CITY OF NAPLES AIRPORT AUTHORITY (NAA)
Board of Commissioners
Notice of Audit Committee Meeting

FINAL AGENDA

Naples Airport – Airport Office Building Conference Room
200 Aviation Drive North
Naples, FL 34104

Thursday, February 19, 2026
Immediately Following Regular Meeting of the Board of Commissioners
https://www.flynaples.com/live-stream-video/

Commissioner Terrence W. Cavanaugh: Chair,
Consultant Selection Committee Member
Commissioner John Crees: Vice Chair, Audit Committee Member,
Noise Compatibility Committee Liaison
Commissioner Robert P. Burns: Audit Committee Member
Commissioner Michelle Arnold: Audit Committee Chair
Commissioner Ralph Alberto, Consultant Selection Committee Chair

Executive Director: Christopher A. Rozansky
Authority Attorney: William L. Owens, Esq. of Bond, Schoeneck & King, PLLC

If you wish to address the Board of Commissioners regarding an item listed on the Agenda, please complete a Speaker Registration form (available at the rear of the room) and hand it to the Executive Assistant prior to consideration of that item. We ask that speakers limit comments to 5 minutes and that large groups name a spokesperson whenever possible. All written, audio-visual, and other materials distributed to the Board or staff during this meeting will become the property of NAA and will be a public record. Thank you for your interest and participation.

NOTICE

Formal action may be taken on any item listed on the Agenda below, or added to the Agenda before or during the meeting, or discussed during the meeting without being added to the Agenda. Also, the sequence of items may be changed as the meeting progresses.

Any person who decides to appeal a decision of this Board with respect to any matter considered at this meeting (or hearing) will need a record of the proceeding and may need to ensure that a verbatim record of the proceedings is made, which record includes the testimony and evidence upon which the appeal is to be heard.

Any person with a disability requiring auxiliary aids or services in order to participate in this proceeding for meetings at the City Council Chamber may call the City Clerk's Office at 213-1015, or for meetings at the Airport Office Building, the NAA Executive Assistant's Office at 643-0733, with requests at least two business days before the meeting.

Information on Action Items and other items which has been provided in advance of this meeting may be inspected at the office of the Executive Assistant, General Aviation Terminal Building, 2nd Floor, 160 Aviation Drive North. Minutes of this meeting will be prepared for Board approval, usually at the next Regular Meeting.

Pledge of Civility

It is the desire of the City of Naples Airport Authority to encourage the open exchange of ideas, fair discussion of the issues, and the participation of all persons in government, therefore, we pledge to be respectful of each other even when we disagree, to direct all comments to the issues, and to avoid personal attacks during all meetings and workshops.

A. ROLL CALL

B. PLEDGE OF ALLEGIANCE

C. AGENDA (Add, delete or re-sequence items)

D. PUBLIC COMMENTS (Public comments accepted for items not otherwise listed on the Agenda; 5 minute limit)

E. DISCUSSION ITEM

1. Overview of the FY 2025 Audit – Jeff Wolf, CPA, forvis mazars

2. Fiscal Year 2025 Audit and Annual Comprehensive Financial Report

F. NEW BUSINESS

G. PUBLIC COMMENTS

H. CORRESPONDENCE/COMMISSIONER COMMENTS & REQUESTS/MEETINGS

1. Upcoming Audit Committee Meetings

I. ADJOURN

Information on Discussion Items and other items which has been provided in advance of this meeting may be inspected at the office of the Executive Assistant, General Aviation Terminal Building, 2nd Floor, 160 Aviation Drive North. Minutes of this meeting will be prepared for Board approval, usually at the next Regular Meeting.

NOTE: The Audit Committee is comprised of Commissioner Arnold (Chair), Commissioner Burns and Commissioner Crees (Members). All NAA Commissioners are welcome to attend and can "opt in" to participate.

To: Honorable Chair of the Audit Committee and Commissioners

From: Christopher A. Rozansky, Executive Director

By: Ken Warriner, Senior Director of Finance and Administration

Meeting Date: February 19, 2026

Re: **DISCUSSION ITEM**

1. Fiscal Year 2025 Audit and Annual Comprehensive Financial Report

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ACTION REQUESTED: Committee discussion and recommendation of acceptance of the Fiscal Year 2025 Annual Audit and Annual Comprehensive Financial Report (Draft) for the Board of Commissioners approval at the March 19, 2026 Regular Meeting.

BACKGROUND: MSL, PA was selected as the Authority's auditor following a competitive selection process in May 2025. This is their ninth year providing audit services for the Authority.

The financial statement format is substantially the same as in the prior year. The Single Audit was performed on the Federal grant awards only, as we do not meet minimum expenditure threshold of $750,000 for State awards. The draft financial report shows that the auditors expressed an unmodified opinion, which is the highest level of opinion that can be received.

The auditors also had no management letter comments. Staff believes that the FY 2025 report continues to meet the Government Finance Officers Association's (GFOA) Certificate of Achievement for Excellence in Financial Reporting Program's requirements.

The Statement of Net Position shows total assets of $186,105,589. The Statement of Revenues, Expenses, and Changes in Net Position shows a total change in net position of $10,432,120.

COMMUNICATION PLAN: The Audit Committee recommendation will be presented on the consent agenda to the Naples Airport Authority (NAA) Board of Commissioners at its March 19, 2026 Regular Meeting. Upon Board acceptance, the draft document will be made final. Copies of the Annual Comprehensive Financial Report will be provided to the required regulatory agencies

and the City of Naples Finance Director. Copies will be available to the general public at the NAA offices and on the NAA website, www.flynaples.com. We will also submit it to the GFOA for consideration for the Certificate of Achievement for Excellence in Financial Reporting.

FINANCIAL IMPACT: Not applicable.

Naples Airport Authority

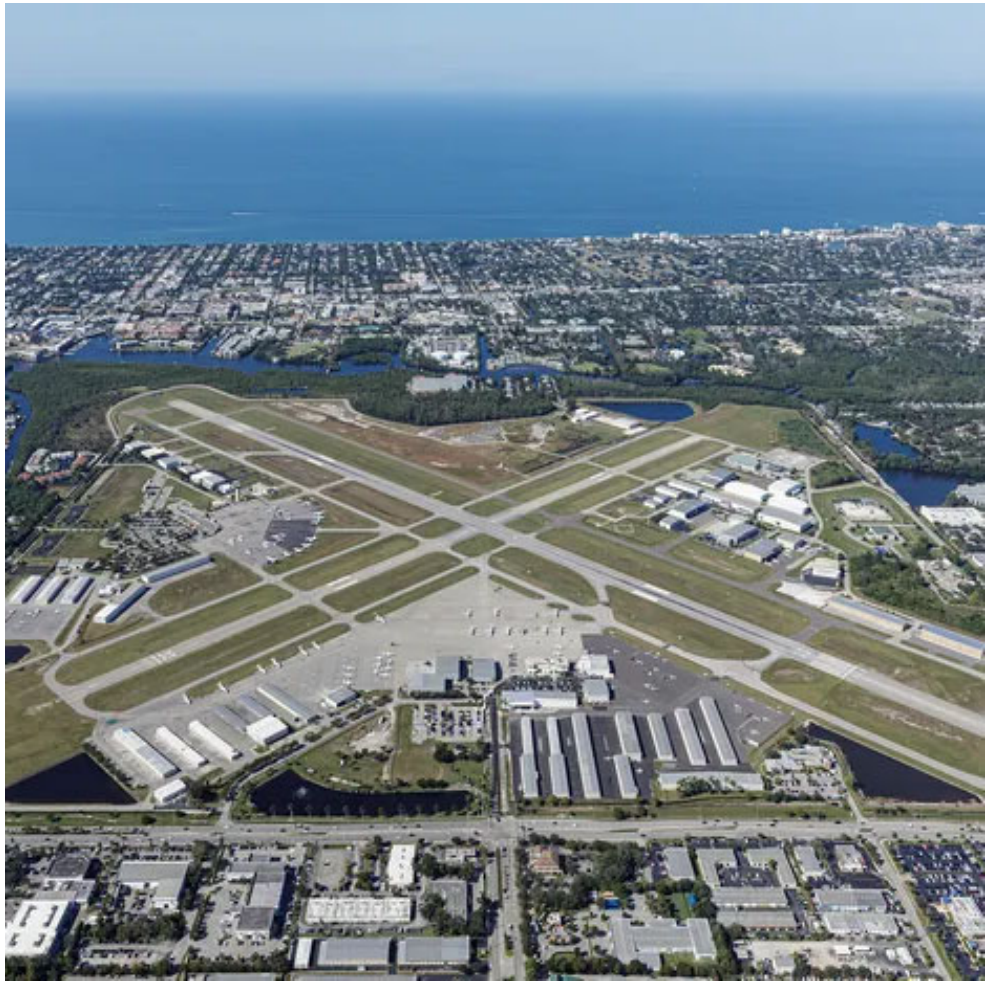
Audit Presentation for the Fiscal Year Ended September 30, 2025

Presented by Jeff Wolf, CPA

forvis mazars

Required Communications

- Auditor Responsibilities
- Management Responsibilities
- Internal Controls and Compliance
- Significant Matters
- Management Representations
- Audit Schedule



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Service and Deliverables

- Independent Auditor’s Report (Pages 8-10)
- Report on Internal Control over Financial Reporting and on Compliance (Pages 47 & 48)
- Single Audit Report (Pages 49-51)
- Schedule of Findings and Questioned Costs (Pages 55-57)
- Management Letter (Pages 58-59)
- Independent Accountant’s Report (Page 60)

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Statement of Net Position (Page 20)

	2025	2024
Current Ratio	7.4	5.4
Total Assets	$194.8M	$175.7M
Total Liabilities	$25.1M	$25.4M
Total Net Position		
Investment in Capital Assets	$81.8M	$77.6M
Restricted	3.5M	3.2M
Unrestricted	84.4M	69.5M
Unrestricted Net Position as a % of Total Operating Expenses	227.3%	192.1%
Change in Net Position	$19.4M	$15.1M

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Statement of Revenues, Expenses and Changes in Net Position (Page 21)

	2025	2024
Resources:		
Net Operating revenues	$41.1M	$38.8M
Net Non-operating revenues	12.4M	5.3M
Total Resources	53.5M	44.1M
Total Expenses	37.1M	36.2M
Income before contributions	16.4M	7.9M
Capital Contributions	3.0M	7.2M
Change in net position	$19.4M	$15.1M

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Contact

Forvis Mazars

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The information set forth in this presentation contains the analysis and conclusions of the author(s) based upon his/her/their research and analysis of industry information and legal authorities. Such analysis and conclusions should not be deemed opinions or conclusions by Forvis Mazars or the author(s) as to any individual situation as situations are fact-specific. The reader should perform their own analysis and form their own conclusions regarding any specific situation. Further, the author(s)' conclusions may be revised without notice with or without changes in industry information and legal authorities.

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ANNUAL COMPREHENSIVE FINANCIAL REPORT

AS OF AND FOR THE YEARS ENDED SEPTEMBER 30, 2025 AND 2024

City of Naples Airport Authority
Naples, Florida

Naples Airport

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CITY OF NAPLES AIRPORT AUTHORITY
NAPLES, FLORIDA

ANNUAL COMPREHENSIVE FINANCIAL REPORT

AS OF AND FOR THE YEARS ENDED SEPTEMBER 30, 2025 AND 2024

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Prepared by the City of Naples Airport Authority Finance Department

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CITY OF NAPLES AIRPORT AUTHORITY
Annual Comprehensive Financial Report
As of and for the Years Ended
September 30, 2025 and 2024

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[date]

To the Board of Commissioners of
the City of Naples Airport Authority
and the Citizens of the City of Naples
Naples, Florida

We are pleased to present the accompanying Annual Comprehensive Financial Report of the City of Naples Airport Authority (the Authority) for the fiscal years ended September 30, 2025 and 2024. The purpose of the report is to present fairly and to disclose fully the Authority's financial position and the results of its operations. This report consists of four sections: Introductory, Financial, Statistical and Compliance.

This report consists of management's representation concerning the finances of the Authority. Consequently, management assumes full responsibility for the accuracy of the data and the completeness and reliability of all information presented in this report. To provide a reasonable basis for making these representations, Authority management has established a comprehensive internal control framework that is designed both to protect its assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the Authority's financial statements in conformity with generally accepted accounting principles (GAAP). Because the cost of internal controls should not outweigh their benefits, the Authority's comprehensive framework of internal controls has been designed to provide reasonable, rather than absolute, assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

Florida Statutes require that all local government entities publish a complete set of financial statements presented in conformity with GAAP and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. An audit of the Authority's financial statements for the fiscal year ended September 30, 2025 was completed by the Authority's independent auditors, Forvis Mazars, LLP. Their report is included herein.

The goal of the independent audit was to provide reasonable assurance that the financial statements of the Authority for the fiscal years ended September 30, 2025 and 2024 are free of material misstatements. 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 auditors concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the Authority's financial statements for the fiscal years ended September 30, 2025 and 2024 are fairly presented in conformity with GAAP. The independent auditor's report is the first component of the Financial Section of this report.

