

WESTBAY COMMUNITY ACTION, INC.
FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION
YEAR ENDED JUNE 30, 2025

**WESTBAY COMMUNITY ACTION, INC.
FOR THE YEAR ENDED JUNE 30, 2025**

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Westbay Community Action, Inc.
Warwick, Rhode Island

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Westbay Community Action, Inc., (a nonprofit organization) (the "Organization"), which comprise the statement of financial position as of June 30, 2025, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the year 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 the Organization as of June 30, 2025, and its changes in 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 the Organization and to meet our ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization'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 the Organization's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization'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.

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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 February 17, 2026, on our consideration of the Organization'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 the Organization'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 Organization's internal control over financial reporting and compliance.



Providence, Rhode Island
February 17, 2026

WESTBAY COMMUNITY ACTION, INC.
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2025

ASSETS

Current assets	
Cash	\$ 2,997,640
Grants receivable	2,195,001
Accounts receivable	139,045
Inventory	64,729
Prepaid expenses and other	<u>94,958</u>
Total current assets	5,491,373
Operating leases right-of-use assets, net	2,565,872
Property and equipment, net	<u>1,419,668</u>
TOTAL ASSETS	<u>\$ 9,476,913</u>

LIABILITIES AND NET ASSETS

Current liabilities	
Accounts payable and accrued expenses	\$ 421,351
Accrued payroll and related expenses	528,247
Unapplied grant revenue	279,045
Current portion of union pension liability	21,672
Current portion of operating leases liabilities	201,490
Current portion of long-term debt	<u>10,957</u>
Total current liabilities	1,462,762
Long-term debt, less current portion	191,569
Union pension liability, less current portion	390,096
Operating leases liabilities, less current portion	<u>2,462,216</u>
Total liabilities	<u>4,506,643</u>
Commitments and contingencies (Notes 4, 9 and 11)	
Net assets	
Without donor restrictions:	
Undesignated	3,408,058
Invested in property and equipment	<u>943,191</u>
	<u>4,351,249</u>
With donor restrictions:	
Restricted for future periods	142,544
Property and equipment	<u>476,477</u>
	<u>619,021</u>
Total net assets	<u>4,970,270</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 9,476,913</u>

See accompanying notes to financial statements.

WESTBAY COMMUNITY ACTION, INC.
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2025

	<u>Without Donor</u> <u>Restrictions</u>	<u>With Donor</u> <u>Restrictions</u>	<u>Total</u>
Revenue and support:			
Grants and contracts	\$ 17,679,000	\$ -	\$ 17,679,000
Program income	2,120,437	-	2,120,437
Contributions and fundraising	219,149	-	219,149
In-kind donations	1,704,891	-	1,704,891
Other income	21,486	-	21,486
Net assets released from restrictions	<u>49,232</u>	<u>(49,232)</u>	<u>-</u>
Total revenue and support	<u>21,794,195</u>	<u>(49,232)</u>	<u>21,744,963</u>
Expenses:			
Program services:			
Nutrition	430,523	-	430,523
Farm	55,079	-	55,079
Market place	1,858,066	-	1,858,066
Women, infants and children (WIC) program	1,553,981	-	1,553,981
Children's services	1,148,384	-	1,148,384
Medical respite	3,014,175	-	3,014,175
Case management	1,168,183	-	1,168,183
RSVP	79,833	-	79,833
Adult education	333,926	-	333,926
Family services	5,045,480	-	5,045,480
Housing	15,639	-	15,639
Weatherization	<u>4,938,449</u>	<u>-</u>	<u>4,938,449</u>
Total program services	19,641,718	-	19,641,718
Management and general	<u>2,130,209</u>	<u>-</u>	<u>2,130,209</u>
Total expenses	<u>21,771,927</u>	<u>-</u>	<u>21,771,927</u>
Change in net assets	22,268	(49,232)	(26,964)
Net assets - beginning	<u>4,328,981</u>	<u>668,253</u>	<u>4,997,234</u>
NET ASSETS - ENDING	<u>\$ 4,351,249</u>	<u>\$ 619,021</u>	<u>\$ 4,970,270</u>

See accompanying notes to financial statements.

