

COUNCIL ON AGING OF WEST FLORIDA, INC.

FINANCIAL STATEMENTS

DECEMBER 31, 2024 AND 2023



CERTIFIED PUBLIC ACCOUNTANTS

COUNCIL ON AGING OF WEST FLORIDA, INC.

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Council on Aging of West Florida, Inc.
Pensacola, Florida

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the Council on Aging of West Florida, Inc., (a nonprofit organization), which comprise the statements of financial position as of December 31, 2024 and 2023, the related statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Council on Aging of West Florida, Inc. as of December 31, 2024 and 2023, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Council on Aging of West Florida, 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 opinion.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Council on Aging of West Florida, Inc.'s ability to continue as a going concern for one year after the date that the financial statements are 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 GAAS 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 GAAS 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 on Aging of West Florida, 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 the Council on Aging of West Florida, 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.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The combining schedule of functional expenses, and the schedules of expenditures of federal awards and state financial assistance, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and Chapter 10.650, Rules of the Auditor General, are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The supplementary 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 supplementary 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 May 23, 2025, on our consideration of the Council on Aging of West Florida, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to solely describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the Council on Aging of West Florida, 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 the Council on Aging of West Florida, Inc.'s internal control over financial reporting and compliance.

Pensacola, Florida

May 23, 2025

*Henderson Hutcherson
& McCullough, PLLC*

COUNCIL ON AGING OF WEST FLORIDA, INC.

STATEMENTS OF FINANCIAL POSITION

DECEMBER 31, 2024 AND 2023

ASSETS		
	2024	2023
CURRENT ASSETS		
Cash and cash equivalents	\$ 60,986	\$ 162,183
Investments	533,131	470,256
Grants, contracts, and local support receivables	1,387,398	939,574
Prepaid expenses	<u>10,360</u>	<u>21,187</u>
Total current assets	1,991,875	1,593,200
PROPERTY AND EQUIPMENT, net	415,802	492,608
OTHER ASSETS	<u>5,048</u>	<u>5,048</u>
TOTAL ASSETS	<u>\$ 2,412,725</u>	<u>\$ 2,090,856</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	\$ 1,120,598	\$ 617,415
Accrued expenses	51,973	48,501
Current portion of long-term debt	17,733	17,733
Borrowing under line of credit	184,462	77,150
Refundable advances	193	27,098
Deposits	<u>32,288</u>	<u>30,515</u>
Total current liabilities	1,407,247	818,412
LONG-TERM DEBT, less current portion	<u>445,326</u>	<u>460,388</u>
TOTAL LIABILITIES	1,852,573	1,278,800
NET ASSETS		
Net assets without donor restrictions	<u>560,152</u>	<u>812,056</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 2,412,725</u>	<u>\$ 2,090,856</u>

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

COUNCIL ON AGING OF WEST FLORIDA, INC.

STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS

YEARS ENDED DECEMBER 31, 2024 AND 2023

	2024	2023
PUBLIC SUPPORT, GAINS, AND REVENUE		
Public support		
Grants	\$ 7,595,625	\$ 5,835,965
Contracts	205,377	299,804
Local support	135,078	106,763
Contribution of nonfinancial assets	194,528	202,096
Total public support	<u>8,130,608</u>	<u>6,444,628</u>
Gains and revenue		
Project income	307,895	230,295
Contributions and fundraising	317,926	256,684
Special events, less costs of direct benefits to donors of \$11,693 and \$38,871 in 2024 and 2023, respectively	15,976	68,492
Net investment return	72,750	105,435
Gain on sale of property and equipment	-	3,300
Miscellaneous income	22,094	23,595
Total gains and revenue	<u>736,641</u>	<u>687,801</u>
Total public support, gains, and revenue	<u>8,867,249</u>	<u>7,132,429</u>
EXPENSES		
Direct program services		
Non-DOEA programs	1,034,949	1,086,400
Community service programs	2,763,409	2,409,662
Social services programs	687,994	610,663
Home service programs	4,166,070	2,790,936
Total direct program services	<u>8,652,422</u>	<u>6,897,661</u>
Support services		
Management and general	227,870	262,553
Fundraising	238,861	237,261
Total support services	<u>466,731</u>	<u>499,814</u>
Total expenses	<u>9,119,153</u>	<u>7,397,475</u>
CHANGE IN NET ASSETS	(251,904)	(265,046)
Net assets without donor restrictions - beginning of year	<u>812,056</u>	<u>1,077,102</u>
Net assets without donor restrictions - end of year	<u>\$ 560,152</u>	<u>\$ 812,056</u>

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

COUNCIL ON AGING OF WEST FLORIDA, INC.

STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED DECEMBER 31, 2024

	Direct Program Services				Total Program Expenses	Support Services		Total Expenses
	Non- DOEA Programs	Community Service Programs	Social Services Programs	Home Service Programs		Management and General	Fundraising	
Wages	\$ 151,199	\$ 612,344	\$ 262,848	\$ -	\$ 1,026,391	\$ 529,749	\$ 74,100	\$ 1,630,240
Employee benefits and payroll taxes	43,428	95,195	74,600	-	213,223	288,947	29,945	532,115
Travel	7,987	7,357	7,862	126	23,332	3,697	2,739	29,768
Education and training	56	545	1,395	-	1,996	1,625	1,858	5,479
Communications/postage	6,572	23,967	6,985	1,368	38,892	80,768	23,377	143,037
Utilities	2,456	14,585	2,573	405	20,019	8,722	1,355	30,096
Printing/supplies	2,531	5,532	1,264	58	9,385	3,319	1,410	14,114
Advertising	-	-	-	-	-	138	-	138
Insurance and licenses	7,878	25,804	8,100	844	42,626	30,518	3,206	76,350
Maintenance and repair	467	7,000	260	14	7,741	22,671	63	30,475
Building costs	2,562	11,452	2,720	414	17,148	12,343	1,397	30,888
Purchased equipment	9,480	15,942	3,191	216	28,829	7,431	942	37,202
Professional, legal and accounting	70	2,225	-	-	2,295	28,930	35	31,260
Volunteer expenses	376,173	422	10	181	376,786	-	65	376,851
Subcontractors	86,831	1,483,311	-	4,031,293	5,601,435	-	-	5,601,435
Program supplies	1,164	11,603	8	-	12,775	-	-	12,775
Depreciation	-	-	-	-	-	76,806	-	76,806
Interest expense	-	-	-	-	-	30,637	-	30,637
In-kind expenses	44,284	-	110,722	-	155,006	19,647	19,875	194,528
Other expenses	8,215	77,076	57,311	51,459	194,061	40,375	523	234,959
Totals	<u>751,353</u>	<u>2,394,360</u>	<u>539,849</u>	<u>4,086,378</u>	<u>7,771,940</u>	<u>1,186,323</u>	<u>160,890</u>	<u>9,119,153</u>
Allocation of management and general expenses	278,770	355,662	143,085	78,891	856,408	(931,700)	75,292	-
Allocation of facilities and maintenance expenses	<u>4,826</u>	<u>13,387</u>	<u>5,060</u>	<u>801</u>	<u>24,074</u>	<u>(26,753)</u>	<u>2,679</u>	<u>-</u>
Total expenses	<u>\$ 1,034,949</u>	<u>\$ 2,763,409</u>	<u>\$ 687,994</u>	<u>\$ 4,166,070</u>	<u>\$ 8,652,422</u>	<u>\$ 227,870</u>	<u>\$ 238,861</u>	<u>\$ 9,119,153</u>

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

COUNCIL ON AGING OF WEST FLORIDA, INC.

STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED DECEMBER 31, 2023

	Direct Program Services				Total Program Expenses	Support Services		Total Expenses
	Non- DOEA Programs	Community Service Programs	Social Services Programs	Home Service Programs		Management and General	Fundraising	
Wages	\$ 143,091	\$ 564,317	\$ 241,690	\$ 19,026	\$ 968,124	\$ 502,448	\$ 78,800	\$ 1,549,372
Employee benefits and payroll taxes	30,164	81,409	49,960	5,545	167,078	286,906	28,648	482,632
Travel	4,753	8,241	6,802	581	20,377	4,816	2,968	28,161
Education and training	63	571	450	-	1,084	450	2,773	4,307
Communications/postage	5,913	19,112	6,467	1,225	32,717	60,905	10,687	104,309
Utilities	3,042	17,373	3,185	502	24,102	10,809	1,680	36,591
Printing/supplies	2,931	5,571	1,217	119	9,838	3,194	2,275	15,307
Advertising	-	-	-	-	-	-	885	885
Insurance and licenses	6,262	29,119	8,004	896	44,281	27,753	3,298	75,332
Maintenance and repair	483	6,302	208	13	7,006	39,003	58	46,067
Building costs	2,145	10,114	2,296	350	14,905	10,864	1,180	26,949
Purchased equipment	1,940	8,605	3,054	211	13,810	6,086	910	20,806
Professional, legal and accounting	-	2,650	-	-	2,650	45,957	-	48,607
Volunteer expenses	493,223	614	8	1,137	494,982	-	195	495,177
Subcontractors	54,490	1,273,897	-	2,667,779	3,996,166	-	-	3,996,166
Program supplies	1,367	13,375	82	-	14,824	-	-	14,824
Depreciation	-	-	-	-	-	82,800	-	82,800
Interest expense	-	-	-	-	-	31,380	-	31,380
In-kind expenses	58,117	470	98,589	-	157,176	29,336	15,584	202,096
Other expenses	5,108	8,781	44,639	17,024	75,552	48,640	11,515	135,707
Totals	<u>813,092</u>	<u>2,050,521</u>	<u>466,651</u>	<u>2,714,408</u>	<u>6,044,672</u>	<u>1,191,347</u>	<u>161,456</u>	<u>7,397,475</u>
Allocation of management and general expenses	266,333	339,796	136,701	75,371	818,201	(890,134)	71,933	-
Allocation of facilities and maintenance expenses	<u>6,975</u>	<u>19,345</u>	<u>7,311</u>	<u>1,157</u>	<u>34,788</u>	<u>(38,660)</u>	<u>3,872</u>	<u>-</u>
Total expenses	<u>\$ 1,086,400</u>	<u>\$ 2,409,662</u>	<u>\$ 610,663</u>	<u>\$ 2,790,936</u>	<u>\$ 6,897,661</u>	<u>\$ 262,553</u>	<u>\$ 237,261</u>	<u>\$ 7,397,475</u>

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

COUNCIL ON AGING OF WEST FLORIDA, INC.

