

**Area Agency on Aging of Palm Beach/
Treasure Coast, Inc.**

ANNUAL FINANCIAL REPORT

December 31, 2025

Area Agency on Aging of Palm Beach/Treasure Coast, Inc.
Annual Financial Report
December 31, 2025

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Berger, Toombs, Elam, Gaines & Frank

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Report of Independent Auditors

To the Board of Directors
Area Agency on Aging of Palm Beach/Treasure Coast, Inc.
West Palm Beach, Florida

Opinion

We have audited the accompanying financial statements of the Area Agency on Aging of Palm Beach/Treasure Coast, Inc. (the "Agency") a non-profit organization, which comprise the statement of financial position as of December 31, 2025, and the related statements of activities, cash flows and functional expenses for the year then ended and the related notes to financial statements.

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

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial statement audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Agency and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our 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 the financial statements in accordance with accounting principles generally accepted in the United States of America; and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Agency's ability to continue as a going concern within one year after the date that the financial statements are issued or available to be issued.



To the Board of Directors
Area Agency on Aging of Palm Beach/Treasure Coast, Inc.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying schedules of expenditures of federal awards and state financial assistance are presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR), Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements of Federal Awards* ("Uniform Guidance") and Chapter 10.650, *Rules of the Auditor General* and are not a required part of the basic financial statements.



To the Board of Directors
Area Agency on Aging of Palm Beach/Treasure Coast, Inc.

Supplementary Information (Continued)

The accompanying schedules of expenditures of federal awards and state financial assistance are the responsibility of management and were derived from, and relate directly to, the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and 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 GAAS. In our opinion, the schedules of expenditures of federal awards and state financial assistance are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have issued our report dated August 31, 2026 on our consideration of the Agency's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Agency's internal control over financial reporting and compliance.

Report on Summarized Comparative Information

We have previously audited the Agency's December 31, 2024 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated June 24, 2025. As discussed in Note O to the financial statements, the 2024 financial statements have been restated to correct the classification of certain U.S. Treasury securities between cash and cash equivalents and investments. The restatement had no effect on total assets, liabilities, net assets, or the change in net assets. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2024, as restated, is consistent, in all material respects, with the audited financial statements from which it has been derived.

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

August 31, 2026

Area Agency on Aging of Palm Beach/Treasure Coast, Inc.
STATEMENT OF FINANCIAL POSITION
December 31, 2025
(With comparative totals at December 31, 2024)

Assets	2025	2024
Current assets		
Cash and cash equivalents	\$ 2,306,046	\$ 925,356 *
Federal and state grants receivable	6,426,565	6,494,107
Other receivables	297,429	350,589
Accrued interest receivable	12,380	-
Prepaid expenses	18,178	25,507
Advances to providers	322,458	112,494
Total current assets	<u>9,383,056</u>	<u>7,908,053</u>
Noncurrent assets		
Investments	4,024,014	3,827,751 *
Right-of-use asset - Operating Lease, net of deferred rent of \$26,263 in 2025 and \$249,070 in 2024	342,212	1,895,884
Property and equipment, net of accumulated depreciation of \$15,875 in 2025 and \$15,875 in 2024	-	-
Deposits	<u>2,718</u>	<u>2,718</u>
Total assets	<u><u>\$ 13,752,000</u></u>	<u><u>\$ 13,634,406</u></u>
Liabilities and Net Assets		
Current liabilities		
Accounts payable	\$ 26,731	\$ 69,909
Accrued expenses	212,942	185,630
Due to providers	5,729,738	5,526,251
Deferred revenue	332,536	193,075
Operating lease liability, current portion	368,475	680,205
Total current liabilities	<u>6,670,422</u>	<u>6,655,070</u>
Noncurrent liabilities		
Operating lease liability, less current portion	-	1,713,828
Total liabilities	<u>6,670,422</u>	<u>8,368,898</u>
Net Assets		
Without donor restrictions	<u>7,081,578</u>	<u>5,265,508</u>
Total liabilities and net assets	<u><u>\$ 13,752,000</u></u>	<u><u>\$ 13,634,406</u></u>

* Restated

Area Agency on Aging of Palm Beach/Treasure Coast, Inc.

STATEMENT OF ACTIVITIES

**For the Year Ended December 31, 2025
(With Summarized Comparative Information
for the Year Ended December 31, 2024)**

	2025	2024
Revenues and support:		
Grants:		
Federal	\$ 16,264,809	\$ 17,759,903
State	23,878,904	19,076,655
Other	4,564	24,596
Donations	102,580	81,024
Program income	2,788,660	1,800,916
Investment income	164,412	171,419
Other income	342	227
Total revenues and support	43,204,271	38,914,740
Expenses		
Program services		
Older Americans Act	11,924,300	10,837,426
Alzheimers Disease Initiative	10,358,072	8,803,732
Community Care	10,228,240	7,884,430
EHEAP	498,409	433,622
Elder Abuse	21,267	21,267
Medicaid intake	855,839	904,173
Home care	2,239,010	1,444,734
SHINE	124,066	250,050
American Rescue	-	2,492,134
Other DOEA Programs	858,299	596,946
Other non-DOEA	82,649	77,109
Foster Grandparents	345,226	549,687
Veterans Choice	2,457,480	1,527,247
Total program services	39,992,857	35,822,557
Supporting services:		
General and administrative	1,867,230	1,751,170
Total supporting services	1,867,230	1,751,170
Total expenses	41,860,087	37,573,727
Gain on lease modification	(471,886)	-
Total expenses, gains and losses	41,388,201	37,573,727
Changes in net assets	1,816,070	1,341,013
Net assets - beginning of year	5,265,508	3,924,495
Net assets - end of year	\$ 7,081,578	\$ 5,265,508

