Area Agency on Aging of Pasco-Pinellas, Inc.

Financial Statements and Compliance Reports

December 31, 2025

CONTENTS

CAVANAUGH & CO, LLP
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Area Agency on Aging of Pasco-Pinellas, Inc.

Report on the Audit of the Financial Statements

Opinion

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

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

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Area Agency on Aging of Pasco-Pinellas, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are

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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 Area Agency on Aging of Pasco-Pinellas, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Area Agency on Aging of Pasco-Pinellas, Inc.'s ability to continue as a going concern for a reasonable period of time.

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

Report on Summarized Comparative Information

We have previously audited Area Agency on Aging of Pasco-Pinellas, Inc.'s 2024 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated June 27, 2025. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2024, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards and state financial assistance, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards and Chapter 10.650, Rules of the Auditor General*, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards and state financial assistance 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 DATE, 2026, on our consideration of Area Agency on Aging of Pasco-Pinellas, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Area Agency on Aging of Pasco-Pinellas, Inc.'s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Area Agency on Aging of Pasco-Pinellas, Inc.'s internal control over financial reporting and compliance.

Sarasota, Florida
DATE, 2026

Area Agency on Aging of Pasco-Pinellas, Inc.

Statement of Financial Position
December 31, 2025
(with comparative totals for 2024)

ASSETS

	2025	2024
Current assets:		
Cash and cash equivalents	$ 4,261,390	2,606,564
Investments	3,302,676	2,839,265
Prepaid expenses	28,726	31,643
Due from grantors	5,429,006	4,412,685
Other current assets	18,375	18,375
Total current assets	13,040,173	9,908,532
Operating lease right-to-use asset	715,966	1,053,096
Furniture and equipment, net	10,181	6,660
Total assets	$ 13,766,320	10,968,288

LIABILITIES AND NET ASSETS

	2025	2024
Current liabilities:		
Accounts payable	$ 37,167	69,400
Accrued expenses	1,321,172	709,485
Deferred revenue	1,168,525	62,781
Due to subrecipients	3,810,185	3,218,692
Lease liability, current portion	386,363	374,140
Liability for amounts held on behalf of others	59,815	140,072
Total current liabilities	6,783,227	4,574,570
Lease liability, net of current portion	432,896	819,260
Total liabilities	7,216,123	5,393,830
Net assets:		
Without donor restrictions	6,218,561	5,214,778
With donor restrictions	331,636	359,680
Total net assets	6,550,197	5,574,458
Total liabilities and net assets	$ 13,766,320	10,968,288

See accompanying notes to financial statements.

Area Agency on Aging of Pasco-Pinellas, Inc.

Statement of Activities and Changes in Net Assets
Year Ended December 31, 2025
(with comparative totals for 2024)

Changes in Net Assets Without Donor Restrictions	2025	2024
Support and revenues		
Public support		
Federal grants	15,458,789	15,737,712
State grants	16,021,125	19,341,904
Local grants	95,893	409,304
Veterans Affairs	988,909	884,677
Investment income	342,748	183,921
Other revenue	265	6,760
In-kind	324,600	324,600
Total	33,232,329	36,888,878
Net assets released from restrictions	319,423	78,637
Total support and revenues	33,551,752	36,967,515
Expenses		
Program services:		
DOEA pass through programs	21,377,700	24,905,805
Information and referral	878,384	927,798
Outreach	88,011	65,171
Screening and assessment	269,680	336,155
OAA intake	187,275	157,581
Community Care for the Elderly (CCE) intake	899,145	551,120
Alzheimer's Disease Initiative (ADI) intake	315,181	245,210
Emergency Home Energy Assistance (EHEAP)	47,844	47,715
Serving Health Insurance Needs of Elders (SHINE)	244,607	338,119
Title VII Elder Abuse	20,577	21,267
Medicaid specialist	201,797	196,082
Aging and Disability Resource Center	376,888	449,485
Health and Wellness	201,608	-
American Rescue Plan	-	588,823
Veterans Services	4,682,128	4,499,690
Other programs	1,261,558	2,238,135
Total program services	31,052,383	35,568,156
Supporting services:		
Management and general	1,390,027	1,375,036
Fundraising	105,559	-
Total supporting services	1,495,586	1,375,036
Total expenses	32,547,969	36,943,192
Change in net assets without donor restrictions	1,003,783	24,323
Changes in Net Assets With Donor Restrictions		
Contributions	291,379	355,031
Net assets released from restrictions	(319,423)	(78,637)
Change in net assets with donor restrictions	(28,044)	276,394
Total change in net assets	975,739	300,717
Net assets - beginning of year	5,574,458	5,273,741
Net assets - end of year	$ 6,550,197	5,574,458

See accompanying notes to financial statements.

Area Agency on Aging of Pasco-Pinellas, Inc.

Statement of Functional Expenses

Year Ended December 31, 2025
(with comparative totals for 2024)

