

**Council on Aging of Martin County, Inc.**

**ANNUAL FINANCIAL REPORT**

**June 30, 2024**

**Council on Aging of Martin County, Inc.**  
**Annual Financial Report**  
**June 30, 2024**

**CONTENTS**

	Page
<b><i>Report of Independent Auditors</i></b>	1/3
<b><i>Financial Statements</i></b>	
Statement of Financial Position	4
Statement of Activities	5
Statement of Functional Expenses	6
Statement of Cash Flows	7
Notes to Financial Statements	8/22
<b>Supplementary Information</b>	
Schedule of Expenditures of Federal Awards and State Financial Assistance	23/24
Notes to Schedule of Expenditures of Federal Awards and State Financial Assistance	25
Schedule of Findings and Questioned Costs	26/27
Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards	28/29
Independent Auditors' Report on Compliance for Each Major Federal Program and State Project and Report on Internal Control over Compliance Required by the Uniform Guidance and the State of Florida Chapter 10.650, Rules of the Auditor General	30/32

**Berger, Toombs, Elam  
Gaines & Frank**

**Royal Palm Financial Center  
Suite 103  
729 Southwest Federal Highway  
Stuart, Florida 34994**

## **Report of Independent Auditors**

To the Board of Directors  
Council on Aging of Martin County, Inc.  
Stuart, Florida

### ***Opinion***

We have audited the accompanying financial statements of the Council on Aging of Martin County, Inc., (the "Council") a non-profit organization, which comprise the statement of financial position as of June 30, 2024, and the related statements of activities, cash flows and functional expenses for the year then ended and the related notes to financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Council on Aging of Martin County, Inc. as of June 30, 2024, and the changes in net assets and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America (GAAP).

### ***Basis for Opinion***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial statement audits contained in *Government Auditing Standards*. 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 Martin County, 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.

### ***Report on Summarized Comparative Information***

We have previously audited the Council's June 30, 2023 financial statements and we expressed an unmodified audit opinion on those audited financial statements in our report dated December 14, 2023. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2023 is consistent, in all material respects with the audited financial statements from which it has been derived.

Berger Toombs Elam Gaines & Frank

To the Board of Directors  
Council on Aging of Martin County, Inc.

***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 Martin County, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are issued or 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 GAAS 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, we:

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

Berger Toombs Elam Gaines & Frank

To the Board of Directors  
Council on Aging of Martin County, Inc.

- Conclude whether, in our judgment, there are conditions or events considered in the aggregate that raise substantial doubt about the Council's ability to continue as a going concern for a reasonable period of time.

**Other Matters**

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying schedule of expenditures of federal awards and state financial assistance is presented for purposes of additional analysis as required by Title 2 *U.S. Code of Federal Regulations (CFR)*, Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements of Federal Awards ("Uniform Guidance")* and the *Florida Single Audit Act* and is not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards and state financial assistance 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. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have issued our report dated December 12, 2024 on our consideration of the Council on Aging of Martin County, 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 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 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 Martin County, Inc.'s internal control over financial reporting and compliance.

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.



Berger, Toombs, Elam, Gaines & Frank  
Certified Public Accountants PL  
Stuart, Florida

December 12, 2024

**COUNCIL ON AGING OF MARTIN COUNTY, INC.**  
**STATEMENT OF FINANCIAL POSITION**  
**June 30, 2024**  
**(With comparative totals at June 30, 2023)**

	2024	2023
<b>Assets</b>		
Cash and cash equivalents	\$ 1,878,598	\$ 1,921,894
Accounts receivable, net of allowance for doubtful accounts of \$75,000 in 2024 and \$50,000 in 2023	236,426	167,702
Grants receivable	399,339	316,044
Bequests receivable, net of present value discount of \$530,180 in 2024 and \$505,685 in 2023	920,453	877,926
Lease receivable	65,523	133,151
Prepaid expenses	97,568	94,543
Inventory	7,763	9,798
Investments	3,712,830	2,764,561
Deposits	4,644	2,144
Right-of-use asset - Property, net of accumulated amortization of \$37,412 in 2024 and \$19,454 in 2023	16,462	34,419
Property and equipment, net of accumulated depreciation of \$5,698,075 in 2024 and \$5,355,847 in 2023	6,936,810	7,254,337
Total assets	\$ 14,276,416	\$ 13,576,519
 <b>Liabilities and Net Assets</b>		
<b>Liabilities</b>		
Accounts payable	\$ 207,686	\$ 217,515
Accrued liabilities	311,743	269,805
Deferred inflow of resources	61,886	129,397
Lease liabilities	17,197	35,448
EIDL loan payable	144,544	148,206
Note payable, net of deferred costs of \$12,152 in 2024 and \$15,347 in 2023	658,398	794,961
Total liabilities	1,401,454	1,595,332
 <b>Net Assets</b>		
With donor restrictions	3,280,453	2,763,235
Without donor restrictions	9,594,509	9,217,952
Total net assets	12,874,962	11,981,187
Total liabilities and net assets	\$ 14,276,416	\$ 13,576,519

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

**COUNCIL ON AGING OF MARTIN COUNTY, INC.**  
**STATEMENT OF ACTIVITIES**  
**For the Year Ended June 30, 2024**  
**(With comparative totals at June 30, 2023)**

