BAKER COUNTY COUNCIL ON AGING, INC.

FINANCIAL STATEMENTS

AND

INDEPENDENT AUDITORS' REPORT

DECEMBER 31, 2025

BAKER COUNTY COUNCIL ON AGING, INC.
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INDEPENDENT AUDITORS' REPORT

The Honorable Board of Directors
Baker County Council on Aging, Inc.
9264 Buck Starling Road
Macclenny, Florida 32063

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Baker County Council on Aging, Inc. (the "Council", a nonprofit organization), which comprise the statement of financial position as of December 31, 2025, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Baker County Council on Aging, Inc. as of December 31, 2025, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Baker County Council on Aging, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of 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 Baker County Council on Aging, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute

assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

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

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

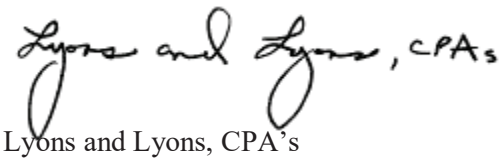
Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and Chapter 10.650 *Rules of the Auditor General* 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 schedule of expenditures of federal awards and state projects are fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 25, 2026, on our consideration of Baker County Council on Aging, 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Baker County Council on Aging, Inc.'s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Baker County Council on Aging, Inc.'s internal control over financial reporting and compliance.



Lyons and Lyons, CPA's
Macclenny, Florida
September 25, 2026

BAKER COUNTY COUNCIL ON AGING, INC.
STATEMENT OF FINANCIAL POSITION
AS OF DECEMBER 31, 2025

ASSETS

Current Assets	
Cash and Cash Equivalents	$ 833,478
Senior Activity Fund Account	3,661
Accounts Receivable	334,099
Prepaid Expenses	19,024
Short Term Investment	10,144
Total Current Assets	1,200,406
Restricted Assets	
Cash and Cash Equivalents	56,895
Total Restricted Assets	56,895
Fixed Assets	
Furniture and Equipment	385,573
Vehicles	2,537,360
Less: Accumulated Depreciation	(2,188,185)
Total Fixed Assets	734,748
Other Assets	
Software Asset, Net	1,999
Right of Use Leased Asset, Net	42,048
Total Other Assets	44,047
Total Assets	$ 2,036,096

LIABILITIES AND NET ASSETS

Current Liabilities	
Accounts Payable and Accrued Payroll Liabilities	$ 218,254
Operating Lease	19,694
Deferred Program Income	2,285
Senior Activity Fund	3,661
Total Current Liabilities	243,894
Long Term Liabilities	
Operating Lease	44,072
Total Long Term Liabilities	44,072
Total Liabilities	287,966
Net Assets	
Without Donor Restrictions	1,691,235
With Donor Restrictions	56,895
Total Net Assets	1,748,130
Total Liabilities and Net Assets	$ 2,036,096

The accompanying “Notes to the financial statements” form an integral part of this statement.

BAKER COUNTY COUNCIL ON AGING, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2025

	Net Assets Without Donor Restriction	Net Assets With Donor Restriction	Total
Public Support and Revenues			
Public Support			
Contributions	$ 22,540	$ 74,543	$ 97,083
United Way	-	52,851	52,851
Total Public Support	22,540	127,394	149,934
Grants and Contracts			
Northeast Florida Area Agency on Aging, Inc.	-	760,167	760,167
Medicaid	-	2,054	2,054
Department of Transportation	-	750,844	750,844
Baker County Commission, Local Cash Match	-	135,000	135,000
City of Macclenny, Local Cash Match	-	56,250	56,250
Jacksonville Transit Authority	-	149,462	149,462
Florida Transportation Disadvantaged Commission	-	374,819	374,819
Local Transportation Contracts	-	48,281	48,281
Total Grants and Contracts	-	2,276,877	2,276,877
Other Revenues			
Program Income	-	19,273	19,273
Investment Income	7,124	-	7,124
In-Kind, Non Cash	-	205,177	205,177
Non-Operating Income	7,037	-	7,037
Gain on Asset Disposition	800	-	800
Net Unrealized Holding Gain	1,158	-	1,158
Total Other Revenues	16,119	224,450	240,569
Net Assets Released from Restrictions			
Satisfaction of Program Restriction	2,630,855	(2,630,855)	-
Total Public Support and Revenues	2,669,514	(2,134)	2,667,380
Expenses			
Program Services			
Care for the Elderly and Disadvantaged	2,489,528	-	2,489,528
Supporting Services			
Management and General	254,594	-	254,594
Total Expenses	2,744,122	-	2,744,122
Changes in Net Assets	(74,608)	(2,134)	(76,742)
Net Assets, Beginning of Year	1,765,843	59,029	1,824,872
Net Assets, End of Year	$ 1,691,235	$ 56,895	$ 1,748,130