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GAAP requires that management provide a narrative introduction, overview and analysis to accompany the financial statements in the form of a Management 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 in the financial section, immediately following the report of the independent auditors.

The Airport

The Naples Airport was originally constructed in 1943 as the "Naples Airdrome" and served as an Army Air Corps base for training gunners, bomber crews and fighter pilots for combat during World War II. After the war, the city and county jointly operated the airport until the county sold its interest to the city in 1958.

The Naples Airport is located in western Collier County, 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, is leased to the City of Naples Airport Authority under a 99-year lease that expires in 2068. While there has been some scheduled airline service throughout much of the airport's history, there is currently no commercial service and the Naples Airport currently supports a variety of general aviation activity.

In fiscal year 2025, there were 125,926 aircraft operations (an operation is one landing or one takeoff). Use of the airport is restricted to aircraft less than 75,000 pounds maximum gross landing weight supported by dual landing gear, except for aircraft operated by the federal government.

The Authority

The City of Naples Airport Authority (NAA) 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 to enhance service to users, improve the community gateway image and eliminate financial subsidies paid by city taxpayers. The Authority is an independent reporting entity as defined by the Governmental Accounting Standards Board (GASB).

The Authority's Board of Commissioners is comprised of five members appointed by the 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 and chief administrative officer, secretary and treasurer of the Authority. The Executive Director hires all other Authority employees. The Board also selects the general counsel and the outside auditors.

The Authority financially supports itself directly from aviation fuel sales and airport user fees. No local, state or federal general taxes, such as property, utility, sales, intangible or income taxes directly support the Authority. The Authority receives, for certain capital projects, state and federal financial grants from transportation trust funds. The Authority pays the City of Naples for utility, police and firefighting services and also built, equips and maintains Aircraft Rescue and Fire Station #3, as well as all of its' own stormwater facilities. The Authority builds and maintains internal roadways and utilities and has constructed many of the external roadway improvements, including horticultural beautification and bicycle paths.

The Authority's budget and amendments, if any, are adopted by resolution of the Board of Commissioners, as required by Florida Statutes. The adopted budget regulates the total expenditures of the Authority for the fiscal year.

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The Authority has a September 30 fiscal year ending date and, accordingly, the budget must be adopted by the Board of Commissioners before October 1, the beginning date of the new fiscal year.

Financial Condition of the Authority

The information presented in the Financial Section of this report is best understood when it is considered from the broader perspective of the specific environment within which the Authority operates. The Authority's economic condition is a composite of its financial health and its ability to meet its financial obligations and service commitments.

The Authority continues to have a strong balance sheet with over $80M in current assets and long-term investments and $8M in current liabilities. The Authority has no debt.

The financial condition of the Authority is primarily dependent upon aviation fuel sales. The Authority maintains the exclusive right to sell retail fuel at the Naples Airport. Aviation fuel sales, in turn, are usually dependent upon several factors, including the economic conditions in the United States and locally.

Naples and the surrounding community area are undergoing a significant redevelopment cycle since Hurricane Ian, in part because Naples ranks nationally as one of the best places to live. Residential properties valued at over $5 million in the City of Naples have doubled in the last five years. There are numerous ultra luxury multifamily properties that have recently opened or are currently under construction that have the potential to increase private air travel.

For fiscal year 2025, net fuel sales made up 68% of Authority net operating revenues. The Authority's selling price of aviation fuel is based on a cost-plus formula in accordance with the published rates and charges set by the Executive Director. A more detailed discussion of the Authority's financial results is contained in the MD&A found in the Financial Section of this report.

Relevant Financial Policies

The Authority has developed published rates and charges in order to recover operating expenses, maintenance and capital development costs. These rates and charges, as a package, maintain and enhance the healthy financial condition of the Authority. It should be noted that there are significant regulatory guidelines that must be considered when developing airport rates and charges. 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 Plan 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 long-term plans. The Authority also maintains a five-year financial projection that includes a cash flow analysis.

For fiscal year 2026, the Authority maintains 6 months of operating expense as a reserve for emergency operating contingencies. The remaining reserves are for future capital projects.

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Current and Long-Term Capital Initiatives

The two sources of outside funding for the Authority's Capital Improvement Plan are the Federal Aviation Administration (FAA) and the Florida Department of Transportation (FDOT). As a general aviation airport, Naples Airport Authority is eligible for $150,000 per year in FAA entitlement funding and may compete each year for FAA discretionary funding. 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 airports.

Capital improvement projects slated for FY 2026 are budgeted at $30.6 million, of which $1.0 million is anticipated to come from the FAA and $1.8 million from the FDOT. Authority funds of $27.8 million are budgeted for capital projects and equipment.

Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Naples Airport Authority for its Annual Comprehensive Financial Report for the fiscal year ended September 30, 2024. This was the 20th consecutive year that the Authority has received this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized Annual Comprehensive Financial Report which satisfies both GAAP and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current Annual Comprehensive Financial Report continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

Acknowledgments

The preparation of this report could not have been accomplished without the dedicated service of the Finance Department. We would like to express our appreciation to the Authority's Audit Committee and the Board of Commissioners for their expertise and guidance in setting policies pertaining to the financial operations of the Authority in a responsible and progressive manner. In addition, we wish to express our appreciation to our audit firm, Forvis Mazars LLP. for their examination of our accounts.

Christopher A. Rozansky
Executive Director

Ken Warriner
Senior Director of Finance & Administration

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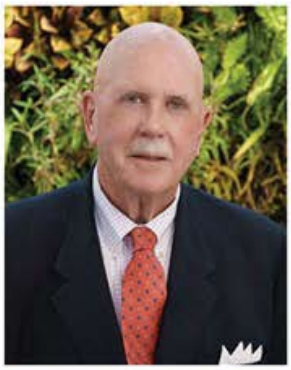
Naples AIRPORT AUTHORITY

Rita Cuddihy
Chair



Terrence Cavanaugh
Vice Chair

Kerry C. Dustin
Commissioner

John Crees
Commissioner

Robert Patten Burns
Commissioner

Christopher A. Rozansky
Executive Director

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City of Naples Airport Board of Commissioners and Executive Director as of September 30, 2025.

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Naples Airport Authority
Florida

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

September 30, 2024

Christopher P. Morrill

Executive Director/CEO

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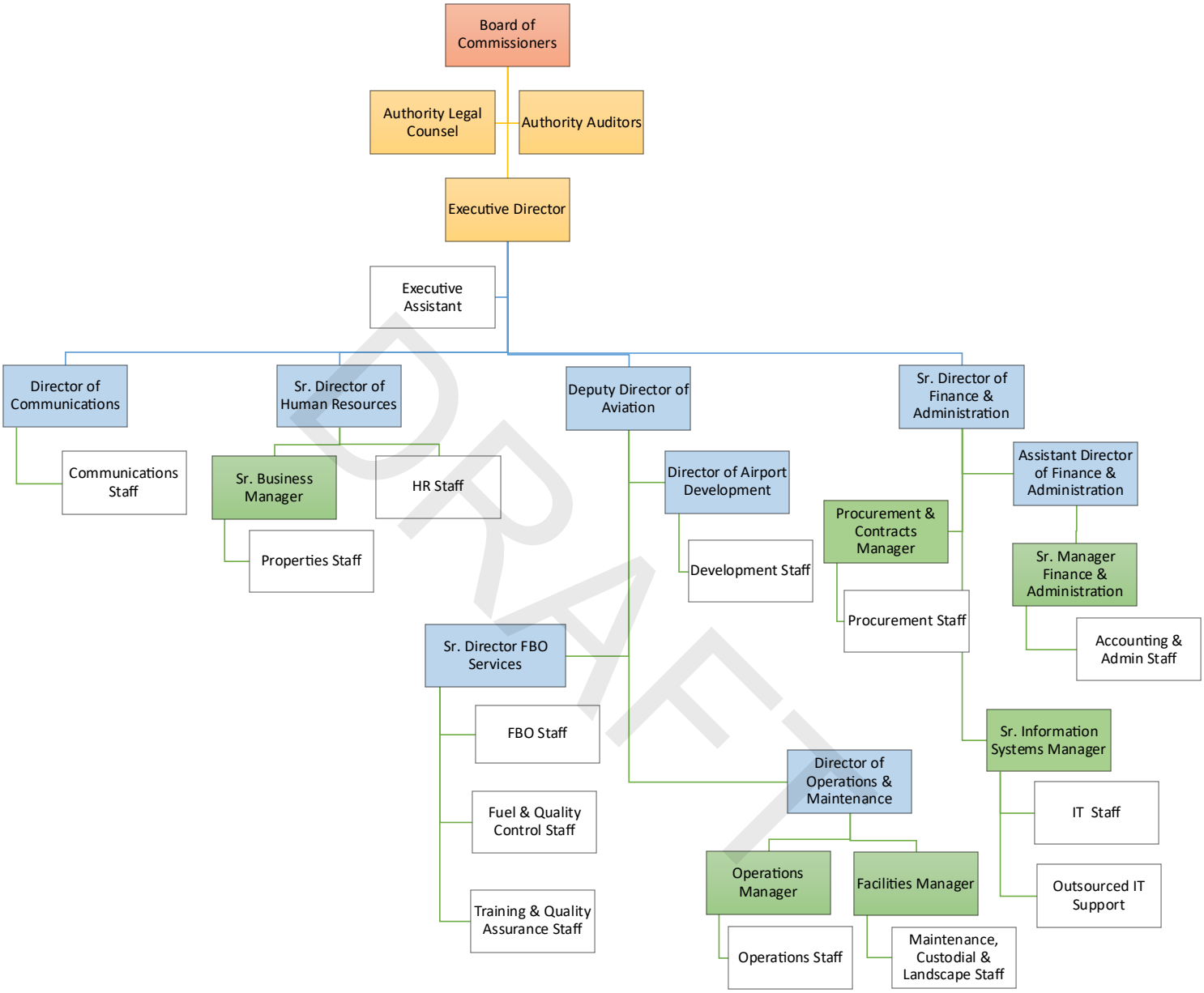
City of Naples Airport Authority
Organizational Chart



City of Naples Airport Organization Chart as of September 30, 2025.

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Tampa, FL 33602
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forvismazars.us

Independent Auditor's Report

Board of Commissioners
City of Naples Airport Authority
Naples, Florida

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the City of Naples Airport Authority (the Authority), which comprise the statement of financial position as of September 30, 2025, and the related statement of net position, statement of revenues, expenses, and changes in net position, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the Authority, as of September 30, 2025, and the respective changes in financial position, and its cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*). 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 Authority, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Prior-Period Financial Statements

The financial statements of the Authority as of September 30, 2024, were audited by other auditors whose report dated January 9, 2025, expressed an unmodified opinion on those statements.

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 Authority's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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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 opinion. 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 GAAS 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 GAAS 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 Authority'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 [consolidated] financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority'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 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 GAAS, 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.

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Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Authority's basic financial statements. The Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements of Federal Awards*, and is 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated in all material respects in relation to the financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual comprehensive financial report. The other information comprises the introductory section and the statistical section, 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 uncorrected 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 DATE, on our consideration of the Authority'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 Authority'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 Authority's internal control over financial reporting and compliance.

Tampa, Florida
DATE

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The following Management Discussion and Analysis (MD&A) of the City of Naples Airport Authority's activities and financial performance provides the reader with an introduction and overview to the financial statements of the City of Naples Airport Authority (the Authority) for the fiscal years ended September 30, 2025 and 2024, with selected comparative information for the fiscal year ended September 30, 2023. The information presented in this MD&A should be considered in conjunction with the accompanying financial statements and notes found in this report. This information, taken collectively, is designed to provide readers with an understanding of the Authority's financial condition.

Airport Activities and Highlights –

The Authority operates the Naples Airport which provides general aviation services to the public. Major measures of activities of the Naples Airport are as follows:

	2025	2024	2023
Aviation fuel gallons sold	11,757,645	11,750,153	11,058,323
% increase (decrease) from prior year	0.1%	6.3%	16.2%
Aircraft operations	125,926	123,171	119,075
% increase (decrease) from prior year	2.2%	3.4%	8.1%

In fiscal year 2025, jet operations accounted for 39.6% of the total aircraft operations, while jet fuel sales accounted for 97.1% of the aviation gallons sold. This is due to the average gallons of fuel purchased for a jet is 500 gallons, while the average for a piston aircraft is 25 gallons.

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Financial Highlights and Summary

The following is a condensed summary of the Authority's revenues, expenses and changes in net position at September 30:

	2025	2024	2023
Total operating revenues, net	$ 41,127,803	$ 38,825,141	$ 32,646,264
Total non-operating revenues, net	12,403,954	5,322,788	6,581,145
Total revenues	53,531,757	44,147,929	39,227,409
Total operating expenses	37,141,893	36,195,143	31,092,321
Income before capital contributions	16,389,864	7,952,786	8,135,088
Capital contributions (grants)	2,970,810	7,188,248	2,870,822
Increase in net position	19,360,674	15,141,034	11,005,910
Beginning net position	150,305,786	135,164,752	124,158,842
Ending net position	$ 169,666,460	$ 150,305,786	$ 135,164,752

Operating revenues for 2025 increased $2,302,662, or 5.9%, over the prior year primarily due to an increase in fuel gallons sold, seasonal pricing and increased hangar rental rates. Operating revenues for 2024 increased $6,178,877, or 18.9% over the prior year due to higher fuel sales, seasonal pricing and increased hangar rental rates.