	Without Donor Restrictions	With Donor Restrictions	2024	2023
<b>Revenues and support:</b>				
<b>Grants:</b>				
Federal	\$ 1,025,099	\$ -	\$ 1,025,099	\$ 872,073
State	1,120,259	-	1,120,259	915,813
Local	159,900	-	159,900	149,900
Private	217,500	-	217,500	130,000
Donations	574,907	982,153	1,557,060	993,253
Fees for services/program income	3,006,314	-	3,006,314	2,721,488
Investment income	628,800	-	628,800	350,559
Special events	244,626	-	244,626	183,515
Other income	69,030	-	69,030	131,758
Total net support	<u>7,046,435</u>	<u>982,153</u>	<u>8,028,588</u>	<u>6,448,359</u>
Net assets released from restrictions	<u>464,935</u>	<u>(464,935)</u>	<u>-</u>	<u>-</u>
Total revenues and support	<u>7,511,370</u>	<u>517,218</u>	<u>8,028,588</u>	<u>6,448,359</u>
<b>Expenses</b>				
<b>Program services</b>				
Adult day care	1,349,841	-	1,349,841	1,295,502
Case management services	1,195,463	-	1,195,463	1,034,599
Meals program	1,443,542	-	1,443,542	1,350,913
Medical	1,505,957	-	1,505,957	1,280,014
Senior Center	559,658	-	559,658	555,680
Total program services	<u>6,054,461</u>	<u>-</u>	<u>6,054,461</u>	<u>5,516,708</u>
<b>Supporting services:</b>				
General and administrative	785,238	-	785,238	774,433
Fundraising activities	295,114	-	295,114	253,512
Total supporting services	<u>1,080,352</u>	<u>-</u>	<u>1,080,352</u>	<u>1,027,945</u>
Total expenses	<u>7,134,813</u>	<u>-</u>	<u>7,134,813</u>	<u>6,544,653</u>
Loss on disposal of assets	-	-	-	1,037
Total expenses and losses	<u>7,134,813</u>	<u>-</u>	<u>7,134,813</u>	<u>6,545,690</u>
Changes in net assets	<u>376,557</u>	<u>517,218</u>	<u>893,775</u>	<u>(97,331)</u>
Net assets - beginning of year	<u>9,217,952</u>	<u>2,763,235</u>	<u>11,981,187</u>	<u>12,078,518</u>
Net assets - end of year	<u>\$ 9,594,509</u>	<u>\$ 3,280,453</u>	<u>\$ 12,874,962</u>	<u>\$ 11,981,187</u>

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

**COUNCIL ON AGING OF MARTIN COUNTY, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**For the Year Ended June 30, 2024**

	Program Services						Supporting Services			Totals 2024
	Adult Day Care	Case Management Services	Meals Program	Medical	Senior Center	Total	Management and General	Fund Raising	Total	
Salaries	\$ 682,928	\$ 373,335	\$ 583,193	\$ 1,076,445	\$ 100,091	\$ 2,815,992	\$ 408,207	\$ 140,691	\$ 548,898	\$ 3,364,890
Employee benefits	43,749	34,562	39,676	50,402	11,740	180,129	73,858	12,257	86,115	266,244
Payroll taxes	51,310	28,099	43,498	79,977	7,502	210,386	30,099	10,191	40,290	250,676
<b>Total salaries and related expenses</b>	<b>777,987</b>	<b>435,996</b>	<b>666,367</b>	<b>1,206,824</b>	<b>119,333</b>	<b>3,206,507</b>	<b>512,164</b>	<b>163,139</b>	<b>675,303</b>	<b>3,881,810</b>
Client meals and services	3,315	642,320	457,483	38	38,566	1,141,722	1,224	247	1,471	1,143,193
Fuel & supplies	44,915	2,382	91,182	68,732	4,728	211,939	34,043	6,622	40,665	252,604
Software fees	-	16,053	-	35,733	91	51,877	46,769	6,305	53,074	104,951
Professional and contract services	22,105	-	17,149	15,929	88,740	143,923	119,595	13,783	133,378	277,301
Insurance	36,203	-	4,837	29,801	-	70,841	119,682	-	119,682	190,523
Communications, postage and printing	505	1,859	2,927	1,331	500	7,122	99,777	4,709	104,486	111,608
Travel, training and meetings	1,636	4,304	3,022	3,832	-	12,794	11,150	8,487	19,637	32,431
Special event expense	1,848	-	-	-	10,636	12,484	3,249	71,826	75,075	87,559
Lease expense	-	-	-	-	-	-	18,739	-	18,739	18,739
Equipment leases	-	-	29,323	-	-	29,323	19,865	-	19,865	49,188
Building services and storage	8,424	-	8,388	4,314	-	21,126	51,795	-	51,795	72,921
Maintenance	28,550	-	33,852	52	866	63,320	86,959	-	86,959	150,279
Utilities	53,590	4,213	33,887	8,586	10,367	110,643	68,173	-	68,173	178,816
Advertising and promotion	60	120	4,226	11,110	10,499	26,015	7,384	2,970	10,354	36,369
Dues, subscriptions, and licenses	795	79	-	3,200	882	4,956	6,047	931	6,978	11,934
Direct support from donations	34,055	43,982	-	-	-	78,037	-	4,893	4,893	82,930
Miscellaneous	17,912	510	353	10,475	-	29,250	43,946	595	44,541	73,791
Interest	-	-	-	-	-	-	35,638	-	35,638	35,638
Depreciation	21,927	-	13,431	-	-	35,358	306,870	-	306,870	342,228
<b>Total</b>	<b>1,053,827</b>	<b>1,151,818</b>	<b>1,366,427</b>	<b>1,399,957</b>	<b>285,208</b>	<b>5,257,237</b>	<b>1,593,069</b>	<b>284,507</b>	<b>1,877,576</b>	<b>7,134,813</b>
Allocation of management and general costs	296,014	43,645	77,115	106,000	274,450	797,224	(807,831)	10,607	(797,224)	-
<b>Total expenses</b>	<b>\$ 1,349,841</b>	<b>\$ 1,195,463</b>	<b>\$ 1,443,542</b>	<b>\$ 1,505,957</b>	<b>\$ 559,658</b>	<b>\$ 6,054,461</b>	<b>\$ 785,238</b>	<b>\$ 295,114</b>	<b>\$ 1,080,352</b>	<b>\$ 7,134,813</b>

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



**COUNCIL ON AGING OF MARTIN COUNTY, INC.**  
**STATEMENT OF CASH FLOWS**  
**For the Year Ended June 30, 2024**

Cash flows from operating activities:	
Change in net assets	\$ 893,775
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation and amortization	360,186
Net realized and unrealized gain on investments	(497,977)
Changes in assets and liabilities:	
(Increase) in accounts receivable	(68,724)
(Increase) in bequests receivable	(42,527)
(Increase) in grants receivable	(83,295)
Decrease in lease receivable	67,628
Decrease in inventory	2,035
(Increase) in prepaid expenses	(3,025)
(Increase) in deposits	(2,500)
(Decrease) in deferred inflow of resources	(67,511)
(Decrease) in accounts payable	(9,829)
Increase in accrued expenses	41,938
Total adjustments	<u>(303,601)</u>
Net cash provided by operating activities	<u>590,174</u>
Cash flows from investing activities:	
Purchases of property and equipment	(24,701)
Proceeds from sale of investments	1,795,230
Purchase of investments	(2,242,328)
Net cash used in investing activities	<u>(471,799)</u>
Cash flows from financing activities:	
Principal payments on lease payable	(18,251)
Principal payments on notes payable	(143,420)
Net cash used in financing activities	<u>(161,671)</u>
Net decrease in cash and cash equivalents	(43,296)
Cash and cash equivalents, beginning of year	<u>1,921,894</u>
Cash and cash equivalents, end of year	<u>\$ 1,878,598</u>

Supplemental disclosure of cash flow information (Note N).

