

WEST CENTRAL COMMUNITY ACTION
INDEPENDENT AUDITOR'S REPORTS
FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED SEPTEMBER 30, 2025

WEST CENTRAL COMMUNITY ACTION

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WEST CENTRAL COMMUNITY ACTION

BOARD OF DIRECTORS

Executive Board of Directors

Charles Parkhurst President
Trista McLaughlin Vice President
Kris Olson Harmon Secretary

Board Members

Representing

<u>County</u>	<u>Government</u>	<u>Private</u>	<u>Low-Income</u>
Cass	Wendy Richter	Vacant	Justin Williams
Crawford	Jean Heiden	Donna Childress	Connie McGee
Fremont	Dustin Sheldon	Vacant	Cynthia Williams
Harrison	Brian Rife	Trista McLaughlin	Evert Colunga
Mills	Angie Winquist	Vacant	Donna Maddocks
Monona	Tom Brouillette	Vacant	Vacant
Montgomery	Charla Schmid	Vacant	Pat Berendes
Page	Todd Maher	Lisa Connell	Jeannine Liljedahl
Pottawattamie	Jeff Jorgensen	Vacant	Molly Cummings
Shelby	Charles Parkhurst	Bryan Swain	Kris Olson Harmon

Agency Officials

Wendy Mueller	Executive Director
Keith Bruck	Chief Financial Officer
Angela Bladt	Human Resource Director
Debra Martens	Child & Adult Care Service Director
Danielle Segebart	Head Start/Early Head Start Director
Kelly Mahlberg	Weatherization Director
Ivy Nielsen	LIHEAP Director
Brittany Schoof	CSBG Director/CACFP Coordinator
Mary Wisnieski	FaDSS Director

The Board of Directors and Officers of West Central Community Action represent each of the counties. The board members shall serve as follows:

- a. One-third shall be persons who are currently on a Board of Supervisors or their designee and appointed each January by each county board.
- b. One-third shall be persons who are representatives of business, industry, labor, religious, welfare and education organizations, or other major interest groups. Individuals are nominated by these interest groups and elected by the Organization's Board of Directors to a three year term with no limit on the number of terms they may serve.
- c. At least one-third shall be persons who, according to federal guidelines, have incomes at or below poverty level and are elected by such persons, or are representatives elected by such persons for a three year term with no limit on the number of terms they may serve.

Gronewold, Bell, Kyhnn & Co. P.C.

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DUSTIN T. VEENSTRA
FAITH E. HINRICHS

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
West Central Community Action
Harlan, Iowa

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of West Central Community Action (an Iowa Non-Profit Corporation) 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.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of West Central Community Action as of September 30, 2025, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of West Central Community Action and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America. Management is also responsible 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 West Central Community Action's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

To the Board of Directors of
West Central Community Action

Auditor's Responsibilities for the Audit of the Financial Statements

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

To the Board of Directors of
West Central Community Action

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary information included on page 1 and on Schedules 1 through 6, including the Schedule of Expenditures of Federal Awards required by Title 2, U.S. Code of Federal Regulations, Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (Uniform Guidance), is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated March 9, 2026 on our consideration of West Central Community Action'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 West Central Community Action'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 West Central Community Action's internal control over financial reporting and compliance.

Demernd, Bell, Thylor & Co. P.C.

Atlantic, Iowa
March 9, 2026

WEST CENTRAL COMMUNITY ACTION
Statement of Financial Position
September 30, 2025

ASSETS

	Total
Cash	\$ 2,414,300
Investments:	
Cash and cash equivalents	33,497
Certificates of deposit	581,216
Accrued interest receivable	2,496
Receivables:	
Grantor agencies	795,245
Other sources	296
Prepaid expenses	23,796
Property and equipment at cost, less accumulated depreciation of \$2,526,725	1,701,364
Total Assets	\$ 5,552,210

LIABILITIES AND NET ASSETS

Liabilities	
Accounts payable	\$ 170,209
Accrued salaries and benefits	325,370
Compensated absences	336,825
Advances from grantors and others	185,490
Notes payable	370,829
Total Liabilities	1,388,723
Net Assets	
Without donor restrictions	2,907,460
With donor restrictions	1,256,027
Total Net Assets	4,163,487
Total Liabilities and Net Assets	\$ 5,552,210

See notes to financial statements.

WEST CENTRAL COMMUNITY ACTION
Statement of Activities
Year Ended September 30, 2025

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Public Support and Revenues:			
Grant Revenues	\$ 12,803,193	\$ 46,848	\$ 12,850,041
In-Kind Contributions	1,656,188	--	1,656,188
Public Support and Contributions	110,417	24,122	134,539
Co-funding	453,161	--	453,161
Investment Income	27,003	--	27,003
Gain on Sale of Equipment	19,947	--	19,947
Miscellaneous	<u>396,598</u>	<u>78,635</u>	<u>475,233</u>
Total Public Support and Revenues	15,466,507	149,605	15,616,112
Net Assets Released form Restrictions	<u>185,760</u>	<u>(185,760)</u>	<u>--</u>
Total Public Support, Revenues, and Net Assets Released from Program Restrictions	15,652,267	(36,155)	15,616,112
Expenses:			
Head Start	6,608,433	--	6,608,433
Community Services Block Grant (CSBG)	495,991	--	495,991
Child and Adult Care Food Program (CACFP)	786,944	--	786,944
Low-Income Home Energy Assistance Program (LIHEAP)	2,949,048	--	2,949,048
Weatherization Assistance	1,212,849	--	1,212,849
Child Care Resource & Referral (CCR&R)	967,235	--	967,235
Family Development and Self-Sufficiency	457,105	--	457,105
Early Childhood Iowa	169,291	--	169,291
Outreach	803,424	--	803,424
Other Programs	398,286	--	398,286
Administration	168,385	--	168,385
Depreciation	<u>185,237</u>	<u>--</u>	<u>185,237</u>
Total Expenses	15,202,228	--	15,202,228
Change in Net Assets	450,039	(36,155)	413,884
Net Assets - Beginning of Year	<u>2,457,421</u>	<u>1,292,182</u>	<u>3,749,603</u>
Net Assets - End of Year	<u>\$ 2,907,460</u>	<u>\$ 1,256,027</u>	<u>\$ 4,163,487</u>

See notes to financial statements.