WESTBAY COMMUNITY ACTION, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2025

	Program Services												Total Program Services	Management and General	Total Expenses
	Nutrition	Farm	Market Place	Women, Infants and Children Program	Children's Services	Medical Respite	Case Management	RSVP	Adult Education	Family Services	Housing	Weatherization			
Salaries	\$ 53,252	\$ 36,390	\$ 60,644	\$ 303,307	\$ 679,746	\$ 383,869	\$ 717,166	\$ 55,228	\$ 231,305	\$ 1,291,457	\$ -	\$ 665,906	\$ 4,478,270	\$ 1,046,430	\$ 5,524,700
Payroll taxes and benefits	13,613	4,527	15,198	53,599	174,450	84,226	165,074	6,031	50,149	301,172	-	140,071	1,008,110	145,146	1,153,256
Union settlement (Note 9)	-	-	-	-	-	-	-	-	-	-	-	-	-	433,440	433,440
Workers compensation	638	(33)	618	2,335	2,693	3,095	5,708	435	1,773	9,673	-	5,130	32,065	333	32,398
Payroll service fees	232	144	257	1,275	2,833	1,568	2,942	240	965	5,423	-	2,797	18,676	4,334	23,010
Advertising	-	-	754	352	7,341	422	8,357	241	366	49,308	-	2,619	69,760	8,541	78,301
Boiler materials	-	-	-	-	-	-	-	-	-	-	-	850,716	850,716	-	850,716
Conferences and training	-	431	70	250	50	1,795	-	-	1,995	14,517	-	41,558	60,666	14,252	74,918
Consultants	-	2,372	-	417	53,831	1,529,729	95,876	246	-	-	-	362	1,682,833	26,490	1,709,323
Dues and fees	1,094	191	403	251	2,092	1,606	6,288	20	-	13,028	-	3,246	28,219	78,743	106,962
Emergency services	-	-	-	-	-	2,741	584	-	-	52,489	-	-	55,814	-	55,814
Insurance	630	303	5,872	3,007	12,201	4,094	6,748	1,137	1,884	15,355	1,873	26,915	80,019	37,577	117,596
Interest expense	-	-	-	-	-	-	-	-	-	-	-	-	-	13,654	13,654
LIHEAP payments	-	-	-	-	-	-	-	-	-	2,944,940	-	-	2,944,940	-	2,944,940
Maintenance and repairs	3,097	2,377	10,692	7,465	22,030	5,432	17,707	642	7,301	25,109	4,009	20,045	125,906	52,563	178,469
Miscellaneous expense	-	104	-	-	12,208	-	-	3,194	-	3,683	-	3,465	22,654	597	23,251
Office expense	8,049	1,451	11,284	12,773	48,666	9,999	37,479	3,108	13,116	110,219	285	43,146	299,575	121,165	420,740
Professional fees	-	-	-	-	-	-	-	-	-	-	-	-	-	68,561	68,561
Program supplies	5,374	4,726	36,360	1,135,692	27,817	252,444	9,395	871	862	48,897	-	3,048,804	4,571,242	9,014	4,580,256
Property taxes	-	-	-	-	-	-	-	-	-	-	5,838	-	5,838	-	5,838
Raw food and prepared meals	329,387	-	-	-	47,925	-	-	-	-	-	-	-	377,312	-	377,312
Rent	11,810	-	24,656	30,475	-	731,460	26,580	3,755	20,790	109,661	-	43,905	1,003,092	-	1,003,092
Rent - noncash	-	-	-	-	-	-	31,426	-	-	-	-	-	31,426	-	31,426
Travel	766	957	3,035	-	45	341	28,695	3,733	429	9,247	31	8,073	55,352	1,089	56,441
Provision for bad debts	-	-	-	-	11,198	-	-	-	-	-	-	-	11,198	-	11,198
Utilities	2,508	975	5,582	2,686	28,336	-	8,004	928	2,865	21,251	3,217	10,543	86,895	7,026	93,921
In-kind market	-	-	1,662,002	-	-	-	-	-	-	-	-	-	1,662,002	-	1,662,002
Depreciation	73	164	20,639	97	14,922	1,354	154	24	126	20,051	386	21,148	79,138	61,254	140,392
	<u>\$ 430,523</u>	<u>\$ 55,079</u>	<u>\$ 1,858,066</u>	<u>\$ 1,553,981</u>	<u>\$ 1,148,384</u>	<u>\$ 3,014,175</u>	<u>\$ 1,168,183</u>	<u>\$ 79,833</u>	<u>\$ 333,926</u>	<u>\$ 5,045,480</u>	<u>\$ 15,639</u>	<u>\$ 4,938,449</u>	<u>\$ 19,641,718</u>	<u>\$ 2,130,209</u>	<u>\$ 21,771,927</u>

See accompanying notes to financial statements.

