

OPERATION THRESHOLD

Waterloo, Iowa

**FINANCIAL STATEMENTS AND SUPPLEMENTARY
INFORMATION
(Uniform Guidance Single Audit Report)**

September 30, 2025

(With Independent Auditor's Reports Thereon)

OPERATION THRESHOLD

Waterloo, Iowa

Table of Contents

	<u>Pages</u>
Board of Directors and Management	1
Independent Auditor's Report	2-3
Statement of Financial Position	4
Statement of Activities and Changes in Net Assets	5
Statement of Functional Expense	6
Statement of Cash Flows	7
Notes to Financial Statements	8-14
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 <u>Government Auditing Standards</u>	15-16
Independent Auditor's Report on Compliance for Each Major Federal Program and on Internal Control over Compliance Required by the Uniform Guidance	17-18
Schedule of Findings and Questioned Costs	19
Schedule of Expenditures of Federal Awards	20-21
Notes to Schedule of Expenditures of Federal Awards	22
Combining Statement of Financial Position	23-30
Combining Statement of Activities	31-38
Combining Statement of Financial Position - Undesignated and Agency Cost Pool Funds	39-40
Combining Statement of Activities - Undesignated and Agency Cost Pool Funds	41-42
Schedules of Expenses Compared to Budget	
Community Services Block Grant	43
Low Income Home Energy Assistance Program	44
Weatherization Assistance Programs	45-49
Family Development and Self-Sufficiency	50

OPERATION THRESHOLD

Board of Directors and Management**Officers**

Brian Quirk
John Kurtz
Barabra Smith

Chairperson
Vice Chair
Treasurer

Board Members

Kim Ross
Katie Busker
Robert Tyson
Debra Hodges Harmon
Chris Schwartz

Tara Makepeace
Joyce Hunter
Michelle Kesterson
Faith White
Kari Rea

Management

Barbara A. Grant
Joel Dirks
Craig Boche
Amanda Kirchhoff
Clarissa Nicholson
Joe Ambrose

Executive Director
Fiscal Director
Human Resources Director
WIC Director
Planning and Compliance Director
Housing Director



Independent Auditor's Report

Board of Directors
Operation Threshold
Waterloo, Iowa

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Operation Threshold (a nonprofit organization), which comprise the Statement of Financial Position as of September 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 accompanying financial statements present fairly, in all material respects, the financial position of Operation Threshold as of September 30, 2025, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Operation Threshold and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, 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 Operation Threshold's ability to continue as a going concern for 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 Operation Threshold'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 Operation Threshold'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 Summarized Comparative Information

We have previously audited Operation Threshold's 2024 financial statements, and we expressed an unmodified opinion on those audited financial statements in our report dated March 18, 2025. In our opinion, the summarized comparative information presented herein as of and for the year ended September 30, 2024, is consistent, in all material respects, with the audited financial statements from which it has been derived.

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 and Schedule of Findings and Questioned Costs as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* are presented for purposes of additional analysis and are not a required part of the financial statements. The additional supporting schedules are presented for purposes of additional analysis and are also 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 supplementary information is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued a report dated January 12, 2026, on our consideration of Operation Threshold's internal control over financial reporting and our tests of its 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 effectiveness of Operation Threshold'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 Operation Threshold's internal control over financial reporting and compliance.

Meriwether, Wilson and Company, PLLC
 MERIWETHER, WILSON AND COMPANY, PLLC
 Certified Public Accountants

January 12, 2026
 West Des Moines, Iowa

OPERATION THRESHOLD

Statement of Financial Position

September 30, 2025
(With Comparative Totals for 2024)

	Total All Funds	
	2025	2024
Assets		
Current Assets		
Cash	\$ 2,088,726	1,214,376
Restricted Cash	27,298	24,724
Marketable Securities	44,688	46,300
Receivables		
Grants	598,887	1,067,829
Contract Income and Other	13,802	20,227
Prepaid Expense	97,096	124,388
Weatherization Work in Process	65,926	56,002
Total Current Assets	<u>2,936,423</u>	<u>2,553,846</u>
Property and Equipment		
Land, Buildings, and Improvements	5,689,808	5,674,630
Furniture and Equipment	564,896	543,954
	<u>6,254,704</u>	<u>6,218,584</u>
Accumulated Depreciation	(3,485,258)	(3,331,448)
Net Property and Equipment	<u>2,769,446</u>	<u>2,887,136</u>
Total Assets	<u>\$ 5,705,869</u>	<u>5,440,982</u>
Liabilities and Net Assets		
Current Liabilities		
Accounts Payable	\$ 41,877	124,418
Accrued Expenses	173,435	155,310
Mortgage Payable - Current Portion	-	82,566
Deposits Held for Others	504,830	476,280
Due to Funding Sources	197,965	197,828
Refundable Advances	234,123	28,673
Total Current Liabilities	<u>1,152,230</u>	<u>1,065,075</u>
Net Assets		
With Donor Restrictions	2,817,086	2,835,570
Without Donor Restrictions	1,736,553	1,540,337
Total Net Assets	<u>4,553,639</u>	<u>4,375,907</u>
Total Liabilities and Net Assets	<u>\$ 5,705,869</u>	<u>5,440,982</u>

The accompanying notes are an integral part of these financial statements.

OPERATION THRESHOLD

Statement of Activities and Changes in Net Assets

Year Ended September 30, 2025
(With Comparative Totals for 2024)

	Without Donor Restrictions	With Donor Restrictions	Total All Funds	
			2025	2024
Support and Revenue				
Government Awards and Contract Revenue	\$ 7,375,795	--	7,375,795	7,381,873
Rental Income	317,119	--	317,119	299,189
Contributions, Public Support, and Services	76,532	69,011	145,543	121,903
Investment Income	2,279	--	2,279	10,102
Other Revenue	93,137	--	93,137	4,827
Food Vouchers for Distribution	4,632,888	--	4,632,888	4,408,564
	<u>12,497,750</u>	<u>69,011</u>	<u>12,566,761</u>	<u>12,226,458</u>
Net Assets Released from Restrictions	87,495	(87,495)	--	--
Total Support and Revenue	<u>12,585,245</u>	<u>(18,484)</u>	<u>12,566,761</u>	<u>12,226,458</u>
Expenses				
Program Services	11,238,440	--	11,238,440	11,164,003
Management and General	1,150,589	--	1,150,589	1,276,992
Total Expenses	<u>12,389,029</u>	<u>--</u>	<u>12,389,029</u>	<u>12,440,995</u>
Change in Net Assets	196,216	(18,484)	177,732	(214,537)
Net Assets - Beginning of Year	<u>1,540,337</u>	<u>2,835,570</u>	<u>4,375,907</u>	<u>4,590,444</u>
Net Assets - End of Year	<u>\$ 1,736,553</u>	<u>2,817,086</u>	<u>4,553,639</u>	<u>4,375,907</u>

The accompanying notes are an integral part of these financial statements.

OPERATION THRESHOLD

Statement of Functional Expenses

Year Ended September 30, 2025
(With Comparative Totals for 2024)

	2025			2024 Total
	Program Activities	Management, General, and Corporate Activities	Total	
Expenses				
Personnel	\$ 1,557,595	590,811	2,148,406	2,053,890
Fringe	329,595	138,823	468,418	499,404
Travel & Auto	23,552	9,652	33,204	30,298
Supplies and Materials	106,074	38,125	144,199	186,202
Printing and Publication	13,880	2,295	16,175	18,489
Postage and Shipping	16,123	3,603	19,726	18,155
Consultants - Contracted Services	566,147	114,729	680,876	679,991
Insurance	39,442	102,470	141,912	138,005
Telephone and Computer Space	157,234	25,287	182,521	183,032
	296,141	--	296,141	289,702
Advertising and Promotion	--	248	248	245
Legal & Professional	35,500	120	35,620	40,503
Equipment	24,088	1,359	25,447	4,409
Licenses and Permits	8,355	1,875	10,230	10,352
Dues and Subscriptions	17,199	1,982	19,181	19,240
Client Assistance	7,966,209	--	7,966,209	8,076,151
Training	36,369	8,687	45,056	28,567
Other	1,651	--	1,651	2,721
Depreciation	43,286	110,523	153,809	161,639
Total Expenses	\$ 11,238,440	1,150,589	12,389,029	12,440,995

The accompanying notes are an integral part of these financial statements.