WEST CENTRAL COMMUNITY ACTION
Statement of Functional Expenses
Year Ended September 30, 2025

	<u>Management and General</u>	<u>Program Services</u>	<u>Total</u>
Salaries and wages	\$ 385,940	\$ 4,168,456	\$ 4,554,396
Fringe benefits	88,976	1,267,017	1,355,993
Assistance to individuals	1,459	4,554,840	4,556,299
Professional fees	43,136	617,378	660,514
Travel	16,233	97,680	113,913
Occupancy	100,787	677,485	778,272
Utilities and telephone	21,981	164,253	186,234
Supplies and materials	64,345	254,027	318,372
Buildings and equipment	38,526	7,492	46,018
Printing, publications, and postage	45,107	85,364	130,471
Insurance	30,405	101,369	131,774
Interest expense	1,821	14,823	16,644
Miscellaneous	3,646	55,073	58,719
Co-funding	23	453,161	453,184
In-Kind:			
Labor	--	341,412	341,412
Materials and other	--	1,314,776	1,314,776
Depreciation	<u>95,733</u>	<u>89,504</u>	<u>185,237</u>
Total Expenses before Allocation of Indirect Costs	938,118	14,264,110	15,202,228
Allocation of Indirect Costs	<u>(674,000)</u>	<u>674,000</u>	<u>--</u>
Total Expenses	<u>\$ 264,118</u>	<u>\$ 14,938,110</u>	<u>\$ 15,202,228</u>

See notes to financial statements.

WEST CENTRAL COMMUNITY ACTION
Statement of Cash Flows
Year Ended September 30, 2025

Cash flows from operating activities:	
Cash received from State agencies	\$ 8,080,871
Cash received from Federal grantors	5,439,497
Contributions received	134,539
Investment income	27,440
Other receipts	659,236
Cash paid to employees and suppliers	(13,351,666)
Interest paid	(16,644)
Net cash provided by operating activities	973,273
Cash flows from investing activities:	
Change in investments	(232,429)
Payments to acquire property and equipment	(107,072)
Proceeds on sale of equipment	59,130
Net cash used in investing activities	(280,371)
Cash flows from financing activities:	
Principal payments on notes payable	(38,172)
Net increase in cash and cash equivalents	
	654,730
Cash and cash equivalents at beginning of year	
	1,793,067
Cash and cash equivalents at end of year	
	\$ 2,447,797
Reconciliation of cash and cash equivalents to the statement of financial position:	
Cash	\$ 2,414,300
Cash and cash equivalents in investments	33,497
	\$ 2,447,797

Non-Cash Transactions:

The Agency also incurred the following non-cash transactions in addition to the transactions reflected in the reconciliation of change in net assets to net cash provided by operating activities:

In-kind contributions received	\$ 1,656,188
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See notes to financial statements.

WEST CENTRAL COMMUNITY ACTION
Notes to Financial Statements
September 30, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

West Central Community Action (the Agency), a not-for-profit corporation, is a community action agency that serves the Iowa counties of Cass, Crawford, Fremont, Harrison, Mills, Monona, Montgomery, Page, Pottawattamie, and Shelby. The Agency is exempt from income tax under Section 501(c)(3) of the Internal Revenue Code and a similar section of the Iowa income tax law, which provides tax exemption for corporations organized and operated exclusively for religious, charitable, or educational purposes. The Agency is required to file a Form 990 annually to maintain its exempt status.

The Agency administers various programs funded by Federal, State and local governmental bodies. Each program is accounted for as a separate fund. For the year ended September 30, 2025, the Agency received approximately 82% of its revenues from governmental funding sources. The Agency has renewed substantially all of these governmental funding sources for fiscal year October 1, 2025 to September 30, 2026.

The Agency's financial statements are prepared in accordance with accounting principles generally accepted in the United States of America as prescribed by the Financial Accounting Standards Board for non-profit corporations.

B. Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America. Revenues are recognized when earned and expenses are recorded when the liability is incurred.

C. Revenue Recognition

Grant revenue is either considered revenue from contributions or from exchange transactions based on criteria contained in the grant award, and is considered to be earned over time. Grant revenue considered to be revenue from contributions is recognized in the period in which the related allowable expenses are incurred or when the capital asset is placed in service. Grant revenue considered to be revenue from exchange transactions is recognized when the performance obligations in the contract with the grantor agency are met. Grant revenues that are received in advance of when expenses are incurred, or performance obligations are met, are reflected as a liability titled advances from grantors.

Local funding and donations are generally recognized as revenue at the point in time that the unconditional pledge or contribution is received.

The Agency recognizes program revenue in the period in which it satisfies the performance obligations under contracts by providing services to its clients. These revenues are considered to be earned over time and are reported at the amounts the Agency expects to receive in exchange for providing client services.

