

MILITARY MISSIONS  
IN ACTION, INC.

Financial Statements

December 31, 2024 (Audited) and 2023 (Reviewed)

(With Independent Auditors' Report Thereon)

MILITARY MISSIONS IN ACTION, INC.

2024 Audit

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## Independent Auditors' Report

The Board of Trustees  
Military Missions in Action, Inc.:

### Report on the Audit of the Financial Statements

#### *Opinion*

We have audited the accompanying financial statements of Military Missions in Action, Inc. (a nonprofit organization) (the "Organization") which comprise the statement of financial position as of December 31, 2024, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Organization as of December 31, 2024, 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 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 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.

#### *Prior Year Financial Statements*

The 2023 financial statements were reviewed by us, and our report thereon, dated August 15, 2024, stated we were not aware of any material modifications that should be made to those financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. However, a review is substantially less in scope than an audit and does not provide a basis for expression of an opinion on the financial statements as a whole.

#### *Responsibilities of Management for the Financial Statements*

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

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

### ***Auditors' 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 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 generally accepted auditing standards 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 generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

***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 and state awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal and state awards is fairly stated, in all material respects, in relation to the financial statements as a whole.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated August 28, 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, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control over financial reporting and compliance.

*Batchelor, Tillery & Roberts, LLP*

August 28, 2025

MILITARY MISSIONS IN ACTION, INC.

Statements of Financial Position

December 31, 2024 (Audited) and 2023 (Reviewed)

	<u>2024</u>	<u>2023</u>
<u>Assets</u>		
Current assets:		
Cash and cash equivalents	\$ 275,042	603,861
Inventories	<u>143,088</u>	<u>134,024</u>
Total current assets	418,130	737,885
Property and equipment, net	<u>760,358</u>	<u>353,846</u>
Total assets	\$ <u>1,178,488</u>	<u>1,091,731</u>
<u>Liabilities and Net Assets</u>		
Current liabilities:		
Accounts payable and accrued expenses	13,448	18,388
Long-term debt, current portion	<u>8,088</u>	<u>7,282</u>
Total current liabilities	21,536	25,670
Long-term debt, less current portion	<u>91,732</u>	<u>100,416</u>
Total liabilities	113,268	126,086
Net assets without donor restrictions	<u>1,065,220</u>	<u>965,645</u>
Total liabilities and net assets	\$ <u>1,178,488</u>	<u>1,091,731</u>

See accompanying notes to financial statements.

MILITARY MISSIONS IN ACTION, INC.

Statements of Activities

Years ended December 31, 2024 (Audited) and 2023 (Reviewed)

	<u>2024</u>	<u>2023</u>
Revenue and support:		
Grants	\$ 762,429	14,088
Direct public support - in-kind	475,547	369,066
Special events and services	273,937	219,013
Direct public support	150,889	263,963
Interest	423	733
Total revenue and support	<u>1,663,225</u>	<u>866,863</u>
Expenses:		
Program services	1,137,765	842,471
Management and general	206,908	152,936
Fundraising	218,977	96,980
Total expenses	<u>1,563,650</u>	<u>1,092,387</u>
Change in net assets	99,575	(225,524)
Net assets without donor restrictions, beginning of year	<u>965,645</u>	<u>1,191,169</u>
Net assets without donor restrictions, end of year	\$ <u>1,065,220</u>	<u>965,645</u>

See accompanying notes to financial statements.

