



**Tri-County Community
Council, Inc.**

FINANCIAL STATEMENTS

September 30, 2025



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Board of Directors
Tri-County Community Council, Inc.
Bonifay, Florida

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Tri-County Community Council, Inc. (a nonprofit organization) (the Agency), which comprise the statement of financial position as of September 30, 2025, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Agency as of September 30, 2025, and the changes in its net assets and its cash flows 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 Agency 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 opinion.

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 Agency's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

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 Agency'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 Agency'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 an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards and state financial assistance, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and Chapter 10.650, *Rules of the Auditor General* of the State of Florida is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial

statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards and state financial assistance is 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 January 7, 2026 on our consideration of the Agency'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 Agency'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 Agency's internal control over financial reporting and compliance.

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

CARR,RIGGS & INGRAM L.L.C.

Enterprise, Alabama

January 7, 2026

Tri-County Community Council, Inc.
Statement of Financial Position

September 30,

2025

Assets

Current assets

Cash and cash equivalents	\$	1,702,106
Investments		1,100,649
Grants receivable		812,003
Accounts receivable		8,543

Total current assets 3,623,301

Non-current assets

Property and equipment, net		1,594,834
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Total assets \$ 5,218,135

Liabilities and Net Assets

Current liabilities

Accounts payable	\$	60,853
Accrued liabilities		339,582

Total current liabilities 400,435

Net assets

With donor restrictions		-
Without donor restrictions		4,817,700

Total liabilities and net assets \$ 5,218,135

The accompanying notes are an integral part these financial statements.

Tri-County Community Council, Inc.
Statement of Activities

<i>For the Year Ended September 30, 2025</i>	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and Other Support			
Grants and contracts	\$ 10,543,169	\$ -	\$ 10,543,169
Program service fees	104,767	-	104,767
Contributions	79,658	-	79,658
Other income	9,734	-	9,734
Fundraising	4,435	-	4,435
Investment income (loss), net	73,136	-	73,136
Donated services, materials, and facilities	1,058	-	1,058
Total revenue and other support	10,815,957	-	10,815,957
Expenses			
<i>Program services</i>			
Transportation	2,426,768	-	2,426,768
Head Start	2,697,227	-	2,697,227
Low-Income Home Energy Assistance	4,140,234	-	4,140,234
Community Services Block Grant	524,162	-	524,162
Other Community Assistance	78,848	-	78,848
Total program services	9,867,239	-	9,867,239
<i>Support services</i>			
Fundraising	20,266	-	20,266
Administration	936,078	-	936,078
Total supporting services	956,344	-	956,344
Total expenses	10,823,583	-	10,823,583
Change in net assets	(7,626)	-	(7,626)
Net assets at beginning of year	4,825,326	-	4,825,326
Net assets at end of year	\$ 4,817,700	\$ -	\$ 4,817,700

The accompanying notes are an integral part these financial statements.

