capital Improvement Refunding Revenue Note.

Utility Tax Revenue Bonds				Tax Increment Revenue Bonds			
Utility Tax Collections	Debt Service		Coverage	Tax Increment Revenue	Debt Service		Coverage
	Principal	Interest			Principal	Interest	
(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)

Schedule 14
City of Naples
Demographic and Economic Statistics
Last Ten Calendar Years

Calendar Year	Population	Personal Income *(thousands of dollars)*	Per Capita Income	Median Age	County School Enrollment	Unemployment Rate (June)
2014	20,537	$ 1,646,164	80,156	64.0	44,415	5.9%
2015	20,968	1,776,430	84,721	64.0	45,995	4.9%
2016	21,898	1,940,338	88,608	64.6	47,225	4.8%
2017	22,041	1,980,648	89,862	65.0	49,393	3.9%
2018	22,214	2,210,493	99,509	64.4	47,961	3.3%
2019	22,039	2,210,688	100,308	66.2	48,318	3.2%
2020	19,115	2,110,736	110,423	67.3	47,084	5.7%
2021	19,186	2,193,689	114,338	66.0	48,000	2.9%
2022	19,372	2,459,101	126,941	65.4	49,994	2.6%
2023	19,618	2,770,944	141,245	66.9	48,567	3.2%

Sources: Population provided by the U.S. Census Bureau; Per Capita Personal Income by the Census Bureau (*), Bureau of Economic and Business Research; County school enrollment data provided by the Collier County Public Schools Finance Department. Enrollment figures do not include Private and Charter Schools within Collier County.

Notes: 2023 Population updated to reflect 2022 U.S. Census Bureau figures (2023 not available).

Schedule 15
City of Naples
Principal Employers
Current Year and Nine Years Ago

	2023			2014		
Employer	**Employees**	**Rank**	**Percentage of Total City Employment**	**Employees**	**Rank**	**Percentage of Total City Employment**
Collier County School District	6,927	1	4.2%	5,281	1	4.2%
NCH Healthcare System	4,247	2	2.6%	4,000	2	3.2%
Arthrex, Inc.	3,973	3	2.4%	1,056	7	0.8%
Publix Supermarkets	3,457	4	2.1%	2,805	6	2.2%
Collier County Government (excl. Sheriff)	2,649	5	1.6%	2,211	3	1.8%
Collier County Sheriff's Office	1,446	6	0.9%	1,389	4	1.1%
Ritz Carlton Hotel	1,100	7	0.7%	1,110	6	0.9%
Seminole Casino - Immokalee	900	8	0.5%			
JW Marriott - Marco Island	850	9	0.5%			
City of Naples	514	10	0.3%			
Gargiulo, Inc.				1,110	6	0.9%
Hometown Inspection Services				900	8	0.7%
Waldorf Astoria (Registry Resort)				760	9	0.6%
Other employers	138,015		84.1%	105,140		83.6%
Estimated Total	164,078		100.0%	125,762		100.0%

Sources: Collier County Clerk of Courts 2023 Annual Comprehensive Financial Report.

Schedule 16
City of Naples
Full-Time Equivalent City Government Employees by Function/Program
Last Ten Fiscal Years

	Fiscal Year				
Function/Program	**2014**	**2015**	**2016**	**2017**	**2018**
General Fund					
Mayor and Council	1.0	1.0	1.0	1.0	1.0
City Clerk	6.0	6.0	6.0	6.0	6.0
City Attorney	1.0	1.0	1.0	1.0	1.0
City Manager and Code Enforcement	5.9	5.9	4.9	8.9	9.9
Purchasing [(a)]					
Ethics Commission					
Human Resources	4.0	4.0	4.0	4.0	4.0
Planning	3.5	3.5	3.5	5.0	6.0
Finance	13.8	13.8	13.8	10.8	10.5
Community Services	40.5	40.5	40.5	42.5	45.5
Police	98.4	98.4	98.4	98.4	99.4
Fire	63.0	63.0	63.0	65.0	66.0
Water and Sewer Fund	103.0	103.0	104.0	104.0	104.0
Solid Waste Fund	25.5	25.5	26.0	26.0	26.0
Streets and Traffic Fund	5.5	5.5	5.5	5.5	5.5
Stormwater Fund	10.0	11.0	11.0	11.0	11.0
City Dock Fund	3.6	3.6	3.6	3.6	3.6
Tennis Fund	4.0	4.0	4.0	4.0	4.0
Beach Fund	13.0	13.2	13.2	13.2	15.4
Technology Services Fund	8.0	7.0	7.0	6.0	6.0
Equipment Services Fund	8.5	8.5	8.5	8.5	8.5
Risk Management Fund	1.0	1.0	1.0	1.0	1.0
Building Permit Fund	28.0	30.0	36.5	34.0	33.5
Community Redevelopment	6.3	6.3	6.3	6.3	6.3
TOTAL EMPLOYEES	**453.5**	**455.7**	**462.7**	**465.7**	**474.1**

