



## **Emerald Coast Regional Council Board Meeting Agenda**

**Chautauqua Hall  
95 Circle Dr., DeFuniak Springs, FL 32435**

**May 20, 2026 11:30 a.m.**

<https://attendee.gotowebinar.com/register/8041452467325710430>

**Call to Order – Kurvin Qualls, Chair  
Prayer and Pledge of Allegiance  
Roll Call and Recognition of Online Members – Kurvin Qualls, Chair**

### **PUBLIC FORUM**

#### **INFORMATION ITEMS**

- 1. Program Highlights**  
*Kandase Lee, CEO ECRC*
- 2. Regional Rural Transportation Plan Public Participation Plan**  
*Rae Emary, Marketing & Outreach Coordinator ECRC*

#### **ACTION ITEMS**

- 3. Approval of the February 18, 2026 Meeting Minutes**  
*No Presentation*
- 4. Approval of January - March 2026 Financial Statements**  
*No Presentation*
- 5. Presentation and Approval of the Independent Financial Audit FY2025**  
*Joel Bradley, CPA WarrenAverett*
- 6. Approval of the Amended FY2025-2026 Annual Budget & Work Program**  
*Dawn Schwartz, CFO ECRC*
- 7. Resolution ECRC 2026-07, Approval and Adoption of the Regional Rural Transportation Plan Project Priorities FY 2028-2032**  
*Gary Kramer, Planner ECRC*
- 8. Resolution ECRC 2026-08, Approval of IT Managed Services Firm**  
*Kandase Lee, CEO ECRC*

# Information Item

1

Information provided at meeting

# Information Item

2



## Agenda Item Number: 2

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**SUBJECT:** Rural Regional Transportation Plan (RRTP) Public Participation Plan (PPP) Update

**BACKGROUND:** In 2019, the ECRC incorporated a Regional Rural Transportation Plan in conjunction with the Florida-Alabama, Okaloosa-Walton, and Bay County Transportation Planning Organizations (TPOs.) The counties included in the plan are Escambia, Santa Rosa, Okaloosa, Walton, Bay, Holmes, and Washington.

Part of this project includes a Public Participation Plan (PPP). The PPP provides guidelines for achieving quality public involvement when developing major planning documents and programs. Effective public participation begins early in the planning process and continues throughout, helping to avoid, minimize, and mitigate negative impacts while providing the best solutions. The PPP is due to be updated to ensure the most effective public outreach is being implemented for the success of the plan.

The RRTP Technical Advisory Committee (TAC) will review the updated draft PPP and will make recommendations. The plan will be opened for a 45-day public review process and will be sent to agency partners for review. All comments are requested to be sent in by Monday, July 6, 2026 and may be submitted to [marketing@ecrc.org](mailto:marketing@ecrc.org)

The draft Public Participation Plan may be found at: [www.ecrc.org/RRTP](http://www.ecrc.org/RRTP)

**RECOMMENDED ACTION: This is an information-only item and will be presented for adoption in August.** Contact the marketing department at [Marketing@ecrc.org](mailto:Marketing@ecrc.org) if you have any comments or if additional information is needed.

# Action Item

# 3

**Emerald Coast Regional Council  
Meeting Minutes**

The Chautauqua Building  
95 Circle Dr, DeFuniak Springs, FL 32435  
February 18, 2025, 11:30am



**Members Present:**

Kurvin Qualls, Governor Appointee, Chair  
Councilmember April Sutton, Mary Esther, Vice Chair  
Councilmember Jim Bagby, Destin  
Darryl Boudreau, NWFLWMD  
Mayor Ben Boutwell, Century  
Mayor Bob Campbell, DeFuniak Springs  
Councilmember Paul Casto, Panama City Beach (Virtual)  
Mayor Pam Henderson, Callaway  
Councilmember Casey Jones, Pensacola  
Mayor Heather Lindsay, Milton  
Councilmember Bill Schaetzle, Niceville  
Mayor JB Schluter, Gulf Breeze (Virtual)  
Councilmember David Schmidt, Ft. Walton Beach (Virtual)  
Commissioner Kerry Smith, Santa Rosa Co  
J.D. Smith, Governor Appointee  
Commissioner Josh Street, Panama City (Virtual)  
Mayor JB Whitten, Crestview

**Members Not Present:**

Mayor Tracy Andrews, Chipley  
Commissioner Steven Barry, Escambia Co.  
Tanya Branton, FDOT  
Commissioner Doug Crosby, Bay County  
Commissioner Danny Glidewell, Walton Co  
Commissioner Carolyn Ketchel, Okaloosa Co  
Commissioner Jack Griffis, Springfield  
Elizabeth Orr, FLDEP  
Commissioner Andrew Palmer, Okaloosa Co  
Commissioner Daniel Raffield, Bay County  
Commissioner Earl Stafford, Holmes County  
Commissioner Steve Stroberger, Escambia Co  
Commissioner Colten Wright, Santa Rosa Co

**Others Present:**

Macy Falcon, Kimley-Horn  
Ben Faust, DRMP  
Cassidy Haney, FL Greenways & Trails  
Donnie Hicks, NWFL WMD  
Lindsay Slautterback, Kimley-Horn  
Deston Taylor, DRMP  
Cory Wilkinson, HDR

Kandase Lee, ECRC  
Dawn Schwartz, ECRC (Virtual)  
Renee Quick, ECRC (Virtual)  
Ada Clark, ECRC  
Tiffany Bates, ECRC  
Eric Christianson, ECRC (Virtual)  
Rae Emary, ECRC  
Gary Kramer, ECRC  
Leandra Meredith, ECRC  
Tammy Neal, ECRC  
Jill Nobles, ECRC  
Jill Strickler, ECRC (Virtual)  
Jessica Walton, ECRC (Virtual)

### **Call to Order**

Chair Qualls called the meeting to order.

### **Call for Prayer and Pledge of Allegiance**

The prayer was led by JD Smith, and the Pledge of Allegiance was recited.

### **Roll Call and Recognition of Virtual Members and Attendees**

Chair Qualls welcomed those in attendance and introductions were made.

### **Public Forum:**

Chair Qualls opened the Public Forum. With no speakers or comments from the public, Chair Qualls closed the public forum.

## **Information Items**

### **Item 1: 2026 Meeting Schedule**

No presentation

### **Item 2: Regional Rural Transportation Program Project Priorities**

Gary Kramer, Planner ECRC, presented the Regional Rural Transportation Program (RRTP) Project Priorities and the schedule for FY 2028–2032. Gary Kramer explained the priorities represent the top 10 projects in each category of the adopted RRTP and further stated that once the Project Priorities are adopted at the May 2026 ECRC Board, they will then be forwarded to the Florida Department of Transportation (FDOT) for use as a guide in developing the FDOT FY 2028–2032 Work Program.

## **Action Items:**

### **Item 3: Approval of the November 12, 2025 Meeting Minutes**

Chair Qualls asked for action on the November 12, 2025 meeting minutes.

*JD Smith moved to approve the November 12, 2025 meeting minutes as presented. The motion was seconded by Mayor Henderson and was unanimously approved.*

### **Item 4: Approval of October - December 2025 Financial Statements**

Chair Qualls asked for action on the October - December 2025 financial statements.

*Mayor Henderson moved to approve the October – December 2025 financial statements. The motion was seconded by Vice Chair Sutton and was unanimously approved.*

**Item 5: Appointments/Reappointments to the Transportation Advisory Committee for the Regional Rural Transportation Plan**

Kandase Lee, CEO ECRC, presented the proposed members of Transportation Advisory Committee (TAC) appointments/reappointments. Of those presented, a recommendation was made to fill the Bay County vacancy. Due to Alex King leaving the Panama City Port and relocating out of state, Cliff Johnson, Bay County Engineering Manager, was recommended to fill the open seat.

Councilmember Schaetzle questioned the lack of ECRC appointments from Okaloosa County.

Kandase Lee explained that each county has two appointments made by the ECRC Board, but currently, both positions are vacant. Since most eligible communities are within the rural northern area of Okaloosa County, identifying candidates proved to be challenging. Kandase Lee further explained that the appointees must be non-elected individuals and encouraged those with potential nominees to share their information.

Councilmember Jones asked for clarification of Escambia County's appointee, Gary "Bubba" Peters, as he is now an elected official.

Tiffany Bates, Strategic Partnership Liaison for ECRC, explained that Bubba Peters was appointed prior to becoming an elected official. Although he expressed interest in continuing to serve, it in line with the bylaws to select a non-elected candidate from the Property Appraiser's Office to fill the position.

Kandase Lee added this appointment comes from Escambia County and that staff would coordinate to secure a replacement.

*Mayor Lindsay moved to approve the appointments and/or reappointments to the Regional Rural Transportation Program (RRTP) Transportation Advisory Committee (TAC) to include the replacement of Alex King with Cliff Johnson for a two-year (24-month) term with the option of serving multiple terms. The motion was seconded by JD Smith and was unanimously approved.*

**Item 6: Resolution ECRC 2026-01, Amending the Regional Transportation Area Network Map**

Chair Qualls introduced Jill Nobles, ECRC Transportation Planner. Jill Nobles presented two (2) proposed amendments to the Regional Transportation Network Map. The proposed amendments include the Philip Griffiths Sr Parkway, from Clara Avenue to Chip Seal Parkway and Frankfurt Avenue, from Highway 390 to Business 98. Jill Nobles added that the RRTP TAC recommended approval of the proposed amendments.

*Vice Chair Sutton moved to approve Resolution ECRC 2026-01, amending the Regional Transportation Area Network Map. The motion was seconded by JD Smith and was unanimously approved.*

**Item 7: Resolution ECRC 2026-02, Approval and Adoption of the Rural 2026 Transportation Alternatives (TA) Set-Aside Rankings for FY2028-2032 Project Priorities**

Jill Nobles presented an update on the Rural Transportation Alternatives (TA) Program, which funds bicycle and pedestrian improvements. Five applications were received by the January 16

deadline, were reviewed using TA criteria, and are recommended for submission to FDOT, though funding is not guaranteed due to the districtwide \$16 million annual allocation.

All five applications are recommended to be forwarded to FDOT in the following order:

1. Town of Century – Complete Streets Master Plan
2. City of Chipley – Westbourne Ave/West Blvd Sidewalk Project
3. Holmes County – County Road 181 Sidewalk Improvements
4. Walton County – Lake Jackson Multi Use Path, Phase 2
5. Town of Century – Freedom Road Safety Enhancement

Jill Nobles stated that the RRTP TAC recommended adjusting the project rankings, moving the Town of Century – Freedom Road Safety Enhancement project down to number five (#5), with all the higher-ranked projects shifting up accordingly.

*Councilmember Schaetzle moved to approve Resolution ECRC 2026-02, adopting the Rural 2026 Transportation Alternatives (TA) Set-Aside ranked projects with the modification moving the Freedom Road Safety Enhancement Project to the ranking of Number 5 (#5), based on concerns regarding the project's cost allocation. The motion was seconded by Mayor Henderson and was unanimously approved.*

**Item 8: Resolution ECRC 2026-03, Approval and Adoption of the Transportation Regional Incentive Program (TRIP) Applications & Rankings FY2028-2032**

Jill Nobles provided an overview of the Transportation Regional Incentive Program (TRIP), noting that unlike TA, TRIP focuses on regionally significant projects that support the regional network, benefits the Strategic Intermodal System (SIS), and requires a 50% local match unless located in a Rural Area of Opportunity.

Two (2) TRIP applications were received for the seven-county (7) region:

- Bay County – Philip Griffith Sr. Parkway Phase 3 (Right-of-Way)
- Washington County – Hartford Boulevard Paving (Construction)

Jill Nobles stated upon further discussion at the earlier RRTP TAC meeting, the SIS category original scoring was incorrect due to the Bay County project's lack of connection to a Non-SIS segment.. With the scores updated, the RRTP TAC advised reversing the proposed rankings, moving the Washington County project to Number 1 (#1), and the Bay County project to Number 2 (#2).

*Mayor Henderson moved to approve Resolution ECRC 2026-03, adopting the Transportation Regional Rural Incentive Program (TRIP) applications & rankings FY2028-2032 based on the recommendations of the RRTP TAC, moving the Washington County project to Number 1 (#1) and the Bay County project to Number 2 (#2). The motion was seconded by Vice Chair Sutton and was unanimously approved.*

**Item 9: Resolution ECRC 2026-04, Approval and Adoption of the FL-AL TPO Fiber Optic/Intelligent Transportation Systems Connection RFP Ranking and Selection**

Ada Clark, Community and Economic Development Director ECRC, explained a Request for Proposal (RFP) was opened in October 2025, but due to insufficient responses, an extension of two weeks was given. The selection committee met to review and rank the shortlisted firms, selecting HDR Engineering as the top ranked firm. Ada Clark stated that FDOT has received and approved the man-hour negotiations, and HDR has since provided the audit package for review.

Mayor Lindsay moved to approve Resolution ECRC 2026-04, accepting the recommendation of the Selection Committee and authorizing the Chief Executive (CEO) to negotiate and execute a contract for professional services for the design of fiber optic cable for intelligent transportation system (ITS) deployment. The motion was seconded by Mayor Campbell and was unanimously approved.

**Item 10: Resolution ECRC 2026-05, Approval of the SS4A Grant Design/Construction RFQ and Planning Task Order**

Kandase Lee, ECRC CEO explained the Safe Streets for All (SS4A) Demonstration Grant will soon begin and will focus on developing technologies to reduce crashes along Escambia County's high-risk corridors, Fairfield Drive and Highway 29. These corridors have some of the highest crash and fatality rates in the district. As such, staff is requesting approval to issue a task order to a federally procured consultant to launch the project.

*JD Smith moved to approve Resolution ECRC 2026-05, allowing staff to issue an RFQ, establish a Selection Committee, accept the Scope of Work (SOW) from Kimley-Horn, and authorize the Chief Executive Officer (CEO) to issue a Notice to Proceed (NTP) to GPC, Kimley-Horn. The motion was seconded by Mayor Henderson and was unanimously approved.*

**Item 11: Resolution ECRC 2026-06, Approval of the Information Technology (IT) RFP Process**

Kandase Lee explained that in years past, ECRC previously maintained in-house IT staff but shifted to outsourced services with Bit-Wizards for a broader range of technology professionals. Due to the rising costs and lack of a formal continuing services agreement, Kandase Lee proposed that staff issue a Request for Proposal (RFP) and the establishment of a selection committee.

Kandase Lee said a selection committee has been formed, and the members are as follows:

- Kandase Lee, CEO ECRC
- Dawn Schwartz, CFO ECRC
- Renee Quick, HR Director ECRC
- Jared Cobb, City Manager City of Mary Esther

Kandase Lee noted that the City of Mary Esther recently completed an IT services procurement, during which City Manager Jared Cobb played a significant role, providing him with substantial experience in IT procurement.

*Councilmember Schaetzle moved to approve Resolution ECRC 2026-06, approving the issuance of a Request for Proposal (RFP) for Information Technology (IT) Managed Services and establishing a Selection Committee tasked with presenting the three (3) highest ranked proposals for board approval at the next ECRC meeting. The motion was seconded by Mayor Lindsay and was unanimously approved.*

**Adjournment**

*With no further business, the meeting was adjourned at 12:05pm.*

**Duly passed and approved by the Emerald Coast Regional Council on this 20th day of May, 2026.**

By: \_\_\_\_\_  
Kurvin Qualls, ECRC Chair

Date: \_\_\_\_\_

# Action Item

4

**EMERALD COAST REGIONAL COUNCIL**  
 Balance Sheet - Unposted Transactions Included In Report  
 As of 1/31/2026

	<u>Current Year</u>
<b>Assets</b>	
Current Assets	
Operating Cash	2,526,007.44
Operating Reserves	860,390.08
Accounts Receivable	<u>1,112,731.85</u>
Total Current Assets	<u>4,499,129.37</u>
Total Assets	<u><u>4,499,129.37</u></u>
<b>Liabilities</b>	
Short-term Liabilities	
Accounts Payable	(624.06)
Deferred Revenue	<u>255,359.13</u>
Total Short-term Liabilities	<u>254,735.07</u>
Total Liabilities	<u>254,735.07</u>
<b>Net Assets</b>	
Net Assets	
Unrestricted	<u>3,803,548.22</u>
Total Net Assets	3,803,548.22
Current YTD Net Income	<u>440,846.08</u>
Total Net Assets	<u><u>4,244,394.30</u></u>
Total Liabilities and Net Assets	<u><u>4,499,129.37</u></u>

**EMERALD COAST REGIONAL COUNCIL**

Statement of Revenues and Expenditures - Unposted Transactions Included In Report  
From 1/1/2026 Through 1/31/2026

	YTD Budget - Original	Current Period Actual	YTD Actual	YTD Budget Variance
<b>PROJECT REVENUES</b>				
Project Revenues	11,748,541.00	422,278.76	1,310,755.59	(10,437,785.41)
Project Fringe Reimbursement	0.00	40,463.17	149,369.61	149,369.61
<b>Total PROJECT REVENUES</b>	<u>11,748,541.00</u>	<u>462,741.93</u>	<u>1,460,125.20</u>	<u>(10,288,415.80)</u>
<b>ADMIN REVENUE</b>				
ECRC Membership Dues	156,691.00	0.00	155,205.00	(1,486.00)
Local Contribution	36,377.00	0.00	36,377.00	0.00
Ind Exp Reimb	522,809.00	39,443.78	137,165.56	(385,643.44)
Interest and Misc Income	0.00	5,482.96	23,218.14	23,218.14
<b>Total ADMIN REVENUE</b>	<u>715,877.00</u>	<u>44,926.74</u>	<u>351,965.70</u>	<u>(363,911.30)</u>
<b>PROJECT EXPENSES</b>				
Salaries & Fringe	2,846,843.00	246,220.74	839,912.56	2,006,930.44
Indirect Costs	522,809.00	39,443.78	137,165.56	385,643.44
Travel	50,000.00	3,257.13	7,831.46	42,168.54
Other Direct Expenses	8,432,043.00	137,219.52	316,530.95	8,115,512.05
<b>Total PROJECT EXPENSES</b>	<u>11,851,695.00</u>	<u>426,141.17</u>	<u>1,301,440.53</u>	<u>10,550,254.47</u>
<b>ADMINISTRATIVE AND OPERATING EXPENSES</b>				
Administrative: Salaries & Fringe	234,472.00	9,816.53	32,238.22	202,233.78
Administrative: Auto Allowance	75,000.00	0.00	0.00	75,000.00
Operating: Audit & Legal Fees	30,000.00	0.00	0.00	30,000.00
Operating: Current Accounting Fees	2,200.00	234.01	676.64	1,523.36
Operating: Expend/Debt Ser/Cap Lease	560.00	44.60	133.80	426.20
Operating: General Insurance	3,100.00	0.00	1,269.10	1,830.90
Operating: Memberships & Subscriptions	7,000.00	37.22	4,461.26	2,538.74
Operating: Office Expense	19,100.00	774.15	2,404.02	16,695.98
Operating: Personnel Training	8,000.00	0.00	0.00	8,000.00
Operating: Postage	400.00	0.00	2.44	397.56
Operating: Professional Services	9,830.00	859.87	2,001.31	7,828.69
Operating: Purchase of Equipment	7,870.00	19.97	54.77	7,815.23
Operating: Rent	9,900.00	828.52	4,084.70	5,815.30
Operating: Telephone	6,100.00	425.45	1,239.62	4,860.38
Operating: Travel - Admin	32,000.00	1,441.71	6,135.48	25,864.52
Operating: Travel - Council & Committee	10,000.00	0.00	1,002.62	8,997.38
Operating: Utilities	500.00	0.00	50.31	449.69
<b>Total ADMINISTRATIVE AND OPERATING EXPENSES</b>	<u>456,032.00</u>	<u>14,482.03</u>	<u>55,754.29</u>	<u>400,277.71</u>
<b>COUNCIL EXPENSES</b>				
Council Expenses	156,691.00	0.00	14,050.00	142,641.00
<b>Total COUNCIL EXPENSES</b>	<u>156,691.00</u>	<u>0.00</u>	<u>14,050.00</u>	<u>142,641.00</u>
<b>NET INCOME</b>	<u>0.00</u>	<u>67,045.47</u>	<u>440,846.08</u>	<u>440,846.08</u>