OPERATION THRESHOLD

Statement of Cash Flows

Year Ended September 30, 2025
(With Comparative Totals for 2024)

	Total All Funds	
	2025	2024
Cash Flows from Operating Activities		
Change in Net Assets	\$ 177,732	(214,537)
Adjustments to Reconcile Change in Net Assets to Net Cash Flows from Operating Activities		
Depreciation	153,809	161,639
Unrealized (Gains) Losses on Marketable Securities	1,612	(7,454)
Forgiveness of Debt	(82,566)	--
(Increase) Decrease in		
Receivables	475,367	(154,411)
Prepaid Expenses	27,292	8,872
Weatherization Work in Process	(9,924)	26,023
Increase (Decrease) in		
Accounts Payable and Accrued Expenses	(64,416)	76,413
Deposits Held for Others	28,550	(65,068)
Due to Funding Sources	137	(5,018)
Refundable Advances	205,450	17,356
Net Cash Flows from Operating Activities	<u>913,043</u>	<u>(156,185)</u>
Cash Flows from Investing Activities		
Cash Paid for Property and Equipment	(36,119)	--
Net Cash Flows from Investing Activities	<u>(36,119)</u>	<u>--</u>
Cash Flows from Financing Activities		
Payments on Long-Term Debt	--	(4,875)
Net Cash Flows from Financing Activities	<u>--</u>	<u>(4,875)</u>
Change in Cash and Restricted Cash	876,924	(161,060)
Cash and Restricted Cash - Beginning of Year	<u>1,239,100</u>	<u>1,400,160</u>
Cash and Restricted Cash - End of Year	<u>\$ 2,116,024</u>	<u>1,239,100</u>
Supplemental Disclosure of Cash Flow Data		
Cash Paid During the Years for Interest	<u>\$ --</u>	<u>--</u>
Supplemental Noncash Financing Activities		
Forgiveness of Debt	<u>\$ 82,566</u>	<u>--</u>
Summary of Cash and Restricted Cash		
Cash	2,088,726	1,214,376
Restricted Cash	<u>27,298</u>	<u>24,724</u>
Cash and Restricted Cash - End of Year	<u>\$ 2,116,024</u>	<u>1,239,100</u>

The accompanying notes are an integral part of these financial statements.

OPERATION THRESHOLD

Notes to Financial Statements

September 30, 2025

1. **Nature of Activities and Significant Accounting Policies**

Reporting Entity

Operation Threshold (the Organization) is a private nonprofit corporation organized and incorporated in 1981 under Chapter 504A of the Code of Iowa. The Organization is a community action agency as defined in the Code, and it provides education and services to help people meet their basic needs and become self-sufficient. Operation Threshold principally has operations in Waterloo, Iowa, and surrounding areas.

Operation Threshold administers programs funded by federal, state, and local agencies. These programs are generally operated for the benefit of eligible participants under the guidelines or requirements of the respective funding agencies.

This report includes the financial statements of all programs administered by the Organization.

Basis of Accounting

The accompanying financial statements have been prepared in conformity with the accounting principles appropriate for nonprofit agencies. The following describes the significant accounting policies.

Basis of Presentation

The accompanying financial statements have been prepared on the accrual basis of accounting.

The Organization reports information regarding its financial position and activities according to two classes of net assets: without donor restrictions and with donor restrictions. Classifications of net assets are determined based on the nature or existence of donor restrictions.

Net assets with donor restrictions subject to purpose are amounts whose use by the Organization has been limited by donors or grantors to specific time periods or purposes. Net assets with donor restrictions perpetual in nature represent assets required by the donor to be maintained in perpetuity by the Organization. At September 30, 2025, the Organization has no net assets with donor restrictions perpetual in nature.

When donor restrictions are satisfied, net assets with donor restrictions are reclassified as net assets without donor restrictions and reported in the Statement of Activities and Changes in Net Assets as net assets released from restrictions. If a restriction is fulfilled or released in the same time period in which it is received, the Organization reports the support as net assets without donor restrictions.

Revenue Recognition and Receivables

The Organization accounts for unconditional grant and contract income as contributions. Under this method of revenue recognition, revenue is considered earned when received. When allowable program expenses have been incurred, the revenue is classified as without donor restriction. If revenue is received prior to incurring allowable program expenses, the revenue is classified as refundable advances. Conditional promises to give are recognized only when the conditions on which they depend are substantially met and then the promises become unconditional.

Receivables are comprised primarily of grant awards or contract reimbursements. Receivables are recorded when program expenses exceed reimbursements to date. Award or contract funds received in excess of program expenses are recorded as refundable advances. All receivable amounts are considered collectible and, accordingly, no provision for bad debts has been recorded.

Contributed Services

The Organization receives a significant amount of contributed services from unpaid volunteers assisting in the Organization's programs. No amounts have been recognized in the Statement of Activities and Changes in Net Assets because the criteria for recognition under FASB ASC 958 have not been satisfied.

Cash and Restricted Cash

Cash, for purposes of the Statement of Cash Flows, consists of checking and savings accounts.

Restricted cash consists of funds received by the Organization which are held in separate accounts and can only be disbursed for specific purposes. These purposes include payment of matching funds for individual development accounts for eligible program participants (\$0) and tenant security deposits (\$27,298). Restricted cash is held in checking and savings accounts.

Fair Value of Financial Instruments

Marketable securities are recorded at fair value based on quoted prices in active markets for identical assets. Carrying amounts of other current assets and liabilities approximate their fair values due to the short-term maturities of these financial instruments.

The Organization secured below-market financing for the construction and rehabilitation of certain low-income housing properties. No adjustment to the financial statements has been made to approximate the fair value of this financing.

Weatherization Work in Process

Weatherization work in process consists of labor, materials, and support costs incurred on weatherization projects in process as of the year end. These costs will be submitted to the appropriate funders (and expensed in the financial statements) when the projects are complete.

Property and Equipment

Property and equipment are recorded at cost. Costs for maintenance, repairs, and minor replacements are charged to expense, while the cost of major replacements, betterments, and acquisitions is capitalized. The Organization's policy is to capitalize discrete items of property and equipment which cost more than \$5,000 and have a useful life of more than one year. Depreciation is computed using the straight-line method over the estimated useful life of the asset. Estimated useful lives are generally 15 to 39 years for buildings and improvements and 5 to 7 years for furniture and equipment.

The Organization's property and equipment was acquired primarily under grants with federal, state, or local governmental entities. Title to such property and equipment may revert back to these funding sources in the event these programs terminate, or the use of the property changes from its original purpose. The Organization follows the policy of expensing amounts paid for property and equipment to the appropriate fund, and then capitalizing the assets acquired through a direct credit to the fund balance.

The Organization follows generally accepted accounting principles in evaluating impairment of long-lived assets. No impairment losses were recorded in 2025.

Cost Allocations, Management and General Expenses, and Fundraising Expenses

The Organization uses cost pools to distribute indirect costs to the programs benefited. Indirect pooled costs are allocated to the programs each month on a consistent basis as described in its cost allocation plans. Indirect administrative costs (including fiscal and human resources) are charged to programs at a rate of 10% of the total modified direct costs. Building operations costs are charged to programs based on square footage. Housing support costs are charged to properties proportionately based on direct costs. Weatherization support costs are charged to programs at contract rates, and certain direct weatherization project costs are also distributed to identified funders through the Weatherization Admin. Support pool as each project closes. The Organization accounts for distributed pooled costs as interfund expense transfers.

Certain management and general expenses are distributed to the programs through cost pools and are properly charged to various funders as program expenses. There were no significant direct fundraising expenses for the year ended September 30, 2025.

Advertising

Advertising costs are expensed as incurred.

Income Taxes

Operation Threshold is exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code and Chapter 504A of the Code of Iowa. Operation Threshold has been determined not to be a "private foundation" within the meaning of Section 509A of the Internal Revenue Code.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires the use of management's estimates. Actual results could differ from these estimates.

Prior Year Summarized Information and Reclassifications

The financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended September 30, 2024, from which the summarized information was derived.

Certain reclassifications to the 2024 comparative totals have been made to conform to the 2025 presentation.

2. Principal Programs

Principal programs administered by the Organization are as follows:

Three principal programs are funded by the U.S. Department of Health and Human Services and passed through the Iowa Department of Health and Human Services. These programs are the Community Services Block Grant (CSBG), Low Income Home Energy Assistance Program (LIHEAP), and Family Development and Self-Sufficiency (FaDSS) (40% federally funded). CSBG provides funding for the operation of human service programs or provides direct support to individual programs which require co-funding to complete their activities. LIHEAP primarily provides assistance to low-income households in paying their heating bills. The FaDSS program provides family development and self-sufficiency counseling assistance to low-income households.

Weatherization Assistance Programs are funded through grants from the U.S. Department of Energy and the U.S. Department of Health and Human Services through the Iowa Department of Health and Human Services. Area utility companies also provide funding. These programs provide resources to increase the energy efficiency of homes of qualifying low-income households.

Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) is funded by the U.S. Department of Agriculture through the Iowa Department of Health and Human Services under an annual grant. The program provides nutritional education and assistance to low-income women who are pregnant, post-partum, breastfeeding or who have an infant child, and to children under the age of five years.

The Maternal, Infant, and Early Childhood Home Visiting Program (MIECHV) is funded by the U.S. Department of Health and Human Services through the Iowa Department of Health and Human Services. The program provides evidence-based home visitation services to improve health and developmental outcomes for at-risk young children, improves coordination of services for at-risk communities, and identifies and provides comprehensive services to improve outcomes for families who reside in at-risk communities.

The Family Support and Parent Education Services programs offer a comprehensive system for delivering family support services including home visitation and group-based parent education programming to pregnant parents and families with children under the age of five years.