	Program Services											
	DOEA Pass Through Programs	Information and Referral	Outreach	Screening and Assessment	OAA Intake	CCE Intake	ADI Intake	EHEAP	SHINE	Title VII Elder Abuse	Medicaid Specialist	Aging and Disability Resource Center
Expenses:												
Salaries	$ -	508,148	46,720	155,452	115,700	519,490	196,923	29,080	139,472	13,369	135,813	239,467
Payroll taxes	-	38,044	3,357	11,561	8,512	38,766	14,668	2,080	10,265	944	10,110	18,282
Employee benefits	-	140,042	14,192	39,781	32,197	144,964	56,455	9,146	37,895	3,887	29,435	66,241
Building rent	-	58,299	4,882	19,071	6,493	56,052	24,720	5,215	16,572	1,466	15,065	28,318
Telephone	-	4,626	777	2,767	437	4,161	2,397	335	1,272	91	1,621	1,859
Insurance	-	4,680	586	1,993	676	6,253	2,774	367	2,984	168	2,109	4,289
Travel	-	-	1,804	1,882	-	248	45	-	668	-	-	-
Training and development	-	-	10	-	-	-	-	-	-	-	-	-
Equipment purchases / capital offset	-	907	137	-	-	-	5,442	-	5,459	-	9	998
Office supplies	-	537	1,332	467	102	927	319	86	1,391	19	350	730
Postage	-	2,100	233	777	249	2,539	1,114	143	1,600	66	1,093	1,957
Printing	-	414	704	337	140	817	439	86	7,171	15	329	762
Equipment lease	-	1,487	139	738	264	1,807	858	154	533	40	768	1,711
Subcontracted services	-	-	-	-	-	-	-	-	6,000	-	-	-
Legal and consulting	-	-	-	-	-	-	-	-	-	-	-	-
Audit and accounting fees	-	3,336	331	1,087	296	3,764	1,592	195	815	91	118	6,481
Advertising	-	-	735	-	-	-	-	-	559	-	-	-
Dues and subscriptions	-	909	370	-	-	-	-	-	-	-	-	-
Client/volunteer expense	-	-	-	114	-	-	-	-	5,095	-	-	-
Meals	-	-	-	-	-	-	-	-	-	-	-	-
Maintenance	-	-	137	-	-	-	-	-	736	-	-	144
Storage	-	739	278	332	112	1,064	466	61	531	28	547	805
Technology	-	15,749	1,275	5,246	2,037	15,930	6,926	896	5,590	393	4,374	4,372
Other/miscellaneous	-	469	102	43	-	350	43	-	(1)	-	56	472
Disbursements to providers	10,980,906	-	-	-	-	-	-	-	-	-	-	-
Disbursements to vendors	9,936,241	-	-	-	-	-	-	-	-	-	-	-
Home care for the elderly subsidies	456,034	-	-	-	-	-	-	-	-	-	-	-
VA Expenses	-	-	-	-	-	-	-	-	-	-	-	-
Media	4,519	97,898	9,910	28,032	20,060	102,013	-	-	-	-	-	-
Total before depreciation	21,377,700	878,384	88,011	269,680	187,275	899,145	315,181	47,844	244,607	20,577	201,797	376,888
Depreciation	-	-	-	-	-	-	-	-	-	-	-	-
Total expenses	$ 21,377,700	878,384	88,011	269,680	187,275	899,145	315,181	47,844	244,607	20,577	201,797	376,888

See accompanying notes to financial statements.

Area Agency on Aging of Pasco-Pinellas, Inc.

Statement of Functional Expenses - Continued
Year Ended December 31, 2025
(with comparative totals for 2024)

	Program Services				Supporting Services			
	Veterans Services	Health and Wellness	Other Programs	Total Program Services	Management and General	Fundraising	2025 Total Expenses	2024 Total
Expenses:								
Salaries	174,819	96,813	469,187	2,840,453	836,930	71,555	3,748,938	3,912,300
Payroll taxes	13,228	7,021	35,643	212,481	58,572	5,505	276,558	291,476
Employee benefits	44,663	31,463	107,805	758,166	171,725	5,859	935,750	1,016,858
Building rent	30,485	11,043	49,885	327,566	60,050	914	388,530	374,483
Telephone	3,151	1,166	15,348	40,008	13,534	215	53,757	52,404
Insurance	3,179	1,181	5,406	36,645	12,011	40	48,696	47,557
Travel	5,669	2,259	5,774	18,349	10,768	543	29,660	26,472
Training and development	-	5,148	-	5,158	525	-	5,683	14,825
Small equipment purchases	-	-	9,804	22,756	9,297	-	32,053	52,026
Office Supplies	1,321	199	998	8,778	10,028	152	18,958	31,204
Postage	1,229	583	2,131	15,814	3,928	44	19,786	21,772
Printing	292	2,929	647	15,082	1,192	683	16,957	26,718
Equipment rental	948	474	1,610	11,531	2,231	28	13,790	19,155
Subcontracted services	-	35,089	-	41,089	3,689	-	44,778	92,185
Legal	-	-	330	330	4,755	110	5,195	14,850
Audit and accounting fees	1,634	494	2,841	23,075	8,326	-	31,401	32,676
Advertising	1,634	-	-	2,928	684	989	4,601	19,941
Dues and subscriptions	-	-	-	1,279	18,129	201	19,609	21,363
Client/volunteer expense	9	1,409	472,595	479,222	98,867	-	578,089	631,866
Meals	-	-	31	31	1,537	38	1,606	2,269
Maintenance	-	-	-	1,017	1,319	137	2,473	3,590
Storage	231	200	996	6,390	2,248	8	8,646	11,846
Technology	525	4,011	17,951	85,275	37,103	1,251	123,629	166,470
Other/miscellaneous	14,536	-	408	16,478	14,787	17,287	48,552	43,003
Disbursements to providers	-	126	-	10,981,032	-	-	10,981,032	10,710,722
Disbursements to vendors	4,914	-	-	9,941,155	960	-	9,942,115	14,576,390
Home care for the elderly subsidies	-	-	-	456,034	-	-	456,034	464,424
VA Expenses	4,379,661	-	-	4,379,661	-	-	4,379,661	3,899,788
Media	-	-	62,168	324,600	-	-	324,600	324,600
Total before depreciation	4,682,128	201,608	1,261,558	31,052,383	1,383,195	105,559	32,541,137	36,903,233
Depreciation	-	-	-	-	6,832	-	6,832	39,959
Total expenses	4,682,128	201,608	1,261,558	31,052,383	1,390,027	105,559	32,547,969	36,943,192

See accompanying notes to financial statements.

Area Agency on Aging of Pasco-Pinellas, Inc.