**EMERALD COAST REGIONAL COUNCIL**  
 Balance Sheet - Unposted Transactions Included In Report  
 As of 2/28/2026

	<u>Current Year</u>
<b>Assets</b>	
Current Assets	
Operating Cash	2,568,536.85
Operating Reserves	860,390.14
Accounts Receivable	<u>1,166,855.90</u>
Total Current Assets	<u>4,595,782.89</u>
Total Assets	<u><u>4,595,782.89</u></u>
<b>Liabilities</b>	
Short-term Liabilities	
Accounts Payable	87,833.58
Deferred Revenue	<u>254,672.91</u>
Total Short-term Liabilities	<u>342,506.49</u>
Total Liabilities	<u>342,506.49</u>
<b>Net Assets</b>	
Net Assets	
Unrestricted	<u>3,803,548.22</u>
Total Net Assets	3,803,548.22
Current YTD Net Income	<u>449,728.18</u>
Total Net Assets	<u><u>4,253,276.40</u></u>
Total Liabilities and Net Assets	<u><u>4,595,782.89</u></u>

**EMERALD COAST REGIONAL COUNCIL**

Statement of Revenues and Expenditures - Unposted Transactions Included In Report  
From 2/1/2026 Through 2/28/2026

	YTD Budget - Original	Current Period Actual	YTD Actual	YTD Budget Variance
<b>PROJECT REVENUES</b>				
Project Revenues	11,748,541.00	343,902.06	1,654,657.65	(10,093,883.35)
Project Fringe Reimbursement	0.00	(2,872.52)	146,497.09	146,497.09
<b>Total PROJECT REVENUES</b>	<u>11,748,541.00</u>	<u>341,029.54</u>	<u>1,801,154.74</u>	<u>(9,947,386.26)</u>
<b>ADMIN REVENUE</b>				
ECRC Membership Dues	156,691.00	0.00	155,205.00	(1,486.00)
Local Contribution	36,377.00	0.00	36,377.00	0.00
Ind Exp Reimb	522,809.00	34,460.37	171,625.93	(351,183.07)
Interest and Misc Income	0.00	4,932.14	28,150.28	28,150.28
<b>Total ADMIN REVENUE</b>	<u>715,877.00</u>	<u>39,392.51</u>	<u>391,358.21</u>	<u>(324,518.79)</u>
<b>PROJECT EXPENSES</b>				
Salaries & Fringe	2,846,843.00	198,123.80	1,038,036.36	1,808,806.64
Indirect Costs	522,809.00	34,460.37	171,625.93	351,183.07
Travel	50,000.00	7,255.16	15,086.62	34,913.38
Other Direct Expenses	8,432,043.00	107,478.56	424,009.51	8,008,033.49
<b>Total PROJECT EXPENSES</b>	<u>11,851,695.00</u>	<u>347,317.89</u>	<u>1,648,758.42</u>	<u>10,202,936.58</u>
<b>ADMINISTRATIVE AND OPERATING EXPENSES</b>				
Administrative: Salaries & Fringe	234,472.00	12,199.43	44,437.65	190,034.35
Administrative: Auto Allowance	75,000.00	0.00	0.00	75,000.00
Operating: Audit & Legal Fees	30,000.00	0.00	0.00	30,000.00
Operating: Current Accounting Fees	2,200.00	151.05	827.69	1,372.31
Operating: Expend/Debt Ser/Cap Lease	560.00	59.16	192.96	367.04
Operating: General Insurance	3,100.00	105.55	1,374.65	1,725.35
Operating: Memberships & Subscriptions	7,000.00	37.26	4,498.52	2,501.48
Operating: Office Expense	19,100.00	132.64	2,536.66	16,563.34
Operating: Personnel Training	8,000.00	0.00	0.00	8,000.00
Operating: Postage	400.00	(20.10)	(17.66)	417.66
Operating: Professional Services	9,830.00	659.87	2,661.18	7,168.82
Operating: Purchase of Equipment	7,870.00	0.00	54.77	7,815.23
Operating: Rent	9,900.00	828.52	4,913.22	4,986.78
Operating: Telephone	6,100.00	425.36	1,664.98	4,435.02
Operating: Travel - Admin	32,000.00	3,345.17	9,480.65	22,519.35
Operating: Travel - Council & Committee	10,000.00	0.00	1,002.62	8,997.38
Operating: Utilities	500.00	48.15	98.46	401.54
<b>Total ADMINISTRATIVE AND OPERATING EXPENSES</b>	<u>456,032.00</u>	<u>17,972.06</u>	<u>73,726.35</u>	<u>382,305.65</u>
<b>COUNCIL EXPENSES</b>				
Council Expenses	156,691.00	6,250.00	20,300.00	136,391.00
<b>Total COUNCIL EXPENSES</b>	<u>156,691.00</u>	<u>6,250.00</u>	<u>20,300.00</u>	<u>136,391.00</u>
<b>NET INCOME</b>	<u>0.00</u>	<u>8,882.10</u>	<u>449,728.18</u>	<u>449,728.18</u>

**EMERALD COAST REGIONAL COUNCIL**  
 Balance Sheet - Unposted Transactions Included In Report  
 As of 3/31/2026

	<u>Current Year</u>
<b>Assets</b>	
Current Assets	
Operating Cash	2,477,672.99
Operating Reserves	860,390.21
Accounts Receivable	<u>1,265,591.24</u>
Total Current Assets	<u>4,603,654.44</u>
Total Assets	<u><u>4,603,654.44</u></u>
<b>Liabilities</b>	
Short-term Liabilities	
Accounts Payable	(1,822.59)
Deferred Revenue	<u>311,099.22</u>
Total Short-term Liabilities	<u>309,276.63</u>
Total Liabilities	<u>309,276.63</u>
<b>Net Assets</b>	
Net Assets	
Unrestricted	<u>3,803,548.22</u>
Total Net Assets	3,803,548.22
Current YTD Net Income	<u>490,829.59</u>
Total Net Assets	<u>4,294,377.81</u>
Total Liabilities and Net Assets	<u><u>4,603,654.44</u></u>

**EMERALD COAST REGIONAL COUNCIL**

Statement of Revenues and Expenditures - Unposted Transactions Included In Report  
From 3/1/2026 Through 3/31/2026

	YTD Budget - Original	Current Period Actual	YTD Actual	YTD Budget Variance
<b>PROJECT REVENUES</b>				
Project Revenues	11,748,541.00	390,034.88	2,044,692.53	(9,703,848.47)
Project Fringe Reimbursement	0.00	14,849.99	161,347.08	161,347.08
<b>Total PROJECT REVENUES</b>	<u>11,748,541.00</u>	<u>404,884.87</u>	<u>2,206,039.61</u>	<u>(9,542,501.39)</u>
<b>ADMIN REVENUE</b>				
ECRC Membership Dues	156,691.00	0.00	155,205.00	(1,486.00)
Local Contribution	36,377.00	0.00	36,377.00	0.00
Ind Exp Reimb	522,809.00	39,505.83	211,131.76	(311,677.24)
Interest and Misc Income	0.00	5,255.73	33,406.01	33,406.01
<b>Total ADMIN REVENUE</b>	<u>715,877.00</u>	<u>44,761.56</u>	<u>436,119.77</u>	<u>(279,757.23)</u>
<b>PROJECT EXPENSES</b>				
Salaries & Fringe	2,846,843.00	208,094.43	1,246,130.79	1,600,712.21
Indirect Costs	522,809.00	39,505.83	211,131.76	311,677.24
Travel	50,000.00	4,580.68	19,667.30	30,332.70
Other Direct Expenses	8,432,043.00	129,790.83	553,800.34	7,878,242.66
<b>Total PROJECT EXPENSES</b>	<u>11,851,695.00</u>	<u>381,971.77</u>	<u>2,030,730.19</u>	<u>9,820,964.81</u>
<b>ADMINISTRATIVE AND OPERATING EXPENSES</b>				
Administrative: Salaries & Fringe	234,472.00	16,700.85	61,138.50	173,333.50
Administrative: Auto Allowance	75,000.00	0.00	0.00	75,000.00
Operating: Audit & Legal Fees	30,000.00	0.00	0.00	30,000.00
Operating: Current Accounting Fees	2,200.00	156.04	983.73	1,216.27
Operating: Expend/Debt Ser/Cap Lease	560.00	44.59	237.55	322.45
Operating: General Insurance	3,100.00	373.07	1,747.72	1,352.28
Operating: Memberships & Subscriptions	7,000.00	37.26	4,535.78	2,464.22
Operating: Office Expense	19,100.00	586.96	3,123.62	15,976.38
Operating: Personnel Training	8,000.00	0.00	0.00	8,000.00
Operating: Postage	400.00	311.71	294.05	105.95
Operating: Professional Services	9,830.00	659.87	3,321.05	6,508.95
Operating: Purchase of Equipment	7,870.00	0.00	54.77	7,815.23
Operating: Rent	9,900.00	828.52	5,741.74	4,158.26
Operating: Telephone	6,100.00	425.36	2,090.34	4,009.66
Operating: Travel - Admin	32,000.00	3,466.35	12,947.00	19,053.00
Operating: Travel - Council & Committee	10,000.00	2,966.63	3,969.25	6,030.75
Operating: Utilities	500.00	16.04	114.50	385.50
<b>Total ADMINISTRATIVE AND OPERATING EXPENSES</b>	<u>456,032.00</u>	<u>26,573.25</u>	<u>100,299.60</u>	<u>355,732.40</u>
<b>COUNCIL EXPENSES</b>				
Council Expenses	156,691.00	0.00	20,300.00	136,391.00
<b>Total COUNCIL EXPENSES</b>	<u>156,691.00</u>	<u>0.00</u>	<u>20,300.00</u>	<u>136,391.00</u>
<b>NET INCOME</b>	<u>0.00</u>	<u>41,101.41</u>	<u>490,829.59</u>	<u>490,829.59</u>

# Action Item

# 5



## Agenda Item Number: 5

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**SUBJECT:** FY 2025 Independent Financial Audit Performed by Warren Averett, Certified Public Accountants

**BACKGROUND:** In 2025, Emerald Coast Regional Council procured the services of Warren Averett for a period of three years to conduct annual audits of the Emerald Coast Regional Council financial statements.

The purpose of this annual audit, as described by professional standards, is to render opinions on financial statements prepared by ECRC staff through auditing agency oversight. The audit should ensure that the reports are fairly presented in all material respects, and that they conform with generally accepted United States accounting principles.

**RECOMMENDED ACTION:** Approval of the Emerald Coast Regional Council Independent Financial Audit FY2025, as completed by Warren Averett, Certified Public Accountants.

May 4, 2026

To the Board of Directors  
Emerald Coast Regional Council

We have audited the financial statements of the governmental activities and the general fund of the Emerald Coast Regional Council (the "Council") for the year ended September 30, 2025. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated March 23, 2026. Professional standards also require that we communicate to you the following information related to our audit.

### Significant Audit Findings

#### *Qualitative Aspects of Accounting Practices*

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Council are described in Note 1 to the financial statements. As described in Note 1 to the financial statements, the Council changed its accounting policies related to compensated absences by adopting GASB Statement No. 101, *Compensated Absences*, in 2025. We noted no transactions entered into by the Council during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected.

The financial statement disclosures are neutral, consistent, and clear.

#### *Difficulties Encountered in Performing the Audit*

We encountered no significant difficulties in dealing with management in performing and completing our audit.

#### *Corrected and Uncorrected Misstatements*

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.

#### *Disagreements with Management*

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

*Management Representations*

We have requested certain representations from management that are included in the management representation letter dated May 4, 2026.

*Management Consultations with Other Independent Accountants*

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a “second opinion” on certain situations. If a consultation involves application of an accounting principle to the governmental unit’s financial statements or a determination of the type of auditors’ opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

*Other Audit Findings or Issues*

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the governmental unit’s auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to the RSI, which supplements the basic financial statements. Our procedures consisted of inquiries of management regarding 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 did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the schedule of expenditures of federal awards (the supplementary information), which accompanies the financial statements but is not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

Restriction on Use

This information is intended solely for the use of the Board of Directors and management of the Council and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,



Warren Averett, LLC  
Fort Walton Beach, Florida

**EMERALD COAST REGIONAL COUNCIL**

**FINANCIAL STATEMENTS**

**SEPTEMBER 30, 2025 AND 2024**

**EMERALD COAST REGIONAL COUNCIL  
TABLE OF CONTENTS  
SEPTEMBER 30, 2025 AND 2024**

---

<b>INDEPENDENT AUDITORS' REPORT</b>	1
<b>MANAGEMENT'S DISCUSSION AND ANALYSIS</b>	4
<b>BASIC FINANCIAL STATEMENTS</b>	
<b>Government-Wide Financial Statements</b>	
Statements of Net Position	11
Statements of Activities	12
<b>Fund Financial Statements</b>	
<b>Governmental Fund – General Fund</b>	
Balance Sheets	14
Reconciliation of the Governmental Fund Balance Sheets to the Statements of Net Position	15
Statements of Revenues, Expenditures and Changes in Fund Balance	16
Reconciliation of the Statements of Revenues, Expenditures and Changes in Fund Balance to the Statements of Activities	17
Notes to the Financial Statements	18
<b>REQUIRED SUPPLEMENTARY INFORMATION</b>	
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – General Fund	40
Notes to the Required Supplementary Information	41
Schedule of Proportionate Share of Net Pension Liability – Florida Retirement System	42
Schedule of Proportionate Share of Net Pension Liability – Health Insurance Subsidy	43
Schedule of Contributions – Florida Retirement System	44
Schedule of Contributions – Health Insurance Subsidy	45
<b>COMPLIANCE SECTION</b>	
Schedule of Expenditures of Federal Awards	46
Notes to the Schedule of Expenditures of Federal Awards	47

**EMERALD COAST REGIONAL COUNCIL  
TABLE OF CONTENTS  
SEPTEMBER 30, 2025 AND 2024**

---

**COMPLIANCE SECTION**

Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	48
Independent Auditors' Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance Required by the Uniform Guidance	50
Schedule of Findings and Questioned Costs	53
Independent Accountants' Report on an Examination of Compliance Requirements in Accordance with Chapter 10.550, <i>Rules of the Auditor General</i>	54
Management Letter	55

## INDEPENDENT AUDITORS' REPORT

To the Board of Directors  
Emerald Coast Regional Council

### **Report on the Audit of the Financial Statements**

#### ***Opinions***

We have audited the accompanying financial statements of the governmental activities and the general fund of the Emerald Coast Regional Council (the Council), as of and for the years ended September 30, 2025 and 2024, and the related notes to the financial statements, which collectively comprise the Council'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 and the general fund of the Council as of September 30, 2025 and 2024, and the respective changes in financial position for the years then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinions***

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Council 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 Council's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### ***Auditors' Responsibilities for the Audit of the Financial Statements***

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Council'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 Council'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, the budgetary comparison information for the general fund, and the schedules related to pension liabilities and contributions, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

**Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Council's basic financial statements. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 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 schedule of expenditures of federal awards and state financial assistance is 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 May 4, 2026, on our consideration of the Council's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, 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 Council'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 Council's internal control over financial reporting and compliance.



Fort Walton Beach, Florida  
May 4, 2026

**EMERALD COAST REGIONAL COUNCIL  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2025 AND 2024**

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As management of the Emerald Coast Regional Council (the Council), our discussion and analysis of the Council's financial performance provides an overview of the Council's financial activities for the fiscal year ended September 30, 2025. It should be read in conjunction with the Council's financial statements, which follow this section.

**FINANCIAL HIGHLIGHTS**

- The Council's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources by \$1,829,749 (net position) and represents an increase of \$299,883 from the prior year.
- Program revenues consist of various grants and contributions as well as membership dues paid by each of the participating counties, municipalities and other special districts. Total program revenues recognized during the year ended September 30, 2025, were \$5,762,443.
- The Council's governmental fund (the general fund) reported an ending fund balance of \$3,974,369, which represents an increase of \$164,854 from the prior year. Ending fund balance of \$3,946,159 is available for spending at the discretion of the Board of Directors. Unassigned fund balances represent 69% of the total operating expenditures for the Council's general fund.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

The focus of the financial statements is on both the Council as a whole (government-wide), and on the major individual fund. Both perspectives (government-wide and major fund) allow the user to address relevant questions, broaden a basis for comparison (year-to-year, government-to-government) and enhance the Council's accountability.

This discussion and analysis intends to serve as an introduction to the Council's basic financial statements. The Council's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

**Government-Wide Financial Statements**

Designed to be corporate-like, the government-wide financial statements consolidate governmental and business-type activities into two columns, which add to a total for primary government. This provides readers with a broad overview of the Council's finances, in a manner similar to a private-sector business.

The statement of net position presents information on all of the Council's assets, deferred outflows of resources, liabilities and deferred inflows of resources, with the difference among the components reported as net position. This statement combines and consolidates the governmental fund's current financial resources (short-term spendable resources) with capital assets and long-term obligations. Over time, increases or decreases in net position may serve as a useful indicator of the financial position of the Council.