STATEMENTS OF CASH FLOWS

YEARS ENDED DECEMBER 31, 2024 AND 2023

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ (251,904)	\$ (265,046)
Adjustments to reconcile change in net assets to net cash and cash equivalents from operating activities:		
Depreciation	76,806	82,200
Amortization	2,810	2,810
Non cash contribution received	(25,982)	-
Realized loss on investments	162	3,783
Unrealized gain on investments	(22,486)	(90,319)
Gain on sale of property and equipment	-	(3,300)
Change in grants, contracts and local support receivable	(447,824)	74,307
Change in prepaid expenses	10,827	(4,099)
Change in accounts payable	503,183	(120,913)
Change in accrued expenses	3,472	2,500
Change in refundable advances	(26,905)	27,098
Change in deposits	1,773	782
Net cash from operating activities	<u>(176,068)</u>	<u>(290,197)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sales and maturities of investments	25,819	250,300
Purchase of investments	(40,388)	(12,310)
Proceeds from sales of property and equipment	-	3,300
Purchase of property and equipment	<u>-</u>	<u>(1,223)</u>
Net cash from investing activities	<u>(14,569)</u>	<u>240,067</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Borrowings under line of credit	357,312	252,150
Repayments on line of credit	(250,000)	(175,000)
Principal payments on note payable	<u>(17,872)</u>	<u>(16,973)</u>
Net cash from financing activities	<u>89,440</u>	<u>60,177</u>
CHANGE IN CASH AND CASH EQUIVALENTS	<u>(101,197)</u>	<u>10,047</u>
Cash and cash equivalents - beginning of year	<u>162,183</u>	<u>152,136</u>
Cash and cash equivalents - end of year	<u>\$ 60,986</u>	<u>\$ 162,183</u>
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash paid for interest	<u>\$ 30,637</u>	<u>\$ 28,570</u>

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

COUNCIL ON AGING OF WEST FLORIDA, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024 AND 2023

NOTE 1 – ORGANIZATION AND NATURE OF OPERATIONS

The Council on Aging of West Florida, Inc., (the Council) was incorporated as a Florida not-for-profit corporation in 1972. The Corporation has no paid-in capital or shareholders and the affairs are conducted by the board of directors, as elected by the general membership of the corporation.

The Council's primary purpose is to assist, encourage, and promote the well-being of aging individuals in Escambia and Santa Rosa Counties. The Council is funded by grants and contracts with the Northwest Florida Area Agency on Aging, Inc., the Florida Department of Elder Affairs (DOEA), the Corporation for National Community Service, and the United Way of West Florida. The Council also receives local financial support from Escambia County, church groups, civic clubs, program participants, foundations, and individuals.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Method of Accounting

The financial statements of the Council have been prepared utilizing the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP). The Financial Accounting Standards Board (FASB) establishes GAAP in the Accounting Standards Codification (ASC). Updates to the ASC are done through the issuance of Accounting Standards Updates (ASU).

Basis of Presentation

The financial statements of the Council have been prepared in accordance with GAAP, which require the Council to report information regarding its financial position and activities according to the following net asset classifications:

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the organization. These net assets may be used at the discretion of the Council's management and the board of directors.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statement of activities.

(Continued)

COUNCIL ON AGING OF WEST FLORIDA, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024 AND 2023

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts and disclosures. Actual results could differ from those estimates.

Cash and Cash Equivalents

The Council considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

Investments

Authorized investments consist of mutual funds carried at fair value based on quoted market prices. Unrealized gains and losses are included in the change in net assets in the accompanying statements of activities and changes in net assets.

Grants, Contracts, and Local Support Receivables

Grants, contracts, and local support receivables are stated at the amount management expects to collect from outstanding balances. As of December 31, 2024 and 2023, there were no accounts considered uncollectible.

Property and Equipment

Property and equipment are recorded at cost. Donated property and equipment are recorded at their estimated market value on the date of contribution. Expenditures which equal or exceed \$1,000 that materially increase values, change capacities, or extend useful lives are capitalized. Repairs and maintenance costs are charged to operations when incurred.

Depreciation is computed using the straight-line method. Estimated useful lives of property and equipment range as follows:

Building and improvements	10 - 30 years
Furniture, fixtures, and equipment	5 - 10 years
Vehicles	5 years

Debt Issuance Costs

Debt issuance costs are presented as a reduction of the carrying amount of debt and are amortized over the term of the debt using the straight-line method. Amortization of debt issuance costs are reported as interest expense in the statements of activities and changes in net assets.

(Continued)

COUNCIL ON AGING OF WEST FLORIDA, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024 AND 2023

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Contributions

Contributions more often than not are recognized when the donation is received, however, if a donor makes a promise to give to the Council, that is, in substance, unconditional, management can record the contribution at the time of the pledge based on collectability. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor restricted contributions are reported as increases in net assets with donor restrictions depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions.

Revenue Recognition

The Council's principal source of revenue is derived from federal and state grants, which are conditioned upon certain performance requirements and/or the occurrence of allowable qualifying expenditures. Amounts received are recognized as revenue when the Council has incurred expenditures in compliance with specific contract or grant provisions. Such revenue is subject to audit by the grantor, and if the examination results in a deficiency of allowable expenditures, the Council will be required to refund any deficiencies. Amounts received prior to incurring qualifying expenditures are reported as refundable advances in the statement of financial position.

Income Taxes

The Council is exempt from federal income taxes under Internal Revenue Service Code Section 501(c)(3). As a result, there is no provision for taxes in the accompanying financial statements.

Advertising Costs

Advertising costs are expensed when incurred.

Contributions of Nonfinancial Assets

The Council records various types of contributed non-financial assets. Contributed professional services are recognized if the services received create or enhance long-lived assets or require specialized skills and are provided by individuals possessing those skills and would typically need to be purchased if the services were not provided by donation. Contributions of tangible assets are recognized at fair market value when received. All contributions are considered to be available for unrestricted use unless specifically restricted by the donor and are treated as in-kind support for purposes of meeting state matching requirements. The amounts reported in the accompanying financial statements as contributed non-financial assets are offset by like amounts included in expenses.

(Continued)

COUNCIL ON AGING OF WEST FLORIDA, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024 AND 2023

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

General and Administrative Expense Allocation

Management and general expenses are allocated to various programs based on each program's percentage of direct salaries and wages to total direct salaries and wages.

