

North Central Area Agency on Aging, Inc.

Restated Financial Statements

*Years ended September 30, 2024 and 2023
With Independent Auditors' Report and
Report in Accordance with Government Audit Standards,
the Uniform Guidance, and State Single Audit Act*



EXPERIENCE THAT COUNTS
ASSURANCE · TAX · ADVISORY SERVICES

North Central Area Agency on Aging, Inc.

Contents

Years ended September 30, 2024 and 2023

Independent Auditors' Report.....	1
Restated Financial Statements	
Statements of Financial Position.....	4
Statements of Activities	5
Statements of Functional Expenses	6
Statements of Cash Flows.....	8
Notes to Restated Financial Statements.....	9
Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i> (Restated)	15
Independent Auditors' Report on Compliance for Each Major State Program; Report on Internal Control over Compliance; and Report on the Schedule of Expenditures of State Financial Assistance Required by the State Single Audit Act (Restated)	17
Schedule of Expenditures of State Financial Assistance	22
Notes to Schedule of Expenditures of State Financial Assistance.....	23
Schedule of Findings and Questioned Costs.....	25
Independent Auditors' Report on Compliance for Each Major Federal Program; Report on Internal Control over Compliance; and Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance (Restated)	31
Schedule of Expenditures of Federal Awards.....	35
Notes to Schedule of Expenditures of Federal Awards	36
Schedule of Findings and Questioned Costs.....	39



Independent Auditors' Report (Restated)

Board of Directors
North Central Area Agency on Aging, Inc.

Report on the Financial Statements

Opinion

We have audited the accompanying financial statements (as restated) of North Central Area Agency on Aging, Inc. (the Agency), a not-for-profit organization, which comprise the statements of financial position as of September 30, 2024 and 2023, 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 North Central Area Agency on Aging, Inc. at September 30, 2024 and 2023, 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.

Emphasis of Matter – Restatement

As discussed in Note 2 to the financial statements, the Agency has restated its financial statements as of and for the year ended September 30, 2024, to correct a material misstatement. Our opinion is not modified with respect to this matter.

Basis for Opinion

We conducted our audits 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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Agency and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

Independent Auditors' Report (Restated) (continued)

Responsibilities of Management for the Financial Statements (continued)

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

Independent Auditors' Report (Restated) (continued)

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated September 15, 2025, restated on September 23, 2026 on our consideration of North Central Area Agency on Aging's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, 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 North Central Area Agency on Aging' 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 North Central Area Agency on Aging's internal control over financial reporting and compliance.

Fiondella, Milone & LaSaracina LLP

Glastonbury, Connecticut
September 15, 2025 except for information in Note 2
Restated September 23, 2026

North Central Connecticut Area Agency on Aging, Inc.
Statements of Financial Position (Restated)
As of September 30, 2024 and 2023

	2024	2023
Assets		
Cash	\$ 733,300	\$ 373,692
Grants receivable	1,406,208	4,380,454
Other assets	5,658	3,600
Right-of-use	42,231	92,612
Total assets	<u>\$ 2,187,397</u>	<u>\$ 4,850,358</u>
Liabilities and net assets		
Liabilities		
Grants payable to subgrantees	\$ 799,194	\$ 1,831,559
Refundable advance	1,129,988	2,727,760
Operating lease liability	42,231	92,612
Total liabilities	<u>1,971,413</u>	<u>4,651,931</u>
Net assets		
Net assets without donor restrictions	215,984	198,427
Total liabilities and net assets	<u>\$ 2,187,397</u>	<u>\$ 4,850,358</u>

See accompanying notes

North Central Connecticut Area Agency on Aging, Inc.
Statements of Activities (Restated)

For the years ended September 30, 2024 and 2023

	2024		2023
Support and Revenue			
Government grants	9,674,442	\$	6,494,250
Program fee income	37,855		95,372
Miscellaneous income	16,284		8,601
Total revenue	<u>9,728,581</u>		<u>6,598,223</u>
Expenses			
Program services	8,793,048		5,808,023
Management and general	917,976		789,357
Total expenses	<u>9,711,024</u>		<u>6,597,380</u>
Change in net assets	17,557		843
Net assets - beginning of year	<u>198,427</u>		<u>197,584</u>
Net assets - end of year	<u>\$ 215,984</u>	\$	<u>198,427</u>

See accompanying notes

North Central Connecticut Area Agency on Aging, Inc.
Statement of Functional Expenses (Restated)
For the year ended September 30, 2024

	<u>Program Services</u>		<u>Total</u>		
	<u>Social Services</u>	<u>Nutrition</u>	<u>Program Expense</u>	<u>Administration</u>	<u>Total</u>
Personnel:					
Wages	\$ 816,054	\$ 27,754	\$ 843,808	\$ 475,010	\$ 1,318,818
Employee benefits and taxes	161,693	5,273	166,966	119,582	286,548
Total personnel	977,747	33,027	1,010,774	594,592	1,605,366
Subgrantees and subcontractors	3,470,457	4,146,362	7,616,819	-	7,616,819
Professional fees	37,751	-	37,751	163,857	201,608
Equipment rental and maintenance	16,982	-	16,982	52,553	69,535
Occupancy	45,401	-	45,401	22,986	68,387
Printing and publications	5,811	-	5,811	27,988	33,799
Insurance	11,375	-	11,375	19,469	30,844
Travel	13,539	-	13,539	12,775	26,314
Telephone	18,161	-	18,161	3,572	21,733
Supplies	5,808	-	5,808	13,832	19,640
Dues and subscriptions	10,627	-	10,627	6,352	16,979
	<u>\$ 4,613,659</u>	<u>\$ 4,179,389</u>	<u>\$ 8,793,048</u>	<u>\$ 917,976</u>	<u>\$ 9,711,024</u>

See accompanying notes

North Central Connecticut Area Agency on Aging, Inc.
Statement of Functional Expenses
For the year ended September 30, 2023

	<u>Program Services</u>		<u>Total</u>		<u>Total</u>
	<u>Social Services</u>	<u>Nutrition</u>	<u>Program Expense</u>	<u>Administration</u>	
Personnel:					
Wages	\$ 741,381	\$ 12,378	\$ 753,759	\$ 484,086	\$ 1,237,845
Employee benefits and taxes	138,058	2,353	140,411	94,896	235,307
Total personnel	879,439	14,732	894,171	578,981	1,473,152
Subgrantees and subcontractors	2,835,378	1,981,843	4,817,221	-	4,817,221
Professional fees	-	-	-	41,015	41,015
Audit	8,108	-	8,108	27,249	35,357
Equipment rental and maintenance	373	-	373	54,839	55,212
Occupancy	35,928	-	35,928	16,450	52,378
Printing and publications	3,992	-	3,992	8,407	12,399
Insurance	17,047	-	17,047	8,396	25,443
Travel	3,004	-	3,004	14,060	17,064
Telephone	15,583	-	15,583	4,452	20,035
Supplies	3,451	-	3,451	8,989	12,440
Dues and subscriptions	9,146	-	9,146	26,518	35,664
	<u>\$ 3,811,449</u>	<u>\$ 1,996,575</u>	<u>\$ 5,808,023</u>	<u>\$ 789,357</u>	<u>\$ 6,597,380</u>

See accompanying notes

North Central Connecticut Area Agency on Aging, Inc.
Statements of Cash Flows (Restated)
Years Ended September 30, 2024 and 2023

	2024	2023
Cash flows from operating activities:		
Change in net assets	\$ 17,557	\$ 843
Reduction in carrying amount of right of use asset	50,381	50,060
Changes in assets and liabilities		
Grants receivable	2,974,246	(1,672,498)
Other assets	(2,058)	-
Grants payable to subgrantees	(1,032,365)	528,875
Refundable advance	(1,597,772)	946,373
Operating lease liability	(50,381)	(50,060)
Net cash provided by (used in) operating activities	359,608	(196,407)
Net change in cash	359,608	(196,407)
Cash - beginning of year	373,692	570,099
Cash - end of year	\$ 733,300	\$ 373,692
Implementation of ASC 842 Leases	\$ -	\$ 142,672

See accompanying notes

North Central Area Agency on Aging, Inc.
Notes to Financial Statements (Restated)
Years ended September 30, 2024 and 2023

1. Organization

North Central Area Agency on Aging, Inc. (the Agency) was created to administer Federal and State grants for programs funded under Title III of the Older Americans Act. The Agency awards grants to other agencies (subgrantees) for the purpose of providing social services and nutrition programs for the elderly in the North Central Connecticut area.