The accompanying "Notes to the financial statements" form an integral part of this statement.

BAKER COUNTY COUNCIL ON AGING, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2025

	Program Services	Supporting Services-Management and General	Total
Salaries and Wages	$ 1,298,731	$ 148,837	$ 1,447,568
Benefits and Taxes	97,082	12,566	109,648
Total Payroll Expenses	1,395,813	161,403	1,557,216
Contract Services	59,774	15,889	75,663
Office Supplies	10,042	2,669	12,711
Program Supplies	5,799	-	5,799
Telephone	20,274	5,390	25,664
Repairs, Maintenance, and Equipment	37,111	4,123	41,234
Travel	3,264	-	3,264
Food	133,382	-	133,382
Vehicle Expense	231,403	2,337	233,740
Insurance	226,737	25,193	251,930
Volunteer Expense, In-Kind	205,177	-	205,177
Other	33,223	3,691	36,914
Total Other Expenses	966,186	59,292	1,025,478
Total Expenses Before Depreciation	2,361,999	220,695	2,582,694
Amortization	13,842	3,679	17,521
Depreciation	113,687	30,220	143,907
Total Expenses	$ 2,489,528	$ 254,594	$ 2,744,122

The accompanying “Notes to the financial statements” form an integral part of this statement.

BAKER COUNTY COUNCIL ON AGING, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2025

Cash Flows From Operating Activities		
Change in Net Assets		$ (76,742)
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation		143,907
Amortization		17,521
(Increase) Decrease in Operating Assets:		
Accounts Receivable		(82,624)
Prepaid Assets		9,890
Fair Value Adjustment		(1,158)
Increase (Decrease) in Operating Liabilities:		
Accounts Payable and Accrued Expenses		7,317
Operating Lease		(818)
Senior Activity Fund		(1,788)
Net Cash Provided by Operating Activities		15,505
Cash Flows From Investing Activities		
Right of Use Asset		(12,669)
Purchase of Equipment and Vehicle		(312,586)
Net Cash Used by Investing Activities		(325,255)
Net Decrease in Cash and Cash Equivalents		(309,750)
Cash and Cash Equivalents at Beginning of Year		1,203,784
Cash and Cash Equivalents at End of Year		$ 894,034
Detail of Year End Cash and Cash Equivalents:		
Unrestricted Cash	$ 837,139	
Restricted Cash	56,895	
Total Cash	$ 894,034	
SUPPLEMENTAL DISCLOSURE:		
Noncash donations included in revenues and expenses		$ 205,177

The accompanying “Notes to the financial statements” form an integral part of this statement.

NOTE 1 – SUMMARY OF SIGNIFICANT POLICIES

Organization and Nature of Activities

Baker County Council on Aging, Inc. (the "Council") is a nonprofit organization incorporated in the State of Florida. The Council serves the citizens of Baker County by providing various services for the elderly or disabled. The Council's support comes primarily from grants and contracts under Title III of the Older Americans Act, and other programs administered by Florida Department of Elder Affairs; Florida Department of Transportation; Medicaid; Florida Commission for the Transportation Disadvantaged; the Baker County Commission; the City of Macclenny; and United Way.

Income Taxes

The Council is a nonprofit organization as described in Section 501(c)(3) of the Internal Revenue Code and is exempt from federal and state income taxes. Accordingly, no provision for federal income taxes has been made. The Council annually files a Form 990, "Return of Organization Exempt from Income Tax" with the Internal Revenue Service. Those returns for 2025, 2024, 2023, and 2022 are currently subject to review and adjustment by the Internal Revenue Service.

