Washington County, Florida

FINANCIAL STATEMENTS

September 30, 2025

Table of Contents

Washington County, Florida

Principal Officers

Board of County Commissioners

Ashlynn Marquez ....District 1
David Pettis, Jr. ....District 2
Joey Brock...District 3
Wesley Griffin ....District 4
David Corbin ....District 5

SHERIFF
Kevin Crews

TAX COLLECTOR
Ken Naker

PROPERTY APPRAISER
Gil Carter

SUPERVISOR OF ELECTIONS
Deidra Malloy Pettis

CLERK OF THE CIRCUIT COURT
Lora Bell

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INDEPENDENT AUDITOR'S REPORT

Honorable Members of the
Board of County Commissioners
Washington County, Florida

Opinions

We have audited the accompanying financial statements of the governmental activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of Washington County, Florida (the "County"), as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the County, as of September 30, 2025 and the respective changes in financial position and the respective budgetary comparison for each major fund thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the Highway 79 Corridor Authority or the Sunny Hills Units 12-15 Dependent District, which is 100% of the assets, liabilities, net position, revenues, and expenses of the component units as of September 30, 2025. Those statements were audited by other auditors whose reports have been furnished to us, and our opinions, insofar as it relates to the amounts included for the Highway 79 Corridor Authority and the Sunny Hills Units 12-15 Dependent District, are based solely on the reports of the other auditors.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the County, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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 County's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the County'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, on pages 6 through 12, schedule of changes in total OPEB liability and related ratios, schedule of employer's proportionate share of the net pension liability – Florida Retirement Systems Pension Plan, schedule of employer contributions – Florida Retirement Systems Pension Plan, schedule of employer's proportionate share of the net pension liability – Health Insurance Subsidy Program and schedule of employer contributions – Health Insurance Subsidy Program, on pages 66 through 70, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board (GASB), who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The combining and individual non-major fund financial statements and combining and individual statement of fiduciary net position schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards and state financial assistance is presented for purposes of additional analysis as required by Title 2 U.S. Code *of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and Chapter 10.550, Local Governmental Audits*,* Rules of the Auditor General of the State of Florida, and neither schedule is a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements, combining and individual statement of fiduciary net position schedules, and the schedule of expenditures of federal awards and state financial assistance are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report June 18, 2026, on our consideration of the County'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 County'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 the County's internal control over financial reporting and compliance.

Carr, Riggs & Ingram, L.L.C.

CARR, RIGGS & INGRAM, L.L.C.

Enterprise, Alabama
June 18, 2026

The management of Washington County, Florida has prepared the following discussion and analysis to (a) assist the reader in focusing on significant financial issues; (b) provide an overview and analysis of the County's financial activities; (c) identify changes in the County's financial position; (d) identify material deviations from the approved budget; and (e) highlight significant issues in individual funds. Because the information contained in the Management's Discussion and Analysis (MD&A) is intended to highlight significant transactions, events, and conditions, it should be considered in conjunction with the County's financial statements and notes to financial statements.

FINANCIAL HIGHLIGHTS

Key financial highlights for the 2024-2025 fiscal year are as follows:

- The assets and deferred outflows of resources of the County exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by $101,220,927.
- The County's total net position increased by $3,624,795 which represents a 3.71% increase from the 2023-2024 fiscal year.
- As of the close of the current fiscal year, the County's governmental funds reported total fund balances of $15,079,693, a decrease of $2,000,270.
- Unassigned fund balance for all governmental funds totals $3,998,206 as of September 30, 2025 compared to total governmental fund balances of $15,079,693 at the same date.
- Unassigned governmental fund balance of $3,998,206 is different from the unrestricted net position amount on the statement of net position (deficit) of ($8,570,617) due to reporting requirements regarding long-term liabilities and capital assets which are not included on the governmental fund balance sheet.
- During the current year, general fund expenditures and other financing sources (uses) exceeded revenues by $5,877,189. This is primarily due to revenues being less than the budgeted revenues by $1,347,479 and an increase in debt service payments and budgeted appropriations during the year.
- Long-term liabilities decreased by $8,842,019. This decrease was primarily due to the County paying down $6,560,587 of debt during the current fiscal year. In addition, net pension obligations decreased due to variances in expected investment returns versus actual investment returns.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the County's basic financial statements. The County's basic financial statements consist of three components:

- Government-wide financial statements
- Fund financial statements
- Notes to financial statements

In addition, this report presents certain required supplementary information.

Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the County's finances in a manner similar to a private sector business and consist of the following two statements:

- The statement of net position provides information on all of the County's assets, deferred outflows of resources, liabilities and deferred inflows of resources, with the difference reported as net position. Over time, increases and decreases in net position may serve as a useful indicator of whether the financial position of the County is strengthening or weakening.
- The statement of activities presents information showing how the County's net position changed during the 2025 fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes earned, and earned but unused vacation leave).

Both of these financial statements present the functions of the County that are principally supported by taxes and intergovernmental revenues (governmental activities). The governmental activities of the County include general government, public health and safety, physical environment, transportation, economic environment, human services, culture and recreation, and court related.

The government-wide financial statements include not only the County itself (known as the primary government), but also the legally separate component units of the Sunny Hills Units 12-15 Dependent District and the Highway 79 Corridor Authority. Financial information for these component units are reported separately from the financial information presented for the primary government itself. The Sunny Hills Units 12-15 Dependent District and the Highway 79 Corridor Authority have separately issued financial reports which can be obtained by the individual Districts' office or the Washington County Board of County Commissioners. The primary government also includes a blended component unit, Northwest Florida Community Hospital District. Additional information concerning the component units is included in Note 1 of the notes to the financial statements.

Fund Financial Statements

Fund financial statements are one of the components of the basic financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements and prudent fiscal management. Certain funds are established by law while others are created by legal agreements. Fund financial statements provide more detailed information about the County's financial activities, focusing on its most significant or "major" funds rather than fund types. This is in contrast to the entity-wide perspective contained in the government-wide statements. All of the County's funds may be classified in the broad category of governmental funds and fiduciary funds as discussed below.

- Governmental Funds - These are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, the governmental funds utilize a spendable financial resources measurement focus rather than the economic resources measurement focus found in the government-wide financial statements. This financial resources measurement focus allows the governmental fund statements to provide information on near-term inflows and outflows of spendable resources as well as balances of spendable resources available at the end of the fiscal year. Consequently, the governmental fund statements provide a detailed short-term view that may be used to evaluate the County's near-term financing requirements. This short term view is useful when compared to the long-term view presented as governmental activities in the government-wide financial statements. To facilitate this comparison, both the governmental balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balance provide a reconciliation of governmental funds to governmental activities.
- Fiduciary (Custodial) Funds - Fiduciary funds are used to report assets held in a trustee or fiduciary capacity for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide statements because the resources are not available to support the County's own programs. In its fiduciary capacity, the County is responsible for ensuring that the assets reported in these funds are used only for their intended purposes.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net position may serve over time as a useful indicator of a government's financial position. The following is a summary of the County's net position as of September 30, 2025 and September 30, 2024.

Washington County's Net Position – Governmental Activities

As of September 30,		**2025**		2024
Assets				
Current and other assets	**$**	**21,858,491**	$	22,837,501
Capital assets, net		**106,609,789**		108,345,630
Total assets		**128,468,280**		131,183,131
Deferred Outflows of Resources		**5,870,921**		6,132,752
Liabilities				
Current liabilities		**5,440,775**		4,551,230
Long-term liabilities		**22,520,092**		31,362,111
Total liabilities		**27,960,867**		35,913,341
Deferred Inflows of Resources		**5,157,407**		3,806,410
Net Position				
Net investment in capital assets		**102,841,866**		98,308,993
Restricted		**6,949,678**		8,956,929
Unrestricted (deficit)		**(8,570,617)**		(9,669,790)
Total net position	**$**	**101,220,927**	$	97,596,132

At September 30, 2025 the largest portion of the County's net position is reflected in investment in capital assets (e.g. land, buildings, infrastructure and equipment), less any related outstanding debt used to acquire those assets in the amount of $102,841,866. The County uses these capital assets to provide services to citizens consequently; these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the assets themselves can't be used to liquidate these liabilities. An additional portion of the County's net position represents resources that are dedicated or subject to restrictions on how they may be used in the amount of $6,949,678. The remaining balance of unrestricted net position may be used to meet the government's ongoing obligations to citizens and creditors.

Washington County' Changes in Net Position – Governmental Activities

Fiscal years ended September 30,		**2025**		2024
Revenues:				
Program revenues:				
Charges for service	**$**	**7,288,775**	$	6,376,517
Operating grants and contributions		**5,065,925**		11,227,852
Capital grants and contributions		**7,863,836**		6,680,363
General revenues:				
Property taxes		**13,128,699**		12,286,742
Local option taxes		**5,067,364**		4,482,498
Sales tax and other taxes		**712,742**		754,335
Intergovernmental and shared revenue		**9,122,841**		7,431,826
Investment earnings		**178,406**		144,549
Gain on sale of capital assets		**290,721**		88,619
Miscellaneous		**793,695**		2,902,329
Total revenues		**49,513,004**		52,375,630
Expenses:				
General government		**11,263,582**		10,020,864
Public safety		**15,050,159**		15,570,980
Physical environment		**493,371**		525,307
Transportation		**11,956,313**		20,823,810
Economic environment		**3,426,891**		2,015,651
Human services		**846,066**		756,262
Culture and recreation		**1,134,099**		966,360
Court related		**1,337,042**		1,234,804
Interest on long-term debt		**380,686**		639,992
Total expenses		**45,888,209**		52,554,030
Change in net position		**3,624,795**		(178,400)
Net position, beginning of year		**97,596,132**		97,774,532
Net position, end of year	**$**	**101,220,927**	$	97,596,132

Governmental activities increased the County's net position by $3,624,795 or approximately 3.71%. Total revenues decreased by $2,862,626 from the prior year with a major factor being a decrease in operating grants and contributions. This decrease was primarily due to less Hurricane Sally funding received from FEMA in the current year. Total expenses decreased by $6,665,821 from the prior year largely due to less road improvement costs.

FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS

This section provides an analysis of the balances and transactions of individual funds. The County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

MAJOR GOVERNMENT FUNDS

The general fund is the chief operating fund of the County. General operating funds of the Clerk of the Circuit Court, Property Appraiser, Sheriff, Tax Collector and Supervisor of Elections represent sub funds of the County's general fund that are held and accounted for individually, but presented with the balance of the Board of County Commissioners' operating funds.

At the end of the current fiscal year, the total unassigned general fund balance was $13,582,731 while the total fund balance was $15,888,532. As a measure of the general fund's liquidity, it may be useful to compare both the unassigned fund balance and the total fund balance to total general fund expenditures. The unassigned fund balance represents 49.65% of the total general fund expenditures, while total fund balance represents 58.08% of the same amount. The unassigned total governmental fund balance increased by $163,660 during 2024-2025 fiscal year due primarily to less expenditures on FEMA projects.

GENERAL FUND BUDGETARY HIGHLIGHTS

During the course of the 2024-2025 fiscal year, the County amended its general fund budget one time to address an increase in anticipated revenues and associated expenditures. Variances disclosed on the budget and actual statements are considered normal to the County's operations.

CAPITAL ASSETS

The County's investment in capital assets for its governmental activities as of September 30, 2025 amounted to $106,609,789 net of accumulated depreciation. This investment in capital assets includes land, buildings and fixed equipment, furniture, fixtures, infrastructure and equipment.

LONG-TERM DEBT

At the end of fiscal year ended September 30, 2025, the County had long-term liabilities totaling $22,520,092. Of this amount, inter-local agreement payables outstanding were $128,500, notes payable were $899,827, capital leases were $350,939, and financed purchases were $61,086. Also, there is $936,615 to address compensated absences obligations, $17,252,899 for pension liability (GASB 68), $434,155 for OPEB liabilities, and the remaining amount of $2,456,071 for a line of credit.

ECONOMIC FACTORS-WASHINGTON COUNTY, FLORIDA

The unemployment rate for the County was 5.2% at September 2025. The rate was 3.3% at September 2024.

Population is estimated at 26,695 as of September 2025 and 26,503 as of September 2024.

The taxable value for personal and real property in the County is $1,342,715,544 for fiscal year ending September 30, 2025 and $1,216,550,742 for the fiscal year ending September 30, 2024.

The general ad valorem tax mileage rate was 8.5 for the fiscal year ending September 30, 2025 and 8.5 for the fiscal year ending September 30, 2024.

The budgeted expenditures for the fiscal year ending September 30, 2025 represents an increase of 12.29% over the September 30, 2024 budget.

REQUEST FOR INFORMATION

This financial report is designed to provide a general overview of Washington County's finances. Questions concerning any of the information provided in this report or request for additional financial information should be addressed to the Washington County Board of County Commissioners, Washington County, Florida.

September 30, 2025	Primary Government Governmental Activities	Component Units Sunny Hills Units 12-15 Dependent District	Component Units Highway 79 Corridor Authority
Assets			
Current assets			
Cash and cash equivalents	$ 13,212,284	$ 1,104	$ 36,270
Accounts receivable, net	2,003,565	328	1,684
Leases receivable	267,477	-	-
Due from other governments	4,406,848	-	-
Inventory	52,399	-	-
Prepaid expenses	-	4,612	-
Notes receivable	95,796	-	-
Total current assets	20,038,369	6,044	37,954
Noncurrent assets			
Notes receivable	1,820,122	-	-
Capital assets, net			
Nondepreciable capital assets	7,995,475	1,770,313	-
Depreciable capital assets, net	98,614,314	-	2,356,880
Total noncurrent assets	108,429,911	1,770,313	2,356,880
Total assets	128,468,280	1,776,357	2,394,834
Deferred Outflows of Resources			
Other post-employment benefits	57,929	-	-
Pension	5,812,992	-	-
Total deferred outflows of resources	5,870,921	-	-

-Continued-

September 30, 2025	Primary Government Governmental Activities	Component Units Sunny Hills Units 12-15 Dependent District	Highway 79 Corridor Authority
Liabilities			
Accounts payable and accrued expenses	3,290,890	328	5,048
Due to other governments	402,846	-	-
Unearned revenue	1,747,039	4,612	-
Long-term liabilities			
Portion due or payable within one year			
Notes payable	134,152	-	-
Leases payable	350,939	-	-
Financed purchases	24,681	-	-
Interlocal agreement payable	5,500	-	-
Compensated absences	93,662	-	-
Portion due or payable after one year			
Notes payable	765,675	-	-
Financed purchases	36,405	-	-
Interlocal agreement payable	123,000	-	-
Line of credit	2,456,071	-	-
Compensated absences	842,953	-	-
Net pension liability	17,252,899	-	-
Total OPEB liability	434,155	-	-
Total liabilities	27,960,867	4,940	5,048
Deferred Inflows of Resources			
Deferred inflows related to settlement allocations	1,070,461	-	-
Deferred inflows related to leases	267,562	-	-
Other post-employment benefits	88,215	-	-
Pension	3,731,169	-	-
Total deferred inflows of resources	5,157,407	-	-
Net Position			
Net investment in capital assets	102,841,866	1,770,313	2,356,880
Restricted	6,949,678	-	-
Unrestricted (deficit)	(8,570,617)	1,104	32,906
Total net position	$ 101,220,927	$ 1,771,417	$ 2,389,786

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

Washington County, Florida
Statement of Activities

For the year ended September 30, 2025			Program Revenues	
Functions/Programs		Expenses	Charges for Services	Operating Grants and Contributions
Primary Government				
Governmental activities				
General government	$	11,263,582	$ 1,882,437	$ 2,360,281
Public safety		15,050,159	5,211,018	1,447,417
Physical environment		493,371	-	93,750
Transportation		11,956,313	-	-
Economic environment		3,426,891	-	828,286
Human services		846,066	-	81,524
Culture and recreation		1,134,099	-	254,667
Court related		1,337,042	195,320	-
Interest on long-term debt		380,686	-	-
Total primary government	$	45,888,209	$ 7,288,775	$ 5,065,925
Component Units				
Sunny Hills Dependent District	$	25,885	$ -	$ 25,491
Highway 79 Corridor Authority	$	204,040	$ 2,460	$ -

General Revenues
Taxes
Property taxes
Local option taxes
Sales tax and other taxes
Intergovernmental and shared revenue
Investment earnings
Gain on sale of capital assets
Miscellaneous
Total general revenues
Change in net position
Net position, beginning of year
Net position, end of year

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

	Net (Expense) Revenue and Changes in Net Position		
	Primary Government	Component Units	
Capital Grants and Contributions	Governmental Activities	Sunny Hills Units 12-15 Dependent District	Highway 79 Corridor Authority
$ -	$ (7,020,864)	$ -	$ -
-	(8,391,724)	-	-
-	(399,621)	-	-
7,863,836	(4,092,477)	-	-
-	(2,598,605)	-	-
-	(764,542)	-	-
-	(879,432)	-	-
-	(1,141,722)	-	-
-	(380,686)	-	-
$ 7,863,836	(25,669,673)	-	-
$ -	-	(394)	-
$ 95,500	-	-	(106,080)
	13,128,699	-	-
	5,067,364	-	-
	712,742	-	-
	9,122,841	-	-
	178,406	13	-
	290,721	-	-
	793,695	-	-
	29,294,468	13	-
	3,624,795	(381)	(106,080)
	97,596,132	1,771,798	2,495,866
	$ 101,220,927	$ 1,771,417	$ 2,389,786

Washington County, Florida
Balance Sheet –
Governmental Funds

September 30, 2025	General	Transportation Trust	Hurricane Michael
Assets			
Cash and cash equivalents	$ 2,898,060	$ 1,011,858	$ 348,607
Accounts receivable, net	1,525,997	-	-
Leases receivable	267,477	-	-
Due from other funds	11,467,422	369,687	-
Due from other governments	1,334,397	521,381	-
Inventory	-	52,399	-
Note receivable	1,915,918	-	-
Total assets	$ 19,409,271	$ 1,955,325	$ 348,607
Liabilities, Deferred Inflows of Resources and Fund Balances			
Liabilities			
Accounts payable and accrued expenses	$ 1,576,836	$ 189,785	$ 51,176
Due to other funds	556,227	19,385	8,477,902
Due to other governments	18,831	-	95,633
Unearned revenue	30,822	-	1,180,513
Total liabilities	2,182,716	209,170	9,805,224
Deferred inflows of resources			
Deferred inflows related to settlement allocations	1,070,461	-	-
Deferred inflows related to leases	267,562	-	-
Total deferred inflows of resources	1,338,023	-	-
Fund balances			
Nonspendable	1,915,918	52,399	-
Restricted	389,883	1,693,756	-
Committed	-	-	-
Assigned	-	-	-
Unassigned (deficit)	13,582,731	-	(9,456,617)
Total fund balances (deficit)	15,888,532	1,746,155	(9,456,617)
Total liabilities, deferred inflows of resources, and fund balances	$ 19,409,271	$ 1,955,325	$ 348,607