In 2025, non-operating revenues were up by $7,081,166 or 130.0%. This was due to insurance proceeds from Hurricane Ian; this was partially offset by lower investment income because of lower interest rates.

In 2024, non-operating revenues were down by $1,258,357 or 19.1%. This was due to higher interest income which was offset by no insurance proceeds in 2024.

In 2023, non-operating revenues were up by $8,257,902. This was due to insurance proceeds of $4,000,000 from our Hurricane Ian insurance claim and the change in fair value of investments.

Operating expenses for 2025 rose $946,750, a 2.6% increase over the prior year. This was a modest increase due to inflation and an effort to keep operating expenses flat.

In 2024, total operating expenses rose $5,102,822, a 16.4% increase over the prior year. Personnel costs increased $3,112,869 or 21.3% due to additional personnel, cost of living increases and higher benefits costs. Professional fees increased $443,789 or 15.2% primarily due to the Airport Relocation Study.

In 2023, total operating expenses rose $5,047,183, a 19.7% increase over the prior year. Personnel costs increased $2,277,872 or 18.5% due to additional personnel, cost of living increases and higher benefits costs. Professional fees increased $404,130 or 16.1% primarily due to an airport noise study.

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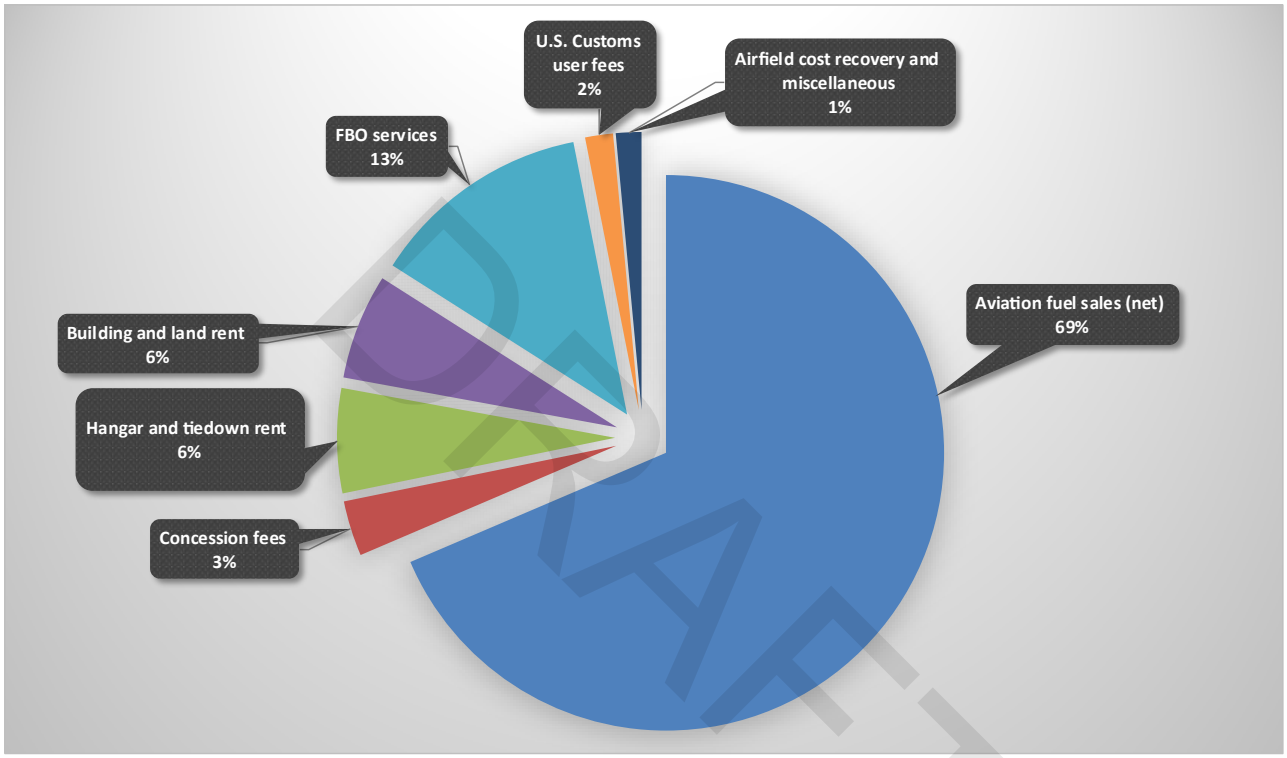
In fiscal 2025, 2024 and 2023, capital contributions, in the form of federal and state grants, were $2,970,810, $7,188,248, and $2,870,822, respectively.

The following chart shows the major sources of operating revenues as a percentage of total operating revenues for the year ended September 30, 2025:



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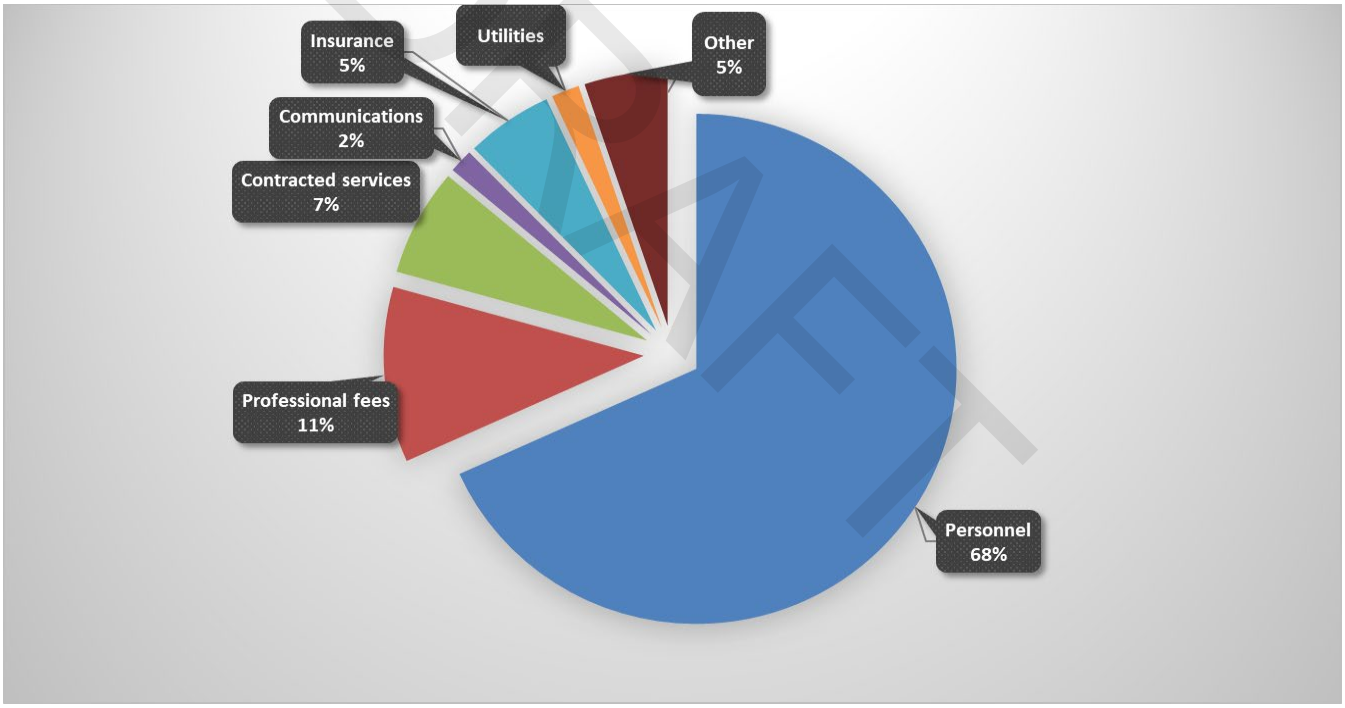
The following is a summary of the Authority's operating revenues for the year ended September 30:

	2025	2024	2023
Operating revenues:			
Aviation fuel sales (net)	$ 28,200,853	$ 26,760,051	$ 21,956,231
Concession fees	1,324,172	1,306,999	1,326,207
Hangar and tiedown rent	2,504,725	2,249,714	2,189,140
Building and land rent	2,525,641	2,472,909	2,084,615
FBO services	5,297,736	4,997,758	4,038,526
U.S. Customs user fees	665,375	616,575	588,025
Airfield cost recovery and miscellaneous	609,301	421,135	463,520
Net operating revenues	$ 41,127,803	$ 38,825,141	$ 32,646,264

The following chart shows the major sources of operating expenses as a percentage of total operating expenses before depreciation for the year ended September 30, 2025:



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The following is a summary of the Authority's operating expenses at September 30:

	2025	2024	2023
Operating expenses:			
Personnel	$ 18,480,723	$ 17,715,413	$ 14,602,544
Professional fees	3,010,387	3,357,751	2,913,962
Contracted services	1,842,991	1,697,243	1,798,119
Communications	407,616	522,624	442,172
Insurance	1,466,538	1,174,393	966,150
Utilities	472,126	479,005	460,637
Maintenance and repairs	2,692,738	2,832,795	2,363,014
Depreciation and amortization	7,365,594	6,998,813	6,317,432
Other	1,403,180	1,417,106	1,228,291
Total operating expenses	$ 37,141,893	$ 36,195,143	$ 31,092,321

The following is a summary of the Authority's non-operating revenues (expenses) for the year ended September 30:

	2025	2024	2023
Non-operating revenues (expenses):			
Customer facility charges	$ 241,750	$ 255,965	$ 257,828
Investment income	3,233,154	4,911,487	2,203,778
Claims and insurance settlements	8,934,440	-	4,087,898
Gain (loss) on disposal of capital assets	(5,390)	155,336	31,641
Net non-operating revenues (expenses)	$ 12,403,954	$ 5,322,788	$ 6,581,145

The following is a condensed summary of the Authority's net position at September 30:

	2025	2024	2023
Current assets	$ 62,226,753	$ 46,931,459	$ 42,641,804
Long-term investments	26,916,239	32,736,529	27,765,828
Capital assets (after depreciation)	105,641,151	96,075,550	87,377,103
Total assets	194,784,143	175,743,538	157,784,735
Current liabilities	8,399,878	8,628,499	5,973,825
Non-current liabilities	16,717,805	16,809,253	16,646,158
Total liabilities	25,117,683	25,437,752	22,619,983
Net Position			
Investment in capital assets	104,090,845	93,335,553	85,374,981
Restricted	3,456,581	3,214,831	2,958,866
Unrestricted	62,119,034	53,755,402	46,830,905
Net position	$ 169,666,460	$ 150,305,786	$ 135,164,752

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In 2025, total assets increased by $19.0 million, or 10.8%. The majority of this increase, $9.6 million, is from capital project additions and $8.9 million increase in accounts receivable due to the final Hurricane Ian insurance settlement. Total liabilities were basically flat.

In 2024, total assets increased by $18.0 million, or 11.4%. The majority of this increase, $8.6 million, is from assets from large capital projects and a $5.0 million increase in investments due to the market value change in the Authority's investment portfolio. Total liabilities increased by $2.8 million or 12.5%. The majority of this increase is due to increases in accounts payable for capital projects and other liabilities from the Authority's accrued salaries and benefits.

The Authority's total assets exceeded liabilities by $169.7 million in 2025 and $150.3 million in 2024. The largest portion of the Authority's net position each year (61.4% of total net position for 2025) represents its investment in capital assets (e.g. land, infrastructure, buildings, improvements, intangible assets and equipment). Restricted net position of $3.5 million (2.0% of total net position for 2025) consists of the accumulated balance of Customer Facility Charges collected by car rental companies. This money is available only for car rental facility improvements. The remaining $62.1 million of net position (36.6% of total net position for 2025) may be used to meet any of the Authority's ongoing obligations, including over $200 million of planned capital improvements in the next 20 years as shown in the Authority's most recent airport master plan.

A comparison of the Authority's current assets to current liabilities (current ratio) is a way to analyze the Authority's ability to satisfy short-term obligations as they become due. A low ratio may indicate an inability to meet its short-term debts in an emergency. A higher ratio is considered favorable to creditors. In 2025 and 2024, the Authority's current ratio was 7.4 and 5.4 respectively. In 2023, the current ratio was 7.1.

The following is a summary of the major sources and uses of cash and cash equivalents for the past three years. Cash equivalents are considered cash-on-hand, bank deposits and highly liquid investments with a maturity of three months or less when purchased.