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

Area Agency on Aging of Palm Beach/Treasure Coast, Inc.
STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended December 31, 2025
(With Comparative Summarized Information for the Year Ended December 31, 2024)

	Department of Elder Affairs (DOEA) Programs							
	Older Americans Act	Alzheimers Disease Initiative	Community Care	EHEAP	Elder Abuse	Medicaid Intake	Home care	SHINE
Providers	\$ 10,458,566	\$ 10,301,539	\$ 9,496,343	\$ 382,403	\$ -	\$ -	\$ 1,459,987	\$ -
Client services	-	-	-	116,006	-	-	712,728	-
Wages and benefits	1,089,591	56,533	663,620	-	9,482	809,548	66,295	93,163
Rental space	186,021	-	46,400	-	7,000	44,400	-	4,394
Maintenance and repairs	22,875	-	3,940	-	-	-	-	968
Travel and training	6,211	-	483	-	14	-	-	3,586
Communications and utilities	27,005	-	3,590	-	3,450	-	-	1,372
Printing and supplies	33,929	-	-	-	-	-	-	4,709
Data maintenance and equipment	74,127	-	10,768	-	971	-	-	7,835
Other expenses	14,027	-	3,096	-	350	391	-	3,780
Professional fees	7,333	-	-	-	-	1,500	-	4,000
Insurance	4,615	-	-	-	-	-	-	259
Volunteer	-	-	-	-	-	-	-	-
Total	11,924,300	10,358,072	10,228,240	498,409	21,267	855,839	2,239,010	124,066
Allocation of management and general costs	563,382	489,383	483,249	23,548	1,005	40,435	105,786	5,862
Total expenses	\$ 12,487,682	\$ 10,847,455	\$ 10,711,489	\$ 521,957	\$ 22,272	\$ 896,274	\$ 2,344,796	\$ 129,928

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

Area Agency on Aging of Palm Beach/Treasure Coast, INC.
STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended December 31, 2025
(With Comparative Summarized Information for the Year Ended December 31, 2024)

Continued from page 6

	Non-DOEA Programs							
	Other DOEA Programs	Other non-DOEA	Foster Grandparents	Veterans Choice	Total Program Services	Management and General	Totals 2025	Totals 2024
Providers	\$ 553,222	\$ -	\$ -	\$ 2,212,200	\$ 34,864,260	\$ -	\$ 34,864,260	\$ 29,529,267
Client services	-	82,649	-	149,045	1,060,428	-	1,060,428	2,079,341
Wages and benefits	195,426	-	138,956	-	3,122,614	1,250,010	4,372,624	4,251,148
Rental space	98,900	-	12,000	-	399,115	301,112	700,227	691,794
Maintenance and repairs	629	-	220	-	28,632	20,634	49,266	74,574
Travel and training	3,268	-	757	4,035	18,354	4,982	23,336	45,983
Communications and utilities	702	-	1,180	1,525	38,824	33,102	71,926	129,011
Printing and supplies	505	-	2,250	6,210	47,603	8,972	56,575	69,406
Data maintenance and equipment	2,417	-	2,120	1,495	99,733	120,181	219,914	192,863
Other expenses	230	-	1,692	81,970	105,536	36,145	141,681	75,896
Professional fees	3,000	-	1,000	1,000	17,833	48,242	66,075	35,128
Insurance	-	-	504	-	5,378	43,850	49,228	52,665
Volunteer	-	-	184,547	-	184,547	-	184,547	346,651
Total	858,299	82,649	345,226	2,457,480	39,992,857	1,867,230	41,860,087	37,573,727
Allocation of management and general costs	40,552	3,905	16,311	93,812	1,867,230	(1,867,230)	-	-
Total expenses	\$ 898,851	\$ 86,554	\$ 361,537	\$ 2,551,292	\$ 41,860,087	\$ -	\$ 41,860,087	\$ 37,573,727

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

Area Agency on Aging of Palm Beach/Treasure Coast, Inc.
STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2025

Cash flows from operating activities:	
Change in net assets	\$ 1,816,070
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Changes in assets and liabilities:	
Decrease in federal and state grants receivable	67,542
Decrease in other receivable	53,160
(Increase) in accrued interest receivable	(12,380)
Decrease in prepaid expenses	7,329
Decrease in operating leases right-of-use assets	1,553,672
(Increase) in advances to providers	(209,964)
(Decrease) in accounts payable	(43,178)
Increase in accrued expenses	27,312
Increase in due to providers	203,487
Increase in deferred revenue	139,461
(Decrease) in operating lease liability	<u>(2,025,558)</u>
Total adjustments	<u>(239,117)</u>
Net cash provided by operating activities	<u>1,576,953</u>
Cash flows from investing activities:	
Purchases of investments	(4,014,263)
Proceeds from sale and maturities of investments	<u>3,818,000</u>
Net cash used in investing activities	<u>(196,263)</u>
Net increase in cash and cash equivalents	1,380,690
Cash and cash equivalents, beginning of year	<u>925,356</u> *
Cash and cash equivalents, end of year	<u>\$ 2,306,046</u>

