

VETERANS BRIDGE HOME, INC.

Financial Statements for the
Years Ended December 31, 2024 and 2023
and Independent Auditors' Report



GreerWalker



GreerWalker

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of Veterans Bridge Home, Inc.:

Opinion

We have audited the financial statements of Veterans Bridge Home, Inc. (the "Organization"), which comprise the statement of financial position as of December 31, 2024, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of 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 generally accepted accounting principles in the United States of America ("GAAP").

Basis for Opinion

We conducted our audit in accordance with generally accepted auditing standards in the United States of America ("GAAS"). 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 opinion.

Other Matter - 2023 Financial Statements

The financial statements of the Organization as of and for the year ended December 31, 2023 were audited by other auditors who expressed an unmodified opinion on those financial statements on July 30, 2024.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with GAAP; this includes 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 for one year after the date that the financial statements are 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 GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, 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.

GreenWalker LLP

Certified Public Accountants
June 11, 2025
Charlotte, NC

VETERANS BRIDGE HOME, INC.

STATEMENTS OF FINANCIAL POSITION DECEMBER 31, 2024 AND 2023

<u>ASSETS</u>	<u>2024</u>	<u>2023</u>
CURRENT ASSETS:		
Cash and cash equivalents	\$ 616,474	\$ 1,108,810
Certificates of deposit	707,906	-
Investments	69,024	143,823
Grants and contributions receivable	766,605	374,861
Prepaid expenses and other assets	57,450	88,272
Total current assets	<u>2,217,459</u>	<u>1,715,766</u>
NON-CURRENT ASSETS:		
Property and equipment, net	60,044	100,707
Operating lease right-of-use assets, net	<u>1,474,839</u>	<u>1,664,603</u>
Total non-current assets	<u>1,534,883</u>	<u>1,765,310</u>
TOTAL	<u>\$ 3,752,342</u>	<u>\$ 3,481,076</u>
<u>LIABILITIES AND NET ASSETS</u>		
CURRENT LIABILITIES:		
Accounts payable and accrued expenses	\$ 97,003	\$ 76,920
Current portion of operating lease liabilities	<u>200,401</u>	<u>190,727</u>
Total current liabilities	<u>297,404</u>	<u>267,647</u>
OPERATING LEASE LIABILITIES, NET OF CURRENT PORTION	<u>1,387,573</u>	<u>1,587,974</u>
NET ASSETS:		
Without donor restrictions	1,891,365	1,587,941
With donor restrictions	<u>176,000</u>	<u>37,514</u>
Total net assets	<u>2,067,365</u>	<u>1,625,455</u>
TOTAL	<u>\$ 3,752,342</u>	<u>\$ 3,481,076</u>

See notes to financial statements.

VETERANS BRIDGE HOME, INC.STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

	Year Ended December 31, 2024			Year Ended December 31, 2023		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE, SUPPORT AND RECLASSIFICATIONS:						
Contributions	\$ 2,529,644	\$ 150,000	\$ 2,679,644	\$ 1,889,048	\$ 32,514	\$ 1,921,562
Grants	2,592,849	-	2,592,849	2,074,528	-	2,074,528
Contributed nonfinancial assets	2,890	-	2,890	217,818	-	217,818
Event sponsorship and ticket revenue	489,212	-	489,212	440,500	-	440,500
Other income, net	24,634	-	24,634	47,112	-	47,112
Net assets released from restrictions	11,514	(11,514)	-	163,950	(163,950)	-
Total revenue, support and reclassifications	<u>5,650,743</u>	<u>138,486</u>	<u>5,789,229</u>	<u>4,832,956</u>	<u>(131,436)</u>	<u>4,701,520</u>
EXPENSES:						
Program services	4,033,402	-	4,033,402	3,302,711	-	3,302,711
Events and fundraising	776,278	-	776,278	753,183	-	753,183
Management and general	537,639	-	537,639	866,493	-	866,493
Total expenses	<u>5,347,319</u>	<u>-</u>	<u>5,347,319</u>	<u>4,922,387</u>	<u>-</u>	<u>4,922,387</u>
CHANGE IN NET ASSETS	303,424	138,486	441,910	(89,431)	(131,436)	(220,867)
NET ASSETS, BEGINNING OF YEAR	<u>1,587,941</u>	<u>37,514</u>	<u>1,625,455</u>	<u>1,677,372</u>	<u>168,950</u>	<u>1,846,322</u>
NET ASSETS, END OF YEAR	<u>\$ 1,891,365</u>	<u>\$ 176,000</u>	<u>\$ 2,067,365</u>	<u>\$ 1,587,941</u>	<u>\$ 37,514</u>	<u>\$ 1,625,455</u>

See notes to financial statements.