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

Hurricane Sally	Grant Funds	Nonmajor Governmental Funds	Total Governmental Funds
$ 3,253,143	$ 77,074	$ 5,623,542	$ 13,212,284
-	-	477,568	2,003,565
-	-	-	267,477
413	-	235,188	12,072,710
-	2,173,025	378,045	4,406,848
-	-	-	52,399
-	-	-	1,915,918
$ 3,253,556	$ 2,250,099	$ 6,714,343	$ 33,931,201
$ 7,683	$ 890,000	$ 575,410	$ 3,290,890
756,963	1,408,976	853,257	12,072,710
-	-	288,382	402,846
-	23,457	512,247	1,747,039
764,646	2,322,433	2,229,296	17,513,485
-	-	-	1,070,461
-	-	-	267,562
-	-	-	1,338,023
-	-	-	1,968,317
2,488,910	-	2,377,129	6,949,678
-	-	1,664,283	1,664,283
-	-	499,209	499,209
-	(72,334)	(55,574)	3,998,206
2,488,910	(72,334)	4,485,047	15,079,693
$ 3,253,556	$ 2,250,099	$ 6,714,343	$ 33,931,201

Washington County, Florida
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position

September 30, 2025

Total fund balances - governmental funds		$ 15,079,693
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the funds.		
Governmental capital assets, net		106,609,789
Other post-employment benefit ("OPEB") and pension related deferred outflows, deferred inflows and total OPEB obligation and net pension liability represent an acquisition or consumption of net assets that applies to a future period and, therefore, are not reported as liabilities or assets in the governmental funds.		
Deferred outflows related to post-employment benefits	$ 57,929	
Deferred inflows related to post-employment benefits	(88,215)	
Deferred outflows related to pension liabilities	5,812,992	
Deferred inflows related to pension liabilities	(3,731,169)	
Net pension liabilities	(17,252,899)	
Other post-employment benefit obligation	(434,155)	(15,635,517)
Other liabilities not due and payable in the current period and, therefore, not reported in the governmental fund are as follows:		
Notes payable	$ (899,827)	
Lease obligations	(350,939)	
Financed purchases	(61,086)	
Interlocal agreement payable	(128,500)	
Line of credit	(2,456,071)	
Compensated absences	(936,615)	(4,833,038)
Net position of governmental activities		$ 101,220,927

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

Washington County, Florida
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds

For the year ended September 30, 2025	General Fund	Transportation Trust	Hurricane Michael
Revenues			
Taxes	$ 16,015,898	$ 2,026,811	$ -
Licenses and permits	2,083,980	12,630	-
Intergovernmental	5,851,922	1,092,048	7,863,836
Charges for services	1,295,810	-	-
Fines and forfeitures	2,258	-	-
Investment earnings	118,470	14,479	25
Miscellaneous revenue	557,977	35,395	-
Total revenues	25,926,315	3,181,363	7,863,861
Expenditures			
Current			
General government	11,036,795	-	-
Public health and safety	8,990,354	-	-
Physical environment	255,518	-	-
Transportation	-	2,936,910	1,807,444
Economic environment	411,457	-	-
Human services	739,319	-	-
Culture and recreation	178,294	-	-
Court related	44,767	-	-
Capital outlay	818,924	551,139	-
Debt service			
Principal	4,598,769	90,599	-
Interest and other charges	281,515	19,964	-
Total expenditures	27,355,712	3,598,612	1,807,444
Excess (deficiency) of revenues over (under) expenditures	(1,429,397)	(417,249)	6,056,417
Other Financing Sources (Uses)			
Proceeds from issuance of debt	53,468	-	-
Proceeds from sale of capital assets	48,240	668,767	-
Transfers in	224,064	-	-
Transfers out	(4,773,564)	-	-
Reversion to State of Florida	-	-	-
Net other financing sources (uses)	(4,447,792)	668,767	-
Net changes in fund balances	(5,877,189)	251,518	6,056,417
Fund balances (deficit), beginning of year	21,765,721	1,494,637	(15,513,034)
Adjustments	-	-	-
Fund balances (deficit), beginning of year, after adjustments	21,765,721	1,494,637	(15,513,034)
Fund balances (deficit), end of year	$ 15,888,532	$ 1,746,155	$ (9,456,617)

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

Hurricane Sally	Grant Funds	Nonmajor Governmental Funds	Total Governmental Funds
$ -	$ -	$ 866,096	$ 18,908,805
-	-	1,103,689	3,200,299
415,178	3,252,951	3,576,667	22,052,602
-	-	2,635,945	3,931,755
-	-	154,464	156,722
-	-	45,433	178,407
-	-	177,457	770,829
415,178	3,252,951	8,559,751	49,199,419
-	-	1,293,460	12,330,255
-	495,331	5,024,490	14,510,175
-	-	218,260	473,778
2,676,425	-	84,035	7,504,814
-	962,425	1,927,810	3,301,692
-	-	77,902	817,221
-	-	919,651	1,097,945
-	-	184,884	229,651
251,917	1,895,857	1,342,973	4,860,810
-	-	1,871,219	6,560,587
-	-	79,208	380,687
2,928,342	3,353,613	13,023,892	52,067,615
(2,513,164)	(100,662)	(4,464,141)	(2,868,196)
-	-	232,905	286,373
-	-	-	717,007
-	-	4,811,674	5,035,738
-	-	(262,174)	(5,035,738)
-	-	(135,454)	(135,454)
-	-	4,646,951	867,926
(2,513,164)	(100,662)	182,810	(2,000,270)
5,002,074	-	4,330,565	17,079,963
-	28,328	(28,328)	-
5,002,074	28,328	4,302,237	17,079,963
$ 2,488,910	$ (72,334)	$ 4,485,047	$ 15,079,693

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities

For the year ended September 30,		2025
Net change in fund balances - total governmental funds	$	(2,000,270)
Amounts reported for governmental activities in the statement of activities are different because:		
Capital outlay, reported as expenditures in governmental funds, are shown as capital assets in the statement of net position.		4,559,386
Donated capital assets do not use current financial resources and are not reported in the governmental funds.		25,000
Depreciation expense on governmental capital assets included in the governmental activities in the statement of net position.		(5,893,941)
In the statement of activities, the gain or loss on the disposal of capital assets is reported. Whereas in the governmental funds, total proceeds from disposals are reported. Thus, the change in net position differs from the change in fund balance by the net book value of the disposed capital assets.		(426,286)
Issuance of long-term debt is an other financing source in the governmental funds, but increases long-term liabilities in the statement of net position.		(286,373)
Repayment of long-term debt is reported as an expenditure in governmental funds but as a reduction of long-term liabilities in the statement of net assets.		6,560,587
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. These expenses include:		
Other post-employment benefits		(32,049)
Pension expenses		1,152,446
Compensated absences		(33,705)
Change in net position of governmental activities	$	3,624,795

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

Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual

For the year ended September 30, 2025	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Taxes	$ 14,815,496	$ 15,797,924	$ 16,015,898	$ 217,974
Licenses and permits	2,070,000	2,070,000	2,083,980	13,980
Intergovernmental	3,924,819	6,815,198	5,851,922	(963,276)
Charges for services	1,098,849	1,119,137	1,295,810	176,673
Fines and forfeitures	1,000	1,000	2,258	1,258
Investment earnings	-	114,436	118,470	4,034
Miscellaneous revenue	1,267,224	1,356,099	557,977	(798,122)
Total revenues	23,177,388	27,273,794	25,926,315	(1,347,479)
Expenditures				
Current				
General government	10,977,961	11,109,241	11,036,795	72,446
Public safety	8,588,602	9,862,109	8,990,354	871,755
Physical environment	302,711	252,711	255,518	(2,807)
Economic environment	984,102	985,047	411,457	573,590
Human services	817,969	752,673	739,319	13,354
Culture and recreation	173,248	174,248	178,294	(4,046)
Court related	54,154	54,154	44,767	9,387
Capital outlay	2,849	818,924	818,924	-
Debt service				
Principal	52,000	4,657,769	4,598,769	59,000
Interest	550,000	281,515	281,515	-
Total expenditures	22,503,596	28,948,391	27,355,712	1,592,679
Excess (deficiency) of revenues over (under) expenditures	673,792	(1,674,597)	(1,429,397)	245,200
Other Financing Sources (Uses)				
Proceeds from issuance of debt	-	-	53,468	53,468
Proceeds from sale of capital assets	-	48,240	48,240	-
Transfers in	30,000	146,786	224,064	77,278
Transfers out	(3,394,232)	(4,785,908)	(4,773,564)	12,344
Net other financing sources (uses)	(3,364,232)	(4,590,882)	(4,447,792)	143,090
Net change in fund balance	(2,690,440)	(6,265,479)	(5,877,189)	388,290
Fund balance, beginning of year	21,765,721	21,765,721	21,765,721	-
Fund balance, end of year	$ 19,075,281	$ 15,500,242	$ 15,888,532	$ 388,290

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

Washington County, Florida
Transportation Trust Fund
Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual

For the year ended September 30, 2025	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Taxes	$ 1,826,543	$ 1,826,543	$ 2,026,811	$ 200,268
Licenses and permits	15,000	15,000	12,630	(2,370)
Intergovernmental	1,135,580	1,135,580	1,092,048	(43,532)
Investment earnings	-	-	14,479	14,479
Miscellaneous revenue	20,000	20,000	35,395	15,395
Total revenues	2,997,123	2,997,123	3,181,363	184,240
Expenditures				
Current				
Transportation	4,079,050	3,825,630	2,936,910	888,720
Capital outlay	10,000	431,929	551,139	(119,210)
Debt service				
Principal	90,599	90,599	90,599	-
Interest	19,964	19,964	19,964	-
Total expenditures	4,199,613	4,368,122	3,598,612	769,510
Excess (deficiency) of revenues over (under) expenditures	(1,202,490)	(1,370,999)	(417,249)	953,750
Other Financing Sources (Uses)				
Proceeds from sale of capital assets	-	-	668,767	668,767
Net other financing sources (uses)	-	-	668,767	668,767
Net change in fund balance	(1,202,490)	(1,370,999)	251,518	1,622,517
Fund balance, beginning of year	1,494,637	1,494,637	1,494,637	-
Fund balance, end of year	$ 292,147	$ 123,638	$ 1,746,155	$ 1,622,517

Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual

For the year ended September 30, 2025	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Intergovernmental	$ -	$ -	$ 7,863,836	$ 7,863,836
Investment earnings	-	-	25	25
Total revenues	-	-	7,863,861	7,863,861
Expenditures				
Current				
Transportation	-	-	1,807,444	(1,807,444)
Excess (deficiency) of revenues over (under) expenditures	-	-	6,056,417	6,056,417
Net change in fund balance	-	-	6,056,417	6,056,417
Fund balance (deficit), beginning of year	-	-	(15,513,034)	(15,513,034)
Fund balance (deficit), end of year	$ -	$ -	$ (9,456,617)	$ (9,456,617)

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

Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual

For the year ended September 30, 2025	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Intergovernmental	$ -	$ 415,178	$ 415,178	$ -
Expenditures				
Current				
Transportation	-	2,676,425	2,676,425	-
Capital outlay	-	251,917	251,917	-
Total expenditures	-	2,928,342	2,928,342	-
Excess (deficiency) of revenues over (under) expenditures	-	(2,513,164)	(2,513,164)	-
Net change in fund balance	-	(2,513,164)	(2,513,164)	-
Fund balance, beginning of year	-	2,513,164	5,002,074	2,488,910
Fund balance, end of year	$ -	$ -	$ 2,488,910	$ 2,488,910

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

Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual

For the year ended September 30, 2025	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Intergovernmental	$ 8,500,540	$ 8,500,540	$ 3,252,951	$ (5,247,589)
Expenditures				
Current				
Public health and safety	4,271,816	2,846,899	495,331	2,351,568
Economic environment	1,395,286	2,353,232	962,425	1,390,807
Capital outlay	2,833,438	3,300,409	1,895,857	1,404,552
Total expenditures	8,500,540	8,500,540	3,353,613	5,146,927
Excess (deficiency) of revenues over (under) expenditures	-	-	(100,662)	(100,662)
Net change in fund balance	-	-	(100,662)	(100,662)
Fund balance, beginning of year	-	-	28,328	28,328
Fund balance (deficit), end of year	$ -	$ -	$ (72,334)	$ (72,334)

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

September 30, 2025		Custodial Funds
Assets		
Cash and cash equivalents	$	1,688,787
Due from other governments		7,022
Total assets	$	1,695,809
Liabilities		
Bank overdraft (stale checks)	$	2,176
Due to other funds		1,182,845
Due to other governments		396,650
Total liabilities		1,581,671
Net Position		
Restricted		114,138
Total liabilities and net position	$	1,695,809

For the year ended September 30, 2025		Custodial Funds
Additions		
Clerk of circuit and county courts revenue	$	14,778,558
Tax collections, auto tag fees, and other fees for other governments		28,262,143
Collections for others		250,072
Total additions		43,290,773
Deductions		
Current		
Payments of clerk of circuit and county courts distributions to other governments		14,778,558
Payments of tax, auto tag fees, and other fees to other governments		28,262,143
Payments to others		244,334
Total deductions		43,285,035
Net increase (decrease) in fiduciary net position		5,738
Net position, beginning of year		108,400
Net position, end of year	$	114,138

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

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The financial statements of Washington County, Florida (the County) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units in accordance with the Governmental Accounting Standards Board (GASB). GASB is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The following notes to the financial statements are an integral part of the County's financial statements.

Reporting Entity

Washington County, Florida (the "County") located in Northwest Florida, is a political subdivision of the State of Florida and provides services to approximately 25,000 residents in many areas including general government, public safety, physical environment, transportation, economic environment, human services, and culture and recreation. The County was established December 29, 1825, by the Territorial Legislative Council. It is governed by a five-member elected Board of County Commissioners (the "Board"), which derives its authority by Florida Statutes and regulations. In addition to the members of the Board, there are five elected constitutional officers: Clerk of the Circuit Court, Sheriff, Tax Collector, Property Appraiser and Supervisor of Elections.

The financial reporting entity consists of the County and its component units, which are legally separate organizations for which the County is financially accountable. The County is financially accountable for legally separate organizations if County officials appoint a voting majority of an organization's governing body and either the County is able to impose its will on the organization, or there is a potential for the organization to provide specific financial benefits to, or to impose specific financial burden on the County. The County may also be financially accountable for organizations that are fiscally dependent on the County if there is a potential for the organization to provide specific financial benefits to the County or impose specific financial burdens on the County, regardless of whether the organizations have separate elected governing boards, governing boards appointed by higher levels of government, or jointly appointed boards. In evaluating the County as a reporting entity, management has considered all potential component units in accordance with Section 2100: Defining the Financial Reporting Entity of the GASB Codification.

A discretely presented component unit is reported in a separate column in the financial statements to emphasize it is legally separate from the government. Blended component units, although legally separate entities, are, in substance, part of the government's operations and so data from these units are combined with that of the primary government.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Discretely Presented Component Units

The government-wide financial statements include the financial data of the County's component units, Sunny Hills Units 12-15 Dependent District and the Highway 79 Corridor Authority. They are included because if excluded, the County's financial statements would be misleading. The component units are discretely presented in the government-wide financial statements to emphasize their legal separation from the County.

Sunny Hills Units 12-15 Dependent District

The Sunny Hills Units 12-15 Dependent District (Sunny Hills) was created on August 14, 2006 through Ordinance No. 2006-12 enacted by the County, pursuant to Chapter 189, Florida Statutes. The Sunny Hills Units 12-15 Dependent District is a discretely presented component unit that was established for the purposes of financing and managing the acquisition, construction, maintenance and operation of a portion of the infrastructure necessary for community development within the District. The District is required to have their budget approved by the County on an annual basis. The District is governed by a separate three-member Board of Supervisors. Initially the County appointed the Board, but the district now elects their own board. Sunny Hills is presented as a discretely presented component unit because of its nature and significance with the County in accordance with GASB 39. Financial information for the District is presented in this annual financial report as a Component Unit. Complete financial statements for the Sunny Hills Units 12-15 Dependent District may be obtained at the District's finance office by writing to 12051 Corporate Blvd., Orlando, Florida, 32817.

Highway 79 Corridor Authority

The Highway 79 Corridor Authority (the Authority) was formed as a legal entity and public body pursuant to Chapters 125, 166 and 163, Florida Statutes and an Interlocal Agreement dated June 11, 2018 (the Interlocal Agreement) by and between the City of Bonifay, Holmes County, and Washington County (the Authority Members), each a local government located in the State of Florida. The purpose of the Authority is to foster and assist economic development and acquire, plan for, develop, fund, construct, own, maintain, manage, improve, operate, and at its option, dispose of the Authority facilities and projects within the Corridor Area. The Authority is included as a discretely presented component unit of the County due to the financial benefit the County provides to the Authority.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. Governmental activities, which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions, are reported separately from business-type activities, which rely to a significant extent on fees and charges to external customers for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

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

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

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as *current financial resources* or *economic resources*. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

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

The governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus, Basis of Accounting and Financial Statement Presentation (continued)

related to compensated absences, and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Property taxes, sales taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). All other revenue items are considered to be measurable and available only when cash is received by the County.

Fiduciary funds are reported using the economic resources measurement focus and the accrual basis of accounting.

Government-Wide Financial Statements

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds. Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements.

As discussed earlier, the County has two discretely presented component units, Sunny Hills Units 12-15 Dependent District and the Highway 79 Corridor Authority. The component units are major component units and are reported in separate columns in the government-wide financial statements.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments in lieu of taxes where the amounts are reasonably equivalent in value to the interfund services provided. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Fund Financial Statements

The fund financial statements provide information about the County’s funds, including its fiduciary funds and blended component units. Separate statements for each fund category—governmental and fiduciary—are presented. The emphasis of fund financial statements is on major governmental, each displayed in a separate column. All remaining governmental are aggregated and reported as nonmajor funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Financial Statements (continued)

The County reports the following major governmental funds:

General Fund - The general fund is the County's primary operating fund. It accounts for all resources traditionally associated with governments except those required to be accounted for in another fund.

Transportation Trust Fund - This fund accounts for the Board's local option and county gas tax revenue, motor fuel taxes and other shared revenue earmarked for general and administrative operations costs of the Public Works Department.

Hurricane Michael - This fund accounts for the expenses related reimbursements due to the destruction caused by Hurricane Michael.

Hurricane Sally - This fund accounts for the expenses related reimbursements due to the destruction caused by Hurricane Sally.

