City of Naples Airport Authority
Operating and Capital Budget

Fiscal Year 2026
(Amended 11/20/2025)

(October 2025-September 2026)

During FY 2025, the Naples Airport was the first airport on the East Coast of the United States to offer a consistent supply of sustainable aviation fuel (SAF). NetJets, the airport's largest single customer, has been using this in all their aircraft equating to roughly 2 million gallons per year.

City of Naples Airport Authority
Operating and Capital Budget
Fiscal Year 2026

Introduction

The Airport

The Naples Airport is in western Collier County, Florida, approximately one mile from the City of Naples business district and approximately one and a half miles inland of the Gulf of Mexico. The airport, which is owned by the City of Naples, was leased to the City of Naples Airport Authority (the "Authority") in 1969 under a 99-year lease. The airport was constructed in 1943 and served as an U.S. Army Air Corps base for training gunners and fighter pilots for combat during World War II.

The airport serves general aviation (GA) and includes leisure and business travel, flight training, and emergency responders. The airport generates a significant annual economic impact ($781 million as determined by the Florida Department of Transportation) throughout the community and served more than an estimated 200,000 passengers in the last fiscal year.

The Authority

The City of Naples Airport Authority was created by State Enabling Legislation and City of Naples action in 1969. The City of Naples, recognizing the benefits of an authority type management concept, established the Authority for the purpose of enhancing service to users, improving the community gateway image, and eliminating financial subsidies by city taxpayers.

The Authority's Board of Commissioners is composed of five members appointed by Naples City Council. Commissioners are appointed for a term of four years. The Board of Commissioners retains the Executive Director, who is the chief operating officer, chief financial officer, and secretary to the board. The Executive Director hires all other Authority employees.

Our purpose statement is "To provide a safe, efficient, and financially sustainable airport that best serves the overall interests of the community."

Our customer service vision statement is "Excellence from arrival to departure."

We have a five-year strategic plan with the following goals:

1. Provide a safe, modern, and efficient airport.
2. Ensure financial sustainability, transparency and innovation.
3. Equip employees to excel today and in the future.
4. Be an engaged community partner.
5. Protect the environment and quality of life.

Financial Information

The Authority financially supports itself directly from aviation fuel sales and airport user fees. No local, state, or federal general taxes, such as property and sales taxes, directly support the Authority. The Authority receives, for certain capital projects, state and federal financial grants from trust funds established largely from aviation fuel taxes and airline ticket taxes. The Authority pays the City of Naples for utilities, police, and firefighting services approximately $2.0 million annually. The Authority built, maintains, and equips the City Fire Station #3, located at the airport, at no expense to taxpayers. The Authority builds and maintains its roadways, landscaping, and recreation trails.

The Authority's budget and amendments, if any, are adopted by resolution of the Board of Commissioners, as required by Florida Statute 189.016(3). The adopted budget regulates the total expenses of the Authority for the fiscal year, and it is unlawful for any officer of the Authority to expend or contract for expenses that exceed the budgeted appropriations. The Authority has a fiscal year ending September 30th and, accordingly, the budget must be adopted by the Board of Commissioners before October 1st, the beginning date of the new fiscal year.

The Authority has published rates and charges for services based on maintenance, operating costs, and capital recovery. These rates and charges, as a package, maintain and ensure the financial health of the Authority. At a minimum, the Authority's rates and charges are updated annually.

As part of the Authority's planning process, a five-year capital improvement program is also updated at least annually. These projections assist the Authority in determining the potential impact of capital projects on future budgets and future revenue requirements, enabling the Authority to develop successful plans.

The Authority maintains a $17 million cash reserve for emergency operating contingencies and uses the remaining cash and investments to fund future capital projects without taking on debt. The Authority maintains an investment portfolio that is professionally managed and conforms to the Authority's investment policy adopted pursuant to Florida Statutes, Section 218.415.