Contributions

In June 2018, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2016-14, Not-for- Profit Entities: Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made (ASC 958), which clarifies how transactions should be accounted for as contributions (nonreciprocal transactions) or exchange transactions and whether a contribution is conditional. The Council adopted ASC 958 and all related amendments effective January 1, 2021.

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designed for future periods or restricted by the donor for specific purposes are reported as net assets with donor restrictions. However, if a restriction is fulfilled in the same time period in which the contribution is received, the Council reports the support as net assets without donor restrictions.

Contributions of donated noncash assets are recorded at their fair values in the period received. Contributions of donated services that create or enhance non-financial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded at their fair values in the period received.

Estimates

The preparation of the Council's financial statements in conformity with accounting principles generally accepted in the United States of America requires the use of management's estimates, primarily related to the depreciable lives of equipment. The nature of those estimates, however, is such that variances in actual results are generally immaterial.

Right-of Use Assets

On January 1, 2020, the Council adopted Accounting Standards Update ("ASU") No.2016-02, Leases ("Topic 842"), using the modified retrospective method applied to leases that were in place as of January 1, 2020. Topic 842 establishes a right-of-use ("ROU") model that requires the Council to record a ROU asset and a lease liability on the statements of financial position for all leases with terms longer than twelve (12) months. Leases are classified as either finance or operating, with classification affecting the pattern of expense recognition in the statements of activities and a change in net assets. Minimum rental payments under operating leases are recognized as a single lease expense on a straight-line basis over the term of the lease, while finance leases are recognized as interest and amortization expense.

NOTE 1 – SUMMARY OF SIGNIFICANT POLICIES (continued)

Right-of-Use Assets (concluded)
A lessee is required to recognize a lease liability and an intangible right to use lease asset. A lessor is required to recognize a lease receivable and a deferred inflow of resources.

The Council's leases consist of noncancelable operating leases that relate to copier equipment.

To determine the present value of minimum future lease payments for operating leases as of December 31, 2025, the Council was required to estimate a rate of interest that it would have to pay to borrow on a collateralized basis over a similar term an amount equal to the lease payments in a similar economic environment (the "incremental borrowing rate" or "IBR").

The Council determined the appropriate IBR by identifying a reference rate and making adjustments that take into consideration financing options and certain lease-specific circumstances. For the reference rate, the Council used the ten (10) year mortgage interest rate.

See Note 11 - Operating Leases provide additional information on the lease obligations of the Council.

Financial Statement Presentation
The accompanying financial statements and accompanying schedules have been prepared on the accrual basis of accounting. The Council reports information regarding its financial position and activities according to the two classes of net assets as follows:

Net assets without donor restrictions are available for use at the discretion of the Board and/or management for general operating purposes.

Net assets with donor restrictions consist of assets whose use is limited by donor-imposed restrictions, time and/or purpose restrictions.

The Council reports gifts of cash and other assets as revenue with donor restrictions if they are received with donor stipulations that limit the use of donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, the net assets are reclassified as net assets without donor restriction and reported in the statement of activities as net assets released from restrictions.

See Note 9 – Net Assets for more information on the composition of net assets with donor restrictions.

Cash and Cash Equivalents
The Council considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. Cash and cash equivalents for purposes of the statement of cash flows includes the Senior Activity Fund Account.

Prepaid Insurance
Prepaid insurance is for payments made by the Council in the current fiscal year to provide insurance coverage for the subsequent fiscal year.

NOTE 1 – SUMMARY OF SIGNIFICANT POLICIES (concluded)

Furniture, Vehicles, and Equipment
Furniture, vehicles, and equipment are capitalized at cost. It is the Council's policy to capitalize expenditures for these items in excess of $500, with a useful life of one year or more. Lesser amounts are expensed. Vehicles, furniture and equipment are being depreciated over estimated useful lives of five to ten years using a straight-line method.

See Note 5 - Property and Equipment for additional information on the furniture, vehicles, and equipment.

