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Western Maine Community Action, Inc.

Financial Statements and Supplementary Information

Years Ended August 31, 2025 and 2024

Western Maine Community Action, Inc.

Years Ended August 31, 2025 and 2024

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Independent Auditor's Report

Board of Directors
Western Maine Community Action, Inc.
East Wilton, ME

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Western Maine Community Action, Inc., a nonprofit organization, which comprise the statements of financial position as of August 31, 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 present fairly, in all material respects, the financial position of Western Maine Community Action, Inc. as of August 31, 2025 and 2024, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States (''GAAP'').

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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Western Maine Community Action, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit 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, 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 Western Maine Community Action, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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 Western Maine Community Action, 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 Western Maine Community Action, 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.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards 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 May 26, 2026, on our consideration of Western Maine Community Action, 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 Western Maine Community Action, 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 the Western Maine Community Action, Inc.'s internal control over financial reporting and compliance.

Wipfli LLP

Wipfli LLP
Augusta, Maine

May 26, 2026

Western Maine Community Action, Inc.
Statements of Financial Position

August 31,		2025		2024
ASSETS				
Current assets:				
Cash and cash equivalents	$	286,570	$	390,848
Grants and accounts receivable		848,510		1,219,069
Inventory		8,266		8,762
Prepaid expenses		52,679		59,751
Current portion of revolving loans receivable, net		71,865		67,510
Total current assets		1,267,890		1,745,940
Property and equipment, net		19,771		37,113
Other assets:				
Operating lease right-of-use-asset, net		102,433		218,008
Long-term portion of revolving loans receivable, net		265,707		292,507
Allowance for credit losses		(16,915)		(17,146)
Note receivable		125,000		125,000
Total other assets		476,225		618,369
TOTAL ASSETS	$	1,763,886	$	2,401,422
LIABILITIES AND NET ASSETS				
Current liabilities:				
Accounts payable	$	118,249	$	164,374
Accrued payroll and payroll liabilities		229,861		235,225
Accrued compensated absences		123,085		173,355
Due to funding sources		21,144		-
Refundable advances		394,298		762,885
Current portion of operating lease obligations		95,872		111,925
Total current liabilities		982,509		1,447,764
Non-current liabilities:				
Operating lease obligations, net of current portion		8,019		107,697
Long-term deferred forgivable loans		277,213		289,189
Total long-term liabilities		285,232		396,886
Total liabilities		1,267,741		1,844,650
Net assets:				
Without donor restrictions		460,805		554,216
With donor restrictions		35,340		2,556
Total net assets		496,145		556,772
TOTAL LIABILITIES AND NET ASSETS	$	1,763,886	$	2,401,422

See accompanying notes to financial statements.

Western Maine Community Action, Inc.

Statements of Activities

Years Ended August 31,	2025	2024
WITHOUT DONOR RESTRICTIONS		
Support and revenue:		
Federal grant revenue	$ 7,082,744	$ 7,652,336
State grant revenue	770,356	931,528
Other grants	195,309	279,851
Contributed nonfinancial assets	45,864	16,716
Other revenue	28,617	47,635
Net assets released from restrictions	2,556	37,335
Total support and revenue	8,125,446	8,965,401
Expenses:		
Program services:		
Community/Housing and Energy	1,613,690	3,028,110
Nutrition/Public Health Services	5,707,277	5,241,506
Other	286,686	237,215
Total program service expenses	7,607,653	8,506,831
Supporting services:		
Management and general	611,204	495,118
Total expenses	8,218,857	9,001,949
Change in net assets without donor restrictions	(93,411)	(36,548)
WITH DONOR RESTRICTIONS		
Contributions	35,340	2,754
Net assets released from restrictions	(2,556)	(37,335)
Change in net assets with donor restrictions	32,784	(34,581)
Change in net assets	(60,627)	(71,129)
Net assets - Beginning of the year	556,772	627,901
Net assets - End of the year	$ 496,145	$ 556,772

See accompanying notes to financial statements.

Western Maine Community Action, Inc.

Statement of Functional Expenses

Year Ended August 31, 2025	Community/ Housing and Energy	Nutrition/ Public Health Services	Other	Total Program Services	Management and General	Total
Salaries	$ 512,887	$ 1,196,599	$ 148,627	$ 1,858,113	$ 296,520	$ 2,154,633
Payroll taxes and benefits	147,587	295,828	35,665	479,080	69,350	548,430
Depreciation	9,029	1,715	5,950	16,694	648	17,342
Direct client assistance	649,775	3,702,408	-	4,352,183	-	4,352,183
Direct client assistance - In kind	145,490	2,048	29,691	177,229	-	177,229
Subrecipients	-	235,779	-	235,779	-	235,779
Contractual and consultant services	-	1,200	26,424	27,624	41,883	69,507
Equipment maintenance and rent	31,436	46,098	4,135	81,669	25,412	107,081
Insurance	13,040	10,388	1,824	25,252	4,801	30,053
Materials, supplies, and postage	5,978	19,953	1,787	27,718	20,189	47,907
Occupancy	35,144	102,088	11,065	148,297	21,713	170,010
Telephone	12,412	20,301	2,105	34,818	4,725	39,543
Travel	899	13,610	2,899	17,408	1,827	19,235
Other	50,013	59,262	16,514	125,789	124,136	249,925
Totals	$ 1,613,690	$ 5,707,277	$ 286,686	$ 7,607,653	$ 611,204	$ 8,218,857