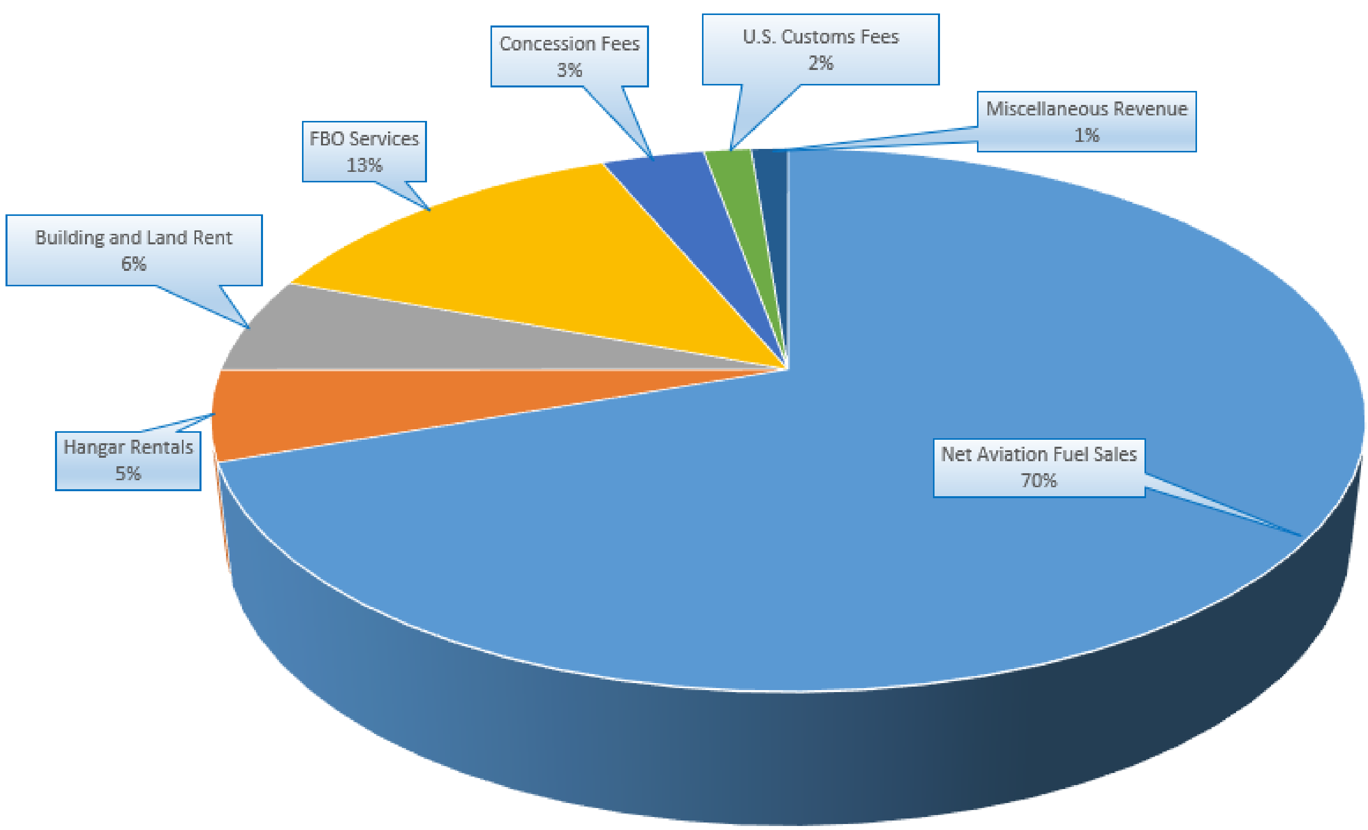
Executive Summary – Operating Budget

The revenue in the operating budget for FY 2026 was prepared using FY 2025 estimated actual revenue as a baseline and adjusted by management based on expected market trends. The operating budget expenses were prepared utilizing the zero-based budget methodology, where each department determined the actual resources needed based on expected activity to ensure a safe and efficient operation.

Revenue is significantly dependent on fuel sales as shown in the tables below.

Over the last 10 years, fuel sales have increased as private air travel and Naples have become more popular, thus increasing the demand for the airport's services. This trend accelerated during the COVID-19 pandemic. According to the Collier County Property Appraiser, homes valued over $5 million have increased 55% in the past 10 years. However, we have budgeted a slight decline in gallons sold in FY 2026 due to uncertain economic conditions.

