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

SHALIMAR, FLORIDA

FINANCIAL STATEMENTS

DECEMBER 31, 2025

saltmarsh

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

SHALIMAR, FLORIDA

FINANCIAL STATEMENTS

DECEMBER 31, 2025

CONTENTS

	PAGE
Independent Auditor's Report	1
Audited Financial Statements:	
Statement of Financial Position	4
Statement of Activities and Changes in Net Assets	5
Statement of Functional Expenses	6
Statement of Cash Flows	7
Notes to Financial Statements	8
Supplementary Information:	
Schedule of Expenditures of State Financial Assistance	14
Other Reports and Schedule:	
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*	15
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	17
Schedule of Findings and Questioned Costs	20

saltmarsh

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Okaloosa County Council on Aging, Inc.
(d/b/a Elder Services of Okaloosa County)
Shalimar, 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, 2025, 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, 2025, 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.

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 August 16, 2026, 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
August 16, 2026

OKALOOSA COUNTY COUNCIL ON AGING, INC.
(d/b/a ELDER SERVICES OF OKALOOSA COUNTY)
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2025

ASSETS

Current Assets:		
Cash and cash equivalents	$	304,959
Grants receivable		263,870
Due from affiliated organization		23,754
Total Assets	$	592,583

LIABILITIES AND NET ASSETS

Current Liabilities:		
Accounts payable	$	54,369
Accrued payroll liabilities		59,394
Due to affiliated organization		16,175
Total liabilities		129,938
Net Assets:		
Without donor restrictions		460,925
With donor restrictions		1,720
Total net assets		462,645
Total Liabilities and Net Assets	$	592,583

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, 2025

Net Assets Without Donor Restrictions:		
Revenue and support:		
Grants and contracts	$	1,650,803
Program service fees		95,028
Contributions		65,223
Contributions of non-financial assets		113,203
Interest income		6,318
Miscellaneous		580
Total revenue and support		1,931,155
Expenses:		
Direct program services:		
Elder care		1,620,489
Food services		160,523
Total direct program services		1,781,012
Supporting services		43,850
Total expenses		1,824,862
Change in Net Assets		106,293
Net Assets:		
Beginning of year		356,352
End of year	$	462,645

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, 2025

	Program Services				
	Elder Care	Food Services	Total Program Services	Support Services	Total Expenses
Computer services	$ 1,601	$ 107	$ 1,708	$ 961	$ 2,669
Contractual services	643,531	-	643,531	-	643,531
Dues and memberships	710	73	783	426	1,209
Insurance	3,315	145	3,460	1,304	4,764
Maintenance	597	1,122	1,719	358	2,077
Meals	-	111,825	111,825	-	111,825
Occupancy	113,238	1,358	114,596	2,263	116,859
Office and other expenses	1,702	52	1,754	631	2,385
Professional fees	301	-	301	30,534	30,835
Supplies	343,447	18,393	361,840	974	362,814
Staff training	35	-	35	-	35
Travel	7,104	19	7,123	31	7,154
Wages and employee benefits	504,908	27,429	532,337	6,368	538,705
Total Expenses	$ 1,620,489	$ 160,523	$ 1,781,012	$ 43,850	$ 1,824,862

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, 2025

Cash Flows From Operating Activities:		
Change in net assets	$	106,293
Adjustment to reconcile change in net assets to net cash provided by operating activities -		
Changes in -		
Grants receivable		(14,160)
Due from affiliated organization		(23,754)
Accounts payable		(45,005)
Accrued payroll liabilities		(672)
Due to affiliated organization		(155)
Net Change in Cash and Cash Equivalents		22,547
Cash and Cash Equivalents at Beginning of Year		282,412
Cash and Cash Equivalents at End of Year	$	304,959

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

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.

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.

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.

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.

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.

