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CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS

**OKALOOSA COUNTY COUNCIL ON AGING, INC.
(d/b/a ELDER SERVICES OF OKALOOSA COUNTY)**

FORT WALTON BEACH, FLORIDA

FINANCIAL STATEMENTS

DECEMBER 31, 2024

**OKALOOSA COUNTY COUNCIL ON AGING, INC.
(d/b/a ELDER SERVICES OF OKALOOSA COUNTY)**

FORT WALTON BEACH, FLORIDA

FINANCIAL STATEMENTS

DECEMBER 31, 2024

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Okaloosa County Council on Aging, Inc.
(d/b/a Elder Services of Okaloosa County)
Pensacola, Florida

Opinion

We have audited the accompanying financial statements of Okaloosa County Council on Aging, Inc. (d/b/a Elder Services of Okaloosa County) ("Elder Services") (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.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Elder Services as of December 31, 2024, 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 audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Elder Services and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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, which raise substantial doubt about Elder Services' ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Board of Directors
Okaloosa County Council on Aging, Inc.
(d/b/a Elder Services of Okaloosa County)

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 Elder Services' 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, which raise substantial doubt about Elder Services' 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.

Board of Directors
Okaloosa County Council on Aging, Inc.
(d/b/a Elder Services of Okaloosa County)

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of state financial assistance, as required by Chapter 10.650, Rules of the Auditor General, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated July 9, 2025, on our consideration of Elder Services' 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 Elder Services' 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 Elder Services' internal control over financial reporting and compliance.



Pensacola, Florida
July 9, 2025

OKALOOSA COUNTY COUNCIL ON AGING, INC.
(d/b/a ELDER SERVICES OF OKALOOSA COUNTY)
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2024

ASSETS

Current Assets:

Cash and cash equivalents	\$	282,412
Grants receivable		<u>249,710</u>
 Total assets	 \$	 <u><u>532,122</u></u>

LIABILITIES AND NET ASSETS

Current Liabilities:

Accounts payable	\$	99,374
Accrued payroll liabilities		<u>60,066</u>
Total current liabilities		159,440

Non-Current Liabilities:

Due to Alternative Living, Inc.		<u>16,330</u>
 Total liabilities		 <u>175,770</u>

Net Assets:

Without donor restrictions		354,632
With donor restrictions		<u>1,720</u>
 Total net assets		 <u><u>356,352</u></u>

Total Liabilities and Net Assets	\$	<u><u>532,122</u></u>
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The accompanying notes are an integral
part of these financial statements.

OKALOOSA COUNTY COUNCIL ON AGING, INC.
(d/b/a ELDER SERVICES OF OKALOOSA COUNTY)
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
YEAR ENDED DECEMBER 31, 2024

Net Assets Without Donor Restrictions:

Revenue and support:	
Grants and contracts	\$ 1,396,781
Program service fees	113,760
Contributions	46,817
Contributions of non-financial assets	116,535
Interest income	12,637
Miscellaneous	599
Total revenue and support	<u>1,687,129</u>

Expenses:

Direct program services:	
Elder care	1,484,628
Food services	151,388
Total direct program services	<u>1,636,016</u>
Supporting services	<u>146,041</u>
Total expenses	<u>1,782,057</u>

Change in Net Assets (94,928)

Net Assets:

Beginning of year	<u>451,280</u>
End of year	<u><u>\$ 356,352</u></u>

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

OKALOOSA COUNTY COUNCIL ON AGING, INC.
(d/b/a ELDER SERVICES OF OKALOOSA COUNTY)
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2024

	Program Services			Support Services	Total Expenses
	Elder Care	Food Services	Total Program Services		
Computer services	\$ 1,271	\$ 72	\$ 1,343	\$ 1,054	\$ 2,397
Contractual services	366,618	108	366,726	-	366,726
Depreciation	-	-	-	56	56
Dues and memberships	457	-	457	375	832
Insurance	3,177	115	3,292	1,691	4,983
Maintenance	2,553	145	2,698	2,120	4,818
Meals	-	114,890	114,890	-	114,890
Occupancy	62,046	3,594	65,640	51,508	117,148
Office and other expenses	2,527	3,960	6,487	722	7,209
Professional fees	-	-	-	37,071	37,071
Supplies	586,038	210	586,248	1,137	587,385
Staff training	35	-	35	-	35
Travel	11,341	9	11,350	654	12,004
Wages and employee benefits	448,565	28,285	476,850	49,653	526,503
Total Expenses	\$ 1,484,628	\$ 151,388	\$ 1,636,016	\$ 146,041	\$ 1,782,057