See accompanying notes to financial statements.

Western Maine Community Action, Inc.

Statement of Functional Expenses

Year Ended August 31, 2024	Community/ Housing and Energy	Nutrition/ Public Health Services	Other	Total Program Services	Management and General	Total
Salaries	$ 873,831	$ 1,172,504	$ 135,115	$ 2,181,450	$ 305,713	$ 2,487,163
Payroll taxes and benefits	206,563	276,123	28,701	511,387	68,388	579,775
Depreciation	12,152	3,048	1,168	16,368	975	17,343
Direct client assistance	1,530,493	3,310,069		4,840,562	-	4,840,562
Direct client assistance - In kind	144,661	997	8,314	153,972	-	153,972
Subrecipients	-	242,439	-	242,439	-	242,439
Contractual and consultant services	-	900	9,460	10,360	50,053	60,413
Equipment maintenance and rent	54,507	48,628	7,241	110,376	27,043	137,419
Insurance	11,509	8,605	1,452	21,566	2,560	24,126
Materials, supplies, and postage	33,268	8,123	7,767	49,158	8,829	57,987
Occupancy	48,589	85,140	7,074	140,803	12,319	153,122
Telephone	17,129	21,681	1,982	40,792	5,208	46,000
Travel	2,030	13,033	1,781	16,844	967	17,811
Other	93,378	50,216	27,160	170,754	13,063	183,817
Totals	$ 3,028,110	$ 5,241,506	$ 237,215	$ 8,506,831	$ 495,118	$ 9,001,949

See accompanying notes to financial statements.

Western Maine Community Action, Inc.
Statements of Cash Flows

Years Ended August 31,	2025	2024
Cash flow from operating activities:		
Change in net assets	$ (60,627)	$ (71,129)
Adjustments to reconcile change in net assets to net cash flows from operating activities:		
Depreciation	17,342	17,343
Noncash lease expense	118,895	139,177
Forgiveness of notes receivable	76,868	78,645
(Increase) decrease in:		
Grants and accounts receivable	370,559	(151,975)
Inventory	496	-
Prepaid expenses	7,072	(12,043)
Increase (decrease) in:		
Accounts payable	(46,125)	(56,686)
Accrued payroll and payroll liabilities	(5,364)	22,433
Accrued compensated absences	(50,270)	(14,472)
Due to funding sources	21,144	(6,705)
Refundable advances	(368,587)	307,812
Deferred forgivable loans	(11,976)	(67,845)
Operating lease obligations	(118,555)	(140,341)
Net cash flows from operating activities	(49,624)	44,214
Cash flow from investing activities:		
New loans receivable issued	(61,286)	(13,500)
Repayment of loans receivable	6,632	15,621
Net cash flows from investing activities	(54,654)	2,121
Net change in cash and cash equivalents	(104,278)	46,335
Cash and cash equivalents, beginning of year	390,848	344,513
Cash and cash equivalents, end of year	$ 286,570	$ 390,848
Supplemental disclosures of cash flow information:		
Cash paid during the year for interest	$ 816	$ 1,125
Cash paid for amounts included in measurement of lease obligations:		
Operating cash flows from capitalized operating leases	$ 108,181	$ 117,045

See accompanying notes to financial statements.

Note 1: Summary of Significant Accounting Policies

Nature of Operations

Western Maine Community Action, Inc. (WMCA) is a Maine nonprofit corporation organized to provide a focal point for anti-poverty and other social service efforts throughout the communities of the Western Maine area. Types of services include employment training, housing, health, nutrition and food security, and family programs. The accounting practices of WMCA are designed primarily to demonstrate stewardship of the funds entrusted to it, compliance with prescribed contract conditions and other special requirements. WMCA's support comes primarily from governmental grants.

Basis of Presentation

The financial statements are prepared using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("GAAP").

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make certain estimates and assumptions that directly 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.