**COUNCIL ON AGING OF MARTIN COUNTY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2024**

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**NOTE A - DESCRIPTION OF ORGANIZATION**

The Council on Aging of Martin County, Inc. (the Council) was founded and incorporated in Florida in 1974 as a non-profit corporation with the mission to be the primary provider of comprehensive lifesaving and life-improving services and programs for seniors in Martin County.

Grants (federal, state, and local governments, and other), donations, and program services fees provide the funding for the following program services:

- Services for frail seniors include an adult day program, a care management program, and a meals program that are all designed to improve seniors' quality of life through enhanced socialization, nutrition, and mobility.
- At the Charles and Rae Kane Center in Stuart, the Council offers a range of senior center programs designed to help active seniors stay healthy and engaged within their community.
- The Council operates an on-site primary care clinic (Joseph C. and Ann S. Day Medical Center) at the Charles and Rae Kane Center in Stuart, Florida, that serves seniors by providing primary and specialty geriatric care in a setting that conveniently houses a range of social support services.
- The Council's transportation program provides fixed route transportation services for seniors who need the services offered at the Charles and Rae Kane Center in Stuart. The Council also provides a Meals on Wheels program delivering and serving meals to seniors in Martin County who are unable to shop or cook or have a need for this service through its transportation fleet.

**NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

A summary of the significant accounting policies consistently applied in the preparation of the accompanying financial statements follows:

**Financial Statements**

The accompanying financial statements have been prepared in accordance with generally accepted accounting principles. Assets and related revenue are recorded when earned, and liabilities and related expenses are recognized as incurred. In applying generally accepted accounting principles to program service revenue, the legal and contractual requirements of the individual programs are used as guidance.

The financial statements report net assets and changes in net assets in two classes that are based upon the existence or absence of restrictions on use that are placed by its donors as follows:

*Net Assets Without Donor Restrictions*

Net assets without donor restrictions are resources available to support operations. The only limits on the use of these assets are the broad limits resulting from the nature of the organization, the environment in which it operates, the purposes specified in corporate documents and the application for tax-exempt status, and any limits resulting from contractual agreements with creditors and others entered into in the course of its operations.

**COUNCIL ON AGING OF MARTIN COUNTY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2024**

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**NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Financial Statements (Continued)**

*Net Assets With Donor Restrictions*

Net assets with donor restrictions are resources that are restricted by a donor for use for a particular purpose or in a particular future period. Some donor-imposed restrictions are temporary in nature, and the restriction will expire when the resources are used in accordance with the donor's instructions or when the stipulated time has passed. Other donor-imposed restrictions are perpetual in nature; the Council must continue to use the resources in accordance with the donor's instructions.

The Council's unspent contributions are included in this class if the donor limited their use, as are its donor-restricted endowment funds. When a donor's restriction is satisfied, either by using the resources in the manner specified by the donor or by the passage of time, the expiration of the restriction is reported in the financial statements by reclassifying the net assets from net asset with donor restrictions to net assets without donor restrictions. Net assets restricted for acquisition of buildings or equipment (or less commonly, the contribution of those assets directly) are reported as net assets with donor restrictions until the asset is placed in service by the Council, unless the donor provides more specific directions about the period of its use.

All contributions are considered available for unrestricted use unless specifically restricted by the donor. Contributions are reported as net assets with donor restrictions if a donor imposes a restriction that may be satisfied by the passage of time or the actions of the Council. Net assets with donor restrictions also include contributions that include stipulations by the donor that the contribution be maintained perpetually but may allow the organization to use all or part of the income derived from the underlying asset for unrestricted purposes.

**Investments**

Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair market value. Donated investments are recorded as contributions equal to their market value at the date of receipt. Unrealized gains and losses are included in the change in net assets. Investment return that is restricted by the donor is reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the investment return is recognized.

**Accounts Receivable**

Accounts receivable represent amounts owed for program services performed in Martin County, Florida, on behalf of the people the Council on Aging of Martin County, Inc. serves. These amounts have been determined based upon the actual services provided by the Council and the standard fees for these services. No interest is accrued on any accounts receivable. Amounts outstanding over sixty days are considered delinquent and may be written off by management after collection efforts are unsuccessful.

**COUNCIL ON AGING OF MARTIN COUNTY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2024**

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**NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Allowance for Doubtful Accounts**

The Council determines an allowance for uncollectible receivables by specifically identifying balances which are doubtful as to collectability (typically amounts over sixty days old).

**Advertising Costs**

All advertising costs are considered non-direct response advertising costs and are expensed as incurred.

**Contributed Services**

Contributions of services are recognized as revenues at their estimated values at the date of receipt if the services received create or enhance nonfinancial assets or require a specialized skill. No contributed services have been recognized in the accompanying financial statements.

**Leases**

The Council implemented FASB ASC Topic 842, *Leases*, in 2023, which changed the accounting and financial reporting for leases. FASB ASU 2016-02 defines a lease as a contract that conveys the right to use another entity's nonfinancial asset as specified in the contract for a period of time in an exchange or exchange-like transaction. Under FASB ASU 2016-02, leases other than short-term leases, defined as having a maximum possible term of 12 months or less, are required to be recognized on the Statement of Financial Position. A lessee should recognize a lease liability and an intangible right of use asset, while a lessor should recognize a lease receivable and a deferred inflow of resources. Contracts that transfer ownership should be accounted for as finance leases by the lessee or sales-type leases by the lessor.

The Council determines if an arrangement is a lease, or contains a lease, at inception. Lessee arrangements recognize a lease liability and a right of use (ROU) asset in the Statement of Financial Position at the commencement date of the lease. The lease liability represents the Council's obligation to make lease payments arising from the lessee arrangement and is initially and subsequently recognized based on the present value of future lease payments. The ROU asset represents the Council's right to use an underlying asset for the lease term, as specified in the contract, in an exchange or exchange-like transaction, and is amortized on a straight-line basis over the terms of the associated leases. The lease term may include options to extend or terminate the lease when it is reasonably certain that the Council will exercise that option.