VETERANS BRIDGE HOME, INC.

STATEMENT OF FUNCTIONAL EXPENSES FOR THE YEAR ENDED DECEMBER 31, 2024

	<u>Program Services</u>	<u>Events and Fundraising</u>	<u>Management and General</u>	<u>Total</u>
Salaries and related expenses	\$ 2,563,692	\$ 468,173	\$ 300,407	\$ 3,332,272
Events expense	713,805	209,448	2,693	925,946
Professional fees	109,716	2,682	126,087	238,485
Lease and rent expense	168,825	22,392	22,392	213,609
Advertising expense	134,705	22,381	-	157,086
Travel and meetings	115,162	9,440	31,441	156,043
Dues and subscriptions	36,905	14,377	15,132	66,414
Depreciation	29,076	6,461	4,847	40,384
Computers	15,602	4,117	12,492	32,211
Insurance	19,140	4,890	2,552	26,582
Print and postage	16,218	2,459	4,712	23,389
Utilities	2,093	221	371	2,685
Other	108,463	9,237	14,513	132,213
Total expenses	<u>\$ 4,033,402</u>	<u>\$ 776,278</u>	<u>\$ 537,639</u>	<u>\$ 5,347,319</u>

See notes to financial statements.

VETERANS BRIDGE HOME, INC.

STATEMENT OF FUNCTIONAL EXPENSES FOR THE YEAR ENDED DECEMBER 31, 2023

	<u>Program Services</u>	<u>Events and Fundraising</u>	<u>Management and General</u>	<u>Total</u>
Salaries and related expenses	\$ 2,196,607	\$ 232,496	\$ 444,198	\$ 2,873,301
Events expense	509,891	369,347	33,541	912,779
Travel and meetings	246,707	24,585	49,122	320,414
Professional fees	35,675	25,368	206,467	267,510
Lease and rent expense	170,813	21,278	21,499	213,590
Advertising expense	41,744	35,445	3,172	80,361
Dues and subscriptions	16,995	18,843	6,991	42,829
Depreciation	-	-	38,857	38,857
Utilities	19,863	2,435	3,268	25,566
Insurance	7,495	953	16,173	24,621
Computers	19,700	1,666	1,920	23,286
Print and postage	1,650	28	534	2,212
Other	35,571	20,739	40,751	97,061
Total expenses	<u>\$ 3,302,711</u>	<u>\$ 753,183</u>	<u>\$ 866,493</u>	<u>\$ 4,922,387</u>

See notes to financial statements.

VETERANS BRIDGE HOME, INC.

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

	<u>2024</u>	<u>2023</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 441,910	\$ (220,867)
Adjustments to reconcile change in net assets to net cash from operating activities:		
Depreciation	40,384	38,857
Amortization of right-of-use assets	189,764	212,940
Loss on disposal of property and equipment	279	-
Reinvested interest income from certificates of deposit	(7,906)	-
Return on investments, net	(11,061)	(19,506)
Changes in operating assets and liabilities:		
Grants and contributions receivable	(391,744)	(202,100)
Prepaid expenses and other assets	30,822	(70,408)
Accounts payable and accrued expenses	20,083	35,959
Operating lease liabilities	(190,727)	(176,485)
Net cash provided by (applied to) operating activities	<u>121,804</u>	<u>(401,610)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of certificates of deposit	(700,000)	-
Proceeds from sale of investments, net	85,860	-
Purchases of property and equipment	-	(12,239)
Net cash applied to investing activities	<u>(614,140)</u>	<u>(12,239)</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	(492,336)	(413,849)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>1,108,810</u>	<u>1,522,659</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 616,474</u>	<u>\$ 1,108,810</u>

See notes to financial statements.

VETERANS BRIDGE HOME, INC.