WEST CENTRAL COMMUNITY ACTION
Notes to Financial Statements
September 30, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

D. Basis of Presentation

Net assets and revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the Agency and changes therein are classified and reported as follows:

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

Net Assets With Donor Restrictions - Net assets with donor restrictions are resources that are restricted by a donor for use for a particular purpose or in a particular future period. Some donor-imposed restrictions are temporary in nature, and the restriction will expire when the resources are used in accordance with the donor's instructions or when the stipulated time has passed. Other donor-imposed restrictions are perpetual in nature; the Agency must continue to use the resources in accordance with the donor's instructions.

Unconditional promises to give cash and other assets to the Agency are reported at fair value at the date the promise is received. Conditional promises to give and indications of intentions to give are reported at fair value at the date the gift is received. The gifts are reported as restricted support if they are received with donor stipulations that limit the use of the donated assets.

When a donor's restriction is satisfied, either by using the resources in the manner specified by the donor or by the passage of time, the expiration of the restriction is reported in the financial statements by reclassifying the net assets from net assets with donor restrictions to net assets without donor restrictions. Net assets restricted for acquisition of buildings or equipment (or less commonly, the contribution of those assets directly) are reported as net assets with donor restrictions until the specified asset is placed in service by the Agency, unless the donor provides more specific directions about the period of its use.

Revenues and expenses are reported as increases or decreases in net assets without donor restrictions unless use of the related assets is limited by donor or grantor-imposed restrictions. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation or by law.

WEST CENTRAL COMMUNITY ACTION
Notes to Financial Statements
September 30, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

E. Assets, Liabilities and Net Assets

The following accounting policies are followed in preparing the Statement of Financial Position:

Cash and Cash Equivalents - The Agency considers demand deposits and all other highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

Investments - Investments are stated at fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Investment income or loss (including realized gains and losses on investments, interest and dividends) is included in the change in net assets unless the income or loss is restricted by donor or law. Unrealized gains or losses are recorded in investment income (loss) on trading securities and as a change in net assets on available for sale and held to maturity securities.

Receivables from Grantor Agencies and Other Sources - Reimbursement procedures used for grants and contracts may result in timing differences between program reimbursements and expenditures as of the beginning and end of the year. Receivables from grantor agencies and other sources represent an excess of expenditures over cash basis reimbursements at year end.

All receivables are considered fully collectible. Accordingly, no provision for credit losses has been recorded.

Prepaid Expenses - Prepaid expenses consist of the unexpired portion of insurance premiums for Agency auto, liability, property damage, and worker's compensation coverage.

Property and Equipment - Property and equipment are valued at historical cost or estimated cost if actual historical cost is not available. Donated fixed assets are valued at their estimated fair value on the date of donation.

Depreciation has been provided using the straight-line method over the estimated useful lives of the respective assets, generally 5 to 40 years. The depreciated cost of the property and equipment does not purport to be either a realizable value or a replacement value.

Expenses for maintenance, repairs and minor replacements are charged to the current year, while the cost for major replacements and betterments are capitalized. The cost of assets disposed of is deleted. No interest costs were capitalized during the year ended September 30, 2025.

WEST CENTRAL COMMUNITY ACTION
Notes to Financial Statements
September 30, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Advances from Grantors - Advances from grantors represents an excess of cash advances by the funding source over expenses incurred by year end.

Compensated Absences - Employees of the Agency accumulate a limited amount of earned but unused annual leave hours for subsequent use or for payment upon termination, death or retirement. A liability is recorded when each of the following have occurred: the leave is attributable to services already rendered, the leave accumulates and carries forward from one reporting period to the next and the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. Amounts representing the cost of compensated absences are recorded as liabilities on the statement of financial position. This liability has been computed based on rates of pay in effect at September 30, 2025.

Rent Expense - The Agency leases office and classroom space under leases which may be canceled by either party by giving written notice ranging from thirty to ninety days of their intention to vacate the lease. The Agency also leases copy machines, mailing systems and computer servers under leases having immaterial non-cancelable obligations remaining at September 30, 2025. Rent expense under these leases totaled \$270,271 during the year ended September 30, 2025.

Advertising and Promotion Costs - Advertising and promotion costs are expensed as they are incurred. Advertising and promotion costs totaled \$11,426 during the year ended September 30, 2025.

F. In-Kind Contributions

The Agency recognizes donated labor, services, materials and rent-free or rent-reduced usage of facilities and equipment as in-kind revenues at the time the services and materials are utilized. These in-kind contributions and the corresponding expense are valued at their estimated fair market value and recognized in the financial statements in accordance with grant requirements.

G. Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statements of activities and functional expenses. These statements report certain categories of expenses that are attributable to both program or supporting functions of the Agency. Natural expenses attributable to more than one functional expense category are allocated using a variety of cost allocation techniques such as square footage for space and utility costs and time and effort for personnel expenses and other costs.

WEST CENTRAL COMMUNITY ACTION
Notes to Financial Statements
September 30, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

H. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect 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 revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 2 - INDIRECT COST RATE AGREEMENT

West Central Community Action entered into an Indirect Cost Rate Agreement with their cognizant agency, Department of Health and Human Services, setting a provisional Indirect Cost Rate of 12.4% from June 1, 2024 to September 30, 2026. The Indirect Cost allowed is calculated by multiplying the approved rate (12.4%) times the allocation base. The allocation base is the Agency's direct salaries and wages, including fringe benefits and is applicable to all programs. The use of the Indirect Cost Rate allows for an allocation process of the Agency's costs that are incurred for common or joint objectives and, therefore, cannot be readily and specifically identified with a particular project or activity.

NOTE 3 - DEPOSITS AND INVESTMENTS

The Agency's deposits at September 30, 2025 were entirely covered by Federal depository insurance, collateralized with securities or letters of credit held by the Agency or the Agency's agent in the Agency's name, or by a multiple financial institution collateral pool in accordance with Chapter 12C of the Code of Iowa. This chapter provides for additional assessments against the depositories to insure there will be no loss of public funds.

