NORTHWEST FLORIDA AREA AGENCY ON AGING, INC.

PENSACOLA, FLORIDA

FINANCIAL STATEMENTS

DECEMBER 31, 2024 AND 2023

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Northwest Florida Area Agency on Aging, Inc.
Pensacola, Florida

Opinion

We have audited the accompanying financial statements of Northwest Florida Area Agency on Aging, Inc., (the "Agency") (a nonprofit organization), which comprise the statements of financial position as of December 31, 2024 and 2023, and 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 financial statements referred to above present fairly, in all material respects, the financial position of the Agency 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Agency and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Agency's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying 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 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, 2025 on our consideration of the Agency's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the Agency's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Agency's internal control over financial reporting and compliance.

Other Matter

The financial statements of Northwest Florida Area on Aging, Inc. as of and for the year ended December 31, 2023, were audited by Saltmarsh, Cleaveland, & Gund, P.A. who expressed an unmodified opinion on those statements on September 30, 2024. Saltmarsh, Cleaveland, & Gund, P.A. has since merged with Ascend Partners and now practices under Saltmarsh, Cleaveland & Gund, Inc. and Saltmarsh CPAs, Inc. as an alternative practice structure in accordance with the AICPA Code of Professional Conduct and applicable law, regulations and professional standards.

Saltmarsh

Pensacola, Florida
September 3, 2025

NORTHWEST FLORIDA AREA AGENCY ON AGING, INC.
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2024 AND 2023

ASSETS

	2024	2023
Current Assets:		
Cash	$ 988,922	$ 588,311
Designated cash	127,016	122,881
Grants and other support receivable	1,583,042	1,418,482
Prepaid expenses	60,141	8,876
Total current assets	2,759,121	2,138,550
Property and Equipment, net	525,893	550,303
Total Assets	$ 3,285,014	$ 2,688,853

LIABILITIES AND NET ASSETS

Current Liabilities:		
Accounts payable	$ 27,461	$ 14,547
Accrued expenses	154,846	150,896
Due to providers	1,597,720	1,093,762
Total current liabilities	1,780,027	1,259,205
Net Assets:		
Without donor restrictions-		
Undesignated	1,377,971	1,306,767
Designated	127,016	122,881
Total net assets	1,504,987	1,429,648
Total Liabilities and Net Assets	$ 3,285,014	$ 2,688,853

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

NORTHWEST FLORIDA AREA AGENCY ON AGING, INC.
STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
YEARS ENDED DECEMBER 31, 2024 AND 2023

	2024	2023
Net Assets Without Donor Restrictions:		
Revenue and support:		
Federal grants	$ 5,980,168	$ 5,650,506
State grants	5,847,823	4,019,958
Other revenue and support	24,644	54,558
Total revenue and support	11,852,635	9,725,022
Expenses:		
Program services:		
Social services	7,838,759	6,746,932
Community services	2,873,777	2,223,003
Home services	890,528	584,919
Non-DOEA	73,136	37,531
Total program services	11,676,200	9,592,385
Supporting services:		
Management and general	101,096	92,599
Total expenses	11,777,296	9,684,984
Change in Net Assets	75,339	40,038
Net Assets:		
Beginning of year	1,429,648	1,389,610
End of year	$ 1,504,987	$ 1,429,648

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

NORTHWEST FLORIDA AREA AGENCY ON AGING, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2024