Payment for short-term leases with a lease term of less than twelve months, and lease agreements below the Council's approved annualized threshold, are recognized as expenses as incurred. The Council has established a \$5,000 threshold, for total annual payments, for leases subject to FASB ASC Topic 842. Short-term leases and leases under the threshold are not included as lease liabilities or right of use assets on the Statement of Financial Position.

**COUNCIL ON AGING OF MARTIN COUNTY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2024**

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**NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Expense Allocation**

The costs of various programs have been summarized on a functional basis in the Statements of Activities and Statements of Functional Expenses. Accordingly, costs have been allocated among the Program and Supporting Services, based upon the square footage of the building which different programs utilize, or hours allocated by employee's time spent on each program and supporting services.

**Accrued Compensated Absences**

Paid time off is accrued based on completed years of employment with the Council. Paid time off may be accrued up to a maximum of 90 hours. Upon resignation, termination or retirement, employees are paid in one lump sum for accrued paid time off as of the last day of employment.

Employees of the Council are also entitled to accrue extended illness time off. This time is for a serious personal medical condition, hospitalization experienced by an employee, or for an employee to care for an immediate family member. Employees can accrue a maximum of 48 hours per fiscal year. The extended illness time off may be accrued up to a maximum of 240 hours and will be forfeited upon separation of employment. This amount has not been recorded in the financial statements since it is not a qualifying liability under accounting principles generally accepted in the United States of America. As of June 30, 2024, the accrued paid time off was valued and reported at \$104,360. This amount has been recorded in the financial statements as a qualifying liability.

**Promises to Give and Bequests Receivable**

The Council recognizes contributions and bequests receivable at their estimated fair values when the donor makes a promise to give, that is, in substance, unconditional.

Unconditional promises and bequests to give cash over a period of time exceeding one year are recorded at their present value of estimated future cash flows using a discount rate appropriate for the level of risk involved, if significant to the financial statements. Any related interest income is recorded as contribution revenue over the duration of the pledge.

The Council is named the beneficiary in a Trust held by a third party. This Trust was initially recorded at fair value, based on the Council's interest in the fair value of the underlying assets at the time of the gift discounted by the net present value of future cash flows to be received. Subsequent changes to the Trust's fair value are reported as net unrealized gains or losses related to net assets with donor restrictions and are included on the Statement of Activities. Future distributions from the Trust are recorded at the net present value of the future cash flow, adjusted by the annual change in the Trust's fair value calculated by the Trust's third party. Under the terms of the Trust, the Council has an irrevocable right to receive annual distributions on the Trust's assets. Distributions from the Trust are based on the terms of the underlying Trust agreement and generally requires a minimum distribution of 5% of the Trust's assets to be distributed on an annual basis. The Trust is invested in cash equivalents, municipal bonds, preferred securities, common stocks, and mutual funds. The Trust assets are not insured by the FDIC and are subject to investment risks, including the possible loss of the principal invested.

Contributions that are restricted by the donor are presented as increases in net assets without donor restrictions if the restrictions expire in the year in which the contributions are recognized.

**COUNCIL ON AGING OF MARTIN COUNTY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2024**

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**NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Promises to Give and Bequests Receivable (continued)**

Unconditional promises to give and bequests receivable that are due in future periods and are not restricted by the donor generally increase net assets with donor restrictions unless the donor explicitly stipulates that the promise or bequest is to support current period activities. All other donor-restricted contributions are reported as increases in net assets with donor restrictions. When a donor restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions.

**Property and Equipment**

The Council capitalizes all long-lived assets with estimated useful life of three years or more and original cost/value of \$2,500 or more. Property and equipment are stated at cost for purchased assets and estimated fair value for donated assets and depreciated using the straight-line method over the following estimated useful lives:

<u>Property Class</u>	<u>Useful Lives</u>
Buildings and improvements	7-31.5 years
Furniture and Equipment	3-7 years
Computers	3 years
Transportation	5 years

Contributions of property and equipment are recorded as revenues at their estimated fair value. Such contributions are reported as net assets without donor restrictions unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as net assets with donor restrictions. Absent donor stipulations regarding how long those donated assets must be maintained, the Council reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor.

**Cash Flows**

The Council presents its cash flows using the indirect method. Cash and cash equivalents may consist of cash on hand, time deposits, and all highly liquid debt instruments with original maturities of three months or less.

**Accounting Estimates**

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

**COUNCIL ON AGING OF MARTIN COUNTY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2024**

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**NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Income Taxes**

Income taxes are not provided for in the financial statements since the Council is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. The Council is not classified as a private foundation. The Council adopted the provisions of FASB ASC Topic 740-10, Income Taxes, which clarifies the accounting for uncertainty in income taxes by defining the criterion an individual tax position must meet for any part of the benefit of the tax position to be recognized in the financial statements prepared in conformity with accounting principles generally accepted in the United States of America. The Council may recognize the tax benefit from an uncertain tax position only if it is more likely than not the tax position will be sustained on examination by the taxing authorities, based solely on the technical merits of the tax position. The tax benefits recognized in the financial statements from such a tax position should be measured based on the largest benefit having a greater than 50% likelihood of being realized upon ultimate settlement with the tax authority. Additionally, FASB ASC Topic 740-10 provides guidance on measurement, derecognition, classification, interest and penalties, accounting in interim periods, disclosure, and transition. In accordance with the disclosure requirements, the Council's policy on statement of activity and functional expense classification of interest and penalties related to income tax obligations is to include such items as part of total interest expense. The organization has determined that it does not have any uncertain tax positions and thus has not recognized any liabilities, interest or penalties in these financial statements.

**Summarized Comparative Information**

The financial statements include certain prior year summarized comparative information in total but not by asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Council's financial statements for the year ended June 30, 2023, from which the summarized information was derived.

**NOTE C – CASH AND CASH EQUIVALENT DEPOSITS - CONCENTRATIONS OF RISK**

Cash and cash equivalents consist of demand deposits, short-term money market funds and short-term treasury bills. These financial instruments are potentially subject to concentrations of credit risk as follows. Cash equivalent balances are maintained at three financial institutions and the U.S Treasury. Cash accounts at each individual institution as of June 30, 2024 are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. Uninsured cash equivalent balances were \$1,566,898 at June 30, 2024. Included in uninsured deposits are money market accounts totaling \$492,702 and U.S. Treasury Bills totaling \$500,000 at June 30, 2024. The money market accounts are insured by the Securities Investor Protection Corporation (SIPC). The asset protection provided by the SIPC is not against losses from fluctuations in value, but rather only if the brokerage firm ceases doing business. The U.S. Treasury Bills are not FDIC or SIPC insured but are backed by the full faith and credit of the U.S. Government.

