All Care Health Center

Financial Statements and
Independent Auditors' and Accountants' Report

February 28, 2026 and 2025



All Care Health Center

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INDEPENDENT AUDITORS' AND ACCOUNTANTS' REPORT

Board of Directors
All Care Health Center
Council Bluffs, Iowa

Report on the Audit of the 2026 Financial Statements

Opinion
We have audited the financial statements of All Care Health Center (the Organization) which comprise the statement of financial position as of February 28, 2026, 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 (collectively, the 2026 financial statements).

In our opinion, the accompanying 2026 financial statements present fairly, in all material respects, the financial position of the Organization as of February 28, 2026, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion
We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the 2026 Financial Statements section of our report. We are required to be independent of the Organization 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 2026 Financial Statements
Management is responsible for the preparation and fair presentation of the 2026 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 2026 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 for one year after the date that the 2026 financial statements are issued or available to be issued.

Auditors' Responsibilities for the Audit of the 2026 Financial Statements
Our objectives are to obtain reasonable assurance about whether the 2026 financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the 2026 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 2026 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 2026 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 2026 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.

Report on the 2025 Financial Statements
Management is responsible for the accompanying financial statements of the Organization as of and for the year ended February 28, 2025 in accordance with accounting principles generally accepted in the United States of America. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the American Institute of Certified Public Accountants. We did not audit or review the 2025 financial statements, nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on the 2025 financial statements.

Supplementary Information
Our audit was conducted for the purpose of forming an opinion on the 2026 financial statements as a whole. The 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 2026 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 2026 financial statements. The information has been subjected to the auditing procedures applied in the audit of the 2026 financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 2026 financial statements or to the 2026 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 2026 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 September 9, 2026 on our consideration of the Organization's internal control over financial reporting and on our tests of their compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 internal control over financial reporting or on compliance. That report is an integral part of the audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control over financial reporting and compliance.

Lutz & Company, P.C.

September 9, 2026

All Care Health Center

Statements of Financial Position

February 28, 2026 and 2025

	2026	2025
ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalents	$ 8,524,417	$ 7,715,376
Certificates of Deposit	2,739,915	2,635,120
Patient Accounts Receivable, Net	537,743	357,646
Grants and Other Receivables	377,108	333,755
Estimated Amounts Due from Third-Party Payors	107,929	-
Inventory	62,830	53,345
Prepaid Expenses	156,791	163,278
Total Current Assets	12,506,733	11,258,520
ASSETS LIMITED AS TO USE		
Beneficial Interest In Assets Held By Others	268,714	177,363
PROPERTY AND EQUIPMENT, NET	5,736,218	5,751,882
OTHER ASSETS		
Investment in Affiliate	798,763	760,504
Operating Lease Right-of-Use Assets	113,829	135,165
Total Other Assets	912,592	895,669
TOTAL ASSETS	**$ 19,424,257**	**$ 18,083,434**
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts Payable	$ 327,801	$ 357,660
Estimated Amounts Due to Third-Party Payors	-	237,168
Accrued Expenses	460,559	419,843
Current Portion of Operating Lease Liabilities	32,370	27,754
Total Current Liabilities	820,730	1,042,425
LONG-TERM LIABILITIES		
Operating Lease Liabilties, Less Current Portion	81,459	96,150
Total Liabilities	902,189	1,138,575
NET ASSETS		
Without Donor Restrictions	18,522,068	16,944,859
TOTAL LIABILITIES AND NET ASSETS	**$ 19,424,257**	**$ 18,083,434**

See Independent Auditors' and Accountants' Report and Notes to Financial Statements.

All Care Health Center

Statements of Activities and Changes in Net Assets

Years Ended February 28, 2026 and 2025

	2026	2025
REVENUES, GAINS, AND OTHER SUPPORT		
Patient Service Revenue, Net	$ 10,817,553	$ 8,791,290
340B Program Revenue	885,678	1,126,817
Government Grant Revenue	3,607,218	3,088,487
Contribution and Grant Revenue	385,322	104,718
In-Kind Contributions	282,327	265,864
Interest and Investment Income	412,242	448,896
Other Income	42,795	5,304
Total Revenues, Gains, and Other Support	16,433,135	13,831,376
EXPENSES		
Program	12,049,077	10,015,522
Management and General	2,734,271	2,792,458
Fundraising	72,578	-
Total Expenses	14,855,926	12,807,980
CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS	1,577,209	1,023,396
NET ASSETS - BEGINNING OF YEAR	16,944,859	15,921,463
NET ASSETS - END OF YEAR	**$ 18,522,068**	**$ 16,944,859**

See Independent Auditors' and Accountants' Report and Notes to Financial Statements.

