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Holmes County, Florida

Principal Officers

Board of County Commissioners

Wilmer Stafford ..... District 1
Vacant ..... District 2
Mitch Johnson ..... District 3
Earl Stafford ..... District 4
Clint Erickson ..... District 5

Tax Collector
Harry B. Bell, III

Sheriff
John Tate

Property Appraiser
Bryan A. Bell

Supervisor of Elections
H. Russell "Rusty" Williams

Clerk of the Circuit Court
Sam Bailey

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

Carr, Riggs & Ingram, L.L.C.
1117 Boll Weevil Circle
Enterprise, AL 36330

Mailing Address:
PO Box 311070
Enterprise, AL 36331

334.347.0088
334.347.7650 (fax)
CRIadv.com

INDEPENDENT AUDITOR'S REPORT

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

Opinions

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

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

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, on pages 6 through 15, schedule of changes in total OPEB liability and related ratios, schedule of employer's proportionate share of the net pension liability – Florida Retirement Systems Pension Plan, schedule of employer contributions – Florida Retirement Systems Pension Plan, schedule of employer's proportionate share of the net pension liability – Health Insurance Subsidy Program and schedule of employer contributions – Health Insurance Subsidy Program, on pages 70 through 74, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board (GASB), who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

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

Other Information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 30, 2026, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

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

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

Enterprise, Alabama
March 30, 2026

As management of Holmes County, Florida (the "County"), we offer readers of the County's financial statements this narrative overview of the financial activities of the County for the fiscal year ended September 30, 2025 compared to September 30, 2024. Our intent is to provide a brief, objective, and easily readable analysis of the County's financial performance for the year and its financial position at September 30, 2025. To obtain a complete picture of the County's financial condition, this document should be read in conjunction with the accompanying financial statements.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of the County exceeded its liabilities and deferred inflows of resources at September 30, 2025 by $66,730,483 (net position).
- Governmental Fund balances increased $175,725 to $10,752,159.
- The General Fund balance increased $53,708 to $3,658,899.
- General Fund revenues increased by $5,090,493 or 30.45%.
- The County's outstanding capital leases, notes payable and bonded debt increased $464,655 or 25.96%.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the basic financial statements. The basic financial statements consist of: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information.

Government-wide Financial Statements are designed to provide readers with a broad overview of County 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 of resources, liabilities, and deferred inflows of resources with the difference 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. It focuses on both the gross and net cost of various activities which are provided by general taxes and other revenues. All changes in net position are reported as soon as the underlying event giving rise to the changes occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (for example, uncollected taxes and earned but unused paid time off/vacation leave).

The governmental activities of the County include general government, public safety, physical environment, transportation, economic environment, health and social services, culture/recreation, and other community services.

The government-wide financial statements include not only the County itself (known as the primary government) but also the Holmes County Development Commission, which is a legally separate component unit. The Development Commission was formed to assist with sound planning, development, and economic growth of the County. The financial statements also include a blended component unit, the Holmes County Tourist Development Council. The Tourist Development Council was formed to promote and advertise tourism, enhance, clean up or restore inland lakes and rivers and repair and maintain fishing piers, support special events within the local communities of the county, and provide for additional historical or heritage opportunities as a means of attracting additional tourists.

The government-wide financial statements can be found on pages 16-18.

Fund Financial Statements are groupings of related accounts that are used to maintain control over resources that have been segregated for specific activities or objectives. The County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the County can be divided into either governmental or fiduciary funds.

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflow* and *outflow of expendable resources*, as well as on *balances of expendable resources* available at the end of the fiscal year. This is similar to the manner in which the budget is developed. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balance provide reconciliation to facilitate this comparison between governmental funds and governmental activities.

The County maintains 18 individual governmental funds. Information is presented separately in the governmental fund balance sheet and statement of revenues, expenditures, and changes in fund balance for the general fund, county transportation fund, SHIP fund and commissioners trust fund, which are considered major funds. Data from the other 14 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements in the supplementary information section.

The County adopts an annual appropriated budget for each of its major governmental funds and most non-major funds. A budgetary comparison statement has been provided for the major funds to demonstrate budgetary compliance in the basic financial statements.

The governmental funds financial statements can be found on pages 19-27.

Notes to Financial Statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found beginning on page 30 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. The County's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by $66,730,483 at September 30, 2025, an increase of $10,132,472. The increase was largely due to construction of the Government Efficiency Center and road improvement projects. In addition, net pension obligations decreased due to variances in expected investment returns versus actual investment returns.

Holmes County's Net Position – Governmental Activities

As of September 30,	**2025**	2024
Assets		
Current and other assets	**$ 16,018,466**	$ 14,183,797
Capital assets, net	**70,090,534**	60,717,932
Total assets	**86,109,000**	74,901,729
Deferred Outflows of Resources	**3,649,925**	4,342,709
Liabilities		
Long-term liabilities outstanding	**13,937,591**	16,262,360
Other liabilities	**5,165,927**	3,431,309
Total liabilities	**19,103,518**	19,693,669
Deferred Inflows of Resources	**3,924,924**	2,952,758
Net Position		
Net investment in capital assets	**67,835,739**	58,927,794
Restricted	**7,624,697**	7,400,362
Unrestricted (deficit)	**(8,729,953)**	(9,730,145)
Total net position	**$ 66,730,483**	$ 56,598,011

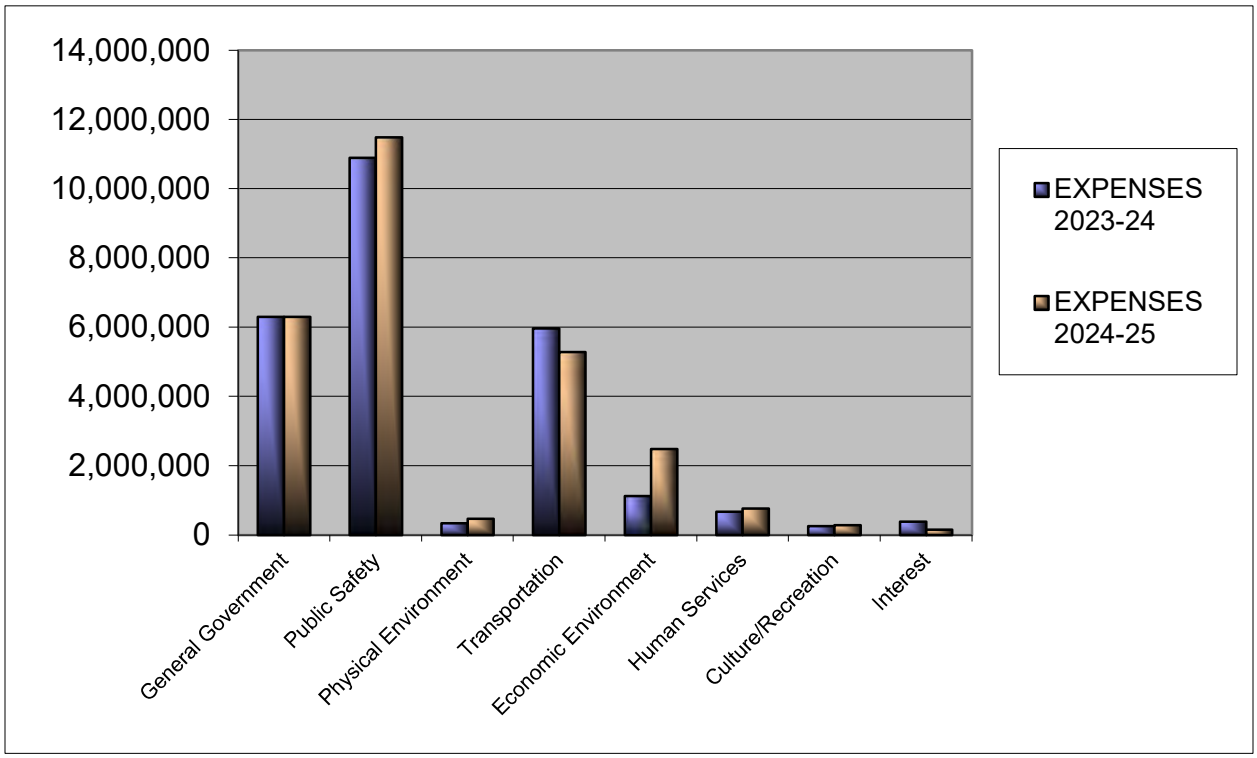
At September 30, 2025, $67,835,739 of the County's net position reflect its investment in capital assets (e.g. land, buildings, infrastructure, and equipment) less any related outstanding debt used to acquire those assets. This percentage reflects a 15.12% increase of net investment in capital assets from the prior year. The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. An additional 11.43% or $7,624,697 of the County's net position represents resources that are dedicated or subject to restrictions on how they may be used. Unrestricted net deficit of $8,729,953 reflects a $1,000,192 decrease.

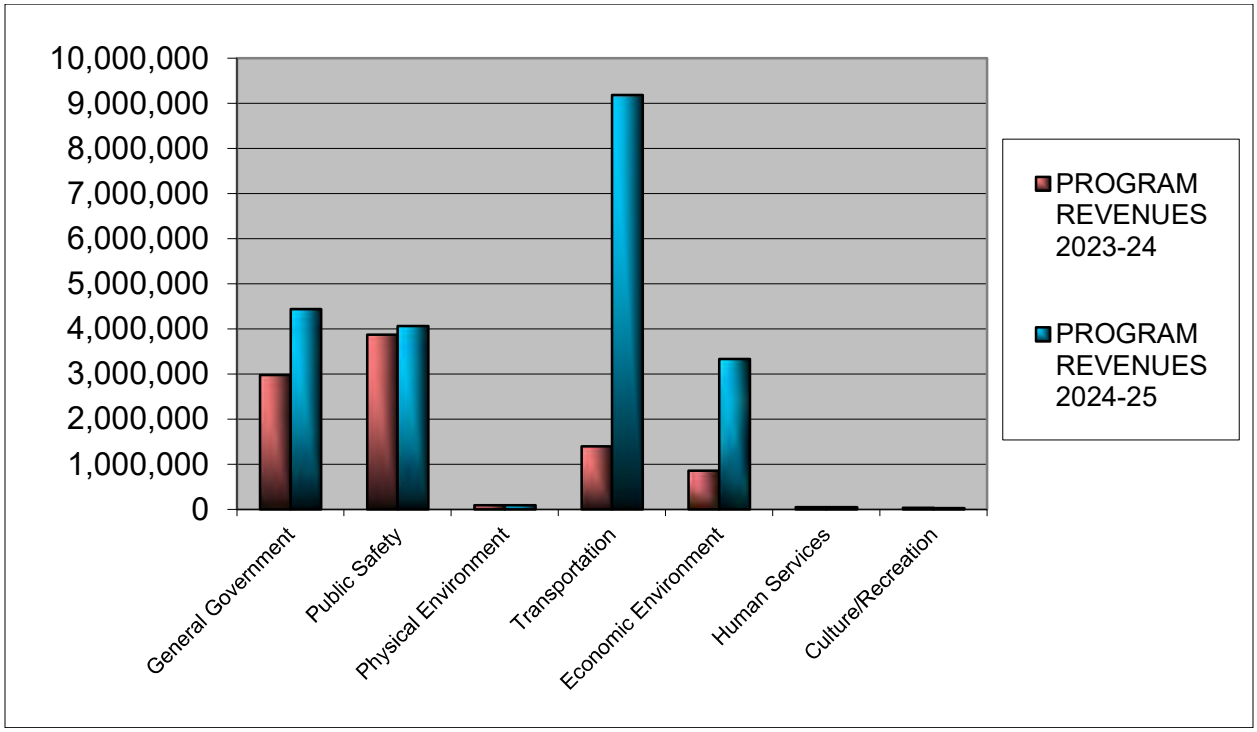
Governmental Activities increased the County's net position by $10,132,472 compared to a decrease of $1,877,763 in the prior year.

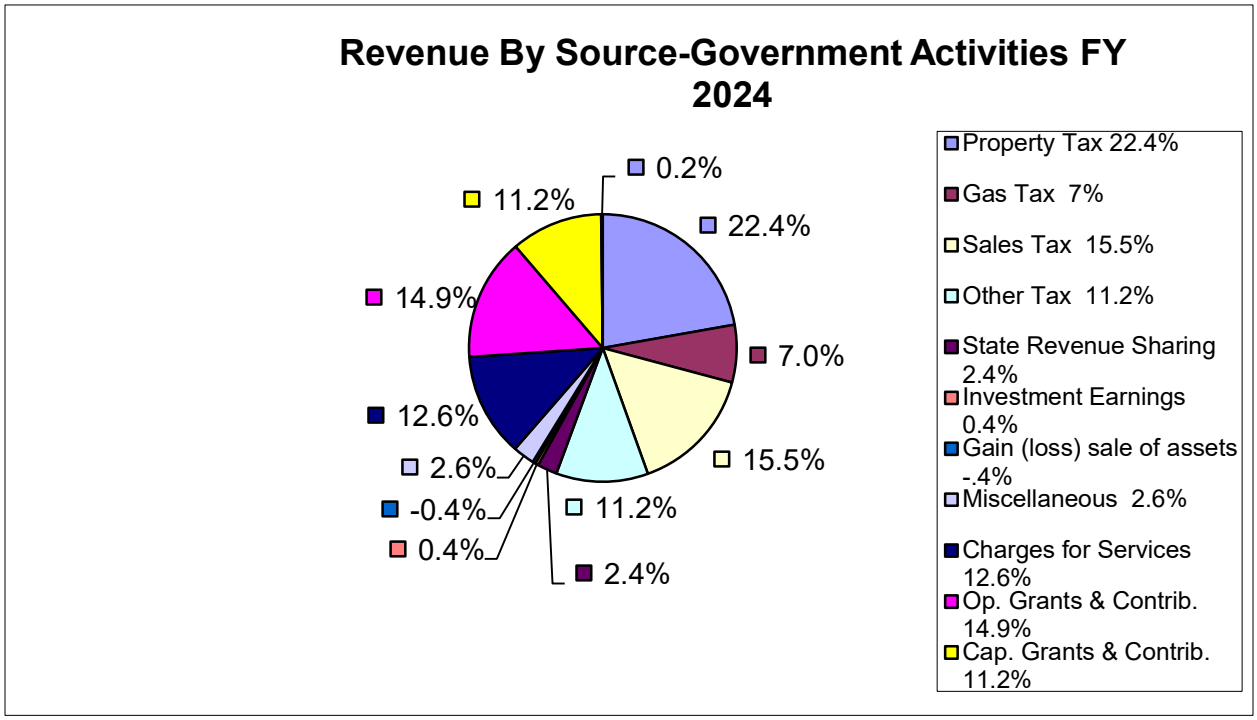
Holmes County's Changes in Net Position – Governmental Activities

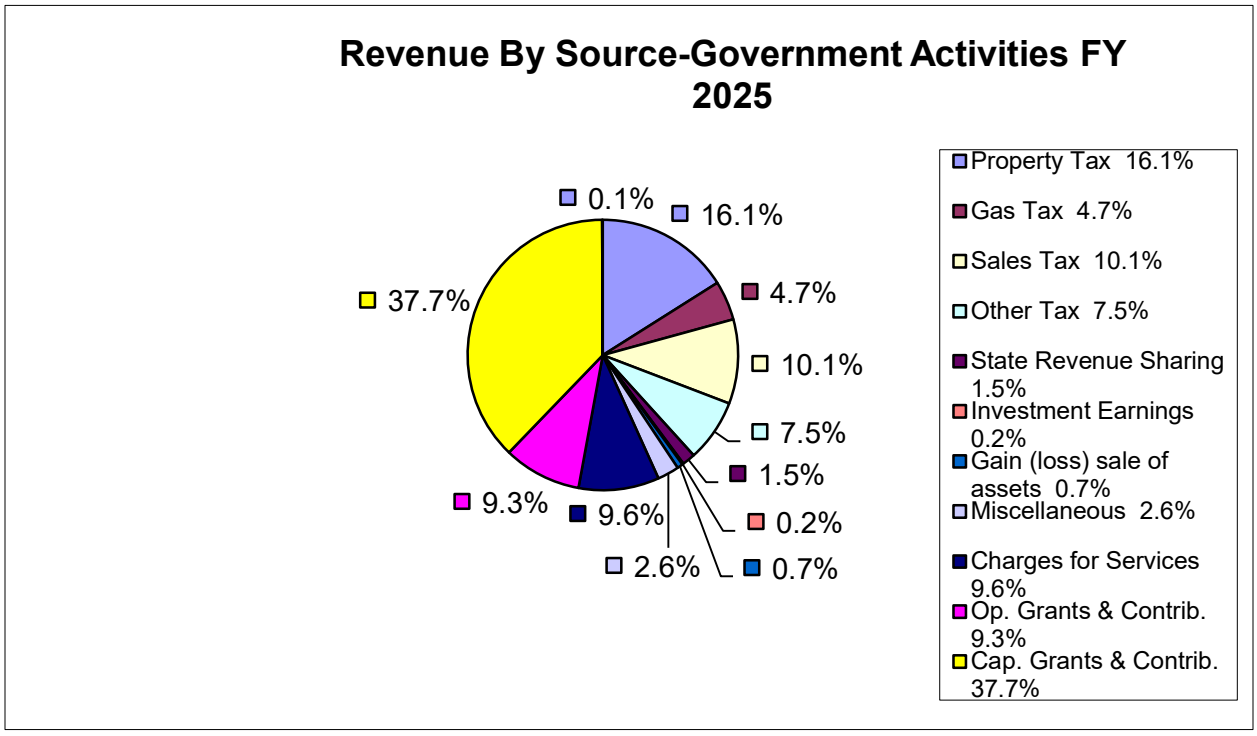
Fiscal years ended September 30,	**2025**	2024
Revenues:		
Program revenues:		
Charges for services	**$ 3,601,238**	$ 3,039,070
Operating grants and contributions	**3,514,154**	3,570,143
Capital grants and contributions	**14,082,631**	2,691,365
General revenues:		
Property taxes	**5,993,953**	5,384,767
Other taxes	**8,308,824**	8,103,015
Other	**1,842,922**	1,266,906
Total revenues	**37,343,722**	24,055,266
Expenses:		
General government	**6,295,534**	6,302,689
Public safety	**11,480,234**	10,887,669
Physical environment	**470,906**	341,924
Transportation	**5,281,830**	5,965,302
Economic environment	**2,480,145**	1,121,008
Human services	**767,190**	671,611
Culture/Recreation	**282,465**	259,280
Interest	**152,946**	383,546
Total expenses	**27,211,250**	25,933,029
Change in net position	**10,132,472**	(1,877,763)
Net position, beginning of year	**56,598,011**	58,475,774
Net position, end of year	**$ 66,730,483**	$ 56,598,011

Expenses and Program Revenue-Governmental Activities






Revenue By Source-Government Activities FY 2024
0.2%
11.2%
22.4%
14.9%
7.0%
12.6%
15.5%
2.6%
-0.4%
11.2%
0.4%
2.4%
Property Tax 22.4%
Gas Tax 7%
Sales Tax 15.5%
Other Tax 11.2%
State Revenue Sharing 2.4%
Investment Earnings 0.4%
Gain (loss) sale of assets -.4%
Miscellaneous 2.6%
Charges for Services 12.6%
Op. Grants & Contrib. 14.9%
Cap. Grants & Contrib. 11.2%


Revenue By Source-Government Activities FY 2025
0.1%
16.1%
37.7%
4.7%
10.1%
7.5%
1.5%
9.3%
9.6%
0.2%
2.6%
0.7%
Property Tax 16.1%
Gas Tax 4.7%
Sales Tax 10.1%
Other Tax 7.5%
State Revenue Sharing 1.5%
Investment Earnings 0.2%
Gain (loss) sale of assets 0.7%
Miscellaneous 2.6%
Charges for Services 9.6%
Op. Grants & Contrib. 9.3%
Cap. Grants & Contrib. 37.7%

FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS

As noted earlier, the County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

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

Fund balances, as detailed in Note 1 to the financial statements, are classified as nonspendable, restricted, committed, assigned and unassigned, based on the "relative strength of the constraints that control how specific amounts can be spent."

The County's governmental funds reported combined ending fund balances of $10,752,159, a $175,725 increase from the prior year. There were no unassigned balances at September 30, 2025. Fund balances were nonspendable, restricted, committed or assigned to indicate that they are either restricted in what they can be used for or have been designated for particular purposes and therefore not available for spending.

The general fund is the chief operating fund of the County. At September 30, 2025, $3,658,899 of the general fund was restricted or assigned to reflect budget commitments and judicially controlled funds, an increase of $53,708 or 1.49% from the prior year.

The transportation trust fund accounts for motor fuel taxes and various grant funds designated to finance road and bridge construction and maintenance. The use of this fund is restricted by state statute or the grantor for these designated purposes. The fund had a balance of $4,900,988 at fiscal year-end. This was an increase of $108,793 and was due to an increase in road improvement activity.

The SHIP fund accounts for activity related to a state grant to improve housing. The use of this fund is restricted by the grant agreement for these designated purposes. For fiscal year 2025, the County expended $554,583 for program services which is an increase of $206,023 from fiscal year 2024.

The commissioners trust fund accounts for various restricted grants, fines and forfeitures. The use of this fund is restricted by state statute or the grantor for these designated purposes. The fund had a balance of $636,260 of which $636,073 was restricted and $187 was assigned at fiscal year-end. This was a decrease of $129,900 and was due to an increase in public safety expenditures and capital projects.

Major Fund Information

	General Fund	County Transportation Trust	SHIP	Commissioners Trust
Fiscal Year 2025				
Revenues and other sources	$ 23,306,319	$ 12,760,090	$ 554,583	$ 1,309,553
Expenditures and other uses	23,252,611	12,651,297	554,583	1,439,453
Increase (decrease) in fund balance	$ 53,708	$ 108,793	$ -	$ (129,900)
Fiscal Year 2024				
Revenues and other sources	$ 17,186,103	$ 4,986,857	$ 348,560	$ 1,307,149
Expenditures and other uses	18,415,469	5,039,795	348,560	1,386,678
Increase (decrease) in fund balance	$ (1,229,366)	$ (52,938)	$ -	$ (79,529)

GENERAL FUND BUDGETARY HIGHLIGHTS

Budget and actual information for the major governmental funds is presented as part of the basic financial statements, beginning on page 23. The County amended the budget four times during the year. The amendments generally were to adjust for new grant sources and line item adjustments within departments.

The difference between the original and amended general fund budgeted expenditures was an increase of $4,566,666 or 25.66%, primarily due to delayed construction of the Government Efficiency Center and bringing on infrastructure grants.

CAPITAL ASSET AND DEBT ADMINISTRATION

The County's investment in capital assets for its governmental activities was $70,090,534 at September 30, 2025 compared to $60,717,932 for the prior year (net of accumulated depreciation).

This investment in capital assets includes land, buildings, equipment, infrastructure, and construction in progress, net of depreciation.

Capital Assets, Net of Depreciation

September 30,	**2025**	2024
Land	**$ 6,159,433**	$ 6,058,873
Construction in progress	**14,961,795**	4,122,591
Buildings	**11,389,798**	11,304,401
Infrastructure	**72,964,827**	72,964,827
Equipment	**13,992,915**	12,902,610
Less: Accumulated depreciation	**(49,789,232)**	(47,027,175)
Right-to-use lease assets- Building	**-**	23,572
Right-to-use lease assets- Equipment	**1,711,002**	1,352,228
Less: Accumulated amortization	**(1,300,004)**	(983,995)
Total	**$ 70,090,534**	$ 60,717,932

Additional information on the County's capital assets can be found in Note 2 beginning on page 49.

Long-Term Debt

The County had a total bonded debt of $957,126 at fiscal year end, a reduction of $196,102 from the prior year. Total outstanding bonded debt is for series 2012 public improvement revenue bonds to finance the cost of the acquisition and construction of improvements to the County Jail and County Library.

Long-Term Debt – Governmental Activities

September 30,	**2025**	2024
Series 2012 revenue bonds	**$ 957,126**	$ 1,153,228
Notes payable	**650,000**	100,000
Financed purchases	**213,550**	100,000
Leases	**434,119**	436,912
Total	**$ 2,254,795**	$ 1,790,140

Additional information on the County's debt can be found in Note 2 beginning on page 52.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

* The unemployment rate for the County at fiscal year-end 2025 increased from 4.3% to 4.6%.

* The ad valorem tax millage rate is 9.4916 mills for the 2025-26 fiscal year.

Request For Information

This financial report is designed to provide a general overview of the Holmes County Board of County Commissioners. Questions concerning any information provided in this report or requests for additional information should be addressed to the office of the Clerk of the Circuit Court at 201 North Oklahoma Street, Bonifay, Florida 32425.

Holmes County, Florida
Statement of Net Position

September 30, 2025	Primary Government Governmental Activities	Component Unit Development Commission
Assets		
Cash and cash equivalents	$ 9,127,277	$ 33,844
Investments	-	587,480
Receivables, net	222,842	811,885
Leases receivable	169,889	155,402
Due from other governments	6,303,907	-
Inventory	116,445	-
Restricted assets		
Cash and cash equivalents	78,106	-
Investments	-	628,270
Capital assets		
Non-depreciable	21,121,228	718,056
Depreciable, net	48,558,308	1,182,610
Right-to-use lease assets, net	410,998	-
Total assets	86,109,000	4,117,547
Deferred Outflows of Resources		
Deferred outflows related to pension liability	3,600,360	-
Deferred outflows related to post-employment benefits	49,565	-
Total deferred outflows of resources	3,649,925	-
Liabilities		
Accounts payable	2,635,610	3,106
Accrued liabilities	286,178	-
Unearned revenue	1,249,134	-
Due to other governments	308,856	-
Accrued interest payable	9,412	1,754
Non-current liabilities		
Due within one year	676,737	-
Due in more than one year	1,646,848	628,270
Net pension liability	11,566,765	-
Other post-employment benefit obligation	307,137	-
Compensated absences	416,841	-
Total liabilities	19,103,518	633,130

-Continued-

September 30, 2025	Primary Government Governmental Activities	Component Unit Development Commission
Deferred Inflows of Resources		
Deferred inflows related to leases	149,661	129,419
Unavailable revenue on settlement allocations	636,868	-
Deferred inflows related to pension liability	2,863,449	-
Deferred inflows related to post-employment benefits	274,946	-
Total deferred inflows of resources	3,924,924	129,419
Net Position		
Net investment in capital assets	67,835,739	1,900,666
Restricted for		
Debt service	78,106	-
Capital projects	663,633	-
General government	1,773,646	-
Transportation	4,783,238	-
Public safety	326,074	-
Unrestricted (deficit)	(8,729,953)	1,454,332
Total net position	$ 66,730,483	$ 3,354,998

The accompanying notes are an integral part of these financial statements.

Holmes County, Florida
Statement of Activities

For the year ended September 30, 2025

Functions/Programs	Expenses	Program Charges for Services	Program Operating Grants and Contributions
Primary Government			
Governmental Activities			
General government	$ 6,295,534	$ 1,103,855	$ 1,182,399
Public safety	11,480,234	2,489,769	1,132,180
Physical environment	470,906	-	93,283
Transportation	5,281,830	-	-
Economic environment	2,480,145	-	1,031,854
Human services	767,190	7,614	43,560
Culture and recreation	282,465	-	30,878
Interest	152,946	-	-
Total primary government	$ 27,211,250	$ 3,601,238	$ 3,514,154
Component Unit			
Holmes County Development Commission	$ 727,614	$ -	$ -

General Revenues	
Taxes	
Property taxes	
Sales taxes	
Gasoline taxes	
Other taxes	
State revenue sharing	
Rental income	
Investment earnings	
Gain on sale of assets	
Miscellaneous	
Total general revenues	
Change in net position	
Net position, beginning of year	
Net position, end of year	

The accompanying notes are an integral part of these financial statements.

Revenues	Net (Expense) Revenue and Changes in Net Position	
	Primary Government	Component Unit
Capital Grants and Contributions	Governmental Activities	Development Commission
$ 2,155,764	$ (1,853,516)	$ -
441,502	(7,416,783)	-
-	(377,623)	-
9,183,230	3,901,400	-
2,302,135	853,844	-
-	(716,016)	-
-	(251,587)	-
-	(152,946)	-
$ 14,082,631	(6,013,227)	-
$ 108,340	-	(619,274)
	5,993,953	-
	3,766,065	-
	1,752,734	-
	2,790,025	-
	576,430	-
	33,695	208,475
	64,419	41,751
	212,072	232,885
	956,306	15,122
	16,145,699	498,233
	10,132,472	(121,041)
	56,598,011	3,476,039
	$ 66,730,483	$ 3,354,998

Holmes County, Florida
Balance Sheet – Governmental Funds

September 30, 2025	General Fund	County Transportation Trust	SHIP
Assets			
Cash and cash equivalents	$ 3,437,850	$ 2,886,178	$ 465,263
Accounts receivable	216,869	-	-
Leases receivable	169,889	-	-
Due from other governments	3,952,418	1,784,186	-
Due from other funds	-	1,397,830	-
Inventory	-	116,445	-
Restricted assets			
Cash and cash equivalents	-	-	-
Total assets	$ 7,777,026	$ 6,184,639	$ 465,263
Liabilities, Deferred Inflows of Resources, and Fund Balances			
Liabilities			
Accounts payable	$ 1,330,781	$ 1,011,771	$ 434
Accrued liabilities	198,921	58,093	-
Unearned revenue	391,405	207,076	464,829
Due to other governments	3,794	6,711	-
Due to other funds	1,406,697	-	-
Total liabilities	3,331,598	1,283,651	465,263
Deferred inflows of resources			
Unavailable revenue on settlement allocations	636,868	-	-
Deferred inflows related to leases	149,661	-	-
Total deferred inflows of resources	786,529	-	-
Fund balances			
Nonspendable	-	116,445	-
Restricted	665,177	4,784,543	-
Assigned	2,993,722	-	-
Total fund balances	3,658,899	4,900,988	-
Total liabilities, deferred inflows of resources, and fund balances	$ 7,777,026	$ 6,184,639	$ 465,263

The accompanying notes are an integral part of these financial statements.

Commissioners Trust	Nonmajor Governmental Funds	Total Governmental Funds
$ 723,272	$ 1,614,714	$ 9,127,277
5,973	-	222,842
-	-	169,889
155,012	412,291	6,303,907
8,867	74,210	1,480,907
-	-	116,445
-	78,106	78,106
$ 893,124	$ 2,179,321	$ 17,499,373
$ 2,724	$ 289,900	$ 2,635,610
-	29,164	286,178
99,129	86,695	1,249,134
155,011	143,340	308,856
-	74,210	1,480,907
256,864	623,309	5,960,685
-	-	636,868
-	-	149,661
-	-	786,529
-	-	116,445
636,073	1,538,904	7,624,697
187	17,108	3,011,017
636,260	1,556,012	10,752,159
$ 893,124	$ 2,179,321	$ 17,499,373

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

September 30, 2025

Total fund balances - governmental funds		$10,752,159
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital and right-to-use lease assets used in governmental activities are not current financial resources and, therefore, are not reported in the funds.		
Governmental capital and right-to-use lease assets, net		70,090,534
Other post-employment benefit ("OPEB") related deferred outflows, deferred inflows and total OPEB obligation represent an acquisition or consumption of net assets that applies to a future period and, therefore, are not reported as liabilities or assets in the governmental funds.		
Deferred outflows related to post-employment benefits	$ 49,565	
Deferred inflows related to post-employment benefits	(274,946)	
Deferred outflows related to pension liabilities	3,600,360	
Deferred inflows related to pension liabilities	(2,863,449)	
Net pension liabilities	(11,566,765)	
Other post-employment benefit obligation	(329,611)	(11,384,846)
Other liabilities not due and payable in the current period and, therefore, not reported in the governmental fund are as follows:		
Accrued interest	$ (9,412)	
Lease obligations	(647,669)	
Notes and bonds payable	(1,607,126)	
Compensated absences	(463,157)	(2,727,364)
Net position of governmental activities		$66,730,483

The accompanying notes are an integral part of these financial statements.