Statement of Cash Flows

Year Ended December 31, 2025
(with comparative totals for 2024)

	2025	2024
Cash flows from operating activities:		
Change in net assets	$ 975,739	300,717
Adjustments to reconcile change in net assets to net cash flows from operating activities:		
Unrealized gain on investments	(115,551)	(50,327)
Depreciation	6,832	39,959
(Increase) decrease in:		
Prepaid expenses	2,917	83,861
Due from grantors	(1,016,321)	904,234
Operating lease right-to-use asset	337,130	315,472
Increase (decrease) in:		
Accounts payable	(32,233)	(157,103)
Accrued expenses	611,687	413,706
Deferred revenue	1,105,744	(733,834)
Due to subrecipients	591,493	(1,320,678)
Liability for amounts held on behalf of others	(80,257)	35,352
Lease liability	(374,141)	(366,048)
Total adjustments	1,037,300	(835,406)
Net cash flows from operating activities	2,013,039	(534,689)
Cash flows from investing activities:		
Purchase of investments	(547,860)	(929,671)
Proceeds from investments	200,000	660,000
Purchase of furniture and equipment	(10,353)	-
Net cash flows from investing activities	(358,213)	(269,671)
Increase (decrease) in cash and cash equivalents	1,654,826	(804,360)
Cash and cash equivalents - beginning of year	2,606,564	3,410,924
Cash and cash equivalents - end of year	$ 4,261,390	2,606,564

See accompanying notes to financial statements.

Area Agency on Aging of Pasco-Pinellas, Inc.

Notes to Financial Statements
December 31, 2025

<u>Note 1 – Organization, Programs, and Summary of Significant Accounting Policies:</u>

<u>Organization</u>
The Area Agency on Aging of Pasco-Pinellas, Inc. (“AAAPP” or “Agency”) has been serving the community since 1974. Established as a non-profit in April of 2000, AAAPP has been designated by the State of Florida Department of Elder Affairs (DOEA) as the Area Agency on Aging (AAA) for Planning and Service Area 5, which covers Pasco and Pinellas Counties. AAAPP provides funding from federal and state governmental entities to various service providers, who assist seniors and individuals with disabilities to age in place.

AAAPP serves as the Aging and Disability Resource Center (ADRC) for the two-county area. The ADRC is the initial entry point and coordinating system for all aging and disability social services.

<u>Programs</u>

<u>*Department of Elder Affairs (DOEA) Pass Through Programs*</u>

- *Older Americans Act (OAA)* – This funding provides services such as adult day care, counseling, chore, homemaker, transportation, congregate dining and home delivered meals to persons aged 60 and older.
- *Community Care for the Elderly (CCE)* - Assists functionally impaired persons aged 60 and older to live dignified and reasonably independent lives in their own homes, or in the homes of relatives or caregivers. The program provides a continuum of care through the development, expansion, reorganization, and coordination of multiple community-based services to assist participants to reside in the least restrictive environment suitable to their needs.
- *Home Care for the Elderly (HCE)* – Supports care for persons aged 60 and older in family-type living arrangements within private homes, as an alternative to institutional or nursing home care.
- *Alzheimer’s Disease Initiative (ADI)* – Provides a continuum of services to meet the changing needs of individuals and the families, affected by Alzheimer disease and related disorders.
- *Local Service Program (LSP)* - Provides additional funding to expand long-term care alternatives enabling persons aged 60 or older to maintain an acceptable quality of life in their own homes and avoid or delay nursing home placement.
- *Emergency Home Energy Assistance for the Elderly (EHEAP)* – Assists low-income households experiencing a home energy emergency, where at least one-person age 60 or older resides.

<u>*AAAPP Programs*</u>

Information and Referral – Guides individuals to community resources, including government funded programs, non-profit agencies, and for–profit business serving Pinellas and Pasco counties.

Outreach – Targets outreach activities to at risk seniors one-on-one and provides information on how to access critical services that promote living independently at home.

Area Agency on Aging of Pasco-Pinellas, Inc.

Notes to Financial Statements – Continued
December 31, 2025

Note 1 – Organization, Programs, and Summary of Significant Accounting Policies – Continued:

Screening and Assessment – conducts telephone screenings to assess clients' needs and place on the appropriate waitlist for services to keep them in their homes for as long as possible.

Older Americans Act Intake – Provides screening, re-screening and prioritization for the services provided under the Older Americans Act, such as homemaker, chore, adult day care, transportation and nutrition.

Community Care for the Elderly Intake - Provides screening, re-screening and prioritization for the CCE program personal care, nutrition, adult day care, case management and other services that provide a continuum of in-home supportive services.

Alzheimer's Disease Initiative Intake – Provides screening, re-screening and prioritization for the ADI program such as respite, adult day care, case managed and other services that provide a continuum of in-home supportive services.

Emergency Home Energy Assistance for the Elderly-The AAAPP manages the program and provides monitoring, training, and technical assistance to the service providers in Pasco and Pinellas counties.

Serving Health Insurance Needs of Elders (SHINE) – Provides free, unbiased and high-quality health insurance counseling through a dedicated network of SHINE volunteers, empowering individuals to make informed health care choices.

Title VII Elder Abuse - Provides education, training and information services focused on the prevention of elder abuse, neglect and exploitation.

Medicaid Specialist - Provides services to facilitate entry into the long-term care service system, screen potential Medicaid eligibility and maintain the APCL for public-funded long -term care programs and services.

Aging and Disability Resource Center (ADRC) – Part of the statewide coordinated system for information and access to services for all residents of Pasco and Pinellas Counties seeking long-term care resources. The ADRC provides information and assistance for state and federal benefits, as well as available local programs and services; screens and rescreens individuals who are seeking assistance from federal and state funded programs in order to remain independent in the community; assists clients who need community based long- term care through the statewide Medicaid managed care long-term care program; and provides long-term care education and assists with Medicaid eligibility for persons 18 or older determined disabled by the Social Security Administration or persons aged 65 or older and enrolled in Medicare PARTS A and B.

Area Agency on Aging of Pasco-Pinellas, Inc.