Facilities Repair and Maintenance Expense Allocation

Facilities repair and maintenance expenses are allocated to various programs based on each program's percentage of square footage occupied to total square footage of the facility.

NOTE 3 – INVESTMENTS

Investments consists of the following:

	Cost	Fair Value	Net Unrealized Gain
December 31, 2024			
Mutual funds	<u>\$ 438,291</u>	<u>\$ 533,131</u>	<u>\$ 94,840</u>
December 31, 2023			
Mutual funds	<u>\$ 397,902</u>	<u>\$ 470,256</u>	<u>\$ 72,354</u>

Investment return was as follows:

	2024	2023
Interest and dividend income	\$ 50,426	\$ 18,899
Net realized loss	(162)	(3,783)
Net unrealized gain	<u>22,486</u>	<u>90,319</u>
Investment return	<u>\$ 72,750</u>	<u>\$ 105,435</u>

The Council's investments are exposed to various risks such as interest rate, market, and credit risks. Therefore, the Council's investments may be subject to significant fluctuations in fair value. As a result, the investment balances reported in the accompanying financial statements may not be reflective of the fair value of the investments in subsequent periods.

COUNCIL ON AGING OF WEST FLORIDA, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024 AND 2023

NOTE 4 – FAIR VALUE MEASUREMENTS

Accounting principles generally accepted in the United States of America establish a framework for measuring value. That framework provides a fair value hierarchy that prioritizes the inputs used to measure fair value using the following definitions (from highest to lowest priority):

Level 1: Quoted prices (unadjusted) for identical assets or liabilities in active markets that the Council has the ability to access as of the measurement date.

Level 2: Significant other observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities, quoted prices in markets that are not active, and other inputs that are observable or can be corroborated by observable market data.

Level 3: Significant unobservable inputs that reflect the Council's own assumptions about the assumptions the market participants would use in pricing an asset or liability.

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

The following tables set forth, by level within the fair value hierarchy, the Council's investments at fair value as of December 31, 2024 and 2023:

	Level 1	Level 2	Level 3	Value
December 31, 2024				
Mutual funds	<u>\$ 533,131</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 533,131</u>
December 31, 2023				
Mutual funds	<u>\$ 470,256</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 470,256</u>

NOTE 5 – GRANTS, CONTRACTS, AND LOCAL SUPPORT RECEIVABLES

Grants, contracts, and local support receivables consists of the following:

	2024	2023
Federal grants	\$ 843,571	\$ 480,890
State grants	475,726	353,031
Contracts	16,073	74,664
Local support	47,915	30,942
Other	4,113	47
Total	<u>\$ 1,387,398</u>	<u>\$ 939,574</u>

COUNCIL ON AGING OF WEST FLORIDA, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024 AND 2023

NOTE 6 – PROPERTY AND EQUIPMENT

Property and equipment consist of the following:

	2024	2023
Land	\$ 42,197	\$ 42,197
Buildings and improvements	1,340,833	1,340,833
Vehicles	25,957	25,957
Equipment - general	20,543	20,543
Equipment - computers	21,336	21,336
Furniture and fixtures	<u>76,938</u>	<u>76,938</u>
	1,527,804	1,527,804
Accumulated depreciation	<u>(1,112,002)</u>	<u>(1,035,196)</u>
	<u>\$ 415,802</u>	<u>\$ 492,608</u>

Depreciation expense totaled \$76,806 and \$82,200 for the years ended December 31, 2024 and 2023, respectively.

NOTE 7 – LINES OF CREDIT

The Council has a line of credit with varying credit limits available with a financial institution which has no stated expiration date, has a variable rate of interest based on the Secured Overnight Financing Rate (7.01% at December 31, 2024), and is secured by deposits held at the financial institution. Borrowings under the line of credit totaled \$184,462 and \$77,150 as of December 31, 2024 and 2023, respectively.

In September 2023, the Council obtained an available line of credit with a financial institution of \$150,000. The line of credit bears an interest rate based on the prime rate plus 1%, with a 7% floor and a 12% ceiling, and is secured by property and building. There were no outstanding borrowings under this line of credit as of December 31, 2024 or 2023.

COUNCIL ON AGING OF WEST FLORIDA, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024 AND 2023

NOTE 8 – LONG-TERM DEBT

Long-term debt consists of the following:

	2024	2023
Note payable to bank; due in monthly installments, including interest at 4.79% through November 2026; secured by property and building	\$ 468,444	\$ 486,316
Less unamortized debt issuance costs	<u>5,385</u>	<u>8,195</u>
Long-term debt, less unamortized debt issuance costs	463,059	478,121
Less: current maturities	<u>17,733</u>	<u>17,733</u>
	<u>\$ 445,326</u>	<u>\$ 460,388</u>

The annual principal payment requirements under the terms of the note payable are as follows:

Year Ending December 31,	Amount
2025	\$ 17,733
2026	450,711

NOTE 9 – RETIREMENT PLAN

On January 1, 2023, the Council established a 403(b) retirement plan (the Plan) covering all employees who have been employed for a specified length of continuous service. Participating employees contribute a percentage of their compensation to the Plan under an income tax deferred arrangement. The Council matches these contributions up to 6% of the employee's salary and the Council also makes non-elective contributions in the amount of 4% of the total compensation earned by all participating employees in the Plan. The Council's contributions to the Plan for the years ended December 31, 2024 and 2023 were \$136,968 and \$125,395, respectively.

NOTE 10 – COMMITMENTS AND CONTINGENCIES

Dependency on Government Support

The Council's services are funded primarily with grants from the United States Department of Health and Human Services and the State of Florida passed through the DOEA and the Northwest Florida Area Agency on Aging, Inc. A reduction in the level of future support from these agencies could have a substantial effect on the Council's programs and activities. As of December 31, 2024, management is unaware of any such reduction in future support.