The Council received \$2,145,358 of funding from a source that comprises ten percent or more of total revenue and support for the year ended June 30, 2024. As of June 30, 2024, the Council had receivables from this source of \$374,394. Furthermore, the Council had \$920,453 of a bequest receivable from one source at June 30, 2024 that comprised one hundred percent of total bequests receivable.

**COUNCIL ON AGING OF MARTIN COUNTY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2024**

**NOTE D – INVESTMENTS**

Investments are reported at fair market value. Donated investments are recorded at their fair market value on the date of donation. Investment interest, dividends, gains and losses on sales of securities and unrealized gains and losses are generally reflected in the statements of activities as unrestricted revenue.

The composition of investment income included in the statement of activities for the year ended June 30, 2024:

Interest and dividends	\$ 130,823
Net realized gains on investments	231,090
Net unrealized gains on investments	<u>266,887</u>
	<u>\$ 628,800</u>

Investments as of June 30, 2024 are summarized as follows:

	Market Value	Cost
Fixed Income Bonds	\$ 1,425,422	\$ 1,548,425
Equities	<u>2,287,408</u>	<u>1,787,306</u>
	<u>\$ 3,712,830</u>	<u>\$ 3,335,731</u>

**NOTE E – LIQUIDITY AND AVAILABILITY**

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of June 30, 2024 are:

Financial Assets	
Cash	\$ 1,878,598
Accounts receivable	236,426
Grants receivable	399,339
Investments	3,712,830
Less financial assets held to meet donor imposed restrictions	<u>(3,280,453)</u>
Amount available for general expenditures within one year	<u>\$ 2,946,740</u>



**COUNCIL ON AGING OF MARTIN COUNTY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2024**

**NOTE F – BEQUESTS AND ACCOUNTS RECEIVABLE**

Bequests receivable is stated at the net present value of future payments. The balance as of June 30, 2024 is as follows:

Bequest receivable	\$ 1,450,633
Less discount on future cash flows	<u>(530,180)</u>
Total	<u>\$ 920,453</u>

Details of unconditional promises to give at June 30, 2024 are as follows:

Due within one year	\$ 72,532
Due within two to five years	255,629
Thereafter	1,122,472
Less discount on future cash flows	<u>(530,180)</u>
	<u>\$ 920,453</u>

Accounts receivable represents amounts owed to the Council for program services performed on behalf of clients. Accounts receivable are reported in the financial statements as \$311,426 less the allowance for doubtful accounts of \$75,000 for a net total of \$236,426. Bequests receivable are not reduced for any allowance for doubtful accounts as management believes all amounts are collectible.

**NOTE G – PROPERTY, PLANT AND EQUIPMENT**

A summary of property, plant and equipment consist of the following at June 30, 2024:

	2024
Land and land improvements	\$ 2,450,628
Building and improvements	8,550,601
Furniture and equipment	791,215
Computers	102,125
Transportation	740,316
	<u>12,634,885</u>
Less: accumulated depreciation	<u>(5,698,075)</u>
	<u>\$ 6,936,810</u>

Depreciation expense for the year ended June 30, 2024 was \$342,228.

**COUNCIL ON AGING OF MARTIN COUNTY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2024**

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**NOTE H – FAIR VALUE MEASUREMENTS**

The Council reports its fair value measures using a three-level hierarchy that prioritizes the inputs used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted process in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of inputs used to measure fair value are as follows:

Level 1 – Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the organization has the ability to access.

Level 2 – Inputs to the valuation methodology include: Quoted prices for similar assets or liabilities in active markets; Quoted prices for identical or similar assets or liabilities in inactive markets; Inputs other than quoted prices that are observable for the assets or liability; Inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 – Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability'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 is a description of the valuation methodologies used for assets measured at fair value.

*Fixed income bonds* – Valued at the net asset value of the individual bonds held by the entity at year end, which approximates fair value.

*Equities* – Valued at the net asset value of the shares held by the entity at year end, which approximates fair value.

*Bequests receivable and promises to give* – Valued at the pledge amount discounted to the present value of the future cash flows to be received.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Council believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

**COUNCIL ON AGING OF MARTIN COUNTY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2024**

**NOTE H – FAIR VALUE MEASUREMENTS (CONTINUED)**

Assets measured at fair value as of June 30, 2024 on a recurring basis comprise the following:

	Level 1	Level 2	Level 3	Total
Fixed income bonds	\$ 1,425,422	\$ -	\$ -	\$ 1,425,422
Equities	2,287,408	-	-	2,287,408
Bequests receivable	-	-	920,453	920,453
<b>Total Assets at Fair Value</b>	<b>\$ 3,712,830</b>	<b>\$ -</b>	<b>\$ 920,453</b>	<b>\$ 4,633,283</b>

**Level 3 Gains and Losses**

The following table sets forth a summary of changes in the fair value of the entity's Level 3 assets for the fiscal year ended June 30, 2024.

**Level 3 Assets Year Ended June 30, 2024**

	Beginning Balance 6/30/23	Unrealized Gains/losses	Purchases, issuances, settlements	Ending Balance 6/30/24
Bequests receivable	\$ 877,926	\$ 139,554	\$ (97,027)	\$ 920,453

**NOTE I – NET ASSETS**

Net assets with donor restrictions are available for the following purposes at June 30, 2024:

Time restrictions	\$ 920,453
Donor restrictions	342,873
ADC scholarships	63,198
MOW wait list	102,623
Perpetual donor restrictions	<u>1,851,306</u>
	<u>\$ 3,280,453</u>

Net assets were released from donor/grantor restrictions by incurring expenses satisfying the purpose or time restrictions as follows:

Time restrictions	\$ 97,027
ADC & MOW restrictions	271,629
Donor restrictions	<u>96,279</u>
	<u>\$ 464,935</u>

**COUNCIL ON AGING OF MARTIN COUNTY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2024**

**NOTE J – NOTES PAYABLE**

The Council has a mortgage loan with Seacoast Bank that is secured by the Charles and Rae Kane Senior Center. This loan originated on February 7, 2022 (refinancing and replacing a previous mortgage loan). The current loan is for 10 years with an original balance of \$1,000,000, carrying a 3.25% interest rate. Monthly payments are \$9,793. The Council intends to continue to pay the monthly amount of the prior mortgage principal and interest of \$14,349 to accelerate the payback. The maturity schedule below reflects the additional principle being paid according to the accelerated payback schedule.