Rental Housing Programs - The Organization manages single and multi-family housing units for use by eligible families. Ongoing funding for these programs is principally provided by rental income.

The Disaster Case Management program is funded under a contract with the Iowa Community Action Association. Money for this program originates with the Iowa Department of Health and Human Services and the Iowa Homeland Security and Emergency Management Department. Operation Threshold provides administration services for the Iowa Individual Assistance Grant Program by processing disaster-related financial assistance applications, claims, and payments.

Financial Literacy provides training on budgeting, savings, and financial management.

Community Services - The Organization maintains community service centers in each of the areas served. Programs administered are charged for the non-cofunded expenses of the centers based on the hours spent for the services and the space utilized.

The Organization provides a variety of other programs in support of its mission, including crisis and rental assistance, volunteer programs, programs to provide housing rehabilitation and increase home energy efficiency, and others.

3. **Support from Governmental Agencies**

The Organization received approximately 97% of its total support and revenue from federal, state, and local governmental agencies. Changes in the level of government funding could have a major effect on the Organization's programs and activities.

4. **Concentration of Credit Risk**

The Organization maintains checking and savings accounts at local financial institutions. Accounts are insured by FDIC or NCUA up to \$250,000 per depositor, per institution. At September 30, 2025, the Organization had \$2,110,443 of cash in excess of insured limits. The risk is managed by maintaining all depository accounts at high quality financial institutions.

5. **Marketable Securities**

Marketable securities consist of shares of common stock received in a prior year from the demutualization of an insurance company that provided employee benefits to the Organization. These shares have a readily determinable fair market value, and they are recorded at fair value in the financial statements. Unrealized loss on marketable securities included as a component of investment income totaled \$1,612 for the year ended September 30, 2025. Management of the Organization has determined that marketable securities are not material to the financial statements taken as a whole; accordingly, the fair value disclosure provisions of FASB ASC 820 need not be applied.

6. **Receivables**

Grants receivable are summarized as follows:

<u>Funding Source</u>	<u>Program Activity</u>	<u>Amount</u>
Iowa Department of Health and Human Services	WIC	\$ 275,777
	MIECHV	53,478
	HEAP Weatherization	50,278
	LIHEAP	61,325
	FaDSS	48,837
	DOE Weatherization	50,277
	CSBG	44,000
Other	PAT	3,548
ICAPP	Blackhawk PAT	4,970
Together 4 Families	GR Fam. Supt and PE	6,397
		<u>\$ 598,887</u>

Contract income and other receivables are summarized as follows:

<u>Funding Source</u>	<u>Program Activity</u>	<u>Amount</u>
Various	Rent Receivable/Co Funding	<u>\$ 13,802</u>

7. **Property and Equipment**

Property and equipment are summarized as follows:

	<u>Cost</u>	<u>Depreciation Expense</u>	<u>Accumulated Depreciation</u>	<u>Net Property and Equipment</u>
Land	\$ 73,740	--	--	73,740
Buildings and Improvements	5,616,068	141,360	2,959,674	2,656,394
Furniture and Equipment	564,896	12,448	525,584	39,312
	<u>\$ 6,254,704</u>	<u>153,808</u>	<u>3,485,258</u>	<u>2,769,446</u>

8. **Accrued Expenses**

Accrued expenses are summarized as follows:

Compensated Absences	\$ 65,270
Payroll, Payroll Taxes, and Benefits	<u>108,165</u>
	<u>\$ 173,435</u>

9. **Due to Funding Sources**

Amounts due to funding sources are summarized as follows:

<u>Funding Source</u>	<u>Program Activity</u>	<u>Amount</u>
Iowa Department of Health and Human Services	Advance for WIC Expenses	\$ 59,297
Iowa Department of Health and Human Services	LiHEAP Refund	137
City of Waterloo	Resale Recapture Proceeds	138,531
		<u>\$ 197,965</u>

10. **Refundable Advances**

Refundable advances are summarized as follows:

<u>Funding Source</u>	<u>Program Activity</u>	<u>Amount</u>
Iowa Department of Health and Human Services	CSBG	\$ 30,911
	DOE Weatherization	30,347
	HEAP	10,294
	LiHEAP	50,117
	FaDSS	41,786
Iowa Department of Education	Shared Visions	68,251
Other	Various	2,417
		<u>\$ 234,123</u>

11. **Long-Term Debt**

The Iowa Department of Economic Development provided a loan totaling \$99,992 under the Home Investment Partnership Program as additional funding for Lexington Square. This note was also amended in 2015. The note is noninterest bearing and requires annual payments of \$1,000, with a balloon payment of remaining principal and interest, which was due February 28, 2024. This note was forgiven during the year.

12. Net Assets

Net Assets Without Donor Restrictions - The Organization's net assets without donor restrictions were received without external restrictions and are generally available for ongoing operating purposes. The Organization, however, has certain net assets designated for specific purposes.

Net assets without donor restrictions are summarized as follows as of September 30, 2025:

Designated Net Assets	
Program Activities	\$ 867,553
Invested in Property and Equipment	661,228
	<u>1,528,781</u>
Undesignated Net Assets (Deficit)	<u>207,772</u>
Total Net Assets Without Donor Restrictions	<u>\$ 1,736,553</u>

Net Assets With Donor Restrictions - The Organization has received donations, which under terms of their receipt are to be used for specific purposes and are classified as net assets with donor restrictions.

A summary of net assets with donor restrictions is as follows at September 30, 2025:

Program	
Central Office Building - IFA / I-Jobs	\$ 2,003,910
Affordable Housing	309,771
Lexington Square - IFA, IDED and IHC	57,879
Rental Houses	89,545
Family Support and Parent Ed.	148,165
Customer Contributions	68,918
Black Hawk Nest	45,304
Other Emergency Funds	36,358
Conrad Senior Fund	14,128
Other Programs	4,824
Seasonal Programs	11,556
DHS Volunteer Program	6,012
Cedar Valley Refugee	18,495
Safe & Stable Housing	2,221
	<u>\$ 2,817,086</u>

The central office building must be operated and maintained in accordance with the funding agreement, and Operation Threshold may not sell, assign, or encumber the property without consent of the funder.

13. Operating Leases

The Organization leases office space and equipment under noncancelable operating leases on an annual and month to month basis. Management expects that in most cases these leases will be renewed under similar terms or replaced with similar leases. The Organization has elected to not record leases with a lease term at commencement of 12 months or less on the statement of financial position; such leases are expensed on a straight line basis over the lease term. Total lease expense for the year ended September 30, 2025, amounted to \$39,410.

Management has evaluated the potential impact of ASU 2016-02 on the financial statements. They have come to the conclusion that the recording of lease obligation and disclosures of future lease obligations do not have a material impact on the financial statements.

14. Retirement Plans

IPERS

The Organization contributes to the Iowa Public Employees' Retirement System (IPERS), which is a cost-sharing multiple-employer defined benefit pension plan administered by the State of Iowa. IPERS provides retirement and death benefits which are established by state statute to plan members and beneficiaries. Additional information about the plan may be found at www.ipers.org, and its most recent Comprehensive Annual Financial Report is available at auditor.iowa.gov.

Plan members contribute 6.29% of their annual covered salary to IPERS and the Organization contributes 9.44%. Contribution requirements are established by state statute. The Organization's contributions to IPERS for the year ended September 30, 2025, totaled \$183,909 equal to the required contribution for the year.

Tax Sheltered Annuity

The Organization also sponsors a defined contribution tax sheltered annuity plan for all regular employees with at least one year of service. The Organization matches employee contributions up to 4.50% of gross wages. Contributions made by the Organization for this plan for the year totaled \$395.

15. Liquidity and Availability of Financial Assets

The Organization's financial assets available for general expenditure within one year of the statement of financial position date are summarized as follows at September 30, 2025:

	<u>Amount</u>
Financial Assets at Year-End	
Cash	\$ 2,088,726
Restricted Cash	27,298
Marketable Securities	44,688
Receivables	<u>612,689</u>
	2,773,401
Less Those Unavailable for General Expenditure Within One Year	
Restricted Cash	(27,298)
Net Assets with Donor Restrictions	(2,817,086)
Net Assets with Donor Restrictions Associated with Non-Financial Assets	<u>2,003,910</u>
Financial Assets Available to Meet Cash Needs for General Expenditures Within One Year	<u><u>\$ 1,932,927</u></u>

The Organization receives substantial support from restricted contributions. Because a donor's restriction requires resources to be used in a particular manner or in a future period, sufficient resources must be maintained to meet those responsibilities to its donors. As a result, financial assets may not be available for general expenditure within one year. As part of the Organization's liquidity management, it follows the policy of structuring its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

16. Evaluation of Subsequent Events

The Organization has evaluated transactions and events occurring after September 30, 2025, for recognition and disclosure in the financial statements. Subsequent events were evaluated through January 12, 2026, the date the financial statements were available to be issued.