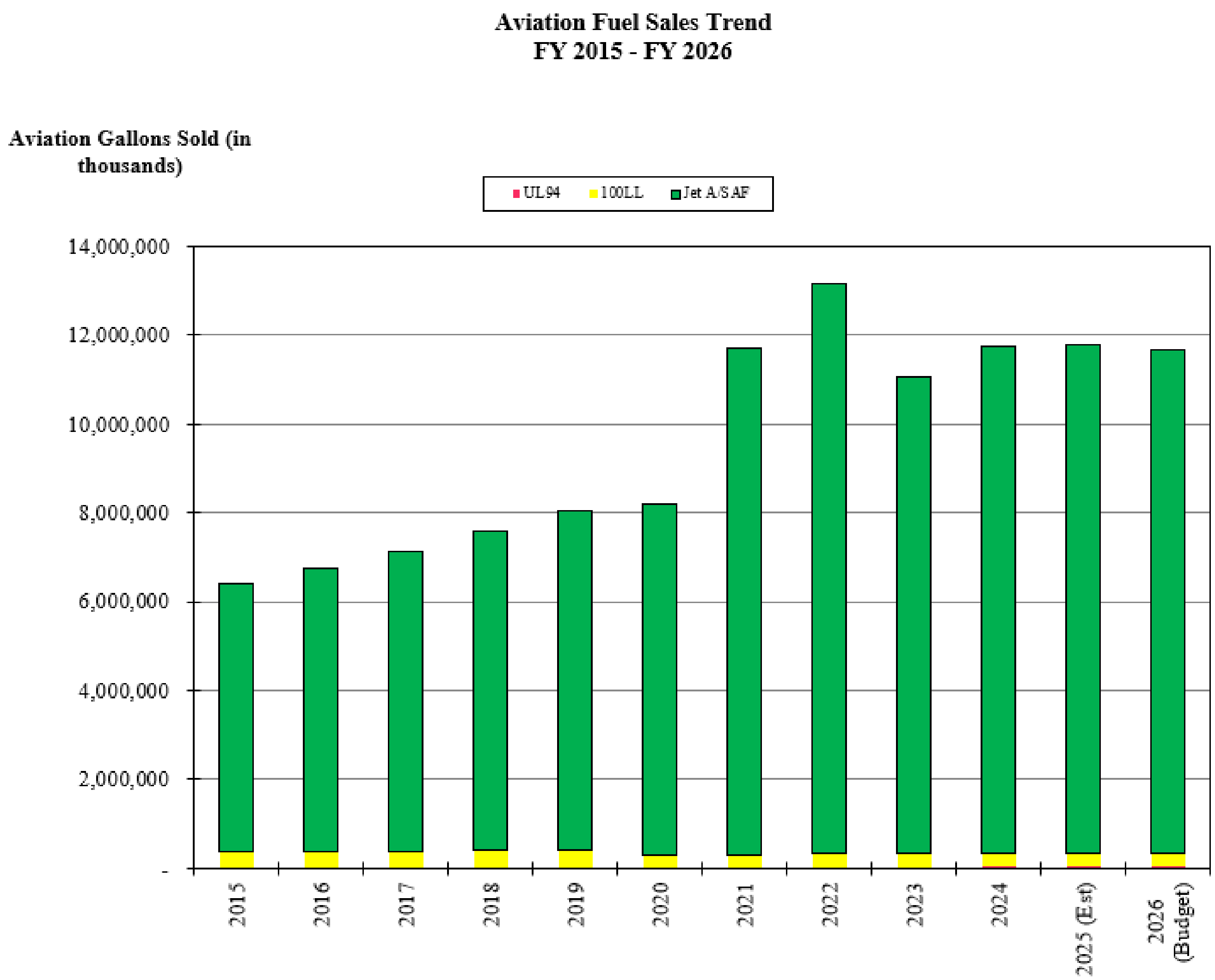
Breakdown of Operating Revenue – FY 2026



Executive Summary – Operating Budget (continued)

Expense increases are primarily due to general inflation and wage increases as well as property insurance rate increases. The ongoing noise abatement and related flight procedure changes will also continue to be significant initiatives in FY 2026. Included in the budget is $0.25 million to undertake a Federal Aviation Regulations Part 161 Study, Notice and Approval of Airport Noise and Access Restrictions.