# MILITARY MISSIONS IN ACTION, INC.

## Statement of Functional Expenses

Year ended December 31, 2024 (Audited), with comparative totals for 2023 (Reviewed)

	Program Services							Management and General	Fundraising	Total	2023
	Operation Building	Homes for Healing	Fill the Footlocker	Veteran Support	Veteran Transportation	Other	Total Program				
Materials and supplies	\$ 28,001	214,934	204,698	-	1,732	-	449,365	3,587	192,133	645,085	352,910
Salaries	62,750	118,553	41,928	-	45,515	-	268,746	92,750	-	361,496	209,804
Rent and utilities	43,383	59,222	48,543	-	-	-	151,148	41,880	-	193,028	179,620
Depreciation and amortization	16,048	16,048	16,048	-	15,987	-	64,131	-	-	64,131	32,796
Advertising and promotion	8,837	9,320	9,934	-	5,166	-	33,257	465	17,301	51,023	56,203
Outside services	40,829	-	-	-	-	-	40,829	487	-	41,316	16,084
Postage and printing	539	456	29,962	-	365	-	31,322	7,106	146	38,574	43,473
Insurance	-	-	-	-	7,208	7,451	14,659	11,439	-	26,098	25,800
Meals and lodging	4,953	7,256	3,740	-	3,881	-	19,830	66	3,990	23,886	27,226
Vehicle and equipment	2,741	13,188	1,033	763	5,652	-	23,377	109	-	23,486	26,002
Travel	2,620	12,801	3,282	-	1,247	-	19,950	191	491	20,632	14,799
Professional fees	-	-	-	-	-	-	-	17,339	-	17,339	25,154
Direct assistance and awards	-	-	-	6,384	6,429	-	12,813	-	1,200	14,013	15,974
Telephone	1,965	1,557	1,965	-	850	111	6,448	1,966	1,966	10,380	7,907
Interest	-	-	-	-	-	-	-	10,019	-	10,019	8,902
Repairs	-	-	-	-	-	-	-	9,234	-	9,234	31,538
Taxes	-	-	-	-	-	1,136	1,136	3,892	-	5,028	3,319
Miscellaneous	-	-	-	-	754	-	754	6,378	1,750	8,882	14,876
	\$ <u>212,666</u>	<u>453,335</u>	<u>361,133</u>	<u>7,147</u>	<u>94,786</u>	<u>8,698</u>	<u>1,137,765</u>	<u>206,908</u>	<u>218,977</u>	<u>1,563,650</u>	<u>1,092,387</u>

(Continued)



MILITARY MISSIONS IN ACTION, INC.

Statement of Functional Expenses, Continued

Year ended December 31, 2023 (Reviewed)

	Program Services						Management and General	Fundraising	Total
	Operation Building <u>Hope</u>	Homes for Healing	Fill the Footlocker	Veteran Support	Other	Total Program			
Materials and supplies	\$ 15,521	156,445	129,822	-	-	301,788	4,762	46,360	352,910
Salaries	43,661	53,197	43,457	-	-	140,315	69,489	-	209,804
Rent and utilities	53,033	59,033	53,033	-	1,741	166,840	12,780	-	179,620
Advertising and promotion	10,415	11,686	11,686	-	-	33,787	2,922	19,494	56,203
Postage and printing	269	-	31,836	-	698	32,803	7,859	2,811	43,473
Depreciation	10,932	10,932	10,932	-	-	32,796	-	-	32,796
Repairs	31,228	-	-	-	-	31,228	310	-	31,538
Meals and lodging	4,304	4,990	3,164	362	-	12,820	105	14,301	27,226
Vehicle and equipment	2,657	3,509	5,746	10,181	3,745	25,838	164	-	26,002
Insurance	6,958	-	-	-	12,264	19,222	6,578	-	25,800
Professional fees	121	121	121	-	-	363	24,791	-	25,154
Outside services	16,084	-	-	-	-	16,084	-	-	16,084
Direct assistance and awards	-	-	-	8,511	100	8,611	-	7,363	15,974
Travel	3,688	7,282	3,729	-	-	14,699	-	100	14,799
Interest	-	-	-	-	-	-	8,902	-	8,902
Telephone	1,630	1,292	1,630	-	93	4,645	1,631	1,631	7,907
Taxes	-	-	-	-	278	278	3,041	-	3,319
Miscellaneous	-	-	-	-	354	354	9,602	4,920	14,876
	<u>\$ 200,501</u>	<u>308,487</u>	<u>295,156</u>	<u>19,054</u>	<u>19,273</u>	<u>842,471</u>	<u>152,936</u>	<u>96,980</u>	<u>1,092,387</u>

See accompanying notes to financial statements.