Grant Funds - This fund accounts for revenues and expenses related to SCRAP/SCOP roadway construction, resurfacing, and improvement projects.

The County reports the following fiduciary fund type:

Custodial Funds account for assets held by the County in a trustee capacity or as an agent for individuals, other governmental units and/or funds. Custodial funds are custodial in nature and do not involve measurement of results of operations. These funds are accounted for on an accrual basis of accounting.

Budgetary Information

Budgetary Basis of Accounting

Annual budgets for governmental fund types that are legally required to prepare an annual budget are adopted on a basis consistent with GAAP except for the general fund. Generally, the major differences in the general fund are recognition of unanticipated activity; capital assets and related debt activity, grant and intergovernmental revenues and related expenditures. The financial statements present budget information for only the major funds and all appropriations lapse at year-end.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Budgetary Information (continued)

Budgetary Basis of Accounting (continued)

Board of County Commissioners – Pursuant to Chapter 129, Florida Statues, General Budget Policies, the following procedures are followed by the Board in establishing, adopting and maintaining the operating budget:

Prior to August 15, the Clerk of the Circuit Court, as ex-officio Clerk of the Board, submits to the Board a tentative budget for the fiscal year commencing the following October 1.

Taxpayers are informed of the proposed budget and tentative millage rates through legal advertising. Public hearings are held to elicit taxpayer comments.

Prior to September 30, the budget is legally adopted through passage of a resolution for the fiscal year beginning October 1.

The Board, at any time within a fiscal year, may amend a budget for that year as follows:

> Appropriations for expenditures in any fund may be decreased and other appropriations in the same fund correspondingly increased by motion recorded in the minutes, provided that the total of the appropriations of the fund are not changed. The Board, however, has established procedures by which the designated budget officer and heads of departments may authorize certain interdepartmental budget amendments, provided that the total appropriations of the department are not changed.
>
> Florida Statute 129, Section 7, as amended in 1978, provides that only expenditures in excess of total fund budgets are unlawful. However, because the Board acts on all budget changes between departments, the lower of fund or department becomes the level of control.

Appropriations from the reserve for contingencies may be made to increase the appropriation for any particular expenditure in the same fund, or to create an appropriation in the fund for any lawful purpose, but no expenditures shall be charged directly to the reserve for contingencies.

A receipt of a nature or from a source not anticipated in the budget and received for a particular purpose, including but not limited to grants, donations, gifts, or reimbursements for damages, may, by resolution of the Board recorded in its minutes, be appropriated and expended for that purpose, in addition to the appropriations and expenditures provided for in the budget. Such receipts and appropriations shall be added to the budget of the proper fund.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Budgetary Information (continued)

Budgetary Basis of Accounting (continued)

Supplemental appropriations funded from sources not described above require public hearings and action by the Board in the same manner as adopting the original budget. During the year ended September 30, 2025, there were general fund, transportation trust fund, and hurricane sally fund supplemental budget appropriations of $6,444,795 or 28.64%, $168,509 or 4.01%, and $2,928,342 or 100%, respectively.

The following items represent the major additional appropriations:

General Fund		
Various federal and state grants	$	2,890,379
Various operating costs	$	3,554,416
Transportation Trust Fund		
Capital outlay	$	168,509
Hurricane Sally Fund		
Various federal and state grants	$	415,178
Various operating costs	$	2,513,164

Clerk of the Court – Florida Statutes Chapter 218.35 and 218.36 governs the preparation, adoption and administration of the Clerk of the Circuit Court's (the Clerk) annual budget. The Clerk establishes an annual balanced budget which clearly reflects the revenues available to the office and the functions for which money is to be expended. The budgeted revenues and expenditures in the accompanying financial statements reflect all amendments approved by the Board. The budget is prepared on a basis consistent with GAAP.

The Clerk, functioning in the capacity as Clerk of the Circuit and County Courts and as Clerk of the Board of County Commissioners, prepares a budget in two parts:

The budget relating to the state court system (Circuit and County) is filed with the Florida Clerk of Courts Operations Corporation; and

The budget approved by the Board for funds necessary to perform those duties of Clerk of the Board of County Commissioners, County Auditor, and Custodian or Treasurer of all county funds and other county-related duties.

The fees generated by the various non-court departments of the Clerk of Circuit Court are used to pay operating expenditures of that department. All excess fees are remitted to the Board at year-end.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Budgetary Information (continued)

Budgetary Basis of Accounting (continued)

Sheriff – Florida Statutes Chapter 30.49 and 129.03 govern the preparation, adoption and administration of the Sheriff's annual budget. By June 1 each year, the Sheriff shall certify to the Board a proposed budget of expenditures for carrying out the duties of his office for the ensuing fiscal year. No later than August 1 of each year, the Board shall approve the Sheriff's budget.

Tax Collector and Property Appraiser – Florida Statutes Chapter 195.087 govern the preparation, adoption and administration of the budgets of the Tax Collector and Property Appraiser. On or before a legally designated date each year, the Tax Collector and the Property Appraiser shall submit to the Florida Department of Revenue a budget for the ensuing fiscal year. A copy of such budget shall be furnished at the same time to the Board. Final approval of the budgets is given by the Florida Department of Revenue.

Supervisor of Elections – The Supervisor of Elections works in cooperation with the Board to establish an annual budget for the office. Florida Statutes Chapter 129.201 and 129.03 govern the preparation, adoption and administration of the annual budget. The Supervisor of Elections' budget is funded from the Board's General Fund.

Excess of Expenditures over Appropriations

For the year ended September 30, 2025, expenditures exceeded appropriations within the physical environment and culture and recreation functions of the General Fund by $2,807 and $4,046, respectively. The expenditures exceeded appropriations within the capital outlay function of the Transportation Trust Fund by $119,210. The expenditures exceeded appropriations within the transportation function of the Hurricane Michael Fund by $1,807,444. For each of these funds, the excess expenditures were funded by unanticipated revenues.

Employee Benefits

Compensated Absences

The County maintains a policy that permits employees to accumulate earned but unused vacation and sick pay benefits that will be paid to employees upon separation from County service if certain criteria are met. These benefits, plus their related tax are classified as compensated absences. Employees may be paid for unused vacation hours accrued up to a maximum amount. Payment of unused sick leave, upon termination, is also provided for up to varying amounts.

The long-term portion of compensated absences are accrued and reported in the government-wide financial statements. No expenditure is reported in the government fund level statements for these amounts until payment is made. Compensated absences liability is based on current rates of pay.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Employee Benefits (continued)

Pensions

The County participates in The Florida Retirement System (the “System”). The System’s financial statements are prepared using the economic resources measurement focus and accrual basis of accounting. Contributions are recognized as revenues when earned, pursuant to the plan requirements. Benefits and refunds are recognized when due and payable in accordance with the terms of the Plan. Expenses are recognized when the corresponding liability is incurred regardless of when the payment is made. Investments are reported at fair value. Financial statements are prepared in accordance with requirements of the GASB. Under these requirements, the Plan is considered a component unit of the State of Florida and is included in the State’s Annual Comprehensive Financial Report.

Other Postemployment Benefits (“OPEB”)

In addition to the pension benefit noted above, the County offers certain OPEB. For purposes of measuring total OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, the economic resources measurement focus and full accrual basis of accounting are utilized. Benefit payments are recognized when due and payable in accordance with the benefit terms.

Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position or Fund Balance

Cash and Cash Equivalents

Cash and cash equivalents represent cash on hand as well as demand deposits and certificates of deposit with original maturities of three months or less. This policy applies to the primary government and its component unit.

Investments

The County’s investments are limited to investments authorized by State Statutes. Historically, the County has only invested in Florida Prime Certificates and money market accounts. As governed by Florida Statute 218.415, the County is authorized to invest available surplus funds in the following:

1. The Local Government Surplus Funds Trust Fund (the SBA) or any intergovernmental investment pool authorized pursuant to the Florida Interlocal Cooperation Act of 1969, as provided in Florida Statute 163.01.
2. Securities and Exchange Commission (SEC) registered money market funds with the highest credit quality rating from a nationally recognized rating agency.
3. Interest-bearing time deposits or savings accounts in state qualified public depositories, as defined in Florida Statute 280.02.
4. Direct obligations of the U.S. Treasury.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position or Fund Balance (continued)

Receivables

The County records accounts receivable for various taxes, fees and services. For emergency medical service fees, uncollectible allowance has been recorded based on contractual and historical experience. All other receivables are considered collectible and, as such, no allowance for uncollectibles is reported.

Interfund Activities and Transactions

Activities between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either “due to/from other funds” (i.e., the current portion of interfund loans) or “advances to/from other funds” (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as “due to/from other funds.”

Inventories and Prepaid Items

The County uses the consumption method to account for inventory with cost determined by the first-in, first-out method. Inventory is comprised primarily by equipment parts and bulk fuel reported in the Transportation Trust Fund. Certain payments to vendors reflect cost applicable to future accounting periods and are recorded as prepaid items in the government-wide statements. At the fund level, expenditures are recognized when the available finance resource is expended.

Capital Assets

Capital assets, which include property, plant, equipment, right-to-use assets, and infrastructure assets (e.g. roads, bridges, streets and sidewalks, and similar items) are reported in the applicable governmental activities column in the government-wide financial statements. Capital assets are defined by the government as assets with an individual cost of more than $5,000 and an estimated useful life in excess of one year. Additions to capital assets are recorded at cost at the time of purchase. Donated capital assets are recorded at acquisition value at the date of donation. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Capital assets inventory is maintained as required by Florida Statute 274 and Florida Administrative Code Sections 69(i)-73.002 and 69(i)-73.006.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position or Fund Balance (continued)

Capital Assets (continued)

Depreciation has been provided using the straight-line method. The estimated useful lives of the various classes of depreciable capital assets are as follows:

Capital asset classes	Lives
Buildings	25 - 40
Improvements other than buildings	15 - 40
Infrastructure	30
Machinery and equipment	5 - 15

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then.

The County has two (2) items that qualify for reporting as deferred outflows of resources, the deferred outflows related to other postemployment benefits (OPEB) and the deferred outflows related to pensions, all reported in the government-wide statement of net position. The deferred outflows related to pensions are an aggregate of items related to pensions as calculated in accordance with GASB Codification Section P20: Pension Activities – Reporting for Benefits Provided through Trusts That Meet Specified Criteria. The deferred outflows related to pensions and OPEB will be recognized as either pension or OPEB expense or a reduction in the pension or OPEB liability in future reporting years.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time.

The County has four (4) items that qualify for reporting as deferred inflows of resources. The deferred inflows related to pensions are an aggregate of items related to pensions as calculated in accordance with GASB Codification Section P20: Pension Activities – Reporting for Benefits Provided through Trusts That Meet Specified Criteria. The deferred inflows related to pensions and OPEB will be recognized as a reduction to pension or OPEB expense in future reporting years. The deferred inflows related to leases relate to a building lease in which the County is the lessor. Revenue will be

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position or Fund Balance (continued)

Deferred Outflows/Inflows of Resources (continued)

recognized over the life of the lease. The deferred inflows related to settlement allocations relate to opioid settlements with the state of Florida that have been allocated to the County. This funding is maintained by a non-profit agency with authority over expenditure of the settlement over an eighteen year period.

Unearned Revenues

Unearned revenues represents amounts received, but not yet earned. Balances at September 30, 2025 represented unearned funding related to the State Housing Initiatives Partnership Program, Disaster Relief grants, and opioid settlements, and other miscellaneous grant funding.

Long-term Liabilities

In the government-wide financial statements, long-term debt and other long-term liabilities are reported as liabilities in the Statement of Net Position. In the fund financial statements, the face amount of debt issued is reported as other financing sources.

Lease Obligations

GASB No. 87, *Leases*, was adopted October 1, 2021. Under this guidance, all contracts allowing for the County to use another entity's asset for a period greater than 12 months must be recorded as both a right-of-use (ROU) asset and a lease liability. The lease liability is recorded at the present value of future lease payments, including fixed payments, variable payments based on an index or fixed rate and reasonably certain residual guarantees. The intangible leased asset is recorded for the same amount as the related lease liability plus any prepayments and initial direct costs to place the asset in service. Leased assets are amortized over the shorter of the useful life of the asset or the lease term. The lease liability is reduced for lease payments made, less the interest portion of the lease payment. Any contract not meeting the 12-month period requirement is recognized as rental expense.

The County uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the County uses its estimated incremental borrowing rate as the discount rate for leases.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position or Fund Balance (continued)

Lease Obligations (continued)

The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of lease liability are composed of fixed payments and term options that the County is reasonably certain to exercise.

The County monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Lease Receivable

The County records revenues from lease in accordance with GASB No. 87, *Leases*. The lease receivable is initially measured at the present value of the lease payments expected to be received during the lease term. The deferred lease inflow of resources is measured as the sum of the initial measurement of the lease receivable net of lease payments received. Lease receipts result in a reduction of the lease receivable and recognition of inflows of revenues. At September 30, 2025, the County's total lease receivable of $267,477 was for the lease of a building.

Categories and Classification of Net Position and Fund Balance

Net position flow assumption and *fund balance flow assumption* - The authority to establish, modify or rescind a committed or assigned fund balance rests with the Board and these actions are accomplished through an adopted resolution. When both restricted and unrestricted resources are available for use, it is the County's policy to use restricted resources first, then unrestricted resources as they are needed. When expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used, it is the County's policy to use committed funds first, then assigned, and finally unassigned.

Net position on the government-wide financial statements is required to be classified for accounting and reporting purposes into the following net position categories:

> *Net investment in capital assets* – Capital assets, net of accumulated depreciation and outstanding principal balances of debt attributable to the acquisition, construction, or improvement of those assets. Any significant unspent proceeds at year-end related to capital assets are reported as restricted funds.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position or Fund Balance (continued)

Categories and Classification of Net Position and Fund Balance (continued)

Restricted – Constraints imposed on net position by external creditors, grantors, contributors, laws or regulations of other governments, or law through constitutional provision or enabling legislation.

Unrestricted – Net position that is not subject to externally imposed stipulations. Unrestricted net position may be designated for specific purposes by action of the Board.

Fund Balance is reported in the fund financial statements as either nonspendable or spendable in the following classifications:

Nonspendable – Nonspendable fund balances are amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

Restricted – Restricted fund balances are restricted when constraints placed on the use of resources are either: (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Committed – The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the Board. The Board is the highest level of decision-making authority for the County that can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.

Assigned – Amounts in the assigned fund balance classification are intended to be used by the County for specific purposes but do not meet the criteria to be classified as committed. The governing council (Board) has by resolution authorized the finance director to assign fund balance. The Board may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position or Fund Balance (continued)

Categories and Classification of Net Position and Fund Balance (continued)

Unassigned – Unassigned fund balance is the residual classification for the general fund. This classification represents fund balance that is spendable and that has not been restricted, committed, or assigned to specific purposes within the general fund. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed, or assigned for those specific purposes.

Revenues and Expenditures/Expenses

Property Taxes

Property taxes in the County are levied by the Board. The millage levies are determined on the basis of estimates of revenue needs and the total taxable valuations within the jurisdiction of the Board. No aggregate ad valorem tax millage in excess of 10 mills on the dollar is levied against property of the County as specified in Florida Statue 200.071.

Each year, the total taxable valuation is established by the Property Appraiser and the list of property assessments is submitted to the State Department of Revenue for approval. Taxes, assessed as of January 1 of each year, are due and payable on November 1 of each year or as soon thereafter as the assessment roll is opened for collection. Pursuant to Florida Law, all owners of property have the responsibility of ascertaining the amount due and paying it before April 1 of the year following the year in which the tax was assessed.

2025 Property tax calendar:

Lien date	- January 1, 2024
Levy date	- November 1, 2024
Tax bills mailed	- November 1, 2024
Collection dates	- November 30, 2024: 4% discount
	- Through January 2, 2025: 3% discount
	- Through January 31, 2025: 2% discount
	- Through February 28, 2025: 1% discount
Delinquent date	- April 1, 2025

Tax sale - 2024 delinquent property taxes - on or before June 1, 2025

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Management Estimates and Assumptions

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 reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could vary from estimates used.

Subsequent Events

Management has evaluated subsequent events through the date that the financial statements were available to be issued, June 18, 2026. See Note 9 for relevant disclosure. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

Recently Issued and Implemented Accounting Pronouncements

In June 2022, GASB issued Statement No. 101, *Compensated Absences* (GASB 101). The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The requirements of this Statement are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter. There were no significant impacts from implementing this statement.

GASB Statement No. 102, *Certain Risk Disclosures*. The objective of this Statement is to provide users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints. This Statement requires a government to assess whether a concentration or constraint makes the primary government reporting unit or other reporting units that report a liability for revenue debt vulnerable to the risk of a substantial impact. Additionally, this Statement requires a government to assess whether an event or events associated with a concentration or constraint that could cause the substantial impact have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued. The requirements of this Statement are effective for fiscal years beginning after June 15, 2024, and all reporting periods thereafter. There were no significant impacts from implementing this statement.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Recently Issued and Implemented Accounting Pronouncements (continued)

The GASB has issued statements that will become effective in future years. These statements are as follows:

In April 2024, the GASB issued GASB Statement No. 103, *Financial Reporting Model Improvements*. The objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. In addition to other items, the Statement:

- Addresses changes to information presented in the MD&A;
- Requires governments to display the inflows and outflows related to unusual or infrequent items separately as the last presented flow(s) of resources prior to the net change in resource flows in the government-wide, governmental fund, and proprietary fund statements of resource flows;
- Requires that a subtotal for operating income (loss) and noncapital subsidies be presented before reporting other nonoperating revenues and expenses;
- Requires governments to present each major component unit separately in the reporting entity's statement of net position and statement of activities if it does not reduce the readability of the statements;
- Requires governments to present budgetary comparison information using a single method of communication (RSI).

The requirements of this Statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter.

In September 2024, the GASB issued GASB Statement No. 104, *Disclosure of Certain Capital Assets*. This Statement requires certain types of capital assets to be disclosed separately in the capital assets note disclosures required by Statement 34. Lease assets recognized in accordance with Statement No. 87, *Leases*, and intangible right-to-use assets recognized in accordance with Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, should be disclosed separately by major class of underlying asset in the capital as-sets note disclosures. Subscription assets recognized in accordance with Statement No. 96, *Subscription-Based Information Technology Arrangements*, also should be separately disclosed. In addition, this Statement requires intangible assets other than those three types to be disclosed separately by major class. This Statement also requires additional disclosures for capital assets held for sale and that capital assets held for sale be evaluated each reporting period. Governments should disclose (1) the ending balance of capital assets held for sale, with separate disclosure for historical cost and accumulated depreciation by major class of asset, and (2) the carrying amount of debt for which the capital assets held for sale are pledged as collateral for each major class of asset. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter.

