

THE CITY OF NAPLES, FLORIDA
Annual Comprehensive Financial Report
For the Year Ended September 30, 2024
(With Independent Auditor's Report Thereon)

Prepared By:
FINANCE DEPARTMENT

City of Naples

September 30, 2024



Principal Officers

Mayor
Vice-Mayor
Council Member
Council Member
Council Member
Council Member
Council Member
City Manager
City Clerk
City Attorney

Teresa Heitmann
Terry Hutchison
Berne Barton
Raymond Christman
Bill Kramer
Linda Penniman
Beth Petrunoff
Gary Young
Patricia L. Rambosk
Matthew McConnell

Department Directors

Deputy City Manager
Building Director/Building Official
Finance Director (Interim)
Fire Chief
Human Resources Director
Parks, Recreation, and Facilities Director
Planning Director
Police Chief
Public Works Director
Technology Services Director

Mari Gallet
Stephen Beckman
Stefan Massol
Phillip Pennington
Charlotte Loewel
Chad Merritt
Erica Martin
Ciro Domingues
Robert H. Middleton
Andrew Hunter

**CITY OF NAPLES, FLORIDA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024**

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City of Naples

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May 30, 2025

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, 2024 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, 2024, 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 unqualified opinion that the City’s financial statements for the fiscal year ended September 30, 2024, 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 20,000, 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 Gary Young was appointed City Manager effective February 1, 2025.

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 Comprehensive Annual 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 2023-2024 represented the ninth consecutive year of taxable value growth in the City. The taxable values increased by 12.0% for fiscal year 2023-2024, following a 16.5% growth in fiscal year 2022-2023. The subsequent growth for fiscal year 2024-2025 (September 2024) of 11.2% 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. Meanwhile, 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 1.17 mills in fiscal year-end 2024, 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 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 2023-2024, 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 \$2.9 million in added assets and an additional \$3.4 million in construction in progress in 2024. Multi-basin stormwater improvements are continuing to be evaluated, designed and implemented. 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 \$72.7 million in encumbrances and 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 2025 or fiscal year 2026 to complete the project.
- Water and Sewer infrastructure, equipment, and facilities improvements had \$9.7 million in added assets and an additional \$4.7 million in construction in progress in 2024. These asset additions and construction in progress included: raw water production infrastructure; 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 2024-2025 budget includes: \$2.5 million in wastewater collections improvements; \$3.0 million in water production improvements; \$5.8 million in water distribution improvements; \$2.0 million in utilities maintenance improvements; and \$600 thousand in wastewater treatment improvements.

The trends in the Southwest Florida economy reflect continued 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 its 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 2025 report by the Florida Gulf Coast University in its year over year economic indicator comparisons, taxable sales for Collier County were down 2% in November 2024 compared to the same period in 2023 and tourist tax revenues in Collier County were down 15% in November 2024 compared to November 2023. The three major Southwest Florida airports fell 4% in November 2024 compared to November 2023. The unemployment rate for Collier County was 3.5% in third quarter 2024 up 0.3% compared to third quarter of 2023. This compares favorably with the State of Florida's 3.5% and the United States unemployment rate of 4.2%. In addition, single-family building permits declined by 18 percent from 3rd quarter 2023 to 3rd quarter 2024. The greatest strength of Collier County perhaps lies in the resiliency of its property values. The median home price decreased by \$101,000 to \$749,000 in October 2024 compared to \$850,000 in October 2023.

These trends are concerning and are being carefully monitored. 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 administrative 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 \$26 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 2024.

Residents and visitors alike recognize the ambiance created by the tree-lined streets of Naples. For the 28th consecutive year, the City of Naples received the Tree City U.S.A. designation, and for the 17th 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.

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 2023-2024 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 2023-2024, the Arthur L. Allen Tennis Center offered 12 USTA sanctioned and non-sanctioned tournaments that drew 1,445 participating athletes. Ten events were designed for juniors that attend from around the state and country. The two non-sanctioned tournaments were the National Golden Ticket USTA Qualifier and the annual city tennis championships, "Clay In May". This year's "Clay in May" hosted 425 players playing in a total of 625 events. There were 39 separate adult and junior clinics and round robins offered for members and guests to participate in, targeted at 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 finished the year at 681. Tennis racquet restringing returned to a larger number following the hurricane year, with a total of 563. Ball machine rental remained strong with rentals at \$10,035 for the fiscal year. Lastly, the Arthur L. Allen Tennis Center received the USTA Outstanding Facility of the Year Award for Large Public Facilities (12+ courts).

	Fiscal Year 2021-2022	Fiscal Year 2022-2023	Fiscal Year 2023-2024
Membership	775	546	681
Tournament Participants	1,345	1,065	1,445
Racquets Strung	641	407	563
Ball Machine Rentals	509	405	502

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 weddings, 5ks, birthday parties and Holiday Events. 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 2021-2022	Fiscal Year 2022-2023	Fiscal Year 2023-2024
Facility Rentals	401	414	448
Revenue	\$80,393.50	\$84,199.00	\$87,689

Cambier Park/Norris Center

The 2023-2024 season in Norris Center had over 22,000 patrons attending shows in our theater space. Our 200-seat theater has performances almost every day, 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 2023-2024 season had over 85,000 patrons attending the park grounds for events including FREE outdoor concerts, celebrations, and special events.

	Fiscal Year 2021-2022	Fiscal Year 2022-2023	Fiscal Year 2023-2024
Cambier Park Events	111	99	114
Norris Performances	157	141	189
Norris Summer Camps	15	15	17
Norris Center Rentals	125	247	508

Charlie C. Anthony Park

Charlie C. Anthony Park underwent resurfacing projects to the basketball and the tennis court.

	Fiscal Year 2022-2023	Fiscal Year 2023-2024
Archery Camp	44	37
Recreation Sampler	13	12

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, baseball, 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 1,000 visitors annually. Fleischmann Park is the headquarters for summer specialty camps with over 1,000 registered campers. Fleischmann Park itself hosts adventure, soccer, fitness, extreme sports and skate/BMX camps.

	Fiscal Year 2021-2022	Fiscal Year 2022-2023	Fiscal Year 2023-2024
Classes	7 classes per month	7 classes per month	8 per week
Athletics Programs	9 for the year	7 for the year	8 for the year
Summer Camps	55 camps offered	58 camps offered	55 camps offered
Special Events	5	4	4

Pickleball Membership Summary

Pickleball Memberships	272
Pickleball Drop-in	772

The Edge Johnny Nocera Skate Park Membership Summary

Skate Memberships	172
Skate Day Passes	1101

Naples City Dock

In the fiscal year of 2023-2024, Naples City Dock saw significant activity and revenue. With approximately 9044 "walk-in" sales, the dock sold a total of 371,160.459 gallons of fuel, generating \$1,847,524.74 in revenue. Additionally, there were a total of 1088 nights reserved in transient slips and the mooring field. 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 2021-2022	Fiscal Year 2022-2023	Fiscal Year 2023-2024
Walk-In Customers (No account associated)	Approx. 7640	Approx. 8200	Approx. 9044
Total Fuel Sold (Gal)	419,103.216 Gallons	376,700.978Gallons	371,160.459 Gallons
Transient Dockage (Mooring Field/Wet Slip)	1810 Nights Reserved	1658 Nights Reserved	1088 Nights Reserved
Special Events/Expos	16	8	9

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 nature talks and programs. This past year our department partnered with the Naples Youth Council and installed 21 storyboards throughout the boardwalk. The preserve was funded by the City of Naples citizens and the Florida Communities Trust.

	Fiscal Year 2021-2022	Fiscal Year 2022-2023	Fiscal Year 2023-2024
Programs Held	37	33	40
Preserve Visitors	13,920	9,399	11,389

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 (Rosters) Swim Team program. The aquatic center continues to serve as an important community asset and is the home pool for Naples High School. River Park Aquatic Center continued its close collaboration with Safe and Healthy 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 replacement of partitions in the Women's/Men's and Family restrooms.

	Fiscal Year 2022-2023	Fiscal Year 2023-2024
Learn to Swim/Private Lessons	215	21
Swim and Snorkel Camp	7	0
Aqua Exercise	56	31
Racing Roosters	18	20
Swim Central (Swim Instruction)	47	46

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 classes, camps - Winter/Spring Break and School Day Out. The annual "Back to School" program was offered on Saturday, July 27th, 2024. Staff provided 310 children going into K through 12th grade with needed school supplies. On Friday, December 6th, 2024, Santa's Coming to Town was offered; Santa and his helpers drove to Jasmine Cay Apartments, George Washington Apartments, through the River Park East neighborhood, and Still Water Cove Apartments, ending at Charlie C. Anthony Park. A total of 114 gifts were delivered. Facility improvements to River Park Community Center included LVCT flooring installed through the building, all ceiling tiles replaced, interior lighting replaced/upgraded to LED lighting, and the interior of building painted.

	Fiscal Year 2022-2023	Fiscal Year 2023-2024
Summer Camp	66	66
Recreation Sampler	18	17
Yoga	76	63

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 2023-2024 received the GFOA's Distinguished Budget Presentation Award. The City has achieved this award for 19 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, 2023. 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 Comprehensive Annual 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,



Gary L. Young
City Manager



Stefan Massol
Interim 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

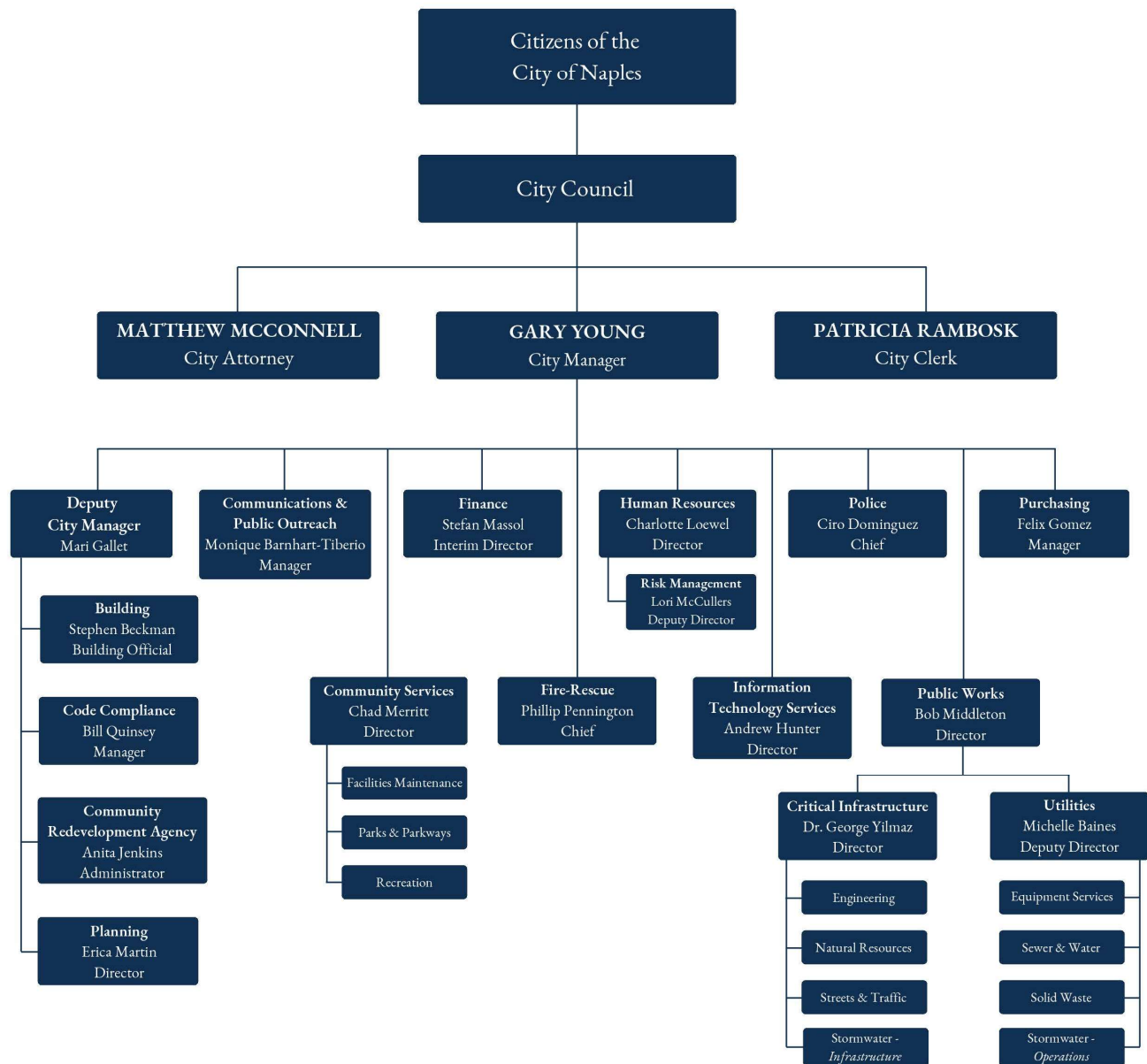
September 30, 2023

Christopher P. Morill

Executive Director/CEO



City of Naples Organizational Chart



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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, 2024, 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, 2024, 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 111, 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 and state financial assistance 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) and Chapter 10.550, Rules of the Auditor General, 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 and state financial assistance are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

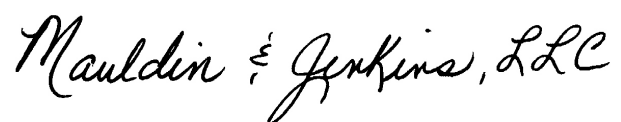
Other Information

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 May 30, 2025, 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.



Bradenton, Florida
May 30, 2025

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The City of Naples, Florida
Management's Discussion and Analysis
September 30, 2024
(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, 2024.

Financial Highlights

- The assets and deferred outflows of resources of the City exceeded its liabilities at September 30, 2024, by \$425.8 million (net position). Of this amount, \$112.6 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 \$37.2 million due in part to: additional revenue recognition related FEMA and Mitigation reimbursements; three months of Collier County Capital Improvement One Cent Sales Tax revenue which expired December 31, 2023; 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 2024.
- As of September 30, 2024, the City's governmental activities reported a combined ending net position of \$201 million. This is an increase of \$20.4 million from the prior year. The City's governmental activities unrestricted net position is \$28.8 million compared to \$24.5 million as of September 30, 2023.
- The City's total debt increased \$21.7 million during the current fiscal year due to new debt issuance totaling \$23,223,257 (inclusive of original issue premium) partially offset by regular principal payments in accordance with the amortization schedules. The City's Governmental Activities Debt increased by \$22.9 million from new debt totaling \$23,223,257 (inclusive of original issue premium) as financing the construction of a new parking garage located at 1st Ave. S. as well as reconstruction of the Naples Pier. This increase is the result of the new debt issuance, partially offset by regular principal payments in accordance with the amortization schedules. The City's Business-Type Activities Debt decreased by \$1.2 million in scheduled debt service payments in 2024. In addition, the City Dock made the equivalent of two principal payment of \$305 thousand in fiscal year 2024 thus reducing the outstanding interfund loan by \$610 thousand in 2024 leaving a balance of \$2.4 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 is 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 page 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 29–36.

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, 2024, was \$425.8 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	
	2024	2023	2024	2023	2024	2023
Current and other assets	\$ 145,013	120,537	95,998	79,979	241,011	200,516
Capital assets	128,695	105,160	147,036	146,345	275,731	251,505
Total assets	273,708	225,697	243,034	226,324	516,742	452,021
Total deferred outflow of resource	21,212	30,698	1,950	2,983	23,162	33,681
Long-term liabilities outstanding	80,042	63,522	11,921	13,463	91,963	76,985
Other liabilities	12,225	11,042	7,070	6,886	19,295	17,928
Total liabilities	92,267	74,564	18,991	20,349	111,258	94,913
Total deferred inflow of resources	2,032	1,607	836	634	2,868	2,241
Net position						
Net investment in capital ass	117,851	103,372	141,312	139,471	259,163	242,843
Restricted	53,968	52,309	-	-	53,968	52,309
Unrestricted	28,802	24,543	83,845	68,853	112,647	93,396
Total net position	<u>\$ 200,621</u>	<u>180,224</u>	<u>225,157</u>	<u>208,324</u>	<u>425,778</u>	<u>388,548</u>

The largest portion of the City’s net position is \$259 million or 60.9% 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 12.7% of the total net position) is subject to external restrictions on how it may be used. The remaining 26.5% of the unrestricted net position, \$112.6 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 \$181 million. Total expenses, City-wide were \$144 million. For the total primary government, including both governmental and business-type activities, net position increased \$37.2 million. Net position for Governmental activities increased by \$20.4 million and net position for Business-type activities increased by \$16.8 million in 2024.

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	
	2024	2023	2024	2023	2024	2023
Revenues						
Program revenues						
Charges for services	\$ 15,330	14,543	67,373	60,705	82,703	75,248
Operating grants and contributions	9,630	8,772	7,831	1,695	17,461	10,467
Capital grants and contributions	5,997	7,307	1,316	1,292	7,313	8,599
General revenues						
Property taxes	39,649	35,097	-	-	39,649	35,097
Other taxes	11,796	11,680	-	-	11,796	11,680
Franchise fees	4,489	4,497	-	-	4,489	4,497
Intergovernmental revenues	4,633	4,414	-	-	4,633	4,414
Unrestricted investment income	7,621	3,662	4,873	2,140	12,494	5,802
Other	196	437	582	709	778	1,146
Total revenues	\$ 99,341	90,409	81,975	66,541	181,316	156,950
Expenses						
General government	\$ 17,088	14,677	-	-	17,088	14,677
Public safety	43,277	38,530	-	-	43,277	38,530
Physical and economic environmen	3,880	3,798	-	-	3,880	3,798
Transportation	4,977	3,349	-	-	4,977	3,349
Cultural and recreation	11,496	10,218	-	-	11,496	10,218
Interest and fiscal charges	293	99	-	-	293	99
Water and sewer	-	-	40,679	38,842	40,679	38,842
Solid waste	-	-	9,100	8,249	9,100	8,249
Stormwater	-	-	6,507	6,490	6,507	6,490
Dock	-	-	2,434	2,593	2,434	2,593
Other	-	-	4,355	4,438	4,355	4,438
Total expenses	\$ 81,011	70,671	63,075	60,612	144,086	131,283
Increase in net position						
before transfers	\$ 18,330	19,738	18,900	5,929	37,230	25,667
Transfers	2,067	2,067	(2,067)	(2,067)	-	-
Change in net position	20,397	21,805	16,833	3,862	37,230	25,667
Net position, beginning	180,224	158,419	208,324	204,462	388,548	362,881
Net position, ending	\$ 200,621	180,224	225,157	208,324	425,778	388,548

The total primary government revenues reported a \$24.4 million or 15.5% increase over last year's total revenues. The total business-type activities' revenue increased \$15.4 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 \$8.9 million increase. The primary reasons for the increase in governmental activity revenue are as follows:

- An increase in investment interest earnings of \$4 million as downward pressure from market to market adjustments eased, coupled with increased rate of return in fiscal year 2024.
- An increase in property tax revenue of \$4.6 million due primarily to taxable value growth.

Business-type activities showed an increase in revenues in the amount of \$15.4 million or 23.2% from 2023. The charges for services increased by \$6.7 million, interest revenue increased by \$2.7 million. The increase of \$6.7 million in charges for service under business type activities is driven by utilities consumption and beach parking utilization returning to pre-Ian levels.

The total primary government's expenses increased \$12.8 million or just over 9.8%. Governmental activities reported a 14.6% increase in expenses, with business-type activities reporting a 4.1% 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 \$81 million. As shown in the Statement of Activities on page 21, the net cost that was ultimately paid through taxes and other general revenues and transfers was \$50.1 million. The \$30.9 million of costs for governmental activities not covered by general revenues was provided by:

- \$15.3 million in charges for services, made of \$11.5 million in building/permit fees, \$1.6 million in police and fire services, \$1.0 million for recreation fees, and the balance from various fees related to transportation, economic environment and general government services.
- \$9.6 million in operating grants and contributions including \$6.3 million from Collier County's share of the Community Redevelopment tax increment financing.
- \$6 million in capital grants and contributions including \$2.1 million from Collier County's One Cent Sales Tax.

The total cost of all governmental activities increased by 14.6% in fiscal year 2024, 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	
	2024	2023	2024	2023
Public safety	\$ 43,277	38,530	34,736	31,734
Physical and economic environment	3,880	3,798	(4,888)	(4,956)
Transportation	4,977	3,371	4,440	2,849
Cultural and recreation	11,496	10,218	7,158	7,165
All others	17,381	14,776	8,609	3,257
Totals	<u>\$ 81,011</u>	<u>70,693</u>	<u>50,055</u>	<u>40,049</u>

Business-Type Activities

Revenues of the City's business-type activities (see Table 2) totaled \$82 million.

The Water and Sewer Fund represents 64.5% of the business-type activities' expenses. Total water and sewer operating revenues were \$3.4 million higher than last year, while corresponding operating expenses were \$2.2 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 4.5% in 2024 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 40% for fiscal year 2024 to help fund major capital project initiatives.

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, 2024, the City's governmental funds reported combined ending fund balances of \$113.2 million, an increase of \$20.7 million in comparison with the prior year. This increase resulted from increased property tax revenue as well as increased operational and program revenue. In 2024, approximately 21.4% of this total (or \$24.2 million) constitutes unassigned fund balance, which is available for spending at the City's discretion. This is up \$2.6 million from 2023. 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 (\$24.2 million); (2) restricted for building and zoning (\$6.2 million); (3) restricted for transportation (\$5.0 million); (4) restricted for economic development (\$17.0 million); (5) committed for City-wide emergencies (\$5.5 million); (6) assigned to meet debt service requirements (\$19.2 million); and (7) restricted for other purposes (\$2.4 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 \$25.1 million, while the total fund balance was \$33.9 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 43.2% of the total fiscal year 2024 General Fund expenditures, while total fund balance represents 58.3% of that same amount.

General Fund expenditures were \$3.1 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 \$2.1 million less than the original budget, public safety divisions came in \$0.02 million more than budget, and community services was \$0.7 million less than budget. Employee vacancies and reduction in normal operational expenses are reflected in these variance totals as indicated above.

The fund balance in the General Fund increased by \$5.2 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 \$4.3 million resulting from investment interest revenue above original estimate in the amount of \$1.7 million.

The Debt Service Fund reports a total fund balance of \$19.2 million which is totally assigned for the payment of debt service. The substantial increase in fund balance during the current year in the Debt Service Fund was the direct result of debt issued for construction of the new parking garage at 1st Ave. S and reconstruction of the Naples Pier. Debt proceeds will be used to finance construction activities, and as construction expenses are incurred the funds will be made available to the CRA Fund and Beach Fund through interfund loan. 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 \$11.7 million. Of this amount, \$7.6 million is for construction of the 1st Ave. S. Parking Garage.

The Capital Projects Fund reports a total fund balance of \$4.3 million, \$2.9 million is assigned for future capital projects, and \$1.4 million is committed to existing project contractual commitments. Fund balance decreased by \$1.6 million.

The fund balance in the Community Redevelopment Fund increased \$1.1 million in 2024 with an ending fund balance of \$17 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 affordable housing.

The fund balance in the Streets and Traffic Fund increased \$457 thousand in 2024 with an ending fund balance of \$5 million.

The combined fund balances for all governmental (major and non-major) funds increased by \$20.7 million for fiscal year 2024 or 22.4%.

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 \$54.9 million in the Water and Sewer Fund, \$5.7 million in the Solid Waste Fund, \$15.9 million in the Stormwater Fund, (\$2.1) million in the City Dock Fund, \$7.5 million in the Naples Beach Fund, and \$634 thousand in the Tennis Fund.

General Fund Budgetary Highlights

The original adopted budget for fiscal year 2023-2024 was \$59.3 million in expenditures and other financing uses and \$59.2 million in revenues and other financing sources, with the difference of \$158 thousand being a planned decrease in fund balance. The amended budget for fiscal year 2023-2024 is \$61.3 million in expenditures and other financing uses, and \$59.2 million in revenues and other financing sources. The actual fiscal year 2023-2024 is \$58.2 million in expenditures and other financing uses and \$63.4 million in revenues and other financing sources, with the combined net difference of \$5.2 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 \$2 million of which \$700,000 was directly related to recovering from damage caused by Hurricane Ian. The remaining overages were a combination of encumbrances from prior fiscal years as well as legal services.

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 \$275.7 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 \$24.2 million or 10% over last year.

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

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2024	2023	2024	2023	2024	2023
Land	\$ 21,328	16,418	3,142	3,142	24,470	19,560
Buildings	53,379	52,592	64,341	64,340	117,720	116,932
Improvements other than buildings	52,327	51,854	84,041	83,927	136,368	135,781
Infrastructure	57,466	57,262	156,311	151,665	213,777	208,927
Machinery and equipment	47,038	40,756	78,733	69,455	125,771	110,211
Construction in progress	32,344	13,796	13,855	10,468	46,199	24,264
Less accumulated depreciation	(135,187)	(127,519)	(253,387)	(236,652)	(388,574)	(364,171)
Total	<u>\$ 128,695</u>	<u>105,159</u>	<u>147,036</u>	<u>146,345</u>	<u>275,731</u>	<u>251,504</u>

This year's major additions include:

- Land acquisition by the CRA in the amount of \$4.9M at 170 10th Street North for workforce housing;
- Anthony Park improvements in the amount of \$2.2M; and
- Water distribution lines totaling \$2M.