WESTBAY COMMUNITY ACTION, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2025

Cash flows from operating activities:	
Change in net assets	\$ (26,964)
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	140,392
Noncash operating lease expense	27,373
Changes in operating assets and liabilities:	
Grants receivable	25,357
Accounts receivable	364,643
Inventory	(42,889)
Prepaid expenses and other	(26,411)
Accounts payable and accrued expenses	94,113
Union pension liability	411,768
Unapplied grant revenue	<u>(13,208)</u>
Net cash provided by operating activities	954,174
Cash used in investing activities, purchases of property and equipment	(85,926)
Cash used in financing activities, principal payments on long-term debt	<u>(9,700)</u>
Increase in cash	858,548
Cash - beginning	<u>2,139,092</u>
CASH - ENDING	<u>\$ 2,997,640</u>
Supplemental disclosure of cash flow information:	
Interest paid	<u>\$ 13,654</u>

See accompanying notes to financial statements.

WESTBAY COMMUNITY ACTION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1. DESCRIPTION OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Description of organization

Westbay Community Action, Inc. (the "Organization") is a not-for-profit corporation established on January 27, 1966 in accordance with the laws of the state of Rhode Island. This community action agency provides various social and rehabilitative services, including fuel assistance, childcare, supportive housing, and nutrition programs to the elderly and low-income residents of Warwick, West Warwick, Coventry, East Greenwich, and other areas of Rhode Island.

Recently adopted accounting pronouncement

On July 30, 2025, the Financial Accounting Standards Board ("FASB") issued an update to Accounting Standards Update ("ASU") 2025-05, *Financial Instruments - Credit Losses* (Topic 326): *Measurement of Credit Losses for Accounts Receivable and Contract Assets*. This update introduces a practical expedient for estimated expected credit losses on current accounts receivable and contract assets arising from revenue transactions under Accounting Standards Codification ("ASC") 606.

As a non-profit organization, the Organization has elected to adopt this practical expedient effective July 1, 2024, and it did not have a material impact on the financial statements and related disclosures as of and for the year ended June 30, 2025. The expedient allows the Organization to assume that current conditions as of the reporting date will remain unchanged over the remaining life of the asset, simplifying the estimation process for short-term receivables.

Additionally, the Organization has elected the accounting policy option available to nonpublic entities, permitting the consideration of subsequent cash collections received after the reporting date when estimating expected credit losses.

Use of estimates

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

Basis of presentation

The financial statements of the Organization have been prepared in accordance with U.S. GAAP, which require the Organization to report information regarding its financial position and activities according to the following net asset classifications:

Net Assets Without Donor Restrictions - Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.

WESTBAY COMMUNITY ACTION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1. DESCRIPTION OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of presentation (continued)

Net Assets With Donor Restrictions - Net assets subject to donor-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 donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are recognized as revenue when the assets are placed in service.

Revenue is reported as an increase in net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions or by law. Expenses are reported as decrease in net assets without donor restrictions. Gains and losses on investments or other assets or liabilities are reported as increase or decrease in net assets without donor restrictions unless their use is restricted by explicit donor stipulations or by law.

Contributions

Contributions of cash and other assets are presented as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities and changes in net assets as net assets released from restrictions.

Contributions, including unconditional promises to give, are recognized as revenues in the period received. Conditional promises to give, that is, those with a measurable performance or other barrier, are not recognized until they become unconditional, that is, at the time when the conditions on which they depend are substantially met.

Revenue recognition

The Organization recognizes revenue in accordance with ASC Topic 606 *Revenue from Contracts with Customers* ("Topic 606"). Under Topic 606, revenue is measured based on the consideration specified in a contract with a customer, and excludes any amounts collected on behalf of the third parties. The Organization recognizes revenue when it satisfies a performance obligation by transferring control over a product or rendering a service to a customer. The Organization determines the transaction price based on contractually agreed upon rates, as adjusted for any variable consideration.

The majority of the revenue subject to recognition under Topic 606 includes revenue derived from case management and child care services. Case management revenue is recognized monthly on a fee-for-service basis, as services are rendered. Child care revenue is recognized weekly on a fee-for-service basis, as the care is provided. At June 30, 2025, case management and childcare revenue totaled \$783,728 and \$1,110,264, respectively, and are included in program income in the accompanying statement of activities and changes in net assets. Gross accounts receivable related to revenue recognized under ASC 606 totaled \$139,045 and \$503,688 at June 30, 2025 and 2024, respectively.