Tri-County Community Council, Inc.
Statement of Functional Expenses

<i>For the Year Ended</i> <i>September 30, 2025</i>	Program Services					Programs Subtotal	Supporting Services	2025 Total
	Transportation	Head Start/ Early Head Start	Low-Income Home Energy Assistance	Community Services Block Grant	Other Community Assistance			
Salaries	\$ 982,428	\$ 1,562,980	\$ 230,943	\$ 217,373	\$ 20,493	\$ 3,014,217	\$ 524,905	\$ 3,539,122
Employee health benefits	111,250	202,315	25,590	26,541	1,407	367,103	54,820	421,923
Payroll taxes and other fringe	118,648	198,078	31,992	28,055	2,524	379,297	68,498	447,795
Professional fees	-	16,970	-	-	-	16,970	54,752	71,722
Educational supplies	-	101,132	-	-	-	101,132	-	101,132
Food	-	125,671	-	-	-	125,671	-	125,671
Program services	-	-	3,776,064	163,097	539	3,939,700	-	3,939,700
Office supplies	8,827	20,066	4,691	3,328	109	37,021	18,690	55,711
Other supplies	14,457	-	-	-	-	14,457	-	14,457
Telephone	42,327	28,344	9,704	11,155	-	91,530	14,645	106,175
Postage	3,479	24	10,955	6,390	321	21,169	6,096	27,265
Utilities	32,998	84,189	12,065	7,616	941	137,809	11,851	149,660
Rental and equipment maintenance	314,422	114,212	16,425	33,542	-	478,601	49,451	528,052
Travel	606	142	7,537	3,071	490	11,846	3,015	14,861
Training	816	27,411	5,240	2,810	-	36,277	366	36,643
Insurance	254,744	60,276	7,679	7,875	20	330,594	61,740	392,334
Miscellaneous	325,292	84,991	20	1,689	51,282	463,274	30,786	494,060
Printing	100	-	-	-	39	139	1,484	1,623
Total expenses before depreciation	2,210,394	2,626,801	4,138,905	512,542	78,165	9,566,807	901,099	10,467,906
Depreciation	216,374	70,426	1,329	11,620	683	300,432	55,245	355,677
Total expenses	\$ 2,426,768	\$ 2,697,227	\$ 4,140,234	\$ 524,162	\$ 78,848	\$ 9,867,239	\$ 956,344	\$ 10,823,583

The accompanying notes are an integral part these financial statements.

Tri-County Community Council, Inc.
Statement of Cash Flows

<i>For the Year Ended September 30,</i>	<i>2025</i>
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Operating Activities	
Change in net assets	\$ (7,626)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities	
Depreciation	355,677
(Gain) loss on sale of property and equipment	7,167
Changed in operating assets and liabilities	
Grants receivable	341,866
Accounts receivable	(85)
Accounts payable	(45,127)
Accrued liabilities	(35,788)
<hr/>	
Net cash provided by (used in) operating activities	616,084
 Investing Activities	
Purchase of certificates of deposits	(42,224)
Purchase of property and equipment	(534,805)
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Net cash provided by (used in) investing activities	(577,029)
<hr/>	
Net change in cash and cash equivalents	39,055
Cash and cash equivalents at beginning of year	1,663,051
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Cash and cash equivalents at end of year	\$ 1,702,106
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The accompanying notes are an integral part these financial statements.

Tri-County Community Council, Inc. Notes to Financial Statements

Note 1: DESCRIPTION OF THE ORGANIZATION

Tri-County Community Council, Inc. (the Agency) is a multi-funded, private, not-for-profit community based organization. The general purpose of this Agency is to provide stimulation and incentive for the Florida counties of Bay, Holmes, Jackson, Okaloosa, Santa Rosa, Walton and Washington, and to combat poverty through community action programs and research projects in such fields as employment, job training and counseling, health, vocational rehabilitation, housing, home management, welfare, and special remedial and other non-curricular educational assistance.

The Agency's program services consist of the following:

Transportation – The Agency provides access to public transportation to the transportation disadvantaged in the Holmes, Walton, Washington and Santa Rosa Counties. Transportation trips are provided for local non-emergency medical treatments, nutritional, shopping, education, recreation, employment/training and other daily needs.

Head Start and Early Head Start – The Agency provides programs to promote school readiness of children ages birth to five from low income families by supporting their development in a comprehensive way. Early Head Start also provides services to assist pregnant women as well as children from birth to age three where they can transition into the Head Start program.

Low-Income Home Energy Assistance – The Agency provides assistance to meet the cost of home heating and cooling needs for eligible individuals and households as well as provide assistance in emergency situations who are without home energy or in danger of losing home energy during a crisis.

Community Services Block Grant – The Agency provides self-sufficiency, transportation, education, supportive services, youth development, emergency assistance, food pantry and teen gifts to those in need in Bay, Holmes, Okaloosa, Santa Rosa, Walton and Washington Counties.

Other Community Assistance – The Agency also provides various other services to assist those in need in their services area.

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP). The Financial Accounting Standards Board (FASB) provides authoritative guidance regarding U.S. GAAP through the Accounting Standards Codification (ASC) and related Accounting Standards Updates (ASUs).