	Program Services							
	Social Services				Community Services			
	OAA Title III	ADRC	ADI	SHINE	CCE	NSIP	OAA Title VII	Medicaid Waiver
Advertising	$ -	$ -	$ 52	$ 6,424	$ 52	$ -	$ -	$ -
Depreciation	-	-	-	-	-	-	-	-
Dues and subscriptions	12,692	-	5	538	19	-	3	-
Equipment maintenance	75,313	12,721	4,751	10,501	8,131	-	411	2,003
Insurance	22,430	1,688	1,050	5,819	1,500	-	200	219
Other	2,480	74	182	3,428	196	-	135	12
Personnel	706,341	309,669	150,204	162,053	310,250	-	14,946	57,702
Printing and supplies	19,514	8,767	1,184	6,750	3,103	-	311	474
Professional services	23,360	5,911	5,097	5,635	7,310	-	1,280	1,200
Rent	2,514	1,140	533	906	1,096	-	71	212
Subrecipients and subcontractors	4,152,104	-	2,017,256	-	2,326,841	126,900	-	-
Telephone	11,204	4,138	1,977	8,669	4,241	-	255	736
Training	34,040	876	113	590	123	-	2	40
Travel	17,632	-	265	8,454	265	-	228	-
Utilities	5,543	2,645	1,362	2,165	2,652	-	163	495
Total Expenses	$ 5,085,167	$ 347,629	$ 2,184,031	$ 221,932	$ 2,665,779	$ 126,900	$ 18,005	$ 63,093

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

NORTHWEST FLORIDA AREA AGENCY ON AGING, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2024
(Continued)

	Program Services						
	Home Services						
	EHCE	EHEAP	HCE	Other Non-DOEA Programs	Total Program Services	Management and General	2024 Total Expenses
Advertising	$ -	$ -	$ 52	$ -	$ 6,580	$ -	$ 6,580
Depreciation	-	-	-	-	-	36,520	36,520
Dues and subscriptions	-	3	11	3	13,274	3,208	16,482
Equipment maintenance	-	988	2,562	2,153	119,534	295	119,829
Insurance	-	-	700	179	33,785	-	33,785
Other	-	9	188	74	6,778	5,151	11,929
Personnel	1,535	14,401	62,871	61,709	1,851,681	20,154	1,871,835
Printing and supplies	-	535	973	1,206	42,817	12,974	55,791
Professional services	-	418	3,147	1,006	54,364	6,353	60,717
Rent	-	141	220	195	7,028	6	7,034
Subrecipients and subcontractors	143,146	93,446	562,783	-	9,422,476	16,000	9,438,476
Telephone	-	485	696	803	33,204	-	33,204
Training	-	2	116	527	36,429	-	36,429
Travel	-	76	265	4,801	31,986	435	32,421
Utilities	-	312	447	480	16,264	-	16,264
Total Expenses	$ 144,681	$ 110,816	$ 635,031	$ 73,136	$ 11,676,200	$ 101,096	$ 11,777,296

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

NORTHWEST FLORIDA AREA AGENCY ON AGING, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2023

	Program Services							
	Social Services				Community Services			
	OAA Title III	ADRC	ADI	SHINE	CCE	NSIP	OAA Title VII	Medicaid Waiver
Advertising	$ 7,463	$ -	$ 23	$ 7,200	$ 23	$ -	$ -	$ -
Depreciation	-	-	-	-	-	-	-	-
Dues and subscriptions	14,503	72	20	51	64	-	5	12
Equipment maintenance	55,743	11,425	1,579	6,729	6,444	-	517	1,388
Insurance	12,206	4,100	900	2,367	1,813	-	100	800
Other	1,854	-	108	4,689	140	-	12	-
Personnel	683,158	255,877	129,583	139,822	302,193	-	17,818	48,983
Printing and supplies	18,404	10,391	5	2,365	1,124	-	256	326
Professional services	21,109	5,399	3,446	5,333	3,929	-	133	600
Rent	4,129	1,288	3	722	611	-	72	215
Subrecipients and subcontractors	4,045,058	1,800	1,204,930	-	1,692,903	135,925	-	-
Telephone	15,187	4,778	32	7,732	2,340	-	259	743
Training	14,307	80	1,048	388	189	-	174	4
Travel	17,551	-	222	6,685	222	-	358	-
Utilities	9,896	3,307	11	1,854	1,571	-	186	551
Total Expenses	$ 4,920,568	$ 298,517	$ 1,341,910	$ 185,937	$ 2,013,566	$ 135,925	$ 19,890	$ 53,622