(Continued)

COUNCIL ON AGING OF WEST FLORIDA, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024 AND 2023

NOTE 10 – COMMITMENTS AND CONTINGENCIES (Continued)

Depository Risk

The Council maintains cash balances with a financial institution and a brokerage firm. Demand deposit accounts are insured by the Federal Deposit Insurance Corporation (FDIC) up to certain limits.

NOTE 11 – AVAILABILITY AND LIQUIDITY

The following represents the Council's financial assets at December 31:

	2024	2023
Financial assets at year-end:		
Cash and cash equivalents	\$ 60,986	\$ 162,183
Investments appropriate for current use	533,131	470,256
Grants, contracts, and local support receivables	<u>1,387,398</u>	<u>939,574</u>
Total financial assets	1,981,515	1,572,013
Less amounts not available to be used within one year:	<u>-</u>	<u>-</u>
Financial assets available to meet general expenditures over the next twelve months	<u>\$ 1,981,515</u>	<u>\$ 1,572,013</u>

As part of the Council's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. To help manage unanticipated liquidity needs, the Council has two lines of credit which it could draw upon. Available credit under the two lines totaled \$245,074 at December 31, 2024.

COUNCIL ON AGING OF WEST FLORIDA, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024 AND 2023

NOTE 12 – CONTRIBUTIONS OF NON-FINANCIAL ASSETS

The Council received contributions of non-financial assets of the following nature and amount during the years ended December 31:

Description	Utilization in Programs/Activities	Donor Restrictions	Valuation Techniques and Inputs	2024	2023
General in-kind: silent auction items, fans, A/C units	General and Administrative	No associated donor restrictions	Value supplied by the service provider was used as an estimation of fair market value.	\$ 130,379	\$ 127,926
In-kind meals	Foster Grandparents	No associated donor restrictions	Donations were valued at a fixed rate per meal.	7,554	11,070
In-kind physicals	Foster Grandparents/ Senior Companions	No associated donor restrictions	Donations were valued at a fixed rate per physical.	21,520	26,320
Event in-kind: promotion and décor	Fundraising	No associated donor restrictions	Value supplied by the service provider was used as an estimation of fair market value.	19,865	15,584
Facilities in-kind: meeting space	Foster Grandparents/ Senior Companions	No associated donor restrictions	Space valued at a fixed rate per meeting.	15,210	21,196
				<u>\$ 194,528</u>	<u>\$ 202,096</u>

Additionally, the Council utilized various unskilled volunteer services. Volunteer hours for those services totaled 11,181 and 14,611 for the years ended December 31, 2024 and 2023 respectively.

NOTE 13 – SUBSEQUENT EVENTS

Management has evaluated events and transactions subsequent to December 31, 2024 through May 23, 2025, for potential recognition or disclosure in the financial statements. Management has not identified any items requiring recognition or disclosure.

SUPPLEMENTARY INFORMATION

COUNCIL ON AGING OF WEST FLORIDA, INC.

COMBINING SCHEDULE OF FUNCTIONAL EXPENSES

YEAR ENDED DECEMBER 31, 2024

	Non-DOEA Programs				
	Foster Grandparents	Senior Companions	Private Pay Home Delivered Meals	Private Pay Adult Day Health Care	Total
Wages	\$ 55,330	\$ 51,576	\$ 6,741	\$ 37,552	\$ 151,199
Employee benefits and payroll taxes	15,126	22,971	813	4,518	43,428
Travel	4,086	3,805	44	52	7,987
Education and training	-	-	1	55	56
Communications/postage	2,756	2,072	724	1,020	6,572
Utilities	507	432	26	1,491	2,456
Printing/supplies	1,426	933	18	154	2,531
Advertising	-	-	-	-	-
Insurance and licenses	2,983	2,091	173	2,631	7,878
Maintenance and repair	50	50	24	343	467
Building costs	544	463	25	1,530	2,562
Purchased equipment	8,232	642	122	484	9,480
Professional, legal, and accounting	42	28	-	-	70
Volunteer expenses	234,479	141,692	-	2	376,173
Subcontractors	44,481	37,342	1,682	3,326	86,831
Program supplies	-	-	1	1,163	1,164
Depreciation	-	-	-	-	-
Interest expense	-	-	-	-	-
In-kind expenses	29,159	15,125	-	-	44,284
Other expenses	6,591	1,525	3	96	8,215
Totals	<u>405,792</u>	<u>280,747</u>	<u>10,397</u>	<u>54,417</u>	<u>751,353</u>
Allocation of management and general expenses	150,284	101,489	4,899	22,098	278,770
Allocation of facilities and maintenance expenses	<u>1,003</u>	<u>853</u>	<u>22</u>	<u>2,948</u>	<u>4,826</u>
Total expenses	<u>\$ 557,079</u>	<u>\$ 383,089</u>	<u>\$ 15,318</u>	<u>\$ 79,463</u>	<u>\$ 1,034,949</u>
Total units	-	-	3,706	2,428	

COUNCIL ON AGING OF WEST FLORIDA, INC.