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

For the year ended September 30, 2025	General Fund	County Transportation Trust	SHIP
Revenues			
Taxes	$ 11,530,305	$ 1,752,734	$ -
Licenses and permits	401,118	-	-
Intergovernmental	7,227,587	9,183,230	554,583
Charges for services	1,789,566	-	-
Fines and forfeitures	16,892	-	-
Investment earnings	12,005	52,407	-
Miscellaneous revenue	828,133	64,480	-
Total revenues	21,805,606	11,052,851	554,583
Expenditures			
Current			
General government	4,326,323	-	-
Public safety	10,459,676	-	-
Economic environment	1,793,806	-	554,583
Physical environment	479,109	-	-
Human services	677,886	-	-
Culture and recreation	273,588	-	-
Transportation	12,500	2,738,832	-
Capital outlay	3,447,888	9,410,768	-
Debt service			-
Principal	196,163	356,292	-
Interest	8,512	38,477	-
Total expenditures	21,675,451	12,544,369	554,583
Excess (deficiency) of revenues over (under) expenditures	130,155	(1,491,518)	-
Other Financing Sources (Uses)			
Proceeds from issuance of debt	854,437	358,775	-
Proceeds from sale of capital assets	504,625	-	-
Transfers in	141,651	1,348,464	-
Justice Administrative Commission	-	-	-
Transfers out	(1,577,160)	(106,928)	-
Net other financing sources (uses)	(76,447)	1,600,311	-
Net change in fund balances	53,708	108,793	-
Fund balances, beginning of year	3,605,191	4,792,195	-
Fund balances, end of year	$ 3,658,899	$ 4,900,988	$ -

The accompanying notes are an integral part of these financial statements.

Commissioners Trust	Nonmajor Governmental Funds	Total Governmental Funds
$ -	$ -	$ 13,283,039
-	-	401,118
1,074,417	1,153,136	19,192,953
-	824,264	2,613,830
228,655	340,743	586,290
-	7	64,419
6,481	40,115	939,209
1,309,553	2,358,265	37,080,858
1,075,014	739,125	6,140,462
176,349	786,230	11,422,255
-	-	2,348,389
-	-	479,109
-	53,801	731,687
800	208,459	482,847
-	-	2,751,332
187,290	282,111	13,328,057
-		
-	196,102	748,557
-	32,585	79,574
1,439,453	2,298,413	38,512,269
(129,900)	59,852	(1,431,411)
-	-	1,213,212
-	-	504,625
-	302,906	1,793,021
-	(110,701)	(110,701)
-	(108,933)	(1,793,021)
-	83,272	1,607,136
(129,900)	143,124	175,725
766,160	1,412,888	10,576,434
$ 636,260	$ 1,556,012	$ 10,752,159

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

For the year ended September 30,		2025
Net change in fund balances - total governmental funds	$	175,725
Amounts reported for governmental activities in the Statement of Activities are different because:		
Capital outlay, reported as expenditures in governmental funds, are shown as capital assets in the Statement of Net Position.		13,146,724
Donated capital assets do not use current financial resources and are not reported in the governmental funds.		50,798
Depreciation and amortization expense on governmental capital assets is included in the governmental activities in the Statement of Activities.		(3,532,367)
In the Statement of Activities, the gain or loss on the disposal of capital assets is reported. Whereas in the governmental funds, total proceeds from disposals are reported. Thus, the change in net position differs from the change in fund balance by the net book value of the disposed capital assets.		(292,553)
Issuance of long-term debt is an other financing source in the governmental funds, but increases long-term liabilities in the Statement of Net Position.		(1,213,212)
Repayment of long-term debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.		748,557
Changes in deferred outflows and deferred inflows related to pension liability and net pension liability do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.		1,000,117
Other postemployment benefit obligations reported in the Statement of Activities does not require the use of current financial resources and therefore, are not reported as an expenditure in governmental funds.		19,201
Compensated absences, accrued interest and prepaid items 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.		29,482
Change in net position of governmental activities	$	10,132,472

The accompanying notes are an integral part of these financial statements.

Holmes County, Florida
General Fund
Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual

For the year ended September 30, 2025	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Taxes	$ 10,953,435	$ 10,953,435	$ 11,530,305	$ 576,870
Licenses and permits	329,850	329,850	401,118	71,268
Intergovernmental	2,064,454	6,607,753	7,227,587	619,834
Charges for services	1,365,412	1,591,290	1,789,566	198,276
Fines and forfeitures	39,900	39,900	16,892	(23,008)
Investment earnings	20	20	12,005	11,985
Miscellaneous revenue	241,223	234,882	828,133	593,251
Total revenues	14,994,294	19,757,130	21,805,606	2,048,476
Expenditures				
Current				
General government	4,799,944	4,591,484	4,326,323	265,161
Public safety	8,760,318	10,526,920	10,459,676	67,244
Economic environment	1,155,214	1,779,104	1,793,806	(14,702)
Physical environment	437,128	559,811	479,109	80,702
Human services	715,117	765,880	677,886	87,994
Culture and recreation	284,210	288,864	273,588	15,276
Transportation	12,500	12,500	12,500	-
Capital outlay	1,427,432	3,633,966	3,447,888	186,078
Debt service				
Principal	196,163	196,163	196,163	-
Interest	8,512	8,512	8,512	-
Total expenditures	17,796,538	22,363,204	21,675,451	687,753
Excess (deficiency) of revenues over (under) expenditures	(2,802,244)	(2,606,074)	130,155	2,736,229

- Continued -

The accompanying notes are an integral part of these financial statements.

Holmes County, Florida
General Fund
Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual (Continued)

For the year ended September 30, 2025	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Other Financing Sources				
Proceeds from issuance of debt	650,000	650,000	854,437	204,437
Proceeds from sale of capital assets	400,000	404,100	504,625	100,525
Transfers in	308,000	106,928	141,651	34,723
Transfers out	(1,736,854)	(1,735,997)	(1,577,160)	158,837
Net other financing sources (uses)	(378,854)	(574,969)	(76,447)	498,522
Net change in fund balance	(3,181,098)	(3,181,043)	53,708	3,234,751
Fund balance, beginning of year	3,605,191	3,605,191	3,605,191	-
Fund balance, end of year	$ 424,093	$ 424,148	$ 3,658,899	$ 3,234,751
Reconciliation of GAAP to Budgetary Basis				
GAAP basis revenues	$ 14,994,294	$ 19,757,130	$ 21,805,606	$ 2,048,476
Non-budgeted revenues and other financing sources				
Intergovernmental	-	-	(975,505)	(975,505)
Miscellaneous revenue	-	-	(197,593)	(197,593)
Budgetary basis revenues and other financing sources	$ 14,994,294	$ 19,757,130	$ 20,632,508	$ 875,378
GAAP basis expenditures	$ 17,796,538	$ 22,363,204	$ 21,675,451	$ 687,753
Non-budgeted expenditures				
Public safety	-	-	(887,235)	887,235
Capital outlay	-	-	(285,863)	285,863
Budgetary basis expenditures	$ 17,796,538	$ 22,363,204	$ 20,502,353	$ 1,860,851

The accompanying notes are an integral part of these financial statements.

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

For the year ended September 30, 2025	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Taxes	$ 1,605,135	$ 1,605,135	$ 1,752,734	$ 147,599
Intergovernmental	2,250,000	8,778,049	9,183,230	405,181
Investment earnings	34,562	34,562	52,407	17,845
Miscellaneous revenue	4,750	4,750	64,480	59,730
Total revenues	3,894,447	10,422,496	11,052,851	630,355
Expenditures				
Transportation	3,286,471	3,536,166	2,738,832	797,334
Capital outlay	5,423,829	11,790,958	9,410,768	2,380,190
Debt Service				
Principal	356,292	356,292	356,292	-
Interest	38,477	38,477	38,477	-
Total expenditures	9,105,069	15,721,893	12,544,369	3,177,524
Excess (deficiency) of revenues over (under) expenditures	(5,210,622)	(5,299,397)	(1,491,518)	3,807,879
Other Financing Sources				
Proceeds from issuance of debt	-	-	358,775	358,775
Transfers in	1,748,464	1,748,464	1,348,464	(400,000)
Transfers out	(708,000)	(619,225)	(106,928)	512,297
Net other financing sources	1,040,464	1,129,239	1,600,311	471,072
Net change in fund balance	(4,170,158)	(4,170,158)	108,793	4,278,951
Fund balance, beginning of year	4,792,195	4,792,195	4,792,195	-
Fund balance, end of year	$ 622,037	$ 622,037	$ 4,900,988	$ 4,278,951

The accompanying notes are an integral part of these financial statements.

Holmes County, Florida
SHIP Special Revenue Fund
Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual

For the year ended September 30, 2025	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Intergovernmental	$ 595,051	$ 595,051	$ 554,583	$ (40,468)
Expenditures				
Current				
Economic environment	595,051	595,051	554,583	40,468
Excess (deficiency) of revenues over (under) expenditures	-	-	-	-
Fund balance, beginning of year	-	-	-	-
Fund balance, end of year	$ -	$ -	$ -	$ -

The accompanying notes are an integral part of these financial statements.

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

For the year ended September 30, 2025	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Intergovernmental	$ 1,102,344	$ 1,172,082	$ 1,074,417	$ (97,665)
Fines and forfeitures	188,337	205,626	228,655	23,029
Miscellaneous revenue	7,000	7,000	6,481	(519)
Total revenues	1,297,681	1,384,708	1,309,553	(75,155)
Expenditures				
Current				
General government	1,283,360	1,353,152	1,075,014	278,138
Public safety	315,916	352,031	176,349	175,682
Culture and recreation	18,783	18,783	800	17,983
Capital outlay	522,168	503,288	187,290	315,998
Total expenditures	2,140,227	2,227,254	1,439,453	787,801
Excess (deficiency) of revenues over (under) expenditures	(842,546)	(842,546)	(129,900)	712,646
Fund balance, beginning of year	842,546	842,546	766,160	(76,386)
Fund balance, end of year	$ -	$ -	$ 636,260	$ 636,260

The accompanying notes are an integral part of these financial statements.

Holmes County, Florida
Statement of Fiduciary Net Position – Custodial Funds

September 30, 2025		Custodial Funds
Assets		
Cash and cash equivalents	$	767,992
Accounts receivable		37
Due from other governments		1,536
Total assets	$	769,565
Liabilities		
Due to other governments	$	522,944
Due to individuals		110,937
Deposits		25,767
Total liabilities		659,648
Net Position		
Restricted for inmate welfare		109,917
Total liabilities and net position	$	769,565

The accompanying notes are an integral part of these financial statements.

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

For the year ended September 30, 2025		Custodial Funds
Additions		
Clerk of circuit and county courts revenue	$	3,024,087
Tax collections, auto tag fees, and other fees for other governments		14,193,273
Inmate deposits		556,996
Total additions		17,774,356
Deductions		
Current		
Payments of clerk of circuit and county courts distributions to other governments		3,024,087
Payments of tax, auto tag fees, and other fees to other governments		14,193,273
Public safety		539,059
Total deductions		17,756,419
Changes in net position		17,937
Net position, beginning of year		91,980
Net position, end of year	$	109,917

The accompanying notes are an integral part of these financial statements.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

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

Reporting Entity

The County is a political subdivision of the State of Florida (the State) created pursuant to Article VIII of the State Constitution with its geographical boundaries established in Florida Statutes Chapter 7.30. It is guided by an elected Board of County Commissioners (the Board) which is governed by state statutes. In addition to the members of the Board, there are five elected Constitutional Officers: Tax Collector, Property Appraiser, Clerk of the Circuit Court, Sheriff, and Supervisor of Elections. The operations of the County as a whole, including the constitutional officers, have been combined in these financial statements.

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

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

Discretely Presented Component Unit

The Holmes County Development Commission (the Development Commission) was created by an act of the Florida Legislature (LF 61-2270; HB 1593) on July 1, 1962 for the purpose of "performing such acts as shall be necessary for the sound planning for and development of Holmes County". The Development Commission has a September 30 year end and consists of a single proprietary fund. Complete financial statements of the Development Commission can be obtained from the Development Commission at 401 East McLaughlin Avenue, Bonifay, Florida 32425.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Blended Component Unit

The Tourist Development Council was created by a resolution of the County pursuant to Florida Statute 125.0104(4) (Resolution No. 04-10) on August 25, 2004 for the purpose of enabling the County to "promote and advertise tourism, enhance, clean up or restore inland lakes and rivers and repair and maintain fishing piers, support special events within the local communities of the County, and provide for additional historical or heritage opportunities as a means of attracting additional tourists". The Tourist Development Council activity is reported within the General Fund of the County.

Government-Wide and Fund Financial Statements

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

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

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

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

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

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

The governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

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

The proprietary and fiduciary funds are reported using the *economic resources measurement focus* and the *accrual basis of accounting*.

Government-Wide Financial Statements

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

As discussed earlier, the County has one discretely presented component unit, the Development Commission. The Development Commission is a major component unit and reported in a separate column in the government-wide financial statements.

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

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Financial Statements

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

The County reports the following major governmental funds:

General Fund accounts for resources devoted to financing the general services that the County performs for its citizens. General tax revenues and other sources of revenue used to finance the fundamental operations of the County are included in this fund. The fund is charged with all costs of operating the government for which a separate fund has not been established.

County Transportation Trust accounts for motor fuel taxes and various grant funds designated to finance highway and road construction and maintenance.

SHIP accounts for state grant to improve housing.

Commissioners Trust to account for various restricted grants, fines and forfeitures.

The County reports the following fiduciary fund type:

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

Budgetary Information

Budgetary Basis of Accounting

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

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

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Budgetary Information (continued)

Budgetary Basis of Accounting (continued)

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

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

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

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

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

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

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

Supplemental appropriations funded from sources not described above require public hearings and action by the Board in the same manner as adopting the original budget.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Budgetary Information (continued)

Excess of Expenditures Over Appropriations

For the year ended September 30, 2025, expenditures exceeded appropriations within the economic environment function of the general fund by $14,702. The excess expenditures were funded by unanticipated revenues. A Reconciliation of GAAP to Budgetary Basis is presented on page 24 to show these unbudgeted revenues and expenditures. During fiscal year 2025, there were budget amendments for the general fund of $4,566,666 or 25.66% of the original budget. The transportation fund had budget amendments of $6,616,824 or 72.67% of the original budget and Commissioners Trust had $87,027 or 4.07% of the original budget.

General Fund

The following items represent the major additional appropriations:

Various federal and state grants	$	4,566,666

Transportation Fund

The following items represent the major additional appropriations:

Various federal and state grants	$	6,616,824

Commissioners Trust Fund

The following items represent the major additional appropriations:

Various federal and state grants	$	69,738
Various operating costs		17,289

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

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

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

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Budgetary Information (continued)

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

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

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

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

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

Employee Benefits

Compensated Absences

The County's compensated absences (PTO) policy varies between each of the constitutional officers and employees of the Board of County Commissioners. The amount of accrued PTO is generally determined by years of service and is available for use once accrued. PTO that will not be liquidated with expendable available financial resources are reported as long-term debt in the Statement of Net Position.

It is the County's policy to allow employees to accumulate unused paid time off. For the fiscal year ended September 30, 2025 for all governmental fund types, the liability relating to such vested unused paid time off to the extent of certain maximum hours is recorded in the accompanying government-wide financial statements. Expenditures for compensated absences in governmental funds are those paid during the current fiscal year and the amount unpaid at the end of the reporting period that normally would be liquidated with expendable available financial resources. Accumulated paid time off is accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Employee Benefits (continued)

Pensions

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

Other Postemployment Benefits ("OPEB")

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

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

Cash and Cash Equivalents

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

Investments

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

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

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Receivables

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

Interfund Activities and Transactions

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

Inventories and Prepaid Items

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

Restricted Assets

Restricted assets are cash and investments restricted as to their use to comply with state and federal closure and post closure landfill requirements and bond covenants of the 2012 revenue bonds. The Development Commission has pledged and restricted investments against an outstanding line of credit.

Capital Assets

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

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Capital Assets (continued)

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

Capital asset classes	Lives
Buildings	25 - 40
Building improvements	7 - 25
System infrastructure	20 - 40
Vehicles	5 - 10
Equipment	5 - 10
Improvements other than buildings	20 - 30
Right-to-use buildings	2 - 7
Right-to-use equipment	5 - 7

Deferred Outflows/Inflows of Resources

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

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

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The County has four (4) items that qualify for reporting as deferred inflows of resources. The deferred inflows related to pensions are an aggregate of items related to pensions as calculated in accordance with GASB Codification Section P20: Pension Activities – Reporting for Benefits Provided through Trusts That Meet Specified Criteria. The deferred inflows related to pensions and OPEB will be recognized as a reduction to pension or OPEB expense in future reporting years. The deferred inflows related to leases relate to a tower lease in which the County is the lessor. Revenue will be recognized over the life of the lease. The County received $13,839 and $11,961 in principal and interest payments,

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Deferred Outflows/Inflows of Resources (continued)

respectively, during the year ended September 30, 2025. The deferred inflows related to settlement allocations relate to opioid settlements with the state of Florida that have been allocated to the County. This funding is maintained by a non-profit agency with authority over expenditure of the settlement over an eighteen year period.

Unearned Revenues

Unearned revenues are a liability that represents amounts received, but not yet earned.

Long-term Liabilities

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

Lease Obligations

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

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

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

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

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Lease Receivable

The County and Commission records revenues from lease in accordance with GASB No. 87, *Leases*. The lease receivable is initially measured at the present value of the lease payments expected to be received during the lease term. The deferred lease inflow of resources is measured as the sum of the initial measurement of the lease receivable net of lease payments received. Lease receipts result in a reduction of the lease receivable and recognition of inflows of revenues. At September 30, 2025, the County's total lease receivable of $169,889 was for the lease of towers. At September 30, 2025, the Commission's total lease receivable of $155,402 was for the lease of buildings.

Categories and Classification of Net Position and Fund Balance

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

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

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

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

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

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

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

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

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

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

Unassigned – Unassigned fund balance is the residual classification.

Revenues and Expenditures/Expenses

Property Taxes

Property taxes in the County are levied by the Board. The millage levies are determined on the basis of estimates of revenue needs and the total taxable valuations within the jurisdiction of the Board.

No aggregate ad valorem tax millage in excess of 10 mills on the dollar is levied against property of the County as specified in Florida Statue 200.071.

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

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenues and Expenditures/Expenses (continued)

Property Taxes (continued)

2025 Property tax calendar:

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

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

Management Estimates and Assumptions

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could vary from estimates used.

Subsequent Events

Management has evaluated subsequent events through the date that the financial statements were available to be issued, March 30, 2026 and determined there were no events that occurred that required disclosure.

Recently Issued and Implemented Accounting Pronouncements

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

GASB Statement No. 102, *Certain Risk Disclosures*. The objective of this Statement is to provide users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints. This Statement requires a government to assess whether a concentration or constraint makes the primary government reporting unit or other reporting units that report a liability for revenue debt vulnerable to the risk

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Recently Issued and Implemented Accounting Pronouncements (continued)

of a substantial impact. Additionally, this Statement requires a government to assess whether an event or events associated with a concentration or constraint that could cause the substantial impact have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued. The requirements of this Statement are effective for fiscal years beginning after June 15, 2024, and all reporting periods thereafter. There were no significant impacts from implementing this statement.

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

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

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

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

In September 2024, the GASB issued GASB Statement No. 104, *Disclosure of Certain Capital Assets*. This Statement requires certain types of capital assets to be disclosed separately in the capital assets note disclosures required by Statement 34. Lease assets recognized in accordance with Statement No. 87, *Leases*, and intangible right-to-use assets recognized in accordance with Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, should be disclosed separately by major class of underlying asset in the capital assets note disclosures. Subscription assets recognized in accordance with Statement No. 96, *Subscription-Based Information Technology Arrangements*, also should be separately disclosed. In addition, this Statement requires intangible assets other than those three types to be disclosed separately by major class. This Statement also requires additional disclosures for capital assets held

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Recently Issued and Implemented Accounting Pronouncements (continued)

for sale and that capital assets held for sale be evaluated each reporting period. Governments should disclose (1) the ending balance of capital assets held for sale, with separate disclosure for historical cost and accumulated depreciation by major class of asset, and (2) the carrying amount of debt for which the capital assets held for sale are pledged as collateral for each major class of asset. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter.

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

Note 2: DETAILED NOTES ON ALL FUNDS

Deposits and Investments

Custodial Credit Risk

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

Development Commission

The Commission's investment program is established in accordance with the Commission's investment policy, pertinent bond resolutions and Section 218.45, Florida Statutes, which allows the Commission to invest in the Florida State Board of Administration intergovernmental investment pool or any intergovernmental investment pool authorized pursuant to the Florida Interlocal Cooperation Act of 1969, direct obligations of the United States Government, obligations of the different agencies of the Federal Government, registered money market funds, and accounts of state qualified public depositories.

Note 2: DETAILED NOTES ON ALL FUNDS (Continued)

Development Commission (continued)

Interest rate risk – Interest rate risk is the possibility that interest rates will rise and reduce the fair value of an investment. The Commission's investment policy limits interest rate risk by requiring that an attempt be made to match investment maturities with known cash needs and anticipated cash flow requirements. In addition, investments of current operating funds are required to have maturities of no longer than twelve months. The Commission's investment policy places no limit on the maturity of investments.

The Development Commission's investments at September 30, 2025 were comprised of the following, reported at fair value:

		Maturities (in years)				
	Fair Value	Less than 1	1 - 5	5 - 10	More than 10	Level
September 30, 2025						
U.S. Government and agency securities	$ 224,448	$ -	$ 49,785	$ 58,966	$ 115,697	L1
Corporate bonds	459,770	99,019	229,619	80,294	50,838	L2
Mortgage-backed securities	343,519	195	12,702	24,219	306,403	L2
	1,027,737	$ 99,214	$ 292,106	$ 163,479	$ 472,938	
Common stock	188,013					
Total investments	$ 1,215,750					

Fair Value Measurement – GASB Statement No. 72, *Fair Value Measurement and Application*, enhances comparability of governmental financial statements by requiring fair value measurement for certain assets and liabilities using a consistent definition and accepted valuation techniques. The standard establishes a hierarchy of inputs used to measure fair value that prioritizes inputs in to three categories – Level 1, Level 2, and Level 3 inputs – considering the relative reliability of inputs.

The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to measurements involving significant unobservable inputs (Level 3 measurements). The three levels of fair value hierarchy are as follows:

Level 1 (L1): Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the County has the ability to access.

Note 2: DETAILED NOTES ON ALL FUNDS (Continued)

Development Commission (continued)

Level 2 (L2): Inputs to the valuation methodology include:

- quoted prices for similar assets or liabilities in active markets;
- quoted prices for identical or similar assets or liabilities in inactive markets;
- inputs other than quoted prices that are observable for the asset or liability;
- inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Level 3 (L3): Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Highway 79 Corridor

Reporting entity – The Highway 79 Corridor Authority (the Authority) was formed as a legal entity and public body pursuant to Chapters 125, 166 and 163, Florida Statutes and an Interlocal Agreement dated June 11, 2018 (the Interlocal Agreement) by and between the City of Bonifay, Holmes County, and Washington County (the Authority Members), each a local government located in the State of Florida. The Authority is fiscally dependent on the County and Washington County, Florida for operations and a financial burden exists as defined by GASB Statement No. 14, *The Financial Reporting Entity,* paragraph 21. The Authority is reported as a discretely presented component unit by Washington County, Florida. The purpose of the Authority is to foster and assist economic development and acquire, plan for, develop, fund, construct, own, maintain, manage, improve, operate, and at its option, dispose of the Authority facilities and projects within the Corridor Area.

The separate audited financial statements of the Authority may be obtained from the Authority's finance department.

Receivables, Net

Accounts receivable for the County consists primarily of ambulance billings with a balance of $1,976,417 and an allowance for uncollectible accounts of $1,760,397, net $216,020. All other receivables totaling $6,822 are considered collectible and no allowance for uncollectibles on those accounts is deemed necessary.

In a previous year, the Commission sold 14 acres of land and a commercial building for $725,000 to be paid over 20 years with an interest rate of 7.50%. As of September 30, 2025, $644,924 was due to the Commission.

Note 2: DETAILED NOTES ON ALL FUNDS (Continued)

Receivables, Net (continued)

In 2025, the Commission sold approximately 10.29 acres of land for $175,000 with a 3 year balloon note receivable at 8% interest. As of September 30, 2025, $160,000 was due to the Commission.

Due from Other Governments

Due from Other Governments is comprised of various grant reimbursements, revenue sharing and taxes collected for the County by the State of $5,667,039, and an allocation by the State of Florida from litigation settlements of $636,868.

Interfund Balances

Due to/from other funds consists of the following:

Receivable Fund	Payable Fund	Amount
Transportation Trust	General Fund	$ 1,397,830
Commissioners Trust	General Fund	8,867
Nonmajor Governmental Funds	Nonmajor Governmental Funds	74,210
Total		$ 1,480,907

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

Interfund Transfers

Transfers to/from other funds consist of the following:

Transfer from	Transfer to	Amount
(1) Nonmajor governmental Funds	General Fund	$ 34,723
(1) Nonmajor governmental Funds	Nonmajor Governmental Funds	74,210
(1) Transportation Trust	General Fund	106,928
(2) General Fund	Nonmajor Governmental Funds	228,696
(3) General Fund	Transportation Trust	1,348,464
Total		$ 1,793,021

(1) reimburse for eligible expenditures
(2) annual debt service requirements and budgeted appropriations
(3) budgeted appropriations

Note 2: DETAILED NOTES ON ALL FUNDS (Continued)

Capital Assets

Capital assets activity for the fiscal year is as follows:

	October 1, 2024	Increases	Decreases	Transfers	September 30, 2025
Governmental Activities					
Capital assets, not being depreciated					
Land	$ 6,058,873	$ 353,844	$ 253,284	$ -	$ 6,159,433
Construction in progress	4,122,591	11,172,468	-	(333,264)	14,961,795
Capital assets, not being depreciated	10,181,464	11,526,312	253,284	(333,264)	21,121,228
Capital assets, being depreciated					
Buildings	11,304,401	10,657	-	74,740	11,389,798
Infrastructure	72,964,827	-	-	-	72,964,827
Machinery and equipment	12,902,610	1,301,779	469,998	258,524	13,992,915
Capital assets, being depreciated	97,171,838	1,312,436	469,998	333,264	98,347,540
Less accumulated depreciation for					
Buildings	6,563,903	301,958	-	-	6,865,861
Infrastructure	31,505,788	1,651,290	-	-	33,157,078
Machinery and equipment	8,957,484	1,239,538	430,729	-	9,766,293
Total accumulated depreciation	47,027,175	3,192,786	430,729	-	49,789,232
Total capital assets being depreciated, net	$ 50,144,663	$ (1,880,350)	$ 39,269	$ 333,264	48,558,308

- Continued -

Note 2: DETAILED NOTES ON ALL FUNDS (Continued)

Capital Assets (continued)

	October 1, 2024	Increases	Decreases	Transfers	September 30, 2025
Right-to-use lease assets, being amortized					
Buildings	$ 23,572	$ -	$ 23,572	$ -	$ -
Equipment	1,352,228	358,774	-	-	1,711,002
Right-to-use lease assets, being amortized	1,375,800	358,774	23,572	-	1,711,002
Less accumulated amortization for					
Buildings	20,212	3,360	23,572	-	-
Equipment	963,783	336,221	-	-	1,300,004
Total accumulated amortization	983,995	339,581	23,572	-	1,300,004
Right-to-use lease assets being amortized, amortized, net	391,805	19,193	-	-	410,998
Governmental activities capital and right-to-use assets, net	$ 60,717,932	$ 9,665,155	$ 292,553	$ -	$ 70,090,534

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

For the year ended September 30,	2025
Governmental Activities	
General government	$ 321,068
Public safety	736,101
Physical environment	3,377
Transportation	2,419,061
Economic environment	340
Human services	37,986
Culture and recreation	14,434
Total depreciation and amortization expense	$ 3,532,367

Note 2: DETAILED NOTES ON ALL FUNDS (Continued)

Capital Assets (continued)

The Development Commission's capital assets are as follows:

	October 1, 2024	Increases	Decreases	September 30, 2025
Capital assets, not being depreciated				
Land	$ 5,142,224	$ -	$ (4,424,168)	$ 718,056
Capital assets, being depreciated				
Buildings and improvements	1,381,317	47,548	-	1,428,865
Less accumulated depreciation for				
Buildings and improvements	(193,734)	(52,521)	-	(246,255)
Total capital assets being depreciated, net	1,187,583	(4,973)	-	1,182,610
Capital assets, net	$ 6,329,807	$ (4,973)	$ (4,424,168)	$ 1,900,666

Unearned Revenue

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

Arthropod grant	$ 32,398
American Rescue Plan	391,405
SHIP	464,829
Ambulance grant	99,129
FEMA grant	207,076
Federal Interdiction	54,297
Total	$ 1,249,134

Note 2: DETAILED NOTES ON ALL FUNDS (Continued)

Long-Term Debt and Liabilities

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

	Balance 10/1/2024	Additions	Reductions*	Balance 9/30/2025	Due Within One Year
Financed purchases	$ 100,000	$ 204,437	$ 90,887	$ 213,550	$ 90,887
Leases	436,912	358,775	361,568	434,119	200,155
Note payable from direct borrowings	100,000	650,000	100,000	650,000	114,975
Series 2012 revenue bonds	1,153,228	-	196,102	957,126	201,930
Compensated absences	490,711	-	27,554	463,157	46,316
Net pension liability	14,360,672	-	2,793,907	11,566,765	-
Total OPEB liability	339,753	12,332	22,474	329,611	22,474
	$ 16,981,276	$ 1,225,544	$ 3,592,492	$ 14,614,328	$ 676,737

*Compensated absence reductions are reported net of additions.

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

Financed Purchases

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

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

For the years ending September 30,	Property Appraiser	Board	Total
2026	$ 51,591	$ 40,887	$ 92,478
2027	-	40,887	40,887
2028	-	40,887	40,887
2029	-	40,889	40,889
Total minimum payments	51,591	163,550	215,141
Less: amount representing interest	(1,591)	-	(1,591)
Present value of minimum lease payments	$ 50,000	$ 163,550	$ 213,550
Gross asset value	$ 206,364	$ 204,437	$ 410,801
Accumulated depreciation	(106,621)	-	(106,621)
Net asset value	$ 99,743	$ 204,437	$ 304,180

Note 2: DETAILED NOTES ON ALL FUNDS (Continued)

Leases – Lessee

The County has entered into multiple lease agreements as lessee for equipment that qualifies as leases for accounting purposes.

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

For the years ending September 30,	Board
2026	$ 220,743
2027	84,250
2028	84,250
2029	84,250
2030	7,020
Total minimum payments	480,513
Less: amount representing interest	(46,394)
Present value of minimum lease payments	$ 434,119

Leases – Lessor

The County accounts for leases in accordance with GASB Statement No. 87, *Leases*. The County's operations consist of agreements for the use of towers on county property. These agreements are made up of various non-cancelable agreements, which expire between 2031 and 2034.