# MILITARY MISSIONS IN ACTION, INC.

## Statements of Cash Flows

Years ended December 31, 2024 (Audited) and 2023 (Reviewed)

	<u>2024</u>	<u>2023</u>
Cash flows from operating activities:		
Change in net assets	\$ 99,575	(225,524)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation and amortization	64,131	32,796
Changes in operating assets and liabilities:		
Inventories	(9,064)	(32,190)
Other assets	-	560
Accounts payable and accrued expenses	<u>(4,940)</u>	<u>2,260</u>
Net cash provided by (used in) operating activities	<u>149,702</u>	<u>(222,098)</u>
Cash flows used in investing activities-		
Purchases of property and equipment	<u>(470,643)</u>	<u>(106,201)</u>
Cash flows used in financing activities-		
Payments on long-term debt	<u>(7,878)</u>	<u>(6,547)</u>
Net decrease in cash and cash equivalents	(328,819)	(334,846)
Cash and cash equivalents, beginning of year	<u>603,861</u>	<u>938,707</u>
Cash and cash equivalents, end of year	\$ <u>275,042</u>	<u>603,861</u>
Supplement disclosure of cash flow information:		
Cash paid for interest	\$ <u>10,019</u>	<u>8,902</u>

See accompanying notes to financial statements.

# MILITARY MISSIONS IN ACTION, INC.

## Notes to Financial Statements

December 31, 2024 (Audited) and 2023 (Reviewed)

### (1) Organization and Summary of Significant Accounting Policies

#### (a) Organization and Purpose

Military Missions in Action, Inc. (the “Organization”) is a non-profit organization. Its purpose is to provide vital programs and services to disabled veterans along with supporting active servicemen and women. The mission of the Organization is dedicated to assisting veterans with disabilities, members of the Armed Forces, and their families. The Organization’s programs include the following: Operation Building Hope, Homes for Healing, Fill the Footlocker, Veteran Transportation and Veteran Support. The Organization’s vision is to set the standard of support for veterans with disabilities and members of the Armed Services by engaging neighbors, businesses, and other organizations. Contributions are received primarily through grants, individual donations and special events.

#### (b) Basis of Presentation and Use of Estimates

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

#### (c) Net Assets

Net assets and revenue and support are classified based on the existence or absence of donor-imposed restrictions. Support that is restricted by the donor is reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the support is received. All other donor-restricted support is reported as an increase in net assets with donor restrictions depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. All net assets are without donor restrictions as of December 31, 2024 and 2023.

#### (d) Cash and Cash Equivalents

The Organization considers all cash accounts which are not subject to withdrawal restrictions or penalties, all treasury bills, certificates of deposit, and money market funds purchased with an original maturity of three months or less, to be cash equivalents.

# MILITARY MISSIONS IN ACTION, INC.

## Notes to Financial Statements, Continued

December 31, 2024 (Audited) and 2023 (Reviewed)

### (1) Organization and Summary of Significant Accounting Policies, Continued

#### (e) Inventories

The Organization accepts contributions of a variety of items such as building materials, household items, food and clothing. These contributed materials are recorded at their estimated fair value at the date of receipt and are reflected as inventories in the statements of financial position. Such inventories are then utilized in the program activities of the Organization.

