



OKALOOSA COUNTY, FLORIDA

Annual Comprehensive Financial Report

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025

Prepared By:

OFFICE OF THE CLERK OF COURT
AND COMPTROLLER, FINANCE DEPARTMENT

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BRAD E. EMBRY

CLERK OF THE CIRCUIT COURT AND COMPTROLLER, OKALOOSA COUNTY, FLORIDA



March 27, 2026

To the Honorable Members of the
Board of County Commissioners and
Citizens of Okaloosa County:

We are pleased to present to you the Annual Comprehensive Financial Report of Okaloosa County, Florida (the County) for the fiscal year ended September 30, 2025. The Clerk of the Circuit Court and County Comptroller, by authority of the Constitution of the State of Florida, is responsible for both the accuracy of the presented data as well as the completeness and fairness of the presentation, including all disclosures. This report was prepared by the Finance Department under the supervision of the Clerk of Court & Comptroller. This report contains three major sections: the Introductory, the Financial, and the Statistical.

The County prepares the basic financial statements to meet the requirements of Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis (MD&A) - for State and Local Governments (GASB 34)* reporting model requiring the County to report in five parts, including, Management's Discussion and Analysis, Government-wide Financial Statements, major Fund Financial Statements, Budgetary Comparisons for certain funds and the Notes to the Financial Statements.

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

The County's financial statements have been audited by the certified public accountants of the firm Warren Averett CPAs and Advisors. The goal of the independent audit was to provide reasonable assurance that the financial statements of the County for the fiscal year ended September 30, 2025, are free of material misstatement. The independent audit involved examining on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditors concluded, based upon the audit, that there was a reasonable

basis for rendering an unmodified opinion that the County's financial statements for the fiscal year ended September 30, 2025, are fairly presented in conformity with GAAP. The report of independent accountants is presented as the first component of the financial section of this report.

Okaloosa County is a non-charter county established under the Constitution and the Laws of the State of Florida. This Annual Comprehensive Financial Report (Annual Report) includes the funds of the primary government (the Board of County Commissioners, the Clerk of Court & Comptroller, the Property Appraiser, the Sheriff, the Supervisor of Elections, and the Tax Collector).

Generally accepted accounting principles require that organizations for which the County is financially accountable be reported with the primary government (the County) as the reporting entity, however none of the organizations met this criterion. This Annual Report does not include the Okaloosa County School District or any other independent agency of Okaloosa County.

GOVERNMENT PROFILE AND ECONOMIC CONDITION



Okaloosa County is one of Florida's youngest counties, created in 1915 by an act of the state legislature. Okaloosa County is in the panhandle of Northwest Florida. The city of Crestview, near its geographical center, is the County seat. The current estimated population is 220,483 full time residents. As more people flock to Florida, we continue to see some of America's best and brightest choose to call Okaloosa County home.

Occupying a large portion of Okaloosa County is one of the world's largest military reservations. Established in 1935, Eglin Air Force Base covers over 724 square miles in Okaloosa and two neighboring counties and contains the 919th Special Operations Wing, Duke Field. Eglin Air Force Base is an Air Force Materiel Command base serving as the focal point for all Air Force Armaments. Eglin is responsible for development, acquisition, testing, deployment, and sustainment of all air-delivered non-nuclear weapons. Based upon Eglin's wide range of activities, Eglin will continue its major role in the defense of the United States and in the economy of Okaloosa County. Hurlburt Field, the headquarters of the Air Force Special Operations Command, is also located in Okaloosa County. Hurlburt Field occupies about 6,700 acres in the County. The military presence is a major income-producing source for the County, which according to the 2024 Florida Defense Factbook, equates to an annual economic impact of \$5.4 billion while supporting 38,140 jobs.





Tourism is the leading private income producing source for Okaloosa County. Visitor spending exceeds \$3.28 billion annually with total employment of over 40,847 in tourism-related businesses which generates nearly \$364.3 million in tax revenues per year, offsetting the cost of services to residents. Tourists may visit Welcome Centers on Okaloosa Island, Crestview or at the Destin-Fort Walton Beach Airport for information on lodging, local activities, area information, sightseeing and all other things to do during their visit. Approximately 8.2 million visitors are expected to come to our area annually.

Residents and tourists in Okaloosa County have a full range of attractions and recreational opportunities. Beaches are made up of fine ground, perfectly round quartz crystals carried from the Appalachian Mountains that squeak beneath your bare feet with every step. Kayaking, canoeing, and paddle boarding are great ways to explore the calm, still waters of Choctawhatchee Bay or the gentle Gulf of Mexico waves. Destin Harbor is home to the nation's largest charter fishing fleet and is the epicenter of the local commercial and recreational fishing community. The harbor offers excursions, Gulf-to-Table seafood, live music, unique shops, evening fireworks, and much more. Destin Commons is a large open-air mall with a variety of dining options, family-friendly events, a movie theater, and national brands alongside unique styles found only here. Fort Walton Beach offers a walkable downtown perfect for an evening stroll through the Landing Park, Indian Temple Mound archeological site, shops, and restaurants and bars.



Okaloosa County boasts several industrial parks, the most significant of which is the Shoal River Industrial Park (SRIP) located 7 miles east of Crestview. The County currently owns more than 500 acres of industrial zoned land within the 10,500-acre property. Of particular note, in May 2025, Michigan-based Williams International announced that, following a multi-state search, the company had selected SRIP to house a new 1,000,000 SF aircraft engine manufacturing. Slated to employ 336 individuals at an average annual wage of \$70,000, the project represents a \$1,040,819,000 total investment – the largest in the history of the northwest Florida region. Williams' first phase will include a 250,000



SF facility, which is scheduled for completion in early 2027. With more than 2,400 suppliers, Williams stands to be a magnet for additional growth. Along with the Shoal River Industrial Park, Okaloosa County also has significant holdings within the Okaloosa Industrial Air Park– also in Crestview and located adjacent to the Bob Sikes Airport and its 8,000-foot reinforced runway. In October 2025, Cincinnati-based Sims-Lohman announced their acquisition of a vacant 65,000 SF building located within the park. The facility will serve as the kitchen and granite supplier’s Gulf Coast headquarters, supporting 90 new jobs and representing an \$8.5 million total investment. Another industrial park of note is the Fort Walton Beach Commerce & Technology Park, which houses notable defense contractors including Lockheed Martin, Kratos, Leonardo DRS, Crane Aerospace & Electronics and Boeing. During 2025, Precision Measurement Inc. (a veteran-owned business and leader in the calibrations and metrology sector) announced their acquisition of a 15,000 SF office building and lab space within the park to serve as their corporate headquarters.

According to the Florida Department of Commerce, Okaloosa County’s total labor force as of September 2025 was 102,227 and the unemployment rate was 4.1%. This tracks closely with Florida's unemployment rate of 3.9% and outperforms the national rate of 4.4%. Okaloosa County's cost of living is consistently below the national average and Florida has no state income tax. Property valuations increased again this year, continuing to provide the County with the opportunity to maintain one of the state’s lowest millage rates while also striving to maintain a relatively high level of service to County residents.

MAJOR FUNCTIONAL INITIATIVES

General Government Initiatives

Okaloosa County continues to make tremendous strides with respect to infrastructure improvements. Perhaps most notable is the progress on the Southwest Crestview Bypass project where construction by both the County and FDOT continues to move forward. Once completed, the new roadway will offer an alternative corridor around the southern portion of Crestview as well as offer a new access point to Interstate 10. The first portion of the work, widening of PJ Adams Parkway, was completed in December 2025 and the bypass north of I-10 is scheduled to be completed the summer of 2026. As the single largest undertaking by Okaloosa County, this project is certainly going to be transformational to the region.



The half-cent local option sales tax, referred to as the Surtax program, continues to be a healthy source of funding for infrastructure needs. Since its inception in 2019 over \$97 million has been collected by the program and currently there are 60 projects either in design, actively under construction, or completed across the entire county. Success from the program has been so great that the Board of County Commissioners decided to utilize excess funds for a dirt road stabilization program. Prior to 2019 there were approximately 200 miles of sand-clay roads the County maintained. Thanks to the dirt road stabilization efforts largely funded through Surtax (almost \$25 million allocated to date) there are less than 40 miles of County roads remaining that do not have an asphalt cap. This effort not only improved access and safety conditions, but final stabilization efforts remove the need for routine grading, which means that the annual maintenance

costs drop off dramatically and allow those resources (funds, labor, and equipment) to be utilized in other areas.

As the County continues to grow and its economy diversifies, it becomes increasingly important to ensure that the County's housing stock continues to provide opportunities for families and households of all economic sectors to obtain quality housing. For this reason, the County has developed an Attainable Workforce Housing Strategic Plan which identifies specific policies, programs, and strategies to encourage development of housing throughout the County that is attainable by the County's diverse workforce including our essential workers such as law enforcement, firefighters and emergency medical personnel, teachers, and other workers across the employment spectrum. Several strategies have been implemented with others underway.

Public Safety Initiatives

The Department of Corrections and Public Safety (Emergency Management, Emergency Medical Services and Beach Safety) function as independent departments. The Department of Corrections and County Jail continue to deal with population growth, while trying their best to mitigate those increases and study future impacts. The County dedicates a great deal of financial and personnel resources for public safety initiatives and facilities, like the Emergency Operations Center, which engages in 24/7 all-hazards threat monitoring 365 days per year. The Public Safety Department has obtained funding to upgrade the technological capabilities of the Emergency Operations Center this year by leveraging the County surtax funds. This proved critical during the unprecedented snowstorm that impacted the area. Upgrading of the Secondary EOC is also in progress. Emergency Medical Services continue to review and improve their function to enhance this much needed service.



These enhancements include updated and more-advanced life-saving equipment as well as aggressive replacement of aging response vehicles, including modifications to practices following the latest, most-effective medical protocols. Okaloosa County became only the third county in the state to implement a field blood-delivery program to provide premier-level lifesaving capabilities to victims experiencing acute blood loss due to trauma and other conditions. EMS further partnered with NWFSC to graduate 9 Paramedics who are currently serving as EMT's in our system, promoting from within and building a culture of confidence and excellence. New public outreach instructional classes have been introduced and a Community Paramedicine initiative has been implemented with plans to expand as funds become available. The Beach Safety Division continues to provide premier-level life/safety functions beach-front and has established two Park Ranger programs to promote safety and public engagement along our beautiful shoreline. Infrastructure Surtax funding provided the opportunity to complete a Sheriff's Office Training Center improvement in West Crestview, and projects are in place and underway to improve the security of schools and improve emergency communications throughout the County. The Sheriff was active and involved in many of these public safety initiatives throughout the year from a capital and operational perspective.

During 2024, the County also assumed oversight of the Dorcas Fire District following the enactment of state legislation converting the District from an independent special fire control district to a dependent

special district governed by the Okaloosa County Board of County Commissioners. This transition positions the District to better serve the approximately 8,000 residents within its 76-square-mile service area through enhanced administrative oversight, improved resource management, and long-term operational planning. The County is currently refurbishing the District’s two fire stations and evaluating future staffing, apparatus, and service requirements. To ensure uninterrupted fire and rescue protection during the transition period, the County executed an interlocal agreement with neighboring fire agencies to provide coordinated response coverage within the Dorcas service area, supported by dedicated Okaloosa County Emergency Medical Services assets. In December 2025, Chief Charles Cooper was selected to lead the Dorcas Fire District and is currently guiding the development of a strengthened fire service model that will include a combination of paid leadership positions and trained volunteer personnel.

Physical Environment Initiatives



Physical environment initiatives primarily relate to water/wastewater improvements, solid waste, and stormwater. County Water & Sewer continued to focus efforts on resiliency projects that include rehabilitation, replacement, and upgrades of aging infrastructure to minimize the risk of sanitary sewer overflows. From FY2021 until now, 6.45 miles of gravity sewer has been lined with cured-in-place pipe installation with over 32 miles planned to have all clay sewer mains relined. All lift stations now have redundant alarm systems and SCADA. Many stations are now equipped with generators and bypass pumps in our most vulnerable Lift Stations. Two significant wastewater projects were completed this year, the JD Mitchem Plant Absorption Beds Expansion and the \$9M Solids handling Expansion at the Arbennie Pritchett Plant to meet the increased loading from septage/FOG and account for future system growth. The new Shoal River WRF 1.25 MGD plant is half complete. In-house staff also continued water main relocations for the Southwest Crestview Bypass.

Solid Waste continues remediation and monitoring of the closed landfill facilities. Contracts for solid waste service are competitively procured and negotiated to maintain cost effective solutions. The solid waste contract services generated over \$18M in revenue and managed over 190,000 tons of waste for approximately 35,000 homes. Stormwater assessments are levied to meet the growing needs of certain deteriorating infrastructure, while attempting to determine some long-term resolution.



Transportation Initiatives

Transportation requirements continue to be an area of vital importance to the citizens and elected officials of the County. Maintenance and enhancement of existing roadways and bridges is a high priority, but the limitation for significant improvement generally is hampered by limited resources. The approval of the half-cent discretionary infrastructure surtax, to improve infrastructure, stormwater management and public safety in Okaloosa County is providing a healthy source of income for infrastructure improvements. Leveraging this funding source for initiatives has proven to be advantageous when seeking funds from state sources such as FDOT and FDEP. In addition to the Southwest Crestview Bypass, the County is using the Surtax program to jump start roadway improvements on the heavily congested SR 85.

The Destin–Fort Walton Beach Airport (VPS), along with the County’s general aviation airports—Destin Executive Airport (DTS) and Bob Sikes Airport (CEW) in Crestview—continued to strengthen all facets of aviation activity, experiencing significant growth throughout the year. Recent FDOT economic impact studies indicate that Okaloosa County’s three-airport system generates more than \$2 billion in annual economic impact. The U.S. Department of Transportation and FDOT remain key funding partners, supporting facility expansions and critical safety improvements on both the landside and airside of the County’s airports.



At Destin–Fort Walton Beach Airport, a major baggage claim expansion was completed, adding two additional carousels and 15,000 square feet of lobby space. Since 2016, passenger traffic has increased by over 160%, with nearly 2.5 million passengers served in 2025. Currently underway are the addition of a passenger loading bridge at Gate A3 and a comprehensive renovation of the main terminal restrooms. At Bob Sikes Airport, users are benefiting from recent hangar and facility expansions led by Fixed Base Operator Emerald Coast Aviation, along with continued investment by on-field businesses. Destin Executive Airport also continues to see steady growth, supporting tourism, leisure, and business travel throughout the region.

Economic Environment Initiatives

The economy of the County relates mainly to tourism and the military, evidenced by the County’s purchase of the Fairgrounds complex for renovation and further event enhancement, although there are other growing aspects being emphasized and explored. The Tourist Development Council’s

“Destination Stewardship” program elevates the visitor experience and improves the economic impact of stays by engaging visitors and locals in unique locations and experiences of the Destin-Fort Walton Beach area to fulfill the destination’s brand promise to get kids on the water, as well as to address core challenges of improving mobility and accessibility to adventures, friendliness, and pride in place. Financial assistance in the form of housing assistance and assistance related to the many veterans located in the area are also included in Economic Environmental initiatives. Community Redevelopment agencies in several cities within the County utilize portions of Ad Valorem Tax dollars to enhance economic development in those designated areas.

Human Service Initiatives

The funding for human service activities in the County includes mosquito control, animal welfare, health care, Medicaid, elder services, day care service, mental health services and court-related child protection services expenditures. These activities, particularly state aid for Medicare and Medicaid, account for well over half of the dollars spent on this functional category.

The County also participates in the Local Provider Participation Program (LPPP), administered by the Agency for Healthcare Administration, which supports healthcare funding through assessments on local hospitals that help generate additional federal Medicaid resources. This program has contributed to increased charges for services and enhances the County’s ability to support healthcare-related initiatives.

A portion of the operation of the Okaloosa County Health Department is another human service initiative in the County. Mosquito control, which covers over 680,000 acres, funding is supplemented by grant funding which aids in management of vector disease control initiatives.

Culture/Recreation Initiatives

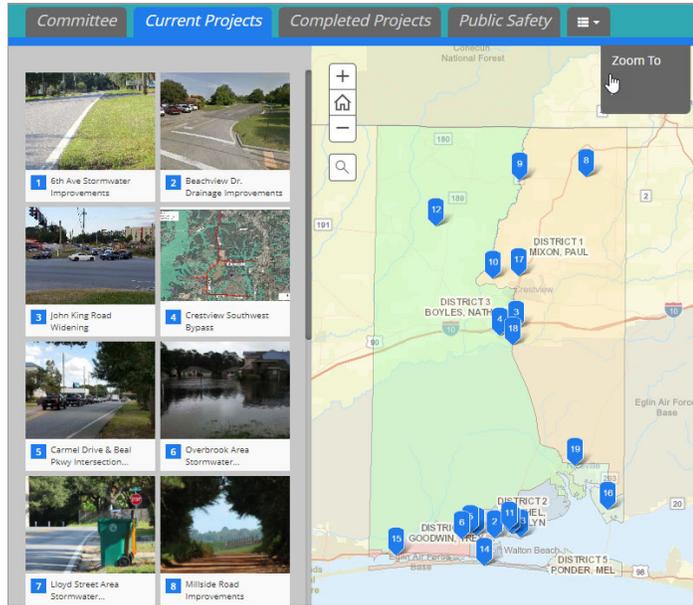
Culture and Recreational activities are an important element of funding in this diverse County ranging from the beautiful beaches to parks throughout the County, especially in the rural areas of the north county. A horse arena attracts equestrian enthusiasts for rodeos and other competitive events. The Countywide Library Cooperative provides all citizens with access to tools for success in education, work, and life. It supports member Municipal libraries through funding allocations, technology infrastructure, and countywide digital services that ensure eBooks, audios, magazines, and continuing education courses are available 24/7/365. Tourist Development continues utilizing bed tax to protect and restore Okaloosa County’s natural resources, including artificial reef deployments, and the purchase of property to expand recreational access and amenities on and off the water.

Long-term Financial Planning and Major Future Initiatives

The half-cent discretionary infrastructure surtax has enabled the county to launch many projects which will benefit county residents. There are currently 45 active projects, including the West 98 Collector study. Revenue in this fund has exceeded expectations, which has allowed many key infrastructure projects to be completed. The County will continue to monitor road, and stormwater needs consistent with the availability of funds. The County is currently in the process of taking steps to add the surtax renewal to the 2026 ballot.

One tax increment area was established around Interstate 10 to alleviate congestion in the countywide transportation system and enhance the flow of traffic throughout the County. The County also has an eye on the future of the economy. Currently, there are two main drivers to the County's economy – the military mission and tourism.

Quality of life issues will continue to be reviewed around culture and recreation. A referendum to expand the tourist development taxing district countywide was approved by voters on October 5, 2021, which will provide additional funding to address tourism-related issues such as mobility, accessibility, and public safety.



FINANCIAL AND BUDGET INFORMATION

The annual budget for the Okaloosa County Board of County Commissioners is developed through a coordinated process involving the County Administrator, Office of Management and Budget, constitutional officers, and the Board of County Commissioners. The process begins with the preparation of revenue estimates and the issuance of budget instructions to departments and agencies. County departments and constitutional officers submit detailed budget requests, which are reviewed by the Office of Management and Budget for accuracy, completeness, and alignment with County priorities and available resources. This review includes evaluation of operating needs, capital improvement projects, and staffing requests. The County Administrator consolidates these requests and develops a recommended budget, taking into consideration economic conditions, revenue forecasts, capital needs, and policy direction from the Board. The recommended budget is presented to the Board of County Commissioners during public budget workshops, where the Board provides guidance and may direct revisions. In accordance with the requirements of the Florida Truth in Millage (TRIM) Law, the County establishes a proposed millage rate and conducts two public hearings to receive input from taxpayers and stakeholders. These hearings are publicly advertised and provide an opportunity for citizen participation in the budget process. Following these hearings and any final adjustments, the Board adopts the final millage rates and budget prior to the beginning of the fiscal year on October 1. The adopted budget serves as the legal authorization for County expenditures and reflects the County's commitment to sound financial planning, fiscal responsibility, and transparency.

Readers of this report are encouraged to read Management's Discussion and Analysis (MD&A). The MD&A provides basic financial information about the County and an overview of the County's activities. The government-wide financial statements, consisting of a Statement of Net Position and a Statement of Activities, provide a comprehensive financial picture of the County, split between governmental activities and business-type activities. These statements are prepared using the economic resources measurement focus and the accrual basis of accounting, where all assets, liabilities, revenues, and expenses of the County are reported. The fund financial statements provide information concerning the County's funds and are prepared from the County's accounting records. The County's accounting

records for general governmental operations are maintained on a modified accrual basis, with revenues being recorded when available and measurable and expenditures being recorded when the services or goods are received, and the liabilities are incurred. Accounting records for the County's proprietary funds are maintained on an accrual basis. The County's fiscal year is October 1 to September 30.

Section 11.45, Florida Statutes, requires an annual audit of all County agencies. This requirement has been complied with, and the unmodified opinion of the auditors has been included in this report.

AWARDS AND ACKNOWLEDGEMENTS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the County for its Annual Comprehensive Financial Report for the fiscal year ended September 30, 2024.

The Certificate of Achievement is a prestigious national award, recognizing conformance with the highest standards for presentation of state and local government financial reports. To be awarded a Certificate of Achievement, the County must publish an easily readable and efficiently organized annual comprehensive financial report whose contents conform to program standards, GAAP, and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe our current Annual Comprehensive Financial Report conforms to the Certificate of Achievement Program requirements, and it will be submitted to the GFOA to determine its eligibility for another certificate.

A financial report of this nature could not have been prepared without the dedicated efforts of a considerable number of individuals. I want to especially thank the entire staff of the Finance Department for their invaluable assistance in the preparation of this report. I would also like to thank the members of the County's independent external auditors. I would also like to thank the Board of County Commissioners and their staff, and the other Constitutional Officers, for their personal interest and dedicated support in planning and conducting the financial operations of the County in a responsible manner.

Brad E. Embry
Okaloosa County Clerk & Comptroller



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Okaloosa County
Florida**

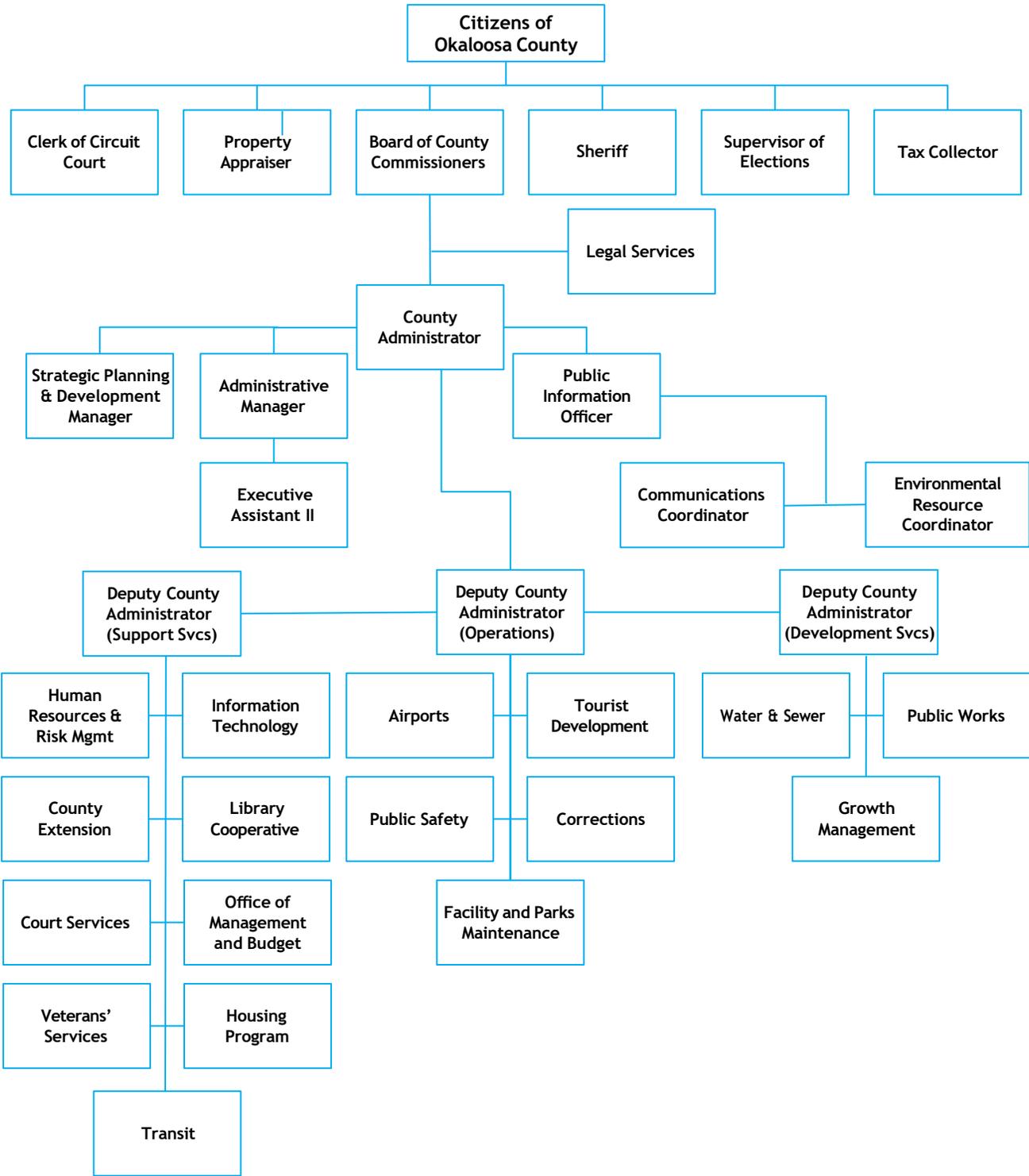
For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

September 30, 2024

Christopher P. Morill

Executive Director/CEO

ORGANIZATIONAL CHART



**COUNTY OFFICIALS
AS OF SEPTEMBER 30, 2025**

COUNTY COMMISSIONERS

Paul Mixon, District I

Carolyn Ketchel, District II

Sherri Cox, District III

Trey Goodwin, District IV

Drew Ponder, District V

OTHER ELECTED OFFICIALS

Brad Embry, Clerk of the Circuit Court and County Comptroller

Eric Aden, Sheriff

Ben Anderson, Tax Collector

Mack Busbee, Property Appraiser

Paul Lux, Supervisor of Elections

OTHER OFFICIALS

John Hofstad, County Administrator

INDEPENDENT AUDITORS' REPORT

To the Honorable Chairman and Members of the
Board of County Commissioners and Other Elected Officials
Okaloosa County, Florida

Report of the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Okaloosa County, Florida, (hereinafter referred to as "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 business-type activities, each major fund, and the aggregate remaining fund information of Okaloosa County, Florida, as of September 30, 2025, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' 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 the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the 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.

Auditors' 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 auditors' 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, budgetary comparison schedules, and schedules related to pension and other post-employment healthcare benefits, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and

comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The accompanying combining and individual nonmajor fund financial statements, nonmajor fund budgetary comparison schedules, and schedule of expenditures of federal awards and state financial assistance, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and Chapter 10.550, *Rules of the Auditor General*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of passenger facility charges is presented for purposes of additional analysis as specified in the *Passenger Facility Charge Audit Guide for Public Agencies*, issued by the Federal Aviation Administration, and is not a required part of the basic financial statements of the County. The accompanying schedule of receipts and expenditures of funds related to the Deepwater Horizons Oil Spill is presented for the purpose of additional analysis as required by Florida Statute 288.8018 and the *Rules of the Auditor General*, Chapter 10.557(3)(f), and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, combining financial statements and nonmajor fund budgetary comparison schedules, the schedule of expenditures of federal awards and state financial assistance, the schedule of expenditures of passenger facility charges and the schedule of receipts and expenditures related to the Deepwater Horizons Oil Spill, are fairly stated in all material respects in relation to the financial statements as a whole.

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 27, 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.

Warren Averett, LLC

Fort Walton Beach, Florida
March 27, 2026

Okaloosa County, Florida Management Discussion and Analysis

This discussion and analysis of Okaloosa County's (the County) financial statements is designed to introduce the basic financial statements and provide an analytical overview of the County's financial activities for the fiscal year ended September 30, 2025. This analysis, in conjunction with additional information provided in our letter of transmittal, should assist readers in identifying significant financial issues and changes in the County's financial position. In this Management Discussion and Analysis (MD&A), all amounts, unless otherwise indicated, are expressed in thousands of dollars.

Financial Highlights

- At the close of the fiscal year the County's assets and deferred outflows exceeded its liabilities and deferred inflows, resulting in a net position of \$1,043,507. Governmental and business-type assets and deferred outflows exceeded its liabilities and deferred inflows by \$518,251 and \$525,257, respectively.
- The County's total net position increased by \$107,649, or 11.5%, in comparison to the prior year.
- The County had \$43,481 of unrestricted net position surplus at the close of this year compared to \$39,278 last year.
- Total revenues increased by \$35,168, or 7.5 percent, from \$471,228 to \$506,396.
- Total expenses increased by \$50,015, or 14.3 percent, from \$348,732 to \$398,747.
- The County's governmental activities reported a total net position of \$518,251, which is an increase of \$55,761, or 12.1%, in comparison to the prior year. A deficit in the unrestricted net asset position of \$38,650 exists in governmental activities. This is negative primarily because of the recognition of the net pension liability in accordance with GASB 68.
- The County's business-type activities reported a total net position of \$525,257, which is an increase of \$51,888, or 11.0%, in comparison to the prior year. Approximately 15.6% of the total, or \$82,131, is unrestricted, and thus available for spending at the County's discretion.
- At the end of the current fiscal year, the net pension liability decreased \$18,558 for governmental funds and \$5,470 for business-type activities for an ending net pension liability of \$121,500, an approximate decrease of 16.5% from the prior fiscal year end. These liabilities are actuarially determined and provided by the State of Florida Retirement System (FRS). The change in actuarial liability primarily relates to an increase in the County's share of collective pension expenses. The County's actual contributions to FRS are in the required supplementary information.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to Okaloosa County's basic financial statements. The County's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements, as illustrated on the following page. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements

The *government-wide financial statements* are designed to provide readers with a broad overview of Okaloosa County's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the County's assets, deferred outflows, liabilities, and deferred inflows, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the County is improving or deteriorating.

The *statement of activities* presents information showing how the government's net position changed during the most recent 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 result in cash flows in future fiscal periods.

Both government-wide financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the County include general government, public safety, physical environment, transportation, economic environment, human services, culture/recreation, and court-related activity.

The business-type activities of the County include water/sewer services, airport services, solid waste collection/disposal, building inspection services and emergency medical service.

Fund Financial Statements

The accounts of the County are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, net position, revenues, and expenditures or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled.

The County's funds are presented in separate fund financial statements. These funds are presented on governmental fund financial statements, proprietary fund financial statements and a fiduciary fund financial statement. The County's major funds are presented in separate columns on the fund financial statements. The definition of a major fund is one that meets certain criteria set forth in GASB 34. The funds that do not meet the criteria of a major fund are considered non-major funds and are combined into a single column on the fund financial statements.

Governmental Fund Financial Statements

Governmental fund financial statements are prepared on a modified accrual basis using current financial resources measurement focus. Under the modified accrual basis, revenues are recognized when they become measurable and available as net current assets. Although the activity of the internal service funds is reported with the governmental activities on the government-wide financial statements they are not combined on the government fund financial statements.

Five of the County's governmental funds, the General Fund, Tourist Development Special Revenue Fund, Capital Outlay Construction Trust Capital Projects Fund, Road and Bridge Construction Capital Projects Fund, and Infrastructure Surtax Fund are classified as major funds. All other governmental funds are combined into a single column on the governmental fund financial statements. Individual fund data for the non-major funds is found in combining statements presented as supplemental financial data.

The County adopts an annual budget for all governmental funds. A budgetary comparison has been presented for all the governmental funds, which compares not only actual results to the budget but also the original adopted budget to the final budget. These budgetary comparisons for the general fund and major special revenue funds are presented as part of the required supplementary information. Non-major governmental fund budget comparisons are presented as supplemental financial data.

Proprietary Fund Financial Statements

Proprietary fund financial statements, like government-wide financial statements, are prepared on a full accrual basis. Proprietary funds record both operating and non-operating revenues and expenses. Operating revenues are those that are obtained from the operations of the proprietary fund.

The County reports the Water and Sewer Enterprise Fund, Airport Enterprise Fund, and Emergency Medical Services as major funds in the proprietary fund financial statements. These enterprise funds are used to present the same functions that are presented in the government-wide financial statements. The other enterprise funds are grouped together and reported in a separate column entitled, "Other Enterprise Funds". The internal service funds are combined into a single column on the proprietary fund financial statements. Individual fund data is presented in combining statements as supplemental financial data.

The internal service funds are used to account for risk management, health, including other post-employment benefits for retirees, dental and liability insurance, fleet management services and funding of short-term compensated absence liability on a cost reimbursement basis.

Fiduciary Fund Financial Statement

Data shown on the fiduciary fund financial statement is not included in the government-wide financial statements because the resources of those funds are not available to support the County's programs. The only type of fiduciary funds the County maintains, custodial funds, are used to account for assets held by the County as an agent for individuals or other governments.

Notes to the Financial Statements

The notes to the financial statements provide additional information that is useful for a more complete understanding of the data provided in the government-wide and fund financial statements.

Other information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning Okaloosa County's change in and contributions to pensions and other post-employment benefits.

This report also presents combining statements for the non-major governmental and proprietary funds and agency funds, as well as individual fund budgets and actual comparison schedules for non-major governmental funds.

Government-wide Financial Analysis

While net position is increasingly the best indicator of a government's long-term financial health, it is heavily influenced by significant projections and estimates. As of September 30, 2025, the County's total net position or total assets and deferred outflows that exceeded liabilities and deferred inflows, was \$1,043,507. A significant portion of the County's net position, 77.8 percent, is identified as an investment in capital assets (such as land, buildings, equipment, infrastructure), less related debt outstanding that was used to acquire those assets. Since the County uses capital assets to provide services to its residents, the net position represented by "invested in capital assets" is not available for future spending. In fact, the payment of maintenance and debt service costs on those capital assets will themselves require governmental resources. The investment in capital assets increased by \$70,130 or 11.0 to \$811,833, in comparison to the prior year.

Another portion of the County's net position is restricted net position which represents assets that are subject to constraints such as debt covenants, grantors, laws, or regulations. The restricted net position balance of \$188,194 (18.0 percent of total net position) decreased by \$1,891 or 0.9 percent, in comparison to the previous year, due to a large decrease in culture and recreation resulting from the acquisition of the SS United States intended to be used

as the world's largest artificial reef. This was offset by increases in funds restricted for capital projects and health services.

Unrestricted net position is available to meet the County's ongoing obligations to residents, creditors, and enterprise fund customers. The County has an overall net unrestricted net position of \$43,481 which is an increase of \$4,203 from the prior year. This increase is primarily attributable to the use of restricted resources for capital projects in culture and recreation. The governmental activities overall net position increased by \$55,761. The reason is due to an increase of \$78,713 in total assets and deferred outflows offset by an increase of \$22,952 in total liabilities and deferred inflows. Although millage rates remained flat, property tax revenue increased due to rising taxable assessed values. Net Position in the County's Business-type activities increased by \$51,889 due to an increase of \$29,482 in total assets and deferred outflows and a decline of \$10,779 in total liabilities and deferred inflows. As those assets are placed in service the depreciation expense will ultimately follow. Unrestricted Net Position of \$82,131 is available in the County's Business-type activities to meet ongoing obligations to its customers.

The following is a condensed summary of net position for the primary government for fiscal years 2025 and 2024.

**Okaloosa County, Florida
Summary of Net Position
September 30, 2025 and 2024**

	Governmental		Business-type		Total	
	2025	2024	2025	2024	2025	2024
Current and Other Assets	\$333,214	\$321,390	\$168,106	\$164,655	\$501,320	\$486,045
Noncurrent Capital Assets	474,019	403,007	469,558	428,660	943,577	831,667
Noncurrent Lease Receivable	15,297	15,804	35,165	42,078	50,462	57,882
Total Assets	\$822,530	\$740,201	\$672,829	\$635,393	\$1,495,359	\$1,375,594
Total Deferred Outflows	\$26,174	\$29,790	\$8,350	\$9,899	\$34,524	\$39,689
Current and Other Liabilities, restated	61,642	53,710	28,124	22,334	89,766	76,044
Noncurrent Liabilities	231,038	222,101	72,827	94,630	303,865	316,731
Total Liabilities	\$292,680	\$275,811	\$100,951	\$116,964	\$393,631	\$392,775
Total Deferred Inflows	\$37,774	\$31,691	\$54,972	\$54,959	\$92,746	\$86,650
Net Position:						
Net Investment in Capital Assets	\$392,895	\$329,479	\$418,937	\$377,016	\$811,832	\$706,495
Restricted for						
Debt Service	-	-	3,539	4,412	3,539	4,412
Capital Projects	73,675	67,074	-	-	73,675	67,074
Public Safety	3,691	2,974	-	-	3,691	2,974
Transportation	7,154	10,210	20,650	17,657	27,804	27,867
Eco Environment	7,841	8,545	-	-	7,841	8,545
Culture Recreation	69,754	78,699	-	-	69,754	78,699
Health services	1,533	-	-	-	1,533	-
Court-Related	357	514	-	-	357	514
Unrestricted	(38,650)	(35,005)	82,131	74,283	43,481	39,278
Total Net Position, restated	\$518,251	\$462,490	\$525,257	\$473,368	\$1,043,507	\$935,858

Okaloosa County, Florida
Summary of Revenues and Expenses
For the Year Ending September 30, 2025 and 2024

	Governmental		Business-type		Total	
	Activities		Activities			
	2025	2024	2025	2024	2025	2024
Revenues:						
Program Revenues:						
Charges for Services	\$73,353	\$57,178	\$104,894	\$102,217	\$178,248	\$159,394
Operating Grants and Contributions	9,364	23,152	275	5,078	9,639	28,230
Capital Grants and Contributions	35,737	18,350	37,738	22,983	73,475	41,334
General Revenues:						
Taxes	189,810	181,482	-	-	189,810	181,482
Unrestricted Intergovernmental Revenue	29,950	29,502	-	-	29,950	29,502
Other	18,165	21,795	7,110	9,491	25,275	31,285
Total Revenues	356,379	331,459	150,017	139,769	506,396	471,228
Expenses:						
Program Activities:						
General Government	54,184	51,723	-	-	54,184	51,723
Public Safety	119,958	101,631	-	-	119,958	101,631
Physical Environment	16,449	7,493	-	-	16,449	7,493
Transportation	26,542	25,984	-	-	26,542	25,984
Economic Environment	33,617	29,652	-	-	33,617	29,652
Human Services	21,317	6,499	-	-	21,317	6,499
Culture and Recreation	13,720	13,628	-	-	13,720	13,628
Court-Related	12,310	11,035	-	-	12,310	11,035
Interest and Fiscal Charges	3,101	3,406	-	-	3,101	3,406
Business-type Activities:						
Water and Sewer	-	-	37,538	39,030	37,538	39,030
Airport	-	-	25,227	25,789	25,227	25,789
Solid Waste	-	-	16,821	16,124	16,821	16,124
Emergency Medical	-	-	15,016	13,976	15,016	13,976
Other	-	-	2,947	2,761	2,947	2,761
Total Expenses	301,198	251,051	97,549	97,681	398,747	348,732
Inc in Net Position Before Trf	55,181	80,409	52,468	42,087	107,649	122,496
Transfers	580	1,827	(580)	(1,827)	-	-
Inc/(Dec) in Net Position	55,761	82,236	51,889	40,261	107,649	122,496
Net Position October 1	462,490	380,255	473,368	433,108	935,858	813,362
Net Position September 30	\$518,251	\$462,490	\$525,257	\$473,368	\$1,043,507	\$935,858

Revenues increased by \$24,920 or 7.5 percent in governmental activities. Charges for services had a \$18,853 increase in the current year. This was mainly attributed to the assessments received through the Local Provider Participation Program (LPPP) established. This program managed by the Agency for Healthcare Administration (AHCA) uses special assessments on private hospitals via local governments to create intergovernmental transfers (IGTs). These transfers serve as the non-federal share, unlocking federal matching Medicaid funds. Despite holding the County's millage rate flat, Ad Valorem taxes increased by \$8,328 or 4.6 percent compared to the previous year. Decreased interest rates on short-term investments led to a decrease of \$4,396 in investment earnings, to \$18,174, compared to the previous year. Operating grants and contributions decreased \$13,788 from 2024 to 2025. This is primarily due to the recognition of the American Rescue Plan (ARPA) Act in 2024 as an operating grant in general government. Capital grants and contributions increased \$17,387 from 2024 to 2025. This is primarily due to capital projects acquired with ARPA grants in the general government function.

Revenues in business-type activities increased by \$10,248 or 7.3 percent from the prior year. Most of the increase came from capital grants and contributions related to the Shoal River Industrial Ranch Infrastructure project, which offset a decline of \$4,803 in operating grants and contributions from \$5,078 to \$275.

Expenses in governmental activities increased by \$50,147 or 20.0 percent primarily due to increases in public safety and human services. The \$18,327 increase in public safety was mainly related to the purchase of portable radios and funding for a new Regional Medical Examiner Facility. The County has partnered with neighboring counties to fund a facility located in Santa Rosa County. The facility is expected to cost \$18,650,000. The human services expenditures increased due to LPPP.

Expenses in business-type activities decreased by \$132 or 0.1 percent. The decline was mainly attributed to expense decreases in the Water and Sewer and Airport Enterprise Funds which offset the increases in Solid Waste, EMS, and other business-type activities. The capital grants and contributions increased \$14,755, from \$22,983 to \$37,738, due to ARPA funding related to Shoal River infrastructure improvement project in the Water and Sewer Enterprise Fund.

Overall, the County's net position increased by 11.5 percent, from \$935,858 in 2024 to \$1,043,507 in 2025.

Governmental activities

The focus of Okaloosa County governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the County's financing requirements. Unreserved fund balance may serve as a useful measure of a government's net resources available for spending at fiscal year-end.

As of September 30, 2025, the County governmental funds reported combined fund balances of \$274,571, an increase of \$21,567 over the prior year balances.

The General Fund is the chief operating fund of the County. As of September 30, 2025, total fund balance in the general fund was \$33,434 of which \$22,905 was unassigned. The expenditures for the fiscal year exceeded revenues by \$4,239. The increase was primarily related to public safety expenditures for the regional medical examiners office and increases in health insurance costs for inmates at the County jail. This resulted in an overall decrease in general fund balance of \$2,912. Decrease is due to timing of interfund transfers. Certain revenue was expected to be recognized and transferred to the General Fund from the Natural Disasters fund during the year ended FY25. However the revenue was not eligible for recognition in the Natural Disasters fund and as a result a transfer of \$6,250 was budgeted but not realized in the General fund.

The Tourist Development Special Revenue Fund is used to account for the revenues and expenditures collected on short-term rentals in Okaloosa County. The Tourist Development Special Revenue Fund balance decreased from the prior year by \$10,692. The expenditures for the fiscal year exceeded revenues by \$8,510. Current year revenues decreased by \$520 or 1.0% over the previous year. This was due to decreased interest rates on short-term investments which led to a decrease in investment earnings compared to prior year. Expenditures increased by \$25,569 or 75.7% over the previous year due to capital outlay. The County continually invests in land and building acquisitions to protect and restore natural resources, including artificial reef deployments, with a commitment to expand recreational areas and parks.

The Capital Outlay Construction Trust Capital Projects Fund was classified as a major fund in fiscal year 2025, whereas it was reported as a non-major fund in prior years. This fund is used to account for proceeds of bond issues, federal and state grants, and local appropriations for major capital projects. The fund balance increased over prior year by \$41,784 due primarily to the issuance of debt. The debt proceeds will be used for capital outlay expenditures related to construction of a Tax Collector and Public works facility in Crestview. These capital projects and improvements will expand the services to the citizens in the north end of the County. The expenditures for the

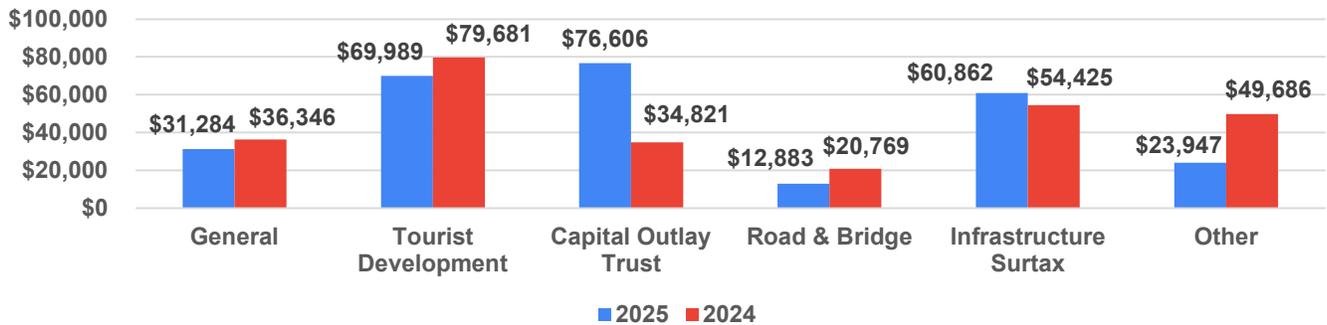
fiscal year exceeded revenues by \$9,041. Current year revenues increased by \$911 or 15.4% over the previous year, due to taxes and intergovernmental revenue. The expenses increased \$6,069 due to public safety expenditures compared with the prior year. As mentioned above, this increase was due to acquisition of portable radios related to a communication project.

The Road and Bridge Construction Capital Projects Fund is the construction fund that is used to account for major governmental capital improvements. The fund balance decreased over the prior year by \$7,886 due to expenditures related to the Crestview bypass project exceeding current year revenue.

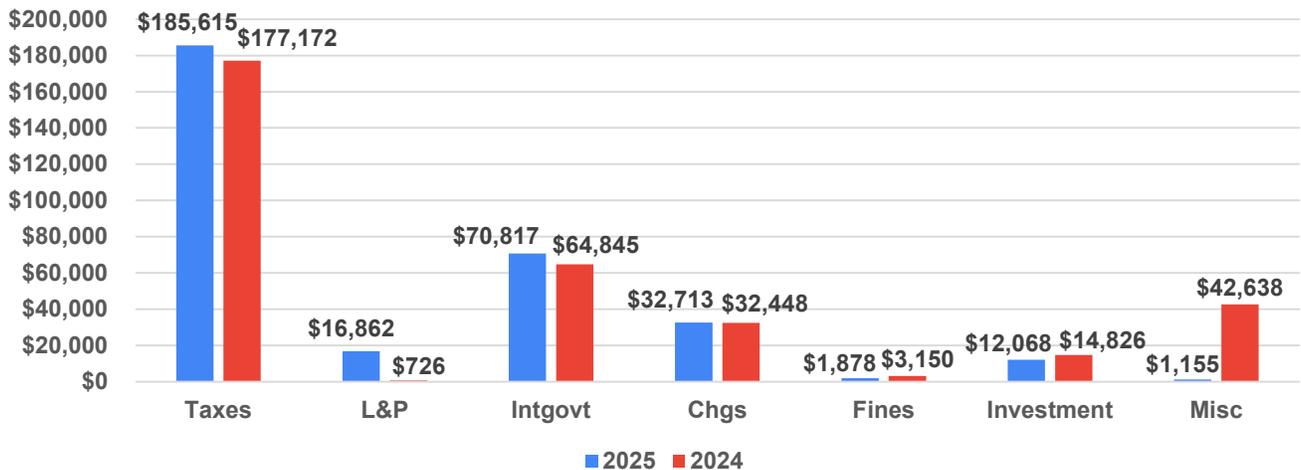
The Infrastructure Surtax Fund is the capital project fund that is used to account for major government capital improvements paid for utilizing the one-half cent surtax approved by the citizens of the County. The fund balance increased over the prior year by \$6,438, from \$54,425 in 2024 to \$60,862 in 2025. Surtax revenues increased 2.9%, bringing in \$22,652 in 2025, compared to \$22,017 from the prior year. The County is expected to use these sales taxes on infrastructure projects in future years.

The following is a chart comparing Governmental Fund Balances, Revenue, and Expenditures for 2025 and 2024.

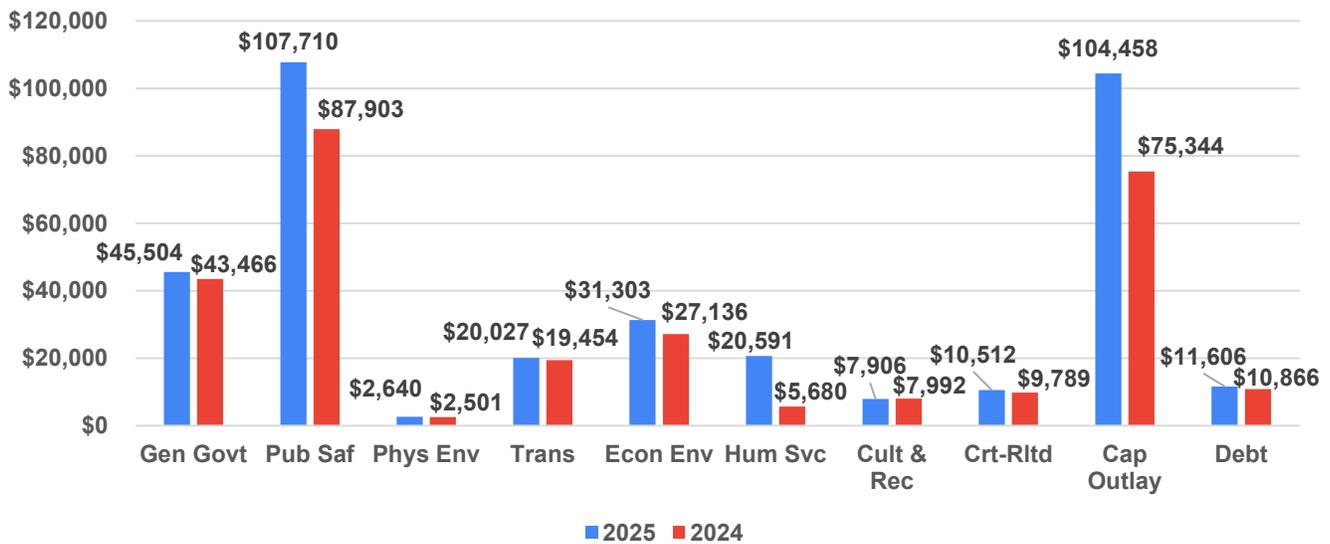
Governmental Fund Balance Comparison



Governmental Revenues By Source Comparison



Governmental Expenditures By Function Comparison



Proprietary Activities

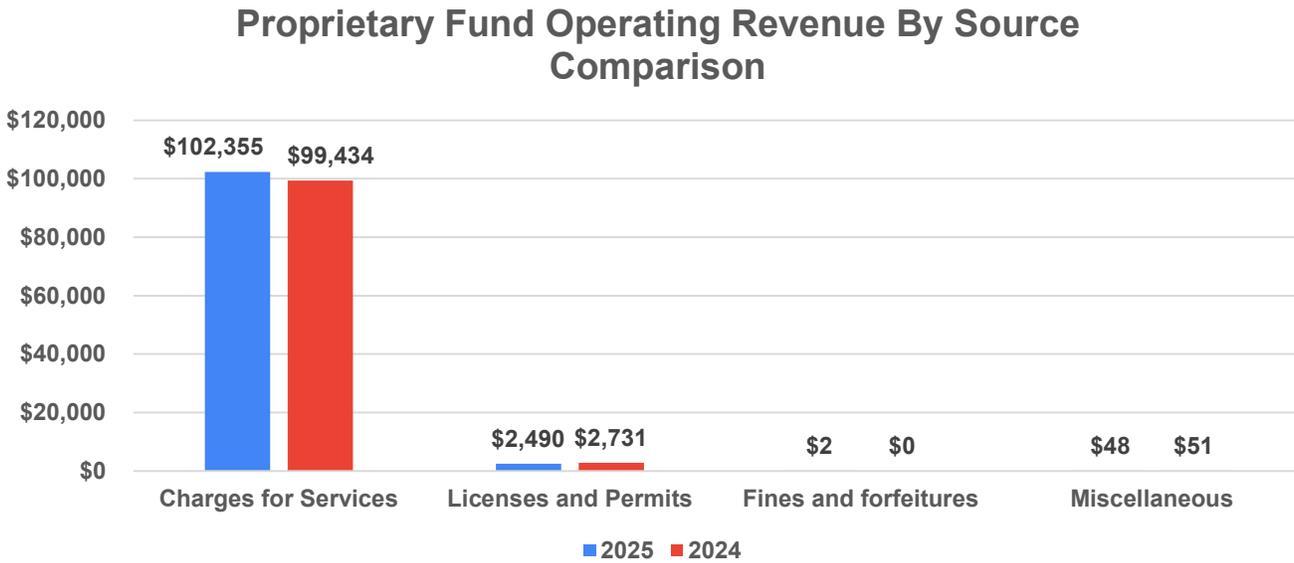
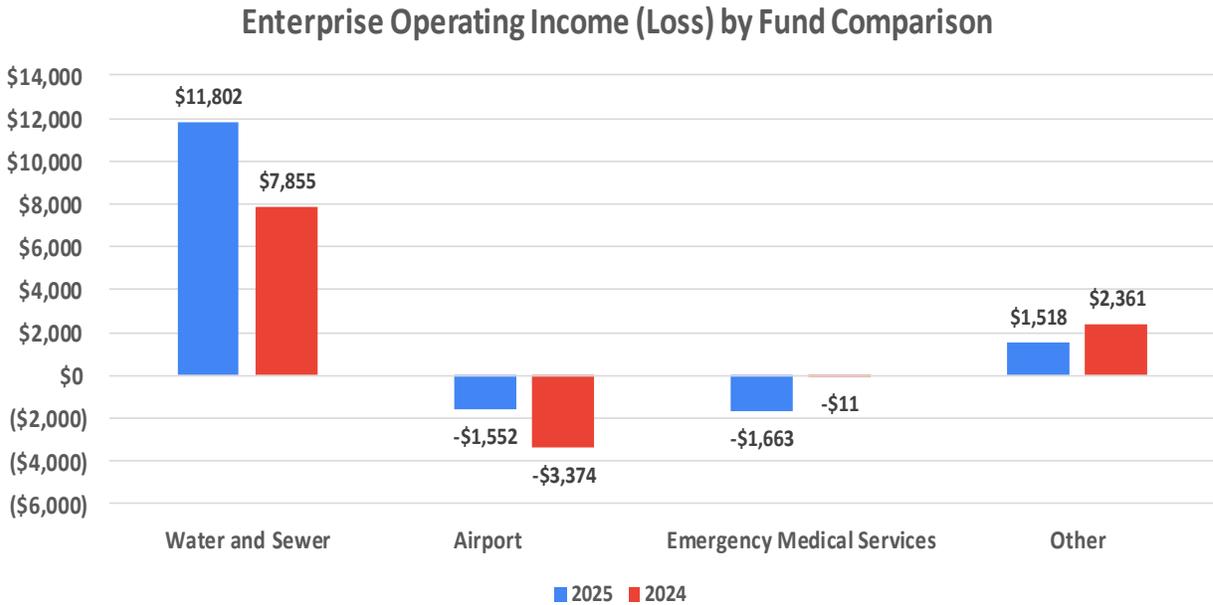
Okaloosa County's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail, and on a fund basis for the enterprise funds and internal service funds.

As of September 30, 2025, total net position of enterprise funds amounted to \$525,257 as compared to \$473,368 on September 30, 2024. The increase of \$51,888 in total net position was from an increase of \$35,713 in total assets and deferred outflows coupled with a decrease of \$22,952 in total liabilities and deferred inflows. Net position balances are primarily the result of operations and capital contributions in the Water & Sewer fund.

Business-type activities increased the County's total net position by \$51,888. Major components of this increase are as follows:

- The Water and Sewer Fund increased its net position by \$32,202, or 13.9% to \$263,280. The operating revenues increased \$2,007, or 4.5% to \$46,596 from charges for services. The operating expenses decreased \$1,940, or 5.3% to \$33,510 primarily due to a decline in contractual services. The operating revenues exceeded operating expenses by \$11,802 in the current year. Investment earnings decreased \$1,168 which also decreased net position. Capital contributions increased \$15,474 mostly due to contributions from the Natural Disasters Fund related to ARPA funding for the Shoal River Infrastructure Project.
- The Airport Fund increased its net position by \$14,237, or 6.4% to \$235,282. The operating revenues increased \$1,259, or 5.6% to \$23,675 from charges for services. The operating expenses decreased \$562, or 2.2% to \$25,227 mainly due to a decline in contractual services. The operating expenses exceeded operating revenues by \$1,552 in the current year. The non-operating revenue decreased \$5,290. This was mainly due to a decrease in Intergovernmental for baggage claim expansion and investment earnings offset by a slight increase in passenger and customer facility charges.
- The Emergency Medical Services Fund increased its net position by \$2,821, or 102.3% to \$5,578. The operating revenues decreased \$627, or 4.5% to \$13,338 from charges for services. The operating expenses increased \$1,025, or 7.3% to \$15,001 due to supplies. Investment earnings decreased \$16 and a \$3,036 transfer from the General fund also directly increased the net position.

The net operating income (loss) from enterprise funds for fiscal years 2025 and 2024, is as follows:



Budgetary Highlights

A Budget to actual statement is provided for the General Fund. A budget column for both the original budget adopted for fiscal year 2025 as well as the final budget is presented.

Differences between the original budget and final amended budget are as follows:

- The County’s budgeted revenues and expenses in the General Fund increased by approximately \$25,737 and \$46,544 respectively during the year. Intergovernmental revenue operating and capital grants accounted for \$22,448 of the increase. The County does not include grant activity carried forward from the prior year as part of their original budget adoption and, therefore, all grant activity is reflected as an

amendment to the original budget. The increase in budgeted expenditures in the General Fund are related to public safety, transportation, and capital outlay.

The actual results, when compared to the final budget, are as follows:

- A variance in the General Fund of \$8,880 of actual revenues under anticipated budget amounts as the grant revenue anticipated was both not earned and unavailable in the current year based on the timing of both qualifying expenditures and the availability of funds received. A variance of \$37,293 in the General Fund of actual expenditures under anticipated budget amounts is the direct result of the County's approach by fully budgeting all available resources, regardless of when the anticipated cash flows are expected to occur.

Capital Asset and Debt Administration

Capital Assets. Okaloosa County's investment in capital assets for its governmental and business - type activities as of September 30, 2025, amounts to \$943,577 (net of accumulated depreciation). This investment in capital assets includes land, buildings, roads, bridges and other improvements, machinery and equipment, software, and park facilities. The increase in Okaloosa County's governmental activities, investment in capital assets, for the current fiscal year amounted to \$71,012 or 17.6 percent increase, which was mainly due to the construction in progress related to transportation and road improvements. The business-type activities investment in capital assets increased by \$40,898, mainly due to the completion of water and sewer infrastructure.

The following schedule compares capital assets for the primary government for the current and previous fiscal years:

Okaloosa County, Florida
Capital Assets
September 30, 2025 and 2024

	Governmental		Business-type		Total	
	Activities		Activities			
	2025	2024	2025	2024	2025	2024
Land	\$34,198	\$26,570	\$15,143	\$14,765	\$49,342	\$41,335
Buildings	165,677	158,908	123,859	123,067	289,536	281,974
Improvements other than buildings	73,977	71,589	277	277	74,253	71,866
Intangibles	3,625	3,564	1,311	1,099	4,936	4,664
Subscriptions	11,351	9,620	360	226	11,710	9,846
Mach/Equipment	85,895	78,992	33,411	33,712	119,307	112,705
Right to Use	21	21	7,225	6,565	7,246	6,586
Const in Progress	173,852	129,841	64,406	32,813	238,258	162,654
Infrastructure	203,868	186,179	507,928	486,910	711,796	673,088
Art	29	29	70	70	99	99
Total Capital Assets	<u>752,492</u>	<u>665,313</u>	<u>753,989</u>	<u>699,504</u>	<u>1,506,481</u>	<u>1,364,816</u>
Accum Deprec	<u>(278,474)</u>	<u>(262,306)</u>	<u>(284,431)</u>	<u>(270,843)</u>	<u>(562,905)</u>	<u>(533,149)</u>
Total	<u>\$474,019</u>	<u>\$403,007</u>	<u>\$469,558</u>	<u>\$428,660</u>	<u>\$943,577</u>	<u>\$831,667</u>

Additional information on the County's capital assets can be found in notes to the financial statements (Note 6).

Long-term debt. At the end of the current fiscal year, the primary government, Okaloosa County, had bonded and revolving loans for total long-term debt outstanding of \$163,528. Of this amount, \$126,729 comprises governmental activities while the remaining \$36,802 is secured by revenue bonds and revolving loans in business-type activities.

**Okaloosa County, Florida
Outstanding Debt
September 30, 2025 and 2024**

	Governmental Activities		Business-type Activities		Total	
	2025	2024	2025	2024	2025	2024
Financed Purchases	\$-	\$48	\$-	\$-	\$-	\$48
Revenue Bonds	115,017	68,567	36,032	45,377	151,049	113,943
Revolv & Comm Loan	11,709	16,582	770	1,266	12,479	17,848
Total	<u>\$126,726</u>	<u>\$85,196</u>	<u>\$36,802</u>	<u>\$46,643</u>	<u>\$163,528</u>	<u>\$131,839</u>

Additional information on long-term debt can be found in notes to the financial statements (Note 10).

Okaloosa County, Florida, Debt Ratings at September 30, 2025

	S & P	Fitch/Moody's
2011 Capital Improvement Revenue Bonds	Not rated	Not rated
2014 Sales Tax Revenue Bonds	AA	AA
2016 Sales Tax Revenue Bonds	AA	AA
2019 Sales Tax Refunding and Improvement Revenue Bonds	AA	AA
2025 Capital Improvement Revenue and Refunding Bonds	Not rated	AAA
2025 Water and Sewer Revenue Refunding Bonds	Not rated	AA+

Economic Factors

Local, national, and international economic factors influence the County's revenues in a variety of ways. Positive economic growth is correlated with increased revenues from property taxes, state sales taxes, fuel taxes, charges for services, state revenue sharing as well as state and federal grants, while negative economic growth generally has the opposite reaction. Economic growth may be measured by a variety of indicators such as employment growth, unemployment, new construction and assessed values, diversification of the property tax base, and Enterprise Fund revenue and net asset growth.