* Restated

Area Agency on Aging of Palm Beach/Treasure Coast, Inc.
NOTES TO FINANCIAL STATEMENTS
December 31, 2025

NOTE A - DESCRIPTION OF ORGANIZATION

Area Agency on Aging of Palm Beach/Treasure Coast, Inc. (the "Agency") was incorporated on September 27, 1988 as a private, non-profit, regional agency designated by the State of Florida in accordance with the Older Americans Act of 1965 and in State Community Care for the Elderly Act. The Agency administers a network of services for the aging population of Palm Beach, Martin, St Lucie, Indian River and Okeechobee counties. The goal of the Agency is to meet the nutritional and social needs of the aging population. To carry out this goal, the Agency conducts annual assessments of the needs of the elderly population, determines resources available to satisfy these needs, and then plans and coordinates programs available to alleviate the identified needs. The Agency awards service provider contracts to the appropriate local agencies, which provide the service to the aging population.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Financial Statements

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

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

Net Assets Without Donor Restrictions

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

Net Assets With Donor Restrictions

Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Agency or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity. Donor restricted contributions are reported as increases in net assets with donor restriction. When a restriction expires, net assets are reclassified from net assets with donor restriction to net assets without donor restriction in the statements of activities. As of December 31, 2025 and 2024, there were no net assets with donor restriction.

Area Agency on Aging of Palm Beach/Treasure Coast, Inc.
NOTES TO FINANCIAL STATEMENTS
December 31, 2025

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Use of estimates

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

Functional allocation of expenses

The costs of providing various programs and other activities are summarized on a functional basis in the accompanying statements of activities and functional expenses. Costs incurred by a program or supporting service are charged directly to that service. Accordingly, rent and facilities, insurances, taxes and amortization costs have been allocated among the programs and supporting services benefited. The allocation is based on a percentage of headcount on specific programs and supporting services.

Cash and cash equivalents

For purpose of reporting cash flows, the Agency considers all highly liquid instruments purchased with an initial maturity of three months or less to be cash equivalents.

Federal and state grants receivable

Grants receivable are un-collateralized federal and state obligations requiring payment within thirty days from the request date. Unpaid receivables with request dates over thirty days do not bear interest. Grants receivable are stated at the amount management expects to collect from outstanding balances. In the past, substantially all of grants receivable have been collected within sixty days, therefore management has not recorded a provision for uncollectible accounts. Payments of receivables are allocated to the specific requests identified on the state's remittance advice.

Advances to providers

Advances to providers are comprised of amounts received from grantor agencies by the Agency that are submitted to sub-recipients prior to meeting the expense recognition criteria. In subsequent periods, when the expense recognition criteria have been met, the asset for prepaid expenses is reduced and expense is recognized.

Property and equipment

Property and equipment are recorded at cost. Donated property and equipment are valued at fair value on the date of donation. Property and equipment consists primarily of office equipment. Office equipment is depreciated using the straight-line method over a range from three to five years. The Agency's policy is to capitalize property and equipment with a cost of \$5,000 or more. As of December 31, 2025 and 2024, property and equipment was fully depreciated.

Area Agency on Aging of Palm Beach/Treasure Coast, Inc.
NOTES TO FINANCIAL STATEMENTS
December 31, 2025

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Valuation of long-lived assets

The Agency accounts for the valuation of long-lived assets under authoritative guidance issued by the Financial Accounting Standards Board ("FASB"), which required that long-lived assets and certain intangible assets be reviewed for impairment whenever events or circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of the long-lived assets is measured by a comparison of the carrying amount of the asset to future undiscounted net cash flows expected to be generated by the assets. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the estimated fair value of the assets. Assets to be disposed of are reported at the lower of the carrying amount or fair value, less costs to sell. No indicators of impairment were identified for the years ended December 31, 2025 and 2024.

Right-of-use assets

The Agency's leases consist of noncancelable operating leases that relate to real estate rental agreements.

On January 1, 2020, the Agency adopted Accounting Standards Update ("ASU") No. 2016-02, *Leases* ("Topic 842"), using the modified retrospective method applied to leases that were in place of January 1, 2020. Topic 842 establishes a right-of-use ("ROU") model that requires the Agency to record ROU asset and a lease liability on the statements of financial position for all leases with terms longer than twelve months. Leases are classified as either finance or operating, with classification affecting the pattern of expense recognition in the statements of activities and changes 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.

The Agency determined the appropriate incremental borrowing rate ("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 Agency used the ten year mortgage interest rate.

Revenue Recognition

Grants and contributions: The Agency receives grant funding from federal agencies, state and local governments, and private sources. Grants and contributions are classified as either conditional or unconditional. Revenue is recognized on a conditional grant or contribution once a barrier or hurdle to be entitled to the resources is overcome and the resource provider is released from the obligation to fund or has the right of return of any advanced funding if the Agency fails to overcome the barrier. Any funding received prior to overcoming the barrier is recognized as deferred revenue. Unconditional grants and contributions are recognized as revenue when the commitment to contribute is received. The Agency recognizes the revenue under grants and contracts and other contributions in the statement of activities and net assets. The Agency has executed conditional grants and contracts of approximately \$13,826,786 that have not been recognized at December 31, 2025 because qualifying expenditures have not yet been incurred.