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 5 (D) to the financial statements.

Debt Outstanding

As of September 30, 2024, the City had \$30.4 million in debt (bonds, notes, etc.) outstanding compared to \$8.7 million in 2023, a \$21.7 million increase. The City issued new debt totaling \$23,223,257 (inclusive of original issue premium) as financing for the construction of a new parking garage located at 1st Ave. S. as well as reconstruction of the Naples Pier. This increase is the result of the new debt issuance, partially offset by regular principal payments in accordance with the amortization schedules.

Table 5
Outstanding Debt at Year-End

	2024	2023
Governmental		
2018 Capital improvement revenue note	\$ 1,449,041	1,787,391
2024 Capital improvement revenue note	20,635,000	-
2024 Original issuance premium	2,588,257	-
Subtotal	<u>24,672,298</u>	<u>1,787,391</u>
Business-type		
Public Utilities refunding revenue bonds and		
Special assessment revenue bonds	<u>5,750,185</u>	<u>6,907,712</u>
Subtotal	<u>5,750,185</u>	<u>6,907,712</u>
Total	<u>\$ 30,422,483</u>	<u>8,695,103</u>

Additional information regarding the City's outstanding debt is included in the Note 5 (G) to the financial statements.

Economic Factors and Next Year Budget and Rates

In September 2024, the City Council approved a \$208.8 million budget for fiscal year 2024-2025, approximately \$11.6 million more than the fiscal year 2023-2024 budget. The budget includes \$152.4 million for operations and transfers, \$7.2 million for debt service, and \$49.2 million for capital improvements and interfund transfers.

The adopted fiscal year 2024-25 budget continues the City's fiscally conservative approach to budget development, while providing quality services to the citizens.

The budget for fiscal year 2024-2025 was developed with an emphasis on:

- The City's 10-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 \$2.4 million in equipment, citywide lake management & restoration improvements, basin drainage improvements, and citywide stormwater improvement. Water and Sewer infrastructure, equipment, and facilities improvements budgeted include: \$2.5 million in wastewater collections improvements; \$3 million in water production improvements; \$5.8 million in water distribution improvements; \$2 million in utilities maintenance improvements; and \$600 thousand in wastewater treatment improvements.

The City's fiscal year 2024-2025 General Fund budget was balanced using a millage rate of 1.2300 which increased 0.06 from fiscal year 2023-2024. 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 1.12473 is greater than the aggregate roll back rate of 1.1126 mills.

The following economic and operating factors were considered in developing the budget for fiscal year 2024-2025:

- The City showed the fourteenth consecutive year of increase in taxable value as values increased 11.18% over fiscal year 2023-2024 to \$38.519 billion.
- The City expects minimal fluctuations for most other revenue sources, including an incremental increase in investment earnings consistent with that increase experienced in fiscal year 2023-2024.
- The City has five union contracts for its employees. All union contracts included negotiated increases ranging from 5% to 7% effective October 1, 2022. In preparation of the annual budget salary increases were estimated between 4% and 10% for all employees of collective bargaining units. Non-union employees were received pay adjustments based on a salary survey which led to a revised pay and classification plan to better align the pay scale for each position. Non-bargaining positions received a 4% cost of living increase on October 1, 2024 as well as a merit component. 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 2023-2024. 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 20 positions over the fiscal year 2023-2024.

- Within the next one or two years the Stormwater Fund will 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 supplemented by \$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, 2024

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Assets			
Cash and cash equivalents	\$ 34,387,932	18,114,452	52,502,384
Investments	109,715,453	58,566,761	168,282,214
Restricted cash	-	152,587	152,587
Receivables (net, where applicable, of allowance for uncollectible)	1,602,436	14,682,300	16,284,736
Accrued interest	656,860	360,184	1,017,044
Internal balances	(2,789,038)	2,789,038	-
Due from other governments	1,199,643	12,506	1,212,149
Inventories	123,884	1,279,202	1,403,086
Prepaid items	116,124	39,990	156,114
Capital assets not being depreciated	53,672,660	16,995,979	70,668,639
Capital assets, net of accumulated depreciation	75,022,473	130,039,758	205,062,231
Net capital assets	128,695,133	147,035,737	275,730,870
Total assets	273,708,427	243,032,757	516,741,184
Deferred Outflows of Resources			
Deferred outflows - pensions	20,551,121	1,627,041	22,178,162
Deferred outflows - OPEB	661,313	297,110	958,423
Deferred charge on refunding	-	26,043	26,043
Total deferred outflows of resources	21,212,434	1,950,194	23,162,628
Liabilities			
Accounts payable and other current liabilities	10,035,620	5,038,554	15,074,174
Due to other governments	47,616	1,893,460	1,941,076
Unearned revenue	648,964	20,898	669,862
Accrued interest payable	9,962	24,039	34,001
Customer deposits	1,483,310	92,759	1,576,069
Noncurrent liabilities			
Due within one year	15,589,975	2,380,470	17,970,445
Due in more than one year	64,451,765	9,540,454	73,992,219
Total liabilities	92,267,212	18,990,634	111,257,846
Deferred Inflows of Resources			
Deferred inflows - pensions	771,450	269,191	1,040,641
Deferred inflows - OPEB	1,260,831	566,460	1,827,291
Total deferred inflows of resources	2,032,281	835,651	2,867,932
Net Position			
Net investment in capital assets	117,851,254	141,311,595	259,162,849
Restricted for			
Building and zoning	6,203,916	-	6,203,916
Capital projects	23,580,671	-	23,580,671
Streets and infrastructure	4,976,270	-	4,976,270
Economic development	16,979,939	-	16,979,939
Police programs	738,341	-	738,341
Culture and recreation improvements	1,488,326	-	1,488,326
Unrestricted	28,802,651	83,845,071	112,647,722
Total net position	\$ 200,621,368	225,156,666	425,778,034

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

CITY OF NAPLES, FLORIDAStatement of Activities
Year Ended September 30, 2024

	Expenses	Indirect Expenses Allocation
Functions/programs		
Governmental activities		
General government	\$ 20,936,746	(3,848,610)
Public safety	42,783,556	493,070
Physical and economic environment	3,759,896	119,610
Transportation	4,826,468	152,130
Culture and recreation	11,495,661	-
Interest	292,862	-
Total governmental activities	<u>84,095,189</u>	<u>(3,083,800)</u>
Business-type activities		
Water and sewer	38,721,070	1,956,800
Solid waste	8,626,952	472,060
Stormwater	6,261,312	246,340
Dock	2,339,911	94,320
Beach	3,071,450	250,260
Tennis	969,699	64,020
Total business-type activities	<u>59,990,394</u>	<u>3,083,800</u>
Total primary government	<u>\$ 144,085,583</u>	<u>-</u>

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
5,145,303	637,500	2,989,314	(8,316,019)	-	(8,316,019)
8,358,317	-	182,268	(34,736,041)	-	(34,736,041)
33,270	8,675,141	58,974	4,887,879	-	4,887,879
146,751	317,125	74,785	(4,439,937)	-	(4,439,937)
1,646,429	-	2,691,443	(7,157,789)	-	(7,157,789)
-	-	-	(292,862)	-	(292,862)
15,330,070	9,629,766	5,996,784	(50,054,769)	-	(50,054,769)
43,060,618	243,948	1,205,619	-	3,832,315	3,832,315
10,429,165	-	-	-	1,330,153	1,330,153
6,671,815	-	7,367,064	-	7,531,227	7,531,227
2,543,643	-	-	-	109,412	109,412
3,721,929	-	304,497	-	704,716	704,716
945,804	-	25,012	-	(62,903)	(62,903)
67,372,974	243,948	8,902,192	-	13,444,920	13,444,920
82,703,044	9,873,714	14,898,976	(50,054,769)	13,444,920	(36,609,849)
General revenues					
Property taxes			39,648,880	-	39,648,880
Local communication and utility taxes			8,165,059	-	8,165,059
Insurance premium tax			2,249,471	-	2,249,471
Motor fuel taxes			1,131,995	-	1,131,995
Business tax			249,986	-	249,986
Franchise fees			4,489,103	-	4,489,103
Intergovernmental revenues—unrestricted			4,632,724	-	4,632,724
Unrestricted investment income			7,620,910	4,872,911	12,493,821
Gain on sale of capital assets			196,414	582,241	778,655
Transfers			2,067,600	(2,067,600)	-
Total general revenues and transfers			70,452,142	3,387,552	73,839,694
Change in net position			20,397,373	16,832,472	37,229,845
Net position, beginning			180,223,995	208,324,194	388,548,189
Net position, ending			\$ 200,621,368	225,156,666	425,778,034

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

CITY OF NAPLES, FLORIDA

Balance Sheet Governmental Funds September 30, 2024

	General Fund	Debt Service Fund	Capital Projects Fund	Community Redevelopment Fund
Assets				
Cash and cash equivalents	\$ 7,891,492	4,478,003	1,073,049	4,339,449
Investments	25,285,766	14,357,123	3,440,351	13,912,897
Receivables (net, where applicable, of allowance for uncollectible)				
Accounts	762,449	-	-	-
Special assessments	-	-	342,530	-
Utility taxes	-	356,395	-	-
Accrued interest	228,473	24,706	51,449	69,229
Due from other funds	208,700	-	-	-
Advances due from other funds	1,461,650	-	-	-
Due from other governments	1,015,680	-	-	-
Inventories	-	-	-	-
Prepaid items	16,124	-	-	-
Total assets	\$ 36,870,334	19,216,227	4,907,379	18,321,575
Liabilities				
Accounts payable	\$ 1,881,080	-	254,033	1,323,825
Accrued payroll	854,520	-	-	17,811
Due to other governments	7,589	-	-	-
Due to other funds	-	-	-	-
Advances payable to other funds	-	-	-	-
Unearned revenue	214,639	-	273,243	-
Customer deposits	-	-	-	-
Total liabilities	2,957,828	-	527,276	1,341,636
Deferred inflows of resources				
Unavailable revenue	17,172	-	40,810	-
Fund balances				
Nonspendable	1,477,774	-	-	-
Restricted	-	-	-	16,979,939
Committed	5,576,638	-	1,402,106	-
Assigned	1,714,853	19,216,227	2,937,187	-
Unassigned	25,126,069	-	-	-
Total fund balances	33,895,334	19,216,227	4,339,293	16,979,939
Total liabilities, deferred inflows of resources and fund balances	\$ 36,870,334	19,216,227	4,907,379	18,321,575

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
609,558	1,231,568	569,176	4,831,720	4,192,638	29,216,653
1,954,332	3,948,587	1,824,861	15,491,193	13,442,200	93,657,310
-	-	-	-	-	762,449
-	-	139,407	-	-	481,937
-	-	-	-	-	356,395
-	29,709	9,723	66,921	92,354	572,564
-	-	-	-	-	208,700
-	-	-	-	-	1,461,650
-	183,963	-	-	-	1,199,643
-	15,725	-	-	-	15,725
-	-	-	-	-	16,124
<u>2,563,890</u>	<u>5,409,552</u>	<u>2,543,167</u>	<u>20,389,834</u>	<u>17,727,192</u>	<u>127,949,150</u>
2,563,890	392,010	174,759	1,550,155	284,000	8,423,752
-	25,547	-	-	78,274	976,152
-	-	-	-	40,027	47,616
-	-	400,000	-	-	400,000
-	-	2,730,000	-	-	2,730,000
-	-	156,745	-	-	644,627
-	-	-	-	1,483,310	1,483,310
<u>2,563,890</u>	<u>417,557</u>	<u>3,461,504</u>	<u>1,550,155</u>	<u>1,885,611</u>	<u>14,705,457</u>
-	-	-	-	-	57,982
-	15,725	-	-	-	1,493,499
-	4,976,270	-	18,839,679	13,171,575	53,967,463
-	-	-	-	2,517,809	9,496,553
-	-	-	-	152,197	24,020,464
-	-	(918,337)	-	-	24,207,732
-	4,991,995	(918,337)	18,839,679	15,841,581	113,185,711
<u>2,563,890</u>	<u>5,409,552</u>	<u>2,543,167</u>	<u>20,389,834</u>	<u>17,727,192</u>	<u>127,949,150</u>

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, 2024

Total fund balances governmental funds (page 21)		\$ 113,185,711
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 (\$128,695,133) less amounts included in the internal service funds (\$2,698,737).		125,996,396
Some deferred inflows of resources are not available to pay for current period expenditures and, therefore, are reported as unavailable revenue in the funds.		57,982
Accrued interest on long-term debt is not due and payable in the current period and, therefore, is not reported in the funds.		(9,962)
Deferred outflows (\$20,551,121), deferred inflows (\$771,450), and the net pension liability (\$42,853,849) related to the City's pension plans less amounts reported in the internal service funds (\$338,869) are not expected to be liquidated with expendable available financial resources and, therefore, are not reported in the funds.		(22,735,309)
Deferred outflows (\$661,313), deferred inflows (\$1,260,831), and the total OPEB liability (\$3,015,397) related to the City's other post-employment benefit plan less amounts reported in the internal service funds (\$209,561) are not expected to be liquidated with expendable available financial resources and, therefore, are not reported in the funds.		(3,405,354)
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 (\$34,172,494) less the amounts reported in the internal service funds (\$5,980,075) for compensated absences, and insurance claims payable.		
Debt payable	\$ (24,672,298)	
Compensated absences	<u>(3,520,121)</u>	(28,192,419)
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.		<u>15,724,323</u>
Net position of governmental activities (page 19)		<u><u>\$ 200,621,368</u></u>

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, 2024

	General Fund	Debt Service Fund	Capital Projects Fund	Community Redevelopment Fund
Revenues				
Taxes	\$ 39,990,820	5,201,367	-	2,288,854
Permits, fees and assessments	4,936,195	-	154,321	-
Intergovernmental	5,912,724	-	-	6,268,525
Charges for services	2,708,186	-	-	-
Charges to other funds	4,628,340	-	-	-
Fines and forfeitures	148,542	-	-	-
Investment earnings	2,809,467	269,540	466,529	967,283
Donations	-	-	-	-
Miscellaneous	229,704	-	-	-
Total revenues	61,363,978	5,470,907	620,850	9,524,662
Expenditures				
Current				
General government	15,870,945	20,870	110,000	-
Public safety	33,223,326	-	-	-
Physical and economic environment	-	-	-	1,520,055
Transportation	-	-	-	-
Culture and recreation	8,871,542	-	-	-
Capital outlay				
General government	152,411	-	321,068	-
Public safety	61,196	-	4,719,806	-
Physical and economic environment	-	-	-	14,530,692
Transportation	-	-	137,130	-
Culture and recreation	2,998	-	1,154,683	-
Debt service				
Principal	-	338,350	-	-
Interest and fiscal charges	-	256,908	-	-
Total expenditures	58,182,418	616,128	6,442,687	16,050,747
Excess (deficiency) of revenues over (under) expenditures	3,181,560	4,854,779	(5,821,837)	(6,526,085)
Other financing sources (uses)				
Transfers in	2,067,600	-	4,100,000	7,590,649
Transfers out	-	(11,690,649)	-	-
Debt issued	-	23,223,257	-	-
Proceeds from sale of capital assets	-	-	82,437	-
Total other financing sources (uses)	2,067,600	11,532,608	4,182,437	7,590,649
Change in fund balances	5,249,160	16,387,387	(1,639,400)	1,064,564
Fund balances, beginning of year	28,646,174	2,828,840	5,978,693	15,915,375
Fund balances (deficit), end of year	\$ 33,895,334	19,216,227	4,339,293	16,979,939

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
-	3,386,970	543,371	-	34,009	51,445,391
-	327,235	23,270	-	7,610,177	13,051,198
2,563,890	611,910	-	2,161,314	9,500	17,527,863
-	-	-	-	10,000	2,718,186
-	-	-	-	-	4,628,340
-	-	-	-	46,621	195,163
-	343,054	148,717	660,914	917,632	6,583,136
-	-	-	-	628,000	628,000
-	366,468	-	-	-	596,172
<u>2,563,890</u>	<u>5,035,637</u>	<u>715,358</u>	<u>2,822,228</u>	<u>9,255,939</u>	<u>97,373,449</u>
-	-	-	-	234,109	16,235,924
-	-	-	-	6,481,510	39,704,836
-	-	90	-	750,871	2,271,016
-	4,118,685	-	-	-	4,118,685
-	-	-	-	124,192	8,995,734
2,563,890	-	-	95,207	38,959	3,171,535
-	-	-	-	154,249	4,935,251
-	-	1,916,156	3,352,991	-	19,799,839
-	459,976	-	263,130	-	860,236
-	-	-	-	126,840	1,284,521
-	-	-	-	-	338,350
-	-	38,280	-	-	295,188
<u>2,563,890</u>	<u>4,578,661</u>	<u>1,954,526</u>	<u>3,711,328</u>	<u>7,910,730</u>	<u>102,011,115</u>
<u>-</u>	<u>456,976</u>	<u>(1,239,168)</u>	<u>(889,100)</u>	<u>1,345,209</u>	<u>(4,637,666)</u>
-	-	-	-	-	13,758,249
-	-	-	-	-	(11,690,649)
-	-	-	-	-	23,223,257
-	-	-	-	-	82,437
-	-	-	-	-	25,373,294
-	456,976	(1,239,168)	(889,100)	1,345,209	20,735,628
-	4,535,019	320,831	19,728,779	14,496,372	92,450,083
-	4,991,995	(918,337)	18,839,679	15,841,581	113,185,711

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, 2024

Net change in fund balances—total governmental funds (page 25) \$ 20,735,628

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	\$ 29,782,005	
Less current year depreciation	<u>(7,612,497)</u>	22,169,508

The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to decrease net position. (2)

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.

Debt issued		(23,223,257)
Repayment of principal of long-term debt		338,350

Some revenues reported in the Statement of Activities do not provide current financial resources and, therefore, are not reported as revenues in governmental funds. (94,475)

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	(287,204)	
Deferred outflows - pensions	(9,445,287)	
Deferred outflows - OPEB	97,756	
Accrued interest	2,326	
Net pension liability	6,650,739	
Total OPEB liability	23,023	
Deferred inflows - pensions	(283,480)	
Deferred inflows - OPEB	<u>(112,536)</u>	(3,354,663)

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.

Change in net position of governmental activities (page 26)		<u>3,826,284</u>
		<u><u>\$ 20,397,373</u></u>

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, 2024

Assets	Business-Type Activities—Enterprise Funds			
	Water and Sewer Fund	Solid Waste Fund	Stormwater Fund	City Dock Fund
Current assets				
Cash and cash equivalents	\$ 10,741,780	1,214,314	3,929,230	124,685
Investments	34,928,910	3,893,267	12,597,678	399,759
Restricted cash	152,587	-	-	-
Receivables (net, where applicable, of allowance for uncollectible)				
Accounts	8,765,912	1,604,112	944,039	28,543
Special assessments	3,339,694	-	-	-
Accrued interest	219,722	24,403	66,363	6,179
Advances due from other funds	2,991,700	-	411,650	-
Due from other governments	-	-	-	-
Due from other funds	437,600	-	58,700	-
Prepaid items	-	-	-	-
Inventories	1,250,463	-	-	23,365
Total current assets	<u>62,828,368</u>	<u>6,736,096</u>	<u>18,007,660</u>	<u>582,531</u>
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	-	6,954,680
Infrastructure	105,546,793	-	50,765,758	-
Equipment	64,692,981	8,866,358	2,729,770	244,635
Accumulated depreciation	(196,919,291)	(9,148,228)	(33,950,297)	(2,762,185)
Construction in progress	6,710,857	-	5,565,563	8,695
Net capital assets	<u>107,896,588</u>	<u>5,903,375</u>	<u>25,345,660</u>	<u>4,445,825</u>
Total assets	<u>170,724,956</u>	<u>12,639,471</u>	<u>43,353,320</u>	<u>5,028,356</u>
Deferred Outflow of Resources				
Deferred outflows - pensions	995,736	256,020	164,985	34,204
Deferred outflows - OPEB	201,269	47,921	19,168	4,792
Deferred charge on refunding	26,043	-	-	-
Total deferred outflows of resources	<u>1,223,048</u>	<u>303,941</u>	<u>184,153</u>	<u>38,996</u>

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

Nonmajor Funds	Total	Governmental Activities— Internal Service Funds
2,104,443	18,114,452	5,171,279
6,747,147	58,566,761	16,058,143
-	152,587	-
-	11,342,606	1,655
-	3,339,694	-
43,517	360,184	84,296
-	3,403,350	-
12,506	12,506	-
-	496,300	-
39,990	39,990	100,000
5,374	1,279,202	108,159
8,952,977	97,107,632	21,523,532
-	3,141,603	-
2,537,944	64,340,358	846,944
7,744,739	84,040,761	-
-	156,312,551	-
2,199,067	78,732,811	6,715,440
(10,606,722)	(253,386,723)	(5,065,350)
1,569,261	13,854,376	201,703
3,444,289	147,035,737	2,698,737
12,397,266	244,143,369	24,222,269
176,096	1,627,041	240,131
23,960	297,110	38,336
-	26,043	-
200,056	1,950,194	278,467

(Continued)

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, 2024

Liabilities	Business-Type Activities—Enterprise Funds			
	Water and Sewer Fund	Solid Waste Fund	Stormwater Fund	City Dock Fund
Current liabilities				
Accounts payable	\$ 2,621,691	234,485	1,665,825	45,054
Accrued payroll	191,448	43,481	34,159	5,506
Due to other funds	-	-	-	305,000
Due to other governments	1,893,460	-	-	-
Unearned revenue	17,237	-	-	3,661
Accrued interest payable	24,039	-	-	-
Current portion of compensated absences	247,000	42,000	-	19,000
Current maturities of long-term debt	1,186,185	-	-	-
Current portion of net pension liability	479,662	123,329	79,476	16,476
Current portion of total OPEB liability	55,218	13,147	5,259	1,315
Insurance claims payable	-	-	-	-
Total payable from current assets	<u>6,715,940</u>	<u>456,442</u>	<u>1,784,719</u>	<u>396,012</u>
Current liabilities (payable from restricted assets)				
Customer deposits	16,612	-	-	76,147
Total current liabilities	<u>6,732,552</u>	<u>456,442</u>	<u>1,784,719</u>	<u>472,159</u>
Noncurrent liabilities				
Due in more than one year				
Revenue bonds payable, net of				
current maturities	4,564,000	-	-	-
Compensated absences	426,110	138,911	86,748	(8,151)
Advances due to other funds	-	-	-	2,135,000
Net pension liability	1,756,499	451,624	291,036	60,338
Total OPEB liability	862,512	205,360	82,144	20,536
Insurance claims payable	-	-	-	-
Total noncurrent liabilities	<u>7,609,121</u>	<u>795,895</u>	<u>459,928</u>	<u>2,207,723</u>
Total liabilities	<u>14,341,673</u>	<u>1,252,337</u>	<u>2,244,647</u>	<u>2,679,882</u>
Deferred Inflows of Resources				
Deferred inflows - pension	164,743	42,358	27,296	5,659
Deferred inflows - OPEB	383,731	91,365	36,546	9,136
Total deferred inflows of resources	<u>548,474</u>	<u>133,723</u>	<u>63,842</u>	<u>14,795</u>
Net Position				
Net investment in capital assets	102,172,446	5,903,375	25,345,660	4,445,825
Restricted for flexible benefits	-	-	-	-
Unrestricted	54,885,411	5,653,977	15,883,324	(2,073,150)
Net position of business-type activities	<u>\$ 157,057,857</u>	<u>11,557,352</u>	<u>41,228,984</u>	<u>2,372,675</u>

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
159,298	4,726,353	421,014
37,607	312,201	214,702
-	305,000	-
-	1,893,460	-
-	20,898	4,337
-	24,039	-
21,000	329,000	31,000
-	1,186,185	-
84,829	783,772	115,675
6,574	81,513	10,518
-	-	1,611,054
<u>309,308</u>	<u>9,662,421</u>	<u>2,408,300</u>
-	92,759	-
<u>309,308</u>	<u>9,755,180</u>	<u>2,408,300</u>
-	4,564,000	-
189,470	833,088	202,021
-	2,135,000	-
310,638	2,870,135	423,595
102,679	1,273,231	164,288
-	-	4,136,000
<u>602,787</u>	<u>11,675,454</u>	<u>4,925,904</u>
<u>912,095</u>	<u>21,430,634</u>	<u>7,334,204</u>
29,135	269,191	39,730
45,682	566,460	73,091
<u>74,817</u>	<u>835,651</u>	<u>112,821</u>
3,444,289	141,311,595	2,698,737
-	-	375,785
<u>8,166,121</u>	<u>82,515,683</u>	<u>13,979,189</u>
<u>11,610,410</u>	<u>223,827,278</u>	<u>17,053,711</u>
	<u>1,329,388</u>	
	<u>\$ 225,156,666</u>	

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, 2024

	Business-Type Activities—Enterprise Funds			
	Water and Sewer Fund	Solid Waste Fund	Stormwater Fund	City Dock Fund
Operating revenues				
Charges for services				
Water revenues	\$ 23,842,406	-	-	-
Sewer revenues	19,162,667	-	-	-
Intergovernmental	243,948	-	-	-
Other	55,545	10,429,165	6,671,815	2,543,643
Total operating revenues	<u>43,304,566</u>	<u>10,429,165</u>	<u>6,671,815</u>	<u>2,543,643</u>
Operating expenses				
Personal services	10,499,891	2,685,562	1,752,051	335,975
Supplies, services and claims	7,576,182	5,057,947	1,505,516	1,550,976
Materials	4,033,273	-	-	-
Utilities	2,206,045	11,360	46,261	77,935
Depreciation and amortization	12,886,685	760,250	2,879,665	318,400
General administration	1,956,800	472,060	246,340	94,320
Other	1,644,922	169,651	90,071	-
Total operating expenses	<u>40,803,798</u>	<u>9,156,830</u>	<u>6,519,904</u>	<u>2,377,606</u>
Operating income	<u>2,500,768</u>	<u>1,272,335</u>	<u>151,911</u>	<u>166,037</u>
Nonoperating revenues (expenses)				
Investment earnings	2,960,576	343,443	792,972	103,807
Interest expense	(188,303)	-	-	(76,250)
Gain on sale of capital assets	107,831	42,035	228,274	-
Total nonoperating revenues (expenses)	<u>2,880,104</u>	<u>385,478</u>	<u>1,021,246</u>	<u>27,557</u>
Income before capital contributions and transfers	5,380,872	1,657,813	1,173,157	193,594
Capital contributions	1,205,619	-	7,367,064	-
Transfers out	(1,722,000)	(345,600)	-	-
Change in net position	<u>4,864,491</u>	<u>1,312,213</u>	<u>8,540,221</u>	<u>193,594</u>
Net position, beginning of year	152,193,366	10,245,139	32,688,763	2,179,081
Net position, end of year	<u>\$ 157,057,857</u>	<u>11,557,352</u>	<u>41,228,984</u>	<u>2,372,675</u>

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.