Annual maturities for years following June 30, 2024 are as follows:

Years	Principal Owed
2025	\$ 152,956
2026	158,001
2027	163,214
2028	168,598
2029	27,781
Total	<u>670,550</u>
Deferred loan costs	<u>(12,152)</u>
	<u>\$ 658,398</u>

During the year ended June 30, 2024 the Council incurred total interest costs of \$32,442. As of June 30, 2024, the balance on the note payable was \$658,398, net of deferred loan costs of \$12,152.

**NOTE K – RETIREMENT PLANS**

The Council sponsors a 403(b) tax-sheltered annuity arrangement that is available to all employees immediately upon employment and this plan has been in effect since 2015. Employees are eligible to participate in this plan upon hire and are eligible for any discretionary employer match after completing 1,000 hours of service in a twelve-month period and obtaining the age of 21. The employer provided match paid for the year ended June 30, 2024 was \$28,536.

**NOTE L – LEASES**

The Council has an obligation as a lessee for office space with initial non-cancelable terms in excess of one year. The Council has classified this lease as an operating lease. The Council's lease does not include termination options for either party to the lease. Payments due under the lease arrangements are comprised entirely of fixed payments, with some agreements including an agreed upon annual increase of the fixed amount.

Stuart Office

In May 2022, the Council entered into an agreement to lease building space which required monthly payments ranging from \$1,510.50 to \$1,586.03, based on annual base payment increases. The lease liability was measured at the risk-free borrowing rate of 2.88%, which is the Council's incremental borrowing rate. As a result of the lease, the Council reported a right of use asset with a net book value of \$16,462 at June 30, 2024.

**COUNCIL ON AGING OF MARTIN COUNTY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2024**

**NOTE L – LEASES (continued)**

The lease cost for the year ended June 30, 2024 are as follows:

Operating Lease Cost	\$	<u>36,990</u>
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Supplemental cash flow information related to leases was as follows:

Cash paid for amounts included in the measurement of lease liabilities:

Operating cash flows from operating leases	\$	<u>18,251</u>
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Non-cash investing and financing activities:

Additions to right of use assets obtained from:

New operating lease liabilities	\$	<u>-</u>
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Supplemental balance sheet information related to leases was as follows:

Operating Lease Right of Use Assets	\$	<u>16,462</u>
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Operating Lease Liabilities	\$	<u>17,197</u>
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Future minimum payments of lease liabilities under non-cancellable operating leases as of June 30, 2024, were as follows:

Year Ending June 30,	Total
2025	\$ 17,446
2026	-
2027	-
2028	-
Total minimum lease payments	<u>17,446</u>
Less: amount representing interest	<u>(249)</u>
Lease liability as of June 30, 2023	<u>\$ 17,197</u>

As of June 30, 2024, the weighted-average remaining lease term for all operating leases is 0.92 years. As the discount rate was not indicated on the lease agreements, the Council utilized the risk-free borrowing rate as the discount rate. The weighted-average discount rate associated with all operating leases is 2.88%.

Brain Matters

In May 2022, the Council entered into an agreement to lease 2,212 square feet of building space located in the Kane Center – Day Medical Center building located at 900 SE Salerno Road. This agreement required monthly payments ranging from \$5,695.90 to \$6,042.78 based on annual base payment increases of 3%. The lease receivable was measured at a discount rate of 2.88%, which is the risk-free borrowing rate. As a result of the lease, the Council reported a lease receivable of \$65,523 at June 30, 2024.

**COUNCIL ON AGING OF MARTIN COUNTY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2024**

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**NOTE L – LEASES (continued)**

Future minimum payments of lease receivables under non-cancellable operating leases as of June 30, 2024, were as follows:

Year Ending June 30,	Total
2025	\$ 66,471
2026	-
2027	-
2028	-
Total minimum lease payments	66,471
Less: amount representing interest	(948)
Lease receivable as of June 30, 2024	\$ 65,523

**NOTE M - ENDOWMENT**

FASB ASC Topic 958-205 provides guidance on the net asset classification of donor-restricted endowment funds for a nonprofit organization that is subject to an enacted version of the Uniform Prudent Management of Institutional Funds Act of 2006 (UPMIFA). The State of Florida enacted UPMIFA and it has been applied to this organization beginning in the 2012/2013 fiscal year.

The Council’s donors have not placed restrictions on the use of investment income or net appreciation resulting from the donor-restricted endowment funds.

The Council has adopted investment and spending policies for endowment assets to be managed with the goal of achieving the maximum annual growth and income from interest and dividends, while maintaining and protecting the principal. The Council’s spending and investing policies work together to achieve this objective. The investment policy establishes an achievable return objective through diversification of asset classes. To satisfy its long-term rate-of-return objectives, the Council relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends).

The Council targets a diversified asset allocation that places an emphasis on investments to achieve its long-term return objectives within prudent risk parameters. The spending policy establishes prudent objectives for the uses and purposes for which the endowment fund is established, consistent with the goal of conserving the purchasing power of the endowment. In making its decisions, the Council uses reasonable care, skill, and caution in considering the purposes of the Council, the intent of the donors of the endowment, the terms of applicable instruments, the long-term and short-term needs of the Council in carrying out its purposes, the general economic conditions, the possible effect of inflation or deflation, or other resources of the Council, and perpetuation of the endowment.

**COUNCIL ON AGING OF MARTIN COUNTY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2024**

**NOTE M – ENDOWMENT (continued)**

Endowment net asset composition by type of fund as of June 30, 2024 is as follows:

	Unrestricted	Donor Restrictions	Total
Donor restricted endowment funds and appreciation	\$ 1,289,772	\$ 1,851,306	\$ 3,141,078

Changes in endowment net assets for the year ended June 30, 2024 are as follows:

	Unrestricted	Donor Restrictions	Total
Endowment net assets, beginning of year	\$ 954,490	\$ 1,594,852	\$ 2,549,342
Contributions	-	256,454	256,454
Investment gain, net	335,282	-	335,282
Amounts appropriated for expenditure	-	-	-
Endowment net assets, end of year	\$ 1,289,772	\$ 1,851,306	\$ 3,141,078

**NOTE N – SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION**

Cash paid for interest during the year	\$ 38,266
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**NOTE O – EIDL LOANS**

The Council received a COVID-19 Economic Injury Disaster Loan (EIDL) of \$150,000 on July 21, 2020. The loan was in deferment status while interest was being accrued until January 2023 when monthly payments of \$641 started. Loan term is 30 years with a 2.75% fixed interest rate with the balance due at the end.