Net Assets

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

> **Net assets without donor restrictions:** Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.
>
> **Net assets with donor restrictions**: Net assets subject to donor (or certain grantor-) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other explicit donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources must be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Note 1: Summary of Significant Accounting Policies (Continued)

Revenue Recognition

Contribution Revenue

Contributions, including promises to give, are considered conditional or unconditional, depending on the nature and existence of any donor or grantor conditions. A contribution or promise to give contains a donor or grantor condition when both of the following are present:

- An explicit identification of a barrier, that is more than trivial, that must be overcome before the revenue can be earned and recognized

- An implicit right of return of assets transferred or a right of release of a donor or grantor's obligation to transfer assets promised, if the condition is not met

Conditional contributions are recognized when the barrier(s) to entitlement are overcome. Unconditional contributions are recognized as revenue when received.

Unconditional contributions or conditional contributions in which the conditions have been substantially met or explicitly waived by the donor are recorded as support with or without donor restrictions, depending on the existence and nature of any donor restrictions. When a restriction expires, 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.

Grant Revenue

Grants are either recorded as contributions or exchange transactions based on criteria contained in the grant award.

Grant Awards that are Contributions
Grants that qualify as contributions are recorded as invoiced to the funding sources in accordance with the terms of the award. Revenue is recognized in the accounting period when the related allowable expenses are incurred. Amounts received in excess of expenses or asset acquisitions are reflected as refundable advances.

Grant Awards that are Exchange Transactions
Exchange transactions are reimbursed based on a predetermined rate for services performed in accordance with the term of the award. Revenue is recognized when control of the promised goods or services is transferred to the customer (grantor) in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Amounts received in excess of recognized revenue are reflected as a contract liability.

Note 1: Summary of Significant Accounting Policies (Continued)

Cash and Cash Equivalents

WMCA considers all highly liquid debt instruments with an original maturity of three months or less to be cash equivalents.

Grants and Accounts Receivable

Grants and accounts receivable consist primarily of revenue from various governmental grants and are stated at the amount management expects to collect from outstanding balances. Amounts are reviewed for collectability by management and an allowance for doubtful accounts is recorded as needed. WMCA considers these receivables to be collectible and, therefore, no allowance for uncollectible amounts has been recorded.

The carrying amounts of accounts receivable is reduced by an allowance that reflects management's best estimate of the current expected credit losses. The estimate of the allowance for credit losses is based on an analysis of historical loss experience, current receivables aging, and management's assessment of current conditions and expected changes during a reasonable and supportable forecast period. WMCA uses an aging method to estimate the allowances for credit losses. Management assesses collectability by pooling receivables with similar risk characteristics and evaluates receivables individually when specific entity balances no longer share those characteristics. There was no allowance considered necessary for years ended August 30, 2025 and 2024, respectively.

Inventories

Inventories consist of donated coats and Christmas gifts for distribution to clients of the various programs operated, which are stated at fair market value at the date of donation. Inventories also consist of supplies used in housing repair.

Revolving Loans Receivable

WMCA operates a loan fund that provides assistance to low-income homeowners in Maine. The assistance provided is in the form of low- or no-interest deferred payment or installment loans and the loans are secured by property owned by the homeowners. Any loans subsequently repaid will reduce the loan receivable and provide funds for loans or other assistance to other eligible participants. As of August 31, 2025 and 2024, the deferred loan receivable amounts were $277,213 and $289,189, respectively.

WMCA use a current expected credit loss (“CECL”) model to estimate the allowance for credit losses on loans. The CECL model considers historical loss rates and other qualitative adjustments, as well as a new forward-looking component that considers reasonable and supportable forecasts over the expected life of each loan.

Note 1: Summary of Significant Accounting Policies (Continued)

Revolving Loans Receivable (Continued)

Management has the intent and ability to hold all loans for the foreseeable future or until maturity or pay-off generally and has reported the loans at their outstanding unpaid principal balances adjusted for charge-offs and the allowance for credit losses. Interest income is accrued on the unpaid principal balance. Loan origination fees, net of certain direct origination costs are recognized as income or expense when received or incurred since capitalization of these fees or costs would not have a significant impact on the financial statements.

At such time when a loan is determined to be past due, the interest-bearing loans are placed on non-accrual status. The determination of past due loans for purposes of placing on non-accrual status is made on a case-by-case basis after a review by the Chief Financial Officer. All interest accrued but not collected for loans that are placed on non-accrual or charged off is reversed against interest income. The interest on these loans is accounted for on the cash-basis or cost-recovery method, until qualifying for return to accrual. Loans are returned to accrual status when all the principal and interest amounts contractually due are brought current and future payments are reasonably assured.

Allowance for Credit Losses

The allowance for credit losses is a valuation allowance for probable incurred credit losses based on an evaluation of the outstanding loans. Credit losses are charged against the allowance when management believes the collectability of the principal is unlikely. Subsequent recoveries, if any, are credited to the allowance.

