Okaloosa Public Schools Foundation, Inc.

A Component Unit of the Okaloosa County District School Board

FINANCIAL STATEMENTS

June 30, 2026



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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of the Okaloosa Public Schools Foundation, Inc.
Niceville, Florida

Report on the Financial Statements

Opinion

We have audited the accompanying financial statements of Okaloosa Public Schools Foundation, Inc. (a nonprofit organization) (a component unit of the Okaloosa County District School Board), which comprise the statement of financial position as of June 30, 2026, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Okaloosa Public Schools Foundation, Inc. as of June 30, 2026, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Okaloosa Public Schools Foundation, Inc. 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 Okaloosa Public Schools Foundation, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Okaloosa Public Schools Foundation, Inc.'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 Okaloosa Public Schools Foundation, Inc.'s ability to continue as a going concern for a reasonable period of time.

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

Other Matters

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Schedule of Revenue, Expenses, and Net Transfers by Fund is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 3, 2026 on our consideration of Okaloosa Public Schools Foundation, Inc.'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 Okaloosa Public Schools Foundation, Inc.'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 Okaloosa Public Schools Foundation, Inc.'s internal control over financial reporting and compliance.

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

CARR, RIGGS & INGRAM, LLC

Miramar Beach, Florida
September 10, 2026

Okaloosa Public Schools Foundation, Inc.
Statement of Financial Position

June 30,		**2026**
Assets		
Cash	$	560,366
Certificates of deposit		111,977
Accounts receivable, net of allowance for credit losses of $0		21,625
Total assets	$	693,968
Liabilities and Net Assets		
Accounts payable	$	-
Total liabilities		-
Net assets		
Without donor restrictions		193,280
With donor restrictions		500,688
Total net assets		693,968
Total liabilities and net assets	$	693,968

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

Okaloosa Public Schools Foundation, Inc.
Statement of Activities

For the year ended June 30, 2026	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and Other Support			
Contributions and grants	$ 28,612	$ 406,164	$ 434,776
Royalty income	30,547	-	30,547
Contributed services and non-financial assets	39,894	-	39,894
Interest income	2,432	2,129	4,561
Net assets released from restrictions	338,214	(338,214)	-
Total revenue and other support	439,699	70,079	509,778
Expenses			
Program services			
Take Stock in Children (TSIC)	113,507	-	113,507
Consortium	91,039	-	91,039
Other educational programs	196,632	-	196,632
Total program services	401,178	-	401,178
Supporting services			
Fundraising	3,148	-	3,148
General and administrative	30,599	-	30,599
Total supporting services	33,747	-	33,747
Total expenses	434,925	-	434,925
Change in Net Assets	4,774	70,079	74,853
Net assets at beginning of year	188,506	430,609	619,115
Net assets at end of year	$ 193,280	$ 500,688	$ 693,968

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

Okaloosa Public Schools Foundation, Inc.
Statement of Functional Expenses

	Program Services				Supporting Services			
For the year ended June 30, 2026	TSIC	Consortium	Other Educational Programs	Programs subtotal	General and Administrative	Fund Raising Programs	Supporting Services subtotal	Total
Donated payroll and benefits	$ -	$ -	$ 29,859	$ 29,859	$ 10,035	$ -	$ 10,035	$ 39,894
Contract labor	73,019	5,000	17,250	95,269	-	-	-	95,269
Professional fees	-	-	-	-	8,500	-	8,500	8,500
Direct teacher/student support	38,552	85,532	145,234	269,318	-	-	-	269,318
Insurance	-		-	-	969	-	969	969
Memberships	-	-	180	180	1,800	-	1,800	1,980
Postage	13	-	-	13	9	-	9	22
Printing	893	507	1,575	2,975	291	15	306	3,281
Supplies	98	-	2,284	2,382	3,292	2,833	6,125	8,507
Other	932	-	250	1,182	5,703	300	6,003	7,185
Total	$ 113,507	$ 91,039	$ 196,632	$ 401,178	$ 30,599	$ 3,148	$ 33,747	$ 434,925