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

Board of Directors
Operation Threshold
Waterloo, Iowa

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 Controller General of the United States, the financial statements of Operation Threshold (a nonprofit organization), which comprise the Statement of Financial Position as of September 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 January 12, 2026.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Operation Threshold's internal control over financial reporting (internal control) to determine the 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 entity's financial statements will not be prevented or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Operation Threshold's financial statements are free of 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 determination of financial statement amounts. 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 result 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.

Meriwether, Wilson and Company, PLLC
MERIWETHER, WILSON AND COMPANY, PLLC
Certified Public Accountants

January 12, 2026
West Des Moines, Iowa

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

Board of Directors
Operation Threshold
Waterloo, Iowa

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Operation Threshold's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on Operation Threshold's major federal programs for the year ended September 30, 2025. Operation Threshold'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, Operation Threshold complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal programs for the year ended September 30, 2025.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (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 Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Operation Threshold 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 Operation Threshold'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 Operation Threshold'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 Operation Threshold'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 Operation Threshold's compliance with the requirements of each major federal program as a whole.

Page Two

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 Operation Threshold'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 Operation Threshold'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 Operation Threshold's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control Over Compliance

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

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

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

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

Meriwether Wilson and Company, PLLC
 MERIWETHER, WILSON AND COMPANY, PLLC
 Certified Public Accountants

January 12, 2026
 West Des Moines, Iowa

OPERATION THRESHOLD

Schedule of Findings and Questioned Costs

Year Ended September 30, 2025

Section I – Summary of Auditor’s Results

1. The auditor's report expresses an unmodified opinion on whether the financial statements of Operation Threshold were prepared in accordance with GAAP.
2. Internal Control Over Financial Reporting
 - No material weaknesses were identified.
 - No significant deficiencies were reported.
3. No instances of noncompliance material to the financial statements of Operation Threshold, which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
4. Internal Control Over Major Programs
 - No material weaknesses were identified.
 - No significant deficiencies were reported.
5. The auditor's report on compliance for the major federal award programs for Operation Threshold expresses an unmodified opinion on all major federal programs.
6. The results of our audit disclosed no audit findings which are required to be reported in accordance with 2 CFR section 200.516(a).
7. The programs tested as major programs were:

Major Program	ALN	Expenditures
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	
Cash Expenditures		\$ 1,269,938
Noncash Expenditures - Food Vouchers Distributed		4,632,889
Total ALN 10.557		\$ 5,902,827

8. The threshold used for distinguishing between Type A and Type B programs was \$1,000,000.
9. Operation Threshold was determined to be a low-risk auditee.

Section II – Financial Statement Findings

No Findings

Section III – Federal Award Findings

No Findings

OPERATION THRESHOLD

Schedule of Expenditures of Federal Awards

Year Ended September 30, 2025

Federal Grantor/Pass-Through Grantor/Program Title	Assistance Listing Number	Grant or Award Number	Passed Through to Subrecipients	Expenditures
U.S. Department of Health and Human Services				
Passed Through Iowa Department of Health and Human Services				
Low Income Home Energy Assistance Program	93.568	LIHEAP-25-11	\$ --	\$ 2,747,053
Low Income Home Energy Assistance Program	93.568	LIHEAP-24-11	--	196,371
HEAP - WEATHERIZATION	93.568	HEAP-24-11	--	382,505
HEAP-3E-11A WEATHERIZATION	93.568	HEAP-3E-11A	--	62,391
Total AL # 93.568				3,388,320
Community Services Block Grant	93.569	CSBG-25-11	--	17,173
Community Services Block Grant	93.569	CSBG-24-11	--	489,302
Total AL # 93.569				506,475
Family Development and Self Sufficiency (40% Federal)	93.558	FaDSS-24-11	--	143,620
Passed Through Iowa Department of Health and Human Services Child Abuse Prevention Program	93.558	ACFS 21-062	--	4,060
Total AL # 93.558				147,680
Passed Through Iowa Department of Health and Human Services Community Based Child Abuse Prevention	93.556	ACFS 21-062	--	38,161
Total AL # 93.556				38,161
Passed Through Iowa Department of Health and Human Services Community Based Child Abuse Prevention	93.669	ACFS 21-062	--	5,218
Total AL # 93.669				5,218
Passed Through Iowa Department of Health and Human Services Community Based Child Abuse Prevention	93.590	ACFS 21-047	--	34,698
Total AL # 93.590				34,698
Passed Through Iowa Community Action Association Diaper Distribution Demo & Research	93.647	90ED003	--	8,184
Total AL # 93.647				8,184
Passed Through Iowa Department of Health and Human Services Maternal, Infant, Early Childhood Home Visitation Program	93.870	FWBPEIS25010	--	325,570
Total AL # 93.870				325,570
Total U.S. Department of Health and Human Services				4,454,306
U.S. Department of Energy				
Passed Through Iowa Department of Health and Human Services				
Weatherization Assistance for Low-Income Persons	81.042	DOE-24-11A	--	149,610
Weatherization Assistance for Low-Income Persons	81.042	DOE-BIL22-11	--	498,290
Total AL # 81.042 and U.S. Department of Energy				647,900

OPERATION THRESHOLD

Schedule of Expenditures of Federal Awards

Year Ended September 30, 2025

Federal Grantor/Pass-Through Grantor/Program Title	Assistance Listing Number	Grant or Award Number	Passed Through to Subrecipients	Expenditures
U.S. Department of Housing and Urban Development Passed Through the Iowa Department of Economic Development HOME Program Promissory Note Dated 3/10/99	14.239	99-HM-204-731	--	82,566
Total AL # 14.239				82,566
Total U.S. Department of Housing and Urban Development				82,566
U.S. Department of Agriculture Passed Through Iowa Department of Health and Human Services Special Supplemental Nutrition Program for Women, Infants, and Children				
WIC	10.557	5884A043	--	1,269,938
WIC Noncash Assistance			--	4,632,889
Total AL # 10.557				5,902,827
Passed Through Iowa Department of Agriculture and Land Stewardship WIC Farmers Market	10.572	5883AO95E	--	2,465
Total AL # 10.572				2,465
Total U.S. Department of Agriculture				5,905,292
Total Expenditures of Federal Awards			\$ --	\$ 11,085,980

See independent auditor's report

OPERATION THRESHOLD

Notes to Schedule of Expenditures of Federal Awards

Year Ended September 30, 2025

Note 1 – Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (the "Schedule") includes the federal award activity of Operation Threshold under programs of the federal government for the year ended September 30, 2025. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Operation Threshold, it is not intended to and does not present the financial position, changes in net assets, or cash flows of Operation Threshold.

Note 2 – Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts, if any, shown on the Schedule, represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

Note 3 – Indirect Cost Rate

Operation Threshold has elected to use the 10% de minimis indirect cost rate as allowed under the Uniform Guidance.

Note 4 – Loan Program

The federal government imposes continuing compliance requirements on the HOME Program promissory note dated 3/10/99. The beginning of the audit period balance is listed above; the balance of this loan at the end of the audit period is \$-0-.

OPERATION THRESHOLD

Combining Statement of Financial Position

September 30, 2025

	Total All Funds	Undesignated and Agency Cost Pool Funds	Total Designated Funds
Assets			
Current Assets			
Cash	\$ 2,088,726	849,137	1,239,589
Restricted Cash	27,298	78	27,220
Marketable Securities	44,688	44,688	--
Receivables			
Governmental Grants	598,887	--	598,887
Contract Income and Other	13,802	--	13,802
Prepaid Expense	97,096	83,054	14,042
Weatherization Work in Process	65,926	65,926	--
Total Current Assets	<u>2,936,423</u>	<u>1,042,883</u>	<u>1,893,540</u>
Property and Equipment			
Land, Buildings, and Improvements	5,689,808	4,110,228	1,579,580
Furniture and Equipment	564,896	557,906	6,990
Accumulated Depreciation	<u>(3,485,258)</u>	<u>(2,053,659)</u>	<u>(1,431,599)</u>
Net Property and Equipment	<u>2,769,446</u>	<u>2,614,475</u>	<u>154,971</u>
Total Assets	<u>\$ 5,705,869</u>	<u>3,657,358</u>	<u>2,048,511</u>
Liabilities and Net Assets			
Current Liabilities			
Accounts Payable	\$ 41,877	7,289	34,588
Accrued Expenses	173,435	173,435	--
Mortgages Payable - Current Portion	--	--	--
Deposits Held for Others	504,830	--	504,830
Due to Funding Sources	197,965	22,333	175,632
Refundable Advances	234,123	--	234,123
Total Current Liabilities	<u>1,152,230</u>	<u>203,057</u>	<u>949,173</u>
Net Assets			
With Donor Restrictions	2,817,086	2,003,910	813,176
Without Donor Restrictions	1,736,553	1,450,391	286,162
Total Net Assets	<u>4,553,639</u>	<u>3,454,301</u>	<u>1,099,338</u>
Total Liabilities and Net Assets	<u>\$ 5,705,869</u>	<u>3,657,358</u>	<u>2,048,511</u>