2. Restatement

Management has identified that the September 30, 2024, financial statements originally issued on September 15, 2025, contained misallocated entries between contracts, specifically regarding allocations between ARPA (American Rescue Plan Act) funding and original contracts with the Department of Aging and Disability Services. The misallocation occurred because many of the contracts were intended to support the same program and mission, but the expenditures were incorrectly distributed between the contracts. As a result, some contracts appeared to be overspent while others appeared underspent. This imbalance led to an inaccurate reduction in available funding, distorting the financial picture presented in the previously issued September 30, 2024, statements. The restatement corrects these allocation errors to ensure that the financial statements accurately reflect the actual distribution of funds across contracts in compliance with GAAP.

	Balance As Originally Reported	Balance Restated	Change
Grant receivable	\$ 3,016,431	\$ 1,406,208	\$ (1,610,223)
Total assets	3,797,620	2,187,397	(1,610,223)
Refundable advances	2,973,840	1,129,988	(1,843,852)
Total liabilities	3,815,264	1,971,413	(1,843,852)
Net assets	(17,644)	215,984	233,628
Government grants	9,401,632	9,674,442	272,810
Expenses	9,671,843	9,711,024	(39,181)
Change in net assets	(216,071)	17,557	233,628

North Central Area Agency on Aging, Inc.
Notes to Financial Statements (Restated) (continued)

3. Summary of Significant Accounting Policies

Basis of Presentation

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP). The Agency reports information regarding its financial position and activities according to two classes of net assets: Without donor restrictions and With donor restrictions. They are described as follows:

Without donor restrictions - Net assets that are not subject to donor-imposed restrictions. These funds are available for general operating purposes and/or to use at the discretion of the Board of Directors. From time to time the Board designates a portion of these net assets for specific purposes which makes them unavailable for general use by Management.

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

Use of Estimates

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

Grants and Accounts Receivable

Grants and accounts receivable, which principally represent monies due from grantors and other third parties, are stated net of an allowance for doubtful accounts (estimates for credit losses) when applicable. Estimates for credit losses are determined by management based on an assessment of their collectability. Management considers past history, current economic conditions and overall viability of the third party when considering estimates for credit losses. Receivables are written off when management determines amounts will not be collected.

Revenue Recognition

Program Fees

Program service fees are recognized and billed when services are performed.

North Central Area Agency on Aging, Inc.
Notes to Financial Statements (Restated) (continued)

3. Summary of Significant Accounting Policies (continued)

Revenue Recognition (continued)

Grants

The Agency receives grant and contract funding from various federal, state, and local governments to provide a variety of program services to the public based on specific requirements included in the agreement, including eligibility, procurement, reimbursement, staffing and other requirements. Such government grants and contracts are nonreciprocal transactions and include conditions stipulated by the government agencies and are, therefore, accounted for as conditional contributions. Public support is recognized as conditions are satisfied, primarily as expenses are incurred. Receipts of grant awards in advance, which are payable back to the funding agency if not used, are classified as refundable advance in the accompanying statements of financial position.

Expenses by Function

The costs of providing various programs and activities have been summarized on a functional basis in the accompanying statements of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Wages, benefits, payroll taxes, subgrantees and program fees are allocated by time and effort. All other expenses are allocated by percentage of employees per program.

Leases

Short Term Leases - Short term leases are expensed on a straight-line basis over the lease term, with differences between lease payments and lease expenses being recorded to deferred rent.

Operating Leases - Operating leases are recorded through a right-of-use asset and lease liability on the statements of financial position. The lease liability is recorded at a present value using the risk-free discount rate (or rate implicit in the lease). The lease liability is reduced as lease payments are made throughout the life of the lease. The ROU asset are reduced as lease expense is recognized on a straight- line basis throughout the life of the lease. The total lease expense is equal to the total lease component payments made for the lease.

Finance Leases - Finance leases are recorded through a right-of-use asset and lease liability on the statements of financial position (same as operating leases). The lease liability is recorded at a present value with a risk-free discount rate (or rate implicit in the lease). The lease liability is reduced as lease payments are made throughout the life of the lease. The initial right-of-use asset value is amortized over the life of the lease on a straight-line basis. Interest expense is recognized based on the lease liability and the rate used. The sum of the right-of-use amortization and the lease expense will equal the total lease component payments made for the lease.

North Central Area Agency on Aging, Inc.
Notes to Financial Statements (Restated) (continued)

3. Summary of Significant Accounting Policies (continued)

Leases (continued)

Variable Payments - Variable lease payments are recognized as lease expenses in the period in which they are incurred.

The Agency has elected to not separate lease and nonlease components. The Agency accounts for lease and nonlease components as a single combined lease component.

The Agency has elected (by asset class) not to record on the statements of financial position a lease whose term is 12 months or less and does not include a purchase option that the lessee is reasonably certain to exercise.

The Agency has elected to use a risk-free discount rate when determining the present value of the lease payments for purposes of calculating the ROU asset and lease liability. The Agency has elected to use hindsight in determining the lease term, including lease renewal, termination, and purchase options, as well as in assessing any impairment of the ROU asset by taking into consideration all available information prior to the effective date but not the events or circumstances after the effective date.

4. Right-of-Use Assets and Lease Liabilities

The Agency determines if an arrangement is a lease at inception. Operating leases consisting of one facility agreement is included in operating lease ROU assets and operating lease liabilities in the Agency's statements 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 arising from the lease. The Agency has a facility agreement effective August 1, 2020 through July 31, 2025. Rent expense for the years ended September 30, 2024 and 2023 was \$50,799 and \$50,978, respectively.

Supplemental statement of financial position information related to leases were as follows at September 30:

	2024	2023
Operating lease ROU assets	\$ 142,672	\$ 142,672
Accumulated amortization	(100,441)	(50,060)
Net operating ROU assets	<u>\$ 42,231</u>	<u>\$ 92,612</u>
Operating lease liabilities:		
Current operating liabilities	\$ 42,231	\$ 50,381
Noncurrent operating lease liabilities	-	42,231
Total operating lease liabilities	<u>\$ 42,231</u>	<u>\$ 92,612</u>

North Central Area Agency on Aging, Inc.
Notes to Financial Statements (Restated) (continued)

4. Right-of-Use Assets and Lease Liabilities (continued)

	2024	2023
Weighted average remaining lease term – operating leases	.8 years	1.8 years
Weighted average discount rate – operating leases	0.64 %	0.64%

Maturities of lease liabilities under lease agreements are as follows for the years ended December 31:

2025	\$ 42,333
Total future undiscounted lease payments	42,333
Less: interest	(102)
Present value of lease liabilities	<u>\$ 42,231</u>

5. Employee Retirement Plan

The Agency has a 403(b) thrift plan (the Plan). The Plan covers all employees who have completed one year of service, worked 1,000 hours during the year and have attained age 21. Employer contributions are made based on a percentage of employee compensation. The Agency's contributions to the years ended September 30, 2024 and 2023, were \$125,136 and \$95,729, respectively.