Investments are stated as indicated in Note 1. All cash and certificates of deposit are considered deposits and, therefore, not subject to market value fluctuations. The composition of investments is as set forth below:

Cash and cash equivalents	\$	33,497
Certificates of deposit		<u>581,216</u>
	\$	<u><u>614,713</u></u>

Investment income is composed entirely of interest income for the year ended September 30, 2025.

WEST CENTRAL COMMUNITY ACTION
Notes to Financial Statements
September 30, 2025

NOTE 4 - NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions of \$1,256,087 consist of \$709,774 undepreciated capital items restricted for use within a specific program, and \$546,253 unspent donations restricted for expenditure for specific purposes, primarily food pantry and utility assistance.

Net assets released from restrictions of \$185,760 during the year ended September 30, 2025 represent amounts that satisfied program restrictions or were utilized during the time period for which it was restricted.

NOTE 5 - FINANCIAL ASSETS AND LIQUIDITY RESOURCES

As of September 30, 2025, financial assets and liquidity resources available within one year for general expenditure, such as operating expenses, scheduled principal payments on debt, and capital costs not financed with debt, were as follows:

Financial assets:

Cash and cash equivalents	\$ 2,447,797
Certificates of deposit	581,216
Accrued interest receivable	2,496
Receivables from grantor agencies and other sources	<u>795,541</u>

Total financial assets available within one year \$ 3,827,050

The Agency does not have a formal liquidity policy but generally maintains financial assets in liquid form such as cash and cash equivalents. Most of the Agency's grant awards reimburse expenditures as they are incurred to meet liquidity needs.

WEST CENTRAL COMMUNITY ACTION
Notes to Financial Statements
September 30, 2025

NOTE 6 - PROPERTY AND EQUIPMENT

A summary of property and equipment comprising the plant fund at September 30, 2025, categorized by acquiring program/source, is as follows:

<u>Acquiring Program/Source</u>	<u>Land and Buildings</u>	<u>Vehicles</u>	<u>Equipment</u>	<u>Total</u>
General Agency	\$ 443,440	\$ 85,774	\$ --	\$ 529,214
Shelby County Early Childhood Center	1,236,318	--	85,895	1,322,213
Harlan Administrative Building	508,743	--	49,793	558,536
Head Start	--	180,151	174,797	354,948
Child Care Resource & Referral	--	--	8,124	8,124
CSBG	--	--	3,135	3,135
Family Development	--	--	3,350	3,350
LIHEAP	--	--	2,640	2,640
Weatherization - HEAP	--	37,869	17,506	55,375
Early Head Start	936,452	164,621	227,153	1,328,226
Server Pool	--	--	6,500	6,500
Weatherization Pool	--	48,470	7,358	55,828
Total Cost	<u>3,124,953</u>	<u>516,885</u>	<u>586,251</u>	<u>4,228,089</u>
Less Accumulated Depreciation	<u>(1,593,580)</u>	<u>(443,118)</u>	<u>(490,027)</u>	<u>(2,526,725)</u>
Net	<u>\$1,531,373</u>	<u>\$ 73,767</u>	<u>\$ 96,224</u>	<u>\$ 1,701,364</u>

The components of the Agency's accumulated depreciation at September 30, 2025 are as follows:

	<u>Buildings</u>	<u>Vehicles</u>	<u>Equipment</u>	<u>Total</u>
Balance Beginning of Year	\$1,568,037	\$ 377,418	\$ 609,035	\$ 2,554,490
Current Year Depreciation	99,338	65,700	20,199	185,237
Less Disposals	<u>(73,795)</u>	<u>--</u>	<u>(139,207)</u>	<u>(213,002)</u>
Balance End of Year	<u>\$1,593,580</u>	<u>\$ 443,118</u>	<u>\$ 490,027</u>	<u>\$ 2,526,725</u>

WEST CENTRAL COMMUNITY ACTION
Notes to Financial Statements
September 30, 2025

NOTE 7 - NOTES PAYABLE

Notes payable consist of the following at September 30, 2025:

Note payable to bank	\$	28,999
Note payable to U.S. Department of Agriculture (USDA)		<u>341,830</u>
		<u>\$ 370,829</u>

The bank note payable of \$28,999 is payable in monthly installments of \$2,268, which consists of principal and interest computed at 4.19% per annum through October, 2026. The note is secured by a mortgage agreement on a commercial building owned and occupied by the Agency.

The note payable to the USDA of \$341,830 is payable in monthly installments of \$2,300, which consists of principal and interest computed at 4.25% per annum through May, 2043. The note is secured by a mortgage agreement on a commercial building owned and occupied by the Agency.

The principal and interest payments required on the notes payable for the next five and subsequent years are as follows:

<u>Year ending September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 39,827	\$ 14,989	\$ 54,816
2027	16,387	13,481	29,868
2028	14,462	13,138	27,600
2029	15,125	12,475	27,600
2030	15,781	11,819	27,600
2031-2043	<u>269,247</u>	<u>79,643</u>	<u>348,890</u>
	<u>\$ 370,829</u>	<u>\$ 145,545</u>	<u>\$ 516,374</u>

WEST CENTRAL COMMUNITY ACTION
Notes to Financial Statements
September 30, 2025

NOTE 8 - PENSION AND RETIREMENT BENEFITS

Iowa Public Employees Retirement System

The Agency contributes to the Iowa Public Employees Retirement System (IPERS) which is identified as a cost-sharing multiple-employer defined benefit pension plan administered by the State of Iowa. IPERS provides retirement and death benefits which are established by State statute to plan members and beneficiaries. IPERS issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained by writing to IPERS, P.O. Box 9117, Des Moines, Iowa, 50306-9117 or at www.ipers.org.