Area Agency on Aging of Palm Beach/Treasure Coast, Inc.
NOTES TO FINANCIAL STATEMENTS
December 31, 2025

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue recognition (continued)

A portion of the Agency's revenue is derived from cost-reimbursable federal and state contracts and grants, which are conditioned upon certain performance requirements and/ or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when the Agency has incurred expenditures in compliance with specific contract or grant provisions. Amounts received prior to incurring qualifying expenditures are reported in deferred revenue in the statements of financial position. At December 31, 2025 and 2024, the Agency had advances relating to these activities of \$322,458 and \$112,494, respectively.

Service fees: the Agency provides various program activities with a negotiated fixed rate or price. Revenue is recognized upon the occurrence of the services. Revenue received in advance and not yet earned is deferred to the applicable period.

Compensated absences

Employees of the Agency are entitled to paid annual leave, which they earn throughout the year. As of December 31, 2025 and 2024, the Agency accrued an estimated liability for compensated absences in the amount of \$144,833 and \$137,203, respectively.

Due to providers

Due to providers is comprised of cost-reimbursement requests submitted by the Agency's service providers that the Agency has yet to pay out.

Deferred revenue

Deferred revenue is comprised of amounts received from grantor agencies by the Agency prior to meeting the revenue recognition criteria. In subsequent periods, when the revenue recognition criteria have been met, the liability for deferred revenue is reduced and revenue is recognized.

Income taxes

The Agency has been granted an exemption from income taxes under Section 501(c)(3) of the Internal Revenue Code (the "IRC"), as a non-profit corporation.

In accordance with U.S. GAAP on accounting for uncertainty in income taxes, the Agency recognizes tax liabilities for uncertain tax positions when it is more likely than not that a tax position will not be sustained upon examination and settlement with various taxing authorities. Liabilities for uncertain tax positions are measured based upon the largest amount of benefit that is greater than 50% likely of being realized upon settlement. The guidance on accounting for uncertainty in income taxes also addresses de-recognition, classification, interest and penalties on income taxes, and accounting in interim periods. Management has analyzed the tax positions taken by the Agency and has concluded that as of December 31, 2025 and 2024, there are no uncertain tax positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements. The Agency's tax years subject to examination by tax authorities generally remained open for three years from the date of filing.

Area Agency on Aging of Palm Beach/Treasure Coast, Inc.
NOTES TO FINANCIAL STATEMENTS
December 31, 2025

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

Cash and cash equivalents consist of demand deposits and short-term money market funds. These financial instruments are potentially subject to concentrations of credit risk as follows. Cash equivalent balances are maintained at three financial institutions and the U.S Treasury. Cash accounts at each individual institution as of December 31, 2025 are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. Uninsured cash equivalent balances were \$2,086,625 on December 31, 2025.

Major grantor

For the years ended December 31, 2025 and 2024, the DOEA accounted for approximately 93% and 95%, respectively, of the Agency's total revenue. As of December 31, 2025 and 2024, the DOEA accounted for 99% and 99%, respectively, of the Agency's total federal and state grants receivable.

NOTE D – LIQUIDITY AND AVAILABILITY OF RESOURCES

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

	2025	2024
Cash and cash equivalents	\$ 2,306,046	\$ 925,356
Federal and state grants receivable	6,426,565	6,494,107
Other receivables	297,429	350,589
Accrued interest receivable	12,380	-
Investments	4,024,014	3,827,751
Total financial assets available for general expenditures	<u>\$ 13,066,434</u>	<u>\$ 11,597,803</u>

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

Area Agency on Aging of Palm Beach/Treasure Coast, Inc.
NOTES TO FINANCIAL STATEMENTS
December 31, 2025

NOTE E – FEDERAL AND STATE GRANTS RECEIVABLE

Federal and state grants receivable from grantors consists of the following as of December 31:

	<u>2025</u>	<u>2024</u>
Federal		
Corporation for National and Community Service	\$ -	\$ 49,712
U.S. Department of HHS	2,673,788	3,302,513
State		
Florida Department of Elder Affairs	<u>3,752,777</u>	<u>3,141,882</u>
Total federal and state grants receivable	<u>\$ 6,426,565</u>	<u>\$ 6,494,107</u>

NOTE F – INVESTMENTS

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

The composition of investment income included in the statement of activities for the year ended December 31, 2025:

Interest and dividends	\$ 164,412
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Investments as of December 31, 2025 are summarized as follows:

	<u>Market Value</u>	<u>Cost</u>
U.S. Treasury Notes	<u>\$ 4,024,014</u>	<u>\$ 4,006,047</u>

NOTE G – PROPERTY, PLANT AND EQUIPMENT

A summary of property, plant and equipment consist of the following at December 31, 2025:

	<u>2025</u>
Furniture and equipment	\$ 15,875
Less: accumulated depreciation	<u>(15,875)</u>
	<u>\$ -</u>

The Agency did not have any depreciation expense during 2025.

Area Agency on Aging of Palm Beach/Treasure Coast, Inc.
NOTES TO FINANCIAL STATEMENTS
December 31, 2025

NOTE H – FAIR VALUE MEASUREMENTS

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

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

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

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

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The following is a description of the valuation methodologies used for assets measured at fair value.