The Authority currently has no debt, and the Authority staff have prepared the budget that assumes no debt in FY 2026. We continue to maintain a strong balance sheet with $37.2 million in current assets and $8.5 million of current liabilities as of September 30, 2025.



Operating Budget Assumptions

Revenue Assumptions:

Aviation Fuel – Total gallons budgeted to be down slightly compared to FY 2025 projected actual. We budgeted an average 7% fuel margin increase to offset the impact of higher operating costs primarily due to inflation. We have budgeted a continued subsidy for UL 94 fuel of $110,000 in FY 2026.

Hangar, Building and Land Rents - Budget based on an average 7% increase for Consumer Price Index (CPI) and phased market adjustments from an appraisal done in FY 2024.

Expense Assumptions:

Personnel – A regional CPI increase, and merit increase for existing employees accounts for the increase over FY 2025 estimated actual in salaries and wages. Also, an increase in benefits is for the full year impact of employees hired during FY 2025, retirement match on higher salaries and health insurance rate increases.

Professional – Includes consultants and legal to propose a Part 161 Airport Noise and Access Restriction Study with the FAA ($250,000), continued use of consultants to revise flight procedures for ($250,000), Resiliency Study ($250,000) and AI initiatives ($100k).

Contracted Services – Increase in outsourced landscaping services, increases for firefighting and customs services.

Utilities – Increase of $100,000 from the City of Naples for water along with increased electricity rates.

Non-Operating Revenues (Expenses) Assumptions:

Depreciation and Amortization – Depreciation on capital projects placed into service in FY 2025.

Investment Income – Investment portfolio averaging 3.5% return. Cash accounts are averaging 4.0%.

City of Naples Airport Authority
Statements of Revenues, Expenses and Changes in Net Position
Estimated Actual FY 2025 to FY 2026 Proposed Budget

	Unaudited Actual FY 2025 *	Proposed Budget FY 2026	Increase (Decrease)	%
Operating Revenue				
Gallons	11,750,000	11,660,000	(90,000)	(1) %
Aviation fuel sales (net)	$ 28,309,383	$ 30,278,933	$ 1,969,549	7 %
Hangar and Tiedown Rent	2,186,640	2,339,705	153,065	7
Building & Land Rent	2,328,154	2,491,125	162,971	7
FBO Services	5,402,596	5,672,726	270,130	5
Concession Fees	1,419,782	1,500,178	80,396	6
U.S. Customs user fees	672,000	692,160	20,160	3
Landing Fees and Miscellaneous	542,590	537,474	(5,115)	(1)
Total Operating Revenue	**$ 40,861,146**	**$ 43,512,300**	**$ 2,651,155**	**6 %**
Operating Expenses				
Personnel	$ 18,585,904	$ 19,613,084	$ 1,027,180	6 %
Professional fees	2,908,823	4,676,616	1,767,794	61
Contracted Services	1,846,352	2,624,818	778,466	42
Maintenance and Repair	2,038,013	2,042,102	4,089	0
Insurance	1,468,439	1,524,424	55,985	4
Credit card fees	575,656	562,992	(12,664)	(2)
Utilities	467,144	562,418	95,274	20
Communications	387,968	294,712	(93,256)	(24)
Pilot services	224,803	225,035	232	0
Operating Supplies	407,804	447,578	39,774	10
Dues & subscriptions	158,677	231,992	73,315	46
Depreciation and Amortization	7,356,502	7,779,393	422,892	6
Miscellaneous	2,791	12,000	9,209	330
Total Operating Expenses	**$ 36,428,876**	**$ 40,597,164**	**$ 4,168,288**	**11 %**
Income from Operations	**$ 4,432,270**	**$ 2,915,136**	**$ (1,517,134)**	**(34) %**
Non- Operating Revenue/(Expenses)				
Customer Facility Charges	$ 241,018	$ 257,500	$ 16,483	7 %
Investment Income (loss)	3,266,417	2,506,429	(759,988)	(23)
Claims and Insurance Settlements	2,386	9,000,000	8,997,614	-
Gain (loss) on Disposal of Capital Assets	$ 1,368	-	(1,368)	(100)
Total Non- Operating Revenue/(Expenses)	**$ 3,511,189**	**$ 11,763,929**	**$ 8,252,740**	**(235) %**
Change in Net Position	**$ 7,943,458**	**$ 14,679,065**	**$ 6,735,606**	**85 %**

* Actual of 12 months (unaudited).