<u>Nonmajor Funds</u>	<u>Totals</u>	<u>Governmental Activities— Internal Service Funds</u>
-	23,842,406	-
-	19,162,667	-
-	243,948	-
4,667,733	24,367,901	21,891,140
<u>4,667,733</u>	<u>67,616,922</u>	<u>21,891,140</u>
1,845,093	17,118,572	2,322,813
1,482,168	17,172,789	16,314,014
-	4,033,273	-
152,918	2,494,519	35,895
498,748	17,343,748	395,644
314,280	3,083,800	543,030
79,909	1,984,553	11,600
<u>4,373,116</u>	<u>63,231,254</u>	<u>19,622,996</u>
<u>294,617</u>	<u>4,385,668</u>	<u>2,268,144</u>
672,113	4,872,911	1,037,774
-	(264,553)	-
204,101	582,241	113,979
<u>876,214</u>	<u>5,190,599</u>	<u>1,151,753</u>
1,170,831	9,576,267	3,419,897
329,509	8,902,192	828,000
-	(2,067,600)	-
<u>1,500,340</u>	<u>16,410,859</u>	<u>4,247,897</u>
<u>10,110,070</u>		<u>12,805,814</u>
<u>11,610,410</u>		<u>17,053,711</u>
	421,613	
	<u>\$ 16,832,472</u>	

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, 2024

	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	\$ 41,877,249	10,058,728	6,498,759	2,539,344
Cash payments to suppliers	(16,357,253)	(5,222,791)	(257,519)	(1,605,148)
Cash payments to employees for services	(9,996,805)	(2,521,542)	(1,651,848)	(94,320)
Cash payments for interfund services	(1,956,800)	(472,060)	(246,340)	(338,948)
Net cash provided by operating activities	<u>13,566,391</u>	<u>1,842,335</u>	<u>4,343,052</u>	<u>500,928</u>
Cash flows from noncapital financing activities				
Transfers in (out)	(1,722,000)	(345,600)	-	-
Loans/advances and repayments from other funds	(34,800)	-	117,400	(610,000)
Nonoperating grants	-	-	-	-
Net cash provided by (used in) noncapital financing activities	<u>(1,756,800)</u>	<u>(345,600)</u>	<u>117,400</u>	<u>(610,000)</u>
Cash flows from capital and related financing activities				
Principal paid on long-term debt	(1,157,527)	-	-	-
Interest paid on long-term debt	(184,134)	-	-	(76,250)
Capital contributions	1,205,619	-	7,367,064	-
Proceeds from sale of capital assets	139,690	42,035	228,273	-
Acquisition and construction of capital assets	(10,434,927)	(1,769,521)	(5,050,368)	(92,365)
Net cash provided by (used in) capital and related financing activities	<u>(10,431,279)</u>	<u>(1,727,486)</u>	<u>2,544,969</u>	<u>(168,615)</u>
Cash flows from investing activities				
Purchase of investments	(7,423,034)	(1,523,860)	(1,483,536)	-
Sale of investments	10,056,341	2,148,498	(3,177,812)	270,567
Interest and investment earnings	1,406,841	161,035	432,337	39,580
Net cash provided by (used in) investing activities	<u>4,040,148</u>	<u>785,673</u>	<u>(4,229,011)</u>	<u>310,147</u>
Net change in cash and cash equivalents	5,418,460	554,922	2,776,410	32,460
Cash and cash equivalents, beginning of year	5,475,907	659,392	1,152,820	92,225
Cash and cash equivalents, end of year	<u>\$ 10,894,367</u>	<u>1,214,314</u>	<u>3,929,230</u>	<u>124,685</u>
Reconciliation of operating income to net cash provided by operating activities				
Operating income	\$ 2,500,768	1,272,335	151,911	166,037
Adjustments to reconcile operating income to net cash provided by operating activities				
Depreciation and amortization	12,886,685	760,250	2,879,665	318,400
Changes in assets - (increase) decrease				
Accounts receivable, net	(1,427,317)	(370,437)	(173,056)	(5,873)
Due from other governments	-	-	-	-
Inventories	(96,151)	-	-	711
Decrease in prepaid items	-	-	-	-
Deferred outflows	605,690	152,060	106,975	29,063
Changes in liabilities - increase (decrease)				
Accounts payable	(698,138)	16,167	1,384,329	23,052
Accrued payroll	38,926	6,325	9,479	393
Due to other governments	(102,542)	-	-	-
Unearned revenue	-	-	-	767
Customer deposits	-	-	-	807
Insurance claims payable	-	-	-	-
Deferred inflows	128,006	32,413	18,451	3,658
Net pension liability	(235,239)	(54,015)	(45,624)	(20,073)
Total OPEB liability	(7,438)	(1,771)	(708)	(177)
Compensated absences	(26,859)	29,008	11,630	(15,837)
Net cash provided by operating activities	<u>\$ 13,566,391</u>	<u>1,842,335</u>	<u>4,343,052</u>	<u>500,928</u>
Noncash investing, capital, and financing activities				
Unrealized gains on investments	\$ (1,507,731)	(176,330)	(345,931)	(63,096)
Amortization of loss on revenue refunding bonds	7,440	-	-	-
Total noncash investing, capital and financing activities	<u>\$ (1,500,291)</u>	<u>(176,330)</u>	<u>(345,931)</u>	<u>(63,096)</u>

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

Nonmajor Funds	Total	Governmental Activities— Internal Service Funds
4,667,733	65,641,813	21,920,457
(2,159,416)	(25,602,127)	(16,266,073)
(1,367,107)	(15,631,622)	(1,002,726)
(645,564)	(3,659,712)	(1,704,824)
<u>495,646</u>	<u>20,748,352</u>	<u>2,946,834</u>
-	(2,067,600)	-
-	(527,400)	-
(12,506)	(12,506)	-
<u>(12,506)</u>	<u>(2,607,506)</u>	<u>-</u>
-	(1,157,527)	-
-	(260,384)	-
329,509	8,902,192	828,000
204,101	614,099	113,979
(719,274)	(18,066,455)	(1,761,711)
<u>(185,664)</u>	<u>(9,968,075)</u>	<u>(819,732)</u>
(705,043)	(11,135,473)	(2,910,911)
1,154,196	10,451,790	2,925,589
317,268	2,357,061	481,826
<u>766,421</u>	<u>1,673,378</u>	<u>496,504</u>
1,063,897	9,846,149	2,623,606
1,040,546	8,420,890	2,547,673
<u>2,104,443</u>	<u>18,267,039</u>	<u>5,171,279</u>
294,617	4,385,668	2,268,144
498,748	17,343,748	395,644
-	(1,976,683)	5,655
59,768	59,768	23,662
1,018	(94,422)	(46,594)
-	-	-
131,843	1,025,631	137,968
(505,207)	220,203	9,329
12,359	67,482	44,509
-	(102,542)	-
-	767	-
-	807	-
-	-	102,300
19,512	202,040	29,462
(76,259)	(431,210)	(42,049)
(886)	(10,980)	(1,416)
60,133	58,075	20,220
<u>495,646</u>	<u>20,748,352</u>	<u>2,946,834</u>
(390,631)	(2,483,719)	(540,575)
-	7,440	-
<u>(390,631)</u>	<u>(2,476,279)</u>	<u>(540,575)</u>

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, 2024

	Pension Trust Funds
Assets	
Cash and cash equivalents	\$ 6,370,234
Contributions receivable	514,808
Investments, at fair value	
U.S. Treasury securities	24,369,309
U.S. government agency securities	4,950,629
Asset-backed securities	3,006,222
Corporate bonds	5,790,025
Common stock/equity funds	153,417,714
Real estate investment trusts	13,115,273
Alternative investments	23,727,036
Total investments	228,376,208
Total assets	235,261,250
Liabilities	
Accounts payable	10,030
Total liabilities	10,030
Net position	
Restricted for pension benefits	\$ 235,251,220

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, 2024

	Pension Trust Funds
Additions	
Contributions	
Employee contributions	\$ 1,431,464
Employer contributions	8,603,236
State contributions	2,249,470
Total contributions	<u>12,284,170</u>
Investment earnings	
Interest and dividend income	5,157,042
Net appreciation in fair value of investments	37,507,695
Less investment expense	(919,360)
Net investment earnings	<u>41,745,377</u>
Total additions	<u>54,029,547</u>
Deductions	
Benefits paid	14,855,875
Refunds of contributions	564,428
General administration	460,245
Total deductions	<u>15,880,548</u>
Change in net position	38,148,999
Net position, restricted for pension benefits	
Beginning of year	197,102,221
End of year	<u>\$ 235,251,220</u>

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

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THE CITY OF NAPLES, FLORIDA

Notes to Financial Statements September 30, 2024

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.

THE CITY OF NAPLES, FLORIDA

Notes to Financial Statements September 30, 2024

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.

THE CITY OF NAPLES, FLORIDA

Notes to Financial Statements September 30, 2024

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.

THE CITY OF NAPLES, FLORIDA

Notes to Financial Statements September 30, 2024

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.

THE CITY OF NAPLES, FLORIDA

Notes to Financial Statements September 30, 2024

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 and prepaid items

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.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

4. Restricted Assets

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

THE CITY OF NAPLES, FLORIDA

Notes to Financial Statements September 30, 2024

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.

THE CITY OF NAPLES, FLORIDA

Notes to Financial Statements September 30, 2024

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.

THE CITY OF NAPLES, FLORIDA

Notes to Financial Statements September 30, 2024

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.

THE CITY OF NAPLES, FLORIDA

Notes to Financial Statements September 30, 2024

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 \$4,522,510 for fiscal year 2024, and included \$3,083,800 charged to enterprise funds, \$543,030 charged to internal service and fiduciary funds, and \$895,680 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 actuarial 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.

THE CITY OF NAPLES, FLORIDA

Notes to Financial Statements September 30, 2024

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.

THE CITY OF NAPLES, FLORIDA

Notes to Financial Statements September 30, 2024

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 various funds related to Hurricane Ian recovery and \$800,000 from a State of Florida cybersecurity grant.

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	\$ 1,714,853
Capital Projects Fund	1,402,106
Community Redevelopment Fund	9,635,598
Streets and Traffic Fund	1,986,063
East Naples Bay District Fund	1,785,178
Sales Tax Fund	12,342,647
Nonmajor governmental funds	299,358
Internal service funds	376,430
Business-type activities	
Water and Sewer Fund	10,035,025
Solid Waste Fund	1,017,154
Stormwater Fund	73,737,172
City Dock	784,359
Nonmajor Business-type funds	913,189
	<u>\$ 116,029,132</u>

The East Naples Bay District Fund reported a deficit of \$918,337. The City expects the deficit to be recovered from subsequent grant and or debt revenues to cover the current year capital expenditures.

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 \$52,654,971.

THE CITY OF NAPLES, FLORIDA

Notes to Financial Statements September 30, 2024

NOTE 3 – DETAILED NOTES ON ALL FUNDS (Continued)

Investment Portfolios

Investment holdings consist of a \$168,282,214 General Investment Portfolio and a \$228,376,208 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, 2024, the City had the following investments with effective durations presented in terms of years:

General Investment Portfolio

<u>Investment Type</u>	<u>Credit Rating (Moody's)</u>	<u>Fair Market</u>	<u>Investment Maturity (in Years)</u>	
			<u>Less Than 1</u>	<u>1 - 5</u>
U.S. Treasury securities	Aaa	\$ 95,184,641	10,768,434	84,416,207
U.S. government agency securities	Aaa	13,898,468	13,898,468	-
Other government	Aaa	22,873,414	7,882,176	14,991,238
Corporate bonds	Aaa..Aa2	3,295,314	-	3,295,314
Money market fund	Aaa..Aa2	4,850,170	4,850,170	-
State investment pool	AAAm	28,180,207	28,180,207	-
Total investments		<u>\$ 168,282,214</u>	<u>65,579,455</u>	<u>102,702,759</u>

THE CITY OF NAPLES, FLORIDA

Notes to Financial Statements September 30, 2024

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		\$ 24,369,309	-	22,603,818	1,765,491	-
U.S. government agency securities		4,950,629	-	115	1,663,438	3,287,076
Asset-backed securities	Aaa..Baa3	3,006,222	377,808	1,033,274	170,921	1,424,219
Corporate bonds	Aaa..Ba3	5,790,025	432,772	3,241,214	1,776,410	339,629
		38,116,185	<u>\$ 810,580</u>	<u>26,878,421</u>	<u>5,376,260</u>	<u>5,050,924</u>
Common stock/equity funds	Not rated	153,417,714				
Real estate investment trusts	Not rated	13,115,273				
Alternative investments	Not rated	23,727,036				
Total investments		<u>\$ 228,376,208</u>				

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, 2024:

General Investment Portfolio

Investment Type	Fair Value	Level 1	Level 2	Level 3
U.S. Treasury securities	\$ 95,184,641	95,184,641	-	-
U.S. government agency securities	13,898,468	-	13,898,468	-
Other government	22,873,414	-	22,873,414	-
Corporate bonds	3,295,314	-	3,295,314	-
		<u>95,184,641</u>	<u>40,067,196</u>	<u>-</u>
Investments exempt from level disclosure:				
Money market fund	4,850,170			
State investment pool	28,180,207			
Total investments	<u>\$ 168,282,214</u>			

THE CITY OF NAPLES, FLORIDA

Notes to Financial Statements September 30, 2024

NOTE 3 – DETAILED NOTES ON ALL FUNDS (Continued)

Pension Portfolio

<u>Investment Type</u>	<u>Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
U.S. Treasury securities	\$ 24,369,309	-	10,677,917	13,691,392
U.S. government agency securities	4,950,629	-	26,180	4,924,449
Asset-backed securities	3,006,222	-	3,006,222	-
Corporate bonds	5,790,025	-	5,345,805	444,220
Common stock/equity funds	153,417,714	119,112,102	2,977,365	31,328,247
Total by fair value level	191,533,899	\$ 119,112,102	22,033,489	50,388,308
Investments measured at NAV:				
Real estate trust funds	13,115,273			
Alternative investments	23,727,036			
Total measured at fair value	\$ 228,376,208			

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.

THE CITY OF NAPLES, FLORIDA

Notes to Financial Statements September 30, 2024

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, 2024, 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.

THE CITY OF NAPLES, FLORIDA

Notes to Financial Statements September 30, 2024

NOTE 3 – DETAILED NOTES ON ALL FUNDS (Continued)

As of September 30, 2024, the City's General Investment Portfolio had the following issuer concentration based on fair value:

General Concentration

<u>Issuer</u>	<u>Fair Value</u>	<u>Percentage of Portfolio</u>
Cash	\$ 52,654,971	23.83%
Money Market	4,850,170	2.20%
State investment pool	28,180,207	12.75%
United States Treasury securities	95,184,641	43.08%
United States Agency securities	13,898,468	6.29%
Other government securities	22,873,414	10.35%
Corporate bonds	3,295,314	1.49%
Total	<u>\$ 220,937,185</u>	

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, 2024, the City's Pension Portfolio had the following issuer concentration based on fair value:

Pension Concentration

<u>Issuer</u>	<u>Fair Value</u>	<u>Percentage of Portfolio</u>
Cash and cash equivalents	\$ 6,370,234	2.71%
U.S. Treasury securities	24,369,309	10.38%
U.S. government agency securities	4,950,629	2.11%
Asset-backed securities	3,006,222	1.28%
Corporate bonds	5,790,025	2.47%
Common stock/equity funds	153,417,714	65.35%
Real estate investment trusts	13,115,273	5.59%
Alternative investments	23,727,036	10.11%
Total	<u>\$ 234,746,442</u>	

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.

THE CITY OF NAPLES, FLORIDA

Notes to Financial Statements September 30, 2024

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, 2023, the assessed value of the principal taxing authority's property upon which the 2023-2024 tax levy was based was \$34.9 billion. The millage rate to finance general government services for the fiscal year ended September 30, 2024, was 1.1700 (\$1.17 per \$1,000 of assessed value). The assessed values at January 1, 2023, of the dependent special districts, East Naples Bay and Moorings Bay, were \$1,106 million, and \$2,907 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, 2024.

Total ad valorem taxes collected for the year ended September 30, 2024 aggregated \$39,648,880, net of cash discounts, of which \$36,782,646 was designated for general government services, \$2,288,854 for the Community Redevelopment Agency, \$543,371 for East Naples Bay Taxing District, and \$34,009 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 2023 tax roll year, the assessment roll was opened for collection on November 1, 2023 and discounts for payment prior to April 1, 2024 were determined as follows:

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

THE CITY OF NAPLES, FLORIDA

Notes to Financial Statements September 30, 2024

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 2024, 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, 2024 for the City's individual major funds and for the total nonmajor funds were as follows:

	<u>Accounts/ Miscellaneous Receivable</u>	<u>Special Assessments</u>	<u>Utility Taxes</u>	<u>Due From Other Governments</u>	<u>Interest and Other</u>	<u>Total</u>
Governmental activities						
Major funds						
General Fund	\$ 762,449	-	-	1,015,680	228,473	2,006,602
Debt Service Fund	-	-	356,395	-	24,706	381,101
Capital Projects Fund	-	342,530	-	-	51,449	393,979
Community Redevelopment Fund	-	-	-	-	69,229	69,229
Sales Tax Fund	-	-	-	-	66,921	66,921
Streets and Traffic Fund	-	-	-	183,963	29,709	213,672
East Naples Bay District Fund	-	139,407	-	-	9,723	149,130
Nonmajor funds	-	-	-	-	92,354	92,354
Internal Service Fund	1,655	-	-	-	84,296	85,951
	<u>\$ 764,104</u>	<u>481,937</u>	<u>356,395</u>	<u>1,199,643</u>	<u>656,860</u>	<u>3,458,939</u>
Business type activities						
Major funds						
Water and Sewer Fund	\$ 8,765,912	3,339,694	-	-	219,722	12,325,328
Solid Waste Fund	1,604,112	-	-	-	24,403	1,628,515
Stormwater Fund	944,039	-	-	-	66,363	1,010,402
City Dock Fund	28,543	-	-	-	6,179	34,722
Nonmajor funds	-	-	-	12,506	43,517	56,023
	<u>\$ 11,342,606</u>	<u>3,339,694</u>	<u>-</u>	<u>12,506</u>	<u>360,184</u>	<u>15,054,990</u>

The above receivables are net of an allowance for uncollectible accounts which is based on historical trends and/or the age of the receivable. At September 30, 2024, the City carried no allowance for uncollectible accounts.

THE CITY OF NAPLES, FLORIDA

Notes to Financial Statements September 30, 2024

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, 2024 is as follows:

Governmental Activities	Balance October 1	Additions	Transfers/ Retirements	Balance September 30
Capital assets not being depreciated				
Land	\$ 16,418,277	4,910,196	-	21,328,473
Construction in progress	13,796,241	20,735,350	(2,187,404)	32,344,187
Total capital assets not being depreciated	30,214,518	25,645,546	(2,187,404)	53,672,660
Capital assets being depreciated				
Buildings	52,591,748	787,052	-	53,378,800
Improvements other than buildings	51,854,215	472,747	-	52,326,962
Infrastructure	57,262,187	204,143	-	57,466,330
Equipment	40,756,032	6,605,631	(324,262)	47,037,401
Total capital assets being depreciated	202,464,182	8,069,573	(324,262)	210,209,493
Less accumulated depreciation for				
Buildings	(29,017,071)	(1,718,463)	-	(30,735,534)
Improvements other than buildings	(38,728,855)	(1,724,764)	-	(40,453,619)
Infrastructure	(31,758,713)	(1,661,116)	-	(33,419,829)
Equipment	(28,014,501)	(2,903,798)	340,261	(30,578,038)
Total accumulated depreciation	(127,519,140)	(8,008,141)	340,261	(135,187,020)
Total capital assets being depreciated, net	74,945,042	61,432	15,999	75,022,473
Total governmental capital assets, net	\$ 105,159,560	25,706,978	(2,171,405)	128,695,133

Depreciation expense was charged to the governmental activities as follows:

Governmental activities	
General government	\$ 328,118
Public safety	2,523,379
Physical and economic environment	1,407,377
Transportation	864,191
Cultural and recreation	2,489,432
Internal service	395,644
	<u>3,908,137</u>
Total depreciation expense, governmental activities	<u>\$ 8,008,141</u>

THE CITY OF NAPLES, FLORIDA

Notes to Financial Statements September 30, 2024

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, 2024 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	5,961,143	4,659,447	(3,909,733)	6,710,857
Total capital assets not being depreciated	7,722,827	4,659,447	(3,909,733)	8,472,541
Capital assets being depreciated				
Buildings and utility plants	61,273,624	-	-	61,273,624
Improvements other than buildings	64,829,940	-	-	64,829,940
Infrastructure	103,021,864	2,524,929	-	105,546,793
Equipment	57,768,862	7,160,284	(236,165)	64,692,981
Total capital assets being depreciated	286,894,290	9,685,213	(236,165)	296,343,338
Less accumulated depreciation for				
Buildings	(40,443,337)	(1,263,086)	-	(41,706,423)
Improvements other than buildings	(45,923,613)	(3,098,874)	-	(49,022,487)
Infrastructure	(68,029,963)	(3,520,303)	-	(71,550,266)
Equipment	(29,839,999)	(4,996,982)	196,866	(34,640,115)
Total accumulated depreciation	(184,236,912)	(12,879,245)	196,866	(196,919,291)
Total capital assets being depreciated, net	102,657,378	(3,194,032)	(39,299)	99,424,047
Water and sewer fund capital assets, net	\$ 110,380,205	1,465,415	(3,949,032)	107,896,588
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	528,791	-	-	528,791
Improvements other than buildings	4,511,401	-	-	4,511,401
Equipment	7,421,961	1,769,521	(325,124)	8,866,358
Total capital assets being depreciated	12,462,153	1,769,521	(325,124)	13,906,550
Less accumulated depreciation for				
Buildings	(528,791)	-	-	(528,791)
Improvements other than buildings	(2,733,200)	(196,266)	-	(2,929,466)
Equipment	(5,451,111)	(563,984)	325,124	(5,689,971)
Total accumulated depreciation	(8,713,102)	(760,250)	325,124	(9,148,228)
Total capital assets being depreciated, net	3,749,051	1,009,271	-	4,758,322
Solid waste fund capital assets, net	\$ 4,894,104	1,009,271	-	5,903,375

