

Metrocrest Services and Affiliate

**Consolidated Financial Statements with Supplemental
Information and Compliance Reports
September 30, 2025**



Metrocrest Services and Affiliate

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Independent Auditors' Report

To the Board of Directors
Metrocrest Services and Affiliate

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Metrocrest Services and Affiliate (Organization) (a nonprofit organization), which comprise the consolidated statement of financial position as of September 30, 2025, and the related consolidated statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of the Organization 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 (GAAP).

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 Auditors' Responsibilities for the Audit of the Consolidated 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 opinions. The financial statements of Empowerment Real Estate Inc. were not audited in accordance with *Government Auditing Standards*.

Responsibilities of Management for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with GAAP, and for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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, including omissions, 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 consolidated 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 consolidated 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 consolidated 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 consolidated 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.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for the purpose of additional analysis and is not a required part of the consolidated 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 consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, such information is fairly stated, in all material respects, in relation to the consolidated 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 December 4, 2025 on our consideration of the Organization's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, 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 the Organization's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control over financial reporting and compliance.



Limited Liability Partnership

Arlington, Texas
December 4, 2025

Metrocrest Services and Affiliate
Consolidated Statement of Financial Position
September 30, 2025

Assets

Current assets:

Cash and cash equivalents	\$ 2,398,296
Restricted cash	560,979
Pledges receivable	151,304
Inventory	684,937
Prepaid expenses	<u>62,926</u>

Total current assets 3,858,442

Noncurrent assets:

Property and equipment, net	15,629,860
Right-of-use assets - operating leases, net	140,516
Note receivable - new market tax credit	11,089,000
Pledges receivable, net	192,214
Assets restricted for endowment:	
Beneficial interest in assets held by others	<u>552,332</u>

Total noncurrent assets 27,603,922

Total assets \$ 31,462,364

Liabilities and Net Assets

Current liabilities:

Accounts payable	\$ 59,170
Payroll and related liabilities	275,541
Deferred revenue	14,690
Right-of-use liabilities - operating leases, current	<u>54,766</u>

Total current liabilities 404,167

Noncurrent liabilities:

Notes payable - new market tax credit	14,474,296
Right-of-use liabilities - operating leases, net	<u>85,689</u>

Total noncurrent liabilities 14,559,985

Total liabilities 14,964,152

Net assets:

Without donor restrictions	15,858,315
With donor restrictions	<u>639,897</u>

Total net assets 16,498,212

Total liabilities and net assets \$ 31,462,364

See notes to consolidated financial statements.

Metrocrest Services and Affiliate
Consolidated Statement of Activities
Year Ended September 30, 2025

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and other support:			
Contributions and grants	\$ 3,398,317	\$ 555,574	\$ 3,953,891
Contributions of nonfinancial assets	10,036,106	-	10,036,106
Government grants - federal	1,357,885	-	1,357,885
Retail sale of donated goods	1,463,984	-	1,463,984
Special event revenue, net of direct costs of \$153,784	273,837	-	273,837
Gain from beneficial interest in assets held by others, net	-	44,085	44,085
Interest income	155,668	-	155,668
Other income	42	-	42
Net assets released from restrictions	722,539	(722,539)	-
Total revenue and other support	17,408,378	(122,880)	17,285,498
Expenses:			
Program - resale store operations	2,167,483	-	2,167,483
Program - other	12,919,997	-	12,919,997
Total program services	15,087,480	-	15,087,480
Management and general	1,743,235	-	1,743,235
Fundraising	1,259,497	-	1,259,497
Total expenses	18,090,212	-	18,090,212
Change in net assets	(681,834)	(122,880)	(804,714)
Net assets beginning of year	16,540,149	762,777	17,302,926
Net assets end of year	\$ 15,858,315	\$ 639,897	\$ 16,498,212

See notes to consolidated financial statements.

Metrocrest Services and Affiliate
Consolidated Statement of Functional Expenses
Year Ended September 30, 2025