	2025	2024	2023
Cash flows from :			
Operating activities	$ 12,942,674	$ 11,599,620	$ 7,625,945
Capital related financing activities	(13,439,449)	(9,622,943)	(2,108,931)
Investing activities	8,692,455	2,005,130	234,379
Net increase in cash and cash equivalents	8,195,680	3,981,807	5,751,393
Cash and cash equivalents:			
Beginning of year	33,941,123	29,959,316	24,207,923
End of year	$ 42,136,803	$ 33,941,123	$ 29,959,316

The Authority's available cash and cash equivalents were $42.1 million and $33.9 million at the end of 2025 and 2024, respectively. This increase of $8.2 million or 24.2% is due to the Authority investing excess cash and investments primarily in the FLCLASS investment fund and U.S. Treasuries during 2025 per the Authority's investment policy.

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In October 2019, the Authority's Board of Commissioners approved an investment policy in accordance with Florida Statute 218.415. The policy was revised in August 2021. As of September 30, 2025 and 2024, the authority's investment balance was $36.0 million and $41.4 million, respectively. The decrease is due to $7.2 million of the investment portfolio being in cash at September 30, 2025.

Capital Acquisitions and Construction Activities

At the end of 2025, the Authority had $105.6 million, net of accumulated depreciation, invested in a broad range of capital assets, including its terminal and office buildings; aircraft hangars; fuel facilities and equipment; runways and taxiways; and buildings and equipment for fire/rescue, air traffic control and U.S. Customs. This amount represents a net increase of $9.6 million or 10% over the prior year.

During 2025, completed projects and capital purchases totaling $7.3 million were closed from construction-in-progress to their respective capital asset accounts. The major completed projects were:

Taxiway A&B safety improvements	$ 2,339,256
GAT interior & exterior improvements	1,727,735
Airport Pulling Road landscape	1,696,620
5-23 interior perimeter road	1,203,856
GAT ramp lighting	569,856
Taxiway A-3 relocation design	1,469,530
West quad pond fill	205,604
	$ 9,212,457

At the end of 2025, major projects within construction-in-progress consisted of the following:

Fuel farm improvements	$ 4,512,680
North Road terminal remodel	3,831,950
Facilities building	3,155,354
Master drainage plan	1,992,876
Airfield lighting replacement	948,939
465 Citation Point hangar roof	920,406
T-Hangar door replacements	858,781
North quad site prep	793,121
North Road terminal apron rehabilitation	788,160
South quad hangar development	670,385
Security & access control upgrades	176,207
Other projects	697,287
	$ 19,346,146

Capital asset acquisitions and improvements are funded through capital reserves and occasionally supplemented with federal and state grants. Additional information on the Authority's capital assets and commitments can be found in the Notes to Financial Statements, Notes 3 and 12, respectively.

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Debt

The Authority had no debt in fiscal years 2025, 2024, and 2023.

Economic Factors and Future Impacts

The Authority financially operates on revenue from fuel sales as well as from airport user fees such as land and hangar rents. No local, state or federal general taxes, such as property, utility, sales, intangible property or income taxes directly support the Authority. Because of this, the Authority's goal is to maintain $25,000,000 in capital reserves for future capital projects and emergency operating reserves of six months of operating expenses. The Authority may also receive state and federal grants from transportation trust funds for certain capital projects.

Contacting the Authority's Financial Management

This financial report is designed to provide a general overview of the Authority's finances and to demonstrate the Authority's accountability for the money it receives. If you have questions about this report or require additional financial information, please contact the Authority's Senior Director of Finance and Administration. The office is located at 160 Aviation Drive North, Naples, Florida, 34104 and the Authority's phone number is 239-643-0733. https://www.flynaples.com/

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CITY OF NAPLES AIRPORT AUTHORITY
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
For the Years Ended September 30, 2025 and 2024

ASSETS

CURRENT ASSETS	**2025**	2024
Cash and cash equivalents	**$ 38,680,222**	$ 30,726,292
Restricted cash	**3,456,581**	3,214,831
Investments	**9,053,657**	8,692,668
Interest receivable	**235,926**	206,790
Accounts receivable (net)	**9,223,875**	506,013
Inventories	**349,240**	650,965
Due from governmental agencies	**870,746**	2,345,013
Prepaid expenses	**356,506**	588,887
Total current assets	**62,226,753**	46,931,459
NONCURRENT ASSETS		
Investments	**26,916,239**	32,736,529
Capital assets, not being depreciated	**22,319,934**	15,770,476
Capital assets, net of accumulated depreciation	**83,321,217**	80,305,074
Total noncurrent assets	**132,557,390**	128,812,079
Total assets	**194,784,143**	175,743,538
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable	**3,577,661**	2,863,144
Accounts payable - capital improvements	**1,550,306**	2,739,997
Unearned revenue	**237,633**	265,283
Unearned revenue - lease term buy-back program	**184,975**	33,639
Compensated absences	**224,201**	170,498
Accrued expenses and other liabilities	**2,625,102**	2,555,938
Total current liabilities	**8,399,878**	8,628,499
NONCURRENT LIABILITIES		
Compensated absences	**1,183,494**	938,631
Unearned revenue - lease term buy-back program	**15,534,311**	15,870,622
Total noncurrent liabilities	**16,717,805**	16,809,253
Total liabilities	**25,117,683**	25,437,752
NET POSITION		
Investment in capital assets	**81,770,911**	77,565,077
Restricted for rental car facility improvements	**3,456,581**	3,214,831
Unrestricted	**84,438,968**	69,525,878
Total net position	**$ 169,666,460**	$ 150,305,786

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

CITY OF NAPLES AIRPORT AUTHORITY
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
For the Years Ended September 30, 2025 and 2024

	2025	2024
OPERATING REVENUES		
Aviation fuel sales (net)	**$ 28,200,853**	$ 26,760,051
Concession fees	**1,324,172**	1,306,999
Hangar and tiedown rent	**2,504,725**	2,249,714
Building and land rent	**2,525,641**	2,472,909
FBO Services	**5,297,736**	4,997,758
U.S. Customs user fees	**665,375**	616,575
Airfield cost recovery and miscellaneous	**609,301**	421,135
Net operating revenues	**41,127,803**	38,825,141
OPERATING EXPENSES		
Personnel	**18,480,723**	17,715,413
Professional fees	**3,010,387**	3,357,751
Contracted services	**1,842,991**	1,697,243
Maintenance and repair	**2,692,738**	2,832,795
Insurance	**1,466,538**	1,174,393
Credit card fees	**617,761**	610,254
Utilities	**472,126**	479,005
Communications	**407,616**	522,624
Pilot services	**219,286**	271,186
Operating supplies	**406,913**	397,514
Dues and subscriptions	**159,220**	138,152
Depreciation and amortization	**7,365,594**	6,998,813
Total operating expenses	**37,141,893**	36,195,143
Operating income	**3,985,910**	2,629,998
NON-OPERATING REVENUES (EXPENSES)		
Customer facility charges	**241,750**	255,965
Investment income	**3,233,154**	4,911,487
Claims and insurance settlements	**8,934,440**	-
Gain (loss) on disposal of capital assets	**(5,390)**	155,336
Total non-operating revenues (expenses)	**12,403,954**	5,322,788
Income before capital contributions	**16,389,864**	7,952,786
Capital contributions	**2,970,810**	7,188,248
Change in net position	**19,360,674**	15,141,034
Total net position - beginning	**150,305,786**	135,164,752
Total net position - ending	**$ 169,666,460**	$ 150,305,786

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

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CITY OF NAPLES AIRPORT AUTHORITY
STATEMENTS OF CASH FLOWS
For the Years Ended September 30, 2025 and 2024

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from customers	**$ 69,001,943**	$ 75,785,286
Cash payments to suppliers for goods and services	**(38,660,793)**	(48,623,851)
Cash payments for personnel services	**(17,398,476)**	(15,561,815)
Net cash provided by operating activities	**12,942,674**	11,599,620
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Customer facility charges	**241,750**	255,965
Acquisition and construction of capital assets	**(18,126,276)**	(14,959,385)
Capital contributed	**4,445,077**	4,925,141
Proceeds from sale of capital assets	**-**	155,336
Net cash used in capital and related financing activities	**(13,439,449)**	(9,622,943)
CASH FLOWS FROM INVESTING ACTIVITIES		
Investment purchases	**(8,060,560)**	(3,330,059)
Investment sales	**13,096,159**	-
Interest and dividends on investments	**3,656,856**	5,335,189
Net cash provided by investing activities	**8,692,455**	2,005,130
Net increase in cash and cash equivalents	**8,195,680**	3,981,807
CASH AND CASH EQUIVALENTS, beginning of year	**$ 33,941,123**	$ 29,959,316
CASH AND CASH EQUIVALENTS, end of year	**$ 42,136,803**	$ 33,941,123
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO STATEMENT OF NET POSITION		
Restricted cash	**$ 3,456,581**	$ 3,214,831
Unrestricted cash and cash equivalents	**38,680,222**	30,726,292
	$ 42,136,803	$ 33,941,123

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

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CITY OF NAPLES AIRPORT AUTHORITY
STATEMENTS OF CASH FLOWS
For the Years Ended September 30, 2025 and 2024

	2025	2024
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Operating income	**$ 3,985,910**	$ 2,629,998
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation and amortization	**7,365,594**	6,998,813
Changes in assets and liabilities		
Decrease (increase) in investment receivable	**(29,136)**	(14,449)
Decrease (increase) in accounts receivable	**216,578**	1,024
Decrease (increase) in inventories	**301,725**	51,678
Decrease (increase) in prepaid expenses	**232,381**	(147,338)
Increase (decrease) in accounts payable	**714,517**	1,449,868
Increase (decrease) in compensated absences	**298,566**	203,118
Increase in accrued expenses and other current liabilities	**69,164**	500,612
Increase in unearned revenue - lease term buy-back program	**(184,975)**	(33,639)
Increase (decrease) in unearned revenue	**(27,650)**	(40,065)
Total adjustments	**8,956,764**	8,969,622
NET CASH PROVIDED BY OPERATING ACTIVITIES	**$ 12,942,674**	$ 11,599,620
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES		
Capital contributions - decrease (increase) in due from government agencies	**$ 1,474,267**	$ (2,263,107)
Claims and insurance settlements - decrease (increase) in accounts receivable	**$ (8,934,440)**	$ -

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

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NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting entity

The City of Naples Airport Authority (the "Authority") was created under Laws of Florida 69-1326, as amended, as an independent authority responsible for the operation of the airport located in Naples, Florida, or any other airport in Collier County, Florida, which the Authority may contract to operate. The City of Naples, recognizing the benefits of an authority-type management concept, established the Authority in 1969 for the purpose of enhancing service to users, improving the community gateway image and eliminating financial subsidies by City taxpayers. Commissioners of the Authority are appointed by the Naples City Council. (Also see Note 10 - Related Party Transactions).

Governmental accounting standards require the financial statements of the Authority (the primary government) to include its component units, if any. A component unit is a legally separate organization for which the officials of the primary government are financially accountable. Based on the criteria established in generally accepted accounting principles, there are no component units required to be included in the Authority's financial statements.

B. Basis of presentation

The Authority uses enterprise fund accounting to report its activities. An enterprise fund is a proprietary fund used to account for business-like activities provided to the general public. These activities are financed primarily by user charges and the measurement of financial activity focuses on net income measurement similar to the private sector.

C. Measurement focus

The Authority is accounted for on an "economic resources" measurement focus. Accordingly, all assets and liabilities are included on the Statements of Net Position, and the reported Net Position (total reported assets less total reported liabilities) provides an indication of the economic net worth of the Authority. The Statements of Revenues, Expenses and Changes in Net Position reports increases (revenues) and decreases (expenses) in total economic net worth.

D. Basis of accounting

Basis of accounting refers to when revenues and expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

The Authority uses the accrual basis of accounting. Under this method, revenues are recognized when they are earned; expenses are recognized when they are incurred.

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NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Budgetary process

The budget is adopted by Resolution of the Board of Commissioners and amendments, if any, are also approved by the Board of Commissioners. The budget is adopted consistent with generally accepted accounting principles (GAAP). Except that, in order to clarify the Authority's intent to present total expenses and expenditures, capital projects are included as expenditures. Expenditures cannot legally exceed the total amount of budgeted expenditures. Appropriations lapse at the end of the fiscal year.

F. Use of estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Although these estimates are based on management's knowledge of current events and actions it may undertake in the future, they may differ from actual results.

G. Assets, liabilities and net position

Cash, cash equivalents, and investments

For purposes of the statements of cash flows, the Authority considers all highly liquid investments (including restricted cash assets) with a maturity of three months or less when purchased to be cash equivalents.

When both restricted and unrestricted resources are available, restricted resources will be used first for eligible incurred expenses, and then unrestricted as needed.

The Authority's investments are managed by the Executive Director and the Senior Director of Finance and Administration in conjunction with the Authority's investment advisor. Investments in U.S. Treasury securities are recorded at fair value, as determined by quoted market prices. All investment income of the Authority, including changes in the fair value of investments, is reported as investment income in the Statements of Revenues, Expenses and Changes in Net Position.