WESTBAY COMMUNITY ACTION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1. DESCRIPTION OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Disaggregation of revenues

The Organization provides its case management and child care services to individuals within the state of Rhode Island, primarily those who reside in the Kent County communities.

Grants and contracts, and unapplied grant revenue

The Organization's grant and contract revenue is derived primarily from cost-reimbursable and/or unit-rate federal and state contracts and grants, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when the Organization has incurred expenditures or provided the related services in compliance with specific contract or grant provisions. Amounts received prior to incurring qualifying expenditures or providing the related services are reported as unapplied grant revenue in the statement of financial position.

Grants and contracts are subject to audit by agents of the granting authority, the purpose of which is to ensure compliance with conditions precedent to the granting of funds or awarding of contracts. Any liability for reimbursement which might arise out of these audits is not considered by the Organization to be material.

Cash and cash equivalents

The Organization considers all highly liquid investments with original maturities of three months or less to be cash equivalents. There were no cash equivalents as of June 30, 2025.

Grants and accounts receivable

Grants and accounts receivable are stated at the amount the Organization expects to collect.

The Organization assesses collectibility by reviewing accounts receivable and its contract assets on a collective basis where similar characteristics exist. In determining the amount of an allowance for doubtful accounts, management considers historical collectibility and makes judgments about the creditworthiness of the pool of customers based on credit evaluations. Current market conditions and reasonable and supportable forecasts of future economic conditions adjust the historical losses to determine the appropriate allowance for doubtful accounts. Uncollectible accounts are written off when all collection efforts have been exhausted.

The Organization has elected the practical expedient available that allows the Organization, when developing its reasonable and supportable forecasts for its current expected credit losses, to assume conditions as of the balance sheet date persist throughout the forecast period. As such, no adjustment has been made for a reasonable and supportable forecast. In addition, the Organization has made an accounting policy election to consider collection activity after the balance sheet date through August 25, 2025, when estimating expected credit losses.

At June 30, 2025 and 2024, there was no allowance for doubtful accounts.

WESTBAY COMMUNITY ACTION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1. DESCRIPTION OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property and equipment

Property and equipment are stated at cost less accumulated depreciation. All expenditures for property and equipment in excess of \$5,000 are capitalized. The fair value of donated assets is similarly recorded. Depreciation is provided on a straight-line basis over the estimated useful lives of the assets, which are as follows:

Buildings	40 years
Improvements	20 years
Furniture and equipment	5-10 years
Vehicles	5 years

Leases

The Organization has two operating lease agreements for operational space through 2037. The Organization also has an operating lease agreement for office equipment through 2028. The Organization determines if an arrangement is a lease at the inception of the contract. At the lease commencement date, each lease is evaluated to determine whether it will be classified as an operating or finance lease. For leases with a lease term of 12 months or less, any fixed lease payments are recognized on a straight-line basis over such term, and are not recognized on the statement of financial position.

The lease terms include the noncancelable portion of the underlying leases along with any reasonably certain lease periods associated with available renewal periods, termination options and purchase options. The Organization uses the risk-free discount rates when the rate implicit in the lease is not readily determinable at the commencement date in determining the present value of lease payments.

Impairment of long-lived assets

The Organization evaluates long-lived assets held and used by the Organization, including the Organization's right-of-use assets, for impairment whenever events or changes in circumstances indicate that the carrying amounts of the assets may not be recoverable. An impairment loss is recognized if the sum of the expected undiscounted future cash flows from the use and disposition of the asset is less than its carrying amount. Generally, the amount of the impairment loss is measured as the difference between the carrying amount of the asset and the estimated fair value of the asset. The Organization did not record an impairment loss during the year ended June 30, 2025.

Inventory

Inventory consists of food donated to the Organization. Food activity is recorded in the financial statements as a contribution based on per-pound values established by Feeding America.

WESTBAY COMMUNITY ACTION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1. DESCRIPTION OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

In-kind donations

Contributions of nonfinancial assets or services that create or enhance nonfinancial assets or that require specialized skills, which are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation, are recorded as in-kind donations at their fair values in the period received. The Organization records in-kind donations for food donated to the Organization (see Note 7) based on published values as previously described.