Compensated Absences
The Council's policy on sick leave allows employees to accumulate sick leave and carry over unused leave to the next fiscal year. The maximum amount of sick leave that can be carried over is 30 working days. Employees also accumulate annual leave and may carry over up to 240 hours of annual leave to the next fiscal year. The Council follows accounting principles generally accepted in the United States of America in accounting for accrued compensated absences.

See Note 7 - Accounts Payable and Accrued Payroll for additional information on accrued payroll.

NOTE 2 – SENIOR ACTIVITY ACCOUNT

The Council maintains a bank account entitled "Senior Activity Account," whereby funds raised by the seniors (i.e. from yard sales) are utilized as the seniors deem necessary. Because these funds are considered property of the seniors, a liability in the amount of $3,661 is shown as of December 31, 2025.

NOTE 3 – ACCOUNTS RECEIVABLE

Accounts receivable is stated at the amount management expects to collect from outstanding balances; uncollectible accounts are not anticipated. As of December 31, 2025, accounts receivable was comprised of the following:

Northeast Florida Area Agency on Aging Grants/Contracts	$ 157,197
Florida Department of Transportation Contracts	130,198
Transportation Private Pay Contracts	9,335
Florida Transportation Disadvantaged Comm. Grant	22,678
Other Program Revenue	14,691
	$ 334,099

NOTE 4- LIQUIDITY AND AVAILABILITY OF RESOURCES

The Council's financial assets available to meet cash needs for general expenditures, without donor restrictions limiting their use, within one year consist of the following as of December 31, 2025:

Cash and cash equivalents	$ 894,034
Federal and state grants receivable	327,539
Other receivables	6,560
Total financial assets	1,228,133
Less: financial assets not available for general expenditures within one year due to:	
Donor imposed restrictions	56,895
Due to providers	237,948
Total financial assets unavailable for general expenditure	294,843
Total financial assets available for general expenditures	$ 933,290

The Council has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations come due.

NOTE 5 – PROPERTY AND EQUIPMENT

The following is a summary of property and equipment as of December 31, 2025:

	Estimated Life (Years)	2025
Depreciable Assets		
Furniture and Equipment	5 – 7	$ 385,573
Vehicles	5 – 10	2,537,360
Less: Accumulated Depreciation		(2,188,185)
Net Depreciable Assets		$ 734,748

Depreciation expense for the calendar year ended December 31, 2025, totaled $143,907.

NOTE 6 – SHORT TERM INVESTMENT

The Council holds 115 shares of Principal Financial Group, Inc. through Computershare Investor Services, a Level 1 investment. The details surrounding the acquisition of the common stock are not known.

As a result of the increase in market value, a net unrealized holding gain was reported for the calendar year ended December 31, 2025, in the amount of $1,158. The fair market value of the investment increased from $8,986 at December 31, 2024, to $10,144 at December 31, 2025.

NOTE 7 – ACCOUNTS PAYABLE AND ACCRUED PAYROLL LIABILITIES

Accounts payable and accrued expenses totaled $218,254 at December 31, 2025. The total includes accrued leave payable in the amount of $158,030 and wages payable and related payroll liabilities in the amount of $60,224.

NOTE 8 – DEFERRED PROGRAM INCOME

Resources that do not meet revenue recognition requirements (not earned) are recorded as Deferred Program Income in the Council's financial statements.

NOTE 9 – NET ASSETS

Net assets with donor restrictions, totaling $56,895 are available for the construction of a new facility and home delivered meals for seniors. Net assets without donor restrictions, decreased by $74,608 to a total of $1,691,235.

NOTE 10 – IN-KIND DONATIONS

The Council received contributions of nonfinancial assets (in-kind donations) during the year ended December 31, 2025. Contributed nonfinancial assets are recognized as revenue and measured at fair value at the date of donation, in accordance with Accounting Standards Update (ASU) 2020-07, *Not-for-Profit Entities (Topic 958): Presentation and Disclosure by Not-for-Profit Entities for Contributed Nonfinancial Assets*, and FASB ASC 958-605. Unless otherwise noted below, contributed nonfinancial assets did not carry donor-imposed restrictions.