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

NORTHWEST FLORIDA AREA AGENCY ON AGING, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2023
(Continued)

	Program Services						
	Home Services						
	RELIEF	HCE	EHEAP	Other Non-DOEA Programs	Total Program Services	Management and General	2023 Total Expenses
Advertising	$ -	$ 7,180	$ 23	$ -	$ 21,912	$ -	$ 21,912
Depreciation	-	-	-	-	-	31,850	31,850
Dues and subscriptions	-	10	41	5	14,783	3,065	17,848
Equipment maintenance	-	1,172	2,200	517	87,714	24	87,738
Insurance	-	-	500	-	22,786	-	22,786
Other	-	-	150	5,000	11,953	4,581	16,534
Personnel	12,966	16,754	54,140	29,765	1,691,059	14,667	1,705,726
Printing and supplies	-	352	954	860	35,037	28,860	63,897
Professional services	3,990	500	3,593	133	48,165	-	48,165
Rent	-	144	289	72	7,545	-	7,545
Subrecipients and subcontractors	17,157	69,538	390,267	-	7,557,578	8,000	7,565,578
Telephone	-	508	1,037	259	32,875	-	32,875
Training	-	-	117	227	16,534	-	16,534
Travel	-	-	222	507	25,767	1,552	27,319
Utilities	-	371	744	186	18,677	-	18,677
Total Expenses	$ 34,113	$ 96,529	$ 454,277	$ 37,531	$ 9,592,385	$ 92,599	$ 9,684,984

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

NORTHWEST FLORIDA AREA AGENCY ON AGING, INC.
STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2024 AND 2023

	2024	2023
Cash Flows From Operating Activities:		
Change in net assets	$ 75,339	$ 40,038
Adjustments to reconcile change in net assets to net cash provided by operating activities -		
Depreciation	36,520	31,850
Changes in -		
Grants and other support receivable	(164,560)	215,749
Prepaid expenses	(51,265)	(2,870)
Accounts payable	12,914	10,336
Accrued expenses	3,950	26,380
Due to grantor agency	-	(9,763)
Due to providers	503,958	(182,801)
Net cash provided by operating activities	416,856	128,919
Cash Flows From Investing Activities:		
Purchase of property and equipment	(12,110)	(30,377)
Net Change in Cash	404,746	98,542
Cash at Beginning of Year	711,192	612,650
Cash at End of Year	$ 1,115,938	$ 711,192
Displayed As:		
Cash	$ 988,922	$ 588,311
Designated cash	127,016	122,881
	$ 1,115,938	$ 711,192

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization and Purpose:

Northwest Florida Area Agency on Aging, Inc. (the "Agency") is a Florida not-for-profit corporation, incorporated in 1979. The Agency has no paid-in capital or shareholders, and the affairs are conducted by a Board of Directors.

The primary purpose of the Agency is to assist, encourage, and promote the well-being of aging individuals through a variety of programs, and act as a pass-through agency for federal and state funds to the various providers of services in Northwest Florida. The Agency's operations are also funded by state and federal grants.

Basis of Presentation:

The accompanying financial statements of the Agency, which are presented on the accrual basis of accounting, have been prepared to focus on the Agency as a whole and to present balances and transactions according to the existence or absence of donor-imposed restrictions.

Federal, state and local amounts received by the Agency in advance of the incurrence of allowable costs or performance of services are recorded as advances on grants until such allowable costs are incurred or services are rendered.

Contributions are recognized when a donor makes an unconditional promise to give to the Agency. Contributions that are restricted by a donor are reported as increases in net assets with donor restrictions. When a time restriction expires or a purpose restriction is met, net assets with donor restrictions are reclassified to net assets without donor restrictions.

Net assets without donor restrictions represent resources generated from operations, donations without donor restrictions, and lapse of temporary restrictions and are not subject to donor-imposed stipulations.