Source: City of Naples Budget Document.

Notes: [(a)] Purchasing separated from City Manager and Code Enforcement in 2022.

Fiscal Year				
2019	**2020**	**2021**	**2022**	**2023**
1.0	1.0	1.0	1.0	1.0
6.0	6.0	6.0	8.0	8.0
1.0	1.0	1.0	1.0	1.0
9.9	8.9	10.7	9.0	8.0
			4.0	4.0
		1.0	1.0	1.0
4.0	5.0	5.0	5.0	5.0
6.0	6.0	6.0	7.0	7.0
10.5	10.5	10.5	10.5	10.5
47.5	50.5	53.4	53.4	53.4
98.4	98.4	98.4	98.4	98.4
66.0	66.0	67.0	69.0	69.0
104.0	105.0	105.0	104.8	104.8
26.0	26.0	29.0	29.0	29.0
5.5	6.5	6.5	8.5	9.0
11.0	11.0	13.0	19.0	19.0
4.1	4.1	3.7	3.7	3.2
4.0	4.0	4.0	4.3	4.5
15.4	15.4	15.2	18.5	18.5
5.0	5.0	4.0	4.0	8.0
8.5	8.5	8.5	8.5	9.0
1.0	1.0	1.0	1.0	1.0
32.5	32.5	32.5	34.5	34.0
6.3	6.3	6.3	7.1	7.1
473.6	**478.6**	**488.7**	**510.2**	**513.4**

Schedule 17
City of Naples
Operating Indicators by Function/Program
Last Ten Fiscal Years

	Fiscal Year				
	2014	**2015**	**2016**	**2017**	**2018**
Function/Program					
General government					
Permits issues					
Commercial CO's issued	144	143	144	86	138
Residential CO's issued	1,133	1,124	1,228	1,122	1,057
Police					
Physical arrests	634	575	579	373	433
Parking violations	12,778	11,271	8,181	10,158	11,534
Traffic violations	5,489	5,989	6,133	4,934	4,169
Fire[(b)]					
Emergency responses	5,217	5,539	6,804	6,234	6,735
Fires extinguished	98	96	70	84	102
Inspections	7,299	7,589	8,066	7,863	11,299
Refuse collection					
Refuse (tons per day)	119	92	129	117	96
Recyclables (tons per day)	21	28	29	28	15
Other public works					
Street resurfacing (miles)	4.25	4.26	10	11	10
Potholes repaired[(a)]	63	82	44	78	84
Parks and recreation					
Special events, participants	3,812	3,760	2,717	2,164	3,167
Beach parking permits issued	6,802	5,249	5,802	6,050	5,296
Camps, classes, participants	5,531	11,066	16,773	10,168	31,561
Water					
New connections	226	201	169	122	129
Water main breaks	14	17	13	11	63
Average daily consumption (millions of gallons)	14.3	13.8	14.0	15.0	14.0
Peak daily consumption (millions of gallons)	19	18	17	19	19
Wastewater					
Average daily sewage treatment (thousands of gallons)	5,225	4,800	5,100	5,270	5,270

Sources: Various City Departments.

Notes: [(a)]This number represents the number of work orders given to patch hole contractor.
[(b)]4th quarter results for 2022 not yet available due to Hurricane Ian.