6. Concentrations and Uncertainties

Cash and Cash Equivalents

The Agency maintains cash balances at a financial institutions located in Connecticut. At various times during the year, cash held at the Agency's banking institutions may exceed the federally insured limits.

Revenue

The Agency's income is derived from Federal and State grants which are renewed on an annual basis. Grants require the fulfillment of certain conditions as set forth in the grant. Failure to fulfill the conditions can result in the return of funds to the grantors. Management believes that the conditions of the grants will be fulfilled.

Grant revenue earned from the Federal Contracts represents 72% and 84% of total revenue for the years September 30, 2024 and 2023, respectively. State of Connecticut represented 28% and 15% of total revenues for the years ended September 30, 2024 and 2023, respectively. Reduction of this support would have a significant effect on the Agency's programs and activities.

North Central Area Agency on Aging, Inc.
Notes to Financial Statements (Restated) (continued)

7. Income Taxes

The Agency has received an exemption from the Internal Revenue Service (IRS) from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. The Agency is required to make the appropriate tax payments on any income considered unrelated to its exempt purpose.

Management of the Agency evaluates all significant tax positions required by accounting principles generally accepted in the United States of America. At September 31, 2024 and 2023, management does not believe that it has taken any tax position that would require the recording of any additional tax liability nor does it believe that there are any unrealized tax benefits that would either increase or decrease within the next twelve months.

The Agency's tax returns are subject to examination by the appropriate taxing jurisdictions. The Agency is subject to tax examinations for three years.

8. Liquidity and Availability

The Agency manages its liquidity by preparing annual budgets that provide sufficient funds to operate within a prudent range of financial soundness and stability and meet other obligations as they become due. The availability of liquid funds to meet general expenditures is subject to the government funding the programs. At this time, the Agency anticipates there being sufficient liquidity to meet its general expenditures as contracts have been executed through September 30, 2027.

The Agency's financial assets to meet general expenditures available in the next 12 months are not limited through board designations or restricted net assets. Total liquid assets available at September 30, 2024 and 2023, was \$2,139,508 and \$4,754,146, respectively.

9. Subsequent Events

The Agency monitored and evaluated any subsequent events for footnote disclosures or adjustments required in its financial statements for the year ended September 30, 2024 through September 23, 2026, the date on which financial statements were available to be issued.

The Agency entered into a new lease agreement effective August 1, 2025 through July 31, 2028 with escalating monthly rental payment of \$4,300 to \$4,430.

**II. Reports in Accordance with *Government Auditing Standards*
and the *State Single Audit Act***



Independent Auditors' Report on Internal Control over Financial Reporting and on
Compliance and Other Matters Based on an Audit of Financial Statements
Performed in Accordance with *Government Auditing Standards* (Restated)

Board of Directors
North Central Area Agency on Aging, Inc.
Hartford, Connecticut

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 North Central Area Agency on Aging, Inc., which comprise the statement of financial position as of September 30, 2024, and the related statements of activities, 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 September 15, 2025, restated September 23, 2026.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered North Central Area Agency on Aging, Inc.'s internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of North Central Area Agency on Aging, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of North Central Area Agency on Aging, Inc.'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 the 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as item 2024-001 that we consider to be material weaknesses.

Independent Auditors' Report on Internal Control over Financial Reporting and on
Compliance and Other Matters Based on an Audit of Financial Statements
Performed in Accordance with *Government Auditing Standards* (Restated)
(continued)

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether North Central Area Agency on Aging, 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 instances of noncompliance or other matters that are required to be reported *under Government Auditing Standards*, and which are described in the accompanying schedule of findings and questioned costs as item 2024-001.

North Central Area Agency on Aging, Inc's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the North Central Area Agency on Aging, Inc's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. North Central Area Agency on Aging, Inc's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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 North Central Area Agency on Aging's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering North Central Area Agency on Aging, Inc's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Fiondella, Milone & LaSaracina LLP

Glastonbury, Connecticut
September 15, 2025 except for information in Note 2
Restated September 23, 2026

**Reports in Accordance with
Connecticut State Single Audit Act**



Independent Auditors' Report on Compliance for Each Major State Program;
Report on Internal Control over Compliance; and Report on the Schedule of
Expenditures of State Financial Assistance Required by the State Single Audit Act
(Restated)

Board of Directors
North Central Area Agency on Aging Hartford, Connecticut

Report on Compliance for Each Major State Program

Qualified Opinion

We have audited North Central Area Agency on Aging's compliance with the types of compliance requirements described in the Office of Policy and Management's *Compliance Supplement* that could have a direct and material effect on each of North Central Area Agency on Aging's major state programs for the year ended September 30, 2024. North Central Area Agency on Aging's major state programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Qualified Opinion on Major Programs

In our opinion, except for the noncompliance described in the Basis for Qualified Opinion paragraph, North Central Area Agency on Aging complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on area agencies on Elderly Nutrition & Discretionary programs for the year ended September 30, 2024.

Basis for Qualified Opinion on Major Program

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 State Single Audit Act (C.G.S. Sections 4-230 to 4-236). Our responsibilities under those standards and the State Single Audit Act are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of North Central Area Agency on Aging, 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 state program. Our audit does not provide a legal determination of North Central Area Agency on Aging, Inc.'s compliance with the compliance requirements referred to above.



Independent Auditors' Report on Compliance for Each Major State Program;
Report on Internal Control over Compliance; and Report on the Schedule of
Expenditures of State Financial Assistance Required by the State Single Audit Act
(Restated) (continued)

Matters Giving Rise to Qualified Opinion on Major Program

As described in the accompanying schedule of findings and questioned costs, North Central Area Agency on Aging, Inc. did not comply with requirements regarding reporting as described in finding numbers 2024-002, 2024-003 and 2024-004.

Compliance with such requirements is necessary, in our opinion, for North Central Area Agency on Aging, Inc. to comply with the requirements applicable to those programs.

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 North Central Area Agency on Aging, Inc.'s state programs.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on for North Central Area Agency on Aging, 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 GAAS, *Government Auditing Standards*, and the State Single Audit 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 North Central Area Agency on Aging, Inc.'s compliance with the requirements of each major state program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the State Single Audit Act, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.



Independent Auditors' Report on Compliance for Each Major State Program;
Report on Internal Control over Compliance; and Report on the Schedule of
Expenditures of State Financial Assistance Required by the State Single Audit Act
(Restated) (continued)

Auditors' Responsibilities for the Audit of Compliance (continued)

- 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 about North Central Area Agency on Aging, 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 about North Central Area Agency on Aging, 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 State Single Audit Act, but not for the purpose of expressing an opinion on the effectiveness of about North Central Area Agency on Aging, 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

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be material weaknesses.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a state 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 state program will not be prevented or detected and corrected on a timely basis. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2024-002, 2024-003 and 2024-004 to be material weaknesses.



Independent Auditors' Report on Compliance for Each Major State Program;
Report on Internal Control over Compliance; and Report on the Schedule of
Expenditures of State Financial Assistance Required by the State Single Audit Act
(Restated) (continued)

Report on Internal Control over Compliance (continued)

A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a state 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 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.

Government Auditing Standards requires the auditor to perform limited procedures on North Central Area Agency on Aging, Inc.'s response to the noncompliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. North Central Area Agency on Aging, Inc.'s response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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 State Single Audit Act. Accordingly, this report is not suitable for any other purpose.