#### (f) Property and Equipment

All acquisitions of property and equipment in excess of \$500 are capitalized. Property and equipment are stated at cost and depreciation is computed using the straight-line method over the estimated useful lives of the assets. Donations of property and equipment are recorded as contributions at their estimated fair value at the date of donation. Such donations are reported as increases in unrestricted support unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted support. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. Estimated useful lives of assets are as follows:

Building	30 years
Furniture and equipment	5 years
Vehicles and trailers	5-15 years

#### (g) Leases

At the inception of a contract, the Organization determines whether the arrangement is or contains a lease. Leases are classified as either operating or finance, based on an evaluation of certain criteria. With the exception of short-term leases (leases with an initial term of 12 months or less), the Organization records right-of-use assets and corresponding lease liabilities on the balance sheet for all leases with contractual fixed payments. Lease liabilities are measured at the present value of remaining lease payments, with right-of-use assets are initially set up equal to the lease liability, as adjusted for any payments made prior to lease commencement, lease incentives, and any initial direct costs incurred by the Organization. For operating leases, rent expense is recognized remeasured to reflect the effect of uneven lease payments. The Organization has elected to apply the short-term lease exemption. During 2024 and 2023, lease expense of \$103,416 and \$90,216, respectively, was recorded in the statements of activities and the statements of functional expenses. See note 4 for additional rent expense recorded as in-kind.

#### (h) Donated Services and In-Kind Contributions

In-kind services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization. During 2024 and 2023, in-kind revenues and expenses of \$475,547 and \$369,066, respectively, were recorded in the statements of activities and the statements of functional expenses.

MILITARY MISSIONS IN ACTION, INC.

Notes to Financial Statements, Continued

December 31, 2024 (Audited) and 2023 (Reviewed)

(1) Organization and Summary of Significant Accounting Policies, Continued

(h) Donated Services and In-Kind Contributions, Continued

Volunteers have made contributions of their time to the Organization. The value of this contributed time is not reflected in these financial statements since the services received do not create or enhance nonfinancial assets nor require specialized skills, and cannot reasonably be valued.

(i) Revenue Recognition

Contributions and grants received are recorded as net assets with donor restrictions or net assets without donor restrictions depending on the existence and/or nature of any donor-imposed restrictions. Conditional promises to give, that is, those with a measurable performance or other barrier and a right of return, are recognized when the conditions on which they depend are substantially met. Unconditional promises to give due in the next year are recorded at their net realizable value. Unconditional promises to give due in subsequent years are reported at the present value of their net realizable value using a risk adjusted discount rate. The Organization recognizes revenue from contracts and special events as the related performance obligations are satisfied, which is when the contract conditions have been met or the event has occurred.

(j) Advertising

The Organization expenses advertising costs as incurred.

(k) Income Taxes

The Organization is exempt from payment of income taxes under the provisions of Section 501(c)(3) of the Internal Revenue Code and applicable state statutes, except for any unrelated business income. Since there was no unrelated business net income in 2024 and 2023, no provision for income taxes has been made.

(l) Functional Classification of Expenses

The costs of program and supporting services activities have been summarized on a functional basis in the statements of activities. The statements of functional expenses present the natural classification detail of expense by function. The financial statements report certain categories of expense that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied.

MILITARY MISSIONS IN ACTION, INC.

Notes to Financial Statements, Continued

December 31, 2024 (Audited) and 2023 (Reviewed)

(1) Organization and Summary of Significant Accounting Policies, Continued

(m) Fair Value Measurements

For determining fair value measurements, fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. Management follows an established framework for measuring fair value. That framework provides a fair value hierarchy, which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. This hierarchy consists of three broad levels: Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets and have the highest priority; Level 2 inputs consist of observable inputs other than quoted prices for identical assets; and Level 3 inputs are unobservable and have the lowest priority.

Amounts of donated inventory are recorded at their estimated fair value using Level 3 inputs, primarily consisting of estimated thrift shop values.

