

**Southwestern Connecticut  
Agency on Aging, Inc.**

Financial Statements, Uniform Guidance  
and State Single Audit Schedules  
Together With Independent Auditors' Reports

September 30, 2025 and 2024

## Southwestern Connecticut Agency on Aging, Inc.

Financial Statements, Uniform Guidance and State Single Audit Schedules  
Together With Independent Auditors' Reports  
September 30, 2025 and 2024

### TABLE OF CONTENTS

### Page

Independent Auditors' Report

### FINANCIAL STATEMENTS

Statements of Financial Position	4
Statements of Activities	5
Statements of Functional Expenses	6 - 7
Statements of Cash Flows	8
Notes to Financial Statements	9 - 16

### UNIFORM GUIDANCE AND STATE SINGLE AUDIT SCHEDULES AND REPORTS

Schedule of Expenditures of Federal Awards	17
Notes to Schedule of Expenditures of Federal Awards	18
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>	
Report on Compliance for Each Major Federal Program and on Internal Control Over Compliance Required by the Uniform Guidance	
Schedule of Findings and Questioned Costs - Federal	24
Schedule of Expenditures of State Financial Assistance	25
Notes to Schedule of Expenditures of State Financial Assistance	26
Report on Compliance for Each Major State Program and on Internal Control Over Compliance Required by the State Single Audit Act	
Schedule of Findings and Questioned Costs - State	30 - 31

## Independent Auditors' Report

**Board of Directors**  
**Southwestern Connecticut Agency on Aging, Inc.**

### Report on the Audit of the Financial Statements

#### *Opinion*

We have audited the accompanying financial statements of Southwestern Connecticut Agency on Aging, Inc., which comprise the statements of financial position as of September 30, 2025 and 2024 and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Southwestern Connecticut Agency on Aging, Inc., as of September 30, 2025 and 2024 and changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

#### *Basis for Opinion*

We conducted our audits in accordance with auditing standards generally accepted in the United States of America ("GAAS") 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 Southwestern Connecticut Agency on Aging, Inc. 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 financial statements in accordance with accounting principles generally accepted in the United States of America; and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Southwestern Connecticut Agency on Aging, Inc.'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 auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

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

**Report on Supplementary Information**

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplementary information on page 17 is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* and the accompanying schedule of expenditures of state financial assistance on page 25 as required by the State Single Audit Act (C.G.S. Section 4-230 to 4-236), 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 schedules of expenditures of federal awards and state financial assistance are fairly stated in all material respects in relation to the financial statements as a whole.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated February 19, 2026, on our consideration of Southwestern Connecticut Agency on Aging, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Southwestern Connecticut Agency on Aging, Inc.'s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Southwestern Connecticut Agency on Aging, Inc.'s internal control over financial reporting and compliance.

*PKF O'Connor Davies, LLP*

February 19, 2026

**Southwestern Connecticut Agency on Aging, Inc.**

Statements of Financial Position

	September 30,	
	2025	2024
<b>ASSETS</b>		
Current Assets		
Cash and cash equivalents	\$ 3,597,618	\$ 1,501,967
Investments	2,052,738	1,418,298
Home Care Program receivables	1,714,825	1,437,391
Grants receivable	105,855	2,083,328
Prepaid expenses and other current assets	<u>355,443</u>	<u>359,949</u>
Total Current Assets	7,826,479	6,800,933
Operating lease right of use asset, net	1,395,407	346,658
Property and equipment, net	<u>9,293</u>	<u>29,626</u>
	 <u>\$ 9,231,179</u>	 <u>\$ 7,177,217</u>
 <b>LIABILITIES AND NET ASSETS</b>		
Current Liabilities		
Accounts payable and accrued expenses	\$ 565,427	\$ 592,661
Refundable advance	1,674,136	887,546
Grantor advances	425,000	425,000
Due to grantees and other contractors	239,471	395,574
Operating lease liability, current portion	<u>292,631</u>	<u>371,877</u>
Total Current Liabilities	3,196,665	2,672,658
Operating lease liability, less current portion	<u>1,154,570</u>	<u>29,505</u>
Total Liabilities	4,351,235	2,702,163
Net Assets		
Net assets without donor restrictions	<u>4,879,944</u>	<u>4,475,054</u>
	 <u>\$ 9,231,179</u>	 <u>\$ 7,177,217</u>

