

Oceana County Council on Aging

FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT

Years ended December 31, 2025 and 2024

Oceana County Council on Aging

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INDEPENDENT AUDITOR'S REPORT

May 12, 2026

To the Board of Directors
Oceana County Council on Aging
Hart, MI 49420

Opinion

We have audited the accompanying financial statements of Oceana County Council on Aging (a nonprofit organization), which comprise the statements of financial position as of December 31, 2025 and December 31, 2024, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Oceana County Council on Aging as of December 31, 2025 and 2024, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 Oceana County Council on Aging 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 Oceana County Council on Aging'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 will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, 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 Oceana County Council on Aging'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 Oceana County Council on Aging'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.

Lake Michigan CPA Services, PLLC

Ludington, Michigan
May 12, 2026

Oceana County Council on Aging

Statements of Financial Position
December 31, 2025 and 2024

ASSETS

	2025	2024
CURRENT ASSETS		
Cash and cash equivalents	\$ 157,617	\$ 201,969
Investments	870,265	390,845
Accounts receivable	48,119	34,379
Prepaid expenses	23,860	17,234
Total current assets	<u>1,099,861</u>	<u>644,427</u>
NONCURRENT ASSETS		
Property and equipment		
Land	60,386	60,386
Land improvements	65,789	65,789
Buildings and improvements	1,751,854	1,751,854
Equipment	493,258	459,496
Vehicles	1,426,484	1,326,687
Less: accumulated depreciation	<u>(1,658,016)</u>	<u>(1,520,162)</u>
Property and equipment, net	<u>2,139,755</u>	<u>2,144,050</u>
Total assets	<u>\$ 3,239,616</u>	<u>\$ 2,788,477</u>

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES		
Accounts payable	\$ 2,200	\$ 7,145
Accrued payroll liabilities	53,739	50,925
Unearned revenue	91,495	47,936
Total current liabilities	<u>147,434</u>	<u>106,006</u>
NET ASSETS		
Net assets without donor restrictions	<u>3,092,182</u>	<u>2,682,471</u>
Total liabilities and net assets	<u>\$ 3,239,616</u>	<u>\$ 2,788,477</u>

The accompanying notes are an integral part of this statement.

Oceana County Council on Aging

Statements of Activities For the Years Ended December 31, 2025 and 2024

	December 31, 2025			December 31, 2024 Total
	Without donor restrictions	With donor restrictions	Total	
REVENUES				
Grants	\$ 280,651	\$ -	\$ 280,651	\$ 409,111
Contributions	111,937	-	111,937	104,445
Oceana County millage	1,581,720	-	1,581,720	1,442,613
Program service fees	346,312	-	346,312	380,752
Rental income	3,863	-	3,863	12,450
Investment income	42,699	-	42,699	81,269
Fundraising	3,862	-	3,862	10,490
Other revenues	-	-	-	8,866
Gain on sale of assets	6,682	-	6,682	-
Total revenues	2,377,726	-	2,377,726	2,449,996
 Net assets released from restrictions	 -	 -	 -	 -
 Total revenues and net assets released from restrictions	 2,377,726	 -	 2,377,726	 2,449,996
EXPENSES				
Program services				
Senior Care Services	455,854	-	455,854	413,138
Senior Center Programs	417,890	-	417,890	428,361
Transportation services	644,275	-	644,275	670,694
Supporting services				
Management and general	449,996	-	449,996	478,999
Total expenses	1,968,015	-	1,968,015	1,991,192
 Change in net assets	 409,711	 -	 409,711	 458,804
 Net assets at January 1	 2,682,471	 -	 2,682,471	 2,223,667
 Net assets at December 31	 \$ 3,092,182	 \$ -	 \$ 3,092,182	 \$ 2,682,471

The accompanying notes are an integral part of this statement.