Change in Net Position	**$ 7,943,458**	**$ 14,679,065**	**$ 6,735,606**	**85 %**

Executive Summary – Capital Improvement Plan

The Authority is responsible for maintaining a safe, modern, and efficient airport, requiring investment in our facilities. To properly plan for the Authority's capital needs, a five-year capital plan is updated annually to prioritize needs and determine funding requirements.

The Authority's enabling legislation provides the right for the Authority to accept grants of money or materials or property of any kind for the airport facilities from any federal or state agency, political subdivision, or other public body or from any private agency or individual, upon such terms and conditions as may be imposed. Per the lease agreement with the City of Naples (Lessor), the Lessee (the Authority) agrees to maintain said property and to make such repairs, replacements, additions, extensions and betterments of and to the airport facilities as are deemed necessary to replace or to maintain such facilities in proper condition for the safe, efficient and economic operation thereof.

The capital improvement plan (CIP) contains projects that are eligible for funding assistance from outside agencies and usually require matching funds from the Authority. The two major sources of outside funding for the Authority's capital improvement plan are the Federal Aviation Administration (FAA) and the Florida Department of Transportation (FDOT). Naples Airport is a general aviation airport and is eligible for $150,000 per year in Non-Primary Entitlement funding (NPE) and discretionary grants from the FAA under the Airport Improvement Program. The airport may also be eligible for other FAA grants. The Authority, as a publicly owned Florida airport, is also eligible for state funding. FDOT provides up to one-half of the local share of project costs when FAA funding is received, and when no federal funding is available, FDOT can provide up to 80% of eligible project costs for general aviation airport projects. The Board of Commissioners must initially approve grant agreements. Certain grants have grant assurances that obligate the Authority to operate and maintain the improvements for 20 years.

The FY 2026 Capital Improvement Plan (CIP) anticipates $30.6 million in projects with $27.8 million funded by the Authority and $2.8 million in potential assistance from Federal (FAA) and State (FDOT) agencies. FAA and FDOT funding is not guaranteed, and it is unknown at this time whether these grants would be accepted by the Board if awarded by FAA and FDOT. The CIP projects or items listed are prioritized based upon needs according to our strategic plan.

The CIP for the next five years (FY 2026 – FY 2030) is estimated to cost approximately $112.5 million, and $31.7M is eligible for grant funding. Major projects include those listed in the table on page 10.

The Board acceptance of the CIP Budgets for FY 2026 does not constitute automatic Board approval for each item listed. All items exceeding the Executive Director's spending authority (currently $100,000), must be presented to the Board of Commissioners for consideration and approval.