THE CITY OF NAPLES, FLORIDA

Notes to Financial Statements September 30, 2024

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	3,442,318	3,429,403	(1,306,158)	5,565,563
Total capital assets not being depreciated	3,677,184	3,429,403	(1,306,158)	5,800,429
Capital assets being depreciated				
Infrastructure	48,643,611	2,122,147	-	50,765,758
Equipment	1,924,794	804,976	-	2,729,770
Total capital assets being depreciated	50,568,405	2,927,123	-	53,495,528
Less accumulated depreciation for				
Infrastructure	(28,955,938)	(2,403,181)	-	(31,359,119)
Equipment	(2,114,694)	(476,484)	-	(2,591,178)
Total accumulated depreciation	(31,070,632)	(2,879,665)	-	(33,950,297)
Total capital assets being depreciated, net	19,497,773	47,458	-	19,545,231
Stormwater fund capital assets, net	\$ 23,174,957	3,476,861	(1,306,158)	25,345,660
City Dock Fund	Balance October 1	Additions	Transfers/ Retirements	Balance September 30
Capital assets not being depreciated				
Construction in progress	\$ 8,695	-	-	8,695
Total capital assets not being depreciated	8,695	-	-	8,695
Capital assets being depreciated				
Improvements other than buildings	6,869,536	85,144	-	6,954,680
Equipment	237,414	7,221	-	244,635
Total capital assets being depreciated	7,106,950	92,365	-	7,199,315
Less accumulated depreciation for				
Improvements other than buildings	(2,229,125)	(311,089)	-	(2,540,214)
Equipment	(214,660)	(7,311)	-	(221,971)
Total accumulated depreciation	(2,443,785)	(318,400)	-	(2,762,185)
Total capital assets being depreciated, net	4,663,165	(226,035)	-	4,437,130
Stormwater fund capital assets, net	\$ 4,671,860	(226,035)	-	4,445,825
Nonmajor Funds	Balance October 1	Additions	Transfers/ Retirements	Balance September 30
Capital assets not being depreciated:				
Construction in progress	\$ 1,055,336	542,214	(28,289)	1,569,261
Total capital assets not being depreciated	1,055,336	542,214	(28,289)	1,569,261
Capital assets being depreciated				
Buildings and utility plants	2,537,944	-	-	2,537,944
Improvements other than buildings	7,716,319	28,420	-	7,744,739
Equipment	2,102,113	179,190	(82,236)	2,199,067
Total capital assets being depreciated	12,356,376	207,610	(82,236)	12,481,750
Less accumulated depreciation for				
Buildings	(1,788,194)	(50,954)	-	(1,839,148)
Improvements other than buildings	(6,736,871)	(328,382)	-	(7,065,253)
Equipment	(1,662,884)	(119,412)	79,975	(1,702,321)
Total accumulated depreciation	(10,187,949)	(498,748)	79,975	(10,606,722)
Total capital assets being depreciated, net	2,168,427	(291,138)	(2,261)	1,875,028
Nonmajor fund capital assets, net	\$ 3,223,763	251,076	(30,550)	3,444,289
Total business-type capital assets, net	\$ 146,344,889	5,976,588	(5,285,740)	147,035,737

THE CITY OF NAPLES, FLORIDA

Notes to Financial Statements September 30, 2024

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	\$ 12,879,245
Solid Waste	760,250
Stormwater	2,879,665
City Dock	318,400
Nonmajor	<u>498,748</u>
 Total depreciation expense, business-type activities	 <u><u>\$ 17,336,308</u></u>

E. Interfund Transactions

Advances from/to other funds are as follows:

	<u>Advances Receivable</u>	<u>Advances Payable</u>
Governmental activities		
Major fund		
General Fund	\$ 1,461,650	-
East Naples Bay District Fund	-	2,730,000
Business-type activities		
Major funds		
Water and Sewer Fund	2,991,700	-
Stormwater Fund	411,650	-
City Dock Fund	-	2,135,000
	<u>\$ 4,865,000</u>	<u>4,865,000</u>

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:

	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
Governmental activities		
Major fund		
General Fund	\$ 208,700	-
East Naples Bay District Fund	-	400,000
Business-type activities		
Major funds		
Water and Sewer Fund	437,600	-
Stormwater Fund	58,700	-
City Dock Fund	-	305,000
	<u>\$ 705,000</u>	<u>705,000</u>

THE CITY OF NAPLES, FLORIDA

Notes to Financial Statements September 30, 2024

NOTE 3 – DETAILED NOTES ON ALL FUNDS (Continued)

Transfers during the year consisted of the following:

	<u>Transfers In</u>	<u>Transfers Out</u>
Governmental activities		
Major funds		
General Fund	\$ 2,067,600	-
Debt Service Fund	-	11,690,649
Capital Projects Fund	4,100,000	-
Community Redevelopment Fund	7,590,649	-
Business-type activities		
Major funds		
Water and Sewer Fund	-	1,722,000
Solid Waste Fund	-	345,600
	<u>\$ 13,758,249</u>	<u>13,758,249</u>

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. The transfer into the Community Redevelopment Fund in the amount of \$7,590,649 included bond proceeds for capital expenditures.

THE CITY OF NAPLES, FLORIDA

Notes to Financial Statements September 30, 2024

NOTE 3 – DETAILED NOTES ON ALL FUNDS (Continued)

F. Accounts Payable and Accrued Expenses

Accounts payable and accrued expenses at September 30, 2024 for the City's individual major funds and for the total nonmajor funds were as follows:

	<u>Accounts Payable</u>	<u>Accrued Payroll</u>	<u>Total</u>
Governmental activities			
Major funds			
General Fund	\$ 1,881,080	854,520	2,735,600
Capital Projects Fund	254,033	-	254,033
Community Redevelopment Fund	1,323,825	17,811	1,341,636
American Rescue Plan Act Fund	2,563,890	-	2,563,890
Streets and Traffic Fund	392,010	25,547	417,557
East Naples Bay District Fund	174,759	-	174,759
Sales Tax Fund	1,550,155	-	1,550,155
Nonmajor funds	284,000	78,274	362,274
Internal Service Fund	421,014	214,702	635,716
	<u>\$ 8,844,766</u>	<u>1,190,854</u>	<u>10,035,620</u>
Business-type activities			
Major funds			
Water and Sewer Fund	\$ 2,621,691	191,448	2,813,139
Solid Waste Fund	234,485	43,481	277,966
Stormwater Fund	1,665,825	34,159	1,699,984
City Dock Fund	45,054	5,506	50,560
Nonmajor funds	159,298	37,607	196,905
	<u>\$ 4,726,353</u>	<u>312,201</u>	<u>5,038,554</u>

THE CITY OF NAPLES, FLORIDA

Notes to Financial Statements September 30, 2024

NOTE 3 – DETAILED NOTES ON ALL FUNDS (Continued)

G. Long-Term Obligations

Long-term liabilities of the governmental activities at September 30, 2024 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%.	\$ 1,449,041
Capital Improvement Refunding Note, Series 2024, issued in the amount of \$20,635,000 to finance capital improvements within the City; annual principal and interest payments in the approximate amount of \$2.65 million through July 1, 2034. Interest rate is 5.00%.	20,635,000
Capital Improvement Revenue Note, Series 2024 premium	2,588,257
Claims payable	5,747,054
Net pension liability	42,853,849
Total OPEB liability	3,015,397
Compensated absences payable	3,753,142
	<u>\$ 80,041,740</u>

Changes in long-term obligations for governmental activities for the year ended September 30, 2024 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	\$ 1,787,391	-	(338,350)	1,449,041	347,655
2024 Capital Improvement Revenue Note	-	20,635,000	-	20,635,000	1,770,000
2024 Premium	-	2,588,257	-	2,588,257	-
Total debt payable	1,787,391	23,223,257	(338,350)	24,672,298	2,117,655
Claims payable	5,644,754	8,541,162	(8,438,862)	5,747,054	1,611,054
Net pension liability	49,546,637	22,906,741	(29,599,529)	42,853,849	10,068,934
Total OPEB liability	3,039,836	583,942	(608,381)	3,015,397	181,432
Compensated absences payable	3,445,718	2,608,704	(2,301,280)	3,753,142	1,610,900
Total	<u>\$ 63,464,336</u>	<u>57,863,806</u>	<u>(41,286,402)</u>	<u>80,041,740</u>	<u>15,589,975</u>

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 \$233,021 in compensated absences, \$5,747,054 in claims payable, \$174,806 in total other post-employment benefits liability, and \$539,270 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.

THE CITY OF NAPLES, FLORIDA

Notes to Financial Statements September 30, 2024

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			
2025	\$ 2,117,655	925,434	3,043,089
2026	2,067,215	973,538	3,040,753
2027	2,162,039	878,215	3,040,254
2028	2,262,132	778,371	3,040,503
2029	1,980,000	673,750	2,653,750
2030 - 2034	11,495,000	1,780,250	13,275,250
	<u>\$22,084,041</u>	<u>6,009,558</u>	<u>28,093,599</u>

Long-term liabilities of the business-type activities at September 30, 2024 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.

\$ 1,883,000

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.

1,087,000

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%.

72,185

THE CITY OF NAPLES, FLORIDA

Notes to Financial Statements September 30, 2024

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%.

2,708,000

Net pension liability

2,236,161

Total OPEB liability

917,730

Compensated absences payable

673,110

Total Water and Sewer Fund

\$ 9,577,186

Nonmajor funds

Net pension liability

\$ 395,467

Total OPEB liability

109,253

Compensated absences payable

210,470

Total nonmajor funds

\$ 715,190

Solid Waste Fund

Net pension liability

\$ 574,953

Total OPEB liability

218,507

Compensated absences payable

180,911

Total Solid Waste Fund

\$ 974,371

City Dock Fund

Net pension liability

\$ 76,814

Total OPEB liability

21,851

Compensated absences payable

10,849

Total City Dock Fund

\$ 109,514

Stormwater Fund

Net pension liability

\$ 370,512

Total OPEB liability

87,403

Compensated absences payable

86,748

Total Stormwater Fund

\$ 544,663

THE CITY OF NAPLES, FLORIDA

Notes to Financial Statements September 30, 2024

NOTE 3 – DETAILED NOTES ON ALL FUNDS (Continued)

Changes in long-term obligations for business-type activities for the year ended September 30, 2024 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	\$ 2,479,000	-	(596,000)	1,883,000	611,000
Public Utilities Refunding Revenue Bond, Series 2012B	1,432,000	-	(345,000)	1,087,000	353,000
Special Assessment Revenue Bond, Series 2015	142,712	-	(70,527)	72,185	72,185
Special Assessment Revenue Bond, Series 2019	2,854,000	-	(146,000)	2,708,000	150,000
Total debt payable	6,907,712	-	(1,157,527)	5,750,185	1,186,185
Net pension liability	4,085,117	2,517,553	(2,948,763)	3,653,907	783,772
Total OPEB liability	1,365,724	262,351	(273,331)	1,354,744	81,513
Compensated absences payable	1,104,013	624,300	(566,225)	1,162,088	329,000
Total	<u>\$ 13,462,566</u>	<u>3,404,204</u>	<u>(4,945,846)</u>	<u>11,920,924</u>	<u>2,380,470</u>

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, 2024 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			
2025	\$ 1,186,185	149,614	1,335,799
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	166,000	54,184	220,184
2030 - 2034	897,000	203,918	1,100,918
2035 - 2039	1,021,000	80,990	1,101,990
	<u>\$ 5,750,185</u>	<u>754,981</u>	<u>6,505,166</u>

THE CITY OF NAPLES, FLORIDA

Notes to Financial Statements September 30, 2024

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.

H. Fund Equity

The following is a summary of fund balances that were nonspendable, restricted, committed or assigned as of September 30, 2024:

	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	\$ -	-	-	-	15,725	-	-	-	15,725
Prepaid items	16,124	-	-	-	-	-	-	-	16,124
Advances to other funds	1,461,650	-	-	-	-	-	-	-	1,461,650
	<u>1,477,774</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>15,725</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,493,499</u>
Restricted									
Donations, various	-	-	-	-	-	-	-	876,751	876,751
Capital projects - impact fees	-	-	-	-	-	-	-	2,032,427	2,032,427
Capital projects - sales tax	-	-	-	-	-	-	18,839,679	1,831,814	20,671,493
Dredging projects	-	-	-	-	-	-	-	1,488,326	1,488,326
Transportation	-	-	-	-	4,976,270	-	-	-	4,976,270
Police programs	-	-	-	-	-	-	-	714,145	714,145
Economic development	-	-	-	16,979,939	-	-	-	-	16,979,939
Coral reef construction	-	-	-	-	-	-	-	24,196	24,196
Building and zoning operations	-	-	-	-	-	-	-	6,203,916	6,203,916
	<u>-</u>	<u>-</u>	<u>-</u>	<u>16,979,939</u>	<u>4,976,270</u>	<u>-</u>	<u>18,839,679</u>	<u>13,171,575</u>	<u>53,967,463</u>
Committed									
Public arts program	-	-	-	-	-	-	-	479,302	479,302
Emergency reserve	5,481,256	-	-	-	-	-	-	-	5,481,256
Capital projects	-	-	1,402,106	-	-	-	-	-	1,402,106
Handicap accessibility	95,382	-	-	-	-	-	-	-	95,382
Economic development	-	-	-	-	-	-	-	2,029,297	2,029,297
Land conservation	-	-	-	-	-	-	-	9,210	9,210
	<u>5,576,638</u>	<u>-</u>	<u>1,402,106</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,517,809</u>	<u>9,496,553</u>
Assigned									
Debt service	-	19,216,227	-	-	-	-	-	-	19,216,227
Encumbrances (capital outlay)	1,714,853	-	-	-	-	-	-	-	1,714,853
Economic development	-	-	-	-	-	-	-	152,197	152,197
Capital projects	-	-	2,937,187	-	-	-	-	-	2,937,187
	<u>1,714,853</u>	<u>19,216,227</u>	<u>2,937,187</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>152,197</u>	<u>24,020,464</u>
Unassigned	<u>25,126,069</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(918,337)</u>	<u>-</u>	<u>-</u>	<u>24,207,732</u>
Total fund balance	<u>\$33,895,334</u>	<u>19,216,227</u>	<u>4,339,293</u>	<u>16,979,939</u>	<u>4,991,995</u>	<u>(918,337)</u>	<u>18,839,679</u>	<u>15,841,581</u>	<u>113,185,711</u>

THE CITY OF NAPLES, FLORIDA

Notes to Financial Statements September 30, 2024

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, 2023, the date of the most recent actuarial valuation, is as follows:

Inactive plan members or beneficiaries currently receiving benefits	258
Inactive plan members entitled to but not yet receiving benefits	219
Active plan members	336
	<u>813</u>

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.

THE CITY OF NAPLES, FLORIDA

Notes to Financial Statements September 30, 2024

NOTE 3 – DETAILED NOTES ON ALL FUNDS (Continued)

General Pension Plan (the “Plan”) (Continued)

As of September 30, 2024, 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, 2024, 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, 2023. The components of the net pension liability of the City at September 30, 2024 were as follows:

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

THE CITY OF NAPLES, FLORIDA

Notes to Financial Statements September 30, 2024

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, 2024 is as follows:

Total pension liability	\$ 82,840,816
Plan fiduciary net position	<u>(78,170,042)</u>
City's net pension liability	<u>\$ 4,670,774</u>
Plan fiduciary net position as a percentage of Total pension liability	94.36%

For the year ended September 30, 2024, the City recognized pension expense of \$6,048,134 for the general employee plan. At September 30, 2024, the City reported deferred outflows of resources and deferred inflows related to its plan from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes of assumptions	\$ -	-
Differences between expected and actual experience	123,458	1,040,641
Net difference between projected and actual earnings on investments	3,136,457	-
City pension plan contributions subsequent to the measurement date	<u>3,029,908</u>	<u>-</u>
Total	<u>\$ 6,289,823</u>	<u>1,040,641</u>

The deferred outflows of resources related to the Pension Plan, totaling \$3,029,908 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, 2025. 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,	
2025	\$ 621,367
2026	114,636
2027	1,988,417
2028	<u>(505,146)</u>
Total	<u>\$ 2,219,274</u>

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 CITY OF NAPLES, FLORIDA

Notes to Financial Statements September 30, 2024

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, 2023 are summarized in the following table:

Asset Class	Long-Term Expected Real Rate of Return
Domestic Equity	5.54%
International Equity	4.40%
Fixed Income	1.08%
Real Estate	3.54%
MLP/Energy Infrastructure	4.23%

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.

THE CITY OF NAPLES, FLORIDA

Notes to Financial Statements September 30, 2024

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, 2024 were as follows:

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a) - (b)
Balances at September 30, 2023	\$ 77,404,721	61,521,686	15,883,035
Changes for the year:			
Service cost	1,755,252	-	1,755,252
Interest	5,346,931	-	5,346,931
Changes in benefit terms	2,383,640		2,383,640
Differences between expected and actual experience	(1,221,523)	-	(1,221,523)
Contributions-employer	-	2,720,813	(2,720,813)
Contributions-employee	-	772,441	(772,441)
Net investment income	-	6,775,335	(6,775,335)
Benefit payments, including refunds of employee contributions	(5,550,480)	(5,550,480)	-
Administrative expense	-	(246,540)	246,540
Net changes	2,713,820	4,471,569	(1,757,749)
Balances at September 30, 2024	\$ 80,118,541	65,993,255	14,125,286

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, 2024 (Measurement date of September 30, 2023)	\$ 22,820,649	14,125,286	7,429,030

THE CITY OF NAPLES, FLORIDA

Notes to Financial Statements September 30, 2024

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, 2025 (Measurement date of September 30, 2024)	\$ 13,247,553	4,670,774	(2,542,636)

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, 2022 updated to September 30, 2024 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.

THE CITY OF NAPLES, FLORIDA

Notes to Financial Statements September 30, 2024

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, 2023, the date of the most recent actuarial valuation, is as follows:

Inactive plan members or beneficiaries currently receiving benefits	98
Inactive plan members entitled to but not yet receiving benefits	29
Active plan members	63

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, 2024, 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, 2024, 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.

THE CITY OF NAPLES, FLORIDA

Notes to Financial Statements September 30, 2024

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, 2024, was \$949,927. 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, 2023. The components of the net pension liability of the City at September 30, 2024 were as follows:

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

In addition, in accordance with GASB Statement No. 67, information related to the plan measured as of September 30, 2024 is as follows:

Total pension liability	\$ 82,120,803
Plan fiduciary net position	<u>(74,685,075)</u>
City's net pension liability	<u>\$ 7,435,728</u>
Plan fiduciary net position as a percentage of Total pension liability	90.95%

THE CITY OF NAPLES, FLORIDA

Notes to Financial Statements September 30, 2024

NOTE 3 – DETAILED NOTES ON ALL FUNDS (Continued)

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

For the year ended September 30, 2024, the City recognized pension expense of \$4,091,184 for the police employee plan. At September 30, 2024, 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	796,542	-
Net difference between projected and actual earnings on investments	2,903,000	-
City pension plan contributions subsequent to the measurement date	4,115,799	-
Total	<u>\$ 7,815,341</u>	<u>-</u>

The deferred outflows of resources related to the Pension Plan, totaling \$4,115,799 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, 2025. 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,	
2025	\$ 1,195,356
2026	869,533
2027	2,117,497
2028	<u>(482,844)</u>
Total	<u>\$ 3,699,542</u>

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.

THE CITY OF NAPLES, FLORIDA

Notes to Financial Statements September 30, 2024

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	5.55%
International Equity	4.40%
Fixed Income	1.08%
Real Estate	3.54%
MLP/Infrastructure	4.23%

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, 2024, were as follows:

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at September 30, 2023	\$ 77,434,849	57,605,050	19,829,799
Changes for the year:			
Service cost	961,907	-	961,907
Interest	5,310,474	-	5,310,474
Changes in benefit terms	486,459		486,459
Differences between expected and actual experience	1,192,809	-	1,192,809
Contributions-employer	-	2,715,848	(2,715,848)
Contributions-state	-	1,041,101	(1,041,101)
Contributions-employee	-	249,911	(249,911)
Net investment income	-	6,386,920	(6,386,920)
Benefit payments, including refunds of employee contributions	(5,031,770)	(5,031,770)	-
Administrative expense	-	(120,368)	120,368
Net changes	2,919,879	5,241,642	(2,321,763)
Balances at September 30, 2024	\$ 80,354,728	62,846,692	17,508,036

THE CITY OF NAPLES, FLORIDA

Notes to Financial Statements September 30, 2024

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, 2024	\$ 26,795,547	17,508,036	10,505,796

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, 2025 (Measurement date of September 30, 2024)	\$ 16,517,452	7,435,728	(147,193)

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, 2023.

THE CITY OF NAPLES, FLORIDA

Notes to Financial Statements September 30, 2024

NOTE 3 – DETAILED NOTES ON ALL FUNDS (Continued)

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

The assumptions used in the October 1, 2023 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.

THE CITY OF NAPLES, FLORIDA

Notes to Financial Statements September 30, 2024

NOTE 3 – DETAILED NOTES ON ALL FUNDS (Continued)

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

The current membership as of October 1, 2023, the date of the most recent actuarial valuation, is as follows:

Inactive plan members or beneficiaries currently receiving benefits	60
Inactive plan members entitled to but not yet receiving benefits	11
Active plan members	53

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, 2024, 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, 2024, 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.

THE CITY OF NAPLES, FLORIDA

Notes to Financial Statements September 30, 2024

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, 2024, was \$1,299,543. 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, 2023. The components of the net pension liability of the City at September 30, 2024 were as follows:

Total pension liability	\$ 83,136,708
Plan fiduciary net position	<u>(68,262,274)</u>
City's net pension liability	<u>\$ 14,874,434</u>
Plan fiduciary net position as a percentage of	
Total pension liability	82.11%

In addition, in accordance with GASB Statement No. 67, information related to the plan measured as of September 30, 2024 is as follows:

Total pension liability	\$ 86,168,008
Plan fiduciary net position	<u>(82,396,103)</u>
City's net pension liability	<u>\$ 3,771,905</u>
Plan fiduciary net position as a percentage of	
Total pension liability	95.62%

THE CITY OF NAPLES, FLORIDA

Notes to Financial Statements September 30, 2024

NOTE 3 – DETAILED NOTES ON ALL FUNDS (Continued)

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

For the year ended September 30, 2024, the City recognized pension expense of \$4,705,300 for the firefighters employee plan. At September 30, 2024, the City reported deferred outflows of resources and deferred inflows related to its plan from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes of assumptions	\$ 372,509	-
Differences between expected and actual experience	991,320	-
Net difference between projected and actual earnings on investments	3,002,170	-
City pension plan contributions subsequent to the measurement date	<u>3,706,999</u>	<u>-</u>
Total	<u>\$ 8,072,998</u>	<u>-</u>

The deferred outflows of resources related to the Pension Plan, totaling \$3,706,999 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, 2025. 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,	
2025	\$ 1,509,683
2026	746,628
2027	2,482,412
2028	<u>(372,724)</u>
Total	<u>\$ 4,365,999</u>

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, 2024 are summarized in the table on the following page.

THE CITY OF NAPLES, FLORIDA

Notes to Financial Statements September 30, 2024

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	5.44%
International Equity	4.40%
Fixed Income	1.08%
Real Estate	3.54%
MLP/Infrastructure	4.23%

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, 2024 were as follows:

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a) - (b)
Balances at September 30, 2023	\$ 79,524,960	61,606,040	17,918,920
Changes for the year:			
Service cost	1,035,986	-	1,035,986
Interest	5,496,333	-	5,496,333
Changes in benefit terms	177,206		177,206
Differences between expected and actual experience	799,712	-	799,712
Contributions-employer	-	2,251,276	(2,251,276)
Contributions-state	-	1,264,503	(1,264,503)
Contributions-employee	-	196,749	(196,749)
Net investment income	-	6,951,872	(6,951,872)
Benefit payments, including refunds of employee contributions	(3,897,489)	(3,897,489)	-
Administrative expense	-	(110,677)	110,677
Net changes	3,611,748	6,656,234	(3,044,486)
Balances at September 30, 2024	\$ 83,136,708	68,262,274	14,874,434

THE CITY OF NAPLES, FLORIDA

Notes to Financial Statements September 30, 2024

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, 2024 (Measurement date of September 30, 2023)	\$ 25,343,926	14,874,434	6,242,064

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, 2025 (Measurement date of September 30, 2024)	\$ 14,395,419	3,771,905	(4,963,050)

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, 2023.

THE CITY OF NAPLES, FLORIDA

Notes to Financial Statements September 30, 2024

NOTE 3 – DETAILED NOTES ON ALL FUNDS (Continued)

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

The assumptions used in the October 1, 2023 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, 2023, there was \$724,229 in the share plan.

THE CITY OF NAPLES, FLORIDA

Notes to Financial Statements September 30, 2024

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	\$ 14,125,286	17,508,036	14,874,434	46,507,756
Deferred Outflows	6,289,823	7,815,341	8,072,998	22,178,162
Deferred Inflows	1,040,641	-	-	1,040,641
Pension Expense	6,048,134	4,091,184	4,705,300	14,844,618

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, 2024:

Statements of Fiduciary Net Position

	General Pension Fund	Police Officers' Pension Fund	Firefighters' Pension Fund
Assets			
Cash and cash equivalents	\$ 2,122,595	2,286,807	1,960,832
Contributions receivable	17,186	13,319	484,303
Investments, at fair value	76,034,234	72,388,029	79,953,945
Total assets	78,174,015	74,688,155	82,399,080
Liabilities			
Accounts payable	3,973	3,080	2,977
Total liabilities	3,973	3,080	2,977
Net position			
Restricted for pension benefits	\$ 78,170,042	74,685,075	82,396,103

THE CITY OF NAPLES, FLORIDA

Notes to Financial Statements September 30, 2024

NOTE 3 – DETAILED NOTES ON ALL FUNDS (Continued)

Statements of Changes in Fiduciary Net Position

	<u>General Pension Fund</u>	<u>Police Officers' Pension Fund</u>	<u>Firefighters' Pension Fund</u>
Additions			
Contributions			
Employee contributions	\$ 845,428	262,472	323,564
Employer contributions	3,029,908	3,165,872	2,407,456
Direct state contributions	-	949,927	1,299,543
Total contributions	<u>3,875,336</u>	<u>4,378,271</u>	<u>4,030,563</u>
Investment earnings			
Interest and dividend income	1,733,241	1,667,700	1,756,101
Net change in fair value of investments	12,547,278	11,894,479	13,065,938
Less investment expense	<u>(311,211)</u>	<u>(287,388)</u>	<u>(320,761)</u>
Net investment earnings	<u>13,969,308</u>	<u>13,274,791</u>	<u>14,501,278</u>
Total additions	<u>17,844,644</u>	<u>17,653,062</u>	<u>18,531,841</u>
Deductions			
Benefits paid	4,919,785	5,676,139	4,259,951
Refunds of contributions	541,908	9,808	12,712
General administration	<u>206,164</u>	<u>128,732</u>	<u>125,349</u>
Total deductions	<u>5,667,857</u>	<u>5,814,679</u>	<u>4,398,012</u>
Changes in net position	12,176,787	11,838,383	14,133,829
Net position, beginning of year	<u>65,993,255</u>	<u>62,846,692</u>	<u>68,262,274</u>
Net position, end of year	<u>\$ 78,170,042</u>	<u>74,685,075</u>	<u>82,396,103</u>

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

THE CITY OF NAPLES, FLORIDA

Notes to Financial Statements September 30, 2024

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, 2024 there were 266 active Plan members. Covered payroll for the year ended September 30, 2024 was \$17,886,553. City contributions for the year were \$356,594, and employee contributions were \$535,372, 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, 2024, 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, 2024 was \$974,067. City contributions for the year were \$47,876, and employee contributions were \$69,668.