All Care Health Center

Statement of Functional Expenses

Year Ended February 28, 2026

	Program Services							
	Dental	Medical	Mental Health	Pharmacy	Total	Management and General	Fundraising	Total
Salaries and Wages	$ 1,429,909	$ 2,619,938	$ 1,296,612	$ 453,829	$ 5,800,288	$ 1,534,104	$ 72,578	$ 7,406,970
Employee Benefits	338,902	557,947	268,570	88,257	1,253,676	240,496	-	1,494,172
Dues and Subscriptions	6,960	18,041	4,861	3,855	33,717	53,787	-	87,504
Facility Expense	19,592	68,533	8,530	5,158	101,813	52,058	-	153,871
Insurance	667	9,485	260	2,057	12,469	34,707	-	47,176
Interpretation Services	4,598	42,240	10,286	931	58,055	28,301	-	86,356
Licenses and Credentialing	10,311	20,959	10,417	3,130	44,817	3,730	-	48,547
Office and Other Expenses	19,526	66,915	7,641	10,563	104,645	117,583	-	222,228
Patient Care Services	9,515	108,619	1,800	289,597	409,531	392	-	409,923
Professional Fees	312,184	589,562	317,654	24,251	1,243,651	407,127	-	1,650,778
Supplies	172,483	376,069	42,856	2,237,683	2,829,091	72,728	-	2,901,819
Travel	4,738	10,730	6,028	4,221	25,717	40,870	-	66,587
Depreciation	37,018	76,817	6,953	10,819	131,607	148,388	-	279,995
TOTAL EXPENSES	**$ 2,366,403**	**$ 4,565,855**	**$ 1,982,468**	**$ 3,134,351**	**$ 12,049,077**	**$ 2,734,271**	**$ 72,578**	**$ 14,855,926**

See Independent Auditors' and Accountants' Report and Notes to Financial Statements.

All Care Health Center

Statement of Functional Expenses

Year Ended February 28, 2025

	Program Services							
	Dental	Medical	Mental Health	Pharmacy	Total	Management and General	Fundraising	Total
Salaries and Wages	$ 1,078,916	$ 2,320,266	$ 806,187	$ 426,128	$ 4,631,497	$ 1,621,264	$ -	$ 6,252,761
Employee Benefits	211,238	412,204	125,718	79,825	828,985	362,091	-	1,191,076
Dues and Subscriptions	4,228	47,852	3,792	4,503	60,375	81,886	-	142,261
Facility Expense	13,024	55,206	5,722	6,516	80,468	21,608	-	102,076
Insurance	1,839	19,128	2,424	2,454	25,845	14,555	-	40,400
Interpretation Services	2,730	32,942	140	819	36,631	25,943	-	62,574
Licenses and Credentialing	16,210	24,123	9,152	6,546	56,031	1,714	-	57,745
Office and Other Expenses	19,571	53,340	2,175	2,988	78,074	104,972	-	183,046
Patient Care Services	9,721	125,877	-	209,873	345,471	70	-	345,541
Professional Fees	183,619	638,371	211,437	33,245	1,066,672	318,151	-	1,384,823
Supplies	117,578	711,965	28,237	1,806,527	2,664,307	77,915	-	2,742,222
Travel	4,337	19,774	4,085	512	28,708	35,877	-	64,585
Depreciation	26,448	80,640	-	5,370	112,458	126,412	-	238,870
TOTAL EXPENSES	**$ 1,689,459**	**$ 4,541,688**	**$ 1,199,069**	**$ 2,585,306**	**$ 10,015,522**	**$ 2,792,458**	**$ -**	**$ 12,807,980**

See Independent Auditors' and Accountants' Report and Notes to Financial Statements.

All Care Health Center

Statements of Cash Flows

Years Ended February 28, 2026 and 2025

	2026	2025
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	$ 1,577,209	$ 1,023,396
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation	279,995	238,870
Net Appreciation in Beneficial Interest in Assets Held by Others	(29,406)	(15,204)
Equity in Income of Affiliate	(38,259)	(48,374)
Lease Expense	11,261	(17,234)
Decrease (Increase) in Current Assets:		
Patient Accounts Receivable, Net	(180,097)	3,962
Grants and Other Receivables	(43,353)	(206,458)
Estimated Amounts Due from Third-Party Payors	(107,929)	846,252
Inventory	(9,485)	(4,328)
Prepaid Expenses	6,487	(57,621)
Increase (Decrease) in Current Liabilities:		
Accounts Payable	(29,859)	136,260
Estimated Amounts Due to Third-Party Payors	(237,168)	237,168
Accrued Expenses	40,716	109,924
Net Cash Provided by Operating Activities	1,240,112	2,246,613
CASH FLOWS FROM INVESTING ACTIVITIES		
Net Purchase of Certificates of Deposit	(104,795)	(89,735)
Additions to Beneficial Interest in Assets Held by Others	(61,945)	(3,469)
Purchase of Property and Equipment	(264,331)	(931,743)
Net Cash Used in Investing Activities	(431,071)	(1,024,947)
Net Increase in Cash and Cash Equivalents	809,041	1,221,666
Cash and Cash Equivalents, Beginning of Year	7,715,376	6,493,710
CASH AND CASH EQUIVALENTS, END OF YEAR	**$ 8,524,417**	**$ 7,715,376**
NONCASH INVESTING AND FINANCING ACTIVITIES		
Adoption of ASU 2016-02		
Operating Right-of-Use Assets Obtained in Exchange for Operating Lease Liabilities	$ -	$ 182,613

See Independent Auditors' and Accountants' Report and Notes to Financial Statements.