The following is a schedule by years of minimum future revenues from non-cancelable agreements for the County as of September 30, 2025:

For the years ending September 30,	Principal	Interest	Total Future Minimum Lease Payments
2026	$ 14,801	$ 12,799	$ 27,600
2027	15,830	11,770	27,600
2028	16,930	10,670	27,600
2029	18,108	9,492	27,600
2030	21,063	6,537	27,600
2031	19,840	4,960	24,800
2032	19,116	3,684	22,800
2033	20,445	2,355	22,800
2034	23,756	944	24,700
Total	$ 169,889	$ 63,211	$ 233,100

Note 2: DETAILED NOTES ON ALL FUNDS (Continued)

Leases – Lessor (continued)

The Commission has leases that arise from their operations that consist of agreements for use of buildings from local businesses. The agreements are made up of various non-cancelable agreements for buildings, which expire between the years 2026 and 2029.

The following is a schedule by years of minimum future revenues from non-cancelable agreements for the Commission as of September 30, 2025:

For the years ending September 30,	Principal	Interest	Total Future Minimum Lease Payments
2026	$ 35,876	$ 9,379	$ 45,255
2027	38,370	6,885	45,255
2028	41,037	4,218	45,255
2029	40,119	1,365	41,484
Total	$ 155,402	$ 21,847	$ 177,249

Revenue Bonds

Public Improvement Refunding Revenue Bonds Series 2012 - The County issued revenue bonds on December 21, 2012, to provide funds to finance the cost of refunding the outstanding Public Improvement Refunding Revenue Bond, Series 2011, to fund the reserve for the bonds and to pay certain expenses related to the issuance and sale of the bonds. The interest rate on the bonds is 2.95%. Interest and principal is payable semiannually on June 1 and December 1. The original issue was for $3,025,479 with principal payments beginning December 1, 2013 through December 1, 2029. The bonds were secured by a lien and pledge of the County's Guaranteed Entitlement and Half-Cent Sales tax. For the current year, principal and interest and revenue from the pledge sources were $228,687 and $1,128,468, respectively. Annual principal and interest payments on the bond are expected to require an estimated 25% of the pledged revenues. The outstanding principal payment installments of the bonds may be prepaid in whole prior to their respective payment date, at the option of the County, at any time, at the price of par and accrued interest to the prepayment date, plus a premium equal to 1% of the principal payment installments to be prepaid.

Note 2: DETAILED NOTES ON ALL FUNDS (Continued)

Revenue Bonds (continued)

The following table sets forth the annual debt service requirements on the Series 2012 Public Improvement Refunding Bonds:

For the years ending September 30,	Principal	Interest	Total
2026	$ 201,930	$ 24,771	$ 226,701
2027	207,931	18,711	226,642
2028	214,110	12,471	226,581
2029	220,472	6,046	226,518
2030	112,683	555	113,238
	$ 957,126	$ 62,554	$ 1,019,680

Note Payable

The Sheriff entered into a promissory note on October 16, 2024, to provide funds to finance the cost of vehicles. The interest rate on the note is 6.310%. Interest and principal is payable annually on October 16th. The original issue was for $650,000 with principal payments beginning October 16, 2025 through October 16, 2029.

The following table sets forth the annual debt service requirements on the note payable:

For the years ending September 30,	Total
2026	$ 155,990
2027	155,990
2028	155,990
2029	155,990
2030	155,990
Total minimum payments	779,950
Less: amount representing interest	(129,950)
Note payable from direct borrowings	$ 650,000

Note 2: DETAILED NOTES ON ALL FUNDS (Continued)

Development Commission

The Development Commission has a note payable from Regions Bank maturing July 20, 2030. The current rate of interest is 3.35% and interest payments are due quarterly on February 21st, May 21st, August 21st, and November 21st. The outstanding balance on the note payable was $628,270 and $697,141 at September 30, 2025 and 2024, respectively.

The Development Commission also has an owner-financed note payable on the purchase of 97.260 acres of land located in Holmes County that was purchased in December 2020. The balance is to be paid in five annual installments of $153,760 until the balance is fully paid. The Commission paid off the $83,870 balance in December 2024.

The Development Commission obtained a loan from First Federal Bank on November 29, 2022, which matures December 2037 for the purchase of 86.3 acres of land for economic development in Bonifay, Florida. The current rate of interest is 6.74% and quarterly payments are due March 1st, June 1st, September 1st, and December 1st. The County has guaranteed the debt. The County paid $75,300 in interest on behalf of the Development Commission during the year ended September 30, 2025. The Commission paid off the $4,419,714 balance in December 2024 with proceeds from the sale of the land.

Net Position and Fund Balances

Net Position Restricted by Enabling Legislation

The government-wide Statement of Net Position reports $7,624,697 of restricted net position, of which $6,881,704 was restricted by enabling legislation.

Governmental Fund Balances

Fund balance is comprised of the following:

Nonspendable Fund Balance	
County Transportation Trust	
Inventory	$ 116,445

Note 2: DETAILED NOTES ON ALL FUNDS (Continued)

Net Position and Fund Balances (continued)

Governmental Fund Balances (continued)

Restricted Fund Balances			
General Fund			
Debt service	$ 228,696		
Tourist development	237,105		
Code enforcement	199,376		
Total general fund		$	665,177
County Transportation Trust			
Transportation			4,784,543
Commissioners Trust			
Judicial facilities	197,183		
Court innovations	242,712		
Domestic violence	78,834		
Florida arts	839		
Emergency communications	33,120		
Drivers education	24,335		
Criminal justice education	5,419		
Boater improvement	29,350		
Crime prevention	24,281		
Total commissioners trust			636,073
Nonmajor Governmental Funds			
Child support enforcement	620,755		
Law enforcement	7,650		
Public safety	564,456		
Court operations	240,377		
Court innovations	15,776		
Debt service	78,106		
Court technology	11,784		
Total nonmajor governmental funds			1,538,904
Total restricted fund balance		$	7,624,697

Note 2: DETAILED NOTES ON ALL FUNDS (Continued)

Net Position and Fund Balances (continued)

Governmental Fund Balances (continued)

Assigned Fund Balance		
General Fund		
EMPG grant match	$ 10,718	
Capital projects	750,000	
2026 budget appropriations	2,233,004	
Total general fund		$ 2,993,722
Commissioners Trust		
Culture and recreation – library	185	
Public safety	2	
Total commissioners trust		187
Nonmajor governmental funds		
Mosquito control		17,108
Total assigned fund balances		$ 3,011,017

Note 3: RETIREMENT PLANS

Florida Retirement System Pension Plan

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

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

The System provides for those employees hired prior to July 1, 2011 vesting of benefits after six years of creditable service. Normal retirement benefits are available to employees who retire at or after age 62 with six or more years of service. For Special Risk Class members, normal retirement is age 55 with at least six years of Special Risk service, or twenty-five years of Special Risk service,

Note 3: RETIREMENT PLANS (Continued)

Florida Retirement System Pension Plan (continued)

regardless of age, or age 52 with 25 years of Special Risk service and up to four years of active duty wartime service. Early retirement is available after six years of service with a 5% reduction of benefits for each year prior to the normal retirement age. For those employees hired on or after July 1, 2011, the System provides for vesting of benefits after eight years of credible service. Normal retirement benefits are available to these employees who retire at or after age 65 with eight years of service or thirty-three years regardless of age. For Special Risk Class members, normal retirement is age 60 with at least eight years of Special Risk service, or thirty years of Special Risk service, regardless of age. Retirement benefits are based upon age, average compensation and years-of-service credit where average compensation is computed as the average of an individual's five highest years of earnings.

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

The County's contributions to the System Pension Plan ("Pension Plan") for the year ended September 30, 2025 was $1,813,541, and equal to the actuarially determined contributions for the year. The County's contributions to the Retiree Health Insurance Subsidy Program ("HIS") for the year ended September 30, 2025 was $169,459, and equal to the actuarially determined contributions for the year. These contributions were paid by their due date. Total payroll for the County employees covered by the System pension plan and HIS was $8,448,499 for the year ended September 30, 2025. The County's total payroll was $8,718,359 for the same period.

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

Pension liabilities, pension expense, and deferred outflows of resources and deferred inflows of resources related to pensions. At September 30, 2025, the County reported a liability of $9,167,990 for its proportionate share of the collective net pension liability for the Pension Plan. The net pension liability was measured as of June 30, 2025 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2025. The County's proportion of the collective net pension liability was based on the employers' shares of contributions to the Pension Plan relative to the total employer contributions of all participating employers. At June 30, 2025, the System's proportion of the Pension Plan was 0.029541%, which was a decrease of 0.000246% from its proportion measured as of June 30, 2024.

Note 3: RETIREMENT PLANS (Continued)

Florida Retirement System Pension Plan (continued)

For the year ended September 30, 2025, the County recognized pension expense of ($890,444). At September 30, 2025, the County reported deferred outflows and deferred inflows of resources related to the Pension Plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 979,237	$ -
Changes of assumptions	1,064,642	-
Net difference between projected and actual earnings on pension plan investments	-	(1,530,688)
Changes in proportion and difference between employer contributions and proportionate	788,301	(574,127)
Employer contributions subsequent to the measurement date	487,547	-
Total	$ 3,319,727	$ (2,104,815)

$487,547 of deferred outflows resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended September 30, 2026.

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

For the years ending September 30,	Deferred Outflows of Resources	Deferred Inflows of Resources	Pension Expense, Net
2026	$ 534,374	(490,998)	$ 43,376
2027	534,374	(490,998)	43,376
2028	534,374	(490,998)	43,376
2029	534,374	(490,998)	43,376
2030	534,374	(108,326)	426,048
Thereafter	160,310	(32,497)	127,813
Total	$ 2,832,180	$ (2,104,815)	$ 727,365

Note 3: RETIREMENT PLANS (Continued)

Florida Retirement System Pension Plan (continued)

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

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

* Net of pension plan investment expense

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

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

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

Asset Class	Target Allocation (1)	Annual Arithmetic Return*	Compound Annual (Geometric) Return	Standard Deviation
Cash	1.0%	3.2%	3.2%	1.1%
Fixed Income	29.0%	5.5%	5.4%	4.0%
Global equity	45.0%	8.5%	6.9%	18.3%
Real estate (property)	12.0%	8.4%	7.1%	16.8%
Private equity	11.0%	12.4%	8.8%	28.4%
Strategic Investments	2.0%	6.5%	6.1%	8.7%
Total	100%			

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

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

Note 3: RETIREMENT PLANS (Continued)

Florida Retirement System Pension Plan (continued)

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

	1% Decrease 5.70%	Current Discount Rate 6.70%	1% Increase 7.70%
County's proportionate share of collective pension liability	$ 17,992,039	$ 9,167,990	$ 1,770,035

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

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

Health Insurance Subsidy Program

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

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

Pension liabilities, pension expense, and deferred outflows of resources and deferred inflows of resources related to pensions. At September 30, 2025, the County reported a liability of $2,398,775

Note 3: RETIREMENT PLANS (Continued)

Health Insurance Subsidy Program (continued)

for its proportionate share of the collective net pension liability. For the Health Insurance Subsidy program ("HIS Plan"), the net pension liability was measured as of June 30, 2025 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2024. The County's proportion of the collective net pension liability was based on the employers' shares of contributions to the HIS Plan relative to the total employer contributions of all participating employers. At June 30, 2025, the System's proportion of the HIS Plan was 0.018715%, which was a decrease of 0.000201% from its proportion measured as of June 30, 2024.

For the year ended September 30, 2025, the County recognized HIS Plan pension expense of ($112,673). At September 30, 2025, the County reported deferred outflows and deferred inflows of resources related to the HIS Plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 14,318	$ (3,806)
Changes of assumptions	21,231	(580,202)
Net difference between projected and actual earnings on pension plan investments	-	(1,997)
Changes in proportion and difference between employer contributions and proportionate	201,799	(172,629)
Employer contributions subsequent to the measurement date	43,285	-
Total	$ 280,633	$ (758,634)

$43,285 of deferred outflows resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended September 30, 2026. Amounts reported as deferred outflows and deferred inflows of resources related to the HIS Plan will be recognized in the pension's expense as follows:

For the years ending September 30,	Deferred Outflows of Resources	Deferred Inflows of Resources	Pension Expense, Net
2026	$ 37,675	$ (120,500)	$ (82,825)
2027	37,675	(120,500)	(82,825)
2028	37,675	(120,500)	(82,825)
2029	37,675	(120,500)	(82,825)
2030	37,675	(120,500)	(82,825)
Thereafter	48,973	(156,134)	(107,161)
Total	$ 237,348	$ (758,634)	$ (521,286)

Note 3: RETIREMENT PLANS (Continued)

Health Insurance Subsidy Program (continued)

The total pension liability for the HIS Plan was determined by an actuarial valuation as of July 1, 2024, using the following actuarial assumptions, applied to all periods included in the measurement:

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

* Net of pension plan investment expense

The actuarial assumptions used in the actuarial valuation as of July 1, 2024 for the HIS Plan were based on the results of an investigation of the economic and demographic experience for the Florida Retirement System ("FRS") based upon participant data for the period July 1, 2018 to June 30, 2023.

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

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

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

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

	1% Decrease 4.20%	Current Discount Rate 5.20%	1% Increase 6.20%
County's proportionate share of collective pension liability	$ 2,705,005	$ 2,398,775	$ 2,141,945

Note 3: RETIREMENT PLANS (Continued)

Health Insurance Subsidy Program (continued)

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

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

Note 4: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

Plan Description

In accordance with Section 112.081 of the Florida Statutes, the County provides postretirement health insurance to employees who retire from the County and wish to remain on the County's health plan. The County administers a single-employer defined benefit healthcare plan (the "Plan") that offers optional postemployment healthcare coverage to eligible individuals under a self-insured health insurance program. Three plans are offered: (i) a Blue Cross PPO plan with a $1,000 deductible (Plan 3359), or (ii) a Blue Cross PPO plan with a $1,500 deductible (Plan 5771) with a maximum out-of-pocket cost of $4,500, and (iii) a Blue Cross PPO plan with a $1,500 deductible (Plan 5901) with a maximum out-of-pocket cost of $6,350. Once the retiree becomes eligible for Medicare coverage, the monthly premium is reduced. The retired employees reimburse the County for the actual premium cost, including the portion that previously would have been paid by the County during employment. Expenses for postretirement health care benefits are recognized as paid and there is no advance funding on the part of the County. The Plan does not issue a publicly available financial report.

Eligibility for participation in the Plan is limited to full time employees of the County and of the Constitutional Officers. A retired employee who is participating in the employer's medical program is eligible to elect post-retirement coverage if:

Normal retirement requirements for members initially enrolled before July 1, 2011:

- *For Special Risk* – is at least age 55 with 6 years of service or any age with 25 years of service, and is eligible for immediate retirement benefits under FRS, or
- *For Non-Special Risk* – is at least age 62 with 6 or more years of service, or any age with 30 years of service.

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

Plan Description (continued)

Normal retirement requirements for members initially enrolled on or after July 1, 2011:

- *For Special Risk* – is at least age 60 with 6 years of service or any age with 30 years of service, and is eligible for immediate retirement benefits under FRS, or
- *For Non-Special Risk* – is at least age 65 with 6 or more years of service, or any age with 33 years of service.

The benefit is payable immediately upon retirement for life.

Funding Policy

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

Membership

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

Active employees	111
Retirees and beneficiaries currently receiving benefits	3
Total membership	114
Participating employers	1

Total OPEB Liability

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

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

Total OPEB Liability* (*continued)

	Increases (Decreases)		
	Total OPEB Liability (a)	Plan Fiduciary Net Pension (b)	Net OPEB Liability (a)+(b)
Balance at October 1, 2024	$ 339,753	$ -	$ 339,753
Changes for the year ending September 30, 2025			
Service cost	21,095	-	21,095
Interest cost	15,738	-	15,738
Difference between expected and actual experience	(13,927)	-	(13,927)
Changes in assumptions	(10,574)	-	(10,574)
Benefit payments	(22,474)	-	(22,474)
Net changes	(10,142)	-	(10,142)
Balance at September 30, 2025	$ 329,611	$ -	$ 329,611

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

	1% Decrease 3.50%	Current Discount Rate 4.50%	1% Increase 5.50%
Total OPEB liability	$ 357,195	$ 329,611	$ 305,154

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

	Trend Rate		
	Trend Rate Minus 1.00%	Current Trend Rate, then 8.00% graded down to 5.00%	Trend Rate Plus 1.00%
Total OPEB liability	$ 298,015	$ 329,611	$ 366,907

For the year ended September 30, 2025, the County recognized OPEB expense of ($19,201).

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

Total OPEB Liability (continued)

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Balance at October 1, 2024	$ 58,252	$ 292,692
Amortization payments	(8,687)	(42,247)
Demographic gain/loss	-	13,927
Changes in assumptions	-	10,574
Balance at September 30, 2025	$ 49,565	$ 274,946

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

For the years ending September 30,	OPEB Expense, Net
2026	$ (33,560)
2027	(33,560)
2028	(33,560)
2029	(33,788)
2030	(33,882)
Thereafter	(57,031)
	$ (225,381)

Actuarial Methods and Assumptions - The valuation report dated December 5, 2025 for the fiscal year end date of September 30, 2025 was prepared using GAAP and practices, and relied on unaudited census data and medical claims data reported by the County. Projections of benefits for financial reporting purposes are based on the substantive plan (the Plan as understood by the employer and the Plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used included techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the September 30, 2025 actuarial valuation, the entry age normal actuarial cost method was used to determine the Plan's funding liabilities and assets. The actuarial assumption included a 4.50% discount rate, general wage increases of 3.00% and a healthcare cost trend rate for the year-ended September 30, 2025 of 8.00%, graded down by 0.50% per year to 5.00% for the year-ended September 30, 2031 and later fiscal years. The discount rate represents the S&P Municipal Bond

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

Total OPEB Liability (continued)

20-year High Grade yield curve rates as of September 30, 2025. Mortality rates were based on the PUB-2010 Mortality Table (without income adjustments), with full generational improvements in mortality using Scale MP-2020.

Note 5: COMMITMENTS AND CONTINGENCIES

Grants - Grant monies received and disbursed by the County are for specific purposes and are subject to review by the grantor agencies. Such reviews may result in requests for reimbursement due to disallowed expenditures. The County is not aware of any potentially disallowed grant expenditures.

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

Project	Contract Amount	Expended to Date	Remaining Commitment
Various infrastructure projects	$ 16,266,725	$ 13,423,488	$ 2,843,237

Note 6: RISK MANAGEMENT

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

Note 7: LITIGATION

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

Holmes County, Florida
Required Other Postemployment Benefits Supplementary Information

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

As of and for the year ended September 30,	**2025**	2024	2023	2022
Total OPEB Liability				
Service cost	**$ 21,095**	$ 24,373	$ 20,793	$ 18,176
Interest	**15,738**	13,449	17,150	25,073
Differences between expected and actual experience	**(13,927)**	(9,212)	500	(111,032)
Changes of assumptions	**(10,574)**	14,829	(38,270)	(88,752)
Benefit payments	**(22,474)**	(20,941)	(22,570)	(22,293)
Net change in total OPEB liability	**(10,142)**	22,498	(22,397)	(178,828)
Total OPEB liability - beginning	**339,753**	317,255	339,652	518,480
Total OPEB liability - ending (a)	**329,611**	339,753	317,255	339,652
Plan Fiduciary Net Position				
Contributions - employer	**22,474**	20,941	22,570	22,293
Benefit payments	**(22,474)**	(20,941)	(22,570)	(22,293)
Net change in plan fiduciary net position	**-**	-	-	-
Plan fiduciary net position - beginning	**-**	-	-	-
Plan fiduciary net position - ending (b)	**-**	-	-	-
Total OPEB liability - ending (a) - (b)	**$ 329,611**	$ 339,753	$ 317,255	$ 339,652
Plan fiduciary net position as a percentage of the total OPEB liability	**0.00%**	0.00%	0.00%	0.00%
Covered-employee payroll	**$ 5,347,768**	$ 5,492,630	$ 4,902,411	$ 3,675,621
Total OPEB liability as a percentage of covered-employee payroll	**6.16%**	6.19%	6.47%	9.24%
Contributions as a percentage of covered-employee payroll	**0.42%**	0.38%	0.46%	0.61%

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

See accompanying notes to required supplementary schedules and accompanying Independent Auditor's Report.

2021	2020	2019	2018
$ 36,246	$ 40,567	$ 33,204	$ 32,853
15,292	12,734	19,331	18,096
(41,538)	77,934	-	-
(68,948)	(72,981)	3,314	-
(31,077)	(8,379)	(7,921)	(9,018)
(90,025)	49,875	47,928	41,931
608,505	558,630	510,702	468,771
518,480	608,505	558,630	510,702
31,077	8,379	7,921	9,018
(31,077)	(8,379)	(7,921)	(9,018)
-	-	-	-
-	-	-	-
-	-	-	-
$ 518,480	$ 608,505	$ 558,630	$ 510,702
0.00%	0.00%	0.00%	0.00%
$ 3,938,487	$ 4,132,337	$ 3,964,061	$ 3,964,061
13.16%	14.73%	14.09%	12.88%
0.79%	0.20%	0.20%	0.23%

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

As of and for the year ended June 30,	**2025**	2024	2023	2022
Employer's proportion of the net pension liability	**0.029541%**	0.029787%	0.029674%	0.027399%
Employer's proportionate share of the net pension liability	**$ 9,167,990**	$ 11,523,100	$ 11,824,036	$ 10,194,710
Employer's covered payroll*	**$ 9,022,029**	$ 8,407,214	$ 7,842,264	$ 6,894,360
Employer's proportionate share of the net pension liability as a percentage of its covered payroll	**101.62%**	137.06%	150.77%	147.87%
Plan fiduciary net position as a percentage of the total pension liability	**87.26%**	83.70%	82.38%	82.89%

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

2021	2020	2019	2018	2017	2016
0.026622%	0.028816%	0.030612%	0.029778%	0.029280%	0.029259%
$ 2,010,985	$ 12,489,420	$ 10,542,400	$ 8,969,236	$ 8,660,918	$ 7,387,877
$ 6,526,663	$ 6,276,796	$ 6,035,130	$ 6,034,655	$ 5,770,369	$ 5,412,180
30.81%	198.98%	174.68%	148.63%	150.09%	136.50%
96.40%	78.85%	82.61%	84.26%	83.89%	84.88%

Schedule of Employer Contributions
Florida Retirement Systems Pension Plan
Last Ten Fiscal Years

As of and for the year ended September 30,	**2025**	2024	2023	2022
Contractually required contribution**	**$ 1,813,541**	$ 1,726,247	$ 1,480,871	$ 1,205,053
Contributions in relation to the actuarially determined contribution	**1,813,541**	1,726,247	1,480,871	1,205,053
Contribution deficiency (excess)	**$ -**	$ -	$ -	$ -
Employer's covered payroll*	**$ 8,448,499**	$ 8,163,270	$ 7,916,025	$ 6,893,308
Contributions as a percentage of covered payroll	**21.47%**	21.15%	18.71%	17.48%

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

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

2021	2020	2019	2018	2017	2016
$ 1,171,226	$ 1,046,313	$ 1,018,651	$ 931,242	$ 828,761	$ 757,755
1,171,226	1,046,313	1,018,651	931,242	828,761	757,755
$ -	$ -	$ -	$ -	$ -	$ -
$ 6,578,203	$ 6,229,286	$ 6,090,888	$ 6,059,238	$ 5,789,294	$ 5,423,471
17.80%	16.80%	16.72%	15.37%	14.32%	13.97%

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

As of and for the year ended June 30,	**2025**	2024	2023	2022
Employer's proportion of the net pension liability	**0.018715%**	0.018916%	0.018964%	0.018008%
Employer's proportionate share of the net pension liability	**$ 2,398,775**	$ 2,837,572	$ 3,011,782	$ 1,907,293
Employer's covered payroll*	**$ 9,022,029**	$ 8,407,214	$ 7,842,264	$ 6,894,360
Employer's proportionate share of the net pension liability as a percentage of its covered payroll	**26.59%**	33.75%	38.40%	27.66%
Plan fiduciary net position as a percentage of the total pension liability	**6.36%**	4.80%	4.12%	4.81%

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

2021	2020	2019	2018	2017	2016
0.017717%	0.017134%	0.018354%	0.018254%	0.017968%	0.017436%
$ 2,173,277	$ 2,091,987	$ 2,053,618	$ 1,932,055	$ 1,921,232	$ 2,032,105
$ 6,526,663	$ 6,276,796	$ 6,035,130	$ 6,034,655	$ 5,770,369	$ 5,412,180
33.30%	33.33%	34.03%	32.02%	33.29%	37.55%
3.00%	3.00%	2.63%	2.15%	1.64%	0.97%

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

As of and for the year ended September 30,	**2025**	2024	2023	2022
Contractually required contribution**	**$ 169,459**	$ 163,390	$ 133,064	$ 109,950
Contributions in relation to the actuarially determined contribution	**169,459**	163,390	133,064	109,950
Contribution deficiency (excess)	**$ -**	$ -	$ -	$ -
Employer's covered payroll*	**$ 8,448,499**	$ 8,163,270	$ 7,916,025	$ 6,893,308
Contributions as a percentage of covered payroll	**2.01%**	2.00%	1.68%	1.60%

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

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

2021	2020	2019	2018	2017	2016
$ 107,551	$ 98,814	$ 101,109	$ 100,583	$ 96,102	$ 90,030
107,551	98,814	101,109	100,583	96,102	90,030
$ -	$ -	$ -	$ -	$ -	$ -
$ 6,578,203	$ 6,229,286	$ 6,090,888	$ 6,059,238	$ 5,789,294	$ 5,423,471
1.63%	1.59%	1.66%	1.66%	1.66%	1.66%

NOTES TO REQUIRED SUPPLEMENTAL INFORMATION

Note 1: OTHER POSTEMPLOYMENT BENEFITS PLAN

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

The following actuarial assumptions changed in 2025:

- The discount rate was increased from 4.06% to 4.50%.
- The Medical Trend rate was reset to 8.00% for fiscal year end 2025, decreasing 0.50% per year to an ultimate rate of 5.00%.
- The implied monthly subsidy at age 62 for the year-ended September 30, 2025 was changed from $561.75 for the retiree and $481.50 for the retiree's spouse under the PPO 3359 plan, $508.25 for the retiree and $428.00 for the retiree's spouse under the PPO 5771 plan, and $642.00 for the retiree and $535.00 for the retiree's spouse under the PPO 5902 plan to $475.00 for the retiree and $400.00 for the retiree's spouse under the PPO 3359 plan, $550.00 for the retiree and $450.00 for the retiree's spouse under the PPO 5771 plan, and $575.00 for the retiree and $475.00 for the retiree's spouse under the PPO 5902 plan.

Note 2: FLORIDA RETIREMENT SYSTEMS (FRS)

The following actuarial assumptions changed in 2025:

- None.

Note 3: HEALTH INSURANCE SUBSIDY PROGRAM (HIS)

The following actuarial assumptions changed in 2025:

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

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NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Arthropod Control - To account for state grant and local funds received to help control insects.

Emergency Services 911 - To account for phone charges assessed for the purpose of providing emergency assistance.

Child Support - To account for the funds received to administer Title IV-D cases. The Board voted to allow the Clerk to retain any excess revenue over expenditures for use in operating the Clerk's office.

Teen Court - To account for the funds received to administer teen court.

Inmate Canteen - To account for activities in the inmate canteen. The canteen is stocked with snacks and miscellaneous personal items provided to the inmates.

Community Development Block Grant - To account for funds received from the Community Development Block Grant program, designated for developing and promoting commercial development in the County.

Federal Interdiction - To account for proceeds from federally seized assets that can only be used to purchase equipment for the Sheriff's department.

Fine and Forfeiture - To account for traffic fines received under Administrative Order 86-12 to be used in administering traffic regulations.

Civil Trust - To account for fees charged and related expenses in serving legal documents.

The Emergency Medical Services ("EMS") - To account for charges to patients for non-emergency medical transportation.

Record Modernization - To account for an additional service charge for each recorded instrument. These funds are to be used exclusively for improvements to the official records system and to pay for equipment and startup costs necessitated by the statewide recording system.

Court Technology - To account for ten percent of all court-related fines collected by the Clerk to be used exclusively for additional Clerk of Court-related operational needs and program enhancements.

Probation - To account for probation activities within the court system.

DEBT SERVICE FUNDS

Workcamp - To account for debt service of Public Improvement Refunding Revenue Bonds, Series 2012.