(2) Liquidity and Availability of Resources

The Organization considers all expenditures related to its ongoing activities to support the mission to be general expenditures. As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

The following reflects the Organization's financial assets as of the statement of financial position date, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the statement of financial position date:

	<u>2024</u>	<u>2023</u>
Financial assets at year-end available to meet general expenditures within one year:		
Cash and cash equivalents	\$ <u>275,042</u>	<u>603,861</u>

In addition to financial assets available to meet general expenditures over the next 12 months, the Organization operates with a balanced budget and anticipates collecting sufficient revenue, primarily through contributions and fundraising events, to cover general expenses.

# MILITARY MISSIONS IN ACTION, INC.

## Notes to Financial Statements, Continued

December 31, 2024 (Audited) and 2023 (Reviewed)

### (3) Property and Equipment

Property and equipment are summarized by major classifications as follows:

	<u>2024</u>	<u>2023</u>
Land and home - not in service	\$ 198,500	198,500
Home renovations - not in service	289,425	106,201
Vehicles and trailers	396,524	182,605
Transportation application software	18,500	-
Furniture and equipment	<u>5,423</u>	<u>5,423</u>
	908,372	492,729
Less accumulated depreciation and amortization	<u>(148,014)</u>	<u>(138,883)</u>
	<u>\$ 760,358</u>	<u>353,846</u>

### (4) In-Kind

During 2024 and 2023, the Organization received the following in-kind contributions of inventories, materials and supplies, other items, and services, with a corresponding expense as they are used, that have been reflected in the financial statements of the Organization at their estimated fair value:

	<u>2024</u>	<u>2023</u>
Inventories (material and supplies):		
Homes for Healing	\$ 103,335	151,690
Fill the Footlocker	206,180	110,944
Events	<u>78,349</u>	<u>23,550</u>
	387,864	286,184
Rent	79,933	74,882
Meals and lodging	3,000	5,000
Advertising and promotional	500	3,000
Professional fees	<u>4,250</u>	<u>-</u>
	<u>\$ 475,547</u>	<u>369,066</u>

### (5) Long-Term Debt

The Organization had a note payable to a financial institution with monthly payments of \$1,172, including interest at 4.75%, with a final payment due in April 2023. In April 2023, the loan was refinanced and now has a monthly payment of \$1,492, including interest at 10.00%, with a final balloon payment due in April 2028. The loan is secured by property of the Organization.

MILITARY MISSIONS IN ACTION, INC.

Notes to Financial Statements, Continued

December 31, 2024 (Audited) and 2023 (Reviewed)

(5) Long-Term Debt, Continued

The following is a schedule of principal payments due on long-term debt:

<u>Year ending December 31,</u>	
2025	\$ 8,088
2026	8,947
2027	9,897
2028	<u>72,888</u>
	\$ <u>99,820</u>

(6) Concentrations

Financial instruments that potentially expose the Organization to concentrations of credit risk consist primarily of cash and cash equivalents. As of December 31, 2024 and 2023, there was approximately \$0 and \$258,000, respectively, of cash and cash equivalents in excess of \$250,000 maintained with financial institutions and, therefore, not insured by the Federal Deposit Insurance Corporation.

One grantor accounted for 45% of total revenue and support for 2024.

(7) Subsequent Events

The date to which events occurring after December 31, 2024, the date of the most recent statement of financial position, have been evaluated for possible adjustment to the financial statements or disclosure is August 28, 2025, the date the financial statements were available to be issued.



MILITARY MISSIONS IN ACTION, INC.

Schedule of Expenditures of Federal and State Awards

Year ended December 31, 2024

Federal or State Grantor/ <u>Program Title</u>	Federal ALN <u>Number</u>	Pass-through <u>Grantor</u>	Pass-through Identifying <u>Number</u>	Federal or State (Direct and Pass-through) <u>Expenditures</u>
<b>State Awards:</b>				
<u>North Carolina Department of Military and Veteran Affairs</u>				
Legislatively Directed Grant #2023-002	-	-	-	\$ <u>675,977</u>
<b>Total state awards</b>				<u>675,977</u>
<b>Total federal and state awards</b>				\$ <u>675,977</u>

MILITARY MISSIONS IN ACTION, INC.