COMBINING SCHEDULE OF FUNCTIONAL EXPENSES

YEAR ENDED DECEMBER 31, 2024

	Community Service Programs						Adult Daycare/ Adult Day Healthcare/ Facility-Based Respite	Total
	Congregate Meals	Home Delivered Meals	Nutrition Education	Outreach	Recreation	Transportation		
Wages	\$ 289,743	\$ 64,936	\$ 8,848	\$ 1,554	\$ 43,175	\$ 6,842	\$ 197,246	\$ 612,344
Employee benefits and payroll taxes	29,744	12,331	1,770	417	3,299	3,799	43,835	95,195
Travel	4,308	2,687	34	1	182	20	125	7,357
Education and training	24	20	-	-	2	3	496	545
Communications/postage	8,806	4,829	115	14	835	781	8,587	23,967
Utilities	8,079	1,036	16	69	52	47	5,286	14,585
Printing/supplies	3,548	489	8	-	58	41	1,388	5,532
Advertising	-	-	-	-	-	-	-	-
Insurance and licenses	6,340	2,288	188	118	797	3,962	12,111	25,804
Maintenance and repair	3,521	424	15	1	61	7	2,971	7,000
Building costs	4,714	931	19	70	67	52	5,599	11,452
Purchased equipment	11,254	1,307	124	20	531	145	2,561	15,942
Professional, legal, and accounting	2,225	-	-	-	-	-	-	2,225
Volunteer expenses	149	256	-	-	-	-	17	422
Subcontractors	715,525	699,390	-	-	-	-	68,396	1,483,311
Program supplies	1,083	-	-	-	49	-	10,471	11,603
Depreciation	-	-	-	-	-	-	-	-
Interest expense	-	-	-	-	-	-	-	-
In-kind expenses	-	-	-	-	-	-	-	-
Other expenses	1,268	70,859	1	-	4	1,765	3,179	77,076
Totals	<u>1,090,331</u>	<u>861,783</u>	<u>11,138</u>	<u>2,264</u>	<u>49,112</u>	<u>17,464</u>	<u>362,268</u>	<u>2,394,360</u>
Allocation of management and general expenses	158,783	53,494	4,400	900	19,398	10,799	107,888	355,662
Allocation of facilities and maintenance expenses	<u>1,236</u>	<u>1,403</u>	<u>18</u>	<u>136</u>	<u>53</u>	<u>92</u>	<u>10,449</u>	<u>13,387</u>
Total expenses	<u>\$ 1,250,350</u>	<u>\$ 916,680</u>	<u>\$ 15,556</u>	<u>\$ 3,300</u>	<u>\$ 68,563</u>	<u>\$ 28,355</u>	<u>\$ 480,605</u>	<u>\$ 2,763,409</u>
Total units	134,832	124,260	7,388	4	17,058	-	5,921	

COUNCIL ON AGING OF WEST FLORIDA, INC.

COMBINING SCHEDULE OF FUNCTIONAL EXPENSES

YEAR ENDED DECEMBER 31, 2024

	Social Services Programs						
	Case Aide	Case Management	Screening and Assessment	Screening	Caregiver Support Group	Emergency Aide	Total
Wages	\$ 13,343	\$ 210,357	\$ 19,555	\$ 15,373	\$ 4,220	\$ -	\$ 262,848
Employee benefits and payroll taxes	1,186	40,588	28,975	3,837	14	-	74,600
Travel	272	6,805	695	50	34	6	7,862
Education and training	14	1,255	125	1	-	-	1,395
Communications/postage	231	5,834	473	202	214	31	6,985
Utilities	27	2,277	225	24	20	-	2,573
Printing/supplies	11	1,086	95	16	1	55	1,264
Advertising	-	-	-	-	-	-	-
Insurance and licenses	528	6,686	505	313	68	-	8,100
Maintenance and repair	22	196	13	27	2	-	260
Building costs	44	2,395	231	29	21	-	2,720
Purchased equipment	324	2,483	144	212	28	-	3,191
Professional, legal, and accounting	-	-	-	-	-	-	-
Volunteer expenses	-	10	-	-	-	-	10
Subcontractors	-	-	-	-	-	-	-
Program supplies	-	7	1	-	-	-	8
Depreciation	-	-	-	-	-	-	-
Interest expense	-	-	-	-	-	-	-
In-kind expenses	-	-	-	-	-	110,722	110,722
Other expenses	5	479	48	2	275	56,502	57,311
Totals	16,007	280,458	51,085	20,086	4,897	167,316	539,849
Allocation of management and general expenses	11,899	114,488	6,999	7,799	1,900	-	143,085
Allocation of facilities and maintenance expenses	53	4,501	444	22	40	-	5,060
Total expenses	\$ 27,959	\$ 399,447	\$ 58,528	\$ 27,907	\$ 6,837	\$ 167,316	\$ 687,994
Total units	30	2,704	302	852	28	-	

COUNCIL ON AGING OF WEST FLORIDA, INC.

COMBINING SCHEDULE OF FUNCTIONAL EXPENSES

YEAR ENDED DECEMBER 31, 2024

	Home Service Programs					
	Companionship	Emergency Alert Response	Homemaker	Material Aide	In-Home Respite	Volunteer
Wages	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee benefits and payroll taxes	-	-	-	-	-	-
Travel	-	-	-	-	-	126
Education and training	-	-	-	-	-	-
Communications/postage	-	-	-	-	-	1,100
Utilities	-	-	-	-	-	405
Printing/supplies	-	-	-	-	-	58
Advertising	-	-	-	-	-	-
Insurance and licenses	-	-	-	-	-	844
Maintenance and repair	-	-	-	-	-	14
Building costs	-	-	-	-	-	414
Purchased equipment	-	-	-	-	-	216
Professional, legal, and accounting	-	-	-	-	-	-
Volunteer expenses	-	-	-	-	-	181
Subcontractors	693,197	9,665	332,498	-	1,943,961	-
Program supplies	-	-	-	-	-	-
Depreciation	-	-	-	-	-	-
Interest expense	-	-	-	-	-	-
In-kind expenses	-	-	-	-	-	-
Other expenses	-	-	-	43,071	-	-
Totals	<u>693,197</u>	<u>9,665</u>	<u>332,498</u>	<u>43,071</u>	<u>1,943,961</u>	<u>3,358</u>
Allocation of management and general expenses	9,799	-	7,899	1,400	19,298	19,398
Allocation of facilities and maintenance expenses	-	-	-	-	-	801
Total expenses	<u>\$ 702,996</u>	<u>\$ 9,665</u>	<u>\$ 340,397</u>	<u>\$ 44,471</u>	<u>\$ 1,963,259</u>	<u>\$ 23,557</u>
Total units	31,964	8,777	15,558	214	78,357	-

COUNCIL ON AGING OF WEST FLORIDA, INC.