	Program - Resale Store Operations	Program - Other	Total Program Services	Management and General	Fundraising	Total
Salaries and wages	\$ 420,005	\$ 1,887,245	\$ 2,307,250	\$ 554,657	\$ 558,251	\$ 3,420,158
Payroll taxes	31,443	137,565	169,008	36,870	41,844	247,722
Benefits	39,128	273,431	312,559	205,558	50,997	569,114
Contract services	-	154,955	154,955	94,941	131,319	381,215
Supplies	21,078	56,440	77,518	51,102	26,659	155,279
Postage and shipping	518	1,237	1,755	-	17,536	19,291
Vehicle	17,687	18,429	36,116	1,438	457	38,011
Client assistance	6,216	9,921,765	9,927,981	-	-	9,927,981
Resale	1,463,534	-	1,463,534	-	-	1,463,534
Occupancy	147,499	126,768	274,267	-	50,465	324,732
Telephone and internet	2,745	41,620	44,365	12,349	4,823	61,537
Equipment	8,902	55,906	64,808	66,701	860	132,369
Depreciation and amortization	-	236,310	236,310	392,013	-	628,323
Insurance	-	-	-	153,768	-	153,768
Interest	-	-	-	143,310	184,651	327,961
Marketing	-	871	871	5,496	90,268	96,635
Bank and credit card fees	7,715	4,730	12,445	14,294	66,653	93,392
Other	1,013	2,725	3,738	10,738	188,498	202,974
Total functional expenses	2,167,483	12,919,997	15,087,480	1,743,235	1,413,281	18,243,996
Less expenses included with revenues on the statement of activities						
Direct costs of special events	-	-	-	-	(153,784)	(153,784)
Total expenses included in the expense section on the statement of activities	\$ 2,167,483	\$ 12,919,997	\$ 15,087,480	\$ 1,743,235	\$ 1,259,497	\$ 18,090,212

See notes to consolidated financial statements.

Metrocrest Services and Affiliate
Consolidated Statement of Cash Flows
Year Ended September 30, 2025

Cash flows from operating activities:	
Change in net assets	\$ (804,714)
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	628,323
Amortization of right-of-use assets	32,415
Change in discount on long-term pledges	7,566
Change in beneficial interest in assets held by others	(44,085)
Amortization of debt issuance cost	143,310
Changes in assets and liabilities:	
Grants receivable	240,850
Pledges receivable	232,991
Inventory	(134,133)
Prepaid expenses	(15,585)
Other assets	5,101
Accounts payable	(39,028)
Payroll and related liabilities	49,899
Deferred revenue	(5,588)
Right-of-use liabilities - operating leases	(32,476)
Net cash provided by operating activities	<u>264,846</u>
Cash flows from investing activities:	
Purchases of property and equipment	(71,568)
Proceeds from redemption of certificates of deposit	346,122
Net cash provided by investing activities	<u>274,554</u>
Cash flows from financing activities:	
Payment of debt issuance costs	(110,961)
Change in cash	<u>428,439</u>
Cash and cash equivalents, beginning of year	<u>2,530,836</u>
Cash and cash equivalents, end of year	<u><u>\$ 2,959,275</u></u>
Reconciliation of cash and cash equivalents and restricted cash reported within the consolidated statement of financial position to the consolidated statement of cash flows:	
Cash and cash equivalents	\$ 2,398,296
Restricted cash	560,979
Total cash and cash equivalents and restricted cash shown on the consolidated statement of cash flows	<u><u>\$ 2,959,275</u></u>
Supplemental cash flow information:	
Right-of-use asset obtained in exchange for operating lease liability	<u><u>\$ 113,297</u></u>
Cash paid for interest	<u><u>\$ 184,651</u></u>

See notes to consolidated financial statements.

Metrocrest Services and Affiliate

Notes to Consolidated Financial Statements

1. Organization

Metrocrest Services (Metrocrest) was established in 1977 as a Texas nonprofit corporation that provides emergency assistance to low-income individuals and families as well as supportive services, information and advocacy for residents 60 and older and their families. Metrocrest is a United Way service provider. Specific assistance, as reflected on the statement of functional expenses, includes distribution of food, clothing, household products, baby products, medical costs, rent and utility payments, transportation and employment. The program goals include supporting the independent functioning and quality of life of older adults. These goals are accomplished through direct services to individuals and education activities directed at the community as a whole. Metrocrest operates a resale store containing donated merchandise that is sold to the public. Metrocrest's primary sources of revenue include contributions and donated supplies from various donors and special events. Metrocrest also receives support from the municipal governments of Addison, Carrollton, Coppell, and Farmers Branch, Texas as well as certain other governmental entities.

Empowerment Real Estate Inc. (ERE) is a Texas nonprofit corporation formed on January 11, 2024. The purpose of ERE is to work with Metrocrest to obtain New Market Tax Credit (NMTC) financing and hold title to property. The board of directors of Metrocrest elects the board of directors of ERE.

Metrocrest and ERE are collectively referred to herein as the Organization.

2. Summary of Significant Accounting Policies

Consolidated Financial Statements

The accompanying consolidated financial statements include the accounts of Metrocrest and ERE. Inter-organizational transactions and balances have been eliminated.

Basis of Accounting

The Organization's consolidated financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP).