Management regularly evaluates the allowance for credit losses taking into consideration such factors as historical loss experience, changes in the nature and volume of the loan portfolio, overall portfolio quality, and review of specific problem loans, and current economic conditions that may affect the borrower’s ability to pay.

A loan is considered impaired when, based on current information and events, it is probable that WMCA will be unable to collect the scheduled payments of principal or interest when due according to the contractual terms of the loan agreement. Factors considered by management in determining impairment include payment status, collateral value, and the probability of collecting scheduled principal and interest payments when due. Loans that experience insignificant payment delays and payment shortfalls generally are not classified as impaired. Management determines the significance of payment delays and payment shortfalls on a case-by-case basis, taking into consideration all of the circumstances surrounding the loan and the borrower, including the length of the delay, the reasons for the delay, the borrower's prior payment record, and the amount of the shortfall in relation to the principal and interest owed. Impairment is measured on a loan-by-loan basis for business loans by either the present value of expected future cash flows discounted at the loan's effective interest rate, the loan's obtainable market price, or the fair value of the collateral if the loan is collateral dependent.

Note 1: Summary of Significant Accounting Policies (Continued)

Property and Equipment

All acquisitions and improvements of property and equipment of $10,000 or more are capitalized while all expenditures for repairs and maintenance that do not materially prolong the useful lives of assets are expensed. Purchased property and equipment are carried at cost. Donated property and equipment is carried at the approximate fair value at the date of donation. Depreciation is computed using the straight-line method over the estimated lives of the assets, which range from 3-7 years for vehicles, equipment and leasehold improvements.

Contributed Nonfinancial Assets

Contributions of nonfinancial assets are recognized in the financial statements if they enhance or create an asset or require specialized skill for the service being provided. The value of the household goods and food boxes is included in federal grant revenue on the statements of activities. For the years ending August 31, 2025 and 2024, contributed nonfinancial assets recognized within the statements of activities included:

	2025	2024	Usage in Programs	Donor Imposed Restrictions	Fair Value Techniques
Household goods	$ 45,864	$ 16,716	Nutrition/Public Services	No	Retail value
Food boxes (included in federal revenue)	131,365	137,256	Nutrition/Public Services	No	Federal rates
Totals	$ 177,229	$ 153,972			

Income Taxes

WMCA is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. It is also exempt from Maine income tax.

WMCA is required to assess whether it is more likely than not that a tax position will be sustained upon examination on the technical merits of the position assuming the taxing authority has full knowledge of all information. If the tax position does not meet the more likely than not recognition threshold, the benefit of that position is not recognized in the financial statements. WMCA has determined there are no amounts to record as assets or liabilities related to uncertain tax positions.

Note 1: Summary of Significant Accounting Policies (Continued)

Functional Allocation of Expenses

The costs of program and supporting services activities have been summarized on a functional basis in the statements of activities. The statements of functional expenses presents the natural classification detail of expenses by function. Directly identifiable expenses are charged to the appropriate programs and supporting services. Expenses related to more than one function are allocated among the programs and supporting services benefited. Such allocations are determined by management on an equitable basis. Expenses that are allocated include salaries and benefits which are allocated based on actual time and effort, and occupancy/space and facilities costs, which are allocated based on actual square footage. Management and general expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of WMCA.

Leases

WMCA is a lessee in multiple noncancelable operating leases. If the contract provides WMCA the right to substantially all the economic benefits and the right to direct the use of the identified asset, it is considered to be or contain a lease. Right-of-use (ROU) assets and lease liabilities are recognized at the lease commencement date based on the present value of the future lease payments over the expected lease term. The ROU asset is also adjusted for any lease prepayments made, lease incentives received, and initial direct costs incurred.

The lease liability is initially and subsequently recognized based on the present value of its future lease payments.

WMCA has elected to use a risk-free rate for a term similar to the underlying lease as the discounted rate if the implicit rate in the lease contract is readily determinable.

The ROU asset for operating leases is subsequently measured throughout the lease term at the amount of the remeasured lease liability (i.e., present value of the remaining lease payments), plus unamortized initial direct costs, plus (minus) any prepaid (accrued) lease payments, less the unamortized balance of lease incentives received, and any impairment recognized. For operating leases with lease payments that fluctuate over the lease term, the total lease costs are recognized on a straight-line basis over the lease term.

For all underlying classes of assets, WMCA has elected to not recognize ROU assets and lease liabilities for short-term leases that have a lease term of 12 month or less at lease commencement and do not include an option to purchase the underlying asset that WMCA is reasonably certain to exercise. Leases containing termination clauses in which either party may terminate the lease without cause and the notice period is less than 12 months are deemed short-term leases with lease costs included in short-term lease expense. WMCA recognizes short-term lease cost on a straight-line basis over the lease term.