NOTES TO FINANCIAL STATEMENTS FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

1. SUMMARY OF OPERATIONS AND SIGNIFICANT ACCOUNTING POLICIES

Operations - Veterans Bridge Home, Inc. (the "Organization") was incorporated in 2011 as a North Carolina nonprofit corporation. The Organization connects and advocates for service members, veterans and their families as they establish their lives in North Carolina and South Carolina. The Organization helps military and veteran families successfully navigate transition by identifying their needs and goals and connecting them to the available community, state, and federal resources.

Financial Statement Presentation - The net assets of the Organization and changes therein are classified and reported as follows:

Net assets without donor restrictions - Net assets that are not restricted by donors or for which donor-imposed restrictions have expired.

Net assets with donor restrictions - Net assets that contain donor-imposed time or purpose restrictions that have not currently been met or contain donor-imposed restrictions stipulating that the amounts be maintained by the Organization in perpetuity. As of December 31, 2024 and 2023, the Organization did not have any net assets with donor restrictions held in perpetuity.

Use of Accounting Estimates - The preparation of financial statements in conformity with generally accepted accounting principles in the United States of America ("GAAP") requires management to make estimates and assumptions that affect the reported amounts of certain assets and liabilities and disclosures. Accordingly, the actual amounts could differ from those estimates. Any adjustments applied to estimated amounts are recognized in the year in which such adjustments are determined.

Cash and Cash Equivalents - The Organization considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. The Organization maintains cash deposits with financial institutions that, at times, may exceed federally insured limits.

Certificates of Deposit - The Organization maintains interest-bearing deposits with a financial institution that returns a fixed interest rate over a specified term. All certificates are held until maturity and are measured at cost plus accrued interest, which approximates fair value. Interest income is recorded in the statements of activities and changes in net assets when earned. These certificates are considered to be Level 2 investments in the fair value hierarchy, as defined below.

Investments - Investments are recorded at fair value with realized and unrealized gains and losses included in the statements of activities and changes in net assets as increases or decreases in net assets without donor restrictions, unless their use is restricted by explicit donor stipulations.

Grants and Contributions Receivable - Unconditional promises to give that are expected to be collected within one year are recorded at their net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their net realizable value. Unconditional promises to give are stated at unpaid balances, less an allowance for uncollectible contributions receivable, which is based on the Organization's historical collection experience, general economic conditions, and other circumstances that may affect the ability of donors to meet their obligations. Management has determined that an allowance for uncollectible contributions receivable was not necessary as of December 31, 2024 and 2023.

Property and Equipment - Property and equipment is recorded at cost. Depreciation is computed using the straight-line method over the estimated useful lives of the related assets. The Organization capitalizes expenditures over \$2,000 when the useful life is in excess of one year.

Donations of property are recorded as support at their estimated fair value. Such donations are reported as without donor restrictions support unless the donor has restricted the donated asset to a specific purpose.

Leases - The Organization assesses whether an arrangement is a lease, or contains a lease, upon inception of the contract. This assessment is based on: (1) whether the contract explicitly or implicitly involves the use of a distinct asset, (2) whether the Organization obtains substantially all of the economic benefits from the use of that underlying asset during the term of the contract, and (3) whether the Organization has the right to direct the use of the asset. The Organization also considers whether its service arrangements include the right to control the use of an asset.

The Organization recognizes most leases on its statements of financial position as a right-of-use (“ROU”) asset representing the right to use an underlying asset and lease liability representing the obligation to make lease payments over the lease term, measured on a discounted basis. Leases are classified as either finance leases or operating leases based on certain criteria. Classification of the lease affects the pattern of expense recognition in the statement of activities and changes in net assets. Lease expense for operating leases, consisting of lease payments, is recognized on a straight-line basis over the lease term and is included in expenses in the statements of activities and changes in net assets.

The Organization made an accounting policy election available under GAAP to not recognize ROU assets and lease liabilities for leases with a term of 12 months or less. For all other leases, ROU assets and lease liabilities are measured based on the present value of future lease payments over the lease term at the commencement date of the lease. The ROU assets also include any initial direct costs incurred and lease payments made on or before the commencement date and are reduced by any lease incentives. To determine the present value of lease payments, the Organization uses the rate implicit in the lease. For leases where the implicit rate is not readily determinable, the Organization made an accounting policy election available to non-public companies to utilize a risk-free borrowing rate, which is aligned with the lease term at the lease commencement date.