Consolidated Financial Statement Presentation

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

Metrocrest Services and Affiliate

Notes to Consolidated Financial Statements

Net assets without donor restrictions - Net assets not subject to donor or grantor-imposed stipulations. Net assets without donor restrictions may be designated for specific purposes by action of the board of directors.

Net assets with donor restrictions - Net assets subject to donor stipulations that will be met by actions of the Organization and/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 statement of activities as net assets released from restrictions.

Some net assets with donor restrictions include a stipulation that assets provided be maintained permanently (perpetual in nature) while permitting the Organization to expend the income generated by the assets in accordance with the provisions of additional donor-imposed stipulations or a board of directors approved spending policy.

Revenues are reported as increases in net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Gains and losses are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation or by law. Expirations of donor restrictions on net assets (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as reclassifications between the applicable classes of net assets. Donor restrictions on contributions of property and equipment or contributions restricted for the purchase or construction of property expire when the assets are placed in service unless the donor explicitly stipulated otherwise.

Financial Instruments and Credit Risk Concentrations

Financial instruments which are potentially subject to concentrations of credit and market risk consist principally of cash and cash equivalents and pledges receivable.

The Organization maintains cash at various financial institutions located in Texas. Management has placed these funds with high credit quality financial institutions to minimize risk. Accounts at each institution are insured by the Federal Deposit Insurance Corporation up to \$250,000. At September 30, 2025, the Organization's uninsured balances totaled \$1,264,783.

Pledges receivable are unsecured and are due from various donors. The Organization continually evaluates the collectability of these receivables for potential losses. No allowance was considered necessary at September 30, 2025. Three donors represented 92% of pledges receivable at September 30, 2025.

Metrocrest Services and Affiliate

Notes to Consolidated Financial Statements

Cash and Cash Equivalents

Cash and cash equivalents consist of cash on hand and all highly liquid investments purchased with an initial maturity of three months or less.

Restricted Cash

Restricted cash is to be held for facility updates and debt service as required by the new market tax credit agreements.

Fair Value Measurements

Under the Fair Value Measurements and Disclosures topic of the Codification, ASC 820, disclosure are required about how fair value is determined for assets and liabilities and a hierarchy for which these assets and liabilities must be grouped is established, based on significant levels of inputs as follows:

- | | |
|---------|---|
| Level 1 | Inputs to the valuation methodology are quoted prices available in active markets for identical investments as of the reporting date; |
| Level 2 | Inputs to the valuation methodology are other than quoted prices in active markets, which are either directly or indirectly observable as of the reporting date, and fair value can be determined through the use of models or other valuation methodologies; |
| Level 3 | Inputs to the valuation methodology are unobservable inputs in situations where there is little or no market activity for the asset or liability and the reporting entity makes estimates or assumptions related to the pricing of the asset or liability including assumptions regarding risk. |

A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

Note Receivable

The note receivable – new market tax credit is collateralized by the membership interests related to the NMTC transaction (see Notes 6 and 9) and is stated at the principal amount. The Organization has one class of financing receivables from a highly credible institution. Management assesses the credit quality of the note receivable based on indicators such as collateralization and collection experience. As of September 30, 2025 no allowance has been established.

Metrocrest Services and Affiliate

Notes to Consolidated Financial Statements

Inventory

The Organization receives contributions of goods and materials and processes these contributions as merchandise available for sale in its resale store. The merchandise available for sale in its resale store consists mainly of clothing and household items.

The Organization also receives contributions of food, hygiene items, cleaning products and household supplies which are distributed without charge to qualifying clients.

Financial accounting standards require that contributions received be recognized as revenues or gains in the period received and as assets, and decreases of liabilities or expenses depending on the form of the benefits received. Contributions should be measured at their fair value. The Organization believes that the inventory of contributed goods and materials does not possess an attribute that is easily measurable or verifiable with sufficient reliability to determine an inventory value at the time of donation. It is only through the value-added processes that prepare the donated inventory for sale that the donated inventory has value. Accordingly, contributed goods and materials inventory are valued at zero prior to being offered for sale. The Organization considers the costs associated with bringing the donated inventory to sale (i.e., donation collection, sorting and retail management) in its estimate of the fair value of inventories.

The estimate of the inventory value of donated goods and materials in the Organization's retail store is based on a 12-month rolling average of retail sales, less cost of sales multiplied by the estimated shelf life of inventory on hand at September 30, 2025.

Property and Equipment

Property and equipment in excess of \$10,000 is capitalized at cost or estimated fair market value of donated assets at the date of donation. Depreciation is computed using the straight-line method over the estimated useful lives of the assets. Maintenance charges are expensed as incurred. Repairs that materially extend the life of an asset are capitalized.