WMCA made an accounting policy election to not separate the lease components of a contract and its associated non-lease components (i.e., lessor-provided maintenance and other services).

Note 1: Summary of Significant Accounting Policies (Continued)

Subsequent Events

WMCA has evaluated events and transactions for potential recognition or disclosure in the financial statements through May 26, 2026, which is the date the financial statements were available to be issued.

Note 2: Liquidity and Availability of Financial Resources

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statements of financial position date, comprise the following as of:

August 31,	2025	2024
Cash and cash equivalents	$ 286,570	$ 390,848
Grants and accounts receivable	848,510	1,219,069
Subtotal financial assets	1,135,080	1,609,917
Less: accounts payable	(118,249)	(164,374)
Less: accrued payroll and payroll liabilities	(229,861)	(235,225)
Less: accrued compensated absences	(123,085)	(173,355)
Less: refundable advances and due to funding sources	(415,442)	(762,885)
Less: net assets with donor restrictions	(35,340)	(2,556)
Net financial resources available for general expenditures	$ 213,103	$ 271,522

WMCA does not have a formal liquidity policy. WMCA can rely on lower balances of available financial assets as it is primarily funded with cost reimbursement grants. Under cost reimbursement grants, once expenses are incurred, an organization can request reimbursement from the funding source.

Note 3: Concentration of Credit Risk

WMCA maintains cash balances in one financial institution where the accounts are insured by the Federal Deposit Insurance Corporation (FDIC) for up to $250,000. At certain times during the year, cash balances may be in excess of FDIC coverage. WMCA has not experienced any losses in such accounts, and believes it is not exposed to any significant credit risk on cash.

Note 4: Revolving Loans Receivable

WMCA operates two loan programs that provide assistance to low-income homeowners. The assistance is provided in the form of various low- or no-interest deferred or installment loans, which are secured by various property owned by the recipients. Loan funds repaid are available to loan to other eligible participants.

Revolving Loan Fund - The Revolving Loan Fund provides low-interest or no-interest forgivable loans to low and very-low-income homeowners for home purchases or repairs. Current loans forgiven during the years ended August 31, 2025 and 2024, were $76,868 and $78,645, respectively. The amount of new loans entered into during the years ended August 31, 2025 and 2024, were $61,286 and $13,500, respectively.

Revolving loans consisted of the following as of August 31:

	2025	2024
Revolving loan fund	$ 337,572	$ 360,017
Less allowance for credit losses	(16,915)	(17,146)
Total loans receivable	320,657	342,871
Current portion	(71,865)	(67,510)
Long-term revolving loans receivable	$ 248,792	$ 275,361

An analysis of the allowance for credit losses for the revolving loans for the years ended August 31, 2025 and 2024, is as follows:

	2025	2024
Balance at beginning of year	$ 17,146	$ 19,607
Loans charged off	(231)	(2,461)
Totals	$ 16,915	$ 17,146

Detailed analysis of loans evaluated for impairment is as follows as of August 31:

	2025	2024
Revolving Loans:		
Individually evaluated for impairment	$ 60,359	$ 70,828
Collectively evaluated for impairment	277,213	289,189
Totals	$ 337,572	$ 360,017

Note 4: Revolving Loans Receivable (Continued)

	2025	2024
Related Allowance for Credit Losses:		
Individually evaluated for impairment	$ 16,915	$ 17,146
Totals	$ 16,915	$ 17,146

There were no impaired loans without a related allowance for credit loss as of August 31, 2025 and 2024.

WMCA regularly evaluates attributes of loans to determine the appropriateness of the allowance for credit losses. Revolving loans are generally evaluated based on whether or not the loan is performing according to the contractual terms of the loan.

Information regarding the credit quality indicators most closely monitored for revolving loans as of August 31, 2025 and 2024, is as follows:

	2025	2024
Credit exposure:		
Performing	$ 291,040	$ 299,313
Non-performing	46,532	60,704
Totals	$ 337,572	$ 360,017

As of August 31, 2025 and 2024, WMCA has placed all non-performing loans on non-accrual status.

When, for economic or legal reasons related to the borrower's financial difficulties, WMCA grants a concession to the borrower that WMCA would not otherwise consider, the modified loan is classified as a troubled debt restructuring. Loan modifications may consist of forgiveness of interest and/or principal, a reduction of the interest rate, interest-only payments for a period of time, and/or extending amortization terms.

There were no modifications of loans that are classified as troubled debt restructurings during the years ended August 31, 2025 and 2024.

Note 5: Note Receivable

WMCA holds a secured note receivable for $125,000 from 82 High Street, Inc., a 501(c)(3) nonprofit corporation which controls a 32-unit housing complex next to the University of Maine at Farmington. WMCA is second in line behind a Maine State Housing Authority first mortgage of $292,000. The note is at 0% interest. No allowance for credit losses is considered necessary at August 31, 2025 and 2024. The balance is due upon the sale of the property. No discount on the note was recorded as it was not deemed material.