Use of Estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Support:

Support from government grants is recorded based upon the terms of the grantor allotment which generally provides that revenue is earned when the allowable costs of the specific grant provisions have been incurred or the performance of the services has been rendered. Such revenue is subject to audit by the grantor, and if the examination results in a deficiency of allowable expenses, the Agency will be required to refund any deficiencies.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Grants Receivable:

Grants receivable are stated at the amount management expects to collect from outstanding balances. When necessary, management provides for probable uncollectible amounts through a provision for bad debt expense and an adjustment to a valuation allowance based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable. Management believes all grants receivable at December 31, 2024 and 2023 were fully collectible; therefore, no allowance for doubtful accounts has been recorded. At January 1, 2024 and 2023, grants receivable had opening balances of $1,418,482 and $1,634,231, respectively.

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. If donors stipulate how long the assets must be used, the contributions are recorded as restricted support. In the absence of such stipulations, contributions of property and equipment are recorded as support without donor restrictions. Furniture and equipment acquired by the Agency are considered to be owned by the Agency. However, the U.S. Department of Health and Human Services (the "Department") may maintain equitable interest in the property purchased with grant funds. At no time shall the Agency dispose of these nonexpendable properties, except with the permission of, and in accordance with, instructions from the Department. The Department has reversionary interest in those assets purchased with its funds, which have a cost of $1,000 or more.

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

Building	27 years
Furniture and equipment	5 - 7 years

Due to Providers:

Due to providers represent amounts requested for reimbursement from the Agency for allowable expenses incurred by the providers on or before December 31, 2024 and 2023.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

In-Kind Support:

The Agency records various types of in-kind support including contributed professional services and materials. Contributed professional services are recognized if the services received (a) create or enhance long-lived assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. Contributions of tangible assets are recognized at fair 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.

Advertising Costs:

Advertising costs are expensed when incurred.

Income Taxes:

The Agency 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.

Reclassifications:

Certain prior year amounts have been reclassified to conform to the current year presentation.

Subsequent Events:

Management has evaluated subsequent events through September 3, 2025, which is the date the financial statements were available to be issued.

NOTE 2 - FUNDING SOURCES

The Agency receives funding from federal, state, and local sources. The following is a description, by source and purpose, of funding received by the Agency during 2024 and 2023.

Social Services:

III Administration, Older Americans Act ("OAA"), is federal funding awarded for the purpose of administering the Older Americans Act's programs. The Agency uses this money to pay day-to-day operating expenses of the Agency. The state also provides limited funds for administration, which is also considered matching funds for federal funding.

NOTE 2 - FUNDING SOURCES (Continued)

Social Services (continued):

IIIB, Older Americans Act, is federal funding awarded for the purpose of providing social services for the elderly. The Agency uses this money to provide services such as transportation services, counseling, information, telephone contacts, recreation, and legal assistance.

IIIC-1, Older Americans Act, is federal funding awarded for the purpose of providing congregate meals, outreach services, and nutritional education.

IIIC-2, Older Americans Act, is federal funding awarded for the purpose of providing home delivered meals.

IIID, Older Americans Act, is federal funding awarded for the purpose of providing disease prevention and health promotion.

IIIE, Older Americans Act, is federal funding awarded for the purpose of providing the national family caregiver support program.

ARP, American Rescue Plan, is federal funding awarded directly to the OAA program through the American Rescue Plan of 2021 for the purpose of providing supplemental assistance to the recipients of OAA program funding and accelerating the vaccination of older adults by funding the aging service network to conduct outreach and education, assist people with scheduling and attending vaccination appointments and connecting people to in-home vaccination services. The Agency received ARP funding relating to the OAA IIIB, IIIC, IIID and IIIE programs.

ADRC, Aging and Disability Resource Center, is a federally and state funded program which is to provide a coordinated, multi-access "one stop" system that integrates information, referral and assistance with eligibility determination functions for elders, persons with disabilities and care givers with streamlined access to long term care services and participation in the ADRC Statewide Medicaid Managed Care Long-Term Care Program ("SMMC LTC") statewide programs.