- U.S. Department of Labor and Florida Department of Economic Opportunity reported that Okaloosa County's labor force has decreased from 106,347 to 102,227 as of September 2025, a decrease of 3.8 percent. The decreasing labor force coupled with inflation increasing to 3.0% led in part to the County's unemployment rate increasing to 4.1 percent in 2025. The County's unemployment rate remained consistent when compared to the increasing state and national rates of 3.9 and 4.4 percent, respectively for 2025.
- The assessed value of real property located in the County increased from \$27.880 billion to \$29.486 billion in 2025, while the total taxable assessed value of the County increased from \$29.010 billion to \$30.763 billion in 2024. This represented an increase of \$1.753 billion or 6.0 percent in property valuation.
- Okaloosa County has a diversified property tax base. The ten largest property taxpayers in the County represent only 1.63 percent of the total ad valorem property tax levy.

More information on economic factors is provided in the Statistical Section.

Request for information

This financial report is designed to provide the reader with an overview of the County. Questions regarding any information provided in this report should be directed to:

Finance Department
101 East James Lee Blvd.
Crestview, Florida, 32536.

**OKALOOSA COUNTY, FLORIDA
STATEMENT OF NET POSITION
SEPTEMBER 30, 2025**

	Primary Government		
	Government Activities	Business-Type Activities	Total
ASSETS			
Current assets			
Cash and cash equivalents	\$ 43,140,123	\$ 10,860,790	\$ 54,000,913
Investments	209,390,150	100,781,838	310,171,988
Receivables, net of allowance for uncollectibles	7,022,307	13,939,382	20,961,689
Internal balances	181	(181)	-
Due from other governments	14,756,744	10,929,202	25,685,946
Inventories	648,082	4,084,623	4,732,705
Prepaid items	1,363,442	1,568,839	2,932,281
Other assets	103,100	-	103,100
Amounts held by others for benefits	5,294,414	-	5,294,414
Restricted assets:			
Cash and cash equivalents			
Customer deposits	-	1,421,402	1,421,402
Investments	51,495,888	24,520,186	76,016,074
Total current assets	<u>333,214,431</u>	<u>168,106,081</u>	<u>501,320,512</u>
Noncurrent assets			
Lease receivable	15,296,845	35,164,608	50,461,453
Capital assets			
Non-depreciable/amortizable	209,226,338	79,618,883	288,845,221
Depreciable/amortizable, net	<u>264,792,352</u>	<u>389,939,367</u>	<u>654,731,719</u>
Total noncurrent assets	<u>489,315,535</u>	<u>504,722,858</u>	<u>994,038,393</u>
TOTAL ASSETS	<u>822,529,966</u>	<u>672,828,939</u>	<u>1,495,358,905</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred charges related to pensions	24,274,173	8,181,441	32,455,614
Deferred charges related to OPEB	<u>1,900,261</u>	<u>168,725</u>	<u>2,068,986</u>
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>26,174,434</u>	<u>8,350,166</u>	<u>34,524,600</u>
LIABILITIES			
Current liabilities			
Accounts payable and other accrued liabilities	23,314,146	16,041,452	39,355,598
Due to other governments	1,204,909	48,145	1,253,054
Unearned revenue	15,699,650	2,997,125	18,696,775
Due to depositors	120,401	-	120,401
Compensated absences	6,800,466	2,213,940	9,014,406
Claims and judgments	2,602,280	-	2,602,280
Lease obligations	4,278	488,155	492,433
Subscription liabilities	2,191,048	132,643	2,323,691
Closure costs payable	-	299,818	299,818
Revenue bonds payable	4,505,000	3,640,000	8,145,000
Notes payable	3,005,099	510,011	3,515,110

See notes to the financial statements.

**OKALOOSA COUNTY, FLORIDA
STATEMENT OF NET POSITION
SEPTEMBER 30, 2025**

	Primary Government		Total
	Government Activities	Business-Type Activities	
Liabilities payable from restricted assets			
Customer deposits	\$ -	\$ 1,434,713	\$ 1,434,713
Interest payable	2,089,728	318,405	2,408,133
Total current liabilities	<u>61,537,005</u>	<u>28,124,407</u>	<u>89,661,412</u>
Noncurrent liabilities			
Compensated absences	5,866,718	601,761	6,468,479
Other long-term liabilities	1,041,406	-	1,041,406
Claims and judgments	4,508,000	-	4,508,000
Lease obligations	-	5,564,676	5,564,676
Subscription liabilities	3,700,890	-	3,700,890
Closure costs payable	-	899,455	899,455
Revenue bonds payable, net	108,603,435	32,391,512	140,994,947
Notes payable	10,612,759	260,325	10,873,084
Other post employment benefits	7,355,302	1,063,154	8,418,456
Net pension liability	89,454,371	32,045,733	121,500,104
Total noncurrent liabilities	<u>231,142,881</u>	<u>72,826,616</u>	<u>303,969,497</u>
TOTAL LIABILITIES	<u>292,679,886</u>	<u>100,951,023</u>	<u>393,630,909</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred charges related to pensions	19,261,335	5,792,309	25,053,644
Deferred charges related to OPEB	4,936,272	667,765	5,604,037
Deferred charges on refunding	-	4,725,837	4,725,837
Deferred charges related to leases	13,575,946	36,318,886	49,894,832
Deferred revenue	-	7,466,783	7,466,783
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>37,773,553</u>	<u>54,971,580</u>	<u>92,745,133</u>
NET POSITION			
Net investment in capital assets	392,895,453	418,937,254	811,832,707
Restricted for:			
Debt service	-	3,538,856	3,538,856
Capital outlay	73,675,119	-	73,675,119
Public safety	3,691,425	-	3,691,425
Transportation	7,154,474	20,649,614	27,804,088
Economic environment	7,840,591	-	7,840,591
Culture and recreation	69,754,007	-	69,754,007
Health services	1,533,185	-	1,533,185
Court-related	356,662	-	356,662
Unrestricted (deficit)	<u>(38,649,955)</u>	<u>82,130,778</u>	<u>43,480,823</u>
TOTAL NET POSITION (DEFICIT)	<u>\$ 518,250,961</u>	<u>\$ 525,256,502</u>	<u>\$ 1,043,507,463</u>

See notes to the financial statements.

**OKALOOSA COUNTY, FLORIDA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2025**

	Program Revenues			Net (Expense) Revenue and Changes in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Total
					Governmental Activities	Business-Type Activities	
PRIMARY GOVERNMENT							
Governmental activities							
General government	\$ 54,184,242	\$ 38,212,734	\$ 679,053	\$ 12,919,708	\$ (2,372,747)	\$ -	\$ (2,372,747)
Public safety	119,958,113	9,444,936	1,840,774	2,634,829	(106,037,574)	-	(106,037,574)
Physical environment	16,448,688	10,821	454,680	52,100	(15,931,087)	-	(15,931,087)
Transportation	26,542,421	1,883,407	3,964,393	16,738,899	(3,955,722)	-	(3,955,722)
Economic environment	33,617,475	-	499,213	-	(33,118,262)	-	(33,118,262)
Human services	21,316,720	15,687,421	-	-	(5,629,299)	-	(5,629,299)
Culture and recreation	13,719,990	1,797,147	75,784	3,391,034	(8,456,025)	-	(8,456,025)
Court-related	12,309,717	6,316,934	1,849,986	-	(4,142,797)	-	(4,142,797)
Interest and fiscal charges	3,100,816	-	-	-	(3,100,816)	-	(3,100,816)
TOTAL GOVERNMENTAL ACTIVITIES	301,198,182	73,353,400	9,363,883	35,736,570	(182,744,329)	-	(182,744,329)
Business-type activities							
Water and sewer	37,538,196	46,595,650	-	20,808,020	-	29,865,474	29,865,474
Airport	25,227,294	23,674,997	-	15,664,327	-	14,112,030	14,112,030
Solid waste	16,820,637	18,240,285	254,897	-	-	1,674,545	1,674,545
Emergency medical services	15,016,411	13,337,934	20,095	1,265,245	-	(393,137)	(393,137)
Inspection and code enforcement	2,946,852	2,998,019	-	-	-	51,167	51,167
Tax collector building maintenance	-	47,251	-	-	-	47,251	47,251
TOTAL BUSINESS-TYPE ACTIVITIES	97,549,390	104,894,136	274,992	37,737,592	-	45,357,330	45,357,330
TOTAL PRIMARY GOVERNMENT	\$ 398,747,572	\$ 178,247,536	\$ 9,638,875	\$ 73,474,162	(182,744,329)	45,357,330	(137,386,999)
General revenues							
Taxes:							
Ad valorem tax					111,074,452	12	111,074,464
Tourist development tax					42,904,158	-	42,904,158
Local option fuel tax					6,124,066	-	6,124,066
Communication services tax					1,381,968	-	1,381,968
Ninth-cent voted fuel tax					1,168,153	-	1,168,153
Gas tax					4,195,624	-	4,195,624
Local business tax					309,836	-	309,836
Infrastructure surtax					22,652,464	-	22,652,464
Unrestricted intergovernmental revenue					29,949,787	-	29,949,787
Investment earnings (loss)					12,281,883	5,891,692	18,173,575
Gain on disposal of capital assets					480,214	(46,658)	433,556
Miscellaneous					5,403,448	1,265,257	6,668,705
Transfers - internal activities					579,508	(579,508)	-
TOTAL GENERAL REVENUES AND TRANSFERS					238,505,561	6,530,795	245,036,356
CHANGE IN NET POSITION					55,761,232	51,888,125	107,649,357
NET POSITION - BEGINNING					462,489,729	473,368,377	935,858,106
NET POSITION - ENDING					\$ 518,250,961	\$ 525,256,502	\$ 1,043,507,463

See notes to the financial statements.

**OKALOOSA COUNTY, FLORIDA
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2025**

	General Fund	Tourist Development Special Revenue Fund	Capital Outlay Construction Trust Capital Projects Fund	Road and Bridge Construction Capital Projects Fund	Infrastructure Surtax Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
ASSETS							
Cash and cash equivalents	\$ 8,329,973	\$ 323,268	\$ 8,136,671	\$ 77	\$ 12,919,904	\$ 9,292,437	\$ 39,002,330
Investments	26,044,713	67,323,454	66,055,009	10,187,330	46,991,506	35,703,632	252,305,644
Accounts receivable	576,456	43,969	314,864	5,901,707	-	124,606	6,961,602
Lease receivable	15,296,845	-	-	-	-	-	15,296,845
Due from other funds	4,474,950	-	2,801,322	-	-	-	7,276,272
Due from other elected officials	3,506,956	4,451,411	97,476	-	-	20,834	8,076,677
Due from other governments	6,196,560	1,739,213	397,759	2,465,791	1,572,829	2,259,467	14,631,619
Inventory	-	-	-	199,861	26,869	245,869	472,599
Prepays	427,710	80,114	-	-	-	116,661	624,485
Other assets	103,100	-	-	-	-	-	103,100
TOTAL ASSETS	\$ 64,957,263	\$ 73,961,429	\$ 77,803,101	\$ 18,754,766	\$ 61,511,108	\$ 47,763,506	\$ 344,751,173

See notes to the financial statements.

**OKALOOSA COUNTY, FLORIDA
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2025**

	<u>General Fund</u>	<u>Tourist Development Special Revenue Fund</u>	<u>Capital Outlay Construction Trust Capital Projects Fund</u>	<u>Road and Bridge Construction Capital Projects Fund</u>	<u>Infrastructure Surtax Capital Projects Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
LIABILITIES, DEFERRED INFLOW OF RESOURCES AND FUND BALANCES							
LIABILITIES							
Accounts payable	\$ 2,441,109	\$ 230,815	\$ 900	\$ 23,332	\$ -	\$ 188,675	\$ 2,884,831
Contracts payable	1,868,487	3,638,413	1,196,070	4,867,910	635,091	3,068,516	15,274,487
Other accrued liabilities	3,661,953	219,194	-	-	13,681	919,849	4,814,677
Due to other funds	537,327	-	-	-	-	6,536,172	7,073,499
Due to other elected officials	7,228,205	149,380	-	-	-	697,634	8,075,219
Due to other governments	244,250	372,316	-	-	-	584,089	1,200,655
Due to depositors	34,064	34,198	-	-	-	52,076	120,338
Unearned revenue	1,451,573	328,135	-	-	-	13,919,942	15,699,650
TOTAL LIABILITIES	<u>17,466,968</u>	<u>4,972,451</u>	<u>1,196,970</u>	<u>4,891,242</u>	<u>648,772</u>	<u>25,966,953</u>	<u>55,143,356</u>
DEFERRED INFLOWS OF RESOURCES							
Unavailable revenue	480,164	-	-	980,728	-	-	1,460,892
Lease receivable	13,575,946	-	-	-	-	-	13,575,946
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>14,056,110</u>	<u>-</u>	<u>-</u>	<u>980,728</u>	<u>-</u>	<u>-</u>	<u>15,036,838</u>
FUND BALANCES							
Nonspendable	427,710	80,114	-	199,861	26,869	362,530	1,097,084
Restricted	2,322,632	68,908,864	61,057,552	9,815,035	60,835,467	11,581,073	214,520,623
Committed	249,299	-	-	-	-	845,037	1,094,336
Assigned	7,529,775	-	15,548,579	2,867,900	-	9,350,277	35,296,531
Unassigned	22,904,769	-	-	-	-	(342,364)	22,562,405
TOTAL FUND BALANCES	<u>33,434,185</u>	<u>68,988,978</u>	<u>76,606,131</u>	<u>12,882,796</u>	<u>60,862,336</u>	<u>21,796,553</u>	<u>274,570,979</u>
TOTAL LIABILITIES, DEFERRED INFLOW OF RESOURCES AND FUND BALANCES	<u>\$ 64,957,263</u>	<u>\$ 73,961,429</u>	<u>\$ 77,803,101</u>	<u>\$ 18,754,766</u>	<u>\$ 61,511,108</u>	<u>\$ 47,763,506</u>	<u>\$ 344,751,173</u>

See notes to the financial statements.

**OKALOOSA COUNTY, FLORIDA
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
SEPTEMBER 30, 2025**

Fund balances - total governmental funds		\$ 274,570,979
<p>Amounts reported for governmental activities in the statement of net position are different because:</p>		
<p>Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds. The difference does not include the net capital assets of the internal service fund accounted for separately. Those assets consist of:</p>		
Governmental non-depreciable/amortizable asset	\$ 208,880,282	
Governmental depreciable/amortizable assets, net	<u>264,219,028</u>	473,099,310
<p>Internal service funds are used by management to charge the costs of certain activities, such as insurance, compensated absences and fleet maintenance, to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position. Internal service fund net position are:</p>		
		810,648
<p>Unavailable revenue in governmental funds is susceptible to full accrual on the entity-wide statements</p>		
		1,460,892
<p>Deferred outflows and inflows of resources related to pensions and other postemployment benefits are applicable to future periods and not reported in governmental funds. The difference does not include the internal service fund, which is included above.</p>		
Deferred outflows of resources - pensions	23,675,306	
Deferred inflows of resources - pensions	(18,794,327)	
Deferred outflows of resources - OPEB	99,340	
Deferred inflow of resources - OPEB	<u>(1,527,831)</u>	3,452,488
<p>Noncurrent liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the governmental funds, but rather are recognized as an expenditure when due. The difference does not include the compensated absences or OPEB liabilities of the internal service funds accounted for separately. All liabilities, both current and noncurrent are reported in the statement of net position.</p>		
Balances at September 30, 2025, are:		
Accrued interest on bonds	(2,089,728)	
Revenue bonds payable and premiums	(113,108,435)	
Notes payable	(13,617,858)	
Lease agreements	(4,278)	
Subscription liabilities	(5,891,938)	
Compensated absences	(9,761,967)	
Other long-term liabilities	(1,041,406)	
Other post employment benefits	(2,432,479)	
Net pension liability, proportionate share	<u>(87,195,267)</u>	
Total noncurrent liabilities		<u>(235,143,356)</u>
Net position of governmental activities		<u>\$ 518,250,961</u>

See notes to the financial statements.

OKALOOSA COUNTY, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	General Fund	Tourist Development Special Revenue Fund	<i>Formerly Major Fund</i> Natural Disasters Special Revenue Fund	<i>Formerly Non- Major Fund</i> Capital Outlay Construction Trust Capital Projects Fund	Road and Bridge Construction Capital Projects Fund	Infrastructure Surtax Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
REVENUES								
Taxes	\$ 104,257,160	\$ 42,904,158	\$ -	\$ 4,029,710	\$ 2,147,729	\$ 22,652,464	\$ 9,623,876	\$ 185,615,097
Permits, fees and special assessments	47,700	-	-	-	-	-	16,814,325	16,862,025
Intergovernmental	38,517,530	3,099,213	-	570,590	7,817,041	-	20,812,200	70,816,574
Charges for services	23,962,722	1,343,253	-	-	8,464	-	7,398,241	32,712,680
Fines	1,009,981	-	-	-	-	-	867,926	1,877,907
Investment income	2,486,007	3,395,692	-	1,768,531	425,160	2,106,736	1,886,029	12,068,155
Miscellaneous	3,588,128	101,518	-	470,083	8,393,457	-	1,155,494	13,708,680
Total revenues	<u>173,869,228</u>	<u>50,843,834</u>	<u>-</u>	<u>6,838,914</u>	<u>18,791,851</u>	<u>24,759,200</u>	<u>58,558,091</u>	<u>333,661,118</u>
EXPENDITURES								
Current								
General government	44,585,478	-	-	-	-	-	918,887	45,504,365
Public safety	96,983,917	-	-	6,783,692	-	-	3,942,873	107,710,482
Physical environment	1,446,218	-	-	2,065	-	247	1,191,292	2,639,822
Transportation	5,391,152	-	-	-	1,916,824	333,437	12,386,061	20,027,474
Economic environment	4,572,461	26,006,551	-	-	-	-	723,668	31,302,680
Human services	5,775,051	-	-	-	-	-	14,816,062	20,591,113
Culture and recreation	3,247,795	2,802,015	-	51,618	-	-	1,804,988	7,906,416
Court-related	4,054,432	-	-	-	-	-	6,457,113	10,511,545
Capital outlay	9,829,355	30,477,448	-	8,823,846	26,334,443	13,764,151	15,228,371	104,457,614
Debt service								
Principal	1,908,267	62,623	-	-	26,701	-	5,677,752	7,675,343
Interest	314,246	5,627	-	-	-	-	3,049,946	3,369,819
Other debt service costs	-	-	-	218,854	-	-	342,124	560,978
Total expenditures	<u>178,108,372</u>	<u>59,354,264</u>	<u>-</u>	<u>15,880,075</u>	<u>28,277,968</u>	<u>14,097,835</u>	<u>66,539,137</u>	<u>362,257,651</u>

See notes to the financial statements.

OKALOOSA COUNTY, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	General Fund	Tourist Development Special Revenue Fund	<i>Formerly Major Fund</i> Natural Disasters Special Revenue Fund	<i>Formerly Non- Major Fund</i> Capital Outlay Construction Trust Capital Projects Fund	Road and Bridge Construction Capital Projects Fund	Infrastructure Surtax Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	\$ (4,239,144)	\$ (8,510,430)	\$ -	\$ (9,041,161)	\$ (9,486,117)	\$ 10,661,365	\$ (7,981,046)	\$ (28,596,533)
OTHER FINANCING SOURCES (USES)								
Transfers in	22,060,938	1,850,000	-	2,863,618	1,600,000	-	16,008,701	44,383,257
Transfers out	(21,004,417)	(4,031,691)	-	(300,000)	-	(4,223,676)	(14,543,965)	(44,103,749)
Revenue bonds issued	-	-	-	46,325,000	-	-	-	46,325,000
Bond premiums issued	-	-	-	1,936,736	-	-	1,171,309	3,108,045
Issuance of refunding bonds	-	-	-	-	-	-	11,900,000	11,900,000
Payment to refunded bonds escrow agent	-	-	-	-	-	-	(13,180,579)	(13,180,579)
Transfers among constitutional officers	(928,329)	-	-	-	-	-	928,329	-
Issuance of subscription liabilities	1,199,162	-	-	-	-	-	531,948	1,731,110
Total other financing sources (uses)	1,327,354	(2,181,691)	-	50,825,354	1,600,000	(4,223,676)	2,815,743	50,163,084
NET CHANGE IN FUND BALANCE	(2,911,790)	(10,692,121)	-	41,784,193	(7,886,117)	6,437,689	(5,165,303)	21,566,551
FUND BALANCES - BEGINNING, AS PREVIOUSLY PRESENTED	36,345,975	79,681,099	12,098,246	-	20,768,913	54,424,647	49,685,548	253,004,428
Change to financial reporting entity (major to nonmajor fund)	-	-	(12,098,246)	-	-	-	(34,821,938)	(46,920,184)
Change to financial reporting entity (nonmajor to major fund)	-	-	-	34,821,938	-	-	12,098,246	46,920,184
FUND BALANCES - BEGINNING, AS RESTATED	36,345,975	79,681,099	-	34,821,938	20,768,913	54,424,647	26,961,856	253,004,428
FUND BALANCES - ENDING	\$ 33,434,185	\$ 68,988,978	\$ -	\$ 76,606,131	\$ 12,882,796	\$ 60,862,336	\$ 21,796,553	\$ 274,570,979

See notes to the financial statements.

OKALOOSA COUNTY, FLORIDA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE TO THE STATEMENT OF ACTIVITIES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025

Net change in fund balances - total governmental funds		\$ 21,566,551
<p>Amounts reported for governmental activities in the statement of activities are different because: Governmental funds do not report capital assets on the balance sheet; however, they are reported in the government-wide financial statements. Governmental funds report capital outlays as expenditures; however, in the statement of activities, the cost of those assets is depreciated or amortized over the estimated useful lives of the assets.</p>		
Expenditures for capital assets	\$ 104,457,614	
Loss on disposals	(284,207)	
Adjustment for capital assets contributed to enterprise fund	(12,969,171)	
Less current year depreciation/amortization	<u>(20,498,736)</u>	
		70,705,500
<p>Revenues that provide current financial resources are reported as revenue in the funds but as revenue in the statement of activities when earned.</p>		
		212,060
<p>The issuance of long-term debt provides current financial resources to the governmental fund, while the repayment of principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on the net position. Also, governmental funds report the effect of premiums or discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. In addition, long-term debt reassignments are reported as transfers on the statement of activities.</p>		
Revenue bonds issued	(46,325,000)	
Premium on bond	(1,936,736)	
Premium on refunding bonds	(1,171,309)	
Revenue refunding bonds issued	(11,900,000)	
Issuance of sbitas	(1,731,110)	
Payments made to bond escrow	13,180,579	
Debt principal payments	7,679,756	
Amortization of premiums/discounts	<u>1,199,225</u>	
		(41,004,595)
<p>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:</p>		
Compensated absences	(2,229,482)	
Other post employment benefits	83,784	
Changes in accrued interest on long term debt	(373,657)	
Changes in other noncurrent liabilities - arbitrage	<u>(164,428)</u>	
		(2,683,783)
<p>Governmental funds report County pension contributions as expenditures. In the statement of activities, the cost of the pension benefits earned net of contributions is reported as pension expense.</p>		
Difference between pension contribution and net pension expense		7,090,601
<p>Internal service funds are used by the County to charge the costs of certain activities, such as insurance, compensated absences and fleet maintenance to individual funds, the net revenue or expense of the internal service funds is reported with governmental activities.</p>		
		<u>(125,102)</u>
Change in net position of governmental activities		<u><u>\$ 55,761,232</u></u>

See notes to the financial statements.

OKALOOSA COUNTY, FLORIDA
STATEMENT OF NET POSITION – PROPRIETARY FUNDS
SEPTEMBER 30, 2025

	Business-Type Activities				Total	Governmental Activities Internal Service Funds
	Water and Sewer Enterprise Fund	Airport Enterprise Fund	Emergency Medical Services	Other Enterprise Funds		
ASSETS						
Current assets						
Cash and cash equivalents	\$ 28,941	\$ 2,385,584	\$ 1,812,527	\$ 6,633,738	\$ 10,860,790	\$ 4,137,793
Investments	30,474,075	44,094,977	8,074,088	18,138,698	100,781,838	8,580,394
Receivables, net of allowance for uncollectible	6,384,968	1,507,750	4,548,596	1,498,068	13,939,382	60,705
Due from other funds	-	-	-	-	-	539,684
Due from other governments	8,008,323	2,872,618	-	48,261	10,929,202	125,125
Amounts held by others for benefits	-	-	-	-	-	5,294,414
Inventory	3,146,109	367,434	571,080	-	4,084,623	175,483
Prepays	176,988	1,343,158	15,202	33,491	1,568,839	738,957
Restricted assets						
Customer deposits	1,421,402	-	-	-	1,421,402	-
Investments	3,870,572	20,649,614	-	-	24,520,186	-
Total restricted assets	5,291,974	20,649,614	-	-	25,941,588	-
Total current assets	53,511,378	73,221,135	15,021,493	26,352,256	168,106,262	19,652,555
Noncurrent assets						
Lease receivable	16,124	35,148,484	-	-	35,164,608	-
Capital assets, net						
Non-depreciable/amortizable	59,413,443	19,542,539	-	662,901	79,618,883	316,861
Depreciable/amortizable, net	218,652,845	165,120,997	5,081,897	1,083,628	389,939,367	602,519
Total capital assets, net	278,066,288	184,663,536	5,081,897	1,746,529	469,558,250	919,380
Total noncurrent assets	278,082,412	219,812,020	5,081,897	1,746,529	504,722,858	919,380
TOTAL ASSETS	331,593,790	293,033,155	20,103,390	28,098,785	672,829,120	20,571,935
DEFERRED OUTFLOWS OF RESOURCES	3,148,067	1,332,486	3,264,787	604,826	8,350,166	2,399,788
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 334,741,857	\$ 294,365,641	\$ 23,368,177	\$ 28,703,611	\$ 681,179,286	\$ 22,971,723

See notes to the financial statements.

OKALOOSA COUNTY, FLORIDA
STATEMENT OF NET POSITION – PROPRIETARY FUNDS
SEPTEMBER 30, 2025

	Business-Type Activities				Total	Governmental Activities Internal Service Funds
	Water and Sewer Enterprise Fund	Airport Enterprise Fund	Emergency Medical Services	Other Enterprise Funds		
LIABILITIES						
Current liabilities						
Accounts payable	\$ 938,708	\$ 5,170,666	\$ 23,344	\$ 262,186	\$ 6,394,904	\$ 136,768
Contracts payable	2,902,734	2,848,686	271,609	2,199,043	8,222,072	110,605
Compensated absences	1,232,088	335,903	323,136	322,813	2,213,940	2,859,262
Closure cost payable	-	-	-	299,818	299,818	-
Claims and judgments	-	-	-	-	-	2,602,280
Other accrued liabilities	572,914	155,540	493,691	202,331	1,424,476	92,778
Due to other funds	-	-	-	-	-	742,457
Due to other elected officials	-	-	119	62	181	1,277
Due to other governments	4,620	25,950	140	17,435	48,145	4,254
Due to depositors	-	-	-	-	-	63
Unearned revenues	1,874,702	1,073,496	23,291	25,636	2,997,125	-
Notes payable	510,011	-	-	-	510,011	-
Subscription liabilities	132,643	-	-	-	132,643	-
Lease contracts	313,123	-	175,032	-	488,155	-
Revenue bonds payable	3,640,000	-	-	-	3,640,000	-
Current liabilities payable from restricted assets						
Customer deposits payable	1,434,713	-	-	-	1,434,713	-
Interest payable	318,405	-	-	-	318,405	-
Total current liabilities payable from restricted assets	<u>1,753,118</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,753,118</u>	<u>-</u>
Total current liabilities	<u>13,874,661</u>	<u>9,610,241</u>	<u>1,310,362</u>	<u>3,329,324</u>	<u>28,124,588</u>	<u>6,549,744</u>

See notes to the financial statements.

OKALOOSA COUNTY, FLORIDA
STATEMENT OF NET POSITION – PROPRIETARY FUNDS
SEPTEMBER 30, 2025

	Business-Type Activities				Total	Governmental Activities Internal Service Funds
	Water and Sewer Enterprise Fund	Airport Enterprise Fund	Emergency Medical Services	Other Enterprise Funds		
Noncurrent liabilities						
Compensated absences	\$ 293,319	\$ 67,126	\$ 163,829	\$ 77,487	\$ 601,761	\$ 45,955
Closure costs payable	-	-	-	899,455	899,455	-
Claims and judgements	-	-	-	-	-	4,508,000
Notes payable	260,325	-	-	-	260,325	-
Revenue bonds payable, net	32,391,512	-	-	-	32,391,512	-
Other post employment benefits	430,213	117,018	422,674	93,249	1,063,154	4,922,823
Lease contracts	4,923,775	-	640,901	-	5,564,676	-
Net pension liability	11,873,116	4,975,914	12,626,547	2,570,156	32,045,733	2,259,104
Total noncurrent liabilities	<u>50,172,260</u>	<u>5,160,058</u>	<u>13,853,951</u>	<u>3,640,347</u>	<u>72,826,616</u>	<u>11,735,882</u>
TOTAL LIABILITIES	<u>64,046,921</u>	<u>14,770,299</u>	<u>15,164,313</u>	<u>6,969,671</u>	<u>100,951,204</u>	<u>18,285,626</u>
DEFERRED INFLOWS OF RESOURCES	<u>7,415,396</u>	<u>44,312,931</u>	<u>2,625,420</u>	<u>617,833</u>	<u>54,971,580</u>	<u>3,875,449</u>
NET POSITION						
Net investment in capital assets	228,261,225	184,663,536	4,265,964	1,746,529	418,937,254	919,380
Restricted for:						
Debt service	3,538,856	-	-	-	3,538,856	-
Passenger facility charges program	-	4,393,471	-	-	4,393,471	-
Customer facility charges program	-	16,256,143	-	-	16,256,143	-
Unrestricted (deficit)	31,479,459	29,969,261	1,312,480	19,369,578	82,130,778	(108,732)
TOTAL NET POSITION	<u>263,279,540</u>	<u>235,282,411</u>	<u>5,578,444</u>	<u>21,116,107</u>	<u>525,256,502</u>	<u>810,648</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	<u>\$ 334,741,857</u>	<u>\$ 294,365,641</u>	<u>\$ 23,368,177</u>	<u>\$ 28,703,611</u>	<u>\$ 681,179,286</u>	<u>\$ 22,971,723</u>

See notes to the financial statements.

OKALOOSA COUNTY, FLORIDA
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Business-Type Activities				Total	Governmental Activities Internal Service Funds
	Water and Sewer Enterprise Fund	Airport Enterprise Fund	Emergency Medical Services	Other Enterprise Funds		
OPERATING REVENUES						
Charges for services	\$ 46,595,650	\$ 23,674,997	\$ 13,337,934	\$ 18,745,954	\$ 102,354,535	\$ 20,402,245
Licenses and permits	-	-	-	2,489,607	2,489,607	-
Fines and forfeitures	-	-	-	2,121	2,121	-
Miscellaneous	-	-	-	47,873	47,873	1,622,510
Total operating revenues	<u>46,595,650</u>	<u>23,674,997</u>	<u>13,337,934</u>	<u>21,285,555</u>	<u>104,894,136</u>	<u>22,024,755</u>
OPERATING EXPENSES						
Personal services	11,018,715	3,716,824	10,649,959	3,402,093	28,787,591	3,671,645
Contractual services	2,241,496	5,945,531	830,370	14,255,798	23,273,195	462,780
Supplies	1,764,808	1,695,861	1,716,335	170,045	5,347,049	3,460,215
Insurance premiums and claims	-	-	-	-	-	14,692,106
Utilities	2,030,107	1,412,485	34,977	20,561	3,498,130	16,009
Other operating expenses	7,341,429	4,425,133	1,209,375	1,733,206	14,709,143	711,050
Depreciation/amortization	10,396,619	8,031,460	559,806	185,786	19,173,671	82,456
Total operating expenses	<u>34,793,174</u>	<u>25,227,294</u>	<u>15,000,822</u>	<u>19,767,489</u>	<u>94,788,779</u>	<u>23,096,261</u>
OPERATING INCOME (LOSS)	11,802,476	(1,552,297)	(1,662,888)	1,518,066	10,105,357	(1,071,506)
NONOPERATING REVENUES (EXPENSES)						
Taxes	-	-	12	-	12	-
Intergovernmental	-	-	20,095	254,897	274,992	-
Investment income	2,222,536	2,463,811	364,193	841,152	5,891,692	378,156
Other nonoperating revenue	50,603	-	-	-	50,603	-
Interest expense	(2,745,022)	-	(15,589)	-	(2,760,611)	-
Interest income - leases	765	1,213,889	-	-	1,214,654	-
Gain (loss) on disposal of capital assets	62,500	(6,800)	(186,497)	84,139	(46,658)	268,244
Total nonoperating revenues (expenses)	<u>(408,618)</u>	<u>3,670,900</u>	<u>182,214</u>	<u>1,180,188</u>	<u>4,624,684</u>	<u>646,400</u>
INCOME BEFORE CONTRIBUTIONS AND TRANSFERS	11,393,858	2,118,603	(1,480,674)	2,698,254	14,730,041	(425,106)
Capital contributions	20,808,020	8,659,169	1,265,245	-	30,732,434	-
Passenger and customer facility changes	-	7,005,158	-	-	7,005,158	-
Transfers in	-	-	3,035,953	-	3,035,953	300,000
Transfers out	-	(3,545,972)	-	(69,489)	(3,615,461)	-
CHANGE IN NET POSITION	32,201,878	14,236,958	2,820,524	2,628,765	51,888,125	(125,106)
TOTAL NET POSITION - BEGINNING	<u>231,077,662</u>	<u>221,045,453</u>	<u>2,757,920</u>	<u>18,487,342</u>	<u>473,368,377</u>	<u>935,754</u>
TOTAL NET POSITION - ENDING	<u>\$ 263,279,540</u>	<u>\$ 235,282,411</u>	<u>\$ 5,578,444</u>	<u>\$ 21,116,107</u>	<u>\$ 525,256,502</u>	<u>\$ 810,648</u>

See notes to the financial statements.

**OKALOOSA COUNTY, FLORIDA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2025**

	Business-Type Activities				Total	Governmental Activities - Internal Service Funds
	Water and Sewer Enterprise Fund	Airport Enterprise Fund	Emergency Medical Services	Other Enterprise Funds		
CASH FLOWS FROM OPERATING ACTIVITIES						
Receipts from customers	\$ 47,275,942	\$ 25,340,235	\$ 14,551,060	\$ 21,012,963	\$ 108,180,200	\$ 12,527,294
Receipts from users	-	-	-	47,251	47,251	9,608,909
Transfers of cash to others for benefits	-	-	-	-	-	(189,831)
Payments to suppliers	(13,542,854)	(17,565,563)	(3,540,820)	(15,312,270)	(49,961,507)	(12,814,634)
Payments to employees	(11,045,763)	(5,014,105)	(11,513,777)	(3,654,503)	(31,228,148)	(8,408,441)
Payments for other revenues	50,603	-	-	-	50,603	-
Net cash provided by (used in) operating activities	<u>22,737,928</u>	<u>2,760,567</u>	<u>(503,537)</u>	<u>2,093,441</u>	<u>27,088,399</u>	<u>723,297</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES						
Operating subsidy - intergovernmental revenue	-	6,665,937	20,095	254,897	6,940,929	-
Interfund activity	-	(3,546,374)	3,035,953	(69,489)	(579,910)	(459,900)
Net cash provided by (used in) noncapital financing activities	<u>-</u>	<u>3,119,563</u>	<u>3,056,048</u>	<u>185,408</u>	<u>6,361,019</u>	<u>(459,900)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Passenger and customer facility charges	-	7,005,158	-	-	7,005,158	-
Acquisition and construction of capital assets	(27,736,516)	(16,471,657)	(801,016)	(998,264)	(46,007,453)	(141,438)
Proceeds from sale of capital assets	66,297	2,489	16,286	84,140	169,212	280,512
Principal payments on lease and SBITA contracts	(521,276)	-	(99,611)	-	(620,887)	-
Capital contributions	2,098,154	3,834,803	-	-	5,932,957	-
Interest paid on debt	(2,924,896)	-	(15,589)	-	(2,940,485)	-
Bond and note payable principal payments	(5,115,526)	-	-	-	(5,115,526)	-
Net cash provided by (used in) capital and related financing activities	<u>(34,133,763)</u>	<u>(5,629,207)</u>	<u>(899,930)</u>	<u>(914,124)</u>	<u>(41,577,024)</u>	<u>139,074</u>

See notes to the financial statements.

**OKALOOSA COUNTY, FLORIDA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2025**

	Business-Type Activities				Total	Governmental Activities - Internal Service Funds
	Water and Sewer Enterprise Fund	Airport Enterprise Fund	Emergency Medical Services	Other Enterprise Funds		
CASH FLOWS FROM INVESTING ACTIVITIES						
Sales (purchases) of investments	\$ 5,571,513	\$ (2,441,341)	\$ (364,176)	\$ 1,158,847	\$ 3,924,843	\$ (377,807)
Interest income - leases	765	1,213,889	-	-	1,214,654	-
Investment income	2,222,536	2,463,811	364,193	841,152	5,891,692	378,156
Net cash provided by (used in) investing activities	7,794,814	1,236,359	17	1,999,999	11,031,189	349
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(3,601,021)	1,487,282	1,652,598	3,364,724	2,903,583	402,820
CASH AND CASH EQUIVALENTS - BEGINNING	5,051,364	898,302	159,929	3,269,014	9,378,609	3,734,973
CASH AND CASH EQUIVALENTS - ENDING	<u>\$ 1,450,343</u>	<u>\$ 2,385,584</u>	<u>\$ 1,812,527</u>	<u>\$ 6,633,738</u>	<u>\$ 12,282,192</u>	<u>\$ 4,137,793</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR CONSISTS OF:						
Current assets	\$ 28,941	\$ 2,385,584	\$ 1,812,527	\$ 6,633,738	\$ 10,860,790	\$ 4,137,793
Restricted assets	1,421,402	-	-	-	1,421,402	-
TOTAL	<u>\$ 1,450,343</u>	<u>\$ 2,385,584</u>	<u>\$ 1,812,527</u>	<u>\$ 6,633,738</u>	<u>\$ 12,282,192</u>	<u>\$ 4,137,793</u>
NONCASH TRANSACTIONS						
Gain on refunding	\$ 4,725,837	\$ -	\$ -	\$ -	\$ 4,725,837	\$ -
Developer contributions	\$ 993,020	\$ -	\$ -	\$ -	\$ 993,020	\$ -
Debt refunding	\$ 36,031,512	\$ -	\$ -	\$ -	\$ 36,031,512	\$ -
Capital contributions from other funds	\$ 11,739,696	\$ -	\$ 1,265,245	\$ -	\$ 13,004,941	\$ -
Right to use and subscription assets acquired	\$ 359,504	\$ -	\$ 915,545	\$ -	\$ 1,275,049	\$ -

See notes to the financial statements.

**OKALOOSA COUNTY, FLORIDA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2025**

	Business-Type Activities				Total	Governmental Activities - Internal Service Funds
	Water and Sewer Enterprise Fund	Airport Enterprise Fund	Emergency Medical Services	Other Enterprise Funds		
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES						
Operating income (loss)	\$ 11,802,476	\$ (1,552,297)	\$ (1,662,888)	\$ 1,518,066	\$ 10,105,357	\$ (1,071,506)
Adjustments to reconcile operating income to net cash provided by (used in) operating activities						
Depreciation/amortization	10,396,619	8,031,460	559,806	185,786	19,173,671	82,456
Other revenue	50,603	-	12	-	50,615	-
Decrease (increase) in assets						
Accounts receivable	(406,984)	121,482	1,200,972	(186,267)	729,203	25,966
Lease receivable	18,334	6,895,085	-	-	6,913,419	-
Amounts held by others for benefits	-	-	-	-	-	(189,831)
Due from other governments	-	-	-	(38,261)	(38,261)	(2,571)
Inventories	(276,394)	6,375	226,175	-	(43,844)	34,223
Due from other funds	-	-	-	-	-	(445,025)
Prepaid expenses	(82,591)	37,953	55,077	(1,546)	8,893	3,340
Deferred outflows	917,813	121,241	399,380	110,265	1,548,699	(198,200)
Increase (decrease) in liabilities						
Accounts payable	54,489	(3,534,772)	(12,043)	195,616	(3,296,710)	2,444
Contracts payable	61,513	(614,465)	(85,088)	939,003	300,963	18,067
Due to other elected officials	(149)	-	119	10	(20)	461
Due to other governments	(24,094)	5,026	14	(2,237)	(21,291)	3,663
Accrued liabilities	102,212	13,330	65,983	52,226	233,751	13,169
Compensated absences	275,152	51,454	(10,960)	(14,538)	301,108	627,702
Closure costs	-	-	-	(324,101)	(324,101)	-
Claims and judgements	-	-	-	-	-	1,747,597
Claims incurred but not reported	-	-	-	-	-	22,520
Other post employment benefits	65,259	17,750	64,115	14,144	161,268	542,341
Deferred revenue	1,085,943	365,534	3,476	(3,464)	1,451,489	-
Customer deposits	6,144	(8)	8,666	2,651	17,453	(4,249)
Net pension liability	(2,095,667)	(645,833)	(2,148,390)	(579,932)	(5,469,822)	(316,329)
Deferred inflows	787,250	(6,558,748)	832,037	226,020	(4,713,441)	(172,941)
Total adjustments	<u>10,935,452</u>	<u>4,312,864</u>	<u>1,159,351</u>	<u>575,375</u>	<u>16,983,042</u>	<u>1,794,803</u>
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	<u>\$ 22,737,928</u>	<u>\$ 2,760,567</u>	<u>\$ (503,537)</u>	<u>\$ 2,093,441</u>	<u>\$ 27,088,399</u>	<u>\$ 723,297</u>

See notes to the financial statements.

**OKALOOSA COUNTY, FLORIDA
STATEMENT OF FIDUCIARY NET POSITION
CUSTODIAL FUNDS
SEPTEMBER 30, 2025**

ASSETS

Cash and cash equivalents	\$ 18,985,380
Investments	1,802,790
Accounts receivable	20,088
Due from other governments	1,405
	<hr/>

TOTAL ASSETS

20,809,663

LIABILITIES

Due to other governments	1,664,073
Due to depositors	195,344
Taxes collected in advance for other governments	4,245,453
	<hr/>

TOTAL LIABILITIES

6,104,870

NET POSITION

**RESTRICTED FOR INDIVIDUALS, ORGANIZATION
OR OTHER GOVERNMENTS**

14,704,793

TOTAL NET POSITION

\$ 14,704,793

See notes to the financial statements.

**OKALOOSA COUNTY, FLORIDA
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
CUSTODIAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2025**

ADDITIONS

Collections from individuals and others	\$ 209,931
Fines, forfeitures and fees collected	3,913,536
Witness advanced funding	9,258
Tax deeds and fees collected	1,623,568
Child support collected	296,214
Registry of the court and fees collected	37,877,276
Recording fees collected	376,586
Documentary stamps and intangible tax collected	34,262,682
Restitution and escrow funds collected	334,881
Juvenile restitution collected	4,355
Online foreclosure funds collected	772,586
Cash bonds collected	595,829
County related taxes and fees	500,442,776
State related licenses and fees	31,242,858
Other	2,142,242

TOTAL ADDITIONS

614,104,578

DEDUCTIONS

Distributions to individuals and others	209,291
Fines, forfeitures and fees disbursed	3,913,536
Witness advanced funding	9,258
Tax deeds and fees disbursed	1,620,477
Child support disbursed	296,214
Registry of the court and fees disbursed	41,638,677
Recording fees disbursed	376,586
Documentary stamps and intangible tax disbursed	34,262,682
Restitution and escrow funds disbursed	418,780
Juvenile restitution disbursed	4,355
Online foreclosure funds disbursed	1,396,618
Cash bonds disbursed	505,331
County related taxes and fees	500,442,167
State related licenses and fees	31,242,858
Other	731,203

TOTAL DEDUCTIONS

617,068,033

NET DECREASE IN FIDUCIARY NET POSITION

(2,963,455)

TOTAL NET POSITION - BEGINNING

17,668,248

TOTAL NET POSITION - ENDING

\$ 14,704,793

See notes to the financial statements.

OKALOOSA COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2025

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Okaloosa County, Florida (hereinafter referred to as the County) have been prepared in conformity with accounting principles generally accepted in the United States (GAAP) as applied to governments. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for governmental accounting and financial reporting. The County uses the Uniform Accounting System mandated by Chapter 218.33, Florida Statutes.

The following is a summary of the more significant accounting policies of the County:

The Reporting Entity

The County is a political subdivision of the State of Florida created pursuant to Chapter 7 of the Florida Statutes. The County is governed by a five member Board of County Commissioners (the Board), elected from single-member districts. The Board has no powers other than those expressly vested in it by State Statute. In addition to the Board, there are five elected Constitutional Officers: pursuant to Article 8, Section 1(d), of the Constitution of the State of Florida; the Clerk of the Circuit Court and Comptroller, Property Appraiser, Sheriff, Supervisor of Elections, and Tax Collector. The Constitutional Officers maintain separate accounting records and budgets. The Board funds a portion or, in certain instances, all of the operating budgets of the County's Constitutional Officers.

The combining financial statements include the operations of the Board of County Commissioners, Clerk of the Circuit Court and Comptroller, Sheriff, Tax Collector, Property Appraiser, Supervisor of Elections, and those separately administered organizations for which the government is considered to be financially accountable. Blended component units are, in substance, part of the primary government's operations, even though they are legally separate entities. Thus, blended component units are appropriately presented as funds of the primary government. Discretely presented component units are reported in a separate column in the government-wide financial statements to emphasize that they are legally separate from the government.

In evaluating the County as a reporting entity, management has considered all potential component units for which the County may or may not be financially accountable and, as such, be included within the County's financial statements. Management utilized criteria set forth in GASB literature for determining financial accountability of potential component units in evaluating all potential component units. In accordance with GASB literature, the County (primary government) is financially accountable if it appoints a voting majority of the potential component unit governing board and 1) it is able to impose its will on the organization or 2) there is a potential for the organization to provide specific financial benefit to or impose specific financial burden on the County. In addition, component units can be other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

As of September 30, 2025, the County had one component unit, which has been presented in the financial statements of the primary government using the blended presentation method and is presented as part of a governmental fund type with a fiscal year end September 30. The Dorcas Fire District (the District) was initially created by section 2005-331, Laws of Florida and operated as an independent fire control district until June 13, 2024. Chapter 2024-288 Florida Law transferred the District from an independent fire district to a dependent fire district with the Board of County Commissioners appointed as its governing body. The District functions as a department of the County. County management has operational and fiscal responsibility of the District's activities. The District does not issue a stand alone audit report.

OKALOOSA COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2025

The Board also evaluated the Emerald Coast Bridge Authority (the Authority) in accordance with GASB literature. The Authority has been dormant for several years. The Board does not believe it is financially accountable with respect to the Authority or that a financial burden relationship exists based on an evaluation of GASB literature. As such, the Authority is not included as part of the County's reporting entity.

Government-Wide and Fund Financial Statements

Government-Wide Statements

The government-wide financial statements include the statement of net position and the statement of activities. These statements display information on all of the non-fiduciary activities of the primary government and its component units. The primary government and the component unit are reported separately with the focus of the statements being the primary government. Individual funds are not displayed. Governmental activities, which normally are supported by taxes, intergovernmental revenues, and other non-exchange transactions, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the County's governmental activities and for the different business-type activities of the County. A function is an assembly of similar activities and may include portions of a fund or summarize more than one fund to report the expenses and program revenues associated with a distinct functional activity. Direct expenses are those that are clearly identifiable with a specific function or segment. The County does not allocate indirect expenses to functions in the statement of activities.

Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by the programs of the County and 2) grants and contributions that are restricted to meeting the operational activities or the construction, acquisition, or rehabilitation of capital assets required by a particular program. These revenues are subject to externally imposed restrictions to these program uses. The determining factor for identifying to which function program revenue pertains is which function generated the revenue in the case of charges for service. For grants and contributions, the determining factor is to which function the revenues are restricted.

Taxes and other items not properly included among program revenues are reported instead as general revenues of the County. The comparison of direct expenses with program revenues in the statement of activities identifies the extent to which each governmental function and each business activity is self-financing and how much they draw from the general revenues of the County.

Fund Financial Statements

During the year, transactions related to certain functions or activities are segregated into separate funds in order to aid financial management and to demonstrate legal compliance. A fund is a fiscal and accounting entity with a self-balancing set of accounts. The fund financial statements are designed to present detailed information about the County's financial activities. Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds.

OKALOOSA COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2025

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

Exchange and Non-exchange Transactions

Exchange transactions are those in which each party receives and gives up essentially equal values. An example of an exchange transaction is a charge for service, rent, in exchange for a specific service, use of a County building. Non-exchange transactions are those in which the County gives (or receives) value without directly receiving (or giving) equal value in exchange. An example of a non-exchange transaction is property tax revenue received by the County which is used to fund various general governmental services. The revenue from these exchange and non-exchange transactions is recognized in the financial statements in varying ways depending on the basis of accounting used.

Government-Wide and Fiduciary Fund Financial Statements

The government-wide financial statements are reported using the economic resources measurement focus. All assets and liabilities associated with the operation of the County are included in the statement of net position, and the statement of activities reports all revenues and expenses. Fiduciary funds are excluded from the government-wide financial statements.

The statement of fiduciary net position reports all assets and liabilities associated with the custodial funds of the County. Custodial funds are the only type of fiduciary fund used by the County. Fiduciary (custodial) funds are reported using the economic resources measurement focus and the accrual basis of accounting.

Government-wide financial statements are reported using the accrual basis of accounting, under which revenues are recognized when earned and expenses are recognized when liabilities are incurred, regardless of when related cash flows take place. Nonexchange transactions include property taxes, grants, entitlements, and donations. On the accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied, while revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

The effect of interfund activity has been eliminated from the government-wide financial statements, except for interfund services provided and used. Elimination of these charges would distort the direct costs and program revenues reported for the various functions on the statement of activities.

Governmental Fund Financial Statements

All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include reconciliations with brief explanations to better identify the relationship between the government-wide statements and the governmental fund statements.

OKALOOSA COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2025

Governmental fund financial statements are reported using the modified accrual basis of accounting. Under this method, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). “Measurable” means the amount of the transaction can be determined and “available” means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The County considers all revenues reported in the governmental funds to be available if the revenues are collected within sixty days after year-end except intergovernmental revenues, which the County considers revenue to be available if collected within 365 days. Those revenues susceptible to accrual are sales tax, gasoline taxes and other intergovernmental revenues to include Triumph grants collected and held by the state/non profit at year-end on behalf of the County, special assessments, licenses, interest revenue and charges for service. Current year property taxes uncollected at the end of the fiscal year are generally immaterial in amount and highly susceptible to uncollectibility and are not recorded as a receivable on the balance sheet. All other revenue items are considered to be measurable and available only when the government receives cash.

Expenditures are recorded when the related fund liability is incurred. Principal and interest on general long-term debt are recorded as fund liabilities when due or when amounts have been accumulated in the debt service fund for payments to be made in the following year. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under financed purchase are reported as other financing sources.

Proprietary Fund Financial Statements

The proprietary fund financial statements are reported using the economic resources measurement focus. Under this measurement focus, all assets and liabilities associated with the operation of the fund are included on the statement of net position. The statement of revenue, expenses and changes in net position reports revenues and expenses. The proprietary funds are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund’s principal ongoing operations. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. The principal operating revenues for the proprietary funds are fees and charges for water and sewer, airports, solid waste, inspection services, emergency medical services, convention center, self-insurance, compensated absences debt service and fleet internal service operations. Operating expenses for the enterprise funds, and the internal service funds, include the cost of sales and services, administrative expenses and depreciation of capital assets.

Non-operating revenues, such as subsidies and investment earnings, result from nonexchange transactions or ancillary activities. They include property taxes, grants, entitlements, donations, and capital contributions. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Contributions of capital in proprietary fund financial statements arise from internal and external contributions of capital assets or from grants or outside contributions of resources restricted to capital acquisition and construction.

OKALOOSA COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2025

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the County's own programs. The accounting used for fiduciary funds is similar to proprietary funds. The County only has custodial funds.

Other Financial Statement Presentation Information

The County currently employs an indirect cost allocation system. An administrative service fee is charged by the General Fund, at the direction of the Board of County Commissioners, to several special revenue and enterprise funds to address General Fund services (finance, personnel, purchasing, legal, technology management, etc.) provided.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. An exception to this general rule is the charge back of services, such as insurance costs, vehicle maintenance, and central costs. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

The County reports the following major governmental funds:

General Fund

This is the County's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

Tourist Development Special Revenue Fund

This fund is used to account for funds received and expended from imposition of the 6% tourist development tax for the purpose of improving Okaloosa County's tourist industry as authorized by 125.0104, F.S., and Okaloosa County Ordinance No.89-23 as amended by 91-20, 92-52, 95-10, 99-07, 07-58, 12-21, 13-19, 13-20, 14-08, 16-13 and 16-20. This fund is also used to account for the operation of the convention center, fairgrounds, and visitor and event centers.

Capital Outlay Construction Trust Capital Projects Fund

This fund is used to account for proceeds of bond issues, federal and state grants, and local appropriations for major capital projects. At the end of the fiscal year, completed projects are capitalized and reported on the government-wide financial statements of Okaloosa County, Florida.

Road and Bridge Construction Fund

This fund is used to account for road and bridge construction activities including resurfacing, special projects, and other major infrastructure construction services funded by non-discretionary fuel taxes, constitutional gas taxes, interest, other miscellaneous revenue and state grants.

Infrastructure Surtax Fund

This fund is used to account for funds received from the imposition of the one-half cent surtax for the purpose of financing, planning, reconstructing, renovating, and improving Okaloosa County's infrastructure related to efficient transportation infrastructure, management of stormwater, provision of law enforcement, public safety, and correctional services as authorized by 212.055(2), F.S. and Okaloosa County Ordinance No.17-24 as amended by 18-09.

OKALOOSA COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2025

The County reports the following major enterprise funds:

Water and Sewer Enterprise Fund

This fund is used to account for the user charges and expenses associated with the provision of water and sewer services to residents of the unincorporated areas of Okaloosa County.

Airport Enterprise Fund

This fund is used to account for the operation of three Okaloosa County airports. Revenue sources include federal and state grants, fees from concessionaires, and other fees and charges for services to tenants and airport users.

Emergency Medical Services Fund

This fund is used to account for the operation of a county-wide emergency medical technician and paramedic service. Revenue sources include ad valorem property tax subsidies, user charges, and private donations.

The County reports the following fund types:

Internal Service Funds

These funds account for insurance coverage (including other post-employment benefits for retirees), fleet management services, and funding of compensated absence debt provided to other departments or agencies of the government, or to other governments, on a cost reimbursement basis.

Custodial Funds

These funds account for monies held on behalf of individuals and companies that use the County as a depository; property taxes, fines, court costs, licenses and fees collected on behalf of other governments; and surety bonds and performance deposits.

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

Deposits and Investments

The County maintains a cash and investment pool that is available for use by all funds. Earnings from the pooled investments are allocated to the respective funds based on applicable cash participation by each fund. The investment pool is managed such that all participating funds have the ability to deposit and withdraw cash as if they were demand deposit accounts. Therefore, all balances representing participants' equity in the investment pools are classified as cash and cash equivalents for financial statement purposes.

Except for where otherwise specified, the County's investments are reported at fair value.

Interfund Receivables and Payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "due from other funds or elected officials" or "due to other funds or elected officials" on the fund statement balance sheets. Short-term interfund loans are also classified as "interfund receivables/payables." Non-current portions of long-term interfund loan receivables are reported as advances and are offset equally by a non-spendable fund balance account that indicates that they do not constitute expendable available financial resources and therefore are not available for appropriation. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

OKALOOSA COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2025

Accounts Receivable

Accounts receivable are shown net of an allowance for uncollectible accounts. The Water and Sewer Enterprise Fund, Airport Enterprise Fund, and Emergency Medical Services Enterprise Fund are the only funds of the Okaloosa Board that provide for an allowance for doubtful accounts for trade accounts receivables. All other funds accounts receivable write-offs are insignificant.

Property Taxes

Property taxes attach as an enforceable lien on property as of the date of assessment and remain in effect until discharge by payment. Taxes are payable when levied (on November 1, or as soon thereafter as the assessment roll becomes available to the Tax Collector). The County bills and collects its own property taxes, as well as taxes for the County School District, municipalities, and special districts within the County in accordance with the laws of the State of Florida. No accrual has been made for 2025 ad valorem taxes because property taxes are not legally due until subsequent to the end of the fiscal year. Collection of taxes and remittance of them to other governmental agencies are accounted for in the Disbursements Custodial Fund of the Tax Collector.

The following is the current property tax calendar:

Lien Date	January 1, 2025
Levy Date	November 1, 2025
Due Date	November 1, 2025
Delinquent	April 1, 2025

Discounts of 1% for each month taxes are paid prior to March 2025 are granted.

Revenue recognition criteria for property taxes under the Governmental Accounting Standards Board requires that property taxes expected to be collected within 60 days of the current period be accrued. Current year taxes that are uncollected as of the end of the fiscal year are generally immaterial in amount and highly susceptible to uncollectibility and, therefore, are not recorded as a receivable on the balance sheet date.

Inventories and Prepaid Items

Inventory is valued at cost (first-in, first-out) in the governmental funds and at lower of cost (first-in, first-out) or net realizable value in the proprietary funds. The consumption method is used to account for the inventory. Under the consumption method, inventory items are recorded as expenditures during the period inventory is used.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. The consumption method is used to account for the prepaid items. Under the consumption method, prepaid items are recorded as expenditures during the period in which they are used.

Certain proceeds of the revenue bonds, as well as certain resources set aside for their repayment, are classified as restricted assets on the balance sheet because their use is limited by applicable bond covenants. In addition, restricted assets include funds set aside for repayment of customer deposits in several enterprise funds.

OKALOOSA COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2025

Capital Asset

Capital assets are not capitalized in the governmental funds used to acquire or construct them. Instead, capital acquisition and construction are reflected as expenditures in governmental funds, and the related assets are reported on the government-wide statement of net position of the County. Capital assets acquired by proprietary funds are reported in those funds.

Property, plant and equipment purchased or acquired is carried at historical cost or estimated historical cost. Contributed assets are recorded at acquisition value as of the date received. The County's capitalization levels are \$5,000 on tangible personal property and \$5,000 on buildings, improvements other than buildings and infrastructure. The Sheriff maintains a tangible personal property inventory and implemented a \$5,000 capitalization level during the fiscal year. Other costs incurred for repairs and maintenance are expensed as incurred. General infrastructure assets acquired prior to July 1, 1980, are included in the capital asset inventory and are reported at estimated historical cost using deflated replacement cost.

Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

Assets	Years
Buildings	10-50
Improvements other than buildings	7-25
Intangibles	5
Equipment	3-7
Vehicles	2-15
Roads and bridges	10-75
Wastewater lines and pump stations	10-50
Other infrastructure	10-50

Leases – County as Lessee

The County is the lessee of various real property and equipment. The County has recognized a lease liability and an intangible right-to-use lease asset (lease asset) in the government-wide financial statements.

At the commencement of a lease, the County initially measures the lease liability at the present value of payment expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

Key estimates and judgments related to leases include how the County determines the discount rate it uses to discount the expected lease payments to present value, lease term, and lease payments.

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 generally uses its estimated incremental borrowing rate as the discount rate for leases.

OKALOOSA COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2025

The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and a purchase option price 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 assets are reported with other capital assets and lease liabilities are reported with long-term debt on the statement of net position.

County as Lessor

The County is a lessor in various real property leases. The County recognizes a lease receivable and a deferred inflow of resources in the government-wide and governmental fund financial statements.

At the commencement of a lease, the County initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgments include how the County determines the discount rate it uses to discount the expected lease receipts to present value, lease term, and lease receipts. The County uses its estimated incremental borrowing rate as the discount rate for leases. The lease term includes the noncancellable period of the lease. Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

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

Subscription-Based Information Technology Arrangements - SBITAs

The County has entered into SBITAs for various terms under certain agreements that meet the definition of a SBITA under GASB Statement No. 96. The County recognizes a SBITA liability and an intangible right-to-use SBITA asset (SBITA asset) in the government-wide financial statements. SBITA assets are reported with other capital assets and SBITA liabilities are reported with long-term debt on the statement of net position.

At the commencement of a SBITA, the County initially measures the SBITA liability at the present value of payments expected to be made during the SBITA term and records that amount as other financing sources and capital outlay expenditures in the Statement of Revenues, Expenditures, and Changes in Fund Balance. Subsequently, the SBITA liability is reduced by the principal portion of payments made which are recorded as debt service expenditures in the Statement of Revenues, Expenditures, and Changes in Fund Balance as they are incurred. The SBITA asset is initially measured as the initial amount of the SBITA liability, adjusted for payments made at or before the SBITA commencement date, plus certain initial direct costs. Subsequently, the SBITA asset is amortized on a straight-line basis over its useful life.

OKALOOSA COUNTY, FLORIDA
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Compensated Absences

The County records a compensated absences liability for leave that 1) can be carried forward to future reporting periods; 2) was earned based on service that the employee has already provided; and 3) is more likely than not to be used, paid, or otherwise settled with the County. The compensated absences liability is measured using the pay rates in effect as of the financial statement date, including directly and incrementally associated salary-related employer taxes and benefits. Changes to pay rates will be recognized in future periods as those changes occur. The County uses a first-in, first-out (FIFO) flow assumption for calculating the portion of the liability due within one year.

Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities, and long-term obligations are reported in the government-wide financial statements and the proprietary fund financial statements. In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources are reported as obligations of these funds.

However, compensated absences and claims that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are “due for payment” during the current year. Bond notes payable and financed purchases are recognized as a liability in the governmental fund financial statements when due. At the inception of financed purchases reported in governmental funds, expenditures and an “Other Financing Source” of an equal amount are reported at the net present value of future minimum lease payments.

Self-insurance Claims

Liabilities for reported claims, and incurred but not reported claims (IBNR) are estimated based on an actuarial review of claims pending and historical experience.

Landfill Closure and Post Closure Care Payable

The County recognizes municipal solid waste landfill closure and post closure care costs under the State of Florida’s Solid Waste Management Act of 1988, regulations of the Federal Environmental Protection agency and the GASB Statement No.18, *Accounting for Municipal Solid Waste Landfill Closure and Post Closure Care Costs*. The County is required to place a final cover on closed landfills and to provide long-term care for up to thirty years after final cover. These obligations for closure and post closure are recognized in the Solid Waste Fund over the active life of the landfill, based on landfill capacity used to date.

Net Pension Liability

The government-wide and proprietary fund financial statements net pension liability represents the County’s proportionate share of the net pension liability of the cost-sharing pension plan in which it participates. The County participates in the Florida Retirement System (FRS) and the Health Insurance Subsidy Program (HIS) which are administered by the Florida Division of Retirement. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflow of resources related to pensions, pension expense, additions to/deduction, and information about the fiduciary’s net position have been determined on the same basis as they are reported by the cost-sharing plan. Benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. The government-wide financial statements include the liability of all plan participants for the Board and the County’s Constitutional Officers.