The County is evaluating the requirements of the above statements and the impact on reporting.

Note 2: DETAILED NOTES ON ALL FUNDS

Deposits and Investments

Custodial Credit Risk

The County maintains its deposits only with qualified public depositories as defined in Chapter 280, Florida Statues. The provisions of this statute generally require public funds to be deposited in a bank or savings association designated by the State Chief Financial Officer as a “Qualified Public Depository”. All qualified public depositories must maintain deposit insurance. They also must place with or in the name of the Chief Financial Officer of the State of Florida, collateral in the amount of the greater of the average daily balance of public deposits multiplied by the average monthly balance of public deposits or 125 percent of the average daily balance of public deposits greater than capital. Collateral requirements may be increased according to statute if specified conditions exist. Eligible collateral includes federal, federally-guaranteed, state and local government obligations and corporate bonds. In the event of default by a qualified public depository excess losses over insurance and collateral will be recovered through assessments to all qualified public depositories of the same type as the depository in default. Under this method, the County’s deposits are considered fully insured.

Receivables

Accounts receivable for the County includes $327,696 net receivables for Emergency Medical Services (“EMS”). This represents total receivables of $1,890,626 net of allowance for doubtful accounts and contractual adjustments of $1,562,930. This allowance represents an uncollected billing ratio based on past history of collections and aged accounts receivable listings. The County also had a receivable of $1,070,461 from litigation settlements with pharmaceutical companies. Remaining receivables totaling $605,408 consist primarily of franchise fees due from utility companies, taxes, grant funding, and other miscellaneous revenue.

Due from Other Governments is comprised of various grant reimbursements, revenue sharing and taxes collected for the County by the State of Florida of $4,406,848.

Note receivable of $1,915,918 represents the balance outstanding of a loan to Northwest Florida Healthcare, Inc. (the “Hospital”) of $2,903,878 in December 2003. The loan agreement provides a non-interest bearing note with no payments due the first 10 years, and equal installments of $95,796 thereafter for 30 years. An imputed interest rate for the note receivable was considered indeterminable by management.

Leases receivable are reported in accordance with GASB Statement No. 87 *Leases*, as detailed in Note 1. The lease receivable of $267,477 represents the outstanding balance of a 60-month lease of a building to the Florida Department of Corrections beginning August 1, 2025 and expiring July 1, 2030. During fiscal year 2025, the County recognized leased principal of $47,663 and $2,887 of lease interest revenue.

Note 2: DETAILED NOTES ON ALL FUNDS (Continued)

Interfund Balances

Due to/from other funds consist of the following:

Receivable Fund	Payable Fund	
General Fund	Hurricane Michael	$ 8,477,902
	Hurricane Sally	756,963
	Transportation Trust Fund	18,972
	Grant Funds	1,408,976
	Nonmajor Governmental Funds	804,609
Transportation Trust Fund	General Fund	368,567
	Nonmajor Governmental Funds	1,120
Hurricane Sally	Transportation Trust Fund	413
Nonmajor Governmental Funds	General Fund	187,660
	Nonmajor Governmental Funds	47,528
Total		$ 12,072,710

All amounts due will be paid within one year of the financial statement date.

Interfund Transfers

Transfers to/from other funds consist of the following:

Transfers to General Fund from:		
(1) Nonmajor Governmental Funds		$ 224,064
Transfers to Nonmajor Governmental Funds from:		
(1) General Fund	$ 4,773,564	
(1) Nonmajor Governmental Funds	38,110	
		4,811,674
Total interfund transfers		$ 5,035,738

(1) annual debt service requirements and budgeted appropriations

Note 2: DETAILED NOTES ON ALL FUNDS (Continued)

Capital Assets

Capital assets activity for the fiscal year is as follows:

	October 1, 2024	Increases	Decreases	September 30, 2025
Governmental Activities				
Capital assets, not being depreciated				
Land	$ 6,140,618	$ -	$ 41,000	$ 6,099,618
Construction-in-progress	-	1,895,857	-	1,895,857
Total capital assets, not being depreciated	6,140,618	1,895,857	41,000	7,995,475
Capital assets, being depreciated				
Buildings	30,580,996	-	-	30,580,996
Improvements other than buildings	81,200,443	-	-	81,200,443
Infrastructure	5,110,789	-	-	5,110,789
Machinery and equipment	27,910,425	2,688,529	942,998	29,655,956
Total capital assets, being depreciated	144,802,653	2,688,529	942,998	146,548,184
Less total accumulated depreciation	42,597,641	5,893,941	557,712	47,933,870
Total capital assets, being depreciated, net	102,205,012	(3,205,412)	385,286	98,614,314
Governmental activities capital assets, net	$ 108,345,630	$ (1,309,555)	$ 426,286	$ 106,609,789

Note 2: DETAILED NOTES ON ALL FUNDS (Continued)

Capital Assets (continued)

Depreciation and amortization expense was charged to the functions of government as follows:

For the year ended September 30,	2025
Governmental Activities	
General government	$ 134,723
Public safety	1,252,105
Physical environment	32,370
Transportation	4,252,808
Economic environment	136,080
Human services	30,144
Culture and recreation	55,711
Total depreciation expense	$ 5,893,941

Sunny Hills' and Highway 79 Corridor Authority's capital assets are as follows:

Sunny Hills	October 1, 2024	Increases	Decreases	September 30, 2025
Capital assets, not being depreciated				
Land	$ 1,770,313	$ -	$ -	$ 1,770,313

Higway 79 Corridor Authority	October 1, 2024	Increases	Decreases	September 30, 2025
Capital assets, being depreciated				
Infrastructure	$ 2,278,279	$ -	$ -	$ 2,278,279
Equipment	384,364	-	-	384,364
Total capital assets, being depreciated	2,662,643	-	-	2,662,643
Less total accumulated depreciation	203,381	102,382	-	305,763
Total capital assets, being depreciated, net	2,459,262	(102,382)	-	2,356,880
Governmental activities capital assets, net	$ 2,459,262	$ (102,382)	$ -	$ 2,356,880

Note 2: DETAILED NOTES ON ALL FUNDS (Continued)

Unearned Revenue

Revenue received under contracts with governmental agencies which are unearned until expended are as follows:

For the year ended September 30,	2025
Opioid settlements	$ 62,060
Northwest Florida Health grant	77,750
Resilient Florida grant	23,457
SHIP	403,259
FEMA grant	1,180,513
Total	$ 1,747,039

Long-Term Debt and Liabilities

The following is a summary of changes in long-term debt for the year ended September 30, 2025:

	Balance 10/1/2024	Additions*	Reductions	Balance 9/30/2025	Due Within One Year
Governmental activities					
Notes, leases, financed purchases, and other payables					
Interlocal agreement payable	$ 134,000	$ -	$ 5,500	$ 128,500	$ 5,500
Line of credit	6,986,230	-	4,530,159	2,456,071	-
Notes payable	2,608,869	202,912	1,911,954	899,827	134,152
Leases payable	441,538	-	90,599	350,939	350,939
Financed purchases	-	83,461	22,375	61,086	24,681
Total notes, leases, financed purchases, and other payables	10,170,637	286,373	6,560,587	3,896,423	515,272
Other liabilities					
Total OPEB liability	411,440	22,715	-	434,155	-
Net pension liability	19,877,124	-	2,624,225	17,252,899	-
Compensated absences	902,910	33,705	-	936,615	93,662
Total other liabilities	21,191,474	56,420	2,624,225	18,623,669	93,662
Total governmental activities	$ 31,362,111	$ 342,793	$ 9,184,812	$ 22,520,092	$ 608,934

*Compensated absence additions are reported net of reductions.

Governmental activities, claims, obligations and compensated absences are generally liquidated by the general fund.

Note 2: DETAILED NOTES ON ALL FUNDS (Continued)

Long-Term Debt and Liabilities (continued)

Line of Credit

The County also has a Revolving Credit Bond of up to $12 million with First Federal Bank that began March 23, 2023, but was amended and restated on November 27, 2023. The interest rate was 6.25% and it matures March 23, 2028. There was a $2,456,071 balance due at September 30, 2025.

Interlocal Agreement Payable

$200,000, City of Chipley, Library Building. Payable in annual installments beginning 2004 including interest at 4.625%. The County agreed to pay half of the City of Chipley, Florida, Capital Improvement Revenue Bond, Series 2003 annual principal and interest charges until 2042.	$ 128,500

Debt service requirements on interlocal agreement payable at September 30, 2025 are as follows:

For the years ending September 30,	Principal	Interest
2026	$ 5,500	$ 5,943
2027	6,000	5,689
2028	6,000	5,411
2029	6,500	5,134
2030	6,500	4,833
2031-2035	36,000	19,402
2036-2040	42,500	10,546
2041-2042	19,500	1,365
Total	$ 128,500	$ 58,323

Note 2: DETAILED NOTES ON ALL FUNDS (Continued)

Long-Term Debt and Liabilities (continued)

Notes Payable

$934,000 Non-Ad Valorem Tax Revenue Promissory Note, Series 2016, Charter Bank, payable in annual installments ranging from $39,000 to $92,000, interest at 2.75% fixed, due 2032. The note is secured by pledged sales tax and non-ad valorem tax revenues.	$	531,000
$235,881, Promissory Note, One Florida Bank, payable in monthly installments of $4,106, interest at 7.63%, due 2030. This note is secured by an enforceable covenant to budget and appropriate funds for Washington County EMS by the Washington County Sheriff's Office.		186,798
$202,912, Promissory Note, One Florida Bank, payable in monthly installments of $3,468, interest at 6.99%, due 2031. This note is secured by an enforceable covenant to budget and appropriate funds for Washington County EMS by the Washington County Sheriff's Office.		182,029
Total notes payable	$	899,827

The County had a $5,500,000, Sales Tax Promissory Note, Series 2015 from SunTrust Bank that was due in 2028. The interest was 3.28% and payable in monthly installments ranging from $28,200 to $43,000. The note was secured by pledged sales tax and non-ad valorem tax revenues. The County paid off the $1,792,021 balance in July 2025.

Debt service requirements for the year-ended September 30, 2025 for the Series 2015 and 2016 notes payable was $1,836,730 and $78,686, respectively. Pledged revenues were $712,742.

Debt service requirements on notes payable at September 30, 2025 are as follows:

For the years ending September 30,		Principal		Interest
2026	$	134,152	$	38,593
2027		143,175		31,618
2028		153,581		24,159
2029		163,398		16,116
2030		148,871		7,967
2031-2035		156,650		3,697
Total	$	899,827	$	122,150

Note 2: DETAILED NOTES ON ALL FUNDS (Continued)

Leases - Lessee

The County has entered into a lease agreement as lessee for equipment that qualifies as a lease for accounting purposes.

The present value of the future minimum lease payments are as follows:

For the years ending September 30,	Board
2026	$ 353,823
Total minimum payments	353,823
Less: amount representing interest	(2,884)
Present value of minimum lease payments	$ 350,939

Financed Purchases

The Sheriff has entered into multiple financed purchase agreements for equipment that qualifies as finance leases for accounting purposes.

The present value of the future minimum lease payments are as follows:

For the years ending September 30,	Sheriff
2026	$ 27,052
2027	25,045
2028	12,677
Total minimum payments	64,774
Less: amount representing interest	(3,688)
Present value of minimum lease payments	$ 61,086
Gross asset value	$ 83,461
Accumulated depreciation	(4,674)
Net asset value	$ 78,787

Note 2: DETAILED NOTES ON ALL FUNDS (Continued)

Net Position Restricted by Enabling Legislation

The government-wide statement of net position reports $6,949,678 of restricted net position, of which $3,727,340 is restricted by enabling legislation.

Fund Balances

Fund balances are comprised of the following:

Nonspendable		
General Fund		
Long-term note receivable		$ 1,915,918
Transportation Trust Fund		
Inventory		52,399
Total nonspendable fund balance		$ 1,968,317
Restricted		
General Fund		
Landfill closure	$ 59,652	
Education and crime prevention	330,231	
		$ 389,883
Transportation Trust Fund		
Transportation		1,693,756
Hurricane Sally Fund		
Road improvements		2,488,910
Nonmajor Governmental Funds		
Court innovations	523,501	
Emergency communications	35,549	
Law enforcement	513,140	
Local housing assistance	58,052	
Probation	109,435	
Emergency management	24,587	
Road improvements	675,376	
Modernization of public records	134,402	
Crime prevention	156,078	
Court-related technology	147,009	
		2,377,129
Total restricted fund balance		$ 6,949,678

Note 2: DETAILED NOTES ON ALL FUNDS (Continued)

Fund Balances (continued)

Committed		
Nonmajor Governmental Funds		
Fire operations	$	528,508
Municipal service business unit		280,805
Mosquito control		100,374
Boater improvement		24,662
Building department		698,246
Police education		31,688
Total committed fund balance	$	1,664,283

Assigned		
Nonmajor Governmental Funds		
Emergency management	$	497,308
Choose life tags		1,901
Total assigned fund balance	$	499,209

Note 3: RETIREMENT PLANS

Florida Retirement System Pension Plan

Substantially all full-time County employees are participants in the System, a defined benefit, cost sharing, multiple employer public retirement system, which is controlled by the State Legislature and administered by the State of Florida, Department of Administration, Division of Retirement. The plan covers full-time employees of various governmental units within the State of Florida.

The System's funding policy provides for monthly employer contributions at actuarially determined rates that, expressed as percentages of annual covered payroll, are adequate to accumulate sufficient assets to pay benefits when due (see rates below). Level percentages of payroll employer contribution rates established by state law are determined using the entry-age actuarial funding method.

The System provides for those employees hired prior to July 1, 2011 vesting of benefits after six years of creditable service. Normal retirement benefits are available to employees who retire at or after age 62 with six or more years of service. For Special Risk Class members, normal retirement is age 55 with at least six years of Special Risk service, or twenty-five years of Special Risk service, regardless of age, or age 52 with 25 years of Special Risk service and up to four years of active duty wartime service. Early retirement is available after six years of service with a 5% reduction of benefits for each year prior to the normal retirement age. For those employees hired on or after July 1, 2011, the

Note 3: RETIREMENT PLANS (Continued)

Florida Retirement System Pension Plan (continued)

System provides for vesting of benefits after eight years of credible service. Normal retirement benefits are available to these employees who retire at or after ag 65 with eight years of service or thirty-three years regardless of age. For Special Risk Class members, normal retirement is age 60 with at least eight years of Special Risk service, or thirty years of Special Risk service, regardless of age. Retirement benefits are based upon age, average compensation and years-of-service credit where average compensation is computed as the average of an individual's five highest years of earnings.

Participating employer contributions are based upon state-wide rates established by the State of Florida. These rates are applied to employee salaries as follows: regular employees-14.03% DROP Program-22.02%, special risk employees-35.19%, senior management-33.24% and elected officials-54.57%. These rates are applied to employee salaries each pay period. Employee contributions are 3.00% for all classifications with the exception of DROP program participants who do not make contributions.

The County's contributions to the System Pension Plan ("Pension Plan") for the years ended September 30, 2025 and 2024 were $2,680,589 and $2,376,013 respectively, and equal to the actuarially determined contributions for each year. The County's contributions to the Retiree Health Insurance Subsidy Program ("HIS") for the years ended September 30, 2025 and 2024 were $265,410 and $241,407 respectively, and equal to the actuarially determined contributions for each year. These contributions were paid by their due date. Total payroll for the County employees covered by the Pension Plan and HIS was $13,354,325 for the year ended September 30, 2025. The County's total payroll was $13,571,533 for the same period.

The County has no responsibility to the System other than to make the periodic payments required by State Statutes. The Florida Division of Retirement issues a publicly available financial report that includes financial statements and required supplementary information for the System. The report may be obtained by writing Florida Division of Retirement, P O Box 9000, Tallahassee, FL 32315-9000.

Pension liabilities, pension expense, and deferred outflows of resources and deferred inflows of resources related to pensions. At September 30, 2025, the County reported a liability of $13,515,752 for its proportionate share of the collective net pension liability for the Pension Plan. The net pension liability was measured as of June 30, 2025 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2025. The County's proportion of the collective net pension liability was based on the employers' shares of contributions to the Pension Plan relative to the total employer contributions of all participating employers. At June 30, 2025, the System's proportion of the Pension Plan was 0.043550%, which was an increase of 0.002978% from its proportion measured as of June 30, 2024.

Note 3: RETIREMENT PLANS (Continued)

Florida Retirement System Pension Plan (continued)

For the year ended September 30, 2025, the County recognized pension expense of ($1,059,353). At September 30, 2025, the County reported deferred outflows and deferred inflows of resources related to the Pension Plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 1,443,625	$ -
Changes of assumptions	1,569,530	-
Net difference between projected and actual investment earnings on pension plan investments	-	2,256,590
Changes in proportion and difference between employer contributions and proportionate share of contributions	1,568,699	457,286
County contributions subsequent to the measurement date	690,451	-
Total	$ 5,272,305	$ 2,713,876

$690,451 of deferred outflows resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended September 30, 2026.

The balance of deferred outflows and deferred inflows of resources will be recognized in pension expense as follows:

For the years ending September 30,	Deferred Outflows of Resources	Deferred Inflows of Resources	Pension Expense, Net
2026	$ 974,863	$ 661,443	$ 313,420
2027	974,863	661,443	313,420
2028	974,863	661,443	313,420
2029	974,863	661,441	313,422
2030	682,402	68,106	614,296
Total	$ 4,581,854	$ 2,713,876	$ 1,867,978

Note 3: RETIREMENT PLANS (Continued)

Florida Retirement System Pension Plan (continued)

Actuarial assumptions. The total pension liability for the Pension Plan was determined by an actuarial valuation as of June 30, 2025 using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.40%
Investment rate of return*	6.70%
Projected salary increases	3.50%

* Net of pension plan investment expense

The actuarial assumptions used in the actuarial valuation as of June 30, 2025 for the Pension Plan were based on the results of an investigation of the economic and demographic experience for the System based upon participant data for the period July 1, 2018 to June 30, 2023.

Mortality rates were based on the PUB-2010 base table, projected generationally with Scale MP-2021.

The long-term expected rate of return for the Pension Plan investments was not based on historical returns, but instead is based on a forward-looking capital market economic model. The allocation policy's description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions, and includes an adjustment for the inflation assumption. The target allocation and best estimates of arithmetic and geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation (1)	Annual Arithmetic Return*	Compound Annual (Geometric) Return	Standard Deviation
Cash	1.0%	3.2%	3.2%	1.1%
Fixed Income	29.0%	5.5%	5.4%	4.0%
Global equity	45.0%	8.5%	6.9%	18.3%
Real Estate (property)	12.0%	8.4%	7.1%	16.8%
Private equity	11.0%	12.4%	8.8%	28.4%
Strategic Investments	2.0%	6.5%	6.1%	8.7%
Total	100.00%			

Note: (1) As outlined in the Pension Plan's investment policy
* Includes assumed rate of inflation of 2.40%

Note 3: RETIREMENT PLANS (Continued)

Florida Retirement System Pension Plan (continued)

Discount rate. The discount rate used to measure the total pension liability for the Pension Plan was 6.70%. The Plan's fiduciary net position was projected to be available to make all future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return.