Note 6: Property and Equipment

A summary of property and equipment was as follows as of August 31, 2025 and 2024:

	2025	2024
Vehicles	$ 58,190	$ 58,190
Equipment	95,867	95,867
Leasehold improvements	27,653	27,653
Less: Accumulated depreciation	(161,939)	(144,597)
Totals	$ 19,771	$ 37,113

Note 7: Net Assets with Donor Restrictions

Net assets with donor restrictions are restricted for the following purposes as of August 31:

	2025	2024
Housing and Energy Programs	$ 35,340	$ 818
Other	-	1,738
Totals	$ 35,340	$ 2,556

During the years ending August 31, 2025 and 2024, there were $2,556 and $37,335 of net assets released from restrictions, respectively, as purpose restrictions were satisfied.

Note 8: Leases

WMCA leases office space and equipment. Some of the leases entered into include one or more options to renew. The renewal terms can extend the lease term from one to three years. The exercise of lease renewal options is at WMCA's sole discretion. Renewal option periods are included in the measurement of the ROU asset and lease liability when the exercise is reasonably certain to occur.

WMCA intends to exercise the renewal options for office spaces based on revenue contracts.

The depreciable life of assets and leasehold improvements are limited by the expected lease term, unless there is a transfer of title or purchase option reasonably certain of exercise.

WMCA's lease agreements do not contain any material residual value guarantees or material restrictive covenants. Payments due under the lease contracts include fixed payments. Lease expense is $118,555 and $115,778 for the year ended August 31, 2025 and 2024.

Note 8: Leases (Continued)

Supplemental statement of financial position information related to leases is as follows as of August 31, 2025 and 2024:

	2025	2024
Weighted-average remaining lease term - Operating leases (in years)	1.14	2.06
Weighted-average discount rate - Operating leases	4.17%	4.20%

Maturities of lease obligations are as follows:

Years Ended August 31,		
2026	$	99,982
2027		5,703
2028		2,316
2029		193
Total lease payments		108,194
Less imputed interest		(4,303)
Total	$	103,891

		2025		2024
Current portion of lease obligations	$	95,872	$	111,925
Long-term portion of lease obligations		8,019		107,697
Totals	$	103,891	$	219,622

Note 9: Concentration of Revenue

Of the revenues received by WMCA in fiscal years 2025 and 2024, approximately 97% and 96%, respectively, were from federal and state funded grants and contracts. Changes in reimbursement methods or reductions in available funds could adversely affect operations if alternative funding sources are not readily available.

Note 10: Related Parties

WMCA is affiliated with Franklin County Community Action Council Property Trust by three common board members with no authority to negotiate or sign contracts for the Trust. The Trust was originally created to hold assets for WMCA. The Trust currently leases property to WMCA. Lease payments to the trust totaled $49,000 for years ended August 31, 2025 and 2024. In addition, as of August 31, 2025 and 2024, the Trust owed WMCA $0 and $9,045 for improvements to the property, respectively.

WMCA is a guarantor on a line of credit for the Trust and there was no balance on the line of credit as of August 31, 2025 and 2024.

Note 11: Retirement Plan

WMCA sponsors a tax-deferred annuity plan qualified under Section 403(b) of the Internal Revenue Code. All employees are eligible to make elective deferrals to the plan. WMCA's contributions to the Plan were $45,614 and $46,056 for the years ended August 31, 2025 and 2024, respectively.

Note 12: Commitments and Contingencies

Western Maine Community Action, Inc. participates in a number of federal and state grant programs. These programs are always subject to program compliance audits by the grantors and their representatives. Any disallowed claims, including amounts already collected, may constitute a liability to WMCA. WMCA believes that it is in substantial compliance with the grant programs, and that disallowed amounts, if any, would not be significant. In addition, WMCA falls under Tier 2 of the *Maine Uniform Accounting and Auditing Practices for Community Agencies* (MAAP). This is a rulemaking established by the State of Maine. Under Tier 2, the State will conduct a review of the audit of pass-through federal and direct state funds conducted by its independent auditors. No estimate has been made in the financial statements for potential adjustments which may result from the State’s review of the year ended August 31, 2025.

Supplementary Information

Western Maine Community Action, Inc.