Oceana County Council on Aging

Statements of Functional Expenses For the Year Ended December 31, 2025

	Program Services			Supporting Services	Total
	Senior Resources	Senior Programming	Transportation services	Management and general	
Compensation	\$ 335,011	\$ 235,130	\$ 254,966	\$ 252,645	\$ 1,077,752
Payroll taxes	27,455	18,991	19,412	21,308	87,166
Employee benefits	39,290	43,653	49,619	34,558	167,120
Advertising	-	-	1,037	570	1,607
Bank charges and credit card fees	-	2,200	-	1,540	3,740
Contract services	-	-	58,665	-	58,665
Depreciation	21,437	21,437	111,644	21,437	175,955
Dues, licenses, and permits	-	-	983	1,016	1,999
Gasoline	-	-	38,267	-	38,267
Insurance	2,560	-	39,938	10,520	53,018
Maintenance, repair and equipment	3,952	-	25,504	55,774	85,230
Meal and kitchen expenses	-	69,650	-	-	69,650
Office expense	-	-	-	14,292	14,292
Other expense	-	-	-	6,732	6,732
Professional fees	-	-	-	4,100	4,100
Programming expenses	4,605	16,863	-	-	21,468
Supplies	3,778	-	-	-	3,778
Travel, training and conferences	11,347	7,477	40,694	3,392	62,910
Utilities	6,419	-	3,546	22,112	32,077
Volunteer expenses	-	2,489	-	-	2,489
	<u>\$ 455,854</u>	<u>\$ 417,890</u>	<u>\$ 644,275</u>	<u>\$ 449,996</u>	<u>\$ 1,968,015</u>

The accompanying notes are an integral part of this statement.

Oceana County Council on Aging

Statements of Functional Expenses For the Year Ended December 31, 2024

	Program Services			Supporting Services		Total
	Senior Resources	Senior Programming	Transportation services	Management and general		
Compensation	\$ 327,198	\$ 235,556	\$ 244,074	\$ 226,291	\$	1,033,119
Payroll taxes	43,443	18,946	19,636	18,333		100,358
Employee benefits	14,594	40,582	41,191	50,068		146,435
Advertising	-	-	386	1,071		1,457
Bank charges and credit card fees	-	2,421	-	979		3,400
Contract services	-	-	107,050	-		107,050
Depreciation	-	-	74,130	86,460		160,590
Dues, licenses, and permits	-	-	-	1,270		1,270
Gasoline	-	-	44,240	-		44,240
Insurance	-	-	49,117	8,530		57,647
Interest	-	-	-	562		562
Maintenance, repair and equipment	3,168	-	58,119	34,085		95,372
Meal and kitchen expenses	-	77,392	-	-		77,392
Office expense	-	-	-	13,339		13,339
Other expense	1,815	-	-	10,652		12,467
Professional fees	-	-	-	4,000		4,000
Programming expenses	5,862	43,075	-	-		48,937
Travel, training and conferences	10,613	-	29,590	1,776		41,979
Utilities	6,445	-	3,161	21,583		31,189
Volunteer expenses	-	10,389	-	-		10,389
	<u>\$ 413,138</u>	<u>\$ 428,361</u>	<u>\$ 670,694</u>	<u>\$ 478,999</u>	<u>\$</u>	<u>1,991,192</u>

The accompanying notes are an integral part of this statement.