Contributed nonfinancial assets recognized within the statement of activities. The following table disaggregates contributed nonfinancial assets by category, together with the utilization or monetization of each category and the valuation technique and inputs used to measure fair value at initial recognition (ASC 958-605-50-1A).

Description	Utilization in Programs/Activities	Donor Restrictions	Valuation Techniques and Inputs	2025
Facilities in-kind	Administration, Operations, Senior Activities	No associated donor restrictions	Value supplied by the service provider was used as an estimation of fair market value.	$ 184,548
Utilities in-kind	Administration, Operations, Senior Activities	No associated donor restrictions	Value supplied by the service provider was used as an estimation of fair market value.	20,629
Total contributed nonfinancial assets recognized				$ 205,177

Volunteers provide substantial donated service hours valued at $20,388 for 2025, which contribute significantly to the operations of the Council. Volunteer service hours can be used to meet the matching requirements on contracts and grants.

NOTE 11 – OPERATING LEASES

On December 9, 2022, the Council entered a lease agreement with Saxon Business Systems (Saxon) Contracts SBS 360 APP for two Xerox C7125 Copy Machines (machines), set up, delivery, installation and training for up to two hours, service to include all parts, drums, labor and supplies excluding paper and staples. The agreement stipulated payments to Saxon would be based at $876 per month for 5,000 black and white copies with additional costs of .009 cents per black and white copy in excess of the 10,000. The lease also includes a charge of .085 cent per color copy in excess of 2,500 copies per month. This payment will be for 60 months and can be automatically extended annually.

An implicit rate of 4.25% was used, to determine the present value of the future remaining lease payments.

The original agreement became effective on December 9, 2022, for a monthly payment of $1,752.

Lease Description	Role	Lease Type	Classification	As of January 1, 2025	Activity of right-of-use asset	As of December 31, 2025
Copier- (2) Xerox C7125	Lessee	Operating	Copier	$ 59,119	$ (17,071)	$ 42,048
				$ 59,119	$ (17,071)	$ 42,048

Remaining Lease Liability

Lease Description	Classification	As of January 1, 2025	Activity in Operating Lease Liability	As of December 31, 2025
Copier- (2) Xerox C7125	Copier	$ 75,616	$ (11,850)	$ 63,766
		$ 75,616	$ (11,850)	$ 63,766

Maturity of Operating Leases

Future maturies of minimum lease payments under operating leases are as follows:

Years Ending December 31,	
2026	$ 21,407
2027	21,407
2028	20,952
Total undiscounted future minimum lease payments	63,766
Imputed interest	(1,806)
Operating lease liability, current portion	(19,694)
Operating lease liability, less current portion	$ 42,266

NOTE 12 – MATCHING REQUIREMENTS

The Council received a substantial portion of its support from federal and state governments through the Northeast Florida Area Agency on Aging, Inc. and the Florida Department of Transportation. Some grants include a local matching requirement. The funds used for matching grants, and matching requirements for calendar year ending December 31, 2025 are as follows:

Source/Grant	Revenue Requiring Match	Match Required
Area Agency on Aging, Inc.:		
Title III	$ 760,165	$ 72,068
Florida Department of Transportation	1,125,663	513,963
Total Matching Required		586,031
Sources of Matching Funds		
United Way		52,851
Baker County Commission		135,000
City of Macclenny		56,250
TD Transport		239,396
Donations and Fundraising		97,083
In-Kind Donations		205,177
Total Available for Match		785,757
Excess Local Match		$ 199,726

NOTE 13 – FUNCTIONAL ALLOCATION OF EXPENSES

The costs of providing the various programs and activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

The expenses that are allocated include salaries and wages, benefits and taxes, contract services, office supplies, telephone, postage and shipping, occupancy, repairs, maintenance, equipment, vehicle expense, and insurance, which are allocated on the basis of estimates of time and effort.

NOTE 14 – CONCENTRATION OF CREDIT RISK

The Council maintains several bank accounts at one bank. To mitigate the risk of uninsured deposits and to ensure full FDIC insurance coverage, the Council participates in the IntraFi Cash Service (ICS) program through its primary depository institution. The total amount covered through the ICS program is $503,201. Accounts at an institution are insured by the Federal Deposit Insurance Corporation (FDIC) up to $250,000. Cash exceeded federally insured limits by $438,961.