Schedule of Expenditures of Federal Awards

Year Ended August 31, 2025

Federal Grantor / Pass-Through Grantor / Program or Cluster Title	AL Number	Pass-Through Entity Identifying Number	Federal Expenditures
DEPARTMENT OF AGRICULTURE			
Pass-Through Awards:			
Maine Department of Education:			
Child & Adult Care Food Program	10.558	C-176	$ 247,471
Subtotal U.S.D.A Pass-Through MEDOE CACFP			247,471
Maine Department of Health and Human Services			
WIC Special Supplemental Nutrition Program for Women, Infants and Children	10.557	CD3-24-4658B	4,736,781
Subtotal U.S.D.A. Pass-Through MEDHHS WIC			4,736,781
Maine Department of Agriculture, Conservation and Forestry:			
Commodity Supplemental Food Program	10.565	CT01A 20230918*0770	53,469
Commodity Supplemental Food Program	10.565	CT 20240920*0729	92,074
Subtotal U.S.D.A. Pass-Through Maine DACF and Food Distribution Cluster			145,543
Subtotal U.S.D.A. Pass-Through			5,129,795
TOTAL DEPARTMENT OF AGRICULTURE			**5,129,795**
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			
Passed through City of Rockland/Maine Department of Economic and Community Development			
Community Development Block Grant/State's Program	14.228	n/a	6,515
Community Development Block Grant/State's Program	14.228	n/a	97,460
Subtotal HUD Pass-Through City of Rockland/Maine Department of Economic and Community Development			103,975
Passed through Maine State Housing Authority			
Emergency Solutions Grant	14.231	n/a	32,012
Subtotal HUD Pass-Through Maine State Housing Authority			32,012
TOTAL DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			**135,987**
DEPARTMENT OF TREASURY			
Passed through Department of Professional and Financial Regulation			
Maine Home Owner Assistance Fund - COVID	21.027	n/a	29,537
Subtotal Department of Treasury Pass-Through Department of Professional and Financial Regulation			29,537
TOTAL DEPARTMENT OF TREASURY			**29,537**
DEPARTMENT OF ENERGY			
Passed through Maine State Housing Authority			
Weatherization Assistance for Low-Income Persons	81.042	n/a	176,771
SERC Heat Pump Program for Low-Income Persons	81.042	n/a	41,745
Bipartisan Infrastructure Law Weatherization Assistance Program	81.042	n/a	364,028
Infrastructure Investment and Jobs Act (IIJA)	81.042	n/a	84,165
TOTAL DEPARTMENT OF ENERGY			**666,709**
DEPARTMENT OF HEALTH AND HUMAN SERVICES			
Passed through Maine Department of Health and Human Services			
Temporary Assistance for Needy Families - Whole Family Services	93.558	OFI-24-409	62,962
Temporary Assistance for Needy Families - Whole Family Services	93.558	OFI-26-409A	9,949
Subtotal AL# 93.558			**72,911**
Community Services Block Grant	93.569	CFS-24-7009	77,242
Community Services Block Grant	93.569	CFS-25-7009	207,427
Community Services Block Grant- COVID	93.569	CFS-20-7109B	6,281
Subtotal AL# 93.569			**290,950**
Medical Assistance Program - Medicaid Cluster	93.778	HIM-24-5500A	32,006
Subtotal DHHS Passed through Maine Department of Health and Human Services			**395,867**
Passed through Maine State Housing Authority			
Low-Income Home Energy Assistance Program	93.568	n/a	614,533
Passed through Maine Community Action Association			
Whole Family Community Project - DDDRP	93.647	n/a	29,374
Whole Family Community Project	93.647	n/a	80,940
Subtotal DHHS Passed through Maine Community Action Association			110,314
TOTAL DEPARTMENT OF HEALTH AND HUMAN SERVICES			**1,120,714**
TOTAL FEDERAL EXPENDITURES			**$ 7,082,742**

Notes to Schedule of Expenditures of Federal Awards

Note 1 - Basis of Presentation
The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of Western Maine Community Action, Inc. under programs of the federal government for the year ended August 31, 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 Western Maine Community Action, Inc., it is not intended to and does not present the financial position, changes in net assets or cash flows of Western Maine Community Action, Inc.

Note 2 - 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. Pass-through entity identifying numbers are presented where available.

Note 3 - Indirect Cost Rate
Western Maine Community Action, Inc. has not elected to use the de minimis indirect cost rate allowed under the Uniform Guidance. Western Maine Community Action, Inc. has an indirect rate that has been approved by the U.S. Department of Health and Human Services (DHHS).

Note 4 - Subrecipient Expenses
Western Maine Community Action, Inc. passed through $17,591 of federal funds, under Assistance Listing #93.778, to subrecipients during the year ended August 31, 2025.

WIPFLI

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*

Board of Directors
Western Maine Community Action, Inc.
East Wilton, Maine

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 Western Maine Community Action, Inc. (a nonprofit organization), which comprise the statement of financial position as of August 31, 2025, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated May 26, 2026.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Western Maine Community Action, Inc.'s internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Western Maine Community Action, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of Western Maine Community Action, Inc.'s internal control.

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

Our consideration of the internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2025-001 that we consider to be a significant deficiency.