Functional allocation of expenses

The costs of program and supporting services activities have been summarized on a functional basis in the financial statement of activities and changes in net assets. The statement of functional expenses presents the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

The expenses that are allocated include the following:

<u>Expense</u>	<u>Method of allocation</u>
Salaries, payroll taxes, and benefits	Time and effort
Consultants	Time and effort
Insurance	Time and effort, square footage
Office expense	Time and effort, consumption
Program supplies	Usage, consumption
Rent	Square footage
Maintenance and repairs	Square footage, usage, consumption
Utilities	Square footage, consumption
Depreciation	Square footage, usage

Income taxes

The Organization qualifies as tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code ("IRC"). As not-for-profit entity, the Organization is subject to unrelated business income tax ("UBIT"), if applicable. In accordance with the FASB ASC 740, *Income Taxes*, the Organization applies the "more likely than not" threshold to the recognition and derecognition of tax positions for its financial statements. Management has evaluated the Organization's tax positions and has concluded that there were no uncertain tax positions that qualified for either recognition or disclosure in these financial statements.

The Organization files an informational tax return in the U.S. federal jurisdiction.

Subsequent events

The Organization has evaluated subsequent events through February 17, 2026, the date that the accompanying financial statements were available to be issued. Except as disclosed in Note 3, there were no material subsequent events that required recognition or additional disclosure in these financial statements.

WESTBAY COMMUNITY ACTION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 2. PROPERTY AND EQUIPMENT

Land	\$ 138,275
Federally funded land	251,300
Federally funded properties	212,000
Buildings and improvements	1,653,303
Furniture and equipment	343,656
Vehicles	<u>364,420</u>
	2,962,954
Less: accumulated depreciation	<u>(1,543,286)</u>
	<u><u>\$ 1,419,668</u></u>

Depreciation expense for the year ended June 30, 2025, totaled \$140,392.

The Organization has received federal funding passed through various state and municipal agencies for the acquisition and rehabilitation of properties to be used in its supportive housing program. The properties are to be used in the supportive housing program for a minimum of 15 years. Under the terms of these agreements, if the Organization sells, assigns, transfers or encumbers the premises, or any part of the premises, or if any part of the premises is sold and no longer used as supportive housing as prescribed by the applicable federal programs, the Organization is considered in breach of the agreements and will be liable to repay the funding received for acquisition and rehabilitation of the properties.

The Organization also holds title to certain parcels of land related to a low-income first time buyer program. The Organization and the purchasers of these homes have entered into a 99-year land lease for the lot on which the purchased home is located.

At June 30, 2025, the net book value of the aforementioned real estate is included in net assets with donor restrictions in the amount of \$476,477 (see Note 6).

NOTE 3. LONG-TERM DEBT, LINE OF CREDIT AND SUBSEQUENT EVENT

On June 12, 2008, the Organization entered into a commercial mortgage payable by obtaining \$320,000 from a local financial institution. The term of the mortgage payable is 30 years and calls for monthly principal and interest payments of approximately \$1,800 with an interest rate that is determined according to the weekly average yield on United States Securities, adjusted to a constant maturity of five years as made available by the Federal Reserve Board, 45 days before each interest rate change date (3.75% as of June 30, 2025), plus 2.75%. The mortgage is secured by the property located at 216-224 Buttonwoods Avenue in Warwick, Rhode Island.

Mortgage note payable	\$ 202,526
Less: current portion of long-term debt	<u>(10,957)</u>
Mortgage note payable, less current portion	<u><u>\$ 191,569</u></u>

WESTBAY COMMUNITY ACTION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 3. LONG-TERM DEBT, LINE OF CREDIT AND SUBSEQUENT EVENT
(CONTINUED)

At June 30, 2025, aggregate future maturities of long-term debt are as follows:

<u>Year Ending June 30:</u>	
2026	\$ 10,957
2027	11,575
2028	12,228
2029	12,918
2030	13,647
Thereafter	<u>141,201</u>
Total	<u>\$ 202,526</u>

Interest expense for the year ended June 30, 2025, totaled \$13,654.

The Organization has a \$250,000 line of credit (the "line") available with a commercial bank, secured by substantially all of its unrestricted assets. Bank advances on the line are payable on demand and carry interest at the Wall Street Journal Prime Rate plus 50 basis points (.50%) floating monthly (7.00% at June 30, 2025). At June 30, 2025, no borrowings were outstanding on the line.

Effective October 7, 2025, the line was amended to increase the maximum available borrowings to \$500,000. Under the modified agreement, the line bears interest at 7.75% through the maturity date of February 23, 2028.

NOTE 4. OPERATING LEASES

The Organization leases office space and equipment through various operating leases.

Total operating lease expense incurred under these leases for the year ended June 30, 2025, was \$300,144.