Oceana County Council on Aging

Statements of Cash Flows For the Years Ended December 31, 2025 and 2024

CASH FLOWS FROM OPERATING ACTIVITIES	2025	2024
Increase/(decrease) in net assets	\$ 409,711	\$ 458,804
Adjustments to reconcile decrease in net assets to net cash provided by operating activities:		
Gain on sale of assets	(6,682)	-
Depreciation	175,955	160,590
(Increase)/decrease in operating assets:		
Accounts receivable	(13,740)	14,228
Prepaid expenses	(6,626)	(3,185)
Increase/(decrease) in operating liabilities:		
Accounts payable	(4,945)	4,271
Accrued liabilities	2,814	(1,248)
Unearned revenue and other liabilities	43,559	23,954
Net cash provided by operating activities	<u>600,046</u>	<u>657,414</u>
 CASH FLOWS FOR CAPITAL AND INVESTING ACTIVITIES		
Proceeds from sale of assets	12,534	-
Purchase of investments	(479,420)	(269,543)
Purchase of fixed assets	(177,512)	(294,985)
Net cash used for investing activities	<u>(644,398)</u>	<u>(564,528)</u>
 CASH FLOWS FOR FINANCING ACTIVITIES		
Proceeds from/(reductions in) loan payable	<u>-</u>	<u>(46,857)</u>
 NET CHANGE IN CASH AND CASH EQUIVALENTS	(44,352)	46,029
Cash and cash equivalents at January 1	<u>201,969</u>	<u>155,940</u>
Cash and cash equivalents at December 31	<u>\$ 157,617</u>	<u>\$ 201,969</u>

Cash paid for interest was \$0 for the year ended December 31, 2025 and \$562 for the year ended December 31, 2024.

The accompanying notes are an integral part of this statement.

Oceana County Council on Aging

Notes to the Financial Statements
December 31, 2025 and 2024

Note A. Summary of significant accounting policies

Organization and basis of presentation

Oceana County Council on Aging is a non-for-profit organization located in Hart, Michigan, which provides services and programs to older adults in Oceana County. Oceana County Council on Aging serves as an information and referral center, while also providing support and advocacy to senior citizens. The Organization is incorporated under the laws of the State of Michigan and is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code, except on net income derived from unrelated business income.

The financial statements of Oceana County Council on Aging have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities. The Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. Unrestricted net assets include resources over which the Board of Directors has discretionary control. Temporarily restricted net assets are resources which are subject to donor imposed restrictions, which will be satisfied by the actions of the Organization or passage of time. Restricted contributions received in the same year in which the restrictions are met are recorded as an increase in unrestricted support at the time of receipt.

Revenues are reported as increases in unrestricted net assets unless the use of the related asset is limited by donor-imposed restrictions. Expenses are reported as decreases in unrestricted net assets. Gains and losses are reported as increases or decreases in unrestricted net assets unless their use is restricted by explicit donor stipulation or by law. Expirations of temporary restrictions on net assets are reported as reclassifications between the applicable classes of net assets.

Program activities

Oceana County Council on Aging was created for the purpose of providing services and assistance to area seniors, including senior meals, healthcare clinics, homemaking assistance, personal care services, nutritional education, senior trips, recreational and educational activities, transportation, and social events. Program activity costs include the cost of food for senior meals, programming expenses, fuel for transportation vehicles, compensation for direct care workers, and other direct expenses.

Oceana County Council on Aging

Notes to the Financial Statements
December 31, 2025 and 2024

Cash and Cash Equivalents

For purposes of the Statement of Cash Flows, the Organization considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

Accounts Receivable

Accounts receivable are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a provision for bad debt expense and an adjustment to a valuation allowance based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable. Changes in the valuation allowance have not been material to the financial statements.

Promises to Give

Unconditional promises to give are recognized as revenues or gains in the period received and as assets, decreases of liabilities, or expenses depending on the form of the benefits received. Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promises become unconditional.

Property and Equipment

All acquisitions of property and equipment and all expenditures for repairs, maintenance, renewals, and betterments that materially prolong the useful lives of assets are capitalized. Property and equipment are carried at cost or, if donated, at the approximate fair value at the date of donation. Depreciation is computed using the straight-line method over the estimated useful life of the asset as follows:

	<u>Years</u>
Building improvements	15-25
Equipment	5-15
Vehicles	7

It is not the Organization's policy to imply time restrictions expiring over the useful life of the donated asset. In the absence of donor-imposed restrictions on the use of the asset, gifts of long-lived assets are reported as unrestricted support.

Oceana County Council on Aging

Notes to the Financial Statements
December 31, 2025 and 2024

Donated Services

No amounts have been reflected in the financial statements for donated services. The Organization generally pays for services requiring specific expertise. However, many individuals volunteer their time and perform a variety of tasks that assist the Organization with specific assistance programs, solicitations, and various committee assignments.