Accounts receivable

The Authority's accounts receivable are recorded net of allowance for doubtful accounts. At September 30, 2025 and 2024, the allowances were $12,754 and $10,000, respectively.

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NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. Assets, liabilities and net position (Continued)

Inventories

Inventories, consisting of aviation fuel and other petroleum products held for sale, are stated at the lower of cost (first-in, first-out method) or market.

Capital assets

Capital assets include property, plant, equipment, infrastructure and intangible assets. Infrastructure assets are defined as public domain capital assets such as roads, drainage systems, lighting systems, runways, and similar assets that are immovable and of value only to the government unit. Intangible assets are without physical substance that provide economic benefits through the rights and privileges associated with their possession. Intangible assets may be classified as identifiable or unidentifiable and externally acquired or internally developed. The threshold for capitalization is $2,000. Capital assets purchased for use in the operations of the Authority are recorded at cost. Contributed or donated assets are recorded at acquisition value. Expenditures for maintenance, repairs are expensed as incurred. The cost of assets retired or sold, together with the related accumulated depreciation, is removed from the accounts, and any gain or loss on disposition is credited or charged to earnings.

Depreciation is calculated using the straight-line method over the estimated useful lives of the related assets. The estimated useful lives are determined based upon the Authority's experience with similar assets and its planned use of those assets.

The ranges of the estimated useful lives are as follows:

Assets	Years
Infrastructure	10 – 40
Buildings	15 – 40
Equipment	3 – 30
Improvements other than buildings	5 – 15
Vehicles	5 – 10
Intangible	3 – 7
Furniture and office equipment	3 – 5
Software	3 – 5

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NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. Assets, liabilities and net position (Continued)

Compensated absences

In accordance with GASB Statement No. 101, *Compensated Absences*, (GASB 101) the Authority determines the liability for compensated absences, as well as certain other salary related costs associated with the payment of compensated absences that are reported herein. Full-time employees accrue vacation time based on their length of service. The Authority allows employees to carry over into subsequent fiscal years up to 340 hours of vacation time. Upon leaving the employment of the Authority, employees are paid 100% of their accrued vacation time. Full-time employees also accrue 10 sick days per year. The Authority allows employees to carry over into subsequent fiscal years up to 600 hours of sick time. Employees exceeding 600 hours of sick time will be paid for 50% of the sick hours exceeding the 600 hours annually. Upon leaving the employment of the Authority, employees with at least seven years of service will be paid for 50% of their available sick hours. As required under GASB 101, the Authority performed a "more likely than not" usage analysis using historical usage patterns to estimate the portion of leave expected to be used rather than forfeited.

Unearned revenue

The Authority offers "Lease-Term Buy-Back" programs at various times, the proceeds of which are recorded as unearned revenue. Revenues are earned over the term of the lease extension.

Net position

Net position is categorized as investment in capital assets, restricted and unrestricted. Restriction of net position indicates amounts that are limited for a specific purpose.

H. Revenues and expenses

Operating revenues and expenses

Operating revenues and expenses for enterprise funds are those that result from providing goods and services.

Non-operating revenues and expenses

Non-operating revenues and expenses represent revenue and expense items that are not incurred from the normal user activity of the Authority. This classification includes revenue received from customer facility charges, interest earned on bank and investment accounts, realized/unrealized gain (loss) on investments, finance charge revenue, claims and insurance settlements and the gain or loss on the sale or disposal of Authority property.

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NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

I. Capital contributions

Capital contributions consist primarily of grants and contributions from Federal and State governmental agencies. Capital contributions are recognized as earned as related project costs are incurred.

J. Reclassifications

Certain prior year amounts have been reclassified to conform with the current year financial reporting and to facilitate comparison of financial data.

NOTE 2 - CASH, CASH EQUIVALENTS, AND INVESTMENTS

Deposits

The Authority's cash and cash equivalents balances include amounts deposited with commercial banks in interest bearing demand deposit accounts. Custodial credit risk is the risk that in the event of a bank failure, the Authority's deposits may not be returned to it. In accordance with its policy, all Authority depositories are banks designated by the Florida State Chief Financial Officer (CFO) as qualified public depositories. Chapter 280 of the Florida Statutes "Florida Security for Public Deposits Act" provides procedures for public depositories to ensure public monies in banks and saving and loans are collateralized with the CFO as agent for the public entities. Chapter 280 defines deposits as demand deposit accounts, time deposit accounts and non-negotiable certificates of deposit.

Financial institutions qualifying as public depositories shall deposit with the CFO eligible collateral having a market value equal to or in excess of the average daily balance of public deposits times the depository collateral pledging level required pursuant to Chapter 280 as computed and reported monthly or 125 percent of the average monthly balance, whichever is greater. The Public Deposit Security Trust Fund has a procedure to allocate and recover losses in the event of a default or insolvency. When public deposits are made in accordance with Chapter 280, no public depositor shall be liable for any loss thereof, and therefore, the Authority is not exposed to custodial credit risk.

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NOTE 2 - CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)

Investments

Investments are reported at fair value. Fair value is the price that would be received to sell an asset in an orderly transaction between market participants and the measurement date. Fair value determinations are made based upon a hierarchy that prioritizes the inputs to valuation techniques. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets (Level 1 measurement) and the lowest priority to unobservable inputs (Level 3 measurements).

- **Level 1** – Investments reflect unadjusted quoted prices in active markets for identical assets.
- **Level 2** – Investments reflect prices that are based on inputs that are either directly or indirectly observable for an asset (including quoted prices for similar assets), which may include inputs in markets that are not considered to be active.
- **Level 3** – Investments reflect prices based upon unobservable inputs for an asset.

The categorization of investments within the hierarchy is based upon the pricing transparency of the instrument and should not be perceived as the particular investment's risk.

Debt securities classified as Level 2 are evaluated prices from the custodian bank's external pricing vendor. The pricing methodology involves the use of evaluation models, such as matrix pricing, which is based on the securities' relationship to benchmark quoted prices.

As of September 30, 2025, the Authority has the following investments and maturities:

	2025 Fair Value	Weighted Average Maturity (Years)	Hierarchy Level
Investment by fair value level			
Debt securities			
U.S. Treasury Notes	$ 30,875,005	4.0	2
U.S. Treasury Bond	1,052,340	3.4	2
U.S. Agency Bonds	1,178,022	3.8	2
Municipal Bonds	718,716	2	2
U.S.Treasury Bills (ST)	2,145,813	<1	
Total Investments by fair value	35,969,896		

	2025 Net Asset Value
Investment by net asset value	
FL Class Investment Pool	$ 21,987,139

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NOTE 2 - CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)

Investments (Continued)

As of September 30, 2024, the Authority has the following investments and maturities:

	2024 Fair Value	Weighted Average Maturity (Years)	Hierarchy Level
Investment by fair value level			
Debt securities			
U.S. Treasury Notes	$ 39,302,032	3.84	2
U.S. Agency Bonds	1,160,917	4.81	2
Municipal Bonds	966,248	2.37	2
Total Investments by fair value	41,429,197		

	2024 Net Asset Value
Investment by net asset value	
FL Class Investment Pool	$ 21,021,891

The FLCLASS investment pool is included in the Authority's cash and cash equivalents as the funds in this pool offer same-day liquidity of assets. FLCLASS is rated by S&P Global ratings. The current rating is 'AAAm'. The dollar weighted average days to maturity at September 30, 2025 and 2024, was 42 and 30 days, respectively.

Investments of the Authority conform to the Authority's investment policy adopted pursuant to Florida Statutes, Section 218.415.

Interest Rate Risk – As means of limiting its exposure to fair value losses arising from rising interest rates, the Authority's investment policy limits its risk by maintaining an investment portfolio with limited volatility. Accordingly, the maximum length to maturity of any direct investment in the U.S. Government Securities is 10 years from the date of settlement.

Credit Risk – Credit risk is the risk that an issuer or counterparty to an investment will not fulfill its obligations. All of the Authority's investments were in U.S. Treasury notes and therefore do not carry credit risk.

Custodial Credit Risk – For an investment, custodial credit risk is the risk than in the event of failure of the counterparty, the Authority will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Authority's investments are held in trust under the Authority's name by an independent third-party custodian.

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NOTE 2 - CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)

Investments (Continued)

Concentration of Credit Risk – The Authority's investment policy established limitations of portfolio composition in order to control concentration of credit risk. The policy allows 100% of the portfolio to be invested in U.S. Treasury notes.

NOTE 3 - CAPITAL ASSETS

A summary of changes in capital assets for the year ended September 30, 2025 is as follows:

Fiscal Year 2025	Beginning Balance	Increases	Decreases/ Reclasses	Ending Balance
Capital assets not being depreciated:				
Land	$ 2,973,788	$ -	$ -	$ 2,973,788
Construction in progress	12,796,688	16,291,814	9,742,356	19,346,146
Total capital assets not being depreciated	15,770,476	16,291,814	9,742,356	22,319,934
Capital assets being depreciated:				
Infrastructure	84,356,770	5,634,758	-	89,991,528
Buildings	45,735,505	1,800,345	-	47,535,850
Equipment	11,240,555	631,719	472,222	11,400,052
Improvements other than building	7,497,173	1,946,098	-	9,443,271
Vehicles	2,608,791	219,219	72,227	2,755,783
Intangible	1,558,629	-	-	1,558,629
Software	170,263	-	-	170,263
Furniture and office equipment	2,583,869	196,002	409,769	2,370,102
Total capital assets being depreciated	155,751,555	10,428,141	954,218	165,225,478
Less accumulated depreciation for:				
Infrastructure	41,865,130	3,306,139	-	45,171,269
Buildings	18,146,950	1,841,750	-	19,988,700
Equipment	8,021,507	900,718	469,175	8,453,050
Improvements other than building	3,041,056	518,698	-	3,559,754
Vehicles	1,739,702	326,239	32,128	2,033,813
Intangible	798,494	133,357	-	931,851
Software	50,879	42,295	-	93,174
Furniture and office equipment	1,782,763	296,398	406,511	1,672,650
Total accumulated depreciation	75,446,481	7,365,594	907,814	81,904,261
Total capital assets being depreciated, net	80,305,074	3,062,547	46,404	83,321,217
Total capital assets, net	$ 96,075,550	$ 19,354,361	$ 9,788,760	$ 105,641,151

In 2025, reported depreciation expense totaled $7,365,594.

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NOTE 3 - CAPITAL ASSETS (Continued)

A summary of changes in capital assets for the year ended September 30, 2024 is as follows:

Fiscal Year 2024	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets not being depreciated:				
Land	$ 2,973,788	$ -	$ -	$ 2,973,788
Construction in progress	7,466,157	14,222,699	8,892,168	12,796,688
Total capital assets not being depreciated	10,439,945	14,222,699	8,892,168	15,770,476
Capital assets being depreciated:				
Infrastructure	77,219,063	7,137,707	-	84,356,770
Buildings	45,127,136	608,369	-	45,735,505
Equipment	11,320,045	976,742	1,056,232	11,240,555
Improvements other than building	6,233,769	1,263,404	-	7,497,173
Vehicles	2,304,842	303,949	-	2,608,791
Intangible	1,558,629	-	-	1,558,629
Software	108,440	61,823	-	170,263
Furniture and office equipment	2,473,211	110,658	-	2,583,869
Total capital assets being depreciated	146,345,135	10,462,652	1,056,232	155,751,555
Less accumulated depreciation for:				
Infrastructure	38,714,111	3,151,019	-	41,865,130
Buildings	16,338,216	1,808,734	-	18,146,950
Equipment	8,116,024	865,792	960,309	8,021,507
Improvements other than building	2,678,458	362,598	-	3,041,056
Vehicles	1,413,827	325,875	-	1,739,702
Intangible	665,137	133,357	-	798,494
Software	11,223	39,656	-	50,879
Furniture and office equipment	1,470,981	311,782	-	1,782,763
Total accumulated depreciation	69,407,977	6,998,813	960,309	75,446,481
Total capital assets being depreciated, net	76,937,158	3,463,839	95,923	80,305,074
Total capital assets, net	$ 87,377,103	$ 17,686,538	$ 8,988,091	$ 96,075,550

In 2024, reported depreciation expense totaled $6,998,813.

NOTE 4 - UNEARNED REVENUE – LEASE-TERM BUY-BACK PROGRAM PAYMENTS

At various times, the Authority offered a lease-term buy-back program to all existing aviation land lease tenants. This program benefited the leaseholders in that they could more readily secure financing or find a potential buyer of the property under lease due to an extended lease period. The tenant could enter into a new land lease for an extended period for an amount based on current values. The amount was paid upfront and is accounted for as a long-term liability (unearned revenue) and will be earned over the years beyond the term of the initial lease.