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Bond Premiums, Discounts and Issuance Costs

On the government-wide statement of net position and the proprietary fund type statement of net position, bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Unamortized losses on bonds are presented as deferred outflows.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the period the debt is issued. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Deferred Outflows/ Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. Included in deferred outflows of resources is deferred charge on pension and Other Postemployment Benefits (OPEB) contributions made by the employer after the measurement date and changes in benefits, assumptions, and differences between actual and expected returns.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The government has three items that qualify for reporting in this category. Unavailable revenue, which arises only under a modified accrual basis of accounting, is reported only in the governmental funds balance sheet. The second is a deferred gain on early retirement reported in the proprietary statement of net position as well as the government-wide statement of net position. A deferred gain on early retirement results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The third is deferred pension and/or OPEB as well as pension and/or OPEB expenses as a result of changes in benefits, assumptions, and differences between actual and expected returns.

Fund Balance

In the fund financial statements, GASB Statement 54 establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. Fund balance classifications under GASB 54 are nonspendable, restricted, committed, assigned and unassigned.

These classifications reflect not only the nature of funds but also provide clarity to the level of restriction placed upon fund balance. Fund balance can have different levels of restraint, such as external versus internal compliance requirements.

Nonspendable – Comprised of amounts that are (a) not in spendable form or (b) legally or contractually required to be maintained intact. “Not in spendable form” includes items that are not expected to be converted to cash (such as inventories and prepaid amounts) and items such as long-term loans and

OKALOOSA COUNTY, FLORIDA
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notes receivable. The corpus (or principal) of a permanent fund is an example of an amount that is legally or contractually required to be maintained intact.

Restricted – Component consists of amounts constrained for a specific purpose by external parties, constitutional provision, or enabling legislation.

Committed – Component consists of amounts that can be used only for the specific purposes determined by a formal action, in the form of ordinances, of the Board, the highest level of decision making authority. Commitments may be changed or lifted only by the board taking the same formal action that imposed the constraint originally.

Assigned – Component consists of amounts that are constrained by the County’s intent to be used for specific purposes, but are neither restricted nor committed. Intent is expressed by (a) the Board of County Commissioners or (b) a body (for example: a budget or finance committee) or official to which the County has delegated the authority to assign amounts to be used for specific purposes. This indicates that resources in those funds are, at a minimum, intended to be used for the purposes of that fund. The Board has delegated to the County Administrator and Finance Officer in accordance with the County’s fund balance policy.

Unassigned – Unassigned fund balance is the residual classification of the general fund. This classification represents spendable fund balance that has not been assigned to other funds 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.

When both restricted and unrestricted resources are available for use, it is the policy of the County to use restricted resources first, and then unrestricted resources as they are needed. In circumstances when an expenditure is made for a purpose for which amounts are available in multiple fund balance classifications, fund balance is generally depleted in the order of restricted, committed, assigned, and unassigned. The County adopted a new formal fund balance policy in 2022 which established a targeted minimum reserve balance in the General Fund of unrestricted fund balance of no less than two months (17%) of audited expenditures and transfers out. In the event funds are not available to establish the balances required under the Policy, the unrestricted fund balance target shall be achieved by adding a designated amount to the budget to cover the deficiency over a period not to exceed three years.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles 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 differ from those estimates.

Net Position

The net positions of proprietary funds, governmental activities and business-type activities are made up of three components. Net investment in capital assets which represents net capital assets less related long-term liabilities; unspent debt proceeds will increase this amount. The restricted component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. The restricted component represents assets that are legally restricted. They include reserve funds, special revenues restricted by statute or ordinance, bond proceeds, and other sources restricted

OKALOOSA COUNTY, FLORIDA
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for capital or improvements. The unrestricted component of net position is the balance not included in the determination of net investment in capital assets or the restricted component of net position.

Change in Accounting Principle

Effective October 1, 2024, the County adopted the provisions of GASB Statement No. 101, Compensated Absences (GASBS 101). This pronouncement establishes a unified model for recognition and measurement of liabilities associated with compensated absences, including vacation, sick leave and other paid time off. GASBS 101 is expected to result in a liability for compensated absences that more appropriately reflects when a government incurs an obligation and can be applied consistently to different types of leave offered by governmental employers.

As part of the implementation process, the County has evaluated whether leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means by assessing relevant factors, such as the County's employment policies related to compensated absences; historical information about the use, payment, or forfeiture of compensated absences; and known information that would indicate that historical information may not be representative of future trends or patterns. GASBS 101 was retroactively implemented and had no effect on fund balance or net position previously presented.

2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary Information

Budgets are adopted on a basis consistent with generally accepted accounting principles. Annual appropriated budgets are adopted for all governmental and proprietary funds; however, budgets for proprietary funds are not required to be reported on and are not included in these financial statements. All appropriations lapse at fiscal year-end. Budgetary data reflected in the financial statements are established by the following Board procedures.

Encumbrance accounting, under which purchase orders, encumber contracts and other commitments for the expenditure of resources are recorded in order to reserve that portion of the applicable appropriation, is employed in the governmental funds. Encumbrances at fiscal year-end do not constitute expenditures since the commitments will be honored during the subsequent year.

Deficit Fund Balance/ Net Position

The Garage Services Internal Service Fund reported a deficit net position of \$1,873,568. Vehicle maintenance and centralized distribution of gasoline and special fuel are funded by monthly billing of services. This funding method results in a deficit fund net position which will be charged back to the other funds so that service fund revenues and expenses will be equal.

The Sheriff's Self-Insurance Fund is reflecting a deficit net position of \$2,774,828. This is the result of the implementation of GASB 75 which requires the unfunded liability for future employee benefits (OPEB) to be recorded on September 30, 2025.

The Debt Service Fund reported a deficit fund balance of \$257,477. This is a result of debt payments exceeding transfers in.

The Clerk's General Fund reported deficit fund balance of \$164,532. This is primarily a result of shortfalls in budgeted recording fees earned during the year ended September 30, 2025.

OKALOOSA COUNTY, FLORIDA
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3. DEPOSITS AND INVESTMENTS

Deposits

At September 30, 2025, the County's carrying value of cash and cash equivalents totaled \$74,402,195, which is presented as \$55,422,315 in the statement of net position and \$18,985,380 in the statement of fiduciary net position.

The County maintains a cash and investment management pool in which each fund participates on a dollar equivalent and daily transaction basis. The County's cash and investment management pool is considered to be a cash equivalent for reporting purposes because it is an internally managed fund, which allows individual funds to, at any time, deposit additional cash or make withdrawals without prior notice or penalty. The County's cash and investment management pool includes pooled cash maintained in interest-bearing demand deposit accounts, pooled cash maintained in interest-bearing demand deposit accounts, securities investments, and other investments in government investment pools. Interest income (which includes unrealized gains and losses) is distributed monthly based on balance at date of distribution.

Custodial Credit Risk

The County maintains its deposits only with qualified public depositories as defined in Chapter 280, Florida Statutes. 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, all County deposits, including certificates of deposit, are considered fully insured.

Investments

State Statutes and the formal investments and portfolio policies adopted by the Board of County Commissioners restrict the types of investments that can be made by the County. A description of the requirements and the types of investments allowed as well as information about valuation and other investment policies can be found in Note 1.

The investment policy manual details the methods used to manage the risks inherent to the investment process. The authority for investment of County funds rests with the Clerk of the Circuit Court who has delegated management of the investment program to the Director of Treasury and Board Services. Although the policies allow investments in many types of instruments, the Clerk has chosen to limit investment risks by investing mainly in allowed investment pools. The pools are 2a7-like investment pools and manage interest rate risk by limiting the weighted average maturity of their portfolios, manage credit risk by investing in mainly governmental and other highly rated securities, manage concentration of credit risk by limiting investment in any one issuer to less than 5% of the portfolio and manage custodial credit risk by requiring third party custody and safekeeping.

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The County participates in the Florida Surplus Asset Fund Trust (FL SAFE). The County's investment in FL Safe is reported at Net Asset Value (NAV). FL SAFE has a dollar weighted average days to maturity "WAM" of 38 days as of September 30, 2025. The weighted average life (WAL) of FL SAFE at September 30, 2025 is 69 days. There are no restrictions on redemptions. FL SAFE is rated by Standard and Poors. The current rating is AAAM.

The County participates in the Florida Cooperative Liquid Asset Securities System (FLCLASS). The County's investment in FLCLASS is reported at Net Asset Value (NAV). FLCLASS has a dollar weighted average days to maturity "WAM" of 42 days as of September 30, 2025. The weighted average life (WAL) of FLCLASS at September 30, 2025 is 85 days. There are no restrictions on redemptions. FLCLASS is rated by Standard and Poors. The current rating is AAAM.

The County participates in the Florida Fixed Income Trust (FL FIT) Cash Pool and Select Cash Pool. The Cash Pool is reported at net asset value and has a dollar weighted average days to maturity "WAM" of 85 days as of September 30, 2025. The weighted average life (WAL) of FL FIT Cash Pool at September 30, 2025 is 310 days; this duration is equivalent to WAM to final. The Select Cash Pool is reported at net asset value and has a dollar weighted average days to maturity "WAM" of 1.80 years as of September 30, 2025. The weighted average life (WAL) of FL FIT Select Cash Pool at September 30, 2025 is 2.12 years; this duration is equivalent to WAM to final. There are no restrictions on redemptions. FL FIT is rated by Standard and Poors. The current rating for the Cash Pool is AA Af/S1 and the Select Cash Pool is AA Af.

The County participates in the Florida Local Government Investment Trust (FL TRUST) Day to Day fund and Short Term Bond Fund pools. The Day to Day fund is a "2a-7 like" fund. The fund is carried at amortized cost, which includes accrued income and is a method of calculating an investment's value by adjusting its acquisition cost for amortization of discount or premium over the period from purchase to maturity. The Day to Day fund is reported at fair value, determined by the fair value per share of the pool's underlying portfolio. The Day to Day fund is intended to be a more liquid fund; therefore does not advertise a dollar weighted average days to maturity "WAM", but rather average days to maturity of 31.8 days as of September 30, 2025. The FL Day to Day is rated by Fitch Ratings' Agency and the current rating is AAAM. The Short Term Bond Fund is reported at net asset value. It has a dollar weighted average days to maturity "WAM" of 2.1 years as of September 30, 2025. There are no restrictions on redemptions. The fund is rated by Fitch. The current rating is AA Af.

The County participates in the Florida Prime Investment Pool. The County's investment in the Florida Prime Investment Pool, a Security and Exchange Commission (SEC) Rule 2a7-like external investment pool is reported at amortized cost, which is not materially different from fair value. Rule 2a-7 is the rule that permits money market funds to use amortized cost to maintain a constant Net Asset Value (NAV) of \$1.00 per share, provided that such funds meet certain conditions. The Florida Prime Investment Pool has a dollar weighted average days to maturity "WAM" of 47 days as of September 30, 2025. The weighted average life (WAL) of Florida Prime at September 30, 2025 is 73 days. There are no restrictions on redemptions. The Florida Prime Investment Pool is rated by Standard and Poors. The current rating is AAAM.

Interest rate risk

In accordance with the investment policy, the exposure to declines in fair value of investments outside of the pools is managed by matching the investments to a specific cash flow requirement.

**OKALOOSA COUNTY, FLORIDA
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Credit risk

The investment policies of the County manage credit risk by limiting investments in U.S. Instruments to the two highest ratings issued by nationally recognized statistical rating organizations.

Concentration of credit risk

The investment policies of the County diversify the portfolio by limiting the maximum percentage of various types of investments that can be purchased. The investment policy maximum percentages for the current portfolio are 50% for U.S. agencies and instrumentalities and 50% for repurchase agreements.

Custodial credit risk.

Federated Money Market, U.S. Treasury bills, and U.S. instrumentalities are held by the County's agent in the County's name in accordance with the Okaloosa County Investment Policy requiring third party custody and safekeeping.

The County had the following investment types by issuer and effective duration presented in terms of years:

<u>Security type</u>	<u>Fair Value</u>	<u>Weighted Average Duration (Years)</u>	<u>Credit Rating</u>
Long term investments:			
United States government agency obligations	<u>\$ 22,067,306</u>	<u>0.15</u>	<u>Aa1</u>

4. FAIR VALUE OF INVESTMENTS

The County measures and records its investments using fair value measurements guidelines established by generally accepted accounting principles. These guidelines recognize a three-tiered fair value hierarchy as follow:

Level 1 – Quoted prices (unadjusted) for identical assets in active markets that a government can access at the measurement date.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for an asset, either directly or indirectly. These investments are valued using the valuation multiple approach.

Level 3 – Unobservable inputs for an asset.

**OKALOOSA COUNTY, FLORIDA
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At September 30, 2025, Okaloosa County had the following recurring fair value measurements:

	<u>Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Federal farm credit bank	\$ 4,937,650	\$ -	\$ 4,937,650	\$ -
Federal home loan bank	9,894,050	-	9,894,050	-
Federal home loan mortgage corporation	7,095,950	-	7,095,950	-
Fresb multifamily mortgage pass thru	139,656	-	139,656	-
TOTAL	22,067,306	\$ -	\$ 22,067,306	\$ -
Investments measured at the net asset value (NAV)				
FL SAFE	50,001,022			
FL CLASS	49,894,549			
Florida Fixed Income Trust	62,396,595			
FL Trust - Short Term Bond Fund	48,049,702			
TOTAL INVESTMENTS MEASURED AT FAIR VALUE	232,409,174			
TOTAL INVESTMENTS MEASURED AT AMORTIZED COST	155,581,678			
TOTAL INVESTMENTS AT SEPTEMBER 30, 2025	\$ 387,990,852			

5. RECEIVABLES

Receivables as of September 30, 2025 for the government's individual major funds and nonmajor governmental, nonmajor enterprise, internal service, and fiduciary funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

<u>Funds</u>	<u>Accounts Receivable</u>	<u>Lease Receivable</u>	<u>Due From Other Governments</u>	<u>Total Receivables</u>	<u>Less: Allowance for Doubtful Accounts</u>	<u>Net Total Receivables Sept 30, 2025</u>
General	\$ 576,456	\$ 15,296,845	\$ 6,196,560	\$ 22,069,861	\$ -	\$ 22,069,861
Tourist development	43,969	-	1,739,213	1,783,182	-	1,783,182
Capital outlay construction trust	314,864	-	397,759	712,623	-	712,623
Road and bridge construction	5,901,707	-	2,465,791	8,367,498	-	8,367,498
Infrastructure surtax	-	-	1,572,829	1,572,829	-	1,572,829
Water and sewer	6,790,447	16,124	8,008,323	14,814,894	405,479	14,409,415
Airport	1,919,405	35,148,484	2,872,618	39,940,507	411,655	39,528,852
Emergency medical services	7,448,444	-	-	7,448,444	2,899,848	4,548,596
Nonmajor and other funds	1,703,467	-	2,434,258	4,137,725	-	4,137,725
TOTAL	\$ 24,698,759	\$ 50,461,453	\$ 25,687,351	\$ 100,847,563	\$ 3,716,982	\$ 97,130,581

As of September 30, 2025, the County had \$6,218,515 in accounts receivable related to eligible Triumph grant expenditures incurred. Of this balance, \$980,728 has not been submitted for reimbursement and thus are considered unavailable revenue at the fund level.

OKALOOSA COUNTY, FLORIDA
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As of September 30, 2025, the County had a \$480,000 promissory note receivable from a commercial entity related to a land sale. The note is payable at a 0% interest rate over a 10-year period. The principal sum due to the County may be credited by performance measure conditions relating to capital investment and job creation. Since the note receivable will be collected outside of periods of availability it is considered unavailable at the fund level.

Lease Receivable

Governmental Activities

The County leases real property to various unrelated parties. The real property is used by the lessees for the following purposes: retail business space, public parks, parking lots, communications towers, and a restaurant.

The County's lease receivable is measured at the present value of lease payments expected to be received during the lease term, including options reasonably certain to be exercised. These agreements have varying terms, including inception dates from September 1986 through August 2012, annual payments of \$39,000 to \$270,608, and have terms from 30 to 58 years. During the year ended September 30, 2025, principal and interest received were approximately \$826,795 and \$469,952, respectively. The County has \$13,575,946 of deferred inflows related to leases for governmental activities as of September 30, 2025.

Governmental activities future principal and interest lease payments as of September 30, 2025 are as follows:

Year ending September 30,	Governmental Activities			
	Board		Tax Collector	
	Principal	Interest	Principal	Interest
2026	\$ 483,120	\$ 455,341	\$ 94,189	\$ 12,346
2027	527,103	439,431	76,135	6,736
2028	573,509	422,107	52,118	2,420
2029	625,002	403,234	11,271	741
2030	679,372	382,706	6,012	83
2031-2035	4,364,167	1,538,904	-	-
2036-2040	5,512,519	720,532	-	-
2041-2045	2,192,401	129,586	-	-
2046-2050	99,927	4,074	-	-
	<u>\$ 15,057,120</u>	<u>\$ 4,495,915</u>	<u>\$ 239,725</u>	<u>\$ 22,326</u>

Business-Type Activities

The County leases real property to various unrelated parties. The real property is used by the lessees for the following purposes: office space, rental car counter space, storage space, reclaimed water disposal, land, and concession space.

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The County's lease receivable is measured at the present value of lease payments expected to be received during the lease term, including options reasonably certain to be exercised. These agreements have varying terms, including inception dates from July 2007 through October 2021, annual payments of \$6,900 to \$2,530,690, and have terms from 10 to 35 years. During the year ended September 30, 2025, principal and interest received were approximately \$5,740,000 and \$1,214,000, respectively. The County has \$36,318,886 of deferred inflows related to leases for business-type activities as of September 30, 2025.

Business-type activities future principal and interest lease payments as of September 30, 2025 are as follows:

Year ending September 30,	Business-Type Activities			
	Water & Sewer		Airports	
	Principal	Interest	Principal	Interest
2026	\$ 16,124	\$ 189	\$ 7,125,615	\$ 995,617
2027	-	-	4,793,057	599,602
2028	-	-	4,881,665	655,729
2029	-	-	5,021,554	501,288
2030	-	-	5,090,485	343,779
2031-2035	-	-	8,041,746	326,667
2036-2040	-	-	39,782	29,218
2041-2045	-	-	46,489	22,511
2046-2050	-	-	54,327	14,673
2051-2055	-	-	44,214	5,623
2056-2060	-	-	9,550	225
	<u>\$ 16,124</u>	<u>\$ 189</u>	<u>\$ 35,148,484</u>	<u>\$ 3,494,932</u>

Excluded – Short-Term Leases

In accordance with GASB Statement No. 87, the County does not recognize a lease receivable and a deferred inflow of resources for short-term leases. Short-term leases are certain leases that have a maximum possible term under the lease contract of 12 months (or less), including any options to extend, regardless of their probability of being exercised.

Excluded – Regulated Leases

The County is the lessor in certain leasing arrangements as defined by GASB Statement No. 87, paragraphs 42 and 43 defined therein as Regulated Leases. In accordance with GASB Statement No. 87, the County does not recognize a lease receivable and deferred inflow of resources for regulated leases. Regulated leases are certain leases that are subject to external laws, regulations, or legal rulings, such as requirements from the U. S. Department of Transportation and the Federal Aviation Administration. All regulated leases between the County and air carriers or other aeronautical users and under the terms of the agreements the lessees have exclusive use of certain airport infrastructure. During the fiscal year ended September 30, 2025, the County recognized revenues from regulated leases in the amount of \$4,293,719. These leases are subject to renewal by the County via a Board ordinance.

OKALOOSA COUNTY, FLORIDA
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Minimum future lease payments under regulated lease agreements as of September 30, 2025, are as follows:

Regulated Leases:

During the year ending September 30:

2026	\$ 4,011,455
2027	2,506,761
2028	2,451,669
2029	2,450,135
2030	2,327,069
2031-2035	6,516,065
2036-2040	2,871,202
2041-2045	1,909,778
2046-2050	1,247,694
2051-2055	361,403
Total	\$ 26,653,231

Unavailable and Unearned Revenue

Governmental funds report unavailable revenue in connection with receivables that are not considered to be available to liquidate liabilities of the current period. Governmental and proprietary funds also defer revenue recognition in connection with resources received, but not yet earned. Unearned / unavailable revenues as of September 30, 2025 for the government's individual major funds and nonmajor internal service, and fiduciary funds in the aggregate are as follows:

Funds	Unavailable	Unearned
General	\$ 480,164	\$ 1,451,573
Tourist development	-	328,135
Road and bridge construction	980,728	-
Water and sewer	-	1,874,702
Airport	-	1,073,496
Emergency medical services	-	23,291
Nonmajor and other funds	-	13,945,578
Total	\$ 1,460,892	\$ 18,696,775

Unearned revenue in the Natural Disaster grant fund (included in the nonmajor and other funds) represents federal grant proceeds received in advance of meeting eligibility requirements related to the American Rescue Plan (ARP) and other grant funds related emergency rental assistance available as a result of the COVID pandemic.

In 2019, the County entered into a reimbursement agreement and space lease with a commercial air carrier. The agreement stipulates the air carrier will fund the construction costs of a concourse expansion project in exchange for lease credits.

These lease credits will be applied toward lease payments due once the project is completed. Management has evaluated this transaction and determined it represents an acquisition of net position by the Airport Enterprise Fund that applies to future periods and will not be recognized as an inflow of

OKALOOSA COUNTY, FLORIDA
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SEPTEMBER 30, 2025

resources (revenue) until that time. As of September 30, 2025, the Airport is reporting \$7,466,783 of deferred inflows of resources related to unearned revenue on the statement of net position.

6. CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2025, was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers and Adjustments</u>	<u>Ending Balance</u>
GOVERNMENTAL ACTIVITIES					
Capital assets, not being depreciated/ amortized					
Land	\$ 26,569,688	\$ 7,628,766	\$ (245)	\$ -	\$ 34,198,209
Intangibles	1,146,905	-	-	-	1,146,905
Construction in progress	129,841,462	82,211,641	-	(38,201,074)	173,852,029
Works of art	29,195	-	-	-	29,195
Total capital assets not being depreciated/ amortized	157,587,250	89,840,407	(245)	(38,201,074)	209,226,338
Capital assets, being depreciated/ amortized:					
Buildings	158,907,684	297,555	-	6,471,275	165,676,514
Improvement other than buildings	71,589,133	135,643	(45,524)	2,297,545	73,976,797
Intangibles	2,417,490	60,961	-	-	2,478,451
Machinery and equipment	78,947,472	12,553,870	(5,937,964)	331,655	85,895,033
Machinery and equipment - financed purchase	44,846	-	(44,846)	-	-
Right-to-use asset	20,755	-	-	-	20,755
Subscription asset	9,619,540	1,731,110	-	-	11,350,650
Infrastructure	186,178,593	153,805	-	17,535,338	203,867,736
Total capital assets being depreciated/ amortized	507,725,513	14,932,944	(6,028,334)	26,635,813	543,265,936
Less accumulated depreciation/ amortization for:					
Buildings	(64,472,788)	(4,575,781)	-	-	(69,048,569)
Improvement other than buildings	(27,138,931)	(3,469,679)	-	-	(30,608,610)
Intangibles	(2,320,709)	(38,923)	-	-	(2,359,632)
Machinery and equipment	(54,214,319)	(6,105,881)	5,699,029	(1,285,728)	(55,906,899)
Machinery and equipment - financed purchase	(2,670)	-	2,670	-	-
Right-to-use asset	(13,341)	(4,447)	-	-	(17,788)
Subscription asset	(3,355,150)	(2,625,631)	-	-	(5,980,781)
Infrastructure	(110,787,925)	(3,763,380)	-	-	(114,551,305)
Total accumulated depreciated/ amortized	(262,305,833)	(20,583,722)	5,701,699	(1,285,728)	(278,473,584)
TOTAL CAPITAL AMOUNTS, BEING DEPRECIATED/ AMORTIZED , NET	245,419,680	(5,650,778)	(326,635)	25,350,085	264,792,352
GOVERNMENTAL ACTIVITIES CAPITAL CAPITAL ASSETS, NET	\$ 403,006,930	\$ 84,189,629	\$ (326,880)	\$ (12,850,989)	\$ 474,018,690

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Depreciation expense was charged to functions/programs as follows:

GOVERNMENTAL ACTIVITIES		
General government		\$ 5,134,591
Public safety		4,987,089
Physical environment		373,974
Transportation, incl. depreciation of general infrastructure assets		5,062,840
Economic environmental		136,632
Human services		181,067
Culture and recreation		3,816,925
Court related		890,604
TOTAL DEPRECIATION/AMORTIZATION EXPENSE		
- GOVERNMENTAL ACTIVITIES		<u><u>\$ 20,583,722</u></u>

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers and Adjustments</u>	<u>Ending Balance</u>
BUSINESS-TYPE ACTIVITIES					
Capital assets, not being depreciated/ amortized:					
Land	\$ 14,765,162	\$ 378,217	\$ -	\$ -	\$ 15,143,379
Construction in progress	32,812,751	36,604,291	-	(5,011,403)	64,405,639
Works of art	69,865	-	-	-	69,865
Total capital assets not being depreciated/amortized	47,647,778	36,982,508	-	(5,011,403)	79,618,883
Capital assets, not being depreciated/amortized:					
Buildings	123,066,528	-	-	792,608	123,859,136
Improvement other than buildings	276,776	-	-	-	276,776
Intangibles	1,099,354	205,469	-	5,960	1,310,783
Machinery and equipment	33,712,492	3,789,513	(4,149,713)	58,857	33,411,149
Right-to-use asset	6,564,767	915,545	(255,063)	-	7,225,249
Subscription asset	226,077	359,504	(226,077)	-	359,504
Infrastructure	486,909,791	5,065,722	-	15,952,520	507,928,033
Total capital assets being depreciated/amortized	651,855,785	10,335,753	(4,630,853)	16,809,945	674,370,630
Less accumulated depreciation/ amortization for:					
Buildings	(42,930,335)	(4,467,331)	-	-	(47,397,666)
Improvement other than buildings	(243,125)	(4,005)	-	-	(247,130)
Intangibles	(936,247)	(62,064)	-	-	(998,311)
Machinery and equipment	(21,249,151)	(2,224,623)	3,933,845	1,170,629	(18,369,300)
Right-to-use asset	(1,432,002)	(499,126)	255,063	-	(1,676,065)
Subscription asset	(208,686)	(123,127)	226,077	-	(105,736)
Infrastructure	(203,843,660)	(11,793,395)	-	-	(215,637,055)
Total accumulated depreciation/ amortization for:	(270,843,206)	(19,173,671)	4,414,985	1,170,629	(284,431,263)
TOTAL CAPITAL ASSETS, BEING DEPRECIATED/ AMORTIZED, NET	<u>381,012,579</u>	<u>(8,837,918)</u>	<u>(215,868)</u>	<u>17,980,574</u>	<u>389,939,367</u>
BUSINESS-TYPE ACTIVITIES CAPITAL ASSETS, NET	<u>\$ 428,660,357</u>	<u>\$ 28,144,590</u>	<u>\$ (215,868)</u>	<u>\$ 12,969,171</u>	<u>\$ 469,558,250</u>

**OKALOOSA COUNTY, FLORIDA
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Depreciation and amortization expense was charged to enterprise funds as follows:

BUSINESS-TYPE ACTIVITIES	
Water and sewer	\$ 10,396,619
Airport	8,031,460
EMS	559,806
Other enterprise funds	185,786
TOTAL DEPRECIATION AND AMORTIZATION EXPENSE - BUSINESS TYPE ACTIVITIES	\$ 19,173,671

Southwest Crestview Bypass Road Construction

This project constructs a bypass in southwest Crestview from SR 85 at PJ Adams Parkway to US Hwy 90 across from Old Bethel Road. The overall budget is \$199,019,000. As part of the project, the FDOT will construct a new interchange with I-10 at an estimated cost of \$83,129,000; Okaloosa County will construct connecting roads both north and south of the new interchange at a total estimated cost of \$111,890,000. Expenditures by the County through the end of fiscal year 2025 were approximately \$92,865,730. County expenditures for fiscal year 2026 are estimated to be \$4,700,000.

Water and Sewer Expansion and Renovation

The Water and Sewer System is undertaking ongoing capital projects in FY2026 focused on system expansion, the replacement and rehabilitation of aging infrastructure, and environmental improvements. Based on the fiscal year 2026 capital budget, total expenditures will approximate \$46,072,331 on projects: \$22,508,749 for the Shoal River Ranch water reclamation facility, \$3,500,000 for Shoal River Ranch Tank, \$1,200,000 for the Gravity Sewer Rehabilitation, \$1,200,000 Longwood Area Main, \$1,000,000 for the Poquito Lift Station replacement, and multiple smaller projects.

7. COMPENSATED ABSENCES

The total amounts of accumulated annual leave and other compensated absences for all elected officials as of September 30, 2025, are as follows:

Elected Officials	Current Portion	Long-Term Portion	Totals
Board of county commissioners	\$ 5,875,517	\$ 1,339,526	\$ 7,215,043
Clerk of the circuit court	247,697	250,977	498,674
Sheriff	2,606,420	4,344,033	6,950,453
Tax collector	138,751	425,225	563,976
Property appraiser	33,298	57,548	90,846
Supervisor of elections	112,723	51,170	163,893
TOTALS	\$ 9,014,406	\$ 6,468,479	\$ 15,482,885

The total current and long-term portions of compensated absences are shown on the face of the government wide statement of net position using the full accrual method of accounting.

**OKALOOSA COUNTY, FLORIDA
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Flexible Paid Time Off (PTO) System of Leave

The Okaloosa County Board of County Commissioners (Board) voted to transition from a traditional sick and annual leave system to a flexible Paid Time Off (PTO) system of leave effective October 2024. This policy change is applicable to employees of the Board and Supervisor of Elections. Following the initial conversion of hours, employees with remaining sick leave balances, regardless of years of service, were eligible for a “pay out” of their remaining sick leave hours consistent with the current sick leave pay out policy. Employees with remaining annual leave balances will be eligible for a pay out of their remaining annual leave hours at 50%. Both the sick leave and annual leave pay outs are based on the employee’s pay rate at September 29, 2024. The gross pay out totaled approximately \$2,450,000 and was paid on November 14, 2024.

8. LANDFILL POST CLOSURE CARE COSTS

The Board is required to study, estimate, and certify to the U.S. Environmental Protection Agency through the Florida Department of Environmental Protection the estimated cost to close and to perform certain maintenance and monitoring functions at Baker Landfill and Wright Landfill for 30 years after closure and Niceville Landfill for 20 years after closure. One hundred percent of the landfill capacity has been used in the landfills, and they have all been permanently closed.

The Board is required by state and federal laws and regulations to develop its estimates using rates normal to commercial contracting firms and is based on the amount of the landfill capacity used to date, which is at 100% capacity as of September 30, 2025. The post closure costs are reevaluated each year. The estimate is subject to changes resulting from inflation, deflation, technology, or changes in applicable laws or regulations. The effect of this change in estimates has been reflected in the operations of the Solid Waste Enterprise Fund and has increased net income by \$324,100. The estimated liability for post closure care costs has a balance of \$1,199,273 as of September 30, 2025.

9. INTERFUND BALANCES AND ACTIVITY

The composition of interfund balances as of September 30, 2025, is as follows:

	Receivable From Other Funds	Payable to Other Funds
MAJOR FUNDS		
General fund	\$ 4,474,950	\$ 537,327
Capital outlay construction trust capital projects fund	2,801,322	-
NON-MAJOR FUNDS		
Governmental funds	-	6,536,172
Internal service funds	539,684	742,457
	\$ 7,815,956	\$ 7,815,956

OKALOOSA COUNTY, FLORIDA
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The composition of interfund balances with other elected officials as of September 30, 2025, is as follows:

	Receivable From Other Elected Official	Payable to Other Elected Official
MAJOR FUNDS		
General fund	\$ 3,506,956	\$ 7,228,205
Tourist development special revenue fund	4,451,411	149,380
Capital outlay construction trust capital projects fund	97,476	-
Emergency medical services fund	-	119
NON-MAJOR FUNDS		
Governmental funds	20,834	697,634
Enterprise funds	-	62
Internal service funds	-	1,277
	<u>\$ 8,076,677</u>	<u>\$ 8,076,677</u>

Interfund receivables at the fund and elected official level result primarily from revenue accrued in certain funds that are transferred to other funds. Interfund receivables and payables at the fund level also include short term cash advances.

Interfund transfers activity for the year ended September 30, 2025, consisted of the following:

	Transfers In	Transfers Out
MAJOR FUNDS		
General fund	\$ 22,060,938	\$ 21,004,417
Tourist development special revenue fund	1,850,000	4,031,691
Capital outlay construction trust capital projects fund	2,863,618	300,000
Road and bridge construction capital projects fund	1,600,000	-
Infrastructure surtax fund	-	4,223,676
Emergency medical services fund	3,035,953	-
Airport enterprise fund	-	3,545,972
NON-MAJOR FUNDS		
Governmental funds	16,008,701	14,543,965
Enterprise funds	-	69,489
Internal service funds	300,000	-
	<u>\$ 47,719,210</u>	<u>\$ 47,719,210</u>

OKALOOSA COUNTY, FLORIDA
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The Tourist Development Fund transferred \$908,316 to the General Fund to support Sheriff services provided to Tourist Development Department operations. The fund also transferred \$3,123,375 to various Board funds to support activities permitted by Florida Statute, including parks maintenance, parks capital projects, beach safety, and beach restoration projects.

The E-911 Operations Special Revenue Fund (a nonmajor governmental fund) transferred approximately \$1,016,558 to the General Fund to supplement the Sheriff's communications operations.

The Airport Enterprise Fund transferred \$3,466,986 to the General Fund to fund law enforcement officers responsible for security at the Destin–Fort Walton Beach Airport and \$78,986 for information technology support.

The General Fund transferred \$3,963,498 to the Debt Service Fund to cover debt service payments on the 2011, 2014, 2016, and 2019 bonds and the 2020 Shoal River Note; \$2,848,618 to the Capital Projects Fund for general government capital projects; \$600,000 to the Road/Bridge Construction Fund for the P.J. Adams construction project; and \$300,000 to the Self-Insurance Fund to establish a property insurance reserve related to the County's partial self-insurance of property coverage.

The General Fund also transferred \$7,050,000 to various governmental funds for use of American Rescue Plan Act (ARPA) related monies approved by the Board of County Commissioners, including equipment purchases and projects ranging from tourism improvements to a broadband information technology project. In addition, \$6,125,778 was transferred to various governmental and enterprise funds to subsidize operations where budgeted expenditures exceeded budgeted revenues.

The Infrastructure Surtax Fund transferred \$4,223,676 to the Debt Service Fund to cover debt service payments on the 2019 Sales Tax Refunding and Improvement Revenue Bonds and the 2021 Sales Surtax Revenue Note.

The Natural Disaster Fund transferred \$10,000,000 of ARPA standard allowance for revenue replacement to the General Fund. In addition \$2,150,000 of unrestricted interest earning were transferred to the General Fund for various Board of County Commissioners approved uses.

During the year ended September 30, 2025, the Natural Disaster Special Revenue Fund also contributed \$11,739,696 to the Water and Sewer Fund for capital improvements funded with American Rescue Plan Act funds. This transaction is reported as a capital contribution in the Water and Sewer Fund.

During the year ended September 30, 2025, the General Fund contributed \$1,265,245 to the Emergency Medical Services Fund for ambulances and equipment. This transaction is reported as a capital contribution in the Emergency Medical Services Fund.

10. LONG TERM DEBT

Primary Government

The following debt issues are outstanding for September 30, 2025:

Governmental Activities

OKALOOSA COUNTY, FLORIDA
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REVENUE BONDS

<p>\$3,600,000 capital improvement revenue bond, series 2011, serial bonds with stated interest rate of 3.72 percent compounded semi-annually through October 1, 2030; issued in denominations of \$5,000 maturity value due in annual installments of \$133,000 to \$259,000 from October 1, 2012 through October 1, 2030. General governmental revenues are pledged for the payment of the bonds. Proceeds of the bonds have been used to finance the purchase of the Newman C. brackin building to be used for office space. This issue is subject to federal arbitrage regulations.</p>	\$ 1,420,000
<p>\$22,165,000 sales tax revenue bonds, series 2014, serial and term bonds with stated interest rates ranging from 3.0 percent to 5.0 percent compounded semi-annually through October 1, 2034; issued in denominations of \$5,000 maturity value due in annual installments of \$760,000 to \$ 1,720,000 from October 1, 2016 through October 1, 2034 and interest only payments October 1, 2015 - September 30, 2016. Sales tax revenues were pledged for payment of the bonds. Proceeds of the bonds will be used to finance the construction of Crestview courthouse, administration building and refunding the sales tax revenue bond anticipation note, series 2014. The issue is subject to federal arbitrage regulations. Partially refunded during the year ended September 30, 2025.</p>	1,120,000
<p>\$12,960,000 sales tax revenue bonds, series 2016, serial and term bonds with stated interest rates ranging from 3.0 percent to 5.0 percent compounded semi-annually through October 1, 2046; issued in dominations of \$5,000 maturity value due in annual installments of \$235,000 to \$715,000 from October 1, 2017 through October 1, 2046. Sales tax revenues were used for payment of the bonds. Proceeds of the bonds will be used to finance the acquisition and construction of improvements to county facilities, including additional improvements to the Crestview courthouse. The issue is subject to federal arbitrage regulations.</p>	10,845,000
<p>\$38,300,000 sales tax refunding and improvement revenue bonds, series 2019, serial and term bonds with a stated interest rate of 4.0 percent compounded semi-annually through 2040; issued in denominations of \$5,000 maturity value due in annual installments of \$810,000 to \$2,130,000 from October 1, 2020 through October 1, 2040. Sales tax revenues were pledged for payment of the bonds. Proceeds of the bonds will be used to refund a portion of the county's outstanding taxable sales tax revenue bonds series 2009b and finance certain capital improvements in and for the county, the issue is subject to federal arbitrage regulations.</p>	33,660,000
<p>\$46,325,000 capital improvement revenue bonds, series 2025A, with a stated interest rate of 5.0 percent compounded semi-annually through 2055; due in annual installments of \$71,750 to \$2,941,750 from October 1, 2025 through October 1, 2055. Proceeds of the bonds will be used to finance certain capital improvements authorized by the Board of County Commissioners, including the acquisition, construction, renovation, and equipping of government office facilities and related appurtenances.</p>	46,325,000
<p>\$11,900,000 capital improvement revenue refunding bonds, series 2025B, with a stated interest rate of 5.0 percent compounded semi-annually through 2034; due in annual installments of \$39,875 to \$1,634,875 from October 1, 2025 through October 1, 2034. Proceeds of the bonds will be used to refund a portion of the county's outstanding taxable sales tax revenue bonds series 2014.</p>	11,900,000
<p>Total governmental activities revenue bonds</p>	<u><u>\$ 105,270,000</u></u>

**OKALOOSA COUNTY, FLORIDA
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LOANS AND NOTES - DIRECT BORROWINGS

\$2,480,000 private bank loan from Truist bank with fixed rate of interest of 2.49% through December 1, 2035; interest on the Note shall be payable in semi-annual installments, commencing June 1, 2021, ranging from \$2,400 to \$34,000. Principal payments are due in annual installments, commencing December 1, 2021 ranging from \$165,900 to \$197,400; the loan finances the acquisition of land along the Shoal River Ranch and appurtenant improvements or such other capital improvement as established by resolution of the Board and is secured by a lien upon and pledge of the budget from non- ad valorem revenues lawfully available in each fiscal year until the loan is paid in full. In the event of default, the lender may sue to protect and enforce any and all rights existing under the laws of the State of Florida, of the United States of America, or granted and contained in the agreement, the agreement does not contain any subjective acceleration clauses.

\$ 1,909,000

\$19,700,000 private bank loan from Truist bank with fixed rate of interest of 1.26% through November 1, 2028; interest on the Note shall be payable in semi-annual installments, commencing May 1, 2022, ranging from \$18,500 to \$97,900. Principal payments are due in annual installments, commencing November 1, 2022 ranging from \$2,600,000 to \$2,940,000; the loan finances construction costs to construct communication towers and acquire certain related emergency communication equipment established by resolution of the Board and is secured by a lien upon and pledge of the budget from non-ad valorem revenues lawfully available in each fiscal year until the loan is paid in full. In the event of default, the lender may sue to protect and enforce any and all rights existing under the laws of the State of Florida, of the United States of America, or granted and contained in the agreement, the agreement does not contain any subjective acceleration clauses.

11,542,000

\$266,826 private bank loan from National Loan Investors with a fixed interest rate of 5.5% through September 2032. Principal payments are due in monthly installments of \$2,397. The loan financed the Dorcas Fire District property.

166,857

Total direct borrowings \$ 13,617,857

Also, the County, in compliance with the Tax Reform Act of 1986 and subsequent U.S. Treasury Regulations, has performed arbitrage rebate calculations to determine probable amounts due to the Federal government. The original calculations were made by third party consultant in the amount of \$748,705. During fiscal year 2025, the County had a third party consultant recalculate the arbitrage balance which resulted in an amount of \$1,041,406. As of September 30, 2025, \$56,814 of this balance relates to the series 2019 payment and is due November 2029 and \$984,59 relates to the series 2021 and is due February 2027.

Refunding of Outstanding Debt

On July 30, 2025, the County issued \$11,900,000 Capital Improvement Revenue Refunding Bonds, Series 2025B (the "Series 2025B Bonds"). The refunding was undertaken to reduce total debt service payments and achieve an economic gain. The Series 2025B Bonds were issued to refund a portion of the County's outstanding Sales Tax Revenue Bonds, Series 2014 (the "Refunded Bonds"), along with providing for issuance costs associated with the transaction. The bonds were issued with a net original issue premium of \$1,171,309, resulting in total proceeds of \$13,071,309, prior to deductions for issuance costs and the underwriter's discount. In addition, the County contributed \$200,443 from the debt service fund toward the refunding escrow.

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Total resources of \$13,180,579 were deposited into an irrevocable escrow and used to purchase U.S. Treasury State and Local Government Series (SLGS) securities. The refunded portion of the Series 2014 Bonds was redeemed on August 29, 2025, and that portion is considered legally defeased. The difference between the reacquisition price and the net carrying amount of the refunded debt resulted in a refunding gain, which the County has determined to be immaterial to the financial statements. Accordingly, the deferred refunding gain was not recorded in the government-wide financial statements. The refunding resulted in economic cash-flow savings with a net present value of approximately \$823,000, calculated as the difference between the present value of the remaining debt service payments on the refunded debt and the present value of the debt service payments on the refunding debt, using the effective interest rate of the refunding debt as the discount rate.

Business-Type Activities

**REVENUE BONDS
WATER AND SEWER**

The following parity bonds are secured by a pledge of the net revenues from the operation of the water and sewer system:

\$33,115,000 water and sewer revenue bonds, series 2025, due in annual installments of \$89,875 to \$4,446,188 through July 1, 2036; with a stated interest rate of 5.0 percent compounded semi-annually through 2036. Proceeds from the bond were used to refund Water and Sewer Revenue Bonds, Series 2015. \$ 33,115,000

Total business-type revenue bonds \$ 33,115,000

Loans – State of Florida – Direct Borrowing

The following loans from the State of Florida were obtained for construction of extensions and improvements to the County sewer system. Water and Sewer revenue net of operating costs and debt service are pledged for repayment of these loans.

**LOANS - STATE OF FLORIDA - DIRECT BORROWINGS
WATER AND SEWER**

\$8,168,888 State of Florida department of environmental protection revolving loan fund; semi-annual payments including capitalized interest of \$291,598 at 2.71% and 3.00% beginning June 15, 2007 reducing to \$263,938 beginning December 15, 2008 through December 15, 2026. In the event of default, the lender may declare all unpaid principal to be immediately due and payable. The agreement does not contain any subjective acceleration clauses. \$ 770,336

Refunding of Outstanding Debt

On August 12, 2025, the County issued \$33,115,000 Water and Sewer Revenue Refunding Bonds, Series 2025, for the purpose of refunding the outstanding Water and Sewer Revenue Refunding Bonds, Series 2015. The refunding was undertaken to reduce total debt service payments and achieve an economic gain. The Series 2025 bonds were issued with a net original issue premium of \$2,916,512, resulting in total proceeds of \$36,031,512, prior to deductions for issuance costs and the underwriter's discount. In addition, the County contributed \$485,604 from the Water and Sewer debt service fund toward the refunding escrow. Total resources of \$36,240,547 were deposited into an irrevocable escrow and used to purchase U.S. Treasury State and Local Government Series (SLGS) securities.

OKALOOSA COUNTY, FLORIDA
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The refunded Series 2015 bonds were redeemed on September 11, 2025. Upon the deposit of escrow assets, the refunded bonds were considered legally defeased. The difference between the reacquisition price and the net carrying amount of the refunded Series 2015 bonds resulted in a deferred gain on refunding of approximately \$4.7 million, which is being amortized as a component of interest expense over the shorter of the remaining life of the refunded debt or the life of the refunding debt. The refunding resulted in economic cash-flow savings with a net present value of approximately \$2.8 million, calculated as the difference between the present value of the remaining debt service payments on the refunded debt and the present value of the debt service payments on the refunding debt, using the effective interest rate of the refunding debt as the discount rate.

State of Florida Revolving Loan

The Okaloosa County Board of County Commissioners authorized the County Administrator to execute a State of Florida Revolving Loan in the estimated amount of \$16,000,000 for certain improvements in the Water & Sewer Enterprise fund on December 3, 2024. The loan closed on April 1, 2025, with a term of 20 years and a 1.76% rate of interest. The initial payment is due six months after completion of the project which is estimated to be August 2027. There have been no draws made on the loan.

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

	Balance Due October 1, 2024	Increases*	Decreases	Balance Due September 30, 2025	Due Within One Year
GOVERNMENTAL ACTIVITIES:					
REVENUE BONDS					
Sales tax revenue bonds,					
Series 2011	\$ 1,627,000	\$ -	\$ (207,000)	\$ 1,420,000	\$ 215,000
Series 2014	15,170,000	-	(14,050,000)	1,120,000	1,120,000
Series 2016	11,150,000	-	(305,000)	10,845,000	320,000
Series 2019	34,690,000	-	(1,030,000)	33,660,000	1,075,000
Series 2025A	-	46,325,000	-	46,325,000	700,000
Series 2025B	-	11,900,000	-	11,900,000	1,075,000
Less deferred amounts for issuance discounts/ premiums	5,929,615	3,108,045	(1,199,225)	7,838,435	-
Total revenue bonds	<u>68,566,615</u>	<u>61,333,045</u>	<u>(16,791,225)</u>	<u>113,108,435</u>	<u>4,505,000</u>
NOTES FROM DIRECT BORROWINGS					
Private bank note, 2021	14,338,000	-	(2,796,000)	11,542,000	2,832,000
Private bank note, 2020	2,058,000	-	(149,000)	1,909,000	153,000
Private bank note	185,883	-	(19,026)	166,857	20,099
Total direct borrowings	<u>16,581,883</u>	<u>-</u>	<u>(2,964,026)</u>	<u>13,617,857</u>	<u>3,005,099</u>
TOTAL NOTES AND PAYABLES	<u>85,148,498</u>	<u>-</u>	<u>(19,755,251)</u>	<u>126,726,292</u>	<u>7,510,099</u>
Accrued compensated absences	9,809,995	2,857,189	-	12,667,184	6,800,466
Arbitrage rebate payable	876,978	164,428	-	1,041,406	-
Estimated claims payable	5,340,163	9,841,645	(8,071,528)	7,110,280	2,602,280
Lease agreements	8,692	-	(4,414)	4,278	4,278
Subscription agreements	6,413,097	1,731,110	(2,252,269)	5,891,938	2,191,048
Financed purchases	47,627	-	(47,627)	-	-
TOTAL GOVERNMENTAL ACTIVITIES	<u>\$ 107,645,050</u>	<u>\$ 14,594,372</u>	<u>\$ (30,131,089)</u>	<u>\$ 153,441,378</u>	<u>\$ 19,108,171</u>

OKALOOSA COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2025

	Balance Due October 1, 2024	Increases*	Decreases	Balance Due September 30, 2025	Due Within One Year
BUSINESS TYPE ACTIVITIES:					
Revenue bonds					
Water and sewer revenue,					
Series 2015	\$ 39,910,000	\$ -	\$ (39,910,000)	\$ -	\$ -
Series 2025	-	33,115,000	-	33,115,000	3,640,000
Bond discounts/ premiums	5,466,730	2,916,512	(5,466,730)	2,916,512	-
Total revenue bonds	<u>45,376,730</u>	<u>36,031,512</u>	<u>(45,376,730)</u>	<u>36,031,512</u>	<u>3,640,000</u>
LOANS AND NOTES -					
 DIRECT BORROWINGS					
State of Florida revolving loan fund	1,266,481	-	(496,146)	770,335	510,011
TOTAL LOANS AND NOTES	<u>1,266,481</u>	<u>-</u>	<u>(496,146)</u>	<u>770,335</u>	<u>510,011</u>
Accrued compensated absences	2,514,593	301,108	-	2,815,701	2,213,940
Lease agreements	5,531,313	915,544	(394,027)	6,052,830	488,155
Subscription agreements	-	359,504	(226,861)	132,643	132,643
Estimated closure costs payable	1,523,374	-	(324,101)	1,199,273	299,818
TOTAL BUSINESS TYPE ACTIVITIES	<u>\$ 56,212,491</u>	<u>\$ 37,607,668</u>	<u>\$ (46,817,865)</u>	<u>\$ 47,002,294</u>	<u>\$ 7,284,567</u>

* Compensated absences changes are presented net in the above table.

Internal service funds predominantly serve the governmental funds. Claims liabilities are liquidated in the internal service fund.

Leases

As of September 30, 2025, the County's lease agreements were composed of the following:

GOVERNMENTAL ACTIVITIES

The County has a submerged land lease for a commercial fishing pier for \$4,495 a year with an implicit interest rate of 3.12% and an expiration date in May 2026. During September 30, 2025, principal and interest paid were \$4,278 and \$216, respectively.

\$ 4,278

BUSINESS-TYPE ACTIVITIES

The County is a lessee for leases of land and equipment. The agreements require annual base payments ranging from \$115,200 to \$455,078, with an implicit interest rate of 3.12%. During September 30, 2025, principal and interest paid were \$394,027 and \$176,252, respectively.

6,052,830

Total Lease Payables

\$ 6,057,108

OKALOOSA COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2025

Subscription Based Information Technology Agreements

Although legally separate entities, the general funds of the Clerk, Property Appraiser, Sheriff, Supervisor of Elections, and Tax Collector are included as a General Fund component of the County. The Sheriff, Tax Collector, Clerk, and the County's Water & Sewer Fund and Tourist Development Fund have noncancellable right to use contracts for underlying IT assets. As of September 30, 2025, the County's subscription payable of \$6,024,581 was composed of the following:

GOVERNMENTAL ACTIVITIES

The County has entered into various subscription-based information technology arrangements with various software vendors for its governmental activities. The agreements require annual base subscription payments ranging from \$17,550 to \$594,870. The discount rate used to calculate the present value of the subscription payments was 4.34%, which is the County's estimated incremental borrowing rate for software. During September 30, 2025, principal and interest paid were \$2,252,268 and \$406,277, respectively.

\$ 5,891,938

BUSINESS-TYPE ACTIVITIES

The County has entered into a subscription-based information technology arrangement for its Water & Sewer Fund. The agreements require annual base subscription payments of \$235,766. The discount rate used to calculate the present value of the subscription payments was 4.34%, which is the County's estimated incremental borrowing rate for software. During September 30, 2025, principal and interest paid were \$226,861 and \$8,905, respectively.

132,643

Total Subscription Payables

\$ 6,024,581

The future principal and interest subscription payments as of September 30, 2025, were as follows:

Year ending September 30,	SBITAs			
	Business-Type Activities		Governmental Activities	
	Principal	Interest	Principal	Interest
2026	\$ 132,643	\$ 5,373	\$ 2,191,048	\$ 213,119
2027	-	-	2,254,750	149,745
2028	-	-	913,002	55,262
2029	-	-	294,037	22,801
2030	-	-	239,101	10,000
	<u>\$ 132,643</u>	<u>\$ 5,373</u>	<u>\$ 5,891,938</u>	<u>\$ 450,927</u>

OKALOOSA COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2025

Debt service requirements to maturity on long-term debt at September 30, 2025 are as follows:

Year ending September 30,	Governmental Activities			
	Revenue Bonds		Loans and Notes	
	Principal	Interest	Principal	Interest
2026	\$ 4,505,000	\$ 4,011,424	\$ 3,005,099	\$ 181,893
2027	3,558,000	4,819,548	3,045,232	140,996
2028	3,737,000	4,642,797	3,086,430	99,489
2029	3,916,000	4,457,191	3,128,695	57,353
2030	4,110,000	4,262,641	194,032	33,337
2031-2035	20,884,000	18,264,821	963,369	85,153
2036-2040	18,490,000	13,485,019	195,000	2,428
2041-2045	15,690,000	9,504,306	-	-
2046-2050	17,330,000	5,834,675	-	-
2051-2053	13,050,000	2,403,750	-	-
	<u>\$ 105,270,000</u>	<u>\$ 71,686,172</u>	<u>\$ 13,617,857</u>	<u>\$ 600,649</u>

Year ending September 30,	Governmental Activities	
	Lease Contracts	
	Principal	Interest
2026	\$ 4,278	\$ 325
	<u>\$ 4,278</u>	<u>\$ 325</u>

Year ending September 30,	Business-Type Activities			
	Revenue Bonds		Loans and Notes	
	Principal	Interest	Principal	Interest
2026	\$ 3,640,000	\$ 1,428,743	\$ 510,011	\$ 31,730
2027	2,345,000	1,430,375	260,324	21,479
2028	2,460,000	1,313,125	-	-
2029	2,590,000	1,190,125	-	-
2030	2,715,000	1,060,625	-	-
2031-2035	15,770,000	3,124,125	-	-
2036-2040	3,595,000	179,750	-	-
	<u>\$ 33,115,000</u>	<u>\$ 9,726,868</u>	<u>\$ 770,335</u>	<u>\$ 53,209</u>

**OKALOOSA COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2025**

Year ending September 30,	Business-Type Activities			
	Landfill Closure Costs		Lease Contracts	
	Principal	Interest	Principal	Interest
2026	\$ 299,818	\$ -	\$ 488,155	\$ 173,512
2027	299,818	-	513,182	157,768
2028	299,818	-	539,194	141,226
2029	299,819	-	566,223	123,854
2030	-	-	477,904	106,826
2031-2035	-	-	1,329,302	239,129
2036-2040	-	-	2,138,870	102,711
	<u>\$ 1,199,273</u>	<u>\$ -</u>	<u>\$ 6,052,830</u>	<u>\$ 1,045,026</u>

11. CONDUIT DEBT

Since 1984, Okaloosa County has authorized two industrial development revenue bond issues that are still outstanding. The original issues totaled \$11,899,025 and as of September 30, 2025, \$6,158,038 was the principal liability. Since 2021, Okaloosa County has authorized four revenue bond issues on behalf of Destin High School, Inc. that are still outstanding. The original issues totaled \$20,390,000 and as of September 30, 2025, \$20,180,000 was the principal liability.

These bonds do not constitute an indebtedness of the County and are not a charge against its general credit or taxing powers. The bonds are payable solely from revenues of the respective industries to which these bond proceeds were remitted. The County has no responsibility for debt service payments beyond the resources provided by the Borrower in any circumstances. The County's limited commitment with respect to the conduit debt is to refrain from taking any actions that would result in the interest on the bonds being taxable for federal income tax purposes. The County has made no additional or voluntary commitments related to the bond issuance.

**OKALOOSA COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2025**

12. FUND BALANCES / RESTRICTED BALANCE

A schedule of the governmental fund balances for September 30, 2025 is provided below:

	Major Funds					Other	Total
	General Fund	Tourist Development	Capital Outlay Construction	Road and Bridge	Infrastructure Surtax		
FUND BALANCES:							
Nonspendable:							
Inventory	\$ -	\$ -	\$ -	\$ 199,861	\$ 26,869	\$ 245,869	\$ 472,599
Prepays	427,710	80,114	-	-	-	116,661	624,485
Restricted for:							
Tourist development	-	68,908,864	-	-	-	-	68,908,864
Florida boating Improvements	-	-	496,602	-	-	-	496,602
Capital projects	-	-	60,560,950	-	-	-	60,560,950
Housing and urban development	-	-	-	-	-	2,759,677	2,759,677
E- 911 operations	-	-	-	-	-	1,022,843	1,022,843
Radio communications	-	-	-	-	-	330,698	330,698
Law enforcement trust fund	-	-	-	-	-	27,367	27,367
Police academy	-	-	-	-	-	127,523	127,523
Fire district	-	-	-	-	-	283,478	283,478
Park and stormwater projects	-	-	-	-	-	3,106,821	3,106,821
Local provider plan	-	-	-	-	-	1,533,185	1,533,185
Prisoner benefit fund	-	-	-	-	-	1,507,760	1,507,760
Judicial innovations	-	-	-	-	-	356,662	356,662
Drug abuse trust fund	-	-	-	-	-	166,475	166,475
Domestic violence trust fund	-	-	-	-	-	11,517	11,517
Public records	-	-	-	-	-	-	-
Traffic education	-	-	-	-	-	213,764	213,764
Transportation projects	-	-	-	9,815,035	-	133,303	9,948,338
Infrastructure projects	-	-	-	-	60,835,467	-	60,835,467
Opioid treatment	2,322,632	-	-	-	-	-	2,322,632
Committed to:							
Planning projects	249,299	-	-	-	-	-	249,299
Municipal benefits service units	-	-	-	-	-	845,037	845,037
Assigned to:							
Capital projects	4,989,775	-	15,548,579	2,867,900	-	1,104,108	24,510,362
Animal control establishment	2,000,000	-	-	-	-	-	2,000,000
Fiber optic cable	-	-	-	-	-	5,972,381	5,972,381
Fire district	-	-	-	-	-	442,527	442,527
Health department	-	-	-	-	-	330,319	330,319
Natural disasters	-	-	-	-	-	1,500,942	1,500,942
Other	540,000	-	-	-	-	-	540,000
Unassigned:							
Unassigned (deficit)	22,904,769	-	-	-	-	(342,364)	22,562,405
TOTAL FUND BALANCE	\$ 33,434,185	\$ 68,988,978	\$ 76,606,131	\$ 12,882,796	\$ 60,862,336	\$ 21,796,553	\$ 274,570,979

**OKALOOSA COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2025**

13. ENCUMBRANCES

The amount of encumbrances outstanding as of September 30, 2025, is as follows:

	<u>Amount</u>
GOVERNMENTAL FUNDS:	
General fund	\$ 1,004,186
Tourist development	1,280,635
Capital outlay	272,652
Other governmental	<u>2,739,671</u>
TOTAL	<u><u>\$ 5,297,144</u></u>

Encumbrances at year end do not constitute expenditures or liabilities; therefore are not reflected in the financial statements.

14. PENSION PLAN

The County participates in the Florida Retirement System (FRS) which is a cost sharing multiple employer contributory retirement system administered by the State of Florida (State). The FRS was established in 1970 by Chapter 121, Florida Statutes. In 2002 the FRS was amended to provide a defined contribution plan alternative to the defined benefit plan for FRS members effective July 1, 2002. Rules governing the operation and administration of the system may be found in Chapter 60S of the Florida Administrative Code. Chapter 112, Florida Statutes established the Retiree Health Insurance Subsidy (HIS) Program, a cost-sharing multiple employer defined benefit pension plan to assist retired members of any state-administered retirement system in paying the cost of health insurance.

The State of Florida Retirement System issues a publicly available stand-alone financial report (ACFR) which includes financial statements and required supplementary information. Also available are the pension systems actuarial reports to support the schedules of employer allocations and schedules of pension amounts by employer. These reports are available on the division's website at <http://www.dms.myflorida.com> or by email at rep@dms.myflorida.com. The ACFR and actuarial reports may also be obtained by contacting the Division of Retirement at:

**State of Florida Department of Management Services
Division of Retirement
Research and Education Section
P.O. Box 9000
Tallahassee, FL 32315-9000
850-488-5706 or Toll Free 877-377-1737**

OKALOOSA COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
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There are six classes of membership applicable to the County. Members are eligible for normal retirement when they have met the requirements listed below. Early retirement may be taken any time after vesting within 20 years of normal retirement age; however, there is a 5 percent benefit reduction for each year prior to the normal retirement age.

Regular Class, Senior Management Service Class, and Elected Officers' Class Members –

For members initially enrolled in the FRS before July 1, 2011, six or more years of creditable service and age 62, or the age after completing six years of creditable service if after age 62. Thirty years of creditable service regardless of age before age 62. For members initially enrolled in the FRS on or after July 1, 2011, eight or more years of creditable service and age 65, or the age after completing eight years of creditable service if after age 65. Thirty-three years of creditable service regardless of age before age 65.

Special Risk Class and Special Risk Administrative Support Class Members –

For members initially enrolled in the FRS before July 1, 2011, six or more years of Special Risk Class service and age 55, or the age after completing six years of Special Risk Class service if after age 55. Twenty-five years of special risk service regardless of age before age 55. A total of 25 years of service including special risk service and up to four years of active duty wartime service and age 52. Without six years of Special Risk Class service, members of the Special Risk Administrative Support Class must meet the requirements of the Regular Class. For members initially enrolled in the FRS on or after July 1, 2011, eight or more years of Special Risk Class service and age 60, or the age after completing eight years of Special Risk Class service if after age 60. Thirty years of special risk service regardless of age before age 60. Without eight years of Special Risk Class service, members of the Special Risk Administrative Support Class must meet the requirements of the Regular Class.

The Deferred Retirement Option Program (DROP) is available under the FRS Pension Plan when the member first reaches eligibility for normal retirement.

FRS Membership and Plan Benefits – The FRS Pension Plan provides retirement and disability benefits, death benefits and survivor's benefits. Members are also eligible for in-line-of-duty or regular disability benefits if permanently disabled and unable to work. Benefits are established by State Statutes. Retirement benefits are based on a formula comprised of age, average compensation, length of FRS service, and membership class. Average compensation is computed as the average of an individual's five highest years of earnings for employees hired before July 1, 2011 or eight highest years of earnings for employees hired on or after July 1, 2011. The amount of benefit payments is also affected by the retirement income option chosen by the plan participant.

Pension plan participants may choose to receive benefit in retirement under one of four options which will include a 3% cost-of-living adjustment each July (adjustments are only applicable for FRS service earned prior to July 1, 2011).

If a pension plan participant leaves FRS-covered employment, the pension plan benefit is frozen until the employee returns to FRS-covered employment or begins receiving early or normal retirement benefit.