Notes to Financial Statements – Continued
December 31, 2025

<u>Note 1 – Organization, Programs, and Summary of Significant Accounting Policies – Continued:</u>

Veterans Directed Home and Community Based Services – Using an approach called Participant Direction, veterans of any age who are determined to be at risk of institutional placement by the Veterans Administration, are empowered to decide for themselves what mix of goods and services will best meet their needs, hiring and supervising their own workers, including family and friends, and purchasing items of services that will promote independence.

Health and Wellness – Offers health and wellness classes that help older adults maintain their physical health, independence, and overall quality of life. Programs focus on evidence-based education, healthy aging, chronic disease self-management, fall prevention, and physical activity. These classes empower participants with practical skills and resources to support healthier, more active lifestyles.

<u>Basis of Presentation</u>
The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles. Net assets, revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Agency and changes therein are classified and reported as follows:

> Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. The governing board has designated, from net assets without donor restrictions, net assets for an operating reserve and board-designated endowment.
>
> Net Assets With Donor Restrictions – Net assets subject to donor- (or certain grantor-) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

<u>Advertising Costs</u>
The Agency charges costs of advertising to operations as incurred. Advertising expenses were approximately $19,576 for the year ended December 31, 2025.

<u>Cash and Cash Equivalents</u>
For purposes of the statement of cash flows, the Agency considers all highly liquid investments with an original maturity of three months or less to be cash equivalents.

<u>Investments</u>
Management determines the appropriate classification of investment securities at the time of purchase and re-evaluates such classification as of each statement of financial position date. All investments are recorded at fair value. Interest, dividends, and realized and unrealized gains and losses on securities are included in the statement of activities.

Area Agency on Aging of Pasco-Pinellas, Inc.

Notes to Financial Statements – Continued
December 31, 2025

Note 1 – Organization, Programs, and Summary of Significant Accounting Policies – Continued:

Due from Grantors
Amounts due from grantors represent amounts receivable from grantor agencies for allowable expenses incurred before December 31, 2025. Management believes all expenses are allowable under the grant requirements and are fully collectible. As such, no allowance for doubtful accounts is considered necessary.

Due to Subrecipients
Amounts due to subrecipients represent amounts requested for reimbursement from the Agency for allowable expenses incurred by the sub-recipients before December 31, 2025.

Property and Equipment
Property and equipment are recorded at cost or, if donated, at the fair market value at the date of donation. The Agency capitalizes purchases over $5,000 and depreciation is computed using the straight-line method over the estimated useful lives of the assets, which range from 3 to 5 years.

Leases
The Agency leases office space and equipment. The determination of whether an arrangement is a lease is made at the lease's inception. A contract is (or contains) a lease if it conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is defined as having both the right to obtain substantially all of the economic benefits from use of the asset and the right to direct the use of the asset. Management only reassesses its determination if the terms and conditions of the contract are changed.

Operating leases are included in operating lease right-of-use ("ROU") assets, other current liabilities, and operating lease liabilities in our statement of financial position.

ROU assets represent our right to use an underlying asset for the lease term, and lease liabilities represent our obligation to make lease payments. Operating lease ROU assets and liabilities are recognized at the lease commencement date based on the present value of lease payments over the lease term. The Agency uses the implicit rate when it is readily determinable. Since most of the Agency's leases do not provide an implicit rate, to determine the present value of lease payments, management uses the Agency's incremental borrowing rate based on the information available at lease commencement. Operating lease ROU assets also includes any lease payments made and excludes any lease incentives. Lease expense for lease payments is recognized on a straight-line basis over the lease term. The Agency's lease terms may include options to extend or terminate the lease when it is reasonably certain that we will exercise the option.

The Agency has lease agreements with lease and non-lease components, which are generally accounted for separately with amounts allocated to the lease and non-lease components based on stand-alone prices. For certain equipment leases the Agency accounts for the lease and non-lease components as a single lease.

Liability for Amounts Held on Behalf of Others
In accordance with current accounting standards on *Transfers of Assets to a Not-for-Profit Organization or Charitable Trust That Raises or Holds Contributions to Others*, the Agency recognizes a liability for funds received and held for the sole benefit of another Organization.

Area Agency on Aging of Pasco-Pinellas, Inc.

Notes to Financial Statements – Continued
December 31, 2025

Note 1 – Organization, Programs, and Summary of Significant Accounting Policies – Continued:

Refundable Advances
Refundable advances represent advances from third parties that require the Agency to achieve certain objectives. Should the Agency not achieve these objectives, the funds would be returned to the third party.

Revenue Recognition
Grant funds are deemed to be earned and reported as revenues when expenditures are incurred in compliance with specific grant requirements (reimbursable expenditures).

Donated Goods and Services
The Agency receives donated services in the form of video production and airing of programs in its service area. These donated services are recognized as contributions at their estimated fair value on the date of receipt and reported as an expense when utilized. These services are valued using third party estimates using the rates in like circumstances. Donated services are not sold and are used for program purposes only.

Contributions of non-cash assets are recorded at estimated fair value in the period received. In accordance with GAAP, the Agency records contributed services received that create or enhance long-lived assets or require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation.

Many volunteers have contributed significant amounts of time to activities of the Agency without compensation. The financial statements do not reflect the value of those contributed services because they do not meet the above recognition criteria. The estimated fair value of the volunteers is approximately $93,000.

Contributions
Contributions that are restricted by the donor are reported as increases in net assets without restrictions if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in net assets with restrictions. When a restriction expires, these are reclassified to net assets without restrictions.

Income Tax Status
The Agency has been determined to be an organization exempt from income tax under Section 501(c)(3) of the Internal Revenue Code. Income from certain activities not directly related to the Agency's tax-exempt purpose is subject to taxation as unrelated business income.