The estimated useful lives of property and equipment are as follows:

	<u>Estimated Useful Lives</u>
Trucks and vans	5 years
Computers and equipment	3-5 years
Furniture and fixtures	5-7 years
Leasehold improvements	7 years
Building	39 years

Metrocrest Services and Affiliate

Notes to Consolidated Financial Statements

Debt Issuance Costs

The Organization incurred costs totaling \$892,421 in connection with notes payable during the year ended September 30, 2024. Additional cost totaling \$110,961 were incurred in connection with notes payable during the year ended September 30, 2025. Debt issuance costs are amortized over the term of the respective debt agreement. Amortization expense totaled \$143,310 for the year ended September 30, 2025. Debt issuance costs related to this loan are presented in the consolidated statement of financial position as a direct deduction from the carrying amount of that debt liability.

Revenue Recognition

The Organization recognizes contributions when cash, securities, other assets or an unconditional promise to give is received. Unconditional promises to give that are expected to be collected in future year are recorded at the present value of the amounts expected to be collected. All contributions are considered available for unrestricted use unless specifically restricted by the donor.

A portion of the Organization's revenue is derived from cost-reimbursable federal contracts and grants, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when the Organization has incurred expenditures in compliance with specific contract or grant provisions. Amounts received prior to incurring qualifying expenditures are reported as refundable advances in the consolidated statement of financial position. The Organization was awarded cost reimbursable grants of \$135,326 that have not been recognized as revenue at September 30, 2025, because qualifying expenditures have not yet been incurred. The Organization's costs incurred under its government grants and contracts are subject to audit by government agencies. Management believes that disallowance of costs, if any, would not be material to the financial position or changes in net assets of the Organization.

Donated goods are reflected as contributions at their estimated fair values at date of receipt plus costs to bring the items to sale, if any. Contributions of services are recorded at estimated fair value if the services received create or enhance nonfinancial assets or require specialized skills and would typically need to be purchased if not provided by donation.

Revenue from retail sales of donated good is recognized at the point of sale.

Program service fees are recognized as revenue when the related services are provided. Revenue from special events is recognized when the event occurs. Amounts received in advance of the event are recorded as deferred revenue.

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Notes to Consolidated Financial Statements

Advertising and Marketing Expense

Advertising and marketing costs are expensed as incurred. Marketing expense for the year ended September 30, 2025 was \$96,635.

Federal Income Taxes

Metrocrest and ERE are recognized by the Internal Revenue Service (IRS) as exempt from federal income tax under section 501(c)(3) of the Internal Revenue Code (IRC) and are not private foundations as defined in the IRC. Income generated from activities unrelated to the Organization's exempt purposes is subject to tax under IRC Section 511. The Organization did not have a material unrelated business income tax liability as of September 30, 2025. Therefore, no tax provision or liability has been reported in the accompanying consolidated financial statements.

GAAP requires the evaluation of tax positions taken in the course of preparing the Organization's tax returns and recognition of 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 IRS. Management has analyzed the tax positions taken by the Organization and has concluded that as of September 30, 2025, there are no uncertain tax positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the consolidated financial statements.

Allocation of Functional Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Personnel costs including benefits, contract services and professional fees are allocated on the basis of time and effort. The expenses that are allocated based on square footage include occupancy, depreciation, insurance, communications and information technology.

Use of Estimates

The preparation of consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Metrocrest Services and Affiliate
Notes to Consolidated Financial Statements

3. Beneficial Interest in Assets Held by Others

The Organization has a beneficial interest in assets held by The Dallas Foundation (TDF) valued at \$552,332 as of September 30, 2025. These consist of funds (Funds) contributed by the Organization and donors and include earnings thereon, net of distributions received. Distributions of the income earned from beneficial interests and principal amounts thereof are received at various times throughout the year based on the spending policy adopted by the board of directors of TDF.

Fair value of the Organization's beneficial interest in assets held by TDF is based on the value of the Organization's portion of the underlying investments in the Funds using valuation methods that are appropriate for those investments as determined by third-party trustees. These values are based on unobservable inputs and are considered Level 3 assets in the fair value hierarchy.

Withdrawals are permitted from the Funds as requested by the Organization. Any funds unspent in one year may remain in the portfolio and may be appropriated in the following fiscal year. The board of directors may also make special appropriations in addition to the annual provision.