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

OKALOOSA COUNTY COUNCIL ON AGING, INC.
(d/b/a ELDER SERVICES OF OKALOOSA COUNTY)
STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2024

Cash Flows From Operating Activities:	
Change in net assets	\$ (94,928)
Adjustments to reconcile change in net assets to net cash used in operating activities -	
Depreciation	56
Changes in -	
Grants receivable	(109,175)
Other receivables	-
Accounts payable	49,528
Accrued payroll liabilities	13,695
Net cash used in operating activities	<u>(140,824)</u>
Cash Flows From Financing Activities:	
Change in amounts due to Atlernative Living, Inc.	<u>8,175</u>
Net Change in Cash and Cash Equivalents	(132,649)
Cash and Cash Equivalents at Beginning of Year	<u>415,061</u>
Cash and Cash Equivalents at End of Year	<u><u>\$ 282,412</u></u>

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

**OKALOOSA COUNTY COUNCIL ON AGING, INC.
(d/b/a ELDER SERVICES OF OKALOOSA COUNTY)
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization and Nature of Activities:

Okaloosa County Council on Aging, Inc. was incorporated under the laws of the state of Florida in January 1971. In February 1996, Okaloosa County Council on Aging, Inc. registered with the State of Florida under the fictitious name, Elder Services of Okaloosa County (“Elder Services”). Elder Services currently operates under this fictitious name. Elder Services operates primarily in Okaloosa County, Florida, and provides services to elderly individuals including counseling, companionship, transportation, in-home services, and congregate and homebound meals.

A substantial portion of the revenue generated by Elder Services comes from various subrecipient grant agreements with the Northwest Florida Area Agency on Aging. These programs, which are funded by the State of Florida, include Community Care for the Elderly (“CCE”), Alzheimer's Disease Initiative (“ADI”), and Home Care for the Elderly (“HCE”). The CCE program provides services to elderly individuals which make it possible for them to live independently in their own homes. The ADI program provides in-home and facility-based respite services to address the special needs of individuals suffering from Alzheimer's Disease and related memory disorders. The HCE program provides a monthly subsidy payment to assist a relative, or other caregiver, to keep a low-income individual in his or her own home. In addition to the state-funded programs, Elder Services also administers the Elder Home Care (“EHC”) program, which provides non-medical services to frail, at-risk individuals in the comfort of their own home. These programs comprise the elder services program expenses, as shown in Elder Services’ statement of functional expenses.

Elder Services also conducts the local chapter of the Meals on Wheels program, which provides nutritionally balanced meals for a modest cost to the elderly, handicapped, or recuperating individuals in the community who are unable to do so themselves as a result of frailties associated with aging.

Basis of Presentation:

The accompanying financial statements of Elder Services, which are presented on the accrual basis of accounting and in accordance with accounting principles generally accepted in the United States of America, have been prepared to focus on Elder Services as a whole and to present balances and transactions according to the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes in net assets therein are classified as follows:

Net Assets Without Donor Restrictions

Net assets without donor restrictions are available for general use are not subject to donor restrictions.

**OKALOOSA COUNTY COUNCIL ON AGING, INC.
(d/b/a ELDER SERVICES OF OKALOOSA COUNTY)
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Presentation (Continued):

Net Assets with Donor Restrictions

Net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature that may, or will, be met either by passage of time or the events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates those resources be maintained in perpetuity.

Revenues are reported as increases in net assets without donor restrictions unless use of the related assets is limited by donor-imposed stipulations. Expenses are recorded as decreases in net assets without donor restrictions. Gains and losses on assets or liabilities are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation or by law. Expirations of net assets with donor restrictions on net assets (i.e., the donor stipulated purpose has been fulfilled and/or the stipulated passage of time has elapsed) are reported as net assets released from restrictions.

State and local amounts received by Elder Services in advance of the incurrence of allowable costs or performance of services are recorded as refundable advances until such allowable costs are incurred or services are rendered.

Contributions are recognized when a donor makes an unconditional promise to give to Elder Services. Contributions that are restricted by the donor are reported as increases in net assets without restrictions if the restriction expires in the reporting period in which support is recognized. All other 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.

Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promises become unconditional.

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.

Cash and Cash Equivalents:

Cash and cash equivalents include all highly liquid investments purchased with an original maturity of ninety days or less.

**OKALOOSA COUNTY COUNCIL ON AGING, INC.
(d/b/a ELDER SERVICES OF OKALOOSA COUNTY)
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Grants Receivable:

Grants receivable represent those funds due for services already provided by Elder Services or for expenditures already incurred. Receivables are recorded at net realizable value. Management considers all receivables collectible; therefore, no provision for uncollectible accounts is provided in these financial statements. The opening balance of grants receivable as of January 1, 2024 was \$140,535.

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 \$5,000 that materially increase values, change capacities, or extend useful lives are capitalized. Repairs and maintenance costs are charged to operations when incurred.

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

Buildings and improvements	10 - 35 years
Equipment	5 - 10 years

Equipment purchased with grant funds is expensed in the period purchased instead of being recognized as an asset and depreciated over its useful life. The equipment is owned by Elder Services while used in the program or for other future authorized programs. However, the funding sources have a reversionary interest in equipment having an acquisition cost of \$1,000 or more. Disposition of the equipment is subject to funding source regulations.

Public Support:

Public support revenue from local governments and 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, Elder Services will be required to refund any deficiencies.

OKALOOSA COUNTY COUNCIL ON AGING, INC.
(d/b/a ELDER SERVICES OF OKALOOSA COUNTY)
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Income Taxes:

Elder Services 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. Elder Services is not aware of any uncertain tax positions that would require accrual or disclosure in accordance with generally accepted accounting principles.

Supporting Services Expense Allocation:

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

Subsequent Events:

Management has evaluated subsequent events through July 9, 2025, which is the date the financial statements were available to be issued.

NOTE 2 - GRANTS RECEIVABLE

Grants receivables consist of the following as of December 31, 2024:

Northwest Florida Area Agency on Aging	\$ 248,717
Other Grants	<u>993</u>
Total	<u><u>\$ 249,710</u></u>

NOTE 3 - RETIREMENT PLAN

Elder Services sponsors a tax deferred 403(b) retirement plan for its full and part-time employees. This plan is currently frozen and is closed to new entrants. Elder Services did not make any contributions to this plan during 2024.

**OKALOOSA COUNTY COUNCIL ON AGING, INC.
(D/B/A ELDER SERVICES OF OKALOOSA COUNTY)
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 4 - TRANSACTIONS WITH AFFILIATED ORGANIZATION

Elder Services provides administration services for Alternative living, Inc. The two organizations are governed by the same Board of Directors.

Alternative Living, Inc. operates congregate living facilities in Niceville, Florida, and Crestview, Florida. Funding is received from food services and local donations. Elder Services is under contract with Alternative Living, Inc. to furnish meals for the Meals on Wheels program. For 2024, the total amount paid to Alternative Living, Inc. for meals was \$114,890.

Reimbursements received from Alternative Living, Inc. for utilities, insurance, and administrative services for 2024 were \$307,140. The balance due to Alternative Living, Inc. was \$16,330 on December 31, 2024.

NOTE 5 - COMMITMENTS AND CONTINGENCIES

Dependency on Government Support:

Elder Services' services are funded primarily with grants from the State of Florida passed through the Department of Elder Affairs ("DOEA") and the Northwest Florida Area Agency on Aging. A reduction in the level of future support from these agencies could have a substantial effect on Elder Services' programs and activities. As of December 31, 2024, management is unaware of any such reduction in future support.

NOTE 6 - LIQUIDITY

Elder Services' financial assets available within one year of the statement of financial position date for general expenditure are as follows:

Cash and cash equivalents	\$ 282,412
Grants receivable	<u>249,710</u>
	532,122
Less donor restricted assets unavailable to meet general expenditures within 12 months of the statement of financial position date	<u>(1,720)</u>
	<u><u>\$ 530,402</u></u>

**OKALOOSA COUNTY COUNCIL ON AGING, INC.
(d/b/a ELDER SERVICES OF OKALOOSA COUNTY)
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 8 - CONTRIBUTIONS OF NON-FINANCIAL ASSETS

Elder Services received contributions of non-financial assets of the following nature and amount during the year ended December 31.