Other Matters

Restatement

The Schedule of Expenditures of State Financial Assistance for the year ended September 30, 2024, has been restated, as discussed in Note 2 to the Schedule of Expenditures of State Financial Assistance, to correct an error in the reporting of federal program expenditures. Our audit of compliance for the year ended September 30, 2024, was not affected by this restatement.



Independent Auditors' Report on Compliance for Each Major State Program;
Report on Internal Control over Compliance; and Report on the Schedule of
Expenditures of State Financial Assistance Required by the State Single Audit Act
(Restated) (continued)

**Report on Schedule of Expenditures of State Financial Assistance Required by the
State Single Audit Act**

We have audited the financial statements of North Central Area Agency on Aging as of and for the year ended September 30, 2024, and have issued our report thereon dated September 15, 2025, Restated September 23, 2026, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of state financial assistance is presented for purposes of additional analysis as required by the State Single Audit Act 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 state financial assistance is fairly stated in all material respects in relation to the basic financial statements as a whole.

Fiondella, Milone & LaSaracina LLP

Glastonbury, Connecticut
September 15, 2025 except for information in Note 2
Restated September 23, 2026



North Central Area Agency on Aging, Inc.
Schedule of Expenditures of State Financial Assistance (Restated)
For the Fiscal Year Ended September 30, 2024

State Grantor/Program Title	State Grant Program CORE CT Number	Passed through to Subrecipients	Expenditures
Department of Aging and Disability Services			
Area Agencies on Aging			
Elderly Nutrition & Discretionary	11000-SDR63901-16278-10105	\$ 1,090,029	\$ 1,745,310
Statewide Respite Care	11000-SDR63901-16260-10402	347,272	439,199
Choices- Support	11000-SDR62500-16260-52991	-	228,104
State Navigator	11000-SDR62500-16260-10727	-	95,789
Federal Title III Match	11000-SDR63901-16260-17025	102,527	102,527
Alzheimer's Aide	11000-SDR63901-16260-10403	37,998	37,998
Area Agency on Aging			
Administrative Funding	11000-SDR63901-16260-10601	-	42,375
Health Promotion Services	11000-SDR63901-16260-10305	-	8,016
Total State Financial Assistance		<u>\$ 1,577,826</u>	<u>\$ 2,699,318</u>

The accompanying notes are an integral part of this schedule.

North Central Area Agency on Aging, Inc.
Notes to Schedule of Expenditures of State Financial Assistance
for the Year Ended September 30, 2024 (Restated)

1. Summary of Significant Accounting Policies

Basis of Presentation

The accompanying schedule of expenditures of state financial assistance (the Schedule) includes the state grant activity of North Central Area Agency on Aging under programs of the State of Connecticut for the year ended September 30, 2024. Various departments and agencies of the State of Connecticut have provided financial assistance through grants and other authorizations in accordance with the General Statutes of the State of Connecticut. Because the Schedule presents only a selected portion of the operations of North Central Area Agency on Aging, it is not intended to, and does not, present the financial position, changes in fund balance, changes in net position or cash flows of North Central Area Agency on Aging.

Basis of Accounting

The accounting policies of North Central Area Agency on Aging conform to accounting principles generally accepted (GAAP) in the United States of America as applicable to not-for-profit organizations. The information in the Schedule is presented based upon regulations established by the State of Connecticut, Office of Policy and Management.

Expenditures reported on the Schedule are presented on the modified accrual basis of accounting. In accordance with Section 4-236-22 of the Regulations to the State Single Audit Act, certain grants are not dependent on expenditure activity and, accordingly, are considered to be expended in the fiscal year of receipt. These grant program receipts are reflected in the expenditures column of the Schedule.

2. Restatement

Management has identified that the September 30, 2024, Schedule of Expenditures of State Financial Assistance originally issued on September 15, 2025, contained misallocated entries between contracts, specifically regarding allocations between ARPA (American Rescue Plan Act) funding and original contracts with the Department of Aging and Disability Services. The misallocation occurred because many of the contracts were intended to support the same program and mission, but the expenditures were incorrectly distributed between the contracts. As a result, some contracts appeared to be overspent while others appeared underspent. This imbalance led to an inaccurate reduction in available funding, distorting the financial picture presented in the previously issued September 30, 2024, statements. The restatement corrects these allocation errors to ensure that the Schedule of Expenditures of State Financial Assistance accurately reflect the actual distribution of funds across contracts in compliance with GAAP.

North Central Area Agency on Aging, Inc.
Notes to Schedule of Expenditures of State Financial Assistance
for the Year Ended September 30, 2024 (Restated)

2. Restatement (continued)

As originally stated,:

State Grantor/Program Title	State Grant Program CORE CT Number	As Originally Stated Passed through to Subrecipients	As Originally Stated, Expenditures
Department of Aging and Disability Services Area Agencies on Aging			
Area Agencies on Aging			
Elderly Nutrition & Discretionary	11000-SDR63901-16278-10105	\$ 621,838	\$ 1,033,481
Statewide Respite Care	11000-SDR63901-16260-10402	350,590	479,205
Choices- Support	11000-SDR62500-16260-52991	-	195,681
State Navigator	11000-SDR62500-16260-10727	-	95,789
Federal Title III Match	11000-SDR63901-16260-17025	102,527	102,527
Alzheimer's Aide	11000-SDR63901-16260-10403	37,461	65,380
Area Agency on Aging			
Administrative Funding	11000-SDR63901-16260-10601	-	14,855
Health Promotion Services	11000-SDR63901-16260-10305	-	6,259
Total State Financial Assistance		<u>\$ 1,112,416</u>	<u>\$ 1,993,177</u>

Amounts changed:

State Grantor/Program Title	State Grant Program CORE CT Number	Total Change to Passed through to Subrecipients	Total Change in Expenditures
Department of Aging and Disability Services Area Agencies on Aging			
Area Agencies on Aging			
Elderly Nutrition & Discretionary	11000-SDR63901-16278-10105	\$ 468,191	\$ 711,829
Statewide Respite Care	11000-SDR63901-16260-10402	(3,318)	(40,006)
Choices- Support	11000-SDR62500-16260-52991	-	32,423
State Navigator	11000-SDR62500-16260-10727	-	-
Federal Title III Match	11000-SDR63901-16260-17025	-	-
Alzheimer's Aide	11000-SDR63901-16260-10403	537	(27,382)
Area Agency on Aging			
Administrative Funding	11000-SDR63901-16260-10601	-	27,520
Health Promotion Services	11000-SDR63901-16260-10305	-	1,757
Total State Financial Assistance		<u>\$ 465,410</u>	<u>\$ 706,141</u>

North Central Area Agency on Aging, Inc.
Schedule of Findings and Questioned Costs (Restated)
For the Year Ended September 30, 2024

I. Summary of Auditors' Results

Financial Statements

Type of auditors' report issued: Unmodified

Internal control over financial reporting:

- | | | | | |
|---|---------------|-----|---------------|---------------|
| • Material weakness(es) identified? | <u> X </u> | Yes | <u> </u> | No |
| • Significant deficiency(ies) identified? | <u> </u> | Yes | <u> X </u> | None reported |
| Noncompliance material to financial statements noted? | <u> </u> | Yes | <u> X </u> | No |

State Financial Assistance

Internal control over major programs:

- | | | | | |
|---|---------------|-----|---------------|---------------|
| • Material weakness(es) identified? | <u> X </u> | Yes | <u> </u> | No |
| • Significant deficiency(ies) identified? | <u> </u> | Yes | <u> X </u> | None reported |

Type of auditors' report issued on compliance for major programs: Qualified

State Financial Assistance

Internal control over major programs:

Any audit findings disclosed that are required to be reported
in accordance with Section 4-236-24 of the Regulations to
the State Single Audit Act?