Fiscal Year				
2019	2020	2021	2022	2023
				6,974
138	172	139	18	4
1,057	1,345	1,441	1,538	87
396	321	278	318	428
13,843	11,947	19,073	22,567	19,836
4,163	2,814	2,084	2,777	2,690
6,648	5,981	6,798	6,318	7,364
108	106	97	68	123
11,442	11,638	14,353	11,831	11,442
101	108	125	109	106
15	16	15	15	12
8	6	9	8	9
85	79	82	74	76
3,298	356	3,726	3,892	10,743
5,179	5,198	5,210	5,850	2,784
36,851	19,500	21,700	22,100	29,698
120	89	123	93	140
57	108	72	89	52
14.0	14.0	14.0	14.0	15.0
17	17	17	18	18
4,396	4,731	4,420	4,355	4,450

Schedule 18
City of Naples
Capital Asset Statistics by Function/Program
Last Ten Fiscal Years

	Fiscal Year				
	2014	**2015**	**2016**	**2017**	**2018**
Function/Program					
Police					
Number of employees	103	103	96	98	99
Total police incidents handled	65,968	67,193	83,774	79,787	73,878
Fire stations	3	3	3	3	3
Refuse collection trucks	25	25	25	25	25
Other public works					
Streets (miles)	112	112	112	112	112
Streetlights	3,006	3,006	3,006	3,006	3,006
Traffic signals	42	42	40	40	40
Parks and recreation					
Swimming pools	1	1	1	1	1
Community centers	3	3	3	3	3
Pier	1	1	1	1	1
Dock	1	1	1	1	1
Water					
Active accounts	16,943	17,078	17,244	17,310	17,385
Plants	1	1	1	1	1
Capacity per day (millions of gallons)	30	30	30	30	30
Sewer					
Active accounts	8,812	8,820	9,037	9,207	9,262
Plants	1	1	1	1	1
Capacity per day (millions of gallons)	10	10	10	10	10

Sources: Various City departments.

Fiscal Year				
2019	2020	2021	2022	2023
98	101	99	98	98
71,674	84,301	83,848	85,558	76,137
3	3	3	3	3
25	25	27	27	30
112	112	112	112	112
3,006	3,170	3,170	3,170	3,170
40	40	40	40	40
1	1	1	1	1
3	3	3	3	3
1	1	1	1	1
1	1	1	1	1
17,547	17,710	17,950	18,315	18,430
1	1	1	1	1
30	30	30	30	30
9,243	9,435	9,621	10,060	10,102
1	1	1	1	1
10	10	10	10	10

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OTHER INDEPENDENT AUDITOR REPORTS AND SCHEDULES

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MAULDIN & JENKINS
CPAs & ADVISORS

INDEPENDENT AUDITOR'S 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*

To the Honorable Mayor, City Council
and City Manager
City of Naples, Florida

We have audited, in accordance with the 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, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Naples, Florida (the "City"), as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated April 30, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. 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 or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Mauldin & Jenkins, LLC

Bradenton, Florida
April 30, 2024

MAULDIN & JENKINS
CPAs & ADVISORS

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

To the Honorable Mayor, City Council
and City Manager
City of Naples, Florida

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the City of Naples, Florida's (the "City") compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended September 30, 2023. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 *U.S. Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the City's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the City's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Mauldin & Jenkins, LLC

Bradenton, Florida
April 30, 2024

CITY OF NAPLES, FLORIDA

Schedule of Expenditures of Federal Awards
For the Year Ended September 30, 2023

Federal Agency, Pass-Through Entity, Federal Program	Assistance Listing Number	Grantors No.	Expenditures
Federal Awards:			
United States Department of Housing and Urban Development			
Passed through Collier County			
Housing and Community Development Department			
Community Development Block Grant	14.218	B-21-UC-12-0016	$ 612,250
Total United States Department of Housing and Urban Development			612,250
United States Department of Justice			
Justice Assistance Grant	16.738	2019-JAGD-COLL-1-N3-086	11,250
Total United States Department of Housing and Urban Development			11,250
United States Department of Transportation			
LAP Grant - South Golf Drive	20.205	G1B35	56,796
Total United States Department of Housing and Urban Development			56,796
United States Department of Homeland Security			
Passed through Florida Department of Emergency Management			
Disaster Grant - Public Assistance	97.036		571,575
Hazard Mitigation Grants	97.039	H0143	58,093
Total United States Department of Homeland Security			629,668
Total Expenditures of Federal Awards			**$ 1,309,964**

THE CITY OF NAPLES, FLORIDA

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

SEPTEMBER 30, 2023

NOTE 1 − BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the City of Naples, Florida (the "City"), and is presented on the modified accrual basis of accounting.