Plan members are required to contribute 6.29% of their annual salary and the Agency is required to contribute 9.44% of annual covered payroll. Contribution requirements are established by State statute. The Agency's contribution to IPERS for the year ended September 30, 2025 was approximately \$389,300, equal to the required contribution for the year, while the employees contributed approximately \$264,500.

Tax-Sheltered Annuity

The Agency has established a tax-sheltered annuity arrangement. The plan is available to all employees who normally work more than 20 hours per week.

Under the terms of the plan, the Agency makes a matching contribution up to the current IPERS rate (see above for rates) of the annual salary for each employee participating in the plan who elects not to participate in IPERS. Amounts credited to individual participants are 100 percent vested immediately. The accumulated monies are paid upon a participant's retirement or termination.

For the year ended September 30, 2025, the Agency's contributions amounted to \$9,379.

WEST CENTRAL COMMUNITY ACTION
Notes to Financial Statements
September 30, 2025

NOTE 9 - COUNTY CONTRIBUTIONS

The Agency received county support totaling \$35,959 in fiscal year 2025 which is included in public support and contributions on the Statement of Activities. The following table shows the breakdown of the county contributions.

Cass County	\$	4,500
Crawford County		4,000
Fremont County		3,500
Harrison County		4,850
Mills County		4,609
Monona County		3,000
Montgomery County		3,500
Page County		4,000
Shelby County		4,000
	\$	35,959

NOTE 10 - COMMITMENTS AND CONTINGENCIES

Federal Assistance Grants

West Central Community Action receives a significant portion of its revenues from government grants and contracts, all of which are subject to audit by the federal government. The ultimate determination of amounts received under these programs generally is based upon allowable costs reported to and audited by the government. Until such audits have been completed and final settlement reached, there exists a contingency to refund any amount received in excess of allowable costs. Management is of the opinion that no material liability will result from such audits, therefore no liability is accrued on these financial statements.

Agency Risk Management

West Central Community Action is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. These risks are covered by commercial insurance purchased from independent third parties. Settled claims from these risks have not exceeded commercial insurance coverage for the past two years.

Subsequent Events

The Agency has evaluated all subsequent events through March 9, 2026, the date the financial statements were available to be issued.

* * *

SUPPLEMENTARY INFORMATION

WEST CENTRAL COMMUNITY ACTION
Schedule of Activities - Programs
Year Ended September 30, 2025

	Head Start - Early Head Start	CSBG
Revenues:		
Grant Revenue	\$ 5,361,876	\$ 495,991
In-Kind Contributions	1,274,936	--
Public Support and Contributions	--	--
Co-funding	--	--
Investment income	--	--
Miscellaneous	18,469	--
	<hr/>	<hr/>
Total Revenues	6,655,281	495,991
Expenses:		
Salaries and wages	2,713,319	20,832
Fringe benefits	843,475	4,419
Assistance to individuals	50	--
Professional fees	553,285	--
Travel	55,670	--
Occupancy	312,989	1,232
Utilities and telephone	76,769	239
Supplies and materials	193,144	11,159
Buildings and equipment	47,317	--
Printing, publications and postage	55,823	1,760
Insurance	73,252	58
Interest expense	--	--
Miscellaneous	14,209	--
Co-Funding	--	453,161
In-Kind:		
Labor	329,791	--
Materials and other	945,145	--
	<hr/>	<hr/>
Total Expenses Before Allocation of Indirect Costs	6,214,238	492,860
Allocation of Indirect Costs	<hr/>	<hr/>
	441,043	3,131
Total Expenses	<hr/>	<hr/>
	6,655,281	495,991
Change in Net Assets	--	--
Net Assets at Beginning of Year	<hr/>	<hr/>
	--	--
Net Assets at End of Year	<hr/>	<hr/>
	\$ --	\$ --

(continued next page)

CACFP Homes	CACFP Centers	LIHEAP	Weatherization Assistance Programs		
			HEAP	Department of Energy	Utility Company
\$ 624,854	\$ 162,090	\$ 2,949,046	\$ 723,367	\$ 903,576	\$ 165,690
--	--	--	--	--	--
--	--	--	--	--	--
--	--	--	--	--	--
--	--	2	--	--	--
624,854	162,090	2,949,048	723,367	903,576	165,690
62,427	--	241,147	--	--	--
14,295	--	82,956	--	--	--
518,360	162,090	2,508,482	719,645	889,186	165,690
--	--	--	--	--	--
2,143	--	3,969	--	--	--
6,634	--	43,680	--	--	--
1,857	--	3,109	--	--	--
2,266	--	12,247	--	--	--
--	--	507	--	--	--
1,433	--	11,826	--	--	--
245	--	836	3,722	--	--
--	--	--	--	--	--
5,680	--	100	--	14,390	--
--	--	--	--	--	--
--	--	--	--	--	--
615,340	162,090	2,908,859	723,367	903,576	165,690
9,514	--	40,189	--	--	--
624,854	162,090	2,949,048	723,367	903,576	165,690
--	--	--	--	--	--
--	--	--	--	--	--
\$ --	\$ --	\$ --	\$ --	\$ --	\$ --

WEST CENTRAL COMMUNITY ACTION
Schedule of Activities - Programs - Continued
Year Ended September 30, 2025