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

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

Assets measured at fair value as of December 31, 2025 on a recurring basis comprise the following:

	Level 1	Level 2	Level 3	Total
U.S. Treasury Notes	\$4,024,014	\$ -	\$ -	\$ 4,024,014

Area Agency on Aging of Palm Beach/Treasure Coast, Inc.
NOTES TO FINANCIAL STATEMENTS
December 31, 2025

NOTE I – EMPLOYEE BENEFIT PLAN

In August 2006, the Agency adopted a 401(k) Employer Retirement Plan (the “Plan”). The Plan allows for participation for all employees eighteen (18) years of age or older. The employer contributions under the plan are discretionary. Employees are 25% vested after one year of service, 50% vested after two years, 75% vested after three years and 100% vested after four years of service. In November of 2022, the Plan was amended to allow employees to be 50% vested after one year and 100% vested after two years.

During the years ended December 31, 2025 and 2024, total contributions made to the Plan by the Agency was \$392,251 and \$306,960, respectively.

NOTE J – LEASES

The Agency leases building space used in its operations. All contracts that implicitly or explicitly involve property, plant and equipment are evaluated to determine whether they are or contain a lease.

At lease commencement, the Agency recognized a lease liability, which is measured at the present value of future lease payments, and a corresponding right-of-use asset equal to the lease liability, adjusted for prepaid lease costs, initial direct costs, and lease incentives. The Agency has elected and applies the practical expedient available to lessees to combine non-lease components with their related lease components and account for them as a single combined lease component for all its leases. The Agency remeasures lease liabilities and related right-of-use assets whenever there is a change to the lease term and/or there is a change in the amount of future lease payments, but only when such modification does not qualify to be accounted for as a separate contract.

The Agency determines an appropriate discount rate to apply when determining the present value of the remaining lease payments for purposes of measuring or remeasuring lease liabilities. As the rate implicit in the lease is generally not readily determinable, the Agency estimates its incremental borrowing rate as the discount rate. The Agency’s incremental borrowing rate, which is determined at either lease commencement or when a lease liability is remeasured, is an estimate of the interest rate it would pay on a collateralized borrowing, for an amount equal to the amount and currency of denomination of the lease payments, over a period commensurate with the lease term in a similar economic environment.

For accounting purposes, the Agency’s leases commence on the earlier of (i) the date upon which the Agency obtains control of the underlying asset and (ii) the contractual effective date of a lease. Lease commencement for most of the Agency’s leases coincides with the contractual effective date. The Agency’s leases generally have minimum base terms with renewal options or fixed terms with early termination options. Such renewal and early termination options are exercisable at the option of the Agency and, when exercised, usually provide for rental payments during the extension period at then current market rates or at pre-determined rental amounts.

Area Agency on Aging of Palm Beach/Treasure Coast, Inc.
NOTES TO FINANCIAL STATEMENTS
December 31, 2025

NOTE J – LEASES (continued)

Unless the Agency determines that it is reasonably certain that the term of a lease will be extended, such as through the exercise of a renewal option or non-exercise of an early termination option, the term of a lease begins at lease commencement and spans for the duration of the minimum non-cancellable contractual term. When the exercise of a renewal option or non-exercise of an early termination option is reasonably certain, the lease term is measured as ending at the end of the renewal period or on the date an early termination may be exercised.

The Agency includes variable rental payments based on a rate or an index such as the Consumer Price Index (CPI) in its measurement of lease payments based on the rate or index in effect at lease commencement. Other types of variable lease payments are expensed as incurred.

Leases involving real estate

Leases for the Agency's operational locations have lease terms that range from 3 to 10 years, which terms has been incorporated into the measurement of the related right-of-use assets and lease liabilities. Our real estate leases generally require reimbursement of real estate taxes, common area maintenance, and insurance.

Rental payments on these leases typically provide for fixed minimum payments that increase over the lease term at predetermined amounts. Certain leases of real estate provide for rental increases based on the CPI, which are included in Agency's measurement of lease payments based on the rate or index in effect at lease commencement and are therefore included in the measurement of the lease liabilities.

The Agency leased office space under an amended lease that was to expire in 2028. The annualized base rent for the first year of the lease term was at \$16 per rentable square foot of the space, with a 2.5% increase over the base year at each anniversary. In addition to the base rent, the Agency is obligated to pay 62% of Tenant's propriate share of the operating expenses, real estate taxes and assessments and the property and liability insurance as provided for in the lease. This lease was amended in December 2025 to shorten the remaining term to June 2026.

Area Agency on Aging of Palm Beach/Treasure Coast, Inc.
NOTES TO FINANCIAL STATEMENTS
December 31, 2025

NOTE J – LEASES (continued)

Financial information

The following provides information about the Agency's right-of-use assets and lease liabilities for its operating and finance leases as of December 31, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
Right-of-use assets		
Operating leases	<u>\$ 368,475</u>	<u>\$2,144,954</u>
Lease liabilities		
<i>Current</i>		
Operating leases	\$ 368,475	\$ 680,205
<i>Noncurrent</i>		
Operating leases	-	1,713,828
	<u> </u>	<u> </u>
Total lease liabilities	<u>\$ 368,475</u>	<u>\$2,394,033</u>

The components of Agency's lease cost for the year ended December 31, 2025 and 2024 are as follows:

	<u>2025</u>	<u>2024</u>
Operating lease cost, net		
Rent Expense	<u>\$ 700,227</u>	<u>\$ 691,794</u>

Supplemental cash flow information related to the Agency's leases for the year ended December 31, 2025 and 2024 are as follows:

	<u>2025</u>	<u>2024</u>
Operating	<u>\$ 681,918</u>	<u>\$ 639,424</u>

Area Agency on Aging of Palm Beach/Treasure Coast, Inc.
NOTES TO FINANCIAL STATEMENTS
December 31, 2025

NOTE J – LEASES (continued)

Weighted average remaining lease term and weighted average discount rate for the Agency's leases as of December 31, 2025 and 2024:

<u>Year ended December 31, 2025</u>	<u>Operating Leases</u>
Weighted average remaining term on leases	6 months
Incremental borrowing rate	2%
<u>Year ended December 31, 2024</u>	<u>Operating Leases</u>
Weighted average remaining term on leases	40 months
Incremental borrowing rate	2%

The Agency has elected to use its incremental borrowing rate for real estate leases and has elected to use risk-free rates as the discount rate for all its leases involving other classes of underlying assets. The Agency uses rates on US government securities for periods comparable with lease terms as risk-free rates.

Future minimum payments under noncancellable operating leases as of December 31, 2025, were as follows:

<u>Year Ending December 31,</u>	<u>Total</u>
2026	
	\$ 371,328
Less: amount representing interest	<u>(2,853)</u>
Lease liability as of December 31, 2025	<u>\$ 368,475</u>

NOTE K – COMMITMENTS AND CONTINGENCIES

Grants

The Agency participates in various federal and state assisted grant programs that are subject to review and audit by the respective grantor agencies. Entitlements to these resources are generally conditional upon compliance with the terms and conditions of grant agreements and regulations, including the expenditure of resources for allowable purposes. Any disallowance resulting from an audit may become a liability of the Agency and have an impact on future awards granted.

Legal matters

From time to time, the Agency may become subject to threatened and/or asserted claims arising in the ordinary course of operations. In the opinion of management, there are currently no matters pending or outstanding that would have a material effect on the Agency's financial position or results of operations.

Area Agency on Aging of Palm Beach/Treasure Coast, Inc.
NOTES TO FINANCIAL STATEMENTS
December 31, 2025

NOTE L – INCOME TAXES

The Agency has adopted accounting guidance which clarifies the accounting and recognition for tax positions taken or expected to be taken in its income tax returns. The Agency's tax filings are subject to audit by various taxing authorities. The Agency's income tax returns for the years ended December 31, 2024, 2023 and 2022 remain open to examination by the Internal Revenue Service. In evaluating the Agency's tax provisions and accrual, management believes that the estimates are appropriate based on current facts and circumstances.

NOTE M – MANAGEMENT'S REVIEW OF SUBSEQUENT EVENTS

In preparing the financial statements, management has evaluated events and transactions for potential recognition or disclosure through August 31, 2026, the date that the financial statements were available to be issued.

NOTE N – CONTINGENCIES

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

NOTE O – CORRECTION OF PRIOR PERIOD ERROR

During 2025, the Agency identified that certain U.S. Treasury securities were incorrectly classified as cash and cash equivalents in the December 31, 2024 financial statements. These securities did not meet the criteria for classification as cash equivalents and should have been reported as investments.

Accordingly, the December 31, 2024 financial statements have been retrospectively restated to correct the classification. The correction decreased cash and cash equivalents and increased investments by \$1,790,423. The correction had no effect on total assets, liabilities, net assets, or the change in net assets for the year ended December 31, 2024.

The effect of the correction on the previously reported December 31, 2024 amounts is as follows:

	As Previously Reported	Adjustment	As Restated
Cash and cash equivalents	\$2,715,779	\$(1,790,423)	\$ 925,356
Investments	2,037,328	1,790,423	3,827,751

SUPPLEMENTARY INFORMATION

Area Agency on Aging of Palm Beach/Treasure Coast, Inc.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year ended December 31, 2025

FEDERAL GRANTOR/PASS-THROUGH GRANTOR/PROGRAM TITLE	ASSISTANCE LISTING NUMBER	PASS-THROUGH AWARD NUMBER	TOTAL FEDERAL EXPENDITURES	PROVIDED TO SUBRECIPIENTS
UNITED STATES DEPARTMENT OF HEALTH AND HUMAN SERVICES				
PASSED-THROUGH FROM STATE OF FLORIDA DEPARTMENT OF ELDER AFFAIRS :				
AGING CLUSTER				
SPECIAL PROGRAMS FOR THE AGING, TITLE III, PART B GRANTS FOR SUPPORTIVE SERVICES AND SENIOR CENTERS				
OAA TITLE III - ADMINISTRATION	93.044	IA025	\$ 1,553,997	\$ -
OAA TITLE III - B	93.044	IA025	5,204,491	3,674,310
			<u>6,758,488</u>	<u>3,674,310</u>
SPECIAL PROGRAMS FOR THE AGING, TITLE III, PART C, NUTRITION SERVICES				
OAA TITLE III - C1	93.045	IA025	2,520,375	2,520,375
OAA TITLE III - C2	93.045	IA025	3,015,418	3,015,418
			<u>5,535,793</u>	<u>5,535,793</u>
OAA NUTRITION SERVICES INCENTIVE PROGRAM	93.053	IA024	388,436	388,436
TOTAL AGING CLUSTER			<u>\$ 12,682,717</u>	<u>\$ 9,598,539</u>