The information in this Schedule is presented in accordance with the requirements of Title 2 *U.S. Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards.* Therefore, some amounts presented in the Schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

NOTE 2 − DE MINIMIS INDIRECT COST RATE

The City chose not to use the ten percent de minimis cost rate for the year ended September 30, 2023.

NOTE 3 − NON-CASH AWARDS

The City did not receive non-cash federal awards during the year ended September 30, 2023.

NOTE 4 − CONTINGENCIES

Grant monies received and disbursed by the City are for specific purposes and are subject to review by the grantor agencies. Such audits may result in disallowed expenditures under the terms of the grants. Based upon prior experience, the City does not believe that such disallowances, if any, would be material.

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MAULDIN & JENKINS
CPAs & ADVISORS

INDEPENDENT AUDITOR'S MANAGEMENT LETTER

To the Honorable Mayor, City Council
and City Manager
City of Naples, Florida

Report on the Financial Statements

We have audited the financial statements of the City of Naples, Florida (the "City"), as of and for the fiscal year ended September 30, 2023, and have issued our report thereon dated April 30, 2024.

Auditor's Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States; the audit requirements of Title 2 *U.S. Code of Federal* Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and Chapter 10.550, Rules of the Auditor General.

Other Reporting Requirements

We have issued our Independent Auditor's 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 Auditor's Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance Required by the Uniform Guidance; Schedule of Findings and Questioned Costs; and Independent Accountant's Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated April 30, 2024, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. Corrective actions have been taken to address findings and recommendations made in the preceding financial audit report.

Official Title and Legal Authority

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. The City of Naples, Florida was incorporated in 1923. Additional information on the City's creation and the City's component units is disclosed within the City's footnotes.

Financial Condition and Management

Sections 10.554(1)(i)5.a. and 10.556(7), Rules of the Auditor General, require us to apply appropriate procedures and communicate the results of our determination as to whether or not the City has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and identification of the specific condition(s) met. In connection with our audit, we determined that the City did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

Pursuant to Sections 10.554(1)(i)5.b. and 10.556(8), Rules of the Auditor General, we applied financial condition assessment procedures. It is management's responsibility to monitor the City's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same.

Section 10.554(1)(i)2., Rules of the Auditor General, requires that we communicate any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

Specific Information

As required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)6, Rules of the Auditor General, the City of Naples East Naples Bay Special Taxing District ("East Naples Bay") reported:

a. The total number of district employees compensated in the last pay period of East Naples Bay's fiscal year as zero.
b. The total number of independent contractors to whom nonemployee compensation was paid in the last month of East Naples Bay's fiscal year as zero.
c. All compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency as zero.
d. All compensation earned or awarded to nonemployee independent contractors, whether paid or accrued, regardless of contingency as: Stantec Consulting – $85,000.
e. Each construction project with a total cost of at least $65,000 approved by the district that is scheduled to begin on or after October 1 of the fiscal year being reported, together with the total expenditures for such project as: East Naples Bay Dredging Project - $2,560,852.
f. A budget variance based on the budget adopted under Section 189.016(4), Florida Statutes, before the beginning of the fiscal year being reported if the district amends a final adopted budget under Section 189.016(6), Florida Statutes, as see page 101.

As required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)6, Rules of the Auditor General, the City of Naples Moorings Bay Special Taxing District ("Moorings Bay") reported:

a. The total number of district employees compensated in the last pay period of Moorings Bay's fiscal year as zero.
b. The total number of independent contractors to whom nonemployee compensation was paid in the last month of Moorings Bay's fiscal year as zero.
c. All compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency as zero.
d. All compensation earned or awarded to nonemployee independent contractors, whether paid or accrued, regardless of contingency as zero.

e. Each construction project with a total cost of at least $65,000 approved by the district that is scheduled to begin on or after October 1 of the fiscal year being reported, together with the total expenditures for such project as none.
f. A budget variance based on the budget adopted under Section 189.016(4), Florida Statutes, before the beginning of the fiscal year being reported if the district amends a final adopted budget under Section 189.016(6), Florida Statutes, as see page 132.