ADI, Alzheimer's Disease Initiative, is state funding awarded for the purpose of ensuring that persons afflicted with Alzheimer's Disease and other forms of dementia are given essential services to help them age in place in an elder-friendly environment with security, dignity, and purpose. The program also provides support to family members and caregivers of persons afflicted with Alzheimer's Disease.

SHINE, Serving Health Insurance Needs of Elders, is federal funding to provide health insurance information, counseling, advocacy, and assistance to elders.

NOTE 2 - FUNDING SOURCES (Continued)

Community Services:

CCE, Community Care for Elderly, is state funding, awarded for the purpose of providing services to Florida's frail elderly with the intent of preventing premature institutionalization. Services provided are home delivered meals, homemaker, case management, adult day care, chore, personal care, respite care, transportation, and emergency alert response services.

NSIP, Nutrition Services Incentive Program, is federal funding to supplement the Title IIIC meals program.

Title VII, Older Americans Act, is federal funding awarded for the purpose of providing elder abuse prevention.

Medicaid Waiver is federal funding to provide administrative support and be responsible for the administration and management of the Medicaid home and community-based waiver for the aged and disabled.

Home Services:

EHCE, Enhanced Home Care for the Elderly is state funding through financial subsidies and support services for the purpose of providing eligible elderly individuals with the opportunity to receive home modifications that promote independent living and ensure safety within their own homes.

EHEAP, Home Energy Assistance Program, is federal funding awarded for the purpose of assisting elderly low-income individuals to meet their energy needs.

HCE, Home Care for the Elderly, is state funding through financial subsidies and support services for frail elderly individuals to prevent premature or inappropriate institutionalization.

NOTE 3 - DESIGNATED CASH AND NET ASSETS

The Agency has set aside funds into a Money Market Account used for long-term liabilities and other emergencies. Because the agency is self-insured for unemployment these funds are the mechanism for unemployment claims. The agency may also utilize these funds to cover employee leave balances, whereas if in a leave payout situation there are not sufficient funds available through funding agreements to cover the cost. The agency set aside $127,016 and $122,881 at December 31, 2024 and 2023, respectively in a separate account with the Agency's financial institution.

NOTE 4 - GRANTS AND OTHER SUPPORT RECEIVABLE

Grants and other support receivable consist of the following:

	2024	2023
OAA - Title III	$ 607,852	$ 260,463
ARP	12,125	427,552
ADRC	55,010	50,730
ADI	344,004	211,540
SHINE	12,686	11,151
CCE	359,492	319,578
NSIP	14,421	2,614
OAA - Title VII	3,588	3,528
Medicaid Waiver	9,597	8,424
EHCE	-	18,356
EHEAP	13,716	4,218
HCE	116,691	75,049
Other	33,860	25,279
	$ 1,583,042	$ 1,418,482

NOTE 5 - PROPERTY AND EQUIPMENT

Property and equipment consist of the following:

	2024	2023
Land	$ 100,000	$ 100,000
Building	765,622	765,622
Furniture and equipment	212,676	200,566
	1,078,298	1,066,188
Less accumulated depreciation	(552,405)	(515,885)
Property and equipment, net	$ 525,893	$ 550,303

Depreciation expense was $36,520 and $31,850 for the years ended December 31, 2024 and 2023, respectively.

NOTE 6 - DUE TO PROVIDERS

Amounts due to providers consist of the following:

	2024	2023
Council on Aging of Northwest Florida, Inc.	$ 1,198,380	$ 696,373
Walton County Council on Aging, Inc.	125,342	236,749
Okaloosa County Council on Aging, Inc.	242,009	132,559
Northwest Florida Legal Services, Inc.	5,164	4,586
West Florida Area Health Education Center, Inc.	25,297	21,181
Legal Services of North Florida	1,528	2,314
	$ 1,597,720	$ 1,093,762

NOTE 7 - PENSION PLAN

The Agency maintains a defined contribution plan available to all regular employees and administered by a major insurance company. Eligibility occurs after six months of employment. Employee contributions are optional. The Agency contribution is either 10.1% of the employee's salary for employees participating in the Agency's health care plan or 15.1% of the employee's salary for employees electing not to participate in the Agency's health care plan excluding the cost of paid annual leave not taken. Contributions made to the pension plan for the years ended December 31, 2024 and 2023 were $145,263 and $132,767, respectively. The contribution rates of either 10.1% or 15.1% of the employee's salary are subject to change at the discretion of the Board of Directors.