The following table presents a rollforward of activity for assets held by TDF at fair value for the year ended September 30, 2025:

Beginning balance	\$ 508,247
Total net investment income included in change in net assets	<u>44,085</u>
Ending balance	<u><u>\$ 552,332</u></u>
The amount of total gains or losses for the period included in change in net assets attributable to the change in unrealized gains or losses relating to investments still held at the reporting date	
	<u><u>\$ 35,815</u></u>

The net income from beneficial interest in assets held by others consisted of the following for the year ended September 30, 2025:

Dividends and interest	\$ 7,169
Realized gains	6,934
Unrealized gains	35,815
Less: investment fees	<u>(5,833)</u>
Investment income, net	<u><u>\$ 44,085</u></u>

Metrocrest Services and Affiliate
Notes to Consolidated Financial Statements

4. Inventory

Inventory consists of the following as of September 30, 2025:

Resale store	\$ 90,988
Food pantry	536,239
Holiday toys	<u>57,710</u>
Total	<u>\$ 684,937</u>

5. Pledges Receivable

Pledges receivable consist of the following as of September 30, 2025:

Due in one year	\$ 151,304
Due in two to five years	<u>202,330</u>
	353,634
Less discount	<u>(10,116)</u>
Total	<u>\$ 343,518</u>

At September 30, 2025, the discount rate utilized in computing the net present value of long-term pledges was 5%.

6. Note Receivable – New Market Tax Credit

The note receivable – new market tax credit is due from COCRF Investor 275, LLC (Investor Fund) (an unrelated party) with interest at 1% per annum until 2031; at which point interest and principal payments of \$692,785 will be due annually until maturity on February 27, 2050. The note is collateralized by a security interest in the membership interests of the community development entity, Enterprise Financial CDE, LLC. The loan and regulatory agreement restricts the use of the funds to ERE who qualifies as a qualified active low-income community business for the term of the note. The balance due to ERE at September 30, 2025 is \$11,089,000. The interest income on the note receivable – new market tax credit for the year ended September 30, 2025 was \$110,890.

Metrocrest Services and Affiliate
Notes to Consolidated Financial Statements

7. Property and Equipment

Property and equipment consist of the following as of September 30, 2025:

Vehicles	845,322
Computers and equipment	1,301,699
Furniture and fixtures	228,700
Building	15,407,262
Leasehold improvements	<u>62,211</u>
	17,845,194
Less accumulated depreciation	<u>(2,215,334)</u>
Property and equipment, net	<u><u>\$ 15,629,860</u></u>

Depreciation expense totaled \$628,323 for the year ended September 30, 2025.

8. Leases

In evaluating its contracts, the Organization separately identifies lease and nonlease components, such as maintenance costs, in calculating the ROU assets and lease liabilities for its building. The Organization has elected the practical expedient to not separate lease and nonlease components and classifies the contract as a lease if consideration in the contract allocated to the lease component is greater than the consideration allocated to the nonlease component.

Leases result in the recognition of ROU assets and lease liabilities on the consolidated statement of financial position. ROU assets represent the right to use an underlying asset for the lease term, and lease liabilities represent the obligation to make lease payments arising from the lease, measured on a discounted basis. The Organization determines lease classification as operating or finance at the lease commencement date.

At lease inception, the lease liability is measured at the present value of the lease payments over the lease term. The ROU asset equals the lease liability adjusted for any initial direct costs, prepaid or deferred rent and lease incentives. The Organization uses the implicit rate when readily determinable. As the lease do not provide an implicit rate, the Organization uses the incremental borrowing rate based on the information available at the commencement date to determine the present value of lease payments. Incremental borrowing rates was used to determine the present value of lease payments.

Metrocrest Services and Affiliate

Notes to Consolidated Financial Statements

The lease term may include options to extend or to terminate the lease that the Organization is reasonably certain to exercise. Lease expense is generally recognized on a straight-line basis over the lease term. The Organization has elected not to record leases with an initial term of 12 months or less on the consolidated statement of financial position. Lease expense on such leases is recognized on a straight-line basis over the lease term.

Nature of Leases

The Organization leases a building and equipment used for its operations under noncancelable operating agreements expiring September 2026 and November 2030, respectively. The building lease requires the Organization to pay all executory costs (property taxes, maintenance and insurance). Termination of the leases is generally prohibited unless there is a violation under the lease agreement.