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.

THE CITY OF NAPLES, FLORIDA

Notes to Financial Statements September 30, 2024

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, 2024. 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	\$ 14,719,029	2,238,767
Total assets	14,719,029	2,238,767
Net position		
Restricted for pension benefits	\$ 14,719,029	2,238,767

Statements of Changes in Net Position

	Supplemental General Pension	Managers' 401 Pension
Additions		
Contributions		
Employee contributions	\$ 535,372	69,668
Employer contributions	356,594	47,876
Total contributions	891,966	117,544
Investment earnings		
Net change in fair value of investments	2,809,114	422,048
Less investment expense	(14,685)	(1,272)
Net investment earnings	2,794,429	420,776
Total additions	3,686,395	538,320
Deductions		
Pension benefits / refunds	760,431	45,994
Total deductions	760,431	45,994
Changes in net position	2,925,964	492,326
Net position, beginning of year	11,793,065	1,746,441
Net position, end of year	\$ 14,719,029	2,238,767

THE CITY OF NAPLES, FLORIDA

Notes to Financial Statements September 30, 2024

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, 2022 rolled forward 12 months from the valuation date to the measurement date using standard actuarial techniques:

Retirees and Beneficiaries	21
Inactive, Nonretired Members	-
Active Members	416
Total	<u>437</u>

The City’s total OPEB liability was measured as of September 30, 2023 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, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Discount Rate	4.63%
Healthcare Cost Trend Rate	Based on the Getzen Model with trend starting at 6.25% (0.00% for premiums), followed by 6.00%, and gradually decreasing to an ultimate trend rate of 4.00%.
Inflation Rate	2.50%
Salary Increase	Rates based on those used in the October 1, 2023 actuarial valuations of the City's three pension plans
Participation Rate	Medical Acceptance Rate: 25% Coverage Lapsing Rate: 100%

THE CITY OF NAPLES, FLORIDA

Notes to Financial Statements September 30, 2024

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, 2022 valuation was 4.63%.

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, 2024 were as follows:

	Total OPEB Liability
Balances at September 30, 2023	\$ 4,405,560
Changes for the year:	
Service cost	222,655
Interest on the total OPEB liability	196,191
Difference between expected and actual experience	(543,069)
Changes in assumptions and other inputs	427,447
Benefit payments	(338,643)
Net changes	(35,419)
Balances at September 30, 2024	\$ 4,370,141

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 (3.63%) or 1-percentage-point higher (5.63%) than the current discount rate:

	1% Decrease 3.63%	Current Discount Rate 4.63%	1% Increase 5.63%
Total OPEB liability	\$ 4,699,584	\$ 4,370,141	\$ 4,070,987

THE CITY OF NAPLES, FLORIDA

Notes to Financial Statements September 30, 2024

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	\$ 4,002,911	\$ 4,370,141	\$ 4,795,221

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, 2022, 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, 2024, the City recognized OPEB expense of \$250,261. At September 30, 2024, 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	\$ 57,141	475,185
Changes in assumptions and other inputs	638,337	1,352,106
Benefits paid subsequent to the measurement date	262,945	-
Total	<u>\$ 958,423</u>	<u>1,827,291</u>

The deferred outflows of resources related to the total OPEB liability, totaling \$262,945 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, 2025. Other amounts reported as inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended September 30,	
2025	\$ (150,752)
2026	(133,764)
2027	(270,528)
2028	(259,612)
2029	(210,228)
Thereafter	(106,929)
Total	<u>\$(1,131,813)</u>

THE CITY OF NAPLES, FLORIDA

Notes to Financial Statements September 30, 2024

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, \$174,284 and \$1,250,044 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, 2024. Estimates were based on an evaluation of claims pending and past experience. At September 30, 2024, \$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.

THE CITY OF NAPLES, FLORIDA

Notes to Financial Statements September 30, 2024

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, 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
Current year claims incurred and change in estimates	1,774,511	6,766,651	8,541,162
Claim payments	(1,759,511)	(6,679,351)	(8,438,862)
Balance September 30, 2024	<u>\$ 5,170,000</u>	<u>577,054</u>	<u>5,747,054</u>

4. Construction Projects

At September 30, 2024, the City had the following commitments:

Project	Contract Amount	Completed to Date	Balance
1st Ave S Parking Garage	\$18,165,539	8,597,227	9,568,312
East Naples Bay Dredging Project	5,573,396	3,749,908	1,823,488
Beach End Stormwater Outfall Phase I Construction	85,474,216	2,763,517	82,710,699
Naples Pier Design - Hurricane Ian Damage	1,478,400	1,259,609	218,791
Septic to Sewer Design Services	2,747,120	1,804,001	943,119

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, 2024

	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues				
Taxes				
Ad valorem	\$ 36,580,528	36,580,528	36,782,646	202,118
Local communication and business	238,000	238,000	958,703	720,703
Insurance premium tax	1,350,000	1,350,000	2,249,471	899,471
Permits, fees and assessments	4,551,500	4,551,500	4,936,195	384,695
Intergovernmental	5,878,500	5,878,500	5,912,724	34,224
Charges for services	2,620,413	2,620,413	2,708,186	87,773
Charges to other funds	4,628,340	4,628,340	4,628,340	-
Fines and forfeitures	142,000	142,000	148,542	6,542
Investment earnings	1,100,000	1,100,000	2,809,467	1,709,467
Miscellaneous	20,000	20,000	229,704	209,704
Total revenues	<u>57,109,281</u>	<u>57,109,281</u>	<u>61,363,978</u>	<u>4,254,697</u>
Expenditures				
Current				
General government				
Mayor and City Council	598,413	593,936	542,436	51,500
City Attorney	788,552	1,319,302	976,561	342,741
City Clerk	1,089,424	1,099,958	985,698	114,260
City Manager	1,236,704	1,291,838	1,157,023	134,815
Human resources	968,634	965,697	934,298	31,399
Planning	1,409,795	1,410,262	1,080,173	330,089
Finance	1,500,743	1,606,444	1,581,999	24,445
Nondepartmental	9,122,443	9,690,116	8,612,757	1,077,359
Total general government	<u>16,714,708</u>	<u>17,977,553</u>	<u>15,870,945</u>	<u>2,106,608</u>
Public safety				
Fire	14,130,991	14,179,872	14,789,691	(609,819)
Police	18,133,736	18,102,131	17,666,680	435,451
Code inspections	892,787	920,508	766,955	153,553
Total public safety	<u>33,157,514</u>	<u>33,202,511</u>	<u>33,223,326</u>	<u>(20,815)</u>
Transportation	<u>-</u>	<u>49,392</u>	<u>-</u>	<u>49,392</u>
Culture and recreation				
Community services	9,389,848	9,609,674	8,871,542	738,132
Total culture and recreation	<u>9,389,848</u>	<u>9,609,674</u>	<u>8,871,542</u>	<u>738,132</u>

(Continued)

CITY OF NAPLES, FLORIDA

General Fund

Schedule of Revenues, Expenditures and Changes in Fund Balances—Budget and Actual
Year Ended September 30, 2024

	Original Budget	Final Budget	Actual	Variance With Final Budget
Capital outlay				
General government	\$ 16,000	281,665	152,411	129,254
Public safety	57,000	95,870	61,196	34,674
Transportation	-	112,731	-	112,731
Culture and recreation	-	2,998	2,998	-
Total capital outlay	<u>73,000</u>	<u>493,264</u>	<u>216,605</u>	<u>276,659</u>
 Total expenditures	<u>59,335,070</u>	<u>61,332,394</u>	<u>58,182,418</u>	<u>3,149,976</u>
 Excess (deficiency) of revenues over under expenditures	<u>(2,225,789)</u>	<u>(4,223,113)</u>	<u>3,181,560</u>	<u>7,404,673</u>
 Other financing sources				
Transfers in	2,067,600	2,067,600	2,067,600	-
Proceeds from sale of capital assets	500	500	-	(500)
Total other financing sources, net	<u>2,068,100</u>	<u>2,068,100</u>	<u>2,067,600</u>	<u>(500)</u>
 Change in fund balance	(157,689)	(2,155,013)	5,249,160	7,404,173
 Fund balance, beginning of year	<u>28,646,174</u>	<u>28,646,174</u>	<u>28,646,174</u>	<u>-</u>
Fund balance, end of year	<u><u>\$ 28,488,485</u></u>	<u><u>26,491,161</u></u>	<u><u>33,895,334</u></u>	<u><u>7,404,173</u></u>

CITY OF NAPLES, FLORIDA
Community Redevelopment Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Year Ended September 30, 2024

	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues				
Taxes				
Ad valorem	\$ 2,288,854	2,288,854	2,288,854	-
Intergovernmental	6,268,525	6,268,525	6,268,525	-
Investment earnings (loss)	154,000	154,000	967,283	813,283
Total revenues	<u>8,711,379</u>	<u>8,711,379</u>	<u>9,524,662</u>	<u>813,283</u>
Expenditures				
Current				
Economic development	2,195,408	2,186,120	1,520,055	666,065
Capital outlay				
Economic development	<u>25,000,000</u>	<u>30,818,156</u>	<u>14,530,692</u>	<u>16,287,464</u>
Total expenditures	<u>27,195,408</u>	<u>33,004,276</u>	<u>16,050,747</u>	<u>16,953,529</u>
Deficiency of revenues under expenditures	<u>(18,484,029)</u>	<u>(24,292,897)</u>	<u>(6,526,085)</u>	<u>17,766,812</u>
Other financing sources				
Transfers in	-	-	7,590,649	7,590,649
Debt proceeds	<u>12,000,000</u>	<u>12,000,000</u>	<u>-</u>	<u>(12,000,000)</u>
Total other financing sources	<u>12,000,000</u>	<u>12,000,000</u>	<u>7,590,649</u>	<u>(4,409,351)</u>
Change in fund balance	(6,484,029)	(12,292,897)	1,064,564	13,357,461
Fund balance, beginning of year	<u>15,915,375</u>	<u>15,915,375</u>	<u>15,915,375</u>	<u>-</u>
Fund balance, end of year	<u>\$ 9,431,346</u>	<u>3,622,478</u>	<u>16,979,939</u>	<u>13,357,461</u>

CITY OF NAPLES, FLORIDA
American Rescue Plan Act Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Year Ended September 30, 2024

	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues				
Intergovernmental	\$ -	2,563,890	2,563,890	-
Total revenues	-	2,563,890	2,563,890	-
Expenditures				
Capital outlay				
General government	-	2,563,890	2,563,890	-
Total expenditures	-	2,563,890	2,563,890	-
Net change in fund balances	-	-	-	-
Fund balance, beginning of year	-	-	-	-
Fund balance, end of year	\$ -	-	-	-

CITY OF NAPLES, FLORIDA
Streets and Traffic Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Year Ended September 30, 2024

	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues				
Taxes				
Motor fuel taxes	\$ 3,647,975	3,647,975	3,386,970	(261,005)
Permits, fees and assessments	292,000	292,000	327,235	35,235
Intergovernmental	557,080	557,080	611,910	54,830
Investment earnings (loss)	46,000	46,000	343,054	297,054
Miscellaneous	-	-	366,468	366,468
Total revenues	<u>4,543,055</u>	<u>4,543,055</u>	<u>5,035,637</u>	<u>492,582</u>
Expenditures				
Current				
Transportation	4,422,481	6,443,276	4,118,685	2,324,591
Capital outlay				
Transportation	<u>875,000</u>	<u>1,927,401</u>	<u>459,976</u>	<u>1,467,425</u>
Total expenditures	<u>5,297,481</u>	<u>8,370,677</u>	<u>4,578,661</u>	<u>3,792,016</u>
Net change in fund balances	(754,426)	(3,827,622)	456,976	4,284,598
Fund balance, beginning of year	<u>4,535,019</u>	<u>4,535,019</u>	<u>4,535,019</u>	-
Fund balance, end of year	<u>\$ 3,780,593</u>	<u>707,397</u>	<u>4,991,995</u>	<u>4,284,598</u>

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, 2024

	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues				
Taxes - property	\$ 536,025	536,025	543,371	7,346
Permits, fees and assessments	-	-	23,270	23,270
Investment earnings	37,000	37,000	148,717	111,717
Total revenues	<u>573,025</u>	<u>1,673,025</u>	<u>715,358</u>	<u>(957,667)</u>
Expenditures				
Current				
Economic and physical development	11,000	11,000	90	10,910
Capital outlay				
Economic and physical development	-	3,696,804	1,916,156	1,780,648
Debt service				
Principal	290,000	290,000	-	290,000
Interest	38,280	38,280	38,280	-
Total expenditures	<u>339,280</u>	<u>4,036,084</u>	<u>1,954,526</u>	<u>2,081,558</u>
Change in fund balances	233,745	(2,363,059)	(1,239,168)	1,123,891
Fund balances, beginning of year	320,831	320,831	320,831	-
Fund balances (deficit), end of year	<u>\$ 554,576</u>	<u>(2,042,228)</u>	<u>(918,337)</u>	<u>1,123,891</u>

THE CITY OF NAPLES, FLORIDA

Notes to Required Supplementary Information September 30, 2024

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, 2024 (Unaudited)

	Schedule of Changes in Net Pension Liability and Related Ratios									
	General Employees' Pension									
Reporting period ending	9/30/25	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
Measurement date	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
Total pension liability										
Service cost	\$ 1,945,866	\$ 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
Interest on total pension liability	5,553,349	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
Differences between expected and actual experience	684,753	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	(5,461,693)	(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)
Net change in total pension liability	<u>2,722,275</u>	<u>2,713,820</u>	<u>1,523,868</u>	<u>2,550,067</u>	<u>3,209,914</u>	<u>2,231,850</u>	<u>(820,526)</u>	<u>2,406,196</u>	<u>2,715,770</u>	<u>2,202,662</u>
Total pension liability - beginning	<u>80,118,541</u>	<u>77,404,721</u>	<u>75,880,853</u>	<u>73,330,786</u>	<u>70,120,872</u>	<u>67,889,022</u>	<u>68,709,548</u>	<u>66,303,352</u>	<u>63,587,582</u>	<u>61,384,920</u>
Total pension liability - ending (a)	<u>\$ 82,840,816</u>	<u>\$ 80,118,541</u>	<u>\$ 77,404,721</u>	<u>75,880,853</u>	<u>73,330,786</u>	<u>70,120,872</u>	<u>67,889,022</u>	<u>68,709,548</u>	<u>66,303,352</u>	<u>63,587,582</u>
Plan fiduciary net position										
Contributions - employer	\$ 3,029,908	\$ 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
Contributions - employee	845,428	772,441	731,882	716,578	692,717	682,207	667,203	670,402	711,740	694,975
Net investment income (loss)	13,969,308	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
Benefit payments, including refunds of member contributions	(5,461,693)	(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)
Administrative expenses	(206,164)	(187,204)	(184,340)	(101,786)	(167,348)	(159,449)	(169,463)	(168,640)	(160,414)	(150,741)
Net change in plan fiduciary net position	<u>12,176,787</u>	<u>4,471,569</u>	<u>(11,051,326)</u>	<u>11,640,925</u>	<u>901,994</u>	<u>88,432</u>	<u>3,702,265</u>	<u>5,252,373</u>	<u>1,108,824</u>	<u>(1,373,071)</u>
Plan fiduciary net position - beginning	<u>65,993,255</u>	<u>61,521,686</u>	<u>72,573,012</u>	<u>60,932,087</u>	<u>60,030,093</u>	<u>59,941,661</u>	<u>56,239,396</u>	<u>50,987,023</u>	<u>49,878,199</u>	<u>51,251,270</u>
Plan fiduciary net position - ending (b)	<u>\$ 78,170,042</u>	<u>\$ 65,993,255</u>	<u>\$ 61,521,686</u>	<u>72,573,012</u>	<u>60,932,087</u>	<u>60,030,093</u>	<u>59,941,661</u>	<u>56,239,396</u>	<u>50,987,023</u>	<u>49,878,199</u>
City's net pension liability - ending (a) - (b)	<u>\$ 4,670,774</u>	<u>\$ 14,125,286</u>	<u>\$ 15,883,035</u>	<u>3,307,841</u>	<u>12,398,699</u>	<u>10,090,779</u>	<u>7,947,361</u>	<u>12,470,152</u>	<u>15,316,329</u>	<u>13,709,383</u>
Plan fiduciary net position as a percentage of the total pension liability	94.36%	82.37%	79.48%	95.64%	83.09%	85.61%	88.29%	81.85%	76.90%	78.44%
Covered payroll	\$ 23,307,456	\$ 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
City's net pension liability as a percentage of covered payroll	20.04%	67.45%	82.27%	18.32%	70.33%	59.07%	48.42%	77.88%	92.63%	75.59%

THE CITY OF NAPLES, FLORIDA

Required Supplementary Information September 30, 2024 (Unaudited)

Schedule of Contributions General Employees' Pension

	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
Actuarially determined contribution	\$ 2,645,396	\$ 2,379,126	\$ 2,461,428	2,043,684	2,112,022	1,943,363	1,943,363	1,785,446	1,969,372	2,024,395
Contributions in relation to the actuarially determined contribution	3,029,908	2,720,813	2,461,428	2,535,318	2,489,724	2,087,382	1,943,363	1,785,446	1,969,372	2,024,395
Contribution deficiency (excess)	\$ (384,512)	\$ (341,687)	\$ -	(491,634)	(377,702)	(144,019)	-	-	-	-
Covered payroll	\$ 23,307,456	\$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
Contributions as a percentage of covered payroll	13.00%	12.99%	12.75%	14.04%	14.12%	12.22%	11.84%	11.15%	11.91%	11.16%

Notes to the Schedule:

Valuation date

October 1, 2022

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, 2024 (Unaudited)

Schedules of Pension Investment Returns

	<u>2024</u>	<u>2022</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
General Employees:										
Annual money-weighted rate of return, net of investment expenses	21.23%	10.99%	-12.37%	21.69%	4.00%	3.66%	10.34%	12.00%	7.93%	0.79%
Police:										
Annual money-weighted rate of return, net of investment expenses	21.25%	11.16%	-12.51%	21.59%	4.26%	4.01%	10.21%	11.98%	7.89%	0.79%
Fire:										
Annual money-weighted rate of return, net of investment expenses	21.12%	11.28%	-12.85%	22.07%	4.50%	3.94%	10.43%	12.02%	8.01%	0.77%

THE CITY OF NAPLES, FLORIDA

Required Supplementary Information September 30, 2024 (Unaudited)

Schedule of Changes in Net Pension Liability and Related Ratios										
	Police Officers' Pension									
Reporting period ending	9/30/25	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
Measurement date	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
Total pension liability										
Service cost	\$ 930,831	\$ 961,907	933,890	956,334	929,192	869,370	802,840	765,046	943,492	1,007,847
Interest on total pension liability	5,490,981	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
Differences between expected and actual experience	1,030,210	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	(5,685,947)	(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)
Net change in total pension liability	1,766,075	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
Total pension liability - beginning	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
Total pension liability - ending (a)	\$ 82,120,803	\$ 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
Plan fiduciary net position										
Contributions - employer	\$ 3,165,872	\$ 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
Contributions - state	949,927	1,041,101	836,870	757,213	787,148	742,751	718,404	792,677	610,146	551,656
Contributions - employee	262,472	249,911	222,472	216,849	215,667	260,609	204,461	232,664	210,895	211,290
Net investment income	13,274,791	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
Benefit payments, including refunds of member contributions	(5,685,947)	(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)
Administrative expenses	(128,732)	(120,368)	(118,589)	(99,622)	(133,889)	(93,352)	(105,596)	(104,158)	(98,445)	(97,327)
Net change in plan fiduciary net position	11,838,383	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
Plan fiduciary net position - beginning	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
Plan fiduciary net position - ending (b)	\$ 74,685,075	\$ 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
City's net pension liability - ending (a) - (b)	\$ 7,435,728	\$ 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
Plan fiduciary net position as a percentage of the total pension liability	90.95%	78.21%	74.39%	88.48%	75.03%	77.37%	78.31%	74.74%	69.31%	69.07%
Covered payroll	\$ 6,951,856	\$ 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
City's net pension liability as a percentage of covered payroll	106.96%	274.71%	361.76%	175.04%	379.77%	338.10%	329.84%	379.01%	433.92%	368.68%

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, 2024 (Unaudited)

Schedule of Contributions Police Officers' Pension

	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
Actuarially determined contribution	\$ 3,629,564	\$ 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
Contributions in relation to the actuarially determined contribution	4,115,799	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
Contribution deficiency (excess)	\$ (486,235)	\$ (415,389)	\$ (100,827)	(711,432)	(273,544)	80,113	-	-	(1,000)	-
Covered payroll	\$ 6,951,856	\$ 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
Contributions as a percentage of covered payroll	59.20%	58.95%	60.16%	68.38%	60.95%	56.99%	61.15%	58.61%	56.48%	44.33%

Notes to the Schedule:

Valuation date October 1, 2022

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, 2024 (Unaudited)

Schedule of Changes in Net Pension Liability and Related Ratios										
	Firefighters' Pension									
Reporting period ending	9/30/25	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
Measurement date	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
Total pension liability										
Service cost	\$ 987,183	\$ 1,035,986	\$ 874,440	827,646	801,078	747,281	725,072	708,830	874,002	842,047
Interest on total pension liability	5,739,129	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
Differences between expected and actual experience	463,822	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	113,829	-	1,270	16,509	-	-	-	-	15,021	-
Benefit payments, including refunds of employee contributions	(4,272,663)	(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)
Net change in total pension liability	<u>3,031,300</u>	<u>3,611,748</u>	<u>1,640,324</u>	<u>1,816,988</u>	<u>5,038,490</u>	<u>2,991,691</u>	<u>3,140,354</u>	<u>2,970,769</u>	<u>4,400,379</u>	<u>2,633,753</u>
Total pension liability - beginning	<u>83,136,708</u>	<u>79,524,960</u>	<u>77,884,636</u>	<u>76,067,648</u>	<u>71,029,158</u>	<u>68,037,467</u>	<u>64,897,113</u>	<u>61,926,344</u>	<u>57,525,965</u>	<u>54,892,212</u>
Total pension liability - ending (a)	<u>\$ 86,168,008</u>	<u>\$ 83,136,708</u>	<u>\$ 79,524,960</u>	<u>77,884,636</u>	<u>76,067,648</u>	<u>71,029,158</u>	<u>68,037,467</u>	<u>64,897,113</u>	<u>61,926,344</u>	<u>57,525,965</u>
Plan fiduciary net position										
Contributions - employer	\$ 2,407,456	\$ 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
Contributions - state	1,299,543	1,264,503	609,491	623,358	603,786	544,971	539,925	509,868	581,196	721,101
Contributions - employee	323,564	196,749	205,041	182,388	160,322	148,990	146,837	141,266	171,558	153,807
Net investment income	14,501,278	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
Benefit payments, including refunds of member contributions	(4,272,663)	(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)
Administrative expenses	(125,349)	(110,677)	(113,296)	(80,622)	(107,442)	(72,724)	(95,636)	(95,118)	(80,473)	(57,827)
Net change in plan fiduciary net position	<u>14,133,829</u>	<u>6,656,234</u>	<u>(10,555,170)</u>	<u>11,236,822</u>	<u>1,894,888</u>	<u>(376,880)</u>	<u>5,440,085</u>	<u>5,937,410</u>	<u>3,042,734</u>	<u>270,249</u>
Plan fiduciary net position - beginning	<u>68,262,274</u>	<u>61,606,040</u>	<u>72,161,210</u>	<u>60,924,388</u>	<u>59,029,500</u>	<u>59,406,380</u>	<u>53,966,295</u>	<u>48,028,885</u>	<u>44,986,151</u>	<u>44,715,902</u>
Plan fiduciary net position - ending (b)	<u>\$ 82,396,103</u>	<u>\$ 68,262,274</u>	<u>\$ 61,606,040</u>	<u>72,161,210</u>	<u>60,924,388</u>	<u>59,029,500</u>	<u>59,406,380</u>	<u>53,966,295</u>	<u>48,028,885</u>	<u>44,986,151</u>
City's net pension liability - ending (a) - (b)	<u>\$ 3,771,905</u>	<u>\$ 14,874,434</u>	<u>\$ 17,918,920</u>	<u>5,723,426</u>	<u>15,143,260</u>	<u>11,999,658</u>	<u>8,631,087</u>	<u>10,930,818</u>	<u>13,897,459</u>	<u>12,539,814</u>
Plan fiduciary net position as a percentage of the total pension liability	95.62%	82.11%	77.47%	92.65%	80.09%	83.11%	87.31%	83.16%	77.56%	78.20%
Covered payroll	\$ 5,010,383	\$ 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
City's net pension liability as a percentage of covered payroll	75.28%	319.53%	378.97%	151.30%	416.99%	377.18%	271.30%	364.65%	429.24%	288.82%

THE CITY OF NAPLES, FLORIDA

Required Supplementary Information September 30, 2024 (Unaudited)

Schedule of Contributions Firefighters' Pension

	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
Actuarially determined contribution	\$ 2,607,403	\$ 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
Contributions in relation to the actuarially determined contribution	3,706,999	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
Contribution deficiency (excess)	\$ (1,099,596)	\$ (789,712)	\$ -	(306,787)	(57,135)	(118,141)	(13,172)	-	-	-
Covered payroll	\$ 5,010,383	\$ 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
Contributions as a percentage of covered payroll	73.99%	75.52%	67.30%	68.02%	63.66%	70.37%	67.07%	63.69%	66.37%	43.80%

Notes to the Schedule:

Valuation date

October 1, 2022

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, 2024 (Unaudited)

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

Measurement year ended September 30,	2023	2022	2021	2020	2019	2018	2017
Total OPEB liability							
Service cost	\$ 222,655	\$ 314,904	\$ 443,012	430,152	343,902	347,546	353,062
Interest on the total OPEB liability	196,191	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	(543,069)	-	73,066	-	43,902	-	-
Changes in assumptions and other inputs	427,447	(760,713)	(1,153,792)	(134,636)	925,138	(118,384)	(140,703)
Benefit payments	(338,643)	(287,559)	(382,819)	(327,481)	(292,583)	(254,400)	(53,548)
Net change in total OPEB liability	(35,419)	(619,570)	(872,340)	133,861	1,218,478	136,767	296,397
Total OPEB liability - beginning	4,405,560	5,025,130	5,897,470	5,763,609	4,545,131	4,408,364	4,111,967
Total OPEB liability - ending	\$ 4,370,141	\$ 4,405,560	\$ 5,025,130	5,897,470	5,763,609	4,545,131	4,408,364
Covered-employee payroll	\$32,675,921	\$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	13.37%	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.