Sensitivity of the County*'s proportionate share of the net pension liability to changes in the discount rate*. The following table presents the County's proportionate share of the net pension liability calculated using the discount rate of 6.70% for the Pension Plan, as well as what the County's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (5.70%) or 1-percentage point higher (7.70%) than the current rate:

	1% Decrease (5.70%)	Current Discount Rate (6.70%)	1% Increase (7.70%)
Governmental Employer's proportionate share of the net pension liability	$ 26,524,455	$ 13,515,752	$ 2,609,444

Pension plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in the separately issued System Annual Comprehensive Financial Report for the fiscal year ended June 30, 2025. The supporting actuarial information is included in the GASB Statement No. 68 *Report for the System* prepared as of June 30, 2025. The auditor's report dated January 9, 2026 on the total pension liability, total deferred outflows of resources, total deferred inflows of resources, total pension expense for the sum of all participating entities as of June 30, 2025 along with supporting schedules is also available. The additional financial and actuarial information is available from the following website:

http://www.dms.myflorida.com/workforce_operations/retirement/publications.

Health Insurance Subsidy Program

Chapter 112, Florida Statutes, established the HIS, a cost-sharing multiple-employer defined benefit pension plan to assist retired members of any State-administered retirement system in paying the costs of health insurance. Contributions to the HIS plan are included in contributions to the Pension Plan noted above. The Pension Plan contributes 2.00% of each covered employee's salary to the HIS Plan.

Note 3: RETIREMENT PLANS (Continued)

Health Insurance Subsidy Program (continued)

Eligible retirees and beneficiaries receive a monthly HIS payment of $7.50 for each year of creditable service completed at the time of retirement, with a minimum HIS payment of $45 and a maximum payment of $225 per month, pursuant to Section 112.363, Florida Statutes. To be eligible to receive a HIS Plan benefit, a retiree under a state-administered retirement system must provide proof of health insurance coverage, which may include Medicare.

Pension liabilities, pension expense, and deferred outflows of resources and deferred inflows of resources related to pensions. At September 30, 2025, the County reported a liability of $3,737,147 for its proportionate share of the collective net pension liability. For the Health Insurance Subsidy program (“HIS Plan”), the net pension liability was measured as of June 30, 2025 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2025. The County’s proportion of the collective net pension liability was based on the employers’ shares of contributions to the HIS Plan relative to the total employer contributions of all participating employers. At June 30, 2025, the System’s proportion of the HIS Plan was 0.029157%, which was an increase of 0.001278% from its proportion measured as of June 30, 2024.

For the year ended September 30, 2025, the County recognized HIS Plan pension expense of ($93,093). At September 30, 2025, the County reported deferred outflows and deferred inflows of resources related to the HIS Plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 22,308	$ 5,928
Changes of assumptions	33,077	903,920
Net difference between projected and actual investment earnings on pension plan investments	-	3,110
Changes in proportion and difference between employer contributions and proportionate share of contributions	417,666	104,335
County contributions subsequent to the measurement date	67,636	-
Total	$ 540,687	$ 1,017,293

$67,636 of deferred outflows resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended September 30, 2026.

Note 3: RETIREMENT PLANS (Continued)

Health Insurance Subsidy Program (continued)

Amounts reported as deferred outflows and deferred inflows of resources related to the HIS Plan will be recognized in the pension's expense as follows:

For the years ending September 30,	Deferred Outflows of Resources	Deferred Inflows of Resources	Pension Expense, Net
2026	$ 98,553	$ 212,066	$ (113,513)
2027	98,553	212,066	(113,513)
2028	98,553	212,066	(113,513)
2029	98,553	212,064	(113,511)
2030	78,839	169,031	(90,192)
Total	$ 473,051	$ 1,017,293	$ (544,242)

The total pension liability for the HIS Plan was determined by an actuarial valuation as of June 30, 2025 using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.40%
Investment rate of return*	5.20%
Projected salary increases	3.50%

* Net of pension plan investment expense

The actuarial assumptions used in the actuarial valuation as of June 30, 2025 for the HIS Plan were based on the results of an investigation of the economic and demographic experience for the Florida Retirement System ("FRS") based upon participant data for the period July 1, 2018 to June 30, 2023.

Mortality rates were based on the Generational PUB-2010 with Projected Scale MP-2021.

The long-term expected rate of return for the HIS Plan investments was based on the Bond Buyer General Obligation 20-Bond Municipal Bond Index.

Discount rate. The discount rate used to measure the total pension liability for the HIS Plan was 5.20%. In general, the discount rate for calculating the total pension liability is equal to the single rate equivalent to discounting at the long-term expected rate of return for benefit payments prior to the projected depletion date. Because the HIS benefit is essentially funded on a pay-as-you-go basis, the depletion rate is considered to be immediate, and the single equivalent discount rate is equal to the municipal bond rate selected by the HIS Plan sponsor. The Bond Buyer General Obligation 20-Bond Municipal Bond Index was adopted as the applicable municipal bond index.

Note 3: RETIREMENT PLANS (Continued)

Health Insurance Subsidy Program (continued)

Sensitivity of the County*'s proportionate share of the net pension liability to changes in the discount rate*. The following table presents the County's proportionate share of the net pension liability calculated using the discount rate of 5.20% for the HIS Plan as well as what the County's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (4.20%) or 1-percentage point higher (6.20%) than the current rate:

	1% Decrease (4.20%)	Current Discount Rate (5.20%)	1% Increase (6.20%)
Governmental Employer's proportionate share of the net pension liability	$ 4,214,235	$ 3,737,147	$ 3,337,022

Pension plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in the separately issued System Annual Comprehensive Financial Report for the fiscal year ended June 30, 2025. The supporting actuarial information is included in the GASB Statement No. 68 *Report for the System* prepared as of June 30, 2025. The auditor's report dated January 9, 2026 on the total pension liability, total deferred outflows of resources, total deferred inflows of resources, total pension expense for the sum of all participating entities as of June 30, 2025 along with supporting schedules is also available. The additional financial and actuarial information is available from the following website:

http://www.dms.myflorida.com/workforce_operations/retirement/publications.

Note 4: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

Plan Description

The County administers a single-employer defined benefit healthcare plan (the "Plan"). In accordance with Section 112.0801 of the Florida Statutes, because Washington County provides a medical plan to active employees of the County and their eligible dependents, the County is also required to provide retirees with the opportunity to participate in this Plan. The Plan provides healthcare benefits including medical coverage and life insurance coverage to both active and eligible retired employees. The Plan does not issue a publicly available financial report.

Note 4: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Continued)

Plan Description (continued)

Eligibility for participation in the Plan is limited to full-time employees of the Board and the Constitutional officers. For regular, senior management service and elected officials, participants are eligible for normal retirement upon attaining the earlier of 1) six years of service and age 62 or 2) 30 years of service regardless of age. For Special Risk, participants are eligible for normal retirement upon attaining the earlier of 1) six years of special risk service and age 55 or 2) 25 total years of service consisting both of special risk service and up to four years of military service and age 52 or 3) 25 total years of special risk service, regardless of age or 4) 30 years of any credible service, regardless of age.

The County provides post-employment healthcare and life insurance to its retirees. Health benefits are provided through the County's healthcare provider, Blue Cross Blue Shield of Florida (BCBSFL). The benefit levels are the same as those afforded to active employees. Health benefits include inpatient and outpatient medical services and prescriptions. Upon a retiree reaching 65 years of age, Medicare becomes the primary insurer and the County's plan becomes secondary.

Funding Policy

A qualifying trust or agency fund has not been authorized by the County. The County negotiates the premium rates with BCBSFL. The required contribution is based on pay-as-you-go financing requirements. Upon a retiree or beneficiary reaching age 65 years of age, they are required to contribute 100% of their current premium costs. Prior to a retiree or beneficiary reaching age 65 years of age, the County pays a portion of the premium and the beneficiary is required to pay the remainder. The County contributes the remainder to cover the costs of providing the benefits to the retirees.

Membership

At September 30, 2025, there were no terminated employees entitled to benefits but not yet receiving them. The membership of the Plan consisted of:

Active employees	201
Retirees and beneficiaries currently receiving benefits	7
Total membership	208
Participating employers	1

Note 4: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Continued)

Total OPEB Liability

The County's total OPEB liability is reported herein as of September 30, 2025 for the County's fiscal year and reporting period of October 1, 2024 to September 30, 2025. The values shown for this fiscal year and reporting period are based on a measurement date of September 30, 2025 and the corresponding measurement period of October 1, 2024 to September 30, 2025. The measurement of the total OPEB liability is based on a valuation date of October 1, 2024. The following shows the changes in the County's total OPEB liability:

	Total OPEB Liability (a)	Plan Fiduciary Net Pension (b)	Net OPEB Liability (a)+(b)
Balance as of September 30, 2024	$ 411,440	$ -	$ 411,440
Service cost	29,699	-	29,699
Interest cost	17,062	-	17,062
Changes in assumptions	(21,259)	-	(21,259)
Benefit payments	(2,787)	-	(2,787)
Net changes	22,715	-	22,715
Balance as of September 30, 2025	$ 434,155	$ -	$ 434,155

Sensitivity of the total OPEB liability to changes in the discount rate - The following represents the total OPEB liability of the County, as well as what the County's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1- percentage-point higher than the current discount rate:

	1% Decrease (3.50%)	Current Discount Rate (4.50%)	1% Increase (5.50%)
Total OPEB liability	$ 469,018	$ 434,155	$ 402,195

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates - The following represents the total OPEB liability of the County, as well as what the County's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower or 1-percentage-point higher than the current healthcare trend rates:

	1% Decrease (2.92%)	Medical Trend Rate (3.92%)	1% Increase (4.92%)
Total OPEB liability	$ 384,428	$ 434,155	$ 492,827

For the year ended September 30, 2025, the County recognized OPEB expense of $32,049.

Note 4: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Continued)

Total OPEB Liability (continued)

At September 30, 2025, the County reported deferred outflows of resources and deferred inflows of resources related to the OPEB Plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and acutal experience	$ 25,868	$ 50,607
Changes of assumptions	32,061	37,608
Total	$ 57,929	$ 88,215

Amounts reported as deferred outflows of resources related to OPEB will be recognized in OPEB expense as follows:

For the years ending September 30,	OPEB Expense, Net
2026	$ (11,151)
2027	(1,123)
2028	(1,687)
2029	(5,139)
2030	(4,266)
Thereafter	(6,920)
Total	$ (30,286)

Actuarial Methods and Assumptions - The valuation report dated February 9, 2026 for the fiscal year end date of September 30, 2025 was prepared using GAAP and practices, and relied on unaudited census data and medical claims data reported by the County. Projections of benefits for financial reporting purposes are based on the substantive plan (the Plan as understood by the employer and the Plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used included techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

Note 4: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Continued)

Total OPEB Liability (continued)

In the September 30, 2025 actuarial valuation, the entry age normal actuarial cost method was used to determine the Plan's funding liabilities and assets. The actuarial assumption included the following actuarial assumptions:

Inflation Rate	2.60%
Salary Increase Rate(s)	Varies by Service
Discount Rate	4.50%
Rate of Growth in Real Income/GDP per capita	1.40%
Excess Medical Growth	0.90%
Health Share of GDP Resistance Point	17.00%
Year of Limiting Cost Growth to GDP Growth	2075

The discount rate represents the S&P municipal bond 20-year high grade rate index at September 30, 2025. Mortality rates were based on the PUB-2010 Mortality Table (without income adjustments), with full generational improvements in mortality using Scale MP-2021.

Note 5: COMMITMENTS AND CONTINGENCIES

Grants - Grant monies received and disbursed by the County are for specific purposes and are subject to review by the grantor agencies. Such reviews may result in requests for reimbursement due to disallowed expenditures. The County is not aware of any potentially disallowed grant expenditures other than Hurricane Michael Funding from FEMA. There are currently ongoing discussions between FEMA and the County regarding resolution of this funding.

Construction Commitments - The County had open contract commitments for road construction projects as of September 30, 2025, as follows:

Contract amounts	$ 9,594,598
Amount expended through September 30, 2025	7,785,732
Remaining commitment on contract	$ 1,808,866

Note 6: RISK MANAGEMENT

The County is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. These risks are mitigated in several ways including participation in a public entity risk pool. The County maintains workers' compensation coverage, health insurance, automobile liability, property, and general liability coverage with Public Risk Management. The County pays yearly premiums to this pool which covers all losses incurred subject to policy and contract limitations and coverage.

Note 7: LITIGATION

The County is involved in several litigations and claims arising in the ordinary course of operations. In the opinion of management, the range of potential recoveries or liabilities would not materially affect the financial position of the County at September 30, 2025. Accordingly, no accruals for loss contingency have been made in the accompanying financial statements.

Note 8: CHANGE IN FUND PRESENTATION

During the current fiscal year, the Grant Funds met the criteria for classification as a major governmental fund and are presented separately in the fund financial statements. In the prior year, the Grant Funds were reported as a nonmajor governmental fund. The effect of the change on the presentation of the fund financial statements is shown below:

	Fund Financial Statements Governmental	
	Grant Funds	Nonmajor Governmental Funds
9/30/2024 fund balance as previously reported	$ -	$ 4,330,565
Change from nonmajor to major presentation	28,328	(28,328)
9/30/2024 fund balance as adjusted	$ 28,328	$ 4,302,237

Note 9: SUBSEQUENT EVENTS

On May 13, 2026, the Authority's Board voted to approve the transfer of the Highway 79 Corridor Authority to the City of Bonifay. The Authority is an independent special district and separate legal entity created by interlocal agreement among the City of Bonifay, Holmes County, and Washington County under Section 163.01, Florida Statutes. The Interlocal Agreement provides that the Authority may not be dissolved while Authority facilities are owned, operated, leased, or managed by the Authority or while Authority obligations remain outstanding, and that dissolution may occur only after disposition of Authority property and facilities and satisfaction of outstanding obligations in accordance with the agreement. The effective date and final terms of the transfer, including the disposition or assumption of assets, liabilities, commitments, and operations, had not been determined as of the date the financial statements were available to be issued. Because the transfer terms and effective date remain pending, the financial statement effect of the transfer cannot presently be estimated. No adjustments have been made to the September 30, 2025, financial statements as a result of this subsequent event.

Schedule of Employer's Proportionate Share of the Net Pension Liability
Florida Retirement System Pension Plan
Last Ten Fiscal Years

As of and for the year ended June 30,	**2025**	2024	2023	2022	2021	2020	2019	2018	2017	2016
Employer's proportion of the net pension liability (asset)	**0.043550%**	0.040572%	0.040461%	0.036531%	0.037063%	0.039836%	0.041004%	0.039312%	0.039422%	0.037700%
Employer's proportionate share of the net pension liability (asset)	**$ 13,515,752**	$ 15,695,068	$ 16,122,338	$ 13,592,323	$ 2,799,697	$ 17,265,847	$ 14,121,142	$ 11,840,927	$ 11,660,723	$ 9,508,368
Employer's covered payroll*	**$ 12,968,196**	$ 11,698,191	$ 10,958,518	$ 9,893,543	$ 8,208,854	$ 9,315,632	$ 8,854,312	$ 8,297,505	$ 7,956,177	$ 7,837,732
Employer's proportionate share of the net pension liability (asset) as a percentage of its own covered payroll	**104.22%**	134.17%	147.12%	137.39%	34.11%	185.34%	159.48%	142.70%	146.56%	121.32%
FRS Plan fiduciary net position as a percentage of the total pension liability	**87.26%**	83.70%	82.38%	82.89%	96.40%	78.85%	82.61%	84.26%	83.89%	84.88%

*Employer's covered payroll during the fiscal year is the total payroll paid to covered employees (not just pensionable payroll). The amounts for each fiscal year were determined as of June 30.

Schedule of Employer's Contributions
Florida Retirement System Pension Plan
Last Ten Fiscal Years

As of and for the year ended September 30,	**2025**	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually required contributions**	**$ 2,680,589**	$ 2,376,013	$ 1,946,425	$ 1,558,827	$ 1,411,944	$ 1,323,520	$ 1,271,414	$ 1,120,355	$ 1,028,157	$ 918,321
Contributions in relation to the contractually required contribution	**(2,680,589)**	(2,376,013)	(1,946,425)	(1,558,827)	(1,411,944)	(1,323,520)	(1,271,414)	(1,120,355)	(1,028,157)	(918,321)
Contribution deficiency (excess)	**$ -**	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Employer's covered payroll*	**$ 13,354,325**	$ 12,085,879	$ 11,288,691	$ 10,368,210	$ 8,667,835	$ 9,254,293	$ 8,784,277	$ 8,251,801	$ 7,956,177	$ 7,837,732
Contributions as a percentage of covered payroll	**20.07%**	19.66%	17.24%	15.03%	16.29%	14.30%	14.47%	13.58%	12.92%	11.72%

*Employer's covered payroll during the measurement period is the total payroll paid to covered employees (not just pensionable payroll). The amounts for each fiscal year were determined for the year ended September 30.

**The amount of contractually required contributions is equal to the amount that would be recognized as additions from the employer's contributions in the pension plan's schedule of changes in fiduciary net position during the period that coincides with the employer's fiscal year.

Schedule of Employer's Proportionate Share of the Net Pension Liability
Health Insurance Subsidy Program
Last Ten Fiscal Years

As of and for the year ended June 30,	**2025**	2024	2023	2022	2021	2020	2019	2018	2017	2016
Employer's proportion of the net pension liability (asset)	**0.029157%**	0.027879%	0.027698%	0.025744%	0.026014%	0.025674%	0.025516%	0.024207%	0.024003%	0.024000%
Employer's proportionate share of the net pension liability (asset)	**$ 3,737,147**	$ 4,182,056	$ 4,398,768	$ 2,726,652	$ 3,191,736	$ 3,134,744	$ 2,854,955	$ 2,562,065	$ 2,566,543	$ 2,792,437
Employer's covered payroll*	**$ 12,968,196**	$ 11,698,191	$ 10,958,518	$ 9,893,543	$ 8,208,854	$ 9,254,293	$ 8,854,312	$ 8,297,505	$ 7,956,177	$ 7,837,732
Employer's proportionate share of the net pension liability (asset) as a percentage of its own covered payroll	**28.82%**	35.75%	40.14%	27.56%	38.88%	33.87%	32.24%	30.88%	32.26%	35.63%
HIS Plan fiduciary net position as a percentage of the total pension liability	**6.36%**	4.80%	4.12%	4.81%	3.00%	3.00%	2.63%	2.15%	1.64%	0.97%

*Employer's covered payroll during the fiscal year is the total payroll paid to covered employees (not just pensionable payroll). The amounts for each fiscal year were determined as of June 30.