The Council received $2,077,080 of funding from five sources that comprise seventy-eight percent of total revenue and support for the year ended December 31, 2025. As of December 31, 2025, the Council had receivables from these sources of $319,409.

NOTE 15 – CONTINGENCIES

Federal and State funded programs are subject to special audits. Such audits could result in claims against the resources of the Council for disallowed costs or noncompliance with grantor restrictions. No provision has been made for any liabilities that may arise from such audits since the amounts, if any, cannot be determined at this date.

NOTE 16 – SUBSEQUENT EVENTS

In preparing the financial statements, the Council's management has evaluated subsequent events and transactions for potential recognition or disclosure through the date of this report, which is the date the financial statements were available to be issued.

SUPPLEMENTARY INFORMATION

BAKER COUNTY COUNCIL ON AGING, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED DECEMBER 31, 2025

Grantor/Program or Cluster Title	*Assistance Listing Number*	*Pass-through Grantor and Number*	*Name of Grant - Grant ID No.*	*Total Expenditures($)*
		Federal Awards		
Aging Cluster				
Department of Health and Human Services				
Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers	93.044	Northeast Florida Area Agency on Aging Inc,59-1569867	A024-BA.2 & A025-BA.2	$ 74,944
Special Programs for the Aging, Title III, Part C, Nutrition Services	93.045	Northeast Florida Area Agency on Aging Inc,59-1569867	A024-BA.2 & A025-BA.2	123,288
National Family Caregiver Support, Title III, Part E	93.052	Northeast Florida Area Agency on Aging Inc,59-1569867	A024-BA.2 & A025-BA.2	32,181
Nutrition Services Incentive Program	93.053	Northeast Florida Area Agency on Aging Inc,59-1569867	A025-B.A2	11,501
Total Department of Health and Human Services				241,914
Total Aging Cluster				241,914
Transit Services Programs Cluster				
Department of Transportation				
Formula Grants for Rural Areas and Tribal Transit Program	20.509	Florida Department of Transportation	G2B22	344,108
Formula Grants for Rural Areas and Tribal Transit Program	20.509	Jacksonville Transit Authority	Wildcat Amendment 2025	149,462
Total for 20.509 Program				493,570
Buses and Bus Facilities Formula, Competitive, and Low or No Emissions Program	20.526	Florida Department of Transportation	G2Y07 & G2V89	177,163
Enhanced Mobility of Seniors and Individuals with Disabilities	20.513	Florida Department of Transportation	G2773	145,915
Total Department of Transportation				816,648
Total Expenditures of Federal Awards				$ 1,058,562
		State Financial Assistance		
Florida Department of Transportation				
Commission of Transportation of Disadvantaged				
Shirley Conroy Rural Area Capital Assistance	55.001		G3F70	$ 135,423
Transportation of Disadvantaged Trip and Equipment	55.001		G2Y93 & G3D69	239,396
Total for 55.001 Project				374,819
Transit Corridor	55.013		G2R14 & G3B48	83,657
Total Florida Department of Transportation				458,476
Department of Elder Affairs				
Home Care for the Elderly	65.001	Northeast Florida Area Agency on Aging Inc,59-1569867	H023-B, H024-B, & H025-B.A1	24,891
Alzheimer Disease Initiative	65.002 & 65.004	Northeast Florida Area Agency on Aging Inc,59-1569867	Z023-B.A2, Z024-B	242,284
Community Care for the Elderly	65.010	Northeast Florida Area Agency on Aging Inc,59-1569867	C023-B.A2, C024-B & C025-B.A1	247,984
Local Service Programs	65.009	Northeast Florida Area Agency on Aging Inc,59-1569867	UW025-B	3,095
Total Department of Elder Affairs				518,254
Total State Financial Assistance				$ 976,730

The accompanying "Notes to the financial statements" form an integral part of this statement.