See notes to financial statements

**Southwestern Connecticut Agency on Aging, Inc.**

Statements of Activities  
Years Ended September 30,

	2025	2024
Operating Revenue and Expenses		
Public support and revenue:		
Governmental grants and contracts	\$ 14,133,834	\$ 13,580,461
Program and other income	2,940,152	2,581,327
Interest and dividend income, net	42,859	52,881
Total Public Support and Revenue	17,116,845	16,214,669
Operating Expenses:		
Program services		
Home Care Services for the elderly	3,874,461	4,339,816
Nutrition and social services for the elderly	11,700,222	10,570,167
Total Program Services	15,574,683	14,909,983
Supporting services		
Management and general	1,197,686	1,027,130
Total Operating Expenses	16,772,369	15,937,113
Change in Net Assets before Non-operating Revenue and Expenses	344,476	277,556
Non-operating Revenue and Expenses		
Investment gain	60,414	272,236
Total Non-operating Revenue and Expenses	60,414	272,236
Change in Net Assets	404,890	549,792
<b>NET ASSETS WITHOUT DONOR RESTRICTIONS</b>		
Beginning of year	4,475,054	3,925,262
End of year	\$ 4,879,944	\$ 4,475,054

See notes to financial statements

**Southwestern Connecticut Agency on Aging, Inc.**

Statement of Functional Expenses  
Year Ended September 30, 2025

	<u>Home Care Services for the Elderly</u>	<u>Nutrition and Social Services for the Elderly</u>	<u>Total Program Services</u>	<u>Management and General</u>	<u>Total</u>
Salaries and wages	\$ -	\$ 6,032,508	\$ 6,032,508	\$ 716,425	\$ 6,748,933
Payroll taxes	-	440,093	440,093	52,266	492,359
Employee benefits	-	1,083,985	1,083,985	128,735	1,212,720
Grants	3,874,461	-	3,874,461	-	3,874,461
Veteran fiscal administrative fees	-	2,458,915	2,458,915	-	2,458,915
Occupancy	-	294,816	294,816	52,026	346,842
Other professional fees	-	710,658	710,658	177,664	888,322
Consulting	-	311,447	311,447	-	311,447
Telephone and internet	-	84,085	84,085	9,986	94,071
Miscellaneous	-	7,070	7,070	840	7,910
Copying, printing and postage	-	38,688	38,688	4,595	43,283
Travel	-	64,937	64,937	7,712	72,649
Client outreach, transportation and advertising	-	31,870	31,870	-	31,870
Depreciation and amortization	-	18,175	18,175	2,158	20,333
Accounting and legal fees	-	-	-	32,231	32,231
Bad debt	-	4,822	4,822	-	4,822
Office expenses	-	40,953	40,953	4,864	45,817
Insurance	-	26,929	26,929	3,198	30,127
Conferences, conventions and meetings	-	12,810	12,810	1,521	14,331
Senior housing assistance	-	8,287	8,287	-	8,287
Dues and subscription	-	16,286	16,286	1,934	18,220
Equipment	-	12,888	12,888	1,531	14,419
	<u>\$ 3,874,461</u>	<u>\$ 11,700,222</u>	<u>\$ 15,574,683</u>	<u>\$ 1,197,686</u>	<u>\$ 16,772,369</u>

**Southwestern Connecticut Agency on Aging, Inc.**

Statement of Functional Expenses  
Year Ended September 30, 2024

	Home Care Services for the Elderly	Nutrition and Social Services for the Elderly	Total Program Services	Management and General	Total
Salaries and wages	\$ -	\$ 5,287,556	\$ 5,287,556	\$ 552,466	\$ 5,840,022
Payroll taxes	-	389,681	389,681	40,716	430,397
Employee benefits	-	985,763	985,763	102,997	1,088,760
Grants	4,339,816	-	4,339,816	-	4,339,816
Veteran fiscal administrative fees	-	2,248,467	2,248,467	-	2,248,467
Occupancy	-	322,465	322,465	56,906	379,371
Other professional fees	-	794,295	794,295	198,574	992,869
Consulting	-	120,000	120,000	-	120,000
Telephone and internet	-	83,029	83,029	8,675	91,704
Miscellaneous	-	3,066	3,066	320	3,386
Copying, printing and postage	-	35,928	35,928	3,754	39,682
Travel	-	73,697	73,697	7,700	81,397
Client outreach, transportation and advertising	-	30,608	30,608	-	30,608
Depreciation and amortization	-	22,135	22,135	2,313	24,448
Accounting and legal fees	-	-	-	44,552	44,552
Bad debt	-	26,456	26,456	-	26,456
Office expenses	-	25,921	25,921	2,708	28,629
Insurance	-	26,236	26,236	2,741	28,977
Conferences, conventions and meetings	-	14,810	14,810	1,547	16,357
Senior housing assistance	-	19,007	19,007	-	19,007
Dues and subscription	-	9,125	9,125	953	10,078
Equipment	-	1,990	1,990	208	2,198
Alzheimer respite co-pay	-	49,932	49,932	-	49,932
	<u>\$ 4,339,816</u>	<u>\$ 10,570,167</u>	<u>\$ 14,909,983</u>	<u>\$ 1,027,130</u>	<u>\$ 15,937,113</u>