Area Agency on Aging of Palm Beach/Treasure Coast, Inc.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year ended December 31, 2025

FEDERAL GRANTOR/PASS-THROUGH GRANTOR/PROGRAM TITLE	ASSISTANCE LISTING NUMBER	PASS-THROUGH AWARD NUMBER	TOTAL FEDERAL EXPENDITURES	PROVIDED TO SUBRECIPIENTS
UNITED STATES DEPARTMENT OF HEALTH AND HUMAN SERVICES (CONTINUED)				
PASSED-THROUGH FROM STATE OF FLORIDA DEPARTMENT OF ELDER AFFAIRS :				
SPECIAL PROGRAMS FOR THE AGING, TITLE VII, CHAPTER 3, PROGRAMS FOR PREVENTION OF ELDER ABUSE, NEGLECT, AND EXPLOITATION				
OAA TITLE VII - ELDER ABUSE PREVENTION	93.041	I7025	\$ 21,267	\$ -
SPECIAL PROGRAMS FOR THE AGING, TITLE III, PART D, DISEASE PREVENTION AND HEALTH PROMOTION SERVICES				
OAA TITLE III - D	93.043	IA025	196,200	-
SPECIAL PROGRAMS FOR THE AGING, TITLE IV, AND TITLE II, DISCRETIONARY PROJECTS				
SENIOR MEDICARE PATROL	93.048	IG024	41,258	-
SENIOR MEDICARE PATROL	93.048	IG025	74,203	-
			115,461	-
NATIONAL FAMILY CAREGIVER SUPPORT, TITLE III, PART E				
OAA TITLE III - E	93.052	IA025	1,148,046	860,026
LOW-INCOME HOME ENERGY ASSISTANCE	93.568	IP021	245,077	133,409
LOW-INCOME HOME ENERGY ASSISTANCE	93.568	IP025	288,400	248,994
			533,477	382,403
MEDICARE ENROLLMENT ASSISTANCE PROGRAM	93.071	IB025	126,917	-
MEDICARE ENROLLMENT ASSISTANCE PROGRAM	93.071	IB026	51,055	-
			177,972	-

Area Agency on Aging of Palm Beach/Treasure Coast, Inc.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year ended December 31, 2025

FEDERAL GRANTOR/PASS-THROUGH GRANTOR/PROGRAM TITLE	ASSISTANCE LISTING NUMBER	PASS-THROUGH AWARD NUMBER	TOTAL FEDERAL EXPENDITURES	PROVIDED TO SUBRECIPIENTS
UNITED STATES DEPARTMENT OF HEALTH AND HUMAN SERVICES (CONTINUED)				
PASSED-THROUGH FROM STATE OF FLORIDA DEPARTMENT OF ELDER AFFAIRS :				
MEDICAID CLUSTER				
GRANTS TO STATES FOR MEDICAID	93.778	IX023	794,327	-
CENTERS FOR MEDICARE AND MEDICAID SERVICES (CMS) RESEARCH, DEMONSTRATIONS AND EVALUATIONS				
SHINE	93.324	IN024	73,402	-
SHINE	93.324	IN025	215,935	-
			289,337	-
TOTAL UNITED STATES DEPARTMENT OF HEALTH AND HUMAN SERVICES			15,958,804	10,840,968
CORPORATION FOR NATIONAL AND COMMUNITY SERVICE:				
PASSED-THROUGH FROM STATE OF FLORIDA DEPARTMENT OF ELDER AFFAIRS :				
FOSTER GRANDPARENT/SENIOR COMPANION CLUSTER				
AMERICORPS SENIORS FOSTER GRANDPARENT PROGRAM	94.011	19SFSFL003	306,005	
TOTAL CORPORATION FOR NATIONAL AND COMMUNITY SERVICE			306,005	
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$16,264,809	\$10,840,968

Area Agency on Aging of Palm Beach/Treasure Coast, Inc.
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
For the Year ended December 31, 2025

STATE AGENCY/PASS-THROUGH STATE PROJECT TITLE	CSFA NUMBER	GRANT CONTRACT NUMBER	TOTAL STATE EXPENDITURES	PROVIDED TO SUBRECIPIENTS
STATE OF FLORIDA DEPARTMENT OF ELDER AFFAIRS				
COMMUNITY CARE FOR THE ELDERLY	65.010	IC024	\$ 5,517,873	\$ 5,142,121
COMMUNITY CARE FOR THE ELDERLY	65.010	IC025	4,901,796	4,354,222
			<u>10,419,669</u>	<u>9,496,343</u>
HOME CARE FOR THE ELDERLY	65.001	IH024	1,081,423	672,215
HOME CARE FOR THE ELDERLY	65.001	IH025	1,300,380	787,772
			<u>2,381,803</u>	<u>1,459,987</u>
ALZHEIMER'S DISEASE INITIATIVE	65.004	IZ024	5,503,824	5,416,590
ALZHEIMER'S DISEASE INITIATIVE	65.004	IZ025	5,008,211	4,884,949
			<u>10,512,035</u>	<u>10,301,539</u>
LOCAL SERVICE PROGRAMS	65.009	IL024	326,373	326,373
LOCAL SERVICE PROGRAMS	65.009	IL025	239,024	239,024
			<u>565,397</u>	<u>565,397</u>
TOTAL STATE FINANCIAL ASSISTANCE			<u>\$ 23,878,904</u>	<u>\$ 21,823,266</u>