Holmes County, Florida
Combining Balance Sheet –
Nonmajor Governmental Funds

September 30, 2025	Special Revenue Funds		
	Arthropod Control	Emergency Services 911	Child Support
Assets			
Cash and cash equivalents	$ 51,864	$ 159,488	$ 682,720
Due from other governments	-	64,573	14,075
Due from other funds	-	-	-
Restricted assets			
Cash and cash equivalents	-	-	-
Total assets	$ 51,864	$ 224,061	$ 696,795
Liabilities and Fund Balances			
Liabilities			
Accounts payable	$ 221	$ 15,595	$ 78
Accrued liabilities	2,137	-	1,052
Unearned revenue	32,398	-	-
Due to other governments	-	-	700
Due to other funds	-	-	74,210
Total liabilities	34,756	15,595	76,040
Fund balances			
Restricted	-	208,466	620,755
Assigned	17,108	-	-
Total fund balances	17,108	208,466	620,755
Total liabilities and fund balances	$ 51,864	$ 224,061	$ 696,795

	Teen Court	Inmate Canteen	Community Development Block Grant	Federal Interdiction	Fine and Forfeiture
	$ 3,522	$ 105,131	$ -	$ 54,316	$ 265,783
	-	-	273,087	-	58,162
	-	-	-	-	74,210
	-	-	-	-	-
	$ 3,522	$ 105,131	$ 273,087	$ 54,316	$ 398,155
	$ -	$ -	$ 273,087	$ -	$ 530
	-	-	-	-	18,130
	-	-	-	54,297	-
	-	-	-	-	142,640
	-	-	-	-	-
	-	-	273,087	54,297	161,300
	3,522	105,131	-	19	236,855
	-	-	-	-	-
	3,522	105,131	-	19	236,855
	$ 3,522	$ 105,131	$ 273,087	$ 54,316	$ 398,155

- Continued -

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

	Special Revenue Funds		
September 30, 2025	Civil Trust	EMS	Record Modernization
Assets			
Cash and cash equivalents	$ -	$ 7,631	$ 15,776
Due from other governments	-	-	-
Due from other funds	-	-	-
Restricted assets			
Cash and cash equivalents	-	-	-
Total assets	$ -	$ 7,631	$ 15,776
Liabilities and Fund Balances			
Liabilities			
Accounts payable	$ -	$ -	$ -
Accrued liabilities	-	-	-
Unearned revenue	-	-	-
Due to other governments	-	-	-
Due to other funds	-	-	-
Total liabilities	-	-	-
Fund balances			
Restricted	-	7,631	15,776
Assigned	-	-	-
Total fund balances	-	7,631	15,776
Total liabilities and fund balances	$ -	$ 7,631	$ 15,776

			Debt Service Fund	
	Court Technology	Probation	Workcamp	Total Nonmajor Governmental Funds
$	9,926	$ 258,557	$ -	$ 1,614,714
	2,394	-	-	412,291
	-	-	-	74,210
	-	-	78,106	78,106
$	12,320	$ 258,557	$ 78,106	$ 2,179,321
$	-	$ 389	$ -	$ 289,900
	536	7,309	-	29,164
	-	-	-	86,695
	-	-	-	143,340
	-	-	-	74,210
	536	7,698	-	623,309
	11,784	250,859	78,106	1,538,904
	-	-	-	17,108
	11,784	250,859	78,106	1,556,012
$	12,320	$ 258,557	$ 78,106	$ 2,179,321

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

For the year ended September 30, 2025	Special Revenue Funds		
	Arthropod Control	Emergency Services 911	Child Support
Revenues			
Intergovernmental	$ 42,541	$ 386,823	$ 54,528
Charges for services	7,614	-	3,623
Fines and forfeitures	-	-	-
Investment earnings	1	-	-
Miscellaneous	-	2,125	-
Total revenues	50,156	388,948	58,151
Expenditures			
Current			
General government	-	-	40,853
Public safety	-	424,569	-
Human services	53,801	-	-
Economic environment	-	-	-
Capital outlay	-	-	-
Debt service			
Principal	-	-	-
Interest	-	-	-
Total expenditures	53,801	424,569	40,853
Excess (deficiency) of revenues over (under) expenditures	(3,645)	(35,621)	17,298
Other Financing Sources (Uses)			
Transfers in	-	-	-
Justice Administrative Commission	-	-	-
Transfers out	-	-	(74,210)
Total other financing sources (uses)	-	-	(74,210)
Net change in fund balances	(3,645)	(35,621)	(56,912)
Fund balances, beginning of year	20,753	244,087	677,667
Fund balances, end of year	$ 17,108	$ 208,466	$ 620,755

	Teen Court	Inmate Canteen	Community Development Block Grant	Federal Interdiction	Fine and Forfeiture
$	-	$ -	$ 477,271	$ -	$ 191,973
	-	179,601	-	-	292,030
	-	-	-	-	340,743
	-	-	-	-	-
	4,885	-	-	19,646	13,329
	4,885	179,601	477,271	19,646	838,075
	-	-	-	-	670,542
	3,147	163,207	-	19,646	-
	-	-	-	-	-
	-	-	208,459	-	-
	-	13,299	268,812	-	-
	-	-	-	-	-
	-	-	-	-	-
	3,147	176,506	477,271	19,646	670,542
	1,738	3,095	-	-	167,533
	-	-	-	-	74,210
	-	-	-	-	(110,701)
	-	-	-	-	-
	-	-	-	-	(36,491)
	1,738	3,095	-	-	131,042
	1,784	102,036	-	19	105,813
$	3,522	$ 105,131	$ -	$ 19	$ 236,855

- Continued -

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

	Special Revenue Funds		
For the year ended September 30, 2025	Civil Trust	EMS	Record Modernization
Revenues			
Intergovernmental	$ -	$ -	$ -
Charges for services	37,745	7,807	7,929
Fines and forfeitures	-	-	-
Investment earnings	-	-	-
Miscellaneous	-	-	-
Total revenues	37,745	7,807	7,929
Expenditures			
Current			
General government	-	-	4,074
Public safety	3,022	176	-
Human services	-	-	-
Culture and recreation	-	-	-
Capital outlay	-	-	-
Debt service			
Principal	-	-	-
Interest	-	-	-
Total expenditures	3,022	176	4,074
Excess (deficiency) of revenues over (under) expenditures	34,723	7,631	3,855
Other Financing Sources (Uses)			
Transfers in	-	-	-
Justice Administrative Commission	-	-	-
Transfers out	(34,723)	-	-
Total other financing sources (uses)	(34,723)	-	-
Net change in fund balances	-	7,631	3,855
Fund balances, beginning of year	-	-	11,921
Fund balances, end of year	$ -	$ 7,631	$ 15,776

		Debt Service Fund	
Court Technology	Probation	Workcamp	Total Nonmajor Governmental Funds
$ -	$ -	$ -	$ 1,153,136
30,411	257,504	-	824,264
-	-	-	340,743
-	-	6	7
-	130	-	40,115
30,411	257,634	6	2,358,265
23,656	-	-	739,125
-	172,463	-	786,230
-	-	-	53,801
-	-	-	208,459
-	-	-	282,111
-	-	196,102	196,102
-	-	32,585	32,585
23,656	172,463	228,687	2,298,413
6,755	85,171	(228,681)	59,852
-	-	228,696	302,906
-	-	-	(110,701)
-	-	-	(108,933)
-	-	228,696	83,272
6,755	85,171	15	143,124
5,029	165,688	78,091	1,412,888
$ 11,784	$ 250,859	$ 78,106	$ 1,556,012

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FIDUCIARY FUNDS

CUSTODIAL FUNDS

Tax Collector

Property Tax - To account for the collection and distribution of local property taxes.

Department of Motor Vehicles ("DMV") - To account for the collection of motor vehicle and driver's license registration receipts and disbursement remitted to the Florida Department of Motor Vehicles.

Concealed Weapons - To account for the collection of concealed weapons licenses registration receipts and remittance.

Sheriff

Inmate Trust - To account for cash received from and due to inmates.

Clerk of Court

General Agency - To account for the collection and disbursement of trust accounts including: tax accounts, fine and forfeiture accounts, and other miscellaneous sources.

Juror and Witness - To account for the collection and disbursement of advances received by the Clerk from the State and County for payment of jurors and witnesses.

Registry of Court - To account for the collection and disbursement of funds which are required to be deposited into and disbursed from the Registry Account by court orders.

Cash Bonds - To account for the collection and disbursement of cash bonds.

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

September 30, 2025	Tax Collector		
	Property Tax	DMV	Concealed Weapons
Assets			
Cash and cash equivalents	$ 110,907	$ 305,169	$ 193
Accounts receivable	-	-	-
Due from other governments	-	-	-
Total assets	$ 110,907	$ 305,169	$ 193
Liabilities			
Due to other governments	$ 110,907	$ 305,169	$ 193
Due to individuals	-	-	-
Deposits	-	-	-
Total liabilities	110,907	305,169	193
Net Position			
Restricted	-	-	-
Total liabilities and net position	$ 110,907	$ 305,169	$ 193

Sheriff	Clerk of the Court				
Inmate Trust	General Agency	Juror and Witness	Registry of Court	Cash Bonds	Total
$ 109,917	$ 209,770	$ 7,805	$ 19,781	$ 4,450	$ 767,992
-	37	-	-	-	37
-	-	-	1,536	-	1,536
$ 109,917	$ 209,807	$ 7,805	$ 21,317	$ 4,450	$ 769,565
$ -	$ 98,870	$ 7,805	$ -	$ -	$ 522,944
-	110,937	-	-	-	110,937
-	-	-	21,317	4,450	25,767
-	209,807	7,805	21,317	4,450	659,648
109,917	-	-	-	-	109,917
$ 109,917	$ 209,807	$ 7,805	$ 21,317	$ 4,450	$ 769,565

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

For the year ended September 30, 2025	Tax Collector		
	Property Tax	DMV	Concealed Weapons
Additions			
Clerk of circuit and county courts revenue	$ -	$ -	$ -
Tax collections, auto tag fees, and other fees for other governments	10,917,797	3,254,855	20,621
Inmate Deposits	-	-	-
Total additions	10,917,797	3,254,855	20,621
Deductions			
Current			
Payments of clerk of circuit and county courts distributions to other governments	-	-	-
Payments of tax, auto tag fees, and other fees to other governments	10,917,797	3,254,855	20,621
Public Safety	-	-	-
Total deductions	10,917,797	3,254,855	20,621
Changes in net position	-	-	-
Net position, beginning of year	-	-	-
Net position, end of year	$ -	$ -	$ -

Sheriff	Clerk of the Court				
Inmate Trust	General Agency	Juror and Witness	Registry of Court	Cash Bonds	Total
$ -	$ 2,676,619	$ -	$ 327,018	$ 20,450	$ 3,024,087
-	-	-	-	-	14,193,273
556,996	-	-	-	-	556,996
556,996	2,676,619	-	327,018	20,450	17,774,356
-	2,676,619	-	327,018	20,450	3,024,087
-	-	-	-	-	14,193,273
539,059	-	-	-	-	539,059
539,059	2,676,619	-	327,018	20,450	17,756,419
17,937	-	-	-	-	17,937
91,980	-	-	-	-	91,980
$ 109,917	$ -	$ -	$ -	$ -	$ 109,917

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

To the Honorable Members of the
Board of County Commissioners
Holmes 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 of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Holmes County, Florida (the "County"), as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated March 30, 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 a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not

identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

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

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

Enterprise, Alabama
March 30, 2026

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

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

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

Opinion on Each Major Federal Program and Major State Project

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

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

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

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. *Code of Federal Regulations, Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and Chapter 10.550, Rules of the Auditor General of the State of Florida. Our responsibilities under those standards, the Uniform Guidance, and Chapter 10.550, Rules of the Auditor General, are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the County and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program and major state project. Our audit does not provide a

legal determination of the County's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the County's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, the Uniform Guidance and Chapter 10.550, Rules of the Auditor General of the State of Florida will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the County's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, the Uniform Guidance and Chapter 10.550, Rules of the Auditor General of the State of Florida, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the 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 Chapter 10.550, Rules of the Auditor General of the State of Florida, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over compliance. Accordingly, no such opinion is expressed.

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

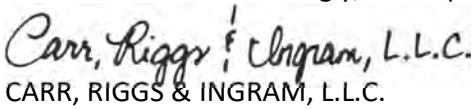
Report on Internal Control Over Compliance

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

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

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

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



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

Enterprise, Alabama
March 30, 2026

Holmes County, Florida
Schedule of Expenditures of Federal Awards and State Financial Assistance
For the Year Ended September 30, 2025

Federal Agency Pass-through Grantor Program Title	Assistance Listing Number	Contract/ Grant Number	Expenditures	Payments to Subrecipients
Department of Treasury				
Pass-through Florida Executive Office of Governor				
COVID-19 Coronavirus State and Local Fiscal Recovery	21.027	COVID-19 1505-0271	$ 60,000	$ -
Department of Housing and Urban Development				
Pass-through Florida Department of Economic Opportunity				
COVID-19 Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	14.228	COVID-19 H2477	96,736	-
Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	14.228	H2535	208,459	-
Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	14.228	H2525	172,076	-
Total ALN 14.228 and Department of Housing and Urban Development			477,271	-
U.S. Department of Health and Human Services				
Pass-through Florida Department of Revenue				
Child Support Enforcement	93.563	CST30	1,019	-
Child Support Enforcement	93.563	COC30	54,528	-
Total ALN 93.563 and U.S. Department of Health and Human Services			55,547	-
U.S. Department of Justice				
Pass-through Florida Department of Law Enforcement				
Crime Victims Assistance	16.575	VOCA-2024-2025-Holmes County Sheriff's Office	45,767	-
Edward Byrne Memorial Justice Assistance	16.738	6N182	37,768	-
Total U.S. Department of Justice			83,535	-

-Continued-

See the independent Auditor's report and accompanying notes to the schedule of expenditures of federal awards and state financial assistance.

Holmes County, Florida
Schedule of Expenditures of Federal Awards and State Financial Assistance (Continued)
For the Year Ended September 30, 2025

Federal Agency Pass-through Grantor Program Title	Assistance Listing Number	Contract/ Grant Number	Expenditures	Payments to Subrecipients
Election Assistance Commission				
Pass-through Florida Department of State				
HAVA Election Security Grants	90.404	24.e.an.000029	11,160	-
U.S. Department of Homeland Security				
Pass-through Florida Department of Emergency Management				
Disaster Grants - Public Assistance	97.036	4564	53,902	-
Disaster Grants - Public Assistance	97.036	4828	220,498	-
Total ALN 97.036			274,400	-
Pass-through Florida Executive Office of Governor				
Emergency Management Performance	97.042	N/A	42,983	-
Pass-through Florida Department of Agriculture				
Assistance to Firefighters Grants	97.044	N/A	42,821	-
Total U.S. Department of Homeland Security			360,204	-
Total Expenditures of Federal Awards			$ 1,047,717	$ -

-Continued-

See the independent Auditor's report and accompanying notes to the schedule of expenditures of federal awards and state financial assistance.

Holmes County, Florida
Schedule of Expenditures of Federal Awards and State Financial Assistance (Continued)
For the Year Ended September 30, 2025

State Agency Pass-through Grantor Program Title	CSFA Number	Contract/ Grant Number	Expenditures	Payments to Subrecipients
Executive Office of the Governor				
Emergency Management Projects	31.067	T0301	$ 1,782	$ -
Emergency Management Programs	31.063	N/A	105,806	-
2025 Holmes County Tornadic Recovery Grant	31.091	N/A	708,288	-
Total Executive Office of the Governor			815,876	-
Florida Department of Environmental Protection				
Resilient Florida Programs	37.098	23PLN50	122,000	-
Small County Consolidated Grants	37.012	SC416	93,283	-
Total Florida Department of Environmental Protection			215,283	-
Florida Department of Agriculture and Consumer Services				
Mosquito Control	42.003	2024	7,462	-
Mosquito Control	42.003	2025	35,079	-
Total CSFA 42.003 and Florida Department of Agriculture and Consumer Services			42,541	-
Florida Department of Law Enforcement				
Criminal Justice Data Transparency	71.044	D2004	13,240	-
Local Firearms Safety Training Program	71.103	9H010	12,409	-
State Assistance for Fentanyl Eradication (S.A.F.E.) in Florida	71.122	2024-SAFE-SF-019	40,581	-
Law Enforcement Salary Assistance for Fiscally Constrained Counties	71.067	7G030	864,738	-
Total Florida Department of Law Enforcement			930,968	-
Florida Department of State and Secretary of State				
State Aid to Libraries	45.030	25-ST-67	30,878	-
Florida Housing Finance Corporation				
State Housing Initiatives Partnership Program (SHIP)	40.901	N/A	554,583	-

-Continued-

See the independent Auditor's report and accompanying notes to the schedule of expenditures of federal awards and state financial assistance.

State Agency Pass-through Grantor Program Title	CSFA Number	Contract/ Grant Number	Expenditures	Payments to Subrecipients
Florida Department of Commerce				
Regional Community Development and Infrastructure	40.042	D0216	76,825	-
Regional Community Development and Infrastructure	40.042	D0271	1,471,847	-
Total CSFA 40.042			1,548,672	-
Division of Housing and Community Development	40.038	HL165	2,155,764	-
Total Florida Department of Commerce			3,704,436	-
Florida Department of Transportation				
Small County Outreach Programs (SCOP)	55.009	45177613401	2,364,646	-
Small County Outreach Programs (SCOP)	55.009	43324825401	2,176,436	-
Small County Outreach Programs (SCOP)	55.009	43683815401	3,040,553	-
Small County Outreach Programs (SCOP)	55.009	44862115401	35,101	-
Small County Outreach Programs (SCOP)	55.009	45326115401	4,700	-
Small County Outreach Programs (SCOP)	55.009	45130715401	2,100	-
Small County Outreach Programs (SCOP)	55.009	44988413401	1,216,138	-
Total CSFA 55.009 and Florida Department of Transportation			8,839,674	-
Florida Department of Health				
Emergency Medical Services Matching Awards	64.003	M2431	54,679	-
Florida Department of Management Services				
Wireless 911 Emergency Telephone System Rural County Grant Program	72.001	22-04-22	25,083	-
Wireless 911 Emergency Telephone System Rural County Grant Program	72.001	21-04-15	2,481	-
Wireless 911 Emergency Telephone System Rural County Grant Program	72.001	E911 S17-21-02-61	12,068	-
Wireless 911 Emergency Telephone System Rural County Grant Program	72.001	E911 S17-21-02-60	12,792	-
Wireless 911 Emergency Telephone System Rural County Grant Program	72.001	E911 24-10-16	8,698	-
Wireless 911 Emergency Telephone System Rural County Grant Program	72.001	E911 24-04-14	56,378	-

- Continued -

State Agency Pass-through Grantor Program Title	CSFA Number	Contract/ Grant Number	Expenditures	Payments to Subrecipients
Wireless 911 Emergency Telephone System Rural County Grant Program	72.001	RG25-04-18	25,151	-
Wireless 911 Emergency Telephone System Rural County Grant Program	72.001	RG25-04-19	2,100	-
Wireless 911 Emergency Telephone System Rural County Grant Program	72.001	RG25-04-21	39,657	-
Total CSFA 72.001			184,408	-
Prepaid Next Generation 911 (NG911) State Grant Program	72.003	S20-21-12-18	14,773	-
Total Florida Department of Management Services			199,181	-
Total Expenditures of State Financial Assistance			$ 15,388,099	$ -

*CCDF Cluster

Holmes County, Florida
Notes to the Schedule of Expenditures of Federal Awards and State Financial Assistance
For the Year Ended September 30, 2025

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

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

Note 2: INDIRECT COST RATE

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

Note 3: LOANS AND LOAN GUARANTEES

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

Note 4: FEDERAL AND STATE PASS-THROUGH FUNDS

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

NOTE 5: SUBRECIPIENTS

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

Note 6: NONCASH ASSISTANCE

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

Note 7: CONTINGENCIES

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

Section I - Summary of Auditor's Results

Financial Statements

1. Type of Auditor's report issued	Unmodified
2. Internal control over financial reporting:	
a. Material weaknesses identified?	No
b. Significant deficiencies identified not considered to be material weaknesses?	None noted
c. Noncompliance material to the financial statements noted?	No

Federal Awards

1. Type of Auditor's report issued on compliance for major programs	Unmodified
2. Internal control over major programs:	
a. Material weaknesses identified?	No
b. Significant deficiencies identified not considered to be material weaknesses?	None noted
3. Any audit findings disclosed that are required to be reported in accordance with 2CFR section 200.516(a)?	None noted
4. Identification of major programs	

Assistance Listing Number	Federal Program
14.228	Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii

5. Dollar threshold used to distinguish between type A and type B programs	$1,000,000
6. Auditee qualified as low-risk under 2 CFR 200.520	Yes

State Projects

1. Type of Auditor's report issued on compliance for major programs	Unmodified
2. Internal control over major programs:	
a. Material weaknesses identified?	No
b. Significant deficiencies identified not considered to be material weaknesses?	None noted
3. Any audit findings disclosed that are required to be reported in accordance with Florida Single Audit Act?	None noted
4. Identification of major programs	

CFSA Number	State Project
55.009	Small County Outreach Program

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

-Continued-

Section II - Financial Statements Findings

No such findings to report.

Section III - Federal Award Findings and Questioned Costs

No such findings to report.

Section IV - State Projects Findings and Questioned Costs

The audit did not disclose any audit findings required to be reported pursuant to Section 10.557, Rules of the Auditor General. (Section 10.554(1)(I)1.f, Rules of the Auditor General).

Section V – Summary Schedule of Prior Audit Findings

There were no federal or state audit findings from the prior year to report.

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

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

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

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

Management of the County is responsible for the County's compliance with the specified requirements. Our responsibility is to express an opinion on the County's compliance with the specified requirements based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the County complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the County complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion. Our examination does not provide a legal determination on the County's compliance with specified requirements.

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

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

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

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

Enterprise, Alabama
March 30, 2026

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INDEPENDENT AUDITOR'S MANAGEMENT LETTER

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

Report on the Financial Statements

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

Auditor's Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements of Federal Awards* (Uniform Guidance) and Chapter 10.550, Rules of the Auditor General.

Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*; Independent Auditor's Report on Compliance for Each Major Federal Program and Major State Project and Report on Internal Control over Compliance, Schedule of Findings and Questioned Costs; and Independent Accountant's Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports and schedule, which are dated March 30, 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. No such findings and recommendations were made in the preceding annual financial audit report.

Financial Condition and Management

Section 10.554(1)(i)5.a. and 10.556(7), Rules of the Auditor General, require us to apply appropriate procedures and report the results of our determination as to whether or not the County has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and identification of the specific condition(s) met. In connection with our audit, we determined that the County did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

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

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

Special District Component Units

Section 10.554(1)(i)5.c., Rules of the Auditor General, requires, if appropriate, that we communicate the failure of a special district that is a component unit of a county, municipality, or special district, to provide the financial information necessary for proper reporting of the component unit within the audited financial statements of the county, municipality, or special district in accordance with Section 218.39(3)(b), Florida Statutes. In connection with our audit, we did not note any special district component units that failed to provide the necessary information for proper reporting in accordance with Section 218.39(3)(b), Florida Statutes.

As required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)7, Rules of the Auditor General, the Holmes County Development Commission reported:

a. The total number of district employees compensated in the last pay period of the district's fiscal year was 0.
b. The total number of independent contractors to whom nonemployee compensation was paid in the last month of the district's fiscal year was 1.
c. All compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency was $35,765.
d. All compensation earned by or awarded to nonemployee independent contractors, whether paid or accrued, regardless of contingency was $64,590.
e. No construction projects with a total cost of at least $65,000 were approved by the district that is scheduled to begin on or after October 1 of the fiscal year.
f. A budget variance based on the budget adopted under Section 189.016(4), Florida Statutes, before the beginning of the fiscal year being reported if the district amends a final adopted budget under Section 189.016(6), Florida Statutes. The district did not amend their budget, this is not applicable.

Property Assessed Clean Energy (PACE) Programs

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

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 note any such findings.

Purpose of this Letter

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

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

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

Enterprise, Alabama
March 30, 2026

FINANCIAL STATEMENTS AND COMPLIANCE REPORTS FOR CONSTITUTIONAL OFFICERS

The following special-purpose financial statements are presented in accordance with Chapter 10.550, Rules of the Florida Auditor General.

Clerk of the Circuit Court
Holmes County, Florida

FINANCIAL STATEMENTS

September 30, 2025

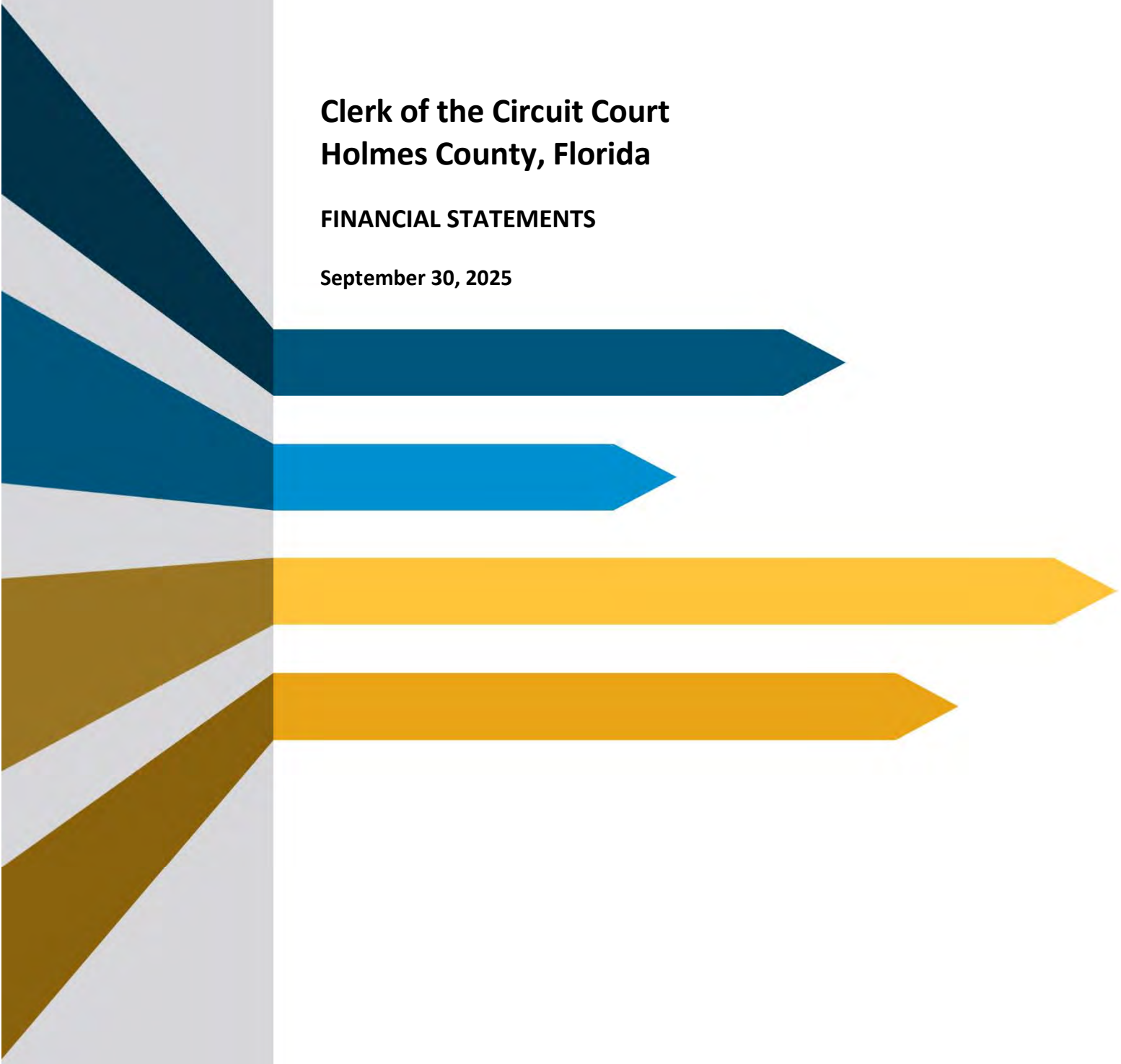


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INDEPENDENT AUDITOR'S REPORT

Honorable Sam Bailey
Clerk of the Circuit Court
Holmes County, Florida

Opinions

We have audited the accompanying financial statements of each major fund and the aggregate remaining fund information of the Holmes County, Florida Clerk of the Circuit Court (the "Clerk"), as of and for the fiscal year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the Clerk'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 each major fund and the aggregate remaining fund information for the Clerk as of September 30, 2025, and the respective changes in financial position and the budgetary comparison for the General Fund, Fine and Forfeiture Fund, Child Support Trust, and Probation Fund for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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 Clerk's

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Clerk'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 Clerk'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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Clerk's financial statements. The combining and individual fund financial statements, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional

procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements are fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 23, 2026, on our consideration of the Clerk's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, rules, 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 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 Clerk's internal control over financial reporting and compliance.

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

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

Enterprise, Alabama
March 23, 2026

Holmes County, Florida
Clerk of the Circuit Court
Balance Sheet – Governmental Funds

September 30, 2025	General Fund	Fine and Forfeiture
Assets		
Cash and cash equivalents	$ 67,735	$ 265,783
Due from other governments	5,596	5,228
Due from individuals	-	52,934
Due from other funds	-	74,210
Due from Board of County Commissioners	4,757	-
Total assets	$ 78,088	$ 398,155
Liabilities and Fund Balances		
Liabilities		
Accounts payable	$ 135	$ 530
Accrued wages and benefits	14,895	18,130
Due to other governments	-	142,640
Due to other funds	-	-
Due to Board of County Commissioners	63,058	-
Total liabilities	78,088	161,300
Fund balances		
Restricted	-	236,855
Total liabilities and fund balances	$ 78,088	$ 398,155

The accompanying notes are an integral part of these financial statements.

Child Support Trust	Probation	Nonmajor Funds	Total Governmental Funds
$ 682,720	$ 258,557	$ 25,702	$ 1,300,497
14,075	-	2,394	27,293
-	-	-	52,934
-	-	-	74,210
-	-	-	4,757
$ 696,795	$ 258,557	$ 28,096	$ 1,459,691
$ 78	$ 389	$ -	$ 1,132
1,052	7,309	536	41,922
700	-	-	143,340
74,210	-	-	74,210
-	-	-	63,058
76,040	7,698	536	323,662
620,755	250,859	27,560	1,136,029
$ 696,795	$ 258,557	$ 28,096	$ 1,459,691

Holmes County, Florida
Clerk of the Circuit Court
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds

For the year ended September 30, 2025	General Fund	Fine and Forfeiture
Revenues		
Intergovernmental	$ -	$ 191,973
Charges for services	77,045	292,030
Fines and forfeitures	-	340,743
Miscellaneous revenue	77,659	13,329
Total revenues	154,704	838,075
Expenditures		
General government		
Personnel services	453,364	627,774
Operating	76,784	42,768
Total expenditures	530,148	670,542
Excess (deficiency) of revenues over (under) expenditures	(375,444)	167,533
Other Financing Sources (Uses)		
Appropriations from Board of County Commissioners	438,502	-
Justice Administrative Commission	-	31,939
Transfers in	-	74,210
Transfers out	-	-
Reversions		
Board of County Commissioners	(63,058)	-
Justice Administrative Commission	-	(142,640)
Net other financing sources (uses)	375,444	(36,491)
Net change in fund balances	-	131,042
Fund balances, beginning of year	-	105,813
Fund balances, end of year	$ -	$ 236,855

The accompanying notes are an integral part of these financial statements.

Child Support Trust	Probation	Nonmajor Funds	Total Governmental Funds
$ 54,528	$ -	$ -	$ 246,501
3,623	257,504	38,340	668,542
-	-	-	340,743
-	130	-	91,118
58,151	257,634	38,340	1,346,904
34,739	154,626	12,606	1,283,109
6,114	17,837	15,124	158,627
40,853	172,463	27,730	1,441,736
17,298	85,171	10,610	(94,832)
-	-	-	438,502
-	-	-	31,939
-	-	-	74,210
(74,210)	-	-	(74,210)
-	-	-	(63,058)
-	-	-	(142,640)
(74,210)	-	-	264,743
(56,912)	85,171	10,610	169,911
677,667	165,688	16,950	966,118
$ 620,755	$ 250,859	$ 27,560	$ 1,136,029

Holmes County, Florida
Clerk of the Circuit Court
Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual
General Fund

For the year ended September 30, 2025	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Charges for services	$ 71,350	$ 77,045	$ 77,045	$ -
Miscellaneous revenue	84,000	77,659	77,659	-
Total revenues	155,350	154,704	154,704	-
Expenditures				
General government				
Personnel services	435,052	453,364	453,364	-
Operating	166,708	76,784	76,784	-
Capital outlay	6,000	-	-	-
Total expenditures	607,760	530,148	530,148	-
Excess (deficiency) of revenues over (under) expenditures	(452,410)	(375,444)	(375,444)	-
Other Financing Sources (Uses)				
Appropriations from Board of County Commissioners	452,410	438,502	438,502	-
Reversions				
Board of County Commissioners	-	(63,058)	(63,058)	-
Net other financing sources	452,410	375,444	375,444	-
Net change in fund balance	-	-	-	-
Fund balance, beginning of year	-	-	-	-
Fund balance, end of year	$ -	$ -	$ -	$ -

The accompanying notes are an integral part of these financial statements.

Holmes County, Florida
Clerk of the Circuit Court
Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual
Fine and Forfeiture Fund

For the year ended September 30, 2025	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Intergovernmental	$ 202,213	$ 186,926	$ 191,973	$ 5,047
Charges for services	249,070	292,030	292,030	-
Fines and forfeitures	237,445	340,743	340,743	-
Miscellaneous revenue	7,294	13,329	13,329	-
Total revenues	696,022	833,028	838,075	5,047
Expenditures				
General government				
Personnel services	655,809	627,774	627,774	-
Operating	40,213	42,768	42,768	-
Total expenditures	696,022	670,542	670,542	-
Excess (deficiency) of revenues over (under) expenditures	-	162,486	167,533	5,047
Other Financing Sources (Uses)				
Justice Administrative Commission	-	31,939	31,939	-
Transfers in	-	-	74,210	74,210
Reversions				
Justice Administrative Commission	-	(89,083)	(142,640)	(53,557)
Net other financing sources (uses)	-	(57,144)	(36,491)	20,653
Net change in fund balance	-	105,342	131,042	25,700
Fund balance, beginning of year	105,813	105,813	105,813	-
Fund balance, end of year	$ 105,813	$ 211,155	$ 236,855	$ 25,700

The accompanying notes are an integral part of these financial statements.

Holmes County, Florida
Clerk of the Circuit Court
Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual
Child Support Trust

For the year ended September 30, 2025	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Intergovernmental	$ 100,000	$ 100,000	$ 54,528	$ (45,472)
Charges for services	2,300	2,300	3,623	1,323
Total revenues	102,300	102,300	58,151	(44,149)
Expenditures				
General government				
Personnel services	30,180	35,450	34,739	711
Operating	722,120	716,850	6,114	710,736
Total expenditures	752,300	752,300	40,853	711,447
Excess (deficiency) of revenues over (under) expenditures	(650,000)	(650,000)	17,298	667,298
Other Financing Sources (Uses)				
Transfers out	-	-	(74,210)	(74,210)
Net change in fund balance	(650,000)	(650,000)	(56,912)	593,088
Fund balance, beginning of year	677,667	677,667	677,667	-
Fund balance, end of year	$ 27,667	$ 27,667	$ 620,755	$ 593,088

The accompanying notes are an integral part of these financial statements.