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NOTE 5 - CHANGES IN NONCURRENT LIABILITIES

A summary of changes in noncurrent liabilities for the years ended September 30 were as follows:

Fiscal Year 2025	Beginning Balance	Increases	Decreases	Ending Balance	Current Portion
Compensated absences	$ 1,109,129	$ 298,566	$ -	$ 1,407,695	$ 224,201
Lease-term buy-back program	15,904,261	-	184,975	15,719,286	184,975
Total noncurrent liabilities	$ 17,013,390	$ 298,566	$ 184,975	$ 17,126,981	$ 409,176

Fiscal Year 2024	Ending Balance	Increases	Decreases	Ending Balance	Current Portion
Compensated absences	$ 906,011	$ 540,210	$ 337,092	$ 1,109,129	$ 170,498
Lease-term buy-back program	15,937,900	-	33,639	15,904,261	33,639
Total noncurrent liabilities	$ 16,843,911	$ 540,210	$ 370,731	$ 17,013,390	$ 204,137

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NOTE 6 - REGULATED LEASES

The Authority subleases land and leases certain buildings to various tenants with lease terms extending out to 2054. There are no variable lease payments associated with regulated leases. GASB 87 requires revenue from regulated leases to be recorded in the period received. Total revenue from regulated leases for the years ended September 30, 2025, and 2024 were $1,267,518 and $1,813,536, respectively. Following is a schedule of future minimum leases payments on regulated leases.

NOTE 6 - REGULATED LEASES (Continued)

Year Ending September 30,	Amount
2026	$ 1,423,696
2027	1,452,023
2028	1,481,063
2029	1,510,685
2030	1,503,259
2031-2035	7,267,435
2036-2040	6,610,156
2041-2045	5,841,607
2046-2050	2,602,343
2051-2055	490,373
Total	$ 30,182,640

NOTE 7 - RETIREMENT PLAN

The City of Naples Airport Authority MissionSquare Retirement Governmental Money Purchase Plan is a defined contribution retirement plan for the benefit of its employees. The plan is for full-time employees and has eligibility provisions with required retirement funding percentages applied to the salaries of those participating. Retirement contribution expense for the years ended September 30, 2025 and 2024 was $1,486,384 and $1,345,982, respectively. The Authority has reserved the right to establish and amend all plan provisions. The contribution requirements of plan members and the Authority are established and may be amended by the Authority. The Authority's total salaries and wages on September 30, 2025 and 2024 was $13,402,722 and $12,786,518, and its covered payroll was $13,122,154 and $12,516,668, respectively.

The plan is exempt from the Employee Retirement Income Security Act (ERISA). Therefore, the plan does not issue a separate audited financial report. The post-employment retirement benefit plan is administered by MissionSquare Retirement. On October 1, 2024, the Authority changed to Lincoln Financial as the administrator of the Authority's retirement plans.

NOTE 8 - RISK MANAGEMENT

The Authority is exposed to various risks of loss related to torts; theft, damage, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

Insurance coverage for such losses is purchased from commercial insurance companies.

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NOTE 8 - RISK MANAGEMENT (Continued)

The financial impact of the Authority's risk management activities are reported in the accompanying financial statements. For the years ended September 30, 2025 and 2024, the Authority paid $1,466,538 and $1,174,393, respectively, in premiums for policies to insure for these risks. No accrual has been provided for claims and incidents not reported to insurers. All known claims have been reported to the insurers. Claims made have not exceeded the insurance coverage.

NOTE 9 - CUSTOMER FACILITY CHARGES

A $2.50 per day customer facility charge (CFC) is charged for all car rentals at the airport. Per the airport's agreements with the rental car companies, the amounts are restricted to be used for rental car facilities at the airport. For the years ended September 30, 2025 and 2024, the Authority collected $241,750 and $255,965, respectively. The restricted balance at September 30, 2025 and 2024 was $3,456,581 and $3,214,831, respectively. This amount is also recorded in restricted cash.

NOTE 10 - RELATED PARTY TRANSACTIONS

The Airport is located on an area of approximately 732 acres of which 640 acres is leased land. The Authority holds a ninety-nine-year lease from the City of Naples, which allows the Authority to use and sublet the land. The lease requires annual payments of one dollar. The lease expires in 2068. The Authority prepaid this lease in January 1997.

The City provides certain services to the Authority including firefighting personnel, fire truck maintenance, police services and utilities. Total expense incurred by the Authority during the years ended September 30, 2025 and 2024 for these services were $1,370,044 and $1,122,822, respectively.

NOTE 11 - CAPITAL CONTRIBUTIONS

Since its inception, the Authority has received capital contributions through Federal and State grants and from the City of Naples, Collier County and other parties as follows:

	Fiscal Year 2025	Inception-to-date
Federal	$ 2,213,934	$ 56,741,149
State	756,876	23,492,713
City of Naples	-	201,763
Collier County	-	162,976
Other	-	5,487,808
Total	$ 2,970,810	$ 86,086,409

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NOTE 12 - COMMITMENTS AND CONTINGENCIES

At September 30, 2025, the Authority had in process various construction, consulting and engineering contracts totaling $32,426,416. Expenditures on these contracts were $20,438,146, leaving commitments of up to $11,988,270.

The Authority is currently receiving, and has received in the past, grants which are subject to special compliance audits by the grantor agency, which may result in disallowed expense amounts. These amounts would constitute a contingent liability of the Authority. The Authority does not believe any contingent liabilities to be material.

On September 28, 2022, Hurricane Ian hit Southwest Florida causing widespread flooding in the coastal areas, including over four feet of storm surge to parts of the airfield. The Authority had significant damage to the airfield lighting system and signs. Temporary repairs were made in the weeks following the hurricane to keep the airport operational. It was determined that due to the saltwater intrusion into the electrical systems of the airfield lighting and signs, the entire system will need to be replaced. The cost of this project is expected to be approximately $20.4M.

The Authority filed a claim in fiscal year 2023 with its property insurance carrier. The Authority received a claim determination letter from its property insurance carrier for $13M as well as an advance payment of $4M toward the airfield lighting system. In December 2025, the adjuster approved the final settlement, and the carrier made final payments totaling $8,678,553 in January of 2026. This amount is recorded in accounts receivable at September 30, 2025.

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STATISTICAL SECTION

This part of the City of Naples Airport Authority'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 Authority's overall financial health.

Contents **Page**

Financial Trends 38

These schedules contain trend information to help the reader understand how the Authority's financial performance and well-being have changed over time.

Revenue Capacity 40

These schedules contain information to help the reader to assess the Authority's most significant revenue source, aviation fuel sales.

Debt Capacity 42

These schedules present information to help the reader assess the affordability of the Authority's current levels of outstanding debt and the Authority's ability to issue additional debt in the future.

Demographic and Economic Information 42

These schedules offer demographic and economic indicators to help the reader understand the environment within which the Authority's financial activities take place.

Operating Information 44

These schedules contain information about the Authority's operations and resources to help the reader understand how the Authority's financial information relates to the services the Authority provides and the activities it performs.

Miscellaneous Information 46

This schedule provides the reader with information on the sources of the Authority's contributed capital.

Sources: Unless otherwise noted, the information in these schedules is derived from the Annual Comprehensive Financial Reports for the relevant year.

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CITY OF NAPLES AIRPORT AUTHORITY
NET POSITION BY COMPONENT, LAST TEN FISCAL YEARS

NET POSITION BY COMPONENT, LAST TEN FISCAL YEARS

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Investment in Capital Assets	$ 60,738,000	$ 61,937,000	$ 62,770,767	$ 65,145,384	$ 67,683,601	$ 67,683,601	$ 82,417,199	$ 85,374,981	$ 93,335,553	$ 104,090,845
Restricted	1,381,000	1,587,000	1,804,601	2,016,021	2,232,216	2,232,216	2,701,038	2,958,866	3,214,831	3,456,581
Unrestricted	19,071,000	21,899,000	26,156,608	30,520,200	35,054,150	35,054,150	39,040,605	46,830,905	53,755,402	62,119,034
Total net position	$ 67,776,000	$ 74,014,000	$ 78,730,000	$ 81,190,000	$ 85,423,000	$ 104,969,967	$ 124,158,842	$ 135,164,752	$ 150,305,786	$ 169,666,460

Note: Prior to Fiscal Year 2018, amounts are rounded to nearest thousand.

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CITY OF NAPLES AIRPORT AUTHORITY
CHANGES IN NET POSITION, LAST TEN FISCAL YEARS

CHANGES IN NET POSITION, LAST TEN FISCAL YEARS

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
OPERATING REVENUES										
Fuel sales (net)	$ 8,786,000	$ 9,334,000	$ 10,519,749	$ 12,731,215	$ 14,091,971	$ 20,889,892	$ 22,934,029	$ 21,956,231	$ 26,760,051	$ 28,200,853
Concession fees	716,000	682,000	737,196	752,856	927,197	1,104,414	1,343,510	1,326,207	1,306,999	1,324,172
Hangar/T-shelter/tiedown	2,413,000	2,515,000	2,596,552	2,565,188	3,084,585	3,772,690	3,916,892	2,189,140	2,249,714	2,504,725
Building and land rent	1,327,000	1,388,000	1,384,597	1,341,961	1,570,082	1,690,009	1,803,117	2,084,615	2,472,909	2,525,641
FBO services	698,000	731,000	771,255	856,594	1,096,214	1,681,145	1,743,391	4,038,526	4,997,758	5,297,736
U.S. Customs user fees	311,000	357,000	442,355	440,080	322,415	613,275	779,595	588,025	616,575	665,375
Airfield cost recovery and miscellaneous	28,000	19,000	101,173	43,409	133,459	195,162	351,577	463,520	421,135	609,301
Net operating revenues	14,279,000	15,026,000	16,552,877	18,731,303	21,225,923	29,946,587	32,872,111	32,646,264	38,825,141	41,127,803
OPERATING EXPENSES										
Personnel	5,385,000	5,828,000	5,916,133	6,810,799	7,403,329	8,777,415	12,324,672	14,602,544	17,715,413	18,480,723
Professional fees	1,793,000	1,754,000	2,244,120	2,182,919	2,522,005	2,971,679	3,967,718	4,712,081	5,054,994	4,853,378
Communications	199,000	151,000	128,904	187,630	201,655	231,373	343,673	442,172	522,624	407,616
Insurance	461,000	449,000	445,628	531,657	616,790	754,922	746,328	966,150	1,174,393	1,466,538
Utilities	265,000	274,000	366,675	316,273	338,153	336,750	404,790	460,637	479,005	472,126
Office/postage/printing	116,000	83,000	107,959	90,053	74,097	72,623	210,608	308,747	397,514	406,913
Dues/subscriptions/fees	43,000	89,000	60,513	54,227	45,335	60,718	88,436	120,615	138,152	159,220
Auto gas and diesel fuel	48,000	50,000	61,392	64,068	43,947	55,694	-	-	-	-
Pilot services	64,000	112,000	125,607	106,553	88,744	124,897	229,593	276,294	271,186	219,286
Maintenance and repair	1,097,000	646,000	915,323	1,122,471	1,299,867	1,199,056	1,807,765	2,363,014	2,832,795	2,692,738
Credit card fees	-	-	-	239,443	279,095	369,891	548,211	517,155	610,254	617,761
Depreciation and amortization	3,791,000	3,703,000	3,714,010	3,911,422	4,151,963	4,352,224	5,351,514	5,351,514	6,998,813	7,365,594
Miscellaneous	-	-	-	-	64,173	-	21,827	5,480	-	-
Total operating expenses	13,262,000	13,139,000	14,086,264	15,617,515	17,129,153	19,307,242	26,045,135	30,126,403	36,195,143	37,141,893
Operating income (loss)	1,017,000	1,887,000	2,466,613	3,113,788	4,096,770	10,639,345	6,826,976	2,519,861	2,629,998	3,985,910
NON-OPERATING REVENUES (EXPENSES)										
Customer facility charges	204,000	212,000	213,765	211,420	216,195	230,427	238,395	257,828	255,965	241,750
Interest revenue	109,000	228,000	228,000	920,765	510,943	180,410	(1,718,837)	2,203,778	4,911,487	3,233,154
Realized/unrealized gain (loss) on investments	-	-	511,927	-	-	-	-	-	-	-
Claims and insurance settlements	6,000	(43,000)	507,000	1,000,000	74,029	27,377	-	4,087,898	-	8,934,440
Hurricane recovery/repair	-	-	-	(906,459)	-	-	(250,000)	-	-	-
Gain (Loss) on disposal of capital assets	(16,000)	12,000	-	15,484	(100,770)	16,504	53,685	31,641	155,336	(5,390)
Total non-operating revenues (expenses)	303,000	409,000	1,460,692	1,241,210	700,397	454,718	(1,676,757)	6,581,145	5,322,788	12,403,954
Income (loss) before capital contributions	1,320,000	2,296,000	3,927,305	4,354,998	4,797,167	11,094,063	5,150,219	9,101,006	7,952,786	16,389,864
Capital contributions	1,140,000	1,937,000	1,925,957	2,595,629	2,491,195	894,973	2,049,620	2,049,620	7,188,248	2,970,810
Change in net position	$ 2,460,000	$ 4,233,000	$ 5,853,262	$ 6,950,627	$ 7,288,362	$ 11,989,036	$ 7,199,839	$ 11,150,626	$ 15,141,034	$ 19,360,674

Note: Prior to Fiscal Year 2018, amounts are rounded to the nearest thousand.