Some of the Organization’s leases include one or more options to renew, generally at the Organization’s sole discretion. In addition, certain leases contain termination options, where the rights to terminate are held by either the Organization, the lessor or both parties. These options to extend or terminate a lease are considered in determining lease term and future lease payments. If, at lease commencement, the Organization is reasonably certain to exercise the option, it is included in determination of lease term and future lease payments.

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

The inputs used for valuing the Organization’s assets and liabilities are summarized in the three broad levels listed below:

- Level 1 - quoted prices in active markets for identical assets
- Level 2 - other significant observable inputs either directly or indirectly (including quoted prices for similar securities, interest rates, yield curves, credit risk, etc.)
- Level 3 - significant unobservable inputs

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

The inputs or methodology used for valuing the Organization’s assets and liabilities are not necessarily an indication of the risk associated with those assets and liabilities.

The following is a description of the valuation methodologies and assumptions used for measuring the fair value of each significant class of investments. There have been no changes in the methodologies used as of December 31, 2024.

- Money market funds and other cash equivalents: Shares are valued at quoted market prices that represent the net asset value of shares held by the Organization at year-end.
- Equity securities: Valued at the closing price reported on the active market on which the individual securities are traded.
- Certificates of deposit: Valued using pricing models maximizing the use of observable inputs for similar securities, which includes basing value on yields currently available on comparable securities of issuers with similar credit ratings.

Revenue Recognition

Contribution Revenue

Contributions are recognized when cash, other financial assets, or an unconditional promise to give is received. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met. Contributions of assets other than cash are recorded at their estimated fair value.

Contribution revenue is reported as increases in net assets without donor restrictions unless the 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 on other assets or liabilities are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation or by law. When a donor restriction is satisfied, net assets with donor restrictions are reclassified to net assets without donor restrictions.

Grant Revenue

The Organization receives grants from the federal government and state and local governments. Per the terms of the grant agreements, the grantors will reimburse the Organization the total expenditures incurred upon submission of expenditures. Accordingly, grant revenue under these agreements is recognized as expenses are incurred and corresponding receivables are recorded until reimbursed by the grantors.

Donated Goods and Services

The Organization receives contributed goods in the ordinary course of business and are reflected as contributed nonfinancial assets within the statements of activities and changes in net assets. Contributed goods are valued and reported at the estimated fair market value at the date of receipt and are used in various program services and general and administrative matters. Unless otherwise noted, contributed nonfinancial assets did not have any donor-imposed restrictions.

Individuals, including members of the Board of Directors, volunteer their time and perform a variety of tasks that assist the Organization with program services, management and general, and fundraising efforts. The value of this contributed time does not meet the criteria for recognition of contributed services and, accordingly, is not reflected as support in the accompanying financial statements.

Event Sponsorship and Ticket Revenue

The Organization primarily generates revenue from customers through sponsorships and ticket sales for various events held by the Organization. The performance obligation under these contracts is considered to be the goods or services provided in the respective contract. The Organization satisfies its performance obligations over time as those services are performed and goods are delivered. Revenues are recorded when the ticketed event occurs or when sponsorship benefits are provided. Revenues are recognized at an amount that reflects the consideration the Organization expects to be entitled to in exchange for the goods and services provided. Payments are typically due upon purchase of the ticket or sponsorship.

Various economic factors affect the Organization's revenues and cash flows. The Organization's revenues from event sponsorships and tickets are labeled as such in the accompanying statements of activities and changes in net assets.

Income Taxes - The Organization is a tax-exempt Organization under Section 501(c)(3) of the Internal Revenue Code and, therefore, no provision for income taxes has been made in the accompanying financial statements.

The Organization records liabilities for income tax positions taken or expected to be taken when those positions are deemed uncertain to be upheld in an examination by taxing authorities. No liabilities for uncertain income tax positions were recorded as of December 31, 2024 and 2023.

Functional Expense Classification - The Organization's functional expense classification and allocation policy is based on a review of the current organizational structure, and the identification, reclassification and allocation of certain employee, facility, and departmental expenses, which serve multiple functional areas. These expenses are allocated based on multiple factors, including time spent by employees on program, management and general and fundraising activities and other direct and identifiable factors.

Advertising - The Organization's policy is to expense the cost of advertising as it is incurred and is included as advertising expense in the accompanying statements of functional expenses.

Reclassifications - Certain amounts in the 2023 financial statements have been reclassified to conform with 2024 presentation. Such reclassifications had no effect on the previously reported change in net assets.