See notes to financial statements

**Southwestern Connecticut Agency on Aging, Inc.**

Statements of Cash Flows  
Years Ended September 30,

	2025	2024
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ 404,890	\$ 549,792
Adjustments to reconcile change in net assets to net cash from operating activities		
Depreciation and amortization	20,333	24,448
Bad debt	4,822	26,456
Gain on investments	(60,414)	(272,236)
Amortization of ROU assets	(11,346)	290,023
Changes in operating assets and liabilities		
Home Care Program receivables	(282,256)	(155,861)
Grants receivable	1,977,473	(1,122,094)
Prepaid expenses and other current assets	4,506	(11,777)
Accounts payable and accrued expenses	(27,234)	145,332
Refundable advances	786,590	296,580
Grantor advances	-	(150,000)
Due to grantees and other contractors	(156,103)	135,957
Operating lease liability	8,416	(329,839)
Net Cash from Operating Activities	2,669,677	(573,219)
 <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of investments	(646,938)	(231,082)
Proceeds from the sales of investments	72,912	1,143,895
Net Cash from Investing Activities	(574,026)	912,813
 Net Change in Cash and Cash Equivalents	2,095,651	339,594
 <b>CASH AND CASH EQUIVALENTS</b>		
Beginning of year	1,501,967	1,162,373
End of year	\$ 3,597,618	\$ 1,501,967

See notes to financial statements

## Southwestern Connecticut Agency on Aging, Inc.

Notes to Financial Statements  
September 30, 2025 and 2024

### 1. Organization

#### ***Nature of Operations***

Southwestern Connecticut Agency on Aging, Inc. ("SWCAA") is a nonprofit, nonstock corporation that was established to provide leadership and resources to meet the needs of the rapidly growing elderly population in the 14-town region defined as Southwestern Connecticut. Support and revenue consists primarily of federal and state grants and contracts.

### 2. Summary of Significant Accounting Policies

#### ***Basis of Presentation and Use of Estimates***

The financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America ("U.S. GAAP"), which requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from these estimates.

SWCAA reports information regarding its financial position and activities according to the following net asset classifications:

***Net assets without donor restrictions:*** Net assets without donor restrictions represent available resources other than donor-restricted contributions. These resources may be expended at the discretion of the Board of Directors. Each year, the Board of Directors designates a portion of the net assets without donor restrictions for the purpose of future operational needs and investment in property and equipment. The Board retains the discretion to permit the use of some or all of the designated net assets if necessary to ensure continued operations of SWCAA. Refer to Note 9 for additional information. These net assets may be used at the discretion of SWCAA's management and the Board of Directors.

***Net assets with donor restrictions:*** Net assets with donor restrictions represent 1) contributions that are restricted by the donor as to purpose or time of expenditure, 2) contributions that require that the principal be maintained in perpetuity but permit SWCAA to expend the income earned thereon, and 3) the accumulated investment income and gains on donor-restricted assets that have not been appropriated for expenditure. There are no net assets with donor restrictions at September 30, 2025 and 2024.

#### ***Cash and Cash Equivalents***

For the purpose of the statements of cash flows, SWCAA considers all highly liquid investments with an original maturity of three months or less at the time of purchase to be cash equivalents.

## **Southwestern Connecticut Agency on Aging, Inc.**

Notes to Financial Statements  
September 30, 2025 and 2024

### **2. Summary of Significant Accounting Policies (continued)**

#### ***Investment Valuation and Income Recognition***

Investments are reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Purchases and sales of securities are recorded on the trade date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Net realized and unrealized gain includes SWCAA's gains and losses on investments bought and sold as well as held during the year. Realized and unrealized gains and losses and investment income are classified as increases and decreases in net assets without donor restrictions.

#### ***Property and Equipment***

Property and equipment acquisitions and improvements with a cost of \$5,000 or more and a useful life of one year or more are capitalized at cost and are depreciated on the straight-line method over their estimated useful lives, which range from 2-10 years. Expenditures for maintenance and repairs are charged to expense as incurred.

#### ***Leases***

Leases are presented as operating lease ROU asset and operating lease liability on SWCAA's statements of financial position. The operating lease ROU assets represent SWCAA's right to control the use of an underlying asset for the lease term and the lease liability represents SWCAA's obligation to make lease payments arising from the lease. The operating lease ROU asset and liability are recognized at the lease commencement date based on the present value of future lease payments. If available, SWCAA uses the rate implicit in the lease to discount lease payments to present value; however, SWCAA's current lease does not provide a readily determinable implicit rate. Therefore, SWCAA has elected to discount lease payments based on an estimate of its incremental borrowing rate.