Management has evaluated the effect of accounting standards relating to accounting for uncertainty in income taxes. Management has determined that the Agency had no uncertain income tax positions that could have a significant effect on the financial statements for the year ended December 31, 2025. The Agency's federal income tax returns are subject to examination by the Internal Revenue Service, generally for three years after the federal income tax returns were filed.

Area Agency on Aging of Pasco-Pinellas, Inc.

Notes to Financial Statements – Continued
December 31, 2025

Note 1 – Organization, Programs, and Summary of Significant Accounting Policies – Continued:

Expense Allocation
The cost of providing various programs and other activities has been summarized on a functional basis in the statement of activities and in the statement of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Expenses are directly charged to the program activities other than those that benefit multiple functions. The financial statements report certain categories of expenses that are attributable to one or more program or supporting services of the Agency. Those expenses include salaries, related personnel costs and occupancy. Salaries and related personnel costs are allocated based on time studies. Occupancy is allocated based on a square footage basis.

Donated Property and Equipment
Donations of property and equipment are recorded as support at their estimated fair value at the date of donation. Such donations are reported as support without restrictions unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted support. Absent donor stipulations regarding how long those donated assets must be maintained, the Agency reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Agency reclassifies net assets with restriction to net assets without restrictions at that time.

Estimates
The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Comparative Information
The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Agency's financial statements for the year ended December 31, 2024, from which the summarized information was derived.

Note 2 – Uninsured Cash Balances:

The Agency maintains its cash balances at financial institutions located in St. Petersburg, Florida. Accounts at each financial institution are secured by the Federal Deposit Insurance Corporation (FDIC) up to $250,000 per customer. The Agency from time to time may have amounts on deposit in excess of the insurance limits. As of December 31, 2025, the Agency had cash and cash equivalents of approximately $4,056,000 which exceeded the insured amounts.

Note 3 – Concentrations:

The Agency's activities are conducted in Pinellas and Pasco County, Florida and are supported by funding provided by government agencies. The Agency is dependent upon grants from federal and state agencies for its principal source of revenues. A significant decline in funding to the Agency could adversely affect the operating results of the Agency.

Area Agency on Aging of Pasco-Pinellas, Inc.

Notes to Financial Statements – Continued
December 31, 2025

Note 4 – Investments:

The components of investments at December 31, 2025, are summarized as follows:

	Fair Value	Cost	Accumulated Unrealized Gain (Loss)
Cash	$ 124,930	124,930	-
Community foundation	907,953	875,090	32,863
Equities	153,586	148,472	5,114
Exchange traded funds			
Schwab equity	234,389	227,855	6,534
Vanguard equity	326,383	264,694	61,689
Vanguard bond	215,264	207,622	7,642
Mutual funds			
Gotham absolute return	173,603	171,553	2,050
Equity funds	719,487	690,382	29,105
Fixed income funds	447,081	430,449	16,632
Total	$ 3,302,676	3,141,047	161,629

Investment earnings, net, for the year ended December 31, 2025 were comprised of the following:

Interest and dividends	$ 254,523
Realized and unrealized gains, net	115,551
Investment fees	(27,326)
Total	$ 342,748

Note 5 – Property and Equipment:

Property and equipment consist of the following:

Furniture and equipment	$ 333,594
Less: accumulated depreciation	(323,413)
Net property and equipment	$ 10,181

The Agency has restrictions on disposals of fixed assets pursuant to grantor contracts. The Agency can gift fixed assets to its provider or dispose of fixed assets with the permission of the provider. During the year ended December 31, 2025, the Agency did not dispose of any furniture and equipment.

Area Agency on Aging of Pasco-Pinellas, Inc.

Notes to Financial Statements – Continued
December 31, 2025

Note 6 – Leases:

The Agency enters into leases in the normal course of business primarily for office space and equipment expiring in varying years. The Agency includes lease extension and termination options in the lease term if, after considering relevant economic factors, it is reasonably certain the Agency will exercise the option. In addition, the Agency has elected to account for any non-lease components in its real estate leases as part of the associated lease component. The Agency has also elected not to recognize leases with original lease terms of 12 months or less (short-term leases) on the Agency's statement of financial position.

Leases are classified as operating or finance leases at the lease commencement date. Lease expense for operating leases and short-term leases is recognized on a straight-line basis over the lease term. Right-of-use assets represent the Agency's right to use an underlying asset for the lease term and lease liabilities represent the Agency's obligation to make lease payments arising from the lease. Right-of-use assets and lease liabilities are recognized at the lease commencement date based on the estimated present value of lease payments over the lease term.

The Agency leases office space in St. Petersburg, Florida. Terms of the lease call for monthly payments through January 2028. Monthly payments are currently $35,224 but are subject to annual increases. The Agency also leases office equipment under a lease that expires in 2027. Terms of this lease calls for monthly payments of $245. Total lease expense for the year ended December 31, 2025 was $388,530.

Supplemental Lease Information

Operating cash flows for operating leases	$	392,564
Weighted average remaining lease term for operating lease (years)		2.08
Weighted average discount rate for operating lease		1.87%

Future undiscounted lease payments for operating leases with initial terms of one year or more as of December 31, 2025, are as follows:

2026	$	397,758
2027		403,305
2028		33,668
Total lease payments		834,731
Less: imputed interest		(15,472)
Present value of lease liabilities		819,259
Less – current portion		(386,363)
Lease liabilities, net of current portion	$	432,896

Note 7 – Net Assets with Donor Restrictions:

The Agency received contributions from donors with restrictions. The purpose restrictions of net assets with donor restrictions as of December 31, 2025, are as follows:

Unmet needs	$	252,134
Hurricane		76,807
Other		2,695
Total	$	331,636

Area Agency on Aging of Pasco-Pinellas, Inc.