OKALOOSA COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2025

HIS Membership and Plan Benefits – The HIS membership is available to all members within the FRS and defined contribution Investment Plan. The benefit is a monthly payment to assist retirees of the state-administered retirement systems in paying their health insurance costs. Eligible retirees and beneficiaries receive a monthly HIS payment equal to the number of years of service credited at retirement multiplied by \$5. The minimum payment is \$30 and the maximum payment is \$150 per month, pursuant to section Florida Statutes. To be eligible to receive a HIS benefit, a retiree under one of the state-administered retirement systems must provide proof of eligible health insurance coverage, which can include Medicare.

Contribution Requirements – The County is required to contribute at an actuarially determined rate; these rates are a percent of annual covered payroll. Employees are required to contribute 3% of their annual salary, while members participating in DROP are not required to make the 3% contribution. The County’s contractually required contribution rate includes the HIS contribution, .06% administrative and educational fee and any applicable unfunded actuarial liability “UAL” rates. The HIS required contribution rate is 2.00% for the 2024 and 2025 FRS plan years. This contribution when combined with the employee contribution is expected to finance the cost of the benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Descriptions and contribution rates in effect during the period ended September 30, 2025 and two preceding FRS fiscal years are as follows:

	2025	2024	2023
<u>Regular Class:</u>			
Members not qualifying for other classes	14.03%	13.63%	13.57%
<u>Senior Management Class:</u>			
Members of senior management who do not elect the optional annuity retirement program	33.24%	34.52%	34.52%
<u>Elected Officials Class:</u>			
Certain elected county officials	54.75%	58.68%	58.68%
<u>Deferred Retirement Option Program (DROP):</u>			
Members are enrolled in DROP from FRS	22.02%	21.13%	21.13%

For the years ending September 30, 2025, 2024, 2023, the County contributed \$20,221,851, \$18,252,781, and \$15,311,721 respectively, equal to 100% of the required contributions for each year.

The Florida Legislature has the authority for establishing or amending retirement legislation and related bills of significance to members of the Florida Retirement System (FRS). Passed bills are presented to the Governor and approved before they may be enacted into law.

Net pension liability, deferred outflows/inflows of resources and pension expense related to the County defined benefit 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 that date. The County’s proportion of the net pension liability was based on the County’s long-term share of contributions to the FRS relative to the contributions of all participating governments. At June 30, 2025, the County’s change in proportion was an increase from its proportion measured as of June 30, 2024. For the fiscal year ended September 30, 2025, the County recognized pension expense credit of \$9,375,583.

OKALOOSA COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2025

The following table presents the information on the County's proportionate share of the FRS and HIS:

	<u>FRS</u>	<u>HIS</u>	<u>County Totals</u>
Proportionate share of net pension liability at June 30, 2025	\$ 91,472,004	\$ 30,028,100	\$ 121,500,104
County's proportion at June 30, 2025	0.00294736927	0.00234275256	
County's proportion at June 30, 2024	0.00288544872	0.00226018936	
Change in proportion during current year	<u>0.00006192055</u>	<u>0.00008256320</u>	

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

	<u>FRS</u>		<u>HIS</u>		<u>County Total</u>
	<u>Deferred Outflow</u>	<u>Deferred Inflow</u>	<u>Deferred Outflow</u>	<u>Deferred Inflow</u>	<u>Deferred Outflow (Deferred Inflow)</u>
Differences between expected and actual experience	\$ 9,770,172	\$ -	\$ 179,248	\$ 47,634	\$ 9,901,786
Changes in assumptions	10,622,258	-	265,782	7,263,019	3,625,021
Net difference between projected and actual earnings on pension plan investments	-	15,272,172	-	24,993	(15,297,165)
Changes in proportion and differences between county					
County contributions and proportionate share of contributions	3,885,083	1,791,033	2,784,339	654,793	4,223,596
County contributions subsequent to the measurement date	4,452,081	-	496,651	-	4,948,732
	<u>\$ 28,729,594</u>	<u>\$ 17,063,205</u>	<u>\$ 3,726,020</u>	<u>\$ 7,990,439</u>	<u>\$ 7,401,970</u>

County contributions subsequent to the measurement date of \$4,452,081 reported as deferred outflow of resources will be recognized as a reduction of the net pension liability in the year ended September 30, 2026. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Reporting Year</u> <u>Ending June 30,</u>	<u>FRS</u>		<u>HIS</u>		<u>County Total</u> <u>Deferred Outflow</u> <u>(Deferred Inflow)</u>
2026	\$ 15,389,452	\$ (1,076,414)	\$ (1,076,414)	\$ (1,076,414)	\$ 14,313,038
2027	(2,067,783)	(1,376,253)	(1,376,253)	(1,376,253)	(3,444,036)
2028	(3,375,534)	(1,088,581)	(1,088,581)	(1,088,581)	(4,464,115)
2029	(2,562,041)	(784,272)	(784,272)	(784,272)	(3,346,313)
2030	565,959	(346,821)	(346,821)	(346,821)	219,138
Thereafter	(735,745)	(88,729)	(88,729)	(88,729)	(824,474)
Totals	<u>\$ 7,214,308</u>	<u>\$ (4,761,070)</u>	<u>\$ (4,761,070)</u>	<u>\$ (4,761,070)</u>	<u>\$ 2,453,238</u>

The total FRS pension liability in the June 30, 2025 actuarial valuation was determined based on the discount rate using the following actuarial assumptions, applied to all periods included in the measurement. The total pension liability is calculated using the Individual Entry Age Normal cost allocation method, which differs from the Ultimate Entry Age Normal cost allocation method used in the funding valuation for the system.

**OKALOOSA COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2025**

FRS actuarial methods and assumptions are:

Actuarial cost allocation method	Individual Entry Age Cost
Amortization method	Level Percentage of Pay, Closed
Equivalent single amortization period	30 years
Asset valuation method	Fair market value

Actuarial assumptions:

Discount rate	6.70%
Long term expected rate of return, net of investment expense, including inflation	6.70%
Municipal bond rate	N/ A
Inflation	2.40%
Salary increases including inflation	3.50%

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

HIS actuarial methods and assumptions are:

Actuarial Assumptions:

Discount rate	5.20%
Long term expected rate of return, net of Investment expense, including inflation	N/ A
Municipal bond rate	5.20%
Inflation	2.40%
Salary increases including inflation	3.50%

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

The actuarial assumptions that determined the total pension liability as of June 30, 2025 were based on the results of an actuarial experience study for the period of July 1, 2018 – June 30, 2023.

The discount rate used for calculating the total FRS pension liability was 6.70%, The FRS plan's fiduciary net position was projected to be available to make all projected 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. Because the HIS Program uses a pay-as-you-go funding structure, a municipal bond rate of 5.20% was used to determine the total pension liability for the program (Bond Buyer General Obligation 20-Bond Municipal Bond Index). Mortality assumptions for the FRS Pension Plan were based on the PUB-2010 base table, projected generationally with Scale MP-2018, and mortality assumptions for the HIS Program were based on the Generational RP-2000 with Projection Scale BB tables.

The long term expected rate of return on 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.

**OKALOOSA COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2025**

The target allocation and best estimates of arithmetic and geometric real rates of returns for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Annual Arithmetic Return	Compound Annual (Geometric)	Standard Deviation
Cash	1.00%	3.20%	3.20%	1.10%
Fixed income	29.00%	5.50%	5.40%	4.00%
Global equity	45.00%	8.50%	6.90%	18.30%
Real estate (property)	12.00%	8.40%	7.10%	16.80%
Private equity	11.00%	12.40%	8.80%	28.40%
Strategic investments	2.00%	6.50%	6.10%	8.70%
	100.00%			
Assumed Inflation - mean			2.40%	1.50%

Sensitivity of the County's proportionate share of the pension liability to changes in the discount rate is calculated using discount rate for the respective plans, 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 or 1-percentage point higher than the current rate:

	1% Decrease 5.70%	Current Discount Rate 6.70%	1% Increase 7.70%
FRS Net Pension Liability	\$ 179,512,373	\$ 91,472,004	\$ 17,660,210

	1% Decrease 4.20%	Current Discount Rate 5.20%	1% Increase 6.20%
HIS Net Pension Liability	\$ 33,861,517	\$ 30,028,100	\$ 26,813,082

Detailed information about the pension plan's fiduciary net position is available in the separately issued FRS financial report.

15. POSTEMPLOYMENT BENEFITS

Board of County Commissioners

Plan Description

In addition to providing the pension benefits described, the Board of County Commissioners and all other elected officials except for the Sheriff and Tax Collector (the County) provide post-employment health care and dental insurance benefits (OPEB) for eligible retired employees and their spouses through a single-employer defined benefit plan administered by Blue Cross Blue Shield of Florida (BCBSFL). Pursuant to the provision of Section 112.0801, Florida Statutes, employees who retire from the County and eligible dependents, may continue to participate in the group insurance plan. Retirees and their eligible dependents shall be offered the same health and hospitalization insurance coverage as is offered to active employees at a premium cost of no more than the premium cost applicable to active employees.

OKALOOSA COUNTY, FLORIDA
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The County subsidizes the premium rates paid by the retirees by allowing them to participate in the plan at blended group (implicitly subsidized) premium rates for both active and retired employees. These rates provide an implicit subsidy for retirees because, on an actuarial basis, their current and future claims are expected to result in higher costs to the plan on average than those of active employees. In order for OPEB obligations to be considered funded, an irrevocable trust fund must be used. No assets are currently accumulated or earmarked for this purpose. Benefits, benefit levels, employee contributions and employer contributions are governed and amended through its personnel manual by the County's Self Insurance Fund with approval by the Board. The plan does not issue a separate report.

Plan Membership

Inactive plan members or beneficiaries currently receiving benefits	81
Inactive plan members entitled to but not yet receiving benefits	-
Active plan members	928
	1,009

Benefits Provided

The County provides post-employment health care and dental benefits to its retirees. To be eligible for benefits an employee must retire under the County's retirement plan and must have been covered under the medical plan as an active employee immediately prior to retirement. Elected officials are not eligible for benefits if they qualify for retirement.

All health care benefits are provided through the County's health care provider, BCBSFL. The benefit levels are the same as those afforded to active employees. Benefits include general inpatient and outpatient medical services; dental care; and prescriptions. Upon a retiree reaching age 65 years of age, Medicare becomes the primary insurer and the County's plan becomes secondary.

Contributions

The County contracted Insurance Broker negotiates the premium rates with BCBSFL. Retirees and beneficiaries currently receiving benefits are required to contribute 100% of their current premium costs. The County contributes the remainder to cover the costs of providing the benefits to the retirees via the insured plan. Active employees do not contribute to the plan until retirement.

Total OPEB Liability

The total OPEB liability was actuarially determined based on several actuarial assumptions, using the actuarial measurement date of September 30, 2024. Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and 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 include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations. The actuarial assumptions used in the September 30, 2025 OPEB Plan valuation were based on the results of an actuarial study for the period from October 1, 2023 through September 30, 2024.

**OKALOOSA COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2025**

Actuarial Assumptions

The following assumptions were used in determining the total OPEB liability:

Actuarial cost method	Entry age normal
Inflation	2.50%
Discount rate	3.81%
Salary increases	Salary increase rates developed in the 5-year experience study dated January 15, 2019 and covering the period 2012 through 2017; 3.0% - 8.5% , including inflation.
Retirement age	Retirement rates developed in the 5-year experience study dated January 15, 2019 and covering the period 2012 through 2017; varies by age.
Mortality	Mortality tables used for regular and special risk class members in the July 1, 2023 actuarial valuation of the Florida retirement system. They are based on the results of a statewide experience study covering the period 2013 through 2018 and include generational projections.
Healthcare cost trend rates	Trend rate starting at 0.00% based on actual premium rates effective October 1, 2024, and thereafter trend based on the Getzen Model, with trend rate increasing to 6.00% effective October 1, 2025, and gradually decreasing to an ultimate trend rate of 4.00%.
Aging factors	Based on the 2013 SOA study “health care costs – from birth to death”
Expenses	Administrative expenses are included in the per capital health costs.

Change in Total OPEB Liability

**OKALOOSA COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2025**

	Total OPEB Liability (a)	Increase (Decrease) Plan Fiduciary Net Position (b)	Total OPEB Liability (a) - (b)
Balances at September 30, 2024	\$ 3,030,429	\$ -	\$ 3,030,429
Changes for the year:			
Service cost	205,140	-	205,140
Interest	146,429	-	146,429
Change in benefit terms	-	-	-
Difference in expected and actual experience of the total OPEB liability	-	-	-
Changes of assumptions	336,201	-	336,201
Contributions	-	145,891	(145,891)
Benefit payments	(145,891)	(145,891)	-
NET CHANGES	541,879	-	541,879
BALANCES AT SEPTEMBER 30, 2025	\$ 3,572,308	\$ -	\$ 3,572,308

**OKALOOSA COUNTY, FLORIDA
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Sensitivity of the Total OPEB Liability to Changes in the Discount Rate:

	1% Decrease 2.81%	Current Discount Rate 3.81%	1% Increase 4.81%
Total OPEB liability	\$ 4,055,973	\$ 3,572,308	\$ 3,168,978

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Trends Rates:

	1% Decrease	Current Healthcare Cost Trend Rate Assumption	1% Increase
Total OPEB liability	\$ 3,273,324	\$ 3,572,308	\$ 3,934,448

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended September 30, 2025, the Board recognized OPEB expense of \$20,763. On September 30, 2025, the Board reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	\$ 1,048,826
Changes in assumptions	423,119	1,194,927
Contributions subsequent to the measurement date	143,812	-
	\$ 566,931	\$ 2,243,753

Deferred outflows of resources related to OPEB of \$143,812 resulting from the Board's contributions subsequent to the measurement date will be recognized as a reduction of the OPEB liability in the year ending September 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended September 30:	
2026	\$ 330,806
2027	310,909
2028	289,330
2029	275,775
2030	238,148
Thereafter	375,666
Total	\$ 1,820,634

OKALOOSA COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2025

Sheriff

Plan Description

The Okaloosa County Sheriff's Office (OCSO) administers a single-employer defined benefit healthcare plan ("the Plan"). The Plan provides healthcare insurance for eligible retirees and their spouses through the Sheriff's group health insurance plan, which covers both active and retired members. There is no separate trust through which benefits for retirees are funded. No assets are currently accumulated or earmarked for this purpose. Employer contribution rates for retirees vary based on the type of retirement, years of service, and type of coverage. The Plan does not issue a publicly available financial report but OPEB expenses are reflected in the Sheriff's internal service fund.

Plan membership:

Inactive plan members or beneficiaries currently receiving benefits	24
Inactive plan members entitled to but not yet receiving benefits	-
Active plan members	368
	392

Contributions and Funding Policy

Retirees and beneficiaries currently receiving medical/prescription benefits are required to make monthly premium contributions in order to maintain their coverage. The single retiree premium is paid by the OCSO for retirees with at least 20 years of service, until the retiree reaches age 65. Effective October 1, 2010 that benefit is no longer available except to retirees that met the criteria as of September 30, 2010. Effective June 2011, the OCSO instituted a policy whereby retiring members with thirty years of service with the agency will receive a 50% premium subsidy on their retired employee coverage. This subsidy is limited to five years from their retirement date or until they reach age 65, whichever comes first. Dependent coverage is paid by the retiree. The amount of the premium contribution may change from time to time. Surviving spouses of retirees are eligible to continue coverage under the plan, but must continue to pay the full premium. However, the premiums for health coverage for surviving spouses and any dependent children of officers who had sustained catastrophic injuries or death in the line of duty are paid fully by the OCSO as prescribed by FS Sec 112.19(g) and 112.19(h)1.

Total OPEB Liability

The total OPEB liability was actuarially determined based on several actuarial assumptions, using the actuarial measurement date of September 30, 2024. Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and 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 include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

**OKALOOSA COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2025**

Actuarial Assumptions

Actuarial cost method	Entry age normal
Inflation	2.25%
Discount rate	4.63%
Salary increases	Salary increase rates used in the July 1, 2023 actuarial valuation of the Florida retirement Systems; 3.4% - 7.8% , including inflation
Retirement age	Retirement rates used in the July 1, 2023 actuarial valuation of the Florida retirement system. They are based on the results of a state wide experience study covering the period 2013 through 2018.
Mortality	These rates were taken from adjusted Pub-2010 mortality tables published by the Society of Actuaries (SOA) with generational mortality improvements using scale MP-2018. Adjustments to referenced tables are based on the results of a state-wide experience study covering the period 2013-2018.
Healthcare cost trend rates	Based on the getzen model, with trend starting at 0.00% for 10/1/2024 (0.00% for premiums) , followed by 6.00% on 10/1/2025 and gradually decreasing to an ultimate trend rate of 4%.
Aging factors	Based on the 2013 SOA Study “health care costs – from birth to death”.
Expenses	Administrative expenses are include in the per capital health costs.

Change in Total OPEB Liability

	Total OPEB Liability (a)	Increase (Decrease) Plan Fiduciary Net position (b)	Total OPEB Liability (a) - (b)
Balances at September 30, 2024	\$ 4,315,439	\$ -	\$ 4,315,439
Changes for the year:			
Service cost	171,201	-	171,201
Interest	202,154	-	202,154
Change in benefit terms	-	-	-
Difference in expected and actual experience of the total OPEB liability	-	-	-
Changes of assumptions	398,295	-	398,295
Contributions	-	240,941	(240,941)
Benefit payments	(240,941)	(240,941)	-
NET CHANGES	530,709	-	530,709
BALANCES AT SEPTEMBER 30, 2025	\$ 4,846,148	\$ -	\$ 4,846,148

**OKALOOSA COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2025**

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

	1% Decrease 2.81%	Current Discount Rate 3.81%	1% Increase 4.81%
Total OPEB liability	\$ 5,418,143	\$ 4,846,148	\$ 4,367,444

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
Total OPEB liability	\$ 4,148,226	\$ 4,846,148	\$ 5,733,035

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended September 30, 2025, the OCSO recognized OPEB expense of approximately \$219 thousand. On September 30, 2025, the OCSO reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 643,316	\$ -
Changes in assumptions	906,896	3,360,284
Contributions subsequent to the measurement date	238,541	-
	\$ 1,788,753	\$ 3,360,284

Deferred outflows of resources related to OPEB of approximately \$239 thousand resulting from the OCSO's contributions subsequent to the measurement date will be recognized as a reduction of the OPEB liability in the year ending September 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended September 30:	
2026	\$ (153,871)
2027	(153,871)
2028	(153,871)
2029	(153,871)
2030	(147,882)
Thereafter	(1,046,706)
Total	\$ (1,810,072)

OKALOOSA COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2025

Tax Collector

The Okaloosa County Tax Collector's Office (the Tax Collector) provides certain continuing health care and life insurance benefits for its retired employees. This is considered a single-employer defined benefit OPEB plan administered by the Tax Collector (the TC's OPEB Plan). Medical benefits are provided through comprehensive plans and are made available to employees upon actual retirement and meeting certain eligibility requirements. For purposes of measuring the total OPEB liability, deferred outflows of resources, deferred inflows of resources related to OPEB and OPEB expense, the Tax Collector recognizes benefit payments when due and payable in accordance with the benefit terms. Life insurance coverage is not considered in this valuation.

As of September 30, 2025, the Tax Collector's OPEB plan reports a total OPEB liability of \$260,933, deferred outflows of resources of \$155,634 and deferred inflows of resources of \$47,837 as of September 30, 2025.

Due to the insignificant amounts involved, management has elected not to record this activity or provide the detailed footnotes as required by generally accepted accounting principles in the United States of America.

The aggregate OPEB expense for the year ended September 30, 2025 for all plans was \$271,428.

16. RISK MANAGEMENT

The County is exposed to risk of loss for claims and judgments for public liability, workers' compensation, employee medical benefits and other special risks. The County uses the Self Insurance Internal Services Fund to account for all risks from workers' compensation loss, general liability, and medical benefit claims for all County employees except those of the Sheriff, from catastrophic damage to real and tangible property and from special risk policies for the Board. The Tax Collector does not participate in the Board's medical benefit claims program, but it does participate in all others. A mixture of commercial insurance coverage and self-insurance, which is described below, manages the risk to the County. There has been no significant reduction in insurance coverage from the prior fiscal year, and insurance coverage has been sufficient to cover all claims made in the prior three fiscal years.

Method of Risk Management

Public Liability

Florida Statutes 768.28(5) limits the maximum County liability for claims and judgments by any one person and any one incident to \$200,000 and \$300,000, respectively. The County self-insures public liability claims for automobile, general and professional liability. A third party administrator manages claims. Currently, the County retains the risk for the first \$50,000 for automobile liability, and \$100,000 for general and professional liability for each claim or incident. A third party administrator manages the claims.

The Sheriff maintains a commercial insurance policy for public liability and bears no risk of loss under this type of coverage.

**OKALOOSA COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2025**

Employee Medical Benefits

The Board of County Commissioners and all other elected officials of Okaloosa County, except the Sheriff and Tax Collector, use a fully insured commercial insurance plan to fund employee medical benefits. The Board of County Commissioners or elected official pays the premiums for the employees while the individual pays for dependent and retiree coverage. The County bears no risk of loss under this type of coverage.

The Sheriff and Tax Collector utilize a self-funded health plan to provide comprehensive medical benefits to the employees, retirees and their dependents by participating in the Florida Sheriffs Employee Benefit Trust (FSEBT). The FSEBT was established in 1984 by several Florida Sheriffs for the main purpose of providing group health, life, and disability insurance benefits for all classes of employees of Florida Sheriffs' offices and associated governmental entities. The Sheriff's and Tax Collector's plans are self-funded coverage up to an agreed upon retention limit. Should a claim reach the retention limit, the Sheriff and Tax Collector are covered through excess coverage and aggregate stop-loss reinsurance offered by the FSEBT. The limits for the Sheriff and Tax Collector are \$250,000 on an individual basis in a plan year and \$450,000 on an aggregate basis. The Sheriff's and Tax Collector's incurred but not reported health claims are separately calculated under the plans, however, all other financial information is pooled with the Trust. The amounts attributable to the Sheriff and Tax Collector are reflected in the amounts held by others for benefits at September 30, 2025. The FSEBT provides annual audited financial statements to its members.

The Sheriff uses an internal service fund to account for risks from medical benefit claims. Claim expenditures and liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. At September 30, 2025, the amount of these liabilities was \$676,373. This liability has been determined based on an actuarial evaluation of all claims reported and all claims incurred but not reported (IBNR) as of September 30, 2025. Claim liabilities are calculated considering the effects of inflation, recent claim settlement trends including frequency and amount of payouts and other economic and social factors.

The Tax Collector uses an internal service fund to account for risks from medical benefit claims. Claim expenditures and liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. At September 30, 2025, the amount of these liabilities was \$56,907. This liability has been determined based on an actuarial evaluation of all claims reported and all claims incurred but not reported (IBNR) as of September 30, 2025. Claim liabilities are calculated considering the effects of inflation, recent claim settlement trends including frequency and amount of payouts and other economic and social factors.

	2025	2024
Claims liability at beginning of year	\$ 561,163	\$ 641,189
Current year claims and estimated changes	7,789,645	7,021,354
Claims payments	(7,617,528)	(7,101,380)
Claims liability at end of year	\$ 733,280	\$ 561,163

**OKALOOSA COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2025**

Crime Coverage

The Board purchases crime coverage against theft of money and securities with a \$25,000 deductible. All of the other elected officials, except the Sheriff, are covered under the policy. Florida Statute requires certain classes of employees (law enforcement) be provided with a special death and disability benefit. The Board purchases a commercial policy. The County bears no risk of loss under this type of coverage.

The Sheriff insures this exposure separately.

Property Insurance

The County self-insures the risk of physical loss to its real property, business property and equipment. The County retains the risk of the first \$50,000 of physical damage to County property. In the case of a named storm, the self-insurance retention changes to a 3% deductible on each structure with a minimum deductible of \$100,000 on all damaged structures for a capped deductible of \$5,000,000 per storm. Effective October 2015, the County insures vehicles valued at \$25,000 and above and retains the risk for the first \$10,000 of physical damage.

Workers' Compensation

The County contracts with a third party administrator to have its workers' compensation claims processed. The County retains risk for all claims up to \$500,000 per incident. Excess insurance is purchased to cover losses up to a statutory limit for workers' compensation and \$1,000,000 for employers' liability.

The Sheriff participates in the Florida Sheriffs' Workers' Compensation Self Insurance Program. It is a fully insured, guaranteed cost program with a deductible trust fund and insurance with a commercial carrier. The Sheriff retains no risk.

Claim Liabilities for Retained Risk

Claim liabilities for workers' compensation, general liabilities (including errors and omissions), and auto liability (both bodily injury and property damage) have been determined based on an actuarial evaluation of all claims reported and all claims incurred but not reported (IBNR) as of September 30, 2025. Claim liabilities are calculated considering the effects of inflation, recent claim settlement trends including frequency and amount of payouts and other economic and social factors. The actuarial estimation of ultimate losses does not include any future recoveries from the Florida Special Disability Fund, subrogation or third party liens, etc. except to the degree they are implicitly included in the trending process of estimating ultimate losses. The ultimate loss calculation does take into consideration specific excess reinsurance recoverable.

Claims liabilities recognized in the Self Insurance Fund of the Board of County Commissioners at September 30, 2025 were as follows:

	<u>Current</u>	<u>Long- term</u>	<u>Total</u>
Workers' compensation	\$ 967,000	\$ 2,911,000	\$ 3,878,000
General liability	557,000	1,263,000	1,820,000
Automobile liability	338,000	331,000	669,000
Property	7,000	3,000	10,000
Total claims liability recognized	<u>\$ 1,869,000</u>	<u>\$ 4,508,000</u>	<u>\$ 6,377,000</u>

**OKALOOSA COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2025**

Funding of Claims Liabilities

The Self Insurance Fund charges the other funds of the Board and other participating elected officials for the cost of claim liabilities based on actuarially projected budget requirements for expected yearly cash payouts. This funding method results in a deficit fund balance that will be charged back to the other funds over a reasonable period of time so that service fund revenues and expenses will be approximately equal.

Reconciliation of Claims Liabilities

	As of September 30, 2025	As of September 30, 2024
Unpaid claims and adjustment expenses at beginning of year	\$ 4,779,000	\$ 5,384,000
Incurred claims and claim adjustment expenses		
a) Provision for insured events of current fiscal year	(7,305,000)	(824,000)
b) Increases (decreases) in provision for insured events of prior fiscal years	<u>6,851,000</u>	<u>(1,272,000)</u>
Total incurred claims and claim adjustment expenses payments	<u>(454,000)</u>	<u>(2,096,000)</u>
a) Claims and claim adjustment expenses attributable to insured events of current fiscal year	2,544,000	1,548,000
b) Claims and claim adjustment expenses attributable to insured events of prior fiscal year	<u>(492,000)</u>	<u>(57,000)</u>
TOTAL PAYMENTS	<u>2,052,000</u>	<u>1,491,000</u>
UNPAID CLAIMS AND CLAIM ADJUSTMENT EXPENSES AT THE END OF THE YEAR	<u><u>\$ 6,377,000</u></u>	<u><u>\$ 4,779,000</u></u>

17. COMMITMENTS AND CONTINGENCIES

Wastewater Service Interlocal Agreement with Fort Walton Beach

In 2009, the Board adopted the Wastewater Service Interlocal Agreement (Agreement) with the City of Fort Walton Beach (City). The Agreement outlines a long-term association for the treatment of the City's influent wastewater flow at a set percentage of the County's base sewer rate plus a locked-in annual rate escalator. The agreement provides other ancillary benefits to the City such as the provision of "no cost" tertiary treated effluent for use as irrigation water at the City's 36-hole municipal Golf Club. The Agreement is effective for 30 years and can be automatically extended for up to two additional terms for a period of ten years for each extension term.

The City will be billed monthly at a rate equal to \$2.46 per each 1,000 gallons of wastewater flow. Additionally, the City will pay to the County the Sewer Readiness to Serve Fee, which is equal to \$3,750 per month. Beginning March 2011, and each year thereafter, the Readiness to Serve Fee will increase by 3% annually. Service to the City began March 2010. Fees of \$3,119,770 paid by the City during 2025 are reflected as Charges for Services in the Water and Sewer fund.

**OKALOOSA COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2025**

The minimum commitment to the County under the Agreement is as follows:

Fiscal Year Ending September 30,	Payment
2026	\$ 71,159
2027	73,294
2028	75,493
2029	77,758
2030	80,091
2031-2035	437,973
2036-2039	400,093
TOTAL	\$ 1,215,861

Grants

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

Lawsuits

The County is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, it is the opinion of the County’s management that resolution of most of these matters will not have a material adverse effect on the financial condition of the County.

Shoal River Ranch Lease Agreement

The County entered into a long-term ground lease with Williams International Co., L.L.C. for approximately 106.6 acres at the Shoal River Ranch Industrial Park. The lease term is 30 years, beginning July 1, 2025, with a potential 10-year extension applicable to a portion of the property upon mutual agreement of the parties. Under the agreement, the County is obligated to provide certain site improvements as part of its economic development incentives to include clearing and root-raking and the design and construction of onsite and offsite infrastructure. The improvements are estimated at 16.8 million and are required to be completed by 2027. These improvements are funded through a Triumph Gulf Coast grant, and the County’s obligation to perform the work is contingent upon receipt of the grant award. The discounted rental rate provided to the lessee is contingent upon Williams International meeting specific performance requirements.

Interlocal Agreements

The County has an interlocal agreement with local municipalities for distributing Tourist Development Tax (TDT) revenue. The County collects TDT proceeds and allocates funds according to a set formula, ensuring all expenditures comply with Section 125.0104, Florida Statutes and the terms of the agreement. Additional interlocal agreements have been executed with certain municipalities for land acquisition intended for cultural and recreational uses. All TDT funds are held by the County as restricted until properly disbursed.

OKALOOSA COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2025

18. RELATED ORGANIZATIONS

Library Cooperative

The Okaloosa County Board of County Commissioners entered into an inter-local agreement with six (6) municipalities located within Okaloosa County, Florida to provide for operation of a countywide public library system. The governing body of the cooperative is the Okaloosa County Public Library Cooperative Board made up of one appointee from each municipality and the County. Capital assets remain the property of the participating municipalities. Under the agreement, the County agreed to provide annual funding to the cooperative.

The agreement is renewed annually in December to cover the next calendar year. The Okaloosa County Board of County Commissioners' contribution to the library cooperative for the year ended September 30, 2025 was \$974,646. These charges were treated as an in-kind contribution by the County. The future commitment to the library cooperative in 2026 is \$932,697.

19. RESTATEMENT

Change to the Financial Reporting Entity

During fiscal year 2025, the County evaluated its fund presentation in accordance with the criteria established by GASB Statement No. 34 for identifying major funds. As a result of changes in the fund financial activity and relative significance, the County determined that the Natural Disasters Special Revenue Fund, as previously reported as a major governmental fund, no longer meets the quantitative or qualitative thresholds for major fund report, and that the Capital Outlay Construction Trust Capital Projects Fund, as previously reported as a non-major governmental fund, now meets the quantitative or qualitative thresholds for major fund report.

Effects on Beginning Fund Balances

The Natural Disasters Special Revenue Fund is presented in the current year as a nonmajor governmental fund, and the prior-year ending fund balance has been carried forward and reported as the beginning fund balance of the current nonmajor funds column. To maintain comparability with prior-year financial statements, the prior-year major fund presentation is reflected in the current year as a "ghost column," which includes on the beginning balance (previously reported) and the corresponding adjustment to present the fund as nonmajor.

The Capital Outlay Construction Trust Capital Projects Fund is presented in the current year as a major government governmental fund, and the prior-year ending fund balance has been carried forward and reported as the beginning fund balance of the current major funds column. To maintain comparability with prior-year financial statements, the prior-year nonmajor fund presentation is reflected in the current year as a "ghost column," which includes on the beginning balance (previously reported) and the corresponding adjustment to present the fund as major.

REQUIRED SUPPLEMENTARY INFORMATION

**OKALOOSA COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE – BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2025**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Taxes	\$ 102,498,857	\$ 102,498,857	\$ 104,257,160	\$ 1,758,303
Permits, fees and special assessments	40,000	40,000	47,700	7,700
Intergovernmental	31,951,404	54,399,694	38,517,530	(15,882,164)
Charges for services	19,186,810	20,371,958	23,962,722	3,590,764
Fines	23,100	979,077	1,009,981	30,904
Investment income	793,048	1,286,112	2,486,007	1,199,895
Miscellaneous	2,519,879	3,174,422	3,588,128	413,706
Total revenues	<u>157,013,098</u>	<u>182,750,120</u>	<u>173,869,228</u>	<u>(8,880,892)</u>
EXPENDITURES				
Current				
General government	47,037,295	49,177,956	44,585,478	4,592,478
Public safety	99,794,626	115,279,249	96,983,917	18,295,332
Physical environment	1,255,376	1,797,341	1,446,218	351,123
Transportation	88,694	11,849,679	5,391,152	6,458,527
Economic environment	4,601,839	5,018,160	4,572,461	445,699
Human services	4,802,872	8,637,834	5,775,051	2,862,783
Culture and recreation	3,747,010	4,777,998	3,247,795	1,530,203
Court-related	3,945,436	4,087,362	4,054,432	32,930
Capital outlay	3,584,073	14,775,741	9,829,355	4,946,386
Debt service				
Principal	-	-	1,908,267	(1,908,267)
Interest	-	-	314,246	(314,246)
Total expenditures	<u>168,857,221</u>	<u>215,401,320</u>	<u>178,108,372</u>	<u>37,292,948</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES				
	<u>(11,844,123)</u>	<u>(32,651,200)</u>	<u>(4,239,144)</u>	<u>28,412,056</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	5,955,024	29,118,128	22,060,938	(7,057,190)
Transfers out	(12,272,504)	(20,518,405)	(21,004,417)	(486,012)
Transfers among constitutional officers	(6,932,236)	(1,901,147)	(928,329)	972,818
Issuance of subscription liabilities	-	-	1,199,162	1,199,162
Total other financing sources (uses)	<u>(13,249,716)</u>	<u>6,698,576</u>	<u>1,327,354</u>	<u>(5,371,222)</u>
NET CHANGE IN FUND BALANCE	<u>(25,093,839)</u>	<u>(25,952,624)</u>	<u>(2,911,790)</u>	<u>23,040,834</u>
FUND BALANCES - BEGINNING	<u>25,093,839</u>	<u>25,952,624</u>	<u>36,345,975</u>	<u>10,393,351</u>
FUND BALANCES - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 33,434,185</u>	<u>\$ 33,434,185</u>

See notes to required supplementary information.

OKALOOSA COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE – BUDGET AND ACTUAL
TOURIST DEVELOPMENT SPECIAL REVENUE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Taxes	\$ 39,528,000	\$ 39,528,000	\$ 42,904,158	\$ 3,376,158
Intergovernmental	-	4,478,962	3,099,213	(1,379,749)
Charges for services	1,350,600	1,350,600	1,343,253	(7,347)
Investment income	1,419,000	1,419,000	3,395,692	1,976,692
Miscellaneous	-	-	101,518	101,518
Total revenues	<u>42,297,600</u>	<u>46,776,562</u>	<u>50,843,834</u>	<u>4,067,272</u>
EXPENDITURES				
Current				
Economic environment	54,361,288	62,031,851	26,006,551	36,025,300
Culture and recreation	22,966,036	25,465,684	2,802,015	22,663,669
Capital outlay	5,459,513	33,876,248	30,477,448	3,398,800
Debt service				
Principal	-	-	62,623	(62,623)
Interest	-	-	5,627	(5,627)
Total expenditures	<u>82,786,837</u>	<u>121,373,783</u>	<u>59,354,264</u>	<u>62,019,519</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(40,489,237)	(74,597,221)	(8,510,430)	66,086,791
OTHER FINANCING SOURCES (USES)				
Transfers in	-	1,850,000	1,850,000	-
Transfers out	(4,681,037)	(5,506,572)	(4,031,691)	1,474,881
TOTAL OTHER FINANCING SOURCES (USES)	<u>(4,681,037)</u>	<u>(3,656,572)</u>	<u>(2,181,691)</u>	<u>1,474,881</u>
NET CHANGE IN FUND BALANCES	(45,170,274)	(78,253,793)	(10,692,121)	67,561,672
FUND BALANCE - BEGINNING	<u>45,170,274</u>	<u>78,253,793</u>	<u>79,681,099</u>	<u>1,427,306</u>
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 68,988,978</u>	<u>\$ 68,988,978</u>

See notes to required supplementary information.

OKALOOSA COUNTY, FLORIDA
SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS
BOARD OF COUNTY COMMISSIONERS, CLERK OF COURTS, SUPERVISOR OF ELECTIONS, AND PROPERTY APPRAISER
SEPTEMBER 30, 2025

LAST 10 YEARS (1)

Reporting Year Ended September 30,	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
TOTAL OPEB LIABILITY								
Service cost	\$ 205,140	\$ 206,419	\$ 325,211	\$ 352,112	\$ 335,118	\$ 292,775	\$ 301,261	\$ 315,544
Interest	146,429	157,545	99,850	126,559	136,081	194,080	175,371	155,871
Changes of benefits terms	-	110,296	-	-	-	-	-	-
Difference between expected and actual experience	-	(323,677)	-	(821,021)	-	(773,538)	-	-
Changes in assumptions and other inputs	336,201	(391,122)	(1,052,445)	(106,417)	(17,276)	312,630	(190,963)	(228,803)
Benefit payments	(145,891)	(206,362)	(258,870)	(173,913)	(161,860)	(212,688)	(228,144)	(263,492)
NET CHANGE IN TOTAL OPEB LIABILITY	541,879	(446,901)	(886,254)	(622,680)	292,063	(186,741)	57,525	(20,880)
TOTAL OPEB LIABILITY - BEGINNING	<u>3,030,429</u>	<u>3,477,330</u>	<u>4,363,584</u>	<u>4,986,264</u>	<u>4,694,201</u>	<u>4,880,942</u>	<u>4,823,417</u>	<u>4,844,297</u>
(2) TOTAL OPEB LIABILITY - ENDING	<u>\$ 3,572,308</u>	<u>\$ 3,030,429</u>	<u>\$ 3,477,330</u>	<u>\$ 4,363,584</u>	<u>\$ 4,986,264</u>	<u>\$ 4,694,201</u>	<u>\$ 4,880,942</u>	<u>\$ 4,823,417</u>
COVERED EMPLOYEE PAYROLL	\$ 52,622,406	\$ 50,523,560	\$ 46,389,052	\$ 45,037,915	\$ 42,462,696	\$ 41,026,759	\$ 46,908,840	\$ 3,975,614
TOTAL OPEB LIABILITY AS A PERCENTAGE OF PAYROLL	6.79%	6.00%	7.50%	9.69%	11.74%	11.44%	10.41%	121.33%

(1) This schedule is intended to show information for 10 years. Additional years will be presented as data becomes available.

(2) There are no assets accumulated in a Trust to pay related benefits for the OPEB Plan.

See notes to required supplementary information.

OKALOOSA COUNTY, FLORIDA
SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS
SHERIFF'S PLAN
SEPTEMBER 30, 2025

LAST 10 YEARS (1)

Reporting Year Ended September 30,	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
TOTAL OPEB LIABILITY								
Service cost	\$ 171,201	\$ 227,995	\$ 333,017	\$ 290,699	\$ 290,317	\$ 286,196	\$ 289,638	\$ 299,973
Interest	202,154	270,825	164,996	148,675	164,992	215,697	195,267	173,653
Changes of benefits terms	-	130,549	-	-	-	-	-	-
Difference between expected and actual experience	-	216,169	-	453,591	-	236,378	-	-
Changes in assumptions and other inputs	398,295	(2,270,143)	(1,405,071)	734,353	(27,539)	(130,119)	(204,160)	(253,549)
Benefit payments	<u>(240,941)</u>	<u>(374,165)</u>	<u>(358,856)</u>	<u>(251,142)</u>	<u>(266,413)</u>	<u>(222,307)</u>	<u>(226,832)</u>	<u>(237,985)</u>
NET CHANGE IN OPEB LIABILITY	530,709	(1,798,770)	(1,265,914)	1,376,176	161,357	385,845	53,913	(17,908)
TOTAL OPEB LIABILITY - BEGINNING	<u>4,315,439</u>	<u>6,114,209</u>	<u>7,380,123</u>	<u>6,003,947</u>	<u>5,842,590</u>	<u>5,456,745</u>	<u>5,402,832</u>	<u>5,420,740</u>
(2) TOTAL OPEB LIABILITY - ENDING	<u><u>\$ 4,846,148</u></u>	<u><u>\$ 4,315,439</u></u>	<u><u>\$ 6,114,209</u></u>	<u><u>\$ 7,380,123</u></u>	<u><u>\$ 6,003,947</u></u>	<u><u>\$ 5,842,590</u></u>	<u><u>\$ 5,456,745</u></u>	<u><u>\$ 5,402,832</u></u>
COVERED EMPLOYEE PAYROLL	\$ 32,546,755	\$ 23,628,854	\$ 27,248,822	\$ 18,486,506	\$ 24,956,664	\$ 19,281,684	\$ 21,725,682	\$ 15,887,651
TOTAL OPEB LIABILITY AS A PERCENTAGE OF PAYROLL	14.89%	18.26%	22.44%	39.92%	24.06%	30.30%	25.12%	34.01%

(1) This schedule is intended to show information for 10 years. Additional years will be presented as data becomes available.

(2) There are no assets accumulated in a Trust to pay related benefits for the OPEB Plan.

See notes to required supplementary information.

OKALOOSA COUNTY, FLORIDA
SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY
LAST TEN FISCAL YEARS
SEPTEMBER 30, 2025

	Florida Retirement System				
	2025	2024	2023	2022	2021
County's proportion of the net pension liability (asset)	0.29%	0.29%	0.29%	0.28%	0.28%
County's proportionate share of the net pension liability (asset)	\$ 91,471,992	\$ 111,622,727	\$ 114,635,289	\$ 105,016,024	\$ 20,835,800
County's covered payroll	\$ 104,693,200	\$ 95,677,150	\$ 88,674,096	\$ 80,204,007	\$ 89,370,064
County's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	304.62%	116.67%	129.28%	130.94%	23.31%
Plan fiduciary net position as a percentage of the total pension liability	87.26%	83.70%	82.38%	82.29%	96.40%
	Health Insurance Subsidy				
	2025	2024	2023	2022	2021
County's proportion of the net pension liability (asset)	0.23%	0.23%	0.22%	0.22%	0.21%
County's proportionate share of the net pension liability (asset)	\$ 30,028,100	\$ 33,905,048	\$ 35,537,445	\$ 23,204,574	\$ 25,693,815
County's covered payroll	\$ 104,693,200	\$ 95,677,150	\$ 88,674,096	\$ 80,204,007	\$ 89,370,064
County's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	28.68%	35.44%	40.08%	28.93%	28.75%
Plan fiduciary net position as a percentage of the total pension liability	6.36%	4.80%	4.12%	4.81%	3.56%

See notes to required supplementary information.

OKALOOSA COUNTY, FLORIDA
SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY
LAST TEN FISCAL YEARS
SEPTEMBER 30, 2025

	Florida Retirement System				
	2020	2019	2018	2017	2016
County's proportion of the net pension liability (asset)	0.30%	0.29%	0.29%	0.28%	0.28%
County's proportionate share of the net pension liability (asset)	\$ 128,458,322	\$ 101,144,655	\$ 87,393,354	\$ 83,995,538	\$ 71,598,556
County's covered payroll	\$ 82,201,157	\$ 88,574,717	\$ 82,752,416	\$ 76,059,862	\$ 75,588,485
County's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	156.27%	114.19%	105.61%	110.43%	94.72%
Plan fiduciary net position as a percentage of the total pension liability	78.85%	82.61%	84.26%	83.89%	84.88%
	Health Insurance Subsidy				
	2020	2019	2018	2017	2016
County's proportion of the net pension liability (asset)	0.21%	0.21%	0.20%	0.20%	0.20%
County's proportionate share of the net pension liability (asset)	\$ 25,340,684	\$ 23,169,078	\$ 21,574,482	\$ 21,241,191	\$ 23,012,784
County's covered payroll	\$ 82,201,157	\$ 88,574,717	\$ 82,752,416	\$ 76,059,862	\$ 75,588,485
County's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	30.83%	26.16%	26.07%	27.93%	30.44%
Plan fiduciary net position as a percentage of the total pension liability	3.00%	2.63%	2.15%	1.64%	0.97%

See notes to required supplementary information.

**OKALOOSA COUNTY, FLORIDA
SCHEDULE OF CONTRIBUTIONS
LAST TEN FISCAL YEARS
SEPTEMBER 30, 2025**

	Florida Retirement System				
	2025	2024	2023	2022	2021
Contractually required contribution	\$ 17,597,828	\$ 16,339,238	\$ 13,839,731	\$ 12,043,702	\$ 10,507,921
Contributions in relation to the contractually required contribution	(17,597,828)	(16,339,238)	(13,839,731)	(12,043,702)	(10,507,921)
CONTRIBUTION DEFICIENCY (EXCESS)	\$ -	\$ -	\$ -	\$ -	\$ -
County's covered payroll	\$ 106,431,850	\$ 97,677,200	\$ 93,297,048	\$ 79,119,061	\$ 89,370,064
Contributions as a percentage of covered payroll	16.53%	16.73%	14.83%	15.22%	11.76%
	Health Insurance Subsidy				
	2025	2024	2023	2022	2021
Contractually required contribution	\$ 2,093,864	\$ 1,913,543	\$ 1,471,990	\$ 1,325,647	\$ 1,231,227
Contributions in relation to the contractually required contribution	(2,093,864)	(1,913,543)	(1,471,990)	(1,325,647)	(1,231,227)
CONTRIBUTION DEFICIENCY (EXCESS)	\$ -	\$ -	\$ -	\$ -	\$ -
County's covered payroll	\$ 106,431,850	\$ 97,677,200	\$ 93,297,048	\$ 79,119,061	\$ 89,370,064
Contributions as a percentage of covered payroll	1.97%	1.96%	1.58%	1.68%	1.38%

See notes to required supplementary information.

**OKALOOSA COUNTY, FLORIDA
SCHEDULE OF CONTRIBUTIONS
LAST TEN FISCAL YEARS
SEPTEMBER 30, 2025**

	Florida Retirement System				
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Contractually required contribution	\$ 9,847,613	\$ 9,106,681	\$ 8,268,916	\$ 7,389,824	\$ 6,915,008
Contributions in relation to the contractually required contribution	<u>(9,847,613)</u>	<u>(9,106,681)</u>	<u>(8,268,916)</u>	<u>(7,389,824)</u>	<u>(6,915,008)</u>
CONTRIBUTION DEFICIENCY (EXCESS)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's covered payroll	\$ 82,201,157	\$ 88,574,717	\$ 82,752,416	\$ 76,059,862	\$ 75,588,485
Contributions as a percentage of covered payroll	11.98%	10.28%	9.99%	9.72%	9.15%
	Health Insurance Subsidy				
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Contractually required contribution	\$ 1,195,974	\$ 1,149,840	\$ 1,105,421	\$ 1,051,344	\$ 1,012,092
Contributions in relation to the contractually required contribution	<u>(1,195,974)</u>	<u>(1,149,840)</u>	<u>(1,105,421)</u>	<u>(1,051,344)</u>	<u>(1,012,092)</u>
CONTRIBUTION DEFICIENCY (EXCESS)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's covered payroll	\$ 82,201,157	\$ 88,574,717	\$ 82,752,416	\$ 76,059,862	\$ 75,588,485
Contributions as a percentage of covered payroll	1.45%	1.30%	1.34%	1.38%	1.34%

See notes to required supplementary information.

OKALOOSA COUNTY, FLORIDA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
SEPTEMBER 30, 2025

Budgetary Information

On or about June 1 of each year, proposed budgets are received by the Board of County Commissioners from its department heads, from all other constitutional officers, and from other agencies requesting funding for the ensuing fiscal year. These proposed expenditures, along with all estimated receipts, taxes to be levied, and balances expected to be brought forward are considered by the Board of County Commissioners in a series of workshops beginning on or after July 15. The Board of County Commissioners requires such changes as deemed necessary, sets proposed millages and establishes dates for tentative and final public budget hearings as prescribed by Florida Statutes. Proposed budgets are advertised in a newspaper of general circulation in the County. Public hearings are conducted in Crestview and Shalimar for the purpose of receiving input, responding to complaints and providing reasons and explanations for intended actions to all citizens participating.

In the event the final budget has not been adopted by October 1, the beginning of the fiscal year, Florida Statutes provide for expenditures based on the adopted tentative budget or the Board re-adopts its prior year's adopted final budget, as amended, and expends monies based on that budget until such time as its tentative budget is adopted pursuant to law. The final appropriations budget is adopted by resolution of the Board of County Commissioners.

Florida Statutes require that the individual budgets of several of the constitutional officers must be approved by the State of Florida. The "fee" portion of these budgets is not a part of the appropriations budget passed by the Board of County Commissioners. The budgetary information shown in these financial statements includes the entire budget for each constitutional office. The level of budgetary control (that is the level at which expenditures cannot legally exceed appropriations) has been established at the fund level. The County Administrator is authorized to transfer budgeted amounts within departments of a fund and between departments of a fund; however, the Board of County Commissioners must approve any revisions that alter the total expenditures of any fund. Each constitutional officer is authorized to make line item transfers but must request approval from the Board for increases in appropriations.

Budget amounts are originally adopted amounts as amended by action of the Board of County Commissioners by revision of fund totals. The County does not include grant activity carried forward from the prior year as part of their original budget adoption and, therefore, all grant activity is reflected as an amendment to the original budget. Supplemental budgetary appropriations of \$329,608,214 representing a 53% increase over the original adopted budget were necessary during the fiscal year. All amendments to originally adopted amounts were made in a legally permissible manner.

The County in its General Fund and Tourist Development Fund budgeted for payments for long term subscription-based information technology agreements as operating expenditures. The implementation of GASB Statement 96 requires such payments to be recorded as debt service expenditures.

In accordance with GASB 96, the County recognized an unbudgeted capital outlay expenditure and offsetting SBITA financing to recognize new SBITAs executed in fiscal year 2025, which results in capital outlay expenditures exceeding budget. This is not considered to be an over expenditure of their legally adopted budget.

OKALOOSA COUNTY, FLORIDA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
SEPTEMBER 30, 2025

Pension Related Notes to Schedule:

The following changes in actuarial assumptions occurred in 2025:

FRS: The Mortality assumption used is the PUB-2010 base table projected generationally with Scale MP-2021. The inflation rate assumption remained at 2.40%. Payroll growth, including inflation remained at 3.50%. The long-term expected rate of return remained at 6.7%.

HIS: The municipal rate used to determine total pension liability was increased from 3.93% to 5.20%.

OPEB Related Notes to Schedule:

The following changes in actuarial assumptions occurred in 2025:

Changes of Benefit Terms: There were no benefit changes during the year.

Changes in Assumptions: Changes in assumptions and other inputs include the change in the discount rate from 4.63% to 3.81% as of September 30, 2025. The following are the discount rates used in each period:

2025	3.81%
2024	4.63%
2023	4.40%
2022	2.19%
2021	2.41%
2020	2.75%
2019	3.83%
2018	3.50%
2017	3.10%

Healthcare Cost Trend Rates: Based on the Getzen Model, with trending starting at 0.00% based on actual premium rates effective October 1, 2024 with trend rate increasing to 6.00% effective October 1, 2025, and gradually decreasing to an ultimate trend rate of 4.00%.

**COMBINING AND INDIVIDUAL
FUND STATEMENTS AND SCHEDULES**

**OKALOOSA COUNTY, FLORIDA
GOVERNMENTAL FUNDS
GENERAL FUND**

The General Fund is the government's primary operating fund. It is used to account for and report all financial resources not accounted for and reported in another fund. The General Fund includes the Board of County Commissioners, Clerk of Circuit Court and Comptroller, Property Appraiser, Sheriff, Supervisor of Elections, and Tax Collector:

Board of County Commissioners

This fund is the primary operating fund of Okaloosa County. It is used to account for all financial resources of the general government except those required to be accounted for in other funds.

Clerk of the Circuit Court and Comptroller

This fund reflects the activities of the Office of the Clerk of Circuit Court. Services provided are in accordance with provisions of the Florida Statutes related primarily to the county and circuit court systems, recording operations, and various other services.

Property Appraiser

This fund reflects the operations of the Office of the Property Appraiser who provides independent appraisals of tangible and personal property for all taxing authorities within the County.

Sheriff

This fund reflects the operations of the Office of the Sheriff. Services provided are for all the law enforcement activities within the County.

Supervisor of Elections

This fund reflects the operations of the Office of the Supervisor of Elections in the performance of its duties in accordance with Florida Statutes.

Tax Collector

This fund reflects the operations of the Office of the Tax Collector who collects and remits ad valorem taxes, licenses, and other revenues, to the related taxing authorities.

**OKALOOSA COUNTY, FLORIDA
COMBINING BALANCE SHEET
GENERAL FUND BY CATEGORY
SEPTEMBER 30, 2025**

	<u>Board</u>	<u>Clerk</u>	<u>Sheriff</u>	<u>Supervisor of Elections</u>	<u>Tax Collector</u>	<u>Property Appraiser</u>	<u>Total</u>
ASSETS							
Cash and cash equivalents	\$ 227,824	\$ 3,437,528	\$ 2,327,977	\$ 381	\$ 1,419,214	\$ 917,049	\$ 8,329,973
Investments	25,035,877	992,168	-	16,668	-	-	26,044,713
Accounts receivable	576,456	-	-	-	-	-	576,456
Lease receivable	15,057,120	-	-	-	239,725	-	15,296,845
Due from other funds	4,474,950	-	-	-	-	-	4,474,950
Due from other elected officials	2,145,213	32,075	1,328,422	1,128	118	-	3,506,956
Due from other governments	5,551,478	17,240	627,842	-	-	-	6,196,560
Prepays	265,791	52,076	-	109,843	-	-	427,710
Other assets	-	-	-	-	103,100	-	103,100
TOTAL ASSETS	\$ 53,334,709	\$ 4,531,087	\$ 4,284,241	\$ 128,020	\$ 1,762,157	\$ 917,049	\$ 64,957,263
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES							
LIABILITIES							
Accounts payable	\$ 816,116	\$ 63,284	\$ 1,453,733	\$ 12,379	\$ 61,842	\$ 33,755	\$ 2,441,109
Contracts payable	1,868,487	-	-	-	-	-	1,868,487
Other accrued liabilities	1,418,334	167,420	1,878,365	60,252	69,565	68,017	3,661,953
Due to other funds	-	-	537,327	-	-	-	537,327
Due to other elected officials	518,081	4,451,970	414,030	55,389	1,063,637	725,098	7,228,205
Due to other governments	15,891	12,945	786	-	124,449	90,179	244,250
Due to depositors	11,858	-	-	-	22,206	-	34,064
Unearned revenue	1,270,840	-	-	-	180,733	-	1,451,573
TOTAL LIABILITIES	5,919,607	4,695,619	4,284,241	128,020	1,522,432	917,049	17,466,968
DEFERRED INFLOW OF RESOURCES							
Unavailable revenue	480,164	-	-	-	-	-	480,164
Lease receivable	13,336,221	-	-	-	239,725	-	13,575,946
TOTAL DEFERRED INFLOW OF RESOURCES	13,816,385	-	-	-	239,725	-	14,056,110
FUND BALANCES							
Nonspendable	265,791	52,076	-	109,843	-	-	427,710
Restricted	2,322,632	-	-	-	-	-	2,322,632
Committed	249,299	-	-	-	-	-	249,299
Assigned	7,529,775	-	-	-	-	-	7,529,775
Unassigned	23,231,220	(216,608)	-	(109,843)	-	-	22,904,769
TOTAL FUND BALANCES (DEFICITS)	33,598,717	(164,532)	-	-	-	-	33,434,185
TOTAL LIABILITIES, DEFERRED INFLOW OF RESOURCES AND FUND BALANCES	\$ 53,334,709	\$ 4,531,087	\$ 4,284,241	\$ 128,020	\$ 1,762,157	\$ 917,049	\$ 64,957,263

OKALOOSA COUNTY, FLORIDA
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GENERAL FUND BY CATEGORY
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Board	Clerk	Sheriff	Supervisor of Elections	Tax Collector	Property Appraiser	Total
REVENUES							
Taxes	\$ 104,257,160	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 104,257,160
Permits, fees and special assessments	47,700	-	-	-	-	-	47,700
Intergovernmental	37,909,379	593,670	-	14,481	-	-	38,517,530
Charges for services	13,774,706	1,186,119	-	21,907	8,555,474	424,516	23,962,722
Fines	1,009,981	-	-	-	-	-	1,009,981
Investment income (loss)	2,361,122	124,885	-	-	-	-	2,486,007
Miscellaneous	3,093,376	6,034	-	1,070	486,212	1,436	3,588,128
Total revenues	<u>162,453,424</u>	<u>1,910,708</u>	<u>-</u>	<u>37,458</u>	<u>9,041,686</u>	<u>425,952</u>	<u>173,869,228</u>
EXPENDITURES							
Current							
General government	25,819,021	4,516,684	-	2,832,230	7,693,503	3,724,040	44,585,478
Public safety	32,628,649	-	64,355,268	-	-	-	96,983,917
Physical environment	1,446,218	-	-	-	-	-	1,446,218
Transportation	5,391,152	-	-	-	-	-	5,391,152
Economic environment	4,572,461	-	-	-	-	-	4,572,461
Human services	5,775,051	-	-	-	-	-	5,775,051
Culture and recreation	3,247,795	-	-	-	-	-	3,247,795
Court-related	1,228,722	-	2,825,710	-	-	-	4,054,432
Capital outlay	4,553,986	36,911	5,006,702	-	116,448	115,308	9,829,355
Debt service							
Principal	28,521	395,887	1,143,939	-	339,920	-	1,908,267
Interest	5,111	105,114	149,135	-	54,886	-	314,246
Total expenditures	<u>84,696,687</u>	<u>5,054,596</u>	<u>73,480,754</u>	<u>2,832,230</u>	<u>8,204,757</u>	<u>3,839,348</u>	<u>178,108,372</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	77,756,737	(3,143,888)	(73,480,754)	(2,794,772)	836,929	(3,413,396)	(4,239,144)
OTHER FINANCING SOURCES (USES)							
Transfers in	21,302,598	758,340	-	-	-	-	22,060,938
Transfers out	(21,004,417)	-	-	-	-	-	(21,004,417)
Issuance of subscription liabilities	-	-	1,082,714	-	116,448	-	1,199,162
Transfers among constitutional officers	(80,802,176)	2,221,016	72,398,040	2,794,772	(953,377)	3,413,396	(928,329)
Total other financing sources (uses)	<u>(80,503,995)</u>	<u>2,979,356</u>	<u>73,480,754</u>	<u>2,794,772</u>	<u>(836,929)</u>	<u>3,413,396</u>	<u>1,327,354</u>
NET CHANGE IN FUND BALANCE	(2,747,258)	(164,532)	-	-	-	-	(2,911,790)
FUND BALANCE - BEGINNING	36,345,975	-	-	-	-	-	36,345,975
FUND BALANCE (DEFICIT) - ENDING	<u>\$ 33,598,717</u>	<u>\$ (164,532)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 33,434,185</u>

OTHER SUPPLEMENTARY INFORMATION

OKALOOSA COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE – BUDGET AND ACTUAL
CAPITAL OUTLAY CONSTRUCTION TRUST CAPITAL PROJECTS FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Taxes	\$ 3,963,790	\$ 3,963,790	\$ 4,029,710	\$ 65,920
Intergovernmental	100,000	2,519,596	570,590	(1,949,006)
Investment income	-	-	1,768,531	1,768,531
Miscellaneous	-	16,800,000	470,083	(16,329,917)
TOTAL REVENUES	<u>4,063,790</u>	<u>23,283,386</u>	<u>6,838,914</u>	<u>(16,444,472)</u>
EXPENDITURES				
Current				
Public safety	-	-	6,783,692	(6,783,692)
Physical environment	-	1,872,999	2,065	1,870,934
Culture and recreation	223,790	392,825	51,618	341,207
Capital outlay	25,703,112	101,126,421	8,823,846	92,302,575
Debt service				
Other debt service costs	-	261,736	218,854	42,882
TOTAL EXPENDITURES	<u>25,926,902</u>	<u>103,653,981</u>	<u>15,880,075</u>	<u>87,773,906</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(21,863,112)</u>	<u>(80,370,595)</u>	<u>(9,041,161)</u>	<u>71,329,434</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	2,277,717	3,138,618	2,863,618	(275,000)
Transfers out	-	(300,000)	(300,000)	-
Revenue bonds issued	-	46,325,000	46,325,000	-
Premium on bonds	-	1,936,736	1,936,736	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>2,277,717</u>	<u>51,100,354</u>	<u>50,825,354</u>	<u>(275,000)</u>
NET CHANGE IN FUND BALANCE	<u>(19,585,395)</u>	<u>(29,270,241)</u>	<u>41,784,193</u>	<u>71,054,434</u>
FUND BALANCE - BEGINNING	<u>19,585,395</u>	<u>29,270,241</u>	<u>34,821,938</u>	<u>5,551,697</u>
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 76,606,131</u>	<u>\$ 76,606,131</u>

OKALOOSA COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE – BUDGET AND ACTUAL
ROAD AND BRIDGE CONSTRUCTION CAPITAL PROJECTS FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 2,214,200	\$ 2,214,200	\$ 2,147,729	\$ (66,471)
Intergovernmental	2,225,945	15,468,122	7,817,041	(7,651,081)
Charges for services	-	-	8,464	8,464
Investment income	100,000	100,000	425,160	325,160
Miscellaneous	1,548,752	23,813,476	8,393,457	(15,420,019)
TOTAL REVENUES	6,088,897	41,595,798	18,791,851	(22,803,947)
EXPENDITURES				
Current				
Transportation	10,215,211	8,137,335	1,916,824	6,220,511
Capital outlay	10,124,697	50,592,543	26,334,443	24,258,100
Debt service				
Principal	49,829	49,829	26,701	23,128
TOTAL EXPENDITURES	20,389,737	58,779,707	28,277,968	30,501,739
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(14,300,840)	(17,183,909)	(9,486,117)	7,697,792
OTHER FINANCING SOURCES (USES)				
Transfers in	600,000	1,597,923	1,600,000	2,077
TOTAL OTHER FINANCING SOURCES (USES)	600,000	1,597,923	1,600,000	2,077
NET CHANGE IN FUND BALANCE	(13,700,840)	(15,585,986)	(7,886,117)	7,699,869
FUND BALANCE - BEGINNING	13,700,840	15,585,986	20,768,913	5,182,927
FUND BALANCE - ENDING	\$ -	\$ -	\$ 12,882,796	\$ 12,882,796

**OKALOOSA COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE – BUDGET AND ACTUAL
INFRASTRUCTURE SURTAX CAPITAL PROJECTS FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2025**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Taxes	\$ 21,462,216	\$ 21,462,216	\$ 22,652,464	\$ 1,190,248
Investment income	-	-	2,106,736	2,106,736
TOTAL REVENUES	<u>21,462,216</u>	<u>21,462,216</u>	<u>24,759,200</u>	<u>3,296,984</u>
EXPENDITURES				
Current				
Public safety	27,403,603	17,991,517	-	17,991,517
Physical environment	-	247	247	-
Transportation	324,030	338,710	333,437	5,273
Capital outlay	<u>30,910,907</u>	<u>53,332,713</u>	<u>13,764,151</u>	<u>39,568,562</u>
TOTAL EXPENDITURES	<u>58,638,540</u>	<u>71,663,187</u>	<u>14,097,835</u>	<u>57,565,352</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(37,176,324)	(50,200,971)	10,661,365	60,862,336
OTHER FINANCING SOURCES (USES)				
Transfers out	<u>(4,223,676)</u>	<u>(4,223,676)</u>	<u>(4,223,676)</u>	<u>-</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(4,223,676)</u>	<u>(4,223,676)</u>	<u>(4,223,676)</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	(41,400,000)	(54,424,647)	6,437,689	60,862,336
FUND BALANCE - BEGINNING	<u>41,400,000</u>	<u>54,424,647</u>	<u>54,424,647</u>	<u>-</u>
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 60,862,336</u>	<u>\$ 60,862,336</u>

**OKALOOSA COUNTY, FLORIDA
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2025**

SPECIAL REVENUE FUNDS

Special revenue funds are used to account for specific revenues that are legally restricted to expenditure for particular purposes.