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**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, FLORIDACombining Balance Sheet
Nonmajor Governmental Funds
September 30, 2024

	Special Revenue Funds	Capital Project Funds	Total
Assets			
Cash and cash equivalents	\$ 3,709,222	483,416	4,192,638
Investments	11,892,300	1,549,900	13,442,200
Accrued interest	84,033	8,321	92,354
Total assets	<u>\$ 15,685,555</u>	<u>2,041,637</u>	<u>17,727,192</u>
Liabilities			
Accounts payable	\$ 284,000	-	284,000
Accrued payroll	78,274	-	78,274
Due to other governments	40,027	-	40,027
Customer deposits	1,483,310	-	1,483,310
Total liabilities	<u>1,885,611</u>	<u>-</u>	<u>1,885,611</u>
Fund balances			
Restricted	11,139,148	2,032,427	13,171,575
Committed	2,508,599	9,210	2,517,809
Assigned	152,197	-	152,197
Total fund balances	<u>13,799,944</u>	<u>2,041,637</u>	<u>15,841,581</u>
Total liabilities and fund balances	<u>\$ 15,685,555</u>	<u>2,041,637</u>	<u>17,727,192</u>

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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, 2024

	Special Revenue Funds	Capital Project Funds	Total
Revenues			
Taxes—property	\$ 34,009	-	34,009
Permits, fees and assessments	7,300,356	309,821	7,610,177
Intergovernmental	9,500	-	9,500
Charges for services	10,000	-	10,000
Fines and forfeitures	46,621	-	46,621
Interest	857,579	60,053	917,632
Donations	628,000	-	628,000
Total revenues	<u>8,886,065</u>	<u>369,874</u>	<u>9,255,939</u>
Expenditures			
Current			
General government	234,109	-	234,109
Public safety	6,481,510	-	6,481,510
Physical and economic environment	750,871	-	750,871
Culture and recreation	124,192	-	124,192
Capital outlay			
General government	-	38,959	38,959
Public safety	154,249	-	154,249
Culture and recreation	126,840	-	126,840
Total expenditures	<u>7,871,771</u>	<u>38,959</u>	<u>7,910,730</u>
Change in fund balances	1,014,294	330,915	1,345,209
Fund balances, beginning of year	<u>12,785,650</u>	<u>1,710,722</u>	<u>14,496,372</u>
Fund balances, end of year	<u>\$ 13,799,944</u>	<u>2,041,637</u>	<u>15,841,581</u>

CITY OF NAPLES, FLORIDA
Combining Balance Sheet
Nonmajor Governmental Special Revenue Funds
September 30, 2024

	Building and Zoning Fund	Community Development Block Grant Fund	Improvement Fund	Public Arts Fund	Grants Fund	Confiscated Properties Fund
Assets						
Cash and cash equivalents	\$ 1,553,596	36,185	211,421	466,606	5,752	171,958
Investments	4,981,052	116,012	677,846	1,496,006	18,444	551,324
Accrued interest	42,341	-	-	-	-	4,054
Total assets	<u>\$ 6,576,989</u>	<u>152,197</u>	<u>889,267</u>	<u>1,962,612</u>	<u>24,196</u>	<u>727,336</u>
Liabilities						
Accounts payable	\$ 254,772	-	12,516	-	-	13,191
Accrued payroll	78,274	-	-	-	-	-
Due to other governments	40,027	-	-	-	-	-
Customer deposits	-	-	-	1,483,310	-	-
Total liabilities	<u>373,073</u>	<u>-</u>	<u>12,516</u>	<u>1,483,310</u>	<u>-</u>	<u>13,191</u>
Fund balances						
Restricted	6,203,916	-	876,751	-	24,196	714,145
Committed	-	-	-	479,302	-	-
Assigned	-	152,197	-	-	-	-
Total fund balances	<u>6,203,916</u>	<u>152,197</u>	<u>876,751</u>	<u>479,302</u>	<u>24,196</u>	<u>714,145</u>
Total liabilities and fund balances	<u>\$ 6,576,989</u>	<u>152,197</u>	<u>889,267</u>	<u>1,962,612</u>	<u>24,196</u>	<u>727,336</u>

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
708	431,429	333,705	145,443	25,443	326,976	3,709,222
2,271	1,383,222	1,069,906	466,308	81,574	1,048,335	11,892,300
-	17,163	5,818	5,138	-	9,519	84,033
<u>2,979</u>	<u>1,831,814</u>	<u>1,409,429</u>	<u>616,889</u>	<u>107,017</u>	<u>1,384,830</u>	<u>15,685,555</u>
-	-	-	-	-	3,521	284,000
-	-	-	-	-	-	78,274
-	-	-	-	-	-	40,027
-	-	-	-	-	-	1,483,310
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,521</u>	<u>1,885,611</u>
-	1,831,814	-	-	107,017	1,381,309	11,139,148
2,979	-	1,409,429	616,889	-	-	2,508,599
-	-	-	-	-	-	152,197
<u>2,979</u>	<u>1,831,814</u>	<u>1,409,429</u>	<u>616,889</u>	<u>107,017</u>	<u>1,381,309</u>	<u>13,799,944</u>
<u>2,979</u>	<u>1,831,814</u>	<u>1,409,429</u>	<u>616,889</u>	<u>107,017</u>	<u>1,384,830</u>	<u>15,685,555</u>

CITY OF NAPLES, FLORIDA
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Special Revenue Funds
Year Ended September 30, 2024

	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	6,593,740	-	-	-	-	-
Intergovernmental	9,500	-	-	-	-	-
Charges for services	-	10,000	-	-	-	-
Fines and forfeitures	-	-	-	-	-	46,621
Investment earnings	515,400	-	-	-	-	22,669
Donations	-	-	615,570	-	-	-
Total revenues	<u>7,118,640</u>	<u>10,000</u>	<u>615,570</u>	<u>-</u>	<u>-</u>	<u>69,290</u>
Expenditures						
Current						
General government	-	-	234,109	-	-	-
Public safety	6,321,003	-	121,879	-	-	38,628
Physical and economic environment	-	-	-	-	-	-
Culture and recreation	-	-	124,192	-	-	-
Capital outlay						
Public safety	133,611	-	-	-	-	20,638
Culture and recreation	-	-	51,648	-	-	-
Total expenditures	<u>6,454,614</u>	<u>-</u>	<u>531,828</u>	<u>-</u>	<u>-</u>	<u>59,266</u>
Change in fund balances	664,026	10,000	83,742	-	-	10,024
Fund balances, beginning of year	5,539,890	142,197	793,009	479,302	24,196	704,121
Fund balances, end of year	<u>\$ 6,203,916</u>	<u>152,197</u>	<u>876,751</u>	<u>479,302</u>	<u>24,196</u>	<u>714,145</u>

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
-	-	-	-	-	34,009	34,009
706,616	-	-	-	-	-	7,300,356
-	-	-	-	-	-	9,500
-	-	-	-	-	-	10,000
-	-	-	-	-	-	46,621
-	54,502	44,240	19,813	-	200,955	857,579
-	12,430	-	-	-	-	628,000
<u>706,616</u>	<u>66,932</u>	<u>44,240</u>	<u>19,813</u>	<u>-</u>	<u>234,964</u>	<u>8,886,065</u>
-	-	-	-	-	-	234,109
-	-	-	-	-	-	6,481,510
706,369	-	-	-	-	44,502	750,871
-	-	-	-	-	-	124,192
-	-	-	-	-	-	154,249
-	-	-	75,192	-	-	126,840
<u>706,369</u>	<u>-</u>	<u>-</u>	<u>75,192</u>	<u>-</u>	<u>44,502</u>	<u>7,871,771</u>
247	66,932	44,240	(55,379)	-	190,462	1,014,294
<u>2,732</u>	<u>1,764,882</u>	<u>1,365,189</u>	<u>672,268</u>	<u>107,017</u>	<u>1,190,847</u>	<u>12,785,650</u>
<u>2,979</u>	<u>1,831,814</u>	<u>1,409,429</u>	<u>616,889</u>	<u>107,017</u>	<u>1,381,309</u>	<u>13,799,944</u>

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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, 2024

	Capital Project Funds		Total Nonmajor Capital Projects Funds
	Impact Fee Fund	Land Contribution Fund	
Assets			
Cash and cash equivalents	\$ 481,226	2,190	483,416
Investments	1,542,880	7,020	1,549,900
Accrued interest	8,321	-	8,321
Total assets	<u>\$ 2,032,427</u>	<u>9,210</u>	<u>2,041,637</u>
Liabilities			
Accounts payable	\$ -	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances			
Restricted	2,032,427	-	2,032,427
Committed	-	9,210	9,210
Total fund balances	<u>2,032,427</u>	<u>9,210</u>	<u>2,041,637</u>
Total liabilities and fund balances	<u>\$ 2,032,427</u>	<u>9,210</u>	<u>2,041,637</u>

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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, 2024

	Capital Project Funds		Total Nonmajor Capital Projects Funds
	Impact Fee Fund	Land Contribution Fund	
Revenues			
Permits, fees and assessments	\$ 309,821	-	309,821
Investment earnings	60,053	-	60,053
Total revenues	<u>369,874</u>	<u>-</u>	<u>369,874</u>
Expenditures			
Capital outlay			
General government	38,959	-	38,959
Total expenditures	<u>38,959</u>	<u>-</u>	<u>38,959</u>
Change in fund balances	330,915	-	330,915
Fund balances, beginning of year	<u>1,701,512</u>	<u>9,210</u>	<u>1,710,722</u>
Fund balances, end of year	<u><u>\$ 2,032,427</u></u>	<u><u>9,210</u></u>	<u><u>2,041,637</u></u>

CITY OF NAPLES, FLORIDA
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual
Nonmajor Special Revenue Funds
Year Ended September 30, 2024

Building and Zoning Fund				
	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues				
Permits, fees and assessments	\$ 7,446,811	7,446,811	6,593,740	(853,071)
Intergovernmental	-	-	9,500	9,500
Charges for services	100	100	-	(100)
Fines and forfeitures	-	-	-	-
Investment earnings	71,000	71,000	515,400	444,400
Miscellaneous	-	-	-	-
Total revenues	<u>7,517,911</u>	<u>7,517,911</u>	<u>7,118,640</u>	<u>(399,271)</u>
Expenditures				
Current				
Public safety	7,052,559	6,974,078	6,321,003	653,075
Capital outlay				
Public safety	1,035,000	1,139,146	133,611	1,005,535
Economic and physical development	-	-	-	-
Total expenditures	<u>8,087,559</u>	<u>8,113,224</u>	<u>6,454,614</u>	<u>1,658,610</u>
Change in fund balances	(569,648)	(595,313)	664,026	1,259,339
Fund balances, beginning of year	<u>5,539,890</u>	<u>5,539,890</u>	<u>5,539,890</u>	<u>-</u>
Fund balances, end of year	<u>\$ 4,970,242</u>	<u>4,944,577</u>	<u>6,203,916</u>	<u>1,259,339</u>

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
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	10,000	10,000	-	-	-	-
-	-	-	-	-	-	46,621	46,621
-	-	-	-	-	-	22,669	22,669
-	-	-	-	-	-	-	-
-	-	10,000	10,000	-	-	69,290	69,290
-	-	-	-	-	177,012	38,628	138,384
-	-	-	-	-	242,988	20,638	222,350
-	-	-	-	-	-	-	-
-	-	-	-	-	420,000	59,266	360,734
-	-	10,000	10,000	-	(420,000)	10,024	430,024
142,197	142,197	142,197	-	704,121	704,121	704,121	-
142,197	142,197	152,197	10,000	704,121	284,121	714,145	430,024

(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, 2024

	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	<u>\$ 24,196</u>	<u>24,196</u>	<u>24,196</u>	<u>-</u>

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
716,897	716,897	706,616	(10,281)	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
716,897	716,897	706,616	(10,281)	-	-	-	-
-	-	-	-	-	-	-	-
716,897	716,897	706,369	10,528	-	-	-	-
716,897	716,897	706,369	10,528	-	-	-	-
-	-	247	247	-	-	-	-
2,732	2,732	2,732	-	107,017	107,017	107,017	-
2,732	2,732	2,979	247	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, 2024

	Improvement Fund			Variance
	Original Budget	Final Budget	Actual	With Final Budget
Revenues				
Taxes - property	\$ -	-	-	-
Investment earnings	-	-	-	-
Donations	-	-	615,570	615,570
Total revenues	-	-	615,570	615,570
Expenditures				
Current				
General government	-	-	234,109	(234,109)
Public safety	-	-	121,879	(121,879)
Economic and physical development	-	-	-	-
Culture and recreation	-	-	124,192	(124,192)
Capital outlay				
Culture and recreation	-	51,938	51,648	290
Total expenditures	-	51,938	531,828	(479,890)
Change in fund balances	-	(51,938)	83,742	135,680
Fund balances, beginning of year	793,009	793,009	793,009	-
Fund balances, end of year	<u>\$ 793,009</u>	<u>741,071</u>	<u>876,751</u>	<u>135,680</u>

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
-	-	-	-	34,524	34,524	34,009	(515)
-	-	-	-	15,000	15,000	200,955	185,955
-	-	-	-	-	-	-	-
-	-	-	-	49,524	49,524	234,964	185,440
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	162,500	162,932	44,502	118,430
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	162,500	162,932	44,502	118,430
-	-	-	-	(112,976)	(113,408)	190,462	303,870
479,302	479,302	479,302	-	1,190,847	1,190,847	1,190,847	-
479,302	479,302	479,302	-	1,077,871	1,077,439	1,381,309	303,870

CITY OF NAPLES, FLORIDA
Baker Park Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Year Ended September 30, 2024

	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues				
Investment earnings	\$ -	-	54,502	54,502
Donations	-	-	12,430	12,430
Total revenues	<u>-</u>	<u>-</u>	<u>66,932</u>	<u>66,932</u>
Expenditures				
Capital outlay				
Physical and economic environment	<u>-</u>	<u>86,600</u>	<u>-</u>	<u>86,600</u>
Total expenditures	<u>-</u>	<u>86,600</u>	<u>-</u>	<u>86,600</u>
Net change in fund balances	-	(86,600)	66,932	153,532
Fund balance, beginning of year	<u>1,764,882</u>	<u>1,764,882</u>	<u>1,764,882</u>	<u>-</u>
Fund balance, end of year	<u>\$ 1,764,882</u>	<u>1,678,282</u>	<u>1,831,814</u>	<u>153,532</u>

CITY OF NAPLES, FLORIDA

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

Debt Service Fund

Year Ended September 30, 2024

	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues				
Taxes	\$ 4,645,530	4,645,530	5,201,367	555,837
Investment earnings (loss)	21,000	21,000	269,540	248,540
Total revenues	<u>4,666,530</u>	<u>4,666,530</u>	<u>5,470,907</u>	<u>804,377</u>
Expenditures				
Current				
General government	20,870	20,870	20,870	-
Debt service				
Principal	338,350	338,350	338,350	-
Interest and fiscal charges	<u>49,153</u>	<u>49,153</u>	<u>256,908</u>	<u>(207,755)</u>
Total debt service	<u>387,503</u>	<u>387,503</u>	<u>595,258</u>	<u>(207,755)</u>
Total expenditures	<u>408,373</u>	<u>408,373</u>	<u>616,128</u>	<u>(207,755)</u>
Excess of revenues over expenditures	<u>4,258,157</u>	<u>4,258,157</u>	<u>4,854,779</u>	<u>596,622</u>
Other financing uses				
Transfers out	<u>(4,100,000)</u>	<u>(4,100,000)</u>	<u>(11,690,649)</u>	<u>(7,590,649)</u>
Total other financing uses	<u>(4,100,000)</u>	<u>(4,100,000)</u>	<u>11,532,608</u>	<u>15,632,608</u>
Change in fund balance	158,157	158,157	16,387,387	16,229,230
Fund balances, beginning of year	<u>2,828,840</u>	<u>2,828,840</u>	<u>2,828,840</u>	<u>-</u>
Fund balances, end of year	<u>\$ 2,986,997</u>	<u>2,986,997</u>	<u>19,216,227</u>	<u>16,229,230</u>

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, 2024

Capital Projects Fund - Major Fund				
	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues				
Permits, fees and assessments	\$ 178,115	178,115	154,321	(23,794)
Intergovernmental	-	-	-	-
Investment earnings	81,000	81,000	466,529	385,529
Total revenues	<u>259,115</u>	<u>259,115</u>	<u>620,850</u>	<u>361,735</u>
Expenditures				
Current				
General government	110,000	110,000	110,000	-
Capital projects				
General government	1,328,500	1,815,198	321,068	1,494,130
Public safety	4,258,000	5,324,970	4,719,806	605,164
Transportation	-	226,718	137,130	89,588
Culture and recreation	-	2,084,386	1,154,683	929,703
Total capital projects	<u>5,586,500</u>	<u>9,451,272</u>	<u>6,332,687</u>	<u>3,118,585</u>
Total expenditures	<u>5,696,500</u>	<u>9,561,272</u>	<u>6,442,687</u>	<u>3,118,585</u>
Deficiency of revenues under expenditures	<u>(5,437,385)</u>	<u>(9,302,157)</u>	<u>(5,821,837)</u>	<u>3,480,320</u>
Other financing sources				
Transfers in	4,100,000	4,100,000	4,100,000	-
Proceeds from sale of capital assets	10,000	10,000	82,437	72,437
Total other financing sources	<u>4,110,000</u>	<u>4,110,000</u>	<u>4,182,437</u>	<u>72,437</u>
Change in fund balance	<u>(1,327,385)</u>	<u>(5,192,157)</u>	<u>(1,639,400)</u>	<u>3,552,757</u>
Fund balances, beginning of year	5,978,693	5,978,693	5,978,693	-
Fund balances, end of year	<u>\$ 4,651,308</u>	<u>786,536</u>	<u>4,339,293</u>	<u>3,552,757</u>

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, 2024

Sales Tax Fund				
	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues				
Intergovernmental	\$ 1,255,383	1,255,383	2,161,314	905,931
Investment earnings	200,000	200,000	660,914	460,914
Total revenues	<u>1,455,383</u>	<u>1,455,383</u>	<u>2,822,228</u>	<u>1,366,845</u>
Expenditures				
Capital projects				
General government	2,838,000	3,019,799	95,207	2,924,592
Physical and economic environment	-	14,929,287	3,352,991	11,576,296
Transportation	300,000	648,333	263,130	385,203
Total current expenditures	<u>3,138,000</u>	<u>18,597,419</u>	<u>3,711,328</u>	<u>14,886,091</u>
Total expenditures	<u>3,138,000</u>	<u>18,597,419</u>	<u>3,711,328</u>	<u>14,886,091</u>
Change in fund balance	(1,682,617)	(17,142,036)	(889,100)	16,252,936
Fund balances, beginning of year	<u>19,728,779</u>	<u>19,728,779</u>	<u>19,728,779</u>	-
Fund balances, end of year	<u><u>\$ 18,046,162</u></u>	<u><u>2,586,743</u></u>	<u><u>18,839,679</u></u>	<u><u>16,252,936</u></u>

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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, 2024

Assets	Naples Beach Fund	Tennis Fund	Total
Current assets			
Cash and cash equivalents	\$ 1,923,129	181,314	2,104,443
Investments	6,165,828	581,319	6,747,147
Accrued interest	38,940	4,577	43,517
Due from other governments	-	12,506	12,506
Prepays	39,990	-	39,990
Inventories	-	5,374	5,374
Total current assets	<u>8,167,887</u>	<u>785,090</u>	<u>8,952,977</u>
Capital assets			
Buildings and utility plants	1,834,675	703,269	2,537,944
Improvements other than buildings	7,465,182	279,557	7,744,739
Equipment	1,924,236	274,831	2,199,067
Accumulated depreciation	(9,448,634)	(1,158,088)	(10,606,722)
Construction in progress	1,569,261	-	1,569,261
Net capital assets	<u>3,344,720</u>	<u>99,569</u>	<u>3,444,289</u>
Total assets	<u>11,512,607</u>	<u>884,659</u>	<u>12,397,266</u>
Deferred Outflows of Resources			
Deferred outflows - pensions	133,632	42,464	176,096
Deferred outflows - OPEB	19,168	4,792	23,960
Total deferred outflows of resources	<u>152,800</u>	<u>47,256</u>	<u>200,056</u>
Liabilities			
Current liabilities			
Accounts payable	152,229	7,069	159,298
Accrued payroll	29,931	7,676	37,607
Current portion of net pension liability	64,373	20,456	84,829
Current portion of total OPEB liability	5,259	1,315	6,574
Current portion of compensated absences	12,000	9,000	21,000
Total current liabilities	<u>263,792</u>	<u>45,516</u>	<u>309,308</u>
Noncurrent liabilities			
Net pension liability	235,730	74,908	310,638
Total OPEB liability	82,143	20,536	102,679
Compensated absences	148,557	40,913	189,470
Total noncurrent liabilities	<u>466,430</u>	<u>136,357</u>	<u>602,787</u>
Total liabilities	<u>730,222</u>	<u>181,873</u>	<u>912,095</u>
Deferred Inflows of Resources			
Deferred inflows - pensions	22,109	7,026	29,135
Deferred inflows - OPEB	36,546	9,136	45,682
Total deferred inflows of resources	<u>58,655</u>	<u>16,162</u>	<u>74,817</u>
Net Position			
Investment in capital assets	3,344,720	99,569	3,444,289
Unrestricted	7,531,810	634,311	8,166,121
Total net position	<u>\$ 10,876,530</u>	<u>733,880</u>	<u>11,610,410</u>

CITY OF NAPLES, FLORIDA
Combining Statement of Revenues, Expenses and Changes in Fund Net Position
Nonmajor Enterprise Funds
Year Ended September 30, 2024

	Naples Beach Fund	Tennis Fund	Total
Operating revenues			
Charges for services	\$ 3,721,929	945,804	4,667,733
Total operating revenues	<u>3,721,929</u>	<u>945,804</u>	<u>4,667,733</u>
Operating expenses			
Personal services	1,400,595	444,498	1,845,093
Supplies and services	1,033,544	448,624	1,482,168
Utilities	151,454	1,464	152,918
Depreciation and amortization	449,834	48,914	498,748
General administration	250,260	64,020	314,280
Other	46,187	33,722	79,909
Total operating expenses	<u>3,331,874</u>	<u>1,041,242</u>	<u>4,373,116</u>
Operating income (loss)	<u>390,055</u>	<u>(95,438)</u>	<u>294,617</u>
Nonoperating revenues			
Interest income	600,002	72,111	672,113
Gain on sale of capital assets	193,020	11,081	204,101
Total nonoperating revenues	<u>793,022</u>	<u>83,192</u>	<u>876,214</u>
Income before contributions	1,183,077	(12,246)	1,170,831
Capital contributions	304,497	25,012	329,509
Change in net position	1,487,574	12,766	1,500,340
Net position, beginning of year	9,388,956	721,114	10,110,070
Net position, end of year	<u><u>\$ 10,876,530</u></u>	<u><u>733,880</u></u>	<u><u>11,610,410</u></u>