Notes to Financial Statements – Continued
December 31, 2025

Note 7 – Net Assets with Donor Restrictions - continued:

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose specified by the donors during 2025 as follows:

Unmet needs	$ 179,087
Hurricane	104,143
Other	36,193
Total	$ 319,423

Note 8 – Employee Benefit Plan:

The Agency has established a 401(k) profit-sharing plan which covers all full-time employees who are eligible and choose to participate in the plan. Employees are fully vested after 5 years of service or when the participant has reached retirement age or upon death or disability. Annual contributions of the Agency are voluntary and are made at the discretion of the Board of Directors. For 2025, the Board of Directors approved a contribution of 6% and an additional 4% contribution match for all eligible employee salaries, which was $308,297 for the year ended December 31, 2025.

Note 9 – Donated Goods and Services:

The following schedule summarizes the in-kind contributions received for the year ended December 31, 2025:

Pinellas County public access TV	$ 231,000
Pasco County public access TV	93,600
Total	$ 324,600

Note 10 – Contingency:

Expenditures incurred by the Agency and the subgrantees are subject to audit and possible disallowances by federal and state agencies. The Agency would be responsible for recovery (reimbursement to the grantor agency) of disallowed amounts incurred by subgrantees if they were not able to repay the amounts disallowed. It is the opinion of management that no grant expenditures would be disallowed.

Note 11 – Liquidity:

The Agency receives the vast majority of its funding from federal and state grants for programs. Funding provided by these grants is primarily based on reimbursements of costs incurred or unit-based funding formulas. In addition, certain grants allow for cash advances to provide cash flow. These grants fund programs, the services of which are provided by the Agency and subrecipients. Requests for reimbursement are prepared monthly by the Agency and submitted to the grantor agencies. Likewise, subrecipients provide monthly requests for reimbursement to the Agency. The Agency's contracts and agreements specifically state that subrecipients will not be reimbursed for services until the Agency receives payment from the grantor. As a result, the focus of the Agency's liquidity management is to have sufficient cash available to pay subrecipients on a timely basis. During the year ended December 31, 2025 the Agency was able to meet this objective.

Area Agency on Aging of Pasco-Pinellas, Inc.

Notes to Financial Statements – Continued
December 31, 2025

Note 11 – Liquidity - continued:

As of December 31, 2025, the following financial assets could readily be made available within one year of the balance sheet date to meet amounts due to subrecipients and other general expenditures:

Cash and cash equivalents	$ 4,261,390
Investments	3,302,676
Due from grantors	5,429,006
Total financial assets	12,993,072
Less:	
Amounts due to subrecipients	(3,810,185)
Restricted amounts	(331,636)
Net financial assets	$ 8,851,251

Note 12 – Fair Value of Financial Assets:

Certain assets of the Agency are presented at fair value. The FASB Accounting Standards Codification provides enhanced guidance for using fair value to measure assets and liabilities and clarifies the principle that fair value should be based on the assumption market participants would use when pricing the assets or liabilities and establishes a hierarchy that prioritizes the information used to develop those assumptions.

The following table presents information about the Agency assets that are measured at fair value on a recurring basis as of December 31, 2025, and indicate the fair value hierarchy of the valuation techniques used to determine such fair value. The three levels for measuring fair value are based on the reliability of inputs and are as follows:

Level 1 – unadjusted quoted prices in active markets for identical assets or liabilities, such as publicly traded equity securities. Exchange traded funds and mutual funds are valued at the closing price reported in the active markets in which the individual securities are traded.

Level 2 – inputs other than quoted prices included in level 1 that are observable, either directly or indirectly. Such inputs may include quoted prices for similar assets, observable inputs other than quoted prices (interest rates, yield curves, etc.) or inputs derived principally from or corroborated by observable market data by correlation or other means.

Level 3 – inputs are unobservable data points for the asset or liability, and include situations where there is little, if any, market activity for the asset or liability (for example, hedge funds, private equity and other). The community foundation investments are valued based on third-party pricing information without adjustment. The Agency does not develop nor are they provided with quantitative inputs used to develop the fair values.

Area Agency on Aging of Pasco-Pinellas, Inc.

Notes to Financial Statements – Continued
December 31, 2025

Note 12 – Fair Value of Financial Assets - continued:

Financial assets at fair value on a recurring basis at December 31, 2025:

		Financial Assets and Liabilities at Fair Value on a Recurring Basis at Reporting Date Using		
Description	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Community foundation	$ 907,953	-	-	907,953
Equities	153,586	153,586	-	-
Exchange traded funds	776,036	776,036	-	-
Mutual funds	1,340,171	1,340,171	-	-
Total financial assets	$ 3,177,746	2,269,793	-	907,953

The following is a reconciliation of the beginning and ending balances for assets measured at fair value on a recurring basis using significant unobservable inputs (Level 3) during the period ended December 31, 2025:

Community Foundation	
Balance – December 31, 2024	$ 852,054
Investment return, net	55,899
Balance – December 31, 2025	$ 907,953

Note 13 – Risks and Uncertainties Related to Assistance Programs:

The Agency's ability to meet community needs of the elderly population and their caregivers is influenced by Federal Older American's Act and State General Revenue funding for home and community-based services. Older adults and their caregivers rely on critical programs to be able to remain in their homes safely and independently for as long as possible. Suspension or reduction in Older American's Act funding could pose serious risks to the elderly population. Additionally, uncertainty surrounding the Older American's Act funding for home and community-based services, may result in a significant shortfall of available community resources. In the event of reduced Older American's Act program funding, the Agency may be required to spend additional funds or utilize board-designated reserves to continue serving vulnerable elderly population and meet community needs. The agency may also need to consider restructuring programs and reducing services to be able to operate within the funding constraints. Leadership continues to monitor funding developments and is evaluating strategic responses to mitigate potential impacts.

Area Agency on Aging of Pasco-Pinellas, Inc.

Notes to Financial Statements – Continued
December 31, 2025

Note 14 – Subsequent Events:

On May 18, 2026, the Agency entered into a Purchase Option Agreement with DCH West LLC to obtain an exclusive option to purchase approximately 10 acres of real property located in New Port Richey, Florida, for the development of affordable housing and related community services. The agreement was structured to comply with requirements associated with anticipated funding from the U.S. Department of Housing and Urban Development (HUD).