Special District Component Units

Section 10.554(1)(i)5.c., Rules of the Auditor General, requires, if appropriate, that we communicate the failure of a special district that is a component unit of a county, municipality, or special district, to provide the financial information necessary for proper reporting of the component unit, within the audited financial statements of the county, municipality, or special district in accordance with Section 218.39(3)(b), Florida Statutes. In connection with our audit, we did not note any special district component units that failed to provide the necessary information for proper reporting in accordance with Section 218.39(3)(b), Florida Statutes.

Additional Matters

Section 10.554(1)(i)3., Rules of the Auditor General, requires us to communicate noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but which warrants the attention of those charged with governance. In connection with our audit, we did not have any such findings.

Purpose of this Letter

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, federal and other granting agencies, the Mayor and Members of the City Council, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

Mauldin & Jenkins, LLC

Bradenton, Florida
April 30, 2024

THE CITY OF NAPLES, FLORIDA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
SEPTEMBER 30, 2023

SECTION I

SUMMARY OF AUDIT RESULTS

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP: Unmodified

Internal control over financial reporting:
Material weaknesses identified? ____ yes __X__ no

Significant deficiencies identified? ____ yes __X__ none reported

Noncompliance material to financial statements noted? ____ yes __X__ no

Federal Programs

Internal Control over major federal programs:
Material weaknesses identified? ____ yes __X__ no

Significant deficiencies identified? ____ yes __X__ none reported

Type of auditor's report issued on compliance for major federal programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? ____ yes __X__ no

Identification of major federal program:

AL Number	Name of Federal Program or Cluster
14.218	U.S. Department of Housing and Urban Development–Community Development Block Grants/Entitlement Grants

Dollar threshold used to distinguish between Type A and Type B federal programs: $750,000

Auditee qualified as low-risk auditee? __X__ yes ____ no

THE CITY OF NAPLES, FLORIDA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
SEPTEMBER 30, 2023

SECTION II
FINANCIAL STATEMENT FINDINGS AND RESPONSES

None.

SECTION III
FEDERAL AWARDS AND STATE PROJECTS FINDINGS AND QUESTIONED COSTS

None reported.

THE CITY OF NAPLES, FLORIDA

SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS
SEPTEMBER 30, 2023

2022-001 Audit Adjustments

Criteria: To ensure that financial statements properly present the financial position and results of operations of the City in accordance with generally accepted accounting principles (GAAP), in addition to providing meaningful financial reports to City Council and management, the City should ensure that all accounts are properly reflected at year-end. Additionally, reconciliations should be reviewed by management to ensure proper preparation of reconciliations, and that balance sheet accounts are properly supported.

Condition: During testing of the City's capital assets, we noted the City did not properly accrue all current year capital asset additions as of September 30, 2022. An entry to increase the City's capital assets in the amount of $1,353,719 in the City's Stormwater Fund was required to be recorded. Additionally, during testing of the City's accounts payable, we noted the City did not properly record its year end pension contribution within the General Fund to match the receivable accruals recorded within the City's pension funds. This resulted in an adjustment to accounts payable in the amount of $815,441 to be recorded in the General Fund.

Status: Resolved.

MAULDIN & JENKINS
CPAs & ADVISORS

INDEPENDENT ACCOUNTANT'S REPORT

To the Honorable Mayor, City Council
and City Manager
City of Naples, Florida

We have examined the City of Naples, Florida's (the "City") compliance with Section 218.415, Florida Statutes, regarding the investment of public funds during the year ended September 30, 2023. Management of the City is responsible for the City's compliance with those requirements. Our responsibility is to express an opinion on the City's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the City complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the City complied with the specified requirements. The nature, timing and extent of the procedures selected depend on our judgement, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

We are required to be independent and to meet our ethical responsibilities in accordance with relevant ethical requirements relating to the examination engagement.

Our examination does not provide a legal determination on the City's compliance with specified requirements.

In our opinion, the City complied, in all material respects, with the aforementioned requirements during the year ended September 30, 2023.

This report is intended solely for the information and use of the City and the Auditor General, State of Florida, and is not intended to be and should not be used by anyone other than these specified parties.

Mauldin & Jenkins, LLC

Bradenton, Florida
April 30, 2024

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