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CITY OF NAPLES AIRPORT AUTHORITY
FUEL SALES, LAST TEN FISCAL YEARS

AVERAGE AVIATION FUEL MARGINS (PER GALLON)

	Jet A					100 Low Lead				
Fiscal Year	Flowage	Full Service	Prepaid Full Service	Contract Fuel*	Tenant Fuel	Full Service	Prepaid Full Service	Public Self Fueling	Tenant Fuel	Volume Program
2016	$ 0.30	$ 1.93	$ 1.23	$ 1.00	$ -	$ 0.81	$ 0.50	$ 0.59	$ -	$ -
2017	0.30	1.99	1.24	0.99	-	0.90	0.51	0.74	-	-
2018	0.30	2.00	1.23	0.98	-	0.90	0.46	0.82	-	-
2019	0.30	2.07	1.47	1.07	1.29	0.81	0.75	0.49	-	-
2020	0.35	2.31	-	1.66	1.37	1.55	1.10	0.65	1.08	0.97
2021	0.40	2.66	-	1.49	1.31	2.17	-	0.62	1.18	1.12
2022	0.40	2.42	-	1.67	1.34	2.31	-	0.70	1.04	-
2023	0.54	2.89	-	1.89	1.77	1.98	-	0.74	1.04	-
2024	0.55	2.73	-	2.23	2.00	1.82	-	1.00	1.25	-
2025	0.67	2.90	-	2.33	2.20	2.72	-	1.00	1.52	-

AVIATION FUEL SALES (GALLONS)

	Jet A						100 Low Lead					
Fiscal Year	Flowage	Full Service	Prepaid Full Service	Contract Fuel*	Tenant Fuel	Total	Full Service	Prepaid Full Service	Public Self Fueling	Tenant Fuel	Volume Program	Total
2016	252,568	2,458,314	1,535,659	2,124,000	-	6,370,541	158,993	106,487	115,206	-	-	380,686
2017	250,014	2,496,936	1,623,734	2,355,956	-	6,726,640	176,266	111,583	101,192	-	-	389,040
2018	229,921	2,584,903	2,124,407	2,492,618	-	7,431,849	185,775	142,249	76,800	-	-	404,824
2019	273,623	3,315,215	1,438,968	2,668,965	242,527	7,939,298	165,495	100,411	83,962	19,369	29,205	398,442
2020	240,536	1,450,521	-	5,216,300	1,220,131	8,127,488	92,609	-	89,602	109,637	23,331	315,179
2021	385,394	1,639,099	-	7,815,153	1,565,271	11,404,917	86,379	-	72,516	145,463	-	304,358
2022	521,826	2,013,197	-	9,696,568	1,121,185	13,352,776	75,168	-	103,582	145,254	-	324,004
2023	483,246	1,999,040	-	7,697,036	1,021,102	11,200,424	88,915	-	90,725	141,230	-	320,870
2024	481,955	2,250,368	-	8,239,470	936,099	11,907,892	89,123	-	96,724	138,369		324,216
2025	517,637	1,958,351	-	8,661,657	791,660	11,929,305	86,181	-	99,058	84,831	-	270,070

AVIATION FUEL SALES (NET REVENUE)

	Jet A						100 Low Lead					
Fiscal Year	Flowage	Full Service	Prepaid Full Service	Contract Fuel*	Tenant Fuel	Total	Full Service	Prepaid Full Service	Public Self Fueling	Tenant Fuel	Volume Program	Total
2016	75,770	4,752,120	1,885,624	2,098,651	-	8,812,165	142,936	53,979	84,967	-	-	281,882
2017	75,004	4,978,267	2,007,046	2,320,378	-	9,380,695	158,927	50,956	83,048	-	-	292,931
2018	69,352	5,158,618	2,609,597	2,432,460	-	10,270,027	150,352	106,750	37,980	-	-	295,082
2019	82,087	6,875,377	2,109,712	2,865,106	313,363	12,245,645	255,719	110,322	54,610	20,849	28,390	469,890
2020	72,161	3,356,082	-	8,655,856	1,667,285	13,751,384	274,678	-	262,768	320,629	75,369	933,444
2021	154,158	4,358,768	-	14,206,013	2,089,115	20,808,054	191,842	-	48,645	154,868	-	395,355
2022	208,730	4,872,869	-	16,233,946	1,507,833	22,823,378	140,872	-	37,158	136,528	-	314,558
2023	261,050	5,780,416	-	14,546,170	1,806,627	22,394,263	175,681	-	67,136	146,966	-	389,783
2024	265,075	6,140,148	-	18,410,328	1,870,119	26,902,550	161,783	-	66,699	126,127	-	354,608
2025	347,442	5,678,337	-	20,175,532	1,742,761	27,944,072	234,797	-	99,039	128,557	-	462,393

Source: Authority's Finance Department records

Notes: The Executive Director is authorized to adjust fuel charges at any time, with or without notice.
The Authority's fuel charges to customers are based on a cost plus formula.
The Authority offers various fuel programs to meet Airport customers' needs.
Aviation fuel sales (net revenue) does not include aviation oil sales, non-aviation fuel sales, fuel truck rental and credit card fees.
These are included in Fuel sales (net) as show on the Statement of Revenues, Expenses and Changes in Net Position.
* Formerly titled "Volume Discount (contract)" in prior years ACFR.

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CITY OF NAPLES AIRPORT AUTHORITY
PRINCIPAL CUSTOMERS

PRINCIPAL CUSTOMERS - BY GROSS SALES
For the Years Ended September 30,

		2025		2016	
	Company	Gross Sales	% of Total Authority Fuel Sales	Gross Sales	% of Total Authority Fuel Sales
1	Net Jets/EJM	$ 9,159,962	16.3%	$ 4,016,670	28.1%
2	Flexjet, LLC	5,884,498	10.5%	1,358,406	9.5%
3	Wheels Up Private Jets	1,742,677	3.1%		
4	Fly Exclusive Jets LLC	1,369,978	2.4%		
5	Elite Jets Charter, LLC	1,166,083	2.1%		
6	Delux Public Charter, LLC (DBA JSX AIR)	706,473	1.3%		
7	Fly Alliance	650,646	1.2%		
8	Jet Linx	480,358	0.9%		
9	QTPOD	474,103	0.8%		
10	Vista America	465,596	0.8%		
	Naples Jet Center/Eagle Creek			2,767,026	19.4%
	Hertz Corporation			992,144	6.9%
	Cable Vision			805,111	6.9%
	Travel Management Company			503,605	3.5%
	Delta Private Jets			439,237	3.1%
	Sweet Aviation			329,030	2.3%
	Transjet			314,913	2.2%
	Avis Rent-a-car			238,420	1.7%
		$ 22,100,374	39.4%	$ 11,764,562	83.6%

Source: Authority's accounting records

PRINCIPAL CUSTOMERS - BY AVIATION FUEL GALLONS
For the Years Ended September 30,

		2025		2016	
	Company	Gallons	% of Total Authority Gallons	Gallons	% of Total Authority Gallons
1	Net Jets/EJM	2,757,225	23.5%	1,371,127	20.4%
2	Flexjet, LLC	1,240,249	10.5%	457,814	6.8%
3	Wheels Up Private Jets	324,222	2.8%		
4	Fly Exclusive Jets LLC	256,822	2.2%		
5	Elite Jets Charter, LLC	246,977	2.1%		
6	Delux Public Charter, LLC (DBA JSX AIR)	155,022	1.3%		
7	Fly Alliance	121,816	1.0%		
8	Jet Linx	89,579	0.8%		
9	QTPOD	99,058	0.8%		
10	Vista America	88,940	0.8%		
	Naples Jet Center/Eagle Creek			329,343	4.9%
	Travel Management Company			151,869	2.3%
	Delta Private Jets			136,994	2.0%
	Whitesell Corporation			67,162	1.0%
	XOJET			61,996	0.9%
	Wheels up /Gamma Aviation			56,955	0.8%
	Olympus Campus			52,210	0.8%
	Naples Air Inc			48,498	0.7%
		5,379,910	45.8%	2,733,968	40.6%

Source: Authority's accounting records

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CITY OF NAPLES AIRPORT AUTHORITY
DEBT LIMITATIONS AND DEMOGRAPHIC AND ECONOMIC INDICATORS, LAST TEN FISCAL YEARS

DEBT LIMITATIONS

Fiscal Year	Debt Limit	Total Outstanding Debt	Ratio of Debt to Debt Limit
2016	$ 15,000,000	-	0.0%
2017	15,000,000	-	0.0%
2018	15,000,000	-	0.0%
2019	15,000,000	-	0.0%
2020	15,000,000	-	0.0%
2021	15,000,000	-	0.0%
2022	15,000,000	-	0.0%
2023	15,000,000	-	0.0%
2024	15,000,000	-	0.0%
2025	15,000,000	-	0.0%

Source: Authority's enabling legislation and financial statements
Note: The Authority's debt limit is set by the Legislature of the State of Florida.

DEMOGRAPHIC AND ECONOMIC INDICATORS

	City of Naples			Collier County			Metropolitan Statistical Area
Year	Population	Personal Income (*thousands of dollars)*	Per Capita Personal Income	Population	Personal Income (*thousands of dollars)*	Per Capita Personal Income	Unemployment Rate
2015	20,968	$ 1,776,430	$ 84,721	343,802	$ 27,082,008	$ 78,772	5.2%
2016	21,898	1,940,338	88,608	350,202	29,889,525	85,349	4.9%
2017	22,041	1,980,648	89,862	357,470	31,512,180	88,153	3.6%
2018	22,214	2,210,493	99,509	367,347	33,958,713	92,443	3.3%
2019	22,039	2,210,688	100,308	376,706	38,058,323	101,029	3.2%
2020	19,115	2,110,736	110,423	375,752	41,014,314	109,153	5.7%
2021	19,186	2,193,689	114,338	382,680	42,413,331	110,832	3.6%
2022	19,372	2,459,101	126,941	390,912	45,539,558	116,496	2.8%
2023	19,618	2,770,944	141,245	399,480	52,200,912	130,672	3.3%
2024	19,704	2,986,417	151,564	408,381	54,390,465	133,186	3.7%

Sources: Population, personal income and per capita personal income for City of Naples provided by City of Naples, Florida, Annual Comprehensive Financial Report, 2024, Schedule 14, page 179
Population, personal income and per capita personal income for Collier County provided by Collier County, Florida, Annual Comprehensive Financial Report, 2024, page 176
Unemployment information provided by the U.S. Department of Labor, Bureau of Labor Statistics.
Note: Data on Demographic and Economic for 2025 not yet available.

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CITY OF NAPLES AIRPORT AUTHORITY
PRINCIPAL EMPLOYERS

PRINCIPAL EMPLOYERS

	2024			2015		
Employer	**Rank**	**Number of Employees**	**Percent of Total County Employment**	**Rank**	**Number of Employees**	**Percent of Total County Employment**
Collier County Public Schools	1	5,987	3.50%	1	5,280	4.29%
NCH Healthcare System	2	4,385	2.56%	2	4,000	3.25%
Arthrex, Inc	3	4,274	2.49%	5	1,709	1.39%
Publix Supermarkets	4	3,406	1.99%	3	2,805	2.28%
Collier County Government (Excl Sheriff)	5	2,692	1.57%	4	2,137	1.74%
Collier County Sheriff's Office	6	1,503	0.88%	6	1,397	1.13%
JW Marriott - Marco Island	7	1,130	0.66%			
Ritz Carlton Hotel	8	1,100	0.64%	7	1,100	0.89%
Seminole Casino- Immokalee	9	900	0.52%	9	875	0.70%
City of Naples	10	529	0.31%			
Country Club of Naples				8	1,050	0.85%
Mariott Corporation				10	775	0.63%
Other employers		145,418	84.88%		102,054	82.85%
Totals		171,324	100.00%		123,182	100.00%

Source: Collier County, Florida, Annual Comprehensive Financial Report, 2024 page 177.

Note: Data on Principal Employers for 2025 not yet available.