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

Okaloosa Public Schools Foundation, Inc.
Statement of Cash Flows

For the year ended June 30,		**2026**
Operating Activities		
Change in net assets	$	74,853
Change in operating assets and liabilities:		
Accounts receivables		(1,885)
Net cash provided by operating activities		72,968
Investing activities		
Purchase of certificates of deposit, net		(4,561)
Net cash provided (used) by investing activities		(4,561)
Net increase in cash		68,407
Cash at beginning of year		491,959
Cash at end of year	$	560,366

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

NOTE 1: DESCRIPTION OF THE ORGANIZATION

Okaloosa Public Schools Foundation, Inc. ("the Foundation") is a not-for-profit corporation organized under the laws of the State of Florida as of July 16, 1996, for the purpose of raising funds for supplementing and assisting the Okaloosa County School District ("the District"). The Foundation is primarily supported through private contributions from individuals, businesses, and Take Stock in Children funds. The Foundation also has the licenses to four FCC approved channels of the Educational Broadcast Service (EBS). The Foundation operates these licenses and works with the District on future plans for instructional television and other related educational programs for students in pre-kindergarten through twelfth grade. The Foundation is a direct support organization of the School District and therefore is considered a component unit of the District. The Foundation's program services consists of the following:

Take Stock in Children (TSIC) – The Foundation provides student mentoring and scholarships.

Consortium – The Foundation provides various educational programs to teachers and students of Okaloosa County School District from funds obtained through the Consortium of Florida Education Foundation and local businesses.

Other educational programs – The Foundation provides various educational programs to teachers and students of Okaloosa County School District.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

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

Use of Estimates

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

Cash and Cash Equivalents

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

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Accounts Receivable

Accounts receivable represent amounts owed to the Organization which are expected to be collected within twelve months and are presented in the statements of financial position net of the allowance for credit losses.

Allowance for Credit Losses

Management evaluates its receivables on an ongoing basis by analyzing customer relationships and previous payment histories. The allowance for credit losses is management's best estimate of the amount of expected credit losses in the existing accounts based on current market conditions. Historically, losses on uncollectible accounts have been within management's expectations. The allowance for credit losses is reviewed on a periodic basis to ensure there is sufficient reserve to cover any potential credit losses. When receivables are considered uncollectible, they are charged against the allowance for credit losses. Collections on accounts previously written off are included in the change in net assets as received. The allowance for credit losses was $0 at June 30, 2026.

Net Assets

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

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

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

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

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue Recognition

Revenue from dues and fees, member services, and payments under various contracts is recognized as revenue when performance obligations under the terms of the contracts with customers are satisfied. Revenue received in advance is deferred and recognized over the periods to which the dates and fees relate. These amounts are included in performance obligation liabilities within the statements of financial position.

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

Donated Assets

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

Donated Services

Donated services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the School. Volunteers also provided fund-raising services throughout the year that are not recognized as contributions in the financial statements since the recognition criteria were not met. The Foundation receives donated accounting and executive director services from District personnel.

Functional Allocation of Expenses

Directly identifiable expenses are charged to programs and supporting services. Expenses related to payroll, payroll taxes, and employee benefits are allocated based on actual percentages of time spent in each functional area.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Income Taxes

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

The Foundation utilizes the accounting requirements associated with uncertainty in income taxes using the provisions of Financial Accounting Standards Board (FASB) ASC 740, Income Taxes. Using that guidance, tax positions initially need to be recognized in the financial statements when it is more-likely-than-not the positions will be sustained upon examination by the tax authorities. It also provides guidance for derecognition, classification, interest and penalties, accounting in interim periods, disclosure and transition. As of June 30, 2026, the Foundation has no uncertain tax provisions that qualify for recognition or disclosure in the financial statements.