Holmes County, Florida
Clerk of the Circuit Court
Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual
Probation Fund

For the year ended September 30, 2025	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Charges for services	$ 189,010	$ 189,010	$ 257,504	$ 68,494
Miscellaneous revenue	270	270	130	(140)
Total revenues	189,280	189,280	257,634	68,354
Expenditures				
General government				
Personnel services	140,274	154,626	154,626	-
Operating	178,006	164,654	17,837	146,817
Capital outlay	1,000	-	-	-
Total expenditures	319,280	319,280	172,463	146,817
Excess (deficiency) of revenues over (under) expenditures	(130,000)	(130,000)	85,171	215,171
Fund balance, beginning of year	165,688	165,688	165,688	-
Fund balance, end of year	$ 35,688	$ 35,688	$ 250,859	$ 215,171

The accompanying notes are an integral part of these financial statements.

Holmes County, Florida
Clerk of the Circuit Court
Statement of Fiduciary Net Position – Fiduciary Funds

September 30, 2025		Custodial Funds
Assets		
Cash and cash equivalents	$	241,806
Due from other governments		1,536
Accounts receivable		37
Total assets	$	243,379
Liabilities		
Due to other governments	$	106,675
Due to individuals		110,937
Deposits		25,767
Total liabilities		243,379
Total net position	$	-

The accompanying notes are an integral part of these financial statements.

Holmes County, Florida
Clerk of the Circuit Court
Statement of Changes in Fiduciary Net Position – Fiduciary Funds

For the year ended September 30, 2025		Custodial Funds
Additions		
Clerk of circuit and county courts revenue	$	3,024,087
Deductions		
Current		
Payments of clerk of circuit and county courts distributions to other governments		3,024,087
Net increase (decrease) in fiduciary net position		-
Net position, beginning of year		-
Net position, end of year	$	-

The accompanying notes are an integral part of these financial statements.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Holmes County, Florida Clerk of the Circuit Court (the "Clerk") have been prepared in accordance with the accounting principles and reporting guidelines established by the Governmental Accounting Standards Board (GASB), accounting principles generally accepted in the United States of America (GAAP), and accounting practices prescribed by Chapter 10.550, Rules of the Auditor General, State of Florida. The more significant of these governmental accounting policies applicable to the Clerk are described below.

Reporting Entity

The Clerk is an elected official established pursuant to Article VIII Section 1(d) of the constitution of the State of Florida and serves the geographic boundary established in Florida Statutes Chapter 7.30. Although the Clerk's office is operationally autonomous from the Board of County Commissioners (the "Board"), it does not hold sufficient corporate powers of its own to be considered a legally separate entity for financial reporting purposes. Pursuant to *GASB Codifications of Governmental Accounting and Financial Reporting Standards,* Sections 2100 and 2600, the Clerk's financial statements are combined with those of the Board and other elected officials into the reporting entity of the County.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

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

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Clerk considers revenues to be available if they are collected within 60 days of the end of the current fiscal year. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures and issuance of long-term debt and acquisitions under capital leases are reported as other financing sources. The operations of the Clerk are funded by the Board of County Commissioners and other taxing authorities. The appropriations from the Board are recorded as other financing sources.

Fiduciary fund (custodial fund) statements are prepared using *economic resources measurement* focus and the *accrual basis of accounting*.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

The accounting and financial reporting treatment applied to the fixed assets and long-term liabilities associated with a fund are determined by its measurement focus. All governmental funds are accounted for on a spending or "financial flow" measurement focus. This means that generally, only current assets and current liabilities are included in the balance sheet. Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they present a summary of sources and uses of "available spendable resources" during a period.

Fund Financial Statements

The Clerk's financial statements have been prepared solely for the purpose of complying with the Rules of the Auditor General of the State of Florida (the "Rules"). These financial statements are the fund financial statements required by generally accepted accounting principles. However, these fund financial statements do not constitute a complete presentation because, in conformity with the Rules, the Clerk has not presented reconciliations to the government-wide financial statements, or management's discussion and analysis. Also, certain notes to the financial statements may supplement rather than duplicate the notes included in the County's county-wide financial statements.

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

The Clerk reports the following major governmental funds:

General Fund – Primary operating fund that accounts for all financial resources of the general government, except those accounted for in another fund.

Fine and Forfeiture Fund – Special revenue fund established pursuant to Chapter 142.01(1) of the Florida Statutes to account for court related revenues and expenditures, which are required to be reported separately from the Clerk's general fund activities.

Child Support Trust – Special revenue fund to account for Title IV-d cases. The Board voted to allow the Clerk to retain any excess of revenue over expenditures for use in operating the Clerk's office. This fund receives federal reimbursement for expenses related to the Title IV-d child support cases.

Probation Fund – Special revenue fund to account for probation activities within the court system.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Financial Statements (continued)

The Clerk has two additional special revenue funds which have been combined into a single aggregate presentation as other governmental funds. Individual data for these non-major funds is provided in the combining statements of this report. Special revenue funds account for specific revenue sources that are legally restricted to expenditures for specified purposes.

Additionally, the Clerk reports the following fiduciary fund type:

> *Custodial Funds* – These funds are custodial in nature and account for assets held in a trust capacity or as an agent for individuals, other governmental units and/or other funds. Custodial funds only report assets and liabilities and do not measure results of operations. These funds are accounted for on an accrual basis of accounting.

Budgetary Information

Budgetary Basis of Accounting

Florida Statutes, Chapter 218.35 and 218.36 details the preparation, adoption and administration of the Clerk's annual budget. The Clerk establishes an annual balanced budget for their office which displays the revenues available to the office and the functions for which the money is to be expended. The budgeted revenues and expenditures in the accompanying financial statements reflect all amendments approved by the Board. The budget is prepared on a basis consistent with GAAP. Budgetary control is maintained at the major object expenditure level. Expenditures may not legally exceed appropriations at the department level, and appropriations lapse at year-end. Budgetary changes within major object expenditure categories are made at the discretion of the Clerk.

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

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

B. The budget relating to the requirements of the Clerk as the Clerk of the Board, County Auditor, and Custodian or Treasurer of all County funds and other County-related duties.

Excess of Revenues over Expenditures

Pursuant to Section 218.36(2), Florida Statutes, each County officer shall pay into the County general fund by October 31 following each fiscal year end, all money in excess of the sum to which he or she is entitled under the provisions of Florida Statutes Chapter 145. In accordance with the statute for fiscal year 2025 the Clerk remitted $63,058 of excess revenues over expenditures to the Board.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Budgetary Information (continued)

Excess of Revenues over Expenditures (continued)

Pursuant to Section 28.37(2), Florida Statutes, all fees, service charges, court costs, and fines collected in excess of expenditures necessary to fund the Clerk's court operations for each fiscal year ending September 30th will be sent to the State of Florida Justice Administrative Commission (the "Commission"). Additionally, if revenues received in any given month exceed 1/12 of the projected revenues for the year, then that excess is to be remitted to the Commission as well. For the year ended September 30, 2025, excess court revenues exceeded 1/12 of revenue projections in the amount of $142,640 and were remitted to the Commission. Also, the Clerk received excess funds in the amount of $31,939 from the Commission for the Clerk's allocated portion of FY23-24 settle-up funds. These funds were distributed to each county in order to ensure they had enough cash on hand to support their revenue-limited budget.

Employee Benefits

Compensated Absences

It is the Clerk's policy to allow employees to retain a maximum of 900 hours of paid time off (PTO) at the end of the calendar year. Any PTO hours exceeding 900 will be eligible to receive reimbursement of accrued PTO over the 900 hours, up to 100 hours annually. Accumulated PTO is payable on termination at 80% of the hours accumulated. Expenditures for compensated absences in governmental funds are those paid during the current fiscal year and the amount unpaid at the end of the reporting period that normally would be liquidated with expendable available financial resources. Accrued compensated absences that will not be liquidated with expendable available financial resources of the Clerk are the obligation of the County and are reported at the county-wide level.

Retirement Plan

The Clerk and all qualified County employees participate in The Florida Retirement System (the "System"). The System's financial statements are prepared using the economic resources measurement focus and accrual basis of accounting in accordance with the requirements of the GASB. The Plan is considered a component unit of the State of Florida and is included in the State's Annual Comprehensive Financial Report. Assets, liabilities and cash inflows/outflows related to the Clerk are combined with all the County's participants and reported in the County's government-wide financial statements.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Employee Benefits (continued)

Other Postemployment Benefits (OPEB)

The County, in accordance with Section 112.0801, Florida Statutes, provides post-retirement health care benefits to all retired employees who participated in the County's group health plan while employed. Employees of the Clerk are covered under the County's plan. The County is required to measure and recognize the annual cost of the future benefits and calculate the annual employer funding requirements and, to the extent funding is not made by the County, recognize an OPEB liability on the Statement of Net Position of the County. These amounts, if any, are recorded in the County's government-wide financial statements.

Assets, Liabilities, and Net Position or Fund Balance

Cash and Cash Equivalents

Cash and cash equivalents represent cash on hand as well as demand deposits and certificates of deposit with original maturities of three months or less.

Investments

The Clerk does not have a written investment policy but historically has limited available investments to cash, cash equivalents, and certificates of deposit with a maturity of three months or less.

Receivables

Accounts Receivable – All accounts receivable and amounts due from other governments is deemed collectible. The Clerk does not record an allowance for uncollectibles.

Inventories and Prepaid Items

The purchase method is used to account for inventory and payments to vendors for costs applicable to future periods (prepaid). Under the purchase method, expenditures are recognized when the available financial resource is expended. Inventory is not deemed significant and therefore, no amount has been reported.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Capital Assets

The Clerk has custodial responsibility for capital assets used by the office and maintains a $5,000 threshold for capitalization of equipment. Additionally, the Clerk maintains an inventory of all tangible personal property with a value or cost of $5,000 or more and a projected useful life of one year or more as required by Florida Statute 274 and Florida Administrative Code Sections 69I-73.002 and 69I-73.006. Title in all capital assets owned by the County is retained by the Board and the Clerk's capital assets are reported in the county-wide financial statements. At the fund level, capital assets are recorded as expenditures at the time an asset is acquired. At the county-wide level, capital assets are capitalized at cost if purchased and if donated at acquisition value when received. Depreciation is determined using the straight-line method with estimated useful lives of 5 to 10 years for all tangible personal property.

Categories and Classification of Fund Balance

Fund balance flow assumptions – Sometimes the Clerk will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the Clerk's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

Fund balance policies – Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The Clerk can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

The provisions of GASB Statement No. 54 (GASB 54), *Fund Balance Reporting and Governmental Fund Type Definitions*, specifies the following classifications:

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

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

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Categories and Classification of Fund Balance (continued)

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

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

Unassigned fund balance – Unassigned fund balance is the residual classification for the General Fund.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make various estimates. Actual results could differ from those estimates.

Subsequent Events

Management has evaluated subsequent events through the date that the financial statements were available to be issued, March 23, 2026 and determined there were no events that occurred that required disclosure.

Recently Issued and Implemented Accounting Pronouncements

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

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Recently Issued and Implemented Accounting Pronouncements (continued)

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

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

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

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

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

In September 2024, the GASB issued GASB Statement No. 104, *Disclosure of Certain Capital Assets*. This Statement requires certain types of capital assets to be disclosed separately in the capital assets note disclosures required by Statement 34. Lease assets recognized in accordance with Statement No. 87, *Leases*, and intangible right-to-use assets recognized in accordance with Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, should be disclosed

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Recently Issued and Implemented Accounting Pronouncements (continued)

separately by major class of underlying asset in the capital as-sets note disclosures. Subscription assets recognized in accordance with Statement No. 96, *Subscription-Based Information Technology Arrangements*, also should be separately disclosed. In addition, this Statement requires intangible assets other than those three types to be disclosed separately by major class. This Statement also requires additional disclosures for capital assets held for sale and that capital assets held for sale be evaluated each reporting period. Governments should disclose (1) the ending balance of capital assets held for sale, with separate disclosure for historical cost and accumulated depreciation by major class of asset, and (2) the carrying amount of debt for which the capital assets held for sale are pledged as collateral for each major class of asset. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter.

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

Note 2: DETAILED NOTES ON ALL FUNDS

Cash and Cash Equivalents

Cash and cash equivalents is comprised of cash on hand and demand deposits.

Demand deposits greater than the Federal Deposit Insurance Corporation (FDIC) insurance coverage are secured by the qualified public depositories pledging securities with the State Treasurer in such amounts required by the Florida Security for Public Depositories Act. In the event of a default or insolvency of a qualified public depositor (depositor), the depositor will implement procedures for payment of losses according to the depositors validated claims pursuant to Section 280.08, Florida Statutes.

Custodial risk – Custodial credit risk for deposits is the risk in the event of the failure of a depository financial institution a government may not be able to recover deposits. Monies placed on deposit with financial institutions in the form of demand deposits, time deposits or certificate of deposits are defined as public deposits. At year-end, all cash held in demand deposits was fully insured by the Federal Deposit Insurance Corporation and the multiple financial institutions collateral pool required by Section 280, Florida Statutes.

Due from Board of County Commissioners

The amount due from the Board of $4,757 represents the Clerk's portion of interest earned during the fiscal year but maintained by the Board. All amounts due will be paid within one year of the financial statement date.

Note 2: DETAILED NOTES ON ALL FUNDS (Continued)

Due from Other Governments

All receivables due from other government sources are deemed collectible and consist of the following:

Source	Amount
State of Florida	$ 27,293

Due to Board of County Commissioners

The excess revenues over expenditures remitted to the Board after year end was $63,058 in accordance with Section 30.50(6) Florida Statutes. This amount is reported as Reversion to Board of County Commissioners on the Statement of Revenues, Expenditures and Changes in Fund Balances.

Due to Other Governments

All amounts due to other government sources will be paid within one year of the financial statement date and consist of the following:

Source	Amount
State of Florida	$ 143,340

Interfund Balances

Due to/from other funds consist of the following:

Receivable Fund	Payable Fund	Amount
Fine & Forfeiture fund	Child Support Trust fund	$ 74,210

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

Note 2: DETAILED NOTES ON ALL FUNDS (Continued)

Interfund Transfers

Transfers to/from other funds consist of the following:

Transfer from	Transfer to		Amount
Child Support Trust fund	Fine & Forfeiture fund	$	74,210

The transfer from the Child Support Trust Fund to the Fine and Forfeiture Fund is for reimbursement of operating expenditures.

Note 3: RETIREMENT PLAN

The Clerk and all full-time employees are participants in the System, a defined benefit, cost sharing, multiple-employer public retirement system, which is controlled by the State Legislature and administered by the State of Florida, Department of Administration, Division of Retirement. The plan covers full-time employees of various governmental units within the State of Florida. Accordingly, the actuarial information and related disclosures attributable to the Clerk's employees are not determinable.

The System's funding policy provides for monthly employer contributions at actuarially determined rates that, expressed as percentages of annual covered payroll, are adequate to accumulate sufficient assets to pay benefits when due (see rates below). Level percentage of payroll employer contribution rates, established by state law, is determined using the entry-age actuarial funding method. If an unfunded actuarial liability re-emerges, future plan benefit changes, assumption changes, and methodology changes are amortized within 30 years, using level dollar amounts. Except for gains reserved for rate stabilization, it is anticipated future actuarial gains and losses are amortized on a rolling 10% basis, as a level dollar amount.

The System provides for those employees hired prior to July 1, 2011 vesting of benefits after six years of creditable service. Normal retirement benefits are available to employees who retire at or after age 62 with six or more years of service. For Special Risk Class members, normal retirement is age 55 with at least six years of Special Risk service, or twenty-five years of Special Risk service, regardless of age, or age 52 with 25 years of Special Risk service and up to four years of active duty wartime service. Early retirement is available after six years of service with a 5% reduction of benefits for each year prior to the normal retirement age. For those employees hired on or after July 1, 2011, the System provides for vesting of benefits after eight years of credible service. Normal retirement benefits are available to these employees who retire at or after age 65 with eight years of service or thirty-three years regardless of age. For Special Risk Class members, normal retirement is age 60 with at least eight years of Special Risk service, or thirty years of Special Risk service,

Note 3: RETIREMENT PLAN (Continued)

regardless of age. Retirement benefits are based upon age, average compensation and years-of-service credit where average compensation is computed as the average of an individual's five highest years of earnings.

Participating employer contributions are based upon State-wide rates established by the State of Florida. These rates applied to employee salaries at year end are as follows: DROP Program – 22.02%, regular employees – 14.03%, senior management – 33.24%, and elected officials – 54.57%. These rates are applied to employee salaries each pay period. Employee contributions are 3.00% for all classifications, with the exception of the DROP program.

For the year ended September 30, 2025, total payroll for the Clerk's employees covered by the System was $828,540 and total payroll was $861,790. The Clerk's contributions to the plan for the years ended September 30, 2025, 2024 and 2023 were $217,223, $204,483, and $189,191, respectively and were paid by the due date for the contribution.

The Clerk has no responsibility to the System other than to make the periodic payments required by state statutes. The Florida Division of Retirement issues a publicly available financial report that includes financial statements and required supplementary information for the System. The report may be obtained by writing Florida Division of Retirement, P. O. Box 9000, Tallahassee, FL 32315-9000 or at the Division's website at dms.myflorida.com.

Note 4: COMMITMENTS AND CONTINGENCIES

The Clerk is involved in several litigations and claims arising in the ordinary course of operations. Legal counsel for the Clerk believes a favorable outcome is likely. No accruals or loss contingency has been made in the financial statements.

The Clerk receives a grant from the Federal government that is subject to review and audit by the funding source. Such reviews and audits could result in the discovery of unallowable activities and unallowable costs. Consequently, any of the funding sources may, at their discretion, request reimbursement for expenses or return of funds, or both, as a result of noncompliance by the Clerk with the terms of the grants/contracts. In the opinion of the Clerk's management, such allowances, if any, would not be significant in relation to the financial statements of the Clerk.

Note 5: FINANCIAL DISCLOSURES REPORTED AT THE COUNTY-WIDE LEVEL

The following capital assets and compensated absences are in the custody of and accounted for by the Clerk and reported in the county-wide financial statements.

Note 5: FINANCIAL DISCLOSURES REPORTED AT THE COUNTY-WIDE LEVEL (Continued)

Capital Assets

Title in all capital assets owned by the County is retained by the Board of County Commissioners. The below noted capital asset information and activity is reported in the county-wide financial statements.

Summary of changes in capital assets during the year ended September 30, 2025:

	Balance 10/1/2024	Additions	Deletions	Balance 9/30/2025
Governmental Activities				
Capital assets, being depreciated				
Equipment	$ 294,137	$ -	$ -	$ 294,137
Buildings and improvements	7,556	-	-	7,556
Capital assets, being depreciated	301,693	-	-	301,693
Less accumulated depreciation for				
Equipment	263,376	10,849	-	274,225
Buildings and improvements	7,556	-	-	7,556
Total accumulated depreciation	270,932	10,849	-	281,781
Total governmental activities capital assets, net	$ 30,761	$ (10,849)	$ -	$ 19,912

Depreciation expense was charged to the function of government as follows:

Governmental Activities	
General government	$ 10,849

Compensated Absences

Compensated absences that will not be liquidated with expendable available financial resources of the Clerk is the obligation of the County and reported in the county-wide financial statements.

Summary of changes in compensated absences for the year ended September 30, 2025:

	Balance 10/1/2024	Net Change	Balance 9/30/2025	Due Within One Year
Compensated absences	$ 66,242	$ 3,964	$ 70,206	$ 7,021

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

Record Modernization – Accounts for an additional service charge for each recorded instrument. These funds are to be used exclusively for improvements to the official records system.

Court Technology – Accounts for an additional service charge for each recorded instrument. These funds are to be used exclusively to meet the technology needs of the court system within the Clerk's office.

Holmes County, Florida
Clerk of the Circuit Court
Combining Balance Sheet – Nonmajor Governmental Funds

September 30, 2025	Special Revenue Funds: Record Modernization	Special Revenue Funds: Court Technology Fund	Total
Assets			
Cash and cash equivalents	$ 15,776	$ 9,926	$ 25,702
Due from other governments	-	2,394	2,394
Total assets	$ 15,776	$ 12,320	$ 28,096
Liabilities and Fund Balances			
Accrued wages and benefits	$ -	$ 536	$ 536
Fund balances			
Restricted	15,776	11,784	27,560
Total liabilities and fund balances	$ 15,776	$ 12,320	$ 28,096

Holmes County, Florida
Clerk of the Circuit Court
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Governmental Funds

For the year ended September 30, 2025	Special Revenue Funds: Record Modernization	Special Revenue Funds: Court Technology Fund	Total
Revenues			
Charges for services	$ 7,929	$ 30,411	$ 38,340
Expenditures			
General government			
Personnel services	-	12,606	12,606
Operating	4,074	11,050	15,124
Total expenditures	4,074	23,656	27,730
Excess (deficiency) of revenues over (under) expenditures	3,855	6,755	10,610
Fund balances, beginning of year	11,921	5,029	16,950
Fund balances, end of year	$ 15,776	$ 11,784	$ 27,560

Fiduciary Funds

General Agency – To account for the collections held in trust including: taxes, fine and forfeitures, and other miscellaneous sources prior to disbursement.

Juror and Witness – To account for the collection and disbursement of advances received from the State and County for payment of jurors and witnesses.

Registry of Court – To account for the collections held in trust as ordered by the courts prior to disbursement.

Cash Bonds – To account for collection of cash bonds prior to disbursement.

Holmes County, Florida
Clerk of the Circuit Court
Combining Statement of Fiduciary Net Position – Custodial Funds

September 30, 2025	General Agency	Juror and Witness	Registry of Court	Cash Bonds	Total
Assets					
Cash and cash equivalents	$ 209,770	$ 7,805	$ 19,781	$ 4,450	$ 241,806
Due from other governments	-	-	1,536	-	1,536
Accounts receivable	37	-	-	-	37
Total assets	$ 209,807	$ 7,805	$ 21,317	$ 4,450	$ 243,379
Liabilities					
Due to other governments	$ 98,870	$ 7,805	$ -	$ -	$ 106,675
Due to individuals	110,937	-	-	-	110,937
Deposits	-	-	21,317	4,450	25,767
Total liabilities	209,807	7,805	21,317	4,450	243,379
Total net position	$ -	$ -	$ -	$ -	$ -

Holmes County, Florida
Clerk of the Circuit Court
Combining Statement of Changes in Fiduciary Net Position – Custodial Funds

For the year ended September 30, 2025	General Agency	Juror and Witness	Registry of Court	Cash Bonds	Total
Additions					
Clerk of circuit and county courts revenue	$ 2,676,619	$ -	$ 327,018	$ 20,450	$ 3,024,087
Deductions					
Current					
Payments of clerk of circuit and county courts distributions to other governments	2,676,619	-	327,018	20,450	3,024,087
Net increase (decrease) in fiduciary net position	-	-	-	-	-
Net position, beginning of year	-	-	-	-	-
Net position, end of year	$ -	$ -	$ -	$ -	$ -

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

Honorable Sam Bailey
Clerk of the Circuit Court
Holmes 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 of each major fund and the aggregate remaining fund information of the Holmes County, Florida Clerk of the Circuit Court (the "Clerk"), as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the Clerk's financial statements, and have issued our report thereon dated March 23, 2026.

Reports on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Clerk's internal control over financial reporting (internal control) are 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 Clerk's internal control. Accordingly, we do not express an opinion on the effectiveness of the Clerk's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Clerk's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

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

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

Enterprise, Alabama
March 23, 2026

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

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

Honorable Sam Bailey
Clerk of the Circuit Court
Holmes County, Florida

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

Sections 28.35 and 28.36	*Performance Standards and Budgets*
Section 61.181	*Alimony and Child Support Payments*
Section 218.415	*Local Government Investment Policies*

The Clerk's management is responsible for the Clerk's compliance with those requirements. Our responsibility is to express an opinion on the Clerk's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the Clerk complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the Clerk complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion. Our examination does not provide a legal determination on the Clerk's compliance with specified requirements.

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the examination engagement.

In our opinion, the Clerk 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 management and the State of Florida Auditor General and is not intended to be and should not be used by anyone other than these specified parties.

Carr, Riggs & Ingram, L.L.C.
CARR, RIGGS & INGRAM, L.L.C.

Enterprise, Alabama
March 23, 2026

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MANAGEMENT LETTER

Honorable Sam Bailey
Clerk of the Circuit Court
Holmes County, Florida

Report on the Financial Statements

We have audited the financial statements of the Holmes County, Florida Clerk of the Circuit Court (the "Clerk"), as of and for the fiscal year ended September 30, 2025, and have issued our report thereon dated March 23, 2026.

Auditor's Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and Chapter 10.550, Rules of the Auditor General.

Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Governmental Auditing Standards* and Independent Accountant's Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated March 23, 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 significant findings and recommendations made in the preceding annual financial audit report. There were no such findings and recommendations in the preceding annual financial audit report.

Financial Management

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

Additional Matters

Section 10.554(1)(i)3., Rules of the Auditor General, requires that we address 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 note any such findings.

Purpose of this Letter

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, federal and other granting agencies, the Clerk, and applicable management and is not intended to be and should not be used by anyone other than these specified parties.

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

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

Enterprise, Alabama
March 23, 2026

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Property Appraiser
Holmes County, Florida

FINANCIAL STATEMENTS

September 30, 2025

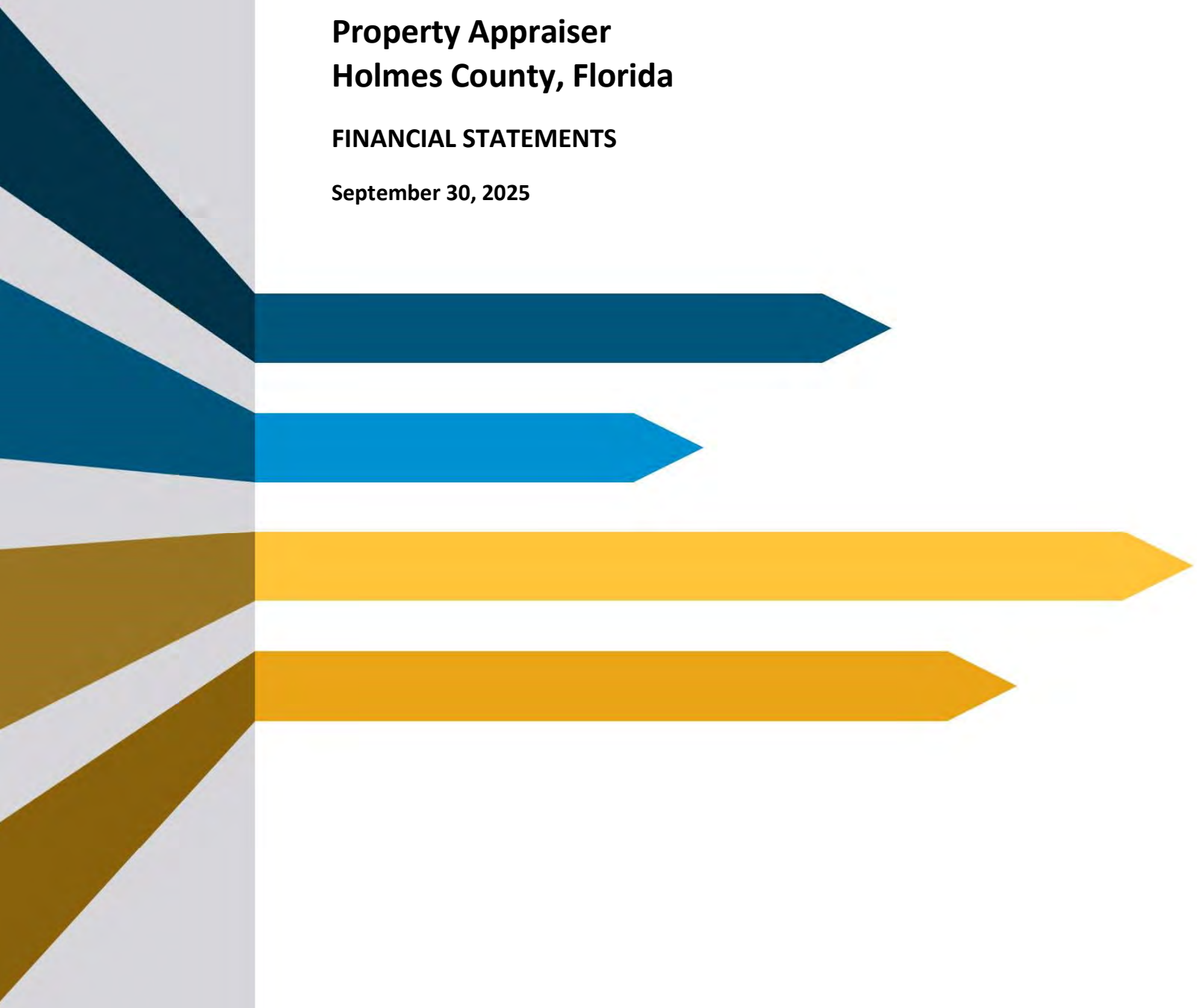


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INDEPENDENT AUDITOR'S REPORT

Honorable Bryan Bell
Property Appraiser
Holmes County, Florida

Opinion

We have audited the accompanying financial statements of the major fund of the Holmes County, Florida Property Appraiser (the "Property Appraiser"), as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the Property Appraiser'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 financial position of the major fund of the Property Appraiser as of September 30, 2025, and the respective changes in financial position and the budgetary comparison for the General Fund thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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 Property Appraiser's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Property Appraiser'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 Property Appraiser'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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards***,** we have also issued our report dated March 23, 2026, on our consideration of the Property Appraiser's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, rules, 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 Property Appraiser'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 Property Appraiser's internal control over financial reporting and compliance.

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

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

Enterprise, Alabama
March 23, 2026

Holmes County, Florida
Property Appraiser
Balance Sheet – Governmental Funds

September 30, 2025		General Fund
Assets		
Cash and cash equivalents	$	1,875
Liabilities and Fund Balance		
Liabilities		
Due to Board of County Commissioners	$	1,875
Fund balance		-
Total liabilities and fund balance	$	1,875

The accompanying notes are an integral part of these financial statements.

Holmes County, Florida
Property Appraiser
Statement of Revenues, Expenditures and Changes in Fund Balance – Governmental Funds

For the year ended September 30, 2025		General Fund
Revenues		
Charges for services	$	1,640
Interest and other		17
Total revenues		1,657
Expenditures		
General government		
Personnel services		657,680
Operating		118,031
Capital outlay		17,505
Debt service		
Principal		50,000
Interest		1,591
Total expenditures		844,807
Excess (deficiency) of revenues over (under) expenditures		(843,150)
Other Financing Sources (Uses)		
Appropriations from Board of County Commissioners		845,025
Reversion to Board of County Commissioners		(1,875)
Net other financing sources (uses)		843,150
Net change in fund balance		-
Fund balance, beginning of year		-
Fund balance, end of year	$	-

The accompanying notes are an integral part of these financial statements.