OPERATION THRESHOLD

Combining Statement of Financial Position

September 30, 2025

Designated Funds

LIHEAP	CSBG	FaDSS	Weatherization Assistance		
			DOE	HEAP	Utility Companies
(10,209)	(10,900)	(6,650)	(19,930)	(43,453)	--
--	--	--	--	--	--
--	--	--	--	--	--
61,326	44,000	48,837	50,277	50,278	--
--	--	--	--	--	--
--	477	--	--	--	--
--	--	--	--	--	--
<u>51,117</u>	<u>33,577</u>	<u>42,187</u>	<u>30,347</u>	<u>6,825</u>	<u>--</u>
--	--	--	--	--	--
--	--	--	--	--	--
--	--	--	--	--	--
<u>51,117</u>	<u>33,577</u>	<u>42,187</u>	<u>30,347</u>	<u>6,825</u>	<u>--</u>
861	--	401	--	(3,181)	--
--	--	--	--	--	--
--	--	--	--	--	--
--	--	--	--	--	--
138	--	--	--	--	--
50,118	30,911	41,786	30,347	10,294	--
<u>51,117</u>	<u>30,911</u>	<u>42,187</u>	<u>30,347</u>	<u>7,113</u>	<u>--</u>
--	--	--	--	--	--
--	2,666	--	--	(288)	--
--	<u>2,666</u>	--	--	<u>(288)</u>	--
<u>51,117</u>	<u>33,577</u>	<u>42,187</u>	<u>30,347</u>	<u>6,825</u>	<u>--</u>

OPERATION THRESHOLD

Combining Statement of Financial Position - Continued

September 30, 2025

	WIC	WIC Peer Counseling	WIC Farmers Market	WIC Special Projects
Assets				
Current Assets				
Cash	\$ (210,498)	1,371	16,761	59,802
Restricted Cash	--	--	--	--
Marketable Securities	--	--	--	--
Receivables				
Governmental Grants	275,777	--	--	--
Contract Income and Other	--	--	--	--
Prepaid Expense	1,580	--	--	--
Weatherization Work in Process	--	--	--	--
Total Current Assets	<u>66,859</u>	<u>1,371</u>	<u>16,761</u>	<u>59,802</u>
Property and Equipment				
Land, Buildings, and Improvements	--	--	--	--
Furniture and Equipment	--	--	--	--
Accumulated Depreciation	--	--	--	--
Net Property and Equipment	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Total Assets	<u>\$ 66,859</u>	<u>1,371</u>	<u>16,761</u>	<u>59,802</u>
Liabilities and Net Assets				
Current Liabilities				
Accounts Payable	\$ 6,452	--	--	--
Accrued Expenses	--	--	--	--
Mortgages Payable - Current Portion	--	--	--	--
Deposits Held for Others	--	--	--	--
Due to Funding Sources	59,297	--	--	--
Refundable Advances	--	--	--	--
Total Current Liabilities	<u>65,749</u>	<u>--</u>	<u>--</u>	<u>--</u>
Net Assets				
With Donor Restrictions	--	--	--	--
Without Donor Restrictions	1,110	1,371	16,761	59,802
Total Net Assets	<u>1,110</u>	<u>1,371</u>	<u>16,761</u>	<u>59,802</u>
Total Liabilities and Net Assets	<u>\$ 66,859</u>	<u>1,371</u>	<u>16,761</u>	<u>59,802</u>

OPERATION THRESHOLD

Combining Statement of Financial Position - Continued

September 30, 2025

Designated Funds

<u>MIECHV</u>	<u>Early Head Start</u>	<u>Family Support & Parent Ed.</u>	<u>Disaster Case Management</u>	<u>Emergency Funds</u>	<u>Cedar Valley Refugee Program</u>
(28,947)	9,235	247,510	1,233	47,739	18,495
--	--	--	--	--	--
--	--	--	--	--	--
53,478	--	14,829	--	--	--
500	--	17,764	--	3,437	--
--	--	2,418	--	--	--
--	--	--	--	--	--
<u>25,031</u>	<u>9,235</u>	<u>282,521</u>	<u>1,233</u>	<u>51,176</u>	<u>18,495</u>
--	--	--	--	--	--
--	--	--	--	--	--
--	--	--	--	--	--
<u>25,031</u>	<u>9,235</u>	<u>282,521</u>	<u>1,233</u>	<u>51,176</u>	<u>18,495</u>
24,072	--	296	--	391	--
--	--	--	--	--	--
--	--	--	--	--	--
--	--	--	--	--	--
--	--	71,607	--	--	--
<u>24,072</u>	<u>--</u>	<u>71,903</u>	<u>--</u>	<u>391</u>	<u>--</u>
--	--	193,469	--	50,785	18,495
959	9,235	17,149	1,233	--	--
<u>959</u>	<u>9,235</u>	<u>210,618</u>	<u>1,233</u>	<u>50,785</u>	<u>18,495</u>
<u>25,031</u>	<u>9,235</u>	<u>282,521</u>	<u>1,233</u>	<u>51,176</u>	<u>18,495</u>

OPERATION THRESHOLD

Combining Statement of Financial Position - Continued

September 30, 2025

	Community Services	Cedar Valley Readers	Grundy County Food Pantry	Volunteer Coop
Assets				
Current Assets				
Cash	\$ 194,567	262	6,513	33,660
Restricted Cash	--	--	--	--
Marketable Securities	--	--	--	--
Receivables				
Governmental Grants	85	--	--	--
Contract Income and Other	--	--	--	--
Prepaid Expense	5,672	--	--	--
Weatherization Work in Process	--	--	--	--
Total Current Assets	<u>200,324</u>	<u>262</u>	<u>6,513</u>	<u>33,660</u>
Property and Equipment				
Land, Buildings, and Improvements	--	--	--	--
Furniture and Equipment	--	--	--	--
Accumulated Depreciation	--	--	--	--
Net Property and Equipment	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Total Assets	<u>\$ 200,324</u>	<u>262</u>	<u>6,513</u>	<u>33,660</u>
Liabilities and Net Assets				
Current Liabilities				
Accounts Payable	\$ 2,270	--	501	--
Accrued Expenses	--	--	--	--
Mortgages Payable - Current Portion	--	--	--	--
Deposits Held for Others	--	--	--	32,460
Due to Funding Sources	--	--	--	--
Refundable Advances	--	--	--	--
Total Current Liabilities	<u>2,270</u>	<u>--</u>	<u>501</u>	<u>32,460</u>
Net Assets				
With Donor Restrictions	--	262	6,012	1,200
Without Donor Restrictions	198,054	--	--	--
Total Net Assets	<u>198,054</u>	<u>262</u>	<u>6,012</u>	<u>1,200</u>
Total Liabilities and Net Assets	<u>\$ 200,324</u>	<u>262</u>	<u>6,513</u>	<u>33,660</u>

OPERATION THRESHOLD

Combining Statement of Financial Position - Continued

September 30, 2025

Designated Funds

<u>Volunteer Programs</u>	<u>WHT/CDBG TBRA</u>	<u>ICAA TBRA</u>	<u>Financial Literacy</u>	<u>Customer Contributions</u>	<u>Seasonal Programs</u>
1,658	2,221	464	549,180	69,020	11,555
--	--	--	--	--	--
--	--	--	--	--	--
--	--	--	--	--	--
--	--	--	--	--	--
<u>1,658</u>	<u>2,221</u>	<u>464</u>	<u>549,180</u>	<u>69,020</u>	<u>11,555</u>
--	--	--	--	--	--
--	--	--	--	--	--
<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
<u>1,658</u>	<u>2,221</u>	<u>464</u>	<u>549,180</u>	<u>69,020</u>	<u>11,555</u>
--	--	--	--	100	--
--	--	--	--	--	--
--	--	--	--	--	--
--	--	--	445,640	--	--
--	--	--	--	--	--
(940)	--	--	--	--	--
<u>(940)</u>	<u>--</u>	<u>--</u>	<u>445,640</u>	<u>100</u>	<u>--</u>
2,598	2,221	464	--	68,920	11,555
--	--	--	103,540	--	--
<u>2,598</u>	<u>2,221</u>	<u>464</u>	<u>103,540</u>	<u>68,920</u>	<u>11,555</u>
<u>1,658</u>	<u>2,221</u>	<u>464</u>	<u>549,180</u>	<u>69,020</u>	<u>11,555</u>