BAKER COUNTY COUNCIL ON AGING, INC.
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2025

NOTE 1 – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal and state activity of the Baker County Council on Aging, Inc. (the Council) for the fiscal year ended December 31, 2025. Because the Schedule presents only a selected portion of the operations of the Council, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Council.

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 in *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)* and *Chapter 10.650, Rules of the Auditor General,* wherein certain types of expenditures are not allowable or are limited as to reimbursement. The information in this schedule is presented in accordance with the Uniform Guidance and Audits of States, Local Governments, and Non-Profit Organizations. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in, the preparation of the Council's financial statements.

NOTE 3 – INDIRECT COST

Title 2, Section 200.414(f) of the Code of Federal Regulations (CFR) allows certain non-federal agencies that *never* received a negotiated federal indirect cost rate to instead use the 15% de minimis indirect cost rate to recover allowable indirect costs for federal grants and cooperative agreements. If the agency elects to use the 15% de minimis indirect cost rate, the agency must continue to use the 15% de minimis indirect cost rate for all federal awards until the agency negotiates a cost rate. The Council has not elected to use the 15% de minimis indirect cost rate.

ADDITIONAL ELEMENTS REQUIRED BY THE RULES OF THE AUDITOR GENERAL

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INDEPENDENT AUDITORS' MANAGEMENT LETTER

To the Honorable Board of Directors
Baker County Council on Aging, Inc.
9264 Buck Starling Road
Macclenny, Florida

We have audited the financial statements of Baker County Council on Aging, Inc. (the "Council", a nonprofit organization) as of and for the year ended December 31, 2025, and have issued our report thereon dated September 25, 2026. We have also issued our report on compliance and on internal control over financial reporting, dated September 25, 2026. That report should be considered in conjunction with this management letter.

Auditors' Responsibility

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; Chapters 10.650, Rules of the Auditor General.

Other Reports and Schedules

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards;* Independent Auditors' Report on Internal Control over Compliances. Disclosures in those reports and schedule, which are dated September 25, 2026, should be considered in conjunction with this management letter.

Prior Audit Findings

The Rules of the Auditor General require that we comment as to whether or not corrective actions have been taken to address findings and recommendations made in the preceding audit. If the audit findings in the preceding audit report are uncorrected, we are required to identify those findings that were also included in the second preceding audit report. There were no prior audit findings noted in the prior Auditor's Management Letter.

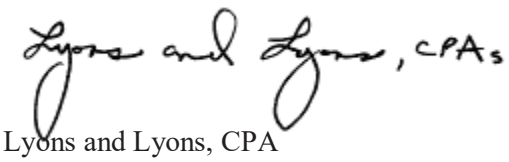
Other Matters

Section 10.554(1)(i)2., Rules of the Auditor General, requires that we address in the management letter any recommendations to improve financial management.

Section 10.654(l)(e), Rules of the Auditor General, requires that we address noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely have to occurred, that have an effect on the financial statements that is less than material but which warrants the attention of those charged with governance. In connection with our audit, we did not have any such findings. Our audit did not reveal any other matters that we are required to include in this management letter.

Purpose of this Letter
Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

We wish to take this opportunity to thank you and your staff for the cooperation and courtesies extended to us during the course of the audit. Please let us know if you have any questions or comments concerning this letter, our accompanying reports, or other matters.



Lyons and Lyons, CPA
Macclenny, Florida
September 25, 2026

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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

To the Honorable Board of Directors
Baker County Council on Aging, Inc.
9264 Buck Starling Road
Macclenny, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Baker County Council on Aging, Inc. (the "Council," a nonprofit organization), which comprise the statement of financial position as of December 31, 2025, the related statements of activities, functional expenses, cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated September 25, 2026.

Report on Internal Control over Financial Reporting
In planning and performing our audit of the financial statements, we considered the Council's internal control over financial reporting (internal control) a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Council's internal control. Accordingly, we do not express an opinion on the effectiveness of the Council's internal control.