The following are future minimum lease commitments, including interest:

<u>Year ending June 30:</u>	<u>Total</u>
2026	\$ 280,830
2027	285,383
2028	279,629
2029	270,363
2030	272,604
Thereafter	<u>1,780,370</u>
Net minimum lease payments	3,169,179
Less: amounts representing interest	<u>(505,473)</u>
Present value of future minimum lease payments	2,663,706
Less: current portion	<u>(201,490)</u>
	<u>\$ 2,462,216</u>

WESTBAY COMMUNITY ACTION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 4. OPERATING LEASES (CONTINUED)

Supplemental cash flow information related to leases was as follows:

Cash paid for amounts included in the measurement of lease liabilities:

Operating cash flows from operating leases	\$ <u>272,771</u>
--	-------------------

Average lease terms and discount rates were as follows:

Weighted-average remaining lease term (in years)	
Operating leases	<u>11.16</u>
Weighted-average discount rate (%)	
Operating leases	<u>3.11</u>

NOTE 5. LIQUIDITY AND AVAILABILITY

The following represents the Organization's financial assets as of June 30, 2025:

Financial assets at year-end:	
Cash	\$ 2,997,640
Grants receivable	2,195,001
Accounts receivable	<u>139,045</u>
Total financial assets at year-end	5,331,686
Less: amounts not available to be used within one year, restricted for designated purposes	<u>(142,544)</u>
Financial assets available to meet general expenditures over the next 12 months	\$ <u>5,189,142</u>

The Organization's goal is generally to maintain financial assets to meet approximately 90 days' worth of operating expenses (approximately \$5,334,000). The Organization also has a \$250,000 line of credit available to meet cash flow needs which was increased to \$500,000 subsequent to year-end (see Note 3).

WESTBAY COMMUNITY ACTION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 6. NET ASSETS WITH DONOR RESTRICTIONS

At June 30, 2025, net assets with donor restrictions are available for the following purposes:

Restricted for future periods, School Lunch Program	\$ <u>142,544</u>
Housing and related:	
Warwick Avenue Property - Supportive Housing	212,000
22 Astral Street - Improvements	266,877
Weatherization and LIHEAP transportation and equipment	189,899
Building and leasehold improvements	193,219
Land - Warwick Ave	53,000
Land - Belt Street	48,000
Land - Vine Street	52,300
Land - Wilson Street	48,000
Land - Lincoln	50,000
Less: accumulated depreciation	<u>(636,818)</u>
	<u>476,477</u>
Total	<u>\$ 619,021</u>

During the year ended June 30, 2025, net assets were released from donor restrictions in the amounts of \$48,051 and \$1,181 for depreciation on property and equipment and the School Lunch Program, respectively.

NOTE 7. IN-KIND DONATIONS

The Organization receives services from a variety of unpaid volunteers assisting the Organization in its administrative and program service and the volunteer hours do not qualify for accounting recognition. At June 30, 2025, \$1,704,891 in-kind donations for food have been recognized in the accompanying financial statement of activities and changes in net assets because the criteria for recognition in the financial statements in accordance with U.S. GAAP were met.

NOTE 8. EMPLOYEE RETIREMENT PLANS

The Organization maintains a retirement plan under IRC Section 401(k). The retirement plan covers all employees who are at least 21 years of age and have completed three months of service. The Organization makes contributions to the retirement plan on a discretionary basis. During the year ended June 30, 2025, contributions made were 3% of eligible participating employee's annual wages. Pension expense for the year ended June 30, 2025, was \$91,349.

NOTE 9. UNION SETTLEMENT

Through June 30, 2024, approximately one-quarter of the Organization's labor force belonged to an employee union, subject to a collective bargaining agreement, at which time the agreement was fully terminated. Upon termination of the agreement, the Organization became liable to the retirement plan in which union employees were covered, for a total withdrawal liability of \$433,440. Payments are due in 80 quarterly installments of \$5,418, which commenced in July 2024. The remaining liability at June 30, 2025 was \$411,768.

WESTBAY COMMUNITY ACTION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 9. UNION SETTLEMENT (CONTINUED)

The following are annual installments due:

<u>Year ending June 30:</u>	<u>Total</u>
2026	\$ 21,672
2027	21,672
2028	21,672
2029	21,672
2030	21,672
Thereafter	<u>303,408</u>
	411,768
Less: current portion	<u>(21,672)</u>
	<u>\$ 390,096</u>

NOTE 10. CONCENTRATION OF CREDIT RISK AND MARKET RISK

Cash

At June 30, 2025, the Organization had \$3,415,594 of cash on deposit with a financial institution in excess of the amount insured by the Federal Deposit Insurance Corporation. Management regularly monitors the financial condition of the banking institutions holding the Organization's deposits in order to minimize potential risk.