Use of Estimates

The preparation of U.S. GAAP financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and changes therein, and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates. Estimates that are particularly susceptible to significant change in the near term are related to contributions of non-financial assets and allocation of functional expenses.

Tri-County Community Council, Inc.
Notes to Financial Statements

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash and Cash Equivalents

Cash and cash equivalents include cash and all highly liquid investments with an original maturity of 90 days or less.

Investments

The Agency reports investments in equity securities with readily determinable fair values and all investments in debt securities at their fair values in the Statement of Financial Position. Unrealized gains and losses are included in the change in net assets in the accompanying Statement of Activities.

The Agency's policy is to invest in short-term secure investments. The Board can approve investments that have a maturity date greater than one year.

Grants Receivable

Grants receivable represents pending reimbursements of program expenses incurred as of September 30, 2025, both billed and unbilled, and expected to be received from the funding sources in the subsequent year. Management considers receivables at September 30, 2025 to be fully collectible. Accordingly, no allowance for credit losses related to grants receivable was made in the accompanying financial statements.

Accounts Receivable

Accounts receivable represents monies owed from other funds, local monies, and miscellaneous receivables owed as of September 30, 2025, and expected to be received in the subsequent period. Management considers accounts receivables at September 30, 2025 to be fully collectible. Accordingly, no allowance for credit losses related to accounts receivable was made in the accompanying financial statements.

Allowance for Credit Losses

Management evaluates its receivables on an ongoing basis by analyzing customer relationships and previous payment histories. The allowance for credit losses is management's best estimate of the amount of expected credit losses in the existing accounts based on current market conditions. Historically, losses on uncollectible accounts have been within management's expectations. The allowance for credit losses is reviewed on a periodic basis to ensure there is sufficient reserve to cover any potential credit losses. When receivables are considered uncollectible, they are charged against the allowance for credit losses. Collections on accounts previously written off are included in the change in net assets as received. As of September 30, 2025, no allowance for credit losses was made in the accompanying financial statements.

Property and Equipment

All acquisitions of property and equipment in excess of \$5,000 and all expenditures for maintenance, renewals, and betterments that materially prolong the useful lives of assets are capitalized. Repairs and maintenance are expensed as incurred. Property and equipment are carried at cost or, if donated, at the approximate fair value at the date of donation. Depreciation is computed using the straight-line method.

Tri-County Community Council, Inc.
Notes to Financial Statements

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property and Equipment (continued)

Although grantor agencies may hold a revisionary interest in these assets, title rests with the Agency. The historical cost and book value of assets in which grantors hold a reversionary interest was \$5,479,929 and \$1,291,867, respectively, at September 30, 2025.

Leases

The Agency leases equipment. The Agency determines if an arrangement is a lease at inception. Operating leases are included in operating lease right-of-use (ROU) assets, other current liabilities, and operating lease liabilities in the statements of financial position. Finance leases are included in property and equipment, other current liabilities, and other long-term liabilities on the statements of financial position.

ROU assets represent the right to use an underlying asset for the lease term and lease liabilities represent the obligation to make lease payments arising from the lease. Operating lease ROU assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term. As most of the leases do not provide an implicit rate, the Agency uses a risk-free rate based on the information available at commencement date in determining the present value of lease payments. The operating lease ROU asset also includes any lease payments made and excludes lease incentives. The lease terms may include options to extend or terminate the lease when it is reasonably certain that the Agency will exercise that option. Lease expense for lease payments is recognized on a straight-line basis over the lease term.

The Agency's lease agreements do not contain any material residual value guarantees or material restrictive covenants.

Net Assets

The Agency reports information regarding its financial position and activities according to two classes of net assets that are based upon the existence or absence of restrictions on use that are placed by its donors: net assets without donor restrictions and net assets with donor restrictions.

Net assets without donor restrictions are resources available to support operations and not subject to donor restrictions. The only limits on the use of net assets without donor restrictions are the broad limits resulting from the nature of the Agency, the environment in which it operates, the purposes specified in its corporate documents and its application for tax-exempt status, and any limits resulting from contractual agreements with creditors and others that are entered into in the course of its operations.