CITY OF NAPLES, FLORIDA
Combining Statement of Cash Flows
Nonmajor Enterprise Funds
Year Ended September 30, 2024

	Naples Beach Fund	Tennis Fund	Total
Cash flows from operating activities			
Cash received from customers	\$ 3,721,929	945,804	4,667,733
Cash payments to suppliers	(1,609,455)	(549,961)	(2,159,416)
Cash payments for employee services	(1,303,087)	(64,020)	(1,367,107)
Cash payments for interfund services	(250,260)	(395,304)	(645,564)
Net cash provided by (used in) operating activities	<u>559,127</u>	<u>(63,481)</u>	<u>495,646</u>
Cash flows from noncapital financing activities			
Nonoperating grants	-	(12,506)	(12,506)
Net cash used in noncapital financing activities	<u>-</u>	<u>(12,506)</u>	<u>(12,506)</u>
Cash flows from capital and related financing activities			
Capital contributions	304,497	25,012	329,509
Proceeds from sale of capital assets	193,020	11,081	204,101
Acquisition and construction of capital assets	(719,274)	-	(719,274)
Net cash provided by (used in) capital and related financing activities	<u>(221,757)</u>	<u>36,093</u>	<u>(185,664)</u>
Cash flows from investing activities			
Purchase of investments	(700,593)	(4,450)	(705,043)
Sale of investments	1,096,333	57,863	1,154,196
Interest and investment earnings	245,875	71,393	317,268
Net cash provided by investing activities	<u>641,615</u>	<u>124,806</u>	<u>766,421</u>
Net change in cash and cash equivalents	978,985	84,912	1,063,897
Cash and cash equivalents, beginning of year	944,144	96,402	1,040,546
Cash and cash equivalents, end of year	<u>\$ 1,923,129</u>	<u>181,314</u>	<u>2,104,443</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities			
Operating income (loss)	\$ 390,055	(95,438)	294,617
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities			
Depreciation and amortization	449,834	48,914	498,748
Changes in assets - (increase) decrease			
Due from other governments	59,768	-	59,768
Inventories	-	1,018	1,018
Deferred outflows	109,991	21,852	131,843
Changes in liabilities - increase (decrease)			
Accounts payable	(438,038)	(67,169)	(505,207)
Accrued payroll	10,701	1,658	12,359
Deferred inflows	14,533	4,979	19,512
Net pension liability	(73,148)	(3,111)	(76,259)
Total OPEB liability	(709)	(177)	(886)
Compensated absences	36,140	23,993	60,133
Net cash provided by (used in) operating activities	<u>\$ 559,127</u>	<u>(63,481)</u>	<u>495,646</u>
Schedule of noncash capital and related financing activities:			
Unrealized gain on investments	<u>\$ (345,131)</u>	<u>(45,500)</u>	<u>(390,631)</u>

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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, 2024

Assets	Equipment Services	Risk Management	Health Benefits	Technology Services	Total
Current assets					
Cash and cash equivalents	\$ 283,063	2,678,189	2,013,783	196,244	5,171,279
Investments	907,538	8,586,660	5,934,759	629,186	16,058,143
Receivables, miscellaneous	-	-	1,655	-	1,655
Accrued interest	1,180	57,261	18,302	7,553	84,296
Inventories	108,159	-	-	-	108,159
Prepays	-	100,000	-	-	100,000
Total current assets	<u>1,299,940</u>	<u>11,422,110</u>	<u>7,968,499</u>	<u>832,983</u>	<u>21,523,532</u>
Capital assets					
Buildings	794,987	-	-	51,957	846,944
Equipment	816,623	25,788	-	5,873,029	6,715,440
Accumulated depreciation	(1,204,786)	(25,788)	-	(3,834,776)	(5,065,350)
Construction in progress	23,200	-	-	178,503	201,703
Net capital assets	<u>430,024</u>	<u>-</u>	<u>-</u>	<u>2,268,713</u>	<u>2,698,737</u>
Total assets	<u>1,729,964</u>	<u>11,422,110</u>	<u>7,968,499</u>	<u>3,101,696</u>	<u>24,222,269</u>
Deferred outflows of resources					
Deferred outflows - pensions	91,345	23,449	-	125,337	240,131
Deferred outflows - OPEB	14,376	4,792	-	19,168	38,336
Total deferred outflows of resources	<u>105,721</u>	<u>28,241</u>	<u>-</u>	<u>144,505</u>	<u>278,467</u>
Liabilities					
Current liabilities					
Accounts payable	109,582	13,200	216,130	82,102	421,014
Accrued payroll	18,430	4,489	165,591	26,192	214,702
Unearned revenue	-	-	4,337	-	4,337
Total current liabilities	<u>128,012</u>	<u>17,689</u>	<u>386,058</u>	<u>108,294</u>	<u>640,053</u>
Noncurrent liabilities					
Due within one year					
Compensated absences	6,000	-	-	25,000	31,000
Insurance claims payable	-	1,034,000	577,054	-	1,611,054
Net pension liability	44,002	11,296	-	60,377	115,675
Total OPEB liability	3,944	1,315	-	5,259	10,518
Due in more than one year					
Compensated absences	80,610	42,043	-	79,368	202,021
Net pension liability	161,134	41,364	-	221,097	423,595
Total OPEB liability	61,608	20,536	-	82,144	164,288
Insurance claims payable	-	4,136,000	-	-	4,136,000
Total noncurrent liabilities	<u>357,298</u>	<u>5,286,554</u>	<u>577,054</u>	<u>473,245</u>	<u>6,694,151</u>
Total liabilities	<u>485,310</u>	<u>5,304,243</u>	<u>963,112</u>	<u>581,539</u>	<u>7,334,204</u>
Deferred inflows of resources					
Deferred inflows - pensions	15,113	3,880	-	20,737	39,730
Deferred inflows - OPEB	27,409	9,136	-	36,546	73,091
Total deferred inflows of resources	<u>42,522</u>	<u>13,016</u>	<u>-</u>	<u>57,283</u>	<u>112,821</u>
Net Position					
Investment in capital assets	430,024	-	-	2,268,713	2,698,737
Restricted, flexible benefits	-	-	375,785	-	375,785
Unrestricted	877,829	6,133,092	6,629,602	338,666	13,979,189
Total net position	<u>\$ 1,307,853</u>	<u>6,133,092</u>	<u>7,005,387</u>	<u>2,607,379</u>	<u>17,053,711</u>

CITY OF NAPLES, FLORIDA
Combining Statement of Revenues, Expenses and Changes in Fund Net Position
Internal Service Funds
Year Ended September 30, 2024

	Equipment Services	Risk Management	Health Benefits	Technology Services	Total
Operating revenues					
Charges for services	\$ 3,558,508	4,951,533	9,849,079	3,532,020	21,891,140
Total operating revenues	<u>3,558,508</u>	<u>4,951,533</u>	<u>9,849,079</u>	<u>3,532,020</u>	<u>21,891,140</u>
Operating expenses					
Personal services	857,495	227,841	-	1,237,477	2,322,813
Supplies, services and claims	1,990,177	3,517,715	9,095,922	1,710,200	16,314,014
Utilities	35,895	-	-	-	35,895
Depreciation and amortization	61,112	-	-	334,532	395,644
General administration	148,770	98,730	200,210	95,320	543,030
Other	8,997	2,603	-	-	11,600
Total operating expenses	<u>3,102,446</u>	<u>3,846,889</u>	<u>9,296,132</u>	<u>3,377,529</u>	<u>19,622,996</u>
Operating income	456,062	1,104,644	552,947	154,491	2,268,144
Nonoperating revenues					
Interest income	12,771	701,454	214,737	108,812	1,037,774
Gain on sale of capital assets	113,979	-	-	-	113,979
Total nonoperating revenues	<u>126,750</u>	<u>701,454</u>	<u>214,737</u>	<u>108,812</u>	<u>1,151,753</u>
Income before contributions	582,812	1,806,098	767,684	263,303	3,419,897
Capital contributions	-	-	-	828,000	828,000
Change in net position	<u>582,812</u>	<u>1,806,098</u>	<u>767,684</u>	<u>1,091,303</u>	<u>4,247,897</u>
Net position, beginning of year	725,041	4,326,994	6,237,703	1,516,076	12,805,814
Net position, end of year	<u>\$ 1,307,853</u>	<u>6,133,092</u>	<u>7,005,387</u>	<u>2,607,379</u>	<u>17,053,711</u>

CITY OF NAPLES, FLORIDA
Combining Statement of Cash Flows
Internal Service Funds
Year Ended September 30, 2024

	Equipment Services	Risk Management	Health Benefits	Technology Services	Total
Cash flows from operating activities					
Cash received from customers	\$ 3,582,170	4,951,533	9,854,734	3,532,020	21,920,457
Cash payments to suppliers for goods and services	(2,037,305)	(3,578,858)	(8,961,111)	(1,688,799)	(16,266,073)
Cash payments for employee services	(808,676)	(98,730)	-	(95,320)	(1,002,726)
Cash payments for interfund services	(148,770)	(214,231)	(200,210)	(1,141,613)	(1,704,824)
Net cash provided by operating activities	<u>587,419</u>	<u>1,059,714</u>	<u>693,413</u>	<u>606,288</u>	<u>2,946,834</u>
Cash flows from noncapital and related financing activities					
Nonoperating grants	-	-	-	-	-
Net cash provided by noncapital and related financing activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash flows from capital and related financing activities					
Capital contributions	-	-	-	828,000	828,000
Proceeds from the sale of capital assets	113,979	-	-	-	113,979
Acquisition and construction of capital assets	(179,212)	-	-	(1,582,499)	(1,761,711)
Net cash used in capital and related financing activities	<u>(65,233)</u>	<u>-</u>	<u>-</u>	<u>(754,499)</u>	<u>(819,732)</u>
Cash flows from investing activities					
Purchase of investments	(499,557)	(1,470,086)	(941,268)	-	(2,910,911)
Sale of investments	161,368	1,526,777	1,055,247	182,197	2,925,589
Interest and investment earnings	12,594	307,529	113,618	48,085	481,826
Net cash provided by (used in) investing activities	<u>(325,595)</u>	<u>364,220</u>	<u>227,597</u>	<u>230,282</u>	<u>496,504</u>
Net change in cash and cash equivalents	196,591	1,423,934	921,010	82,071	2,623,606
Cash and cash equivalents, beginning of year	86,472	1,254,255	1,092,773	114,173	2,547,673
Cash and cash equivalents, end of year	<u>\$ 283,063</u>	<u>2,678,189</u>	<u>2,013,783</u>	<u>196,244</u>	<u>5,171,279</u>
Reconciliation of operating income to net cash provided by operating activities					
Operating income	\$ 456,062	1,104,644	552,947	154,491	2,268,144
Adjustments to reconcile operating income to net cash provided by operating activities					
Depreciation and amortization	61,112	-	-	334,532	395,644
Changes in assets - (increase) decrease					
Miscellaneous receivables	-	-	5,655	-	5,655
Due from other governments	23,662	-	-	-	23,662
Inventories	(46,594)	-	-	-	(46,594)
Deferred outflows	58,575	17,779	-	61,614	137,968
Changes in liabilities - increase (decrease)					
Accounts payable	44,358	(73,540)	17,110	21,401	9,329
Accrued payroll	4,753	905	30,401	8,450	44,509
Insurance claims payable	-	15,000	87,300	-	102,300
Deferred inflows	10,899	2,866	-	15,697	29,462
Net pension liability	(25,168)	(10,872)	-	(6,009)	(42,049)
Total OPEB liability	(531)	(177)	-	(708)	(1,416)
Compensated absences	291	3,109	-	16,820	20,220
Net cash provided by operating activities	<u>\$ 587,419</u>	<u>1,059,714</u>	<u>693,413</u>	<u>606,288</u>	<u>2,946,834</u>
Schedule of non-cash capital and related financing activities:					
Unrealized gain on investments	<u>\$ -</u>	<u>(385,077)</u>	<u>(95,853)</u>	<u>(59,645)</u>	<u>(540,575)</u>

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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, 2024

	Pension Trust			
	General Pension Fund	Police Officers' Pension Fund	Firefighters' Pension Fund	Total
Assets				
Cash and cash equivalents	\$ 2,122,595	2,286,807	1,960,832	6,370,234
Receivables				
Contributions	17,186	13,319	484,303	514,808
Investments, at fair value				
U.S. Treasury securities	8,065,930	7,768,565	8,534,814	24,369,309
U.S. Government agency securities	1,662,429	1,526,448	1,761,752	4,950,629
Asset-backed securities	971,576	994,312	1,040,334	3,006,222
Corporate bonds	1,990,412	1,798,373	2,001,240	5,790,025
Common stock/equity funds	50,551,358	48,701,837	54,164,519	153,417,714
Real estate investment trusts	4,861,403	4,104,205	4,149,665	13,115,273
Alternative investments	7,931,126	7,494,289	8,301,621	23,727,036
Total investments	<u>76,034,234</u>	<u>72,388,029</u>	<u>79,953,945</u>	<u>228,376,208</u>
Total assets	<u>78,174,015</u>	<u>74,688,155</u>	<u>82,399,080</u>	<u>235,261,250</u>
Liabilities				
Accounts payable	3,973	3,080	2,977	10,030
Total liabilities	<u>3,973</u>	<u>3,080</u>	<u>2,977</u>	<u>10,030</u>
Net position				
Restricted for pension benefits	<u>\$ 78,170,042</u>	<u>74,685,075</u>	<u>82,396,103</u>	<u>235,251,220</u>

CITY OF NAPLES, FLORIDA
Combining Statement of Changes in Fiduciary Net Position
Fiduciary Funds
Year Ended September 30, 2024

	Pension Trust			
	General Pension Fund	Police Officers' Pension Fund	Firefighters' Pension Fund	Total
Additions				
Contributions				
Employee contributions	\$ 845,428	262,472	323,564	1,431,464
Employer contributions	3,029,908	3,165,872	2,407,456	8,603,236
State contributions	-	949,927	1,299,543	2,249,470
Total contributions	<u>3,875,336</u>	<u>4,378,271</u>	<u>4,030,563</u>	<u>12,284,170</u>
Investment earnings				
Interest and dividend income	1,733,241	1,667,700	1,756,101	5,157,042
Net appreciation in fair value of investments	12,547,278	11,894,479	13,065,938	37,507,695
Less investment expense	<u>(311,211)</u>	<u>(287,388)</u>	<u>(320,761)</u>	<u>(919,360)</u>
Net investment earnings	<u>13,969,308</u>	<u>13,274,791</u>	<u>14,501,278</u>	<u>41,745,377</u>
Total additions	<u>17,844,644</u>	<u>17,653,062</u>	<u>18,531,841</u>	<u>54,029,547</u>
Deductions				
Benefits paid	4,919,785	5,676,139	4,259,951	14,855,875
Refunds of contributions	541,908	9,808	12,712	564,428
General administration	<u>206,164</u>	<u>128,732</u>	<u>125,349</u>	<u>460,245</u>
Total deductions	<u>5,667,857</u>	<u>5,814,679</u>	<u>4,398,012</u>	<u>15,880,548</u>
Changes in net position	12,176,787	11,838,383	14,133,829	38,148,999
Net position, beginning of year	65,993,255	62,846,692	68,262,274	197,102,221
Net position, end of year	<u>\$ 78,170,042</u>	<u>74,685,075</u>	<u>82,396,103</u>	<u>235,251,220</u>

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.

Contents	<u>Page</u>
Financial Trends	
These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	157
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.	167
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.	173
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.	179
Operating Information	
These schedules contain information about the City's operations and resources to help the reader understand how the City's financial information relates to the services the City provides and the activities it performs.	181
Sources: <i>Unless otherwise noted, the information in these schedules is derived from the Annual Comprehensive Financial Reports for the relevant year.</i>	

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

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

Fiscal Year					
2019	2020	2021	2022	2023	2024
89,168,254	92,916,339	94,850,734	92,078,721	103,372,169	117,851,254
19,003,332	24,227,713	28,358,617	44,801,711	52,309,103	53,967,463
(1,414,044)	4,371,780	16,774,631	21,538,308	24,542,723	28,802,651
<u>106,757,542</u>	<u>121,515,832</u>	<u>139,983,982</u>	<u>158,418,740</u>	<u>180,223,995</u>	<u>200,621,368</u>
124,045,399	128,240,509	134,622,649	139,476,708	139,470,659	141,311,595
57,071,355	61,915,272	62,992,679	64,985,141	68,853,535	83,845,071
<u>181,116,754</u>	<u>190,155,781</u>	<u>197,615,328</u>	<u>204,461,849</u>	<u>208,324,194</u>	<u>225,156,666</u>
213,213,653	221,156,848	229,473,383	231,555,429	242,842,828	259,162,849
19,003,332	24,227,713	28,358,617	44,801,711	52,309,103	53,967,463
55,657,311	66,287,052	79,767,310	86,523,449	93,396,258	112,647,722
<u>287,874,296</u>	<u>311,671,613</u>	<u>337,599,310</u>	<u>362,880,589</u>	<u>388,548,189</u>	<u>425,778,034</u>

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

	Fiscal Year				
	2015	2016	2017	2018	2019
Expenses					
Governmental activities					
General government	\$ 7,518,425	9,555,128	9,454,060	12,982,218	10,753,587
Public safety	21,801,426	29,016,071	30,594,045	25,994,163	28,234,663
Physical and economic environment	3,784,334	2,805,708	2,633,829	2,859,398	2,920,295
Transportation	2,923,536	4,042,246	3,123,625	3,682,853	3,034,012
Culture and recreation	6,993,700	8,397,402	7,644,773	7,717,903	8,386,370
Interest	229,304	188,208	160,230	198,143	218,975
Total governmental activities expenses	<u>43,250,725</u>	<u>54,004,763</u>	<u>53,610,562</u>	<u>53,434,678</u>	<u>53,547,902</u>
Business-type activities					
Water and sewer	23,729,514	24,213,406	25,830,541	26,985,697	27,588,076
Solid waste	6,092,583	6,481,079	6,613,390	6,672,555	6,750,997
Stormwater	3,174,847	3,504,651	4,116,574	4,796,395	4,340,833
Other enterprises	3,552,923	4,140,463	3,949,399	4,187,376	4,913,117
Total business-type activities	<u>36,549,867</u>	<u>38,339,599</u>	<u>40,509,904</u>	<u>42,642,023</u>	<u>43,593,023</u>
Total primary governmental expenses	<u>\$ 79,800,592</u>	<u>92,344,362</u>	<u>94,120,466</u>	<u>96,076,701</u>	<u>97,140,925</u>
Program Revenues (see Schedule 3)					
Governmental activities					
Charges for services					
General government	\$ 3,358,243	3,475,764	3,212,513	3,842,216	3,861,356
Public safety	5,646,699	5,227,047	4,448,668	6,067,924	7,040,301
Physical and economic environment	-	10,000	530,000	820,925	526,710
Transportation	65,948	65,379	87,288	99,854	101,748
Culture and recreation	2,636,165	1,012,252	2,039,913	1,031,798	972,706
Operating grants and contributions	3,416,843	3,492,964	4,363,770	4,687,374	6,775,231
Capital grants and contributions	936,341	501,211	345,987	2,580,766	4,409,074
Total governmental activities revenues	<u>16,060,239</u>	<u>13,784,617</u>	<u>15,028,139</u>	<u>19,130,857</u>	<u>23,687,126</u>
Business-type activities					
Water and sewer	29,614,711	30,730,431	33,695,352	32,767,617	33,648,343
Solid waste	5,850,216	6,124,348	7,126,711	7,093,443	7,384,825
Stormwater	4,296,017	4,558,685	5,040,865	4,800,239	5,080,504
Beach	1,261,081	1,754,058	1,972,942	1,971,709	2,399,249
Dock	1,635,024	1,530,363	1,201,692	1,167,545	2,146,595
Tennis	568,002	591,145	560,179	605,002	698,710
Operating grants and contributions	2,067,866	1,211,932	127,100	201,900	3,282,875
Capital grants and contributions	3,664,105	1,998,774	1,424,561	1,011,861	6,410,813
Total business-type activities	<u>48,957,022</u>	<u>48,499,736</u>	<u>51,149,402</u>	<u>49,619,316</u>	<u>61,051,914</u>
Total primary governmental revenues	<u>\$ 65,017,261</u>	<u>62,284,353</u>	<u>66,177,541</u>	<u>68,750,173</u>	<u>84,739,040</u>
Net Expense/Revenue					
Governmental activities	\$ (27,190,486)	(40,220,146)	(38,582,423)	(34,303,821)	(29,860,776)
Business-type activities	12,407,155	10,160,137	10,639,498	6,977,293	17,458,891
Total primary government net expense	<u>\$ (14,783,331)</u>	<u>(30,060,009)</u>	<u>(27,942,925)</u>	<u>(27,326,528)</u>	<u>(12,401,885)</u>

Fiscal Year				
2020	2021	2022	2023	2024
10,293,157	10,535,569	10,313,780	14,677,114	17,088,136
31,834,025	32,891,234	32,077,143	38,529,724	43,276,626
2,897,226	3,066,298	5,105,711	3,797,781	3,879,506
3,436,390	3,481,853	3,548,650	3,371,772	4,978,598
8,247,158	8,767,374	9,877,881	10,218,486	11,495,661
188,520	145,316	125,755	98,985	292,862
56,896,476	58,887,644	61,048,920	70,693,862	81,011,389
28,063,614	30,690,321	33,129,827	38,841,355	40,677,870
6,803,285	7,430,512	7,273,063	8,249,488	9,099,012
4,950,573	4,322,265	4,986,229	6,490,359	6,507,652
4,629,772	5,344,798	6,041,109	7,029,922	6,789,660
44,447,244	47,787,896	51,430,228	60,611,124	63,074,194
101,343,720	106,675,540	112,479,148	131,304,986	144,085,583
4,246,518	4,691,569	4,557,907	4,758,783	5,145,303
5,835,585	8,390,314	7,989,963	6,700,858	8,358,317
108,160	108,615	950,096	16,602	33,270
96,328	95,100	174,666	127,618	146,751
677,172	1,106,982	1,405,949	2,961,885	1,646,429
6,669,565	7,222,842	8,359,031	8,771,780	9,629,766
5,571,210	7,623,278	7,848,227	7,306,936	5,996,784
23,204,538	29,238,700	31,285,839	30,644,462	30,956,620
34,469,021	34,353,838	35,862,643	38,879,393	43,060,618
7,471,244	8,237,984	9,114,971	9,536,051	10,429,165
5,209,739	5,146,330	5,666,381	5,946,260	6,671,815
2,029,205	3,251,989	3,582,828	2,938,835	3,721,929
1,951,195	2,524,252	2,952,492	2,623,243	2,543,643
670,626	893,514	995,517	780,781	945,804
659,277	1,322,836	1,203,785	1,695,209	243,948
904,714	1,496,121	3,346,403	1,292,311	8,902,192
53,365,021	57,226,864	62,725,020	63,692,083	76,519,114
76,569,559	86,465,564	94,010,859	94,336,545	107,475,734
(33,691,938)	(29,648,944)	(29,763,081)	(40,049,400)	(50,054,769)
8,917,777	9,438,968	11,294,792	3,080,959	13,444,920
(24,774,161)	(20,209,976)	(18,468,289)	(36,968,441)	(36,609,849)
(Continued)				

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

	Fiscal Year				
	2015	2016	2017	2018	2019
General Revenues and Other					
Changes in Net Position					
Governmental activities					
Taxes					
Property taxes	\$ 19,523,088	21,163,455	22,706,983	24,431,766	26,590,992
Local communication and utility taxes	5,391,177	5,436,983	5,504,862	5,771,309	5,992,589
Insurance premium tax	1,272,757	1,191,342	1,302,545	1,258,329	1,287,722
Motor fuel taxes	1,167,932	1,226,385	1,221,409	1,374,149	1,374,754
Business taxes	215,039	304,435	302,857	256,858	251,348
Franchise fees	3,553,455	3,451,036	3,523,250	3,552,964	3,627,333
Intergovernmental revenues, unrestricted	3,332,872	3,440,243	3,823,706	3,883,028	7,148,793
Unrestricted investment earnings	543,147	524,052	415,611	675,924	1,979,529
Miscellaneous revenues	-	-	-	-	-
Gain on sale of capital assets	159,891	34,584	552,483	16,121	-
Transfers	4,138,060	2,020,100	2,020,100	2,020,100	2,020,100
Total governmental activities	<u>39,297,418</u>	<u>38,792,615</u>	<u>41,373,806</u>	<u>43,240,548</u>	<u>50,273,160</u>
Business-type activities					
Investment earnings	420,063	432,554	301,621	394,491	1,825,523
Gain on sale of capital assets	-	-	-	-	177,764
Transfers	(4,138,060)	(2,020,100)	(2,020,100)	(2,020,100)	(2,020,100)
Total business-type activities	<u>(3,717,997)</u>	<u>(1,587,546)</u>	<u>(1,718,479)</u>	<u>(1,625,609)</u>	<u>(16,813)</u>
Total primary government	<u>\$ 35,579,421</u>	<u>37,205,069</u>	<u>39,655,327</u>	<u>41,614,939</u>	<u>50,256,347</u>
Change in Net Position					
Governmental activities	\$ 12,106,932	(1,427,531)	2,791,383	8,936,727	20,412,384
Business-type activities	8,689,158	8,572,591	8,921,019	5,351,684	17,442,078
Total primary government	<u>\$ 20,796,090</u>	<u>7,145,060</u>	<u>11,712,402</u>	<u>14,288,411</u>	<u>37,854,462</u>