Board of County Commissioners

County Transportation Trust Fund

This fund is used to account for maintenance and in-house construction of Okaloosa County roads. These activities include road maintenance traffic control engineering right-of-way acquisition and construction of new roadways. Funds are provided from state shared revenue and certain gasoline taxes collected and distributed by the State of Florida.

Natural Disaster Fund

This fund is used to account for disaster funding and expenditures not considered normal recurring operating activity of the County, as well as grant funding received as a result of the Coronavirus pandemic.

Local Housing Assistance Trust Fund

This fund is used to account for funds received from the State Housing Initiatives Partnership Program for implementing and administering the local housing assistance plan.

E-911 Operations Fund

This fund is used to account for E911 revenues collected exclusively for costs associated with developing and maintaining E911 systems and networks.

Radio Communications Fund

This fund is used to account for surcharges collected to fund the acquisition of equipment software and engineering administrative and maintenance services to construct, operate and maintain a statewide radio system.

Law Enforcement Trust Fund

This fund is used to account for the revenues received as a result of criminal or forfeiture proceedings and used for school resource officer crime prevention safe neighborhood drug abuse education and prevention programs or for other law enforcement purposes.

Police Academy Fund

This fund is used to account for an additional \$2 assessed by the County for criminal justice education degree programs and training courses.

County Public Health Fund

This fund is used to account for funds appropriated by Okaloosa County for or on behalf of the county public health unit such as capital projects costs.

Municipal Services Benefit Units Fund

This fund is used to account for the assessments levied against benefiting properties for providing street lighting street and drainage improvements and maintenance.

**OKALOOSA COUNTY, FLORIDA
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2025**

Fire District Fund

This fund is used to account for revenues and expenditures associated with providing fire protection and rescue services within the Dorcas Fire District. The District was converted from an independent special fire control district to a dependent special district of the Okaloosa County Board of County Commissioners pursuant to House Bill 2024-897 and is governed by the Board in accordance with Florida law.

Unincorporated Municipal Services Taxing Unit Fund

This fund is used to account for ad valorem tax proceeds levied on property in the unincorporated areas of Okaloosa County for the maintenance of parks in those areas

Local Provider Plan Fund

This fund is used to account for revenues from non-ad valorem special assessments levied on eligible hospitals and related expenditures associated with the County's Local Provider Participation Program. The program is intended to support Medicaid and indigent healthcare services by generating local funding to leverage additional state and federal Medicaid reimbursements, as authorized by Okaloosa County Ordinance 2024-15 and Resolution 2024-157.

Prisoner Benefit Fund

This fund is used to account for profits from the detention facility's commissary and expenses involved in the commissary operation.

Additional Court Cost Fund

This fund is used to account for the \$65 additional court costs imposed by the County to fund innovations in legal aid law library and teen court operations.

Drug Abuse Trust Fund

This fund is used to account for an additional assessment collected for the purpose of providing assistance for alcohol and other drug abuse treatment or education programs.

Domestic Violence Trust Fund

This fund is used to account for the \$85 surcharge imposed on domestic violence offenses and is used to provide additional training to law enforcement personnel in combating domestic violence.

Traffic Education Trust Fund

This fund is used to account for the additional \$5 surcharge imposed on each traffic penalty and is used to fund driver education programs in public and non-public schools.

Choctaw Bay Estuary Fund

This fund is used to account for comprehensive management and improvement of water quality, habitat, natural resources and economic benefits of Choctawhatchee Bay.

Fiber Optic Cable Fund

This fund provides for the engineering, operation, maintenance and sustainability of the County Fiber Optic Telecommunication Utility System and related critical assets.

**OKALOOSA COUNTY, FLORIDA
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2025**

Clerk of Circuit Court

Clerk of Circuit Court Courts Special Revenue Fund

This fund is used to account for the statutory fines, fees, service charges and costs collected by the Clerk related to the performance of court-related activities. All excess funds over the amount of the Clerk's operating budget for this fund approved by the Clerks of Court Operations Corporation are remitted to the Florida Department of Revenue.

Public Records Modernization Trust Fund

This fund is used to account for recording fees collected by the Clerk under Florida Statute 28.24(12) (d). The fund is used exclusively for equipment personnel training and technical assistance in modernizing the public records system.

Public Records Courts Special Revenue Fund

This fund is used to account for recording fees collected by the Clerk under Florida Statute 28.24(12) (e). The fund is used exclusively for court-related technology needs.

Sheriff

Sheriff Federal Law Enforcement Trust Fund

This fund is used to account for confiscated merchandise and funds and is expended for Law Enforcement Purposes. Funds cannot be used for normal operating expenses.

Teen Driver Challenge Fund

This fund is used to account for revenues restricted by the Florida Sheriffs Association and is expended to support a new safety program for teen drivers. Funds cannot be used for normal operating expenses.

Grants Fund

This fund accounts for grant revenues and expenditures according to the terms of each grant.

Special Projects Fund

This fund is used to capture all of the revenue and expenditures related to projects funded from surtaxes and the opioid relief settlement.

DEBT SERVICE FUND

Debt Service funds are used to account for the accumulation of resources and payment of special obligation bond principal and interest from governmental resources when Okaloosa County is obligated in some manner for the payment.

Board of County Commissioners

Okaloosa Debt Service Fund

This fund is used to account for accumulation of resources and payment of bond debt for Sales Tax Revenue Bonds Series 2011, 2014, 2016, 2019, 2025B and Tourist Development note.

CAPITAL PROJECTS FUND

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

**OKALOOSA COUNTY, FLORIDA
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2025**

Board of County Commissioners

Transportation Fund

This fund is used to account for Okaloosa County transportation concurrency for vehicular mobility. Mobility fees are assessed in accordance with Ordinance 2024-23 and Chapters 4 & 12 of the Okaloosa County Land Development Code. Chapter 4 of the Land Development Code implements the concurrency provisions and Chapter 12 establishes the fee schedule. The assessment creates revenue paid by new developments to fund mobility projects identified in a mobility plan that increase multimodal capacity for walking, biking, transit, and driving.

**OKALOOSA COUNTY, FLORIDA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2025**

	County Transportation Trust Special Revenue Fund	<i>Formerly Major Fund</i> Natural Disaster Special Revenue Fund	Local Housing Assistance Trust Special Revenue Fund
ASSETS			
Cash and cash equivalents	\$ 13	\$ 7	\$ 433
Investments	744,939	14,731,109	8,110,730
Accounts receivable	1,856	-	44,863
Due from other elected officials	5,357	-	-
Due from other governments	752,813	107,369	-
Inventory	245,869	-	-
Prepays	18,252	-	-
TOTAL ASSETS	\$ 1,769,099	\$ 14,838,485	\$ 8,156,026
LIABILITIES AND FUND BALANCE			
LIABILITIES			
Accounts payable	\$ 21,198	\$ -	\$ -
Contracts payable	36,331	2,653,227	10,723
Other accrued liabilities	339,173	-	-
Due to other funds	-	2,150,000	-
Due to other elected officials	55	-	-
Due to other governments	4,113	-	-
Due to depositors	-	-	-
Unearned revenue	-	8,534,316	5,385,626
TOTAL LIABILITIES	400,870	13,337,543	5,396,349
FUND BALANCES			
Nonspendable	264,121	-	-
Restricted	-	-	2,759,677
Committed	-	-	-
Assigned	1,104,108	1,500,942	-
Unassigned	-	-	-
TOTAL FUND BALANCES	1,368,229	1,500,942	2,759,677
TOTAL LIABILITIES AND FUND BALANCES	\$ 1,769,099	\$ 14,838,485	\$ 8,156,026

**OKALOOSA COUNTY, FLORIDA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2025**

	E-911 Operations Special Revenue Fund	Radio Communications Special Revenue Fund	Law Enforcement Trust Special Revenue Fund
ASSETS			
Cash and cash equivalents	\$ 558,009	\$ 194,414	\$ 90
Investments	265,031	130,278	27,277
Accounts receivable	-	-	-
Due from other elected officials	-	-	-
Due from other governments	897,382	6,006	-
Inventory	-	-	-
Prepays	-	-	-
TOTAL ASSETS	\$ 1,720,422	\$ 330,698	\$ 27,367
LIABILITIES AND FUND BALANCE			
LIABILITIES			
Accounts payable	\$ -	\$ -	\$ -
Contracts payable	-	-	-
Other accrued liabilities	-	-	-
Due to other funds	-	-	-
Due to other elected officials	697,579	-	-
Due to other governments	-	-	-
Due to depositors	-	-	-
Unearned revenue	-	-	-
TOTAL LIABILITIES	697,579	-	-
FUND BALANCES			
Nonspendable	-	-	-
Restricted	1,022,843	330,698	27,367
Committed	-	-	-
Assigned	-	-	-
Unassigned	-	-	-
TOTAL FUND BALANCES	1,022,843	330,698	27,367
TOTAL LIABILITIES AND FUND BALANCES	\$ 1,720,422	\$ 330,698	\$ 27,367

**OKALOOSA COUNTY, FLORIDA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2025**

	<u>Police Academy Special Revenue Fund</u>	<u>County Public Health Special Revenue Fund</u>	<u>Municipal Services Benefit Unit Special Revenue Fund</u>
ASSETS			
Cash and cash equivalents	\$ 78,875	\$ 244,327	\$ 379,916
Investments	48,734	141,115	550,138
Accounts receivable	-	-	-
Due from other elected officials	-	29	1,491
Due from other governments	-	-	1,187
Inventory	-	-	-
Prepays	-	-	-
TOTAL ASSETS	<u>\$ 127,609</u>	<u>\$ 385,471</u>	<u>\$ 932,732</u>
LIABILITIES AND FUND BALANCE			
LIABILITIES			
Accounts payable	\$ -	\$ -	\$ 6,295
Contracts payable	-	-	7,550
Other accrued liabilities	-	-	-
Due to other funds	-	-	73,850
Due to other elected officials	-	-	-
Due to other governments	-	55,152	-
Due to depositors	86	-	-
Unearned revenue	-	-	-
TOTAL LIABILITIES	<u>86</u>	<u>55,152</u>	<u>87,695</u>
FUND BALANCES			
Nonspendable	-	-	-
Restricted	127,523	-	-
Committed	-	-	845,037
Assigned	-	330,319	-
Unassigned	-	-	-
TOTAL FUND BALANCES	<u>127,523</u>	<u>330,319</u>	<u>845,037</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 127,609</u>	<u>\$ 385,471</u>	<u>\$ 932,732</u>

**OKALOOSA COUNTY, FLORIDA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2025**

	Fire District Special Revenue Fund	Municipal Services Taxing Unit Special Revenue Fund	Local Provider Plan Special Revenue Fund
ASSETS			
Cash and cash equivalents	\$ 721,556	\$ 226,884	\$ 1,533,185
Investments	6,759	3,249,764	-
Accounts receivable	1,783	-	-
Due from other elected officials	1,153	7,994	-
Due from other governments	-	-	-
Inventory	-	-	-
Prepays	255	-	-
TOTAL ASSETS	\$ 731,506	\$ 3,484,642	\$ 1,533,185
LIABILITIES AND FUND BALANCE			
LIABILITIES			
Accounts payable	\$ -	\$ 83,667	\$ -
Contracts payable	2,761	254,675	-
Other accrued liabilities	73	39,098	-
Due to other funds	-	-	-
Due to other elected officials	-	-	-
Due to other governments	2,412	331	-
Due to depositors	-	50	-
Unearned revenue	-	-	-
TOTAL LIABILITIES	5,246	377,821	-
FUND BALANCES			
Nonspendable	255	-	-
Restricted	283,478	3,106,821	1,533,185
Committed	-	-	-
Assigned	442,527	-	-
Unassigned	-	-	-
TOTAL FUND BALANCES	726,260	3,106,821	1,533,185
TOTAL LIABILITIES AND FUND BALANCES	\$ 731,506	\$ 3,484,642	\$ 1,533,185

**OKALOOSA COUNTY, FLORIDA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2025**

	<u>Prisoner Benefit Special Revenue Fund</u>	<u>Additional Court Cost Special Revenue Fund</u>	<u>Drug Abuse Trust Special Revenue Fund</u>
ASSETS			
Cash and cash equivalents	\$ 320,978	\$ 8,452	\$ 97,079
Investments	1,245,249	328,292	67,297
Accounts receivable	74,528	-	-
Due from other elected officials	-	-	-
Due from other governments	-	141,728	2,276
Inventory	-	-	-
Prepays	10,048	3,219	-
TOTAL ASSETS	<u>\$ 1,650,803</u>	<u>\$ 481,691</u>	<u>\$ 166,652</u>
LIABILITIES AND FUND BALANCE			
LIABILITIES			
Accounts payable	\$ 3,563	\$ 26,038	\$ 27
Contracts payable	45,160	31,856	-
Other accrued liabilities	32,482	7,362	-
Due to other funds	-	-	-
Due to other elected officials	-	-	-
Due to other governments	-	56,554	-
Due to depositors	51,790	-	150
Unearned revenue	-	-	-
TOTAL LIABILITIES	<u>132,995</u>	<u>121,810</u>	<u>177</u>
FUND BALANCES			
Nonspendable	10,048	3,219	-
Restricted	1,507,760	356,662	166,475
Committed	-	-	-
Assigned	-	-	-
Unassigned	-	-	-
TOTAL FUND BALANCES	<u>1,517,808</u>	<u>359,881</u>	<u>166,475</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 1,650,803</u>	<u>\$ 481,691</u>	<u>\$ 166,652</u>

**OKALOOSA COUNTY, FLORIDA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2025**

	Domestic Violence Trust Special Revenue Fund	Traffic Education Special Revenue Fund	Choctaw Bay Estuary Special Revenue Fund
ASSETS			
Cash and cash equivalents	\$ 5,454	\$ 142,925	\$ 177
Investments	2,645	81,939	657
Accounts receivable	-	-	-
Due from other elected officials	-	-	-
Due from other governments	3,418	-	10,166
Inventory	-	-	-
Prepays	-	-	-
TOTAL ASSETS	\$ 11,517	\$ 224,864	\$ 11,000
LIABILITIES AND FUND BALANCE			
LIABILITIES			
Accounts payable	\$ -	\$ 11,100	\$ -
Contracts payable	-	-	-
Other accrued liabilities	-	-	-
Due to other funds	-	-	11,000
Due to other elected officials	-	-	-
Due to other governments	-	-	-
Due to depositors	-	-	-
Unearned revenue	-	-	-
TOTAL LIABILITIES	-	11,100	11,000
FUND BALANCES			
Nonspendable	-	-	-
Restricted	11,517	213,764	-
Committed	-	-	-
Assigned	-	-	-
Unassigned	-	-	-
TOTAL FUND BALANCES	11,517	213,764	-
TOTAL LIABILITIES AND FUND BALANCES	\$ 11,517	\$ 224,864	\$ 11,000

**OKALOOSA COUNTY, FLORIDA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2025**

	Fiber Optic Cable Special Revenue Fund	Courts Special Revenue Fund	Public Records Modernization Trust Special Revenue Fund
ASSETS			
Cash and cash equivalents	\$ 37,289	\$ 565,049	\$ -
Investments	5,967,132	-	-
Accounts receivable	-	-	-
Due from other elected officials	-	110	-
Due from other governments	-	337,122	-
Inventory	-	-	-
Prepays	-	84,887	-
TOTAL ASSETS	\$ 6,004,421	\$ 987,168	\$ -
LIABILITIES AND FUND BALANCE			
LIABILITIES			
Accounts payable	\$ 5,807	\$ 19,980	\$ -
Contracts payable	26,233	-	-
Other accrued liabilities	-	501,661	-
Due to other funds	-	-	-
Due to other elected officials	-	-	-
Due to other governments	-	465,527	-
Due to depositors	-	-	-
Unearned revenue	-	-	-
TOTAL LIABILITIES	32,040	987,168	-
FUND BALANCES			
Nonspendable	-	84,887	-
Restricted	-	-	-
Committed	-	-	-
Assigned	5,972,381	-	-
Unassigned	-	(84,887)	-
TOTAL FUND BALANCES	5,972,381	-	-
TOTAL LIABILITIES AND FUND BALANCES	\$ 6,004,421	\$ 987,168	\$ -

**OKALOOSA COUNTY, FLORIDA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2025**

	Public Records Courts Special Revenue Fund	Federal Law Enforcement Trust Special Revenue Fund	Teen Driver Challenge Special Revenue Fund	Grant Special Revenue Fund
ASSETS				
Cash and cash equivalents	\$ -	\$ 5,500	\$ -	\$ -
Investments	-	-	-	-
Accounts receivable	-	-	-	-
Due from other elected officials	-	-	-	-
Due from other governments	-	-	-	-
Inventory	-	-	-	-
Prepays	-	-	-	-
TOTAL ASSETS	\$ -	\$ 5,500	\$ -	\$ -
LIABILITIES AND FUND BALANCE				
LIABILITIES				
Accounts payable	\$ -	\$ 5,500	\$ -	\$ -
Contracts payable	-	-	-	-
Other accrued liabilities	-	-	-	-
Due to other funds	-	-	-	-
Due to other elected officials	-	-	-	-
Due to other governments	-	-	-	-
Due to depositors	-	-	-	-
Unearned revenue	-	-	-	-
TOTAL LIABILITIES	-	5,500	-	-
FUND BALANCES				
Nonspendable	-	-	-	-
Restricted	-	-	-	-
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
TOTAL FUND BALANCES	-	-	-	-
TOTAL LIABILITIES AND FUND BALANCES	\$ -	\$ 5,500	\$ -	\$ -

**OKALOOSA COUNTY, FLORIDA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2025**

	Special Projects Special Revenue Fund	Okaloosa Debt Service Fund	Transportation Capital Projects Fund	Total Nonmajor Governmental Funds
ASSETS				
Cash and cash equivalents	\$ -	\$ 4,040,860	\$ 130,965	\$ 9,292,437
Investments	-	3,785	762	35,703,632
Accounts receivable	-	-	1,576	124,606
Due from other elected officials	4,700	-	-	20,834
Due from other governments	-	-	-	2,259,467
Inventory	-	-	-	245,869
Prepays	-	-	-	116,661
TOTAL ASSETS	\$ 4,700	\$ 4,044,645	\$ 133,303	\$ 47,763,506
LIABILITIES AND FUND BALANCE				
LIABILITIES				
Accounts payable	\$ 4,700	\$ 800	\$ -	\$ 188,675
Contracts payable	-	-	-	3,068,516
Other accrued liabilities	-	-	-	919,849
Due to other funds	-	4,301,322	-	6,536,172
Due to other elected officials	-	-	-	697,634
Due to other governments	-	-	-	584,089
Due to depositors	-	-	-	52,076
Unearned revenue	-	-	-	13,919,942
TOTAL LIABILITIES	4,700	4,302,122	-	25,966,953
FUND BALANCES				
Nonspendable	-	-	-	362,530
Restricted	-	-	133,303	11,581,073
Committed	-	-	-	845,037
Assigned	-	-	-	9,350,277
Unassigned	-	(257,477)	-	(342,364)
TOTAL FUND BALANCES (DEFICITS)	-	(257,477)	133,303	21,796,553
TOTAL LIABILITIES AND FUND BALANCES	\$ 4,700	\$ 4,044,645	\$ 133,303	\$ 47,763,506

**OKALOOSA COUNTY, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE – NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2025**

	County Transportation Trust Special Revenue Fund	<i>Formerly Major Fund</i> Natural Disaster Special Revenue Fund	Local Housing Assistance Trust Special Revenue Fund
REVENUES			
Taxes	\$ 6,661,020	\$ -	\$ -
Permits, fees and special assessments	-	-	-
Intergovernmental	2,112,938	12,983,020	435,901
Charges for services	946,660	-	-
Fines	-	-	-
Investment income	34,562	1,045,182	311,309
Miscellaneous	197,384	-	779,797
TOTAL REVENUES	9,952,564	14,028,202	1,527,007
EXPENDITURES			
Current			
General government	-	-	586,710
Public safety	-	669,705	-
Physical environment	1,181,030	-	-
Transportation	11,789,036	-	-
Economic environment	-	66,105	657,563
Human services	-	-	-
Culture and recreation	-	-	-
Court- related	-	-	-
Capital outlay	672,438	11,739,696	-
Debt service			
Principal	57,877	-	-
Interest	11,686	-	-
Other debt service costs	-	-	-
TOTAL EXPENDITURES	13,712,067	12,475,506	1,244,273
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(3,759,503)	1,552,696	282,734
OTHER FINANCING SOURCES (USES)			
Issuance of subscription liabilities	-	-	-
Issuance of refunding bonds	-	-	-
Bond premiums issued	-	-	-
Payment to refunded bonds escrow agent	-	-	-
Transfers in	2,516,687	-	-
Transfers out	-	(12,150,000)	-
Transfers among constitutional officers	5,260	-	-
TOTAL OTHER FINANCING SOURCES (USES)	2,521,947	(12,150,000)	-
NET CHANGE IN FUND BALANCES	(1,237,556)	(10,597,304)	282,734
FUND BALANCE - BEGINNING, AS PREVIOUSLY PRESENTED	2,605,785	-	2,476,943
Change within financial reporting entity (non- major to major fund)	-	-	-
Change within financial reporting entity (major to nonmajor fund)	-	12,098,246	-
FUND BALANCE - BEGINNING, AS RESTATED	2,605,785	12,098,246	2,476,943
FUND BALANCE (DEFICIT) - ENDING	\$ 1,368,229	\$ 1,500,942	\$ 2,759,677

**OKALOOSA COUNTY, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE – NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2025**

	E-911 Operations Special Revenue Fund	Radio Communications Special Revenue Fund	Law Enforcement Trust Special Revenue Fund
REVENUES			
Taxes	\$ -	\$ -	\$ -
Permits, fees and special assessments	-	-	-
Intergovernmental	3,223,327	-	-
Charges for services	-	-	-
Fines	-	43,706	-
Investment income	24,722	11,238	1,796
Miscellaneous	-	-	-
TOTAL REVENUES	3,248,049	54,944	1,796
EXPENDITURES			
Current			
General government	-	-	-
Public safety	55,338	-	-
Physical environment	-	-	-
Transportation	-	-	-
Economic environment	-	-	-
Human services	-	-	-
Culture and recreation	-	-	-
Court- related	-	-	-
Capital outlay	-	-	-
Debt service			
Principal	-	-	-
Interest	-	-	-
Other debt service costs	-	-	-
TOTAL EXPENDITURES	55,338	-	-
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	3,192,711	54,944	1,796
OTHER FINANCING SOURCES (USES)			
Issuance of subscription liabilities	-	-	-
Issuance of refunding bonds	-	-	-
Bond premiums issued	-	-	-
Payment to refunded bonds escrow agent	-	-	-
Transfers in	-	-	-
Transfers out	(1,016,558)	-	-
Transfers among constitutional officers	(1,850,051)	-	(48,500)
TOTAL OTHER FINANCING SOURCES (USES)	(2,866,609)	-	(48,500)
NET CHANGE IN FUND BALANCES	326,102	54,944	(46,704)
FUND BALANCE - BEGINNING, AS PREVIOUSLY PRESENTED	696,741	275,754	74,071
Change within financial reporting entity (non- major to major fund)	-	-	-
Change within financial reporting entity (major to nonmajor fund)	-	-	-
FUND BALANCE - BEGINNING, AS RESTATED	696,741	275,754	74,071
FUND BALANCE (DEFICIT) - ENDING	\$ 1,022,843	\$ 330,698	\$ 27,367

**OKALOOSA COUNTY, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE – NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2025**

	Police Academy Special Revenue Fund	County Public Health Special Revenue Fund	Municipal Services Benefit Unit Special Revenue Fund
REVENUES			
Taxes	\$ -	\$ 668,840	\$ -
Permits, fees and special assessments	-	-	653,425
Intergovernmental	-	-	-
Charges for services	13,272	-	-
Fines	-	-	-
Investment income	4,299	19,063	29,773
Miscellaneous	-	17,740	-
TOTAL REVENUES	17,571	705,643	683,198
EXPENDITURES			
Current			
General government	-	-	-
Public safety	-	-	-
Physical environment	-	-	-
Transportation	-	-	597,025
Economic environment	-	-	-
Human services	-	661,826	-
Culture and recreation	-	-	-
Court- related	-	-	-
Capital outlay	-	17,740	-
Debt service			
Principal	-	-	-
Interest	-	-	2,356
Other debt service costs	-	-	-
TOTAL EXPENDITURES	-	679,566	599,381
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	17,571	26,077	83,817
OTHER FINANCING SOURCES (USES)			
Issuance of subscription liabilities	-	-	-
Issuance of refunding bonds	-	-	-
Bond premiums issued	-	-	-
Payment to refunded bonds escrow agent	-	-	-
Transfers in	-	4,000	-
Transfers out	-	-	-
Transfers among constitutional officers	-	-	1,491
TOTAL OTHER FINANCING SOURCES (USES)	-	4,000	1,491
NET CHANGE IN FUND BALANCES	17,571	30,077	85,308
FUND BALANCE - BEGINNING, AS PREVIOUSLY PRESENTED	109,952	300,242	759,729
Change within financial reporting entity (non- major to major fund)	-	-	-
Change within financial reporting entity (major to nonmajor fund)	-	-	-
FUND BALANCE - BEGINNING, AS RESTATED	109,952	300,242	759,729
FUND BALANCE (DEFICIT) - ENDING	\$ 127,523	\$ 330,319	\$ 845,037

**OKALOOSA COUNTY, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE – NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2025**

	Fire District Special Revenue Fund	Municipal Services Taxing Unit Special Revenue Fund	Local Provider Plan Special Revenue Fund
REVENUES			
Taxes	\$ -	\$ 2,294,016	\$ -
Permits, fees and special assessments	340,938	-	15,687,421
Intergovernmental	-	-	-
Charges for services	-	39,263	-
Fines	-	-	-
Investment income	6,953	151,411	-
Miscellaneous	-	-	-
TOTAL REVENUES	347,891	2,484,690	15,687,421
EXPENDITURES			
Current			
General government	-	-	-
Public safety	70,922	-	-
Physical environment	-	-	-
Transportation	-	-	-
Economic environment	-	-	-
Human services	-	-	14,154,236
Culture and recreation	-	1,804,988	-
Court- related	-	-	-
Capital outlay	-	988,510	-
Debt service			
Principal	37,678	-	-
Interest	-	-	-
Other debt service costs	-	-	-
TOTAL EXPENDITURES	108,600	2,793,498	14,154,236
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	239,291	(308,808)	1,533,185
OTHER FINANCING SOURCES (USES)			
Issuance of subscription liabilities	-	-	-
Issuance of refunding bonds	-	-	-
Bond premiums issued	-	-	-
Payment to refunded bonds escrow agent	-	-	-
Transfers in	486,012	537,840	-
Transfers out	-	-	-
Transfers among constitutional officers	957	7,890	-
TOTAL OTHER FINANCING SOURCES (USES)	486,969	545,730	-
NET CHANGE IN FUND BALANCES	726,260	236,922	1,533,185
FUND BALANCE - BEGINNING, AS PREVIOUSLY PRESENTED	-	2,869,899	-
Change within financial reporting entity (non- major to major fund)	-	-	-
Change within financial reporting entity (major to nonmajor fund)	-	-	-
FUND BALANCE - BEGINNING, AS RESTATED	-	2,869,899	-
FUND BALANCE (DEFICIT) - ENDING	\$ 726,260	\$ 3,106,821	\$ 1,533,185

**OKALOOSA COUNTY, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE – NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2025**

	Prisoner Benefit Special Revenue Fund	Additional Court Cost Special Revenue Fund	Drug Abuse Trust Special Revenue Fund
REVENUES			
Taxes	\$ -	\$ -	\$ -
Permits, fees and special assessments	-	-	-
Intergovernmental	-	-	-
Charges for services	1,420,199	951,395	-
Fines	-	-	9,507
Investment income	49,963	18,624	5,938
Miscellaneous	105,031	55,542	-
TOTAL REVENUES	1,575,193	1,025,561	15,445
EXPENDITURES			
Current			
General government	-	-	-
Public safety	1,321,350	-	-
Physical environment	-	-	-
Transportation	-	-	-
Economic environment	-	-	-
Human services	-	-	-
Culture and recreation	-	-	-
Court- related	-	1,280,854	784
Capital outlay	-	99,972	-
Debt service			
Principal	-	-	-
Interest	-	-	-
Other debt service costs	-	-	-
TOTAL EXPENDITURES	1,321,350	1,380,826	784
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	253,843	(355,265)	14,661
OTHER FINANCING SOURCES (USES)			
Issuance of subscription liabilities	-	-	-
Issuance of refunding bonds	-	-	-
Bond premiums issued	-	-	-
Payment to refunded bonds escrow agent	-	-	-
Transfers in	-	536,649	-
Transfers out	-	(340,339)	-
Transfers among constitutional officers	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	196,310	-
NET CHANGE IN FUND BALANCES	253,843	(158,955)	14,661
FUND BALANCE - BEGINNING, AS PREVIOUSLY PRESENTED	1,263,965	518,836	151,814
Change within financial reporting entity (non- major to major fund)	-	-	-
Change within financial reporting entity (major to nonmajor fund)	-	-	-
FUND BALANCE - BEGINNING, AS RESTATED	1,263,965	518,836	151,814
FUND BALANCE (DEFICIT) - ENDING	\$ 1,517,808	\$ 359,881	\$ 166,475

**OKALOOSA COUNTY, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE – NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2025**

	Domestic Violence Trust Special Revenue Fund	Traffic Education Special Revenue Fund	Choctaw Bay Estuary Special Revenue Fund
REVENUES			
Taxes	\$ -	\$ -	\$ -
Permits, fees and special assessments	-	-	-
Intergovernmental	-	-	10,262
Charges for services	-	-	-
Fines	22,978	50,034	-
Investment income	533	7,527	-
Miscellaneous	-	-	-
TOTAL REVENUES	23,511	57,561	10,262
EXPENDITURES			
Current			
General government	-	-	-
Public safety	-	-	-
Physical environment	-	-	10,262
Transportation	-	-	-
Economic environment	-	-	-
Human services	-	-	-
Culture and recreation	-	-	-
Court- related	-	17,879	-
Capital outlay	-	-	-
Debt service			
Principal	-	-	-
Interest	-	-	-
Other debt service costs	-	-	-
TOTAL EXPENDITURES	-	17,879	10,262
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	23,511	39,682	-
OTHER FINANCING SOURCES (USES)			
Issuance of subscription liabilities	-	-	-
Issuance of refunding bonds	-	-	-
Bond premiums issued	-	-	-
Payment to refunded bonds escrow agent	-	-	-
Transfers in	-	-	-
Transfers out	(22,978)	-	-
Transfers among constitutional officers	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	(22,978)	-	-
NET CHANGE IN FUND BALANCES	533	39,682	-
FUND BALANCE - BEGINNING, AS PREVIOUSLY PRESENTED	10,984	174,082	-
Change within financial reporting entity (non- major to major fund)	-	-	-
Change within financial reporting entity (major to nonmajor fund)	-	-	-
FUND BALANCE - BEGINNING, AS RESTATED	10,984	174,082	-
FUND BALANCE (DEFICIT) - ENDING	\$ 11,517	\$ 213,764	\$ -

**OKALOOSA COUNTY, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE – NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2025**

	Fiber Optic Cable Special Revenue Fund	Courts Special Revenue Fund	Public Records Modernization Trust Special Revenue Fund
REVENUES			
Taxes	\$ -	\$ -	\$ -
Permits, fees and special assessments	-	-	-
Intergovernmental	-	820,800	-
Charges for services	348,838	3,139,381	117,055
Fines	-	741,701	-
Investment income	162,374	-	-
Miscellaneous	-	-	-
TOTAL REVENUES	511,212	4,701,882	117,055
EXPENDITURES			
Current			
General government	141,427	-	-
Public safety	-	-	-
Physical environment	-	-	-
Transportation	-	-	-
Economic environment	-	-	-
Human services	-	-	-
Culture and recreation	-	-	-
Court- related	-	5,157,596	-
Capital outlay	179,871	531,948	-
Debt service			
Principal	-	235,164	-
Interest	-	76,102	-
Other debt service costs	-	-	-
TOTAL EXPENDITURES	321,298	6,000,810	-
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	189,914	(1,298,928)	117,055
OTHER FINANCING SOURCES (USES)			
Issuance of subscription liabilities	-	531,948	-
Issuance of refunding bonds	-	-	-
Bond premiums issued	-	-	-
Payment to refunded bonds escrow agent	-	-	-
Transfers in	3,400,000	-	-
Transfers out	-	-	(117,055)
Transfers among constitutional officers	-	766,980	-
TOTAL OTHER FINANCING SOURCES (USES)	3,400,000	1,298,928	(117,055)
NET CHANGE IN FUND BALANCES	3,589,914	-	-
FUND BALANCE - BEGINNING, AS PREVIOUSLY PRESENTED	2,382,467	-	-
Change within financial reporting entity (non- major to major fund)	-	-	-
Change within financial reporting entity (major to nonmajor fund)	-	-	-
FUND BALANCE - BEGINNING, AS RESTATED	2,382,467	-	-
FUND BALANCE (DEFICIT) - ENDING	\$ 5,972,381	\$ -	\$ -

**OKALOOSA COUNTY, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE – NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2025**

	Public Records Courts Special Revenue Fund	Federal Law Enforcement Trust Special Revenue Fund	Teen Driver Challenge Special Revenue Fund	Grant Special Revenue Fund
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
Permits, fees and special assessments	-	-	-	-
Intergovernmental	-	-	-	779,452
Charges for services	422,178	-	-	-
Fines	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
TOTAL REVENUES	422,178	-	-	779,452
EXPENDITURES				
Current				
General government	-	-	-	-
Public safety	-	77,246	-	1,740,062
Physical environment	-	-	-	-
Transportation	-	-	-	-
Economic environment	-	-	-	-
Human services	-	-	-	-
Culture and recreation	-	-	-	-
Court- related	-	-	-	-
Capital outlay	-	20,698	-	977,498
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Other debt service costs	-	-	-	-
TOTAL EXPENDITURES	-	97,944	-	2,717,560
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	422,178	(97,944)	-	(1,938,108)
OTHER FINANCING SOURCES (USES)				
Issuance of subscription liabilities	-	-	-	-
Issuance of refunding bonds	-	-	-	-
Bond premiums issued	-	-	-	-
Payment to refunded bonds escrow agent	-	-	-	-
Transfers in	-	-	-	-
Transfers out	(641,285)	-	-	-
Transfers among constitutional officers	-	97,944	-	1,938,108
TOTAL OTHER FINANCING SOURCES (USES)	(641,285)	97,944	-	1,938,108
NET CHANGE IN FUND BALANCES	(219,107)	-	-	-
FUND BALANCE - BEGINNING, AS PREVIOUSLY PRESENTED	219,107	-	-	-
Change within financial reporting entity (non- major to major fund)	-	-	-	-
Change within financial reporting entity (major to nonmajor fund)	-	-	-	-
FUND BALANCE - BEGINNING, AS RESTATED	219,107	-	-	-
FUND BALANCE (DEFICIT) - ENDING	\$ -	\$ -	\$ -	\$ -

**OKALOOSA COUNTY, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE – NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2025**

	Special Projects Special Revenue Fund	Okaloosa Debt Service Fund	Transportation Capital Projects Fund	<i>Formerly Non- Major Fund</i> Capital Outlay Construction Trust Capital Projects Fund	Total Nonmajor Governmental Funds
REVENUES					
Taxes	\$ -	\$ -	\$ -		\$ 9,623,876
Permits, fees and special assessments	-	-	132,541		16,814,325
Intergovernmental	-	446,500	-		20,812,200
Charges for services	-	-	-		7,398,241
Fines	-	-	-		867,926
Investment income	-	-	762		1,886,029
Miscellaneous	-	-	-		1,155,494
TOTAL REVENUES	-	446,500	133,303	-	58,558,091
EXPENDITURES					
Current					
General government	-	190,750	-		918,887
Public safety	8,250	-	-		3,942,873
Physical environment	-	-	-		1,191,292
Transportation	-	-	-		12,386,061
Economic environment	-	-	-		723,668
Human services	-	-	-		14,816,062
Culture and recreation	-	-	-		1,804,988
Court- related	-	-	-		6,457,113
Capital outlay	-	-	-		15,228,371
Debt service					
Principal	-	5,347,033	-		5,677,752
Interest	-	2,959,802	-		3,049,946
Other debt service costs	-	342,124	-		342,124
TOTAL EXPENDITURES	8,250	8,839,709	-	-	66,539,137
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(8,250)	(8,393,209)	133,303	-	(7,981,046)
OTHER FINANCING SOURCES (USES)					
Issuance of subscription liabilities	-	-	-		531,948
Issuance of refunding bonds	-	11,900,000	-		11,900,000
Bond premiums issued	-	1,171,309	-		1,171,309
Payment to refunded bonds escrow agent	-	(13,180,579)	-		(13,180,579)
Transfers in	-	8,527,513	-		16,008,701
Transfers out	-	(255,750)	-		(14,543,965)
Transfers among constitutional officers	8,250	-	-		928,329
TOTAL OTHER FINANCING SOURCES (USES)	8,250	8,162,493	-	-	2,815,743
NET CHANGE IN FUND BALANCES	-	(230,716)	133,303	-	(5,165,303)
FUND BALANCE - BEGINNING, AS PREVIOUSLY PRESENTED	-	(26,761)	-	34,821,938	49,685,548
Change within financial reporting entity (non- major to major fund)	-	-	-	(34,821,938)	(34,821,938)
Change within financial reporting entity (major to nonmajor fund)	-	-	-	-	12,098,246
FUND BALANCE - BEGINNING, AS RESTATED	-	(26,761)	-	-	26,961,856
FUND BALANCE (DEFICIT) - ENDING	\$ -	\$ (257,477)	\$ 133,303	\$ -	\$ 21,796,553

OKALOOSA COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE – BUDGET AND ACTUAL
COUNTY TRANSPORTATION TRUST SPECIAL REVENUE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Taxes	\$ 6,950,841	\$ 6,950,841	\$ 6,661,020	\$ (289,821)
Intergovernmental	2,075,503	3,955,897	2,112,938	(1,842,959)
Charges for service	686,956	686,956	946,660	259,704
Investment income	30,000	30,000	34,562	4,562
Miscellaneous	5,335	5,335	197,384	192,049
TOTAL REVENUES	<u>9,748,635</u>	<u>11,629,029</u>	<u>9,952,564</u>	<u>(1,676,465)</u>
EXPENDITURES				
Current				
Physical environment	2,980,485	2,995,485	1,181,030	1,814,455
Transportation	12,855,144	12,805,074	11,789,036	1,016,038
Capital outlay	673,703	2,589,167	672,438	1,916,729
Debt service				
Principal	-	-	57,877	(57,877)
Interest	-	-	11,686	(11,686)
TOTAL EXPENDITURES	<u>16,509,332</u>	<u>18,389,726</u>	<u>13,712,067</u>	<u>4,677,659</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(6,760,697)</u>	<u>(6,760,697)</u>	<u>(3,759,503)</u>	<u>3,001,194</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	2,516,687	2,516,687	2,516,687	-
Transfers among constitutional officers	-	-	5,260	5,260
TOTAL OTHER FINANCING SOURCES (USES)	<u>2,516,687</u>	<u>2,516,687</u>	<u>2,521,947</u>	<u>5,260</u>
NET CHANGE IN FUND BALANCE	(4,244,010)	(4,244,010)	(1,237,556)	3,006,454
FUND BALANCE - BEGINNING	4,244,010	4,244,010	2,605,785	(1,638,225)
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,368,229</u>	<u>\$ 1,368,229</u>

**OKALOOSA COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE – BUDGET AND ACTUAL
NATURAL DISASTER SPECIAL REVENUE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2025**

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ -	\$ 25,221,608	\$ 12,983,020	\$ (12,238,588)
Investment income	-	-	1,045,182	1,045,182
TOTAL REVENUES	<u>-</u>	<u>25,221,608</u>	<u>14,028,202</u>	<u>(11,193,406)</u>
EXPENDITURES				
Current				
Public safety	50,000	498,362	669,705	(171,343)
Economic environment	-	721,224	66,105	655,119
Capital outlay	-	14,053,430	11,739,696	2,313,734
TOTAL EXPENDITURES	<u>50,000</u>	<u>15,273,016</u>	<u>12,475,506</u>	<u>2,797,510</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(50,000)</u>	<u>9,948,592</u>	<u>1,552,696</u>	<u>(8,395,896)</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	-	(18,400,000)	(12,150,000)	6,250,000
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>(18,400,000)</u>	<u>(12,150,000)</u>	<u>6,250,000</u>
NET CHANGE IN FUND BALANCE	<u>(50,000)</u>	<u>(8,451,408)</u>	<u>(10,597,304)</u>	<u>(2,145,896)</u>
FUND BALANCE - BEGINNING	<u>50,000</u>	<u>8,451,408</u>	<u>12,098,246</u>	<u>3,646,838</u>
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,500,942</u>	<u>\$ 1,500,942</u>

OKALOOSA COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE – BUDGET AND ACTUAL
LOCAL HOUSING ASSISTANCE TRUST SPECIAL REVENUE FUND
FOR THE ENDED SEPTEMBER 30, 2025

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental	\$ -	\$ 5,645,237	\$ 435,901	\$ (5,209,336)
Investment income	-	10,000	311,309	301,309
Miscellaneous	-	770,000	779,797	9,797
TOTAL REVENUES	<u>-</u>	<u>6,425,237</u>	<u>1,527,007</u>	<u>(4,898,230)</u>
EXPENDITURES				
Current				
General government	-	2,554,955	586,710	1,968,245
Economic environment	368,484	6,579,620	657,563	5,922,057
TOTAL EXPENDITURES	<u>368,484</u>	<u>9,134,575</u>	<u>1,244,273</u>	<u>7,890,302</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(368,484)</u>	<u>(2,709,338)</u>	<u>282,734</u>	<u>2,992,072</u>
NET CHANGE IN FUND BALANCE	(368,484)	(2,709,338)	282,734	2,992,072
FUND BALANCE - BEGINNING	368,484	2,709,338	2,476,943	(232,395)
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,759,677</u>	<u>\$ 2,759,677</u>

**OKALOOSA COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE – BUDGET AND ACTUAL
E-911 OPERATIONS SPECIAL REVENUE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2025**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental	\$ 1,104,000	\$ 3,812,530	\$ 3,223,327	\$ (589,203)
Investment income	20,000	20,000	24,722	4,722
TOTAL REVENUES	<u>1,124,000</u>	<u>3,832,530</u>	<u>3,248,049</u>	<u>(584,481)</u>
EXPENDITURES				
Current				
Public safety	314,779	804,183	55,338	748,845
TOTAL EXPENDITURES	<u>314,779</u>	<u>804,183</u>	<u>55,338</u>	<u>748,845</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>809,221</u>	<u>3,028,347</u>	<u>3,192,711</u>	<u>164,364</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	(1,016,558)	(1,016,558)	(1,016,558)	-
Transfers among constitutional officers	-	(2,708,530)	(1,850,051)	858,479
TOTAL OTHER FINANCING SOURCES (USES)	<u>(1,016,558)</u>	<u>(3,725,088)</u>	<u>(2,866,609)</u>	<u>858,479</u>
NET CHANGE IN FUND BALANCE	(207,337)	(696,741)	326,102	1,022,843
FUND BALANCE - BEGINNING	207,337	696,741	696,741	-
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,022,843</u>	<u>\$ 1,022,843</u>

**OKALOOSA COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE – BUDGET AND ACTUAL
RADIO COMMUNICATIONS SPECIAL REVENUE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2025**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Fines	\$ -	\$ -	\$ 43,706	\$ 43,706
Investment income	-	-	11,238	11,238
TOTAL REVENUES	<u>-</u>	<u>-</u>	<u>54,944</u>	<u>54,944</u>
EXPENDITURES				
Current				
Public safety	<u>200,174</u>	<u>275,754</u>	<u>-</u>	<u>275,754</u>
TOTAL EXPENDITURES	<u>200,174</u>	<u>275,754</u>	<u>-</u>	<u>275,754</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(200,174)</u>	<u>(275,754)</u>	<u>54,944</u>	<u>330,698</u>
NET CHANGE IN FUND BALANCE	(200,174)	(275,754)	54,944	330,698
FUND BALANCE - BEGINNING	<u>200,174</u>	<u>275,754</u>	<u>275,754</u>	<u>-</u>
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 330,698</u>	<u>\$ 330,698</u>

**OKALOOSA COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE – BUDGET AND ACTUAL
LAW ENFORCEMENT TRUST SPECIAL REVENUE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2025**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		<u>(Negative)</u>
REVENUES				
Investment income	\$ -	\$ -	\$ 1,796	\$ 1,796
TOTAL REVENUES	<u>-</u>	<u>-</u>	<u>1,796</u>	<u>1,796</u>
EXPENDITURES				
Current				
Public safety	-	-	-	-
TOTAL EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	-	-	1,796	1,796
OTHER FINANCING SOURCES (USES)				
Transfers among constitutional officers	(106,950)	(74,071)	(48,500)	25,571
TOTAL OTHER FINANCING SOURCES (USES)	<u>(106,950)</u>	<u>(74,071)</u>	<u>(48,500)</u>	<u>25,571</u>
NET CHANGE IN FUND BALANCE	(106,950)	(74,071)	(46,704)	27,367
FUND BALANCE - BEGINNING	<u>106,950</u>	<u>74,071</u>	<u>74,071</u>	<u>-</u>
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 27,367</u>	<u>\$ 27,367</u>

**OKALOOSA COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE – BUDGET AND ACTUAL
POLICE ACADEMY SPECIAL REVENUE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2025**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Charges for services	\$ -	\$ -	\$ 13,272	\$ 13,272
Investment income	-	-	4,299	4,299
TOTAL REVENUES	<u>-</u>	<u>-</u>	<u>17,571</u>	<u>17,571</u>
EXPENDITURES				
Current				
Public safety	32,500	-	-	-
TOTAL EXPENDITURES	<u>32,500</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(32,500)</u>	<u>-</u>	<u>17,571</u>	<u>17,571</u>
OTHER FINANCING SOURCES (USES)				
Transfers among constitutional officers	(91,961)	(109,952)	-	109,952
NET CHANGE IN FUND BALANCE	(124,461)	(109,952)	17,571	127,523
FUND BALANCE - BEGINNING	124,461	109,952	109,952	-
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 127,523</u>	<u>\$ 127,523</u>

**OKALOOSA COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE – BUDGET AND ACTUAL
COUNTY PUBLIC HEALTH SPECIAL REVENUE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2025**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		<u>(Negative)</u>
REVENUES				
Taxes	\$ 657,827	\$ 657,827	\$ 668,840	\$ 11,013
Investment income	-	-	19,063	19,063
Miscellaneous	-	-	17,740	17,740
TOTAL REVENUES	<u>657,827</u>	<u>657,827</u>	<u>705,643</u>	<u>47,816</u>
EXPENDITURES				
Current				
Human services	661,827	661,827	661,826	1
Capital outlay	-	-	17,740	(17,740)
TOTAL EXPENDITURES	<u>661,827</u>	<u>661,827</u>	<u>679,566</u>	<u>(17,739)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(4,000)	(4,000)	26,077	30,077
OTHER FINANCING SOURCES (USES)				
Transfers in	4,000	4,000	4,000	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>4,000</u>	<u>4,000</u>	<u>4,000</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	-	-	30,077	30,077
FUND BALANCE - BEGINNING	-	-	300,242	300,242
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 330,319</u>	<u>\$ 330,319</u>

**OKALOOSA COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE – BUDGET AND ACTUAL
MUNICIPAL SERVICES BENEFIT UNIT SPECIAL REVENUE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2025**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Permits, fees and special assessments	\$ 649,850	\$ 649,850	\$ 653,425	\$ 3,575
Investment income	6,000	6,000	29,773	23,773
TOTAL REVENUES	<u>655,850</u>	<u>655,850</u>	<u>683,198</u>	<u>27,348</u>
EXPENDITURES				
Current				
Transportation	1,236,428	1,412,205	597,025	815,180
Debt service				
Interest	2,500	2,500	2,356	144
TOTAL EXPENDITURES	<u>1,238,928</u>	<u>1,414,705</u>	<u>599,381</u>	<u>815,324</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(583,078)</u>	<u>(758,855)</u>	<u>83,817</u>	<u>842,672</u>
OTHER FINANCING SOURCES (USES)				
Transfers among constitutional officers	-	-	1,491	1,491
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>1,491</u>	<u>1,491</u>
NET CHANGE IN FUND BALANCE	<u>(583,078)</u>	<u>(758,855)</u>	<u>85,308</u>	<u>844,163</u>
FUND BALANCE - BEGINNING	<u>583,078</u>	<u>758,855</u>	<u>759,729</u>	<u>874</u>
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 845,037</u>	<u>\$ 845,037</u>

**OKALOOSA COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE – BUDGET AND ACTUAL
FIRE DISTRICT SPECIAL REVENUE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2025**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Permits, fees and special assessments	\$ -	\$ 1,600,000	\$ 340,938	\$ (1,259,062)
Investment income	-	-	6,953	6,953
TOTAL REVENUES	<u>-</u>	<u>1,600,000</u>	<u>347,891</u>	<u>(1,252,109)</u>
EXPENDITURES				
Current				
Public safety	-	1,559,225	70,922	1,488,303
Debt service				
Principal	-	39,775	37,678	2,097
Interest	-	5,000	-	5,000
TOTAL EXPENDITURES	<u>-</u>	<u>1,604,000</u>	<u>108,600</u>	<u>1,495,400</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>-</u>	<u>(4,000)</u>	<u>239,291</u>	<u>243,291</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	486,012	486,012
Transfers among constitutional officers	-	4,000	957	(3,043)
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>4,000</u>	<u>486,969</u>	<u>482,969</u>
NET CHANGE IN FUND BALANCE	<u>-</u>	<u>-</u>	<u>726,260</u>	<u>726,260</u>
FUND BALANCE - BEGINNING	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 726,260</u>	<u>\$ 726,260</u>

OKALOOSA COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE – BUDGET AND ACTUAL
UNINCORPORATED MUNICIPAL SERVICES TAXING UNIT SPECIAL REVENUE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Taxes	\$ 2,258,612	\$ 2,258,612	\$ 2,294,016	\$ 35,404
Charges for services	-	-	39,263	39,263
Investment income	-	-	151,411	151,411
TOTAL REVENUES	<u>2,258,612</u>	<u>2,258,612</u>	<u>2,484,690</u>	<u>226,078</u>
EXPENDITURES				
Current				
Culture and recreation	2,186,734	2,282,147	1,804,988	477,159
Capital outlay	3,225,618	3,421,364	988,510	2,432,854
TOTAL EXPENDITURES	<u>5,412,352</u>	<u>5,703,511</u>	<u>2,793,498</u>	<u>2,910,013</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(3,153,740)</u>	<u>(3,444,899)</u>	<u>(308,808)</u>	<u>3,136,091</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	75,000	575,000	537,840	(37,160)
Transfers among constitutional officers	-	-	7,890	7,890
TOTAL OTHER FINANCING SOURCES (USES)	<u>75,000</u>	<u>575,000</u>	<u>545,730</u>	<u>(29,270)</u>
NET CHANGE IN FUND BALANCE	<u>(3,078,740)</u>	<u>(2,869,899)</u>	<u>236,922</u>	<u>3,106,821</u>
FUND BALANCE - BEGINNING	<u>3,078,740</u>	<u>2,869,899</u>	<u>2,869,899</u>	<u>-</u>
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,106,821</u>	<u>\$ 3,106,821</u>

**OKALOOSA COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE – BUDGET AND ACTUAL
LOCAL PROVIDER PLAN SPECIAL REVENUE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2025**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Permits, fees and special assessments	\$ -	\$ 15,687,421	\$ 15,687,421	\$ -
TOTAL REVENUES	<u>-</u>	<u>15,687,421</u>	<u>15,687,421</u>	<u>-</u>
EXPENDITURES				
Current				
Human resources	-	15,687,421	14,154,236	1,533,185
TOTAL EXPENDITURES	<u>-</u>	<u>15,687,421</u>	<u>14,154,236</u>	<u>1,533,185</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>-</u>	<u>-</u>	<u>1,533,185</u>	<u>1,533,185</u>
NET CHANGE IN FUND BALANCE	<u>-</u>	<u>-</u>	<u>1,533,185</u>	<u>1,533,185</u>
FUND BALANCE - BEGINNING	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,533,185</u>	<u>\$ 1,533,185</u>

**OKALOOSA COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE – BUDGET AND ACTUAL
PRISONER BENEFIT SPECIAL REVENUE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2025**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Charges for services	\$ 1,243,000	\$ 1,243,000	\$ 1,420,199	\$ 177,199
Investment income	5,000	5,000	49,963	44,963
Miscellaneous	1,000	1,000	105,031	104,031
TOTAL REVENUES	<u>1,249,000</u>	<u>1,249,000</u>	<u>1,575,193</u>	<u>326,193</u>
EXPENDITURES				
Current				
Public safety	2,857,781	2,316,384	1,321,350	995,034
Capital outlay	226,581	196,581	-	196,581
TOTAL EXPENDITURES	<u>3,084,362</u>	<u>2,512,965</u>	<u>1,321,350</u>	<u>1,191,615</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(1,835,362)</u>	<u>(1,263,965)</u>	<u>253,843</u>	<u>1,517,808</u>
NET CHANGE IN FUND BALANCE	(1,835,362)	(1,263,965)	253,843	1,517,808
FUND BALANCE - BEGINNING	<u>1,835,362</u>	<u>1,263,965</u>	<u>1,263,965</u>	<u>-</u>
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,517,808</u>	<u>\$ 1,517,808</u>

**OKALOOSA COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE – BUDGET AND ACTUAL
ADDITIONAL COURT COST SPECIAL REVENUE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2025**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		<u>(Negative)</u>
REVENUES				
Charges for services	\$ 1,055,040	\$ 1,055,040	\$ 951,395	\$ (103,645)
Investment income	300	300	18,624	18,324
Miscellaneous	-	-	55,542	55,542
TOTAL REVENUES	<u>1,055,340</u>	<u>1,055,340</u>	<u>1,025,561</u>	<u>(29,779)</u>
EXPENDITURES				
Current				
Court-related	1,735,606	1,635,633	1,280,854	354,779
Capital outlay	-	99,973	99,972	1
TOTAL EXPENDITURES	<u>1,735,606</u>	<u>1,735,606</u>	<u>1,380,826</u>	<u>354,780</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(680,266)</u>	<u>(680,266)</u>	<u>(355,265)</u>	<u>325,001</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	536,649	536,649	536,649	-
Transfers out	(380,000)	(380,000)	(340,339)	39,661
TOTAL OTHER FINANCING SOURCES (USES)	<u>156,649</u>	<u>156,649</u>	<u>196,310</u>	<u>39,661</u>
NET CHANGE IN FUND BALANCE	<u>(523,617)</u>	<u>(523,617)</u>	<u>(158,955)</u>	<u>364,662</u>
FUND BALANCE - BEGINNING	<u>523,617</u>	<u>523,617</u>	<u>518,836</u>	<u>(4,781)</u>
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 359,881</u>	<u>\$ 359,881</u>

**OKALOOSA COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE – BUDGET AND ACTUAL
DRUG ABUSE TRUST SPECIAL REVENUE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2025**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Fines	\$ -	\$ -	\$ 9,507	\$ 9,507
Investment income	-	-	5,938	5,938
TOTAL REVENUES	<u>-</u>	<u>-</u>	<u>15,445</u>	<u>15,445</u>
EXPENDITURES				
Current				
Court-related	137,741	151,814	784	151,030
TOTAL EXPENDITURES	<u>137,741</u>	<u>151,814</u>	<u>784</u>	<u>151,030</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(137,741)</u>	<u>(151,814)</u>	<u>14,661</u>	<u>166,475</u>
NET CHANGE IN FUND BALANCE	(137,741)	(151,814)	14,661	166,475
FUND BALANCE - BEGINNING	137,741	151,814	151,814	-
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 166,475</u>	<u>\$ 166,475</u>

**OKALOOSA COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE – BUDGET AND ACTUAL
DOMESTIC VIOLENCE TRUST SPECIAL REVENUE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2025**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Fines	\$ 27,500	\$ 27,500	\$ 22,978	\$ (4,522)
Investment income	100	100	533	433
TOTAL REVENUES	<u>27,600</u>	<u>27,600</u>	<u>23,511</u>	<u>(4,089)</u>
EXPENDITURES				
Current				
Court-related	6,440	6,440	-	6,440
TOTAL EXPENDITURES	<u>6,440</u>	<u>6,440</u>	<u>-</u>	<u>6,440</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>21,160</u>	<u>21,160</u>	<u>23,511</u>	<u>2,351</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	(27,000)	(32,144)	(22,978)	9,166
TOTAL OTHER FINANCING SOURCES (USES)	<u>(27,000)</u>	<u>(32,144)</u>	<u>(22,978)</u>	<u>9,166</u>
NET CHANGE IN FUND BALANCE	(5,840)	(10,984)	533	11,517
FUND BALANCE - BEGINNING	5,840	10,984	10,984	-
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 11,517</u>	<u>\$ 11,517</u>

**OKALOOSA COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE – BUDGET AND ACTUAL
TRAFFIC EDUCATION SPECIAL REVENUE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2025**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Fines	\$ -	\$ -	\$ 50,034	\$ 50,034
Investment income	-	-	7,527	7,527
TOTAL REVENUES	<u>-</u>	<u>-</u>	<u>57,561</u>	<u>57,561</u>
EXPENDITURES				
Current				
Court-related	52,365	87,041	17,879	69,162
TOTAL EXPENDITURES	<u>52,365</u>	<u>87,041</u>	<u>17,879</u>	<u>69,162</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(52,365)</u>	<u>(87,041)</u>	<u>39,682</u>	<u>126,723</u>
OTHER FINANCING SOURCES (USES)				
Transfers among constitutional officers	(52,366)	(87,041)	-	87,041
TOTAL OTHER FINANCING SOURCES (USES)	<u>(52,366)</u>	<u>(87,041)</u>	<u>-</u>	<u>87,041</u>
NET CHANGE IN FUND BALANCE	(104,731)	(174,082)	39,682	213,764
FUND BALANCE - BEGINNING	104,731	174,082	174,082	-
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 213,764</u>	<u>\$ 213,764</u>

**OKALOOSA COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE – BUDGET AND ACTUAL
CHOCTAW ESTUARY SPECIAL REVENUE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2025**

	<u>Budgeted Amounts</u>			Variance With Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	
REVENUES				
Intergovernmental	\$ 225,180	\$ 448,370	\$ 10,262	\$ (438,108)
TOTAL REVENUES	<u>225,180</u>	<u>448,370</u>	<u>10,262</u>	<u>(438,108)</u>
EXPENDITURES				
Current				
Physical environment	225,180	448,370	10,262	438,108
TOTAL EXPENDITURES	<u>225,180</u>	<u>448,370</u>	<u>10,262</u>	<u>438,108</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	-	-	-	-
FUND BALANCE - BEGINNING	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**OKALOOSA COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE – BUDGET AND ACTUAL
FIBER OPTIC CABLE SPECIAL REVENUE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2025**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Charges for services	\$ 400,000	\$ 400,000	\$ 348,838	\$ (51,162)
Investment income	-	-	162,374	162,374
TOTAL REVENUES	<u>400,000</u>	<u>400,000</u>	<u>511,212</u>	<u>111,212</u>
EXPENDITURES				
Current				
General government	154,775	156,839	141,427	15,412
Capital outlay	1,386,368	6,025,628	179,871	5,845,757
TOTAL EXPENDITURES	<u>1,541,143</u>	<u>6,182,467</u>	<u>321,298</u>	<u>5,861,169</u>
EXCESS(DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(1,141,143)</u>	<u>(5,782,467)</u>	<u>189,914</u>	<u>5,972,381</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	3,400,000	3,400,000	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>3,400,000</u>	<u>3,400,000</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>(1,141,143)</u>	<u>(2,382,467)</u>	<u>3,589,914</u>	<u>5,972,381</u>
FUND BALANCE - BEGINNING	<u>1,141,143</u>	<u>2,382,467</u>	<u>2,382,467</u>	<u>-</u>
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,972,381</u>	<u>\$ 5,972,381</u>

**OKALOOSA COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE – BUDGET AND ACTUAL
COURTS SPECIAL REVENUE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2025**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental	\$ 436,148	\$ 521,545	\$ 820,800	\$ 299,255
Charges for services	3,223,406	3,223,406	3,139,381	(84,025)
Fines	959,433	959,433	741,701	(217,732)
TOTAL REVENUES	<u>4,618,987</u>	<u>4,704,384</u>	<u>4,701,882</u>	<u>(2,502)</u>
EXPENDITURES				
Current				
Court-related	5,658,124	5,481,727	5,157,596	324,131
Capital outlay	-	-	531,948	(531,948)
Debt service				
Principal	-	-	235,164	(235,164)
Interest	-	-	76,102	(76,102)
TOTAL EXPENDITURES	<u>5,658,124</u>	<u>5,481,727</u>	<u>6,000,810</u>	<u>(519,083)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(1,039,137)</u>	<u>(777,343)</u>	<u>(1,298,928)</u>	<u>(521,585)</u>
OTHER FINANCING SOURCES (USES)				
Transfers from constitutional officers	777,343	777,343	766,980	(10,363)
Issuance of subscription liabilities	-	-	531,948	531,948
Transfers in	261,794	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>1,039,137</u>	<u>777,343</u>	<u>1,298,928</u>	<u>521,585</u>
NET CHANGE IN FUND BALANCE	-	-	-	-
FUND BALANCE - BEGINNING	-	-	-	-
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**OKALOOSA COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE – BUDGET AND ACTUAL
PUBLIC RECORDS MODERNIZATION TRUST SPECIAL REVENUE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2025**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Charges for services	\$ 117,055	\$ 125,000	\$ 117,055	\$ (7,945)
TOTAL REVENUES	<u>117,055</u>	<u>125,000</u>	<u>117,055</u>	<u>(7,945)</u>
EXPENDITURES				
Current				
General government	117,055	125,000	-	125,000
TOTAL EXPENDITURES	<u>117,055</u>	<u>125,000</u>	<u>-</u>	<u>125,000</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>-</u>	<u>-</u>	<u>117,055</u>	<u>117,055</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	-	-	(117,055)	(117,055)
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>(117,055)</u>	<u>(117,055)</u>
NET CHANGE IN FUND BALANCE	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE - BEGINNING	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

OKALOOSA COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE – BUDGET AND ACTUAL
PUBLIC RECORDS COURTS SPECIAL REVENUE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Charges for services	\$ 472,862	\$ 422,178	\$ 422,178	\$ -
TOTAL REVENUES	<u>472,862</u>	<u>422,178</u>	<u>422,178</u>	<u>-</u>
EXPENDITURES				
Current				
Court-related	106,707	-	-	-
TOTAL EXPENDITURES	<u>106,707</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>366,155</u>	<u>422,178</u>	<u>422,178</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	(366,155)	(641,285)	(641,285)	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>(366,155)</u>	<u>(641,285)</u>	<u>(641,285)</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	-	(219,107)	(219,107)	-
FUND BALANCE - BEGINNING	-	219,107	219,107	-
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**OKALOOSA COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE – BUDGET AND ACTUAL
FEDERAL LAW ENFORCEMENT TRUST SPECIAL REVENUE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2025**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
TOTAL REVENUES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES				
Current				
Public safety	-	-	77,246	(77,246)
Capital outlay	-	-	20,698	(20,698)
TOTAL EXPENDITURES	<u>-</u>	<u>-</u>	<u>97,944</u>	<u>(97,944)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>-</u>	<u>-</u>	<u>(97,944)</u>	<u>(97,944)</u>
OTHER FINANCING SOURCES (USES)				
Transfers among constitutional officers	-	-	97,944	97,944
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>97,944</u>	<u>97,944</u>
NET CHANGE IN FUND BALANCE	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE - BEGINNING	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**OKALOOSA COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE – BUDGET AND ACTUAL
TEEN DRIVER CHALLENGE SPECIAL REVENUE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2025**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
TOTAL REVENUES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES				
Current				
Public safety	-	-	-	-
TOTAL EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)				
Transfers among constitutional officers	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE - BEGINNING	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE - ENDING	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

**OKALOOSA COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE – BUDGET AND ACTUAL
GRANT SPECIAL REVENUE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2025**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental	\$ -	\$ -	\$ 779,452	\$ 779,452
TOTAL REVENUES	<u>-</u>	<u>-</u>	<u>779,452</u>	<u>779,452</u>
EXPENDITURES				
Current				
Public safety	-	-	1,740,062	(1,740,062)
Capital outlay			977,498	(977,498)
TOTAL EXPENDITURES	<u>-</u>	<u>-</u>	<u>2,717,560</u>	<u>(2,717,560)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>-</u>	<u>-</u>	<u>(1,938,108)</u>	<u>(1,938,108)</u>
OTHER FINANCING SOURCES (USES)				
Transfers among constitutional officers	-	-	1,938,108	1,938,108
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>1,938,108</u>	<u>1,938,108</u>
NET CHANGE IN FUND BALANCE	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE - BEGINNING	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**OKALOOSA COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE – BUDGET AND ACTUAL
SPECIAL PROJECT SPECIAL REVENUE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2025**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
TOTAL REVENUES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES				
Current				
Public safety	-	-	8,250	(8,250)
TOTAL EXPENDITURES	<u>-</u>	<u>-</u>	<u>8,250</u>	<u>(8,250)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>-</u>	<u>-</u>	<u>(8,250)</u>	<u>(8,250)</u>
OTHER FINANCING SOURCES (USES)				
Transfers among constitutional officers	-	-	8,250	8,250
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>8,250</u>	<u>8,250</u>
NET CHANGE IN FUND BALANCE	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE - BEGINNING	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**OKALOOSA COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE – BUDGET AND ACTUAL
OKALOOSA DEBT SERVICE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2025**

	<u>Budgeted amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental	\$ 446,500	\$ 446,500	\$ 446,500	\$ -
TOTAL REVENUES	<u>446,500</u>	<u>446,500</u>	<u>446,500</u>	<u>-</u>
EXPENDITURES				
Current				
General government	190,750	190,750	190,750	-
Debt service				
Principal	5,557,000	5,557,000	5,347,033	209,967
Interest	3,010,174	3,010,174	2,959,802	50,372
Other debt service costs	-	-	342,124	(342,124)
TOTAL EXPENDITURES	<u>8,757,924</u>	<u>8,757,924</u>	<u>8,839,709</u>	<u>(81,785)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(8,311,424)</u>	<u>(8,311,424)</u>	<u>(8,393,209)</u>	<u>(81,785)</u>
OTHER FINANCING SOURCES (USES)				
Revenue refunding bonds issued	-	-	11,900,000	11,900,000
Bond premiums issued	-	-	1,171,309	1,171,309
Payments made to bond escrow	-	-	(13,180,579)	(13,180,579)
Transfers in	8,567,174	8,567,174	8,527,513	(39,661)
Transfers out	(255,750)	(255,750)	(255,750)	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>8,311,424</u>	<u>8,311,424</u>	<u>8,162,493</u>	<u>(148,931)</u>
NET CHANGE IN FUND BALANCE	-	-	(230,716)	(230,716)
FUND BALANCE - BEGINNING	-	-	(26,761)	(26,761)
FUND BALANCE (DEFICIT) - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (257,477)</u>	<u>\$ (257,477)</u>

**OKALOOSA COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURE, AND CHANGES
IN FUND BALANCE – BUDGET AND ACTUAL
TRANSPORTATION CAPITAL PROJECTS FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2025**

	<u>Budgeted Amounts</u>			Variance With Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	
REVENUES				
Permits, fees and special assessments	\$ -	\$ -	\$ 132,541	\$ 132,541
Investment income	-	-	762	762
Total revenues	-	-	133,303	133,303
EXPENDITURES				
Current				
Capital outlay	-	-	-	-
Total expenditures	-	-	-	-
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES				
	-	-	133,303	133,303
NET CHANGE IN FUND BALANCE				
	-	-	133,303	133,303
FUND BALANCE - BEGINNING				
	-	-	-	-
FUND BALANCE - ENDING				
	\$ -	\$ -	\$ 133,303	\$ 133,303

**OKALOOSA COUNTY, FLORIDA
NONMAJOR ENTERPRISE FUNDS**

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

Board of County Commissioners

Solid Waste Fund

This fund is used to account for the revenues and expenses associated with the provision of solid waste management within Okaloosa County.