	<u> X </u>	Yes	<u> </u>	No
--	--------------	-----	---------------	----

The following schedule reflects the major programs included in the audit:

State Grantor and Program	State Core-CT Number	Expenditures
Department of Aging and Disability Services		
Area Agencies on Aging		
Elderly Nutrition & Discretionary	11000-SDR63901-16278-10105	\$ 1,745,310
Dollar threshold used to distinguish between type A and type B programs		\$ 200,000

North Central Area Agency on Aging, Inc.
Schedule of Findings and Questioned Costs (Restated)
For the Year Ended September 30, 2024

II – Financial Statement Findings

2024 – 001

Type of Finding:

- Material Weakness in Internal Control over Financial Reporting

Condition: Due to the organization not fully utilizing the capacity of its accounting system, the audit was significantly delayed. In addition, turnover within the accounting department resulted in additional time required to reconcile activity for the year under audit. These conditions also contributed to errors in the recording and reporting of financial activity, which required the restatement of previously issued financial statements and corrections to amounts reported for state awards.

Criteria or Specific Requirement: Internal controls over financial reporting are required to be designed to provide reasonable assurance that financial statement misstatements are prevented or detected and corrected. Our audit procedures revealed a continued need for improvement of a timely and complete monthly or periodic reconciliation and closing process. Lack of a complete monthly or periodic close led to a continuing and growing backlog of transactions and journal entries that were not posted into the accounting system, which initially rendered the accounting information inadequate.

Effect: Material adjustments were required to be made by management prior to providing a trial balance for audit. Because financial information was not being fully tracked within the accounting system, management required a significant amount of time to reconcile and record activity. These conditions resulted in delayed issuance of the audit and contributed to errors in financial reporting that required the restatement of previously issued financial statements, increasing the risk that financial information, including amounts reported for state awards, may not be timely or accurate.

Cause: The prior Director of Finance had been with the organization for a long period of time and did not utilize the accounting system as was intended. Many reconciliations were performed manually, and the current finance team was unable to reproduce the work of the previous Director of Finance.

Repeat Finding: Yes, 2023-001

Recommendation: We recommend that the Organization fully utilize the accounting system as intended to track daily financial activity. We also recommend that they formalize monthly account reconciliations and year-end closing procedures to ensure that all transactions are properly recorded in the appropriate account and the correct period.

Views of Responsible Officials: There is no disagreement with the audit finding.

North Central Area Agency on Aging, Inc.
Schedule of Findings and Questioned Costs (Restated)
For the Year Ended September 30, 2024

III – Findings and Questioned Costs – State Financial Assistance
2024 – 002

State Agency: Department of Aging and Disability Services Area Agencies on Aging

State Program Name:

Elderly Nutrition & Discretionary

11000-SDR63901-16278-10105

Award Period: 10/1/2023 – 9/30/2025

Type of Finding:

- Material Weakness in Internal Control over Compliance
- Material Noncompliance (Modified Opinion)

Condition: Due to the organization not fully utilizing the capacity of its accounting system, the audit was significantly delayed. In addition, turnover within the accounting department resulted in additional time required to reconcile activity for the year under audit. These conditions also contributed to errors in the recording and reporting of financial activity, which required the restatement of previously issued financial statements and corrections to amounts reported for state awards.

Questioned costs: None.

Criteria or Specific Requirement: Internal controls over financial reporting are required to be designed to provide reasonable assurance that financial statement misstatements are prevented or detected and corrected. Our audit procedures revealed a continued need for improvement of a timely and complete monthly or periodic reconciliation and closing process. Lack of a complete monthly or periodic close led to a continuing and growing backlog of transactions and journal entries that were not posted into the accounting system, which rendered the accounting information inadequate, and the State Single Audit report not being filed timely and accurate quarterly reporting.

Effect: Material adjustments were required to be made by management prior to providing a trial balance for audit. Because financial information was not being fully tracked within the accounting system, management required a significant amount of time to reconcile and record activity. These conditions resulted in delayed issuance of the audit and contributed to errors in financial reporting that required the restatement of previously issued financial statements, increasing the risk that financial information, including amounts reported for state awards, may not be timely or accurate.

Cause: The prior Director of Finance had been with the organization for a long period of time and did not utilize the accounting system as was intended. Many reconciliations were performed manually, and the current finance team was unable to reproduce the work of the previous Director of Finance.

Repeat Finding: Yes, 2023-002

Recommendation: We recommend that the Agency fully utilize the accounting system as intended to track daily financial activity. We also recommend that they formalize monthly account reconciliations and year-end closing procedures to ensure that all transactions are properly recorded in the appropriate account and the correct period.

Views of Responsible Officials: There is no disagreement with the audit finding.

North Central Area Agency on Aging, Inc.
Schedule of Findings and Questioned Costs (Restated)
For the Year Ended September 30, 2024

III – Findings and Questioned Costs – State Financial Assistance (continued)

2024 – 003

State Agency: Department of Aging and Disability Services Area Agencies on Aging

State Program Name:

Elderly Nutrition & Discretionary

11000-SDR63901-16278-10105

Award Period: 10/1/2023 – 9/30/2025

Type of Finding:

- Material Weakness in Internal Control over Compliance
- Material Noncompliance (Modified Opinion)

Criteria or specific requirement: Per the State of Connecticut Office of Policy and management, when an Organization is making a subaward, they are required to provide the recipient with all identifying award information, including the Core-CT number, award name, and name of state awarding agency. If a subaward is funded by both state and federal funds, the Organization is required to provide the recipient with sufficient information to determine the breakout of the state and federal funds.

Condition: A sample of five subrecipient agreements were selected for testing. Upon review, the agreements did not fully disclose the Core-CT number, award name, name of state awarding agency and the allocation of the award between state and federal funding, if applicable.

Questioned costs: None

Context: The Organization passes through a significant portion of all governmental grants received to subrecipients and subcontractors.

Cause: Management was not aware of the detailed requirements surrounding subrecipient agreements.

Effect: The effect is that subrecipients may not be in compliance with federal or state single audit requirements due to their agreements not containing accurate award information.

Repeat Finding: Yes, 2023-003

Recommendation: We recommend that management amend each subaward agreement to include all required identifying award information, including the allocation of state and federal funds to the award.

Views of responsible officials: There is no disagreement with the audit finding.

North Central Area Agency on Aging, Inc.
Schedule of Findings and Questioned Costs (Restated)
For the Year Ended September 30, 2024

III – Findings and Questioned Costs – State Financial Assistance (continued)

2024 – 004

State Agency: Department of Aging and Disability Services Area Agencies on Aging

State Program Name:

Elderly Nutrition & Discretionary

11000-SDR63901-16278-10105

Award Period: 10/1/2023 – 9/30/2025

Type of Finding:

- Material Weakness in Internal Control over Compliance
- Material Noncompliance (Modified Opinion)

Criteria or Specific Requirement: The Organization is required to submit quarterly expenditure reports to the funding agency. These reports were timely filed however the amount of expenditures was not accurate due to allocations of expenditures made at year-end.

Condition: The Organization has an approved Cost Allocation Plan, however nonpayroll expenses were not allocated following the approved plan and were required to be allocated at year-end. Therefore, the total quarterly reported expenditures does not agree with actual total expenses.

Questioned costs: None

Context: The fourth quarter expenditure reports were obtained and compared to actual reported expenses for each major program.

Cause: Management was not aware of the allocation compliance.

Effect: The effect is that expenses charged to the federal awards potentially could be in excess of actual allocated expense incurred.

Repeat Finding: Yes, 2023-004

Recommendation: We recommend that the Organization fully utilize the accounting system as intended to track daily financial activity. We also recommend that they formalize monthly account reconciliations and year-end closing procedures to ensure that all transactions are properly recorded in the appropriate account and the correct period.