Fiscal Year				
2020	2021	2022	2023	2024
27,799,671	28,551,238	30,189,027	35,096,841	39,648,880
6,252,727	6,531,312	6,885,720	7,600,693	8,165,059
1,390,934	1,380,571	1,446,361	2,305,604	2,249,471
1,284,751	1,378,628	1,477,117	1,535,343	1,131,995
265,390	251,517	243,644	238,621	249,986
3,478,434	3,639,643	4,240,289	4,496,531	4,489,103
4,209,062	4,216,510	4,914,931	4,414,654	4,632,724
1,927,928	147,575	(3,308,685)	3,661,603	7,620,910
-	-	-	-	-
22	-	89,335	437,165	196,414
1,841,309	2,020,100	2,020,100	2,067,600	2,067,600
48,450,228	48,117,094	48,197,839	61,854,655	70,452,142
1,817,706	(113,849)	(2,528,500)	2,139,748	4,872,911
144,853	154,528	100,329	709,238	582,241
(1,841,309)	(2,020,100)	(2,020,100)	(2,067,600)	(2,067,600)
121,250	(1,979,421)	(4,448,271)	781,386	3,387,552
48,571,478	46,137,673	43,749,568	62,636,041	73,839,694
14,758,290	18,468,150	18,434,758	21,805,255	20,397,373
9,039,027	7,459,547	6,846,521	3,862,345	16,832,472
23,797,317	25,927,697	25,281,279	25,667,600	37,229,845

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

	Fiscal Year				
	2015	2016	2017	2018	2019
General Fund					
Non-spendable	\$ 643,305	33,940	6,938,854	1,075,874	1,014,774
Restricted	-	-	-	-	-
Committed	3,597,298	3,507,279	4,126,391	4,046,897	4,051,297
Assigned	275,909	41,363	625,890	377,931	170,682
Unassigned	14,030,183	16,356,280	575,674	7,089,378	12,532,308
Total General Fund	<u>\$ 18,546,695</u>	<u>19,938,862</u>	<u>12,266,809</u>	<u>12,590,080</u>	<u>17,769,061</u>
All other governmental funds					
Non-spendable	\$ 294,674	38,524	15,333	16,931	15,765
Restricted	22,621,775	21,362,817	24,075,554	24,295,296	19,447,961
Committed	3,239,337	3,001,368	4,319,627	8,593,870	2,827,064
Assigned	4,412,135	5,297,819	8,182,094	4,552,336	5,054,810
Unassigned	(157,009)	-	-	-	-
Total other governmental funds	<u>\$ 30,410,912</u>	<u>29,700,528</u>	<u>36,592,608</u>	<u>37,458,433</u>	<u>27,345,600</u>

Fiscal Year				
2020	2021	2022	2023	2024
897,374	1,679,974	1,462,574	1,245,174	1,477,774
-	-	-	-	-
4,164,759	4,344,507	4,443,788	5,081,980	5,576,638
238,334	215,755	2,593,282	747,324	1,714,853
16,262,718	20,128,676	19,073,244	21,571,696	25,126,069
21,563,185	26,368,912	27,572,888	28,646,174	33,895,334
15,035	14,050	41,244	116,217	15,725
24,227,713	33,794,859	44,801,711	52,309,103	53,967,463
2,448,468	1,782,862	3,518,743	5,043,258	3,919,915
6,035,990	6,813,222	7,581,955	6,335,331	22,305,611
-	-	-	-	(918,337)
32,727,206	42,404,993	55,943,653	63,803,909	79,290,377

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

	Fiscal Year			
	2015	2016	2017	2018
Revenues				
Taxes	\$ 27,569,993	29,322,600	31,038,656	33,092,411
Licenses, permits, fees and assessments	9,150,495	8,672,904	7,729,798	9,604,727
Intergovernmental	6,077,175	6,326,123	7,513,779	7,894,102
Charges for services	1,900,592	1,943,443	2,390,870	2,965,322
Charges to other funds	3,285,250	3,179,420	3,024,260	3,455,190
Fines and forfeitures	258,806	464,904	559,789	364,634
Interest	439,445	421,531	355,429	586,247
Contributions	2,069,470	108,355	543,987	2,239,082
Miscellaneous	57,067	67,045	674,457	106,576
Total revenues	<u>50,808,293</u>	<u>50,506,325</u>	<u>53,831,025</u>	<u>60,308,291</u>
Expenditures				
General government	8,033,054	8,374,046	9,527,879	11,586,481
Public safety	24,676,027	25,827,354	26,640,125	27,273,479
Physical and economic environment	1,257,343	1,371,443	1,377,329	1,487,663
Transportation	2,193,710	3,153,133	2,279,983	2,888,756
Culture and recreation	5,792,279	7,204,332	6,458,141	6,541,506
Capital outlay	5,223,589	4,354,195	9,221,059	13,033,230
Debt service				
Principal	1,468,000	1,516,000	1,566,000	1,669,825
Interest and fiscal charges	182,882	139,308	111,786	126,711
Total expenditures	<u>48,826,884</u>	<u>51,939,811</u>	<u>57,182,302</u>	<u>64,607,651</u>
Excess (deficit) of revenues over (under) expenditures	<u>1,981,409</u>	<u>(1,433,486)</u>	<u>(3,351,277)</u>	<u>(4,299,360)</u>
Other Financing Sources (Uses)				
Debt issued	-	-	-	3,427,883
Transfers in	12,820,242	7,354,699	16,978,221	10,394,122
Transfers out	(7,682,172)	(5,334,599)	(14,958,121)	(8,374,022)
Sale of capital assets	159,891	95,169	551,204	40,473
Total other financing sources	<u>5,297,961</u>	<u>2,115,269</u>	<u>2,571,304</u>	<u>5,488,456</u>
Net change in fund balance	<u>\$ 7,279,370</u>	<u>681,783</u>	<u>(779,973)</u>	<u>1,189,096</u>
Debt service as a percentage of noncapital expenditures	3.7%	3.4%	3.5%	3.5%

Fiscal Year					
2019	2020	2021	2022	2023	2024
35,497,405	36,993,473	38,093,266	40,241,869	46,777,102	51,445,391
11,458,193	9,344,978	11,931,372	13,468,620	11,515,476	13,051,198
15,554,180	14,826,816	17,883,148	18,148,128	19,224,417	17,527,863
2,551,278	1,767,142	2,195,754	2,672,695	2,573,316	2,718,186
3,665,200	3,796,820	3,966,090	4,139,640	4,196,889	4,628,340
120,603	367,113	921,365	504,899	259,665	195,163
1,635,271	1,616,579	172,866	(2,716,528)	3,203,620	6,583,136
397,475	761,448	176,431	1,138,626	297,216	628,000
80,837	218,177	230,567	243,078	1,765,598	596,172
70,960,442	69,692,546	75,570,859	77,841,027	89,813,299	97,373,449
11,157,463	11,079,933	11,635,347	12,747,209	14,667,589	16,235,924
28,695,737	29,787,882	30,999,528	33,598,541	36,475,247	39,704,836
1,724,531	1,864,736	1,879,196	2,221,578	2,333,395	2,271,016
2,235,087	2,604,544	2,455,558	2,727,512	2,554,116	4,118,685
6,902,886	6,552,533	6,999,211	7,430,086	7,831,646	8,995,734
25,220,835	8,613,409	7,142,988	5,681,919	18,743,548	30,051,382
1,890,432	1,928,556	2,041,904	766,481	329,294	338,350
172,597	141,522	99,670	116,162	101,249	295,188
77,999,568	62,573,115	63,253,402	65,289,488	83,036,084	102,011,115
(7,039,126)	7,119,431	12,317,457	12,551,539	6,777,215	(4,637,666)
-	-	-	-	-	23,223,257
7,439,241	6,309,352	6,621,819	6,431,717	6,167,600	13,758,249
(5,419,141)	(4,289,252)	(4,601,719)	(4,411,617)	(4,100,000)	(11,690,649)
85,174	36,199	145,957	170,997	88,727	82,437
2,105,274	2,056,299	2,166,057	2,191,097	2,156,327	25,373,294
(4,933,852)	9,175,730	14,483,514	14,742,636	8,933,542	20,735,628
3.9%	3.8%	3.8%	1.4%	0.7%	0.9%

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
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
2024	39,105,509	8,165,059	4,489,103	1,131,995	3,320,664	2,161,314	3,042,828	61,416,472
Change 2015-2024	100.3%	51.5%	26.3%	-3.1%	41.3%	N/A	104.5%	83.5%

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
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%
2023-24	34,645,813,963	324,389,906	17,626,048	34,952,577,821	34,646,667,595	1.2300	54,892,146,862	63.7%

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)

Fiscal Year	City Millage Rates			Overlapping Rates*		
	Operating Rate	General Obligation Debt Service	City Total	Mosquito Control	Collier County	Water Pollution Control
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
2024	1.2300	0.0000	1.2300	0.1349	3.0107	0.0246

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	5.5800	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
0.2096	4.3132	0.1926	9.1156

Schedule 8
City of Naples
Principal Property Tax Payers
As of September 30, 2024

	2024			2015		
	Taxable Assessed values	Rank	% of total City of Naples assessed values	Taxable Assessed values	Rank	% of total City of Naples assessed values
Top 10 City of Naples Taxpayers						
The Moorings, Inc.	\$ 169,322,659	1	0.70%	\$ 113,657,000	3	0.55%
WSR-NB LLC	160,083,000	2	0.34%			
Naples Beh Club Land Trust Tract RT-2	158,781,700	3	0.29%			
Naples Beh Club Land Trust Tract H-2	121,877,080	4	0.23%			
2500 Gordon Land Trust	114,717,485	5	0.22%			
Napoli Owner LLC	98,274,664	6	0.20%			
EGTDG Company LLC	84,909,082	7	0.19%			
Westbury Props INC	84,345,662	8	0.19%	44,718,607	8	0.22%
YB Gulf Shore 2 LLC	64,413,300	9	0.17%			
2658 Florida Land Trust	57,017,767	10	0.14%			
Florida Power & Light				132,601,103	1	0.64%
Coastland Center, LLC				124,926,587	2	0.60%
Sandra Gerry				64,360,063	4	0.31%
Sprint Florida Inc.				51,236,730	5	0.25%
Naples Hospitality Ltd				42,724,301	7	0.21%
Judith A. Herb Trust				35,656,862	8	0.17%
Heritage Property Investment				34,338,768	9	0.17%
Susan McCurry Trust				21,321,591	10	0.10%
	<u>\$ 1,113,742,399</u>		<u>2.03%</u>	<u>\$ 665,541,612</u>		<u>3.22%</u>
Total City of Naples Assessed Value	\$ 54,892,146,862			20,669,042,253		

Sources: Collier County Property Appraiser and 2015 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
2015	\$ 19,959,663	19,117,239	95.8%	140,408	19,257,647	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%
2024	41,515,717	39,648,881	95.5%	227,983	39,876,864	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

Fiscal Year	Government Activities				Business-Type Activities		
	General Obligation Bonds	Public Service Tax Bonds	Redevelopment and Refunding Bonds	Capital Improvement Notes ^(b)	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	-	-
2024	-	-	-	24,672,298	5,750,185	-	-

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.

^(b) Includes bond premium.

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
30,422,483	1.02%	201

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
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%	-
2024	-	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, 2024

	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Direct and Overlapping Debt</u>
City of Naples Direct Debt			
Capital improvement notes	\$ 24,672,298	100%	\$ 24,672,298
Total direct debt			<u>24,672,298</u>
Overlapping debt ^(a)			
Collier County ^(b)	390,418,561	12%	<u>46,850,227</u>
Total direct and overlapping debt			<u>46,850,227</u>
			<u>\$ 71,522,525</u>

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, 2024.

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

Fiscal Year	Water Revenue Bonds				
	Utility Service Charges	Less Operating Expenses	Net Available Revenue	Debt Service Requirement	Coverage
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
2024	43,304,566	40,803,798	2,500,768	1,043,066	2.40

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)
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%
2024	19,704	2,986,417	151,564	67.6	47,661	3.6%

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: 2024 Population updated to reflect 2023 U.S. Census Bureau figures. (2024 not available)

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

Employer	2024			2015		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Collier County School District	5,987	1	3.7%	5,280	1	4.2%
NCH Healthcare System	4,385	2	2.7%	4,000	2	3.2%
Arthrex, Inc.	4,274	3	2.6%	1,709	5	1.4%
Publix Supermarkets	3,406	4	2.1%	2,805	3	2.2%
Collier County Government (excl. Sheriff)	2,692	5	1.6%	2,137	4	1.7%
Collier County Sheriff's Office	1,503	6	0.9%	1,397	6	1.1%
JW Marriott - Marco Island	1,130	7	0.7%			
Ritz Carlton Hotel	1,100	8	0.7%	1,110	7	0.9%
Seminole Casino - Immokalee	900	9	0.5%	875	9	0.7%
City of Naples	529	10	0.3%			
Country Club of Naples				1,050	8	0.8%
Marriott Corporation				775	10	0.6%
Other employers	138,015		84.2%	105,140		83.3%
Estimated Total	163,921		100.0%	126,278		100.0%

Sources: Collier County Clerk of Courts 2024 Annual Comprehensive Financial Report.

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

Function/Program	Fiscal Year				
	2015	2016	2017	2018	2019
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's Office	5.9	4.9	8.9	9.9	9.9
City Manager /Code Enforcement					
Purchasing ^(a)					
Ethics Commission					
Human Resources	4.0	4.0	4.0	4.0	4.0
Planning	3.5	3.5	5.0	6.0	6.0
Finance	13.8	13.8	10.8	10.5	10.5
Community Services	40.5	40.5	42.5	45.5	47.5
Police	98.4	98.4	98.4	99.4	98.4
Fire	63.0	63.0	65.0	66.0	66.0
Water and Sewer Fund	103.0	104.0	104.0	104.0	104.0
Solid Waste Fund	25.5	26.0	26.0	26.0	26.0
Streets and Traffic Fund	5.5	5.5	5.5	5.5	5.5
Stormwater Fund	11.0	11.0	11.0	11.0	11.0
City Dock Fund	3.6	3.6	3.6	3.6	4.1
Tennis Fund	4.0	4.0	4.0	4.0	4.0
Beach Fund	13.2	13.2	13.2	15.4	15.4
Technology Services Fund	7.0	7.0	6.0	6.0	5.0
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	30.0	36.5	34.0	33.5	32.5
Community Redevelopment	6.3	6.3	6.3	6.3	6.3
TOTAL EMPLOYEES	455.7	462.7	465.7	474.1	473.6

Source: City of Naples Budget Document.

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

Fiscal Year				
2020	2021	2022	2023	2024
1.0	1.0	1.0	1.0	1.0
6.0	6.0	8.0	8.0	8.0
1.0	1.0	1.0	1.0	1.0
8.9	10.7	9.0	8.0	4.4
				4.0
		4.0	4.0	4.0
	1.0	1.0	1.0	1.0
5.0	5.0	5.0	5.0	6.0
6.0	6.0	7.0	7.0	8.0
10.5	10.5	10.5	10.5	10.5
50.5	53.4	53.4	53.4	55.3
98.4	98.4	98.4	98.4	98.2
66.0	67.0	69.0	69.0	70.0
105.0	105.0	104.8	104.8	109.8
26.0	29.0	29.0	29.0	29.0
6.5	6.5	8.5	9.0	9.0
11.0	13.0	19.0	19.0	19.0
4.1	3.7	3.7	3.2	3.3
4.0	4.0	4.3	4.5	4.5
15.4	15.2	18.5	18.5	18.5
5.0	4.0	4.0	8.0	9.0
8.5	8.5	8.5	9.0	10.0
1.0	1.0	1.0	1.0	1.0
32.5	32.5	34.5	34.0	36.0
6.3	6.3	7.1	7.1	7.7
478.6	488.7	510.2	513.4	528.2

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

Function/Program	Fiscal Year				
	2015	2016	2017	2018	2019
General government					
Permits issues					
Commercial CO's issued	143	144	86	138	138
Residential CO's issued	1,124	1,228	1,122	1,057	1,057
Police					
Physical arrests	575	579	373	433	396
Parking violations	11,271	8,181	10,158	11,534	13,843
Traffic violations	5,989	6,133	4,934	4,169	4,163
Fire ^(d)					
Emergency responses	5,539	6,804	6,234	6,735	6,648
Fires extinguished	96	70	84	102	108
Inspections	7,589	8,066	7,863	11,299	11,442
Refuse collection					
Refuse (tons per day)	92	129	117	96	101
Recyclables (tons per day)	28	29	28	15	15
Other public works					
Street resurfacing (miles)	4.26	10	11	10	8
Potholes repaired ^(a)	82	44	78	84	85
Parks and recreation					
Special events, registrants ^(b)	3,760	2,717	2,164	3,167	3,298
Beach parking permits issued ^(c)	5,249	5,802	6,050	5,296	5,179
Camps, classes, participants	11,066	16,773	10,168	31,561	36,851
Water					
New connections	201	169	122	129	120
Water main breaks	17	13	11	63	57
Average daily consumption (millions of gallons)	13.8	14.0	15.0	14.0	14.0
Peak daily consumption (millions of gallons)	18	17	19	19	17
Wastewater					
Average daily sewage treatment (thousands of gallons)	4,800	5,100	5,270	5,270	4,396

Sources: Various City Departments.

Notes: ^(a) This number represents the number of work orders given to patch hole contractor.
^(b) Registrants instead of participants used beginning 2023
^(c) 2023 low numbers related to Hurricane Ian residual effect on beach access
^(d) Permits separated from CO's (Certificates of Occupancy) starting 2023

Fiscal Year				
2020	2021	2022	2023	2024
			6,974	5,982
172	139	18	4	1
1,345	1,441	1,538	87	132
321	278	318	428	491
11,947	19,073	22,567	19,836	15,578
2,814	2,084	2,777	2,690	3,797
5,981	6,798	6,318	7,364	7,407
106	97	68	123	25
11,638	14,353	11,831	11,442	9,893
108	125	109	106	106
16	15	15	12	10
6	9	8	9	9
79	82	74	76	88
356	3,726	3,892	10,743	11,284
5,198	5,210	5,850	2,784	6,099
19,500	21,700	22,100	29,698	26,549
89	123	93	140	101
108	72	89	52	42
14.0	14.0	14.0	15.0	15.0
17	17	18	18	18
4,731	4,420	4,355	4,450	4,901

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

Function/Program	Fiscal Year				
	2014	2015	2016	2017	2018
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	2024
98	101	99	98	98	98
71,674	84,301	83,848	85,558	76,137	79,911
3	3	3	3	3	3
25	25	27	27	30	30
112	112	112	112	112	112
3,006	3,170	3,170	3,170	3,170	3,170
40	40	40	40	40	40
1	1	1	1	1	1
3	3	3	3	3	3
1	1	1	1	1	1
1	1	1	1	1	1
17,547	17,710	17,950	18,315	18,430	17,476
1	1	1	1	1	1
30	30	30	30	30	30
9,243	9,435	9,621	10,060	10,102	9,166
1	1	1	1	1	1
10	10	10	10	10	10

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**OTHER INDEPENDENT AUDITOR
REPORTS AND SCHEDULES**

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**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, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated May 30, 2025.

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
May 30, 2025



**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR
FEDERAL PROGRAM AND STATE PROJECT AND ON INTERNAL CONTROL OVER
COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE AND CHAPTER 10.550,
RULES OF THE AUDITOR GENERAL**

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

Report on Compliance For Each Major Federal Program and State Project

Opinion on Each Major Federal Program and State Project

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* and the requirements described in the *Department of Financial Services' State Projects Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs and state projects for the year ended September 30, 2024. The City's major federal programs and state financial assistance projects 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 and state projects for the year ended September 30, 2024.

Basis for Opinion on Each Major Federal Program and State Project

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; 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. Our responsibilities under those standards and the Uniform Guidance and Chapter 10.550, Rules of the Auditor General 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 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 City's federal and state 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*, the Uniform Guidance, and Chapter 10.550, Rules of the Auditor General 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 or state project as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, the Uniform Guidance, and Chapter 10.550, Rules of the Auditor General, 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 and Chapter 10.550, Rules of the Auditor General, 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 or state project 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 or state project 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 or state project 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 and Chapter 10.550, Rules of the Auditor General. Accordingly, this report is not suitable for any other purpose.

Mauldin & Jenkins, LLC

Bradenton, Florida
May 30, 2025

CITY OF NAPLES, FLORIDA

Schedule of Expenditures of Federal Awards and State Financial Assistance
For the Year Ended September 30, 2024

Federal Agency, Pass-Through Entity, Federal Program	Assistance Listing Number	Grantors No.	Expenditures
Federal Awards:			
United States Department of Treasury			
Coronavirus State and Local Fiscal Recovery Funds	21.027	Y5257	\$ 2,563,890
Total United States Department of Treasury			<u>2,563,890</u>
United States Department of Justice			
Justice Assistance Grant	16.607	2021BVP010318803	16,459
Total United States Department of Justice			<u>16,459</u>
United States Department of Transportation			
LAP Grant - South Golf Drive	20.205	G1B35	74,785
Total United States Department of Transportation			<u>74,785</u>
United States Department of Homeland Security			
Passed through Florida Department of Emergency Management			
Disaster Grant - Public Assistance	97.036	FEMA-4673-DR-FL	220,070
Total United States Department of Homeland Security			<u>220,070</u>
Total Expenditures of Federal Awards			<u><u>\$ 2,875,204</u></u>

State Agency, Pass-Through Entity, State Program	CSFA Number	Grantors No.	Expenditures
Florida Department of Environmental Protection			
Water Restoration Assistance-Hurricane Stormwater and Wastewater	37.114	HA010	\$ 243,948
Statewide Water Quality Restoration Projects	37.039	LPA0590	1,221,022
Statewide Water Quality Restoration Projects	37.039	LPA0343	5,000,000
Statewide Water Quality Restoration Projects	37.039	LPA0344	174,015
Total Florida Department of Environmental Protection			<u>6,638,985</u>
Florida Department of Law Enforcement			
Naples - Cyber Security Expansion	71.105	L8011	828,000
Florida Incident Based Reporting System	71.043	2021-FBSFA-F2-039	6,298
Total Florida Department of Law Enforcement			<u>834,298</u>
Florida Executive Office of the Governor			
Emergency Management - State Hurricane Recovery Program (Idalia)	31.081	24-AA-0000-EF-D1236	132,847
Emergency Management - State Hurricane Recovery Program (Ian)	31.081	4673-DR-FL	11,853
Total Florida Executive Office of the Governor			<u>144,700</u>
Total Expenditures of State Financial Assistance			<u><u>\$ 7,617,983</u></u>

THE CITY OF NAPLES, FLORIDA

**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND
STATE FINANCIAL ASSISTANCE
SEPTEMBER 30, 2024**

NOTE 1 – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards and State Financial Assistance includes the federal and state 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* and Chapter 10.550, Rules of the Auditor General of the State of Florida. 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, 2024.

NOTE 3 – NON-CASH AWARDS

The City did not receive non-cash federal awards during the year ended September 30, 2024.

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.

NOTE 5 – SUBRECIPIENTS

The City did not pass through any funds to subrecipients during the year ended September 30, 2024.

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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, 2024, and have issued our report thereon dated May 30, 2025.

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 State Project and Report on Internal Control Over Compliance Required by the Uniform Guidance and Chapter 10.550, Rules of the Auditor General; 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 May 30 2025, 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.

Property Assessed Clean Energy (PACE) Programs

As required by Section 10.554(1)(i)6.a., Rules of the Auditor General, a PACE program authorized pursuant to Section 163.081 or Section 163.082, Florida Statutes, did not operate within the City's geographical boundaries during the fiscal year under audit.

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 – \$511,186.
- 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 - \$4,143,475.
- 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 102.

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: WSP-USA - \$20,362.
- 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 133.

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
May 30, 2025

THE CITY OF NAPLES, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
SEPTEMBER 30, 2024

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 and State Financial Assistance Projects

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

21.027

Name of Federal Program or Cluster

U.S. Department of Treasury – Coronovirus
State and Local Fiscal Recovery Funds

Identification of major state financial assistance projects:

CSFA Number

37.039

71.105

Name of State Program

Statewide Water Quality Restoration Projects
Naples – Cyber Security Expansion

Dollar threshold used to distinguish between

Type A and Type B federal programs:

\$750,000

Type A and Type B state awards:

\$750,000

Auditee qualified as low-risk auditee?

X yes ___ no

THE CITY OF NAPLES, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
SEPTEMBER 30, 2024

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, 2024

None noted



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, 2024. 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, 2024.

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.

Bradenton, Florida
May 30, 2025

Mauldin & Jenkins, LLC

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