NOTE 8 - STATE OF FLORIDA GRANT MATCHING REQUIREMENTS

The Agency receives a substantial portion of its support in the form of federal grants passed through the Florida Department of Elder Affairs ("DOEA"). These grants require that twenty-five percent (25%) of the federal funds designated for Agency administration be matched in the form of cash, general revenue administrative funds, and/or in-kind resources.

The majority of the funding for subrecipients is also received from the DOEA. The Agency is required to assure through contractual provisions with the subrecipients that a match of at least ten percent (10%) of the cost for all services is met. The subrecipients' match must be made in the form of cash and/or in-kind contributions. All applicable matching requirements were met for the years ended December 31, 2024 and 2023.

NOTE 9 - OTHER REVENUE AND SUPPORT

Other revenue and support reported on the statement of activities and changes in net assets consists of contributions, grants, and contract income from other than federal or state grants as follows:

	2024	2023
Contributions	$ 19,730	$ 52,421
Miscellaneous	4,914	2,137
	$ 24,644	$ 54,558

NOTE 10 - COMMITMENTS AND CONTINGENCIES

Grant Expenditures:

Expenditures incurred by the Agency and the providers are subject to audit and possible disallowances by federal and state agencies. The Agency would be responsible for recovery (reimbursement to the grantor agency) of disallowed amounts incurred by providers if they were not able to repay the amounts disallowed. It is the opinion of management that, if audited, any adjustment for disallowed expenses would be immaterial.

Dependency on Government Support:

The Agency'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. A reduction in the level of future support from these agencies could have a substantial effect on the Agency's programs and activities. As of December 31, 2024, management is unaware of any such reduction in future support.

Depository Risk:

The Agency maintains cash balances with a financial institution. Demand deposit accounts are insured by the Federal Deposit Insurance Corporation up to certain limits. At December 31, 2024, the Agency had $931,293 held by the financial institution in excess of insured limits.

NOTE 11 - LIQUIDITY

The Agency's financial assets available within one year of the statement of financial position date for general expenditure are as follows:

	2024	2023
Cash	$ 988,922	$ 588,311
Grants and other support receivable	1,583,042	1,418,482
	$ 2,571,964	$ 2,006,793

As part of the Agency'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.

OTHER REPORTS AND SCHEDULES

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

Board of Directors
Northwest Florida Area Agency on Aging, 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 Northwest Florida Area Agency on Aging, Inc. (the "Agency") (a nonprofit organization), which comprise the statement of financial position as of December 31, 2024, and 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 September 3, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Agency's internal control over financial reporting ("internal control") to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Agency's internal control. Accordingly, we do not express an opinion on the effectiveness of the Agency's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Agency'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 the 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.

Board of Directors
Northwest Florida Area Agency on Aging, Inc.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Agency's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the 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 Agency's internal control or on compliance. This report is an integral part of an audit performed with *Government Auditing Standards* in considering the Agency's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Saltmarsh

Pensacola, Florida
September 3, 2025

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

Board of Directors
Northwest Florida Area Agency on Aging, Inc.
Pensacola, Florida

Opinion on Each Major Federal Program and State Project

We have audited Northwest Florida Area Agency on Aging, Inc.'s (the "Agency") compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* and in the *Executive Office of the Governor's State Project Compliance Supplement* that could have a direct and material effect on each of the Agency's major federal programs and state projects for the year ended December 31, 2024. The Agency's major federal programs and state projects are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Agency 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 projects for the year ended December 31, 2024.