Advertising

The Organization uses advertising to promote its programs to the clients it serves. The costs of advertising are expensed as incurred. For the years ended December 31, 2025 and 2024, advertising costs totaled \$1,607 and \$1,457, respectively.

Expense Allocation

Directly identifiable expenses are charged to programs and supporting services. Expenses related to more than one function are charged to programs and supporting services on the basis of periodic time and expense studies. Management and general expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Organization.

Estimates

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could differ from those estimates.

Note B. Cash and Investments

Financial instruments that potentially subject the Organization to concentrations of credit risk consist of cash deposits. The Organization maintains its cash balances with two financial institutions. As of December 31, 2025, all of the Council's cash balances of \$157,617 were insured by the Federal Deposit Insurance Corporation. As of December 31, 2024, \$201,969 of the Council's cash balances were insured by the Federal Deposit Insurance Corporation.

Oceana County Council on Aging

Notes to the Financial Statements
December 31, 2025 and 2024

As of December 31, 2025, the Organization had the following investments:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Fitch Rating</u>	<u>Percent</u>
External investment pool – Michigan CLASS	\$870,265	AAA-V1	100%

As of December 31, 2024, the Organization had the following investments:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Fitch Rating</u>	<u>Percent</u>
External investment pool – Michigan CLASS	\$390,845	AAA-V1	100%

The Organization invests excess funds in an external investment pool, as evidenced by shares owned in the MBIA Michigan CLASS investment pool. The pool invests in a portfolio of investments legally permissible for Michigan local units of government, as the title is held in Oceana County’s name and the Organization has a designed fund within Oceana County for taxes collected by the County on behalf of the Organization.

Note C. Endowment Fund

The Organization has an endowment fund with the Community Foundation of Oceana County. The Oceana County Council on Aging Fund was established in 2010 to receive contributions. The agreement with the Community Foundation of Oceana County allows income and a portion of the principal be used for the Organization’s general operations. The Boards of Trustees of the Community Foundation for Oceana County has the power to modify any restriction or condition on the distribution of funds for any specified charitable purpose or to a specified organization if, in the sole judgment of the Boards, such restriction or condition becomes, in effect, unnecessary, incapable of fulfillment, or inconsistent with the charitable needs of the community served. The authority to modify restrictions is sometimes referred to as “variance power” and is a legal standard imposed on all community foundations.

Oceana County Council on Aging

Notes to the Financial Statements
December 31, 2025 and 2024

The Community Foundation invests the contributions in various types of marketable equity and debt securities, U.S. Treasuries, commercial paper, and certificates of deposit. The majority of investments are uninsured and uncollateralized. Contributions to endowment funds made by third party donors have been excluded from the unrestricted assets of the Organization. A summary of the revenues, expenses, and changes in net assets at fair value of the fund, exclusive of the unrestricted assets in the financial statements for the years ended December 31, 2025 and December 31, 2024 follows:

	Year ended December 31, 2025	Year ended December 31, 2024
Revenues		
Contributions	\$ 2,413	\$ 300
Dividends and interest	872	717
Investment gains and losses	4,716	2,370
Total revenues	<u>8,001</u>	<u>3,387</u>
Expenses		
Grants awarded	1,042	1,054
Investment and management fees	372	331
Total expenses	<u>1,414</u>	<u>1,385</u>
Revenues over/(under) expenses	6,587	2,002
Net assets, January 1	29,171	27,169
Net assets, December 31	<u>\$ 35,758</u>	<u>\$ 29,171</u>

Note D. Liquidity and Availability

The financial assets as of December 31, 2025 and December 31, 2024, which were available for general expenses within one year of the Statement of Financial Position date, were comprised of the following:

	<u>12/31/25</u>	<u>12/31/24</u>
Cash and cash equivalents	\$ 157,617	\$ 201,969
Investments	870,265	390,845
Receivables	<u>48,119</u>	<u>34,379</u>
Total	<u>\$1,076,001</u>	<u>\$ 627,193</u>

Oceana County Council on Aging

Notes to the Financial Statements
December 31, 2025 and 2024

Note E. Oceana County Millage Support

The Organization receives the majority of its support from Oceana County taxpayers through an operating millage levy of 1 mill on taxable value of \$1,606,470,561. The net tax support for the year ended December 31, 2025 was \$1,581,720. The net tax support for the year ended December 31, 2024 was \$1,442,613.