OPERATION THRESHOLD

Combining Statement of Financial Position - Continued

September 30, 2025

	Housing Program	Canterbury Court Apartments	924 Lafayette Street
Assets			
Current Assets			
Cash	\$ 348,755	65,703	50,370
Restricted Cash	--	18,117	--
Marketable Securities	--	--	--
Receivables			
Governmental Grants	--	--	--
Contract Income and Other	--	(5,785)	--
Prepaid Expense	--	3,299	--
Weatherization Work in Process	--	--	--
Total Current Assets	<u>348,755</u>	<u>81,334</u>	<u>50,370</u>
Property and Equipment			
Land, Buildings, and Improvements	--	694,295	67,921
Furniture and Equipment	--	6,990	--
Accumulated Depreciation	--	(678,732)	(67,065)
Net Property and Equipment	<u>--</u>	<u>22,553</u>	<u>856</u>
 Total Assets	 <u>\$ 348,755</u>	 <u>103,887</u>	 <u>51,226</u>
Liabilities and Net Assets			
Current Liabilities			
Accounts Payable	\$ --	510	129
Accrued Expenses	--	--	--
Deposits Held for Others	--	17,627	--
Due to Funding Sources	38,984	--	77,213
Refundable Advances	--	--	--
Total Current Liabilities	<u>38,984</u>	<u>18,137</u>	<u>77,342</u>
Net Assets			
With Donor Restrictions	309,771	--	--
Without Donor Restrictions	--	85,750	(26,116)
Total Net Assets	<u>309,771</u>	<u>85,750</u>	<u>(26,116)</u>
 Total Liabilities and Net Assets	 <u>\$ 348,755</u>	 <u>103,887</u>	 <u>51,226</u>

OPERATION THRESHOLD

Combining Statement of Financial Position - Continued

September 30, 2025

Designated Funds

Kingswood Apartments	302 Locust Street	Ankeny Single Family	Lexington Square	313 Cottage Street	118 Irving Street
233,613	46,672	(42,848)	(480,854)	34,404	43,115
3,504	290	677	4,134	498	--
--	--	--	--	--	--
--	--	--	--	--	--
(344)	(722)	--	(1,046)	(2)	--
596	--	--	--	--	--
--	--	--	--	--	--
<u>237,369</u>	<u>46,240</u>	<u>(42,171)</u>	<u>(477,766)</u>	<u>34,900</u>	<u>43,115</u>
95,741	101,556	76,878	427,113	116,076	--
--	--	--	--	--	--
(78,508)	(100,773)	(67,641)	(369,234)	(69,646)	--
<u>17,233</u>	<u>783</u>	<u>9,237</u>	<u>57,879</u>	<u>46,430</u>	<u>--</u>
<u>254,602</u>	<u>47,023</u>	<u>(32,934)</u>	<u>(419,887)</u>	<u>81,330</u>	<u>43,115</u>
218	161	128	1,279	--	--
--	--	--	--	--	--
3,503	290	678	4,134	498	--
--	--	--	--	--	--
--	--	--	--	--	--
<u>3,721</u>	<u>451</u>	<u>806</u>	<u>5,413</u>	<u>498</u>	<u>--</u>
--	--	--	57,879	46,430	43,115
<u>250,881</u>	<u>46,572</u>	<u>(33,740)</u>	<u>(483,179)</u>	<u>34,402</u>	<u>--</u>
<u>250,881</u>	<u>46,572</u>	<u>(33,740)</u>	<u>(425,300)</u>	<u>80,832</u>	<u>43,115</u>
<u>254,602</u>	<u>47,023</u>	<u>(32,934)</u>	<u>(419,887)</u>	<u>81,330</u>	<u>43,115</u>

See independent auditor's report

OPERATION THRESHOLD
Combining Statement of Activities
 Year Ended September 30, 2025

	Total All Funds	Undesignated and Agency Cost Pool Funds	Total Designated Funds
Support and Revenue			
Government Awards and Contract Revenue	\$ 7,375,795	--	7,375,795
Food Vouchers for Distribution	4,632,888	--	4,632,888
Rental Income	317,119	--	317,119
Contributions, Public Support, and Services	145,543	55,548	89,995
Investment Income	2,279	2,279	--
Other Revenue	93,137	7,478	85,659
Total Support and Revenue	<u>12,566,761</u>	<u>65,305</u>	<u>12,501,456</u>
Expenses			
Program, Management, and General Expenses	7,602,332	(115,276)	7,717,608
Food Vouchers for Distribution	4,632,888	--	4,632,888
Depreciation	153,809	110,523	43,286
Total Expenses	<u>12,389,029</u>	<u>(4,753)</u>	<u>12,393,782</u>
Excess (Deficiency) of Support and Revenue Over Expenses	177,732	70,058	107,674
Net Assets - Beginning of Year	<u>4,375,907</u>	<u>3,384,243</u>	<u>991,664</u>
Net Assets - End of Year	<u>\$ 4,553,639</u>	<u>3,454,301</u>	<u>1,099,338</u>

OPERATION THRESHOLD
Combining Statement of Activities
 Year Ended September 30, 2025

Iowa Department of Health and Human Services/Division of Community Action Agencies

LIHEAP	CSBG	FaDSS	Weatherization Assistance		
			DOE	HEAP	Utility Companies
2,943,424	506,475	359,050	647,900	444,896	270,220
--	--	--	--	--	--
(16,786)	--	--	--	--	--
--	--	--	--	--	--
<u>2,926,638</u>	<u>506,475</u>	<u>359,050</u>	<u>647,900</u>	<u>444,896</u>	<u>270,220</u>
2,949,927	506,475	358,178	647,900	444,896	270,220
--	--	--	--	--	--
--	--	872	--	--	--
<u>2,949,927</u>	<u>506,475</u>	<u>359,050</u>	<u>647,900</u>	<u>444,896</u>	<u>270,220</u>
(23,289)	--	--	--	--	--
<u>23,289</u>	<u>2,666</u>	<u>--</u>	<u>--</u>	<u>(288)</u>	<u>--</u>
<u>--</u>	<u>2,666</u>	<u>--</u>	<u>--</u>	<u>(288)</u>	<u>--</u>

OPERATION THRESHOLD

Combining Statement of Activities - Continued

Year Ended September 30, 2025

	Iowa Department of Health and Human Services			
	WIC	WIC Peer Counseling	WIC Farmers Market	WIC Special Projects
Support and Revenue				
Government Awards and Contract Revenue	\$ 1,269,938	--	--	--
Food Vouchers for Distribution	4,632,888	--	--	--
Rental Income	--	--	--	--
Contributions, Public Support, and Services	--	--	2,465	3,000
Investment Income	--	--	--	--
Other Revenue	--	--	--	--
Total Support and Revenue	<u>5,902,826</u>	<u>--</u>	<u>2,465</u>	<u>3,000</u>
Expenses				
Program, Management, and General Expenses	1,266,694	--	623	21,577
Food Vouchers for Distribution	4,632,888	--	--	--
Depreciation	3,244	--	--	--
Total Expenses	<u>5,902,826</u>	<u>--</u>	<u>623</u>	<u>21,577</u>
Excess (Deficiency) of Support and Revenue over Expenses	--	--	1,842	(18,577)
Net Assets - Beginning of Year	<u>1,110</u>	<u>1,371</u>	<u>14,919</u>	<u>78,379</u>
Net Assets - End of Year	<u>\$ 1,110</u>	<u>1,371</u>	<u>16,761</u>	<u>59,802</u>

OPERATION THRESHOLD

Combining Statement of Activities - Continued

Year Ended September 30, 2025

MIECHV	Local Government and Other Sources				
	Early Head Start	Family Support & Parent Ed.	Disaster Case Management	Emergency Funds	Cedar Valley Refugee Program
325,570	--	449,171	--	29,941	27,815
--	--	--	--	--	--
--	--	--	--	--	--
500	--	1,565	6,158	3,213	--
--	--	--	--	--	--
--	--	--	--	--	--
<u>326,070</u>	<u>--</u>	<u>450,736</u>	<u>6,158</u>	<u>33,154</u>	<u>27,815</u>
326,070	--	433,075	668	30,149	27,815
--	--	--	--	--	--
--	--	1,120	--	--	--
<u>326,070</u>	<u>--</u>	<u>434,195</u>	<u>668</u>	<u>30,149</u>	<u>27,815</u>
--	--	16,541	5,490	3,005	--
<u>959</u>	<u>9,235</u>	<u>194,077</u>	<u>(4,257)</u>	<u>47,780</u>	<u>18,495</u>
<u>959</u>	<u>9,235</u>	<u>210,618</u>	<u>1,233</u>	<u>50,785</u>	<u>18,495</u>

OPERATION THRESHOLD

Combining Statement of Activities - Continued

Year Ended September 30, 2025

	Community Services	Cedar Valley Readers	Grundy County Food Pantry	Volunteer Coop
Support and Revenue				
Government Awards and Contract Revenue	\$ 59,470	--	14,000	--
Food Vouchers for Distribution	--	--	--	--
Rental Income	--	--	--	--
Contributions, Public Support, and Services	6,475	--	18,166	150
Investment Income	--	--	--	--
Other Revenue	--	--	--	--
Total Support and Revenue	<u>65,945</u>	<u>--</u>	<u>32,166</u>	<u>150</u>
Expenses				
Program, Management, and General Expenses	64,390	--	32,166	--
Food Vouchers for Distribution	--	--	--	--
Depreciation	1,555	--	--	--
Total Expenses	<u>65,945</u>	<u>--</u>	<u>32,166</u>	<u>--</u>
Excess (Deficiency) of Support and Revenue over Expenses	--	--	--	150
Net Assets - Beginning of Year	<u>198,054</u>	<u>262</u>	<u>6,012</u>	<u>1,050</u>
Net Assets - End of Year	<u>\$ 198,054</u>	<u>262</u>	<u>6,012</u>	<u>1,200</u>