**EMERALD COAST REGIONAL COUNCIL  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2025 AND 2024**

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The statement of activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flow in future fiscal periods. Found on pages 11-13 of this report are the basic government-wide financial statements.

**Fund Financial Statements**

A fund is a grouping of related accounts used to maintain control over resources that have been segregated for specific activities or objectives. The Council, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The only fund reported by the Council is the general fund, which is classified as a governmental fund.

**Governmental 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 inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term requirements. Found on pages 14-17 of this report are the basic governmental fund financial statements.

Because the focus of governmental funds is narrower than that of the 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 a reconciliation to facilitate this comparison between the governmental fund and governmental activities.

**NOTES TO THE FINANCIAL STATEMENTS**

The notes provide additional information, which is essential to the full understanding of the data provided in the government-wide and fund financial statements. Beginning on page 18 of this report are the notes to the financial statements.

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

As previously noted, net position may serve over time as a useful indicator of a government's financial position. In the case of the Council, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$1,829,749 (net position) as of September 30, 2025, as reported in Table 1.

**EMERALD COAST REGIONAL COUNCIL  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2025 AND 2024**

**TABLE 1  
EMERALD COAST REGIONAL COUNCIL  
STATEMENTS OF NET POSITION  
AS OF SEPTEMBER 30**

	<b>Governmental Activities</b>		
	<b>2025</b>	<b>2024</b>	<b>2023</b>
Current and other assets	\$ 4,686,543	\$ 4,732,938	\$ 4,427,947
Capital assets	234,150	310,506	585,185
<b>Total assets</b>	<b>4,920,693</b>	<b>5,043,444</b>	<b>5,013,132</b>
Deferred outflows related to pensions	299,451	445,479	461,634
Deferred outflows related to OPEB	8,335	10,605	10,940
<b>Total deferred outflow of resources</b>	<b>307,786</b>	<b>456,084</b>	<b>472,574</b>
Long-term liabilities outstanding <sup>1</sup>	1,840,143	2,432,591	2,957,518
Other liabilities <sup>1</sup>	999,932	1,203,109	756,181
<b>Total liabilities</b>	<b>2,840,075</b>	<b>3,635,700</b>	<b>3,713,699</b>
Deferred inflows related to pensions	549,182	324,483	222,433
Deferred inflows related to OPEB	9,473	9,479	11,810
<b>Total deferred inflow of resources</b>	<b>558,655</b>	<b>333,962</b>	<b>234,243</b>
Net position			
Net investment in capital assets	(10,521)	(6,150)	(14,633)
Unrestricted <sup>1</sup>	1,840,270	1,536,016	1,552,397
<b>Total net position</b>	<b>\$ 1,829,749</b>	<b>\$ 1,529,866</b>	<b>\$ 1,537,764</b>

<sup>1</sup> As restated due to the implementation of (GASBS) No. 101, Compensated Absences

**EMERALD COAST REGIONAL COUNCIL  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2025 AND 2024**

The overall increase in the Council's net position was \$299,883 during fiscal year 2025. Reported in Table 2 are the key elements of the change in net position.

**TABLE 2  
EMERALD COAST REGIONAL COUNCIL  
CHANGES IN NET POSITION  
FOR THE YEARS ENDED SEPTEMBER 30**

	<b>Governmental Activities</b>		
	<b>2025</b>	<b>2024</b>	<b>2023</b>
<b>REVENUES</b>			
<b>Program revenues</b>			
Charges for services	\$ 192,757	\$ 177,514	\$ 163,393
Operating grants and contributions	5,569,686	6,751,952	5,332,892
<b>General revenues</b>			
Gain on disposals of assets	-	32,464	8,000
Other revenue	84,433	54,126	1,629
<b>TOTAL REVENUES</b>	<b>5,846,876</b>	<b>7,016,056</b>	<b>5,505,914</b>
<b>EXPENSES</b>			
General government			
Project management <sup>1</sup>	2,686,007	2,927,697	3,403,070
Contracted services	2,123,066	3,387,101	1,509,399
Other direct expenses	733,293	702,264	725,278
Debt service interest	4,627	6,892	10,874
<b>TOTAL EXPENSES</b>	<b>5,546,993</b>	<b>7,023,954</b>	<b>5,648,621</b>
<b>CHANGE IN NET POSITION</b>	<b>299,883</b>	<b>(7,898)</b>	<b>(142,707)</b>
<b>NET POSITION, BEGINNING <sup>1</sup></b>	<b>1,529,866</b>	<b>1,537,764</b>	<b>1,680,471</b>
<b>NET POSITION, ENDING</b>	<b>\$ 1,829,749</b>	<b>\$ 1,529,866</b>	<b>\$ 1,537,764</b>

<sup>1</sup> As restated due to the implementation of (GASBS) No. 101, Compensated Absences

**EMERALD COAST REGIONAL COUNCIL  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2025 AND 2024**

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**FINANCIAL IMPACTS**

**Normal Impacts**

There are six basic impacts on the Council's revenues and expenses as reflected below:

***Revenues***

- Economic Condition: This can reflect a declining, stable or growing economic environment.
- Approved Rate Adjustments: While certain rates are set by statute, the Board of Directors has significant authority to impose and periodically adjust rates (i.e., membership dues).
- Changing Patterns in Intergovernmental Revenue (both recurring and nonrecurring): Certain recurring grant revenues may experience significant changes periodically while nonrecurring (or one-time) grants are less predictable and often distorting in their impact on year-to-year comparisons.

***Expenses***

- Introduction of New Programs: Within functional expense categories, individual programs may be added or deleted to meet changing needs of the Council's members.
- Authorized Position Adjustments: Changes in service demand may cause the Council to change authorized staffing.
- Salary Adjustments: The ability to attract and retain human and intellectual resources requires the Council to strive to approach a competitive salary range position in the marketplace.
- Inflation: While overall inflation appears to be reasonably modest, the Council contracts for a significant portion of its planning, engineering and other professional services. Some fluctuations may result as the result of inflationary pressure on labor costs.

**Current Year Impacts – Governmental Activities**

- Operating grants and contributions decreased by \$1,182,266, or 18%. This decrease is primarily attributable to nonrecurring federal grant award for planning and design of a regional traffic management center in the being completed in the prior year.
- General government expenses decreased by \$1,474,696 or 21%, due to a decrease in contracted services for planning and engineering related to the design of a regional traffic management center. Contract service expenses tend to fluctuate from year-to-year based on the nature and timing of incurring expenditures funded with grant awards.

**EMERALD COAST REGIONAL COUNCIL  
MANAGEMENT’S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2025 AND 2024**

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**FINANCIAL ANALYSIS OF THE GENERAL FUND**

As previously noted, the Council uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The focus on the Council’s governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the Council’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.

As of September 30, 2025, the Council’s general fund reported an ending fund balance of \$3,974,369, which represents an increase of \$164,854 in comparison with the prior year. Ending fund balance of \$3,946,159 (or 99%) is unassigned, which is available for spending at the discretion of the Board of Directors. As a measure of the general fund’s liquidity, it may be useful to compare unassigned fund balance to total expenditures. Unassigned fund balance represents 69% of the total general fund expenditures, or approximately eight months of expenditures.

**GENERAL FUND BUDGETARY HIGHLIGHTS**

- Intergovernmental revenues fell short of budgetary expectations by \$2,837,832 (or 34%), primarily due to delays in the commencement of planned grant projects.
- General government expenditures fell short of budgetary expectations by \$2,958,889 (or 35%), primarily due to the timing of expenditures incurred for planned grant projects.

**CAPITAL ASSETS**

The Council’s investment in capital assets for its governmental activities as of September 30, 2025, was \$234,150 (net of accumulated depreciation). This investment in capital assets includes right-of-use assets, office equipment and vehicles. The Council’s investment in capital assets decreased by \$76,356 (or 25%) during the current fiscal year, which is summarized in Table 3 below.

**TABLE 3  
EMERALD COAST REGIONAL COUNCIL  
CAPITAL ASSETS  
(NET OF DEPRECIATION)  
AS OF SEPTEMBER 30**

	<b>Governmental Activities</b>		
	<b>2025</b>	<b>2024</b>	<b>2023</b>
Right-of-use assets	\$ 234,150	\$ 310,090	\$ 568,005
Vehicles	-	416	17,180
	<u>\$ 234,150</u>	<u>\$ 310,506</u>	<u>\$ 585,185</u>

**EMERALD COAST REGIONAL COUNCIL  
MANAGEMENT’S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2025 AND 2024**

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**LONG-TERM DEBT**

The Council’s long-term debt for its governmental activities as of September 30, 2025, was \$244,671. All of the Council’s debt was comprised of lease obligations related to office space in Pensacola. The Council’s long-term debt decreased by \$71,985 (or 23%) during the current fiscal year, which is summarized in Table 4 below.

**TABLE 4  
EMERALD COAST REGIONAL COUNCIL  
LONG-TERM DEBT  
AS OF SEPTEMBER 30**

	<b>Governmental Activities</b>		
	<b>2025</b>	<b>2024</b>	<b>2023</b>
Lease obligations payable	\$ 244,671	\$ 316,656	\$ 599,818

**ECONOMIC FACTORS AND NEXT YEAR’S BUDGETS AND RATES**

The fiscal year 2026 budget adopted by the Board of Directors is \$5,151,619 (or 79%) larger than the adopted budget for fiscal year 2025. The most significant cause of this increase is new award funding through the Safe Streets for All Planning and Demonstration Grant of approximately \$5,000,000.

In addition, the Consumer Price Index (CPI) is 2.6% higher than a year ago for the Southern Region. This indicator is widely used to gauge inflation and translates into a higher cost of providing services to members.

**REQUESTS FOR INFORMATION**

This financial report is designed to provide a general overview of the Council’s finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to Emerald Coast Regional Council, 418 E Gregory Street, Suite 100, Pensacola, Florida 32502. The Council’s website address is [www.ecrc.org](http://www.ecrc.org).

## **BASIC FINANCIAL STATEMENTS**

**EMERALD COAST REGIONAL COUNCIL  
STATEMENTS OF NET POSITION  
SEPTEMBER 30, 2025 AND 2024**

	<b>Governmental Activities</b>	
	<b>2025</b>	<b>2024</b>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 2,782,287	\$ 2,666,129
Receivables	710	710
Due from other governments	1,875,336	2,029,550
Prepaid items	28,210	36,549
Capital assets		
Depreciable, net	234,150	310,506
<b>TOTAL ASSETS</b>	<b>4,920,693</b>	<b>5,043,444</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	<b>307,786</b>	<b>456,084</b>
<b>LIABILITIES</b>		
Accounts payable	332,896	560,912
Accrued liabilities	108,914	100,421
Unearned revenues	270,364	262,090
Noncurrent liabilities:		
Due within one year		
Lease obligations payable	75,513	71,985
Compensated absences	212,245	207,701
Due in more than one year		
Lease obligations payable	169,158	244,671
Compensated absences	141,497	138,468
Net pension liability	1,507,361	2,025,442
Total OPEB liability	22,127	24,010
<b>TOTAL LIABILITIES</b>	<b>2,840,075</b>	<b>3,635,700</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>	<b>558,655</b>	<b>333,962</b>
<b>NET POSITION</b>		
Net investment in capital assets	(10,521)	(6,150)
Unrestricted	1,840,270	1,536,016
<b>TOTAL NET POSITION</b>	<b>\$ 1,829,749</b>	<b>\$ 1,529,866</b>

See notes to the financial statements.

**EMERALD COAST REGIONAL COUNCIL  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED SEPTEMBER 30, 2025**

Function/Program Activities	Expenses	Program Revenues			Net Revenue (Expense) and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
<b>Government Activities</b>					
General government	\$ 5,542,366	\$ 192,757	\$ 5,569,686	\$ -	\$ 220,077
Debt service interest	4,627	-	-	-	(4,627)
<b>Total</b>	<u>\$ 5,546,993</u>	<u>\$ 192,757</u>	<u>\$ 5,569,686</u>	<u>\$ -</u>	215,450
<b>General Revenues</b>					
Miscellaneous					<u>84,433</u>
Total general revenues					<u>84,433</u>
<b>CHANGE IN NET POSITION</b>					299,883
<b>NET POSITION AT BEGINNING OF YEAR - AS PREVIOUSLY REPORTED</b>					1,698,343
<b>RESTATEMENT - CHANGE IN ACCOUNTING PRINCIPLE</b>					<u>(168,477)</u>
<b>NET POSITION AT END OF YEAR</b>					<u>\$ 1,829,749</u>

See notes to the financial statements.

**EMERALD COAST REGIONAL COUNCIL  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED SEPTEMBER 30, 2024**

<b>Function/Program Activities</b>	<b>Expenses</b>	<b>Program Revenues</b>			<b>Net (Expense) Revenue and Changes in Net Position</b>
		<b>Charges for Services</b>	<b>Operating Grants and Contributions</b>	<b>Capital Grants and Contributions</b>	<b>Governmental Activities</b>
<b>Government Activities</b>					
General government	\$ 7,017,062	\$ 177,514	\$ 6,751,952	\$ -	\$ (87,596)
Debt service interest	6,892	-	-	-	(6,892)
<b>Total</b>	<b><u>\$ 7,023,954</u></b>	<b><u>\$ 177,514</u></b>	<b><u>\$ 6,751,952</u></b>	<b><u>\$ -</u></b>	<b><u>(94,488)</u></b>
<b>General Revenues</b>					
Gain on sale of capital assets					32,464
Miscellaneous					<u>54,126</u>
<b>CHANGE IN NET POSITION <sup>1</sup></b>					<b>(7,898)</b>
<b>NET POSITION AT BEGINNING OF YEAR - AS PREVIOUSLY REPORTED</b>					1,699,566
<b>RESTATEMENT - CHANGE IN ACCOUNTING PRINCIPLE</b>					<u>(161,802)</u>
<b>NET POSITION AT END OF YEAR</b>					<b><u>\$ 1,529,866</u></b>

<sup>1</sup> As restated due to the implementation of (GASBS) N 101, Compensated Absences

See notes to the financial statements.

**EMERALD COAST REGIONAL COUNCIL  
GOVERNMENTAL FUND  
BALANCE SHEETS  
SEPTEMBER 30, 2025 AND 2024**

	<b>General Fund</b>	
	<b>2025</b>	<b>2024</b>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 2,782,287	\$ 2,666,129
Receivables	710	710
Due from other governments	1,875,336	2,029,550
Prepaid items	28,210	36,549
<b>TOTAL ASSETS</b>	<b>\$ 4,686,543</b>	<b>\$ 4,732,938</b>
<b>LIABILITIES</b>		
Accounts payable	\$ 332,896	\$ 560,912
Accrued liabilities	108,914	100,421
Unearned revenues	270,364	262,090
Total liabilities	712,174	923,423
<b>FUND BALANCE</b>		
Nonspendable	28,210	36,549
Unassigned	3,946,159	3,772,966
Total fund balance	3,974,369	3,809,515
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE</b>	<b>\$ 4,686,543</b>	<b>\$ 4,732,938</b>

See notes to the financial statements.

**EMERALD COAST REGIONAL COUNCIL  
RECONCILIATION OF THE GOVERNMENTAL FUND BALANCE SHEETS  
TO THE STATEMENTS OF NET POSITION  
SEPTEMBER 30, 2025 AND 2024**

	<b>2025</b>	<b>2024</b>
Fund balance, total governmental fund	\$ 3,974,369	\$ 3,809,515
<p>Amounts reported for governmental activities in the statement of net position are different because:</p>		
<p>Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental fund.</p>		
Governmental depreciable assets	\$ 526,686	\$ 526,686
Less accumulated depreciation	<u>(292,536)</u>	<u>(216,180)</u>
	234,150	310,506
<p>Deferred inflows of resources and deferred outflows of resources related to pensions and OPEB are not available/receivable or due/payable, respectively, in the current period and therefore are not reported in the governmental fund.</p>		
Deferred outflows of resources related to pensions	299,451	445,479
Deferred inflows of resources related to pensions	(549,182)	(324,483)
Deferred outflows of resources related to OPEB	8,335	10,605
Deferred inflows of resources related to OPEB	<u>(9,473)</u>	<u>(9,479)</u>
	(250,869)	122,122
<p>Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental fund.</p>		
Leases payable	(244,671)	(316,656)
Compensated absences	(353,742)	(346,169)
Total OPEB liability	(22,127)	(24,010)
Net pension liability	<u>(1,507,361)</u>	<u>(2,025,442)</u>
	<u>(2,127,901)</u>	<u>(2,712,277)</u>
Net position of governmental activities	<u><u>\$ 1,829,749</u></u>	<u><u>\$ 1,529,866</u></u>

See notes to the financial statements.

**EMERALD COAST REGIONAL COUNCIL  
GOVERNMENTAL FUND  
STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
FOR THE YEARS ENDED SEPTEMBER 30, 2025 AND 2024**

	<b>General Fund</b>	
	<b>2025</b>	<b>2024</b>
<b>REVENUES</b>		
Intergovernmental:		
Federal and state grants	\$ 4,936,638	\$ 6,322,988
Local and private grants	633,048	428,964
Charges for services	192,757	177,514
Interest	84,245	54,114
Miscellaneous	188	12
Total revenues	<u>5,846,876</u>	<u>6,983,592</u>
<b>EXPENDITURES</b>		
Current		
General government:		
Project management	2,825,407	2,906,326
Contracted services	2,123,066	3,387,101
Other direct expenditures	656,937	593,612
Capital outlay	-	379,702
Debt service:		
Principal	71,985	84,671
Interest	4,627	6,892
Total expenditures	<u>5,682,022</u>	<u>7,358,304</u>
<b>EXCESS (DEFICIENCY) OF (UNDER) REVENUES OVER EXPENDITURES</b>	164,854	(374,712)
<b>OTHER FINANCING SOURCES</b>		
Right-of-use lease issuance	-	379,702
<b>NET CHANGE IN FUND BALANCE</b>	164,854	4,990
<b>FUND BALANCE AT BEGINNING OF YEAR</b>	<u>3,809,515</u>	<u>3,804,525</u>
<b>FUND BALANCE AT END OF YEAR</b>	<u><u>\$ 3,974,369</u></u>	<u><u>\$ 3,809,515</u></u>

See notes to the financial statements.