Views of Responsible Officials: There is no disagreement with the audit finding.

North Central Area Agency on Aging, Inc.
Schedule of Findings and Questioned Costs (Restated)
For the Year Ended September 30, 2024

IV- Prior Year Findings

Financial Statement Findings:

2023-001

Condition: Due to the organization not fully utilizing the capacity of their accounting system, the audit was significantly delayed. In addition, there was turnover within the accounting department which resulted in additional time to gain comfort over beginning balances and reconcile the activity for the year under audit.

Current Status: The finding is continuing to be addressed by management..

State Program Findings

2023 – 002

Condition: Due to the organization not fully utilizing the capacity of their accounting system, the audit was significantly delayed. In addition, there was turnover within the accounting department which resulted in additional time to gain comfort over beginning balances and reconcile the activity for the year under audit.

Current Status: The finding is continuing to be addressed by management..

2023 – 003

Condition: A sample of five subrecipient agreements were selected for testing. Upon review, the agreements did not fully disclose the Core-CT number, award name, name of state awarding agency and the allocation of the award between state and federal funding, if applicable.

Current Status: The finding is continuing to be addressed by management..

2023 – 004

Condition: The Organization has an approved Cost Allocation Plan, however nonpayroll expenses were not allocated following the approved plan and were required to be allocated at year-end. Therefore, the total quarterly report expenditures does not agree with actual total expenses.

Current Status: The finding is continuing to be addressed by management..

Federal Single Audit Report
Year Ended September 30, 2024



Independent Auditors' Report on Compliance for each Major Federal Program; Report on Internal Control over Compliance; and Report on Schedule of Expenditures of Federal Award Required by The Uniform Guidance (Restated)

Board of Directors
North Central Area Agency on Aging Hartford, Connecticut

Report on Compliance for Each Major Federal Program

Qualified Opinion

We have audited North Central Area Agency on Aging's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on North Central Area Agency on Aging's major federal program for the year ended September 30, 2024. North Central Area Agency on Aging's major federal program is identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Qualified Opinion on Major Federal Program

In our opinion, except for the noncompliance described in the Basis for Qualified Opinion paragraph, North Central Area Agency on Aging, Inc. complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on the Aging Cluster for the year ended September 30, 2024.

Basis for Qualified Opinion

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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of North Central Area Agency on Aging, 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 qualified and unmodified opinions on compliance for each major federal program. Our audit does not provide a legal determination of North Central Area Agency on Aging, Inc.'s compliance with the compliance requirements referred to above.

Independent Auditors' Report on Compliance for each Major Federal Program; Report on Internal Control over Compliance; and Report on Schedule of Expenditures of Federal Award Required by The Uniform Guidance (Restated) (continued)

Matters Giving Rise to Qualified Opinion on Major Federal Programs

As described in the accompanying schedule of findings and questioned costs, North Central Area Agency on Aging, Inc. did not comply with requirements regarding assistance listing numbers 93.044, 93.045 and 93.053 - Aging Cluster as described in finding numbers 2024-002, 2024-003 and 2024-004 for reporting; Compliance with such requirements is necessary, in our opinion, for North Central Area Agency on Aging, Inc. to comply with the requirements applicable to that program.

Compliance with such requirements is necessary, in our opinion, for North Central Area Agency on Aging, Inc. to comply with the requirements applicable to that program.

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 North Central Area Agency on Aging, Inc.'s federal programs.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on North Central Area Agency on Aging, 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*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about North Central Area Agency on Aging, Inc.'s compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, 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 ABC Organization's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.

Independent Auditors' Report on Compliance for each Major Federal Program; Report on Internal Control over Compliance; and Report on Schedule of Expenditures of Federal Award Required by The Uniform Guidance (Restated) (continued)

Auditors' Responsibilities for the Audit of Compliance (continued)

- Obtain an understanding of ABC Organization'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 ABC Organization'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.

Other Matters

Restatement

The Schedule of Expenditures of Federal Awards for the year ended September 30, 2024, has been restated, as discussed in Note 2 to the Schedule of Expenditures of Federal Awards, to correct an error in the reporting of federal program expenditures. Our audit of compliance for the year ended September 30, 2024, was not affected by this restatement.

Report on Internal Control over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be material weaknesses and significant deficiencies.

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. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2024-002, 2024-003 and 2024-004 to be material weaknesses.

Independent Auditors' Report on Compliance for each Major Federal Program; Report on Internal Control over Compliance; and Report on Schedule of Expenditures of Federal Award Required by The Uniform Guidance (Restated) (continued)

Report on Internal Control over Compliance (continued)c

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 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.

Government Auditing Standards requires the auditor to perform limited procedures on North Central Area Agency on Aging, Inc.'s response to the internal control over compliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. North Central Area Agency on Aging, Inc.'s response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of North Central Area Agency on Aging as of and for the year ended September 30, 2024, and have issued our report thereon dated September 15 2025, restated September 23, 2026, which contained an unmodified opinion on those financial statements. 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 is presented for purposes of additional analysis as required by the Uniform Guidance 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 is fairly stated in all material respects in relation to the financial statements as a whole.

Fiondella, Milone & LaSaracina LLP

Glastonbury, Connecticut

September 15, 2025, except for information in Note 2

Restated September 23, 2026

North Central Area Agency on Aging, Inc.
Schedule of Expenditures of Federal Awards (Restated)
For the year ended September 30, 2024

State Grantor/Program Title	Federal Assistance Listing Number	Passed through to Subrecipients	Expenditures
U.S. Department of Health and Human Services			
Passed through the State of Connecticut Department of Aging and Disability Services			
Aging Cluster:			
Special Programs for the Aging - Title III, Part B- Grants for Supportive Services and Senior Centers			
	93.044	\$ 622,260	\$ 1,230,624
Special Programs for the Aging - Title III, Part B- Grants for Supportive Services and Senior Centers - American Rescue Plan Act (ARPA)	93.044	809,299	967,996
Special Programs for the Aging - Title III, Part C - Nutrition Services	93.045	2,912,750	3,016,774
Special Programs for the Aging - Title III, Part C - Nutrition Services ARPA	93.045	525,963	849,032
Nutrition Services Incentive Program	93.053	142,504	142,504
Total Aging Cluster		5,012,776	6,206,930
Special Program for the Aging - Title VII, Chapter 3 - Programs for Prevention of Elder Abuse, Neglect and Exploitation	93.041	-	10,000
Special Program for the Aging - Title III, Part D - Disease Prevention and Health Promotion Services	93.043	1,500	26,602
Special Program for the Aging - Title III, Part D - Disease Prevention and Health Promotion Services American Rescue Plan Act (ARPA)	93.043	68,572	71,219
National Family Caregiver Support, Title III, Part E	93.052	176,334	471,216
State Health Insurance Assistance Program	93.324	-	51,587
Social Services Block Grant	93.667	-	137,570
Total Expenditures of Federal Awards		\$ 5,259,182	\$ 6,975,124

The accompanying notes are an integral part of this schedule.

North Central Area Agency on Aging, Inc.
Notes to Schedule of Expenditures of Federal Awards
for the Year Ended September 30, 2024 (Restated) (continued)

1. Summary of Significant Accounting Policies

Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal grant activity of North Central Area Agency on Aging under programs of the federal government for the year ended September 30, 2024. The information in the Schedule is presented in accordance with the 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). Because the Schedule presents only a selected portion of the operations of North Central Area Agency on Aging, it is not intended to and does not present the financial position, changes in net assets or cash flows of North Central Area Agency on Aging.