1. Summary of Significant Accounting Policies

A summary of the significant accounting policies consistently applied in the preparation of the accompanying financial statements is set forth below.

Nature of Business

All Care Health Center (the Organization) is a not-for-profit community health center originally formed under the name Council Bluffs Community Health Centers, Inc. The Organization changed its name to All Care Health Center in 2011. The Organization primarily earns revenues by providing physician and related health and dental care services through a clinic located in Council Bluffs, Iowa.

Basis of Presentation

The financial statements have been prepared on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America (GAAP). Net assets, revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions – Net assets that are not subject to grant or donor-imposed stipulations and may be expended for any purposes in performing the primary objectives of the Organization.

Net Assets With Donor Restrictions – Net assets subject to donor-imposed stipulations. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or the passage of time. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities and changes in net assets as released from restrictions. Other donor-imposed stipulations are permanent in nature and require that principal be maintained in perpetuity by the Organization.

Contributions received with donor-imposed restrictions that are met in the same year as received are reported as revenues of the net assets without donor restrictions class.

Expenses are reported as decreases in net assets without donor restrictions. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by donor stipulation or by law.

Use of Estimates

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

Cash and Cash Equivalents

The Organization considers deposits that can be redeemed on demand and highly liquid instruments that have original maturities of three months or less to be cash equivalents.

Certificates of Deposit

The Organization considers all certificates of deposit with an original maturity date greater than three months but less than one year to be current assets. Certificates of deposit with a maturity date greater than one year from the statement of financial position date are reported as non-current assets. Certificates of deposit are recorded at cost plus accrued interest.

Patient Accounts Receivable

The Organization reports patient accounts receivable for services rendered at amounts reflecting consideration to which the Organization expects to be entitled from third-party payors, patients and others. The Organization determines net realizable value based upon a review of outstanding receivables, current third-party adjustment rates, historical collection information, existing economic conditions, and forecasts about future economic conditions. As a service to the patient, the Organization bills third-party payors directly and bills the patient when the patient's liability is determined. Patient accounts receivable are due in full when billed. Payment for services is expected within 120 days of receipt of billing. Any amounts deemed uncollectible are written off based on individual credit evaluation and specific circumstances of the account. The Organization does not charge interest on outstanding balances.

Patient accounts receivable totaled $537,743, $357,646, and $361,608 at February 28, 2026, 2025 and 2024, respectively.

Grants, Contributions and Other Receivables

Grants, contributions and other receivables consist primarily of amounts due from local, state, and federal grantors and contracting agencies for amounts expended under grants and contract agreements for which funds have not yet been received. Management believes that all outstanding accounts are fully collectible; therefore, no allowance for uncollectible amounts has been recorded.

Estimated Amounts Due to or From Third-Party Payors

Throughout the year, the Organization receives payments from Medicaid based on estimated allowable reimbursement rates. At the end of the year, Medicaid will retrospectively adjust rates based upon final cost reports and approved Medicaid visits. Management estimates the final reimbursement totals and will record either an asset (final reimbursement exceeds payments to date) or a liability (payments to date exceed final reimbursement).

Inventory

Inventory consists primarily of pharmaceuticals and supplies and are stated at the lower of cost or net realizable value. Costs are determined using the first-in, first-out (FIFO) method.

Beneficial Interest in Assets Held by Others

Beneficial interests in assets held by others consist of an agency fund held by the Community Foundation of Western Iowa and is recorded at fair value.

Property and Equipment

Property and equipment are recorded at cost. Expenditures for additions and betterments are capitalized; expenditures for maintenance and repairs are charged to expense as incurred. The costs of assets disposed and the related accumulated depreciation are eliminated from the accounts in the year of disposal. Gains or losses from property disposals are recognized in the year of disposal.

Depreciation is computed using the straight-line method over the following estimated useful lives:

	Years
Building and Improvements	5-39
Furniture and Fixtures	5-15
Computer Equipment	5-7
Clinic, Dental, and Pharmacy Equipment	5-15
Vehicles	5-10

Construction in progress is recorded at cost and no depreciation is recorded until the assets are placed in service.