Net assets with donor restrictions are resources that are subject to donor-imposed restrictions. Some restrictions are temporary in nature, such as those that are restricted by a donor for use for a particular purpose or in a particular future period. Other restrictions may be perpetual in nature; such as those that are restricted by a donor that the resources be maintained in perpetuity.

When a donor's restriction is satisfied, either by using the resources in the manner specified by the donor or by the passage of time, the expiration of the restriction is reported in the financial statements by reclassifying the net assets from net assets with donor restrictions to net assets without donor restrictions.

Tri-County Community Council, Inc.
Notes to Financial Statements

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue Recognition

Revenue from program service fees are recognized as revenue when performance obligations under the terms of the contracts with customers are satisfied.

A significant portion of the Agency's grants and contracts are from government agencies. The benefits received by the public as a result of the assets transferred are not equivalent to commensurate value received by the government agencies and are therefore not considered exchange transactions. Grants and contracts are analyzed for measurable performance-related barriers or other barriers. Revenue is recognized as barriers are met. Funds received from non-exchange transactions in advance of barriers being met are recorded as refundable advances.

For the year ended September 30, 2025, approximately 70%, of the Agency's total revenues and other support was derived from the U.S. Department of Health and Human Services (inclusive of amounts received from pass-through entities). It is always considered reasonably possible that a customer, grantor, or contributor will be lost in the near term.

Contributions are recognized when cash, other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met or the donor has explicitly removed the conditions. Contributions received with donor-imposed restrictions that are met in the same year in which the contributions are received are classified as net assets without donor restrictions.

Donated Assets

Donated investments and other noncash donations are recorded as contributions at their fair values at the date of donation.

Donated Services

Donated services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Agency. Volunteers also provide fund-raising services throughout the year that are not recognized as contributions in the financial statements since the recognition criteria were not met.

Functional Allocation of Expenses

The costs of providing various programs and other activities have been summarized on a functional basis in the statement of activities and in the statement of functional expenses. Costs that can be identified specifically with a particular program cost objective, and costs identified specifically with a grant or contract are charged directly to the activities benefited. General and administrative expenses include those expenses that provide for the overall support and direction of the Agency. Accordingly, shared costs have been allocated among the programs and supporting services benefited in accordance with a written cost allocation plan. Allocable salaries and wages, fringe benefits, travel costs and training/conferences/seminars, are allocated based on time and effort documented through time sheets. Non-program related postages, audit fees, office and miscellaneous supplies are allocated based on the number of transactions. Non-program related printing, general and liability insurance, telephone and utility expenses are allocated based on the number of employees employed by a program.

Tri-County Community Council, Inc.
Notes to Financial Statements

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Advertising Costs

Advertising costs are expensed as incurred, and are not considered material to the financial statements.

Income Taxes

Under section 501(c)(3) of the Internal Revenue Code, the Agency is exempt from taxes on income other than unrelated business income. Unrelated business income results from rent, administration of self-insurance activities, and commissions.

The Agency utilizes the accounting requirements associated with uncertainty in income taxes using the provisions of Financial Accounting Standards Board (FASB) ASC 740, *Income Taxes*. Using that guidance, tax positions initially need to be recognized in the financial statements when it is more-likely-than-not the positions will be sustained upon examination by the tax authorities. It also provides guidance for derecognition, classification, interest and penalties, accounting in interim periods, disclosure and transition. As of September 30, 2025, the Agency has no uncertain tax positions that qualify for recognition or disclosure in the financial statements.

Subsequent Events

Management has evaluated subsequent events through the date that the financial statements were available to be issued January 7, 2026. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements. There were no subsequent events to disclose.

Note 3: LIQUIDITY

The Agency maintains its financial assets primarily in cash and cash equivalents to provide liquidity to ensure funds are available as the Agency's expenditures come due. The following reflects the Agency's financial assets as of the statement of financial position date, reduced by amounts not available for general use within one year of the statement of financial position date because of contractual or donor-imposed restrictions.