Revenue and receivables

Most of the Organization's outstanding receivables at year-end are from federal and state governmental agencies. Based on collections to date and past history of collections, the Organization has determined that the credit risk related to these receivables is minimal.

The Organization receives a significant portion of its revenue through Federal, State and Municipal grants and contracts. According to the grant and contract provisions, any grant or contract may be terminated within 90 days upon written notice from either party. At June 30, 2025, management expects all current grants and contracts to continue into the foreseeable future.

NOTE 11. CONTINGENCIES

In the normal course of business the Organization is subject to various laws, regulations, and contractual obligations. These include, but are not limited to, compliance with applicable federal, state, and local statutes; industry specific regulatory requirements; data protection and privacy obligations; and other legal frameworks governing the Organization's operations. From time to time, the Organization may also be involved in audits, reviews, investigations, or legal proceedings arising from these obligations. The Organization monitors such matters on an ongoing basis and seeks to maintain policies, procedures, and controls designed to ensure compliance and to mitigate associated risks. No assurance can be given that future regulatory changes, enforcement actions, or legal developments will not have an impact on the Organization's operations, financial condition, or performance.

SUPPLEMENTARY INFORMATION

WESTBAY COMMUNITY ACTION, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2025

Federal/Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Assistance Listing Number	Grant Number/Pass- through Entity Identifying Number	Total Federal Expenditures
U.S. Department of Agriculture:			
Pass-through programs from the State of Rhode Island Department of Health:			
Special Supplemental Nutrition Program for Women, Infants and Children (WIC)	10.557	254RI705W1003	\$ 435,201
Special Supplemental Nutrition Program for Women, Infants and Children (WIC) - Vouchers	10.557	254RI705W1003	<u>1,134,069</u>
			1,569,270
Pass-through program from the State of Rhode Island Department of Elementary and Secondary Education:			
Child and Adult Care Food Program	10.558	N/A	32,580
Direct award:			
Child and Adult Food Program	10.558		<u>1,795</u>
Total U.S. Department of Agriculture			<u>1,603,645</u>
U.S. Department of Energy:			
Pass-through program from the State of Rhode Island Energy Office:			
State Energy Program - Home Energy Appliance Rebate Program (HEAR)	81.041	DE-SE0001018	59,235
Weatherization Assistance for Low-Income Persons	81.042	DE-EE0009929	151,029
Weatherization Assistance for Low-Income Persons	81.042	DE-EE0010014	<u>283,507</u>
Total U.S. Department of Energy			<u>493,771</u>
U.S. Department of Housing and Urban Development:			
Pass-through program from the City of Warwick:			
Community Development Block Grant Cluster Entitlement/Special Purpose Grants:			
Community Development Block Grants / Entitlement Grants	14.218	B24MC440004	<u>109,689</u>
Total U.S. Department of Housing and Urban Development			<u>109,689</u>

See independent auditor's report and accompanying notes to
schedule of expenditures of federal awards.

WESTBAY COMMUNITY ACTION, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2025

Federal/Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Assistance Listing Number	Grant Number/Pass- through Entity Identifying Number	Total Federal Expenditures
U.S. Department of Health and Human Services:			
477 Cluster:			
Passed through the State of Rhode Island Department of Human Services:			
Community Service Block Grant	93.569	2501R1COSR	\$ 376,589
Temporary Assistance for Needy Families - Rhode Island Works	93.558	2301RITANF	<u>208,316</u>
Total 477 Cluster			<u>584,905</u>
Passed through the State of Rhode Island Executive Office of Health and Human Services:			
Medicaid Cluster:			
Grants to States for Medicaid	93.778	EML2VJMV32S5	<u>1,648,717</u>
Pass-through program from the State of Rhode Island Department of Health			
Social Services Block Grant - Haitian	93.667	2301RISOSR	40,554
Social Services Block Grant - Case Management	93.667	2401RISOSR	<u>29,602</u>
			<u>70,156</u>
Pass-through programs from the State of Rhode Island Office of Healthy Aging:			
Aging Cluster:			
Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers ("Special Programs for the Aging")	93.044	2401RIOASS	115,781
Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers - SHP/MIPPA/SMP	93.044	90MPPG0064-00	42,171
Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers - Title III NFCG	93.044	2501RIOAFC	31,445
Special Programs for the Aging, Title III, Part C, Nutrition Services	93.045	2401RIOACM	376,752
Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers - Adult Protective Services - ARPA	93.044	2101RIAPC6	<u>6,835</u>
Total Aging Cluster			<u>572,984</u>

See independent auditor's report and accompanying notes to
schedule of expenditures of federal awards.