Future minimum lease payments and a reconciliation to the consolidated statement of financial position at September 30, 2025 are as follows for the years ending September 30:

2026	\$	54,766
2027		23,791
2028		23,791
2029		23,791
2030		23,791
Thereafter		1,982
Total future undiscounted lease payment		151,912
Less present value discount		(11,457)
Right-of-use liabilities		\$ 140,455

The following represents lease cost and required information for the year ended September 30, 2025:

Total lease cost	\$	34,878
Other information:		
Cash paid for amounts included in the measurement of lease liabilities:		
Cash flows from operating leases	\$	(32,476)
Right-of-use asset obtained in exchange for new lease liability	\$	113,297
Weighted-average remaining lease term		4.23 years
Weighted-average discount rate		3.88%

Metrocrest Services and Affiliate

Notes to Consolidated Financial Statements

9. Notes Payable- New Market Tax Credit

On February 29, 2024, Metrocrest entered into a new market tax credit financing transaction (NMTC) to pay off existing debt and fund improvements to the facility. As part of the transaction, Metrocrest made a loan of \$11,089,000 to the Investor Fund. The loan is due February 27, 2050 and carries an annual interest rate of 1% (see Note 6).

In conjunction with Metrocrest's loan, Capital One, N.A. (NMTC Investor), a Delaware corporation, contributed \$4,836,000 to the Investor Fund. The NMTC Investor will receive tax credits in return for its investment in the Investor Fund. The Investor Fund used the collective proceeds from Metrocrest and the NMTC Investor to fund a Community Development Entity, Enterprise Financial CDE, LLC (CDE). The CDE made a qualified equity investment into Enterprise Sub-CDE 38, LLC (EF) and Peoplefund NMTC 27, LLC (PF) (collectively, Sub-CDEs) of \$7,000,000 and \$9,000,000, respectively.

ERE entered into a \$6,930,000 and a \$8,330,000 loan agreement with the Sub-CDEs. The loan with EF consists of two tranches, Loan A in the amount of \$4,816,000 and Loan B in the amount of \$2,114,000, both of which have an interest rate of 1.210% per annum. Interest payments are due and payable quarterly, in arrears, beginning June 1, 2024. Commencing on June 1, 2031, quarterly payments of principal and interest are due in arrears until maturity. The loan matures February 28, 2050. The loan is secured by a deed of trust. The loan with PF consists of two tranches, Loan A in the amount of \$6,273,000 and Loan B in the amount of \$2,057,000, both of which have an interest rate of 1.210% per annum. Interest payments are due and payable quarterly, in arrears, beginning June 1, 2024. Commencing on June 1, 2031, quarterly payments of principal and interest are due in arrears until maturity. The loan matures February 28, 2050. The loan is secured by a deed of trust.

The NMTC was allocated in this transaction pursuant to Section 45D of the IRC. After the seven-year NMTC compliance period expires, it is anticipated that the NMTC Investor will exercise its put option to sell its ownership interest in the Investor Fund to Metrocrest for \$1,000. If the NMTC Investor does not exercise that put option then the put and call agreement allows Metrocrest to exercise a call option to purchase the interest in the Investor Fund at an appraised fair value. Immediately after the exit transactions are completed, Metrocrest will be the holder of the Investor Fund's note payable and, as such the loan will be eliminated in the consolidated financial statements. It is anticipated that the loans will be discharged.

Metrocrest Services and Affiliate
Notes to Consolidated Financial Statements

Principal amounts due for the loans for the next five years ended September 30 and thereafter are as follows:

2026	\$	-
2027		-
2028		-
2029		-
2030		-
Thereafter		<u>15,260,000</u>
Total	<u>\$</u>	<u>15,260,000</u>

10. Net Assets With Donor Restrictions

Net assets restricted by donors were designated for the following purposes at September 30, 2025:

Endowment restricted in perpetuity	\$	313,350
Meals program		38,053
Holiday		5,309
Endowment earnings		238,982
Utilities assistance		<u>44,203</u>
Total	<u>\$</u>	<u>639,897</u>

11. Contributions of Nonfinancial Assets

The Organization received the following contributions of nonfinancial assets during the year ended September 30, 2025:

	<u>Program</u> <u>Services</u>
Resale goods	\$ 1,427,844
Food	8,589,262
Toys	<u>19,000</u>
Total	<u>\$ 10,036,106</u>

Metrocrest Services and Affiliate

Notes to Consolidated Financial Statements

Resale Goods and Toys

Contributed resale goods and toys are valued based on the actual sale price of the items and the cost to bring the item to sale.

Food

Contributed food is valued at a set price per pound based on the type of food.

There were no donor restrictions on the contributions of nonfinancial assets received during the year ended September 30, 2025.

For the year ended September 30, 2025, numerous volunteers contributed time with a value of \$1,913,158 to the Organization in the resale store, food pantry, and special programs. These volunteer hours did not meet the criteria for recording in the consolidated financial statements.

12. Defined Contribution Retirement Plan

The Organization has a 401(k) defined contribution retirement plan covering all eligible employees. The plan features automatic enrollment of employees at a deferral rate of 6% of eligible wages. The Organization contributes 50% of employee elective deferral contributions up to the employee contribution of 6%. Employer contributions were \$63,923 for the year ended September 30, 2025.