<u>September 30,</u>	<u>2025</u>
Total assets at year end	\$ 5,218,135
Less non-financial assets	
Property and equipment, net	(1,594,834)
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Financial assets available to meet cash needs for general expenditures within one year	\$ 3,623,301
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The Agency is principally supported by grants. The goal of the Agency is to maintain available financial assets to meet its next 90 days of operating expenses, exclusive of certain grants which are funded immediately upon disbursement.

Tri-County Community Council, Inc.
Notes to Financial Statements

Note 4: GRANTS RECEIVABLE

Grants receivable consists of the following:

<u>September 30,</u>	<u>2025</u>
CSBG	\$ 128,895
Head Start/Early Head Start	234,952
LIHEAP	181,086
Development Service	193,094
USDA	23,841
Trip Equipment	50,135
<u>Grants receivable</u>	<u>\$ 812,003</u>

Note 5: ACCOUNTS RECEIVABLE

Accounts receivable consists of the following:

<u>September 30,</u>	<u>2025</u>
Transportation services	\$ 6,280
Service Development DOT	896
CSBG	150
Miscellaneous	1,217
<u>Accounts receivable</u>	<u>\$ 8,543</u>

Note 6: INVESTMENTS

Investments consist of \$1,100,649 in certificates of deposit as of September 30, 2025.

Tri-County Community Council, Inc.
Notes to Financial Statements

Note 7: PROPERTY AND EQUIPMENT

Property and equipment consist of the following:

<i>September 30,</i>	Estimated Useful Lives (in years)	2025
Vehicles	5	\$ 2,589,212
Buildings	40	2,634,574
Computers and equipment	5-7	661,769
Land improvements	15	169,894
Total depreciable property and equipment		6,055,449
Less accumulated depreciation		(4,494,457)
Total depreciable property and equipment, net		1,560,992
Land		33,842
Total property and equipment, net		\$ 1,594,834

Depreciation expense for the year ended September 30, 2025 was \$355,677.

Note 8: ACCRUED LIABILITIES

Accrued liabilities consist of the following:

<i>September 30,</i>	2025
Wages payable	\$ 213,101
Accrued insurance	29,460
Accrued leave	69,048
Accrued other	27,973
Accrued liabilities	\$ 339,582

Note 9: REVENUE

The Agency's customers are primarily the parents of children enrolled in childcare programs, agencies and individuals receiving transportation services and membership dues for the senior center members. Customers can obtain subsidized assistance through federal, state, county or municipal governments or agencies, where all or a portion of the childcare fees, transportation fees or membership dues are paid by these third-party entities on behalf of the customers. Program service fees are typically collected at the beginning of the week or month of service or during each trip. All program service fee revenue is recognized at the point in time that related childcare services or transportation services are performed.

Tri-County Community Council, Inc.
Notes to Financial Statements

Note 9: REVENUE (Continued)

Disaggregated Revenue

A summary of disaggregated revenue information follows:

<i>For the year ended September 30,</i>	<i>2025</i>
<hr/>	
Contracts with customers	
<i>Recognized at a point in time</i>	
Program service fees	\$ 104,767
Other revenue and support	
Grants and contracts	10,543,169
Contributions	79,658
Other income	9,734
Fundraising	4,435
Investment income (loss), net	73,136
Donated services, materials and facilities	1,058
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Total revenue	\$ 10,815,957
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Note 10: COMPENSATED ABSENCES

Annual Leave – All full-time employees are eligible for annual leave benefits based upon the employee’s years of service. Employees are not allowed to carryover unused annual leave. Employees terminated shall be paid for any accrued annual leave up to 80 hours. Part-time employees (less than 40 hours per week) receive annual leave on a pro-rated percentage according to the hours paid the previous year.