<u>Description</u>	<u>Utilization in Programs/Activities</u>	<u>Donor Restrictions</u>	<u>Valuation Techniques and Inputs</u>	<u>2024</u>
Office Space	General and Administration, Elder Care and Food Services	Space to be utilized for administration and support services, elder care services, food preparation, and congregate meals.	Fair Market Value	\$ 113,203
Used Vehicle	Food Services	Vehicle will be used to deliver meals to eligible clients.	Fair Market Value	3,332
				<u>\$ 116,535</u>

Additionally, Okaloosa County Council on Aging utilized various unskilled volunteer services for which the total hours was determined to be 8,127 hours for the year ended December 31, 2024.

Supplementary Information

**OKALOOSA COUNTY COUNCIL ON AGING, INC.
(d/b/a ELDER SERVICES OF OKALOOSA COUNTY)
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
YEAR ENDED DECEMBER 31, 2024**

<u>State Grantor/Pass-through Grantor/Project Title</u>	<u>CSFA Number</u>	<u>Contract / Grant Number</u>	<u>Expenditures</u>
<u>State Grants and Aids Appropriations</u>			
State of Florida Department of Elder Affairs			
Tobacco Settlement Trust Funds:			
Passed through Northwest Florida Area Agency on Aging:			
Community Care for the Elderly	65.010	AC023/AC024	\$ 529,913
Alzheimer's Disease Initiative	65.004	AZ023/AZ024	292,985
			<u>822,898</u>
General Revenues:			
Home Care for the Elderly	65.001	AH023/AH024	97,523
Enhanced Home Care for the Elderly	65.001	AE022	52,615
			<u>150,138</u>
Total Expenditures of State Financial Assistance			<u>\$ 973,036</u>

Note: This schedule is presented on the accrual basis of accounting in accordance with generally accepted accounting principles.

Other Reports

**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
Okaloosa County Council on Aging, Inc.
(d/b/a Elder Services of Okaloosa County)
Pensacola, Florida

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Okaloosa County Council on Aging, Inc. (d/b/a Elder Services of Okaloosa County) ("Elder Services") (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 July 9, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Elder Services' 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 Elder Services' internal control. Accordingly, we do not express an opinion on the effectiveness Elder Services' 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 Elder Services' 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
Okaloosa County Council on Aging, Inc.
(d/b/a Elder Services of Okaloosa County)

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Elder Services' 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 Elder Services' internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Elder Services' internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Pensacola, Florida
July 9, 2025

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

Board of Directors
Okaloosa County Council on Aging, Inc.
(d/b/a Elder Services of Okaloosa County)
Pensacola, Florida

Opinion on Each Major State Project

We have audited Okaloosa County Council on Aging, Inc.'s (d/b/a Elder Services of Okaloosa County) ("Elder Services") compliance with the types of compliance requirements identified as subject to audit in the *Executive Office of the Governor's State Project Compliance Supplement* that could have a direct and material effect on each of Elder Services' major state projects for the year ended December 31, 2024. Elder Services' major state projects are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

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

Basis for Opinion on Each Major 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* ("GAAS"), issued by the Comptroller General of the United States; and Chapter 10.650, Rules of the Auditor General. Our responsibilities under those standards, 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 Elder Services 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 state project. Our audit does not provide a legal determination of Elder Services' compliance with the compliance requirements referred to above.

Board of Directors
Okaloosa County Council on Aging, Inc.
(d/b/a Elder Services of Okaloosa County)

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 Elder Services' 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 Elder Services' 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*, 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 Elder Services' compliance with the requirements of each major state project as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, 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 Elder Services' compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Elder Services' 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 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 Elder Services' 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
Okaloosa County Council on Aging, Inc.
(d/b/a Elder Services of Okaloosa County)

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



Pensacola, Florida
July 9, 2025

**COUNCIL ON AGING OF WEST FLORIDA, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2024**

A. SUMMARY OF AUDIT RESULTS

1. The independent auditor's report expresses an unmodified opinion on the financial statements of Elder Services.
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 Elder Services, 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 state project are reported in the Independent Auditor's Report on Compliance for Each Major State Project and on Internal Control Over Compliance in Accordance with Chapter 10.650, Rules of the Auditor General.
5. The auditor's report on compliance for major projects for the Elder Services expresses an unmodified opinion.
6. There are no audit findings relative to the major state projects for Elder Services which are required to be reported in accordance with Chapter 10.656, Rules of the Auditor General.
7. The program tested as a major project was:

State Projects
Community Care for the Elderly (CSFA No. 65.010)
8. The threshold for distinguishing Type A and B projects was \$750,000 for major state projects.