	<u>Child Care Resource and Referral</u>	<u>Family Development and Self- Sufficiency</u>
Revenues:		
Grant Revenue	\$ 778,721	\$ 444,745
In-Kind Contributions	188,514	12,360
Public Support and Contributions	--	--
Co-funding	--	--
Investment income	--	--
Miscellaneous	--	--
	<hr/>	<hr/>
Total Revenues	967,235	457,105
Expenses:		
Salaries and wages	427,163	261,448
Fringe benefits	117,982	72,137
Assistance to individuals	10,000	--
Professional fees	48,691	--
Travel	14,404	11,539
Occupancy	44,370	29,678
Utilities and telephone	8,992	4,581
Supplies and materials	14,175	13,308
Buildings and equipment	829	62
Printing, publications and postage	8,644	1,718
Insurance	2,590	1,643
Interest expense	--	--
Miscellaneous	13,283	7,266
Co-Funding	--	--
In-Kind:		
Labor	1,272	1,230
Materials and other	187,242	11,130
	<hr/>	<hr/>
Total Expenses Before Allocation of Indirect Costs	899,637	415,740
Allocation of Indirect Costs	<hr/> 67,598	<hr/> 41,365
Total Expenses	<hr/> 967,235	<hr/> 457,105
Change in Net Assets	--	--
Net Assets at Beginning of Year	<hr/> --	<hr/> --
Net Assets at End of Year	<hr/> \$ --	<hr/> \$ --

See accompanying independent auditor's report.

Early Childhood Iowa	Outreach	Other	Elimination of Internal Agency Amounts and Capital Purchases	Total
\$ 169,291	\$ --	\$ 70,794	\$ (46,848)	\$ 12,803,193
--	180,378	--	--	1,656,188
--	--	94,376	--	94,376
--	452,155	1,006	--	453,161
--	--	266	--	266
--	170,891	594,446	(579,784)	204,024
169,291	803,424	760,888	(626,632)	15,211,208
--	246,652	195,468	--	4,168,456
--	78,166	53,587	--	1,267,017
152,533	--	8,588	(579,784)	4,554,840
15,402	--	--	--	617,378
181	2,327	7,447	--	97,680
1,093	189,356	48,453	--	677,485
--	47,344	21,362	--	164,253
18	4,339	3,371	--	254,027
--	5,617	60,232	(107,072)	7,492
36	1,462	2,662	--	85,364
28	7,361	11,634	--	101,369
--	--	14,823	--	14,823
--	145	--	--	55,073
--	--	--	--	453,161
--	9,119	--	--	341,412
--	171,259	--	--	1,314,776
169,291	763,147	427,627	(686,856)	14,174,606
--	40,277	30,883	--	674,000
169,291	803,424	458,510	(686,856)	14,848,606
--	--	302,378	60,224	362,602
--	--	1,288,651	5,681	1,294,332
\$ --	\$ --	\$ 1,591,029	\$ 65,905	\$ 1,656,934

WEST CENTRAL COMMUNITY ACTION
Schedule of Expenditures of Federal Awards
Year Ended September 30, 2025

<u>Federal Grantor/Pass-through Grantor/Program Title</u>	<u>Assistance Listing Number</u>	<u>Grant or Contract Number</u>
U.S. Department of Health and Human Services		
Head Start Cluster:		
Head Start/Early Head Start Program	93.600	07CH012492
Head Start/Early Head Start Program	93.600	07CH012492
Passed through Iowa Department of Health and Human Services		
Family Development and Self-Sufficiency Program	93.558	FWBP-EIS-25-058
Family Development and Self-Sufficiency Program	93.558	FWBP-EFD-26-012
Low-Income Home Energy Assistance Program	93.568	LIHEAP 24-17
Low-Income Home Energy Assistance Program	93.568	LIHEAP 25-17
Weatherization Assistance Program	93.568	HEAP 24-17
Community Service Block Grant	93.569	CSBG 24-17
Community Service Block Grant	93.569	CSBG 25-17
CCDF Cluster:		
Child Care Resource & Referral Grant	93.575	FWBP-CC-25-003
<i>Total U.S. Department of Health and Human Services</i>		
U.S. Department of Agriculture		
Passed through Iowa Department of Health and Human Services		
Child and Adult Care Food Program (Homes)	10.558	83-8011
Child and Adult Care Food Program (Centers)	10.558	83-8010
<i>Total U.S. Department of Agriculture</i>		
U.S. Department of Energy		
Passed through Iowa Department of Health and Human Services		
Weatherization Assistance for Low-Income Persons	81.042	DOE-BIL22-17
Weatherization Assistance for Low-Income Persons	81.042	DOE-24-17
<i>Total U.S. Department of Energy</i>		
U.S. Department of Homeland Security		
Passed through Iowa Community Action Association		
Disaster Assistance Projects	97.088	FOSU-20-002
<i>Total U.S. Department of Homeland Security</i>		
Total Expenditures of Federal Awards		

(continued next page)

<u>Period of Grant</u>	<u>Program Expenditures</u>
02/01/24 - 01/31/25	\$ 2,033,068
02/01/25 - 01/31/26	<u>3,328,808</u>
	5,361,876
07/01/24 - 07/31/25	144,343
07/01/25 - 06/30/26	<u>33,554</u>
	177,897
10/01/23 - 12/31/24	124,328
10/01/24 - 12/31/25	2,824,718
01/01/24 - 06/30/26	<u>723,367</u>
	3,672,413
10/01/23 - 09/30/25	353,435
10/01/24 - 03/31/26	<u>142,556</u>
	495,991
07/01/24 - 06/30/26	<u>778,721</u>
	10,486,898
10/01/24 - 09/30/25	624,854
10/01/24 - 09/30/25	<u>162,090</u>
	786,944
	786,944
07/01/22 - 03/31/26	624,636
04/01/24 - 03/31/25	<u>278,940</u>
	903,576
	903,576
07/01/24 - 06/30/25	<u>67,924</u>
	67,924
	<u>\$ 12,245,342</u>

WEST CENTRAL COMMUNITY ACTION
Schedule of Expenditures of Federal Awards - continued
Year Ended September 30, 2025

NOTE A - BASIS OF PRESENTATION

The Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of West Central Community Action under programs of the federal government for the year ended September 30, 2025. The information in this 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 West Central Community Action, it is not intended to and does not present the financial position, changes in net assets, or cash flows of West Central Community Action.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting. 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.