#### ***Government Grants and Contracts***

SWCAA receives grant and contract funding from various federal and state agencies, which may be considered exchange transactions or contributions. Revenue from cost-reimbursement grants and contracts is recognized to the extent of costs incurred. Revenue from performance-based grants and contracts is recognized to the extent the performance obligations are satisfied. Performance obligations are determined based on the nature of the services provided and generally have a duration of less than a year. Grant and contract receipts in excess of revenue recognized are presented as refundable advances.

## Southwestern Connecticut Agency on Aging, Inc.

Notes to Financial Statements  
September 30, 2025 and 2024

### 2. Summary of Significant Accounting Policies (*continued*)

#### ***Program and Other Income***

SWCAA has various other program and contract revenue that are accounted for as exchange transactions. Revenue is recognized as performance obligations are met in an amount that reflects the considerations in which SWCAA expects to be entitled in exchange for providing services. Payment terms vary but generally align with the timing of the services performed. As substantially all performance obligations relate to contracts with a duration of less than one year, SWCAA has elected to apply the optional exemption not to disclose the aggregate amount of the transaction price allocated to performance obligations that are unsatisfied or partially unsatisfied at the end of the reporting period. Generally, performance obligations are satisfied over time and relate to the number of days of participation in a program. SWCAA measures the performance obligation from the days of services provided. SWCAA defers revenues when payments are received in advance of the performance under the contract.

#### ***Home Care Program Receivables and Allowance for Credit Losses***

Home Care program receivables represent fees and other charges earned but not yet collected. SWCAA assesses credit loss through a combination of write-off history, aging analysis and any specific known troubled accounts, with a methodology that reflects expected credit losses and requires the use of a forward-looking expected credit loss rate for its accounts receivable. SWCAA writes off uncollectible accounts receivable once collection efforts have been exhausted. Accounts receivable was \$1,307,986 at October 1, 2023.

#### ***Contributions***

Unconditional contributions are recognized when pledged or received, as applicable, and are considered to be available for unrestricted use unless specifically restricted by the donor. Contributions receivable expected to be collected in more than one year are discounted to their present value. SWCAA reports nongovernmental contributions and grants of cash and other assets as net assets with donor restrictions if they are received with donor stipulations that limit their use. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions. Conditional promises to give are recognized when the conditions on which they depend are substantially met.

SWCAA reports gifts of property and equipment as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions on how the assets are to be used and gifts of cash or other assets that must be used to acquire property and equipment are reported as restricted support. In the absence of donor stipulations about how long those assets must be maintained, SWCAA reports expirations of donor restrictions when the assets are placed in service.

## **Southwestern Connecticut Agency on Aging, Inc.**

Notes to Financial Statements  
September 30, 2025 and 2024

### **2. Summary of Significant Accounting Policies (continued)**

#### ***Operating Measure***

SWCAA defines the change in net assets from operations as the result of all revenues and expenses except investment gains and losses.

#### ***Accounting for Uncertainty in Income Taxes***

SWCAA recognizes the effect of income tax positions only if those positions are more likely than not to be sustained. Management has determined that SWCAA had no uncertain tax positions that would require financial statement recognition or disclosure. SWCAA is no longer subject to examinations by the applicable tax jurisdictions for years prior to 2022.

#### ***Functional Allocation of Expenses***

Expenses are charged directly to program services, management and general based on specific identification to the extent practicable. Expenses related to more than one function have been allocated using reasonable ratios determined by management. The expenses that are allocated based upon time and effort include salaries and wages, payroll taxes, employee benefits, occupancy, other professional fees, telephone and internet, office expenses, travel, accounting fees, insurance, bad debt, conferences, conventions and meetings, and equipment.

#### ***Contributions of Nonfinancial Assets***

A substantial number of volunteers have donated considerable amounts of their time to SWCAA's program and supporting services. No contributed services met the requirements for recognition in the financial statements for the years ended September 30, 2025 and 2024.

#### ***Subsequent Events Evaluation by Management***

Management has evaluated subsequent events for disclosure and/or recognition in the financial statements through the date that the financial statements were available to be issued, which date is February 19, 2026.

### **3. Concentrations**

SWCAA receives a majority of its support from federal and state grants. As with all governmental funding, these grants and contracts are subject to reduction or termination in future years. Any significant reduction in these grants and contracts could have an adverse effect on SWCAA's program services.