**EMERALD COAST REGIONAL COUNCIL  
RECONCILIATION OF THE STATEMENTS OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCE  
TO THE STATEMENTS OF ACTIVITIES  
FOR THE YEARS ENDED SEPTEMBER 30, 2025 AND 2024**

	<b>2025</b>	<b>2024</b>	
Net change in fund balance – governmental fund	\$ 164,854	\$ 4,990	
Amounts reported for governmental activities in the statement of activities are different because:			
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is depreciated over their estimated useful lives.			
Expenditures for capital assets	\$ -	\$ 379,702	
Current year depreciation and amortization	(76,356)	(108,651)	
	(76,356)	271,051	
Governmental funds do not report capital assets on the balance sheet; however, they are reported on the government-wide financial statements. Accordingly, proceeds received for disposals of capital assets are shown as income in the governmental financial statements and a gain or loss is reported in the statement of activities.			
Disposals of capital assets	-	(1,106,021)	
Accumulated depreciation associated with disposals	-	560,291	
	-	(545,730)	
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts and other similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.			
Principal payments on lease liabilities	71,985	84,671	
Termination of lease	-	578,193	
Proceeds from issuance of leases	-	(379,702)	
	71,985	283,162	
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds:			
Change in net pension liability and related deferred outflows and inflows	147,354	(3,133)	
Change in total OPEB liability and related deferred outflows and inflows	(381)	(1,018)	
Change in accrued interest on long-term debt			
Change in compensated absences	(7,573)	(17,220)	
	139,400	(21,371)	
Change in net position of governmental activities	\$ 299,883	\$ (7,898)	

See notes to the financial statements.

**EMERALD COAST REGIONAL COUNCIL  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2025 AND 2024**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND DESCRIPTION OF THE COUNCIL**

**Description of the Council**

The Emerald Coast Regional Council (the Council) was established in 1964 as the Pensacola-Escambia County Regional Planning Agency, which was later renamed the West Florida Regional Planning Council. The Council has been expressly designated as a regional planning council by the State Legislature and operates under the provisions of Chapters 163 and 186, Florida Statutes. Since its inception, the Council's service area has grown to encompass seven counties in northwest Florida, and their municipalities. The Council's primary purpose is to coordinate comprehensive planning activities for its member counties and municipalities by identifying problems and assisting with implementation of solutions.

The Council has no taxing authority and relies on annual dues from member counties and municipalities in addition to grant funding from various federal, state and local agencies to finance its operations. The Council's governing board is composed of directors appointed by the Governor of the State of Florida and representatives of member counties and municipalities.

The financial statements of the Council have been prepared in accordance with accounting principles generally accepted (GAAP) in the United States of America applicable to governmental units and the Uniform Accounting System mandated by Chapter 218.33, Florida Statutes. The Governmental Accounting Standards Board (GASB) is the standard-setting body for governmental accounting and financial reporting.

**The Reporting Entity**

In evaluating the Council as a reporting entity, management has considered all potential component units for which the Council may or may not be financially accountable and, as such, be included within the Council's financial statements. The decision to include, or exclude, a potential component unit in the reporting entity was made by applying the criteria set forth in the GASB literature. The basic, but not the only criterion, for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations and accountability for fiscal matters. A second criterion used in evaluating potential component units is the scope of public service. Application of this criterion involves considering whether the activity benefits the Council and/or its members, or whether the activity is conducted within the geographic boundaries of the Council and is generally available to its members. A third criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the Council is able to exercise oversight responsibilities.

Based upon the application of these criteria, the Council has not identified any component units that are required to be presented in the Council's financial statements.

**Government-Wide and Fund Financial Statements**

Government-wide financial statements, including the statement of net position and statement of activities, present information about the Council as a whole. Government-wide financial statements

**EMERALD COAST REGIONAL COUNCIL  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2025 AND 2024**

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are prepared using the economic resources measurement focus. The statement of activities presents a comparison between direct expenses and program revenues for each function or program of the Council's governmental activities. *Direct expenses* are those that are specifically associated with a service, program or department and are thereby clearly identifiable to a particular function.

*Program revenues* include charges paid by member counties and municipalities, and grants and contributions that are restricted to meeting the operations or capital requirements of a particular program. Revenues that are not classified as program revenues are presented as general revenues, with certain exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the Council.

The statement of activities shows the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly related to a specific function or segment. *Program revenue* consists of contributions that are restricted to meeting specific requirements of a particular function or segment.

**Measurement Focus and Basis of Accounting**

The government-wide financial statements are prepared using the accrual basis of accounting. Revenues are recognized when earned, and expenses are recognized when a liability is incurred, regardless of the timing of the related cash flows. Revenues from grants, entitlements and donations are recognized in the fiscal year in which all eligibility requirements imposed by the provider have been satisfied. When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first and then unrestricted resources, as they are needed.

Fund financial statements are used to account for the general government activities. Governmental fund types use the flow of current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they are measurable and available). "Measurable" means the amount of the transaction can be determined, and "available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The Council considers all revenues available if they are collected within 60 days after year-end. Expenditures are recorded when the related fund liability is incurred, except for certain compensated absences and claims, and judgments, which are recognized when the obligations are expected to be liquidated with expendable available financial resources. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met.

**Basis of Presentation**

The financial transactions of the Council are recorded in individual funds. Each fund is a separate accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations. The Council reports the following major governmental fund:

- *General Fund* – Council's primary operating fund. This fund accounts for all financial resources of the general government, except those required to be accounted for in another fund.

**EMERALD COAST REGIONAL COUNCIL  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2025 AND 2024**

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**Cash and Cash Equivalents**

The Council considers cash on hand, demand deposits, certificates of deposit and short-term investments purchased within three months of maturity to be cash and cash equivalents.

**Deposits and Investments**

Section 218.415, Florida Statutes, requires the investment of surplus public funds and prescribes the instruments in which those investments are authorized. Specifically allowable investments include The Local Government Surplus Funds Trust Fund, or any intergovernmental investment pool authorized pursuant to the *Florida Interlocal Cooperation Act of 1969*; Securities and Exchange Commission registered money market funds with the highest credit quality rating from a nationally recognized rating agency; interest-bearing time deposits or savings accounts at *Qualified Public Depositories*; and direct obligations of the U.S. Treasury. The Council adheres strictly to the provisions of those cited statutes, as well as with Chapter 280, Florida Statutes, which require the Council to maintain deposits only with *Qualified Public Depositories*.

**Receivables**

Substantially all the Council's receivables are comprised of reimbursements due from federal, state and local grant funding agencies for qualified grant expenditures. Historically, amounts due from these government agencies have been fully collectible. Accordingly, no provision has been made for uncollectible accounts.

**Prepaid Items**

Payments to vendors that benefit future reporting periods are recorded as prepaid items. These items are similarly reported in government-wide and fund financial statements.

**Capital Assets**

Capital assets, which include right-of-use assets under lease, equipment and vehicles, are reported in the government-wide financial statements. Capital assets are defined by the Council as assets with an initial cost of more than \$5,000 and an estimated useful life longer than one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at the estimated acquisition value on the date of donation.

The costs 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 are depreciated using the straight-line method over the estimated useful lives of the asset ranging from three to seven years.

**Unearned Revenues**

The Council receives cash from certain grant funding agencies before qualifying expenditures are incurred. Unearned revenues represent unspent grant proceeds that will be recognized as revenue in future periods when the eligibility requirements have been substantially met. The Council's grant agreements do not require unspent funds to be held in a separate bank account and since the revenue is not earned, it is not a component of net position at either the fund or government-wide level. The terms of the grant require the funds to be expended by specific dates, and unspent grant funds are not typically considered restricted assets of the governmental unit. Therefore, the Council has not reported the unspent proceeds as restricted assets as of September 30, 2025.

**EMERALD COAST REGIONAL COUNCIL  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2025 AND 2024**

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**Compensated Absences**

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

**Other Post-Employment Benefits (OPEB) Liability**

For the purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the OPEB plan and additions to/deductions from the plan's fiduciary net position have been determined on the same basis as they are reported by the plan. For this purpose, the plan recognizes benefit payments when due and payable in accordance with the benefit terms.

The Council has implemented GASB Statement No. 75, *Accounting and Reporting for Postemployment Benefits Other Than Pensions*, and reported a total OPEB liability of \$22,127, deferred outflows of resources of \$8,335 and deferred inflows of resources of \$9,473, as of September 30, 2025. The Council reported a total OPEB liability of \$24,010, deferred outflows of resources of \$10,605 and deferred inflows of resources of \$9,479, as of September 30, 2024. These amounts have been recognized in the government-wide financial statements. Due to the insignificant amounts involved, management has elected not to provide the detailed footnotes or required supplementary information as required by GASB guidance.

**Net Pension Liability**

For purposes of measuring the net pension liability, deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Florida Retirement Systems (FRS) and Health Insurance Subsidy (HIS) plans (the Plans) and additions to/deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by FRS. Investments are reported at fair value.

**Long-Term Obligations**

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net position.

In the governmental fund financial statements, the face amount of debt issued is included in other financing sources for the current period. Issuance costs, principal repayments and interest are reported as debt service expenditures.

**Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of financial position will report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Council reports deferred outflows of resources of pension and OPEB-related items. See Note 6 for additional information on the Council's deferred outflows of resources related to pensions.

**EMERALD COAST REGIONAL COUNCIL  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2025 AND 2024**

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In addition to liabilities, the statement of financial position will report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Council reports deferred outflows of resources of pension and OPEB-related items. See Note 6 for additional information on the Council's deferred inflows of resources related to pensions.

**Classification of Fund Balance**

GASB establishes fund balance classifications using a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. Fund balance classifications are comprised of the following:

- *Nonspendable* – includes amounts that are (1) not in spendable form or (2) legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash (i.e., inventories, deposits and prepaid items).
- *Restricted* – includes amounts that can be spent only for the specific purposes stipulated by external resource providers, constitutionally or through enabling legislation. Restrictions may effectively be changed or lifted only with the consent of resource providers.
- *Committed* – includes amounts that can only be used for the specific purposes determined by a formal action, Resolution, of the Council's highest level of decision-making authority, the Board of Directors. Commitments may be changed or lifted only by taking the same formal action that imposed the constraint originally, which is a Resolution.
- *Assigned* – includes amounts intended to be used by the Council for specific purposes that are neither restricted nor committed. Intent is expressed by the Board of Directors to assign amounts to be used for specific purposes.
- *Unassigned* – is the residual classification for the general fund and includes all amounts not contained in the other classifications. Unassigned amounts are technically available for any purpose.

These classifications reflect not only the nature of funds but also provide clarity to the level of restriction placed upon fund balance. Fund balance can have different levels of restraint, such as external versus internal compliance requirements. In circumstances when an expenditure is made for a purpose for which amounts are available in multiple fund balance classifications, fund balance is generally depleted in the order of restricted, committed, assigned and unassigned.

**Net Position**

Net position in the government-wide financial statements is categorized as either net investment in capital assets, restricted, or unrestricted. The net investment in capital assets represents net position related to property, plant and equipment, net of any related debt. Restricted net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Generally, a liability relates to restricted assets if the asset results from a resource flow that also results in the recognition of a liability or if the liability will be liquidated with the restricted assets reported.

**EMERALD COAST REGIONAL COUNCIL  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2025 AND 2024**

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**Estimates**

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

**Reclassifications**

Certain amounts presented in the prior year have been reclassified in order to be consistent with the current year presentation. Such reclassifications have no effect on total fund balance or net position previously reported.

**Subsequent Events**

The Council has evaluated events and transactions that occurred between September 30, 2025 and May 4, 2026, which is the date the financial statements were available to be issued, for possible recognition or disclosure in the financial statements.

**Change in Accounting Principle**

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

As part of the implementation process, the Council has evaluated whether leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means by assessing relevant factors, such as the Council's employment policies related to compensated absences; historical information about the use, payment, or forfeiture of compensated absences; and known information that would indicate that historical information may not be representative of future trends or patterns. GASBS 101 was retroactively implemented which resulted in a restatement of the Council's beginning net position. The effects of the restatement on beginning net position for each reporting unit can be found in Note 10.

**2. DEPOSITS**

The investment of surplus funds is governed by provisions of Section 218.415, Florida Statutes, as to the type of investments that can be made. Deposits may be exposed to custodial credit risk, which is the risk that, in the event of a bank failure, the government's deposits may not be returned. The Council maintains its deposits only with *Qualified Public Depositories*, as defined in Chapter 280, Florida Statutes. The provisions of this statute allow *Qualified Public Depositories* to participate in a multiple financial institution collateral pool to ensure the security for public deposits. *All Qualified Public Depositories* must place with (or in the name of) the Chief Financial Officer of the State of Florida, collateral in the amount of the average daily balance of public deposits multiplied by the average monthly balance of public deposits or 125% of the average daily balance of public deposits greater than capital. In the event of default by a *Qualified Public Depository*, excess losses over

**EMERALD COAST REGIONAL COUNCIL  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2025 AND 2024**

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insurance and collateral will be recovered through assessments to all *Qualified Public Depositories* of the same type as the depository in default. Under this method, all Council deposits are considered fully insured.

As of September 30, 2025 and 2024, the value of the Council’s deposits were \$2,782,287 and \$2,666,129, respectively. All deposits were held by *Qualified Public Depositories* under Florida Statutes.

**3. RECEIVABLES**

The Council’s due from other governments on September 30, 2025 and 2024, were summarized as follows:

	<b>General Fund</b>	
	<b>2025</b>	<b>2024</b>
<b>Due from other governments</b>		
Due from federal grant agencies	\$ 1,172,372	\$ 1,629,865
Due from state grant agencies	312,300	244,582
Due from local government agencies	390,664	155,103
<b>Total due from other governments</b>	<b>\$ 1,875,336</b>	<b>\$ 2,029,550</b>

**EMERALD COAST REGIONAL COUNCIL  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2025 AND 2024**

**4. CAPITAL ASSETS**

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

	<b>Beginning Balance</b>	<b>Increases</b>	<b>Decreases</b>	<b>Adjustments/ Transfers</b>	<b>Ending Balance</b>
<b>Governmental activities</b>					
Capital assets being depreciated					
Right-of-use assets	\$ 379,702	\$ -	\$ -	\$ -	\$ 379,702
Equipment	13,035	-	-	-	13,035
Vehicles	133,949	-	-	-	133,949
Total capital assets being depreciated	<u>526,686</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>526,686</u>
Less accumulated depreciation					
Right-of-use assets	(69,612)	(75,940)	-	-	(145,552)
Equipment	(13,035)	-	-	-	(13,035)
Vehicles	(133,533)	(416)	-	-	(133,949)
Total accumulated depreciation	<u>(216,180)</u>	<u>(76,356)</u>	<u>-</u>	<u>-</u>	<u>(292,536)</u>
Total capital assets being depreciated, net	<u>310,506</u>	<u>(76,356)</u>	<u>-</u>	<u>-</u>	<u>234,150</u>
<b>Governmental activities, net</b>	<u><u>\$ 310,506</u></u>	<u><u>\$ (76,356)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 234,150</u></u>

Capital asset activity for the year ended September 30, 2024, was as follows:

	<b>Beginning Balance</b>	<b>Increases</b>	<b>Decreases</b>	<b>Adjustments/ Transfers</b>	<b>Ending Balance</b>
<b>Governmental activities</b>					
Capital assets being depreciated					
Right-of-use assets	\$ 968,949	\$ 379,702	\$ (968,949)	\$ -	\$ 379,702
Equipment	150,107	-	(137,072)	-	13,035
Vehicles	133,949	-	-	-	133,949
Total capital assets being depreciated	<u>1,253,005</u>	<u>379,702</u>	<u>(1,106,021)</u>	<u>-</u>	<u>526,686</u>
Less accumulated depreciation					
Right-of-use assets	(400,944)	(91,887)	423,219	-	(69,612)
Equipment	(150,107)	-	137,072	-	(13,035)
Vehicles	(116,769)	(16,764)	-	-	(133,533)
Total accumulated depreciation	<u>(667,820)</u>	<u>(108,651)</u>	<u>560,291</u>	<u>-</u>	<u>(216,180)</u>
Total capital assets being depreciated, net	<u>585,185</u>	<u>271,051</u>	<u>(545,730)</u>	<u>-</u>	<u>310,506</u>
<b>Governmental activities, net</b>	<u><u>\$ 585,185</u></u>	<u><u>\$ 271,051</u></u>	<u><u>\$ (545,730)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 310,506</u></u>

**EMERALD COAST REGIONAL COUNCIL  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2025 AND 2024**

Amortization of right-of-use assets is included with depreciation expense in the financial statements. Depreciation and amortization expense was as follows:

	<b>2025</b>	<b>2024</b>
<b>Governmental activities</b>		
General government	\$ 76,356	\$ 108,651

**5. LONG-TERM LIABILITIES**

**Changes in Long-Term Debt Liabilities**

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

	<b>Beginning Balance</b>	<b>Additions</b>	<b>Reductions*</b>	<b>Ending Balance</b>	<b>Within One Year</b>
<b>Governmental activities</b>					
<b>Other debt</b>					
Office building lease	\$ 316,656	\$ -	\$ (71,985)	\$ 244,671	\$ 75,513
Compensated absences <sup>1</sup>	346,169	7,573	-	353,742	212,245
<b>Total governmental activities</b>	\$ 662,825	\$ 7,573	\$ (71,985)	\$ 598,413	\$ 287,758

<sup>1</sup> Additions and reductions are reported on a net basis for compensated absences.

The following is a summary of changes in long-term debt liabilities of the Council for the year ended September 30, 2024:

	<b>Beginning Balance</b>	<b>Additions</b>	<b>Reductions</b>	<b>Ending Balance</b>	<b>Within One Year</b>
<b>Governmental activities</b>					
<b>Other debt</b>					
Office building lease	\$ 599,818	\$ 379,702	\$ (662,864)	\$ 316,656	\$ 71,985
Compensated absences <sup>1</sup>	328,949	17,220		346,169	207,701
<b>Total governmental activities</b>	\$ 928,767	\$ 396,922	\$ (662,864)	\$ 662,825	\$ 279,686

<sup>1</sup> Additions and reductions are reported on a net basis for compensated absences.

**Description of Long-Term Debt Outstanding**

*Governmental Activities – Other Debt*

The Council follows the provisions of GASB Statement No. 87, *Leases*. The Council is a lessee of a space in a building that serves as its main administrative office in Pensacola, Florida. The Council's lease liability is measured at the present value of lease payments expected to be remitted during the lease term, including options reasonably certain to be exercised.