Holmes County, Florida
Property Appraiser
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual –
General Fund

For the year ended September 30, 2025	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Charges for services	$ -	$ -	$ 1,640	$ 1,640
Interest and other	-	-	17	17
Total revenues	-	-	1,657	1,657
Expenditures				
General government				
Personnel services	655,107	661,296	657,680	3,616
Operating	129,840	129,840	118,031	11,809
Capital outlay	-	-	17,505	(17,505)
Debt service				
Principal	50,000	50,000	50,000	-
Interest	3,888	3,888	1,591	2,297
Total expenditures	838,835	845,024	844,807	217
Excess (deficiencey) of revenues over (under) expenditures	(838,835)	(845,024)	(843,150)	1,874
Other Financing Sources (Uses)				
Appropriations from Board of County Commissioners	838,835	845,024	845,025	1
Reversion to Board of County Commissioners	-	-	(1,875)	(1,875)
Net other financing sources (uses)	838,835	845,024	843,150	(1,874)
Net change in fund balance	-	-	-	-
Fund balance, beginning of year	-	-	-	-
Fund balance, end of year	$ -	$ -	$ -	$ -

The accompanying notes are an integral part of these financial statements.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Holmes County, Florida Property Appraiser (the "Property Appraiser") have been prepared in accordance with the accounting principles and reporting guidelines established by the Governmental Accounting Standards Board (GASB), accounting principles generally accepted in the United States of America (GAAP), and accounting practices prescribed by Chapter 10.550, Rules of the Auditor General, State of Florida. The more significant of these governmental accounting policies applicable to the Property Appraiser are described below.

Reporting Entity

The Property Appraiser is an elected official established pursuant to Article VIII Section 1(d) of the constitution of the State of Florida and is to serve the geographic boundary established in Florida Statutes chapter 7.30. Although the Property Appraiser office is operationally autonomous from the Board of County Commissioners, (the "Board"), it does not hold sufficient corporate powers to be considered a legally separate entity for financial reporting purposes. Pursuant to GASB *Codification of Governmental Accounting and Financial Reporting Standards, Section 2100 and 2600*, the Property Appraiser's financial statements are combined with those of the Board and other elected constitutional officers into the reporting entity of Holmes County, Florida (the "County").

Measurement Focus, Basis of Accounting and Financial Statement Presentation

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

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Property Appraiser considers revenues to be available if they are collected within 60 days of the end of the current fiscal year. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures and issuance of long-term debt and acquisitions under capital leases are reported as other financing sources. The operations of the Property Appraiser are funded by the Board of County Commissioners and other taxing authorities in the County. The appropriations from the Board are recorded as other financing sources.

The accounting and financial reporting treatment applied to the fixed assets and long-term liabilities associated with a fund are determined by its measurement focus. All governmental funds are accounted for on a spending or "financial flow" measurement focus. This means that, generally, only current assets and current liabilities are included in the balance sheet.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Governmental operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they present a summary of sources and uses of "available spendable resources" during a period.

Fund Financial Statements

The Property Appraiser's financial statements have been prepared solely for the purpose of complying with the Rules of the Auditor General of the State of Florida (the "Rules"). These financial statements are the fund financial statements required by generally accepted accounting principles. However, these fund statements do not constitute a complete presentation because, in conformity with the Rules, the Property Appraiser has not presented reconciliations to the government-wide financial statements, or management's discussion and analysis. Also, certain notes to the financial statements may supplement rather than duplicate the notes included in the County's county-wide financial statements.

The Property Appraiser reports the following major governmental fund:

The *General Fund* accounts for all financial resources that are not required either legally or by generally accepted accounting principles to be accounted for in another fund.

Budgetary Information

Budgetary Basis of Accounting

Florida Statutes Chapter 195.087 details the preparation, adoption and administration of the Property Appraiser's annual budget. On or before June 1 of each year, the Property Appraiser shall certify to the Department of Revenue a proposed budget. The Department of Revenue has until August 15 to approve or modify the budget. The Board has until September 30 to approve a final budget during hearings held pursuant to Florida Statute 200.065. Budgeted revenues and expenditures in the accompanying financial statements reflect all amendments approved by the Department of Revenue and the Board. Budgetary control is maintained at the major object expenditure level. Expenditures may not legally exceed appropriations at the department level, and appropriations lapse at year-end. Budgetary changes within major object expenditure categories are made at the discretion of the Property Appraiser.

Excess of Revenues over Expenditures

Pursuant to Section 218.36(2), Florida Statutes, any excess revenues over expenditures, determined as of the fiscal year end, "...shall be divided into parts for each governmental unit which was billed and which paid for the operation of the Property Appraiser's office in the same proportion as the governmental units were originally billed. Such part shall be an advance on the current year's bill, if any."

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Employee Benefits

Compensated Absences

It is the Property Appraiser's policy to allow employees to accumulate earned but unused paid time off benefits, which are eligible for payment upon separation of government service. Employees are allowed to accumulate up to a maximum of 90 working days. Accumulated paid time off is payable on termination at 100% of the value of the hours accumulated. If the employee retires, the full value of the hours accumulated will be paid out. Expenditures for compensated absences in governmental funds are those paid during the current fiscal year and the amount unpaid at the end of the reporting period that normally would be liquidated with expendable available financial resources. Accrued compensated absences that will not be liquidated with expendable available financial resources of the Property Appraiser are the obligation of the County and are reported at the county-wide level.

Retirement Plan

The Property Appraiser and all qualified County employees participate in The Florida Retirement System (the "System"). The System's financial statements are prepared using the economic resources measurement focus and accrual basis of accounting in accordance with the requirements of the GASB. The Plan is considered a component unit of the State of Florida and is included in the State's Comprehensive Annual Financial Report. Assets, liabilities and cash inflows/outflows related to the Property Appraiser are combined with all the County's participates and reported in the County's government-wide financial statements.

Other Postemployment Benefits (OPEB)

The County, in accordance with Section 112.0801, Florida Statutes, provides post-retirement health care benefits to all retired employees who participated in the County's group health plan while employed. Employees of the Property Appraiser are covered under the County's plan. The County is required to measure and recognize the annual cost of the future benefits and calculate the annual employer funding requirements and, to the extent funding is not made by the County, recognize an OPEB liability on the balance sheet of the County. These amounts, if any, are recorded in the County's government-wide financial statements.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities and Fund Balance

Cash and Cash Equivalents

Cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

Inventories and Prepaid Items

The purchase method is used to account for inventory and payments to vendors for costs applicable to future periods (prepaid). Under the purchase method, expenditures are recognized when the available financial resource is expended. Inventory is not deemed material.

Capital Assets

The Property Appraiser has custodial responsibility for capital assets used by his office and maintains an inventory of all tangible personal property with a donated value or cost of $5,000 or more and a projected useful life of one year or more as required by Florida Statute 274 and Florida Administrative Code Sections 69(i)-73.002 and 69(i)-73.006. Title in all capital assets owned by the County is retained by the Board and the Property Appraiser's capital assets are reported in the county-wide financial statements. At the fund level, capital assets are recorded as expenditures at the time an asset is acquired. At the county-wide level, capital assets are capitalized at cost when purchased and if donated at acquisition value when received. Depreciation is determined using the straight line method with estimated useful lives of 5 to 10 years for all tangible personal property.

Leases

Lease contracts that provide the Property Appraiser with control of a non-financial asset, such as land, buildings or equipment, for a period of time in excess of twelve months are reported as a leased asset with a related lease liability. The lease liability is recorded at the present value of future lease payments, including fixed payments, variable payments based on an index or fixed rate and reasonably certain residual guarantees. Leased assets are amortized over the shorter of the useful life of the asset or the lease term. The lease liability is reduced for lease payments made, less the interest portion of the lease payment.

Categories and Classification of Fund Balance

Fund balance flow assumptions – Sometimes the Property Appraiser will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the Property Appraiser's policy to consider restricted fund balance to have been

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities and Fund Balance (continued)

Categories and Classification of Fund Balance (continued)

depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

Fund balance policies – Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The Property Appraiser itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

The provisions of GASB Statement No. 54 (GASB 54), *Fund Balance Reporting and Governmental Fund Type Definitions*, specifies the following classifications:

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

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

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

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

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities and Fund Balance (continued)

Categories and Classification of Fund Balance (continued)

Unassigned fund balance – Unassigned fund balance is the residual classification for the General Fund.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make various estimates. Actual results could differ from those estimates.

Subsequent Events

Management has evaluated subsequent events through the date that the financial statements were available to be issued, March 23, 2026, and determined there were no events that required disclosure.

Recently Issued and Implemented Accounting Pronouncements

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

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

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Recently Issued and Implemented Accounting Pronouncements (continued)

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

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

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

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

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

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Recently Issued and Implemented Accounting Pronouncements (continued)

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

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

Note 2: DETAILED NOTES ON ALL FUNDS

Cash and Cash Equivalents

Cash and cash equivalents is comprised of cash on hand and demand deposits.

Demand deposits greater than the Federal Deposit Insurance Corporation (FDIC) insurance coverage are secured by the qualified public depositories pledging securities with the State Treasurer in such amounts required by the Florida Security for Public Depositories Act. In the event of a default or insolvency of a qualified public depositor (depositor), the depositor will implement procedures for payment of losses according to the depositors validated claims pursuant to Section 280.08, Florida Statutes.

Custodial risk - Custodial credit risk for deposits is the risk in the event of the failure of a depository financial institution a government may not be able to recover deposits. Monies placed on deposit with financial institutions in the form of demand deposits, time deposits or certificate of deposits are defined as public deposits. At year-end, all cash held in demand deposits was fully insured by the Federal Deposit Insurance Corporation and the multiple financial institutions collateral pool required by Section 280, Florida Statutes.

Due to Board of County Commissioners

The excess revenues over expenditures remitted to the Board after year end was $1,875 in accordance with Section 218.36(2) Florida Statutes. This amount is reported as Reversion to Board of County Commissioners on the Statement of Revenues, Expenditures and Changes in Fund Balance.

Note 3: RETIREMENT PLAN

The Property Appraiser and all full-time employees are participants in the Florida Retirement System (the “System”), a defined benefit, cost sharing, multiple-employer public retirement system, which is controlled by the State Legislature and administered by the State of Florida, Department of Administration, Division of Retirement. The plan covers full-time employees of various government

Note 3: RETIREMENT PLAN (Continued)

units within the State of Florida. Accordingly, the actuarial information and related disclosures attributable to the Property Appraiser's employees are not determinable.

The System's funding policy provides for monthly employer contributions at actuarially determined rates that, expressed as percentages of annual covered payroll, are adequate to accumulate sufficient assets to pay benefits when due (see rates below). Level percentage of payroll employer contribution rates, established by state law, is determined using the entry-age actuarial funding method. If an unfunded actuarial liability reemerges, future plan benefit changes, assumption changes, and methodology changes are amortized within 30 years, using level dollar amounts.

Except for gains reserved for rate stabilization, it is anticipated future actuarial gains and losses are amortized on a rolling 10% basis, as a level dollar amount.

The System provides for those employees hired prior to July 1, 2011 vesting of benefits after six years of creditable service. Normal retirement benefits are available to employees who retire at or after age 62 with six or more years of service. For Special Risk Class members, normal retirement is age 55 with at least six years of Special Risk service, or twenty-five years of Special Risk service, regardless of age, or age 52 with 25 years of Special Risk service and up to four years of active duty wartime service. Early retirement is available after six years of service with a 5% reduction of benefits for each year prior to the normal retirement age. For those employees hired on or after July 1, 2011, the System provides for vesting of benefits after eight years of credible service. Normal retirement benefits are available to these employees who retire at or after age 65 with eight years of service or thirty-three years regardless of age. For Special Risk Class members, normal retirement is age 60 with at least eight years of Special Risk service, or thirty years of Special Risk service, regardless of age. Retirement benefits are based upon age, average compensation and years-of-service credit where average compensation is computed as the average of an individual's five highest years of earnings.

Participating employer contributions are based upon State-wide rates established by the State of Florida. These rates applied to employee salaries at year end are as follows: regular employees – 14.03%, DROP Program – 22.02%, senior management – 33.24%, and elected officials – 54.57%. The rate applied to employee salaries for employee contributions was 3.00% for all classifications, with the exception of the DROP Program.

For the year ended September 30, 2025, total payroll for the Property Appraiser's employees covered by the System was $422,524. The Property Appraiser's total payroll was $428,540 for the same period. The Property Appraiser's contributions to the plan for the years ended September 30, 2025, **2024**, and 2023 were $130,026, $125,993, and $110,755, respectively, and were paid by the due date for the contributions.

The Property Appraiser has no responsibility to the System other than to make the periodic payments required by State Statutes. The Florida Division of Retirement issues a publicly available financial report that includes financial statements and required supplementary information for the

Note 3: RETIREMENT PLAN (Continued)

System. The report may be obtained by writing to Florida Division of Retirement, P.O. Box 9000, Tallahassee, Florida 32315-9000 or at the Division's website at dms.myflorida.com.

Note 4: FINANCIAL DISCLOSURES REPORTED AT THE COUNTY-WIDE LEVEL

The following capital assets and compensated absences are in the custody of and accounted for by the Property Appraiser and reported in the county-wide financial statements.

Capital Assets

Title in capital assets owned by the County is retained by the Board of County Commissioners. The below noted capital asset information and activity is reported in the county-wide financial statements.

Summary of capital asset activity for the year ended September 30, 2025:

	Balance 10/01/2024	Increases	Decreases	Balance 9/30/2025
Governmental Activities				
Capital assets, being depreciated				
Machinery and equipment	$ 413,886	$ 17,505	$ -	$ 431,391
Less accumulated depreciation for				
Machinery and equipment	(226,644)	(55,340)	-	(281,984)
Total capital assets being depreciated, net	$ 187,242	$ (37,835)	$ -	$ 149,407

Depreciation expense was charged to the function of government as follows:

Governmental Activities	
General government	$ 55,340

Note 4: FINANCIAL DISCLOSURES REPORTED AT THE COUNTY-WIDE LEVEL (Continued)

Compensated Absences

Compensated absences that will not be liquidated with expendable available financial resources of the Property Appraiser is the obligation of the County and reported in the county-wide financial statements.

Summary of changes in compensated absences for the year ended September 30, 2025:

	Balance 10/01/2024	Net Change	Balance 9/30/2025	Due In One Year
Compensated absences	$ 49,268	$ 8,254	$ 57,522	$ 5,752

Long-Term Debt

Capital leases that will not be liquidated with expendable available financial resources of the Property Appraiser are the obligation of the County and are reported at the county-wide level.

Summary of changes in long-term debt for the year ended September 30, 2025:

	Balance 10/01/2024	Increases	Reductions	Balance 9/30/2025	Due In One Year
Leases	$ 100,000	$ -	$ 50,000	$ 50,000	$ 50,000

Lease Obligations

Lease contracts that provide the Property Appraiser with control of a non-financial asset, such as land, buildings or equipment, for a period of time in excess of twelve months are reported as a leased asset with a related lease liability. The lease liability is recorded at the present value of uture lease payments, including fixed payments, variable payments based on an index or fixed rate and reasonably certain residual guarantees. The intangible leased asset is recorded for the same amount as the related lease liability plus any prepayments and initial direct costs to place the asset in service. Leased assets are amortized over the shorter of the useful life of the asset or the lease term. The lease liability is reduced for lease payments made, less the interest portion of the lease payment. Any contract not meeting the 12- month period requirement is recognized as rental expense. The Property Appraiser uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the Property Appraiser uses its estimated incremental borrowing rate as the discount rate for leases.

Note 4: FINANCIAL DISCLOSURES REPORTED AT THE COUNTY-WIDE LEVEL (Continued)

Long-Term Debt (continued)

Lease Obligations (continued)

The following is an analysis of the property under lease at September 30, 2025.

Leases

	Capital Assets
Machinery and equipment	$ 141,015
Less: accumulated depreciation	(41,273)
Net leased property	$ 99,742

The future minimum lease obligations and the net present value of these minimum lease payments as of September 30, 2025 are as follows:

For the fiscal year ending September 30,	
2026	$ 51,591
Total minimum lease payments	51,591
Less: amount representing interest	(1,591)
Present value of future minimum lease payments	$ 50,000

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

The Honorable Bryan Bell
Property Appraiser
Holmes 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 of the Holmes County, Florida Property Appraiser (the "Property Appraiser"), as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the Property Appraiser's financial statements, and have issued our report thereon dated March 23, 2026.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Property Appraiser'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 Property Appraiser's internal control. Accordingly, we do not express an opinion on the effectiveness of the Property Appraiser's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Property Appraiser's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

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

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

Enterprise, Alabama
March 23, 2026

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INDEPENDENT ACCOUNTANT'S REPORT ON COMPLIANCE WITH *LOCAL GOVERNMENT INVESTMENT POLICIES*

Honorable Bryan Bell
Property Appraiser
Holmes County, Florida

We have examined the Holmes County, Florida Property Appraiser's (the "Property Appraiser") compliance with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies,* during the year ended September 30, 2025. Management of the Property Appraiser is responsible for the Property Appraiser's compliance with the specified requirements. Our responsibility is to express an opinion on the Property Appraiser's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the Property Appraiser complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the Property Appraiser complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion. Our examination does not provide a legal determination on the Property Appraiser's compliance with specified requirements.

We are required to be independent and to meet our ethical responsibilities in accordance with relevant ethical requirements relating to the examination engagement.

In our opinion, the Property Appraiser complied, in all material respects, with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, for the year ended September 30, 2025.

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

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

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

Enterprise, Alabama
March 23, 2026

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MANAGEMENT LETTER

Honorable Bryan Bell
Property Appraiser
Holmes County, Florida

Report on the Financial Statements

We have audited the financial statements of the Holmes County, Florida Property Appraiser (the "Property Appraiser") as of and for the fiscal year ended September 30, 2025, and have issued our report thereon dated March 23, 2026.

Auditor's Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and Chapter 10.550, Rules of the Auditor General.

Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards* and Independent Accountant's Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated March 23, 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 annual financial audit report.

Financial Management

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

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 note any such findings.

Purpose of this Letter

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies, the Property Appraiser, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

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

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

Enterprise, Alabama
March 23, 2026

Supervisor of Elections
Holmes County, Florida

FINANCIAL STATEMENTS

September 30, 2025

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INDEPENDENT AUDITOR'S REPORT

Honorable Rusty Williams
Supervisor of Elections
Holmes County, Florida

Opinion

We have audited the accompanying financial statements of the major fund of the Holmes County, Florida Supervisor of Elections (the "Supervisor of Elections"), as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the Supervisor of Elections' 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 financial position of the major fund of the Supervisor of Elections as of September 30, 2025, and the respective changes in financial position and the budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Supervisor of Elections, 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 Supervisor of Elections' ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

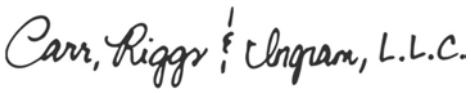
In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Supervisor of Elections' 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 Supervisor of Elections' 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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 23, 2026 on our consideration of the Supervisor of Elections' 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 Supervisor of Elections' 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 Supervisor of Elections' internal control over financial reporting and compliance.



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

Enterprise, Alabama
March 23, 2026

Holmes County, Florida
Supervisor of Elections
Balance Sheet – Governmental Funds

September 30, 2025	General Fund
Assets	$ -
Liabilities and Fund Balance	$ -

The accompanying notes are an integral part of these financial statements.

Holmes County, Florida
Supervisor of Elections
Statement of Revenues, Expenditures and Changes in Fund Balance – Governmental Funds

For the year ended September 30, 2025		General Fund
Revenues		
Intergovernmental	$	11,160
Expenditures		
General government		
Personnel services		327,187
Operating expenses		163,582
Capital outlay		56,035
Total expenditures		546,804
Excess (deficiency) of revenues over (under) expenditures		(535,644)
Other Financing Sources (Uses)		
Appropriations from Board of County Commissioners		535,644
Net change in fund balance		-
Fund balance, beginning of year		-
Fund balance, end of year	$	-

The accompanying notes are an integral part of these financial statements.

Holmes County, Florida
Supervisor of Elections
Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual
General Fund

For the year ended September 30, 2025	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Intergovernmental	$ -	$ 11,160	$ 11,160	$ -
Expenditures				
General government				
Personnel services	328,560	327,210	327,187	23
Operating expenses	236,400	253,605	163,582	90,023
Capital outlay	6,000	66,000	56,035	9,965
Total expenditures	570,960	646,815	546,804	100,011
Excess (deficiency) of revenues over (under) expenditures	(570,960)	(635,655)	(535,644)	100,011
Other Financing Sources (Uses)				
Appropriations from Board of County Commissioners	570,960	635,655	535,644	(100,011)
Net change in fund balance	-	-	-	-
Fund balance, beginning of year	-	-	-	-
Fund balance, end of year	$ -	$ -	$ -	$ -

The accompanying notes are an integral part of these financial statements.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Holmes County, Florida Supervisor of Elections (the "Supervisor of Elections") have been prepared in accordance with the accounting principles and reporting guidelines established by the Governmental Accounting Standards Board (GASB), accounting principles generally accepted in the United States of America (GAAP), and accounting practices prescribed by Chapter 10.550, Rules of the Auditor General, State of Florida. The more significant of these governmental accounting policies applicable to the Supervisor of Elections are described below.

Reporting Entity

The Supervisor of Elections is an elected official established pursuant to Article VIII Section 1(d) of the constitution of the State of Florida and is to serve the geographic boundary established in Florida Statutes chapter 7.30. Although the Supervisor of Elections office is operationally autonomous from the Board of County Commissioners, (the "Board"), it does not hold sufficient corporate powers to be considered a legally separate entity for financial reporting purposes. Pursuant to GASB *Codification of Governmental Accounting and Financial Reporting Standards, Section 2100 and 2600*, the Supervisor of Elections' financial statements are combined with those of the Board and other elected constitutional officers into the reporting entity of Holmes County, Florida (the "County").

Measurement Focus, Basis of Accounting and Financial Statement Presentation

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

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Supervisor of Elections considers revenues to be available if they are collected within 60 days of the end of the current fiscal year. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under leases are reported as other financing sources. The operations of the Supervisor of Elections are funded by the Board. The appropriations from the Board are recorded as other financing sources.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

The accounting and financial reporting treatment applied to the fixed assets and long-term liabilities associated with a fund are determined by its measurement focus. All governmental funds are accounted for on a spending or "financial flow" measurement focus. This means that, generally, only current assets and current liabilities are included in the balance sheet. Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they present a summary of sources and uses of "available spendable resources" during a period.

The operations of the Supervisor of Elections are primarily funded by the Board and appropriations from the Board are reported as other financing source. At year-end, excess revenue and other financing sources over expenditures are remitted to the Board and reported as reversion to Board of County Commissioners.

Fund Financial Statements

The Supervisor of Elections' financial statements have been prepared solely for the purpose of complying with the Rules of the Auditor General of the State of Florida (the "Rules"). These financial statements are the fund financial statements required by generally accepted accounting principles. However, these fund statements do not constitute a complete presentation because, in conformity with the Rules, the Supervisor of Elections has not presented reconciliations to the government-wide financial statements, or management's discussion and analysis. Also certain notes to the financial statements may supplement rather than duplicate the notes included in the County's county-wide financial statements.

The Supervisor of Elections reports the following major governmental fund:

The *General Fund* accounts for all financial resources that are not required either legally or by generally accepted accounting principles to be accounted for in another fund.

Budgetary Information

Budgetary Basis of Accounting

Florida Statutes Chapter 129.201 and 129.03 details the preparation, adoption and administration of the Supervisor of Elections' annual budget. By June 1 of each year, the Supervisor of Elections shall submit to the Board a tentative budget for carrying out the duties of the office for the ensuing fiscal year. The Board has until September 30 to approve and/or modify the Supervisor of Elections' proposed budget during hearings held pursuant to Florida Statutes 129. The budgeted revenues and expenditures in the accompanying financial statements reflect all amendments approved by the Board. Budgetary control is maintained at the major object expenditure level. Expenditures may not legally exceed appropriations at the department level, and appropriations lapse at year-end.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Budgetary Information (continued)

Budgetary Basis of Accounting (continued)

Budgetary changes within major object expenditure categories are made at the discretion of the Supervisor of Elections.

Excess of Revenues over Expenditures

Pursuant to Section 129.202(1)(f), Florida Statutes, "all unexpended balances at the end of each fiscal year shall be returned to the Board and deposited to the County fund or funds from which payment was originally made." Rather than having an accounting system independent of the Board, the Supervisor of Elections is accounted for as a department by the Board. Therefore, appropriations by the Board will equal actual expenditures and the Supervisor of Elections will not report revenues in excess of expenditures.

Assets, Liabilities, and Fund Balance

Cash and Cash Equivalents

The Supervisor of Elections does not maintain a separate operating bank account. Operations are accounted for through a department within the Board's General Fund.

Inventories and Prepaid Items

The purchase method is used to account for inventory and payments to vendors for costs applicable to future periods (prepaid). Under the purchase method, expenditures are recognized when the available financial resource is expended. Inventory is not deemed material.

Capital Assets

The Supervisor of Elections has custodial responsibility for the capital assets used by the office and maintains an inventory of all tangible personal property with a donated value or cost of $5,000 or more and a projected useful life of one year or more as required by Florida Statute 274 and Florida Administrative Code Sections 69(i)-73.002 and 69(i)-73.006. Title in all capital assets owned by the County is retained by the Board and the Supervisor of Elections' capital assets are reported in the county-wide financial statements. At the fund level, capital assets are recorded as expenditures at the time an asset is acquired. At the county-wide level, capital assets are capitalized at cost when purchased and if donated at acquisition value when received. Depreciation is determined using the straight-line method with estimated useful lives of 5 to 10 years for all tangible personal property.

Leases

Lease contracts that provide the Supervisor with control of a non-financial asset, such as land, buildings or equipment, for a period of time in excess of twelve months are reported as a leased

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities, and Fund Balance (continued)

Leases (continued)

asset with a related lease liability. The lease liability is recorded at the present value of future lease payments, including fixed payments, variable payments based on an index or fixed rate and reasonably certain residual guarantees. Leased assets are amortized over the shorter of the useful life of the asset or the lease term. The lease liability is reduced for lease payments made, less the interest portion of the lease payment.

Compensated Absences

The Supervisor of Elections' compensated absences policy allows employees to accumulate unused sick and vacation leave up to a maximum of 90 days of sick leave and 30 days of annual leave. Upon separating from service all employees will be paid 100% of accumulated annual leave and retiring employees will also be paid 100% of accumulated sick leave. Upon resignation employees with ten years of service will be paid one-half of accumulated sick leave. Employees with more than ten years seniority may accrue sick leave in excess of 90 days in a personal sick leave bank. Accrued leave in a personal sick leave bank may only be used in the event of a catastrophic illness.

Expenditures for compensated absences in governmental funds are those paid during the current fiscal year and the amount unpaid at the end of the reporting period that normally would be liquidated with expendable available financial resources. Accrued compensated absences that will not be liquidated with expendable available financial resources of the Supervisor of Elections are the obligation of the County and are reported at the county-wide level.

Retirement Plan

The Supervisor of Elections and all qualified County employees participates in The Florida Retirement System (the "System"). The System's financial statements are prepared using the economic resources measurement focus and accrual basis of accounting in accordance with the requirements of the GASB. The Plan is considered a component unit of the State of Florida and is included in the State's Annual Comprehensive Financial Report. Assets, liabilities and cash inflows/outflows related to the Supervisor of Elections are combined with all the County's participates and reported in the County's government-wide financial statements.

Other Post-Employment Benefits (OPEB) Liability

The Supervisor of Elections, in accordance with Section 112.0801, Florida Statutes, provides post-retirement health care benefits to all retired employees who participated in its group health plan while employed. Employees of the Supervisor of Elections are covered under the County's plan. The County is required to measure and recognize the annual cost of the future benefits and calculate the annual employer funding requirements and, to the extent funding is not made by the County, recognize an OPEB liability on the balance sheet of the County. These amounts, if any, are recorded in the County's government-wide financial statements.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities, and Fund Balance (continued)

Categories and Classification of Fund Balance

Fund balance flow assumptions – Sometimes the Supervisor of Elections will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the Supervisor of Elections' policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

Fund balance policies – Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The Supervisor of Elections can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

The provisions of GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, specifies the following classifications:

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

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

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

Assigned fund balance – Amounts in the assigned fund balance classification are intended to be used by the Supervisor of Elections for specific purposes but do not meet the criteria to be classified as committed. The Board has by resolution authorized the finance director to assign fund balance. The Board may also assign fund balance as it does when appropriating fund balance to cover a gap

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities, and Fund Balance (continued)

Categories and Classification of Fund Balance (continued)

between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

Unassigned fund balance – Unassigned fund balance is the residual classification for the General Fund.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make various estimates. Actual results could differ from those estimates.

Subsequent Events

Management has evaluated subsequent events through the date that the financial statements were available to be issued, March 23, 2026, and determined there were no events that occurred that required disclosure.

Recently Issued and Implemented Accounting Pronouncements

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

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

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Recently Issued Accounting Pronouncements (continued)

June 15, 2024, and all reporting periods thereafter. There were no significant impacts from implementing this statement.

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

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

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

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

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

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Recently Issued Accounting Pronouncements (continued)

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

Note 2: RETIREMENT PLAN

The Supervisor of Elections and all full-time employees are participants in the Florida Retirement System (the "System"), a defined benefit, cost sharing, multiple employer public retirement system, which is controlled by the State Legislature and administered by the State of Florida, Department of Administration, Division of Retirement. The plan covers full-time employees of various governmental units within the State of Florida. Accordingly, the actuarial information and related disclosures attributable to the Supervisor of Elections' employees are not determinable.

The System's funding policy provides for monthly employer contributions at actuarially determined rates that, expressed as percentages of annual covered payroll, are adequate to accumulate sufficient assets to pay benefits when due (see rates below). Level percentage of payroll employer contribution rates, established by state law, is determined using the entry-age actuarial funding method. If an unfunded actuarial liability reemerges, future plan benefit changes, assumption changes, and methodology changes are amortized within 30 years, using level dollar amounts. Except for gains reserved for rate stabilization, it is anticipated future actuarial gains and losses are amortized on a rolling 10% basis, as a level dollar amount.

The System provides for those employees hired prior to July 1, 2011 vesting of benefits after six years of creditable service. Normal retirement benefits are available to employees who retire at or after age 62 with six or more years of service. For Special Risk Class members, normal retirement is age 55 with at least six years of Special Risk service, or twenty-five years of Special Risk service, regardless of age, or age 52 with 25 years of Special Risk service and up to four years of active duty wartime service. Early retirement is available after six years of service with a 5% reduction of benefits for each year prior to the normal retirement age. For those employees hired on or after July 1, 2011, the System provides for vesting of benefits after eight years of credible service. Normal retirement benefits are available to these employees who retire at or after age 65 with eight years of service or thirty-three years regardless of age. For Special Risk Class members, normal retirement is age 60 with at least eight years of Special Risk service, or thirty years of Special Risk service, regardless of age. Retirement benefits are based upon age, average compensation and years-of-service credit where average compensation is computed as the average of an individual's five highest years of earnings.

Participating employer contributions are based upon state-wide rates established by the State of Florida. These rates applied to employee salaries at year end are as follows: regular employees – 14.03%, DROP Program – 22.02%, senior management – 33.24% and elected officials – 54.57%. These rates applied to employee salaries at year end for employee contributions are 3.00% for all classifications, with the exception of the DROP program. Total payroll for the Supervisor of

Note 2: RETIREMENT PLAN (Continued)

Elections' employees covered by the System was $208,224 for the year ended September 30, 2025. The Supervisor of Elections' total payroll was $208,224 for the same period. The Supervisor of Elections' contribution to the plan for the years ended September 30, 2025, 2024 and 2023 was $82,942, $79,677, and $61,455, respectively. These contributions were paid by the due date for the contribution.

The Supervisor of Elections has no responsibility to the System other than to make the periodic payments required by State statutes. The Florida Division of Retirement issues a publicly available financial report that includes financial statements and required supplementary information for the System. The report may be obtained by writing Florida Division of Retirement, P.O. Box 9000, Tallahassee, FL 32315-9000 or at the Division's website at dms.myflorida.com.