13. Endowment Net Assets

As required by GAAP, net assets associated with endowment funds, including funds designated by the board of directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

Description of Relevant Law –

The Organization has interpreted the Texas State Uniform Prudent Management of Institutional Funds Act (TUPMIFA) as requiring the preservation of the fair value of the original gift, as of the gift date, of donor-restricted endowment funds, absent explicit donor stipulations to the contrary. As a result of this interpretation, the Organization classifies as permanent endowment (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment and (c) any accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund.

Metrocrest Services and Affiliate

Notes to Consolidated Financial Statements

The earnings from the original gift are classified as net asset with donor restrictions until those amounts are appropriated for expenditure by the Organization in a manner consistent with the standard of prudence prescribed by TUPMIFA.

In accordance with TUPMIFA, the Organization, in making a determination to appropriate or accumulate donor-restricted endowment funds acts in good faith, with the care that an ordinarily prudent person in a like position would exercise under similar circumstances, and considers if relevant, the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

1. The duration of preservation of the funds
2. The purposes of the Organization and the endowment funds
3. General economic conditions
4. The possible effect of inflation and deflation
5. The expected total return from income and the appreciation of investments
6. Other resources of the Organization
7. The Organization's investment policy

Return Objectives and Risk Parameters –

The Organization has adopted an investment policy for endowment assets that attempts to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the principal of the endowment assets. Endowment assets include those assets of donor-restricted funds that the Organization must hold in perpetuity. Under this policy, as approved by the board of directors, the primary objective is to maximize current income, net of fees and expenses, and achieve a total return in excess of the broad index indicated for each investment asset class.

Strategies Employed for Achieving Objectives –

To satisfy its long-term rate-of-return objectives, the Organization relies on a total return strategy in which investment returns are achieved through both capital appreciation, realized and unrealized, and current yield, such as interest and dividends. The Organization has adopted an investment policy that attempts to maximize total return while keeping risk levels in a moderate range. The Organization targets a diversified asset allocation among stocks, mutual funds, bonds and cash or cash equivalents.

Spending Policy and How the Investment Objectives Relate to the Spending Policy –

The Organization has a policy of appropriating for distributions the net interest and dividends of its endowment funds. In establishing this policy, the Organization considers the long-term expected return on its endowment. This is consistent with the Organization's objective to maintain the purchasing power of the endowment assets held in perpetuity or for a specified term, as well as to provide additional real growth through new gifts.

Metrocrest Services and Affiliate
Notes to Consolidated Financial Statements

All endowment funds are categorized as net assets with donor restrictions as of September 30, 2025.

Changes in donor-restricted endowment funds for the year ended September 30, 2025 is summarized as follows:

	Accumulated gains and other	Restricted in perpetuity	Total
Endowment net assets, beginning of year	\$ 194,897	\$ 313,350	\$ 508,247
Investment return, net	1,336	-	1,336
Net appreciation	42,749	-	42,749
Endowment net assets, end of year	<u>\$ 238,982</u>	<u>\$ 313,350</u>	<u>\$ 552,332</u>

14. Liquidity and Availability of Resources

The Organization's financial assets available to meet cash needs for general expenditures within one year of the consolidated statement of financial position date are as follows for the year ended September 30, 2025:

Cash and cash equivalents	\$ 2,398,296
Pledges receivable, current	151,304
Beneficial interests in assets held by others	<u>552,332</u>
Total financial assets	3,101,932
Less amounts not available for general expenditures within one year:	
Donor restricted for specific purpose	(87,565)
Endowment earnings to be designated	(238,982)
Endowment to be retained in perpetuity	<u>(313,350)</u>
Financial assets not available for general expenditures	<u>(639,897)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 2,462,035</u>

The Organization receives significant contributions restricted by donors, and considers contributions restricted for programs which are ongoing, major and central to its annual operations to be available to meet cash needs for general expenditures within one year. The Organization has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

Metrocrest Services and Affiliate
Notes to Consolidated Financial Statements

15. Subsequent Events

Management has evaluated subsequent events through December 4, 2025, the date the consolidated financial statements were available to be issued and concluded that no additional disclosures are required.