Full-time employees receive accumulated annual leave as follows:

6 months of service	1 week leave
3 years of service	2 weeks leave
5 years of service	3 weeks leave
10 years of service and over	4 weeks leave

Sick Leave – All full-time employees will receive 5% of total hours per bi-weekly pay period in sick leave. Employees are allowed to accumulate unused sick leave with no ceiling.

In accordance with the above criteria, the Agency has accrued a liability for annual leave and has not recorded a liability for sick leave, which has been earned, but not taken. Annual leave liability as of September 30, 2025 is \$69,048, and is included in accrued liabilities.

Tri-County Community Council, Inc.
Notes to Financial Statements

Note 11: CONTRIBUTIONS OF NON-FINANCIAL ASSETS

All donated space, services, and goods were utilized by the Agency's programs and supporting services. There were no donor-imposed restrictions associated with the contributed space, services, or goods.

Significant services, materials, and facilities are donated to the Agency by various individuals and organizations as part of its Head Start and the Transportation program. Donated materials and facilities were recorded at fair market value at the date of donation, and have been included in revenue and expenses for the year. Donated professional services are valued based on the fair market value of the services donated. Donated non-professional services have not been recognized in the statement of activities in accordance with FASB ASC 958-605. The non-professional services reported below are based on time sheets maintained on the volunteers, using reasonable rates.

The components of donated space, services and goods contributed to the Agency consists of the following for the year ended September 30, 2025:

For the year ended September 20, 2025	Head Start	Transportation	Total
Professional services	\$ 1	\$ -	\$ 1
Supplies and others	1,057	-	1,057
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Total recognized in Statement of Activities	1,058	-	1,058
Non-professional services	125,709	34,764	160,473
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Total donated services, material, and facilities	\$ 126,767	\$ 34,764	\$ 161,531

Note 12: CONCENTRATION OF CREDIT RISK

Funding

The Agency provides community services to seven counties in the northwestern portion of the State of Florida and requires continued support from individuals and organizations in this geographic area. The Agency receives the majority of its funding from federal and state grants and is dependent on this revenue source for continued operations.

Cash

The Agency from time to time maintains amounts in excess of the Federal Deposit Insurance Corporation (FDIC) maximum coverage on deposit. The Agency manages these risks by maintaining all deposits in high quality financial institutions.

Tri-County Community Council, Inc.
Notes to Financial Statements

Note 13: CONTINGENT LIABILITIES

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government and state grantors. Any disallowed claims, including amounts already collected, may constitute a liability. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time, although the Agency expects such amounts, if any, to be immaterial. Various legal claims may arise from time to time in the normal course of operations which, in the opinion of management, will have no material effect on the Agency's financial statements.

Note 14: RISK MANAGEMENT

The Agency is exposed to various risks of loss related to torts, theft of, damage to, or destruction of assets, errors and omissions, injuries to employees, employee's health insurance and life, and natural disasters. The Agency manages these risks of loss through the purchase of various insurance policies.

Tri-County Community Council, Inc.
Schedule of Expenditures of Federal Awards
and State Financial Assistance
For the Year Ended September 30, 2025

Federal Grantor/Pass-Through Grantor/Program Title	Assistance Listing No.	Pass-Through Grantor No.	Subrecipient	Expenditures
Federal Expenditures				
U.S. Department of Transportation				
Passed through Florida Department of Transportation				
Formula Grants for Rural Areas Urbanized (Rural) Areas	20.509	G2083	\$ -	\$ 105,829
Formula Grants for Rural Areas Urbanized (Rural) Areas	20.509	G3683	-	484,404
Subtotal for 20.509				590,233
Bus & Bus Facilities Formula Program**	20.526	G3964	-	216,917
Bus & Bus Facilities Formula Program**	20.526	G2S49	-	95,230
Subtotal for 20.526/ Federal Transit Cluster				312,147
Total U.S. Department of Transportation				902,380
U.S. Department of Health and Human Services				
Direct programs:				
Head Start*	93.600	04CH012406-02	-	2,219,513
Head Start*	93.600	04CH012406-01	-	523,713
Total direct programs/Subtotal for 93.600/ Head Start Cluster				2,743,226
Passed through Florida Commerce				
Low Income Home Energy Assistance	93.568	E2028	-	4,229,585
Low Income Home Energy Assistance	93.568	E2260	-	11,977
Subtotal for 93.568				4,241,562
Community Services Block Grant	93.569	E2028	-	552,543
Community Services Block Grant	93.569	E2260	-	68,966
Subtotal for 93.569				621,509
Total pass-through Florida Commerce				4,863,071
Total U.S. Department of Health and Human Services				7,606,297
U.S. Department of Agriculture				
Passed through Florida Department of Health				
Child and Adult Care Food Program	10.558	S-728	-	206,156
Total Federal Expenditures				\$ - \$ 8,714,833