COMBINING SCHEDULE OF FUNCTIONAL EXPENSES

YEAR ENDED DECEMBER 31, 2024

	Home Service Programs (Continued)						Total Direct Program Services
	Vendor Shopping Assistance	Vendor Chore	Personal Care	Equipment	Other	Total	
Wages	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,026,391
Employee benefits and payroll taxes	-	-	-	-	-	-	213,223
Travel	-	-	-	-	-	126	23,332
Education and training	-	-	-	-	-	-	1,996
Communications/postage	-	-	-	-	268	1,368	38,892
Utilities	-	-	-	-	-	405	20,019
Printing/supplies	-	-	-	-	-	58	9,385
Advertising	-	-	-	-	-	-	-
Insurance and licenses	-	-	-	-	-	844	42,626
Maintenance and repair	-	-	-	-	-	14	7,741
Building costs	-	-	-	-	-	414	17,148
Purchased equipment	-	-	-	-	-	216	28,829
Professional, legal, and accounting	-	-	-	-	-	-	2,295
Volunteer expenses	-	-	-	-	-	181	376,786
Subcontractors	183,336	6,578	593,844	268,214	-	4,031,293	5,601,435
Program supplies	-	-	-	-	-	-	12,775
Depreciation	-	-	-	-	-	-	-
Interest expense	-	-	-	-	-	-	-
In-kind expenses	-	-	-	-	-	-	155,006
Other expenses	-	-	-	-	8,388	51,459	194,061
Totals	<u>183,336</u>	<u>6,578</u>	<u>593,844</u>	<u>268,214</u>	<u>8,656</u>	<u>4,086,378</u>	<u>7,771,940</u>
Allocation of management and general expenses	-	200	6,899	13,998	-	78,891	856,408
Allocation of facilities and maintenance expenses	-	-	-	-	-	801	24,074
Total expenses	<u>\$ 183,336</u>	<u>\$ 6,778</u>	<u>\$ 600,743</u>	<u>\$ 282,212</u>	<u>\$ 8,656</u>	<u>\$ 4,166,070</u>	<u>\$ 8,652,422</u>
Total units	5,692	286	24,404	3,320	13		



**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
Council on Aging of West Florida, Inc.
Pensacola, Florida

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Council on Aging of West Florida, Inc. (the Council), which comprise the statement of financial position as of December 31, 2024, the related statements of activities and changes in net assets, 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 May 23, 2025.

Report on Internal Control over Financial Reporting

In planning and performing our audit on the financial statements we considered the Council's internal control over financial reporting (internal control) as a basis for designing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the 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 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 over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Report on Compliance and Other Matters

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

Purpose of This Report

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

Pensacola, Florida
May 23, 2025

*Henderson Hutcherson
& McCullough, PLLC*



**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR
FEDERAL PROGRAM AND STATE FINANCIAL ASSISTANCE PROJECT AND
REPORT ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE
WITH THE UNIFORM GUIDANCE AND FLORIDA CHAPTER 10.650, RULES OF
THE AUDITOR GENERAL**

To the Board of Directors
Council on Aging of West Florida, Inc.
Pensacola, Florida

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

Opinion on Each Major Federal Program and State Financial Assistance Project

We have audited the Council on Aging of West Florida, Inc.'s (the Council) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* and the requirements described in the Florida Department of Financial Services' *State Projects Compliance Supplement* that could have a direct and material effect on each of the Council's major federal programs and state financial assistance projects for the year ended December 31, 2024. The Council's major federal programs and state financial assistance projects are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Council complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs and state financial assistance projects for the year ended December 31, 2024.

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

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and Chapter 10.650, Rules of the Auditor General. Our responsibilities under those standards, the Uniform Guidance and Chapter 10.650, Rules of the Auditor General, are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the 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 each major federal program and state financial assistance project. 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 and state financial assistance projects.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the 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 GAAS, *Government Auditing Standards*, the Uniform Guidance, and Chapter 10.650, Rules of the Auditor General, 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 and state financial assistance project as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance, and Chapter 10.650, Rules of the Auditor General, 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 and the Florida Department of Financial Services' *State Projects Compliance*, 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 or state project on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program or state project will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program or state project that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance and Chapter 10.650, Rules of the Auditor General. Accordingly, this report is not suitable for any other purpose.

Pensacola, Florida
May 23, 2025

*Henderson Hutcherson
& McCullough, PLLC*

COUNCIL ON AGING OF WEST FLORIDA, INC.