Notes to the Schedule of Expenditures of Federal and State Awards

Year ended December 31, 2024

Note 1: Basis of Presentation

The accompanying Schedule of Expenditures of Federal and State awards (SEFSA) includes the Federal and State grant activity of the Organization under the programs of the federal government and the State of North Carolina for the year ended December 31, 2024. The information in this SEFSA 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) and the State Single Audit Implementation Act. Because the Schedule presents only a selected portion of the operations of the Organization, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Organization.

Note 2: Summary of Significant Accounting Policies

Expenditures reported in the SEFSA are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Note 3: Indirect Cost Rate

The Organization did not use the 10-percent de minimis indirect cost rate as of December 31, 2024.

# BACHELOR, TILLERY & ROBERTS, LLP

CERTIFIED PUBLIC ACCOUNTANTS

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

The Board of Trustees  
Military Missions in Action, Inc.:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Military Missions in Action, Inc. (a nonprofit organization) (the "Organization"), which comprise the statement of financial position as of December 31, 2024, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated August 28, 2025.

### **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 entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

## **Report on Compliance and Other Matters**

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

## **Purpose of This Report**

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

*Batchelor, Tillery & Roberts, LLP*

August 28, 2025

# BACHELOR, TILLERY & ROBERTS, LLP

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## **Report on Compliance for Each Major State Program; Report on Internal Control Over Compliance; With OMB Uniform Guidance and the State Single Audit Implementation Act.**

### **Independent Auditors' Report**

The Board of Trustees  
Military Missions in Action, Inc.:

#### **Report on Compliance for Each Major State Program**

##### ***Opinion on Each Major State Program***

We have audited Military Missions in Action, Inc.'s (a nonprofit organization) (the "Organization") compliance with the types of compliance requirements described in the OMB *Compliance Supplement* and the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission, that could have a direct and material effect on each of the Organization's major State programs for the year ended December 31, 2024. The Organization's major State programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, Military Missions in Action, Inc. 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 State programs for the year ended December 31, 2024.

##### ***Basis for Opinion on Each Major State Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and the State Single Audit Implementation Act. 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 State 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 State 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 generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Organization's compliance with the requirements of each major State program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Organization's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Organization's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control over compliance. Accordingly, no such opinion is expressed.

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

## **Report on Internal Control over Compliance**

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a State 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 State 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 State program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. 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.

*Batchelor, Tillery & Roberts, LLP*

August 28, 2025

MILITARY MISSION IN ACTION, INC

Schedule of Findings and Questioned Costs

Year ended December 31, 2024

**SECTION I-Summary of Auditors' Results**

***Financial Statements***

Type of auditors' report issued on whether the financial statements audited were prepared in accordance with GAAP: Unmodified

Internal control over financial reporting:

- Material weaknesses identified?        Yes   X   No
- Significant deficiency identified?        Yes   X   None reported

Noncompliance material to financial statements noted?

       Yes   X   No

***State Awards***

Internal control over major State programs:

- Material weaknesses identified?        Yes   X   No
- Significant deficiency identified?        Yes   X   None reported

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

Any audit findings disclosed that are required to be reported in accordance with the State Single Audit Implementation Act

       Yes   X   None reported

Identification of major State programs:

Program Name

North Carolina Department of Military and Veteran Affairs,  
Legislatively Directed Grant #2023-002

Dollar threshold used to determine a State major program:

\$500,000

Auditee qualified as State low-risk auditee?

       Yes   X   No



MILITARY MISSION IN ACTION, INC

Schedule of Findings and Questioned Costs, Continued

Year ended December 31, 2024

**SECTION II-Financial Statement Findings**

No findings

**SECTION III-State Award Findings and Questioned Costs**

No findings

**SECTION IV-Prior Year Award Findings and Questioned Costs**

Not applicable