Other subsequent events have been evaluated through DATE, 2026, which is the date the financial statements were available to be issued.

Area Agency on Aging of Pasco-Pinellas, Inc.

Schedule of Expenditures of Federal Awards and State Financial Assistance

Year Ended December 31, 2025

FEDERAL AWARDS:	Federal CFDA Number	Contract Grant Number	Expenditures	Transfers to Subrecipients
U.S. Department of Health and Human Services Passed through the State of Florida Department of Elder Affairs				
Administration for Community Living				
Special Programs for the Aging - Title III, Part D				
Spec Prgms for the Aging -Title III, Part D I - Disease Prevention and Health Promotion Services 01/01/25-12/31/25	93.043	EA025	218,337	34,900
National Family Caregiver Support -Title III, Part E 01/01/25-12/31/25	93.052	EA025	940,265	687,974
Spec Prgms for the Aging -Title VII, Chapter 3 - Prevention of Elder Abuse, Neglect, and Exploitation 01/01/25-12/31/25	93.041	E7024	21,267	-
Administration for Community Living				
Medicare Enrollment Assistance 9/01/2024-8/31/2025	93.071	EB025	123,205	-
Medicare Enrollment Assistance 9/01/2025-8/31/2026	93.071	EB026	50,402	-
			173,607	-
Aging Cluster				
Special Programs for the Aging -Title III Admin 01/01/25-12/31/25	93.044-45	EA025	930,646	-
Special Programs for the Aging - Title III, Part B - Supportive Services and Senior Centers 01/01/25-12/31/25	93.044	EA025	3,277,338	1,975,368
Special Programs for the Aging - Title III, Part C-I - Nutrition Services 01/01/25-12/31/25	93.045	EA025	1,125,497	1,125,497
Special Programs for the Aging - Title III, Part C-II - Nutrition Services 01/01/25-12/31/25	93.045	EA025	3,001,602	3,001,602
Passed through the United State Department of Agriculture				
Nutrition Services Incentive Program 01/01/25-12/31/25	93.053	EA024	246,554	246,554
Total Aging Cluster			8,581,637	6,349,021
Total Administration for Community Living			9,935,113	7,071,895
Low-Income Home Energy Assistance Program				
Low-Income Home Energy Assistance Program 04/01/21-06/30/25	93.568	EP021	236,692	212,291
Low-Income Home Energy Assistance Program 07/30/25-06/30/26	93.568	EP025	233,692	209,974
Total Low-Income Home Energy Assistance Program			470,384	422,265
Centers for Medicare and Medicaid Services				
Medical Assistance Program				
Medical Assistance Program 7/01/23-6/30/26	93.778	EX023	288,664	
Total Medical Assistance Program			288,664	-
Centers for Medicare and Medicaid Services Research, Demonstrations and Evaluations Program				
Centers for Medicare and Medicaid Services Research, Demonstrations and Evaluations 04/01/24-03/31/25	93.779	EN024	87,160	-
Centers for Medicare and Medicaid Services Research, Demonstrations and Evaluations 04/01/25-03/31/26	93.779	EN025	259,535	-
Centers for Medicare and Medicaid Services Research, Demonstrations and Evaluations 06/01/24-05/31/25	93.048	EG024	33,687	-
Centers for Medicare and Medicaid Services Research, Demonstrations and Evaluations 06/01/25-05/31/26	93.048	EG025	67,843	-
Total Centers for Medicare and Medicaid Services Research, Demonstrations and Evaluations Program			448,225	-
Total Centers for Medicare and Medicaid Services			736,889	-
Total U.S. Department of Health and Human Services			11,142,386	7,494,160
Total Expenditures of Federal Awards			$ 11,142,386	7,494,160

See notes to Schedule of Expenditures of Federal Awards and State Financial Assistance.

Area Agency on Aging of Pasco-Pinellas, Inc.

Schedule of Expenditures of Federal Awards and State Financial Assistance - Continued
Year Ended December 31, 2025

STATE FINANCIAL ASSISTANCE:	State CFSA Number	Contract Grant Number	Expenditures	Transfers to Subrecipients
State of Florida Department of Elder Affairs				
State Matching Resources for Federal Programs				
Special Programs for the Aging -Title III Admin 01/01/25-12/31/25	65.010	EA025	$ 27,690	-
Medical Assistance Program 7/01/23-6/30/26	65.010	EX023	288,664	-
Total Medical Assistance Program			316,354	-
Community Care for the Elderly Program				
Community Care for the Elderly Program 07/01/24-06/30/25	65.010	EC024	4,360,770	3,842,628
Community Care for the Elderly Program 07/01/25-06/30/26	65.010	EC025	4,331,994	3,714,747
Total Community Care for the Elderly Program			8,692,764	7,557,375
Alzheimer's Respite Services Program				
Alzheimer's Respite Services 07/01/24-06/30/25	65.004	EZ024	1,850,305	1,660,396
Alzheimer's Respite Services 07/01/25-06/30/26	65.004	EZ025	2,018,159	1,829,536
Total Alzheimer's Respite Services Program			3,868,464	3,489,932
Local Services Program				
Local Services Program 07/01/24-06/30/25	65.009	EL024	1,889,986	1,657,116
Local Services Program 07/01/25-06/30/26	65.009	EL025	421,642	421,642
Total Local Services Program			2,311,628	2,078,758
Home Care for the Elderly Program				
Home Care for the Elderly Program 07/01/24-06/30/25	65.001	EH024	377,977	338,976
Home Care for the Elderly Program 07/01/25-06/30/26	65.001	EH025	452,978	413,977
Total Home Care for the Elderly Program			830,955	752,953
Total Expenditures of State Financial Assistance			$ 16,020,165	$ 13,879,018

See notes to Schedule of Expenditures of Federal Awards and State Financial Assistance.