Basis of Accounting

Expenditures reported on the Schedule are reported on the accrual basis of accounting. For cost-reimbursement awards, such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. For performance-based awards, expenditures reported represent amounts earned.

2. Indirect Cost Recovery

North Central Area Agency on Aging has elected not to use the de minimis indirect cost rate allowed under the Uniform Guidance.

3. Restatement

Management has identified that the September 30, 2024, Schedule of Expenditures of Federal Awards originally issued on September 15, 2025, contained misallocated entries between contracts, specifically regarding allocations between ARPA (American Rescue Plan Act) funding and original contracts with the Department of Aging and Disability Services. The misallocation occurred because many of the contracts were intended to support the same program and mission, but the expenditures were incorrectly distributed between the contracts. As a result, some contracts appeared to be overspent while others appeared underspent. This imbalance led to an inaccurate reduction in available funding, distorting the financial picture presented in the previously issued September 30, 2024, statements. The restatement corrects these allocation errors to ensure that the Schedule of Expenditures of State Financial Assistance accurately reflect the actual distribution of funds across contracts in compliance with GAAP.

North Central Area Agency on Aging, Inc.
Notes to Schedule of Expenditures of Federal Awards
for the Year Ended September 30, 2024 (Restated) (continued)

3. Restatement (continued)

As originally stated:

State Grantor/Program Title	Federal Assistance Listing Number	As Originally Stated Passed through to Subrecipients	As Originally Stated, Expenditures
U.S. Department of Health and Human Services			
Passed through the State of Connecticut Department of Aging and Disability Services			
Aging Cluster:			
Special Programs for the Aging - Title III, Part B- Grants for Supportive Services and Senior Centers			
	93.044	\$ 537,567	\$ 1,447,618
Special Programs for the Aging - Title III, Part B- Grants for Supportive Services and Senior Centers - American Rescue Plan Act (ARPA)	93.044	683,036	1,004,804
Special Programs for the Aging - Title III, Part C - Nutrition Services	93.045	2,727,762	3,164,291
Special Programs for the Aging - Title III, Part C - Nutrition Services ARPA	93.045	322,772	849,293
Nutrition Services Incentive Program	93.053	142,504	142,504
Total Aging Cluster		4,413,641	6,608,510
Special Program for the Aging - Title VII, Chapter 3 - Programs for Prevention of Elder Abuse, Neglect and Exploitation			
	93.041	-	10,000
Special Program for the Aging - Title III, Part D - Disease Prevention and Health Promotion Services	93.043	20,000	49,249
Special Program for the Aging - Title III, Part D - Disease Prevention and Health Promotion Services American Rescue Plan Act (ARPA)	93.043	84,791	84,791
National Family Caregiver Support, Title III, Part E	93.052	471,216	471,216
State Health Insurance Assistance Program	93.324	-	47,120
Social Services Block Grant	93.667	137,570	137,570
Total Expenditures of Federal Awards		\$ 5,127,218	\$ 7,408,456

North Central Area Agency on Aging, Inc.
Notes to Schedule of Expenditures of Federal Awards
for the Year Ended September 30, 2024 (Restated) (continued)

3. Restatement (continued)

Amounts changed:

State Grantor/Program Title	Federal Assistance Listing Number	Total Change to Passed through to Subrecipients	Total Change in Expenditures
U.S. Department of Health and Human Services			
Passed through the State of Connecticut Department of Aging and Disability Services			
Aging Cluster:			
Special Programs for the Aging - Title III, Part B- Grants for Supportive Services and Senior Centers			
	93.044	\$ 84,693	\$ (216,994)
Special Programs for the Aging - Title III, Part B- Grants for Supportive Services and Senior Centers - American Rescue Plan Act (ARPA)	93.044	126,263	(36,808)
Special Programs for the Aging - Title III, Part C - Nutrition Services	93.045	184,988	(147,517)
Special Programs for the Aging - Title III, Part C - Nutrition Services ARPA	93.045	203,191	(261)
Nutrition Services Incentive Program	93.053	-	-
Total Aging Cluster		599,135	(401,580)
Special Program for the Aging - Title VII, Chapter 3 - Programs for Prevention of Elder Abuse, Neglect and Exploitation			
	93.041	-	-
Special Program for the Aging - Title III, Part D - Disease Prevention and Health Promotion Services	93.043	(18,500)	(22,647)
Special Program for the Aging - Title III, Part D - Disease Prevention and Health Promotion Services American Rescue Plan Act (ARPA)	93.043	(16,219)	(13,572)
National Family Caregiver Support, Title III, Part E	93.052	(294,882)	-
State Health Insurance Assistance Program	93.324	-	4,467
Social Services Block Grant	93.667	(137,570)	-
Total Expenditures of Federal Awards		\$ 131,964	\$ (433,332)

North Central Area Agency on Aging, Inc.
Schedule of Findings and Questioned Costs (Restated)
For the Year Ended September 30, 2024

I. Summary of Auditors' Results

Financial Statements

Type of auditors' report issued: Unmodified

Internal control over financial reporting:

• Material weakness(es) identified?	<u> X </u>	Yes	<u> </u>	No
• Significant deficiency(ies) identified?	<u> </u>	Yes	<u> X </u>	None reported
Noncompliance material to financial statements noted?	<u> </u>	Yes	<u> X </u>	No

Federal Awards

Internal control over major programs:

• Material weakness(es) identified?	<u> X </u>	Yes	<u> </u>	No
• Significant deficiency(ies) identified?	<u> </u>	Yes	<u> X </u>	None reported

Type of auditors' report issued on compliance for major programs: Qualified

Federal Financial Assistance

Internal control over major programs:

Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance, Section 510(a)?
 X Yes No

Major programs:

Assistance

Listing #	Name of Federal Program or Cluster
<i>Aging Cluster</i>	
93.044	Special Programs for the Aging – Title III, Part B- Grants for Supportive Services and Senior Centers
93.045	Special Programs for the Aging – Title III, Part C – Nutrition Services
93.053	Nutrition Services Incentive Program

Dollar threshold used to distinguish between type A and type B programs: \$ 750,000

Auditee qualified as a low-risk auditee?
 Yes X No

North Central Area Agency on Aging, Inc.
Schedule of Findings and Questioned Costs (Restated)
For the Year Ended September 30, 2024

II. Financial Statement Findings

2024 – 001

Federal Agency: Department of Health and Human Services

Federal Program Name: Aging Cluster

Assistance Listing Number: 93.044, 93.045 and, 93.053

Pass-Through Agency: State of Connecticut Department of Aging and Disability Services

Award Period: 10/1/2023 to 9/30/2025

Type of Finding:

- Material Weakness in Internal Control over Financial Reporting

Condition: Due to the organization not fully utilizing the capacity of its accounting system, the audit was significantly delayed. In addition, turnover within the accounting department resulted in additional time required to reconcile activity for the year under audit. These conditions also contributed to errors in the recording and reporting of financial activity, which required the restatement of previously issued financial statements and corrections to amounts reported for Federal awards.

Criteria or Specific Requirement: Internal controls over financial reporting are required to be designed to provide reasonable assurance that financial statement misstatements are prevented or detected and corrected. Our audit procedures revealed a continued need for improvement of a timely and complete monthly or periodic reconciliation and closing process. Lack of a complete monthly or periodic close led to a continuing and growing backlog of transactions and journal entries that were not posted into the accounting system, which rendered the accounting information inadequate.

Effect: Material adjustments were required to be made by management prior to providing a trial balance for audit. Because financial information was not being fully tracked within the accounting system, management required a significant amount of time to reconcile and record activity. These conditions resulted in delayed issuance of the audit and contributed to errors in financial reporting that required the restatement of previously issued financial statements, increasing the risk that financial information, including amounts reported for Federal awards, may not be timely or accurate.