Note 3: CONTINGENCIES

The Supervisor of Elections receives grants from federal and state sources that are subject to review and audit by the funding sources. Such reviews and audits could result in the discovery of unallowable activities and unallowable costs. Consequently, any of the funding sources may, at their discretion, request reimbursement for expenses or return of funds, or both, as a result of noncompliance by the Supervisor of Elections with the terms of the grants/contracts. In the opinion of the Supervisor of Elections' management, such allowances, if any, would not be significant in relation to the financial statements of the Supervisors of Elections.

Note 4: FINANCIAL DISCLOSURES REPORTED AT THE COUNTY-WIDE LEVEL

The following capital assets and long term debt are in the custody of and accounted for by the Supervisor of Elections and reported in the county-wide financial statements.

Capital Assets

Title in capital assets owned by the Supervisor of Elections is retained by the Board of County Commissioners. The below noted capital asset information and activity is reported in the county-wide financial statements.

Note 4: FINANCIAL DISCLOSURES REPORTED AT THE COUNTY-WIDE LEVEL (Continued)

Capital Assets (continued)

Summary of capital asset activity for the year ended September 30, 2025:

	Balance 10/1/2024	Additions	Deletions	Transfers	Balance 9/30/2025
Governmental Activities					
Capital assets, being depreciated:					
Machinery and equipment	$ 276,516	$ 56,035	$ -	$ 24,633	$ 357,184
Less accumulated depreciation for:					
Machinery and equipment	(261,388)	(9,811)	-	(24,633)	(295,832)
Total governmental activities capital assests, net	$ 15,128	$ 46,224	$ -	$ -	$ 61,352

The Board transferred assets to the Supervisor of Elections during the year ended September 30, 2025.

Depreciation expense was charged to the function of government as follows:

Governmental Activities	
General government	$ 9,811

Long-Term Debt

Debt that will not be liquidated with expendable available financial resources of the Supervisor of Elections is the obligation of the County and reported in the county-wide financial statements.

Summary of long-term debt activity for the year ended September 30, 2025:

	Balance 10/01/2024	Net Change	Balance 9/30/2025	Due In One Year
Compensated absences	$ 8,959	$ (2,240)	$ 6,719	$ 672

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

Honorable Rusty Williams
Supervisor of Elections
Holmes 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 of the Holmes County, Florida Supervisor of Elections (the "Supervisor of Elections") as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the Supervisor of Elections' financial statements, and have issued our report thereon dated March 23, 2026.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Supervisor of Elections' 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 Supervisor of Elections' internal control. Accordingly, we do not express an opinion on the effectiveness of the Supervisor of Elections' internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Supervisor of Elections' financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

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

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

Enterprise, Alabama
March 23, 2026

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INDEPENDENT ACCOUNTANT'S REPORT ON COMPLIANCE WITH *LOCAL GOVERNMENT INVESTMENT POLICIES*

Honorable Rusty Williams
Supervisor of Elections
Holmes County, Florida

We have examined the Holmes County, Florida Supervisor of Elections' (the "Supervisor of Elections") compliance with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies,* during the year ended September 30, 2025. Management of the Supervisor of Elections is responsible for the Supervisor of Elections' compliance with the specified requirements. Our responsibility is to express an opinion on the Supervisor of Elections' compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the Supervisor of Elections complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the Supervisor of Elections complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion. Our examination does not provide a legal determination on the Supervisor of Elections' compliance with specified requirements.

We are required to be independent and to meet other ethical responsibilities in accordance with relevant ethical requirements relating to the engagement.

In our opinion, the Supervisor of Elections complied, in all material respects, with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, for the year ended September 30, 2025.

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

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

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

Enterprise, Alabama
March 23, 2026

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MANAGEMENT LETTER

Honorable Rusty Williams
Supervisor of Elections
Holmes County, Florida

Report on the Financial Statements

We have audited the financial statements of the Holmes County, Florida Supervisor of Elections (the "Supervisor of Elections") as of and for the fiscal year ended September 30, 2025, and have issued our report thereon dated March 23, 2026.

Auditor's Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and Chapter 10.550, Rules of the Auditor General.

Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards* and Independent Accountant's Report on an Examination Conducted In Accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated March 23, 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 significant findings and recommendations made in the preceding annual financial audit report. There were no findings or recommendations made in the preceding annual financial audit report.

Financial Management

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

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 note any such findings.

Purpose of this Letter

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies, the Supervisor of Elections, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

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

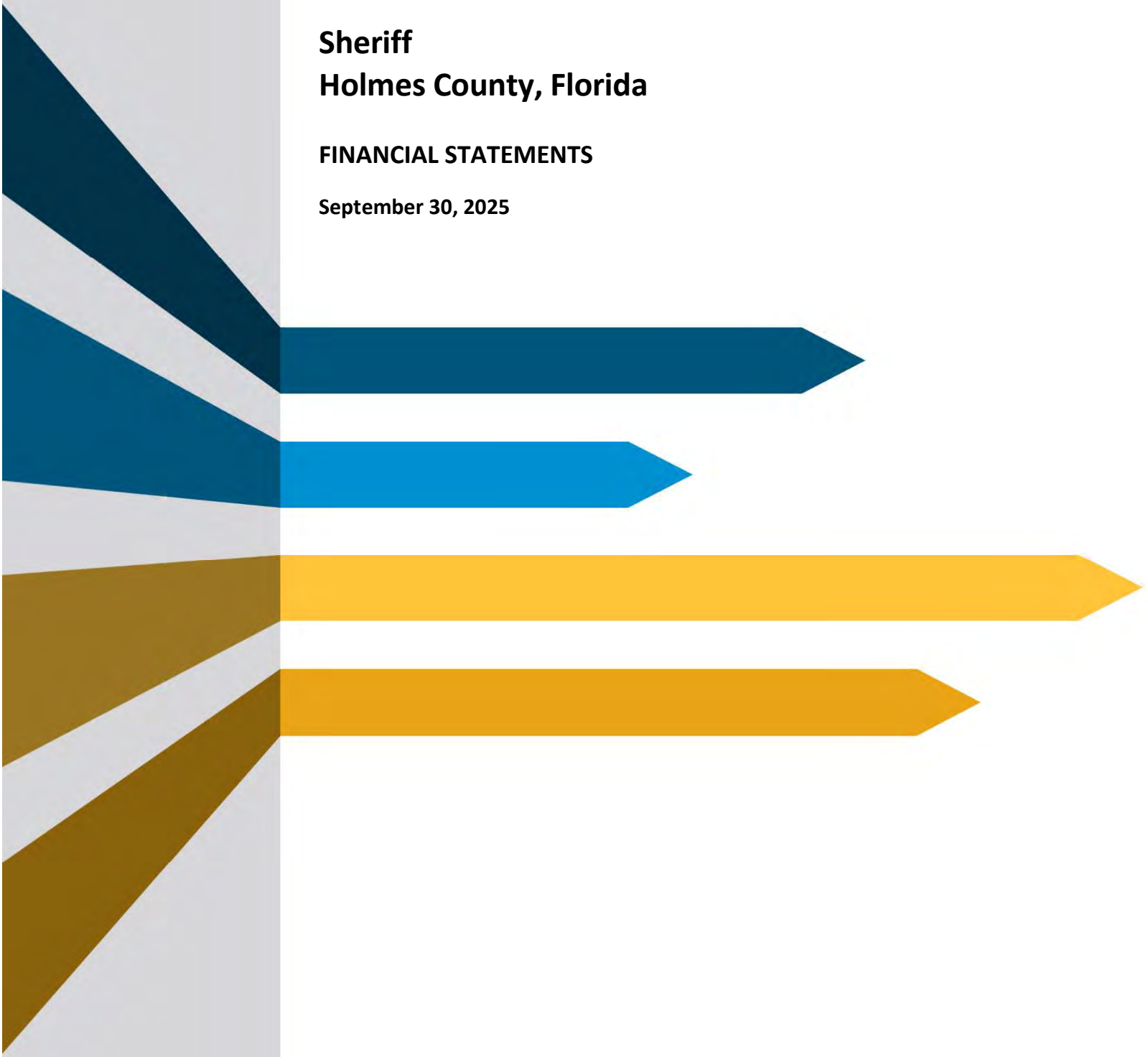
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Enterprise, Alabama
March 23, 2026

Sheriff
Holmes County, Florida

FINANCIAL STATEMENTS

September 30, 2025



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INDEPENDENT AUDITOR'S REPORT

Honorable John Tate
Sheriff
Holmes County, Florida

Opinions

We have audited the accompanying financial statements of each major fund and the aggregate remaining fund information of the Holmes County, Florida Sheriff (the "Sheriff"), as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the Sheriff'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 financial position of each major fund and the aggregate remaining fund information of the Sheriff as of September 30, 2025, and the respective changes in financial position thereof and budgetary comparison for the General Fund for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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 Sheriff'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 Sheriff'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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Sheriff's financial statements. The accompanying combining and individual nonmajor fund statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing

procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 23, 2026, on our consideration of the Sheriff's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, rules, 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 Sheriff'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 Sheriff's internal control over financial reporting and compliance.

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

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

Enterprise, Alabama
March 23, 2026

Holmes County, Florida
Sheriff
Balance Sheet – Governmental Funds

September 30, 2025	General Fund	Emergency Services 911	Inmate Canteen
Assets			
Cash and cash equivalents	$ 215,547	$ 159,488	$ 105,131
Due from other governments	147,985	64,573	-
Total assets	$ 363,532	$ 224,061	$ 105,131
Liabilities and Fund Balances			
Liabilities			
Accounts payable	$ 200,517	$ 15,595	$ -
Accrued wages and benefits	131,890	-	-
Unearned revenue	-	-	-
Due to Board of County Commissioners	31,125	-	-
Total liabilities	363,532	15,595	-
Fund balances			
Restricted for:			
Public safety - law enforcement	-	208,466	105,131
Total liabilities and fund balances	$ 363,532	$ 224,061	$ 105,131

The accompanying notes are an integral part of these financial statements.

(Formerly Nonmajor Fund) Federal Interdiction	Nonmajor Funds	Total Governmental Funds
$ 54,316	$ 11,153	$ 545,635
-	-	212,558
$ 54,316	$ 11,153	$ 758,193
$ -	$ -	$ 216,112
-	-	131,890
54,297	-	54,297
-	-	31,125
54,297	-	433,424
19	11,153	324,769
$ 54,316	$ 11,153	$ 758,193

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

For the year ended September 30, 2025	General Fund	Emergency Services 911	Inmate Canteen
Revenues			
Charges for services	$ -	$ -	$ 179,601
Intergovernmental	975,505	386,823	-
Miscellaneous	197,593	2,125	-
Total revenues	1,173,098	388,948	179,601
Expenditures			
Public safety			
Personnel services	6,194,889	93,387	-
Operating	1,560,811	331,182	163,207
Capital outlay	707,717	-	13,299
Debt service			
Principal	100,000	-	-
Interest	6,697	-	-
Total expenditures	8,570,114	424,569	176,506
Excess (deficiency) of revenues over (under) expenditures	(7,397,016)	(35,621)	3,095
Other Financing Sources (Uses)			
Appropriations from Board of County Commissioners	6,759,116	-	-
Loan proceeds	650,000	-	-
Proceeds from sale of capital assets	19,025	-	-
Reversion to Board of County Commissioners	(31,125)	-	-
Net other financing sources (uses)	7,397,016	-	-
Net change in fund balances	-	(35,621)	3,095
Fund balances, beginning of year	-	244,087	102,036
Adjustments	-	-	-
Fund balances, beginning of year, as adjusted	-	244,087	102,036
Fund balances, end of year	$ -	$ 208,466	$ 105,131

The accompanying notes are an integral part of these financial statements.

(Formerly Nonmajor Fund) Federal Interdiction	Nonmajor Funds	Total Governmental Funds
$ -	$ 45,552	$ 225,153
-	-	1,362,328
19,646	4,885	224,249
19,646	50,437	1,811,730
-	-	6,288,276
19,646	6,345	2,081,191
-	-	721,016
-	-	100,000
-	-	6,697
19,646	6,345	9,197,180
-	44,092	(7,385,450)
-	-	6,759,116
-	-	650,000
-	-	19,025
-	(34,723)	(65,848)
-	(34,723)	7,362,293
-	9,369	(23,157)
-	1,803	347,926
19	(19)	-
19	1,784	347,926
$ 19	$ 11,153	$ 324,769

Holmes County, Florida
Sheriff
Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual
General Fund

For the year ended September 30, 2025	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Intergovernmental	$ -	$ -	$ 975,505	$ 975,505
Miscellaneous	-	-	197,593	197,593
Total revenues	-	-	1,173,098	1,173,098
Expenditures				
Public safety				
Personnel services	5,471,060	6,410,954	6,194,889	216,065
Operating	873,162	873,162	1,560,811	(687,649)
Capital outlay	125,000	125,000	707,717	(582,717)
Debt service				
Principal	-	-	100,000	(100,000)
Interest	-	-	6,697	(6,697)
Total expenditures	6,469,222	7,409,116	8,570,114	(1,160,998)
Excess (deficiency) of revenues over (under) expenditures	(6,469,222)	(7,409,116)	(7,397,016)	12,100
Other Financing Sources (Uses)				
Appropriations from Board of County Commissioners	5,819,222	6,759,116	6,759,116	-
Loan proceeds	650,000	650,000	650,000	-
Proceeds from sale of capital assets	-	-	19,025	19,025
Reversion to Board of County Commissioners	-	-	(31,125)	(31,125)
Net other financing sources (uses)	6,469,222	7,409,116	7,397,016	(12,100)
Net change in fund balance	-	-	-	-
Fund balance, beginning of year	-	-	-	-
Fund balance, end of year	$ -	$ -	$ -	$ -

-Continued-

Holmes County, Florida
Sheriff
Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual
General Fund (Continued)

For the year ended September 30, 2025	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Reconciliation of GAAP to Budgetary Basis				
GAAP basis revenues	$ -	$ -	$ 8,601,239	$ 8,601,239
Non-budgeted revenues				
Intergovernmental	-	-	(975,505)	(975,505)
Miscellaneous	-	-	(197,593)	(197,593)
Proceeds from sale of capital assets	-	-	(19,025)	(19,025)
Loan proceeds	-	-	(650,000)	(650,000)
Budgetary basis revenues and other financing sources	$ -	$ -	$ 6,759,116	$ 6,759,116
GAAP basis expenditures	$ 6,469,222	$ 7,409,116	$ 8,570,114	$ (1,160,998)
Non-budgeted expenses				
Personnel services	-	-	(237,235)	237,235
Operating	-	-	(304,888)	304,888
Capital outlay	-	-	(650,000)	650,000
Budgetary basis expenditures	$ 6,469,222	$ 7,409,116	$ 7,377,991	$ 31,125

The accompanying notes are an integral part of these financial statements.

Holmes County, Florida
Sheriff
Statement of Fiduciary Net Position – Fiduciary Funds

September 30, 2025		Custodial Fund Inmate Trust
Assets		
Cash	$	109,917
Net Position		
Restricted for inmate purchases	$	109,917

The accompanying notes are an integral part of these financial statements.

Holmes County, Florida
Sheriff
Statement of Changes in Fiduciary Net Position – Fiduciary Funds

For the year ended September 30, 2025		Custodial Fund Inmate Trust
Additions		
Inmate deposits	$	556,996
Deductions		
Current		
Public safety		539,059
Net increase in fiduciary net position		17,937
Net position, beginning of year		91,980
Net position, end of year	$	109,917

The accompanying notes are an integral part of these financial statements.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Holmes County, Florida Sheriff (the "Sheriff") have been prepared in accordance with the accounting principles and reporting guidelines established by the Governmental Accounting Standards Board (GASB), accounting principles generally accepted in the United States of America (GAAP), and accounting practices prescribed by Chapter 10.550, Rules of the Auditor General, State of Florida. The more significant of these governmental accounting policies applicable to the Sheriff are described below.

Reporting Entity

The Sheriff is an elected official established pursuant to Article VIII Section 1(d) of the constitution of the State of Florida and serves the geographic boundary established in Florida Statutes Chapter 7.30. Although the Sheriff's office is operationally autonomous from the Board of County Commissioners (the "Board"), it does not hold sufficient corporate powers of its own to be considered a legally separate entity for financial reporting purposes. Pursuant to GASB *Codification of Governmental Accounting and Financial Reporting Standards*, Sections 2100 and 2600, the Sheriff's financial statements are combined with those of the Board and other elected officials into the reporting entity of the County.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

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

The governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Sheriff considers revenues to be available if they are collected within 60 days of the end of the current fiscal year. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures and issuance of long-term debt and acquisitions under capital leases are reported as other financing sources. The operations of the Sheriff are funded by the Board of County Commissioners and other taxing authorities in the County. The appropriations from the Board are recorded as other financing sources.

The fiduciary fund (custodial fund) statements are prepared using *economic resources measurement* focus and the *accrual basis of accounting*.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Financial Statements

The accounting and financial reporting treatment applied to the fixed assets and long-term liabilities associated with a fund are determined by its measurement focus. All governmental funds are accounted for on a spending or "financial flow" measurement focus. This means that generally, only current assets and current liabilities are included in the balance sheet. Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they present a summary of sources and uses of "available spendable resources" during a period.

The Sheriff's financial statements have been prepared solely for the purpose of complying with the Rules of the Auditor General of the State of Florida (the "Rules"). These financial statements are the fund financial statements required by generally accepted accounting principles. However, these fund statements do not constitute a complete presentation because, in conformity with the Rules, the Sheriff has not presented reconciliations to the government-wide financial statements or management's discussion and analysis. Also, certain notes to the financial statements may supplement rather than duplicate the notes included in the County's county-wide financial statements.

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

The Sheriff reports the following major governmental funds:

General Fund – To account for all revenue and expenditures applicable to the general operations of the Sheriff that are not required either legally or by GAAP to be accounted for in another fund.

Emergency Services 911 – Special revenue fund used to account for phone charges assessed for the purpose of providing emergency assistance.

Inmate Canteen - Special revenue fund used to account for proceeds from canteen sales to inmates. Excess revenues over expenditures from the Inmate Canteen Fund are used for inmate welfare.

Federal Interdiction – Used to account for proceeds from federally seized assets. These proceeds can only be used to purchase equipment for the department.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Financial Statements (continued)

The Sheriff has three additional special revenue funds which have been combined into a single aggregate presentation as other governmental funds. Individual data for these non-major funds is provided in the combining statements of this report. Special revenue funds account for specific revenue sources that are legally restricted to expenditures for specified purposes.

The Sheriff also reports the following fiduciary fund type:

Inmate Trust – This fund is custodial in nature and accounts for assets held in a trust capacity or as an agent for individuals. Custodial funds only report assets and liabilities and do not measure results of operations. These funds are accounted for on an accrual basis of accounting.

Budgetary Information

Budgetary Basis of Accounting

Florida Statutes Chapters 30.49 and 129.03 detail the preparation, adoption and administration of the Sheriff's annual budget. The Sheriff establishes an annual balanced budget for his office which displays the revenues available to the office and the functions for which the money is to be expended and submits it to the Board for approval. By June 1 of each year, the Sheriff shall certify to the Board a proposed budget of expenditures for carrying out the duties of his office for the ensuing fiscal year. The Board has until September 30 to approve and/or modify the Sheriff's proposed budget during hearings held pursuant to Florida Statutes 129. Once approved, any subsequent amendments must be approved by the Board.

A budget is maintained only for the General Fund. The remaining Special Revenue Funds are not budgeted and excess revenues over expenditures in the Special Revenue Funds remain with the Sheriff. Budgetary control is maintained at the major object expenditure level. Expenditures may not legally exceed appropriations at the department level, and appropriations lapse at year-end. Budgetary changes within major object expenditure categories are made at the discretion of the Sheriff.

The Sheriff's budget is prepared under a budgetary basis of accounting that differs from GAAP. The major differences are recognition of unanticipated grant revenue, intergovernmental revenues from sources other than the Board and expenditures and non-budgeted miscellaneous revenues and expenditures. The actual results of operations in the Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – General Fund are presented on a budgetary basis for budgetary accounting purposes. Adjustments to convert the results of operation of the General Fund at the end of the year from the budgetary basis of accounting to the GAAP basis of accounting are reported on the statement of budget and actual for General Fund.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Budgetary Information (Continued)

Excess Revenues over Expenditures

Pursuant to Section 30.50(6), Florida Statutes, any excess revenues over expenditures determined as of the date specified in Section 30.50(5), Florida Statutes, "…shall be refunded to the Board of County Commissioners…". Excess revenues over expenditures returned to the Board as required by Florida Statues are accrued and reported as other financing (uses). All special revenue funds excess revenue, except civil trust, remains with the Sheriff.

Excess Expenditures over Appropriations

For the year ended September 30, 2025, expenditures exceeded appropriations within the operating, capital outlay and debt service functions of the General Fund by $687,649, $582,717 and $106,697, respectively. The excess expenditures were funded with unanticipated revenues.

Employee Benefits

Compensated Absences

It is the Sheriff's policy to allow employees to accumulate unlimited unused sick leave. Accumulated annual leave is limited to 160 hours for the first 10 years of employment, and 240 hours thereafter. Accumulated annual leave is payable upon termination at the full value of the hours accumulated, while sick leave is forfeited. Expenditures for compensated absences in governmental funds are those paid during the current fiscal year and the amount unpaid at the end of the reporting period that normally would be liquidated with expendable available financial resources. Accrued compensated absences that will not be liquidated with expendable available financial resources of the Sheriff are the obligation of the County and are reported at the county-wide level.

Retirement Plan

The Sheriff and all qualified County employees participate in The Florida Retirement System (the "System"). The System's financial statements are prepared using the economic resources measurement focus and accrual basis of accounting in accordance with the requirements of the *Retirement Plan (continued)* GASB. The Plan is considered a component unit of the State of Florida and is included in the State's Annual Comprehensive Financial Report. Assets, liabilities and cash inflows/outflows related to the Sheriff are combined with all the County's participants and reported in the County's government-wide financial statements.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Employee Benefits (continued)

Other Postemployment Benefits (OPEB)

The County, in accordance with Section 112.0801, Florida Statutes, provides post-retirement health care benefits to all retired employees who participated in the County's group health plan while employed. Employees of the Sheriff are covered under the County's plan. The County is required to measure and recognize the annual cost of the future benefits and calculate the annual employer funding requirements and, to the extent funding is not made by the County, recognize an OPEB liability on the balance sheet of the County. These amounts, if any, are recorded in the County's government-wide financial statements.

Assets, Liabilities, and Net Position or Fund Balance

Cash and Cash Equivalents

Cash and cash equivalents are cash on hand, demand deposits, and short-term investments with original maturities of three months or less from date of acquisition.

Receivables

Receivables – Amounts due from other governments are deemed to be fully collectable and no allowance for doubtful accounts is required.

Inventories and Prepaid Items

The purchase method is used to account for inventory and payments to vendors for costs applicable to future periods (prepaid). Under the purchase method, expenditures are recognized when the available financial resource is expended. Inventory is not deemed material.

Capital Assets

The Sheriff has custodial responsibility for capital assets used by his office and maintains a $5,000 threshold for capitalization of equipment. Additionally, the Sheriff maintains an inventory of all tangible personal property with a value or cost of $5,000 or more and a projected useful life of one year or more as required by Florida Statute 274 and Florida Administrative Code Sections 69I-73.002 and 69I-73.006. Title in all capital assets owned by the County is retained by the Board and the Sheriff's assets are reported in the county-wide financial statements. At the fund level, capital assets are recorded as expenditures at the time an asset is acquired. At the county-wide level, capital assets are capitalized at cost if purchased and if donated at acquisition value when received. Depreciation is determined using the straight-line method with estimated useful lives of 5 to 10 years for all tangible personal property.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Categories and Classification of Net Position and Fund Balance

Fund balance flow assumptions – The Sheriff funds outlays from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the Sheriff's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

Fund balance policies – Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The Sheriff can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

The provisions of GASB Statement No. 54 (GASB 54), *Fund Balance Reporting and Governmental Fund Type Definitions*, specifies the following classifications:

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

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

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

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

Unassigned fund balance – Unassigned fund balance is the residual classification for the General Fund.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make various estimates. Actual results could differ from those estimates.

Subsequent Events

Management has evaluated subsequent events through the date that the financial statements were available to be issued, March 23, 2026, and determined there were no events that required disclosure.

Recently Issued and Implemented Accounting Pronouncements

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

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Recently Issued and Implemented Accounting Pronouncements (continued)

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

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

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

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

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

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Recently Issued and Implemented Accounting Pronouncements (continued)

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

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

Note 2: CHANGE WITHIN THE FINANCIAL REPORTING ENTITY

The Sheriff's fiscal year 2025 financial statements reflect a change within the financial reporting entity as compared to previously issued financial statements. GASB Statement No. 100, *Accounting Changes and Error Corrections*, requires disclosure of their nature and effect on amounts reported in the financial statements.

The Federal Interdiction Fund, a special revenue fund, was presented as a nonmajor fund in the Sheriff's fiscal year 2024 aggregate nonmajor fund column. However, in fiscal year 2025, the fund met the quantitative thresholds that require major fund presentation. The Sheriff consequently reclassified the fund as major and presented it in a separate column in the Sheriff's fiscal year 2025 governmental fund financial statements.

The following table summarizes the adjustments to the Sheriff's beginning fund balance as a result of the change within the financial reporting entity:

Note 2: CHANGE WITHIN THE FINANCIAL REPORTING ENTITY (Continued)

	Fund Financial Statements	
	Governmental	
	Federal Interdiction	Nonmajor Funds
9/30/2024 fund balacnce as previously reported	$ -	$ 1,803
Change from major to nonmajor presentation	19	(19)
9/30/2024 fund balance as restated and adjusted	$ 19	$ 1,784

Note 3: DETAILED NOTES ON ALL FUNDS

Cash and Cash Equivalents

Cash and cash equivalents is comprised of cash on hand and demand deposits.

Demand deposits greater than the Federal Deposit Insurance Corporation (FDIC) insurance coverage are secured by the qualified public depositories pledging securities with the State Treasurer in such amounts required by the Florida Security for Public Depositories Act. In the event of a default or insolvency of a qualified public depositor (depositor), the depositor will implement procedures for payment of losses according to the depositors validated claims pursuant to Section 280.08, Florida Statutes.

Custodial risk - Custodial credit risk for deposits is the risk in the event of the failure of a depository financial institution a government may not be able to recover deposits. Monies placed on deposit with financial institutions in the form of demand deposits, time deposits or certificate of deposits are defined as public deposits. At year-end, all cash held in demand deposits was fully insured by the Federal Deposit Insurance Corporation and the multiple financial institutions collateral pool required by Section 280, Florida Statutes.

Note 3: DETAILED NOTES ON ALL FUNDS (Continued)

Due From Other Governments

Due from other governments at September 30, 2025 consisted of the following:

		General Fund		Emergency Services 911
State of Florida	$	48,295	$	64,573
U.S. Department of Justice		3,350		-
Victims of Crime Act (VOCA)		7,859		-
CJDT Grant		549		-
Holmes County Board of Education		81,861		-
U.S. Marshall		4,299		-
E-911		1,772		-
Total	$	147,985	$	64,573

Due to Board of County Commissioners

The excess revenues over expenditures remitted to the Board after year end was $31,125 in accordance with Section 30.50(6) Florida Statutes. This amount is reported as Reversion to Board of County Commissioners on the Statement of Revenues Expenditures and Changes in Fund Balance.

Note 4: RETIREMENT PLAN

The Sheriff and all full-time employees are participants in the Florida Retirement System (the "System"), a defined benefit, cost sharing, multiple-employer public retirement system, which is controlled by the State Legislature and administered by the State of Florida, Department of Administration, Division of Retirement. The plan covers full-time employees of various governmental units within the State of Florida. Accordingly, the actuarial information and related disclosures attributable to the Sheriff's employees are not determinable.

The System's funding policy provides for monthly employer contributions at actuarially determined rates that, expressed as percentages of annual covered payroll are adequate to accumulate sufficient assets to pay benefits when due (see rates below). Level percentage of payroll employer contribution rates, established by state law, is determined using the entry-age actuarial funding method. If an unfunded actuarial liability reemerges, future plan benefit changes, assumption changes, and methodology changes are amortized within 30 years, using level dollar amounts.

Note 4: RETIREMENT PLAN (Continued)

Except for gains reserved for rate stabilization, it is anticipated future actuarial gains and losses are amortized on a rolling 10% basis, as a level dollar amount. The System provides for those employees hired prior to July 1, 2011 vesting of benefits after six years of creditable service. Normal retirement benefits are available to employees who retire at or after age 62 with six or more years of service. For Special Risk Class members, normal retirement is age 55 with at least six years of Special Risk service, or twenty-five years of Special Risk service, regardless of age, or age 52 with 25 years of Special Risk service and up to four years of active duty wartime service. Early retirement is available after six years of service with a 5% reduction of benefits for each year prior to the normal retirement age. For those employees hired on or after July 1, 2011, the System provides for vesting of benefits after eight years of credible service. Normal retirement benefits are available to these employees who retire at or after age 65 with eight years of service or thirty-three years regardless of age. For Special Risk Class members, normal retirement is age 55 with at least eight years of Special Risk service, or twenty-five years of Special Risk service, regardless of age. Retirement benefits are based upon age, average compensation and years-of-service credit where average compensation is computed as the average of an individual's five highest years of earnings.

Participating employer contributions are based upon state-wide rates established by the State of Florida. These rates applied to employee salaries at year end are as follows: regular employees – 14.03%, special risk – 35.19%, senior management – 33.24% and elected officials – 54.57%. These rates applied to employee salaries at year end for employee contributions are 3.00% for all classifications, with the exception of the DROP program.

Total payroll for the Sheriff's employees covered by the System was $3,995,188 for the year ended September 30, 2025. The Sheriff's total payroll was $4,112,992 for the same period. The Sheriff's contribution to the plan for the years ended September 30, 2025, 2024, and 2023 were $1,154,084 $928,469, and $755,165, respectively, and were paid by the due date for the contributions.

The Sheriff has no responsibility to the System other than to make the periodic payments required by state statutes. The Florida Division of Retirement issues a publicly available financial report that includes financial statements and required supplementary information for the System. The report may be obtained by writing to the Florida Division of Retirement, P.O. Box 9000, Tallahassee, FL 32315-9000 or at the Division's website at dms.myflorida.com.

Note 5: CONTINGENCIES

The Sheriff receives grants from federal and state sources that are subject to review and audit by the funding sources. Such reviews and audits could result in the discovery of unallowable activities and unallowable costs. Consequently, any of the funding sources may, at their discretion, request reimbursement for expenses or return of funds, or both, as a result of noncompliance by the Sheriff with the terms of the grants/contracts. In the opinion of management, such allowances, if any, would not be significant in relation to the financial statements of the Sheriff.

Note 6: LITIGATION

The Sheriff is involved in various claims or potential claims arising in the normal course of business. It is the opinion of management that coverage provided by the Florida Sheriff's Self-Insurance Fund is adequate to eliminate any significant exposure resulting from those claims.

Note 7: FINANCIAL DISCLOSURES REPORTED AT THE COUNTY-WIDE LEVEL

The following capital assets and long term debt are in the custody of and accounted for by the Sheriff and reported in the county-wide financial statements.

Capital Assets

Title in capital assets owned by the County is retained by the Board of County Commissioners. The below noted capital asset information and activity is reported in the county-wide financial statements.

Capital asset activity for the fiscal year is as follows:

	Balance 10/1/2024	Additions	Deletions	Balance 9/30/2025
Governmental Activities				
Capital assets depreciated:				
Machinery and equipment	$ 2,584,439	$ 741,516	$ (281,899)	$ 3,044,056
Less: accumulated depreciation	(1,617,888)	(396,538)	252,307	(1,762,119)
Total governmental activities capital assets, net	$ 966,551	$ 344,978	$ (29,592)	$ 1,281,937

Depreciation expense was charged to the function of government as follows:

Governmental Activities	
Public safety	$ 396,538

Long-term debt that will not be liquidated with expendable available financial resources of the Sheriff is the obligation of the County and reported in the county-wide financial statements.