Area Agency on Aging of Pasco-Pinellas, Inc.

Notes to Schedule of Expenditures of Federal Awards and State Financial Assistance

December 31, 2025

Note 1 – Basis of Presentation:

The accompanying schedule of Expenditures of Federal Awards and State Financial Assistance includes the federal and state grant activity of the Agency and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with GAAP as applicable to non-profit organizations, and the requirements of the Uniform Guidance and Chapter 10.650, *Rules of the Auditor General of the State of Florida.*

Note 2 – Indirect Cost Rate:

The Agency does not use the 10% de minimis indirect cost rate.

Note 3 – Contingency:

Expenditures as incurred by the Agency and the subrecipients are subject to audit and possible disallowances by federal and state agencies. The Agency would be responsible for recovery (reimbursement to the grantor agency) of disallowed amounts incurred by subrecipients if they were not able to repay the amounts disallowed. Management believes that, if audited, any adjustment for disallowed expenses would be immaterial.

CAVANAUGH & CO, LLP
CERTIFIED PUBLIC ACCOUNTANTS

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*

To the Board of Directors
Area Agency on Aging of Pasco-Pinellas, Inc.

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Area Agency on Aging of Pasco-Pinellas, Inc. (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 DATE, 2026.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Area Agency on Aging of Pasco-Pinellas, Inc.'s internal control over financial reporting (internal control) as a basis for designing 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 Area Agency on Aging of Pasco-Pinellas, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

Sarasota, Florida
DATE, 2026

CAVANAUGH & CO, LLP
CERTIFIED PUBLIC ACCOUNTANTS

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

To the Board of Directors
Area Agency on Aging of Pasco-Pinellas, Inc.

Report on Compliance for Each Major Federal Program and State Project

Opinion on Each Major Federal Program and State Project

We have audited Area Agency on Aging of Pasco-Pinellas, Inc.'s compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* and Chapter 10.650, Rules of the Auditor General, that could have a direct and material effect on each of Area Agency on Aging of Pasco-Pinellas, Inc.'s major federal programs and state projects for the year ended December 31, 2025. Area Agency on Aging of Pasco-Pinellas, Inc.'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.

In our opinion, Area Agency on Aging of Pasco-Pinellas, Inc. complied, in all material respects, with the types of 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; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and Chapter 10.650, Rules of the Auditor General. Our responsibilities under those standards, the Uniform Guidance and Chapter 10.650, 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 Area Agency on Aging of Pasco-Pinellas, Inc. 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 Area Agency on Aging of Pasco-Pinellas, Inc.'s compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Area Agency on Aging of Pasco-Pinellas, Inc.'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 Area Agency on Aging of Pasco-Pinellas, Inc.'s compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, the Uniform Guidance and Chapter 10.650, Rule of the Auditor General, will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Area Agency on Aging of Pasco-Pinellas, Inc.'s compliance with the requirements of each major federal program and state project as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Area Agency on Aging of Pasco-Pinellas, Inc.'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 Area Agency on Aging of Pasco-Pinellas, Inc.'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 Area Agency on Aging of Pasco-Pinellas, Inc.'s internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program 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. Accordingly, this report is not suitable for any other purpose.

Sarasota, Florida
DATE, 2026

Area Agency on Aging of Pasco-Pinellas, Inc.

Schedule of Findings and Questioned Costs -
Federal Awards and State Financial Assistance
Year Ended December 31, 2025

I. Summary of Auditor's Results

Financial Statements

1. We have audited the financial statements of Area Agency on Aging of Pasco-Pinellas, Inc. as of and for the year ended December 31, 2025 and issued an unmodified opinion.

2. Internal Control over Financial Reporting:

A. Material weaknesses identified?	No
B. Significant deficiencies identified not considered to be a material weakness?	No

3. Noncompliance material to the financial statements noted? No

Federal Awards and State Projects

4. Internal Control over Major Programs

A. Material weaknesses identified?	No
B. Significant deficiencies identified not considered to be a material weakness?	No

5. The auditor's report on compliance with requirements applicable to the major federal programs and state projects expresses an unmodified opinion.

6. Our audit disclosed no findings required to be reported related to federal programs under section 200.516 Audit findings, paragraph (a), nor did our audit disclose any findings related to state projects required to be disclosed under Chapter 10.656 Rules of the Auditor General

7. The programs/projects tested as major programs/projects included the following:

Federal Program or Cluster	CFDA Number
Department of Health and Human Services	
Aging Cluster:	
Special Programs for the Aging -Title III Admin	93.044-45
Special Programs for the Aging - Title III, Part B - Grants for Supportive Services and Senior Centers	93.044
Special Programs for the Aging - Title III, Part C - Nutrition Services	93.045

State Projects	CFSA Number
Department of Elder Affairs	
Community Care for the Elderly	65.010
Local Services Program	65.009

8. The threshold used for distinguishing Type A and Type B programs was $1,000,000 for major Federal programs and $750,000 for State projects.

Area Agency on Aging of Pasco-Pinellas, Inc.

Schedule of Findings and Questioned Costs -
Federal Awards and State Financial Assistance - Continued
Year Ended December 31, 2025

I. Summary of Auditor's Results *(continued)*

9. Area Agency on Aging of Pasco-Pinellas, Inc. qualified as a low-risk auditee under the provisions of Section 200.520, Uniform Guidance.

10. Rules of the Auditor General 10.656(3)(e) - A management letter was not required.

11 Rules of the Auditor General 10.656(3)(d)5 - There were no prior audit findings to be reported.

12 Rules of the Auditor General 10.656(3)(d)6 - No corrective action plan is required because there were no audit findings required to be reported.

II. Findings Related To The Financial Statements Required to be Reported.

None

III. Findings and Questioned Costs for Major Federal Programs and Major State Projects.

None