Donations of property and equipment are reported at fair value as an increase in net assets without donor restrictions unless use of the assets is restricted by the donor. Monetary gifts that must be used to acquire property and equipment are reported as restricted support, unless the asset is placed in service within the same fiscal year. The expiration of such restrictions is reported as an increase in net assets without donor restrictions when the donated asset is placed in service.

Property and equipment that have been purchased through grant funds received from the U.S. Department of Health and Human Services are subject to limitations of use and dispositions and may be reclaimed by the federal government if not used to further the grant's objectives.

Long-Lived Asset Impairment

The Organization evaluates the recoverability of the carrying value of long-lived assets whenever events or circumstances indicate the carrying amount may not be recoverable. If a long-lived asset is tested for recoverability and the undiscounted estimate of future cash flows expected to result from the use and eventual disposition of the asset is less than the carrying amount of the asset, the asset cost is adjusted to fair value and an impairment loss is recognized as the amount by which the carrying amount of a long-lived asset exceeds its fair value. Management does not believe any impairment existed during the years ended February 28, 2026 and 2025.

Investment in Affiliate

Investment in affiliate consists of an equity method investment in Iowa Health Centers for Accountability – West LLC. The investment is carried at cost and is adjusted annually for the Organization's proportionate share of the undistributed earnings or losses.

Leases

The Organization follows a right-of-use (ROU) model that requires a lessee to recognize a ROU asset and lease liability on the accompanying statements of financial position for all leases. The Organization determines that a contract contains a lease when it provides the Organization with the right to direct the use of an implicitly or explicitly identified asset for a set period of time. Leases are classified as operating or finance leases at inception based on certain criteria.

The Organization has elected the short-term lease practical expedient to exclude leases with terms of 12 months or less from recognition on the accompanying statement of financial position. The Organization elected the practical expedient to utilize the risk-free rate in determining the present value of lease payments unless the implicit rate is readily determinable. The Organization accounts for lease and non-lease components in its contracts as a single lease component for all classes of leases. The majority of the Organization's non-lease components are variable in nature and therefore are recorded to expense as incurred.

Revenue Recognition

The Organization's policy for revenue recognition is detailed below. The Organization's revenues are disaggregated by major type on the accompanying statements of activities and changes in net assets. Patient service revenues are disaggregated in Note 8.

Patient Service Revenue

Patient service revenue is reported at the amount that reflects the consideration to which the Organization expects to be entitled in exchange for providing patient care. These amounts are due from patients, third-party payors (including health insurers and government programs), and others and include variable consideration for retroactive revenue adjustments due to settlement of audits, review, and investigations. Generally, the Organization bills the patients and third-party payors several days after the services are performed. Revenue is recognized as performance obligations are satisfied.

Performance obligations are determined based on the nature of the services provided by the Organization which is when a single visit is provided to a patient. Revenue for performance obligations satisfied over time is recognized based on actual charges incurred in relation to total expected or actual charges. The Organization believes this method provides a reasonable depiction of the transfer of services over the term of the performance obligation based on the inputs needed to satisfy the obligation. The Organization measures the performance obligation from commencement of a service to the point when it is no longer required to provide services to that patient, which is generally at the time of completion of the services. Revenue for performance obligations satisfied at a point in time is recognized when goods or services are provided to patients and the Organization does not believe it is required to provide additional goods or services to the patient.

The Organization recognizes patient services revenue associated with services provided to patients who have third-party payor coverage on the basis of third-party pay rates for the services rendered. For uninsured patients that do not qualify for sliding fee program, the Organization recognizes revenue on the basis of its standard rates for services provided. On the basis of historical experience, a significant portion of the Organization's uninsured patients who do not qualify for the sliding fee program will be unable or unwilling to pay for the services provided. Thus, the Organization records a significant estimate of price concessions related to uninsured patients in the period the services are provided.

The Organization has elected the practical expedient allowed under FASB ASC 606-10-32-18 and does not adjust the promised amount of consideration from patients and third-party payors for the effects of a significant financing component due to the Organization's expectation that the period between the time the service is provided to a patient and the time the patient or a third-party payor pays for that service will be one year or less. As such, the Organization is also not required to disclose the performance obligations considered unsatisfied or partially unsatisfied at the end of the reporting period.

Grant and Contribution Revenue

Grants and contributions that do not meet the definition of an exchange transaction are accounted for under the guidance in ASC 958. Contributions are considered to be available for unrestricted use unless specifically restricted by the donor.

Grants are typically considered conditional contributions and recognized as revenue as contracted services are provided or eligible expenditures are incurred under the grant agreements. Cash received in advance of providing services or incurring eligible expenses are reflected as grant advances. As of February 28, 2026 and 2025, conditional reimbursement-basis grants of approximately $284,000 and $980,000, respectively, have been awarded to the Organization for which the Organization had not yet incurred related expenditures.