Report on Compliance and Other Matters

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

Western Maine Community Action, Inc.'s Response to Finding

Government Auditing Standards requires the auditor to perform limited procedures on Western Maine Community Action, Inc.'s response to the finding identified in our audit and described in the accompanying schedule of findings and questioned costs. Western Maine Community Action Inc.'s response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report

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

Wipfli LLP

Wipfli LLP

Augusta, Maine
May 26, 2026

WIPFLI

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

Board of Directors
Western Maine Community Action, Inc.
East Wilton, Maine

Report on Compliance for the Major Federal Program

Opinion on the Major Federal Program

We have audited Western Maine Community Action, Inc.'s 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 Western Maine Community Action, Inc.'s major federal program for the year ended August 31, 2025. Western Maine Community Action, Inc.'s major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Western Maine Community Action, Inc. 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 August 31, 2025.

Basis for Opinion on the 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 Auditor's Responsibilities for the Audit of Compliance section of our report.

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

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Western Maine Community Action, Inc.'s federal programs.

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 Western Maine Community Action, Inc.'s compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Western Maine Community Action, Inc.'s compliance with the requirements of the 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 Western Maine Community Action, Inc.'s compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.

- Obtain an understanding of Western Maine Community Action, Inc.'s internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Western Maine Community Action, Inc.'s internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control over Compliance

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

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

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

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

Wipfli LLP

Wipfli LLP

Augusta, Maine
May 26, 2026

Western Maine Community Action, Inc.

Schedule of Findings and Questioned Costs
Year Ended August 31, 2025

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued?	Unmodified
Internal control over financial reporting:	
Material weaknesses identified?	No
Significant deficiencies identified?	Yes
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over major federal program:	
Material weaknesses identified?	No
Significant deficiencies identified?	None reported
Type of auditor's report issued on compliance for major program	Unmodified
Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance [2 CFR 200.516(a)]?	No
Identification of major federal program:	

Name of Federal Major Program or Cluster	AL No.
WIC Special Supplemental Nutrition Program for Women, Infants and Children	10.557

Dollar threshold used to distinguish between Type A and Type B programs:	
Federal	$750,000
Auditee qualified as low-risk auditee?	Yes

Section II - Financial Statement Findings

Finding Number: 2025-001
Repeat Finding: Yes
Type of Finding: Significant Deficiency in Internal Control Over Financial Reporting
Description: Year-End Cutoff

Condition: WMCA is responsible for the internal controls over the period-end financial reporting process, including controls over procedures to recognize transactions in the correct period and properly adjust the general ledger. During the audit, it was required to post several adjusting journal entries due to material accounts not being reconciled effectively and appropriately.

Criteria: Internal controls should be properly designed and implemented for WMCA to ensure timely and accurate year-end financial reporting.

Cause: Internal controls over year-end reconciliations of the general ledger and financial reporting were not operating as designed.

Effect: WMCA's internal controls over financial reporting at the general ledger and financial statement levels were not adequate to ensure that a material misstatement of grant agreements would be prevented and/or detected.

Recommendation: We recommend WMCA continue to evaluate its year-end closeout procedures and put processes in place to ensure that all balance sheet accounts are reconciled from support to the general ledger. WMCA should design and implement effective internal control procedures to ensure the financial statements and related notes are free from material misstatements.

View of Responsible Officials: Management agrees with the findings and has committed to a corrective action plan.

Section III – Federal Award Findings and Questioned Costs

None

Section IV - Summary Schedule of Prior Year Findings

Finding Number: 2024-001
Repeat Finding: Yes
Type of Finding: Significant Deficiency in Internal Control Over Compliance
Description: Payroll Expenditures – Approval of Time Sheets

Condition: Out of a sample of 80 payroll transactions there were 3 where the timesheet was not properly approved by the supervisor prior to payroll being processed.

Current Status: The finding was resolved.

Finding Number: 2024-002
Repeat Finding: No
Type of Finding: Significant Deficiency in Internal Control Over Compliance
Description: Approval of nonpayroll disbursements

Condition: During our audit, Wipfli LLP noted there were 2 instances of nonpayroll disbursements not being approved. Specifically, cell phone reimbursements were given to staff that supervise others and there was no oversight over these transactions. However, there was no process or policy to approve these types of transactions.

Current Status: The finding was resolved.

Finding Number: 2024-003
Repeat Finding: No
Type of Finding: Significant Deficiency in Internal Control Over Financial Reporting
Description: Tri-Partite Board Composition

Condition: Less than 1/3 of the members of the board of directors of WMCA were representatives of the public sector and less than 1/3 of the members of the board of directors of WMCA were representative of the private sector in accordance with Community Services Block Grant (CSBG) requirements.

Current Status: The finding was resolved.