B. FINDINGS - FINANCIAL STATEMENTS AUDIT

There were no findings relating to the financial statements which are required to be reported in accordance with *Government Auditing Standards*.

C. 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.

COUNCIL ON AGING OF WEST FLORIDA, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2024
(Continued)

D. SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

There were no prior audit findings.

In accordance with 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 state projects.

To the Board of Directors
Okaloosa County Council on Aging, Inc.
d/b/a Elder Services of Okaloosa County
Pensacola, Florida

We have audited the financial statements of the Okaloosa County Council on Aging, Inc. (d/b/a Elder Services of Okaloosa County) (“Elder Services”) as of and for the year ended December 31, 2024, and have issued our report thereon dated July 9, 2025. Professional standards require that we advise you of the following matters relating to our audit.

Our Responsibility in Relation to the Financial Statement Audit

As communicated in our engagement letter dated March 6, 2025, our responsibility, as described by professional standards, is to form and express an opinion about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of its respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of the system of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Elder Services’ internal control over financial reporting. Accordingly, as part of our audit, we considered the system of internal control of Elder Services solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

Planned Scope and Timing of the Audit

We conducted our audit consistent with the planned scope and timing we previously communicated to you.

Compliance with All Ethics Requirements Regarding Independence

The engagement team, others in our firm, as appropriate, our firm, and our network firms have complied with all relevant ethical requirements regarding independence.

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Significant Risks Identified

We have identified the following significant risks:

- **Improper revenue recognition** - Material misstatements due to fraudulent financial reporting often result from an overstatement of revenues (for example, through premature revenue recognition or recording fictitious revenues) or an understatement of revenues (for example, through improperly shifting revenues to a later period). Therefore, generally accepted auditing standards (“GAAS”) requires us to presume that there is a risk of material misstatement due to fraud relating to revenue recognition.
- **Management override of controls** - Due to the unpredictable way in which management override of controls could occur, GAAS requires us to presume that there is a risk of material misstatement due to fraud relating to management override of controls.

Qualitative Aspects of the Entity’s Significant Accounting Practices

Significant Accounting Policies

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by Elder Services is included in Note 1 to the financial statements. There have been no initial selection of accounting policies and no changes in significant accounting policies or their application during the year ended December 31, 2024. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Significant Accounting Estimates and Related Disclosures

Accounting estimates and related disclosures are an integral part of the financial statements prepared by management and are based on management’s current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management’s current judgments.

The most sensitive estimate affecting the financial statements is the allocation of management and general expenses to Elder Services’ programs. Management’s estimate of the allocation of management and general expenses to various programs is based on each program’s percentage of direct salaries and wages to total direct salaries and wages. We evaluated the factors and assumptions used to develop the allocation of management and general expenses to Elder Services’ programs and determined that it is reasonable in relation to the basic financial statements taken as a whole.

Financial Statement Disclosures

Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. The most sensitive disclosure affecting Elder Services’ financial statements relate to Note 5, Commitment and Contingencies.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

Corrected and Uncorrected Misstatements

For purposes of this communication, professional standards also require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole. Management has corrected all identified misstatements.

In addition, professional standards require us to communicate to you all material, corrected misstatements that were brought to the attention of management as a result of our audit procedures. The following material misstatements that we identified as a result of audit procedures were brought to the attention of, and corrected by, management:

- To record accrued leave.
- To true up depreciation expense.
- To record in-kind occupancy costs and a donated vehicle.
- To post administrative allocation in accordance with stated methodology.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to Elder Services' financial statements or the auditor's report. No such disagreements arose during the course of the audit.

Representations Requested from Management

We have requested certain representations from management, which are included in the management representation letter dated July 9, 2025.

Management's Consultations with Other Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

Other Significant Matters, Findings or Issues

In the normal course of our professional association with Elder Services, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, significant events or transactions that occurred during the year, operating conditions affecting the entity, and operating plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as Elder Services' auditors.

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

Very truly yours,

A handwritten signature in cursive script, reading "Saltmarsh Cleveland & Lund".

Pensacola, Florida
July 9, 2025