* Head Start Cluster

** Federal Transit Cluster

Tri-County Community Council, Inc.
Schedule of Expenditures of Federal Awards
and State Financial Assistance (Continued)
For the Year Ended September 30, 2025

<u>State Grantor/Program Title</u>	<u>CSFA No.</u>	<u>Number</u>	<u>Subrecipient</u>	<u>Expenditures</u>
Expenditures of State Financial Assistance				
State of Florida Department of Transportation				
Direct programs: Commission for Transportation				
Disadvantaged (CTD) Trip and Equipment				
Equipment Grant Program	55.001	G2Z20	\$ -	\$ 387,094
Equipment Grant Program	55.001	G2Z54	-	340,258
Equipment Grant Program	55.001	G2Z45	-	373,068
Equipment Grant Program	55.001	G3D94	-	99,249
Equipment Grant Program	55.001	G3E29	-	96,660
Equipment Grant Program	55.001	G3E18	-	122,271
Shirley Conroy Capital Assistance	55.001	G3179	-	56,860
Shirley Conroy Capital Assistance	55.001	G3187	-	181,382
Subtotal for 55.001/ Total Florida Department of Transportation				- 1,656,842
Total Expenditures of State Financial Assistance			\$ -	\$ 1,656,842

Tri-County Community Council, Inc.
Notes to Schedule of Expenditures of Federal Awards
and State Financial Assistance

Note 1: BASIS OF ACCOUNTING

This Schedule of Expenditures of Federal Awards and State Financial Assistance (the Schedule) was prepared on the modified accrual basis of accounting. The modified accrual basis differs from the full accrual basis of accounting in that expenditures for property and equipment are expensed when incurred, rather than being capitalized and depreciated over their useful lives, and expenditures for the principal portion of debt service are expensed when incurred, rather than being applied to reduce the outstanding principal portion of debt, which conforms to the basis of reporting to grantors for reimbursement under the terms of the Agency's federal grants.

Note 2: INDIRECT COST

The Agency has not elected to use the de Minimis indirect cost rate for the fiscal year ended September 30, 2025.

Note 3: BASIS OF PRESENTATION

The accompanying Schedule summarizes the federal expenditures of the Agency under programs of the federal government and state project expenditures under the state of Florida for the year ended September 30, 2025. The amounts reported as federal and state grant expenditures were obtained from the Agency's general ledger. Because the Schedule presents only a selected portion of the operations of the Agency, it is not intended to and does not present the financial position, changes in net assets and cash flows of the Agency.

For purposes of the Schedule, federal awards include all grants, contracts, and similar agreements entered into directly with the federal government and other pass-through entities. Payments received for goods or services provided as a vendor do not constitute federal awards for purposes of the Schedule. The Agency has obtained Assistance Listing (ALN) numbers and Catalog of State Financial Assistance (CSFA) numbers to ensure that all programs have been identified in the Schedule.

Clusters

Federal programs with different ALNs that are closely related because they share common compliance requirements are defined as a cluster by the Uniform Guidance. Head Start/Early Head Start (ALN 93.600) is reported as the Head Start Cluster and Bus and Bus Facilities Formula Program (ALN 20.526) is reported as the Federal Transit Cluster in the Schedule.