### **4. Fair Value Measurements**

Generally accepted accounting principles establish a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described below:

## Southwestern Connecticut Agency on Aging, Inc.

Notes to Financial Statements  
September 30, 2025 and 2024

### 4. Fair Value Measurements *(continued)*

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

Level 2 – Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

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

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

SWCAA's financial instruments carried at fair value consist of investments in exchange traded funds which are valued at the closing price reported in the active market in which the individual securities are traded. There have been no changes in this methodology for the years ended September 30, 2025 and 2024. The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while SWCAA believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date. Investments grouped by the fair value hierarchy consist of the following at September 30:

	2025	2024
Level 1 Investments		
Exchange Traded Funds:		
Bond	\$ 1,201,396	\$ 807,320
Equity - domestic	738,450	505,508
Equity - foreign	112,892	105,470
	\$ 2,052,738	\$ 1,418,298

Investment return for the years ended September 30 consisted of the following:

	2025	2024
Interest and dividend income	\$ 59,262	\$ 74,313
Investment fee	(17,092)	(21,935)
Realized and unrealized gain	60,414	272,236
	\$ 102,584	\$ 324,614

## Southwestern Connecticut Agency on Aging, Inc.

Notes to Financial Statements  
September 30, 2025 and 2024

### 5. Unemployment Trust

SWCAA is self-insured for unemployment claims through Unemployment Services Trust (the "Trust"). Contributions to the Trust are accumulated and used to pay future claims. SWCAA could be required to make additional payments if claims exceed the accumulated contributions. At September 30, 2025 and 2024, accumulated contributions of \$152,104 and \$125,622 are included in prepaid expenses and other current assets on the statements of financial position and there are estimated claim liabilities of \$39,179 and \$34,804 included in the accounts payable and accrued expenses on the statements of financial position. Per the contract with the Trust, SWCAA has the ability to withdraw funds if accumulated contributions exceed the estimated liability.

### 6. Property and Equipment

A summary of property and equipment at September 30 is as follows:

	2025	2024
Furniture and equipment	\$ 538,025	\$ 538,025
Leasehold improvements	53,457	53,457
	591,482	591,482
Accumulated depreciation	(582,189)	(561,856)
	\$ 9,293	\$ 29,626

Depreciation and amortization expense totaled \$20,333 and \$24,448 for the years ended September 30, 2025 and 2024.

### 7. Operating Lease

In October 2024, SWCAA downsized the rentable office space and extended the leases from January 2025 to December 2030. Other information related to SWCAA's operating lease for the years ended September 30 are as follows:

	2025	2024
Lease expense	\$ 223,945	\$ 320,856
Cash paid for amount included in the measurement of operating lease liabilities	215,434	360,047
ROU assets obtained in exchange for new operating lease liabilities	\$ 1,307,403	\$ -
Weighted-average remaining lease term (years)	5.25	1.17
Weighted-average discount rate	4.35%	4.25%

Rent expense, utilities and other lease costs was \$346,842 and \$379,371 for the years ended September 30, 2025 and 2024.

## Southwestern Connecticut Agency on Aging, Inc.

Notes to Financial Statements  
September 30, 2025 and 2024

### 7. Operating Lease *(continued)*

Future minimum lease payments due under the non-cancellable agreement as of September 30, 2025 are as follows:

2026	\$	292,631
2027		299,947
2028		307,445
2029		315,132
2030		323,010
Thereafter		81,247
Total future minimum lease payments		1,619,412
Less: present value discount		(172,211)
Total lease liability		\$ 1,447,201

### 8. Liquidity and Availability of Financial Resources

SWCAA's financial assets available within one year of the statements of financial position date for general expenditures as of September 30 are as follows:

	2025	2024
Cash and cash equivalents	\$ 3,597,618	\$ 1,501,967
Investments	2,052,738	1,418,298
Home Care Program receivables	1,714,825	1,437,391
Grants receivable	105,855	2,083,328
Total Financial Assets	7,471,036	6,440,984
Less amounts unavailable for general expenditures within one year due to:		
Board designations	(725,193)	(745,526)
Financial Assets Available to Meet General Expenditures Over the Next Twelve Months	\$ 6,745,843	\$ 5,695,458

#### **Liquidity Management**

SWCAA maintains a policy of structuring its financial assets to be available as its general expenditures, liabilities and other obligations come due. As part of the budget process each year, the Board of Directors designates a portion of the net assets without donor restrictions. The amount designated for the years ended September 30, 2025 and 2024 was approximately \$715,900 and \$715,900. The Board retains the discretion to permit the use of some or all of the designated funds, if necessary, to ensure continued operations of SWCAA. In addition to financial assets available to meet general expenditures over the next twelve months, SWCAA operates with a balanced budget and anticipates collecting sufficient revenue to cover general expenditures.