WESTBAY COMMUNITY ACTION, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2025

Federal/Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Assistance Listing Number	Grant Number/Pass- through Entity Identifying Number	Total Federal Expenditures
U.S. Department of Health and Human Services (Continued):			
Pass-through programs from the State of Rhode Island Office of Healthy Aging:			
Special Programs for the Aging, Title III, Part D, Disease Prevention and Health Promotion Services	93.043	2401RIOAPH	\$ <u>54,217</u>
Pass-through programs from the State of Rhode Island Energy Office:			
Low-Income Home Energy Assistance Program ("LIHEAP")	93.568	2501RILIEA	2,944,940
LIHEAP - Administration	93.568	2501RILIEA	1,917,233
LIHEAP - Assurance 16	93.568	2501RILIEA	117,695
LIHEAP - Weatherization Assistance Program HHS	93.568	2501RILIEA	747,779
LIHEAP - Boiler Repair & Replacement Program	93.568	2501RILIEA	<u>300,765</u>
			<u>6,028,412</u>
Total U.S. Department of Health and Human Services			<u>8,959,391</u>
U.S. Department of Treasury:			
Pass-through program from the Rhode Island Department of Housing:			
Coronavirus State and Local Fiscal Recovery Funds - Medical Respite	21.027	2305RIADM	<u>535,054</u>
Total U.S. Department of Treasury			<u>535,054</u>
Corporation for National and Community Service:			
Americorps Seniors Retired and Senior Volunteer Program	94.002		<u>74,011</u>
Total Corporation for National and Community Service			<u>74,011</u>
Total Expenditures of Federal Awards			<u>\$ 11,775,561</u>

See independent auditor's report and accompanying notes to
schedule of expenditures of federal awards.

WESTBAY COMMUNITY ACTION, INC.
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2025

NOTE 1. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards ("Schedule") includes the federal award activity of Westbay Community Action, Inc. (a Nonprofit Organization) (the "Organization") under programs of the federal government for the year ended June 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 the Organization, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Organization.

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 in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Through September 30, 2024, the Organization had elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance. Effective October 1, 2024 the Organization adopted the 15% de minimis indirect cost rate allowed under the Uniform Guidance.

NOTE 3. AWARDS TO SUBRECIPIENTS

For the year ended June 30, 2025, the Organization did not pass through federal funds to subrecipients.

**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
Westbay Community Action, Inc.
Warwick, Rhode Island

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 Westbay Community Action, Inc. (a Nonprofit Organization) (the "Organization"), which comprise the statement of financial position as of June 30, 2025, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated February 17, 2026.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Organization'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 the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization'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 Organization'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 or significant deficiencies may exist that were not identified.



Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization'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 Organization'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 Organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Providence, Rhode Island
February 17, 2026

**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
Westbay Community Action, Inc.
Warwick, Rhode Island

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Westbay Community Action, Inc.'s (a Nonprofit Organization) (the "Organization") 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 each of the Organization's major federal programs for the year ended June 30, 2025. The Organization's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

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

Basis for Opinion on the 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 the Organization and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Organization'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 the Organization'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 the Organization'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 the judgment made by a reasonable user of the report on compliance about the Organization'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 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 the Organization'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 the Organization's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control over compliance. Accordingly, no such opinion is expressed.

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



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 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 the Organization's 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.

Providence, Rhode Island
February 17, 2026

**WESTBAY COMMUNITY ACTION, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2025**

Section I – Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

Material weakness(es) identified? _____ Yes x No

Significant deficiency(ies) identified? _____ Yes x None reported

Noncompliance material to financial statements noted? _____ Yes x No

Federal Awards

Internal control over major federal programs:

Material weakness(es) identified? _____ Yes x No

Significant deficiency(ies) identified? _____ Yes x None reported

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

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? _____ Yes x No

Identification of major federal programs:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
93.568	Low-Income Home Energy Assistance Program

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

Auditee qualified as low-risk auditee? x Yes _____ No

WESTBAY COMMUNITY ACTION, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2025

Section II – Financial Statement Findings

No matters were reported.

Section III – Federal Award Findings

No matters were reported.