OPERATION THRESHOLD

Combining Statement of Activities - Continued

Year Ended September 30, 2025

Local Government and Other Sources

Volunteer Programs	WHT/CDBG TBRA	ICAA TBRA	Financial Literacy	Customer Contributions	Seasonal Programs
--	9,721	--	18,204	--	--
--	--	--	--	--	--
--	--	--	--	--	--
--	--	--	3,695	52,947	8,447
--	--	--	--	--	--
--	--	--	--	--	--
<u>--</u>	<u>9,721</u>	<u>--</u>	<u>21,899</u>	<u>52,947</u>	<u>8,447</u>
--	9,769	--	8,184	52,205	4,916
--	--	--	--	--	--
--	--	--	--	--	--
<u>--</u>	<u>9,769</u>	<u>--</u>	<u>8,184</u>	<u>52,205</u>	<u>4,916</u>
--	(48)	--	13,715	742	3,531
<u>2,598</u>	<u>2,269</u>	<u>464</u>	<u>89,825</u>	<u>68,178</u>	<u>8,024</u>
<u>2,598</u>	<u>2,221</u>	<u>464</u>	<u>103,540</u>	<u>68,920</u>	<u>11,555</u>

OPERATION THRESHOLD

Combining Statement of Activities - Continued

Year Ended September 30, 2025

	Housing Program	Canterbury Court Apartments	924 Lafayette Street
Support and Revenue			
Government Awards and Contract Revenue	\$ --	--	--
Food Vouchers for Distribution	--	--	--
Rental Income	--	203,765	--
Contributions, Public Support, and Services	--	--	--
Investment Income	--	--	--
Other Revenue	--	2,754	--
Total Support and Revenue	<u>--</u>	<u>206,519</u>	<u>--</u>
Expenses			
Program, Management, and General Expenses	--	192,542	(342)
Food Vouchers for Distribution	--	--	--
Depreciation	--	13,977	342
Total Expenses	<u>--</u>	<u>206,519</u>	<u>--</u>
Excess (Deficiency) of Support and Revenue over Expenses	--	--	--
Net Assets - Beginning of Year	<u>309,771</u>	<u>85,750</u>	<u>(26,116)</u>
Net Assets - End of Year	<u>\$ 309,771</u>	<u>85,750</u>	<u>(26,116)</u>

OPERATION THRESHOLD

Combining Statement of Activities - Continued

Year Ended September 30, 2025

Rental Housing					
Kingswood Apartments	302 Locust Street	Ankeny Single Family	Lexington Square	313 Cottage Street	118 Irving Street
--	--	--	--	--	--
--	--	--	--	--	--
42,508	10,428	8,100	46,366	5,952	--
--	--	--	--	--	--
--	--	--	--	--	--
339	--	--	82,566	--	--
<u>42,847</u>	<u>10,428</u>	<u>8,100</u>	<u>128,932</u>	<u>5,952</u>	<u>--</u>
25,354	6,200	4,754	31,472	1,731	--
--	--	--	--	--	--
2,053	313	694	14,895	4,221	--
<u>27,407</u>	<u>6,513</u>	<u>5,448</u>	<u>46,367</u>	<u>5,952</u>	<u>--</u>
15,440	3,915	2,652	82,565	--	--
235,441	42,657	(36,392)	(507,865)	80,832	43,115
<u>250,881</u>	<u>46,572</u>	<u>(33,740)</u>	<u>(425,300)</u>	<u>80,832</u>	<u>43,115</u>

See independent auditor's report

OPERATION THRESHOLD

Combining Statement of Financial Position -
Undesignated and Agency Cost Pool Funds

September 30, 2025

Assets	<u>Total</u>	<u>Agency</u>	<u>Equipment</u>
Current Assets			
Cash and Cash Investments	\$ 849,137	842,841	17,634
Restricted Cash	78	78	--
Marketable Securities	44,688	44,688	--
Receivables			
Grants	--	--	--
Contract Income and Other	--	--	--
Prepaid Expense	83,054	53,492	5,469
Weatherization Work in Process	65,926	--	--
Total Current Assets	<u>1,042,883</u>	<u>941,099</u>	<u>23,103</u>
Property and Equipment			
Land, Buildings, and Improvements	4,110,228	4,066,228	--
Furniture and Equipment	557,906	137,646	420,260
Accumulated Depreciation	(2,053,659)	(1,672,712)	(380,947)
Net Property and Equipment	<u>2,614,475</u>	<u>2,531,162</u>	<u>39,313</u>
 Total Assets	 <u>\$ 3,657,358</u>	 <u>3,472,261</u>	 <u>62,416</u>
Liabilities and Net Assets			
Current Liabilities			
Accounts Payable	\$ 7,289	456	--
Accrued Expenses	173,435	--	--
Due to Funding Sources	22,333	--	--
Total Current Liabilities	<u>203,057</u>	<u>456</u>	<u>--</u>
Net Assets			
With Donor Restrictions	2,003,910	2,003,910	--
Without Donor Restrictions	1,450,391	1,467,895	62,416
Total Net Assets	<u>3,454,301</u>	<u>3,471,805</u>	<u>62,416</u>
 Total Liabilities and Net Assets	 <u>\$ 3,657,358</u>	 <u>3,472,261</u>	 <u>62,416</u>

OPERATION THRESHOLD

Combining Statement of Financial Position -
Undesignated and Agency Cost Pool Funds

September 30, 2025

Undesignated and Agency Cost Pools

<u>Admin. Services</u>	<u>Building Operations</u>	<u>Planning and Compliance</u>	<u>Payroll Clearing</u>	<u>WX Admin. Support</u>	<u>Housing Support</u>
765,510	(865,980)	144	168,132	(92,757)	13,613
--	--	--	--	--	--
--	--	--	--	--	--
--	--	--	--	--	--
--	--	--	--	--	--
16,901	1,889	--	5,303	--	--
--	--	--	--	65,926	--
<u>782,411</u>	<u>(864,091)</u>	<u>144</u>	<u>173,435</u>	<u>(26,831)</u>	<u>13,613</u>
--	44,000	--	--	--	--
--	--	--	--	--	--
--	--	--	--	--	--
<u>--</u>	<u>44,000</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
<u>782,411</u>	<u>(820,091)</u>	<u>144</u>	<u>173,435</u>	<u>(26,831)</u>	<u>13,613</u>
1,519	828	--	--	2,877	1,609
--	--	--	173,435	--	--
--	--	--	--	--	22,333
<u>1,519</u>	<u>828</u>	<u>--</u>	<u>173,435</u>	<u>2,877</u>	<u>23,942</u>
--	--	--	--	--	--
<u>780,892</u>	<u>(820,919)</u>	<u>144</u>	<u>--</u>	<u>(29,708)</u>	<u>(10,329)</u>
<u>780,892</u>	<u>(820,919)</u>	<u>144</u>	<u>--</u>	<u>(29,708)</u>	<u>(10,329)</u>
<u>782,411</u>	<u>(820,091)</u>	<u>144</u>	<u>173,435</u>	<u>(26,831)</u>	<u>13,613</u>

See independent auditor's report

OPERATION THRESHOLD

**Combining Statement of Activities -
Undesignated and Agency Cost Pool Funds**

Year Ended September 30, 2025

	<u>Total</u>	<u>Agency</u>	<u>Equipment</u>
Support and Revenue			
Contributions, Public Support, and Services	\$ 55,548	23,348	--
Investment Income	2,279	2,279	--
Other Revenue	7,478	7,478	--
Total Support and Revenue	<u>65,305</u>	<u>33,105</u>	<u>--</u>
Expenses			
Management and General Expenses	(115,276)	7,286	--
Depreciation	110,523	104,865	2,875
Total Expenses	<u>(4,753)</u>	<u>112,151</u>	<u>2,875</u>
Excess (Deficiency) of Support and Revenue over Expenses	70,058	(79,046)	(2,875)
Net Assets - Beginning of Year	<u>3,384,243</u>	<u>3,550,851</u>	<u>65,291</u>
Net Assets - End of Year	<u>\$ 3,454,301</u>	<u>3,471,805</u>	<u>62,416</u>

OPERATION THRESHOLD

**Combining Statement of Activities -
Undesignated and Agency Cost Pool Funds**

Year Ended September 30, 2025

Undesignated and Agency Cost Pools

<u>Admin. Services</u>	<u>Building Operations</u>	<u>Planning and Compliance</u>	<u>WX Admin. Support</u>	<u>Housing Support</u>
--	--	--	32,200	--
--	--	--	--	--
--	--	--	--	--
<u>--</u>	<u>--</u>	<u>--</u>	<u>32,200</u>	<u>--</u>
(98,977)	--	--	(23,341)	(244)
1,645	--	--	894	244
<u>(97,332)</u>	<u>--</u>	<u>--</u>	<u>(22,447)</u>	<u>--</u>
97,332	--	--	54,647	--
<u>683,560</u>	<u>(820,919)</u>	<u>144</u>	<u>(84,355)</u>	<u>(10,329)</u>
<u>780,892</u>	<u>(820,919)</u>	<u>144</u>	<u>(29,708)</u>	<u>(10,329)</u>