NOTE C - SUBRECIPIENTS

No federal grant awards were passed through to subrecipients during the year ended September 30, 2025.

NOTE D - INDIRECT COST RATE

West Central Community Action has not elected to use the 15% de minimis indirect cost rate allowed under the Uniform Guidance. It has a federal approved rate from the Department of Health and Human Services.

See accompanying independent auditor's report.

WEST CENTRAL COMMUNITY ACTION
 Schedule of Revenues and Expenditures
 Administration
 Year Ended September 30, 2025

	<u>Miscellaneous</u>	<u>Indirect Cost Pool</u>	<u>Total</u>
Revenues:			
Public support and contributions	\$ 40,163	\$ --	\$ 40,163
Investment income	26,737	--	26,737
Gain on sale of equipment	19,947	--	19,947
Miscellaneous	<u>271,209</u>	<u>--</u>	<u>271,209</u>
Total Revenues	<u>\$ 358,056</u>	<u>\$ --</u>	<u>\$ 358,056</u>
Expenses:			
Salaries and wages	\$ 989	\$ 384,951	\$ 385,940
Fringe benefits	165	88,811	88,976
Assistance to individuals	1,459	--	1,459
Professional fees	5,745	37,391	43,136
Travel	8,149	8,084	16,233
Occupancy	60,845	39,942	100,787
Utilities and telephone	16,326	5,655	21,981
Supplies and materials	40,886	23,459	64,345
Buildings and equipment	38,526	--	38,526
Printing, publications and postage	11,072	34,035	45,107
Insurance	10,380	20,025	30,405
Interest expense	1,821	--	1,821
Miscellaneous	78	3,568	3,646
Co-funding	<u>23</u>	<u>--</u>	<u>23</u>
Total Expenses Before Allocation of Indirect Costs	196,464	645,921	842,385
Allocation of Indirect Costs	<u>143</u>	<u>(674,143)</u>	<u>(674,000)</u>
Total Expenses	<u>\$ 196,607</u>	<u>\$(28,222)</u>	<u>\$ 168,385</u>

See accompanying independent auditor's report.

WEST CENTRAL COMMUNITY ACTION
Schedule of Revenues and Expenditures
Administration - Miscellaneous Detail
Year Ended September 30, 2025

	Total	Corporate
Revenues:		
Public support and contributions	\$ 40,163	\$ 40,163
Investment income	26,737	26,737
Gain (loss) on sale of equipment	19,947	59,130
Miscellaneous	271,209	86,094
Total Revenues	358,056	212,124
Expenses:		
Salaries and wages	989	989
Fringe benefits	165	165
Assistance to individuals	1,459	1,459
Professional fees	5,745	5,745
Travel	8,149	8,149
Occupancy	60,845	3,611
Utilities and telephone	16,326	399
Supplies and materials	40,886	11,645
Buildings and equipment	38,526	260
Printing, publications, and postage	11,072	2,213
Insurance	10,380	--
Interest expense	1,821	--
Miscellaneous	78	78
Co-funding	23	23
Total Expenses Before Allocation of Indirect Costs	196,464	34,736
Allocation of Indirect Costs	143	143
Total Expenses	196,607	34,879
Change in Net Assets	\$ 161,449	\$ 177,245

See accompanying independent auditor's report.

<u>Central Supply</u>	<u>Photocopy</u>	<u>Postage</u>	<u>Administrative Building</u>
\$ --	\$ --	\$ --	\$ --
--	--	--	--
--	--	--	(39,183)
<u>75,905</u>	<u>21,307</u>	<u>62,695</u>	<u>25,208</u>
75,905	21,307	62,695	(13,975)
--	--	--	--
--	--	--	--
--	--	--	--
--	--	--	--
50,191	--	7,043	--
15,255	--	672	--
--	4,408	24,833	--
--	16,899	21,367	--
79	--	8,780	--
10,380	--	--	--
--	--	--	1,821
--	--	--	--
<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
75,905	21,307	62,695	1,821
<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
<u>75,905</u>	<u>21,307</u>	<u>62,695</u>	<u>1,821</u>
<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$(15,796)</u>

WEST CENTRAL COMMUNITY ACTION
 Schedule of Revenues and Expenditures
 Indirect Cost Allocations Pool
 For the Year Ended September 30, 2025

Revenues:

Other Revenue:		\$		--
Indirect Cost Reimbursements from Administration				143
Indirect Cost Reimbursements from Programs:				
Low Income Home Energy Assistance Program	\$		40,189	
Head Start			252,504	
Early Head Start			188,539	
Community Service Block Grant			3,131	
Child and Adult Care Food Program - Homes			9,514	
Child Care Resource and Referral			67,598	
Embrace Iowa			208	
Family Development and Self-Sufficiency			41,365	
General Relief			294	
Outreach Cost Allocation Pool			40,277	
Disaster Case Management			51	
Iowa Individual Assistance Program			1,481	
Weatherization Cost Allocation Pool			<u>28,849</u>	
Total Indirect Cost Reimbursements from Programs				<u>674,000</u>
Total Support and Revenues				674,143