Unconditional contributions expected to be collected within one year are recorded at their net realizable value upon receipt of notification of the contribution. Unconditional gifts expected to be collected in future years are initially reported at fair value determined using the discounted present value of estimated future cash flows technique. The resulting discount is amortized using the level-yield method and is reported as contribution revenue.

340B Program Revenue

The Organization participates in the 340B Drug Pricing Program enabling qualifying health care providers to receive discounted prices from drug manufacturers on pharmaceutical purchases and enter into certain contracts with unrelated pharmacies who provide certain prescription drugs to Organization patients. This program is overseen by the Health Resources and Services Administration (HRSA) Office of Pharmacy Affairs. Laws and regulations governing the 340B Program are complex and subject to interpretation and change. As a result, it is reasonably possible that material changes to financial statement amounts related to the 340B Program could occur in the near future.

In-Kind Contributions

The Organization receives in-kind contributions of pharmaceutical supplies from a separate nonprofit. The contributions are valued at the estimated fair value obtained from the donor, which is based upon the typical market rate for the pharmaceutical supplies. The contributions are utilized in the Organization's pharmacy and are reported as supplies expense in the accompanying statements of activities and changes in net assets.

Contributed services are recognized at fair market value if the services received (a) create or enhance long-lived assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. Contributions of tangible assets are recognized at fair market value when received. During the years ended February 28, 2026 and 2025, the Organization received no in-kind contributions of services.

Advertising and Marketing Costs

The costs of advertising and marketing are expensed as incurred. Advertising and marketing costs were approximately $36,000 and $25,000 for the years ended February 28, 2026 and 2025, respectively, and are included in office and other expenses on the accompanying statements of functional expenses.

Income Taxes

The Organization has been recognized as tax-exempt pursuant to Section 501(c)(3) of the Internal Revenue Code and similar sections of state law.

GAAP requires management to evaluate tax positions taken by the Organization and recognize a tax liability (or asset) if the Organization has taken an uncertain position that more likely than not would not be sustained upon examination by the Internal Revenue Service. The Organization is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. Management believes it is no longer subject to income tax examinations for years prior to 2023.

The costs of providing various programs and supporting services of the Organization have been summarized on a functional basis in the statements of functional expenses. Costs are allocated to each functional expense category based on the specific departments benefitted by the expense. Certain categories of expenses are attributable to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include salaries, employee benefits, purchased services and professional fees, facility expense, supplies, office and other expenses, and depreciation, all of which are allocated on the basis of staff counts per department.

Subsequent Events

Subsequent events are events or transactions that occur after the statement of financial position date, but before the financial statements are available to be issued and may require potential recognition or disclosure in the financial statements. Management has considered such events or transactions through September 9, 2026. See Note 11 for a description of a subsequent event.

2. Liquidity and Availability

Financial assets available for general expenditure within one year are as follows as of February 28,:

	2026	2025
Cash and Cash Equivalents	$ 8,524,417	$ 7,715,376
Certificates of Deposit	2,739,915	2,635,120
Patient Accounts Receivable, Net	537,743	357,646
Grants and Other Receivables	377,108	333,755
Estimated Amounts Due from Third-Party Payors	107,929	-
Financial Assets Available to Meet Cash Needs for General Expenditures Within One Year	$ 12,287,112	$ 11,041,897

The Organization's goal is to maintain cash on hand to cover 90 days of operating expenses. The Organization has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations become due.

3. Beneficial Interest in Assets Held by Others

The Organization partnered with the Community Foundation for Western Iowa (the Community Foundation) to create the All Care Health Center Endow Iowa Fund (the Fund) to help create sustainability for the Organization. The Organization has granted the Community Foundation variance power which gives the Community Foundation's Board of Trustees the power to use the Fund for other purposes in certain circumstances. The Fund is subject to the Community Foundation's investment and spending policies which currently result in distributions of Fund income in amounts not to exceed the Community Foundation's board-determined percent of the Fund's net assets, which is currently 5%.

The Organization reports the fair value of the Fund as beneficial interest in assets held by others on the statements of financial position. Changes in the value of the Fund are reported as investment return in the statements of activities and changes in net assets. The Organization can redeem its share of the Fund's net assets on demand.

Changes in the Fund for the years ended February 28, are as follows:

	2026	2025
Balance, Beginning of Year	$ 177,363	$ 158,690
Additions to Fund	61,945	3,469
Appreciation of Fund, Net of Expenses	29,406	15,204
Balance, End of Year	$ 268,714	$ 177,363

4. Fair Value of Financial Instruments

FASB Codification Topic 820-10 on Fair Value Measurements (FASB 820-10) establishes a framework for measuring fair value and provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under FASB 820-10 are described as follows:

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

Level 2 Inputs to the valuation methodology include:

(a) quoted prices for similar assets or liabilities in active markets;

(b) quoted prices for identical or similar assets or liabilities in inactive markets;

(c) inputs other than quoted prices that are observable for the asset or liability;

(d) inputs that are derived principally from or corroborated by observable market data by correlation or other means.
If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

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

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

Beneficial interest in assets held by others are measured at fair value and totaled $268,714 and $177,363 at February 28, 2026 and 2025, respectively, which are categorized as Level 2 assets.