Cash and Cash Equivalents:

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Grants Receivable:

Grants receivable are stated at the amount management expects to collect. Elder Services accounts for credit losses on grants receivable in accordance with ASC 326, *Financial Instruments – Credit Losses*, which requires the recognition of expected credit losses over the contractual life of the receivables.

Management estimates the allowance for credit losses using a methodology that considers historical collection experience, current conditions, and reasonable and supportable forecasts. The evaluation also includes a review of the credit quality of grantors, which are primarily governmental agencies and established foundations. Management individually evaluates outstanding balances and records an allowance for expected credit losses for amounts deemed uncollectible. Receivables are written off when all reasonable collection efforts have been exhausted.

Based on this assessment, management determined that an allowance for credit losses was not necessary as of December 31, 2025, as all amounts were considered fully collectible. At January 1, 2025, grants receivable had and opening balance of $249,710. No allowance for credit losses was recorded at that date.

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. As of December 31, 2025, all property and equipment was fully depreciated.

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.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

In-kind Support:

Elder Services records various types of in-kind support including donated use of office space, contributed professional services, and donated supplies and materials. The donated use of office space is recorded at fair value when it can be reasonably measured.

Contributed professional services are recognized if the services received (a) create or enhance long-lived assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. Contributions of tangible assets are recognized at fair value when received. All contributions are considered to be available for unrestricted use unless specifically restricted by the donor and are treated as in-kind support for purposes of meeting state matching requirements.

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 August 16, 2026, 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, 2025:

Northwest Florida Area Agency on Aging	$ 263,129
Other Grants	741
Total	$ 263,870

NOTE 3 - TRANSACTIONS WITH AFFILIATED ORGANIZATION

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

Reimbursements received from Alternative Living, Inc. for utilities, insurance, and administrative services for 2025 were $345,721. The balance due from Alternative Living, Inc. was $23,754 at December 31, 2025, and is included in current assets in the accompanying statement of financial position.

NOTE 3 - TRANSACTIONS WITH AFFILIATED ORGANIZATION (Continued)

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 2025, the total amount paid to Alternative Living, Inc. for meals was $111,825. The balance due to Alternative Living, Inc. was $16,175 at December 31, 2025, and is included in current liabilities in the accompanying statement of financial position.

NOTE 4 - 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 2025.

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, 2025, 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	$ 304,959
Grants receivable	263,870
	568,829
Less donor restricted assets unavailable to meet general expenditures within 12 months of the statement of financial position date	(1,720)
	$ 567,109

NOTE 7 - 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, 2025.

Description	Utilization in Programs/Activities	Donor Restrictions	Valuation Techniques and Inputs	2025
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
				$ 113,203

Additionally, Elder Services utilized various unskilled volunteer services for which the total hours was determined to be 7,683 hours for the year ended December 31, 2025.

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, 2025

State Grantor/Pass-through Grantor/Project Title	CSFA Number	Contract / Grant Number	Expenditures
State Grants and Aids Appropriations			
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	AC024/AC025	$ 633,360
Alzheimer's Disease Initiative	65.004	ZA024/ZA025	297,653
			931,013
General Revenues:			
Home Care for the Elderly	65.001	AH024/AH025	132,352
Total Expenditures of State Financial Assistance			$ 1,063,365

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

OTHER REPORTS AND SCHEDULE

saltmarsh

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)
Shalimar, 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, 2025, 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 August 16, 2026.

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
August 16, 2026

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)
Shalimar, 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, 2025. 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, 2025.

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.

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.

Saltmarsh

Pensacola, Florida
August 16, 2026

OKALOOSA COUNTY COUNCIL ON AGING, INC.
(d/b/a ELDER SERVICES OF OKALOOSA COUNTY)
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2025

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 projects 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 major state projects tested were:

   State Projects
   Community Care for the Elderly (CSFA No. 65.010)
   Alzheimer's Disease Initiative (CSFA No. 65.004)
   Home Care for the Elderly (CSFA No. 65.001)

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.

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.