**EMERALD COAST REGIONAL COUNCIL  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2025 AND 2024**

*Change in Lease:*

During the fiscal year ended September 30, 2024, the Council decided not to exercise the renewal option for its existing lease agreement for their office space. As a result, the lease was terminated effective November 30, 2023. The termination of the lease resulted in a gain of \$32,463 which is recognized in the financial statements. Subsequently, the Council entered into a new lease agreement for a new office space, effective November 1, 2023.

As of September 30, 2025, the remaining lease term of the new lease is 4.0 years, and the discount rate used to calculate the present value of the lease payments was 1.67%, which is the Council's estimated incremental borrowing rate on the implementation date. The carrying value of the right-of-use (ROU) asset and the related accumulated amortization can be found in Note 4. In the event of default (nonpayment), the lender may terminate the lease agreement and repossess the leased premises. The lease does not contain any subjective acceleration clauses.

**Annual Requirements to Amortize Debt Outstanding**

The annual requirements to amortize all debt outstanding except accrued and annual leave, as of September 30, 2025, were as follows:

<u>Fiscal Year Ending</u>	<u>Lease Obligations</u>	
	<u>Principal</u>	<u>Interest</u>
2026	\$ 75,513	\$ 3,397
2027	79,170	2,108
2028	82,960	756
2029	7,028	-
	<u>\$ 244,671</u>	<u>\$ 6,261</u>

**6. DEFINED BENEFIT PENSION PLANS – FLORIDA RETIREMENT SYSTEM**

All employees hired after October 2005 are eligible to participate in the Florida Retirement System (FRS). Employees hired prior to October 2005 have the option of participating in either the deferred compensation plan or FRS. As provided by Chapters 121 and 112, Florida Statutes, the FRS provides two cost sharing, multiple employer defined benefit plans administered by the Florida Department of Management Services, Division of Retirement, including the FRS Pension Plan (Pension Plan) and the Retiree Health Insurance Subsidy (HIS Plan). Under Section 121.4501, Florida Statutes, the FRS also provides a defined contribution plan (Investment Plan) alternative to the FRS Pension Plan, which is administered by the State Board of Administration (SBA).

As a general rule, membership in the FRS is compulsory for all employees working in a regularly established position for a state agency, county government, district school board, state university, community college or a participating Council or special district within the State of Florida. The FRS provides retirement and disability benefits, annual cost-of-living adjustments and death benefits to plan members and beneficiaries. Benefits are established by Chapter 121, Florida Statutes, and Chapter 60S, Florida Administrative Code. Amendments to the law can be made only by an act of the Florida State Legislature.

**EMERALD COAST REGIONAL COUNCIL  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2025 AND 2024**

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The State of Florida annually issues a publicly available financial report that includes financial statements and required supplementary information for the FRS. The latest available report may be obtained by writing to the State of Florida Division of Retirement, Research and Education Section, Department of Management Services, P.O. Box 9000, Tallahassee, Florida 32315-9000, or from the website: [www.dms.myflorida.com/workforce\\_operations/retirement/publications](http://www.dms.myflorida.com/workforce_operations/retirement/publications).

## **Pension Plan**

### *Plan Description*

The Pension Plan is a cost-sharing multiple-employer defined benefit pension plan, with a Deferred Retirement Option Program (DROP) for eligible employees.

### *Benefits Provided*

Benefits under the Pension Plan are computed on the basis of age, average final compensation and service credit.

- *Regular Class* members enrolled before July 1, 2011, who retire at or after age 62 with at least six years of credited service, or 30 years of service regardless of age, are entitled to a retirement benefit payable monthly for life, equal to 1.60% of their final average compensation based on the five highest years of salary, for each year of credited service. Vested members with less than 30 years of service may retire before age 62 and receive reduced retirement benefits.
- *Senior Management Service Class* members enrolled before July 1, 2011, who retire at or after age 62 with at least six years of credited service, or 30 years of service regardless of age, are entitled to a retirement benefit payable monthly for life, equal to 2.0% of their final average compensation based on the five highest years of salary for each year of credited service.

For Pension Plan members enrolled on or after July 1, 2011, the vesting requirement is extended to eight years of credited service for all the above classes of members and the normal retirement age has been increased to age 65, or 33 years of service regardless of age, for Regular, Senior Management Service and Elected Officers' Class members. Also, the final average compensation for all these members is based on the eight highest years of salary.

As provided in Section 121.101, Florida Statutes, if the member was initially enrolled in the Pension Plan before July 1, 2011, and all service credit was accrued before July 1, 2011, the annual cost-of-living adjustment is 3.0% per year. If the member is initially enrolled before July 1, 2011, and has service credit on or after July 1, 2011, there is an individually calculated cost-of-living adjustment. The annual cost-of-living adjustment is a proportion of 3.0% determined by dividing the sum of the pre-July 2011 service credit by the total service credit at retirement multiplied by 3.0%. Plan members initially enrolled on or after July 1, 2011, will not have a cost-of-living adjustment after retirement.

In addition to the above benefits, the DROP program allows eligible members to defer receipt of monthly retirement benefit payments while continuing employment with an FRS employer for a period not to exceed 96 months after electing to participate. Deferred monthly benefits are held in the FRS Trust Fund and accrue interest. There are no required contributions by DROP participants.

**EMERALD COAST REGIONAL COUNCIL  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2025 AND 2024**

*Contributions*

All enrolled members of the FRS, other than DROP participants, are required to contribute 3.0% of their salary to the FRS. In addition to member contributions, governmental employers are required to make contributions to the FRS based on state-wide contribution rates established by the Florida Legislature. These rates are updated as of July 1 of each year. The employer contribution rates by job class for each of the prior three years are as follows.

	<u>2025</u>	<u>2024</u>	<u>2023</u>
Regular Class	14.03%	13.63%	13.57%
Senior Management Class	33.24%	34.52%	34.52%
DROP	22.02%	21.13%	18.60%

These employer contribution rates include 2.0% for HIS Plan subsidies. The Council's contributions, including employee contributions, to the plan totaled \$173,757, \$178,417 and \$160,905 for the fiscal years ended September 30, 2025, 2024 and 2023, respectively.

*Pension Liabilities, Pension Expense and Deferred Outflows/Inflows of Resources*

As of September 30, 2025, the Council reported a liability of \$900,166 for its proportionate share of the Pension Plan's net pension liability. The Council's proportionate share of the net pension liability was based on the Council's share of contributions to the FRS relative to the contributions of all participating governments. On June 30, 2025, the Council's proportionate share was 0.002900475%.

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, 2025.

For the fiscal year ended September 30, 2025, the Council recognized pension expense of \$71,018. In addition, the Council reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 96,147	\$ -
Change of assumptions	104,533	-
Net difference between projected and actual earnings on pension plan investments	-	150,292
Changes in proportion and differences between Council pension plan contributions and proportionate share of of contributions	19,865	131,403
Council plan contributions subsequent to the measurement date	45,182	-
	<u>\$ 265,727</u>	<u>\$ 281,695</u>

**EMERALD COAST REGIONAL COUNCIL  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2025 AND 2024**

A component of deferred outflows of resources related to the Pension Plan of \$45,182 resulting from Council contributions to the plan subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the fiscal year ended September 30, 2026. Other components reported as deferred outflows of resources and deferred inflows of resources related to the Pension Plan will be recognized in pension expense as follows:

<b>Fiscal Year Ending September 30:</b>	<b>Amount</b>
2026	\$ 111,037
2027	(67,571)
2028	(61,187)
2029	(43,429)
	\$ (61,150)

As of September 30, 2024, the Council reported a liability of \$1,229,374 for its proportionate share of the Pension Plan's net pension liability. The Council's proportionate share of the net pension liability was based on the Council's share of contributions to the FRS relative to the contributions of all participating governments. On June 30, 2024, the Council's proportionate share was 0.003177934%.

The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2024.

For the fiscal year ended September 30, 2024, the Council recognized pension expense of \$186,910. In addition, the Council reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 124,200	\$ -
Change of assumptions	168,497	-
Net difference between projected and actual earnings on pension plan investments	-	81,711
Changes in proportion and differences between Council pension plan contributions and proportionate share of contributions	47,539	92,628
Council plan contributions subsequent to the measurement date	44,603	-
	\$ 384,839	\$ 174,339

**EMERALD COAST REGIONAL COUNCIL  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2025 AND 2024**

A component of deferred outflows of resources related to the Pension Plan of \$44,603 resulting from Council contributions to the plan subsequent to the measurement date, was recognized as a reduction of the net pension liability in the fiscal year ended September 30, 2025. Other components reported as deferred outflows of resources and deferred inflows of resources related to the Pension Plan will be recognized in pension expense as follows:

<b>Fiscal Year Ending <u>September 30:</u></b>	<b>Amount</b>
2025	\$ (22,236)
2026	187,107
2027	(7,934)
2028	(2,781)
2029	11,741
	\$ 165,897

*Actuarial Assumptions*

The total pension liability measured as of June 30, 2025, was determined using the following actuarial assumptions:

Inflation	2.40%
Salary increases	3.50%, average, including inflation
Investment rate of return	6.70%, net of pension plan investment expense, including inflation

The total pension liability measured as of June 30, 2024, was determined using the following actuarial assumptions:

Inflation	2.40%
Salary increases	3.50%, average, including inflation
Investment rate of return	6.70%, net of pension plan investment expense, including inflation

Mortality rates used in calculating the total pension liability in the July 1, 2025 and 2024, actuarial valuations were based on the PUB-2010 table, projected generationally with a gender-specific Scale MP-2021.

The actuarial assumptions used in the July 1, 2025 and 2024, valuations were based on the results of a 2024 actuarial experience study for the period July 1, 2018, through June 30, 2023.

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

**EMERALD COAST REGIONAL COUNCIL  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2025 AND 2024**

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:

<b>Asset Class</b>	<b>Target Allocation<sup>(1)</sup></b>	<b>Annual Arithmetic Return</b>	<b>Compound Annual (Geometric) Return</b>	<b>Standard Deviation</b>
Cash	1.00%	3.30%	3.30%	1.10%
Fixed income	29.00%	5.70%	5.60%	3.90%
Global equity	45.00%	8.60%	7.00%	18.10%
Private equity	12.00%	8.10%	6.80%	16.60%
Strategic investments	11.00%	12.40%	8.80%	28.40%
Real estate	<u>2.00%</u>	6.60%	6.20%	8.70%
Total	<u><u>100.00%</u></u>			
Assumed inflation – mean			2.40%	1.50%

<sup>(1)</sup> As outlined in the Pension Plan's investment policy

**Discount Rate**

The discount rate used to measure the total pension liability as of June 30, 2025 and 2024, was 6.70%. The Pension Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return.

**Sensitivity of the Net Pension Liability to the Changes in the Discount Rate**

The following represents the Council's proportionate share of the net pension liability calculated using the discount rate of 6.70% as of June 30, 2025, as well as what the Council's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

	<b>1% Decrease (5.70%)</b>	<b>Current Discount Rate (6.70%)</b>	<b>1% Increase (7.70%)</b>
Council's proportionate share of the net pension liability	\$ 1,766,562	\$ 900,166	\$ 173,792

**EMERALD COAST REGIONAL COUNCIL  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2025 AND 2024**

The following represents the Council’s proportionate share of the net pension liability calculated using the discount rate of 6.70% as of June 30, 2024, as well as what the Council’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

	<b>1% Decrease (5.70%)</b>	<b>Current Discount Rate (6.70%)</b>	<b>1% Increase (7.70%)</b>
Council's proportionate share of the net pension liability	\$ 2,162,427	\$ 1,229,375	\$ 447,745

*Pension Plan Fiduciary Net Position*

Detailed information regarding the Pension Plan’s fiduciary net position is available in the separately issued FRS Pension Plan and Other State-Administered Systems Annual Comprehensive Financial Report.

**HIS Plan**

*Plan Description*

The HIS Plan is a cost-sharing, multiple-employer defined benefit pension plan established under Section 112.363, Florida Statutes, and may be amended by the Florida legislature at any time. The benefit is a monthly payment to assist retirees of state-administered retirement systems in paying their health insurance costs and is administered by the Florida Department of Management Services, Division of Retirement.

*Benefits Provided*

For the fiscal year ended September 30, 2025, eligible retirees and beneficiaries received 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. To be eligible to receive these benefits, a retiree under a state-administered retirement system must provide proof of health insurance coverage, which may include Medicare.

*Contributions*

The HIS Plan is funded by required contributions from FRS participating employers as set by the Florida Legislature. Employer contributions are a percentage of gross compensation for all active FRS members. The HIS Plan contribution is 2.00% of gross compensation. The Council contributed 100% of its statutorily required contributions for the current and preceding three years. HIS Plan contributions are deposited in a separate trust fund from which payments are authorized. HIS Plan benefits are not guaranteed and are subject to annual legislative appropriation. In the event legislative appropriation or available funds fail to provide full subsidy benefits to all participants, benefits may be reduced or cancelled.

The Council’s contributions to the HIS Plan totaled \$42,121, \$43,743 and \$39,723 for the fiscal years ended September 30, 2025, 2024 and 2023, respectively.

**EMERALD COAST REGIONAL COUNCIL  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2025 AND 2024**

*Pension Liabilities, Pension Expense and Deferred Outflows/Inflows of Resources*

As of September 30, 2025, the Council reported a liability of \$607,195 for its proportionate share of the pension plan's net pension liability. The Council's proportionate share of the net pension liability was based on the Council's share of contributions to the HIS Plan relative to the contributions of all participating governments. On June 30, 2025, the Council's proportionate share was 0.004737251%.

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, 2025 .

For the fiscal year ended September 30, 2025, the Council recognized a credit to pension expense of \$2,492. In addition, the Council reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 3,625	\$ 963
Change of assumptions	5,374	146,865
Net difference between projected and actual earnings on pension plan investments	-	505
Changes in proportion and differences between Council pension plan contributions and proportionate share of contributions	14,255	119,154
Council plan contributions subsequent to the measurement date	10,469	-
	<b>\$ 33,723</b>	<b>\$ 267,487</b>

A component of deferred outflows of resources related to the HIS Plan, totaling \$10,469 resulting from Council contributions to the plan subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the fiscal year ended September 30, 2025. Other components reported as deferred outflows of resources and deferred inflows of resources related to the HIS Plan will be recognized in pension expense as follows:

**Fiscal Year Ending**

**September 30:**

	<b>Amount</b>
2026	\$ (48,696)
2027	(60,137)
2028	(55,929)
2029	(48,379)
2030	(31,092)
	<b>\$ (244,233)</b>

**EMERALD COAST REGIONAL COUNCIL  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2025 AND 2024**

As of September 30, 2024, the Council reported a liability of \$796,068 for its proportionate share of the pension plan's net pension liability. The Council's proportionate share of the net pension liability was based on the Council's share of contributions to the HIS Plan relative to the contributions of all participating governments. On June 30, 2024, the Council's proportionate share was 0.005306772%.

The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2024.

For the fiscal year ended September 30, 2024, the Council recognized pension expense of \$38,384. In addition, the Council reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 7,686	\$ 1,529
Change of assumptions	14,089	94,244
Net difference between projected and actual earnings on pension plan investments	-	288
Changes in proportion and differences between Council pension plan contributions and proportionate share of contributions	28,177	54,083
Council plan contributions subsequent to the measurement date	10,688	-
	<b>\$ 60,640</b>	<b>\$ 150,144</b>

**EMERALD COAST REGIONAL COUNCIL  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2025 AND 2024**

A component of deferred outflows of resources related to the HIS Plan, totaling \$10,688 resulting from Council contributions to the plan subsequent to the measurement date, was recognized as a reduction of the net pension liability in the fiscal year ended September 30, 2025. Other components reported as deferred outflows of resources and deferred inflows of resources related to the HIS Plan will be recognized in pension expense as follows:

<b>Fiscal Year Ending <u>September 30:</u></b>	<b>Amount</b>
2025	\$ (10,362)
2026	(16,725)
2027	(28,895)
2028	(23,986)
2029	(15,696)
Thereafter	(4,528)
	\$ (100,192)

*Actuarial Assumptions*

The total pension liability measured as of June 30, 2025, was determined using the following actuarial assumptions:

Inflation	2.40%
Salary increases	3.50%, average, including inflation
Investment rate of return	5.20%

The total pension liability measured as of June 30, 2024, was determined using the following actuarial assumptions:

Inflation	2.40%
Salary increases	3.50%, average, including inflation
Investment rate of return	3.93%

Mortality rates used in calculating the total pension liability were based on the PUB-2010 table, projected generationally with a gender-specific Scale MP-2021. Because the HIS Plan is funded on a pay-as-you-go basis, no experience study has been completed for this plan. The actuarial assumptions used in the July 1, 2024, valuation were based on certain results of the most recent experience study for the FRS Pension Plan.

*Discount Rate*

The discount rate used to measure the total pension liability as of June 30, 2025, was 5.20%. The discount rate used to measure the total pension liability as of June 30, 2024, was 3.93%. 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

**EMERALD COAST REGIONAL COUNCIL  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2025 AND 2024**

depletion date. Because the HIS benefit is essentially funded on a pay-as-you-go basis, the depletion date 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 Net Pension Liability to the Changes in the Discount Rate*

The following represents the Council's proportionate share of the net pension liability calculated using the discount rate of 5.20% as of June 30, 2025, as well as what the Council's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

	<b>1% Decrease (4.20%)</b>	<b>Current Discount Rate (5.20%)</b>	<b>1% Increase (6.20%)</b>
Council's proportionate share of the net pension liability	\$ 684,710	\$ 607,195	\$ 542,184

The following represents the Council's proportionate share of the net pension liability calculated using the discount rate of 3.93% as of June 30, 2024, as well as what the Council's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

	<b>1% Decrease (2.93%)</b>	<b>Current Discount Rate (3.93%)</b>	<b>1% Increase (4.93%)</b>
Council's proportionate share of the net pension liability	\$ 906,221	\$ 796,067	\$ 704,623

*Plan Fiduciary Net Position*

Detailed information regarding the HIS Plan's fiduciary net position is available in the separately issued FRS Pension Plan and Other State-Administered Systems Annual Comprehensive Financial Report.

**Pension Expense**

For the fiscal years ended September 30, 2025 and 2024, the Council recognized aggregate pension expense of \$68,526 and \$225,294, respectively, on all defined benefit pension plans.

**EMERALD COAST REGIONAL COUNCIL  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2025 AND 2024**

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**7. CONCENTRATIONS**

A substantial portion of the Council’s revenues are derived from federal and state grants. The schedule below shows the portion of total revenues derived from each funding source that exceeded 10% of the Council’s total revenues for the year ended September 30, 2025.