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED DECEMBER 31, 2024

Federal Grantor/Pass-Through/ Grantor/Program Title	Federal Assistance Listing Number	Grant Number	Federal Expenditures
U.S. Department of Homeland Security:			
Emergency Food and Shelter National Board Program	97.024	N/A	\$ <u>8,714</u>
U.S. Department of Health and Human Services:			
<i>Passed Through Florida Department of Elder Affairs/ Passed Through Northwest Florida Area Agency on Aging:</i>			
Aging Cluster:			
Special Programs for the Aging:			
Title III-Part B, Grants for Supportive Services and Senior Centers	93.044	AA024-ESC/SR	731,201
Title III-Part C, Nutrition Services	93.045	AA024-ESC/SR	1,022,337
Nutrition Services Incentive Program	93.053	AA024-ESC/SR	96,844
American Rescue Plan Act	93.044	ARP21	347,262
American Rescue Plan Act	93.045	ARP21	<u>757,109</u>
Total Aging Cluster			<u>2,954,753</u>
National Family Caregiver Support	93.052	AA024-ESC/SR	367,606
American Rescue Plan Act	93.052	ARP21	<u>80,134</u>
			<u>447,740</u>
Total U.S. Department of Health and Human Services			<u>3,402,493</u>
U.S. Department of Housing and Urban Development:			
<i>Passed Through City of Pensacola:</i>			
Community Development Block Grant	14.218	N/A	69,891
<i>Passed Through Escambia County:</i>			
Community Development Block Grant	14.218	N/A	<u>50,000</u>
Total U.S. Department of Housing and Urban Development			<u>119,891</u>
Corporation for National and Community Service:			
Foster Grandparents/Senior Companion Cluster:			
Foster Grandparent Program	94.011	24SFHFL002	387,633
Senior Companion Program	94.016	24SCHFL005	<u>241,114</u>
Total Corporation for National and Community Service			<u>628,747</u>
Total Federal Expenditures			<u>\$ 4,159,845</u>

COUNCIL ON AGING OF WEST FLORIDA, INC.

SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE

YEAR ENDED DECEMBER 31, 2024

State Grantor/Pass-Through/ Grantor/Program Title	State Assistance Listing Number	Contract/Grant Number	Expenditures
State Grants and Aids Appropriations:			
<i>Passed Through Florida Department of Elder Affairs/ Passed Through Northwest Florida Area Agency on Aging:</i>			
Tobacco Settlement Trust Funds:			
Community Care for the Elderly	65.010	AC024	\$ 1,549,572
Alzheimer's Respite Services	65.004	AZ024	<u>1,527,887</u>
			<u>3,077,459</u>
State Grants and Aids Appropriations:			
<i>Passed Through Florida Department of Elder Affairs/ Passed Through Northwest Florida Area Agency on Aging:</i>			
General Revenues:			
Home Care for the Elderly – Case Management	65.001	AH024	13,217
Home Care for the Elderly – Subsidies	65.001	AH024	319,748
Enhanced Home Care for the Elderly	65.001	AE022	<u>25,356</u>
			<u>358,321</u>
Total State Financial Assistance			<u>\$ 3,435,780</u>

COUNCIL ON AGING OF WEST FLORIDA, INC.

NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE

YEAR ENDED DECEMBER 31, 2024

NOTE 1 – BASIS OF PRESENTATION

The accompanying schedules of expenditures of federal awards and state financial assistance include the federal and state grant activity of the Council on Aging of West Florida, Inc. under programs of the federal government and the State of Florida for the year ended December 31, 2024. The information in the accompanying schedules of expenditures of federal awards and state financial assistance is presented in accordance with the requirements of Uniform Guidance and Chapter 10.650, Rules of the Auditor General. Because the schedules present only a selected portion of the operations of the Council on Aging of West Florida, Inc., they are not intended to and do not present the financial position, changes in net assets, or cash flows of the Council on Aging of West Florida, Inc.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the accompanying schedules of expenditures of federal awards and state financial assistance are reported on the accrual basis of accounting. The Council on Aging of West Florida, Inc., did not elect to utilize the ten percent de minimis indirect cost rate allowed under the Uniform Guidance.

COUNCIL ON AGING OF WEST FLORIDA, INC.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED DECEMBER 31, 2024

SECTION I – SUMMARY OF AUDITOR’S RESULTS

Financial Statements

Type of auditor’s report issued: Unmodified

Internal control over financial reporting:

- Material weaknesses identified? _____ yes X no
- Are any significant deficiencies identified not considered to be material weaknesses? _____ yes X none reported

Noncompliance material to financial statements noted? _____ yes X no

Federal Awards and State Financial Assistance Projects

Internal control over major programs:

- Material weaknesses identified? _____ yes X no
- Are any significant deficiencies identified not considered to be material weaknesses? _____ yes X none reported

Type of auditor’s report issued on compliance for major programs and state projects: Unmodified

Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance or Chapter 10.650, Rules of the Auditor General? _____ yes X no

Identification of major federal programs:

Federal Programs or Cluster

Aging Cluster: Special Programs for the Aging
Title III Part B - Grants for Supportive Services and Senior Centers (CFDA No. 93.044)
Title III Part C - Nutrition Services (CFDA No. 93.045)
Nutrition Services Incentive Program (CFDA No. 93.053)

(Continued)

COUNCIL ON AGING OF WEST FLORIDA, INC.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED DECEMBER 31, 2024

SECTION I – SUMMARY OF AUDITOR’S RESULTS (Continued)

Dollar threshold used to distinguish between Type A
and Type B programs: \$750,000

Is the auditee qualified as a low-risk auditee? X yes no

Identification of major state financial assistance projects:

State Financial Assistance Projects

Community Care for the Elderly (CSFA No. 65.010)
Alzheimer’s Respite Services (CSFA No. 65.004)

Dollar threshold used to distinguish between Type A
and Type B projects: \$750,000

Is the auditee qualified as a low-risk auditee? X yes no

SECTION II – FINANCIAL STATEMENT FINDINGS

None

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None

SECTION III – STATE FINANCIAL ASSISTANCE PROJECTS FINDINGS AND QUESTIONED COSTS

None

COUNCIL ON AGING OF WEST FLORIDA, INC.

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

YEAR ENDED DECEMBER 31, 2024

There were no prior audit findings for the year ended December 31, 2023.