Schedule of Employer's Contributions
Health Insurance Subsidy Program
Last Ten Fiscal Years

As of and for the year ended September 30,	**2025**	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually required contributions**	**$ 265,410**	$ 241,407	$ 182,199	$ 155,771	$ 152,909	$ 147,947	$ 141,686	$ 131,274	$ 125,880	$ 122,810
Contributions in relation to the contractually required contribution	**(265,410)**	(241,407)	(182,199)	(155,771)	(152,909)	(147,947)	(141,686)	(131,274)	(125,880)	(122,810)
Contribution deficiency (excess)	**$ -**	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Employer's covered payroll*	**$ 13,354,325**	$ 12,085,879	$ 11,288,691	$ 10,368,210	$ 8,667,835	$ 9,254,293	$ 8,784,277	$ 8,251,801	$ 7,956,177	$ 7,837,732
Contributions as a percentage of covered payroll	**1.99%**	2.00%	1.61%	1.50%	1.76%	1.60%	1.61%	1.59%	1.58%	1.57%

*Employer's covered payroll during the measurement period is the total payroll paid to covered employees (not just pensionable payroll). The amounts for each fiscal year were determined for the year ended September 30.

**The amount of contractually required contributions is equal to the amount that would be recognized as additions from the employer's contributions in the pension plan's schedule of changes in fiduciary net position during the period that coincides with the employer's fiscal year.

Schedule of Changes in Total OPEB Liability and Related Ratios
Last Eight Fiscal Years*

As of and for the year ended September 30,	**2025**	2024	2023	2022	2021	2020	2019	2018
Total OPEB Liability								
Service cost	**$ 29,699**	$ 35,309	$ 34,979	$ 39,192	$ 36,711	$ 32,409	$ 26,655	$ 26,894
Interest	**17,062**	18,056	16,881	7,590	7,787	11,143	14,444	13,497
Differences between expected and actual experience	**-**	(46,741)	-	60,356	-	(108,882)	-	1,998
Changes of assumptions	**(21,259)**	33,875	(6,093)	(36,219)	3,943	13,911	28,303	(8,137)
Benefit payments	**(2,787)**	(38,086)	(40,810)	(26,813)	(23,178)	(38,176)	(44,493)	(39,002)
Net change in total OPEB liability	**22,715**	2,413	4,957	44,106	25,263	(89,595)	24,909	(4,750)
Total OPEB liability - beginning	**411,440**	409,027	404,070	359,964	334,701	424,296	399,387	404,137
Total OPEB liability - ending (a)	**$ 434,155**	$ 411,440	$ 409,027	$ 404,070	$ 359,964	$ 334,701	$ 424,296	$ 399,387
Plan Fiduciary Net Position								
Contributions - employer	**$ 2,787**	$ 38,086	$ 40,810	$ 26,813	$ 23,178	$ 38,176	$ 44,493	$ 39,002
Benefit payments	**(2,787)**	(38,086)	(40,810)	(26,813)	(23,178)	(38,176)	(44,493)	(39,002)
Net change in plan fiduciary net position	**-**	-	-	-	-	-	-	-
Plan fiduciary net position - beginning	**-**	-	-	-	-	-	-	-
Plan fiduciary net position - ending (b)	**-**	-	-	-	-	-	-	-
Total OPEB liability - ending (a) - (b)	**$ 434,155**	$ 411,440	$ 409,027	$ 404,070	$ 359,964	$ 334,701	$ 424,296	$ 399,387
Plan fiduciary net position as a percentage of the total OPEB liability	**0.00%**	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Covered-employee payroll	**$ 13,354,325**	$ 12,085,879	$ 11,288,691	$ 10,368,210	$ 8,667,835	$ 9,254,293	$ 8,784,277	$ 8,251,801
Total OPEB liability as a percentage of covered-employee payroll	**3.25%**	3.40%	3.62%	3.90%	4.15%	3.62%	4.83%	4.84%
Contributions as a percentage of covered-employee payroll	**0.02%**	0.32%	0.36%	0.26%	0.27%	0.41%	0.51%	0.47%

* This schedule is intended to show information for 10 years. Additional years will be presented as they become available.

NOTES TO REQUIRED SUPPLEMENTAL INFORMATION

Note 1: OTHER POSTEMPLOYMENT BENEFITS PLAN

The defined benefit OPEB plan does not have any assets accumulated in a trust that meets the criteria of GASB codification P22.101 or P52.101 to pay related benefits for the pension OPEB Plan.

The following actuarial assumptions changed in 2025:

- The discount rate increased from 3.88% to 4.50%.
- The discount rate was updated based on the S&P municipal bond 20-year high grade rate index instead of the Fidelity 20-year municipal general obligation AA bond (Municipal GO AA) index.

Note 2: FLORIDA RETIREMENT SYSTEMS (FRS)

The following actuarial assumptions changed in 2025:

- None.

Note 3: HEALTH INSURANCE SUBSIDY PROGRAM (HIS)

The following actuarial assumptions changed in 2025:

- All demographic assumptions and methods were reviewed as part of the 2024 Experience Study. Changes were adopted by the 2024 FRS Actuarial Assumption Conference during its meetings in October 2024.
- The assumption changes were updated to reflect recent and anticipated future experience of HIS program participants. Changes were adopted by the 2025 FRS Actuarial Assumption Conference during its October 2025 meeting.
- The discount rate was modified to reflect the change in the value of the municipal bond index between GASB measurement dates.

	Special Revenue Funds		
September 30, 2025	Public Library	Small Counties Grant	Fines & Forfeiture
Assets			
Cash and cash equivalents	$ 31,663	$ 13,364	$ 251,611
Accounts receivable, net	-	-	-
Due from other funds	97,551	-	11,726
Due from other governments	20,889	47,595	86,190
Total assets	$ 150,103	$ 60,959	$ 349,527
Liabilities and Fund Balances			
Liabilities			
Accounts payable and accrued expenses	$ 21,176	$ 8,374	$ 37,239
Due to other funds	141,769	59,029	152,492
Due to other governments	9,558	-	139,543
Unearned revenue	-	-	-
Total liabilities	172,503	67,403	329,274
Fund balances			
Restricted	-	-	20,253
Committed	-	-	-
Assigned	-	-	-
Unassigned (deficit)	(22,400)	(6,444)	-
Total fund balances (deficit)	(22,400)	(6,444)	20,253
Total liabilities and fund balances (deficit)	$ 150,103	$ 60,959	$ 349,527

Thirty Dollar Surcharge	Countywide Flooding	Civil Fee	Local Housing Assistance Trust (SHIP)	Emergency Medical Service
$ 181,224	$ -	$ 13,918	$ 461,311	$ 63,358
5,738	-	-	-	433,449
-	-	-	-	-
-	-	-	-	-
$ 186,962	$ -	$ 13,918	$ 461,311	$ 496,807
$ 925	$ -	$ -	$ -	$ 93,437
3,028	-	-	-	-
-	-	13,918	-	39,927
-	-	-	403,259	108,988
3,953	-	13,918	403,259	242,352
183,009	-	-	58,052	-
-	-	-	-	-
-	-	-	-	254,455
-	-	-	-	-
183,009	-	-	58,052	254,455
$ 186,962	$ -	$ 13,918	$ 461,311	$ 496,807

Washington County, Florida
Combining Balance Sheet (Continued) – Nonmajor Governmental Funds

	Special Revenue Funds		
September 30, 2025	Municipal Service Business Unit	Fire Operation	Radio Communication
Assets			
Cash and cash equivalents	$ 601,371	$ 656,526	$ 31,689
Accounts receivable, net	3,504	-	1,937
Due from other funds	-	-	1,923
Due from other governments	-	-	-
Total assets	$ 604,875	$ 656,526	$ 35,549
Liabilities and Fund Balances			
Liabilities			
Accounts payable and accrued expenses	$ 320,789	$ 43,152	$ -
Due to other funds	3,281	21,673	-
Due to other governments	-	63,193	-
Unearned revenue	-	-	-
Total liabilities	324,070	128,018	-
Fund balances			
Restricted	-	-	35,549
Committed	280,805	528,508	-
Assigned	-	-	-
Unassigned (deficit)	-	-	-
Total fund balances (deficit)	280,805	528,508	35,549
Total liabilities and fund balances (deficit)	$ 604,875	$ 656,526	$ 35,549

	Law Enforcement Trust Fund III		Special Projects Impact		Law Enforcement Trust Fund I		Arthropod Control		Choose Life Tag
$	52,291	$	641,356	$	421	$	86,663	$	1,901
	-		5,832		-		-		-
	25,859		28,188		-		16,870		-
	-		-		-		-		-
$	78,150	$	675,376	$	421	$	103,533	$	1,901
$	-	$	-	$	-	$	2,273	$	-
	-		-		-		886		-
	-		-		-		-		-
	-		-		-		-		-
	-		-		-		3,159		-
	78,150		675,376		421		-		-
	-		-		-		100,374		-
	-		-		-		-		1,901
	-		-		-		-		-
	78,150		675,376		421		100,374		1,901
$	78,150	$	675,376	$	421	$	103,533	$	1,901

	Special Revenue Funds		
September 30, 2025	E911	Police Education	Hunter Park
Assets			
Cash and cash equivalents	$ 327,336	$ 31,191	$ -
Accounts receivable, net	-	282	-
Due from other funds	1,025	215	-
Due from other governments	51,437	-	-
Total assets	$ 379,798	$ 31,688	$ -
Liabilities and Fund Balances			
Liabilities			
Accounts payable and accrued expenses	$ 15,209	$ -	$ -
Due to other funds	189,392	-	-
Due to other governments	-	-	-
Unearned revenue	-	-	-
Total liabilities	204,601	-	-
Fund balances			
Restricted	-	-	-
Committed	-	31,688	-
Assigned	175,197	-	-
Unassigned (deficit)	-	-	-
Total fund balances (deficit)	175,197	31,688	-
Total liabilities and fund balances (deficit)	$ 379,798	$ 31,688	$ -

	Tourist Development Tax		Emergency Management Enhancement		EMPG Grant		Criminal Education		Cost of Incarceration
$	75	$	2,203	$	-	$	35,184	$	36,459
	-		-		-		465		250
	-		-		-		460		45
	9,205		-		20,520		-		-
$	9,280	$	2,203	$	20,520	$	36,109	$	36,754
$	2,112	$	1,974	$	-	$	-	$	-
	11,726		79		19,098		-		-
	-		-		-		-		-
	-		-		-		-		-
	13,838		2,053		19,098		-		-
	-		150		-		36,109		36,754
	-		-		-		-		-
	-		-		-		-		-
	(4,558)		-		1,422		-		-
	(4,558)		150		1,422		36,109		36,754
$	9,280	$	2,203	$	20,520	$	36,109	$	36,754

		Special Revenue Funds	
September 30, 2025	Crime Prevention	Article V Technology	Sixty-Five Dollar Surcharge
Assets			
Cash and cash equivalents	$ 81,723	$ 146,514	$ 319,848
Accounts receivable, net	747	4,012	1,626
Due from other funds	745	-	-
Due from other governments	-	-	-
Total assets	$ 83,215	$ 150,526	$ 321,474
Liabilities and Fund Balances			
Liabilities			
Accounts payable and accrued expenses	$ -	$ 3,517	$ 1,235
Due to other funds	-	-	-
Due to other governments	-	-	-
Unearned revenue	-	-	-
Total liabilities	-	3,517	1,235
Fund balances			
Restricted	83,215	147,009	320,239
Committed	-	-	-
Assigned	-	-	-
Unassigned (deficit)	-	-	-
Total fund balances (deficit)	83,215	147,009	320,239
Total liabilities and fund balances (deficit)	$ 83,215	$ 150,526	$ 321,474

EMPA Grant	Probation	Fire Impact Fees	Boat Ramp	Building Department
$ -	$ 101,812	$ 63,925	$ 24,082	$ 734,265
-	4,374	640	580	13,682
-	4,820	3,091	-	-
24,164	-	-	-	-
$ 24,164	$ 111,006	$ 67,656	$ 24,662	$ 747,947
$ 3,046	$ 1,571	$ -	$ -	$ 15,126
44,712	-	-	-	34,575
-	-	-	-	-
-	-	-	-	-
47,758	1,571	-	-	49,701
-	109,435	-	-	-
-	-	-	24,662	698,246
-	-	67,656	-	-
(23,594)	-	-	-	-
(23,594)	109,435	67,656	24,662	698,246
$ 24,164	$ 111,006	$ 67,656	$ 24,662	$ 747,947

	Special Revenue Funds		
September 30, 2025	Inmate Welfare	EMS Impact Fees	Public Records Modernization Trust
Assets			
Cash and cash equivalents	$ 407,011	$ 19,165	$ 105,632
Accounts receivable, net	-	450	-
Due from other funds	-	2,174	40,496
Due from other governments	-	-	-
Total assets	$ 407,011	$ 21,789	$ 146,128
Liabilities and Fund Balances			
Liabilities			
Accounts payable and accrued expenses	$ 4,255	$ -	$ -
Due to other funds	-	-	11,726
Due to other governments	22,243	-	-
Unearned revenue	-	-	-
Total liabilities	26,498	-	11,726
Fund balances			
Restricted	380,513	21,789	134,402
Committed	-	-	-
Assigned	-	-	-
Unassigned (deficit)	-	-	-
Total fund balances (deficit)	380,513	21,789	134,402
Total liabilities and fund balances (deficit)	$ 407,011	$ 21,789	$ 146,128

					Debt Service Fund	
Law Enforcement Trust Fund II	EMS Special Revenue	Hurricane Helene	Public Safety Grant	Grant Funds (formerly nonmajor)	Series 2009 A & B Debt Service	Total Nonmajor Governmental Funds
$ 54,056	$ 2,648	$ -	$ 41,746	$ -	$ -	$ 5,623,542
-	-	-	-	-	-	477,568
-	-	-	-	-	-	235,188
-	-	118,045	-	-	-	378,045
$ 54,056	$ 2,648	$ 118,045	$ 41,746	$ -	$ -	$ 6,714,343
$ -	$ -	$ -	$ -	$ -	$ -	$ 575,410
-	-	118,045	41,746	-	-	853,257
-	-	-	-	-	-	288,382
-	-	-	-	-	-	512,247
-	-	118,045	41,746	-	-	2,229,296
54,056	2,648	-	-	-	-	2,377,129
-	-	-	-	-	-	1,664,283
-	-	-	-	-	-	499,209
-	-	-	-	-	-	(55,574)
54,056	2,648	-	-	- -	-	4,485,047
$ 54,056	$ 2,648	$ 118,045	$ 41,746	$ -	$ -	$ 6,714,343

Washington County, Florida
Combining Statement of Revenues, Expenditures and Changes in Fund Balances– Nonmajor Governmental Funds

	Special Revenue Funds		
For the year ended September 30, 2025	Public Library	Small Counties Grant	Fines & Forfeiture
Revenues			
Taxes	$ -	$ -	$ -
Licenses and permits	-	-	-
Intergovernmental	254,667	93,750	752,978
Charges for services	-	-	361,458
Fines and forfeitures	-	-	154,464
Investment earnings	590	121	1,293
Miscellaneous revenues	86,661	36,331	963
Total revenues	341,918	130,202	1,271,156
Expenditures			
Current			
General government	-	-	1,114,857
Public health and safety	-	-	-
Physical environment	-	196,646	-
Transportation	-	-	-
Economic environment	-	-	-
Human services	-	-	-
Culture and recreation	919,387	-	-
Court related	-	-	-
Capital outlay	-	-	-
Debt service			
Principal	5,500	-	-
Interest and other charges	6,198	-	-
Total expenditures	931,085	196,646	1,114,857
Excess (deficiency) of revenues over (under) expenditures	(589,167)	(66,444)	156,299
Other Financing Sources (Uses)			
Proceeds from issuance of debt	-	-	-
Transfers in	589,167	60,000	-
Transfers out	-	-	(116,786)
Reversion to State of Florida	-	-	(135,454)
Net other financing sources (uses)	589,167	60,000	(252,240)
Net change in fund balances	-	(6,444)	(95,941)
Fund balances (deficit), beginning of year	(22,400)	-	116,194
Adjustments	-	-	-
Fund balances (deficit), beginning of year after adjustments	(22,400)	-	116,194
Fund balances (deficit), end of year	$ (22,400)	$ (6,444)	$ 20,253

Thirty Dollar Surcharge	Countywide Flooding	Civil Fee	Local Housing Assistance Trust (SHIP)	Emergency Medical Service
$ -	$ -	$ -	$ -	$ -
-	-	-	-	-
-	-	-	828,286	18,479
62,800	-	57,468	-	1,509,067
-	-	-	-	-
6,283	-	-	4,523	-
-	-	-	6,979	6,000
69,083	-	57,468	839,788	1,533,546
-	-	-	-	-
-	-	630	-	3,038,878
-	21,614	-	-	-
-	-	-	-	-
-	-	-	839,788	-
-	-	-	-	-
-	-	-	-	-
78,919	-	-	-	-
-	-	-	-	310,911
-	-	-	-	73,698
-	-	-	-	27,900
78,919	21,614	630	839,788	3,451,387
(9,836)	(21,614)	56,838	-	(1,917,841)
-	-	-	-	232,905
-	21,614	-	-	1,535,744
-	-	(56,838)	-	(9,171)
-	-	-	-	-
-	21,614	(56,838)	-	1,759,478
(9,836)	-	-	-	(158,363)
192,845	-	-	58,052	412,818
-	-	-	-	-
192,845	-	-	58,052	412,818
$ 183,009	$ -	$ -	$ 58,052	$ 254,455