Area Agency on Aging of Palm Beach/Treasure Coast, Inc.
NOTES TO THE SCHEDULES OF EXPENDITURES
OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
For the Year Ended December 31, 2025

NOTE 1 – BASIS OF PRESENTATION

The accompanying schedules of expenditures of federal awards and state financial assistance (the “Schedules”) include the federal and state award activity of the Agency under programs of the federal and state governments for the year ended December 31, 2025. The information in the schedules is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)* and Chapter 10.650, *Rules of the Auditor General*. Because the schedules present only a selected portion of the operations of the Agency, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Agency.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedules are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the 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 Agency has elected not to use the 15% de minimis indirect cost rate for its federal award and state financial assistance programs. The indirect cost rates used for the Agency’s programs are determined by the relevant federal or state agency.

NOTE 3 – PROGRAM CLUSTERS

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

NOTE 4 – CONTINGENCIES

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

NOTE 5 – MATCHING REQUIREMENTS

All matching requirements for the grants and contracts in effect from January 1, 2025 through December 31, 2025 have been met by the Agency.

NOTE 6 – SUB-RECIPIENT MONITORING

The Agency has met the sub-recipient monitoring requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* for the grants and contracts in effect for 2025.



Berger, Toombs, Elam, Gaines & Frank

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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

The Board of Directors
Area Agency on Aging of Palm Beach/Treasure Coast, Inc.
West Palm Beach, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States of America, the financial statements of the Area Agency on Aging of Palm Beach/Treasure Coast, Inc., (the "Agency") 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 financial statements and have issued our report thereon dated August 31, 2026.

Report on Internal Control over Financial Reporting

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

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



The Board of Directors
Area Agency on Aging of Palm Beach/Treasure Coast, Inc.

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Agency's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

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

August 31, 2026



Berger, Toombs, Elam, Gaines & Frank

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

The Board of Directors
Area Agency on Aging of Palm Beach/Treasure Coast, Inc.
West Palm Beach, Florida

Report on Compliance for Each Major Federal Program and State Project

We have audited the Area Agency on Aging of Palm Beach/Treasure Coast, Inc.'s (the "Agency") 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 Project Compliance Supplement* that could have a direct and material effect on each of the Agency's major federal programs and state projects for the year ended December 31, 2025. The Agency's major federal programs and state projects are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Opinion on Each Major Federal Program and State Project

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

Basis for Opinion on Each Major Federal Program and State Project

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America ("GAAS"); the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements of *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance") and Chapter 10.650, Rules of the Auditor General. Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Agency and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program and state project. Our audit does not provide a legal determination of the Agency's compliance with the compliance requirements referred to above.



The Board of Directors
Area Agency on Aging of Palm Beach/Treasure Coast, Inc.

Management's Responsibility for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

In performing an audit in accordance with GAAS, Government Auditing Standards, the Uniform Guidance and Chapter 10.650, we:

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

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



The Board of Directors
Area Agency on Aging of Palm Beach/Treasure Coast, Inc.

Report on Internal Control Over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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

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

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

August 31, 2026

Area Agency on Aging of Palm Beach/Treasure Coast, Inc.
Schedule of Findings and Questioned Costs –
Federal Programs and State Financial Assistance
For the Year Ended December 31, 2025

SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued:

Unmodified

Internal control over financial reporting:

Material weakness(es) identified?

____ Yes

X No

Significant deficiency(ies) identified?

____ Yes

X None reported

Noncompliance material to financial statements noted?

____ Yes

X No

Federal Awards and State Financial Assistance

Internal Control over major programs/projects:

Material weakness(es) identified?

____ Yes

X No

Significant deficiency(ies) identified?

____ Yes

X None reported

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

Unmodified

Any audit findings disclosed that are required to be reported in accordance with Section 2 CFR 200.516(a) and Chapter 10.650, Rules of the Auditor General?

____ Yes

X No

Identification of major programs/projects:

Assistance Listing Number(s)

Name of Federal Program(s) or Cluster

93.044/93.045,
93.053

Aging Cluster

CSFA Number(s)

Name of State Program(s) or Cluster

65.001
65.004

Home Care for the Elderly
Alzheimer's Disease Initiative

Dollar threshold used to distinguish between Type A and B Federal Programs: \$1,000,000
Dollar threshold used to distinguish between Type A and B State Projects: \$750,000

**Area Agency on Aging of Palm Beach/Treasure Coast, Inc.
Schedule of Findings and Questioned Costs –
Federal Programs and State Financial Assistance
For the Year Ended December 31, 2025**

Auditee qualified as low-risk auditee
Pursuant to the Uniform Guidance?

 X Yes No

FINDINGS – FINANCIAL STATEMENTS

No reportable findings.

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

No reportable findings.

OTHER ISSUES – SUMMARY OF PRIOR AUDIT FINDINGS

There were no audit findings for the year ended December 31, 2024.

MANAGEMENT LETTER

There were no items related to State financial assistance required to be reported in a management letter pursuant to Chapter 10.650, Rules of the Auditor General.