Metrocrest Services and Affiliate
Schedule of Expenditures of Federal Awards
Year Ended September 30, 2025

Federal Agency/Cluster/Pass-through Grantor/Program Title or Cluster Title	Assistance Listing Number	Federal Expenditures
U.S. Department of Agriculture:		
North Texas Food Bank		
Food Distribution Cluster:		
Emergency Food Assistance Program - Commodities	10.569	<u>\$ 1,118,112</u>
Total Food Distribution Cluster		1,118,112
Pandemic Relief Activities: Local Food Purchase Agreements with States, Tribes, and Local Governments	10.182	147,161
The Emergency Food Assistance Program (TEFAP) Commodity Credit Corporation Eligible Recipient Funds	10.187	<u>246,221</u>
Total U.S. Department of Agriculture		1,511,494
U.S. Department of Homeland Security		
United Way		
Emergency Food and Shelter National Board Program	97.024	<u>75,000</u>
Total U.S. Department of Homeland Security		75,000
U.S. Department of Housing and Urban Development:		
Economic Development Initiative, Community Project Funding, and Miscellaneous Grants	14.251	850,000
City of Carrollton		
CDBG - Entitlement Grant Cluster:		
Community Development Block Grants/Entitlement Grants	14.218	<u>99,267</u>
Total CDBG - Entitlement Grant Cluster		<u>99,267</u>
Total U.S. Department of Housing and Urban Development		949,267
U.S. Department of the Treasury:		
City of Coppell		
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	126,706
Dallas County		
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	<u>206,912</u>
Total U.S. Department of the Treasury		<u>333,618</u>
Total expenditures of federal awards		<u><u>\$ 2,869,379</u></u>

See notes to schedule of expenditures of federal awards.

Metrocrest Services and Affiliate

Notes to Schedule of Expenditures of Federal Awards

1. Basis of Presentation

The accompanying schedule of expenditures of federal awards (Schedule) includes the federal grant activity of Metrocrest Services (Organization). The information in this Schedule is presented in accordance with 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). Because the Schedule only presents a selected portion of the operations of the Organization, it is not intended and does not present the financial position, changes in net assets or cash flows of the Organization.

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. The Organization has not elected to use the 10 percent de minimis indirect cost rate and continues to use the cost allocation plan negotiated individually with its grantors, as applicable.

2. Non-monetary assistance

Non-monetary assistance is reported in the Schedule at the fair market value of the commodities received and distributed. At September 30, 2025, the Organization had food commodities totaling \$536,239 in inventory.

The following grants on the Schedule represent non-monetary assistance:

Emergency Food Assistance Program - Commodities	\$ 1,118,112
Pandemic Relief Activities: Local Food Purchase Agreements with States, Tribes, and Local Governments	147,161
The Emergency Food Assistance Program (TEFAP) Commodity Credit Corporation Eligible Recipient Funds	<u>246,221</u>
Total	<u>\$ 1,511,494</u>

3. Reconciliation of Schedule to Consolidated Statement of Activities

The Organization received federal funding totaling \$1,511,494 that were not included in the government grant revenue on the consolidated statement of activities that were subject to the audit requirements of the Uniform Guidance and therefore were included on the Schedule.



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

To the Board of Directors of
Metrocrest Services

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audit contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the consolidated financial statements of Metrocrest Services (Organization), which comprise the consolidated statement of financial position as of September 30, 2025 and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated December 4, 2025. The financial statements of Empowerment Real Estate Inc. (Affiliate), were not audited in accordance with *Government Auditing Standards* and accordingly this report does not include reporting on internal control financial reporting or instances of reportable noncompliance associated with the Affiliate.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization's consolidated 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 determination of consolidated 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 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.



A Limited Liability Partnership

Arlington, Texas
December 4, 2025



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

To the Board of Directors of
Metrocrest Services

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Metrocrest Services' (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 September 30, 2025. 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 types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2025.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the 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 consider necessary in the circumstances.
- Obtain an understanding of the Organization's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control over Compliance

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



A Limited Liability Partnership

Arlington, Texas
December 4, 2025

Metrocrest Services and Affiliate
Schedule of Findings and Questioned Costs
Year Ended September 30, 2025

Section I – Summary of Auditors’ Results

Financial Statements

Type of auditors’ report issued:	Unmodified
Internal control over financial reporting:	
• Material weaknesses identified?	No
• Significant deficiencies identified?	None reported
Noncompliance material to consolidated financial statements noted?	No

Federal Awards

Internal control over major programs:	
• Material weaknesses identified?	No
• Significant deficiencies identified?	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 2 CFR 200.516(a)?	No
Identification of major federal programs or cluster:	
Economic Development Initiative, Community Project Funding, and Miscellaneous Grants	ALN 14.251
Dollar threshold used to distinguish between type A and B programs:	\$750,000
Auditee qualified as low-risk auditee?	Yes

Section II – Financial Statement Findings

None

Section III – Federal Award Findings and Questioned Costs

None

Section IV – Summary of Prior Year Audit Findings

None