	Special Revenue Funds		
For the year ended September 30, 2025	Municipal Service Business Unit	Fire Operation	Radio Communication
Revenues			
Taxes	$ 751,733	$ -	$ -
Licenses and permits	-	-	-
Intergovernmental	-	951,584	-
Charges for services	-	-	20,446
Fines and forfeitures	-	-	-
Investment earnings	7,405	3,169	408
Miscellaneous revenues	-	-	6,180
Total revenues	759,138	954,753	27,034
Expenditures			
Current			
General government	-	-	-
Public health and safety	-	730,779	53,720
Physical environment	-	-	-
Transportation	-	-	-
Economic environment	896,345	-	-
Human services	-	-	-
Culture and recreation	-	-	-
Court related	-	-	-
Capital outlay	-	925,022	-
Debt service			
Principal	-	-	-
Interest and other charges	-	-	-
Total expenditures	896,345	1,655,801	53,720
Excess (deficiency) of revenues over (under) expenditures	(137,207)	(701,048)	(26,686)
Other Financing Sources (Uses)			
Proceeds from issuance of debt	-	-	-
Transfers in	-	667,244	-
Transfers out	-	-	(17,413)
Reversion to State of Florida	-	-	-
Net other financing sources (uses)	-	667,244	(17,413)
Net change in fund balances	(137,207)	(33,804)	(44,099)
Fund balances (deficit), beginning of year	418,012	562,312	79,648
Adjustments	-	-	-
Fund balances (deficit), beginning of year after adjustments	418,012	562,312	79,648
Fund balances (deficit), end of year	$ 280,805	$ 528,508	$ 35,549

	Law Enforcement Trust Fund III	Special Projects Impact	Law Enforcement Trust Fund I	Arthropod Control	Choose Life Tag
	$ -	$ -	$ -	$ -	$ -
	-	261,862	-	-	-
	-	-	-	81,524	-
	27,144	-	-	-	-
	-	-	-	-	-
	124	5,736	-	912	19
	-	-	-	-	-
	27,268	267,598	-	82,436	19
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	77,902	-
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	77,902	-
	27,268	267,598	-	4,534	19
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
	27,268	267,598	-	4,534	19
	50,882	407,778	421	95,840	1,882
	-	-	-	-	-
	50,882	407,778	421	95,840	1,882
	$ 78,150	$ 675,376	$ 421	$ 100,374	$ 1,901

Washington County, Florida
Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Continued) – Nonmajor Governmental Funds

	Special Revenue Funds		
For the year ended September 30, 2025	E911	Police Education	Hunter Park
Revenues			
Taxes	$ -	$ -	$ -
Licenses and permits	-	-	-
Intergovernmental	317,082	-	-
Charges for services	192,212	2,760	-
Fines and forfeitures	-	-	-
Investment earnings	2,036	1,697	-
Miscellaneous revenues	10,775	-	-
Total revenues	522,105	4,457	-
Expenditures			
Current			
General government	-	-	-
Public health and safety	518,347	-	-
Physical environment	-	-	-
Transportation	-	-	-
Economic environment	-	-	-
Human services	-	-	-
Culture and recreation	-	-	264
Court related	-	-	-
Capital outlay	42,729	-	-
Debt service			
Principal	-	-	-
Interest and other charges	-	-	-
Total expenditures	561,076	-	264
Excess (deficiency) of revenues over (under) expenditures	(38,971)	4,457	(264)
Other Financing Sources (Uses)			
Proceeds from issuance of debt	-	-	-
Transfers in	17,413	-	264
Transfers out	-	-	-
Reversion to State of Florida	-	-	-
Net other financing sources (uses)	17,413	-	264
Net change in fund balances	(21,558)	4,457	-
Fund balances (deficit), beginning of year	196,755	27,231	-
Adjustments	-	-	-
Fund balances (deficit), beginning of year after adjustments	196,755	27,231	-
Fund balances (deficit), end of year	$ 175,197	$ 31,688	$ -

Tourist Development Tax	Emergency Management Enhancement	EMPG Grant	Criminal Education	Cost of Incarceration
$ 114,363	$ -	$ -	$ -	$ -
-	-	-	-	-
-	-	48,727	-	-
-	-	-	5,055	2,127
-	-	-	-	-
151	-	-	-	-
-	-	-	-	-
114,514	-	48,727	5,055	2,127
-	-	-	-	-
-	93,362	-	-	-
-	-	-	-	-
-	-	-	-	-
142,950	-	48,727	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
142,950	93,362	48,727	-	-
(28,436)	(93,362)	-	5,055	2,127
-	-	-	-	-
-	81,675	1,422	-	-
-	(1,422)	-	-	-
-	-	-	-	-
-	80,253	1,422	-	-
(28,436)	(13,109)	1,422	5,055	2,127
23,878	13,259	-	31,054	34,627
-	-	-	-	-
23,878	13,259	-	31,054	34,627
$ (4,558)	$ 150	$ 1,422	$ 36,109	$ 36,754

Washington County, Florida
Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Continued) – Nonmajor Governmental Funds

	Special Revenue Funds		
For the year ended September 30, 2025	Crime Prevention	Article V Technology	Sixty-Five Dollar Surcharge
Revenues			
Taxes	$ -	$ -	$ -
Licenses and permits	-	-	-
Intergovernmental	-	-	-
Charges for services	8,368	46,326	19,589
Fines and forfeitures	-	-	-
Investment earnings	-	-	-
Miscellaneous revenues	-	-	-
Total revenues	8,368	46,326	19,589
Expenditures			
Current			
General government	-	-	-
Public health and safety	-	-	-
Physical environment	-	-	-
Transportation	-	-	-
Economic environment	-	-	-
Human services	-	-	-
Culture and recreation	-	-	-
Court related	-	12,019	21,527
Capital outlay	-	-	-
Debt service			
Principal	-	-	-
Interest and other charges	-	-	-
Total expenditures	-	12,019	21,527
Excess (deficiency) of revenues over (under) expenditures	8,368	34,307	(1,938)
Other Financing Sources (Uses)			
Proceeds from issuance of debt	-	-	-
Transfers in	-	-	-
Transfers out	-	-	-
Reversion to State of Florida	-	-	-
Net other financing sources (uses)	-	-	-
Net change in fund balances	8,368	34,307	(1,938)
Fund balances (deficit), beginning of year	74,847	112,702	322,177
Adjustments	-	-	-
Fund balances (deficit), beginning of year after adjustments	74,847	112,702	322,177
Fund balances (deficit), end of year	$ 83,215	$ 147,009	$ 320,239

EMPA Grant	Probation	Fire Impact Fees	Boat Ramp	Building Department
$ -	$ -	$ -	$ -	$ -
-	-	27,353	-	791,364
111,545	-	-	-	-
-	53,852	-	-	-
-	-	-	-	-
-	1,139	-	194	6,766
-	-	-	7,855	13,552
111,545	54,991	27,353	8,049	811,682
129,971	-	-	-	-
-	-	-	-	448,619
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	72,419	-	-	-
-	-	-	-	56,611
-	-	-	-	-
-	-	-	-	-
129,971	72,419	-	-	505,230
(18,426)	(17,428)	27,353	8,049	306,452
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
(18,426)	(17,428)	27,353	8,049	306,452
(5,168)	126,863	40,303	16,613	391,794
-	-	-	-	-
(5,168)	126,863	40,303	16,613	391,794
$ (23,594)	$ 109,435	$ 67,656	$ 24,662	$ 698,246

Washington County, Florida
Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Continued) – Nonmajor Governmental Funds

	Special Revenue Funds		
For the year ended September 30, 2025	Inmate Welfare	EMS Impact Fees	Public Records Modernization Trust
Revenues			
Taxes	$ -	$ -	$ -
Licenses and permits	-	23,110	-
Intergovernmental	-	-	-
Charges for services	181,843	-	70,705
Fines and forfeitures	-	-	-
Investment earnings	988	-	664
Miscellaneous revenues	2,161	-	-
Total revenues	184,992	23,110	71,369
Expenditures			
Current			
General government	-	-	48,632
Public health and safety	128,078	-	-
Physical environment	-	-	-
Transportation	-	-	-
Economic environment	-	-	-
Human services	-	-	-
Culture and recreation	-	-	-
Court related	-	-	-
Capital outlay	7,700	-	-
Debt service			
Principal	-	-	-
Interest and other charges	-	-	-
Total expenditures	135,778	-	48,632
Excess (deficiency) of revenues over (under) expenditures	49,214	23,110	22,737
Other Financing Sources (Uses)			
Proceeds from issuance of debt	-	-	-
Transfers in	-	-	-
Transfers out	(9,169)	(19,275)	-
Reversion to State of Florida	-	-	-
Net other financing sources (uses)	(9,169)	(19,275)	-
Net change in fund balances	40,045	3,835	22,737
Fund balances (deficit), beginning of year	340,468	17,954	111,665
Adjustments	-	-	-
Fund balances (deficit), beginning of year after adjustments	340,468	17,954	111,665
Fund balances (deficit), end of year	$ 380,513	$ 21,789	$ 134,402

					Debt Service Fund	
Law Enforcement Trust Fund II	EMS Special Revenue	Hurricane Helene	Public Safety Grant	Grant Funds (formerly nonmajor)	Series 2009 A & B Debt Service	Total Nonmajor Governmental Funds
$ -	$ -	$ -	$ -	$ -	$ -	$ 866,096
-	-	-	-	-	-	1,103,689
-	-	118,045	-	-	-	3,576,667
-	14,725	-	-	-	-	2,635,945
-	-	-	-	-	-	154,464
1,215	-	-	-	-	-	45,433
-	-	-	-	-	-	177,457
1,215	14,725	118,045	-	-	-	8,559,751
-	-	-	-	-	-	1,293,460
-	12,077	-	-	-	-	5,024,490
-	-	-	-	-	-	218,260
-	-	84,035	-	-	-	84,035
-	-	-	-	-	-	1,927,810
-	-	-	-	-	-	77,902
-	-	-	-	-	-	919,651
-	-	-	-	-	-	184,884
-	-	-	-	-	-	1,342,973
-	-	-	-	-	1,792,021	1,871,219
-	-	-	-	-	45,110	79,208
-	12,077	84,035	-	-	1,837,131	13,023,892
1,215	2,648	34,010	-	-	(1,837,131)	(4,464,141)
-	-	-	-	-	-	232,905
-	-	-	-	-	1,837,131	4,811,674
(32,100)	-	-	-	-	-	(262,174)
-	-	-	-	-	-	(135,454)
(32,100)	-	-	-	-	1,837,131	4,646,951
(30,885)	2,648	34,010	-	-	-	182,810
84,941	-	(34,010)	-	28,328	-	4,330,565
-	-	-	-	(28,328)	-	(28,328)
84,941	-	(34,010)	-	-	-	4,302,237
$ 54,056	$ 2,648	$ -	$ -	$ -	$ -	$ 4,485,047

Washington County, Florida
Combining Statement of Fiduciary Net Position – Custodial Funds

	Clerk of the Circuit Court		
September 30, 2025	General Trust	Child Support	Jury and Witness
Assets			
Cash and cash equivalents	$ 237,723	$ 9,600	$ -
Due from other governments	2,933	-	4,089
Total assets	$ 240,656	$ 9,600	$ 4,089
Liabilities			
Bank overdraft (stale checks)	$ -	$ -	$ 2,176
Due to other funds	150,114	7,628	-
Due to other governments	90,542	1,972	1,913
Total liabilities	240,656	9,600	4,089
Net Position			
Restricted	-	-	-
Total liabilities and net position	$ 240,656	$ 9,600	$ 4,089

	Tax Deeds	Cash Bonds	Registry of Court	Dependency Mediation
	$ 621,623	$ 27,162	$ 385,780	$ 3,416
	-	-	-	-
	$ 621,623	$ 27,162	$ 385,780	$ 3,416
	$ -	$ -	$ -	$ -
	616,471	27,000	378,232	3,400
	5,152	162	7,548	16
	621,623	27,162	385,780	3,416
	-	-	-	-
	$ 621,623	$ 27,162	$ 385,780	$ 3,416

	Sheriff	
September 30, 2025	Forfeiture Fund	Inmate Trust
Assets		
Cash and cash equivalents	$ 86,367	$ 27,771
Due from other governments	-	-
Total assets	$ 86,367	$ 27,771
Liabilities		
Bank overdraft (stale checks)	$ -	$ -
Due to other funds	-	-
Due to other governments	-	-
Total liabilities	-	-
Net Position		
Restricted	86,367	27,771
Total liabilities and net position	$ 86,367	$ 27,771

	Tax Collector			
	Escrow	Tag	Tax	Total
	$ 246,978	$ 11	$ 42,356	$ 1,688,787
	-	-	-	7,022
	$ 246,978	$ 11	$ 42,356	$ 1,695,809
	$ -	$ -	$ -	$ 2,176
	-	-	-	1,182,845
	246,978	11	42,356	396,650
	246,978	11	42,356	1,581,671
	-	-	-	114,138
	$ 246,978	$ 11	$ 42,356	$ 1,695,809

Washington County, Florida
Combining Statement of Changes in Fiduciary Net Position – Custodial Funds

	Clerk of the Circuit Court		
For the year ended September 30, 2025	General Trust	Child Support	Jury and Witness
Additions			
Clerk of circuit and county courts revenue	$ 8,997,147	$ 51,718	$ 1,890
Tax collections, auto tag fees, and other fees for other governments	-	-	-
Collections for others	-	-	-
Total additions	8,997,147	51,718	1,890
Deductions			
Current			
Payments of clerk of circuit and county courts distributions to other governments	8,997,147	51,718	1,890
Payments of tax, auto tag fees, and other fees to other governments	-	-	-
Payments to others	-	-	-
Total deductions	8,997,147	51,718	1,890
Net increase (decrease) in fiduciary net position	-	-	-
Net position, beginning of year	-	-	-
Net position, end of year	$ -	$ -	$ -

	Tax Deeds	Cash Bonds	Registry of Court	Dependency Mediation
	$ 1,187,669	$ 433,885	$ 4,102,249	$ 4,000
	-	-	-	-
	-	-	-	-
	1,187,669	433,885	4,102,249	4,000
	1,187,669	433,885	4,102,249	4,000
	-	-	-	-
	-	-	-	-
	1,187,669	433,885	4,102,249	4,000
	-	-	-	-
	-	-	-	-
	$ -	$ -	$ -	$ -

	Sheriff	
For the year ended September 30, 2025	Forfeiture Fund	Inmate Trust
Additions		
Clerk of circuit and county courts revenue	$ -	$ -
Tax collections, auto tag fees, and other fees for other governments	-	-
Collections for others	925	249,147
Total additions	925	249,147
Deductions		
Current		
Payments of clerk of circuit and county courts distributions to other governments	-	-
Payments of tax, auto tag fees, and other fees to other governments	-	-
Payments to others	221	244,113
Total deductions	221	244,113
Net increase (decrease) in fiduciary net position	704	5,034
Net position, beginning of year	85,663	22,737
Net position, end of year	$ 86,367	$ 27,771

Tax Collector				
	Escrow	Tag	Tax	Total
	$ -	$ -	$ -	$ 14,778,558
	315,696	4,664,673	23,281,774	28,262,143
	-	-	-	250,072
	315,696	4,664,673	23,281,774	43,290,773
	-	-	-	14,778,558
	315,696	4,664,673	23,281,774	28,262,143
	-	-	-	244,334
	315,696	4,664,673	23,281,774	43,285,035
	-	-	-	5,738
	-	-	-	108,400
	$ -	$ -	$ -	$ 114,138

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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Honorable Board of County Commissioners
and Constitutional Officers of Washington County, Florida
Chipley, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Washington County, Florida (the "County") as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated June 18, 2026.

Report on Internal Control Over Financial Reporting

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

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and questioned costs, we did identify certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

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 County's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as item BCC2025-001 to be a material weakness.

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. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as items PA2025-003 and SOE2025-003 to be significant deficiencies.

Report on Compliance and Other Matters

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

Washington County's Response to Findings

Government Auditing Standards require the auditor to perform limited procedures on Washington County's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The County's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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.

Carr, Riggs & Ingram, L.L.C.

CARR, RIGGS & INGRAM, L.L.C.

Enterprise, Alabama
June 18, 2026

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

To the Honorable Board of County Commissioners
and Constitutional Officers of Washington County, Florida
Chipley, Florida

Report on Compliance for Each Major Federal Program and Major State Project

Opinion on Each Major Federal Program and Major State Project

We have audited Washington County, Florida's (the "County") compliance with the types of compliance requirements identified as subject to audit described in the *OMB Compliance Supplement* and the requirements described in the State of Florida's Department of Financial Services' State Projects Compliance Supplement, that could have a direct and material effect on each of the County's major federal programs and major state projects for the year ended September 30, 2025. The County's major federal programs and major state projects are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

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

Basis for Opinion on Each Major Federal Program and Major State Project

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; 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) and Chapter 10.550, Rules of the Auditor General of the State of Florida. Our responsibilities under those standards, the Uniform Guidance, and Chapter 10.550, Rules of the Auditor General of the State of Florida, 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 County and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program and state projects. Our audit does not provide a legal determination of the County'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 County's federal programs and state projects.

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 County's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, the Uniform Guidance, and Chapter 10.550, Rules of the Auditor General of the State of Florida 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 Board's compliance with the requirements of each major federal program and major state project as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, the Uniform Guidance, and Chapter 10.550, Rules of the Auditor General of the State of Florida, 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 Board'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 County's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance and Chapter 10.550, Rules of the Auditor General of the State of Florida, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control over Compliance

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

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance and Chapter 10.550, Rules of the Auditor General of the State of Florida. Accordingly, this report is not suitable for any other purpose.

Carr, Riggs & Ingram, L.L.C.

CARR, RIGGS & INGRAM, L.L.C.