Inspection and Code Enforcement Fund

This fund is used to account for the license, permit and inspection fees and related expenses for the provision of inspection and code enforcement services to residents of the unincorporated areas of Okaloosa County.

Tax Collector

Building Maintenance Fund

This fund accounts for certain common area maintenance charges billed to all tenants who occupy space in the building in Niceville, Florida in which the Tax Collector is landlord. The common area maintenance fees accumulated for future repairs and maintenance to the building are accounted for in this fund.

**OKALOOSA COUNTY, FLORIDA
COMBINING STATEMENT OF NET POSITION
NONMAJOR ENTERPRISE FUNDS
SEPTEMBER 30, 2025**

	Business-Type Activities			Total Nonmajor Enterprise Funds
	Solid Waste	Inspection and Code Enforcement	Tax Collector Building Maintenance	
ASSETS				
Current assets				
Cash and cash equivalents	\$ 5,761,375	\$ 410,538	\$ 461,825	\$ 6,633,738
Investments	10,639,793	7,498,905	-	18,138,698
Receivables, net of allowance for uncollectible	1,464,146	33,922	-	1,498,068
Due from other governments	48,261	-	-	48,261
Prepays	-	33,491	-	33,491
Total current assets	<u>17,913,575</u>	<u>7,976,856</u>	<u>461,825</u>	<u>26,352,256</u>
Capital assets, net				
Non-depreciable/amortizable	662,901	-	-	662,901
Depreciable/amortizable, net	984,212	99,416	-	1,083,628
Total capital assets, net	<u>1,647,113</u>	<u>99,416</u>	<u>-</u>	<u>1,746,529</u>
TOTAL ASSETS	<u>19,560,688</u>	<u>8,076,272</u>	<u>461,825</u>	<u>28,098,785</u>
DEFERRED OUTFLOWS OF RESOURCES	<u>331,960</u>	<u>272,866</u>	<u>-</u>	<u>604,826</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 19,892,648</u>	<u>\$ 8,349,138</u>	<u>\$ 461,825</u>	<u>\$ 28,703,611</u>
LIABILITIES				
Current liabilities				
Accounts payable	\$ 251,799	\$ 10,387	\$ -	\$ 262,186
Contracts payable	2,196,726	2,317	-	2,199,043
Compensated absences	124,466	198,347	-	322,813
Closure cost payable	299,818	-	-	299,818
Other accrued liabilities	76,626	125,705	-	202,331
Due to other elected officials	52	10	-	62
Due to other governments	423	17,012	-	17,435
Unearned revenue	-	25,636	-	25,636
Total current liabilities	<u>2,949,910</u>	<u>379,414</u>	<u>-</u>	<u>3,329,324</u>
Noncurrent liabilities				
Compensated absences	27,471	50,016	-	77,487
Closure costs payable	899,455	-	-	899,455
Other post employment benefits	46,806	46,443	-	93,249
Net pension liability	1,260,072	1,310,084	-	2,570,156
Total noncurrent liabilities	<u>2,233,804</u>	<u>1,406,543</u>	<u>-</u>	<u>3,640,347</u>
TOTAL LIABILITIES	<u>5,183,714</u>	<u>1,785,957</u>	<u>-</u>	<u>6,969,671</u>
DEFERRED INFLOWS OF RESOURCES	<u>334,819</u>	<u>283,014</u>	<u>-</u>	<u>617,833</u>
NET POSITION				
Net investment in capital assets	1,647,113	99,416	-	1,746,529
Unrestricted	12,727,002	6,180,751	461,825	19,369,578
TOTAL NET POSITION	<u>14,374,115</u>	<u>6,280,167</u>	<u>461,825</u>	<u>21,116,107</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	<u>\$ 19,892,648</u>	<u>\$ 8,349,138</u>	<u>\$ 461,825</u>	<u>\$ 28,703,611</u>

OKALOOSA COUNTY, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Business-Type Activities			Total Nonmajor Enterprise Funds
	Solid Waste	Inspection and Code Enforcement	Tax Collector Building Maintenance	
OPERATING REVENUES				
Licenses and permits	\$ -	\$ 2,489,607	\$ -	\$ 2,489,607
Charges for services	18,239,663	506,291	-	18,745,954
Fines and forfeitures	-	2,121	-	2,121
Miscellaneous	622	-	47,251	47,873
Total operating revenues	<u>18,240,285</u>	<u>2,998,019</u>	<u>47,251</u>	<u>21,285,555</u>
OPERATING EXPENSES				
Personal services	1,182,273	2,219,820	-	3,402,093
Contractual services	14,091,561	164,237	-	14,255,798
Supplies	103,021	67,024	-	170,045
Utilities	20,561	-	-	20,561
Other operating expenses	1,261,297	471,909	-	1,733,206
Depreciation/amortization	161,924	23,862	-	185,786
Total operating expenses	<u>16,820,637</u>	<u>2,946,852</u>	<u>-</u>	<u>19,767,489</u>
OPERATING INCOME	1,419,648	51,167	47,251	1,518,066
NONOPERATING REVENUES (EXPENSES)				
Intergovernmental	254,897	-	-	254,897
Gain on disposal	78,236	5,903	-	84,139
Investment income	554,574	286,578	-	841,152
Total nonoperating revenues	<u>887,707</u>	<u>292,481</u>	<u>-</u>	<u>1,180,188</u>
INCOME BEFORE CONTRIBUTIONS AND TRANSFERS	2,307,355	343,648	47,251	2,698,254
Transfers out	<u>(69,489)</u>	<u>-</u>	<u>-</u>	<u>(69,489)</u>
CHANGE IN NET POSITION	2,237,866	343,648	47,251	2,628,765
NET POSITION - BEGINNING	12,136,249	5,936,519	414,574	18,487,342
NET POSITION - ENDING	<u>\$ 14,374,115</u>	<u>\$ 6,280,167</u>	<u>\$ 461,825</u>	<u>\$ 21,116,107</u>

**OKALOOSA COUNTY, FLORIDA
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2025**

	Business-Type Activities			Total Nonmajor Enterprise Funds
	Solid Waste	Inspection and Code Enforcement	Tax Collector Building Maintenance	
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from users	\$ -	\$ -	\$ 47,251	\$ 47,251
Receipts from customers	18,030,262	2,982,701	-	21,012,963
Payments to suppliers	(14,568,628)	(743,642)	-	(15,312,270)
Payments to employees	(1,252,025)	(2,402,478)	-	(3,654,503)
Payments for other revenues	-	-	-	-
Net cash provided by (used in) operating activities	<u>2,209,609</u>	<u>(163,419)</u>	<u>47,251</u>	<u>2,093,441</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Operating subsidy - intergovernmental revenue	254,897	-	-	254,897
Interfund activity	(69,489)	-	-	(69,489)
Net cash provided by noncapital financing activities	<u>185,408</u>	<u>-</u>	<u>-</u>	<u>185,408</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition and construction of capital assets	(998,264)	-	-	(998,264)
Proceeds from sale of capital assets	78,236	5,904	-	84,140
Principal payments on lease contracts	-	-	-	-
Interest paid on debt	-	-	-	-
Net cash (used in) provided by capital and related financing activities	<u>(920,028)</u>	<u>5,904</u>	<u>-</u>	<u>(914,124)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Sale (purchase) of investments	1,445,425	(286,578)	-	1,158,847
Interest income	554,574	286,578	-	841,152
Net cash provided by investing activities	<u>1,999,999</u>	<u>-</u>	<u>-</u>	<u>1,999,999</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	3,474,988	(157,515)	47,251	3,364,724
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	<u>2,286,387</u>	<u>568,053</u>	<u>414,574</u>	<u>3,269,014</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 5,761,375</u>	<u>\$ 410,538</u>	<u>\$ 461,825</u>	<u>\$ 6,633,738</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR CONSIST OF:				
Current assets	\$ 5,761,375	\$ 410,538	\$ 461,825	\$ 6,633,738
Restricted assets	-	-	-	-
TOTAL	<u>\$ 5,761,375</u>	<u>\$ 410,538</u>	<u>\$ 461,825</u>	<u>\$ 6,633,738</u>

**OKALOOSA COUNTY, FLORIDA
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2025**

	Business-type Activities			
	Solid Waste	Inspection and Code Enforcement	Tax Collector Building Maintenance	Total Nonmajor Enterprise Funds
Reconciliation of operating income to net cash provided by (used in) operating activities				
Operating income	\$ 1,419,648	\$ 51,167	\$ 47,251	\$ 1,518,066
Adjustments to reconcile operating income to net cash provided by (used in) operating activities				
Depreciation/amortization	161,924	23,862	-	185,786
Decrease (increase) in assets				
Accounts receivables	(172,994)	(13,273)	-	(186,267)
Prepaid expenses	-	(1,546)	-	(1,546)
Due from other governments	(38,261)	-	-	(38,261)
Deferred outflows	44,088	66,177	-	110,265
Increase (decrease) in liabilities				
Accounts payable	199,366	(3,750)	-	195,616
Contracts payable	1,027,590	(88,587)	-	939,003
Due to other elected officials	-	10	-	10
Due to other governments	423	(2,660)	-	(2,237)
Accrued liabilities	4,534	47,692	-	52,226
Compensated absences	24,436	(38,974)	-	(14,538)
Closure costs	(324,101)	-	-	(324,101)
Other post employment benefits	7,099	7,045	-	14,144
Deferred revenue	-	(3,464)	-	(3,464)
Customer deposits	1,232	1,419	-	2,651
Net pension liability	(237,246)	(342,686)	-	(579,932)
Deferred inflows	91,871	134,149	-	226,020
Net cash provided by (used in) operating activities	<u>\$ 2,209,609</u>	<u>\$ (163,419)</u>	<u>\$ 47,251</u>	<u>\$ 2,093,441</u>

**OKALOOSA COUNTY, FLORIDA
INTERNAL SERVICE FUNDS**

Internal service funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the Board of County Commissioners of Okaloosa County and to other government units, on a cost reimbursement basis.

Board of County Commissioners Self Insurance

This fund is used to account for premiums and claims associated with the provision of self-insurance programs for Okaloosa County.

Garage Service Fund

This fund is used to account for user charges and expenses associated with vehicle maintenance and the centralized distribution of gasoline and special fuel to various Okaloosa County Departments as well as other County agencies.

Sheriff Compensated Absences Fund

This fund is used to accumulate and fund the short-term portion of compensated absence liability for the Sheriff.

Sheriff Health Benefits Self Insurance Fund

This fund is used to account for premiums and claims associated with the provision of self-insurance of health benefits for the Sheriff and to record the liability for other post-employment benefits provided to the retirees of the Sheriff.

Tax Collector FSEBT Fund

This fund accounts for the collection of self-funded health insurance costs for the Tax Collector. The payments to the plan provider are also accounted for in this fund.

**OKALOOSA COUNTY, FLORIDA
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
SEPTEMBER 30, 2025**

	<u>Self- Insurance</u>	<u>Garage Services</u>	<u>Tax Collector FSEBT</u>	<u>Sheriff Compensated Absences</u>	<u>Sheriff Health Benefits Self- Insurance</u>	<u>Total Internal Service Funds</u>
ASSETS						
Current assets						
Cash and cash equivalents	\$ 2,068,691	\$ 9	\$ -	\$ 2,069,093	\$ -	\$ 4,137,793
Investments	8,580,394	-	-	-	-	8,580,394
Receivables, net of allowance for uncollectible	35,355	25,350	-	-	-	60,705
Due from other funds	-	2,357	-	537,327	-	539,684
Due from other governments	-	125,125	-	-	-	125,125
Amounts held by others for benefits	-	-	975,190	-	4,319,224	5,294,414
Inventory	-	175,483	-	-	-	175,483
Prepays	738,957	-	-	-	-	738,957
Total current assets	<u>11,423,397</u>	<u>328,324</u>	<u>975,190</u>	<u>2,606,420</u>	<u>4,319,224</u>	<u>19,652,555</u>
Noncurrent assets						
Capital assets, net						
Non-depreciable/amortizable	-	316,861	-	-	-	316,861
Depreciable/amortizable, net	-	602,519	-	-	-	602,519
Total noncurrent assets	<u>-</u>	<u>919,380</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>919,380</u>
TOTAL ASSETS	<u>11,423,397</u>	<u>1,247,704</u>	<u>975,190</u>	<u>2,606,420</u>	<u>4,319,224</u>	<u>20,571,935</u>
DEFERRED OUTFLOWS OF RESOURCES						
Deferred charges related to pensions	55,313	543,554	-	-	-	598,867
Deferred charges related to OPEB	1,651	10,517	-	-	1,788,753	1,800,921
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>56,964</u>	<u>554,071</u>	<u>-</u>	<u>-</u>	<u>1,788,753</u>	<u>2,399,788</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 11,480,361</u>	<u>\$ 1,801,775</u>	<u>\$ 975,190</u>	<u>\$ 2,606,420</u>	<u>\$ 6,107,977</u>	<u>\$ 22,971,723</u>

**OKALOOSA COUNTY, FLORIDA
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
SEPTEMBER 30, 2025**

	Self- Insurance	Garage Services	Tax Collector FSEBT	Sheriff Compensated Absences	Sheriff Health Benefits Self- Insurance	Total Internal Service Funds
LIABILITIES						
Current liabilities						
Accounts payable	\$ 23,116	\$ 113,652	\$ -	\$ -	\$ -	\$ 136,768
Contracts payable	23,472	87,133	-	-	-	110,605
Compensated absences	65,909	186,933	-	2,606,420	-	2,859,262
Claims and judgments	1,869,000	-	56,907	-	676,373	2,602,280
Other accrued liabilities	35,162	57,616	-	-	-	92,778
Due to other funds	2,357	740,100	-	-	-	742,457
Due to other elected officials	1,277	-	-	-	-	1,277
Due to other governments	3,896	358	-	-	-	4,254
Due to depositors	63	-	-	-	-	63
Total current liabilities	<u>2,024,252</u>	<u>1,185,792</u>	<u>56,907</u>	<u>2,606,420</u>	<u>676,373</u>	<u>6,549,744</u>
Noncurrent liabilities						
Compensated absences	11,682	34,273	-	-	-	45,955
Claims and judgements	4,508,000	-	-	-	-	4,508,000
Other post employment benefits	10,404	66,271	-	-	4,846,148	4,922,823
Net pension liability	284,653	1,974,451	-	-	-	2,259,104
Total noncurrent liabilities	<u>4,814,739</u>	<u>2,074,995</u>	<u>-</u>	<u>-</u>	<u>4,846,148</u>	<u>11,735,882</u>
TOTAL LIABILITIES	<u>6,838,991</u>	<u>3,260,787</u>	<u>56,907</u>	<u>2,606,420</u>	<u>5,522,521</u>	<u>18,285,626</u>
DEFERRED INFLOWS OF RESOURCES						
Deferred charges related to pensions	94,076	372,932	-	-	-	467,008
Deferred charges related to OPEB	6,533	41,624	-	-	3,360,284	3,408,441
Total deferred inflows of resources	<u>100,609</u>	<u>414,556</u>	<u>-</u>	<u>-</u>	<u>3,360,284</u>	<u>3,875,449</u>
NET POSITION						
Net investment in capital assets	-	919,380	-	-	-	919,380
Unrestricted (deficit)	4,540,761	(2,792,948)	918,283	-	(2,774,828)	(108,732)
TOTAL NET POSITION (DEFICIT)	<u>4,540,761</u>	<u>(1,873,568)</u>	<u>918,283</u>	<u>-</u>	<u>(2,774,828)</u>	<u>810,648</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	<u>\$ 11,480,361</u>	<u>\$ 1,801,775</u>	<u>\$ 975,190</u>	<u>\$ 2,606,420</u>	<u>\$ 6,107,977</u>	<u>\$ 22,971,723</u>

**OKALOOSA COUNTY, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2025**

	<u>Self-Insurance</u>	<u>Garage Services</u>	<u>Tax Collector FSEBT</u>	<u>Sheriff Compensated Absences</u>	<u>Sheriff Health Benefits Self-Insurance</u>	<u>Total Internal Service Funds</u>
OPERATING REVENUES						
Charges for services	\$ 5,756,293	\$ 6,123,606	\$ 1,146,654	\$ -	\$ 7,375,692	\$ 20,402,245
Miscellaneous	628,249	-	-	-	994,261	1,622,510
Total operating revenues	<u>6,384,542</u>	<u>6,123,606</u>	<u>1,146,654</u>	<u>-</u>	<u>8,369,953</u>	<u>22,024,755</u>
OPERATING EXPENSES						
Personal services	1,818,014	1,634,147	-	-	219,484	3,671,645
Contractual services	321,723	141,057	-	-	-	462,780
Supplies	12,442	3,447,773	-	-	-	3,460,215
Insurance premiums and claims	5,773,077	-	861,067	-	8,057,962	14,692,106
Utilities	-	16,009	-	-	-	16,009
Other operating expenses	53,113	316,614	70,582	-	270,741	711,050
Depreciation/amortization	-	82,456	-	-	-	82,456
Total operating expenses	<u>7,978,369</u>	<u>5,638,056</u>	<u>931,649</u>	<u>-</u>	<u>8,548,187</u>	<u>23,096,261</u>
OPERATING INCOME (LOSS)	<u>(1,593,827)</u>	<u>485,550</u>	<u>215,005</u>	<u>-</u>	<u>(178,234)</u>	<u>(1,071,506)</u>
NONOPERATING REVENUE (EXPENSES)						
Investment income	378,156	-	-	-	-	378,156
Gain on disposal of capital assets	-	268,244	-	-	-	268,244
Total nonoperating revenues	<u>378,156</u>	<u>268,244</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>646,400</u>
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS						
	(1,215,671)	753,794	215,005	-	(178,234)	(425,106)
Transfers in	300,000	-	-	-	-	300,000
CHANGE IN NET POSITION	<u>(915,671)</u>	<u>753,794</u>	<u>215,005</u>	<u>-</u>	<u>(178,234)</u>	<u>(125,106)</u>
TOTAL NET POSITION (DEFICIT) - BEGINNING						
	5,456,432	(2,627,362)	703,278	-	(2,596,594)	935,754
TOTAL NET POSITION (DEFICIT) - ENDING	<u>\$ 4,540,761</u>	<u>\$ (1,873,568)</u>	<u>\$ 918,283</u>	<u>\$ -</u>	<u>\$ (2,774,828)</u>	<u>\$ 810,648</u>

**OKALOOSA COUNTY, FLORIDA
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2025**

	<u>Self-Insurance</u>	<u>Garage Services</u>	<u>Tax Collector FSEBT</u>	<u>Sheriff Compensated Absences</u>	<u>Sheriff Health Benefits Self Insurance</u>	<u>Total Internal Service Funds</u>
CASH FLOWS FROM OPERATING ACTIVITIES						
Receipts from customers	\$ 6,344,984	\$ 6,182,310	\$ -	\$ -	\$ -	\$ 12,527,294
Receipts from users	-	-	1,146,654	92,302	8,369,953	9,608,909
Transfers of cash to others for benefits	-	-	(237,525)	-	47,694	(189,831)
Cash paid to employees for services	(4,529,895)	(3,878,546)	-	-	-	(8,408,441)
Payments to suppliers	(1,800,087)	(1,687,771)	(909,129)	-	(8,417,647)	(12,814,634)
Net cash provided by (used in) operating activities	<u>15,002</u>	<u>615,993</u>	<u>-</u>	<u>92,302</u>	<u>-</u>	<u>723,297</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES						
Interfund activity	301,929	(761,829)	-	-	-	(459,900)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Acquisition of capital assets	-	(141,438)	-	-	-	(141,438)
Proceeds from sales of capital assets	-	280,512	-	-	-	280,512
Net cash provided by capital and related financing activities	<u>-</u>	<u>139,074</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>139,074</u>
CASH FLOWS FROM INVESTING ACTIVITIES						
Purchases of investments	(377,807)	-	-	-	-	(377,807)
Interest income	378,156	-	-	-	-	378,156
Net cash provided by investing activities	<u>349</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>349</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	317,280	(6,762)	-	92,302	-	402,820
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	<u>1,751,411</u>	<u>6,771</u>	<u>-</u>	<u>1,976,791</u>	<u>-</u>	<u>3,734,973</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 2,068,691</u>	<u>\$ 9</u>	<u>\$ -</u>	<u>\$ 2,069,093</u>	<u>\$ -</u>	<u>\$ 4,137,793</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR CONSIST OF:						
Current assets	<u>\$ 2,068,691</u>	<u>\$ 9</u>	<u>\$ -</u>	<u>\$ 2,069,093</u>	<u>\$ -</u>	<u>\$ 4,137,793</u>

**OKALOOSA COUNTY, FLORIDA
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2025**

	Self- Insurance	Garage Services	Tax Collector FSEBT	Sheriff Compensated Absences	Sheriff Health Benefits Self Insurance	Total Internal Service Funds
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities						
Operating income (loss)	\$ (1,593,827)	\$ 485,550	\$ 215,005	\$ -	\$ (178,234)	\$ (1,071,506)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities						
Depreciation/amortization	-	82,456	-	-	-	82,456
Decrease (increase) in assets						
Accounts receivable	(35,309)	61,275	-	-	-	25,966
Amounts held by others for benefits	-	-	(237,525)	-	47,694	(189,831)
Due from other governments	-	(2,571)	-	-	-	(2,571)
Inventories	-	34,223	-	-	-	34,223
Due from other funds	-	-	-	(445,025)	-	(445,025)
Prepaid expenses	3,340	-	-	-	-	3,340
Deferred outflows	15,309	41,793	-	-	(255,302)	(198,200)
Increase (decrease) in liabilities						
Accounts payable	4,845	(2,401)	-	-	-	2,444
Contracts payable	8,665	9,402	-	-	-	18,067
Due to elected officials	461	-	-	-	-	461
Due to other governments	3,896	(233)	-	-	-	3,663
Accrued liabilities	11,253	1,916	-	-	-	13,169
Compensated absences	49,143	41,232	-	537,327	-	627,702
Claims and judgements payable	1,598,000	-	-	-	149,597	1,747,597
Claims incurred but not reported	-	-	22,520	-	-	22,520
Other post employment benefits	1,579	10,053	-	-	530,709	542,341
Customer deposits	(4,249)	-	-	-	-	(4,249)
Net pension liability	(79,083)	(237,246)	-	-	-	(316,329)
Deferred inflows	30,979	90,544	-	-	(294,464)	(172,941)
Net cash provided by (used in) operating activities	<u>\$ 15,002</u>	<u>\$ 615,993</u>	<u>\$ -</u>	<u>\$ 92,302</u>	<u>\$ -</u>	<u>\$ 723,297</u>

**OKALOOSA COUNTY, FLORIDA
COMBINING STATEMENT OF FIDUCIARY NET POSITION
CUSTODIAL FUNDS
SEPTEMBER 30, 2025**

	<u>Fines and Forfeitures</u>	<u>Jury and Witness</u>	<u>Tax Deed</u>	<u>Support</u>	<u>Registry of Court</u>	<u>BCC Trust</u>
ASSETS						
Cash and cash equivalents	\$ 101,158	\$ 16,344	\$ 343,234	\$ 139,508	\$ 2,686,578	\$ 64,512
Investments	285,000	-	710,000	-	-	-
Accounts receivable	-	-	-	6,928	-	-
Due from other governments	-	-	53	-	1,301	-
Total assets	<u>386,158</u>	<u>16,344</u>	<u>1,053,287</u>	<u>146,436</u>	<u>2,687,879</u>	<u>64,512</u>
LIABILITIES						
Due to other governments	386,158	-	23,849	339	3,770	64,512
Due to depositors	-	16,344	2	146,097	-	-
Taxes collected in advance for other governments	-	-	-	-	-	-
Total liabilities	<u>386,158</u>	<u>16,344</u>	<u>23,851</u>	<u>146,436</u>	<u>3,770</u>	<u>64,512</u>
NET POSITION						
Restricted for individuals, organizations and other governments	-	-	1,029,436	-	2,684,109	-
TOTAL NET POSITION	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,029,436</u>	<u>\$ -</u>	<u>\$ 2,684,109</u>	<u>\$ -</u>

**OKALOOSA COUNTY, FLORIDA
COMBINING STATEMENT OF FIDUCIARY NET POSITION
CUSTODIAL FUNDS
SEPTEMBER 30, 2025**

	<u>State Trust</u>	<u>Bridgeway Center Incorporated</u>	<u>Escrow Trust</u>	<u>Juvenile Trust</u>	<u>Foreclosure Escrow Trust</u>	<u>Cash Bond Trust</u>
ASSETS						
Cash and cash equivalents	\$ 443,036	\$ -	\$ 8	\$ 2,011	\$ -	\$ 731,792
Investments	430,000	-	102,790	-	-	275,000
Accounts receivable	-	-	-	-	-	300
Due from other governments	-	-	-	-	-	-
Total assets	<u>873,036</u>	<u>-</u>	<u>102,798</u>	<u>2,011</u>	<u>-</u>	<u>1,007,092</u>
LIABILITIES						
Due to other governments	873,036	-	28,644	1,356	-	112,835
Due to depositors	-	-	-	655	-	1
Taxes collected in advance for other governments	-	-	-	-	-	-
Total liabilities	<u>873,036</u>	<u>-</u>	<u>28,644</u>	<u>2,011</u>	<u>-</u>	<u>112,836</u>
NET POSITION						
Restricted for individuals, organizations and other governments	-	-	74,154	-	-	894,256
TOTAL NET POSITION	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 74,154</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 894,256</u></u>

**OKALOOSA COUNTY, FLORIDA
COMBINING STATEMENT OF FIDUCIARY NET POSITION
CUSTODIAL FUNDS
SEPTEMBER 30, 2025**

	<u>Individual Depositors</u>	<u>Suspense (Levies)</u>	<u>Seizure Fund</u>	<u>Disbursements</u>	<u>Airport Escrow</u>	<u>Water and Sewer Escrow</u>	<u>Total</u>
ASSETS							
Cash and cash equivalents	\$ 4,430	\$ 4,668	\$ 90,550	\$ 4,476,702	\$ 6,476,222	\$ 3,404,627	\$ 18,985,380
Investments	-	-	-	-	-	-	1,802,790
Accounts receivable	-	-	-	12,860	-	-	20,088
Due from other governments	-	-	-	51	-	-	1,405
Total assets	<u>4,430</u>	<u>4,668</u>	<u>90,550</u>	<u>4,489,613</u>	<u>6,476,222</u>	<u>3,404,627</u>	<u>20,809,663</u>
LIABILITIES							
Due to other governments	-	-	-	169,574	-	-	1,664,073
Due to depositors	-	-	-	32,245	-	-	195,344
Taxes collected in advance for other governments	-	-	-	4,245,453	-	-	4,245,453
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,447,272</u>	<u>-</u>	<u>-</u>	<u>6,104,870</u>
NET POSITION							
Restricted for individuals, organizations and other governments	<u>4,430</u>	<u>4,668</u>	<u>90,550</u>	<u>42,341</u>	<u>6,476,222</u>	<u>3,404,627</u>	<u>14,704,793</u>
TOTAL NET POSITION	<u><u>\$ 4,430</u></u>	<u><u>\$ 4,668</u></u>	<u><u>\$ 90,550</u></u>	<u><u>\$ 42,341</u></u>	<u><u>\$ 6,476,222</u></u>	<u><u>\$ 3,404,627</u></u>	<u><u>\$ 14,704,793</u></u>

**OKALOOSA COUNTY, FLORIDA
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
CUSTODIAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2025**

	<u>Fines and Forfeitures</u>	<u>Jury and Witness</u>	<u>Tax Deed</u>	<u>Support</u>	<u>Registry of Court</u>	<u>BCC Trust</u>
ADDITIONS						
Collections from individuals and others	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fines and forfeitures and fees collected	3,913,536	-	-	-	-	-
Witness advanced funding	-	9,258	-	-	-	-
Tax deeds and fees collected	-	-	1,623,568	-	-	-
Child support collected	-	-	-	296,214	-	-
Registry of the court and fees collected	-	-	-	-	37,877,276	-
Recording fees collected	-	-	-	-	-	376,586
Documentary stamps and intangible tax collected	-	-	-	-	-	-
Restitution and escrow funds collected	-	-	-	-	-	-
Juvenile restitution collected	-	-	-	-	-	-
Online foreclosure funds collected	-	-	-	-	-	-
Cash bonds collected	-	-	-	-	-	-
County related taxes and fees	-	-	-	-	-	-
State related licenses and fees	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total additions	<u>3,913,536</u>	<u>9,258</u>	<u>1,623,568</u>	<u>296,214</u>	<u>37,877,276</u>	<u>376,586</u>

**OKALOOSA COUNTY, FLORIDA
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
CUSTODIAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2025**

	<u>State Trust</u>	<u>Bridgeway Center Incorporated</u>	<u>Escrow Trust</u>	<u>Juvenile Trust</u>	<u>Foreclosure Escrow Trust</u>	<u>Cash Bond Trust</u>
ADDITIONS						
Collections from individuals and others	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fines and forfeitures and fees collected	-	-	-	-	-	-
Witness advanced funding	-	-	-	-	-	-
Tax deeds and fees collected	-	-	-	-	-	-
Child support collected	-	-	-	-	-	-
Registry of the court and fees collected	-	-	-	-	-	-
Recording fees collected	-	-	-	-	-	-
Documentary stamps and intangible tax collected	34,262,682	-	-	-	-	-
Restitution and escrow funds collected	-	-	334,881	-	-	-
Juvenile restitution collected	-	-	-	4,355	-	-
Online foreclosure funds collected	-	-	-	-	772,586	-
Cash bonds collected	-	-	-	-	-	595,829
County related taxes and fees	-	-	-	-	-	-
State related licenses and fees	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total additions	<u>34,262,682</u>	<u>-</u>	<u>334,881</u>	<u>4,355</u>	<u>772,586</u>	<u>595,829</u>

**OKALOOSA COUNTY, FLORIDA
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
CUSTODIAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2025**

	<u>Individual Depositors</u>	<u>Suspense (Levies)</u>	<u>Seizure Fund</u>	<u>Disbursements</u>	<u>Airport Escrow</u>	<u>Water and Sewer Escrow</u>	<u>Total</u>
ADDITIONS							
Collections from individuals and others	\$ 1,529	\$ 59	\$ 208,343	\$ -	\$ -	\$ -	\$ 209,931
Fines and forfeitures and fees collected	-	-	-	-	-	-	3,913,536
Witness advanced funding	-	-	-	-	-	-	9,258
Tax deeds and fees collected	-	-	-	-	-	-	1,623,568
Child support collected	-	-	-	-	-	-	296,214
Registry of the court and fees collected	-	-	-	-	-	-	37,877,276
Recording fees collected	-	-	-	-	-	-	376,586
Documentary stamps and intangible tax collected	-	-	-	-	-	-	34,262,682
Restitution and escrow funds collected	-	-	-	-	-	-	334,881
Juvenile restitution collected	-	-	-	-	-	-	4,355
Online foreclosure funds collected	-	-	-	-	-	-	772,586
Cash bonds collected	-	-	-	-	-	-	595,829
County related taxes and fees	-	-	-	500,442,776	-	-	500,442,776
State related licenses and fees	-	-	-	31,242,858	-	-	31,242,858
Other	-	-	-	725,086	819,196	597,960	2,142,242
Total additions	<u>1,529</u>	<u>59</u>	<u>208,343</u>	<u>532,410,720</u>	<u>819,196</u>	<u>597,960</u>	<u>614,104,578</u>

OKALOOSA COUNTY, FLORIDA
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
CUSTODIAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	<u>Fines and Forfeitures</u>	<u>Jury and Witness</u>	<u>Tax Deed</u>	<u>Support</u>	<u>Registry of Court</u>	<u>BCC Trust</u>
DEDUCTIONS						
Distributions to individuals and others	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fines, forfeitures and fees disbursed	3,913,536	-	-	-	-	-
Witness advanced funding	-	9,258	-	-	-	-
Tax deeds and fees disbursed	-	-	1,620,477	-	-	-
Child support disbursed	-	-	-	296,214	-	-
Registry of the court and fees disbursed	-	-	-	-	41,638,677	-
Recording fees disbursed	-	-	-	-	-	376,586
Documentary stamps and intangible tax disbursed	-	-	-	-	-	-
Restitution and escrow funds disbursed	-	-	-	-	-	-
Juvenile restitution disbursed	-	-	-	-	-	-
Online foreclosure funds disbursed	-	-	-	-	-	-
Cash bonds disbursed	-	-	-	-	-	-
County related taxes and fees	-	-	-	-	-	-
State related licenses and fees	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total deductions	<u>3,913,536</u>	<u>9,258</u>	<u>1,620,477</u>	<u>296,214</u>	<u>41,638,677</u>	<u>376,586</u>
NET INCREASE (DECREASE)						
IN FIDUCIARY NET POSITION	-	-	3,091	-	(3,761,401)	-
TOTAL NET POSITION - BEGINNING	<u>-</u>	<u>-</u>	<u>1,026,345</u>	<u>-</u>	<u>6,445,510</u>	<u>-</u>
TOTAL NET POSITION - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,029,436</u>	<u>\$ -</u>	<u>\$ 2,684,109</u>	<u>\$ -</u>

**OKALOOSA COUNTY, FLORIDA
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
CUSTODIAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2025**

	<u>State Trust</u>	<u>Bridgeway Center Incorporated</u>	<u>Escrow Trust</u>	<u>Juvenile Trust</u>	<u>Foreclosure Escrow Trust</u>	<u>Cash Bond Trust</u>
DEDUCTIONS						
Distributions to individuals and others	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fines, forfeitures and fees disbursed	-	-	-	-	-	-
Witness advanced funding	-	-	-	-	-	-
Tax deeds and fees disbursed	-	-	-	-	-	-
Child support disbursed	-	-	-	-	-	-
Registry of the court and fees disbursed	-	-	-	-	-	-
Recording fees disbursed	-	-	-	-	-	-
Documentary stamps and intangible tax disbursed	34,262,682	-	-	-	-	-
Restitution and escrow funds disbursed	-	-	418,780	-	-	-
Juvenile restitution disbursed	-	-	-	4,355	-	-
Online foreclosure funds disbursed	-	-	-	-	1,396,618	-
Cash bonds disbursed	-	-	-	-	-	505,331
County related taxes and fees	-	-	-	-	-	-
State related licenses and fees	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total deductions	<u>34,262,682</u>	<u>-</u>	<u>418,780</u>	<u>4,355</u>	<u>1,396,618</u>	<u>505,331</u>
NET INCREASE (DECREASE) IN FIDUCIARY NET POSITION	-	-	(83,899)	-	(624,032)	90,498
TOTAL NET POSITION - BEGINNING	<u>-</u>	<u>-</u>	<u>158,053</u>	<u>-</u>	<u>624,032</u>	<u>803,758</u>
TOTAL NET POSITION - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 74,154</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 894,256</u>

OKALOOSA COUNTY, FLORIDA
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
CUSTODIAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	<u>Individual Depositors</u>	<u>Suspense (Levies)</u>	<u>Seizure Fund</u>	<u>Disbursements</u>	<u>Airport Escrow</u>	<u>Water and Sewer Escrow</u>	<u>Total</u>
DEDUCTIONS							
Distributions to individuals and others	\$ -	\$ -	\$ 209,291	\$ -	\$ -	\$ -	\$ 209,291
Fines, forfeitures and fees disbursed	-	-	-	-	-	-	3,913,536
Witness advanced funding	-	-	-	-	-	-	9,258
Tax deeds and fees disbursed	-	-	-	-	-	-	1,620,477
Child support disbursed	-	-	-	-	-	-	296,214
Registry of the court and fees disbursed	-	-	-	-	-	-	41,638,677
Recording fees disbursed	-	-	-	-	-	-	376,586
Documentary stamps and intangible tax disbursed	-	-	-	-	-	-	34,262,682
Restitution and escrow funds disbursed	-	-	-	-	-	-	418,780
Juvenile restitution disbursed	-	-	-	-	-	-	4,355
Online foreclosure funds disbursed	-	-	-	-	-	-	1,396,618
Cash bonds disbursed	-	-	-	-	-	-	505,331
County related taxes and fees	-	-	-	500,442,167	-	-	500,442,167
State related licenses and fees	-	-	-	31,242,858	-	-	31,242,858
Other	-	-	-	728,803	1,200	1,200	731,203
Total deductions	-	-	209,291	532,413,828	1,200	1,200	617,068,033
NET INCREASE (DECREASE)							
IN FIDUCIARY NET POSITION	1,529	59	(948)	(3,108)	817,996	596,760	(2,963,455)
TOTAL NET POSITION - BEGINNING	2,901	4,609	91,498	45,449	5,658,226	2,807,867	17,668,248
TOTAL NET POSITION - ENDING	\$ 4,430	\$ 4,668	\$ 90,550	\$ 42,341	\$ 6,476,222	\$ 3,404,627	\$ 14,704,793

III. STATISTICAL SECTION (UNAUDITED)

**OKALOOSA COUNTY, FLORIDA
STATISTICAL SECTION
SEPTEMBER 30, 2025**

This part of Okaloosa County, Florida's annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the County's overall financial health.

Financial Trends

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

Revenue Capacity

These schedules contain information to help the reader assess the County's most significant local revenue source, the property tax.

Debt Capacity

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

Demographic and Economic Information

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

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the County's financial report relates to the services the County provides and the activities it performs.

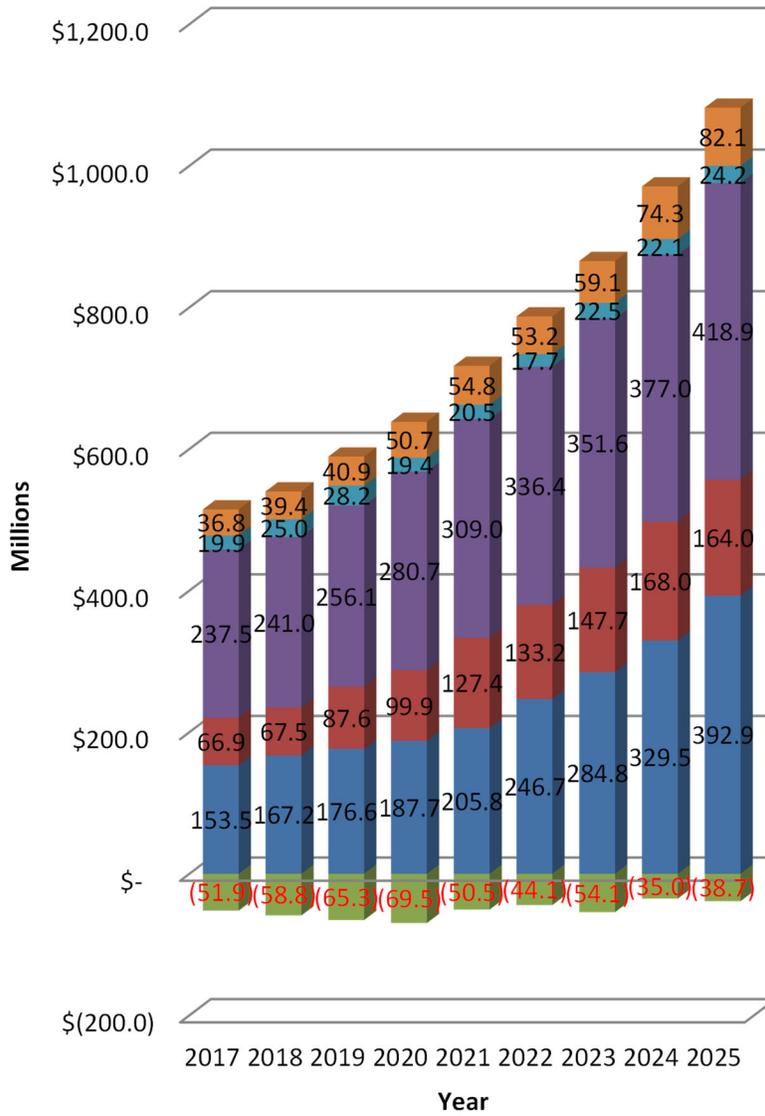
**OKALOOSA COUNTY, FLORIDA
STATISTICAL SECTION
SEPTEMBER 30, 2025**

NET POSITION BY CATEGORY - LAST NINE FISCAL YEARS * - (ACCRUAL BASIS OF ACCOUNTING)

(amounts in thousands)	2017	2018	2019	2020	2021	2022	2023	2024	2025
GOVERNMENTAL ACTIVITIES:									
NET INVESTMENT IN CAPITAL ASSETS	\$153,520	\$167,159	\$176,565	\$187,707	\$205,802	\$246,725	\$284,793	\$329,479	\$392,896
RESTRICTED:									
DEBT SERVICE	\$435	\$467	\$563	\$706	\$324	\$0	\$0	\$0	\$0
OTHER PURPOSES	\$66,498	\$67,034	\$86,997	\$99,174	\$127,051	\$133,154	\$147,669	\$168,016	\$164,005
UNRESTRICTED (DEFICIT)	(\$51,926)	(\$58,761)	(\$65,276)	(\$69,511)	(\$50,498)	(\$44,140)	(\$54,115)	(\$35,005)	(\$38,650)
TOTAL GOVERNMENTAL ACTIVITIES NET POSITION	\$168,527	\$175,899	\$198,849	\$218,076	\$282,679	\$335,739	\$378,347	\$462,490	\$518,251
BUSINESS-TYPE ACTIVITIES:									
NET INVESTMENT IN CAPITAL ASSETS	\$237,458	\$241,039	\$256,056	\$280,690	\$309,029	\$336,353	\$351,572	\$377,016	\$418,937
RESTRICTED:									
DEBT SERVICE	\$5,150	\$4,156	\$4,200	\$4,276	\$4,797	\$4,837	\$4,353	\$4,412	\$3,539
OTHER PURPOSES	\$14,778	\$20,843	\$24,019	\$15,117	\$15,664	\$12,887	\$18,098	\$17,657	\$20,650
UNRESTRICTED	\$36,799	\$39,410	\$40,876	\$50,723	\$54,750	\$53,246	\$59,085	\$74,283	\$82,130
TOTAL BUSINESS-TYPE ACTIVITIES NET POSITION	\$294,185	\$305,449	\$325,151	\$350,806	\$384,240	\$407,323	\$433,108	\$473,368	\$525,256
PRIMARY GOVERNMENT:									
NET INVESTMENT IN CAPITAL ASSETS	\$390,978	\$408,199	\$432,621	\$468,397	\$514,831	\$583,078	\$636,365	\$706,495	\$811,833
RESTRICTED:									
DEBT SERVICE	\$5,585	\$4,623	\$4,764	\$4,982	\$5,121	\$4,837	\$4,353	\$4,412	\$3,539
OTHER PURPOSES	\$81,276	\$87,876	\$111,015	\$114,291	\$142,715	\$146,041	\$165,767	\$185,673	\$184,655
UNRESTRICTED (DEFICIT)	(\$15,127)	(\$19,350)	(\$24,400)	(\$18,788)	\$4,252	\$9,106	\$4,970	\$39,278	\$43,480
TOTAL PRIMARY GOVERNMENT NET POSITION	\$462,712	\$481,348	\$524,000	\$568,882	\$666,919	\$743,062	\$811,455	\$935,858	\$1,043,507

**OKALOOSA COUNTY, FLORIDA
STATISTICAL SECTION
SEPTEMBER 30, 2025**

Net Position by Category Last Nine Fiscal Years



- Government-Capital
- Government-Restricted
- Government-Unrestricted
- Business-Capital
- Business-Restricted
- Business-Unrestricted

**OKALOOSA COUNTY, FLORIDA
STATISTICAL SECTION
SEPTEMBER 30, 2025**

CHANGES IN NET POSITION - LAST NINE FISCAL YEARS * - (ACCRUAL BASIS OF ACCOUNTING)

(amounts in thousands)	2017	2018	2019	2020	2021	2022	2023	2024	2025
EXPENSES									
GOVERNMENTAL ACTIVITIES:									
GENERAL GOVERNMENT	\$33,691	\$33,716	\$35,902	\$43,513	\$39,954	\$44,214	\$51,297	\$51,723	\$54,184
PUBLIC SAFETY	59,924	62,277	68,591	81,394	93,551	90,904	100,147	101,631	119,958
PHYSICAL ENVIRONMENT	1,864	1,993	2,176	2,221	2,303	2,451	7,949	7,493	16,449
TRANSPORTATION	17,788	17,752	18,747	25,703	20,148	20,083	23,725	25,984	26,542
ECONOMIC ENVIRONMENT	10,730	10,333	7,616	10,772	19,043	20,824	28,385	29,652	33,617
HUMAN SERVICES	5,325	5,011	5,318	6,383	5,894	6,089	6,555	6,499	21,317
CULTURE AND RECREATION	9,480	10,488	16,834	20,679	15,109	12,144	28,861	13,628	13,720
COURT-RELATED	9,135	9,405	9,242	9,625	9,443	9,970	11,733	11,035	12,310
INTEREST AND FISCAL CHARGES	2,595	2,716	2,786	2,414	2,366	2,370	2,745	3,406	3,101
TOTAL GOVERNMENTAL EXPENSES	\$150,532	\$153,691	\$167,212	\$202,704	\$207,811	\$209,049	\$261,397	\$251,051	\$301,198
BUSINESS-TYPE ACTIVITIES:									
WATER AND SEWER	26,832	29,224	29,359	30,291	31,106	31,578	36,011	39,030	37,538
AIRPORT	13,134	14,618	15,775	14,986	15,291	19,983	24,048	25,789	25,227
SOLID WASTE	9,053	9,907	10,417	10,971	11,818	13,087	15,444	16,124	16,821
INSPECTIONS	1,975	1,917	2,032	2,199	9,260	11,704	14,805	2,761	2,947
EMERGENCY MEDICAL SERVICES	9,292	10,876	11,513	11,611	2,015	2,659	2,684	13,976	15,016
TAX COLLECTOR BUILDING MAINTENANCE	-	-	-	-	-	-	-	-	-
TOTAL BUSINESS-TYPE EXPENSES	\$60,286	\$66,542	\$69,096	\$70,058	\$69,490	\$79,011	\$92,992	\$97,680	\$97,549
TOTAL PRIMARY GOVERNMENT EXPENSES	\$210,818	\$220,233	\$236,308	\$272,762	\$277,301	\$288,060	\$354,389	\$348,731	\$398,747
PROGRAM REVENUES - GOVERNMENTAL ACTIVITIES:									
CHARGES FOR SERVICES									
GENERAL GOVERNMENTAL	\$22,252	\$19,914	\$13,405	\$21,976	\$16,802	\$25,513	\$28,531	\$38,327	\$38,213
OTHER	3,874	5,897	15,788	24,035	33,644	25,274	23,469	18,850	35,140
OPERATING GRANTS AND CONTRIBUTIONS	15,761	9,173	7,738	16,884	32,536	11,026	13,526	23,152	9,364
CAPITAL GRANTS AND CONTRIBUTIONS	1,047	3,288	9,969	10,957	14,883	15,119	18,625	18,350	35,737
TOTAL GOVERNMENT PROGRAM REVENUE	\$42,934	\$38,271	\$46,899	\$73,852	\$97,865	\$76,932	\$84,151	\$98,679	\$118,454

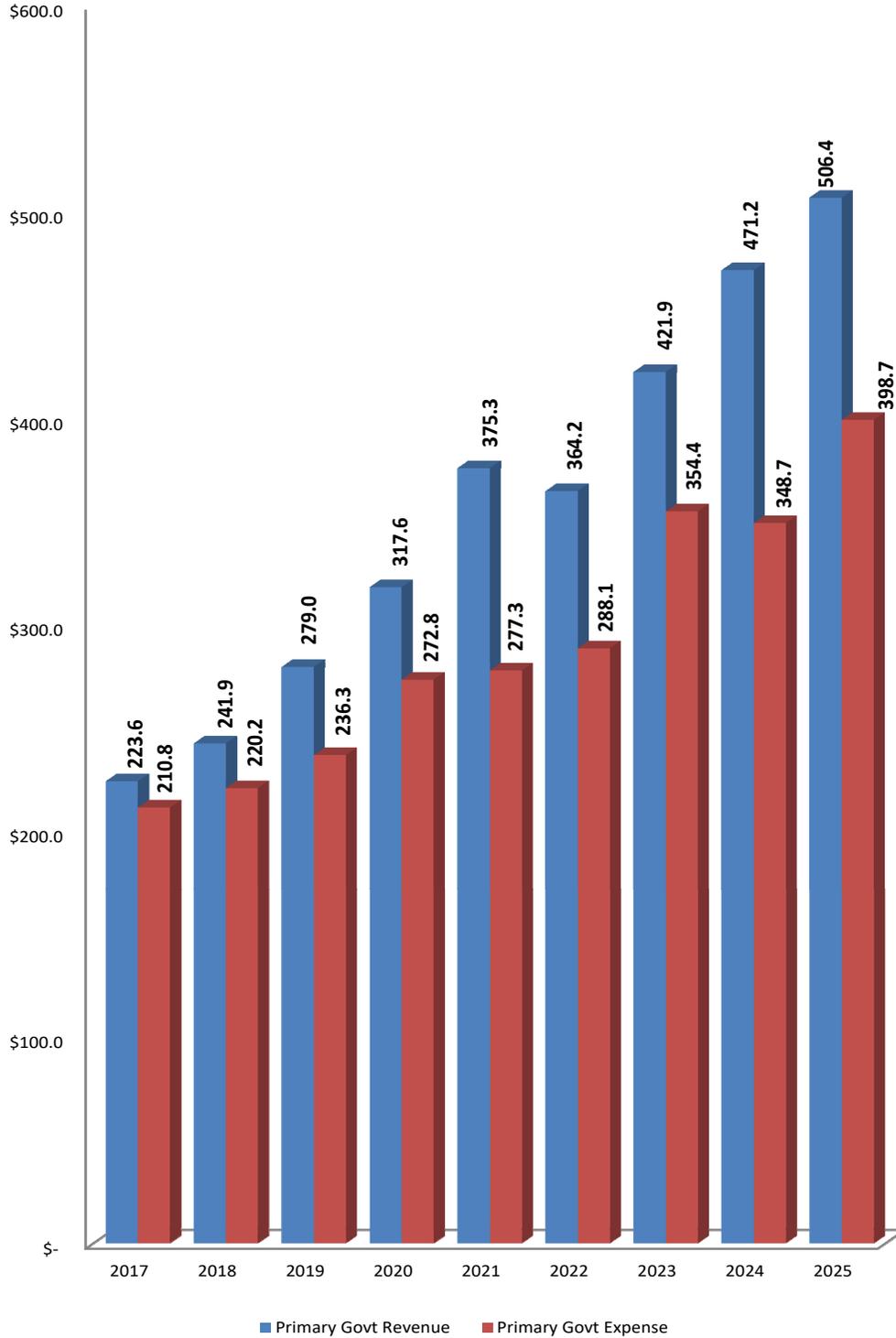
**OKALOOSA COUNTY, FLORIDA
STATISTICAL SECTION
SEPTEMBER 30, 2025**

CHANGES IN NET POSITION - LAST NINE FISCAL YEARS * - (ACCRUAL BASIS OF ACCOUNTING)

(amounts in thousands)	2017	2018	2019	2020	2021	2022	2023	2024	2025
PROGRAM REVENUES - BUSINESS-TYPE ACTIVITIES:									
CHARGES FOR SERVICES									
WATER AND SEWER	\$34,063	\$33,819	\$37,015	\$37,134	\$38,784	\$40,978	\$40,488	\$44,589	\$46,596
OTHER	30,898	36,678	38,252	34,743	42,858	48,651	47,003	57,628	58,298
OPERATING GRANTS AND CONTRIBUTIONS	893	628	408	7,684	4,913	1,471	12,657	5,078	275
CAPITAL GRANTS AND CONTRIBUTIONS	9,059	7,737	11,299	16,664	17,901	10,020	14,949	22,983	37,738
TOTAL BUSINESS-TYPE PROGRAM REVENUE	\$74,913	\$78,862	\$86,974	\$96,225	\$104,456	\$101,120	\$115,097	\$130,278	\$142,907
TOTAL PRIMARY GOVERNMENT PROGRAM REVENUES	\$117,847	\$117,133	\$133,872	\$170,077	\$202,321	\$178,052	\$199,248	\$228,957	\$261,361
NET (EXPENSE)/REVENUE									
GOVERNMENT ACTIVITIES	(\$107,598)	(\$115,419)	(\$120,313)	(\$128,852)	(\$109,946)	(\$132,117)	(\$177,246)	(\$152,371)	(\$182,744)
BUSINESS-TYPE ACTIVITIES	14,627	12,319	17,877	26,167	34,966	22,109	22,105	32,597	45,357
TOTAL PRIMARY GOVERNMENT NET EXPENSE	(\$92,971)	(\$103,100)	(\$102,436)	(\$102,685)	(\$74,980)	(\$110,008)	(\$155,141)	(\$119,774)	(\$137,387)
GENERAL REVENUES									
GOVERNMENTAL ACTIVITIES:									
TAXES	\$82,104	\$92,802	\$107,468	\$114,110	\$137,729	\$148,859	\$166,323	\$177,171	\$185,615
STATE SHARED REVENUE	17,977	25,795	28,978	27,314	32,076	36,999	4,319	4,311	4,196
GRANT AND CONTRIBUTIONS NOT RESTRICTED	-	-	-	-	-	-	31,798	29,502	29,950
OTHER	5,090	6,378	6,817	6,654	4,745	(680)	17,414	23,622	18,745
TOTAL GOVERNMENTAL ACTIVITIES	\$105,171	\$124,975	\$143,263	\$148,078	\$174,550	\$185,178	\$219,854	\$234,606	\$238,506
BUSINESS-TYPE ACTIVITIES:									
TAXES	\$2	\$1	\$1,247	\$668	\$0	-	-	\$4	\$12
STATE SHARED REVENUE	-	-	-	-	-	-	-	-	-
GRANT AND CONTRIBUTIONS NOT RESTRICTED	-	-	-	-	-	-	-	-	-
OTHER	572	(209)	578	(1,180)	(1,532)	972	2,797	7,659	6,519
TOTAL BUSINESS-TYPE ACTIVITIES	\$574	(\$208)	\$1,825	(\$512)	(\$1,532)	\$972	\$2,797	\$7,663	\$6,531
CHANGES IN NET POSITION									
GOVERNMENTAL ACTIVITIES	(\$2,427)	\$9,556	\$22,950	\$19,226	\$64,604	\$53,060	\$42,608	\$82,236	\$55,761
BUSINESS-TYPE ACTIVITIES	\$15,201	\$12,111	\$19,702	\$25,655	\$33,434	\$23,083	\$24,902	\$40,260	\$51,888
TOTAL PRIMARY GOVERNMENT	\$12,774	\$21,667	\$42,652	\$44,881	\$98,038	\$76,143	\$67,510	\$122,496	\$107,649