<u>Source</u>	<u>Revenues</u>	<u>Percentage of Total Revenues</u>
U.S. Department of Transportation (USDOT)	\$ 3,484,398	59.6%
	<u>\$ 3,484,398</u>	<u>59.6%</u>

The schedule below shows the portion of total revenues derived from each funding source that exceeded 10% of the Council’s total revenues for the year ended September 30, 2024.

<u>Source</u>	<u>Revenues</u>	<u>Percentage of Total Revenues</u>
U.S. Department of Transportation (USDOT)	\$ 4,465,945	63.9%
U.S. Department of Defense (USDOD)	706,783	10.1%
	<u>\$ 5,172,728</u>	<u>74.0%</u>

**8. RISK MANAGEMENT**

The Council is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Council purchases insurance through commercial carriers to mitigate the risk of loss. There has been no significant reduction in insurance coverage from the prior year. Commercial insurance coverage has been sufficient to cover all claims made in the prior three fiscal years.

**9. COMMITMENTS AND CONTINGENCIES**

**Grants**

Amounts received or receivable from the grantor agency is subject to audit and adjustment by the grantor agency. If expenditures are disallowed as a result of these audits, the claim for reimbursement to the grantor agency would become a liability of the Council. In the opinion of management, any such adjustments would not be significant, and therefore do not have a material adverse effect on the financial position of the Council.

**EMERALD COAST REGIONAL COUNCIL  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2025 AND 2024**

**10. PRIOR PERIOD ADJUSTMENT**

As discussed in Note 1, the Council adopted the provisions of GASBS 101 on October 1, 2024. As a result, the Council restated its September 30, 2024 net position to implement the change in accounting principle. The financial statement line items affected by the change in accounting principle in the Council's financial statements as of and for the year ended September 30, 2024, were as follows:

<b><u>Statement of Net Position</u></b>	<b>Governmental Activities</b>	
	<b>2024</b>	<b>2023</b>
Compensated absences – current – as previously reported	\$ -	\$ -
Implementation of GASBS 101	207,701	197,369
Compensated absences – current – as restated	\$ 207,701	\$ 197,369
Compensated absences – due in more than one year – as previously reported	\$ 177,692	\$ 167,147
Implementation of GASBS 101	(39,224)	(35,567)
Compensated absences – due in more than one year – as restated	\$ 138,468	\$ 131,580
Net position – unrestricted – as previously reported	\$ 1,698,343	\$ 1,699,566
Implementation of GASBS 101	(168,477)	(161,802)
Net position – unrestricted – as restated	\$ 1,529,866	\$ 1,537,764
 <b><u>Statement of Activities</u></b>		<b>Governmental Activities 2024</b>
Expenses – general government – as previously reported		\$ 7,010,387
Implementation of GASBS 101		6,675
Expenses – general government – as adjusted		\$ 7,017,062
Change in net position – as previously reported		\$ (1,223)
Implementation of GASBS 101		(6,675)
Change in net position – as adjusted		\$ (7,898)

**REQUIRED SUPPLEMENTARY INFORMATION**

**EMERALD COAST REGIONAL COUNCIL  
REQUIRED SUPPLEMENTARY INFORMATION  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE –  
BUDGET AND ACTUAL  
FOR THE YEAR ENDED SEPTEMBER 30, 2025**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget – (Negative) Positive</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Intergovernmental:				
Federal and state grants	\$ 6,037,841	\$ 8,116,841	\$ 4,936,638	\$ (3,180,203)
Local and private grants	290,677	290,677	633,048	342,371
Charges for services	156,781	156,781	192,757	35,976
Interest	-	-	84,245	84,245
Miscellaneous	-	-	188	188
Total revenues	<u>6,485,299</u>	<u>8,564,299</u>	<u>5,846,876</u>	<u>(2,717,423)</u>
<b>EXPENDITURES</b>				
Current				
General government	6,485,299	8,564,299	5,605,410	2,958,889
Debt service	-	-	76,612	(76,612)
Total expenditures	<u>6,485,299</u>	<u>8,564,299</u>	<u>5,682,022</u>	<u>2,882,277</u>
<b>NET CHANGE IN FUND BALANCE</b>	-	-	164,854	164,854
<b>FUND BALANCE AT BEGINNING OF YEAR</b>	<u>-</u>	<u>-</u>	<u>3,809,515</u>	<u>3,809,515</u>
<b>FUND BALANCE AT END OF YEAR</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,974,369</u>	<u>\$ 3,974,369</u>

See notes to the required supplementary information.

**EMERALD COAST REGIONAL COUNCIL  
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE YEAR ENDED SEPTEMBER 30, 2025**

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An annual appropriated budget is adopted for the general fund. The budget is adopted by the Board of Directors on a basis consistent with U.S. GAAP. The Board of Directors must approve any amendments to the budget. All appropriations lapse at fiscal year-end.

Budget amounts reflected in the supplementary budgetary comparison schedule include original budget amounts as well as final amounts, as amended by the Board of Directors. Comparisons are made of actual results to final budgeted appropriations. Under state statutes, the budget does not legally limit the general fund's expenditures.

**EMERALD COAST REGIONAL COUNCIL  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY -  
FLORIDA RETIREMENT SYSTEM  
LAST TEN YEARS**

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Council's proportion of the net pension liability	0.002900475%	0.003177934%	0.003144893%	0.003484891%	0.003745442%	0.003398588%	0.003254390%	0.003169769%	0.003001960%	0.002997262%
Council's proportionate share of the net pension liability	\$ 900,166	\$ 1,229,374	\$ 1,253,141	\$ 1,296,659	\$ 282,926	\$ 1,472,998	\$ 1,120,736	\$ 954,751	\$ 888,264	\$ 756,811
Council's covered payroll	\$ 2,116,989	\$ 2,246,835	\$ 2,214,217	\$ 2,038,735	\$ 2,046,506	\$ 1,812,349	\$ 1,777,952	\$ 1,659,398	\$ 1,525,542	\$ 1,368,675
Council's proportionate share of the net pension liability as a percentage of its covered payroll	42.52%	54.72%	56.60%	63.60%	13.82%	81.28%	63.04%	57.54%	58.23%	55.30%
Plan fiduciary net position as a percentage of the total pension liability	87.26%	83.70%	82.38%	82.89%	96.40%	78.85%	82.61%	84.26%	83.89%	84.88%

\* The amounts presented for each fiscal year were determined as of June 30.

**EMERALD COAST REGIONAL COUNCIL  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY -  
HEALTH INSURANCE SUBSIDY  
LAST TEN YEARS**

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Council's proportion of the net pension liability	0.004737251%	0.005306772%	0.005587525%	0.005593122%	0.005779513%	0.005220747%	0.005315093%	0.005079433%	0.004785123%	0.004432571%
Council's proportionate share of the net pension liability	\$ 607,195	\$ 796,068	\$ 887,373	\$ 592,401	\$ 708,944	\$ 637,445	\$ 594,706	\$ 537,613	\$ 511,647	\$ 516,598
Council's covered payroll	\$ 2,116,989	\$ 2,246,835	\$ 2,214,217	\$ 2,038,735	\$ 2,046,506	\$ 1,812,349	\$ 1,777,952	\$ 1,659,398	\$ 1,525,542	\$ 1,368,675
Council's proportionate share of the net pension liability as a percentage of its covered payroll	28.68%	35.43%	40.08%	29.06%	34.64%	35.17%	33.45%	32.40%	33.54%	37.74%
Plan fiduciary net position as a percentage of the total pension liability	6.36%	4.80%	4.12%	4.81%	3.56%	3.00%	2.63%	2.15%	1.64%	0.97%

\* The amounts presented for each fiscal year were determined as of June 30.

**EMERALD COAST REGIONAL COUNCIL  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF CONTRIBUTIONS -  
FLORIDA RETIREMENT SYSTEM  
LAST TEN YEARS**

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually required contribution	\$ 173,757	\$ 178,417	\$ 160,905	\$ 148,035	\$ 138,946	\$ 128,663	\$ 103,414	\$ 92,384	\$ 81,302	\$ 73,976
Contributions in relation to the contractually required contribution	(173,757)	(178,417)	(160,905)	(148,035)	(138,946)	(128,663)	(103,414)	(92,384)	(81,302)	(73,976)
Contribution deficiency	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Council's covered payroll	\$ 2,106,050	\$ 2,187,150	\$ 2,271,361	\$ 2,070,843	\$ 2,028,373	\$ 1,935,422	\$ 1,779,458	\$ 1,683,373	\$ 1,557,892	\$ 1,395,723
Contributions as a percentage of covered payroll	8.25%	8.16%	7.08%	7.15%	6.85%	6.65%	5.81%	5.49%	5.22%	5.30%

Note: The amounts presented in this schedule are for the Council's fiscal year rather than the plan's year.

**EMERALD COAST REGIONAL COUNCIL  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF CONTRIBUTIONS -  
HEALTH INSURANCE SUBSIDY  
LAST TEN YEARS**

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually required contribution	\$ 42,121	\$ 43,743	\$ 39,723	\$ 34,376	\$ 33,671	\$ 32,128	\$ 29,539	\$ 27,944	\$ 25,861	\$ 23,169
Contributions in relation to the contractually required contribution	(42,121)	(43,743)	(39,723)	(34,376)	(33,671)	(32,128)	(29,539)	(27,944)	(25,861)	(23,169)
Contribution deficiency	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Council's covered payroll	\$ 2,106,050	\$ 2,187,150	\$ 2,271,361	\$ 2,070,843	\$ 2,028,373	\$ 1,935,422	\$ 1,779,458	\$ 1,683,373	\$ 1,557,892	\$ 1,395,723
Contributions as a percentage of covered payroll	2.00%	2.00%	1.75%	1.66%	1.66%	1.66%	1.66%	1.66%	1.66%	1.66%

Note: The amounts presented in this schedule are for the Council's fiscal year rather than the plan's year.

## COMPLIANCE SECTION

**EMERALD COAST REGIONAL COUNCIL  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2025**

Federal Agency Pass-Through Entity Federal Program	Assistance Listing No.	Contract/ Grant Number	Expenditures	Passed Through to Subrecipients
<b><u>U.S. Department of Commerce</u></b>				
<b>Direct programs</b>				
Economic Development Support for Planning Organizations	11.302	ED24ATL0G0155	\$ 85,478	\$ -
Office for Coastal Management	11.473	FG-122337	14,719	-
<b>Total U.S. Department of Commerce</b>			<u>100,197</u>	<u>-</u>
<b><u>U.S. Department of Defense</u></b>				
<b>Direct programs</b>				
Community Economic Adjustment Assistance for Responding to Threats to the Resilience of a Military Installation	12.003	MIR1966-22-01	48,114	-
<b>Total U.S. Department of Defense</b>			<u>48,114</u>	<u>-</u>
<b><u>U.S. Department of Transportation</u></b>				
<b>Direct programs</b>				
<b><u>Transit Services Program Cluster</u></b>				
Job Access and Reverse Commute Program	20.516	FL-37-X069-01	1,038	-
<b>Passed through from Alabama Department of Transportation</b>				
Highway Planning and Construction	20.205	HP3-100077558	21,087	-
<b>Passed through from Florida Department of Transportation</b>				
Highway Planning and Construction	20.205	G2U26	1,498,012	-
Highway Planning and Construction	20.205	G2U27	574,843	-
Highway Planning and Construction	20.205	G2U28	820,893	-
Highway Planning and Construction	20.205	G2F95	212,109	-
Subtotal			<u>3,126,944</u>	<u>-</u>
Transportation Infrastructure Finance and Innovation Act (TIFIA) Program	20.223	BEE98	45,629	-
Metropolitan Transportation Planning and State and Non-Metropolitan Planning and Research	20.505	G2519	102,444	-
Safe Streets and Roads for All	20.939	693JJ32340320	139,243	-
<b>Passed through from Florida Division of Emergency Management</b>				
Interagency Hazardous Materials Public Sector Training and Planning Grants	20.703	T0244	69,101	-
<b>Total U.S. Department of Transportation</b>			<u>3,484,399</u>	<u>-</u>
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>			<u>\$ 3,632,710</u>	<u>\$ -</u>

The accompanying notes are an integral part of this schedule.

**EMERALD COAST REGIONAL COUNCIL  
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2025**

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**A. BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards (the Schedule) includes the award activity of the Emerald Coast Regional Council (the Council) under programs of the federal government for the year ended September 30, 2025. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (the Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Council, it is not intended to, and does not, present the financial position or changes in net position of the Council.

**B. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowed or are limited as to reimbursement. Therefore, some amounts presented in the Schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

**C. INDIRECT COST RATE**

The Council has elected to use the fifteen percent de minimis indirect cost rate, as allowed under the Uniform Guidance.

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

To the Board of Directors  
Emerald Coast Regional Council

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 governmental activities and general fund of the Emerald Coast Regional Council (the Council), as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the Council's basic financial statements, and have issued our report thereon dated May 4, 2026.

**Report on Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the Council'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 Council's internal control. Accordingly, we do not express an opinion on the effectiveness of the Council'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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Council'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 or significant deficiencies. However, material weaknesses or significant deficiencies may exist that have not been identified.

**Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Council'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 Council'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 Council's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Fort Walton Beach, Florida  
May 4, 2026

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL  
PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE  
REQUIRED BY THE UNIFORM GUIDANCE**

To the Board of Directors  
Emerald Coast Regional Council

**Report on Compliance for the Major Federal Program**

***Opinion on the Major Federal Program***

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

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

***Basis for Opinion on the Major Federal Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; 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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

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

## **Auditors' Responsibilities for the Audit of Compliance**

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

In performing our audit in accordance with generally accepted auditing standards, *Government Auditing Standards* and the Uniform Guidance, we:

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

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

## **Report on Internal Control Over Compliance**

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. 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 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. Accordingly, this report is not suitable for any other purpose.

*Warren Averett, LLC*

Fort Walton Beach, Florida  
May 4, 2026

**EMERALD COAST REGIONAL COUNCIL  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2025**

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**I. SUMMARY OF AUDITORS' RESULTS**

***Financial Statements***

Type of auditors' report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? \_\_\_\_\_ Yes       X       No
- Significant deficiency(ies) identified? \_\_\_\_\_ Yes       X       None Reported
- Noncompliance material to financial statements noted? \_\_\_\_\_ Yes       X       No

***Federal Awards***

Internal control over major programs:

- Material weakness(es) identified? \_\_\_\_\_ Yes       X       No
- Significant deficiency(ies) identified? \_\_\_\_\_ Yes       X       None Reported

Type of auditors' report issued on compliance for major programs: Unmodified

- Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance? \_\_\_\_\_ Yes       X       No

Identification of major federal program:

<b>Assistance Listing No.</b>	<b>Name of Federal Program</b>
20.205	Highway Planning and Construction

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

Auditee qualified as federal low-risk auditee?   X   Yes \_\_\_\_\_ No

**II. FINANCIAL STATEMENT FINDINGS**

There were no findings which were required to be reported in accordance with *Government Auditing Standards*.

**III. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS**

There were no findings which were required to be reported in accordance with the Uniform Guidance.

**INDEPENDENT ACCOUNTANTS' REPORT ON AN EXAMINATION  
OF COMPLIANCE REQUIREMENTS IN ACCORDANCE WITH  
CHAPTER 10.550, RULES OF THE AUDITOR GENERAL**

To the Board of Directors  
Emerald Coast Regional Council

We have examined the Council's compliance with the following requirements for the year ended September 30, 2025:

- (1) Section 218.415, Florida Statutes, in regard to the investments.

Management is responsible for the Council's compliance with those requirements. Our responsibility is to express an opinion on the Council'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 Council complied, in all material respects, with the specified requirements. An examination involves performing procedures to obtain evidence about whether the Council complied with the specified requirements. The nature, timing and extent of the procedures selected depend on our judgement, including the assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

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

Our examination does not provide a legal determination of the Council's compliance with specified requirements.

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

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



Fort Walton Beach, Florida  
May 4, 2026

## MANAGEMENT LETTER

To the Board of Directors  
Emerald Coast Regional Council

### Report on the Financial Statements

We have audited the financial statements of the Emerald Coast Regional Council (the Council), as of and for the fiscal year ended September 30, 2025, and have issued our report thereon dated May 4, 2026.

### Auditors' Responsibility

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, and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and Chapter 10.550, *Rules of the Auditor General*.

### Other Reporting Requirements

We have also issued our Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*; Independent Auditors' Report on Compliance for Each Major Federal Program and Report on Internal Control over Compliance; and Schedule of Findings and Questioned Costs, and Independent Accountants' 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 Florida Auditor General*. Disclosures in those reports and schedule, which are dated May 4, 2026, should be considered in conjunction with this management letter.

### Prior Audit Findings

Section 10.554(1)(i)1., *Rules of the Florida Auditor General*, requires that we determine whether corrective actions have been taken to address findings and recommendations made in the preceding annual financial report. There were no findings or recommendations made in the preceding annual financial report.

### Official Title and Legal Authority

Section 10.554(1)(i)4., *Rules of the Florida Auditor General*, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. The official title and legal authority for the Council has been disclosed in Note 1 to the financial statements. The Council has no component units.

### **Financial Condition and Management**

Section 10.554(1)(i)5.a. and 10.556(7), *Rules of the Florida Auditor General*, require us to apply appropriate procedures and communicate the results of our determination as to whether or not the Council has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and to identify the specific condition(s) met. In connection with our audit, we determined that the Council 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 Florida Auditor General*, we applied financial condition assessment procedures for the Council. It is management's responsibility to monitor the Council'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 Florida Auditor General*, requires that we communicate any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

### **Specific Information**

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

- a) The total number of Council employees compensated in the last pay period of the Council's fiscal year as 24.
- b) There were no independent contractors to whom nonemployee compensation was paid in the last month of the Council's fiscal year.
- c) All compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency as \$1,869,984.
- d) There was no compensation earned by or awarded to nonemployee independent contractors, whether paid or accrued, regardless of contingency.
- e) No construction projects with a total cost of at least \$65,000 approved by the Council that are scheduled to begin on or after October 1 of the fiscal year being reported.
- f) No budget variances or amendments based on the budget adopted under Section 189.016(4), Florida Statutes, before the beginning of the fiscal year being reported.

The specific information reported in the previous paragraph has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

### **Additional Matters**

Section 10.554(1)(i)3., *Rules of the Florida 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 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 Council's Board of Directors and applicable management, and is not intended to be, and should not be, used by anyone other than these specified parties.

We greatly appreciate the assistance and cooperation extended to us during our audit.