## Southwestern Connecticut Agency on Aging, Inc.

Notes to Financial Statements  
September 30, 2025 and 2024

### 9. Designated Net Assets

Board designations of net assets without donor restrictions at September 30 consist of the following:

	<u>2025</u>	<u>2024</u>
Designated for future operational needs	\$ 715,900	\$ 715,900
Investment in property and equipment	<u>9,293</u>	<u>29,626</u>
	<u>\$ 725,193</u>	<u>\$ 745,526</u>

### 10. Concentration of Credit Risk

SWCAA's accounts at banking institutions are insured by the Federal Deposit Insurance Corporation ("FDIC") up to \$250,000 and accounts at brokerage institutions are insured by the Securities Investor Protection Corporation ("SIPC") up to \$500,000 (\$250,000 for cash). SWCAA has not experienced any loss in such accounts.

At September 30, 2025 and 2024, the uninsured balance at banking institutions is approximately \$3,165,000 and \$1,551,000. As of September 30, 2025 and 2024, the uninsured balance at brokerage institutions is approximately \$1,801,000 and \$948,000.

### 11. Employee Benefit Plan

SWCAA maintains a Section 403(b) tax-sheltered annuity plan that is available to all employees, subject to certain eligibility requirements as defined in the plan. SWCAA matches 100% of each eligible participant's contribution to the plan up to a maximum of 5% of annual salary. All plan contributions vest immediately. Employer contributions for the years ended September 30, 2025 and 2024 totaled \$217,443 and \$201,301.

\*\*\*\*\*

**Southwestern Connecticut  
Agency on Aging, Inc.**

Uniform Guidance and State Single  
Audit Schedules and Reports

September 30, 2025

**Southwestern Connecticut Agency on Aging, Inc.**

Schedule of Expenditures of Federal Awards  
Year Ended September 30, 2025

Federal Grantor Agency/Pass-Through Grantor/Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Provided to Subrecipients	Total Federal Expenditures
<b>U.S. Department of Health and Human Services</b>				
<i>Passed-through the State of Connecticut</i>				
<i>Department of Rehabilitative Services:</i>				
<i>Special Programs for the Aging Cluster:</i>				
Title III, Part B, Grants for Supportive Services and Senior Centers	93.044	20SDRFED01SWA	\$ 544,695	\$ 808,875
Title III, Part C, Nutrition Services	93.045	20SDRFED01SWA	1,522,803	1,873,667
Nutrition Services Incentive Program	93.053	20SDRFED01SWA	<u>138,014</u>	<u>138,013</u>
Total <i>Special Programs for the Aging Cluster</i>			<u>2,205,512</u>	<u>2,820,555</u>
Special Programs for the Aging, Title III, Part D, Disease Prevention and Health Promotion Services	93.043	20SDRFED01SWA	<u>21,255</u>	<u>52,956</u>
National Family Caregiver Support, Title III, Part E	93.052	20SDRFED01SWA	<u>69,545</u>	<u>401,886</u>
Medicare Enrollment Assistance Program	93.071	20SDRMIP01SWA	<u>-</u>	<u>72,808</u>
State Health Insurance Assistance Program	93.324	20SDRHIC01SWA	<u>-</u>	<u>123,440</u>
Social Services Block Grant	93.667	20SDRFED01SWA	<u>145,110</u>	<u>73,030</u>
Special Programs for the Aging, Title IV, and Title II_Discretionary Projects	93.048	20SDRSMP01SWA	<u>-</u>	<u>173,679</u>
Special Programs for the Aging, Title VII, Chapter 3, Programs for Prevention of Elder Abuse, Neglect, and Exploitation	93.041	20SDRFED01SWA	<u>-</u>	<u>10,000</u>
<i>Passed-through the State of Connecticut Department of Social Services:</i>				
Money Follows the Person Rebalancing Demonstration	93.791	11000-DSS60000-16	<u>-</u>	<u>348,093</u>
Total U.S. Department of Health and Human Services			<u>2,441,422</u>	<u>4,076,447</u>
<b>U.S. Department of the Treasury</b>				
<i>Passed-through the State of Connecticut Department of Aging and Disability Services</i>				
Coronavirus State and Local Fiscal Recovery Funds	21.027	24SDRAAC01SWA	<u>-</u>	<u>340,122</u>
Total U.S. Department of the Treasury			<u>-</u>	<u>340,122</u>
Total Expenditures of Federal Awards			<u>\$ 2,441,422</u>	<u>\$ 4,416,569</u>

See independent auditors' report and notes to schedule of expenditures of federal awards

## **Southwestern Connecticut Agency on Aging, Inc.**

Notes to Schedule of Expenditures of Federal Awards  
Year Ended September 30, 2025

### **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 the Southwestern Connecticut Agency on Aging, Inc. ("SWCAA") under programs of the federal government for the year ended September 30, 2025. 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 SWCAA, it is not intended to, and does not, present the financial position, changes in net assets or cash flows of SWCAA.