The beneficial interest in assets held at the Community Foundation has been valued at the fair value of the Organization's share of the Community Foundation's investment pool as of the measurement date. The Community Foundation values securities and other financial instruments on a fair value basis of accounting. The estimated fair values of certain investments of the Community Foundation, which includes private placements and other securities for which prices are not readily available, are determined by the management of the Community Foundation and may not reflect amounts that could be realized upon immediate sale, nor amounts that ultimately may be realized. Accordingly, the estimated fair values may differ significantly from the values that would have been used had a ready market existed for these investments. The beneficial interest in assets held at the Omaha Community Foundation is redeemable by the Organization as described in Note 3.

5. Investment in Affiliate

The Organization entered into a joint venture with other Iowa Federally Qualified Health Centers (FQHCs) to purchase membership interests in Iowa Health Centers for Accountability – West, LLC d/b/a Iowa Health+ (Iowa Health+). The Organization had an 8.33% ownership interest in Iowa Health+ totaling $798,763 and $760,504 at February 28, 2026 and 2025, respectively. The Organization's equity in the income of IowaHealth+ totaled $38,259 and $48,374 during the years ended February 28, 2026 and 2025, respectively, and is included in interest and investment income on the accompanying statement of activities and changes in net assets.

6. Property and Equipment

Property and equipment consists of the following as of February 28,:

	2026	2025
Land	$ 76,770	$ 76,770
Building and Improvements	6,236,115	6,040,181
Furniture and Fixtures	176,499	176,499
Computer Equipment	61,775	45,725
Clinic Equipment	218,161	218,161
Dental Equipment	430,014	398,900
Pharmacy Equipment	12,442	12,442
Vehicles	530,707	530,707
Construction in Progress	115,969	94,736
	7,858,452	7,594,121
Less: Accumulated Depreciation	2,122,234	1,842,239
Net Book Value	$ 5,736,218	$ 5,751,882

7. Contribution and Government Grant Revenue

The Organization is the recipient of Section 330, Community Health Cluster Programs (CHC) grants from the U.S. Department of Health and Human Services. The general purpose of the Section 330 grants is to provide expanded health care service delivery for residents of Council Bluffs, Iowa and the surrounding area. Terms of the grants generally provide for funding of the Organization's operations based on an approved budget. Grant revenue is recognized as qualifying expenditures are incurred over the grant period. During the years ended February 28, 2026 and 2025, the Organization recognized approximately $3,607,000 and $3,088,000 in CHC grant revenue, respectively.

In addition to the CHC grant, the Organization receives additional financial support from other federal, state and private sources. Generally, such support requires compliance with terms and conditions specified in grant agreements and must be renewed on an annual basis.

8. Patient Service Revenue

The Organization is approved as a FQHC for both Medicare and Medicaid reimbursement purposes. The Organization has agreements with third-party payors that provide for payments to the Organization at amounts different from its established rates.

These payment arrangements include:

Medicare – Covered FQHC services rendered to Medicare program beneficiaries are paid based on a cost reimbursement methodology. The Organization is reimbursed for cost-reimbursable items at a tentative rate with final settlement determined after submission of an annual cost report by the Organization and audit thereof by the Medicare fiscal intermediary. Services not covered under the FQHC benefit are paid based on established fee schedules.

Medicaid – Covered FQHC services rendered to Medicaid program beneficiaries are paid based on a cost reimbursement methodology. The Organization is reimbursed for cost-reimbursable items at a tentative rate with final settlement determined after submission of an annual cost report by the Organization and audit thereof by the Medicaid fiscal intermediary

Laws and regulations governing the Medicare and Medicaid programs are complex and subject to interpretation and change. As a result, it is reasonably possible that recorded estimates could change as result of law and regulation changes.

As an FQHC, the Organization is required to offer discounted services to uninsured patients based on their ability to pay. Ability to pay is determined based on the federal poverty guideline, as revised annually by the Department of Health and Human Services.

The Organization has also entered into payment agreements with certain commercial insurance carriers, health maintenance health centers and preferred provider health centers. The basis for payment to the Organization under these agreements includes prospectively determined rates and discounts from established charges.

The Organization has determined the nature, amount, timing, and uncertainty of revenue and cash flows are affected by the payors (for example, Medicare, Medicaid, other third-party payors, and patient responsibility), which have different reimbursement and payment methodologies.