Note 4: RELATIONSHIP OF THE SCHEDULE TO PROGRAM FINANCIAL REPORTS

The amounts reflected in the financial reports submitted to the awarding federal, state and/or pass-through agencies and the Schedule may differ. Some of the factors that may account for any difference include the following:

- The Agency's fiscal year end may differ from the program's year end.
- Accruals recognized in the Schedule, because of year end procedures, may not be reported in the program financial reports until the next program reporting period.
- Fixed asset purchases and the resultant depreciation charges are recognized as fixed assets in the Agency's financial statements and as expenditures in the program financial reports and the Schedule.

Tri-County Community Council, Inc.
Notes to Schedule of Expenditures of Federal Awards
and State Financial Assistance

Note 5: FEDERAL AND STATE PASS-THROUGH FUNDS

The Agency is also the 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 6: CONTINGENCIES

Grant monies received and disbursed by the Agency 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 Agency does not believe that such disallowance, if any, would have a material effect on the financial position of the Agency. As of September 30, 2025, there were no material questioned or disallowed costs as a result of grant audits in process or completed.

Note 7: NONCASH ASSISTANCE

The Agency did not receive any federal noncash assistance for the fiscal year ended September 30, 2025.

Note 8: SUBRECIPIENTS

The Agency did not provide federal or state funds to subrecipients for the fiscal year ended September 30, 2025.

Note 9: LOANS AND LOAN GUARANTEES

The Agency 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 10: FEDERALLY FUNDED INSURANCE

The Agency did not have any federally funded insurance required to be reported on the Schedule for the fiscal year ended September 30, 2025.



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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***

Board of Directors
Tri-County Community Council, Inc.
Bonifay, 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 Tri-County Community Council, Inc. (a nonprofit organization), (the Agency), which comprise the statement of financial position as of September 30, 2025, and the related statements of activities, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated January 7, 2026.

Report on Internal Control over Financial Reporting

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

January 7, 2026



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INDEPENDENT AUDITOR’S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND STATE PROJECT AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE AND CHAPTER 10.650, RULES OF THE AUDITOR GENERAL OF THE STATE OF FLORIDA

Board of Directors
Tri-County Community Council, Inc.
Bonifay, 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 Tri-County Community Council, Inc.’s (the Agency) 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 Agency’s major federal program and major state project for the year ended September 30, 2025. The Agency’s major federal program and major state project are identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Agency 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 program and major state project for the year ended September 30, 2025.

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

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and Chapter 10.650, Rules of the Auditor General of the State of Florida (Chapter 10.650). Our responsibilities under those standards and the Uniform Guidance and Chapter 10.650 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 Agency 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 Agency’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 Agency'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 Agency'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 10.650 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 Agency's compliance with the requirements of each major federal program and state project as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, the Uniform Guidance, and Chapter 10.650 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 Agency'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 Agency'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 10.650, but not for the purpose of expressing an opinion on the effectiveness of the Agency's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program or state project on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material

noncompliance with a type of compliance requirement of a federal program or state project will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program or state project that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined 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 10.650. Accordingly, this report is not suitable for any other purpose.

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

CARR, RIGGS & INGRAM L.L.C.

Enterprise, Alabama
January 7, 2026

Tri-County Community Council, Inc.
Schedule of Findings and Questioned Costs

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
93.600	Head Start Cluster

- | | |
|--|-------------|
| 5. Dollar threshold used to distinguish between type A and type B programs | \$1,000,000 |
| 6. Auditee qualified as low-risk under 2CFR 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
55.001	Commission for Transportation Disadvantaged (CTD) Trip and Equipment Grant Program

- | | |
|--|-----------|
| 5. Dollar threshold used to distinguish between type A and type B programs | \$497,053 |
|--|-----------|

-Continued-

Tri-County Community Council, Inc.
Schedule of Findings and Questioned Costs (Continued)

Section II – Financial Statement Findings

No such findings noted.

Section III – Federal Award Findings and Questioned Costs

No such findings noted.

Section IV – State Project Findings and Questioned Costs

No such findings noted.

Section V – Management Letter

There were no such findings related to State Awards reported in the current year and, as such, no management letter was issued.