#### ***Basis of Accounting***

Expenditures reported on the Schedule are presented 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**

SWCAA has elected not to use the 15% de-minimis indirect cost rate allowed under the Uniform Guidance.

**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***

**Independent Auditors' Report**

**Board of Directors**

**Southwestern Connecticut Agency on Aging, Inc.**

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Southwestern Connecticut Agency on Aging, Inc. ("SWCAA"), which comprise the statement of financial position as of September 30, 2025, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements and have issued our report thereon dated February 19, 2026.

**Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered SWCAA'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 SWCAA's internal control. Accordingly, we do not express an opinion on the effectiveness of SWCAA's internal control.

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

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

**Report on Compliance and Other Matters**

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

***Purpose of this Report***

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

*PKF O'Connor Davies, LLP*

February 19, 2026



## **Report on Compliance for Each Major Federal Program and on Internal Control over Compliance Required by the Uniform Guidance**

### **Independent Auditors' Report**

#### **Board of Directors**

**Southwestern Connecticut Agency on Aging, Inc.**

#### **Report on Compliance for Each Major Federal Program**

##### ***Opinion on Each Major Federal Program***

We have audited Southwestern Connecticut Agency on Aging, Inc.'s ("SWCAA") compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on SWCAA's major federal programs for the year ended September 30, 2025. SWCAA's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs - federal.

In our opinion, SWCAA complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2025.

##### ***Basis for Opinion on Each Major Federal 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 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 Auditors' Responsibilities for the Audit of Compliance section of our report.

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

##### ***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to SWCAA'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 SWCAA'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 SWCAA'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 SWCAA'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 SWCAA'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 SWCAA's internal control over compliance. Accordingly, no such opinion is expressed.

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

**Report on Internal Control Over Compliance**

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

**Board of Directors**  
**Southwestern Connecticut Agency on Aging, Inc.**  
**Page 3**

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. Given these limitations, during our audit, we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies may exist that were not identified.

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

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

*PKF O'Connor Davies, LLP*

February 19, 2026

**Southwestern Connecticut Agency on Aging, Inc.**

Schedule of Findings and Questioned Costs - Federal  
Year Ended September 30, 2025

**Section I - Summary of Auditors' Results**

**Financial Statements**

Type of auditors' report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified?  yes  no
- Significant deficiency(ies) identified?  yes  none reported

Noncompliance material to financial statements noted?  yes  no

**Federal Awards**

Internal control over major federal programs:

- Material weakness(es) identified?  yes  no
- Significant deficiency(ies) identified?  yes  none reported

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

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516 (a)  yes  no

Identification of major federal programs:

<u>Federal Assistance Listing Number</u>	<u>Name of Federal Program or Cluster</u>
93.044/93.045/93.053	Special Programs for the Aging Cluster

Dollar threshold used to distinguish between Type A and Type B programs \$1,000,000

Auditee qualified as a low-risk auditee?  yes  no

**Section II - Financial Statement Findings**

During our audit, we noted no material findings for the year ended September 30, 2025.

**Section III - Federal Award Findings and Questioned Costs**

During our audit, we noted no instances of noncompliance and none of the costs reported in the federal financially assisted programs are questioned or recommended to be disallowed.

**Southwestern Connecticut Agency on Aging, Inc.**

Schedule of Expenditures of State Financial Assistance  
Year Ended September 30, 2025

State Grantor/ Pass-Through Grantor/Programs Title	State Grant Program Core-CT Number	Provided to Subrecipients	Total State Expenditures
<b>Department of Social Services</b>			
Connecticut Home Care Program	11000-DSS60000-16114	\$ -	\$ 6,588,434
Money Follows the Person	11000-DSS60000-16000	-	677,271
Acquired Brain Injury	11000-DSS60000-16146	-	648,758
Total Department of Social Services		<u>-</u>	<u>7,914,463</u>
<b>Department of Rehabilitation Services</b>			
Area Agencies on Aging Cluster:			
Federal Title III Match	11000-SDR63901-16260-10601	-	49,341
Federal Title III, Part B - Grants for Supportive Services and Senior Centers - Match	11000-SDR63901-16260-10604	16,983	16,983
Federal Title III, Part C - Nutrition Services - Match	11000-SDR63901-16260-10603	20,558	26,815
Federal Title III, Part D - Match Elderly	11000-SDR63901-16260-10604	894	894
Cost of Living Adjustment	11000-SDR63901-16278-10716	-	8,618
Elderly Nutrition and Discretionary	11000-SDR63901-16278-10105	788,558	923,470
Total Area Agencies on Aging Cluster		<u>826,993</u>	<u>1,026,121</u>
Choices Program	11000-SDR63901-16260-10719	-	57,523
Respite Care Cluster:			
Statewide Respite Care	11000-SDR63901-16260-10402	-	377,390
Alzheimer's Aide	11000-SDR63901-16260-10403	36,541	36,541
Elderly Health Promotion	11000-SDR63901-16260-10305	-	5,299
Total Respite Care Cluster		<u>36,541</u>	<u>419,230</u>
Total Department of Rehabilitation Services		<u>863,534</u>	<u>1,502,874</u>
<b>Office of Policy and Management</b>			
Nonprofit Grant Program	12052-OPM20830-43574	-	297,035
Total Expenditures of State Financial Assistance		<u>\$ 863,534</u>	<u>\$ 9,714,372</u>