Annual maturities for years following June 30, 2024 are as follows:

Years	Principal Paid
2025	\$ 3,455
2026	3,551
2027	3,650
2028	3,752
2029-2051	130,136
Total	\$ 144,544

**COUNCIL ON AGING OF MARTIN COUNTY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2024**

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***NOTE P – INCOME TAXES***

The Council has adopted accounting guidance which clarifies the accounting and recognition for tax positions taken or expected to be taken in its income tax returns. The Council's tax filings are subject to audit by various taxing authorities. The Council's income tax returns for the years ended June 30, 2023, 2022 and 2021 remain open to examination by the Internal Revenue Service. In evaluating the Council's tax provisions and accrual, management believes that the estimates are appropriate based on current facts and circumstances.

***NOTE Q – MANAGEMENT'S REVIEW OF SUBSEQUENT EVENTS***

In preparing the financial statements, management has evaluated events and transactions for potential recognition or disclosure through December 12, 2024, the date that the financial statements were available to be issued.

***NOTE R – CONTINGENCIES***

Costs charged to the federal or state government under cost reimbursement grants and contracts are subject to government audit. Therefore, all such costs are subject to adjustment. Management believes adjustments, if any, would not have a significant effect on the financial statements.



## **SUPPLEMENTARY INFORMATION**

**Council on Aging of Martin County, Inc.**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE**  
**For the Year ended June 30, 2024**

FEDERAL GRANTOR/PASS-THROUGH GRANTOR/PROGRAM TITLE	PROGRAM YEAR	Grant/Contract I.D. #	ASSISTANCE LISTING #	FUNDING PERIOD	TOTAL EXPENDED
<b>UNITED STATES DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>					
PASS-THROUGH FROM AREA AGENCY ON AGING OF PALM BEACH/TREASURE COAST:					
OAA TITLE III - B - SUPPORT SERVICES	2023	IA023-9100	93.044	01/01/23-12/31/23	\$ 96,689
OAA TITLE III - B - SUPPORT SERVICES	2024	IA024-9100	93.044	01/01/24-12/31/24	94,979
OAA TITLE III - B - SUPPORT SERVICES - ARP	2023	IRP22-9100	93.044	01/01/22-09/30/24	44,009
OAA TITLE III - B - TRANSPORTATION - ARP	2023	IRP22-9100	93.044	01/01/22-09/30/24	42,600
OAA TITLE III - B - ADC	2023	IA023-9100	93.044	01/01/23-12/31/23	26,172
OAA TITLE III - B - ADC	2024	IA024-9100	93.044	01/01/24-12/31/24	12,920
					<u>317,369</u>
OAA TITLE III - C1 - CONGREGATE MEALS/OTHER	2023	IA023-9100	93.045	01/01/23-12/31/23	113,893
OAA TITLE III - C1 - CONGREGATE MEALS/OTHER	2024	IA024-9100	93.045	01/01/24-12/31/24	99,730
OAA TITLE III - C1 - CONGREGATE MEALS/OTHER - ARP	2023	IRP22-9100	93.045	01/01/22-09/30/24	32,500
OAA TITLE III - C2 - HOME DELIVERED MEALS/OTHER SERVICES	2023	IA023-9100	93.045	01/01/23-12/31/23	122,608
OAA TITLE III - C2 - HOME DELIVERED MEALS/OTHER SERVICES	2024	IA024-9100	93.045	01/01/24-12/31/24	110,582
OAA TITLE III - C2 - HOME DELIVERED MEALS/OTHER SERVICES - ARP	2023	IRP22-9100	93.045	01/01/22-09/30/24	35,128
					<u>514,441</u>
OAA TITLE III - E - CAREGIVER SUPPLEMENTAL SERVICES	2023	IA023-9100	93.052	01/01/23-12/31/23	31,721
OAA TITLE III - E - CAREGIVER SUPPLEMENTAL SERVICES	2024	IA024-9100	93.052	01/01/24-12/31/24	29,611
OAA TITLE III - E - CAREGIVER SUPPLEMENTAL SERVICES - ARP	2023	IRP22-9100	93.052	01/01/22-09/30/24	3,730
					<u>65,062</u>
EMERGENCY HOME ENERGY ASSISTANCE	2021/2023	IPO22-9100	93.568	04/01/21-09/30/23	8,290
EMERGENCY HOME ENERGY ASSISTANCE	2023/2024	IPO23-9100	93.568	10/01/23-09/30/24	31,956
					<u>40,246</u>
OAA NUTRITION SERVICES INCENTIVE PROGRAM	2023	IU023-9100	93.053	01/01/23-12/31/23	43,233
OAA NUTRITION SERVICES INCENTIVE PROGRAM	2024	IU024-9100	93.053	01/01/24-12/31/24	44,748
					<u>87,981</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS					<u>\$ 1,025,099</u>

**Council on Aging of Martin County, Inc.**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE**  
**For the Year ended June 30, 2024**

STATE GRANTOR/PASS-THROUGH GRANTOR/PROGRAM TITLE	PROGRAM YEAR	Grant/Contract I.D. #	STATE CSFA #	FUNDING PERIOD	TOTAL EXPENDED
<b>FLORIDA DEPARTMENT OF ELDER AFFAIRS</b>					
PASS-THROUGH FROM AREA AGENCY ON AGING OF PALM BEACH/TREASURE COAST:					
COMMUNITY CARE FOR THE ELDERLY	2023/2024	IC023-9100	65.010	07/01/23-06/30/24	\$ 571,847
ALZHEIMER'S DISEASE INITIATIVE	2023/2024	IZ023-9100	65.004	07/01/23-06/30/24	501,627
HOME CARE FOR THE ELDERLY	2023/2024	IH023-9100	65.001	07/01/23-06/30/24	46,785
TOTAL EXPENDITURES OF STATE FINANCIAL ASSISTANCE					<u>\$ 1,120,259</u>

**Council on Aging of Martin County, Inc.**  
**NOTES TO SCHEDULE OF EXPENDITURES**  
**OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE**  
**For the Year Ended June 30, 2024**

**NOTE 1 – BASIS OF PRESENTATION**

The accompanying schedules of expenditures of federal awards and state financial assistance includes the federal and state award activity of the Council on Aging of Martin County, Inc. under programs of the federal and state governments for the year ended June 30, 2024. The information in the schedules is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and the State of Florida 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 Martin County, Inc., it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Council on Aging of Martin County, Inc.