FY 2026 Amended Budget - Capital Improvement Plan

	Funding Source - Current Year			
Airfield	**Authority**	**FAA**	**FDOT/STATE**	**Total - Current Year**
Airfield Lighting Replacement -Construction **	$ 9,000,000	$ -		$ 9,000,000
NW Perimeter Wildlife Fence	950,000	-		950,000
Airfield Electrical Vault Replacement-Construction	500,000	1,000,000	1,800,000	3,300,000
Stormwater Drainage Plan*	600,000	-		600,000
Security and Access Control - Phase II	800,000	-	-	800,000
ATCT Generator & UPS Unit	275,000			275,000
Subtotal	**12,125,000**	**1,000,000**	**1,800,000**	**14,925,000**
FBO				
Fuel Farm Improvements (construction)*	2,630,000	-		2,630,000
Lektro Rebuild	200,000			200,000
Misc FBO Equipment	121,000			121,000
Subtotal	**2,951,000**	-	-	**2,951,000**
North Road Terminal (NRT)				
North Road Terminal Improvements*	3,500,000			3,500,000
NRT Roof Coating	335,000			335,000
Subtotal	**3,835,000**	-	-	**3,835,000**
Other Infrastructure				
Facilities Improvements (Includes FF&E)*	3,200,000			3,200,000
GAT Roof Replacement	1,100,000			1,100,000
Other	500,000			500,000
North Quad Environmental Assessment	500,000			500,000
Hangar Door Replacements (Construction)*	500,000			500,000
Hangar roof repairs	500,000			500,000
GA Long Term Parking Lot Remediation	100,000			100,000
20 Ton Rooftop AC Units (2) - GAT	275,000			275,000
Exec Hangar 4 Improvements	250,000			250,000
Exec 1 Hangar Skylights Replacements	120,000			120,000
Rental Car Wash Improvements***	100,000			100,000
Observation Deck and Playground Upgrades (Design)	100,000			100,000
North Road Sidewalk Safety Improvements	50,000			50,000
Subtotal	**7,295,000**	-	-	**7,295,000**
Vehicles and Equipment				
Various Capital under $100,000	603,000			603,000
ARFF Truck	400,000			400,000
IT Equipment & Infrastructure	227,000			227,000
Vehicles for Facilities (2), FBO (1), Development (1)	132,000			132,000
15 Passenger Bus	130,000			130,000
Tractor & Brush Hog	120,000			120,000
Subtotal	**1,612,000**	-	-	**1,612,000**
Totals	**$ 27,818,000**	**$ 1,000,000**	**$ 1,800,000**	**$ 30,618,000**

* Approved or partially approved projects.

**Anticipate insurance proceeds and possible other grant funding to offset the cost.

*** Funded by Customer Facility Charges.

FY 2026 APPROPRIATION FOR EXPENDITURES AND RESERVES
SCHEDULE OF AVAILABLE RESOURCES, REVENUES, EXPENSES AND EXPENDITURES

Florida Statute 189.016(3) requires that the governing body of a special district adopt a budget by resolution each fiscal year. The total amount available from revenues and other sources, including amounts carried forward from prior fiscal years, must equal the total appropriations for expenditures and reserves. The adopted budget regulates the total expenditures of the special district for the fiscal year, and it is unlawful for any officer of a special district to expend or contract for expenditures that exceed the budgeted appropriations.

The Authority's sources of revenue include both operating and non-operating revenues. The Authority's expenses and expenditures include operating and non-operating expenses and capital improvement projects. The Authority has no debt. Depreciation expense is not included since the outlay for capital projects either occurred in the past or is reflected in this schedule. The available resources at the beginning of the year and at year-end are not representative of the Authority's actual cash on hand. The Authority reports revenues and receipts when earned, not when received from the customers, and reports expenses and expenditures when incurred, not when paid to the vendor.

For the FY 2026 budget, the total budgeted available resources, revenues, and receipts (i.e., total appropriations for expenditures and reserves) is $124,701,294. The total budgeted expenses and expenditures are $60,635,771 and the total budgeted available resources at year end is $64,065,523.

The Schedule of Available Resources, Revenues, Expenses and Expenditures is consistent with Generally Accepted Accounting Principles (GAAP), except that in order to clarify the Authority's intent for total expenses and expenditures, and capital improvement projects are included as expenditures, and depreciation is excluded. When there is a difference between the budgetary basis of accounting and GAAP, a reconciliation must be provided.

	Amended Budget FY 2026
Total available unrestricted cash and investments - 9/30/2024	**$ 72,155,489**
Net operating revenue - FY 2025	41,049,002
Operating expenses - FY 2025	(29,652,122)
Interest and other revenue/expense - FY 2025	3,349,140
CIP - Authority funded - FY 2025	(17,476,444)
Total available unrestricted cash and investments - 9/30/2025	**$ 69,425,065**
Budgeted net operating revenue - FY 2026	43,512,300
Budgeted operating expenses - FY 2026	(32,817,771)
Budgeted interest and other revenue - FY 2026	11,763,929
Budgeted CIP - Authority funded - FY 2026	(27,818,000)
Total budgeted available unrestricted cash and investments - 9/30/2026	**$ 64,065,523**
Operating reserves	**$ 17,000,000**
Excess of reserves for capital projects - 9/30/2026	**$ 47,065,523**