Note 7: FINANCIAL DISCLOSURES REPORTED AT THE COUNTY-WIDE LEVEL (Continued)

Long-Term Debt

The following is a summary of changes in long-term debt:

	Balance 10/1/2024	Additions	Reductions	Balance 9/30/2025	Due in One Year
Compensated absences	$ 159,950	$ -	$ 12,626	* $ 147,324	$ 14,732
Note payable	100,000	650,000	100,000	650,000	114,975
Total	$ 259,950	$ 650,000	$ 112,626	$ 797,324	$ 129,707

* Net of additions.

On October 16, 2024, the Holmes County Sheriff entered into a note payable for financing the acquisition of new patrol vehicles in the amount of $650,000 with an interest rate of 6.310% per annum based on a year of 360 days from First Federal Bank. The Sheriff will pay this loan in five payments of $155,989.93 each payment. The first payment is due October 16, 2025 and all subsequent payments are due on the same day of each year after that. The final payment is due October 16, 2029.

The following is a schedule of principal and interest payments on notes payable at September 30, 2025:

	Long-term Debt
2026	$ 155,990
2027	155,990
2028	155,990
2029	155,990
2030	155,990
Total minimum payments	779,950
Less: amount representing interest	(129,950)
Note payable	$ 650,000

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

The Emergency Medical Services ("EMS") – Accounts for charges to patients for non-emergency medial transportation.

Civil Trust – Used to account for fees charged and related expenses in serving legal documents. Any excess fees over expenditures are remitted to the Board.

Teen Court – Used to account for funds received from the Clerk to administer Teen Court.

Holmes County, Florida
Sheriff
Combining Balance Sheet – Nonmajor Governmental Funds

September 30, 2025	Special Revenue Funds: Civil Trust	EMS	Teen Court	Total
Assets				
Cash and cash equivalents	$ -	$ 7,631	$ 3,522	$ 11,153
Total assets	$ -	$ 7,631	$ 3,522	$ 11,153
Fund Balances				
Restricted for:				
Public safety - law enforcement	$ -	$ 7,631	$ 3,522	$ 11,153
Total fund balances	$ -	$ 7,631	$ 3,522	$ 11,153

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

	Special Revenue Funds				
For the year ended September 30, 2025	Civil Trust	EMS	Teen Court	(Formerly Nonmajor Fund) Federal Interdiction	Total
Revenues					
Charges for services	$ 37,745	$ 7,807	$ -	$ -	$ 45,552
Miscellaneous	-	-	4,885	-	4,885
Total revenues	37,745	7,807	4,885	-	50,437
Expenditures					
Public safety					
Operating	3,022	176	3,147	-	6,345
Excess (deficiency) of revenues over (under) expenditures	34,723	7,631	1,738	-	44,092
Other Financing Sources (Uses)					
Reversion to Board of County Commissioners	(34,723)	-	-	-	(34,723)
Net change in fund balances	-	7,631	1,738	-	9,369
Fund balances, beginning of year	-	-	1,784	19	1,803
Adjustments	-	-	-	(19)	(19)
Fund balances, beginning of year after adjustments	-	-	1,784	-	1,784
Fund balances, end of year	$ -	$ 7,631	$ 3,522	$ -	$ 11,153

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

Honorable John Tate
Sheriff
Holmes County, Florida

We have audited, 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, the financial statements of the major fund, and the aggregate remaining fund information of Holmes County, Florida Sheriff (the "Sheriff") as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the Sheriff's basic financial statements and have issued our report thereon dated March 23, 2026.

Reports on Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be a material weakness. However, material weaknesses may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Sheriff's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

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

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

Enterprise, Alabama
March 23, 2026

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

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INDEPENDENT ACCOUNTANT'S REPORT ON COMPLIANCE WITH *LOCAL GOVERNMENT INVESTMENT POLICIES*

Honorable John Tate
Sheriff
Holmes County, Florida

We have examined the Holmes County, Florida Sheriff's (the "Sheriff") compliance with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, during the year ended September 30, 2025. Management is responsible for the Sheriff's compliance with the specified requirements. Our responsibility is to express an opinion on the Sheriff's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the Sheriff complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the Sheriff complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgement, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion. Our examination does not provide a legal determination on the Sheriff's compliance with specified requirements.

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the engagement.

In our opinion, the Sheriff complied, in all material respects, with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies* for the year ended September 30, 2025.

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

Carr, Riggs & Ingram, L.L.C.
CARR, RIGGS & INGRAM, L.L.C.

Enterprise, Alabama
March 23, 2026

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MANAGEMENT LETTER

Honorable John Tate
Sheriff
Holmes County, Florida

Report on the Financial Statements

We have audited the financial statements of the Holmes County, Florida Sheriff (the "Sheriff") as of and for the fiscal year ended September 30, 2025, and have issued our report thereon dated March 23, 2026.

Auditor's Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Other Reporting Requirements

We have issued our Independent Auditor's 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* and Independent Accountant's Report on an examination conducted in accordance with AICPA Professional Standards, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated March 23, 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 significant findings and recommendations made in the preceding annual financial audit report.

Financial Management

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

Additional Matters

Section 10.554(1)(i)3., Rules of the Auditor General, requires that we address 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 Florida House of Representatives, the Florida Auditor General, federal and other granting agencies, the Sheriff and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

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

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

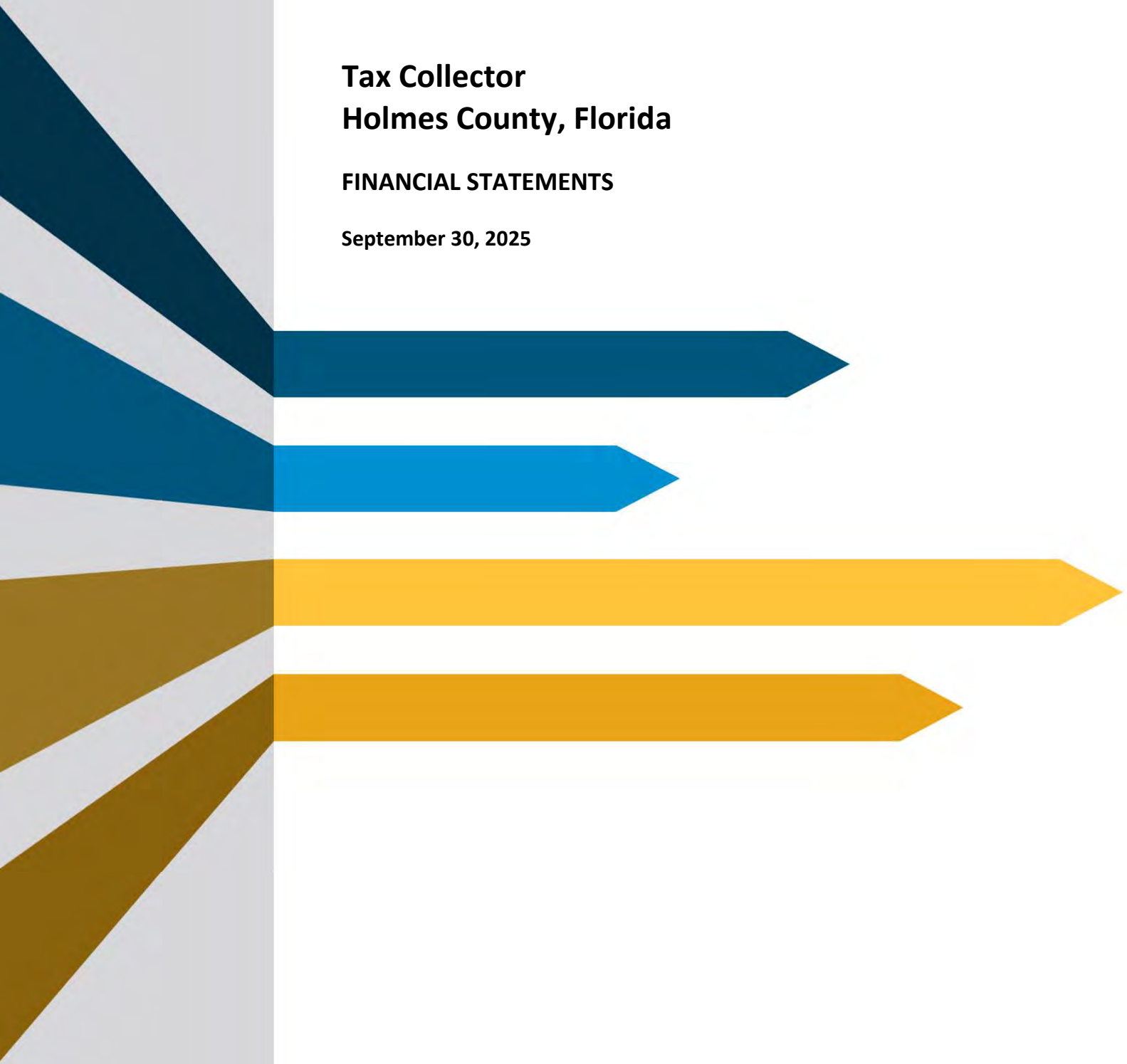
Enterprise, Alabama
March 23, 2026

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Tax Collector
Holmes County, Florida

FINANCIAL STATEMENTS

September 30, 2025



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INDEPENDENT AUDITOR'S REPORT

Honorable Harry B. Bell, III
Tax Collector
Holmes County, Florida

Opinions

We have audited the accompanying financial statements of the major fund and the fiduciary fund type of the Holmes County, Florida Tax Collector (the "Tax Collector"), as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the Tax Collector'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 major fund and the fiduciary fund type of the Tax Collector, as of September 30, 2025, and the respective changes in financial position thereof and the budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, this includes 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 Tax Collector's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Tax Collector'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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Tax Collector's financial statements. The combining fiduciary fund statements are presented for purposes of additional analysis and are 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, the combining fiduciary fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 15, 2026 on our consideration of the Tax Collector's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, rules, regulations, contracts, and grant agreements and other matters. The purpose of that report is to solely 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 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 Tax Collector's internal control over financial reporting and compliance.

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

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

Enterprise, Alabama
March 15, 2026

Holmes County, Florida
Tax Collector
Balance Sheet – Governmental Funds

September 30, 2025		General Fund
Assets		
Cash	$	15,939
Liabilities and Fund Balance		
Liabilities		
Accounts payable	$	15,939
Fund balance		-
Total liabilities and fund balance	$	15,939

The accompanying notes are an integral part of these financial statements.

Holmes County, Florida
Tax Collector
Statement of Revenues, Expenditures and Changes in Fund Balance – Governmental Funds

For the year ended September 30, 2025		General Fund
Revenues		
Charges for services	$	447,151
Interest		27
Total revenues		447,178
Expenditures		
General government		
Personnel services		586,054
Operating		176,613
Total expenditures		762,667
Excess (deficiency) of revenues over (under) expenditures		(315,489)
Other Financing Sources (Uses)		
Appropriations from Board of County Commissioners		315,490
Reversion to Board of County Commissioners		(1)
Net other financing sources		315,489
Net change in fund balance		-
Fund balance, beginning of year		-
Fund balance, end of year	$	-

The accompanying notes are an integral part of these financial statements.

Holmes County, Florida
Tax Collector
Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – General Fund

For the year ended September 30, 2025	Original Budget	Final Budget	Actual	With Final Budget Positive (Negative)
Revenues				
Charges for services	$ 418,620	$ 426,145	$ 447,151	$ 21,006
Interest	20	20	27	7
Total revenues	418,640	426,165	447,178	21,013
Expenditures				
General government				
Personnel services	616,339	623,864	586,054	37,810
Operating	117,791	117,791	176,613	(58,822)
Total expenditures	734,130	741,655	762,667	(21,012)
Excess revenues over (under) expenditures	(315,490)	(315,490)	(315,489)	1
Other Financing Sources (Uses)				
Appropriations from Board of County Commissioners	315,490	315,490	315,490	-
Reversion to Board of County Commissioners	-	-	(1)	(1)
Net other financing sources (uses)	315,490	315,490	315,489	(1)
Net change in fund balance	-	-	-	-
Fund balance, beginning of year	-	-	-	-
Fund balance, end of year	$ -	$ -	$ -	$ -

The accompanying notes are an integral part of these financial statements.

Holmes County, Florida
Tax Collector
Statement of Fiduciary Net Position – Fiduciary Funds

September 30, 2025		Custodial Funds
Assets		
Cash	$	416,269
Liabilities		
Due to other governments	$	416,269
Net position		-
Total liabilities and net position	$	416,269

The accompanying notes are an integral part of these financial statements.

Holmes County, Florida
Tax Collector
Statement of Changes in Fiduciary Net Position – Fiduciary Funds

For the year ended September 30, 2025		Custodial Funds
Additions		
Tax collections, auto tag fees, and other fees for other governments	$	14,193,273
Deductions		
Payments of tax, auto tag fees, and other fees to other governments		14,193,273
Net change in fiduciary net position		-
Net position, beginning of year		-
Net position, end of year	$	-

The accompanying notes are an integral part of these financial statements.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Homes County, Florida Tax Collector (the "Tax Collector") have been prepared in accordance with the accounting principles and reporting guidelines established by the Governmental Accounting Standards Board (GASB), accounting principles generally accepted in the United States of America (GAAP), and accounting practices prescribed by Chapter 10.550 Rules of the Auditor General, State of Florida. The more significant of these governmental accounting policies applicable to the Tax Collector are described below.

Reporting Entity

The Tax Collector is an elected official established pursuant to Article VIII Section 1(d) of the constitution of the State of Florida and serves the geographic boundary established in Florida Statutes chapter 7.30. Although the Tax Collector's office is operationally autonomous from the Board of County Commissioners (the "Board"), it does not hold sufficient corporate powers of its own to be considered a legally separate entity for financial reporting purposes. Pursuant to GASB *Codification of Governmental Accounting and Financial Reporting Standards,* Sections 2100 and 2600, the Tax Collector's financial statements are combined with those of the Board and other elected constitutional officers into the reporting entity of Holmes County, Florida (the "County").

Measurement Focus, Basis of Accounting and Financial Statement Presentation

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

The governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Tax Collector considers revenues to be available if they are collected within 60 days of the end of the current fiscal year. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures and issuance of long-term debt and acquisitions under capital leases are reported as other financing sources. The operations of the Tax Collector are funded by the Board of County Commissioners and other taxing authorities in the County. The appropriations from the Board are recorded as other financing sources.

The accounting and financial reporting treatment applied to the fixed assets and long-term liabilities associated with a fund are determined by its measurement focus. All governmental funds are accounted for on a spending or "financial flow" measurement focus. This means that generally,

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

only current assets and current liabilities are included in the balance sheet. Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they present a summary of sources and uses of "available spendable resources" during a period.

Fiduciary fund (custodial fund) statements are reported using *economic resources measurement focus* and the *accrual basis of accounting*.

Fund Financial Statements

The Tax Collector's financial statements have been prepared solely for the purpose of complying with the Rules of the Auditor General of the State of Florida (the "Rules"). These financial statements are the fund financial statements required by generally accepted accounting principles. However, these fund statements do not constitute a complete presentation because, in conformity with the Rules, the Tax Collector has not presented reconciliations to the government-wide statements, or management's discussion and analysis. Also, certain notes to the financial statements may supplement rather than duplicate the notes included in the County's county-wide financial statements.

The fund financial statements provide information about the Tax Collector's funds, including its fiduciary funds. Separate statements for each fund category—governmental and fiduciary—are presented. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as nonmajor funds. Major individual governmental funds are reported as separate columns in the fund financial statements. Fiduciary funds are used to report assets held in a trustee or custodial capacity for others that cannot be used to support the government's own programs. Custodial funds are purely custodial and do not involve measurement of results of operations.

The Tax Collector reported the following major governmental fund:

> *General Fund* – Accounts for all financial resources that are not required either legally or by GAAP to be accounted for in another fund.

The Tax Collector also reported the following fiduciary fund type:

> *Custodial Funds* – These funds are custodial in nature and account for assets held in a trust capacity or as an agent for individuals, other governmental units, and/or other funds. Custodial funds only report assets and liabilities and do not measure results of operations.

The Tax Collector has three custodial funds which have been combined into a single aggregate presentation as other governmental funds. Individual data for these non-major funds is provided in the combining statements of this report. Custodial funds account for specific revenue sources that are legally restricted to expenditures for specified purposes.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Budgetary Information

Budgetary Basis of Accounting

Florida Statutes, Chapter 195.087 details the preparation, adoption, and administration of the Tax Collector's annual budget. On or before August 1 of each year, the Tax Collector submits an annual budget to the Department of Revenue (the "Department"). If the Department finds the budget inadequate or excessive, it shall return such budget to the Tax Collector, together with its ruling thereon. The Tax Collector shall revise the budget as required and resubmit it to the Department. After final approval by the Department, there shall be no reduction or increase by the Tax Collector or Board without the approval of the Department. Budgetary control is maintained at the major object expenditure level. Expenditures may not legally exceed appropriations at the department level, and appropriations lapse at year-end. Budgetary changes within major object expenditure categories are made at the discretion of the Tax Collector.

Excess Revenue over Expenditures

Pursuant to Section 218.36(2), Florida Statutes, whenever a tax collector has excess revenue over expenditures determined as of the fiscal year end, "he or she shall distribute the excess to each governmental unit in the same proportion as the fees paid by the governmental unit bear to the total fee income of his or her office."

Excess Expenditures Over Appropriations

For the year ended September 30, 2025, expenditures exceeded appropriations by $21,012. The excess expenditures were funded with unanticipated revenues.

Employee Benefits

Compensated Absences

The Tax Collector's policy allows the accumulation of annual leave up to 560 hours as of the first day of each calendar year for full time employees. Usage of leave hours is at the discretion of the Tax Collector. However, upon separation from employment, all accumulated annual leave up to 560 hours, regardless of length of employment will be paid provided one of the following conditions are met:

- Resignation of position, with notice and in good standing
- Elimination of position due to staff cutbacks and layoffs
- Retirement
- Death

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Employee Benefits (continued)

Compensated Absences (continued)

Expenditures for compensated absences in governmental funds are those paid during the current fiscal year and the amount unpaid at the end of the reporting period that normally would be liquidated with expendable available financial resources. Accrued compensated absences that will not be liquidated with expendable available financial resources of the Tax Collector are the obligation of the County and are reported at the county-wide level.

Retirement Plan

The Tax Collector and all qualified County employees participate in The Florida Retirement System (the "System"). The System's financial statements are prepared using the economic resources measurement focus and accrual basis of accounting in accordance with the requirements of the GASB. The Plan is considered a component unit of the State of Florida and is included in the State's Annual Comprehensive Financial Report. Assets, liabilities and cash inflows/outflows related to the Tax Collector are combined with all the County's participants and reported in the County's government-wide financial statements.

Other Postemployment Benefits (OPEB)

The Tax Collector, in accordance with Section 112.0801, Florida Statutes, provides post-retirement health care benefits to all retired employees who participated in its group health plan while employed. Employees of the Tax Collector are covered under the County's plan. The County is required to measure and recognize the annual cost of the future benefits and calculate the annual employer funding requirements and, to the extent funding is not made by the County, recognize an OPEB liability on the balance sheet of the County. These amounts, if any, are recorded in the County's government-wide financial statements.

Assets, Liabilities, and Net Position or Fund Balance

Cash and Cash Equivalents

The Tax Collector's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

Inventories and Prepaid Items

The purchase method is used to account for inventory and payments to vendors for costs applicable to future periods (prepaid). Under the purchase method, expenditures are recognized when the available financial resource is expended. Inventory is not deemed material.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Capital Assets

The Tax Collector has custodial responsibility for the capital assets used by the office and maintains an inventory of all tangible personal property with a donated value or cost of $5,000 or more and a projected useful life of one year or more as required by Florida Statute 274 and Florida Administrative Code Sections 69(i)-73.002 and 69(i)-73.006. Title in all capital assets owned by the County is retained by the Board and the Tax Collector's capital assets are reported in the county-wide financial statements. At the fund level, capital assets are recorded as expenditures at the time an asset is acquired. At the County level, capital assets are capitalized at cost when purchased and if donated at acquisition value when received. Depreciation is determined using the straight-line method over the asset's estimated useful life.

Categories and Classification of Net Position and Fund Balance

Fund balance flow assumptions – Sometimes, the Tax Collector will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied.

It is the Tax Collector's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

Fund balance policies – Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The Tax Collector can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

The provisions of GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, specifies the following classifications:

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

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

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

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

Unassigned fund balance – Unassigned fund balance is the residual classification for the General Fund.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make various estimates. Actual results could differ from those estimates.

Subsequent Events

Management has evaluated subsequent events through the date that the financial statements were available to be issued, March 15, 2026, and determined there were no events that occurred that required disclosure.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Recently Issued and Implemented Accounting Pronouncements

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

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

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

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

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

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Recently Issued and Implemented Accounting Pronouncements (continued)

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

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

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

Note 2: DETAILED NOTES ON ALL FUNDS

Cash and Cash Equivalents

Cash and cash equivalents is comprised of cash on hand and demand deposits.

Demand deposits greater than the Federal Deposit Insurance Corporation (FDIC) insurance coverage are secured by the qualified public depositories pledging securities with the State Treasurer in such amounts required by the Florida Security for Public Depositories Act. In the event of a default or insolvency of a qualified public depositor (depositor), the depositor will implement procedures for payment of losses according to the depositors validated claims pursuant to Section 280.08, Florida Statutes.

Note 2: DETAILED NOTES ON ALL FUNDS (Continued)

Cash and Cash Equivalents (continued)

Custodial risk – Custodial credit risk for deposits is the risk in the event of the failure of a depository financial institution a government may not be able to recover deposits. Monies placed on deposit with financial institutions in the form of demand deposits, time deposits or certificate of deposits are defined as public deposits. At year-end, all cash held in demand deposits was fully insured by the Federal Deposit Insurance Corporation and the multiple financial institutions collateral pool required by Section 280, Florida Statutes.

The Tax Collector does not have a written investment policy but historically has placed surplus funds in interest bearing depository accounts with local banking institutions. At September 30, 2025, all deposits were fully insured by the Federal Deposit Insurance Corporation and the multiple financial institution collateral pool required by Chapter 280, Florida Statutes.

Due to Board of County Commissioners

Excess revenues over expenditures of $1 were returned to the Board by October 31, 2025 as required by Florida Statutes Section 218.36(2). This amount is reported as Reversion to Board of County Commissioners on the Statement of Fund Revenues, Expenditures and Changes in Fund Balance – Governmental Funds.

Note 3: RETIREMENT PLAN

The Tax Collector and all full-time employees are participants in the Florida Retirement System, a defined benefit, cost sharing, multiple-employer public retirement system, which is controlled by the State Legislature and administered by the State of Florida, Department of Administration, Division of Retirement. The plan covers full-time employees of various governmental units within the State of Florida. Accordingly, the actuarial information and related disclosures attributable to the Tax Collector's employees are not determinable.

The System's funding policy provides for monthly employer contributions at actuarially determined rates that, expressed as percentages of annual covered payroll are adequate to accumulate sufficient assets to pay benefits when due (see rates below). Level percentage of payroll employer contribution rates, established by State law, is determined using the entry-age actuarial funding method. If an unfunded actuarial liability reemerges, future plan benefit changes, assumption changes, and methodology changes are amortized within 30 years, using level dollar amounts. Except for gains reserved for rate stabilization, it is anticipated future actuarial gains and losses are amortized on a rolling 10% basis, as a level dollar amount.

Note 3: RETIREMENT PLAN (Continued)

The System provides for those employees hired prior to July 1, 2011 vesting of benefits after six years of creditable service. Normal retirement benefits are available to employees who retire at or after age 62 with six or more years of service. For Special Risk Class members, normal retirement is age 55 with at least six years of Special Risk service, or twenty-five years of Special Risk service, regardless of age, or age 52 with 25 years of Special Risk service and up to four years of active duty wartime service. Early retirement is available after six years of service with a 5% reduction of benefits for each year prior to the normal retirement age. For those employees hired on or after July 1, 2011, the System provides for vesting of benefits after eight years of credible service. Normal retirement benefits are available to these employees who retire at or after age 65 with eight years of service or thirty-three years regardless of age. For Special Risk Class members, normal retirement is age 60 with at least eight years of Special Risk service, or thirty years of Special Risk service, regardless of age. Retirement benefits are based upon age, average compensation and years-of-service credit where average compensation is computed as the average of an individual's five highest years of earnings.

Participating employer contributions are based upon State-wide rates established by the State of Florida. These rates applied to employee salaries at year end are as follows: regular employees – 14.03%, DROP Program – 22.02%, senior management – 33.24% and elected officials – 54.57%. These rates are applied to employee salaries each pay period. Employee contributions are 3.00% for all classifications, with the exception of the DROP program.

Total payroll for the Tax Collector's employees covered by the System was $360,584 for the year ended September 30, 2025. The Tax Collector's total payroll was $385,768 for the same period. The Tax Collector's contributions to the plan for the years ended September 30, 2025, **2024**, and **2023** were $119,736, $114,319, and $98,100, respectively, and were paid by the due date for the contributions. The Tax Collector has no responsibility to the System other than to make the periodic payments required by State Statutes.

The Florida Division of Retirement issues a publicly available financial report that includes financial statements and required supplementary information for the System. The report may be obtained by writing Florida Division of Retirement, PO Box 9000, Tallahassee, FL 32315-9000 or at the Division's website at dms.myflorida.com.

Note 4: FINANCIAL DISCLOSURES REPORTED AT COUNTY-WIDE LEVEL

The following capital assets and compensated absences are in the custody of and accounted for by the Tax Collector and reported in the county-wide financial statements.

Note 4: FINANCIAL DISCLOSURES REPORTED AT COUNTY-WIDE LEVEL (Continued)

Capital Assets (continued)

Title in all capital assets owned by the County is retained by the Board of County Commissioners. The below noted capital asset information and activity is reported on the county-wide financial statements.

Capital asset activity for the fiscal year is as follows:

	Balance 10/1/2024	Additions	Deletions	Balance 9/30/2025
Governmental Activities				
Capital assets depreciated:				
Machinery and equipment	$ 121,407	$ -	$ -	$ 121,407
Improvements	25,911	-	-	25,911
Total capital assets, depreciated	147,318	-	-	147,318
Less accumulated depreciation:				
Machinery and equipment	(140,111)	(2,878)	-	(142,989)
Total governmental activities capital assets, net	$ 7,207	$ (2,878)	$ -	$ 4,329

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

Governmental Activities	
General government	$ 2,878

Compensated Absences

Compensated absences that will not be liquidated with expendable available financial resources of the Tax Collector is the obligation of the County and reported in the county-wide financial statements.

Summary of changes in compensated absences for the year ended September 30, 2025.

Note 4: FINANCIAL DISCLOSURES REPORTED AT COUNTY-WIDE LEVEL (Continued)

Compensated Absences (continued)

	Balance 10/1/2024	Additions		Reductions	Balance 9/30/2025	Due in One Year
Compensated Absences	$ 13,411	$ 17,927	*	$ -	$ 31,338	$ 3,134

* Net of reductions

Fiduciary Funds

Property Tax – To account for the collection and disbursement of local property taxes.

Department of Motor Vehicles ("DMV") – To account for the collection of motor vehicle and driver's license registration receipts and subsequent remittance of licenses and permits.

Concealed Weapons ("CWIS") – To account for the collection of concealed weapons licenses registration receipts and subsequent remittance of licenses and permits.

Holmes County, Florida
Tax Collector
Combining Statement of Fiduciary Net Position – Custodial Funds

September 30, 2025	Property Tax	DMV	CWIS	Total
Assets				
Cash and cash equivalents	$ 110,907	$ 305,169	$ 193	$ 416,269
Liabilities				
Due to other governments	$ 110,907	$ 305,169	$ 193	$ 416,269
Net position	-	-	-	-
Total liabilities and net position	$ 110,907	$ 305,169	$ 193	$ 416,269

Holmes County, Florida
Tax Collector
Combining Statement of Changes in Fiduciary Net Position – Custodial Funds

For the year ended September 30, 2025	Property Tax	DMV	CWIS	Total
Additions				
Tax collections, auto tag fees, and other fees for other governments	$ 10,917,797	$ 3,254,855	$ 20,621	$ 14,193,273
Deductions				
Payments of tax, auto tag fees, and other fees to other governments	10,917,797	3,254,855	20,621	14,193,273
Net change in fiduciary net position	-	-	-	-
Net position, beginning of year	-	-	-	-
Net position, end of year	$ -	$ -	$ -	$ -

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

Honorable Harry B. Bell, III
Tax Collector
Holmes 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 of the major fund and the fiduciary fund type of the Holmes County, Florida Tax Collector (the "Tax Collector"), as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the Tax Collector's financial statements, and have issued our report thereon dated March 15, 2026.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Tax Collector'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 Tax Collector's internal control. Accordingly, we do not express an opinion on the effectiveness of the Tax Collector's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Tax Collector's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters, 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*.

Tax Collector's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Tax Collector's response to the findings identified in our audit and described in the accompanying management letter. The Tax Collector's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

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

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

Enterprise, Alabama
March 15, 2026

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INDEPENDENT ACCOUNTANT'S REPORT ON COMPLIANCE WITH *LOCAL GOVERNMENT INVESTMENT POLICIES*

Honorable Harry B. Bell III
Tax Collector
Holmes County, Florida

We have examined the Holmes County, Florida's Tax Collector's (the "Tax Collector") compliance with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, during the year ended September 30, 2025. Management is responsible for the Tax Collector's compliance with the specified requirements. Our responsibility is to express an opinion on the Tax Collector'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 Tax Collector complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the Tax Collector complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion. Our examination does not provide a legal determination on the Tax Collector's compliance with specified requirements.

We are required to be independent and to meet other ethical responsibilities in accordance with relevant ethical requirements relating to the engagement.

In our opinion, the Tax Collector complied, in all material respects, with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, for the year ended September 30, 2025.

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

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

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

Enterprise, Alabama
March 15, 2026

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MANAGEMENT LETTER

Honorable Harry B. Bell, III
Tax Collector
Holmes County, Florida

Report on the Financial Statements

We have audited the financial statements of the Holmes County, Florida Tax Collector (the "Tax Collector"), as of and for the fiscal year ended September 30, 2025, and have issued our report thereon dated March 15, 2026.

Auditor's Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and Chapter 10.550, Rules of the Auditor General.

Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards* and Independent Accountant's Report on and examination conducted in accordance with AICPA Professional Standards, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated March 15, 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. There were no findings and recommendations made in the preceding annual financial audit report.

Financial Management

Section 10.554(1)(i)2., Rules of the Auditor General, requires that we address any recommendations to improve financial management. In connection with our audit, we noted the following findings:

Current Year Findings and Recommendations

2025-001 – Bank Reconciliation

Finding – Bank reconciliations are not balanced as of year-end September 30, 2025. All disbursements and deposits were accounted for within the bank activity. In addition, all bank reconciliations were reviewed and approved in a timely manner. However, instances were identified where cleared checks and cleared deposits were included in the uncleared transactions category.

Recommendation – Classifications between cleared transactions and uncleared transactions should be reviewed regularly to ensure that bank reconciliations agree to the general ledger.

Views of Responsible Officials and Planned Corrective Actions – The Tax Collector is in agreement with the finding noted and will work to improve their processes to complete bank reconciliations in a timely and accurate manner.

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 recommendations.

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 Florida House of Representatives, The Florida Auditor General, Federal and other granting agencies, and the Tax Collector and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

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

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

Enterprise, Alabama
March 15, 2026