OKALOOSA COUNTY, FLORIDA
STATISTICAL SECTION
SEPTEMBER 30, 2025

Changes in Net Position - Primary Government
Last Nine Fiscal Years



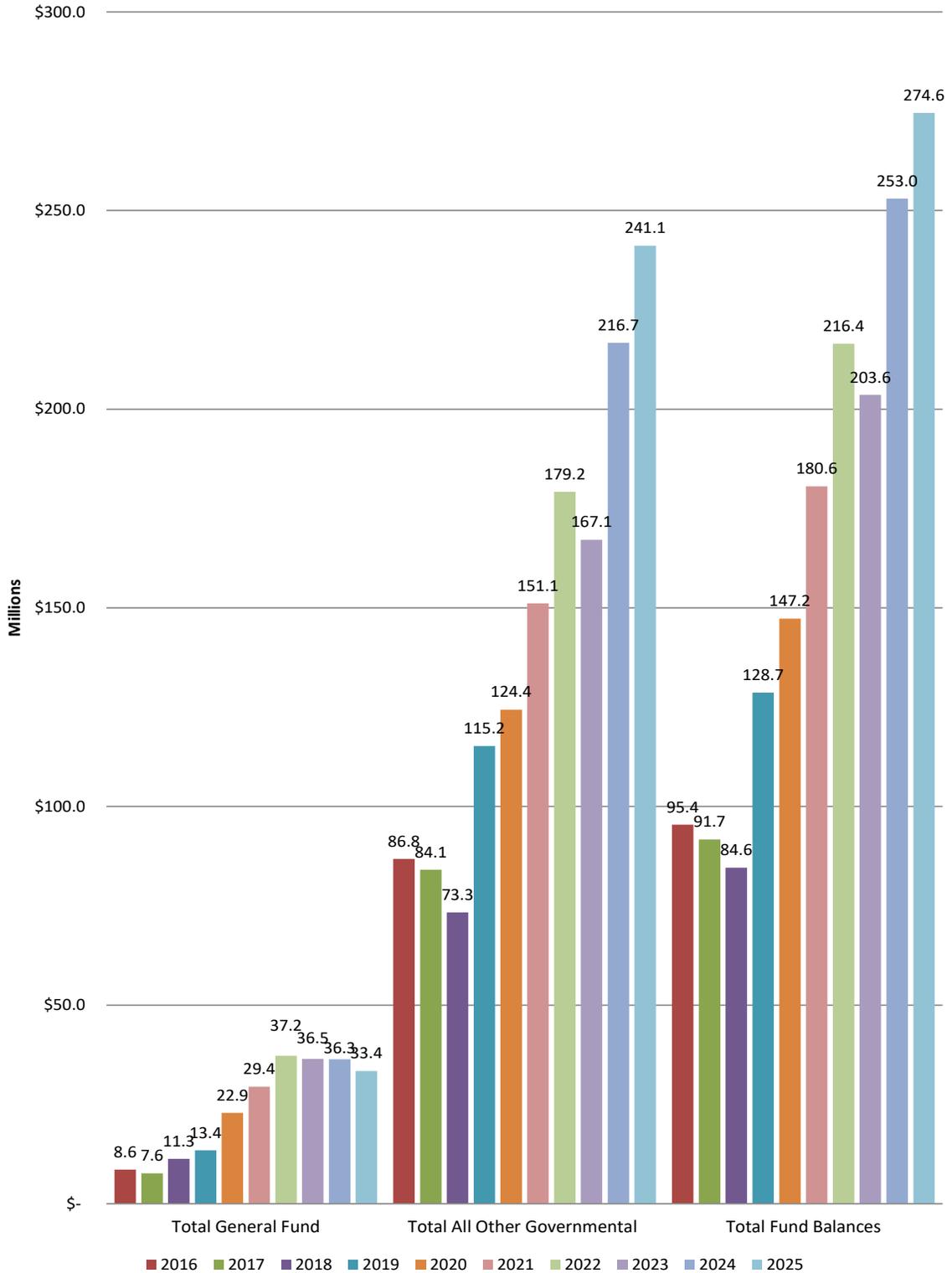
**OKALOOSA COUNTY, FLORIDA
STATISTICAL SECTION
SEPTEMBER 30, 2025**

FUND BALANCES - GOVERNMENTAL FUNDS - LAST TEN FISCAL YEARS

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
GENERAL FUND										
NONSPENDABLE:										
NONSPENDABLE	\$439,248	\$244,992	\$684,298	\$670,484	\$693,021	\$1,590,994	\$847,274	\$693,680	\$520,950	\$427,710
SPENDABLE:										
RESTRICTED	-	-	-	-	174,672	-	-	-	1,790,726	2,322,632
COMMITTED	32,229	35,829	33,732	35,455	135,455	190,777	234,173	278,580	273,864	249,299
ASSIGNED	3,739,233	1,074,730	-	-	8,100,000	2,014,940	4,108,600	10,461,482	13,608,854	7,529,775
UNASSIGNED	4,404,725	6,268,994	10,577,270	12,731,814	13,774,037	25,645,387	32,041,228	25,041,474	20,151,581	22,904,769
TOTAL GENERAL FUND	8,615,435	7,624,545	11,295,300	13,437,753	22,877,185	29,442,098	37,231,275	36,475,216	36,345,975	33,434,185
ALL OTHER GOVERNMENTAL FUNDS										
NONSPENDABLE:										
NONSPENDABLE	150,989	123,806	823,802	713,878	555,052	814,997	542,933	1,152,909	1,735,460	669,374
SPENDABLE:										
RESTRICTED	85,406,990	79,617,856	69,574,098	111,202,709	118,614,646	142,655,799	170,792,903	152,562,356	183,546,511	212,197,991
COMMITTED	584,502	525,437	486,014	548,332	678,155	716,840	761,875	657,199	758,854	845,037
ASSIGNED	3,421,017	3,923,588	2,398,598	2,761,043	4,541,200	8,389,876	7,755,282	12,818,954	30,662,288	27,766,756
UNASSIGNED	(2,794,019)	(123,806)	-	(5,678)	(23,496)	(1,446,531)	(640,483)	(75,761)	(44,660)	(342,364)
TOTAL ALL OTHER GOVERNMENTAL FUNDS	86,769,479	84,066,881	73,282,512	115,220,284	124,365,557	151,130,981	179,212,510	167,115,657	216,658,453	241,136,794
TOTAL FUND BALANCES	\$95,384,914	\$91,691,426	\$84,577,812	\$128,658,037	147,242,742	\$180,573,079	\$216,443,785	\$203,590,873	\$253,004,428	\$274,570,979

**OKALOOSA COUNTY, FLORIDA
STATISTICAL SECTION
SEPTEMBER 30, 2025**

**Fund Balances - Governmental Funds
Last Ten Fiscal Years**



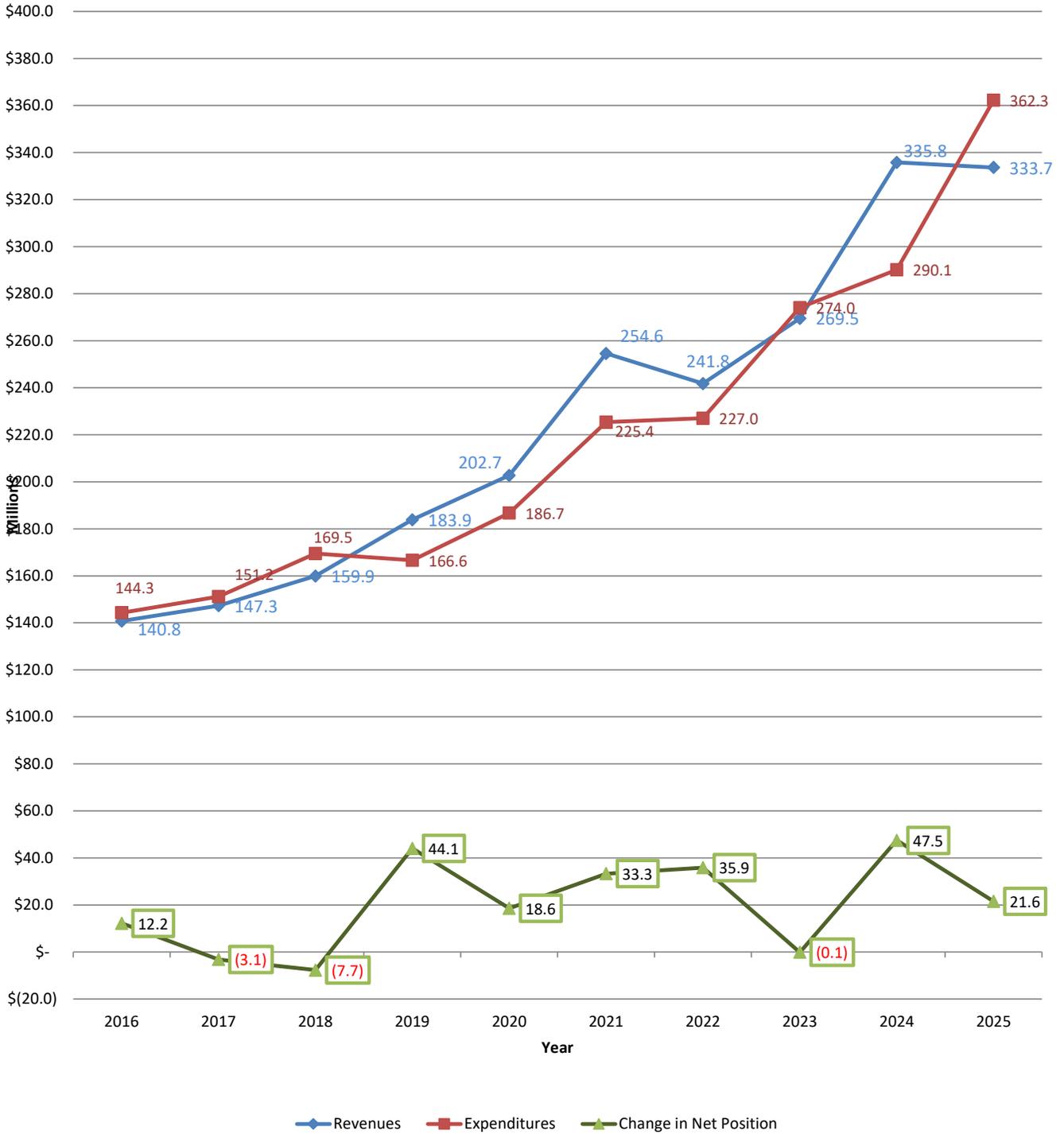
**OKALOOSA COUNTY, FLORIDA
STATISTICAL SECTION
SEPTEMBER 30, 2025**

CHANGES IN FUND BALANCES-GOVERNMENTAL FUNDS – LAST TEN FISCAL YEARS

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
REVENUES										
TAXES	\$77,192,003	\$82,103,975	\$91,202,391	\$109,068,378	\$114,110,263	\$137,729,257	\$148,859,101	\$166,323,470	\$177,171,855	\$185,615,097
LICENSES AND PERMITS	\$865,485	\$462,139	\$514,511	\$561,794	\$577,186	\$617,238	\$631,480	\$668,812	\$725,904	\$16,862,025
INTERGOVERNMENTAL	\$33,791,368	\$34,785,503	\$38,255,522	\$40,162,037	\$50,899,401	\$75,476,389	\$48,930,859	\$52,831,631	\$64,845,423	\$70,816,574
CHARGES FOR SERVICES	\$23,862,806	\$24,412,780	\$24,257,996	\$26,016,319	\$26,069,683	\$30,714,349	\$29,117,847	\$31,482,898	\$32,448,202	\$32,712,680
FINES AND FORFEITURES	\$1,431,519	\$1,251,298	\$1,038,282	\$1,183,846	\$1,022,234	\$1,131,606	\$1,304,713	\$1,280,538	\$3,150,320	\$1,877,907
MISCELLANEOUS	\$3,616,291	\$4,282,219	\$4,634,083	\$6,858,396	\$10,011,406	\$8,906,911	\$12,910,731	\$16,890,564	\$57,463,419	\$25,776,835
TOTAL REVENUES	\$140,759,472	\$147,297,914	\$159,902,785	\$183,850,770	\$202,690,173	\$254,575,750	\$241,754,731	\$269,477,913	\$335,805,123	\$333,661,118
EXPENDITURES										
GENERAL GOVERNMENT SERVICES	\$30,551,262	\$29,095,006	\$29,395,459	\$30,973,435	\$33,440,415	\$34,787,267	\$37,191,297	\$39,400,780	\$43,466,025	\$45,504,365
PUBLIC SAFETY	\$48,955,445	\$53,315,581	\$56,403,035	\$60,761,166	\$64,961,692	\$85,729,737	\$74,093,035	\$80,333,930	\$87,902,713	\$107,710,482
PHYSICAL ENVIRONMENT	\$1,211,921	\$1,640,119	\$1,750,746	\$1,866,941	\$1,671,771	\$1,971,514	\$2,028,485	\$2,200,356	\$2,501,159	\$2,639,822
TRANSPORTATION	\$13,847,394	\$13,487,051	\$13,524,697	\$13,873,338	\$18,048,733	\$15,303,147	\$14,513,880	\$16,266,976	\$19,454,119	\$20,027,474
ECONOMIC ENVIRONMENT	\$8,466,893	\$9,948,113	\$9,800,565	\$6,985,903	\$8,805,421	\$18,107,279	\$19,327,648	\$24,112,096	\$27,136,350	\$31,302,680
HUMAN SERVICES	\$4,639,176	\$4,684,444	\$4,495,950	\$4,669,920	\$5,093,565	\$5,284,672	\$5,390,714	\$5,255,138	\$5,679,743	\$20,591,113
CULTURE AND RECREATION	\$6,914,218	\$7,649,712	\$8,575,412	\$14,257,158	\$15,614,532	\$12,182,884	\$8,957,521	\$21,896,847	\$7,991,977	\$7,906,416
COURT-RELATED	\$7,808,128	\$8,057,760	\$8,296,348	\$8,474,981	\$8,262,750	\$9,370,006	\$9,316,740	\$9,592,094	\$9,789,462	\$10,511,545
CAPITAL OUTLAY	\$13,705,605	\$20,824,074	\$31,018,577	\$17,733,232	\$25,356,469	\$36,405,770	\$50,286,265	\$64,347,602	\$75,343,728	\$104,457,614
PRINCIPAL RETIREMENT	\$3,938,378	\$790,899	\$3,207,112	\$3,222,444	\$2,914,818	\$2,806,455	\$2,597,751	\$7,196,317	\$6,808,735	\$7,675,343
INTEREST	\$4,131,798	\$1,654,726	\$3,051,861	\$3,600,263	\$2,521,716	\$3,312,572	\$3,319,419	\$3,443,054	\$4,056,420	\$3,369,819
OTHER CHARGES	\$150,124	\$3,622	\$1,305	\$185,877	\$500	\$98,804	\$1,913	\$2,100	\$1,300	\$560,978
TOTAL EXPENDITURES	\$144,320,342	\$151,151,107	\$169,521,067	\$166,604,658	\$186,692,382	\$225,360,107	\$227,024,668	\$274,047,290	\$290,131,731	\$362,257,651
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(\$3,560,870)	(\$3,853,193)	(\$9,618,282)	\$17,246,112	\$15,997,791	\$29,215,643	\$14,730,063	(\$4,569,377)	\$45,673,392	(\$28,596,533)
OTHER FINANCING SOURCES (USES)										
SPECIAL ITEM	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TRANSFERS IN	\$8,841,151	\$7,920,212	\$8,726,549	\$10,727,023	\$13,105,904	\$24,260,282	\$15,198,297	\$28,748,133	\$27,940,129	\$42,233,257
TRANSFERS OUT	(\$7,829,475)	(\$7,210,946)	(\$6,771,442)	(\$9,077,752)	(\$10,518,990)	(\$22,711,184)	(\$14,425,054)	(\$27,661,540)	(\$28,056,368)	(\$41,953,749)
REVENUE BONDS ISSUED	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$46,325,000
PREMIUM ON BONDS	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$3,108,045
REVENUE REFUNDING BONDS ISSUED	\$13,584,438	\$0	\$0	\$17,160,000	\$0	\$2,565,595	\$20,367,400	\$0	\$0	\$11,900,000
PAYMENT MADE TO BOND ESCROW	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$44,846	(\$13,180,579)
ISSUANCE OF SUBSCRIPTION LIABILITIES	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,905,027	\$1,731,110
ORIGINAL ISSUE PREMIUM	\$1,200,121	\$0	\$0	\$8,024,842	\$0	\$0	\$0	\$0	\$0	\$0
SBITA PROCEEDS	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$3,387,172	\$0	\$0
TOTAL OTHER FINANCING SOURCES (USES)	\$15,796,235	\$709,266	\$1,955,107	\$26,834,113	\$2,586,914	\$4,114,693	\$21,140,643	\$4,473,765	\$1,833,634	\$50,163,084
NET CHANGE IN FUND BALANCES	\$12,235,365	(\$3,143,927)	(\$7,663,175)	\$44,080,225	\$18,584,705	\$33,330,336	\$35,870,706	(\$95,612)	\$47,507,026	\$21,566,551
DEBT SERVICE AS A PERCENTAGE OF NONCAPITAL EXPENDITURES	6.18%	1.88%	4.52%	4.58%	3.37%	3.24%	3.35%	5.07%	5.06%	4.28%

**OKALOOSA COUNTY, FLORIDA
STATISTICAL SECTION
SEPTEMBER 30, 2025**

**Changes in Fund Balances - Governmental Funds
Last Ten Fiscal Years**

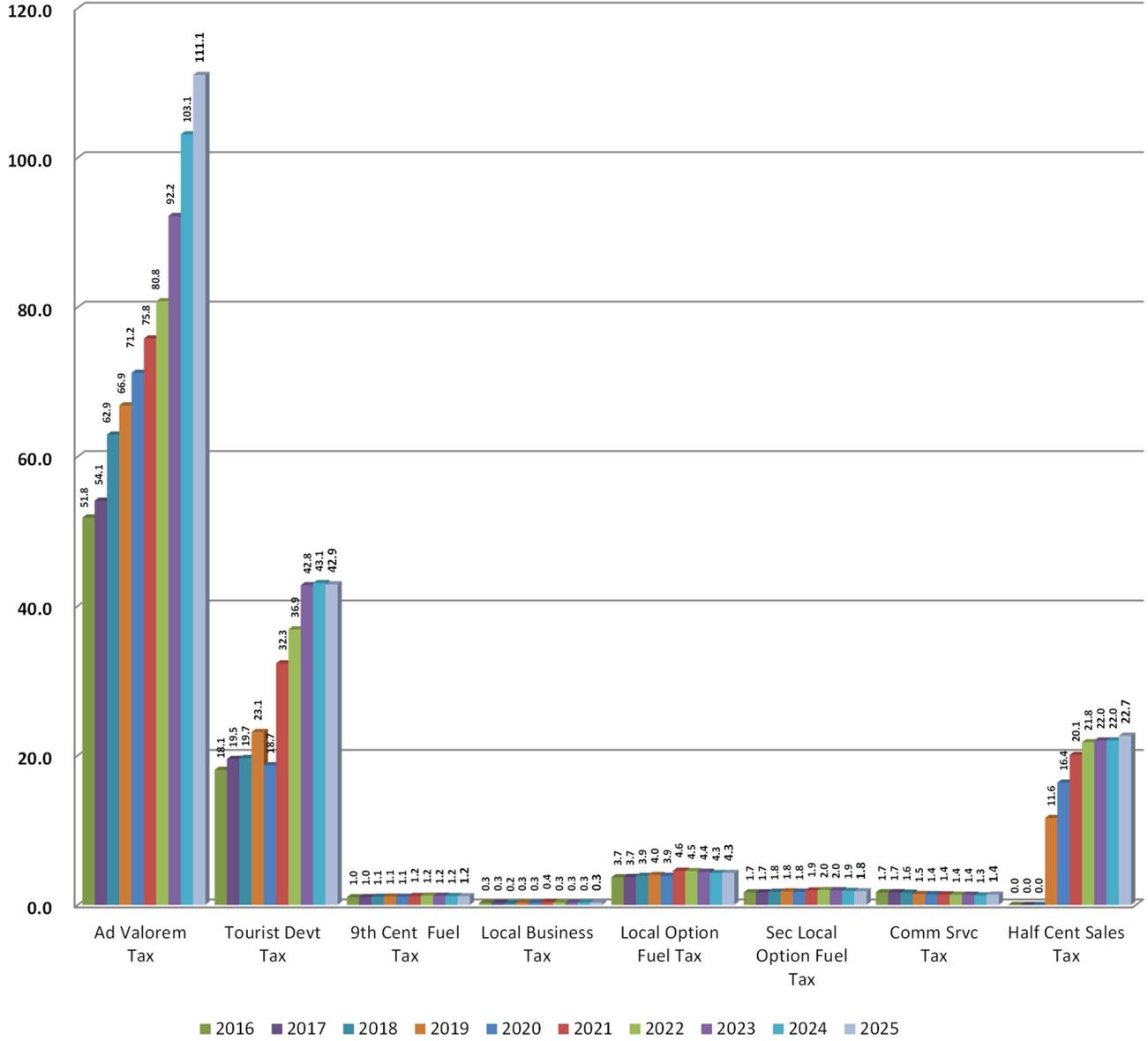


**OKALOOSA COUNTY, FLORIDA
STATISTICAL SECTION
SEPTEMBER 30, 2025**

GOVERNMENTAL TAX REVENUES BY SOURCE - LAST TEN FISCAL YEARS

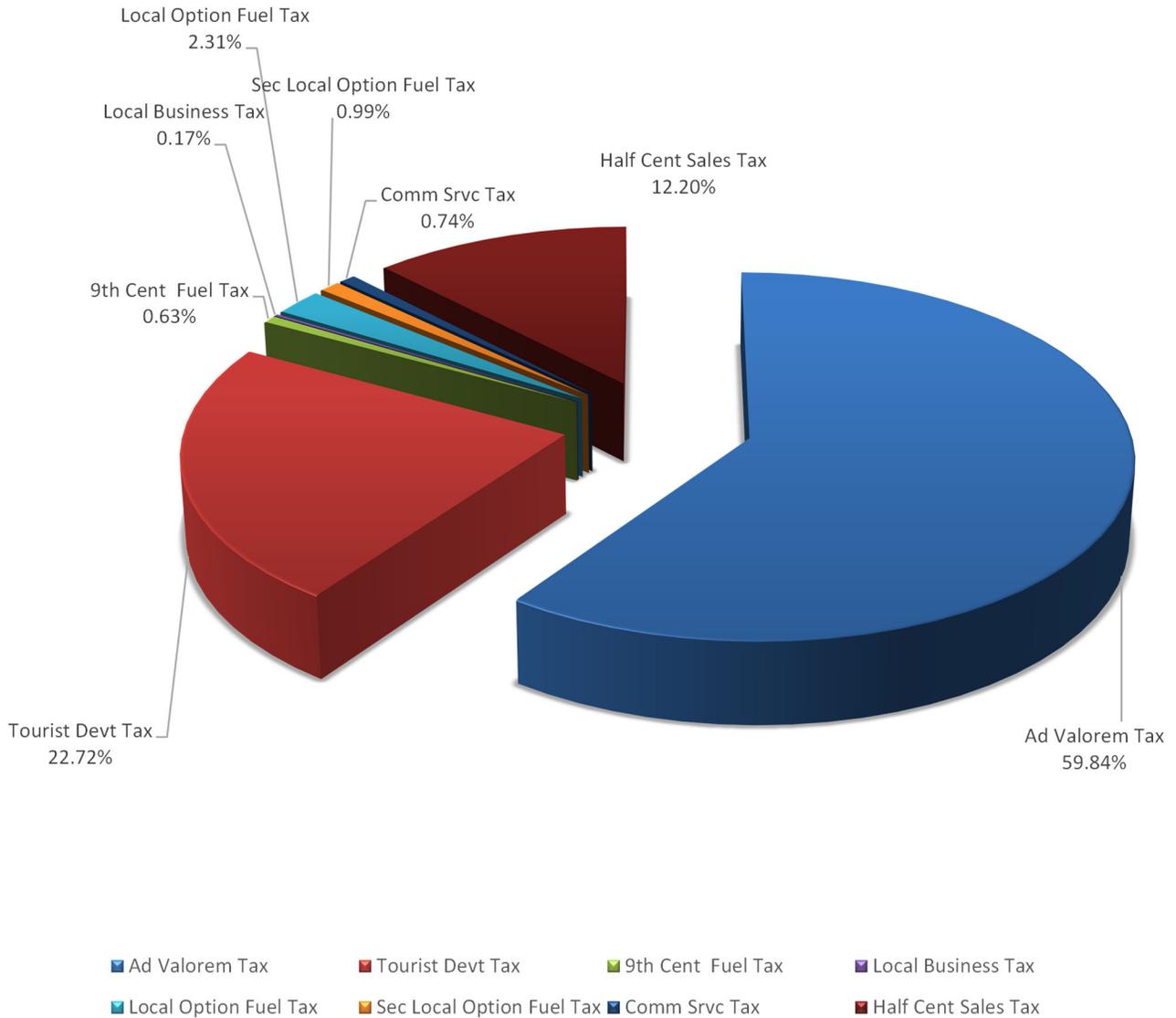
FISCAL YEAR	AD VALOREM TAX	TOURIST DEVELOPMENT TAX	9TH CENT VOTED FUEL TAX	LOCAL BUSINESS TAX	LOCAL OPTION FUEL TAX	SECOND LOCAL OPTION FUEL TAX	COMMUNICATION SERVICE TAX	HALF CENT SALES TAX	TOTAL TAXES
2016	\$51,839,796	\$18,078,186	\$1,039,247	\$283,877	\$3,699,205	\$1,680,999	\$1,692,888	\$0	\$78,314,199
2017	\$54,096,832	\$19,534,276	\$1,049,857	\$304,577	\$3,737,446	\$1,682,579	\$1,700,212	\$0	\$82,105,778
2018	\$62,942,101	\$19,652,688	\$1,093,007	\$215,021	\$3,891,258	\$1,762,082	\$1,646,991	\$0	\$91,203,148
2019	\$66,852,871	\$23,136,045	\$1,126,931	\$285,849	\$4,008,738	\$1,814,424	\$1,457,663	\$11,633,311	\$110,315,833
2020	\$71,210,378	\$18,696,605	\$1,099,419	\$289,320	\$3,902,287	\$1,766,471	\$1,440,814	\$16,372,724	\$114,778,018
2021	\$75,802,408	\$32,335,123	\$1,204,797	\$385,145	\$4,574,070	\$1,939,370	\$1,413,169	\$20,076,386	\$137,730,469
2022	\$80,782,659	\$36,875,377	\$1,238,295	\$306,309	\$4,525,347	\$1,995,275	\$1,366,516	\$21,769,843	\$148,859,620
2023	\$92,207,694	\$42,784,532	\$1,232,607	\$308,415	\$4,443,488	\$1,973,908	\$1,368,706	\$22,004,325	\$166,323,674
2024	\$103,120,232	\$43,074,994	\$1,202,769	\$307,691	\$4,279,876	\$1,882,573	\$1,286,260	\$22,017,465	\$177,171,860
2025	\$111,074,463	\$42,904,158	\$1,168,153	\$309,836	\$4,295,458	\$1,828,608	\$1,381,968	\$22,652,464	\$185,615,108

**OKALOOSA COUNTY, FLORIDA
STATISTICAL SECTION
SEPTEMBER 30, 2025**



OKALOOSA COUNTY, FLORIDA
STATISTICAL SECTION
SEPTEMBER 30, 2025

Governmental Tax Revenues by Source
Fiscal Year 2025



**OKALOOSA COUNTY, FLORIDA
STATISTICAL SECTION
SEPTEMBER 30, 2025**

TAXABLE ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF PROPERTY - LAST TEN FISCAL YEARS

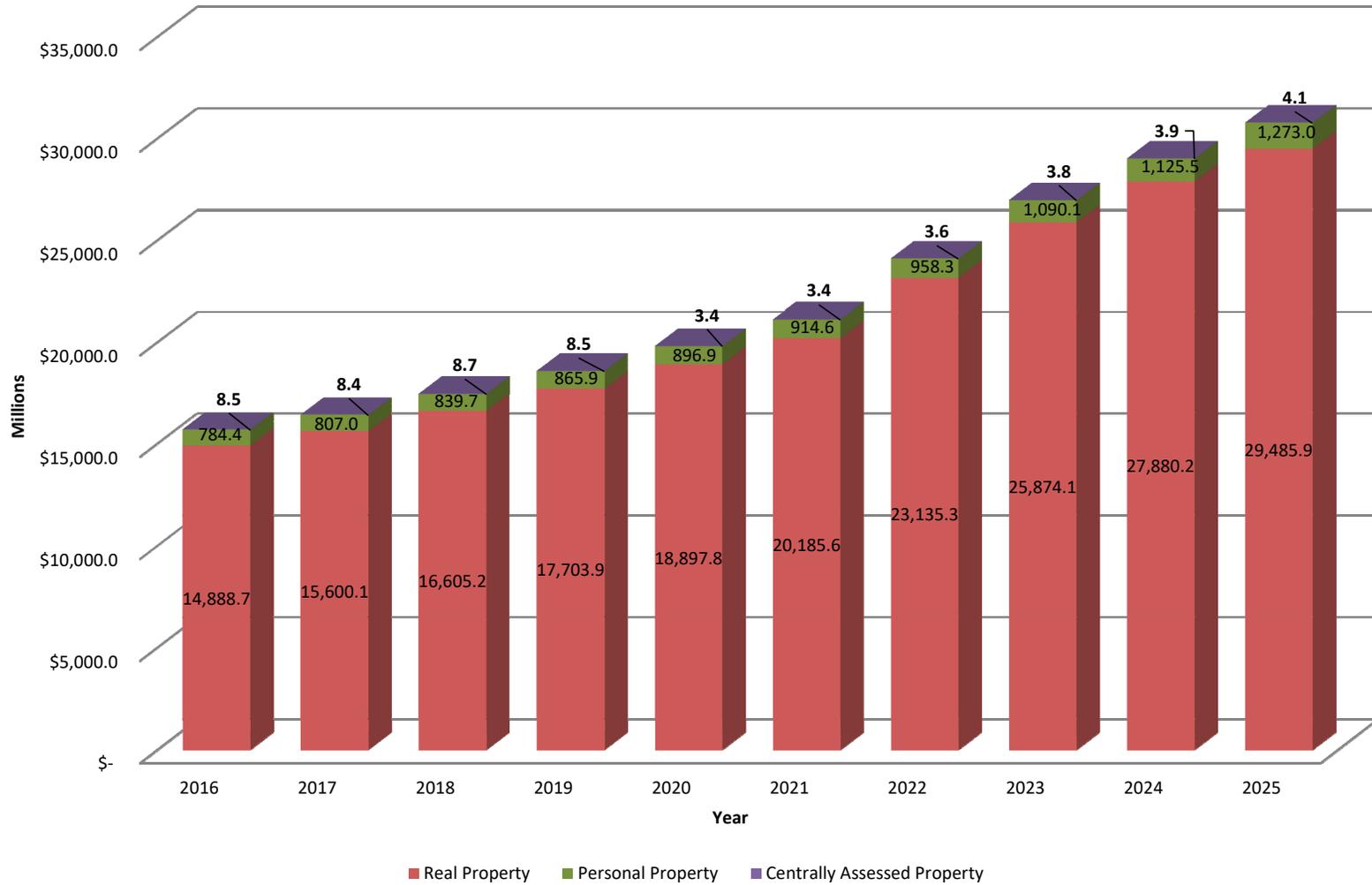
FISCAL YEAR	ASSESSED VALUE			TOTAL TAXABLE ASSESSED VALUE	TOTAL DIRECT TAX RATE	ESTIMATED ACTUAL VALUE (1)	ASSESSED TO ESTIMATED ACTUAL
	REAL PROPERTY	PERSONAL PROPERTY	CENTRALLY ASSESSED PROPERTY				
2016	14,888,659,305	784,426,652	8,494,897	15,681,580,854	10.7178	18,448,918,652	85.00%
2017	15,600,116,012	807,013,281	8,353,692	16,415,482,985	10.4908	19,312,332,924	85.00%
2018	16,605,239,655	839,650,782	8,662,999	17,453,553,436	10.5246	20,533,592,278	85.00%
2019	17,703,889,423	865,862,150	8,524,526	18,578,276,099	10.3685	21,856,795,411	85.00%
2020	18,897,824,142	896,897,664	3,442,857	19,798,164,663	10.1959	23,291,958,427	85.00%
2021	20,185,607,358	914,560,720	3,445,853	21,103,613,931	10.1022	24,827,781,095	85.00%
2022	23,135,342,423	958,343,838	3,576,946	24,097,263,207	9.7349	28,349,721,420	85.00%
2023	25,874,149,618	1,090,134,265	3,756,062	26,958,049,945	9.6302	31,715,352,876	85.00%
2024	27,880,158,302	1,125,490,440	3,859,932	29,009,508,674	9.5603	34,128,833,734	85.00%
2025	29,485,851,249	1,272,951,126	4,113,056	30,762,915,431	9.5306	36,191,665,213	85.00%

(1) BASED ON PROPERTY APPRAISER'S ESTIMATE OF ASSESSED PROPERTY VALUATION BEING 85% OF MARKET VALUE

SOURCE: OKALOOSA COUNTY PROPERTY APPRAISER

**OKALOOSA COUNTY, FLORIDA
STATISTICAL SECTION
SEPTEMBER 30, 2025**

**Taxable Assessed Value
Last Ten Fiscal Years**

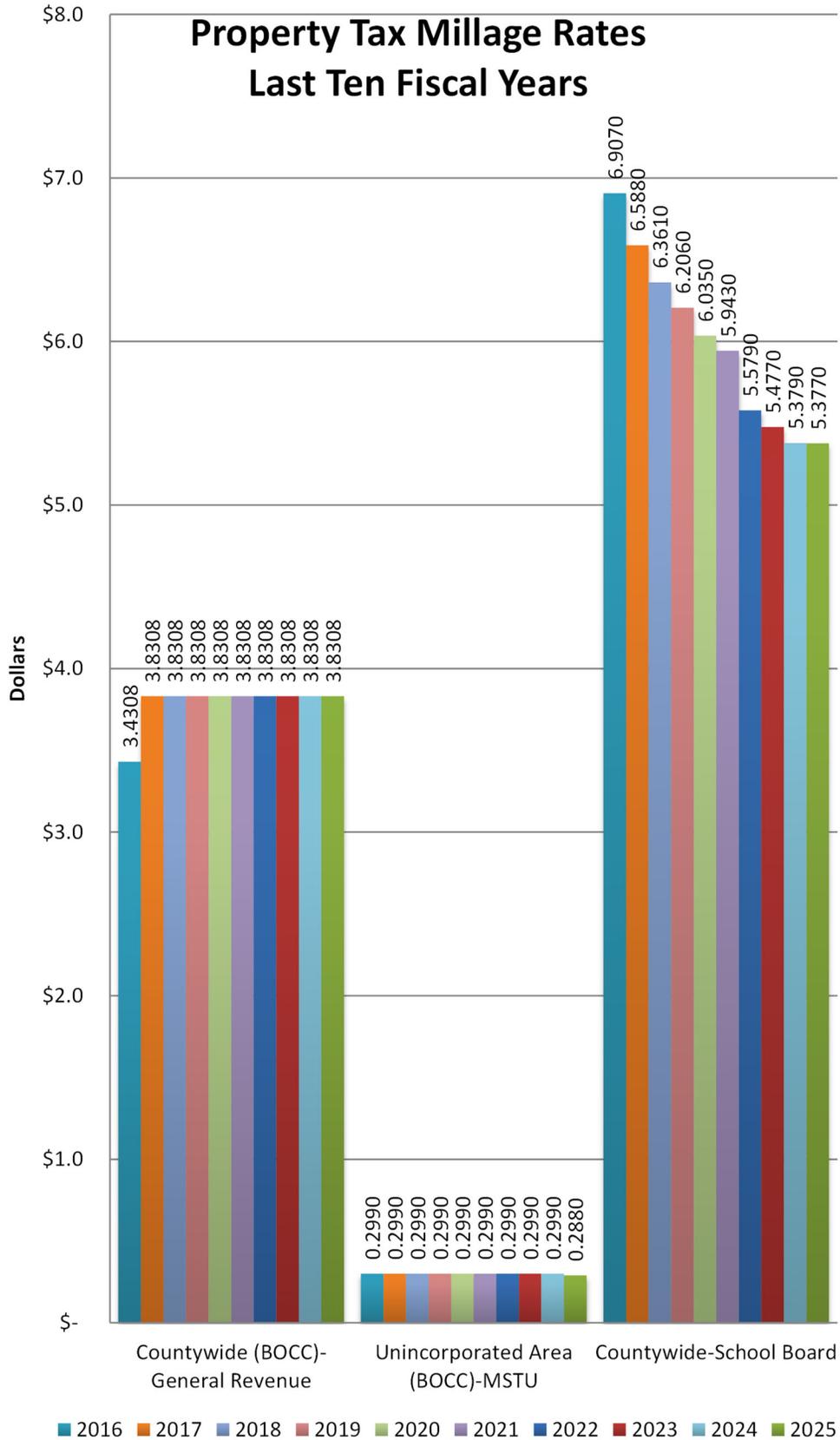


**OKALOOSA COUNTY, FLORIDA
STATISTICAL SECTION
SEPTEMBER 30, 2025**

PROPERTY TAX MILLAGE RATES FOR DIRECT AND OVERLAPPING GOVERNMENTS - LAST TEN FISCAL YEARS

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
COUNTYWIDE (BOCC)										
GENERAL REVENUE	3.4308	3.8308	3.8308	3.8308	3.8308	3.8308	3.8308	3.8308	3.8308	3.8308
UNINCORPORATED AREA (BOCC)										
MUNICIPAL SERVICE TAXING UNIT (MSTU)	0.2990	0.2990	0.2990	0.2990	0.2990	0.2990	0.2990	0.2990	0.2990	0.2880
COUNTYWIDE (OTHER)										
SCHOOL BOARD	6.9070	6.5880	6.3610	6.2060	6.0350	5.9430	5.5790	5.4770	5.3790	5.3770
TOTAL MILLAGES	10.6368	10.7178	10.4908	10.3358	10.1648	10.0728	9.7088	9.6068	9.5088	9.4958
MUNICIPALITIES										
CINCO BAYOU	3.0000	3.0000	3.0000	3.0000	3.0000	3.0000	3.0000	3.0000	3.0000	3.0000
CRESTVIEW	6.9466	6.9466	6.9466	6.9466	6.9466	6.9466	6.8466	6.8466	6.7466	6.6466
DESTIN	1.6150	1.6150	1.6150	1.6150	1.6150	1.6150	1.6150	1.6150	1.6150	1.6150
FORT WALTON BEACH	5.7697	5.7697	5.7697	5.6395	5.3293	5.3293	4.9999	4.6116	4.3282	4.3282
LAUREL HILL	3.5000	3.5000	3.5000	3.5000	3.5000	3.5000	3.5000	3.5000	3.5000	3.5000
MARY ESTHER	3.8880	4.2347	4.2347	5.0261	5.0261	5.0261	5.0261	5.0261	5.0261	5.0261
NICEVILLE	3.7000	3.7000	3.7000	3.7000	3.7000	3.7000	3.7000	4.0000	4.0000	4.5000
SHALIMAR	2.0000	2.0000	2.0000	2.0000	1.8000	1.8000	1.8000	2.0000	2.0000	2.2000
VALPARAISO	5.0240	5.0240	5.0240	5.0240	5.0240	5.0240	5.0240	5.0240	5.6504	5.6504
SPECIAL DISTRICTS										
NW FLORIDA WATER MANAGEMENT	0.0366	0.0353	0.0338	0.0327	0.0311	0.0294	0.0261	0.0234	0.0218	0.0207
LAKE PIPPIN MSBU	FLAT	FLAT	FLAT	FLAT	FLAT	FLAT	FLAT	FLAT	FLAT	FLAT
DESTIN FIRE	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
EAST NICEVILLE FIRE	3.0176	3.0176	3.0176	3.0176	3.0176	3.0176	3.4000	3.4000	3.4000	3.4000
FLOROSA FIRE	1.0000	1.0000	1.0000	1.5000	1.7500	2.2500	2.2500	2.6000	2.4799	2.3877
NORTH BAY FIRE	2.3500	2.3500	2.3500	2.3500	2.3500	2.2700	2.2700	2.2700	2.2700	2.2700
OCEAN CITY-WRIGHT FIRE	2.5800	2.5800	2.7500	2.7500	2.7500	2.7500	2.7500	2.7500	2.7500	2.7500
OKALOOSA ISLAND FIRE	3.3699	3.6000	3.4308	3.2033	3.0498	3.7000	3.7000	3.7000	3.7000	3.6000
SYLVANIA HEIGHTS	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
ALMARANTE FIRE	FLAT	FLAT	FLAT	FLAT	FLAT	FLAT	FLAT	FLAT	FLAT	FLAT
BAKER FIRE	FLAT	FLAT	FLAT	FLAT	FLAT	FLAT	FLAT	FLAT	FLAT	FLAT
BLACKMAN FIRE	FLAT	FLAT	FLAT	FLAT	FLAT	FLAT	FLAT	FLAT	FLAT	FLAT
DORCAS FIRE	FLAT	FLAT	FLAT	FLAT	FLAT	FLAT	FLAT	FLAT	FLAT	FLAT
HOLT FIRE	FLAT	FLAT	FLAT	FLAT	FLAT	FLAT	FLAT	FLAT	FLAT	FLAT
NORTH OKALOOSA FIRE	FLAT	FLAT	FLAT	FLAT	FLAT	FLAT	FLAT	FLAT	FLAT	FLAT

**OKALOOSA COUNTY, FLORIDA
STATISTICAL SECTION
SEPTEMBER 30, 2025**



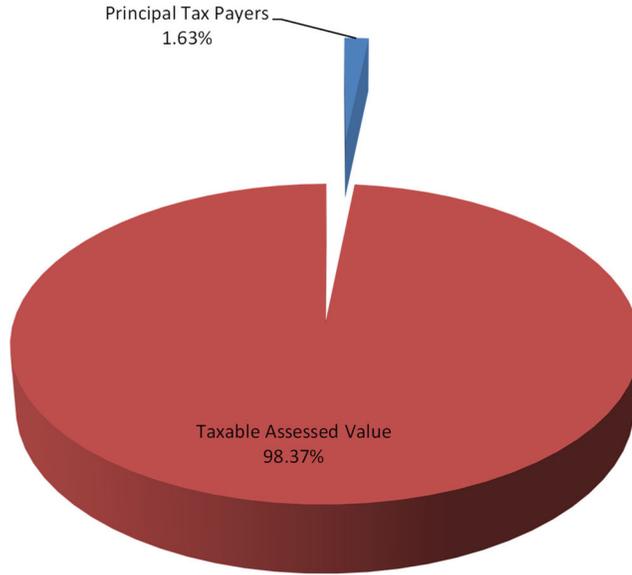
**OKALOOSA COUNTY, FLORIDA
STATISTICAL SECTION
SEPTEMBER 30, 2025**

PRINCIPAL PROPERTY TAX PAYERS - LAST FISCAL YEAR COMPARED TO THE FISCAL YEAR NINE YEARS EARLIER

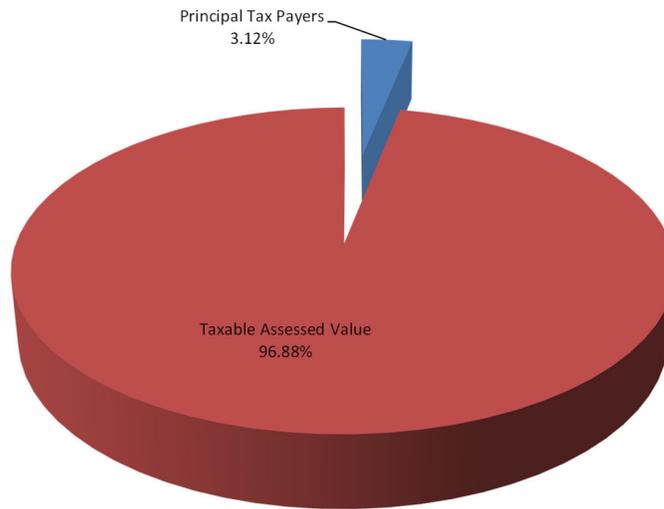
TAXPAYER	2025		2016	
	TAXABLE ASSESSED VALUE	PERCENTAGE OF TOTAL TAXABLE ASSESSED VALUE	TAXABLE ASSESSED VALUE	PERCENTAGE OF TOTAL TAXABLE ASSESSED VALUE
FLORIDA POWER & LIGHT CO/GULF POWER	\$185,250,124	1	\$145,159,830	1
LIVEOAK FIBER LLC	\$57,072,446	2		
FLORIDA GAS TRANSMISSION CO	\$52,354,072	3	\$74,695,618	2
CHOCTAWHATCHEE ELECTRIC CO	\$51,550,314	4	\$31,553,084	6
GIGAPOWER LLC	\$30,577,511	5		
KAYAK SOLAR	\$29,240,814	6		
CANOE SOLAR	\$28,737,899	7		
LURIN RE HOLDINGS VI LLC	\$27,277,812	8		
FORT WALTON BEACH MEDICAL CENTER	\$21,101,049	9		0.00%
CENTURYLINK COMMUNICATIONS LLC	\$17,375,216	10		
EMERALD GRANDE INC			\$54,227,300	3
EMBARQ CORP			\$45,790,554	4
DESTIN COMMONS LTD			\$34,562,451	5
COX COMMUNICATIONS GULF COAST			\$29,024,958	7
SRM-SPE LLC			\$27,517,960	8
WAL-MART STORES EAST LP			\$24,944,494	9
BEACH RESORT INVESTMENT LLC			\$22,140,373	10
TOTAL PRINCIPAL TAXPAYER VALUE	\$500,537,257		\$489,616,622	3.12%
TOTAL OTHER TAXPAYER VALUE	\$30,262,378,174	98.37%	\$15,191,964,232	96.88%
TOTAL TAXABLE ASSESSED VALUE	\$30,762,915,431	100.0%	\$15,681,580,854	100.0%

OKALOOSA COUNTY, FLORIDA
STATISTICAL SECTION
SEPTEMBER 30, 2025

**Principal Property Tax Payers
Current Year 2025**



**Principal Property Tax Payers
Year 2016**



**OKALOOSA COUNTY, FLORIDA
STATISTICAL SECTION
SEPTEMBER 30, 2025**

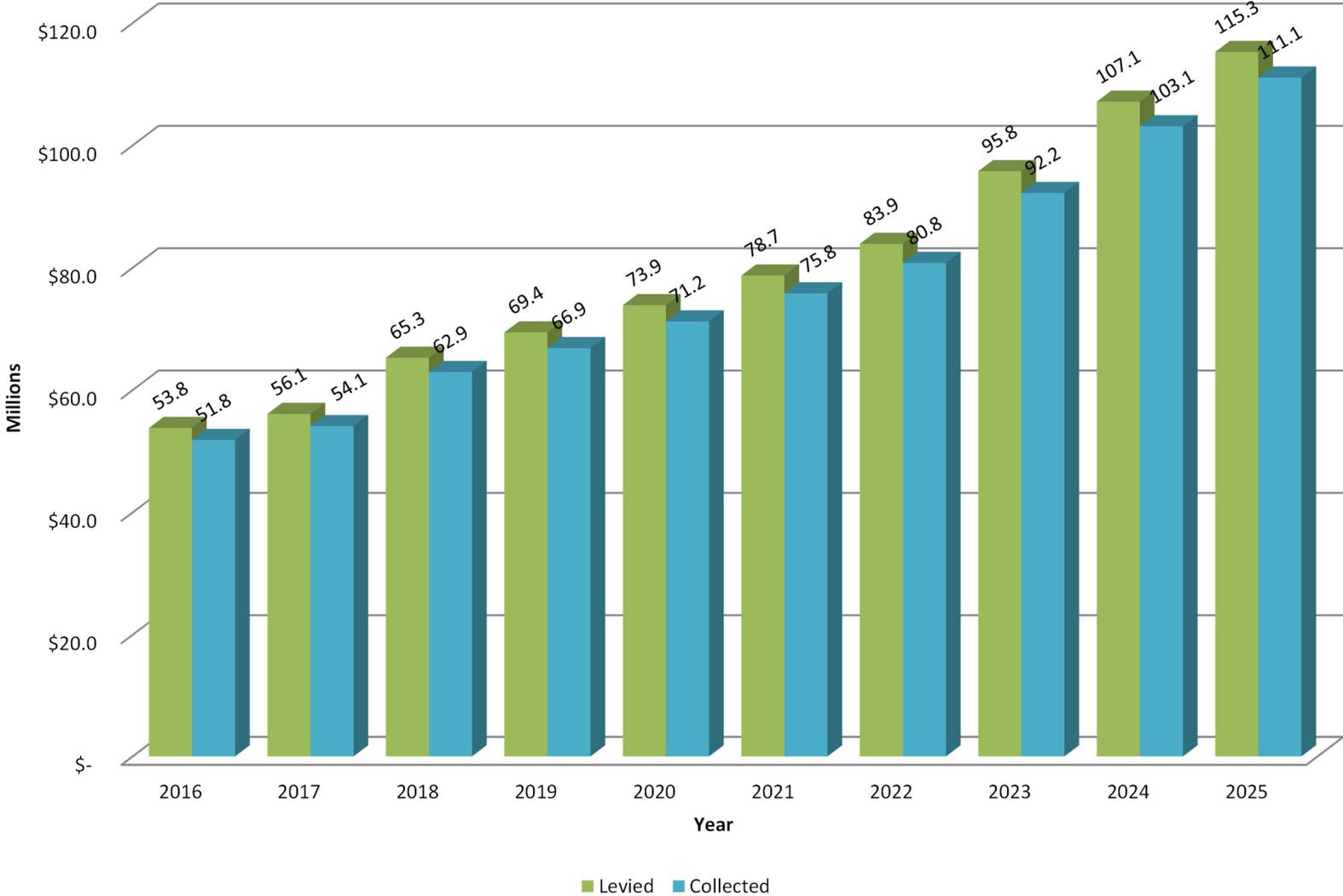
PROPERTY TAX LEVIES AND COLLECTIONS - LAST TEN FISCAL YEARS

FISCAL YEAR	TAXES LEVIED FOR THE FISCAL YEAR	COLLECTED WITHIN THE FISCAL YEAR OF THE LEVY		COLLECTIONS IN SUBSEQUENT YEARS	TOTAL COLLECTIONS TO DATE	
		AMOUNT	PERCENTAGE OF LEVY		AMOUNT	PERCENTAGE OF LEVY
2016	\$53,794,633	\$51,776,803	96.2%	\$62,994	\$51,839,797	96.4%
2017	\$56,098,297	\$54,031,657	96.3%	\$65,175	\$54,096,832	96.4%
2018	\$65,279,339	\$62,899,736	96.4%	\$42,365	\$62,942,100	96.4%
2019	\$69,420,530	\$66,809,436	96.2%	\$43,434	\$66,852,871	96.3%
2020	\$73,871,680	\$71,100,748	96.2%	\$109,630	\$71,210,378	96.4%
2021	\$78,715,123	\$75,724,523	96.2%	\$77,886	\$75,802,408	96.3%
2022	\$83,896,832	\$79,656,326	94.9%	\$1,126,333	\$80,782,659	96.3%
2023	\$95,776,689	\$90,683,325	94.7%	\$1,524,369	\$92,207,694	96.3%
2024	\$107,137,095	\$101,099,000	94.4%	\$2,021,232	\$103,120,232	96.3%
2025	\$115,269,237	\$108,816,408	94.4%	\$2,258,056	\$111,074,463	96.4%

SOURCE: OKALOOSA COUNTY TAX COLLECTOR RECAPITULATION OF THE TAX ROLL

OKALOOSA COUNTY, FLORIDA
STATISTICAL SECTION
SEPTEMBER 30, 2025

Property Tax Levies and Collections
Last Ten Fiscal Years



**OKALOOSA COUNTY, FLORIDA
STATISTICAL SECTION
SEPTEMBER 30, 2025**

RATIOS OF OUTSTANDING DEBT BY TYPE - LAST TEN FISCAL YEARS

FISCAL YEAR	GOVERNMENTAL ACTIVITIES						BUSINESS-TYPE ACTIVITIES						TOTAL PRIMARY GOVERNMENT	PERCENTAGE OF PERSONAL INCOME	PER CAPITA	
	SPECIAL OBLIGATION BONDS(1)	REVENUE BONDS (2)	LEASE AGREEMENTS (3)	COMMERCIAL PAPER, NOTES, AND LOANS (4)	FINANCED PURCHASES	SUBSCRIPTION AGREEMENTS	WATER BONDS, NOTES, AND LOANS (5)	AIRPORT BONDS, NOTES, AND LOANS (6)	SOLID WASTE BONDS (7)	CONFERENCE CENTER BONDS (8)	LEASE AGREEMENTS (3)	FINANCED PURCHASES				SUBSCRIPTION AGREEMENTS
2016	\$0	\$63,899,514	\$416,292	\$4,490,979			\$79,094,314	\$19,515,143	\$0	\$0	\$0	\$0	\$0	\$167,416,242	1.86%	\$697
2017	\$0	\$63,368,537	\$208,146	\$4,340,756			\$75,459,990	\$18,698,323	\$0	\$0	\$0	\$0	\$0	\$162,075,753	1.64%	\$728
2018	\$0	\$61,187,380	\$0	\$1,957,000			\$71,789,364	\$17,839,765	\$0	\$0	\$0	\$0	\$0	\$152,773,509	1.49%	\$796
2019	\$0	\$84,293,639	\$0	\$2,222,403			\$67,991,638	\$13,439,518	\$0	\$0	\$0	\$0	\$0	\$157,520,559	1.35%	\$822
2020	\$0	\$81,221,478	\$0	\$1,148,506			\$64,068,792	\$5,915,000	\$0	\$0	\$0	\$0	\$0	\$143,022,298	1.19%	\$722
2021	\$0	\$78,098,486	\$20,755	\$2,480,000	\$67,908		\$59,978,869	\$5,335,000	\$0	\$0	\$6,564,768	\$0	\$0	\$152,545,786	1.21%	\$715
2022	\$0	\$74,950,367	\$16,858	\$22,045,000	\$269,294	\$4,051,905	\$55,711,531	\$0	\$0	\$0	\$6,218,847	\$0	\$226,077	\$163,489,879	1.26%	\$758
2023	\$0	\$71,779,923	\$12,839	\$19,303,000	\$71,692	\$5,834,381	\$51,271,431	\$0	\$0	\$0	\$5,853,131	\$0	\$114,582	\$154,240,979	1.11%	\$703
2024	\$0	\$68,566,614	\$8,692	\$16,595,490	\$47,627	\$6,413,097	\$46,643,211	\$0	\$0	\$0	\$5,531,313	\$0	\$0	\$143,806,044	0.98%	\$648
2025	\$0	\$113,108,435	\$4,278	\$13,617,857	\$0	\$5,891,938	\$36,801,847	\$0	\$0	\$0	\$6,052,830	\$0	\$132,643	\$175,609,885	1.15%	\$776

(1) Included Refunding, Revenue & Improvement Bonds, 1985 and Capital Improvement Bonds, 1991

(2) Includes Sales Tax Revenue Bonds, Series 2009 (Net issuance discount), Capital Improvement Revenue Bond Series 2025A, Series 2011, Sales Tax Revenue Bonds, Series 2014, Sales Tax Revenue Bonds, Series 2016, and Revenue Bonds, Series 2019, Refunding Bonds Series 2025B

(3) Includes Leases with Escalator Clauses

(4) Includes Florida Local Government Finance Commission Pooled Paper Loan and Private Bank Note, 2015 and Capital Improvement Revenue Note, Series 2020, Sales Surtax Rev Note Series 2021, Dorcas National Loan Investors, Dorcas Stryker Flex Financial

(5) Includes State Pollution Control Bonds, and Revenue Bonds, Series 2015 (Net issuance premium) paid, Series 2025

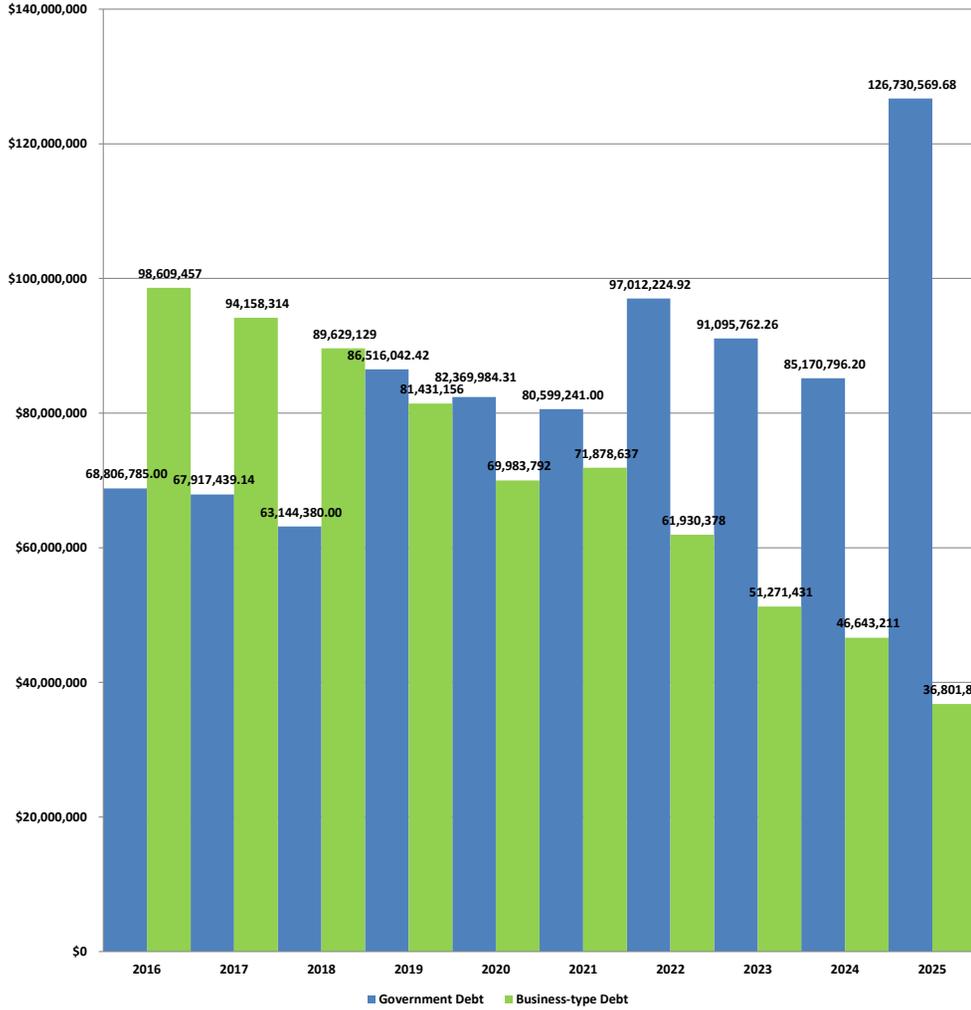
(6) Includes Revenue Bonds 2007 (Net issuance discount) and 2014, State Infrastructure Bank Loans, and 2015 Commercial Paper Loan - debt defeased in FY21

(7) Includes Capital Improvement Bonds, 1991

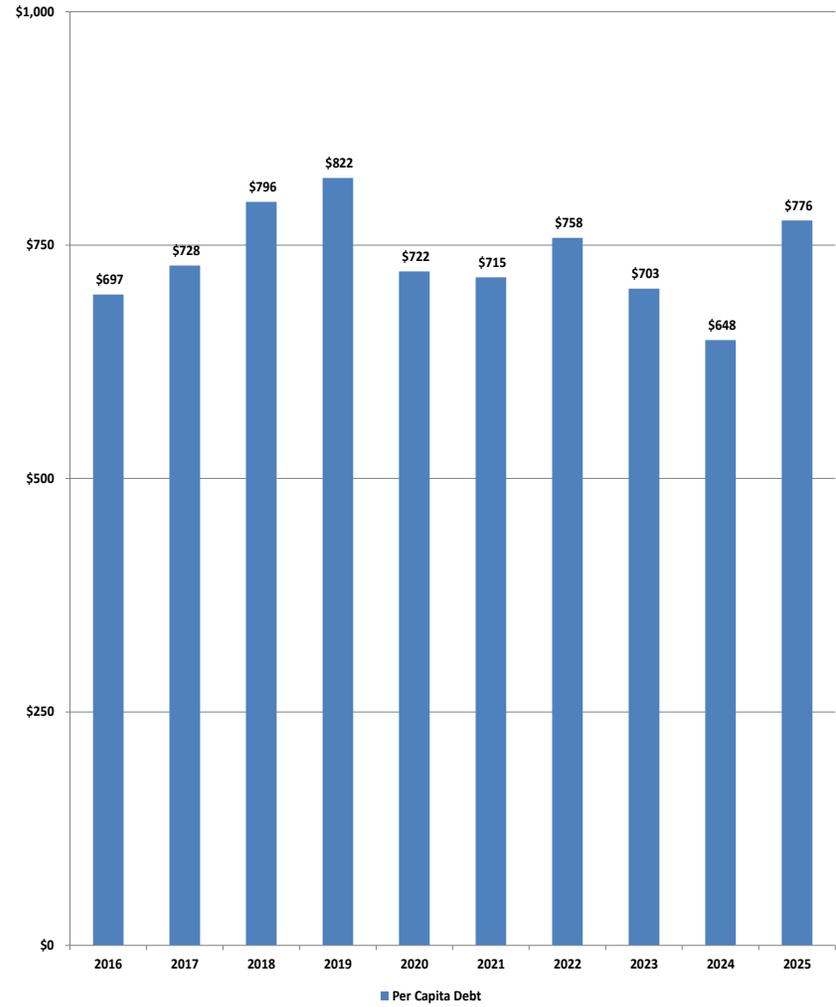
(8) Includes Fourth Cent Tourist Development Tax Revenue Bonds, 2000

**OKALOOSA COUNTY, FLORIDA
STATISTICAL SECTION
SEPTEMBER 30, 2025**

**Debt by Type
Last Ten Fiscal Years**



**Per Capita Debt
Last Ten Fiscal Years**



**OKALOOSA COUNTY, FLORIDA
STATISTICAL SECTION
SEPTEMBER 30, 2025**

PLEGDED-REVENUE BOND COVERAGE

FISCAL YEAR	Gross Operating Revenue	Direct Operating Expense	Net Revenue Avail -Debt Serv	WATER REVENUE BONDS AND NOTES (PRINCIPAL + INTEREST)								TOTAL	COVERAGE
				1985	1992	2004	2006	2012	2015	2025			
2006	\$23,719,695	\$15,272,060	\$8,447,635	\$68,680	\$331,924	\$3,422,370	\$0	\$0	\$0	\$0	\$3,822,974	2.21	
2007	\$26,745,817	\$15,974,674	\$10,771,143	\$68,677	\$194,186	\$2,967,970	\$1,171,405	\$0	\$0	\$0	\$4,402,238	2.45	
2008	\$24,694,611	\$16,827,092	\$7,867,519	\$67,831	\$0	\$2,964,695	\$1,900,194	\$0	\$0	\$0	\$4,932,720	1.59	
2009	\$23,481,347	\$16,371,638	\$7,109,709	\$67,743	\$0	\$2,976,286	\$509,283	\$0	\$0	\$0	\$3,553,312	2.00	
2010	\$24,831,872	\$15,267,581	\$9,564,291	\$67,648	\$0	\$801,210	\$5,171,437	\$0	\$0	\$0	\$6,040,295	1.58	
2011	\$25,895,709	\$16,650,924	\$9,244,785	\$67,542	\$0	\$982,850	\$4,989,988	\$0	\$0	\$0	\$6,040,380	1.53	
2012	\$26,581,965	\$15,571,980	\$11,009,985	\$67,426	\$0	\$3,728,770	\$0	\$533,531	\$0	\$0	\$4,329,727	2.54	
2013	\$26,685,108	\$15,295,914	\$11,389,194	\$68,003	\$0	\$3,754,732	\$2,837,287	\$489,839	\$0	\$0	\$7,149,861	1.59	
2014	\$29,122,953	\$14,809,770	\$14,313,183	\$66,451	\$0	\$3,790,065	\$0	\$536,674	\$0	\$0	\$4,393,190	3.26	
2015	\$33,938,933	\$15,992,250	\$17,946,683	\$33,520	\$0	\$5,037,556	\$3,077,105	\$300,731	\$1,902,096	\$0	\$10,351,008	1.73	
2016	\$33,971,112	\$15,844,441	\$18,126,671	\$0	\$0	\$0	\$0	\$0	\$4,899,300	\$0	\$4,899,300	3.70	
2017	\$34,491,900	\$16,807,625	\$17,684,275	\$0	\$0	\$0	\$0	\$0	\$5,807,763	\$0	\$5,807,763	3.04	
2018	\$34,473,966	\$19,128,076	\$15,345,890	\$0	\$0	\$0	\$0	\$0	\$5,799,050	\$0	\$5,799,050	2.65	
2019	\$38,369,807	\$18,314,645	\$20,055,162	\$0	\$0	\$0	\$0	\$0	\$5,794,585	\$0	\$5,794,585	3.46	
2020	\$37,845,933	\$19,083,690	\$18,762,243	\$0	\$0	\$0	\$0	\$0	\$5,820,800	\$0	\$5,820,800	3.22	
2021	\$38,829,006	\$19,745,082	\$19,083,924	\$0	\$0	\$0	\$0	\$0	\$5,744,000	\$0	\$5,744,000	3.32	
2022	\$40,770,515	\$19,470,790	\$21,299,725	\$0	\$0	\$0	\$0	\$0	\$5,829,250	\$0	\$5,829,250	3.65	
2023	\$40,946,679	\$23,732,376	\$17,214,303	\$0	\$0	\$0	\$0	\$0	\$5,821,500	\$0	\$5,821,500	2.96	
2024	\$47,979,440	\$26,596,253	\$21,383,187	\$0	\$0	\$0	\$0	\$0	\$5,820,750	\$0	\$5,820,750	3.67	
2025	\$48,818,186	\$24,396,555	\$24,421,631	\$0	\$0	\$0	\$0	\$0	\$5,826,250	\$0	\$5,826,250	4.19	

**OKALOOSA COUNTY, FLORIDA
STATISTICAL SECTION
SEPTEMBER 30, 2025**

PLEGGED-REVENUE BOND COVERAGE

FISCAL YEAR	Gross Operating Revenue	Passenger Facility Charges	Direct Operating Expense	Net Revenue Avail -Debt Serv	AIRPORT REVENUE BONDS (PRINCIPAL + INTEREST)				
					2003	2007	2014	TOTAL	COVERAGE
2009	\$8,557,210	\$1,378,312	\$5,674,469	\$4,261,053	\$789,413	\$208,221	\$0	\$997,634	4.27
2010	\$9,118,672	\$1,466,902	\$6,036,864	\$4,548,710	\$799,213	\$891,775	\$0	\$1,690,988	2.69
2011	\$9,602,757	\$1,732,199	\$7,893,609	\$3,441,347	\$797,950	\$887,675	\$0	\$1,685,625	2.04
2012	\$9,502,093	\$1,451,015	\$8,056,047	\$2,897,061	\$795,575	\$892,975	\$0	\$1,688,550	1.72
2013	\$9,334,305	\$1,384,486	\$7,117,500	\$3,601,291	\$797,393	\$887,075	\$0	\$1,684,468	2.14
2014	\$9,052,923	\$1,488,823	\$7,864,096	\$2,677,650	\$353,691	\$6,250,575	\$559,028	\$7,163,294	0.37
2015	\$8,448,925	\$1,321,169	\$7,776,146	\$1,993,948	\$0	\$300,087	\$269,150	\$569,237	3.50
2016	\$10,073,560	\$1,756,663	\$8,554,275	\$3,275,948	\$0	\$1,160,662	\$894,380	\$2,055,042	1.59
2017	\$12,013,833	\$2,243,640	\$7,991,528	\$6,265,945	\$0	\$866,938	\$747,825	\$1,614,763	3.88
2018	\$14,165,274	\$2,776,566	\$9,235,558	\$7,706,282	\$0	\$864,906	\$751,130	\$1,616,036	4.77
2019	\$16,263,239	\$3,392,550	\$10,251,267	\$9,404,522	\$0	\$878,969	\$748,963	\$1,627,931	5.78
2020	\$13,004,521	\$2,199,401	\$9,441,390	\$5,762,532	\$0	\$7,409,863	\$746,323	\$8,156,185	0.71
2021	\$16,675,750	\$3,822,857	\$9,671,311	\$10,827,296	\$0	\$100	\$748,053	\$748,153	14.47
2022	\$20,086,630	\$3,833,214	\$14,445,986	\$9,473,858	\$0	\$0	\$0	\$0	-
2023	\$16,377,384	\$2,883,264	\$17,021,182	\$2,239,466	\$0	\$0	\$0	\$0	-
2024	\$25,117,073	\$3,008,953	\$18,248,206	\$9,877,820	\$0	\$0	\$0	\$0	0.00

Note: Airport debt was paid in full in fiscal year 2025

**OKALOOSA COUNTY, FLORIDA
STATISTICAL SECTION
SEPTEMBER 30, 2025**

PLEDGED-REVENUE BOND COVERAGE

FISCAL YEAR	Gross Operating Revenue	Direct Operating Expense	Net Revenue Avail -Debt Serv	CONFERENCE CENTER REVENUE BONDS (PRINCIPAL + INTEREST)		
				Bond	TOTAL	COVERAGE
2009	\$5,249,570	\$3,419,702	\$1,829,868	\$671,573	\$671,573	2.72
2010	\$4,617,857	\$3,094,242	\$1,523,615	\$942,038	\$942,038	1.62
2011	\$6,062,145	\$2,597,664	\$3,464,481	\$8,929,631	\$8,929,631	0.39
2012	\$6,110,432	\$3,509,121	\$2,601,311	\$1,903,563	\$1,903,563	1.37
2013	\$6,258,565	\$2,437,430	\$3,821,135	\$1,535,370	\$1,535,370	2.49

Note: Conference Center debt was paid in full in fiscal year 2014

**OKALOOSA COUNTY, FLORIDA
STATISTICAL SECTION
SEPTEMBER 30, 2025**

DIRECT AND OVERLAPPING GOVENMENTAL ACTIVITIES DEBT AND COMPUTATION

DIRECT:	DEBT OUTSTANDNING	PERCENT APPLICABLE TO THIS GOVERNMENTAL UNIT
OKALOOSA COUNTY - REVENUE BONDS	\$113,108,435	100%
OKALOOSA COUNTY - PRIVATE BANK NOTES	\$13,617,857	100%
OKALOOSA COUNTY - LEASES	\$4,278	100%
OKALOOSA COUNTY - FINANCED PURCHASES	\$0	100%
OKALOOSA COUNTY - SUBSCRIPTION AGREEMENTS	\$5,891,938	100%

OVERLAPPING:

OKALOOSA GOVERNMENTS ARE ENCOURAGED, BUT NOT REQUIRED, TO PRESENT INFORMATION ABOUT DIRECT OR OVERLAPPING DEBT. OVERLAPPING DEBT IS NOT PRESENTED.