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

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

Report on Compliance and Other Matters
As part of obtaining reasonable assurance about whether the Council's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and

material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Council'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 Council's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Lyons and Lyons, CPA's

Lyons and Lyons, CPA's
Macclenny, Florida
September 25, 2026

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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR THE MAJOR FEDERAL PROGRAM AND MAJOR STATE PROJECTS AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE AND CHAPTER 10.650 RULES OF THE AUDITOR GENERAL

To the Honorable Board of Directors
Baker County Council on Aging, Inc.
9264 Buck Starling Road
Macclenny, Florida

Report on Compliance for the Major Federal Program and Major State Projects

Opinion on the Major Federal Program and Major State Projects

We have audited the Baker County Council on Aging, Inc.'s (the "Council", a nonprofit organization), compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* and the requirements described in the Department of Financial Services' State Projects Compliance Supplement, that could have a direct and material effect on the Council's major federal program and major state projects for the year ended December 31, 2025. The Council's major federal program and major state projects are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Council complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program and state major projects for the year ended December 31, 2025.

Basis for Opinion on the Major Federal Program and Major State Projects

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

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements

of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Council's federal programs and state projects.

Auditors' 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 generally accepted auditing standards, *Government Auditing Standards*, the Uniform Guidance, and Chapter 10.650 Rules of the Auditor General, will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Council's compliance with the requirements of the major federal program and state projects as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, the Uniform Guidance, and Chapter 10.650 Rules of the Auditor General we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Council's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Council's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance and Chapter 10.650 Rules of the Auditor General, but not for the purpose of expressing an opinion on the effectiveness of the Council's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program or state projects on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program or state projects will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program or state projects 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 Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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

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

Lyons and Lyons, CPA's
Macclenny, FL
September 25, 2026

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INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE WITH SECTION 218.415, FLORIDA STATUTES

To the Honorable Board of Directors
Baker County Council on Aging, Inc.
9264 Buck Starling Road
Macclenny, Florida

We have examined the Baker County Council on Aging, Inc. (the "Council", a nonprofit organization), compliance with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, during the fiscal year ended December 31, 2025. Management is responsible for the Council's compliance with those requirements. Our responsibility is to express an opinion on the Council's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence about the Council's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the Council's compliance with specified requirements.

In our opinion, the Council complied, in all material respects, with the aforementioned requirements for the fiscal year ended December 31, 2025.

This report is intended solely for the information and use of management and the State of Florida Auditor General and is not intended to be and should not be used by anyone other than these specified parties.

Lyons and Lyons, CPAs

Lyons & Lyons, CPA's
Macclenny, FL
September 25, 2026

BAKER COUNTY COUNCIL ON AGING, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2025

PART 1 – SUMMARY OF AUDITOR'S RESULTS

(i) The independent auditors' report on the financial statements expressed an unmodified opinion on the financial statements.

(ii) The audit disclosed no deficiencies in internal control over financial reporting that was considered to be a material weakness.

(iii) The audit disclosed no noncompliance considered material to the financial statements.

(iv) The audit did not disclose material weaknesses or report significant deficiencies for the major federal program and major state projects.

(v) The auditor's report on compliance with requirements applicable to the major federal program and major state projects expressed an unmodified opinion.

(vi) The audit disclosed no findings relative to the major federal program or major state projects.

(vii) The Council's major federal program and major state projects were

Federal Program	Assistance Number
Formula Grant for Rural Areas and Tribal Transit Program	20.509
State Projects	
Transportation Disadvantaged & Shirley Conroy Rural Area Capital Assistance	55.001
Community Care for the Elderly	65.010

(viii) A threshold of $1,000,000 was used to distinguish between Type A and Type B programs for federal programs. A threshold of $300,000 was used to distinguish between Type A and Type B projects for state projects.

(ix) The Council did qualify as a low-risk auditee as that term is described in Uniform Guidance and Chapter 10.650 Rules of the Auditor General.

PART II – FINANCIAL STATEMENT FINDINGS

There were no findings relative to the financial statements.

PART III – FEDERAL AND STATE AWARDS FINDINGS AND QUESTIONED COSTS

There were no findings to the major federal program or major state projects.

PART IV– FEDERAL AND STATE AWARDS PRIOR AUDIT FINDINGS AND QUESTIONED COSTS

A summary schedule of prior audit findings is not presented as there were no prior audit findings required to be reported on.