Subsequent Events

Management has evaluated subsequent events through the date that the financial statements were available to be issued, September 10, 2026 and determined there were no events that occurred that required disclosure. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

NOTE 3: LIQUIDITY AND FINANCIAL ASSET AVAILABILITY

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

June 30,		2026
Financial assets, at year-end	$	693,968
Less those not available for general expenditures within one year, due to contractual or donor-imposed restrictions		
Restricted by donor with donor purpose restrictions		(500,688)
Financial assets available to meet cash needs for general expenditures	$	193,280

NOTE 4: CERTIFICATES OF DEPOSIT

At June 30, 2026, the Foundation had $111,977 of monies in three certificates of deposit at local financial institutions. These certificates are reported at amortized cost. Terms of these investments are for six months, ten months, and twelve months, maturing September 2026, December 2026, and January 2027, respectively, with interest earned at rates ranging from 3.96% to 4.16%.

NOTE 5: ACCOUNTS RECEIVABLES

As of June 30, 2026, the Foundation has accounts receivable in the amount of $21,625, due from Take Stock in Children and from OCSD employees. The accounts receivables are considered fully collectible and are typical of normal operations; therefore, no allowance for credit losses is necessary as of June 30, 2026.

NOTE 6: AVAILABLE CREDIT

The Foundation has a credit card through a local bank with a credit limit of $20,000. As of June 30, 2026, the Foundation had a $0 credit card balance.

NOTE 7: NET ASSETS

A summary of net assets without donor restrictions follows:

June 30,		2026
Undesignated	$	97,501
Board designated		
Okaloosa Communications		95,779
Net assets without donor restrictions	$	193,280

NOTE 7: NET ASSETS (Continued)

A summary of net assets with donor restrictions follows:

June 30,		2026
Purpose restricted		
Boeing Choice Aviation Institute	$	178
Burgers and Bingo		45,099
Consortium of Florida Education Foundations		96,332
Endowment Corpus		51,477
Endowment Interest		6,052
Florida Education License Plates		2,915
Kids Tag Art		773
Kid's Vote Too		3,184
School Grants		15,112
Nextera Energy Foundation Grant		10,577
Pickleball Donations		18,936
Take Stock in Children		214,944
Teacher Grants		35,109
Net assets with donor restrictions	$	500,688

NOTE 8: REVENUE

The Foundation's method of recognizing revenue is the input method for performance obligations to be utilized over time.

Approximately 94% of the Foundation's revenue consists of contributions, grants, and donated services or assets. These items are not subject to ASC Topic 606. The remaining amount of revenue is primarily royalty income.

NOTE 8: REVENUE (Continued)

Disaggregated Revenue

A summary of disaggregated revenue information follows:

For the year ended June 30,		2026
Recognized over time		
Royalty income	$	30,547
Not subject to ASC Topic 606		
Contributions and grants		434,776
Contributed services and non-financial assets		39,894
Interest income		4,561
Total revenue	$	509,778

The Foundation's donors are primarily local businesses, local governments, general public, and not-for-profits located in Okaloosa County and the State of Florida.

Royalty Income

The Foundation entered into an agreement in February 2019 to lease its EBS (Educational Based Service) spectrum with a telecommunications company. The agreement has an original term of 5 years and is subject to automatic renewal up to 30 years after the commencement date. The Foundation receives monthly royalty payments for usage of the EBS spectrum of approximately $2,250 based on the fee schedule entered into in February 2019. Effective October 1, 2021, royalty payments increased an additional 5% over the base fee schedule due to FCC changes. The contract was automatically renewed for an additional 10 years in accordance with the same contract terms in February 2024.

NOTE 9: CONCENTRATION

The Foundation receives funding from two major sources that accounts for approximately 45% of the total funds received during the year. If the two funding sources discontinued supporting the Foundation, operations of the Foundation would be significantly affected.

The Foundation maintains cash deposits with federally insured financial institutions. At times, the balances at these financial institutions may exceed the FDIC insured limit.

NOTE 10: CONTRIBUTIONS OF NON-FINANCIAL ASSETS

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

Donated payroll and benefits are allocated to other educational programs based on estimates of time and effort. For the year ended June 30, 2026, management allocated 95% of Executive Director donated payroll and benefit expenses to program services and 5% to supporting services. In addition, management allocated 100% of donated accounting services to supporting services as disclosed in the accompanying Statement of Functional Expenses.