**OKALOOSA COUNTY, FLORIDA
STATISTICAL SECTION
SEPTEMBER 30, 2025**

DEMOGRAPHIC AND ECONOMIC STATISTICS - LAST TEN YEARS

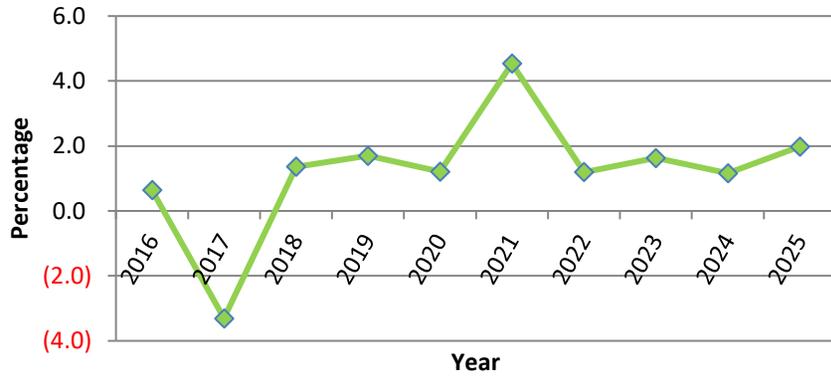
YEAR	POPULATION	PERCENT +/-	PERSONAL INCOME IN THOUSANDS	PERCENT +/-	PER CAPITA PERSONAL INCOME	PERCENT +/-	UNEMPLOYMENT RATE
2016	202,183	0.6%	\$9,422,078	4.9%	\$46,836	3.6%	4.00%
2017	195,488	-3.3%	\$9,627,521	2.2%	\$47,433	1.3%	3.40%
2018	198,152	1.4%	\$9,889,567	2.7%	\$48,128	1.5%	3.40%
2019	201,514	1.7%	\$10,249,556	3.6%	\$49,191	2.2%	2.30%
2020	203,951	1.2%	\$11,626,309	3.7%	\$54,403	10.6%	4.10%
2021	213,204	4.5%	\$12,636,474	8.7%	\$59,138	8.7%	2.80%
2022	215,751	1.2%	\$13,012,432	3.0%	\$59,933	1.3%	1.90%
2023	219,260	1.6%	\$13,878,441	6.7%	\$63,192	5.4%	2.60%
2024	221,806	1.2%	\$14,601,665	5.2%	\$66,226	4.8%	3.40%
2025	226,193	2.0%	\$15,260,960 (1)	4.5%	\$69,125 (1)	4.4%	4.10%

(1) Estimated income figures based upon average percent in prior years/from edr.state.fl.us, entered prior figures up to 2024 and estimated 2025

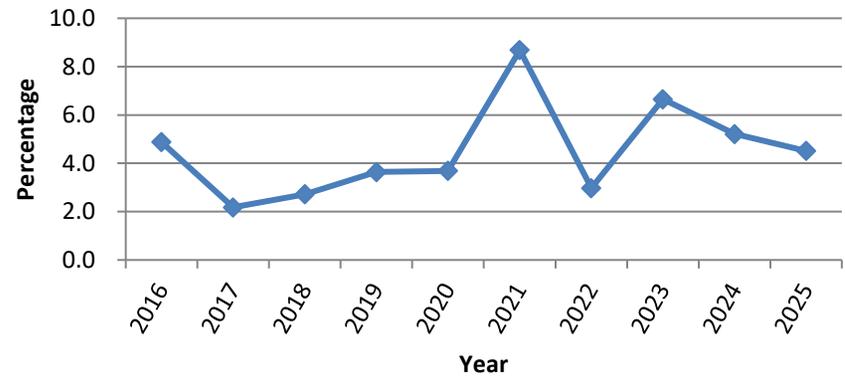
SOURCE: FLORIDA RESEARCH AND ECONOMIC DATABASE

**OKALOOSA COUNTY, FLORIDA
STATISTICAL SECTION
SEPTEMBER 30, 2025**

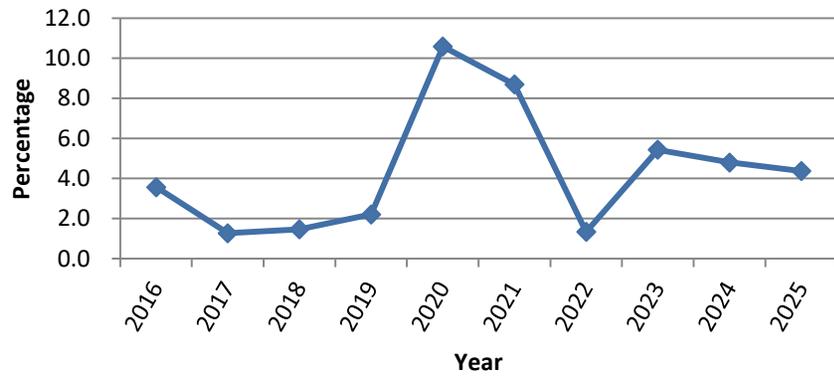
**Population
Last Ten Fiscal Years**



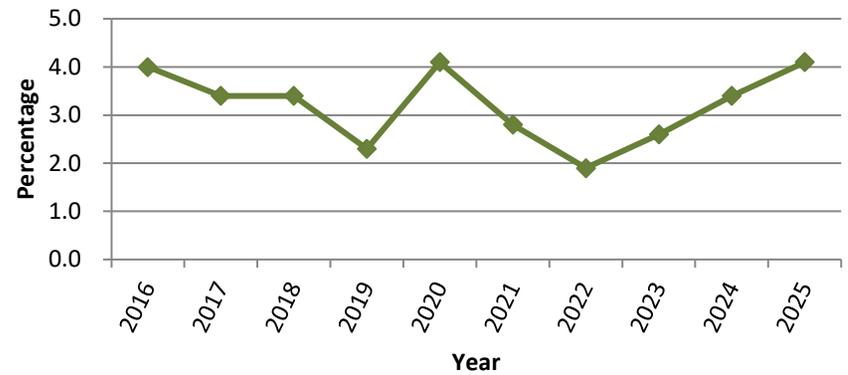
**Personal Income
Last Ten Fiscal Years**



**Per Capita Income
Last Ten Fiscal Years**



**Unemployment Rate
Last Ten Fiscal Years**



**OKALOOSA COUNTY, FLORIDA
STATISTICAL SECTION
SEPTEMBER 30, 2025**

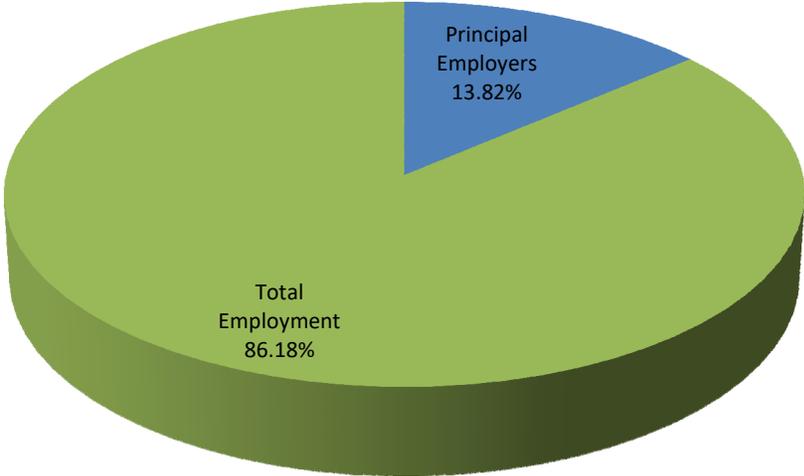
PRINCIPAL EMPLOYERS - CURRENT YEAR AND NINE YEARS AGO

EMPLOYER	2025		2016	
	EMPLOYEES	PERCENTAGE OF TOTAL EMPLOYMENT	EMPLOYEES	PERCENTAGE OF TOTAL EMPLOYMENT
OKALOOSA COUNTY SCHOOL DISTRICT	4,846	5.12%		
HCA FLORIDA FORT WALTON-DESTIN HOSPITAL	1,285	1.36%		
WAL-MART STORES	1,200	1.27%	600	0.65%
OKALOOSA COUNTY BOARD OF COUNTY COMMISSIONERS	1,109	1.17%		
PUBLIX STORES	1,015	1.07%		
RELIANCE TEST & TECHNOLOGY	770	0.81%	800	0.86%
NORTH OKALOOSA MEDICAL CENTER	729	0.77%	643	0.69%
NORTHWEST FLORIDA STATE COLLEGE	726	0.77%		
ASTRION	715	0.76%		
LOCKHEED MARTIN CORPORATION	677	0.72%	926	1.00%
FT WALTON BEACH MEDICAL CENTER			1,065	1.15%
L-3 CRESTVIEW AEROSPACE			612	0.66%
CENTURYLINK			600	0.65%
ASURION COMPANY			535	0.58%
WHITE WILSON MEDICAL CENTER			480	0.52%
THE BOEING COMPANY			450	0.48%
TOTAL	<u>13,072</u>	<u>13.82%</u>	<u>6,711</u>	<u>7.22%</u>
TOTAL COUNTY EMPLOYMENT	<u>94,608</u>		<u>92,938</u>	

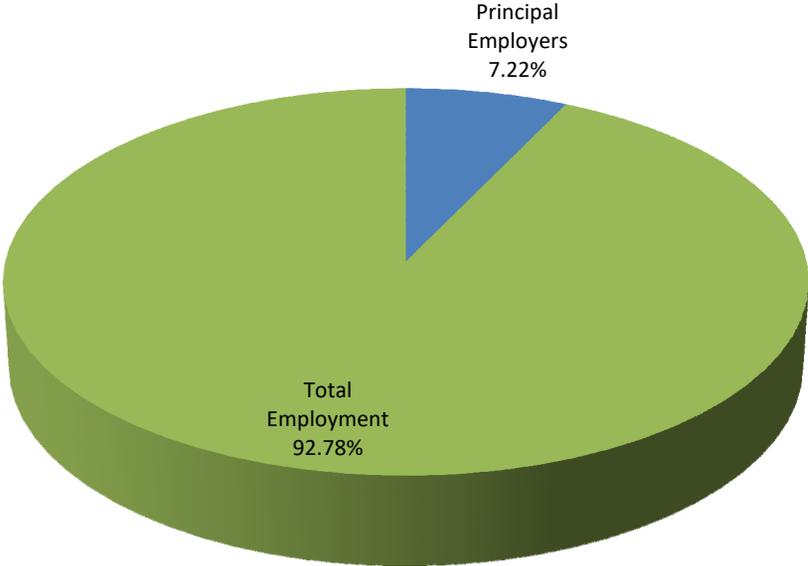
SOURCE: ONE OKALOOSA EDC

OKALOOSA COUNTY, FLORIDA
STATISTICAL SECTION
SEPTEMBER 30, 2025

**Principal Employers
Current Year
2025**



**Principal Employers
Nine Years Ago
2016**



**OKALOOSA COUNTY, FLORIDA
STATISTICAL SECTION
SEPTEMBER 30, 2025**

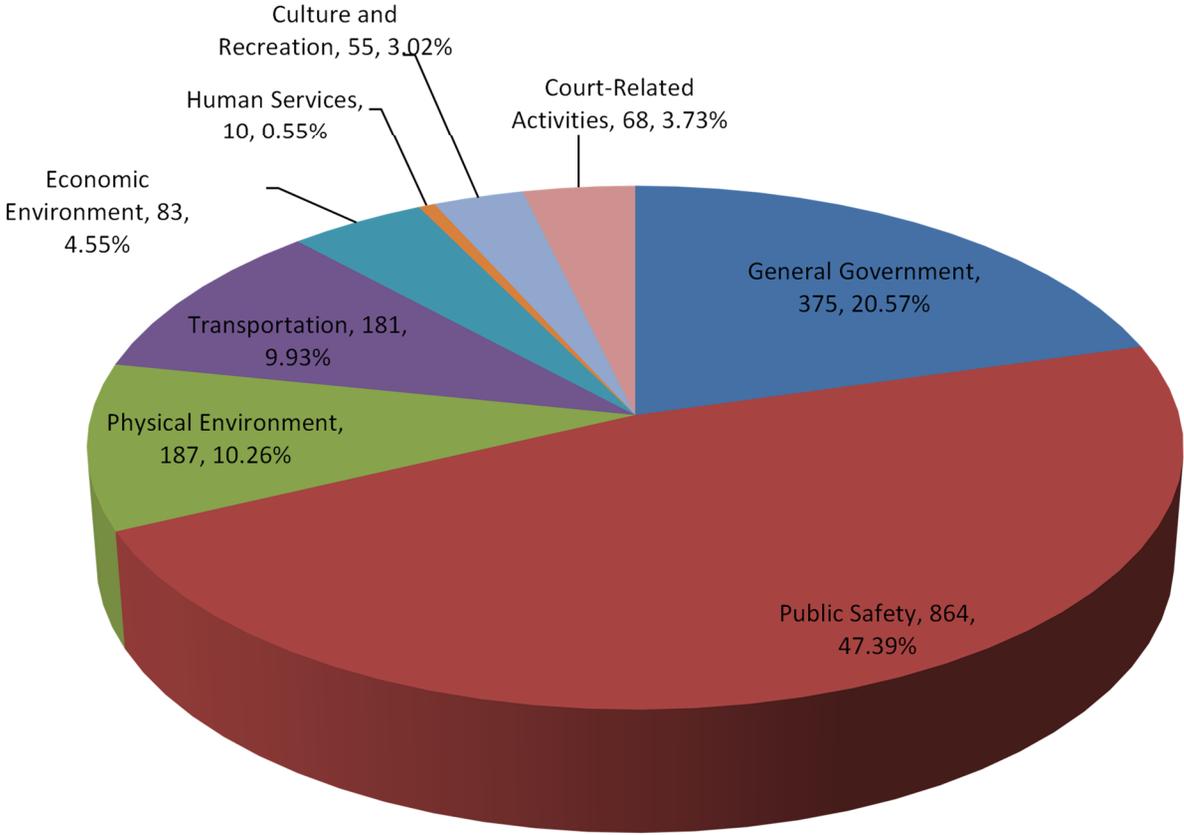
FULL-TIME EQUIVALENT GOVERNMENT EMPLOYEES BY FUNCTION - LAST TEN YEARS

FUNCTION	FULL-TIME EQUIVALENT EMPLOYEES AS OF OCTOBER 1										
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
GENERAL GOVERNMENT	315	325	308	355	355	325	321	347	373	366	375
PUBLIC SAFETY	669	701	706	745	773	809	808	806	844	845	864
PHYSICAL ENVIRONMENT	151	164	155	145	147	156	167	173	179	184	187
TRANSPORTATION	167	162	138	157	163	159	166	178	180	184	181
ECONOMIC ENVIRONMENT	14	15	15	22	26	31	30	32	61	74	83
HUMAN SERVICES	8	8	8	8	7	9	9	9	9	10	10
CULTURE AND RECREATION	53	54	44	59	60	66	60	62	38	45	55
COURT-RELATED ACTIVITIES	89	78	76	74	70	64	76	72	55	70	68
TOTAL	1,465	1,507	1,450	1,565	1,601	1,619	1,637	1,679	1,739	1,778	1,823

SOURCE: BUDGET OFFICE

OKALOOSA COUNTY, FLORIDA
STATISTICAL SECTION
SEPTEMBER 30, 2025

FTE by Function
Fiscal Year 2025



**OKALOOSA COUNTY, FLORIDA
STATISTICAL SECTION
SEPTEMBER 30, 2025**

OPERATING INDICATORS BY FUNCTION/PROGRAM - LAST TEN FISCAL YEARS

FUNCTION/PROGRAM	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
TRANSIT										
TOTAL ROUTE MILES	220	220	220	220	220	227	229	228	228	228
PASSENGERS	137,644	123,473	119,761	119,658	64,385	53,071	61,913	57,003	57,775	44,499
LIBRARY										
CIRCULATION	762,052	764,595	768,370	787,847	601,970	662,561	657,922	668,578	663,217	745,385
REGISTERED BORROWERS	72,555	73,401	73,883	72,711	63,491	29,430	35,269	36,780	39,566	41,260
PUBLIC WORKS										
ASPHALT OVERLAY (SQUARE YARDS)	78,044	90,624	218,500	218,496	153,915	231,673	213,389	49,806	529,753	148,198
BRIDGES REPAIRED/REPLACED	15	1	10	5	4	1	1	3	2	1
WATER										
NEW CONNECTIONS	189	179	182	190	338	280	212	336	354	356
WATER MAINS REPAIRED	36	28	24	34	56	77	32	54	77	80
ANNUAL WATER UNITS BILLED	423,601	469,014	476,239	480,260	484,811	489,272	487,213	495,206	499,882	504,320
SEWER										
ANNUAL SEWER UNITS BILLED	424,767	432,917	438,480	443,196	447,838	450,564	454,850	456,643	460,346	564,430
AIRPORTS										
ENPLANEMENTS	436,410	566,212	680,151	820,940	523,624	908,631	1,020,252	1,103,307	1,180,737	1,242,820
DEPLANEMENTS	437,957	567,997	681,597	826,290	525,456	909,042	1,010,233	1,109,942	1,186,102	1,240,403
GROWTH MANAGEMENT										
DEVELOPMENT PERMITS ISSUED	998	1,105	1,053	1,158	1,196	1,409	1,378	1,226	1,403	1134
HOME OCCUPATIONS	521	515	476	447	349	269	83	410	383	379
REFUSE COLLECTION										
TRANSFER STATION TONNAGE	132,475	142,104	150,105	147,917	155,517	179,983	175,834	177,912	179,363	188,452
RECYCLING TONNAGE	8,922	9,391	12,567	13,681	14,353	15,252	14,232	14,247	13,353	16,484
PUBLIC SAFETY										
EMERGENCY CALLS (EMS)	27,139	29,127	31,101	32,301	30,659	33,857	33,566	34,434	28,886	36,626
SYSTEM CALLS (9-1-1)	188,631	130,395	209,675	393,408	100,812	138,099	114,612	133,808	121,562	116,029

SOURCE: COUNTY ADMINISTRATOR'S OFFICE/TC OFFICE - HOME OCCUPATIONS

**OKALOOSA COUNTY, FLORIDA
STATISTICAL SECTION
SEPTEMBER 30, 2025**

CAPITAL INDICATORS BY FUNCTION/PROGRAM - LAST TEN FISCAL YEARS

FUNCTION/PROGRAM	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
PARKS AND RECREATION										
COUNTY PARKS	19	19	18	18	18	18	18	18	18	19
UNINCORPORATED PARKS	36	37	38	39	39	40	40	40	41	41
TRANSIT										
BUSES/PASSENGER VAN	11	13	14	14	17	17	17	17	17	17
LIBRARY										
COLLECTION	316,684	327,913	331,790	330,790	325,474	307,744	306,372	326,331	352,364	365,211
PUBLIC WORKS										
PAVED ROADS MAINTAINED (MILES)	678	682	682	705	713	805	809	846	900	939
DIRT ROADS MAINTAINED (MILES)	196	196	185	171	171	200	96	61	26	3
COLD MIX ROADS MAINTAINED (MILES)	71	67	60	53	45	32	28	19	0	0
TRAFFIC SIGNALS	10	10	11	11	12	12	12	12	12	12
WATER										
WATER MAINS (MILES)	513	486	493	501	518	518	520	516	525	514
FIRE HYDRANTS	4,138	3,332	3,232	2,930	2,463	2,496	2,504	2,532	2,555	5,283
ANNUAL AVERAGE DAILY WITHDRAWAL CAPACITY (THOUSANDS OF GALLONS)	10,620	10,620	10,620	10,620	10,620	10,620	10,620	10,620	10,620	10,620
SEWER										
SANITARY SEWERS (MILES)	521	499	479	473	483	445	448	440	442	454
ANNUAL AVERAGE DAILY FLOW CAPACITY (THOUSANDS OF GALLONS)	11,980	11,980	16,980	16,980	16,980	16,980	16,980	16,980	16,980	16,980

IV. COMPLIANCE SECTION

**OKALOOSA COUNTY, FLORIDA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025**

Federal / State Agency Pass-through Entity Federal Program/State Project	Assistance Listing Number	Contract or Grant Number	Expenditures	Passed Through to Subrecipients
<u>FEDERAL AWARDS</u>				
<u>U.S. Department of Agriculture</u>				
Passed Through Florida Department of Financial Services Forest Service Schools and Roads Cluster				
Schools and Roads - Grants to States	10.665	N/A	\$ 784	\$ -
Total U.S. Department of Agriculture			<u>784</u>	<u>-</u>
<u>U.S. Department of Commerce</u>				
Passed Through the Florida Fish and Wildlife Foundation				
Office for Coastal Management	11.473	0318.19.066967	1,500,000	-
Total U.S. Department of Commerce			<u>1,500,000</u>	<u>-</u>
<u>U.S. Department of Housing and Urban Development</u>				
Passed Through Florida Department of Economic Opportunity				
Community Development Block Grants	14.228	10DB-4X-01-56-01-F18	514,360	-
Community Development Block Grants	14.228	10DB-4X-01-56-01-F18	72,349	-
Total U.S. Department of Housing and Urban Development			<u>586,709</u>	<u>-</u>
<u>U.S. Department of the Interior</u>				
Direct Program				
Payments in Lieu of Taxes	15.226	N/A	13,490	-
Passed Through Florida Fish and Wildlife Conservation Commission				
Fish and Wildlife Cluster				
Sport Fish Restoration Program	15.605	FWC 24039	31,000	-
Total U.S. Department of the Interior			<u>44,490</u>	<u>-</u>
<u>U.S. Department of Justice</u>				
Direct Programs				
State Criminal Alien Assistance Program	16.606	15PBJA-24-RR-05668-SCAA	28,561	-
Equitable Sharing Program	16.922	FL0460000; 2020EQSHDOJ	49,444	-
Edward Byrne Memorial Justice Assistance Grant Program	16.738	15PBJA-23-GG-03282-JAGX	47,331	-
Edward Byrne Memorial Justice Assistance Grant Program Subtotal	16.738	15PBJA-24-GG-05034-JAGX	25,054	-
Passed Through Florida Department of Law Enforcement				
Edward Byrne Memorial Justice Assistance Grant Program	16.738	6N129	15,671	-
Edward Byrne Memorial Justice Assistance Grant Program	16.738	6N130	27,606	27,606
Subtotal			<u>115,662</u>	<u>27,606</u>
Total U.S. Department of Justice			<u>193,667</u>	<u>27,606</u>
<u>U.S. Department of Transportation</u>				
Direct Programs				
<u>Federal Aviation Administration</u>				
Airport Improvement Program	20.106	3-12-0081-040-2023	66,651	-
Airport Improvement Program	20.106	3-12-0014-029-2024	168,028	-
Airport Improvement Program	20.106	3-12-0014-030-2024	278,370	-
Airport Improvement Program	20.106	3-12-0081-043-2024	2,972,279	-
Airport Improvement Program	20.106	3-12-0081-042-2024	2,654,968	-
Airport Improvement Program	20.106	3-12-0020-023-2025	191,652	-
Subtotal			<u>6,331,948</u>	<u>-</u>

OKALOOSA COUNTY, FLORIDA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025

Federal Transit Cluster				
Direct Programs				
<u>Federal Transit Administration</u>				
Federal Transit Formula Grants	20.507	FL-90-X795-00	\$ 512	\$ -
Federal Transit Formula Grants	20.507	FL-90-X815-00	1,179	-
Federal Transit Formula Grants	20.507	FL-90-X867-00	159	-
Federal Transit Formula Grants	20.507	FL-2017-064-00	113,186	-
Federal Transit Formula Grants	20.507	FL-2018-093-00	129	-
Federal Transit Formula Grants	20.507	FL-2019-017-00	6,815	-
Federal Transit Formula Grants	20.507	FL-2019-021-00	35,806	-
Federal Transit Formula Grants	20.507	FL-2020-058-00	6,815	-
COVID-19 - Federal Transit Formula Grants	20.507	FL-2020-073-00	1,293,633	-
COVID-19 - Federal Transit Formula Grants	20.507	FL-2022-010-00	47	-
Federal Transit Formula Grants	20.507	FL-2022-019-00	46,542	-
Federal Transit Formula Grants	20.507	FL-2023-089-00	1,502,391	-
Subtotal			<u>3,007,214</u>	-
Passed Through Florida Department of Transportation				
Capital Buses and Bus Facilities Formula, Competitive, and Low or No Emissions Programs	20.526	G2S34; 45422629421	367,970	-
Total Federal Transit Cluster			<u>3,375,184</u>	-
Passed Through Florida Department of Transportation				
Highway Planning and Construction	20.205	G2I11	35,819	-
Highway Planning and Construction	20.205	G2M28	132,298	-
Highway Planning and Construction	20.205	G2M29	821	-
Highway Planning and Construction	20.205	G2P75	36,137	-
Highway Planning and Construction	20.205	G2V48; 45387913801	69,155	-
Highway Planning and Construction	20.205	G3B85	4,167	-
Highway Planning and Construction	20.205	G3B22	570,979	-
Highway Planning and Construction	20.205	G3G27	15,030	-
Subtotal			<u>864,406</u>	-
COVID-19 - Formula Grants for Rural Areas	20.509	G2610; 45051819401	146,124	-
Formula Grants for Rural Areas	20.509	G2W87; 45203819423	442,290	-
Formula Grants for Rural Areas	20.509	G3689; 42136538425	446,500	-
Subtotal			<u>1,034,914</u>	-
Highway Safety Cluster				
Passed Through Florida Department of Transportation				
State and Community Highway Safety	20.600	G3435	49,804	49,804
Total U.S. Department of Transportation			<u>11,656,256</u>	<u>49,804</u>
<u>U.S. Department of Treasury</u>				
Direct Programs				
Resources and Ecosystems Sustainability, Tourist Opportunities, and Revived Economies of the Gulf Coast States	21.015	RDCGR180167-01-00	473,286	-
Resources and Ecosystems Sustainability, Tourist Opportunities, and Revived Economies of the Gulf Coast States	21.015	RDCGR180630-01-00	1,674,416	-
Subtotal			<u>2,147,702</u>	-
Local Assistance and Tribal Consistency Fund	21.032	LATCF-1555	8,833	-
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	SLT-0786	12,644,708	261,270
Passed Through Florida Department of Commerce				
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	G0093	2,966,515	-
Subtotal			<u>15,611,223</u>	<u>261,270</u>
Total U.S. Department of Treasury			<u>17,767,758</u>	<u>261,270</u>

**OKALOOSA COUNTY, FLORIDA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025**

Gulf Coast Ecosystem Restoration Council (RESTORE Council)

Passed Through Gulf Consortium, Inc.

Gulf Coast Ecosystem Restoration Council Oil Spill Impact Program	87.052	200090033	\$ 10,262	\$ -
Gulf Coast Ecosystem Restoration Council Oil Spill Impact Program	87.052	230052035	1,529,213	-
Gulf Coast Ecosystem Restoration Council Oil Spill Impact Program	87.052	220040034	66,980	-
Total Gulf Coast Ecosystem Restoration Council (RESTORE Council)			<u>1,606,455</u>	<u>-</u>

Election Assistance Commission

Passed Through Florida Department of State

HAVA Election Security Grants	90.404	2022-23.e.es.100.046	4,750	-
HAVA Election Security Grants	90.404	24.e.an.000.046	9,731	-
Total Election Assistance Commission			<u>14,481</u>	<u>-</u>

U.S. Department of Health and Human Services

Passed Through Florida Department of Revenue

Child Support Enforcement	93.563	COC46	392,953	-
Total U.S. Department of Health and Human Services			<u>392,953</u>	<u>-</u>

U.S. Department of Homeland Security

Passed Through Florida Division of Emergency Management

Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	DR-4564 FL	22,726	-
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	DR-4564 FL	1,263	-
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	Mission 00374	10,588	-
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	Mission 00374	21,433	-
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	RSA-00751, Claim # C-00000732	43,548	43,548
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	Mission #: 00259, 00710, 01945, 00124	138,028	138,028
Subtotal			<u>237,586</u>	<u>181,576</u>
Hazard Mitigation Grant	97.039	H0910; 4337-4-PAL	79,256	-
Hazard Mitigation Grant	97.039	H0905; DR-4486-009-R	37,122	-
Subtotal			<u>116,378</u>	<u>-</u>
Emergency Management Performance Grants	97.042	G0497	85	-
Emergency Management Performance Grants	97.042	G0509	54,349	-
Subtotal			<u>54,434</u>	<u>-</u>
Homeland Security Grant Program	97.067	R0910 (EMW-2023-SS-00058)	110,100	110,100
Homeland Security Grant Program	97.067	R1120	100,257	100,257
Subtotal			<u>210,357</u>	<u>210,357</u>
Total U.S. Department of Homeland Security			<u>618,755</u>	<u>391,933</u>
TOTAL FEDERAL AWARDS			<u>\$ 34,382,308</u>	<u>\$ 730,613</u>

**OKALOOSA COUNTY, FLORIDA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025**

STATE FINANCIAL ASSISTANCE

Executive Office of the Governor

Direct Projects

Florida Division of Emergency Management

Emergency Management Preparedness and Assistance	31.063	A0471	\$ 95,138	\$ -
Emergency Management Preparedness and Assistance	31.063	A0583	<u>6,373</u>	<u>-</u>
Total Executive Office of the Governor			<u>101,511</u>	<u>-</u>

Florida Department of Environmental Protection

Direct Projects

Cooperative Collection Center Grant	37.007	HW505	206,636	-
Cooperative Collection Center Grant	37.007	HW605	<u>48,261</u>	<u>-</u>
Subtotal			<u>254,897</u>	<u>-</u>
Statewide Surface Water Restoration and Wastewater Projects	37.039	LPA0597	6,333,907	-
Grants and Aids to Local Governments and Nonstate Entities - Fixed Capital Outlay Local Parks and the Pinellas Park Youth Sports Complex State Project Youth Sports Facility	37.085	LP2307	244,655	-
Resilient Florida Program	37.098	23PLN65	<u>452,514</u>	<u>-</u>
Total Florida Department of Environmental Protection			<u>7,285,973</u>	<u>-</u>

Florida Housing Finance Corporation

Direct Projects

State Housing Initiative Partnership (SHIP)	40.901	2020/2021	16,279	-
State Housing Initiative Partnership (SHIP)	40.901	2021/2022	579,584	-
State Housing Initiative Partnership (SHIP)	40.901	2023/2024	61,685	-
State Housing Initiative Partnership (SHIP)	40.901	2024/2025	10	-
State Housing Initiative Partnership (SHIP)	40.901	2025/2026	<u>10</u>	<u>-</u>
Total Florida Housing Finance Corporation			<u>657,568</u>	<u>-</u>

Florida Department of Agriculture and Consumer Services

Direct Projects

Mosquito Control	42.003	30705	28,383	-
Mosquito Control	42.003	31719	<u>24,647</u>	<u>-</u>
Subtotal			<u>53,030</u>	<u>-</u>
Agriculture Education and Promotional Facility	42.047	27944	<u>454,680</u>	<u>-</u>
Total Florida Department of Agriculture and Consumer Services			<u>507,710</u>	<u>-</u>

Florida Department of State

Direct Projects

State Aid to Libraries	45.030	20-ST-45	3,195	-
State Aid to Libraries	45.030	21-ST-45	24,439	-
State Aid to Libraries	45.030	22-ST-45	<u>19,532</u>	<u>-</u>
Total Florida Department of State			<u>47,166</u>	<u>-</u>

Florida Department of Education

Direct Projects

Coach Aaron Feis Guardian Program	48.140	97J-90210-5D001	<u>70,003</u>	<u>70,003</u>
Total Florida Department of Education			<u>70,003</u>	<u>70,003</u>

Florida Department of Transportation

Direct Projects

Commission for the Transportation Disadvantaged Trip and Equipment Grant Program	55.001	G2Z38	544,572	-
Commission for the Transportation Disadvantaged Trip and Equipment Grant Program	55.001	G3E11	<u>186,175</u>	<u>-</u>
Subtotal			<u>730,747</u>	<u>-</u>

OKALOOSA COUNTY, FLORIDA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025

Aviation Grant Programs	55.004	G2H88; 42230239401	\$ 5,950	\$ -
Aviation Grant Programs	55.004	G2H89; 42230229401	26,880	-
Aviation Grant Programs	55.004	G2J37; 42230359401	2,237,718	-
Aviation Grant Programs	55.004	G2J38; 42561579401	9,136	-
Aviation Grant Programs	55.004	G2W94	25,004	-
Subtotal			2,304,688	-
Public Transit Block Grant Program	55.010	G2T17; 42225318406	151,197	-
Public Transit Block Grant Program	55.010	G3827; 42225318407	427,501	-
Subtotal			578,698	-
Transit Corridor Development Grant	55.013	G3792; 42225618407	250,000	-
Intermodal Access Development Program	55.014	G2X15	22,533	-
Transportation Regional Incentive Program (TRIP)	55.026	G1Z29	2,077	-
Local Transportation Projects	55.039	G3542; 4532951A401	14,982	-
Local Transportation Projects	55.039	G2E16	1,427,308	-
Local Transportation Projects	55.039	G2S18	325,889	-
Subtotal			1,768,179	-
Total Florida Department of Transportation			5,656,922	-
<u>Florida Department of Children and Families</u>				
Direct Projects				
Substance Abuse and Mental Health - Community Services	60.153	A1009 (A0280)	322,717	-
Adoption Support and Promotion Services	60.190	AH105 (A1018)	112,799	-
Adoption Support and Promotion Services	60.190	A1018 (AH105)	56,205	-
Subtotal			491,721	-
Total Florida Department of Children and Families			491,721	-
<u>Florida Department of Health</u>				
Direct Projects				
County Grant Awards	64.005	C2446	19,814	-
County Grant Awards	64.005	Okaloosa 46	280	-
Subtotal			20,094	-
Total Florida Department of Health			20,094	-
<u>Florida Department of Law Enforcement</u>				
Direct Projects				
FDLE Drone Replacement Program	71.092	3X001	164,456	164,456
School Security Assessment Grant Program	71.152	LV027	3,503	3,503
Subtotal			167,959	167,959
Total Florida Department of Law Enforcement			167,959	167,959
<u>Florida Department of Management Services</u>				
Direct Projects				
Prepaid Next Generation 911 (NG911) State Grant Program	72.003	S21-22-05-02	282,089	-
Prepaid Next Generation 911 (NG911) State Grant Program	72.003	S18-21-05-50	100,534	-
Prepaid Next Generation 911 (NG911) State Grant Program	72.003	S18-21-05-51	102,336	-
Prepaid Next Generation 911 (NG911) State Grant Program	72.003	S26-24-07-18	1,365,092	-
Subtotal			1,850,051	-
Local Government Cybersecurity Grant Program	72.016	DMS-24/25-136	75,862	-
Subtotal			1,925,913	-
Total Florida Department of Management Services			1,925,913	-
<u>Fish and Wildlife Conservation Agency</u>				
Direct Projects				
Artificial Reef Grants Program	77.007	FWC 24039	29,000	-
Subtotal			29,000	-
Total Fish and Wildlife Conservation Agency			29,000	-
TOTAL STATE FINANCIAL ASSISTANCE			\$ 16,961,540	\$ 237,962
TOTAL FEDERAL AND STATE FINANCIAL ASSISTANCE			\$ 51,343,848	\$ 968,575

**OKALOOSA COUNTY, FLORIDA
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE
FISCAL YEAR ENDED SEPTEMBER 30, 2025**

NOTE 1. BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards and State Financial Assistance (the Schedule) presents the activity of all federal funded programs and state funded projects of Okaloosa County, Florida for the year ended September 30, 2025. All federal awards received directly from federal agencies as well as federal awards passed through other government agencies are included on the Schedule. Funds received and expended as state financial assistance reported on the Schedule include only those state funds provided from state resources to carry out state projects. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and Chapter 10.550, *Rules of the Auditor General*. Because the Schedule presents only a selected portion of the operations of Okaloosa County, Florida, it is not intended to, and does not, present the financial position, changes in net position, or cash flows of Okaloosa County, Florida.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying Schedule of Expenditures of Federal Awards and State Financial Assistance is presented using the modified accrual basis of accounting for all governmental fund grants and the accrual basis of accounting for all proprietary fund grants. The basis of accounting is described in Note 1 to the County's financial statements. Such expenditures are recognized following the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, wherein certain type of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

NOTE 3. INDIRECT COST RATE

Okaloosa County, Florida has elected to use the 15 percent de minimis indirect cost rate allowed under the Uniform Guidance.

**OKALOOSA COUNTY, FLORIDA
AIRPORTS ENTERPRISE FUND
SCHEDULE OF EXPENDITURES OF PASSENGER FACILITY CHARGES
FISCAL YEAR ENDED SEPTEMBER 30, 2025**

	Date Approved	Amount Approved For Use	Cumulative Total - September 30, 2024	Quarter Ended December 31, 2024	March 31, 2025	June 30, 2025	September 30, 2025	Year Ended September 30, 2025	Cumulative Total - September 30, 2025
Revenues									
Passenger facility charge revenues received			\$ 46,181,980	\$ 505,488	\$ 900,053	\$ 1,029,451	\$ 774,303	\$ 3,209,295	\$ 49,391,275
Interest earned			2,892,046	47,558	43,968	54,927	50,432	196,885	3,088,931
Total passenger facility charge revenue received			\$ 49,074,026	\$ 553,046	\$ 944,021	\$ 1,084,378	\$ 824,735	\$ 3,406,180	\$ 52,480,206
Expenditures									
Application 00-01-C-01-VPS	October 2000	\$ 15,735,840	\$ 15,735,840	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 15,735,840
Application 03-02-C-00-VPS	July 2003	1,331,705	1,331,705	-	-	-	-	-	1,331,705
Application 07-03-C-01-VPS	October 2007	758,782	758,782	-	-	-	-	-	758,782
Application 08-04-C-00-VPS	June 2008	110,083	110,083	-	-	-	-	-	110,083
Application 10-05-C-01-VPS	August 2010	1,396,924	1,396,924	-	-	-	-	-	1,396,924
Application 15-06-C-00-VPS	July 2015	5,398,994	5,398,994	-	-	-	-	-	5,398,994
Application 19-07-C-00-VPS	August 2019	15,830,091	15,828,651	-	-	1,440	-	1,440	15,830,091
Application 22-08-C-00-VPS	August 2022	7,567,262	4,079,547	243,120	306,688	311,891	2,500,775	3,362,474	7,442,021
Application 25-09-C-00-VPS	January, 2025	8,647,189	-	-	22,295	-	-	22,295	22,295
Total passenger facility charge revenue expended		\$ 56,776,870	\$ 44,640,526	\$ 243,120	\$ 328,983	\$ 313,331	\$ 2,500,775	\$ 3,386,209	\$ 48,026,735

**OKALOOSA COUNTY, FLORIDA
AIRPORTS ENTERPRISE FUND
NOTES TO THE SCHEDULE OF EXPENDITURES
OF PASSENGER FACILITY CHARGES
FISCAL YEAR ENDED SEPTEMBER 30, 2025**

NOTE 1 – BASIS OF PRESENTATION

The accompanying Schedule of Passenger Facility Charges Collected and Expended includes all the PFCs and the interest earnings thereon collected by the County from January 1, 2001 (original date of approval) through September 30, 2025. The County currently collects \$3.00 per enplaned passenger. The current approval for charges as approved by the Federal Aviation Administration is estimated to end on March 1, 2028.

NOTE 2 – BASIS OF ACCOUNTING

The Schedule of Expenditures of Passenger Facility Charges was prepared on the accrual basis of accounting. Passenger Facility Charges are recorded as revenue when earned and expenditures for debt service and approved capital projects are recorded as expenditures are made. Expenditures are made under an approved FAA application for use.

NOTE 3 – PROGRAM COSTS

The amounts shown as current year revenues and expenses represent only the Passenger Facility Charges portions of the project costs. Entire project costs may be more than shown.

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

To the Honorable Chairman and Members of the
Board of County Commissioners and Other Elected Officials
Okaloosa County, 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 (hereinafter referred to as "financial statements") of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Okaloosa County, Florida (the County) as of and for the year ended September 30, 2025, which collectively comprise the County's basic financial statements and have issued our report thereon dated March 27, 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 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.

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

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free from material misstatement, we performed tests of compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal controls 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 and compliance. Accordingly, this communication is not suitable for any other purpose.



Fort Walton Beach, Florida
March 27, 2026

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR
EACH MAJOR FEDERAL PROGRAM, STATE PROJECT AND PASSENGER FACILITY
CHARGE PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY
THE UNIFORM GUIDANCE, CHAPTER 10.550, RULES OF THE AUDITOR GENERAL AND THE
PASSENGER FACILITY CHARGE AUDIT GUIDE FOR PUBLIC AGENCIES**

To the Honorable Chairman and Members of the
Board of County Commissioners and Other Elected Officials
Okaloosa County, Florida

**Report on Compliance for Each Major Federal Program, State Project, and Passenger Facility
Charge Program**

**Opinion on Each Major Federal Program, State Project and Passenger Facility Charge
Program**

We have audited Okaloosa County, Florida's (hereinafter referred to as "County") compliance with the types of compliance requirements described in the OMB *Compliance Supplement*; the requirements described in the Florida Department of Financial Services' *State Projects Compliance Supplement* and the compliance requirements described in the *Passenger Facility Charge Audit Guide for Public Agencies*, issued by the Federal Aviation Administration, that could have a direct and material effect on each of the County's major federal programs, state projects and its passenger facility charge program for the year ended September 30, 2025. The County's major federal programs and state financial assistance projects are identified in the summary of auditors' 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, state projects and passenger facility charge program for the fiscal year ended September 30, 2025.

**Basis for Opinion on Each Major Federal Program, State Project and Passenger Facility
Charge Program**

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; 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); the compliance requirements described in the *Passenger Facility Charge Audit Guide for Public Agencies*, and Chapter 10.550, *Rules of the Auditor General*. Our responsibilities under those standards, the Uniform Guidance, Chapter 10.550 *Rules of the Auditor General*, and the *Passenger Facility Charge Guide* are further described in the Auditors' 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, state project, and passenger facility charges. 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, state projects and passenger facility charges.

Auditors' 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*, Uniform Guidance, Chapter 10.550, *Rules of the Auditor General*, and *Passenger Facility Charge Audit Guide for Public Agencies* 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 County's compliance with the requirements of each major federal program, state project, and passenger facility charges as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, Uniform Guidance, Chapter 10.550, *Rules of the Auditor General*, and *Passenger Facility Charge Audit Guide for Public Agencies* 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 County'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 the Financial Services' *State Projects Compliance Supplement*, and the *Passenger Facility Charge Audit Guide for Public Agencies* 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.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance which are required to be reported in accordance with the Uniform Guidance and Chapter 10.550, *Rules of the Auditor General*, and which are described in the accompanying schedule of findings and questioned costs as item 2025-001. Our opinion on each major federal program and state project is not modified with respect to these matters.

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

Report on Internal Control Over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be a significant deficiency.

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, state project, or passenger facility charge 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, state project, or passenger facility charge 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, state project, or passenger facility charge that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item, 2025-001, to be a significant deficiency.

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.

Government Auditing Standards requires the auditor to perform limited procedures on the County's response to the internal control over compliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. The County's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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, Chapter 10.550 *Rules of the Auditor General*, and the *Passenger Facility Charge Audit Guide for Public Agencies*. Accordingly, this report is not suitable for any other purpose.

Warren Averett, LLC

Fort Walton Beach, Florida
March 27, 2026

**OKALOOSA COUNTY, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025**

1. SUMMARY OF AUDITOR RESULTS

Financial Statements

Type of auditors' report issued: Unmodified Opinion

Internal control over financial reporting:

- Material weakness identified? _____ Yes X No
- Significant deficiencies identified that are not considered to be material weakness? _____ Yes X None reported

Non-compliance material to financial statements noted? _____ Yes X No

Federal Awards and State Projects

Internal control over major programs/projects:

- Material weakness identified? _____ Yes X No
- Significant deficiency identified that is/ not considered to be material weakness? X Yes _____ None reported

Type of auditors' report issues on compliance for major programs/projects: Unmodified Opinion

- Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance and Chapter 10.550, *Rules of the Auditor General*? _____ Yes X No

Identification of Major Programs/Projects:

Federal:

Assistance Listing Number	Name of Federal Program or Cluster
11.473	Office for Coastal Management
20.106	Airport Improvement Program, Infrastructure Investment and Jobs Act Programs, and COVID-19 Airports Program
20.507, 20.526	Federal Transit Cluster
20.509	Formula Grants for Rural Areas and Tribal Transit Program

**OKALOOSA COUNTY, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025**

<u>Assistance Listing Number</u>	<u>Name of Federal Program or Cluster</u>
21.015	Resources and Ecosystems Sustainability, Tourist Opportunities, and Revived Economies of the Gulf Coast States
87.052	Gulf Coast Ecosystem Restoration Council Oil Spill Impact Program

State:

<u>CSFA #</u>	<u>Name of State Project</u>
37.039	Statewide Water Quality Restoration Projects
55.004	Aviation Grant Program

Dollar threshold used to distinguish between Type A
and B programs for Federal Awards:

\$1,031,469

Dollar threshold used to distinguish between Type A
and B projects for State Projects:

\$750,000

Auditee qualified as low-risk auditee?

 Yes X No

2. FINANCIAL STATEMENT FINDINGS

There were no findings identified that are required to be reported in accordance with *Government Auditing Standards*.

**OKALOOSA COUNTY, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025**

3. FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL PROGRAMS AND MAJOR STATE FINANCIAL ASSISTANCE

Finding required to be reported in accordance with Uniform Guidance and Chapter 10.550, *Rules of the Auditor General*.

**FINDING 2025-001 – EQUIPMENT AND REAL PROPERTY MANAGEMENT
(SIGNIFICANT DEFICIENCY)**

United States Department of Transportation

20.106 – Airport Improvement Program

20.509 – Formula Grants for Rural Areas and Tribal Transit Program

United States Department of Treasury

21.015 - Resources and Ecosystem Sustainability, Tourist Opportunities, and Revived Economies of the Gulf Coast States

Gulf Coast Ecosystem Restoration Council

87.052 –Gulf Coast Ecosystem Restoration Council Oil Spill Impact Program

Florida Department of Environmental Protection

37.039 – Statewide Water Quality Restoration Projects

Florida Department of Transportation

55.004 – Aviation Grants Program

Criteria

Section 200.313(d) of the Cost Principles of the Title 2 U.S. Code of Federal Regulations Part 200—Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and the Florida Single Audit Act, Section 215.97, Florida Statutes, requires an entity to maintain identifying records for property acquired with federal and state awards. Additional equipment and real property requirements are contained in 2 CFR 200.311 and 48 CFR 52.245-1. These requirements state property records must include a description of the property, a serial number or another identification number, the funding source (including the federal or state award identification number), the title holder, the acquisition date, the cost of the property, the percentage of the federal or state agency contribution towards the original purchase, the location, use and condition of the property, and any disposition data including the date of disposal and sale price of the property.

Condition

The fixed asset listing maintained by the County for assets acquired with federal and state awards did not contain all required elements.

**OKALOOSA COUNTY, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025**

Cause

The County has an established policy that meets the requirements of the criteria noted above. The policy was not consistently implemented during the period under audit.

Effect

Equipment, infrastructure, buildings and real property acquired with federal and state awards is not consistently tracked to ensure compliance with federal and state regulations.

Questioned Costs

None noted

Repeat Finding

No

Context

The County tracks property acquisitions using internal property records spreadsheets, which has the capability to retain grant specific identifying information for assets acquired with federal or state awards. However, this information is not entered into the records on a consistent basis. Infrastructure and building additions acquired with federal and state awards are tracked and identified while the project in progress; however, once projects are completed and placed into service, grant specific identifying information is not maintained. As a result, infrastructure and building records do not independently indicate whether an asset was federally or state funded or reference key grant details, such as the funding source or award identification number. Audit testing also identified grant funded equipment purchases that did not include required information within the fixed asset record.

Recommendation

The County should consistently follow their policy established for tracking and identifying fixed assets acquired with federal and state grant awards.

Views of Responsible Officials

Okaloosa County Management concurs with the finding and recommendation. While the County maintains a policy for tracking equipment and real property acquired with federal and state awards, we acknowledge that it was not consistently implemented during the audit period, resulting in missing grant-specific information (e.g., funding source, award ID, percentage of contribution) within our fixed asset records and on certain infrastructure/building records.

**OKALOOSA COUNTY, FLORIDA
SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025**

SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS

FINDING 2024-001 – PROGRAM INCOME AND INTEREST REVENUE RECOGNITION

Condition

Program income consisting primarily of rental proceeds and interest revenues related to the Local Housing Assistance Trust Fund (nonmajor special revenue fund) were recognized beginning in fiscal year September 30, 2020 only to the extent of grant expenditures incurred. As a result program and interest revenues were deferred over time instead of recognizing such revenue when they were received (earned). Audit entries were also necessary to correct deferred revenue and interest income reported in the Natural Disasters special revenue fund (major fund) during the year ended September 30, 2024.

Current Status

Corrective action was taken.



State of Florida

Board of County Commissioners

CORRECTIVE ACTION PLAN

The County respectfully submits the following corrective action plan for the year ended September 30, 2025.

Name and address of independent public accounting firm:

Warren Averett, LLC
45 Eglin Parkway, N.E., Suite 301
Fort Walton Beach, FL 32548

The finding from the schedule of findings and questioned costs for the year ended September 30, 2025, is discussed below. The finding is numbered consistently with the number assigned in the schedule of findings and questioned costs.

Name of Contact Person for Completing Corrective Action Plan:

Jane Evans, Grants and RESTORE Manager
(850) 651-7521
jevans@myokaloosa.com

Expected date of completion is October 1, 2026.



State of Florida

Board of County Commissioners

FINDING 2025-001 – EQUIPMENT AND REAL PROPERTY MANAGEMENT

Managements Response:

1. **System Cleanup & Review:** The Accounting Director will provide the fixed asset records to the OMB Director. The OMB Director will coordinate with relevant departments (e.g., Public Works, Facilities), to review all equipment, infrastructure, and building assets funded by federal or state awards. Missing data fields, required by 2 CFR 200.313(d) and 2 CFR 200.311 will be populated in the fixed asset records. The County is implementing a new Workday ERP system, which has an integrated fixed asset module. This module will accommodate the tracking of grant-specific information required and provide a better workflow for consistency and compliance.
2. **Infrastructure Project Closeout Procedure:** The County will revise the policies and closing procedures for CIP (Construction in Progress) projects. Before an asset is moved from CIP to fixed assets, the fixed asset coordinator must provide a completed "Grant-Funded Property Identification Form" detailing the funding source, FAIN (Federal Award Identification Number) or State award number, and percentage of contribution to the Finance Department.
3. **Policy Re-training:** The OMB Director in collaborative efforts with Finance Department will hold training sessions for all department heads and project managers to reinforce the established fixed asset tracking policy, emphasizing the compliance requirements of the Florida Single Audit Act and Uniform Guidance.
4. **Ongoing Monitoring:** Internal reviews of the fixed asset listing will be conducted quarterly by the Accounting Director or designee to verify that new assets are properly categorized with necessary grant details.

**INDEPENDENT ACCOUNTANTS' REPORT ON EXAMINATION OF
COMPLIANCE REQUIREMENTS IN ACCORDANCE WITH CHAPTER 10.550,
RULES OF THE AUDITOR GENERAL**

Honorable Chairman and the Members of the
Board of County Commissioners and Other Elected Officials
Okaloosa County, Florida

We have examined Okaloosa County, Florida's (hereinafter referred to as the "County") compliance with the following requirements for the year ended September 30, 2025:

- (1) Florida Statute 218.415 in regard to investments
- (2) Florida Statutes 28.35 and 28.36 in regard to certain court-related functions
- (3) Florida Statutes 61.181 in regard to operation of a depository for alimony and child support
- (4) Florida Statute 288.8018 in regard to the Deepwater Horizon Oil spill receipts and expenditures
- (5) Florida Statute 365.172 and 365.173 in regard to the E911 revenues and expenditures

Management 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.

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

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

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

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



Fort Walton Beach, Florida
March 27, 2026

**OKALOOSA COUNTY, FLORIDA
SCHEDULE OF RECEIPTS AND EXPENDITURES OF
FUNDS RELATED TO THE DEEPWATER HORIZON OIL SPILL
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025**

Source	Amount Received in Fiscal Year 2025	Amount Expended in Fiscal Year 2025
Triumph Gulf Coast, Inc.		
Okaloosa County - Crestview Bypass / Project #46	\$ 10,575,416	\$ 8,378,697
Okaloosa County - Water & Sewer Mains Extension #43	364,287	3,323
Okaloosa County - Project Opal #356	-	55,359
Total Triumph Gulf Coast, Inc.	<u>10,939,703</u>	<u>8,437,379</u>
TOTAL	<u><u>\$ 10,939,703</u></u>	<u><u>\$ 8,437,379</u></u>

Notes:

This does not include funds related to the Deepwater Horizon Oil Spill that are Federal awards audited as a major program or State financial assistance audited as a major project. The Schedule of Expenditures of Federal Awards and State Financial Assistance includes \$3,754,157 of federal awards (included as ALN #21.015 and ALN #87.052) that are audited as major projects and related to the Deepwater Horizon Oil Spill.

This schedule is prepared on the cash basis of accounting.

MANAGEMENT LETTER

To the Honorable Chairman and Members of the
Board of County Commissioners and Other Elected Officials
Okaloosa County, Florida

Report on the Financial Statements

We have audited the financial statements of Okaloosa County, Florida (hereinafter referred to as "County") as of and for the fiscal year ended September 30, 2025, and the related notes to the financial statements, and have issued our report thereon dated March 27, 2026.

Auditors' Responsibility

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

Other Reports and Schedules

We have issued:

- Independent Auditors' Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*;
- Independent Auditors' Report on Compliance for Each Major Federal Program, State Project, and Passenger Facility Charge Program and on Internal Control over Compliance Required by the Uniform Guidance;
- Schedule of Findings and Questioned Costs;
- Independent Accountants' Report on Examination of Compliance Requirements in accordance with Chapter 10.550, *Rules of the Auditor General*;

Disclosures in those reports which are dated March 27, 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 annual financial audit report. Corrective actions have been taken to address findings and recommendations made in the preceding financial audit report.

Official Title and Legal Authority

Section 10.554(1)(i)4., *Rules of the Auditor General*, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. Okaloosa County, Florida is a political subdivision of the State of Florida organized under Title VIII, Section 1(e) of the Florida constitution. The primary government includes the Board of County Commissioners, the Clerk of the Circuit Court and Comptroller, the Sheriff, the Tax Collector, the Property Appraiser, and the Supervisor of Elections. As of September 30, 2025, Okaloosa County had no component units, as defined by GASB 61, with a significant operational or financial relationship with the County.

Financial Condition and Management

Sections 10.554(1)(i)5.a. and 10.556(7), *Rules of the Auditor General*, require us to apply appropriate procedures and communicate the results of our determination as to whether or not Okaloosa County, Florida has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and to identify the specific condition(s) met. In connection with our audit, we determined that Okaloosa County, Florida 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 for Okaloosa County, Florida. It is management's responsibility to monitor Okaloosa County, Florida'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 address in the management letter any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

Property Assessed Clean Energy (PACE) Programs

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

Additional Matters

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

Purpose of this Letter

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

We greatly appreciate the assistance and cooperation extended us during our audit.



Fort Walton Beach, Florida

March 27, 2026