Enterprise, Alabama
June 18, 2026

Federal Agency Pass through entity Federal Program	Assistance Listing / CSFA Number	Contract/Grant Number	Payments to Subrecipients	Total Expenditures
United States Department of Treasury				
Passed through Florida Department of Commerce				
COVID 19 - Coronavirus Capital Projects Fund	21.029	BB201	$ -	$ 201,408
COVID 19 - Coronavirus State and Local Fiscal Recovery	21.027	N/A	-	249,300
Total for United States Department of Treasury			-	450,708
United States Department of Homeland Security				
Passed through Florida Division of Emergency Management				
Emergency Management Performance Grants (EMPG)	97.042	G-0038	-	48,727
Staffing for Adequate Fire and Emergency Response	97.083	N/A	-	293,923
Hazard Mitigation Grant	97.039	M0100	-	729,173
Disaster Grants - Public Assistance (Presidentially Declared Disasters)				
FEMA HGMP-DR-4177-14-R	97.036	Z0843	-	5,617,095
Hurricane Sally	97.036	Z2595	-	311,384
Hurricane Helene	97.036	Z4936	-	118,045
Subtotal for ALN 97.036			-	6,046,524
Total United States Department of Homeland Security			-	7,118,347
United States Department of Justice				
Direct Program				
Body Worn Camera Policy and Implementation	16.835	15PBJA-23-GG-02685-BWCX	-	42,160
Passed through Executive Office of the Governor				
Crime Victim Assistance (VOCA)	16.575	VOCA-C-2024-WASHINGTONCOUNTYSHERIFF-00082	-	34,771
Edward Byrne Memorial Justice Assistance Grants	16.738	15PBJA-24-GG-04224-MUMU	-	38,397
Total United States Department of Justice			-	115,328
United States Department of Transportation				
Passed through Florida Department of Transportation				
Highway Planning and Construction	20.205	449078-1-52-01	-	7,000

-Continued-

Federal Agency Pass through entity Federal Program	Assistance Listing / CSFA Number	Contract/Grant Number	Payments to Subrecipients	Total Expenditures
United States Department of Health and Human Services				
Passed through Florida Department of Revenue				
Child Support Enforcement Progrram Title IV Part D (CSE)	93.563	CST67	-	301,604
Election Assistance Commission				
Passed through Florida Department of State				
Help America Vote Act (HAVA) Election Security Grants	90.404	24.e.an.000.067	-	11,160
United States Department of Agriculture				
Passed through Florida Department of Financial Services				
Cooperative Forestry Assistance Program - Fire Services Services	10.664	N/A	-	30,344
Total Expenditures of Federal Awards			$ -	$ 8,034,491

State Financial Assistance State Program				
Florida Department of Transportation				
Local Transportation Projects	55.039	453234-1-54-01	$ -	$ 1,195,956
Small County Road Assistance Program (SCRAP) - Clayton Road	55.016	453793-1-34-01	-	121,278
Small County Road Assistance Program (SCRAP) - Douglas Ferry Road	55.016	448616-1-54-01	-	703,301
Subtotal for CSFA 55.016			-	824,579
Transportation Regional Incentive Program	55.026	4453868-1-34-01	-	131,760
Small County Outreach Program (SCOP) - Crystal Lake Road	55.009	447328-3-54-01	-	1,080
Total Florida Department of Transportation			-	2,153,375
Executive Office of the Governor				
Emergency Management Preparedness Assistance (EMPA)	31.063	A0475	-	111,545
Florida Department of Commerce				
Regional Community Development and Infrastructure	40.042	D0239	-	230,000
Florida Housing Finance Corporation				
State Housing Initiatives Partnership Program (SHIP)	40.901	N/A	-	828,286

-Continued-

State Financial Assistance State Program	Assistance Listing / CSFA Number	Contract/Grant Number	Payments to Subrecipients	Total Expenditures
Florida Department of Environmental Protection				
Small County Consolidated Grants	37.012	SC-332	-	93,750
Resilient Florida Program	37.098	23PLN71	-	467,904
Total Florida Department of Environmental Protection			-	561,654
Florida Department of State and Secretary of State				
State Aid to Libraries	45.030	25-ST-91	-	254,667
Florida Department of Education				
The Chris Hixon, Coach Aaron Feis, and Coach Scott Beigel Guardian Program	48.140	TAPS 25A096	-	40,546
Florida Department of Financial Services				
Volunteer Firefighter Grant Assistance Program	43.006	VFA2030	-	4,582
Volunteer Firefighter Grant Assistance Program	43.006	VFA2045	-	7,543
Volunteer Firefighter Grant Assistance Program	43.006	FM944	-	45,022
Subtotal for CSFA 43.006			-	57,147
Local Government Fire Service Grants	43.009	FM944	-	880,000
Fire and Decontamination Equipment Grants	43.013	FM946	-	6,300
Total Florida Department of Financial Services			-	943,447
Florida Department of Health				
Emergency Medical Services (EMS) Matching Awards	64.003	N/A	-	9,000
County Grant Awards	64.005	SOW23-406	-	81,000
Total Florida Department of Health			-	90,000
Florida Department of Law Enforcement				
State Assistance for Fentanyl Education (S.A.F.E.) in Florida Program	71.122	2023-SAFE-SF-039	-	62,230
Local Firearms Safety Training Program	71.103	9H002	-	33,760
FDLE Drone Replacement Program	71.092	3X121	-	42,851
Law Enforcement Salary Assistance for Fiscally Constrained Counties	71.067	7G043	-	817,237
Total Florida Department of Law Enforcement			-	956,078

-Continued-

State Financial Assistance State Program	Assistance Listing / CSFA Number	Contract/Grant Number	Payments to Subrecipients	Total Expenditures
Florida Department of Management Services				
Wireless 911 Emergency Telephone System Rural County Grant	72.001	21-12-16	-	5,885
Wireless 911 Emergency Telephone System Rural County Grant	72.001	24-10-26	-	44,510
Wireless 911 Emergency Telephone System Rural County Grant	72.001	25-04-38	-	42,729
Wireless 911 Emergency Telephone System Rural County Grant	72.001	24-10-27	-	63,435
Subtotal for CSFA 72.001			-	156,559
Prepaid Next Generation 911 (NG911) State Grant Program	72.003	S20-21-12-16	-	74,440
Prepaid Next Generation 911 (NG911) State Grant Program	72.003	S17-21-02-71	-	72,781
Prepaid Next Generation 911 (NG911) State Grant Program	72.003	S17-21-02-70	-	19,188
Subtotal for CSFA 72.003			-	166,409
Total Florida Department of Management Services			-	322,968
Florida Department of Agriculture and Consumer Services				
Mosquito Control	42.003	26499	-	67,479
Total Expenditures of State Financial Assistance			$ -	$ 6,560,045

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying schedule of expenditures of federal awards and state financial assistance (Schedule) includes the federal and state grant spending of Washington County, Florida (the "County") and is presented on the accrual basis of accounting. The information in this Schedule is presented in accordance with the requirements of the Uniform Guidance and Chapter 10.550, Rules of the Auditor General of the State of Florida. Therefore, some amounts presented in this Schedule may differ from amounts presented in, or used in preparation of, the basic financial statements. Because the Schedule presents only a selected portion of the operations of the County, it is not intended to and does not represent the financial position of the County.

Note 2: INDIRECT COST RATE

The Uniform Guidance allows an organization to elect a de minimis indirect cost rate. For the year ended September 30, 2025, the County did not elect to use this rate.

Note 3: LOANS AND LOAN GUARANTEES

The County did not have any loans or loan guarantee programs required to be reported on the Schedule for the fiscal year ended September 30, 2025.

Note 4: FEDERAL AND STATE PASS-THROUGH FUNDS

The County is also a sub-recipient of federal and state funds that have been subjected to testing and are reported as expenditures and listed as federal or state pass-through funds. Federal awards and state financial assistance other than those indicated as "pass-through" are considered direct.

NOTE 5: SUBRECIPIENTS

During the year ended September 30, 2025, the County had no subrecipients.

Note 6: NONCASH ASSISTANCE

The County did not receive any noncash assistance or federally funded insurance during the fiscal year ended September 30, 2025.

Note 7: CONTINGENCIES

Grant monies received and disbursed by the County are for specific purposes and are subject to review by the grantor agencies. Such audits may result in requests for reimbursement due to disallowed expenditures. Based upon prior experience, the County does not believe that such disallowance, if any, would have a material effect on the financial position of the County.

Section I – Summary of Auditor's Results

Financial Statements

1. Type of auditor's report issued — Unmodified

2. Internal control over financial reporting:

   a. Material weaknesses identified? — Yes

   b. Significant deficiencies identified? — Yes

   c. Noncompliance material to the financial statements noted? — No

Federal Awards

1. Type of auditor's report issued on compliance for major programs — Unmodified

2. Internal control over major programs:

   a. Material weaknesses identified? — No

   b. Significant deficiencies identified? — None noted

3. Any audit findings disclosed that are required to be reported in accordance with 2CFR section 200.516(a)? — None noted

4. Identification of major programs:

AL Number	Federal Program
97.036	Disaster Grants – Public Assistance (Presidentially Declared Disasters)

5. Dollar threshold used to distinguish between type A and type B programs: — $1,000,000

6. Auditee qualified as low-risk auditee under 2 CFR 200.520? — No

Section I – Summary of Auditor's Results (Continued)

State Financial Assistance

1. Type of auditor's report issued on compliance for major projects — Unmodified

2. Internal control over major projects:

   a. Material weaknesses identified? — No

   b. Significant deficiencies identified? — None noted

3. Any audit findings disclosed that are required to be reported in accordance with Chapter 10.550, Rules of the Auditor General of the State of Florida? — None noted

4. Identification of major projects:

CFSA Number	State Project
55.039	Local Transportation Projects
43.009	Local Government Fire Service Grants
40.901	State Housing Initiatives Partnership Program (SHIP)
55.016	Small County Road Assistance Program (SCRAP)

5. Dollar threshold used to distinguish between type A and type B projects: — $750,000

Section II – Financial Statement Findings

Accrual Accounting, Finding BCC2025-001 (Repeat)

Criteria: Generally accepted accounting principles (GAAP) for governmental entities requires that governmental funds prepare financial statements using the current financial resources measurement focus and the modified accrual basis of accounting. Accounting for all funds necessitates significant adjustments to the County's books of record in order to prepare financial statements in conformity with GAAP.

Condition: Material adjustments were required to grant receivables, deferrals, and payables.

Cause: Management did not adequately review asset and liability balances for some accounts at year-end.

Effect: Revenue and expenditures were not recorded when earned or incurred. Adversely affects the County's ability to prepare financial statements free of misstatements and in accordance with GAAP.

Section II – Financial Statement Findings (Continued)

Recommendation: We recommend interim and year-end financial statements be prepared using the modified accrual basis of accounting.

View of Responsible Officials: Management agrees with the finding. The County is currently addressing this recommendation and will work to implement additional controls to ensure accounting is in accordance with GAAP.

Need for Segregation of Duties, PA2025-003 (Repeat)

Criteria: The internal control environment should include proper segregation of duties and responsibilities over accounting functions.

Condition: There is a lack of segregation of duties between employees who have recordkeeping responsibility and employees who have custody of the Property Appraiser's assets.

Cause: The Property Appraiser has limited personnel in the accounting department.

Effect: The possibility exists that unintentional or intentional errors or irregularities could occur and not be promptly detected.

Recommendation: We realize that due to the size of the Property Appraiser's administrative staff, it is difficult to achieve ideal separation of duties. However, the Property Appraiser should remain very active and involved in the day-to-day operations. Controls should be implemented to help compensate for these weaknesses and to provide checks and balances.

View of Responsible Officials: Management agrees with the finding.

Need for Segregation of Duties, SOE2025-003 (Repeat)

Criteria: The internal control environment should include proper segregation of duties and responsibilities over accounting functions.

Condition: There is a lack of segregation of duties between employees who have recordkeeping responsibility and employees who have custody of the Supervisor of Elections' assets.

Cause: The Supervisor of Elections has limited personnel in the accounting department.

Effect: The possibility exists that unintentional or intentional errors or irregularities could occur and not be promptly detected.

Section II – Financial Statement Findings (Continued)

Recommendation: We realize that due to the size of the Supervisor of Elections' administrative staff, it is difficult to achieve ideal separation of duties. However, the Supervisor of Elections should remain very active and involved in the day-to-day operations. Controls should be implemented to help compensate for these weaknesses and to provide checks and balances.

View of Responsible Officials: Management agrees with the finding.

Section III – Federal Award Findings

There were no findings to report.

Section IV – Summary Schedule of Prior Year Audit Findings

Financial Statement Findings

BCC2024-001 – Repeat finding in the current year

PA2024-003 – Repeat finding in the current year

SOE2024-003 – Repeat finding in the current year

Single Audit Findings

Item 2024-001 – Finding corrected in the current year

WASHINGTON COUNTY
BOARD OF COUNTY COMMISSIONERS
1331 South Boulevard
Chipley, Florida 32428
Phone (850)638-6200
Fax (850)638-6106

County Administrator
Andrew Fleener

ASHLYNN MARQUEZ
District One

DAVID PETTIS, JR.
District Two

JOSEPH BROCK
District Three

WESLEY GRIFFIN
District Four

DAVID A CORBIN
District Five

FUQUA & MILTON
County Attorneys

BCC2025-001 – Accrual Accounting (Repeat)

Finding: Management did not adequately review asset and liability balances for some accounts at year-end. Material adjustments were required to grant receivables, deferrals, and payables.

Recommendation: We recommend interim and year-end financial statements be prepared using the modified accrual basis of accounting.

Action Taken: Management is in agreement with the finding noted. The County is currently addressing this recommendation and will work to implement additional controls to ensure accounting is in accordance with GAAP.

Anticipated Completion Date: September 30, 2026

Responsible Party: Johnnie Pettis, Finance Director

CARR, RIGGS & INGRAM, L.L.C.

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MANAGEMENT LETTER

To the Honorable Board of County Commissioners
and Constitutional Officers of Washington County, Florida
Chipley, Florida

Report on the Financial Statements

We have audited the financial statements of Washington County, Florida (the "County") as of and for the fiscal year ended September 30, 2025, and have issued our report thereon dated June 18, 2026.

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 of Federal Awards* (Uniform Guidance); and Chapter 10.550, Rules of the Auditor General.

Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*; Independent Auditor's Report on Compliance for Each Major Federal Program and Major State Project and Report on Internal Control over Compliance, Schedule of Findings and Questioned Costs; and Independent Accountant's Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports and schedule, which are dated June 18, 2026, 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 financial audit report. Corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report except as noted below in the "Tabulation of Uncorrected Audit Findings."

Tabulation of Uncorrected Audit Findings		
Current Year Finding No.	**2023-24 FY Finding No.**	**2022-23 FY Finding No.**
BCC2025-001	BCC2024-001	BCC2023-001
PA2025-003	PA2024-003	PA2023-003
SOE2025-003	SOE2024-003	SOE2023-003

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 report the results of our determination as to whether or not the County has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and identification of the specific condition(s) met. In connection with our audit, we determined that the County did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

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

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

Property Assessed Clean Energy (PACE) Programs

A PACE program authorized pursuant to Section 163.081 or 163.082, Florida Statutes, did not operate within the County's geographical boundaries during the fiscal year under audit.

Special District Component Units

As required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)7, Rules of the Auditor General, the Sunny Hills Units 12-15 Dependent District reported:

a. The total number of district employees compensated in the last pay period of the district's fiscal year was 0.
b. The total number of independent contractors to whom nonemployee compensation was paid in the last month of the district's fiscal year was 2.
c. All compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency was $0.
d. All compensation earned by or awarded to nonemployee independent contractors, whether paid or accrued, regardless of contingency was $17,245.
e. No construction projects with a total cost of at least $65,000 were approved by the district that is scheduled to begin on or after October 1 of the fiscal year.
f. A budget variance based on the budget adopted under Section 189.016(4), Florida Statutes, before the beginning of the fiscal year being reported if the district amends a final adopted budget under Section 189.016(6), Florida Statutes. The district did not amend their budget, this is not applicable.

As required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)7, Rules of the Auditor General, the Highway 79 Corridor Authority reported:

a. The total number of district employees compensated in the last pay period of the district's fiscal year was 0.
b. The total number of independent contractors to whom nonemployee compensation was paid in the last month of the district's fiscal year was 0.
c. All compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency was $0.
d. All compensation earned by or awarded to nonemployee independent contractors, whether paid or accrued, regardless of contingency was $0.
e. No construction projects with a total cost of at least $65,000 were approved by the district that is scheduled to begin on or after October 1 of the fiscal year.
f. A budget variance based on the budget adopted under Section 189.016(4), Florida Statutes, before the beginning of the fiscal year being reported if the district amends a final adopted budget under Section 189.016(6), Florida Statutes. The district did not amend their budget, this is not applicable.

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 charges with governance. In connection with our audit, we did not note 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 Board of County Commissioners and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

Carr, Riggs & Ingram, L.L.C.

CARR, RIGGS & INGRAM, L.L.C.

Enterprise, Alabama
June 18, 2026

CARR, RIGGS & INGRAM, L.L.C.

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INDEPENDENT ACCOUNTANT'S REPORT ON COMPLIANCE WITH SPECIFIED FLORIDA STATUTE SECTIONS

Honorable Members of the
Board of County Commissioners
Washington County, Florida

We have examined Washington County, Florida's (the "County") compliance with the following Florida Statute sections during the fiscal year ended September 30, 2025.

Section 365.172(10)	*Emergency communications number E911 system fund*
Section 365.173(2)(d)	*Emergency communications number E911 system fund*
Section 218.415	*Investment guidelines*

Management of the County is responsible for the County's compliance with the specified requirements. Our responsibility is to express an opinion on the County's compliance with the specified requirements 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 County complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the County complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion. Our examination does not provide a legal determination on the County's compliance with specified requirements.

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

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

Carr, Riggs & Ingram, L.L.C.

CARR, RIGGS & INGRAM, L.L.C.

Enterprise, Alabama
June 18, 2026

WASHINGTON COUNTY
BOARD OF COUNTY COMMISSIONERS
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District Five

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County Attorneys

BCC2025-001 – Accrual Accounting (Repeat)

Finding: Management did not adequately review asset and liability balances for some accounts at year-end. Material adjustments were required to grant receivables, deferrals, and payables.

Recommendation: We recommend interim and year-end financial statements be prepared using the modified accrual basis of accounting.

Action Taken: Management is in agreement with the finding noted. The County is currently addressing this recommendation and will work to implement additional controls to ensure accounting is in accordance with GAAP.

Anticipated Completion Date: September 30, 2026

Responsible Party: Johnnie Pettis, Finance Director

Respectfully submitted,

Lora C. Bell

Honorable Lora C. Bell, Clerk of the Court
Washington County, Florida

RENEA PETERS, CFA
WASHINGTON COUNTY PROPERTY APPRAISER

1331 South Blvd., Suite 300
P. O. Box 695
Chipley, FL 32428

Phone: (850) 638-6205
Website: www.washcofl.com/pa

To Whom it May Concern:

We are in receipt of the Washington County Property Appraiser's audit report for the fiscal year ended September 30, 2025. In response to the internal control and compliance the following applies:

Segregation of Duties – I will continue to remain active in the day-to-day operations of the Property Appraiser's office. This is a small office with employees who have overlapping duties. I will continue to ensure there are checks and balances in the daily work and the ledger is balanced on a monthly basis.

Sincerely,

Renea Peters

Renea Peters, CFA

Property Appraiser

Washington County, Florida

Deidra Malloy Pettis

Supervisor of Elections
Washington County
www.wcsoe.gov

Mailing Address
1424 Jackson Ave., Suite C
Chipley, Florida 32428

Telephone No.
(850)638-6230

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(850)397-4564

Email
votewashingtonfl@wcsoe.gov

To Whom It May Concern:

Subject: Management Response

We are in receipt of the audit report for the Washington County, Florida Supervisor of Elections for the fiscal year ending September 2025. I have reviewed the letter regarding compliance and internal control schedule of findings and questioned costs and management letter.

Segregation of Duties: This is a small office with employees who have overlapping lob duties. I will continue to ensure there are checks and balances in the daily work and the ledger is fully balanced on a monthly basis.

Sincerely,

Deidra Malloy Pettis

Deidra Malloy Pettis

Supervisor of Elections

Washington County, Florida