Basis for Opinion on Each Major Federal Program and State Project

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"); and Chapter 10.650, Rules of the Auditor General. Our responsibilities under those standards, the Uniform Guidance, Section 215.97, *Florida Statutes*; 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 Agency and to meet our 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 project. Our audit does not provide a legal determination of the Agency's compliance with the compliance requirements referred to above.

Management's Responsibility for Compliance

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

Auditor's Responsibility for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Agency's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance, Section 215.97, *Florida Statutes*; 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 that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Agency's compliance with the requirements of each major federal program and major state project as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance, Section 215.97, *Florida Statutes*; 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 Agency's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.

- Obtain an understanding of the Agency's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, Section 215.97, *Florida Statutes* and Chapter 10.650, *Rules of the Auditor General*, but not for the purpose of expressing an opinion on the effectiveness of the Agency's internal control over compliance. Accordingly, no such opinion is expressed.

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

Board of Directors
Northwest Florida Area Agency on Aging, Inc.

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, Section 215.97, *Florida Statutes*; and Chapter 10.650, *Rules of the Auditor General*. Accordingly, this report is not suitable for any other purpose.

Saltmarsh

Pensacola, Florida
September 3, 2025

NORTHWEST FLORIDA AREA AGENCY ON AGING, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED DECEMBER 31, 2024

Federal Grantor/Pass-through Grantor, Program or Cluster Title	ALN	Contract / Grant Number	Expenditures	Transfer to Subrecipient
U.S. Department of Health and Human Services				
Passed through State of Florida Department of Elder Affairs				
Aging Cluster:				
Special Programs for the Aging:				
OAA Administration	93.044-.045 & 93.052	AA024	$ 425,444	$ -
OAA Title III / ARPA Administration	93.044-.045 & 93.052	ARP21	166,144	-
Title III-Part B, Grants for Supportive Services and Senior Centers	93.044	AA024	1,360,610	926,936
ARP Act Title III-Part B, Grants for Supportive Services and Senior Centers	93.044	ARP21	346,636	346,636
Title III-Part C, Nutrition Services	93.045	AA024	1,416,754	1,416,754
ARP Act Title III-Part C, Nutrition Services	93.045	ARP21	757,183	757,183
Nutrition Services Incentive Program	93.053	AA024	126,922	126,922
Total Aging Cluster			4,599,693	3,574,431
Title III-Part E, National Family Caregiver Support	93.052	AA024	458,210	458,210
ARP Act Title III-Part E, National Family Caregiver Support	93.052	ARP21	81,312	81,312
			539,522	539,522
Title III-Part D, Disease Prevention and Health Promotion Services	93.043	AA024	81,085	81,085
ARP Act Title III-Part D, Disease Prevention and Health Promotion Services	93.043	ARP21	94,657	84,253
			175,742	165,338
Title VII, Chapter 3 Programs for Prevention of Elder Abuse, Neglect, and Exploitation	93.041	A7024/A7023	19,469	-
Title IV, and Title II, Discretionary Projects	93.048	AG024/AG023	47,118	-
Medical Assistance Program	93.778	AX023	205,449	-
State Health Insurance Assistance Program	93.324	AN024, AN023	137,162	-

NORTHWEST FLORIDA AREA AGENCY ON AGING, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED DECEMBER 31, 2024
(Continued)

Federal Grantor/Pass-through Grantor/Program Title	ALN	Contract / Grant Number	Expenditures	Transfer to Subrecipient
U.S. Department of Health and Human Services (continued)				
Passed through State of Florida Department of Elder Affairs (continued)				
Low-Income Home Energy Assistance	93.568	AP021	110,805	-
Medicare Enrollment Assistance Program	93.071	AB025, AB024	72,458	-
Total U.S. Department of Health and Human Services			5,907,418	4,279,291
U.S. Department of Veterans Affairs				
Passed through Southern Mississippi Planning & Development District				
VHA Home Care	64.044	VA2018-02(FL)	72,750	-
Total Expenditures of Federal Awards			$ 5,980,168	$ 4,279,291

Note 1 - BASIS OF ACCOUNTING

This schedule is presented on the accrual basis of accounting in accordance with generally accepted accounting principles in the United States of America.