*Warren Averett, LLC*

Fort Walton Beach, Florida

May 4, 2026

# Action Item

6



## Agenda Item Number: 6

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**SUBJECT:** Amendment to the FY2025-2026 ECRC Budget and Work Program to Include Additional ATMS Signalization Grant Funding

**BACKGROUND:** The FL-AL TPO will be provided with additional JPA funding in the amount of \$625,000 for Escambia/Santa Rosa Coordinated Traffic Signal Operation funding within the FDOT FY 2027-2031 Tentative Work Program.

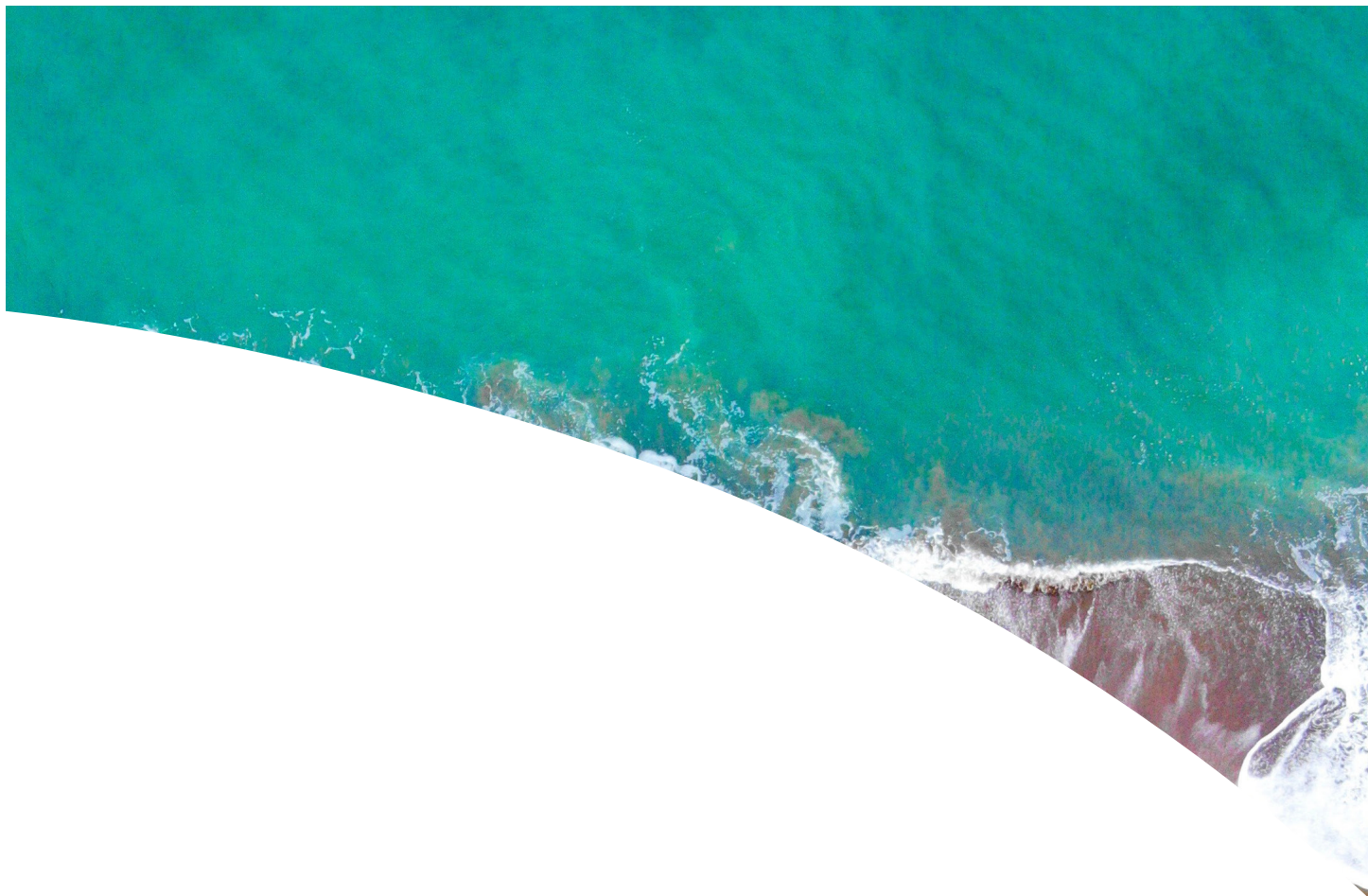
**FUNDING AMOUNT:**

- \$625,000 ATMS Signalization

**ATTACHED:**

- Draft Amended ECRC Budget and Work Program October 1, 2025 - September 30, 2026.

**RECOMMENDED ACTION:** A motion to adopt the amended ECRC FY2025-2026 Budget and Work Program. For more information, contact Dawn Schwartz, CFO at (850) 332-7976, ext. 202, or [dawn.schwartz@ecrc.org](mailto:dawn.schwartz@ecrc.org).



# Annual Budget

October 1, 2025 —September 30, 2026

Adopted: September 22, 2025

Amended: November 12, 2025

Amended: May 20, 2026 (Draft)



**EMERALD COAST REGIONAL COUNCIL**  
**October 1, 2025 - September 30, 2026**  
**REVENUE SOURCES**

**FY25-26**

**FEDERAL**

ATMS Fiber Design LAP	535,000
Economic Development Administration (Planning)	70,000
FDOT Long Range Transportation Plans	385,000
Hazardous Materials Emergency Planning	55,680
Regional Rural Transportation Plan	60,000
Regional Traffic Management Center - LAP	250,000
Safe Streets for All Planning and Demonstration Grant	5,000,000
USDOT FL AL TPO-CPG	963,134
USDOT OW TPO-CPG	554,827
USDOT BAY TPO-CPG	541,458
USDOT FL AL TPO SU	753,873
USDOT OW TPO - Bike/Ped Plan	200,001
USDOT OW TPO - Corridor Study	120,000
USDOT BAY TPO - Bike/Ped Plan	88,000
USDOT ALDOT	26,186
Total	9,603,159

**STATE**

DEP Resilience Regional Coordination	54,500
FDEM Hazardous Materials Emergency Analysis	3,122
FDEM Local Emergency Planning Commission (LEPC)	90,000
FDOT ATMS - Santa Rosa County Equipment	500,000
FDOT ATMS - Signalization	2,025,000
FDOT Commuter Assistance	57,500
FL Commission for the Transportation Disadvantaged	183,695
FL Dept of Commerce - IGSA/FLDTF	35,000
SHIP Housing Admin (Holmes, Walton, Washington)	105,555
Total	3,054,372

**LOCAL/OTHER**

AL-Baldwin County	6,547
ECRC-Membership Dues	156,691
Escambia & Santa Rosa County Summer Traffic Monitoring	57,400
Escambia Impediment Analysis	17,000
Hazardous Waste Verification-SQG	83,800
Okaloosa County Transit Cooperative	16,000
Okaloosa Gas District Grant Mgmt.	6,250
Port of Panama City	6,250
Santa Rosa Co - Defense Grant Writing	25,000
Town of Century Technical Assistance	15,000
TPO Member Contribution	36,377
Walton/Okaloosa/Regional Utility Authority	5,572
Total	431,887

Total Revenue	\$ 13,089,418
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**EMERALD COAST REGIONAL COUNCIL**  
**October 1, 2025 - September 30, 2026**  
**EXPENDITURES**

	<b>FY25-26</b>
Salaries and Fringe	3,081,315
Building Rent	99,000
Depreciation	10,000
Vehicle Replacement	75,000
Events	-
General Insurance	31,000
Office Expense	
Office Equipment & Leases	84,300
Office Supplies & Maintenance	40,000
Printing/Copies/Postage	6,000
Professional Services	
IT Services	98,300
Audit/Legal	95,000
Program Development	50,000
Software Maintenance/Subscriptions	60,500
Telephone and Utilities	34,300
Travel	100,000
Total	3,864,715
<u>Direct Contract Consultant</u>	
ATMS - Fiber Design LAP	535,000
ATMS - Master Plan Update	150,000
ATMS - Santa Rosa County Equipment	500,000
ATMS - Signalization	2,014,500
Bay TPO - LRTP, Bicycle & Pedestrian Plan	203,000
FL AL TPO - LRTP, Pace Blvd Study	179,403
FL Dept of Commerce - IGSA/FLDTF	25,800
OW TPO - LRTP, Bicycle & Pedestrian Plan, Corridor Study	367,000
Regional Traffic Management Center - Post Architectural Design	250,000
SS4A - Planning and Demonstration Grant	5,000,000
Total	9,224,703
Total Expenditures	\$ 13,089,418

# Action Item

7

## Agenda Item Number: 7

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**SUBJECT:** Consideration of Resolution ECRC 2026-07 Adopting the Regional Rural Transportation Plan (RRTP) Project Priorities for FY 2028-2032

**BACKGROUND:** In February of 2023, an RRTP was adopted by the Emerald Coast Regional Council (ECRC), which included a project priorities list. A major update to the RRTP occurs every five years; however, as with the TPO, the RRTP project priorities are reviewed and adopted annually by the ECRC and are based on the adopted RRTP.

At the April 17, 2024 meeting, the Board opened the cycle for the RRTP process to move toward mirroring the TPO Project Priorities process that allows the Florida Department of Transportation (FDOT) to fold in the rural area projects to the FDOT five-year work program. The FY 2028-2032 RRTP Project Priorities marks the third year of development of the Project Priorities in the rural areas represented by the ECRC.

The Project Priorities document consists of the top ten projects in each category in the adopted RRTP. Once the FY 2028-2032 RRTP Project Priorities have been adopted by the ECRC, they will be sent to FDOT to use as a guide to develop the FDOT FY 2028-2032 Work Program. The FY 2028-2032 RRTP Project Priorities have updated based on the FY 2027-2031 FDOT Work Program. The following is the FY 2028-3032 Regional Rural Project Priorities development schedule:

- February 18, 2026 – Kickoff of the FY 2028-2032 Project Priorities **(Completed)**.
- March 18, 2026 – RRTP TAC Committee Workshop 10:00 a.m. **(Completed)**.
- March 18, 2026 to April 30, 2026 Public Outreach **(Completed)**.
- May 20, 2026 – Public Workshop Chautauqua Building
- May 20, 2026 – TAC and ECRC meetings approval of FY 2028-2032 Project Priorities.

**ATTACHED:**

- Resolution ECRC 2026-07
- March 18, 2026 - RRTP TAC Committee Workshop Summary
- Draft FY 2028-2032 Regional Rural Transportation Plan Project Priorities  
*Interactive map and dashboard available at [www.ecrc.org/RRTP](http://www.ecrc.org/RRTP)*

**RECOMMENDED ACTION:** A motion authorizing the ECRC chair to sign Resolution ECRC 2026-07 adopting the FY 2028-2032 Regional Rural Transportation Plan Project Priorities. This motion is recommended to maintain the August 1, 2026 submittal deadline to FDOT. Contact Gary Kramer, ECRC staff, at 850-332-7976, Ext. 219 or [gary.kramer@ecrc.org](mailto:gary.kramer@ecrc.org) if additional information is needed.

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**RESOLUTION ECRC 2026-07  
A RESOLUTION OF THE EMERALD COAST  
REGIONAL COUNCIL ADOPTING THE FY 2028-  
2032 REGIONAL RURAL TRANSPORTATION  
PLAN PROJECT PRIORITIES**

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**WHEREAS**, the Emerald Coast Regional Council (ECRC) is partnering the Florida-Alabama Transportation Planning Organization (TPO) to develop a comprehensive Smart Regions Master Plan; and

**WHEREAS**, the Regional Rural Transportation Plan was adopted in February 2023; and

**WHEREAS**, the FY 2028-2032 Project Priorities are based on the Regional Rural Transportation Plan; and

**WHEREAS**, the FY 2028-2032 Project Priorities were presented at a Transportation Advisory Committee Workshop and a public workshop; and

**WHEREAS**, the FY 2028-2032 Project Priorities will be submitted to the Florida Department of Transportation to use a guide to build their FY 2028-2032 Tentative Work Program.

**NOW, THEREFORE, BE IT RESOLVED by** the Emerald Coast Regional Council that:

The Emerald Coast Regional Council (ECRC) adopts the FY 2028-2032 Regional Rural Transportation Plan Project Priorities.

**Duly passed and adopted by the Emerald Coast Regional Council on this 20<sup>th</sup> day of May 2026.**

**BY:** \_\_\_\_\_  
Kurvin Qualls, Chair

**ATTEST:** \_\_\_\_\_  
Kandase Lee, Chief Executive Officer ECRC



## **March 18, 2026 - RRTP TAC Committee Workshop Summary**

**1. A question was asked whether any funding is identified for the projects that are identified as priorities.**

*No funding is listed for the projects that are identified as Project Priorities for the Regional Rural Transportation Plan. The Regional Rural Transportation Plan was created as a Needs Plan with no costs or funding identified for the projects. Like the Long-Range Transportation Plan for the Transportation Planning Organization areas, the Regional Rural Transportation Plan will be updated every five years. Therefore, the next major update to the Regional Rural Transportation Plan may have a Cost Feasible Plan element in addition to the Needs Plan. For the Project Priorities, it is the intent to submit the Project Priorities to the Florida Department Transportation to use as a guide to build their five-year Work Program. Towards the end of 2026, the Florida Department of Transportation will present the FY 2028-2032 Tentative Work Program. At time, it will be known if any of the Project Priorities have been funded. If so, the costs will be provided for the phases that have been funded.*

DRAFT RTRTP 2028-2032 Capacity Project Priorities

Priority Rank	Project Name/Limits	GIS ID/ FDOT WPID	Programmed Funding					Project/Strategy/Notes	Length (miles)	Funding Sought
			2027	2028	2029	2030	2031			
1	<b>SR 4 (Okaloosa)</b> From: SR 189 To: US 90 (Milligan) west of Crestview	204	Phase 2027	2028	2029	2030	2031	Widen to 4 Lanes: FDOT Feasibility Study 2021	4.6	PD&E
2	<b>US 29-FL/AL Connector (Escambia)</b> From: I-10 To: State Line	515	Phase 2027	2028	2029	2030	2031	Widen to 6 Lanes: FDOT WP-Safety Project 451057-1: SR 95 from Pond St to AL State Line, PE 2025/CST 2027 - PE complete, <i>letting Fall 2026</i> . FDOT WP-Intersection Improvement Project 454908-1: SR 95 @ CR 196/Barrineau Park Rd, CST 2028; FDOT WP-Resurfacing Project 454618-1: SR 95 (US 29) from Tedder Rd to SR 4 (2.17 mi), PE 2026/CST 2028	37.2	Feasibility Study
3	<b>I-10 Connector (Bay/Washington)</b> From: Panama City To: State Line	516	Phase 2027	2028	2029	2030	2031	New 4 Lane	64.6	Feasibility Study
4	<b>SR 83 (Walton)</b> From: Sunrise/SR 1883 To: SR 2	164	Phase 2027	2028	2029	2030	2031	Widen to 4 Lanes	8.5	PD&E
5	<b>SR 189 (Okaloosa)</b> From: SR 4 To: State Line	510	Phase 2027	2028	2029	2030	2031	Widen to 4 Lanes: FDOT -Feasibility Study 2021	14.4	PD&E
6	<b>SR 97 (Escambia)</b> From: US 29 To: State Line	506	Phase 2027	2028	2029	2030	2031	Widen to 4 Lanes: FDOT WP-Resurfacing Project 450821-1: SR 97 from SR 95 to AL State Line, CST 2026 ( <i>let 12/2025</i> )	22	PD&E
7	<b>Holmes/Washington US 90 (Holmes/Washington)</b> From: Holmes/Walton Line To: Jackson County	513	Phase 2027	2028	2029	2030	2031	Widen to 4 Lanes: FDOT WP-Resurfacing Project 457028-1 E of FG&A R/R Bridge to Choctawhatchee River Bridge, PE 2027/CST 2029; FDOT WP-Resurfacing Project 436269-2: SR 10 from Banfill Ave to Hubbard St, CST 2025 - CST <i>underway</i> ( <i>est completion 12/2026</i> ); FDOT WP-Bike Path/Trail Project 455414-1: SR 10 from Banfill Ave to Holmes Sheriff's Office, PD&E 2030	37	Feasibility Study
8	<b>SR 4 (Escambia/Santa Rosa/Okaloosa)</b> From: US 29 To: SR 189	509	Phase 2027	2028	2029	2030	2031	Widen to 4 Lanes	39	Feasibility Study
9	<b>Paxton By-Pass (Walton)</b> From: US 331 To: Alabama State Line	126	Phase 2027	2028	2029	2030	2031	New 2 Lane	2.9	PD&E
10	<b>SR 83 (Walton)</b> From: SR 2 To: Alabama State Line	205	Phase 2027	2028	2029	2030	2031	Widen to 4 Lanes	5.9	PD&E

PD&E - Project Development and Environment Study  
PE - Preliminary Engineering (Design)

ROW - Right-of-Way  
CST - Construction

SIS - Strategic Intermodal System (FDOT roadway designation)

FULLY FUNDED PROJECTS NOT YET CONSTRUCTED

	Phase	2027	2028	2029	2030	2031
				\$2		

**DRAFT RTP 2028-2032 Resurfacing Project Priorities**

Priority Rank	Project Name/Limits	GIS ID/ FDOT WPID	Programmed Funding							Project/Strategy/Notes	Length (miles)	Funding Sought
			2027	2028	2029	2030	2031	2031	2031			
1	<b>Hwy 164 (Escambia)</b> From: Hwy 97 To: US 29	35	Phase	2027	2028	2029	2030	2031		Resurfacing	11.5	PE
2	<b>Hwy 168 (Escambia)</b> From: Hwy 99 To: Hwy 4A	42	Phase	2027	2028	2029	2030	2031		Resurfacing	5.9	PE
3	<b>Singer Road (Washington)</b> From: Silver Lake Road To: Hwy 20	192	Phase	2027	2028	2029	2030	2031		Resurfacing	2.5	PE
4	<b>Hwy 4 (Escambia)</b> From: Hwy 97 To: Hwy 99	44	Phase	2027	2028	2029	2030	2031		Resurfacing	3.4	PE
5	<b>Hwy 147 (Walton)</b> From: US 331 To: SR 85	123	Phase	2027	2028	2029	2030	2031		Resurfacing	3.3	PE
6	<b>State Line Road (Escambia)</b> From: Century Town Limits To: Town Limits	13	Phase	2027	2028	2029	2030	2031		Resurfacing	0.4	PE
7	<b>Hwy 182/Molino Rd (Escambia)</b> From: US 29 To: Hwy 95A	27	Phase	2027	2028	2029	2030	2031		Resurfacing	0.67	PE
8	<b>CR 393 (Okaloosa)</b> From: Poverty Creek Rd To: SR 85	87	Phase	2027	2028	2029	2030	2031		Resurfacing	11.68	PE
9	<b>Rock Hill Rd (Walton)</b> From: High Lonesome Rd To: Walton Bridge Rd	309 440627-3 440627-4	Phase	2027	2028	2029	2030	2031		Request is Resurfacing for Construction. 3 Phases. Another phase will need to be addressed. Phase 3- Walton Bridge Rd to SR 81. Design finished all 3 phases: FDOT WP-Widen/Resurface 440627-3: Rock Hill Rd from High Lonesome Rd to Mckinnon Bridge Rd PH II (1.31 mi), CST 2028; FDOT WP-Widen/Resurface 440627-4: W of Mckinnon Bridge Rd to Walton Bridge Rd, CST 2029	2.98	CST
10	<b>Pecan St (Washington)</b> From: US 90 To: E Church Ave	18 457064-1	Phase	2027	2028	2029	2030	2031		Resurfacing FDOT WP-Resurfacing 457064-1: Pecan St Roadway Resurfacing Improvements, CST 2027	0.16	PE