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance and the State of Florida Chapter 10.650, Rules of the Auditor General, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

The Council on Aging of Martin County, Inc. has elected not to use the 10% de minimis indirect cost rate for its federal award and state financial assistance programs. The indirect cost rates used for the Council on Aging of Martin County, Inc.'s are determined by the relevant federal or state agency.

**NOTE 3 – PROGRAM CLUSTERS**

The Uniform Guidance defines a cluster of programs as a grouping of closely related programs that share common compliance requirements. According to this definition, similar programs deemed to be a cluster of programs are considered to be one program and are tested accordingly.

**NOTE 4 – SUB-RECIPIENT MONITORING**

The Council on Aging of Martin County, Inc. has provided no federal or state awards to subrecipients.

**NOTE 5 – CONTINGENCIES**

Amounts received, or receivable, from grantor agencies are subject to audit and adjustment by grantor agencies. If any expenditures are disallowed as a result of these audits, the claims for reimbursement to the grantor agency would become a liability of the Council on Aging of Martin County, Inc. In the opinion of Management, any such adjustment would not be significant.

**Council on Aging of Martin County, Inc.  
 Schedule of Findings and Questioned Costs –  
 Federal Programs and State Financial Assistance  
 For the Year Ended June 30, 2024**

**SUMMARY OF AUDITOR’S RESULTS**

**Financial Statements**

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

Material weakness(es) identified? \_\_\_\_\_ Yes        X   No

Significant deficiency(ies) identified? \_\_\_\_\_ Yes        X   None reported

Noncompliance material to financial statements noted? \_\_\_\_\_ Yes        X   No

**Federal Awards and State Financial Assistance**

Internal Control over major programs/projects:

Material weakness(es) identified? \_\_\_\_\_ Yes        X   No

Significant deficiency(ies) identified? \_\_\_\_\_ Yes        X   None reported

Type of auditor's report issued on compliance for major federal programs and state financial assistance: Unmodified

Any audit findings disclosed that are required to be reported in accordance with Section 2 CFR 200.516(a) and State of Florida Chapter 10.650, Rules of the Auditor General \_\_\_\_\_ Yes        X   No

Identification of major programs/projects:

<u>Assistance Listing Number(s)</u>	<u>Name of Federal Program(s) or Cluster</u>
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93.044/93.045, 93.053	Aging Cluster
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<u>CSFA Number(s)</u>	<u>Name of State Program(s) or Cluster</u>
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65.010 65.004	Community Care for the Elderly Alzheimer’s Disease Initiative
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Dollar threshold used to distinguish between Type A and B Programs: \$750,000

Auditee qualified as low-risk auditee Pursuant to the Uniform Guidance?   X   Yes      \_\_\_\_\_ No

**Council on Aging of Martin County, Inc.  
Schedule of Findings and Questioned Costs –  
Federal Programs and State Financial Assistance  
For the Year Ended June 30, 2024**

**FINDINGS – FINANCIAL STATEMENTS**

No reportable findings.

**FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL PROGRAMS AND STATE  
FINANCIAL ASSISTANCE**

No reportable findings.

**OTHER ISSUES – SUMMARY OF PRIOR AUDIT FINDINGS**

There were no audit findings for the year ended June 30, 2023.

**Berger, Toombs, Elam  
Gaines & Frank**

**Royal Palm Financial Center  
Suite 103  
729 Southwest Federal Highway  
Stuart, Florida 34994**

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

The Board of Directors  
Council on Aging of Martin County, Inc.  
Stuart, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States of America, the financial statements of the Council on Aging of Martin County, Inc., (the "Council") which comprise the statement of financial position as of June 30, 2024 and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to financial statements and have issued our report thereon dated December 12, 2024.

**Internal Control over Financial Reporting**

In planning and performing our audit, we considered the Council's internal control over financial reporting 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 Council's internal control. Accordingly, we do not express an opinion on the effectiveness of the Council's internal control.

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

The Board of Directors  
Council on Aging of Martin County, Inc.

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 over financial reporting that might be significant deficiencies or material weaknesses. During our audit, we noted no deficiencies, significant deficiencies or material weaknesses in internal control over financial reporting, however significant deficiencies or material weaknesses may exist that have not been identified.

### **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.



Berger, Toombs, Elam, Gaines & Frank  
Certified Public Accountants PL  
Stuart, Florida

December 12, 2024



**Berger, Toombs, Elam  
Gaines & Frank**

**Royal Palm Financial Center  
Suite 103  
729 Southwest Federal Highway  
Stuart, Florida 34994**

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

The Board of Directors  
Council on Aging of Martin County, Inc.  
Stuart, Florida

**Report on Compliance for Each Major Federal Program and State Project**

We have audited the Council on Aging of Martin County, Inc.'s (the "Council") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the requirements described in the *Department of Financial Services' State Project Compliance Supplement* that could have a direct and material effect on each of the Council's major federal programs and state projects for the year ended June 30, 2024. The Council'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.

**Opinion on Each Major Federal Program and State Project**

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 projects for the year ended June 30, 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 ("GAAS"); 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 the *State of Florida Chapter 10.650, Rules of the Auditor General*. Our responsibilities under those standards and the Uniform Guidance 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 project. Our audit does not provide a legal determination of the Council's compliance with the compliance requirements referred to above.

The Board of Directors  
Council on Aging of Martin County, Inc.

### **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 Council's federal programs and state projects.

### **Auditor's Responsibilities for the Audit of Compliance**

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

In performing an audit in accordance with GAAS, Government Auditing Standards, and the Uniform Guidance, we:

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

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

The Board of Directors  
Council on Aging of Martin County, 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 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 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 the State of Florida Chapter 10.650, *Rules of the Auditor General*. Accordingly, this report is not suitable for any other purpose.



Berger, Toombs, Elam, Gaines & Frank  
Certified Public Accountants PL  
Stuart, Florida

December 12, 2024