See independent auditors' report and notes to schedule of expenditures of state financial assistance

## **Southwestern Connecticut Agency on Aging, Inc.**

Notes to Schedule of Expenditures of State Financial Assistance  
Year Ended September 30, 2025

### **1. Summary of Significant Accounting Policies**

#### ***General***

The accompanying schedule of expenditures of state financial assistance ("Schedule") includes the state grant activity of Southwestern Connecticut Agency on Aging, Inc. ("SWCAA") under programs of the State of Connecticut for the fiscal year ended September 30, 2025. 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 SWCAA, it is not intended to, and does not, present the financial position, changes in net assets, or cash flows of SWCAA.

The accounting policies of SWCAA conform to accounting principles generally accepted in the United States of America as applicable to not-for-profit organizations.

The information in the Schedule is presented based on regulations established by the State of Connecticut, Office of Policy and Management.

#### ***Basis of Accounting***

The expenditures reported on the Schedule are reported on the accrual basis of accounting. In accordance with Section 4-236-22 of the Regulations of 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.

**Report on Compliance for Each Major State Program and on  
Internal Control Over Compliance Required by the State Single Audit Act**

**Independent Auditors' Report**

**Board of Directors  
Southwestern Connecticut Agency on Aging, Inc.**

**Report on Compliance for Each Major State Program**

***Opinion on Each Major State Program***

We have audited Southwestern Connecticut Agency on Aging, Inc. ("SWCAA") 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 SWCAA's major state programs for the year ended September 30, 2025. SWCAA's major state programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs - state.

In our opinion, SWCAA complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended September 30, 2025.

***Basis for Opinion on Each Major State 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 SWCAA 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 SWCAA's compliance with the compliance requirements referred to above.

***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to SWCAA'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 SWCAA'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 State Single Audit Act 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 SWCAA's compliance with the requirements of each major state program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the State Single Audit Act, 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 SWCAA'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 SWCAA'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 SWCAA's internal control over compliance. Accordingly, no such opinion is expressed.

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

**Report on Internal Control Over Compliance**

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a 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 a material noncompliance with a type of compliance requirement of a state program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a 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 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. Given these limitations, during our audit, we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies may exist that were not identified.

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the State Single Audit Act. Accordingly, this report is not suitable for any other purpose.

*PKF O'Connor Davies, LLP*

February 19, 2026

**Southwestern Connecticut Agency on Aging, Inc.**

Schedule of Findings and Questioned Costs - State  
Year Ended September 30, 2025

**Section I - Summary of Auditors' Results**

**Financial Statements**

Type of auditors' report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? \_\_\_ yes      X no
- Significant deficiency(ies) identified? \_\_\_ yes      X none reported

Noncompliance material to financial statements noted? \_\_\_ yes      X no

**State Financial Assistance**

Internal control over major state programs:

- Material weakness(es) identified? \_\_\_ yes      X no
- Significant deficiency(ies) identified? \_\_\_ yes      X none reported

Type of auditors' opinion issued on compliance for major state programs: Unmodified

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? \_\_\_ yes      X no

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

<u>State Grantor and Program</u>	<u>State Core-CT Number</u>	<u>State Expenditures</u>
Department of Social Services:		
Connecticut Home Care Program	11000-DSS60000-16114	\$6,588,434
Money Follows the Person	11000-DSS60000-16000	677,271
Department of Rehabilitation Services:		
Respite Care Cluster:		
Statewide Respite Care	11000-SDR63901-16260-10402	377,390
Alzheimer's Aide	11000-SDR63901-16260-10403	36,541
Elderly Health Promotion	11000-SDR63901-16260-10305	5,299

Dollar threshold used to distinguish between Type A and Type B programs: \$300,000

**Section II - Financial Statement Findings**

During our audit, we noted no material findings for the year ended September 30, 2025.

**Southwestern Connecticut Agency on Aging, Inc.**

Schedule of Findings and Questioned Costs - State  
Year Ended September 30, 2025

**Section III - State Financial Assistance Findings and Questioned Costs**

No findings or questioned costs are reported relating to State financial assistance programs.