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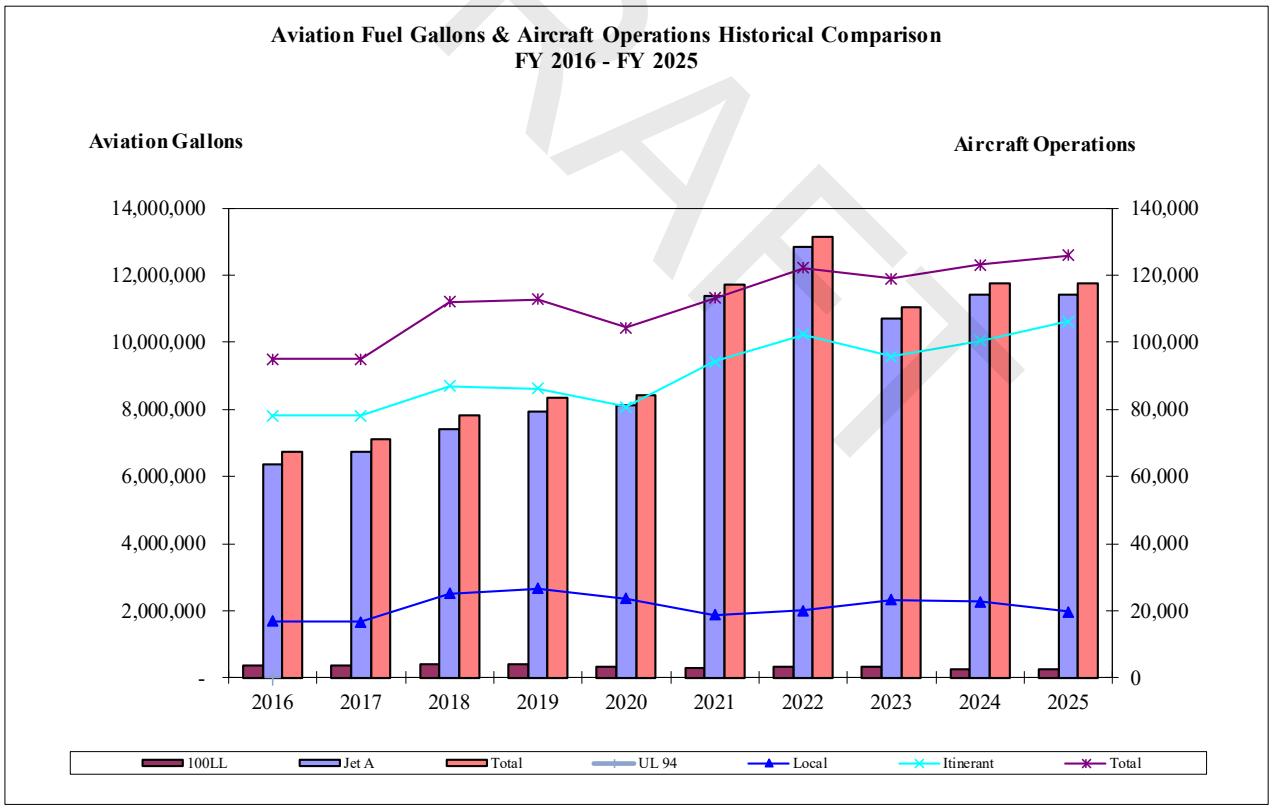
CITY OF NAPLES AIRPORT AUTHORITY
AVIATION FUEL AND AIRCRAFT OPERATIONS STATISTICS, LAST TEN FISCAL YEARS

AVIATION FUEL AND AIRCRAFT OPERATIONS STATISTICS

Fiscal	Aviation Fuel Gallons				Aircraft Operations		
Year	100LL	Jet A	UL 94	Total	Local	Itinerant	Total
2016	380,686	6,370,541	-	6,751,227	16,864	78,186	95,050
2017	387,750	6,726,640	-	7,114,390	16,798	78,220	95,018
2018	404,823	7,431,849	-	7,836,672	25,157	86,983	112,140
2019	398,442	7,939,298	-	8,337,740	26,572	86,228	112,800
2020	315,179	8,127,488	-	8,442,667	23,623	80,856	104,479
2021	304,358	11,404,917	-	11,709,275	18,817	94,320	113,137
2022	324,004	12,830,950	-	13,154,954	20,006	102,275	122,281
2023	321,164	10,726,969	10,190	11,058,323	23,227	95,848	119,075
2024	263,953	11,425,792	60,408	11,750,153	22,688	100,483	123,171
2025	270,071	11,411,668	75,906	11,757,645	19,739	106,187	125,926

Source: Authority's Operations and Finance Department records



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CITY OF NAPLES AIRPORT AUTHORITY
FULL-TIME EQUIVALENT EMPLOYEES BY FUNCTION,
LAST TEN FISCAL YEARS

FULL-TIME EQUIVALENT EMPLOYEES BY FUNCTION
Last Ten Fiscal Years

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Customer Service	39.4	37.0	36.0	37.0	44.0	51.0	73.0	75.0	76.0	72.0
Operations	2.0	2.0	2.0	2.0	4.0	4.0	9.0	9.0	9.0	10.0
Airport Development	2.0	2.0	2.0	2.0	2.0	2.0	2.0	3.0	4.0	4.0
Facilities & Custodial	18.1	16.0	19.0	19.0	19.0	19.0	20.0	20.0	23.0	22.0
Security	2.1	2.0	2.0	2.0	3.0	4.0	2.0	3.0	2.0	3.0
Administration	7.3	7.0	4.0	8.0	7.0	11.0	14.0	19.0	20.0	19.0
HR	1.0	1.0	1.0	2.0	2.0	3.0	3.0	3.0	3.0	3.0
Executive	3.0	4.0	6.0	7.0	4.0	4.0	4.0	3.0	3.0	4.0
TOTAL EMPLOYEES	**74.9**	**71.0**	**72.0**	**79.0**	**85.0**	**98.0**	**127.0**	**135.0**	**140.0**	**137.0**

Source: Authority's payroll records

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CITY OF NAPLES AIRPORT AUTHORITY
CAPITAL CONTRIBUTIONS,
LAST TEN FISCAL YEARS

CAPITAL CONTRIBUTIONS

Fiscal Year	FAA Grants	FDOT Grants	Collier County Contributions	City of Naples Contributions	Other Contributions	Cumulative Total
Prior to 2015	$ 39,781,767	$ 15,463,986	$ 162,976	$ 201,763	$ 4,411,943	$ 60,022,435
2016	112,000	-	-	-	1,028,000	61,162,435
2017	1,434,756	454,099	-	-	47,865	63,099,155
2018	596,913	1,329,044	-	-	-	65,025,112
2019	191,450	2,404,179	-	-	-	67,620,741
2020	339,107	2,152,088	-	-	-	70,111,936
2021	862,574	32,399	-	-	-	71,006,909
2022	2,019,620	30,000	-	-	-	73,056,529
2023	2,742,134	128,688	-	-	-	75,927,351
2024	6,446,894	741,354	-	-	-	83,115,599
2025	2,213,934	756,876	-	-	-	86,086,409
	$ 56,741,149	$ 23,492,713	$ 162,976	$ 201,763	$ 5,487,808	$ 86,086,409

Source: Authority's financial statements and accounting records

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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

Board of Commissioners
City of Naples Airport Authority
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 (*Government Auditing Standards*), the financial statements of The City of Naples Airport Authority (the "Authority"), which comprise the Authority's statement of financial position as of September 30, 2025, and the related statements of net position, revenues, expenses, and changes in net position , and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated [DATE].

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Authority'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 opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority'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 [consolidated] 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

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Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority'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*.

Pursuant to provisions of Chapter 10.550, Rules of the Auditor General, we reported certain matters to management of the Authority in a separate management letter and Independent Accountant's Report date [DATE].

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.

Tampa, Florida
[DATE]

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Report on Compliance for the Major Federal Program and Report on Internal Control Over Compliance

Independent Auditor's Report

Board of Commissioners
City of Naples Airport Authority
Naples, Florida

Report on Compliance for The Major Federal Program

Opinion on The Major Federal Program

We have audited the City of Naples Airport Authority (the "Authority") compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on the Authority's major federal program for the year ended September 30, 2025. The Authority's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Authority complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on the major federal programs for the year ended September 30, 2025.

Basis for Opinion on The Major Federal Program

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

We are required to be independent of the Authority 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 the major federal program. Our audit does not provide a legal determination of Authority's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

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

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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 Authority'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 GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Authority's compliance with the requirements of the major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

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

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

Report on Internal Control Over Compliance

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

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

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Report on Internal Control Over Compliance *(Cont.)*

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

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

Tampa, Florida
[DATE]

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CITY OF NAPLES AIRPORT AUTHORITY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended September 30, 2025

Federal Agency/Program Title	Assistance Listing Number	Federal Grant Number	Expenditures
U.S. Department of Transportation			
Federal Aviation Administration			
Airport Improvement Program Grant	20.106		
Safety Improvements		3-12-0053-042-2023	705,783
Reconstruct Main Terminal Apron - Design Phase		3-12-0053-043-2024	583,615
Total Expenditures of Federal Awards			$ 1,289,398

See accompanying Notes to Schedule of Expenditures of Federal Awards.

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CITY OF NAPLES AIRPORT AUTHORITY
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended September 30, 2025

1. General

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of City of Naples Airport Authority (the "Authority") under programs of the federal government for the year ended September 30, 2025. The information in this Schedule is presented in accordance with the 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). Because the Schedule presents only a selected portion of the operations of the Authority, it is not intended to and does not present the financial position, changes in net position, or cash flows of the Authority.

2. Basis of Accounting

The Authority's basis of accounting is further described in Note 1 of the accompanying basic financial statements. The accompanying Schedule is presented using the accrual basis of accounting. Under the accrual basis, expenditures are recognized in the period liabilities are incurred.

3. Indirect Cost Rate

The Authority has not elected to not use the minimis cost rate allowed under the Uniform Guidance.

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Section I – Summary of Auditor's Results

Financial Statements

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

   ☒ Unmodified ☐ Qualified ☐ Adverse ☐ Disclaimer

2. Internal control over financial reporting:

   Material weakness(es) identified? ☐ Yes ☒ No

   Significant deficiency(ies) identified? ☐ Yes ☒ None reported

   Noncompliance material to the financial statements noted? ☐ Yes ☒ No

Federal Awards

3. Internal control over major federal program:

   Material weakness(es) identified? ☐ Yes ☒ No

   Significant deficiency(ies) identified? ☐ Yes ☒ None reported

4. Type of auditor's report issued on compliance for major federal program:

   ☒ Unmodified ☐ Qualified ☐ Adverse ☐ Disclaimer

5. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a) of the Uniform Guidance? ☐ Yes ☒ No

6. Identification of major federal programs:

Assistance Listing Numbers	Name of Federal Program or Cluster
ALN 20.106	Airport Improvement Program

7. Dollar threshold used to distinguish between Type A and Type B programs: $1,000,000

8. Auditee qualified as a low-risk auditee? ☒ Yes ☐ No

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Section II – Financial Statement Findings

Reference Number	Finding
	No Matters are reportable.

Section III – Federal Award Findings and Questioned Costs

Reference Number	Finding
	No Matters are reportable.

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City of Naples Airport Authority
Summary Schedule of Prior Audit Findings
Year Ended September 30, 2025

Reference Number	Finding
2024-001	Significant Deficiency – Schedule of Expenditures of Federal Awards (SEFA) Reporting, ALN 20.106, is resolved.

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Management Letter

Board of Commissioners
City of Naples Airport Authority
Naples, Florida

We have audited the basic financial statements of the City of Naples Airport Authority (the "Authority") as of and for the fiscal year ended September 30, 2025, and have issued our report thereon dated [Date].

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 the Financial Statements Performed in Accordance with Government Auditing Standards; Independent Auditor's Report on Compliance for Each Major Federal Program and Report on Internal Control over Compliance; Schedule of Findings of Questioned Costs; and Independent Accountant's Report on an examination conducted in accordance with Chapter 10.550. Rules of the Auditor General. Disclosures in those reports and schedule, which are dated [DATE], 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. In connection with the preceding audit, all findings were fully resolved.

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 legal authority is disclosed in the notes to the financial statements.

Financial Condition and Management

Section 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 Authority met one or more of the conditions described in Section 218.503(1), Florida Statutes, and to identify the specific condition(s) met. In connection with our audit, we determined that the Authority did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

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Property Asses Clean Energy (PACE) Programs

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

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 Statues. 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.

As required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)6, *Rules of the Auditor General*, the Authority reported:

- The total number of Authority employees compensated in the last pay period of the authority's fiscal year as 138 FTEs.
- The total number of independent contractors to whom nonemployee compensation was paid in the last month of the authority's fiscal year as 0.
- All compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency as $0.
- All compensation earned by or awarded to nonemployee independent contractors, whether paid or accrued, regardless of contingency as $13,402,722.
- Each construction project with a total cost of at least $65,000 approved by the Authority 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 listed below:

○ AOB Improvements	$	60,879
○ Security and Access Control – Phase 2	$	5,426

- 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 $0.

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 Authority and applicable management and is not intended to be, and should not be, used by anyone other than these specified parties.

Tampa, Florida
[DATE]

DRAFT

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Independent Accountant's Report

Board of Commissioners
City of Naples Airport Authority
Naples, Florida

We have examined the City of Naples Airport Authority (the "Authority") compliance with the requirements of Section 218.415, Florida Statutes, during the fiscal year ended September 30, 2025. The Authority's management is responsible for the Authority's compliance with those requirements. Our responsibility is to express an opinion on the Authority'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 Authority complied with the aforementioned requirements in all material respects. An examination involves performing procedures to obtain evidence about the Authority's compliance with those requirements, in all material respects. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material misstatement of the Authority's compliance with those requirements, 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 Authority's compliance with the specified requirements.

In our opinion, the Authority complied with the aforementioned requirements for the fiscal year ended September 30, 2025, in all material respects.

Tampa, Florida
[DATE]

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