Patient service revenue, net disaggregated by primary payor is as follows for the years ended February 28,:

	2026	2025
Medicaid	$ 7,277,732	$ 5,675,886
Medicare	2,329,242	1,695,395
Commercial Insurance	901,401	1,291,000
Self-Pay	309,178	129,009
Patient Service Revenue, Net	$ 10,817,553	$ 8,791,290

Patient service revenue, net disaggregated by service line is as follows for the years ended February 28,:

	2026	2025
Medical Services	$ 2,553,060	$ 2,305,893
Dental Services	1,711,359	1,271,223
Behavioral Services	2,406,169	1,743,838
Pharmacy Services	2,838,640	2,166,225
Managed Care Fees and Cost Settlements	1,308,325	1,304,111
Patient Service Revenue, Net	$ 10,817,553	$ 8,791,290

9. Charity Care

In the ordinary course of its business as a FQHC, the Organization renders services to the homeless population. Because the Organization does not pursue collection of amounts determined to qualify for its homeless charity care program, they are not recorded as revenue. The Organization maintains records to identify and monitor the level of charity care it provides. Charity care is measured based on the Organization's estimated unreimbursed direct and indirect costs of providing charity care services. That estimate is made by multiplying the Organization's cost per encounter by total charity care encounters, reduced by any payments received related to those charity encounters. The amount of charity care provided during the years ended February 28, 2026 and 2025 was approximately $1,035,000 and $215,000 respectively.

10. Concentrations of Credit Risk

The Organization maintains its cash in bank deposit accounts which, at times, may exceed federally insured limits ($250,000 per bank). The Organization has not experienced any losses in such accounts. The Organization believes it is not exposed to any significant credit risk on cash and cash equivalents. At February 28, 2026 and 2025, the Organization had deposits of approximately $7,000 and $6,000, respectively, in excess of federally insured limits.

The Organization grants credit without collateral to its patients, most of whom are area residents and are insured under third-party payor agreements. The mix of net receivables from patients and third-party payors as of February 28, was:

	2026	2025
Medicare	20%	23%
Medicaid	58%	49%
Private Insurance	18%	21%
Self-Pay	4%	7%
	100%	100%

11. Leases

The Organization only has operating leases. The Organization leases real estate and equipment through December 2029. Certain real estate leases contain renewal options through December 2039. The renewal options have not been included in the calculation of the operating lease right-of-use assets and lease liabilities as management is not reasonably certain they will exercise the options.

For the years ended February 28, total lease cost and other information included in the calculation of the operating lease right-of-use assets and lease liabilities consisted of the following:

	2026	2025
Lease Cost		
Operating Lease Expense	$ 76,745	$ 24,750
Short-Term Lease Expense	11,410	23,045
Total Lease Cost	$ 88,155	$ 47,795
Other Information		
Cash Paid for Amounts Included in the Measurement of Lease Liabilities:		
Operating Cash Flows from Operating Leases	$ 65,484	$ 41,984
Right-of-Use Assets Obtained in Exchange for Operating Lease Liabilities	-	182,613
Weighted-Average Remaining Lease Term (Years)	3.58	3.94
Weighted-Average Discount Rate	4.33%	4.28%

Future minimum lease payments under these leases for the years ending after February 28, 2026 and their reconciliation to the operating lease liabilities included in the accompanying financial statements are as follows:

Year Ending February 28,	
2027	$ 30,450
2028	35,845
2029	28,200
2030	28,200
Total Future Lease Payments	122,695
Less: Discount to Present Value	(8,866)
Total Operating Lease Libilities	$ 113,829
Less: Current Portion	(32,370)
Operating Lease Liabilities, Less Current Portion	$ 81,459

In May 2026, the Organization executed an amendment for an existing real estate lease that has not been included in the calculation of the operating lease right-of use assets and lease liabilities at year-end. The amendment requires monthly payments of $2,484, increasing 3% annually, through May 2029. The lease provides for optional renewals in three-year increments.

12. Malpractice Claims and Litigation

The U.S. Department of Health and Human Services has deemed the Organization and its practicing physicians covered under the Federal Tort Claims Act (FTCA) for damage for personal injury, including death, resulting from the performance of medical, surgical, dental and related functions. FTCA coverage is comparable to an occurrence policy without a monetary cap. Accounting principles generally accepted in the United States of America require a health care provider to accrue the expense of its share of malpractice claim costs, if any, for any reported and unreported incidents of potential improper professional service occurring during the year by estimating the probable ultimate costs of the incidents. Based upon the Organization's claim experience, no such accrual has been made. It is possible that this estimate could change in the near term.

In the normal course of business, the Organization is, from time to time, subject to allegations that may result in litigation. The Organization evaluates such allegations by conducting investigations to determine the validity of each potential claim. Based upon the advice of counsel, management records an estimate of the amount of the ultimate expected loss, if any, for each of these matters. Events could occur that would cause the estimate of loss to differ in the near term.