Note F. Land, Buildings, and Equipment

Fixed asset activity for the year ended December 31, 2025 was as follows:

	Balance January 1, 2025	Additions	Dispositions	Balance December 31, 2025
Land	\$ 60,386	\$ -	\$ -	\$ 60,386
Depreciable assets				
Equipment and furniture	459,496	33,762	-	493,258
Land improvements	65,789	-	-	65,789
Vehicles	1,326,687	143,750	43,953	1,426,484
Building and improvements	1,751,854	-	-	1,751,854
Total	<u>3,603,826</u>	<u>177,512</u>	<u>43,953</u>	<u>3,737,385</u>
Less accumulated depreciation				
Equipment and furniture	340,927	30,690	-	371,617
Land improvements	12,692	4,386	-	17,078
Vehicles	896,563	90,206	38,101	948,668
Building and improvements	269,980	50,673	-	320,653
Total accumulated depreciation	<u>1,520,162</u>	<u>175,955</u>	<u>38,101</u>	<u>1,658,016</u>
Total land, equipment and furniture, vehicles and buildings, net	<u>\$ 2,144,050</u>	<u>\$ 1,557</u>	<u>\$ 5,852</u>	<u>\$ 2,139,755</u>

Oceana County Council on Aging

Notes to the Financial Statements
December 31, 2025 and 2024

Fixed asset activity for the year ended December 31, 2024 was as follows:

	Balance January 1, 2024	Additions	Dispositions	Balance December 31, 2024
Land	\$ 60,386	\$ -	\$ -	\$ 60,386
Depreciable assets				
Equipment and furniture	416,629	42,867	-	459,496
Land improvements	65,789	-	-	65,789
Vehicles	1,075,969	250,718		1,326,687
Building and improvements	1,750,454	1,400	-	1,751,854
Total	<u>3,308,841</u>	<u>294,985</u>	<u>-</u>	<u>3,603,826</u>
Less accumulated depreciation				
Equipment and furniture	310,700	30,227	-	340,927
Land improvements	8,306	4,386	-	12,692
Vehicles	822,433	74,130		896,563
Building and improvements	218,133	51,847	-	269,980
Total accumulated depreciation	<u>1,359,572</u>	<u>160,590</u>	<u>-</u>	<u>1,520,162</u>
Total land, equipment and furniture, vehicles and buildings, net	<u>\$ 2,009,655</u>	<u>\$ 134,395</u>	<u>\$ -</u>	<u>\$ 2,144,050</u>

Note G. Retirement Plan

The Organization sponsors a Simple Retirement Plan, which covers all employees of the Organization. Employees may make contributions to the plan up to the maximum amount allowed by the Internal Revenue Code. The Organization matches up to 3% of wages for eligible employees up to \$6,000 per year. For the years ended December 31, 2025 and 2024, the Organization contributed \$22,348, and \$23,010, respectively, to the Simple Retirement Plan.

Note H. Grant awards

Financial awards from federal, state, and local governmental entities in the form of grants are subject to special audit. Such audits could result in claims against the Organization for disallowed costs or noncompliance with grantor restrictions. No provision has been made for any liabilities that may arise from such audits since the amounts, if any, cannot be determined at this date.

Oceana County Council on Aging

Notes to the Financial Statements
December 31, 2025 and 2024

Note I. Date of management review

In preparing the financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through May 12, 2026, the date the financial statements were available to be issued.