The components of donated services and goods contributed to the Foundation consist of the following for the year ended June 30, 2026.

For the year ended June 30, 2026	Donated Services	Donated Goods	Total
Program services			
Other educational programs	$ 27,459	$ 2,400	$ 29,859
Supporting Services			
General and administrative	10,035	-	10,035
Total donated services and goods	$ 37,494	$ 2,400	$ 39,894

Donated services are valued using actual compensation paid by the District for employee time. Donated goods are valued at the fair value that would be received for similar products.

NOTE 11: ENDOWMENTS

The Foundation's endowment consists of one individual fund established to award college scholarships to graduating seniors of Laurel Hill School. The endowment includes donor-restricted funds. As required by generally accepted accounting principles, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

Donor stipulations require the Board of Directors of the Foundation to invest the fund under the Florida Uniform Prudent Management of Institutional Funds (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds. Additionally, the investments must be insured through either Federal Deposit Insurance Corporation (FDIC) or Securities Investment Protection Corporation (SIPC). The Foundation is granted exclusive authority over management of the endowment, including the pooling of the endowment for investment and payout purposes.

NOTE 11: ENDOWMENTS (Continued)

Endowment assets are invested in a certificate of deposit. Actual returns will be based on terms of the certificate of deposit that is determined between the Foundation and financial institution in which the investment is held. Investment risk is measured in terms of the total endowment fund. The endowment is currently invested in a certificate of deposit at 4.04% annual percentage rate (APR). The Foundation has reported endowment corpus with donor restrictions totaling $51,477 and endowment interest with donor restrictions of $6,052.

SUPPLEMENTARY INFORMATION

Okaloosa Public Schools Foundation, Inc.
Schedule of Revenue, Expenses, and Net Transfers by Fund

	Balance 7/1/25	Revenue	Expense	Net Transfers	Balance 6/30/26
Without Donor Restriction:					
General Funds undesignated	$ 91,969	$ 70,938	$ (403,620)	$ 338,214	$ 97,501
Board designated					
Okaloosa Communications	96,537	30,547	(31,305)	-	95,779
Total net assets without donor restrictions	188,506	101,485	(434,925)	338,214	193,280
With Donor Restriction:					
Boeing Choice Aviation Institute	178	-	-	-	178
Burgers and Bingo	26,969	21,278	-	(3,148)	45,099
Consortium of Florida Education Foundations	30,391	170,856	-	(104,915)	96,332
Endowment Corpus	51,477	-	-	-	51,477
Endowment Interest	3,923	2,129	-	-	6,052
Florida Education License Plates	586	37,065	-	(34,736)	2,915
Kids Tag Art	1,642	5,823	-	(6,692)	773
Kid's Vote Too	3,184	-	-	-	3,184
Nextera Energy Foundation Grant	2,754	10,000	-	(2,177)	10,577
School Grants	20,092	22,576	-	(27,556)	15,112
Pickleball Donations	18,936	-	-	-	18,936
Take Stock in Children	243,976	84,475	-	(113,507)	214,944
Teacher Grants	26,501	54,091	-	(45,483)	35,109
Total net assets with donor restrictions	430,609	408,293	-	(338,214)	500,688
Total net assets	$ 619,115	$ 509,778	$ (434,925)	$ -	$ 693,968

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

To the Board of Directors and Members
Okaloosa Public Schools Foundation, Inc.
Niceville, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Okaloosa Public Schools Foundation, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2026, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated September 10, 2026.

Report on Internal Control over Financial Reporting

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

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

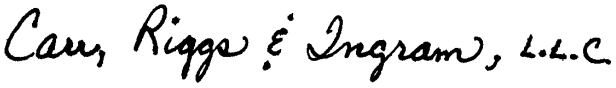
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not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

Report on Compliance and Other Matters

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

Purpose of this Report

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



CARR, RIGGS & INGRAM, LLC

Miramar Beach, Florida
September 10, 2026