13. Commitments and Contingencies

The Organization receives funds under various federal grant programs to be expended in accordance with the provisions of the grants. Compliance with grant provisions is subject to audit by various governmental agencies that may impose sanctions in the event of noncompliance. Management believes that they have complied with all aspects of the various grant provisions and results of adjustment, if any, relating to such audits would not have any material impact.

Given the volatility of economic conditions, the values of assets and liabilities recorded in the financial statements could change, resulting in future adjustments in investment values and allowances for accounts that could positively or negatively impact the Organization. The Organization believes it has the ability to sustain its operations, maintain adequate liquidity and capital levels, and meet all obligations of patients and stakeholders as of the date these financial statements were available to be issued.

14. Defined Contribution Plan

The Organization has a 401(k) plan covering substantially all employees over the age of 18 with at least three consecutive months of service which includes a safe-harbor matching contribution equal to 100% of the first 3% of a participant's elective deferrals plus 50% of the participant's deferrals that exceed 3% up to 5% of the participant's eligible compensation. Contributions totaled approximately $234,000 and $175,000 for the years ended February 28, 2026 and 2025, respectively, and are included in employee benefits in the accompanying statements of functional expenses. The Organization also has the discretion to make additional profit-sharing contributions to the employee's retirement plan during the year but did not exercise this option during 2026 or 2025.

15. Related Parties

The Organization has entered into a joint venture with a network of 11 of Iowa's 14 FQHCs to fund InConcertCare (INCC), a health information technology organization that provides essential technology and data support to member health centers through centralized development and vendor management. In 2023, the Iowa health centers collectively implemented the OCHIN Epic Electronic Health Record (HER) platform.

INCC bills each member a fee based on the number of provider encounters to fund its operations. The Organization recorded expenses of approximately $428,000 and $260,000 to INCC during the years ended February 28, 2026 and 2025, respectively, which is included in professional fees in the accompanying statements of functional expenses.

SUPPLEMENTARY INFORMATION

All Care Health Center

Schedule of Expenditures of Federal Awards

February 28, 2026

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Assistance Listing Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
U.S. Department of Health and Human Services				
Direct Funding:				
Health Center Program Cluster - Consolidated Health Centers (Community Health Centers, Migrant Health Centers, Health Care for the Homeless, and Public Housing Primary Care):				
Health Center Program	93.224	N/A - Direct	$ -	$ 2,612,205
Health Center Program	93.224	N/A - Direct	-	264,704
Health Center Program	93.224	N/A - Direct	-	730,309
Subtotal Health Center Cluster			-	3,607,218
TOTAL EXPENDITURES OF FEDERAL AWARDS			**$ -**	**$ 3,607,218**

All Care Health Center

Notes to Schedule of Expenditures of Federal Awards

February 28, 2026

1. **Basis of Presentation**

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of All Care Health Center under programs of the federal government for the year ended February 28, 2026. 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 All Care Health Center it is not intended to and does not present the financial position, changes in net assets or cash flows of All Care Health Center.

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.

3. **Indirect Cost Rate**

All Care Health Center has not elected to use the 10% or 15%, as applicable, de minimis indirect cost rate allowed under the Uniform Guidance.

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Board of Directors
All Care Health Center

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 (*Government Auditing Standards*), the financial statements of All Care Health Center (the Organization), which comprise the statement of financial position as of February 28, 2026, 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 September 9, 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 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 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 over financial reporting 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.

Lutz & Company, P.C.

September 9, 2026

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Board of Directors
All Care Health Center

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program
We have audited All Care Health Center's (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 February 28, 2026. The Organization's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Organization complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended February 28, 2026.

Basis for Opinion on Each Major Federal Program
We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of 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.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on 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 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 Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. 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.

Lutz & Company, P.C.

September 9, 2026

All Care Health Center

Schedule of Findings and Questioned Costs

February 28, 2026

SUMMARY OF AUDITORS' RESULTS

Financial Statements
Type of auditors' report issued: Unmodified

Internal control over financial reporting:

• Material weakness(es) identified?	_____ Yes	__X__ No	
• Significant deficiency(ies) identified?	_____ Yes	__X__ No	None Reported
• Noncompliance material to financial statements noted?	_____ Yes	__X__ No	

Federal Awards
Internal control over major programs:

• Material weakness(es) identified?	_____ Yes	__X__ No	
• Significant deficiency(ies) identified?	_____ Yes	__X__ No	None Reported

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

AL Number(s)	Name of Federal Program or Cluster
93.224	Health Center Program Cluster

Dollar threshold used to distinguish between type A and type B programs: $1,000,000

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

II. FINANCIAL STATEMENT FINDINGS

There were no findings which are required to be reported in accordance with Generally Accepted Government Auditing Standards.

III. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

There were no findings and questioned costs related to Federal Awards.


Lutz