Note 2 - INDIRECT COST RATE

The Agency does not use the 10% de minimis indirect cost rate.

NORTHWEST FLORIDA AREA AGENCY ON AGING, INC.
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
YEAR ENDED DECEMBER 31, 2024

State Grantor/Pass-through Grantor/Project Title	CSFA Number	Contract / Grant Number	Expenditures	Transfer to Subrecipient
State of Florida Department of Elder Affairs				
Medicaid Administrative Claiming	N/A	AX020/AX023	$ 174,070	$ -
Statewide Managed Care	N/A	AX020/AX023	31,379	-
			205,449	-
State Grants and Aids Appropriations				
State of Florida Department of Elder Affairs				
Tobacco Settlement Trust Funds:				
Community Care for the Elderly	65.010	AC024, AC023	2,677,099	2,326,841
Alzheimer's Respite Services	65.004	AZ024, AZ023	2,184,591	2,017,256
			4,861,690	4,344,097
General Revenues:				
Enhanced Home Care for the Elderly	65.001	MED223	144,680	143,146
Home Care for the Elderly	65.001	AH024, AH023	636,004	41,074
			780,684	184,220
Total Expenditures of State Financial Assistance			$ 5,847,823	$ 4,528,317

Note 1 - BASIS OF ACCOUNTING

This schedule is presented on the accrual basis of accounting in accordance with generally accepted accounting principles in the United States of America.

NORTHWEST FLORIDA AREA AGENCY ON AGING, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2024

A. SUMMARY OF AUDITOR'S RESULTS

1. The independent auditor's report expresses an unmodified opinion on the financial statements of Northwest Florida Area Agency on Aging, Inc.

2. No significant deficiencies in internal control over financial reporting relating to the audit of the financial statements are reported in the 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*.

3. No instances of noncompliance material to the financial statements of Northwest Florida Area Agency on Aging, Inc., which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.

4. No significant deficiencies relating to the audit of the major federal award programs and state projects are reported in the Independent Auditor's Report on Compliance for Each Major Program and State Project and on Internal Control Over Compliance in Accordance with the Uniform Guidance and Chapter 10.650, *Rules of the Auditor General.*

5. The auditor's report on compliance for major federal programs and state projects for the Northwest Florida Area Agency on Aging, Inc. expresses an unmodified opinion.

6. There are no audit findings relative to the major federal programs and state projects for the Northwest Florida Area Agency on Aging, Inc. which are required to be reported in accordance with 2 CFR section 200.516(a) of the Uniform Guidance and Chapter 10.656, *Rules of the Auditor General.*

7. The programs tested as major programs/projects were:

   Federal Program
   Aging Cluster: Special Programs for the Aging
   OAA Administration (ALNs 93.044, 93.045, 93.052)
   Title III Part B - Grants for Supportive Services and Senior Centers (ALN 93.044)
   Title III Part C - Nutrition Services (ALN 93.045)
   Nutrition Services Incentive Program (ALN 93.053)

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

8. The threshold for distinguishing Type A and B programs was $750,000 for major federal programs and major state projects.

9. Northwest Florida Area Agency on Aging, Inc. was determined to be a low-risk auditee pursuant to the Uniform Guidance.

B. FINDINGS - FINANCIAL STATEMENTS AUDIT

None

C. FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL PROGRAMS

None

D. FINDINGS AND QUESTIONED COSTS - MAJOR STATE PROJECTS

None

In accordance with Rules of the Auditor General, Section 10.656(3)(e), no management letter is required because there were no findings required to be reported in the management letter.

E. SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

There were no prior audit findings.

In accordance with Uniform Guidance and Rules of the Auditor General, Sections 10.557(3)(d)5, no summary schedule of prior audit findings is required because there were no prior audit findings related to federal programs or state projects.