(continued next page)

WEST CENTRAL COMMUNITY ACTION
 Schedule of Revenues and Expenditures - Continued
 Indirect Cost Allocations Pool
 For the Year Ended September 30, 2025

Expenditures:	
Salaries and wages	\$ 384,951
Fringe benefits	88,811
Supplies	15,390
Rent	35,895
Travel	8,084
Telephone	5,655
Photocopy	8,966
Postage/server	4,172
Subscriptions/publications	1,910
Computer expenses	8,069
Dues/fees/registration	18,987
Audit and professional fees	37,391
Insurance	20,025
Board expenses	337
Training	2,000
Building maintenance	4,047
Direct deposit fees	1,231
Total Expenditures	<u>645,921</u>
Change in Net Assets	28,222
Net Assets - Beginning of Year	<u>187,187</u>
Net Assets - End of Year	<u>\$ 215,409</u>

See accompanying independent auditor's report.

WEST CENTRAL COMMUNITY ACTION
 Schedule of Revenues and Expenditures
 Indirect Reimbursement from Programs
 For the Year Ended September 30, 2025

<u>Program</u>	<u>Wages and Fringe Benefits</u>	<u>Indirect Cost</u>
Low Income Home Energy Assistance Program	\$ 324,103	\$ 40,189
Head Start	2,036,318	252,504
Early Head Start	1,520,476	188,539
Community Service Block Grant	25,251	3,131
Child and Adult Care Food Program - Homes	76,722	9,514
Child Care Resource and Referral	545,145	67,598
Embrace Iowa	1,676	208
Family Development and Self-Sufficiency	333,585	41,365
General Relief	2,367	294
Outreach Cost Allocation Pool	324,818	40,277
Disaster Case Management	410	51
Iowa Individual Assistance Program	11,946	1,481
Weatherization Cost Allocation Pool	232,656	28,849
	<u>\$ 5,435,473</u>	<u>\$ 674,000</u>

See accompanying independent auditor's report.

COMMENTS AND RECOMMENDATIONS

Gronewold, Bell, Kyhnn & Co. P.C.

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Independent Auditor's Report on Internal Control over Financial Reporting
and on Compliance and Other Matters
Based on an Audit of Financial Statements Performed in Accordance with
Government Auditing Standards

To the Board of Directors of
West Central Community Action
Harlan, Iowa

We have audited, 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, the financial statements of West Central Community Action (an Iowa Non-Profit Corporation), 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 financial statements, and have issued our report thereon dated March 9, 2026.

Report on Internal Control Over Financial Reporting

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

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

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

To the Board of Directors of
West Central Community Action

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether West Central Community Action'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 Agency'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 Agency's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Deonard, Bell, Thyer & Co. P.C.

Atlantic, Iowa
March 9, 2026

Gronewold, Bell, Kyhnn & Co. P.C.

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Independent Auditor's Report on Compliance for Each Major Federal Program and on Internal Control over Compliance Required by the Uniform Guidance

To the Board of Directors of
West Central Community Action
Harlan, Iowa

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited West Central Community Action's compliance with the types of compliance requirements identified as subject to audit in the U.S. Office of Management and Budget (OMB) Compliance Supplement that could have a direct and material effect on the Agency's major federal program for the year ended September 30, 2025. The Agency's major federal program is identified in the Summary of the Independent Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, West Central Community Action complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program 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 (GAAS), 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 West Central Community Action and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe 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 West Central Community Action'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 West Central Community Action's federal programs.

To the Board of Directors of
West Central Community Action

Auditor's Responsibilities for the Audit of Compliance

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

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

- Exercise professional judgement 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 West Central Community Action'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 West Central Community Action'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 West Central Community Action'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 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 combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility 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.

To the Board of Directors of
West Central Community Action

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

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

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

Annexed, Bell, Hyman & W.P.C.

Atlantic, Iowa
March 9, 2026

WEST CENTRAL COMMUNITY ACTION

Schedule of Findings and Questioned Costs

Year ended September 30, 2025

PART I: Summary of the Independent Auditor's Results

Financial Statements

- (a) Type of auditor's report issued:
- Unmodified
- (b) Internal control over financial reporting:
- Material weakness(es) identified? _____ yes X no
 - Significant deficiency(ies) identified? _____ yes X none reported
- (c) Noncompliance material to financial statements noted? _____ yes X no

Federal Awards

- (d) Internal control over major programs:
- Material weakness(es) identified? _____ yes X no
 - Significant deficiency(ies) identified? _____ yes X none reported
- (e) Type of auditor's report issued on compliance for major federal programs:
- Unmodified
- (f) Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance [2CFR 200.516(a)]? _____ yes X no
- (g) Identification of major federal programs:
- Assistance Listing Number 93.568 - Low-Income Home Energy Assistance Program (Including the Weatherization Assistance Program)
- (h) Dollar threshold used to distinguish between Type A and Type B programs: \$1,000,000.
- (i) Auditee qualified as low-risk auditee? X yes _____ no

WEST CENTRAL COMMUNITY ACTION

Schedule of Findings and Questioned Costs

Year ended September 30, 2025

Part II: Findings Related to the Financial Statements

INTERNAL CONTROL DEFICIENCIES:

No matters were reported.

INSTANCES OF NONCOMPLIANCE:

No matters were reported.

Part III: Findings and Questioned Costs for Federal Awards

INTERNAL CONTROL DEFICIENCIES:

No matters were reported.

INSTANCES OF NONCOMPLIANCE:

No matters were reported.

Part IV: Summary Schedule of Prior Audit Findings

None

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