See independent auditor's report

OPERATION THRESHOLD

Schedule of Expenses Compared to Budget

Community Services Block Grant

Contract No. CSBG-25-11
(Contract Period 10/1/24 - 12/31/25)

Cost Category	Approved Budget	Actual Expenses 10/01/24 - 9/30/25
Space Costs	\$ 17,882	--
Consultants	8,338	--
Co-Funded Programs	368,533	15,595
Other Costs	52,992	17
Indirect Costs	44,775	1,561
Total	\$ 492,520	17,173

Contract No. CSBG-24-11
(Contract Period 10/1/23 - 9/30/25)

Cost Category	Approved Budget	Actual Expenses		
		Total	10/1/24 - 9/30/25	10/1/23 - 9/30/24
Space Costs	\$ 18,000	19,359	17,798	1,561
Consultants	500	--	--	--
Co-Funded Programs	387,442	388,503	384,827	3,676
Other Costs	89,742	87,822	86,677	1,145
Total	\$495,684	495,684	489,302	6,382

See independent auditor's report

OPERATION THRESHOLD

Schedule of Expenses Compared to Budget
Low Income Home Energy Assistance Program

Contract No. LIHEAP-25-11
 (Contract Period 10/1/24 - 12/31/25)

<u>Cost Category</u>	<u>Approved Budget</u>	<u>Actual Expenses 10/1/24 - 9/30/25</u>
Assistance Awards		
Regular Assistance	\$ 1,951,760	1,931,414
Energy Crisis Intervention	399,400	309,511
Assurance 16	10,035	7,172
Program Support	212,847	195,570
Summer Pre-Buy	47,200	47,200
Administration	<u>262,124</u>	<u>256,186</u>
 Total Grant Expenses	 <u>\$ 2,883,366</u>	 <u>2,747,053</u>

Contract No. LIHEAP-24-11
 (Contract Period 10/1/23 - 12/31/24)

<u>Cost Category</u>	<u>Approved Budget</u>	<u>Actual Expenses</u>		
		<u>Total</u>	<u>10/1/24 - 12/31/24</u>	<u>10/1/23 - 9/30/24</u>
Assistance Awards				
Regular Assistance	\$ 2,069,607	2,057,729	(1,650)	2,059,379
Energy Crisis Intervention	419,411	418,205	104,547	313,658
Assurance 16	6,099	6,099	2,086	4,013
Program Support	104,745	104,745	7,448	97,297
Summer Pre-Buy	5,100	51,200	--	51,200
Administration	<u>341,326</u>	<u>341,326</u>	<u>83,940</u>	<u>257,386</u>
 Total Grant Expenses	 <u>\$ 2,946,288</u>	 <u>2,979,304</u>	 <u>196,371</u>	 <u>2,782,933</u>

See independent auditor's report

OPERATION THRESHOLD

Schedule of Expenses Compared to Budget

Weatherization Assistance Programs

Contract No. DOE-BIL22-11
(Contract Period 7/1/22 - 3/31/26)

Cost Category	Approved Budget	Total	Actual Expenses	
			10/1/24 - 9/30/25	7/1/22 - 9/30/24
Administration	\$ 395,565	181,378	114,308	67,070
Health and Safety	547,045	188,400	98,265	90,135
Support	488,940	122,641	116,843	5,798
Labor	533,491	211,985	75,270	136,715
Materials	533,491	220,264	82,461	137,803
Training and Technical Assistance	355,681	25,882	11,143	14,739
Total	\$ 2,854,213	950,550	498,290	452,260

Contract No. DOE-24-11A
(Contract Period 4/1/24 - 3/31/25)

Cost Category	Approved Budget	Total	Actual Expenses	
			10/1/24 - 3/31/25	4/1/24 - 9/30/24
Administration	\$ 40,252	40,252	23,833	16,419
Health and Safety	77,298	73,764	20,971	52,793
Support	74,486	83,992	1,738	82,254
Labor	67,765	69,476	25,803	43,673
Materials	67,765	72,027	52,350	19,677
Training and Technical Assistance	19,687	7,742	1,804	5,938
Readiness	35,106	35,106	23,111	11,995
Total	\$ 382,359	382,359	149,610	232,749

See independent auditor's report

OPERATION THRESHOLD

Schedule of Expenses Compared to Budget

Weatherization Assistance Programs

Contract No. HEAP-3E-11A
(Contract Period 6/1/23 - 9/30/25)

Cost Category	Approved Budget	Total	Actual Expenses	
			10/1/24 - 9/30/25	6/1/23 - 9/30/24
Administration	\$ 5,692	5,692	5,502	190
Health and Safety	25,143	35,510	23,997	11,513
Support	28,036	52,872	16,448	36,424
Labor	27,482	12,312	9,566	2,746
Materials	27,482	7,449	6,878	571
Total	\$ 113,835	113,835	62,391	51,444

Contract No. HEAP-24-11A
(Contract Period 1/1/24 - 12/31/25)

Cost Category	Approved Budget	Total	Actual Expenses	
			10/1/24 - 9/30/25	1/1/24 - 9/30/24
Administration	\$ 63,348	24,179	18,500	5,679
Health and Safety	400,234	150,657	105,839	44,818
Support	296,459	217,856	150,900	66,956
Labor	223,417	92,863	77,873	14,990
Materials	223,417	11,300	6,691	4,609
Equipment/Training and Technical Assistance	40,000	22,702	22,702	—
Total	\$ 1,246,875	519,557	382,505	137,052

See independent auditor's report

OPERATION THRESHOLD

Schedule of Expenses Compared to Budget**Weatherization Assistance Programs**

Contract No. IPL-24-11
(Contract Period 1/1/24 - 12/31/25)

<u>Cost Category</u>	<u>Approved Budget</u>	<u>Actual Expenses</u>		
		<u>Total</u>	<u>10/1/24 - 9/30/25</u>	<u>1/1/24 - 9/30/24</u>
Administration	\$ 1,574	716	716	--
Support	3,147	1,433	1,433	--
Labor	15,737	7,265	7,265	--
Materials	15,737	7,063	7,063	--
Total	<u>\$ 36,195</u>	<u>16,477</u>	<u>16,477</u>	<u>--</u>

See independent auditor's report

OPERATION THRESHOLD

Schedule of Expenses Compared to Budget

Weatherization Assistance Programs

Contract No. MEC-24-11A
 (Contract Period 1/1/24 - 12/31/25)

<u>Cost Category</u>	<u>Approved Budget</u>	<u>Total</u>	<u>Actual Expenses</u>	
			<u>10/1/24 - 9/30/25</u>	<u>1/1/24 - 9/30/24</u>
Administration	\$ 21,821	21,821	13,515	8,306
Support	43,642	43,641	21,832	21,809
Labor	218,213	214,094	109,286	104,808
Materials	218,213	222,321	109,039	113,282
Total	<u>\$ 501,889</u>	<u>501,877</u>	<u>253,672</u>	<u>248,205</u>

See independent auditor's report

OPERATION THRESHOLD

Schedule of Expenses Compared to Budget**Weatherization Assistance Programs**

Contract No. BHE-24-11A
(Contract Period 1/1/24 - 12/31/25)

<u>Cost Category</u>	<u>Approved Budget</u>	<u>Total</u>	<u>Actual Expenses</u>	
			<u>10/1/24 - 9/30/25</u>	<u>1/1/24 - 9/30/24</u>
Administration	\$ 708	316	4	312
Support	1,414	631	6	625
Labor	7,078	3,445	37	3,408
Materials	<u>7,078</u>	<u>2,867</u>	<u>23</u>	<u>2,844</u>
Total	<u>\$ 16,278</u>	<u>7,259</u>	<u>70</u>	<u>7,189</u>

See independent auditor's report

OPERATION THRESHOLD

Schedule of Expenses Compared to Budget

Family Development and Self-Sufficiency

Contract No. FaDSS-25-11
(Contract Period 7/1/25 - 6/30/28)

Cost Category	Approved Budget	Actual Expenses 7/1/25 - 9/30/25
Indirect	\$ 40,412	3,690
Personnel	297,705	32,209
Travel	5,000	391
Space/Utilities	9,924	1,543
Other	51,283	2,790
Total	\$ 404,324	40,623

Contract No. FaDSS-25-11
(Contract Period 7/1/24 - 9/30/25)

Cost Category	Approved Budget	Actual Expenses		
		Total	10/1/24 - 9/30/25	7/1/24 - 9/30/24
Indirect	\$ 29,406	28,933	28,933	--
Personnel	252,435	244,828	244,828	--
Travel	3,157	3,191	3,191	--
Space/Utilities	5,722	6,255	6,255	--
Other	32,887	35,220	35,220	--
Total	\$ 323,607	318,427	318,427	--

See independent auditor's report