PD&E - Project Development and Environment Study  
PE - Preliminary Engineering (Design)

ROW - Right-of-Way  
CST - Construction

SIS - Strategic Intermodal System (FDOT roadway designation)

**FULLY FUNDED PROJECTS NOT YET CONSTRUCTED**

Funded	<b>Escambia SR 97</b> From: CR 95-A To: Alabama State Line	24 450821-1	CST	2026	2027	2028	2029	2030		Resurfacing <i>Let Winter 2025</i>		Was #2: Other
Funded	<b>Walton CR 1883</b> From: SR 83 To: CR 183B	219 448615-1	PE & CST (2024)	2026	2027	2028	2029	2030		Under Design and Funded for Construction (FDOT SCRAP/ARPA) - <i>ongoing</i>		Was #10: Other Projects Moved Up
Funded	<b>Escambia US 29</b> From: Hwy 4 To: Town Limits/AL State Line	12 451057-1	CST	2026	2027	2028	2029	2030		Safety Project <i>Letting Summer 2026</i>		Was #1: Other

**DRAFT RRTIP 2028-2032 Safety Project Priorities**

Priority Rank	Project Name/Limits	GIS ID/ FDOT WPID	Programmed Funding					Project/Strategy/Notes	Length (miles)	Funding Sought
			Phase 2027	2028	2029	2030	2031			
1	I-10 @ Main Street-Chipleay (Washington) Intersection Improvements	524	Phase 2027	2028	2029	2030	2031	High Crash Concentration: FDOT WP Safety Project 455697: Washington County I-10 Median Barrier Project, PE 2027/CST 2028	NA	Safety Study
2	Hwy 20 @Hwy 79 (Washington) Intersection Improvements	191	Phase 2027	2028	2029	2030	2031	Need Turn Lane & Turn Arrow	NA	PE
3	US 29 & SR 97 @ Crabtree (Escambia) Intersection Improvements	517	Phase 2027	2028	2029	2030	2031	High Crash Area: FDOT WP Resurfacing Project 450821-1: SR 97 Atmore Hwy from SR 95 to AL Line, CST 2026, let December 2025	NA	Safety Study
4	Munson Hwy (Santa Rosa) From: East Gate Rd To: SR 4	127	Phase 2027	2028	2029	2030	2031	Paved Shoulders: Will Improve Safety Line of Sight: (project extends 12.51 mi beyond Rural Area)	15.1	Safety Study
5	US 90 @ SR 79 Bonifay (Holmes) Intersection Improvements	523	Phase 2027	2028	2029	2030	2031	High Crash Concentration: FDOT WP Bike Path/Trail Project 455414-1: US 90 from Banfill Ave to Holmes Sheriff's Office, PD&E 2030	NA	Safety Study
6	SR 4 @ Galliver Cut Off (Okaloosa) Intersection Improvements	200	Phase 2027	2028	2029	2030	2031	Traffic Signal Needed	NA	Signal Warrant
7	SR 87 N @ Country Mill Rd (Santa Rosa) Intersection Improvements	144	Phase 2027	2028	2029	2030	2031	Left and Right Turn Lanes on SR 87 N	NA	PE
8	US 90 @ SR 4 near Milligan (Okaloosa) Intersection Improvements	519	Phase 2027	2028	2029	2030	2031	High Crash Concentration	NA	Safety Study
9	SR 89 N @ CR 197/Chumuckla Hwy (Santa Rosa) Intersection Improvements	135	Phase 2027	2028	2029	2030	2031	Left and Right Turn Lanes on SR 89 N: FDOT WP Resurfacing Project 452944-1: SR 89 from CR 178 to SR 4, CST 2027	NA	PE
10	US 90 @ SR 81 (Holmes) Intersection Improvements	235	Phase 2027	2028	2029	2030	2031	Stop Light Needed: High Traffic/Crash Area	NA	Safety Study

PD&E - Project Development and Environment Study  
PE - Preliminary Engineering (Design)

ROW - Right-of-Way  
CST - Construction

SIS - Strategic Intermodal System (FDOT roadway designation)

**FULLY FUNDED PROJECTS NOT YET CONSTRUCTED**

			Phase 2027	2028	2029	2030	2031		

DRAFT R RTP 2028-2032 Bike, Ped, Trails Project Priorities

Priority Rank	Project Name/Limits	GIS ID/ FDOT WPID	Programmed Funding	Project/Strategy/Notes	Length (miles)	Funding Sought
1	<b>US 90 (Washington)</b> From: East End of Bridge To: Caryville City Limits	1	Phase 2027 2028 2029 2030 2031	Bike/Ped Improvements	1.8	TBD
2	<b>US 90 (Okaloosa)</b> From: Okaloosa County Line To: TPO Boundary	201 452971-1 452971-2	Phase 2027 2028 2029 2030 2031	Multi-Use Path: FDOT WP Bike Path/Trail Project 452971-2: SR 10 from Cooper Ln to Holt Community Center, PE 2027, <i>PDE anticipated approval Spring 2026</i> ; FDOT WP Resurfacing Project 454639-1: SR 10 (US 90) from Santa Rosa Line to Summertime Dr, PE 2026/CST 2028, <i>PE contract expected Feb 2026</i>	11	TBD
3	<b>SR 4 (Okaloosa)</b> From: SR 189 (Baker) To: US 90	202	Phase 2027 2028 2029 2030 2031	Multi-Use Path: PE 2026	4.6	TBD
4	<b>CR 191 (Santa Rosa)</b> From: SR 87 To: State Line	529	Phase 2027 2028 2029 2030 2031	Shared-Use Path	30	TBD
5	<b>US 90 (Holmes/Washington)</b> From: Holmes/Walton County Line To: Jackson County Line	504 455414-1	Phase 2027 2028 2029 2030 2031	Shared-Use Path SUN-Trail: FDOT WP-Resurfacing Project 457028-1: E of FG&A R/R Bridge to Choctawhatchee River Bridge, PE 2027/CST 2029; FDOT WP-Resurfacing Project 436269-2: SR 10 from Banfill Ave to Hubbard St, CST 2025 - construction underway, anticipated completion 12/2026 FDOT WP Bike Path/Trail Project 455414-1: US 90 from Banfill Ave to Holmes Sheriff's Office, PD&E 2030	37	TBD
6	<b>SR 4 (Escambia, Santa Rosa, Okaloosa)</b> From: US 29 (Century) To: SR 189	530	Phase 2027 2028 2029 2030 2031	Shared Use Path	39	TBD
7	<b>Clear Springs Road (Walton)</b> From: US 331 To: SR 85	217	Phase 2027 2028 2029 2030 2031	Bike/Ped Feasibility Study	2.4	TBD
8	<b>Lake Jackson Multi-Use Path (Walton)</b> From: County Line To: Lake Drive	120	Phase 2027 2028 2029 2030 2031	Multi-Use Trail	1	TA Grant (See TA Priorities)
9	<b>Waits Ave/CR 279 (Washington)</b> From: US 90 To: Caryville City Limits	2	Phase 2027 2028 2029 2030 2031	Sidewalks or Bike Paths	1	TBD
10	<b>US 331 N (Walton)</b> From: Paxton By-Pass To: Alabama State Line	125	Phase 2027 2028 2029 2030 2031	Bike/Ped Feasibility Study	2.8	TBD

PD&E - Project Development and Environment Study  
PE - Preliminary Engineering (Design)

ROW - Right-of-Way  
CST - Construction

SIS - Strategic Intermodal System (FDOT roadway designation)

FULLY FUNDED PROJECTS NOT YET CONSTRUCTED

	Phase	2027	2028	2029	2030	2031

**DRAFT RRTTP 2028-2032 Park and Ride Project Priorities**

Priority Rank	Project Name/Limits	GIS ID/ FDOT W/PID	Programmed Funding					Project/Strategy/Notes	Length (miles)	Funding Sought
			Phase 2027	2028	2029	2030	2031			
1	Walton SR 83 Near Sunrise Road	527	Phase 2027	2028	2029	2030	2031	New Park & Ride Lot	NA	PE and CST
2	Walton US 331 Near King Lake Road	526	Phase 2027	2028	2029	2030	2031	New Park & Ride Lot	NA	PE and CST
3	Washington N. 4th Street @ Railroad Ave.	197	Phase 2027	2028	2029	2030	2031	New Park & Ride Lot	NA	PE and CST
			Phase 2027	2028	2029	2030	2031			
			Phase 2027	2028	2029	2030	2031			
			Phase 2027	2028	2029	2030	2031			
			Phase 2027	2028	2029	2030	2031			
			Phase 2027	2028	2029	2030	2031			
			Phase 2027	2028	2029	2030	2031			
			Phase 2027	2028	2029	2030	2031			

*Note: Only 3 projects were identified*

PD&E - Project Development and Environment Study  
 PE - Preliminary Engineering (Design)

ROW - Right-of-Way  
 CST - Construction

SIS - Strategic Intermodal System (FDOT roadway designation)

**FULLY FUNDED PROJECTS NOT YET CONSTRUCTED**

			Phase 2027	2028	2029	2030	2031		

**DRAFT RRTP 2028-2032 Freight Project Priorities**

Priority Rank	Project Name/Limits	GIS ID/ FDOT WPID	Programmed Funding					Project/Strategy/Notes	Length (miles)	Funding Sought
			2027	2028	2029	2030	2031			
1	<b>SR 4 (Santa Rosa)</b> From: Escambia County Line To: Okaloosa Line	525	Phase 2027	2028	2029	2030	2031	Freight Study	29.1	Freight Study
2	<b>US 29 near Pine Oak Lane (Escambia)</b>	528	Phase 2027	2028	2029	2030	2031	Commercial Truck Parking	NA	PE
3	<b>Escambia</b> AL & Gulf Coast Rail	514	Phase 2027	2028	2029	2030	2031	Track and Tie Rehab	51.3	PE
4	<b>Washington</b> Washington County Industrial Park	311	Phase 2027	2028	2029	2030	2031	Rail Spur	0.4	PE
			Phase 2027	2028	2029	2030	2031			
			Phase 2027	2028	2029	2030	2031			
			Phase 2027	2028	2029	2030	2031			
			Phase 2027	2028	2029	2030	2031			
			Phase 2027	2028	2029	2030	2031			
			Phase 2027	2028	2029	2030	2031			

*Note: Only 4 projects were identified*

PD&E - Project Development and Environment Study  
PE - Preliminary Engineering (Design)

ROW - Right-of-Way  
CST - Construction

SIS - Strategic Intermodal System (FDOT roadway designation)

**FULLY FUNDED PROJECTS NOT YET CONSTRUCTED**

Priority Rank	Project Name/Limits	GIS ID/ FDOT WPID	Programmed Funding					Project/Strategy/Notes	Length (miles)	Funding Sought
			2027	2028	2029	2030	2031			
			Phase 2027	2028	2029	2030	2031			

**DRAFT RRTP 2028-2032 TA Project Priorities**

Priority Rank	Project Name/Limits	GIS ID/ FDOT WPID	Programmed Funding					Project/Strategy/Notes	Length (miles)	Funding Sought	
			2027	2028	2029	2030	2031				
1	Lake Jackson Multi-Use Path Phase II (Walton County) Lake Drive From: SR 85 To: 0.5 mi east of Lake Rd	531	Phase	2027	2028	2029	2030	2031	Multi-Use Path	1	PE \$333,244
2	Complete Streets Master Plan (Century) US 29 From: CR 4 to Town Limits (State Line)	533	Phase	2027	2028	2029	2030	2031	Complete Streets Master Plan	5.5	Planning \$100,000
3	Westbourne Ave & West Blvd Sidewalk Project (Chibley) Westbourne Ave From: West Blvd To: Sinclair St West Blvd From: South Blvd To: W Jackson Ave	535	Phase	2027	2028	2029	2030	2031	Sidewalks	0.6	PE, CST, CEI, Other \$606,845
4	CR 181 Sidewalk Improvements (Holmes County) From: Fern Arnold Park To: CR 179A/Pine St	536	Phase	2027	2028	2029	2030	2031	Sidewalks	0.4	PE, CST, CEI \$570,103
5	Freedom Rd Safety Enhancement Project (Century) From: Highway 4 To: Jefferson Ave	534	Phase	2027	2028	2029	2030	2031	Sidewalks, Curb Ramps, Bike Lanes, Sharrows	0.6	PD&E, PE, CST, Other \$1,350,000
			Phase	2027	2028	2029	2030	2031			
			Phase	2027	2028	2029	2030	2031			
			Phase	2027	2028	2029	2030	2031			
			Phase	2027	2028	2029	2030	2031			
			Phase	2027	2028	2029	2030	2031			

PD&E - Project Development and Environment Study  
PE - Preliminary Engineering (Design)

ROW - Right-of-Way  
CST - Construction

SIS - Strategic Intermodal System (FDOT roadway designation)  
CEI - Construction, Engineering, and Inspection

**FULLY FUNDED PROJECTS NOT YET CONSTRUCTED**

	Phase	2027	2028	2029	2030	2031		
	Phase	2027	2028	2029	2030	2031		

# Action Item

8



## Agenda Item Number: 8

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**SUBJECT:** Consideration of Resolution ECRC 2026-08 Accepting the Selection Committee's Recommendation and Authorizing the Chief Executive Officer (CEO) to Negotiate and Execute an Agreement for Professional Services for Information Technology (IT) Managed Services

**BACKGROUND:** ECRC's current Information Technology (IT) Managed Service provider is changing their business model to move all clients to an annual contract. To provide an open and transparent process, a Request for Proposals (RFP) has been issued, effective April 1, 2026, for qualified vendors to submit proposals for consideration.

Seven (7) qualified vendors have submitted proposals. The Selection Committee is reviewing the responding firms and will make a recommendation on the top three (3) ranked vendors, to be presented at the ECRC meeting for final Board approval.

In an effort to meet current deadlines, the board is asked to authorize the CEO and/or their designee to negotiate with the selected firm. If negotiations are not successful with the top-ranked firm, staff will proceed to negotiate with the second-ranked firm. Once negotiations have been completed, staff requests the CEO be allowed to execute the contract.

**FUNDING PERIOD:** Initial contract term proposed to be July 1, 2026 – September 30, 2027, with two 1-year renewal options.

**ATTACHMENT:**

- Resolution ECRC 2026-08
- RFP Ranked Vendor List – to be provided at the meeting

**RECOMMENDED ACTION:** A motion authorizing the ECRC chair to sign Resolution ECRC 2026-08 accepting the recommendation of the selection committee and authorizing the Chief Executive Officer (CEO) to negotiate and execute a contract for professional services for the Information Technology (IT) Managed Services for the term July 1, 2026 – September 30, 2027, with two 1-year renewal options. For more information, please contact Kandase Lee at (850) 332-7976, ext. 201 or [kandase.lee@ecrc.org](mailto:kandase.lee@ecrc.org).

**RESOLUTION ECRC 2026-08**  
**A RESOLUTION OF THE EMERALD COAST REGIONAL COUNCIL**  
**ACCEPTING THE RECOMMENDATION OF THE SELECTION COMMITTEE AND**  
**AUTHORIZING THE CHIEF EXECUTIVE OFFICER TO NEGOTIATE A CONTRACT FOR**  
**INFORMATION TECHNOLOGY (IT) MANAGED SERVICES**

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**WHEREAS**, the Emerald Coast Regional Council (ECRC) recognizes the need to procure Information Technology (IT) Managed Services that support the Council’s operations, strategic objectives, and service delivery; and

**WHEREAS**, the current scope and demand for IT Managed Services require a competitive procurement process to ensure ECRC receives high-quality, reliable, and cost-effective services; and

**WHEREAS**, to provide an open and transparent procurement process, ECRC issued a Request for Proposal (RFP), effective April 1, 2026, for qualified vendors to submit proposals for consideration; and

**WHEREAS**, seven (7) qualified vendors submitted proposals in response to the RFP; and

**WHEREAS**, the Selection Committee reviewed the responding firms and recommended the top-ranked vendor(s) for Board consideration and approval; and

**WHEREAS**, in order to meet current deadlines, the Board desires to authorize the CEO and/or the CEO’s designee to negotiate an agreement with the top-ranked firm and, if negotiations are not successful, to proceed to negotiate with the next ranked firm(s) as needed; and

**NOW, THEREFORE, BE IT RESOLVED BY THE EMERALD COAST REGIONAL COUNCIL THAT:**

- I. The Emerald Coast Regional Council hereby accepts Selection Committee’s recommendation for award of professional services for Information Technology (IT) Managed Services, consistent with the RFP process to the following in ranking order:
  1. \_\_\_\_\_
  2. \_\_\_\_\_
  3. \_\_\_\_\_
  
- II. The Emerald Coast Regional Council authorizes the Chief Executive Officer and/or their designee to negotiate with the top-ranked firm. If negotiations fail with the top-ranking firm, staff can open negotiations with the next ranked firm(s), in order of ranking, until an

agreement is reached.

- III. Upon successful negotiation, the Emerald Coast Regional Council authorizes the Chief Executive Officer to execute the agreement and any related documents necessary to carry out this Resolution, for an initial term of July 1, 2026 – September 20, 2027, with two (2) one-year renewal options, subject to availability of funds and Board-approved budgets.

**Duly passed and adopted by the Emerald Coast Regional Council on this 20<sup>th</sup> day of May 2026.**

**EMERALD COAST REGIONAL COUNCIL**

**BY:** \_\_\_\_\_  
**Kurvin Qualls, Chair**

**ATTEST:** \_\_\_\_\_  
**Kandase Lee, Chief Executive Officer ECRC**