Cause: The prior Director of Finance had been with the organization for a long period of time and did not utilize the accounting system as intended. Many reconciliations were performed manually, and the current finance team was unable to reproduce the work of the previous Director of Finance.

Repeat Finding: Yes, 2023-001

Recommendation: We recommend that the Organization fully utilize the accounting system as intended to track daily financial activity. We also recommend that they formalize monthly account reconciliations and year-end closing procedures to ensure that all transactions are properly recorded in the appropriate account and the correct period.

North Central Area Agency on Aging, Inc.
Schedule of Findings and Questioned Costs (Restated)
For the Year Ended September 30, 2024

III. Findings and Questioned Costs – Federal Awards

2024 – 002

Federal Agency: Department of Health and Human Services

Federal Program Name: Aging Cluster

Assistance Listing Number: 93.044, 93.045 and 93.053

Pass-Through Agency: State of Connecticut Department of Aging and Disability Services

Award Period: 10/1/2023 to 9/30/2025

Type of Finding:

- Material Weakness in Internal Control over Compliance

Condition: Due to the organization not fully utilizing the capacity of its accounting system, the audit was significantly delayed. In addition, turnover within the accounting department resulted in additional time required to reconcile activity for the year under audit. These conditions also contributed to errors in the recording and reporting of financial activity, which required the restatement of previously issued financial statements and corrections to amounts reported for Federal awards.

Questioned costs: None

Criteria or Specific Requirement: Internal controls over financial reporting are required to be designed to provide reasonable assurance that financial statement misstatements are prevented or detected and corrected. Our audit procedures revealed a continued need for improvement of a timely and complete monthly or periodic reconciliation and closing process. Lack of a complete monthly or periodic close led to a continuing and growing backlog of transactions and journal entries that were not posted into the accounting system, which rendered the accounting information inadequate and unable to complete the Federal Single Audit timely and accurate quarterly reporting.

Effect: Material adjustments were required to be made by management prior to providing a trial balance for audit. Because financial information was not being fully tracked within the accounting system, management required a significant amount of time to reconcile and record activity. These conditions resulted in delayed issuance of the audit and contributed to errors in financial reporting that required the restatement of previously issued financial statements, increasing the risk that financial information, including amounts reported for Federal awards, may not be timely or accurate.

Cause: The prior Director of Finance had been with the organization for a long period of time and did not utilize the accounting system as intended. Many reconciliations were performed manually, and the current finance team was unable to reproduce the work of the previous Director of Finance.

Repeat Finding: Yes , 2023-002

Recommendation: We recommend that the Organization fully utilize the accounting system as intended to track daily financial activity. We also recommend that they formalize monthly account reconciliations and year-end closing procedures to ensure that all transactions are properly recorded in the appropriate account and the correct period.

North Central Area Agency on Aging, Inc.
Schedule of Findings and Questioned Costs (Restated)
For the Year Ended September 30, 2024

III. Findings and Questioned Costs – Federal Awards (continued)

2024 – 003

Federal Agency: Department of Health and Human Services

Federal Program Name: Aging Cluster

Assistance Listing Number: 93.044, 93.045 and 93.053

Pass-Through Agency: State of Connecticut Department of Aging and Disability Services

Award Period: 10/1/2023 to 9/30/2025

Type of Finding:

- Material Weakness in Internal Control over Compliance

Criteria or Specific Requirement: Per Uniform Guidance, when an Organization is making a subaward, they are required to provide the recipient with all identifying award information, including the Assistance Listing number, award name, whether the award is research and development; and name of Federal awarding agency. If a subaward is funded by both state and federal funds, the Organization is required to provide the recipient with sufficient information to determine the breakout of the state and federal funds.

Condition: A sample of five subrecipient agreements were selected for testing. Upon review, the agreements did not fully disclose the assistance listing number, award name, whether the award is research and development, name of Federal awarding agency and the allocation of the award between state and federal funding, if applicable.

Questioned costs: None

Context: The Organization passes through a significant portion of all governmental grants received to subrecipients and subcontractors.

Cause: The prior Director of Finance had been with the organization for a long period of time and did not utilize the accounting system as intended. Many reconciliations were performed manually, and the current finance team created manual journal entries to correct the allocations of expenses.

Effect: The effect is that subrecipients may not be in compliance with federal or state single audit requirements due to their agreements not containing accurate award information.

Repeat Finding: Yes, 2023-003

Recommendation: We recommend that management amend each subaward agreement to include all required identifying award information, including the allocation of state and federal funds to the award.

Views of Responsible Officials: There is no disagreement with the audit finding.

North Central Area Agency on Aging, Inc.
Schedule of Findings and Questioned Costs (Restated)
For the Year Ended September 30, 2024

III. Findings and Questioned Costs – Federal Awards (continued)

2024 – 004

Federal Agency: Department of Health and Human Services

Federal Program Name: Aging Cluster

Assistance Listing Number: 93.044, 93.045, 93.053

Pass-Through Agency: State of Connecticut Department of Aging and Disability Services

Award Period: 10/1/2023 to 9/30/2025 Type of Finding:

- Material Weakness in Internal Control over Compliance

Criteria or Specific Requirement: The Organization is required to submit quarterly expenditure reports to the funding agency. These reports were timely filed however the amount of expenditures was not accurate due to allocations of expenditures made at year-end.

Condition: The Organization has an approved Cost Allocation Plan, however nonpayroll expenses were not allocated following the approved plan and were required to be allocated at year-end. Therefore, the total quarterly reported expenditures does not agree with actual total expenses.

Questioned costs: None

Context: The fourth quarter expenditure reports were obtained and compared to actual reported expenses for each major program. .

Cause: Management was not aware of the allocation compliance.

Effect: The effect is that expenses charged to the federal awards potentially could be in excess of actual allocated expense incurred.

Repeat Finding: Yes, 2023-004

Recommendation: We recommend that the Organization fully utilize the accounting system as intended to track daily financial activity. We also recommend that they formalize monthly account reconciliations and year-end closing procedures to ensure that all transactions are properly recorded in the appropriate account and the correct period.

Views of Responsible Officials: There is no disagreement with the audit finding.

North Central Area Agency on Aging, Inc.
Schedule of Findings and Questioned Costs (Restated)
For the Year Ended September 30, 2024

IV. Prior Year Findings

Financial Statement Findings:

2023-001

Condition: Due to the organization not fully utilizing the capacity of their accounting system, the audit was significantly delayed so that the new finance team could gain comfort over beginning balances and reconcile the activity for the year under audit.

Current Status: The finding is continuing to be addressed by management.

Federal Program Findings

2023-002

Condition: Internal controls over financial reporting are required to be designed to provide reasonable assurance that financial statement misstatements are prevented or detected and corrected. Our audit procedures revealed a continued need for improvement of a timely and complete monthly or periodic reconciliation and closing process. Lack of a complete monthly or periodic close led to a continuing and growing backlog of transactions and journal entries that were not posted into the accounting system, which rendered the accounting information inadequate and unable to complete the Federal Single Audit timely and accurate quarterly reporting.

Current Status: The finding is continuing to be addressed by management.

2023-003

Condition: A sample of five subrecipient agreements were selected for testing. Upon review, the agreements did not fully disclose the assistance listing number, award name, whether the award is research and development, name of Federal awarding agency and the allocation of the award between state and federal funding, if applicable.

Current Status: The finding is continuing to be addressed by management.

2023 – 004

Condition: The Organization has an approved Cost Allocation Plan, however nonpayroll expenses were not allocated following the approved plan.

Current Status: The finding has been mitigated.