Subsequent Events - In preparing its financial statements, the Organization has evaluated subsequent events through June 11, 2025, which is the date the financial statements were available to be issued.

2. LIQUIDITY AND AVAILABILITY

The table below represents financial assets available for general expenditures within one year as of December 31, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Financial assets at year-end:		
Cash and cash equivalents	\$ 616,474	\$ 1,108,810
Certificates of deposit	707,906	-
Investments	69,024	143,823
Grants and contributions receivables	<u>766,605</u>	<u>374,861</u>
Total financial assets	<u>2,160,009</u>	<u>1,627,494</u>
Financial assets available to meet general expenditures within one year	<u>\$ 2,160,009</u>	<u>\$ 1,627,494</u>

The Organization manages liquidity by monitoring cash balances on a daily, weekly and monthly basis in comparison to the ongoing expenses of the Organization. Cash in excess of daily requirements is invested in readily available financial instruments that are able to be drawn on for general expenditures.

3. PROPERTY AND EQUIPMENT

Property and equipment consisted of the following as of December 31, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Office equipment	\$ 37,625	\$ 37,904
Leasehold improvements	11,959	11,959
Furniture and fixtures	<u>231,185</u>	<u>231,185</u>
Subtotal	280,769	281,048
Less accumulated depreciation	<u>(220,725)</u>	<u>(180,341)</u>
Property and equipment, net	<u>\$ 60,044</u>	<u>\$ 100,707</u>

4. INVESTMENTS

Investments included the following as of December 31, 2024 and 2023:

	<u>2024</u>		Unrealized Gain
	<u>Fair Value</u>	<u>Cost</u>	
Equity securities	\$ 68,846	\$ 3,051	\$ 65,795
Money market funds and other cash equivalents	<u>178</u>	<u>178</u>	<u>-</u>
Total	<u>\$ 69,024</u>	<u>\$ 3,229</u>	<u>\$ 65,795</u>
	<u>2023</u>		
	<u>Fair Value</u>	<u>Cost</u>	Unrealized Gain
Equity securities	\$ 54,189	\$ 1,752	\$ 52,437
Money market funds and other cash equivalents	<u>89,634</u>	<u>89,634</u>	<u>-</u>
Total	<u>\$ 143,823</u>	<u>\$ 91,386</u>	<u>\$ 52,437</u>

All investments included above are classified as Level 1 investments based upon the fair value hierarchy, as defined in Note 1.

5. LEASES

The Organization leases certain equipment and building space from unrelated third parties under agreements classified as operating leases with various terms. The Organization's operating leases generally do not contain any material restrictive covenants or residual value guarantees.

Operating lease expense for the years ended December 31, 2024 and 2023 totaled \$226,198 and \$213,590, respectively.

Supplemental statement of financial position information related to leases as of December 31, 2024 and 2023 is as follows:

	<u>2024</u>	<u>2023</u>
Operating lease ROU asset, buildings	\$ 1,466,364	\$ 1,652,848
Operating lease ROU asset, equipment	<u>8,475</u>	<u>11,755</u>
Total operating lease ROU assets	<u>\$ 1,474,839</u>	<u>\$ 1,664,603</u>

Current operating lease liabilities, buildings	\$ 197,059	\$ 187,447
Current operating lease liabilities, equipment	<u>3,342</u>	<u>3,280</u>
Total current operating lease liabilities	<u>\$ 200,401</u>	<u>\$ 190,727</u>
Noncurrent operating lease liabilities, buildings	\$ 1,382,440	\$ 1,579,499
Noncurrent operating lease liabilities, equipment	<u>5,133</u>	<u>8,475</u>
Total noncurrent operating lease liabilities	<u>\$ 1,387,573</u>	<u>\$ 1,587,974</u>
Weighted-average remaining lease term:	6.98 years	7.80 years
Weighted-average discount rate:	1.63%	1.63%

Future undiscounted cash flows for each of the next five years and thereafter, and a reconciliation to the lease liabilities recognized on the statement of financial position as of December 31, 2024, are as follows:

Year ending December 31:		
2025		\$ 224,515
2026		231,189
2027		236,327
2028		241,663
2029		248,931
Thereafter		<u>498,290</u>
Total undiscounted cash flows		1,680,915
Less present value discount		<u>(92,941)</u>
Total lease liabilities		<u>\$ 1,587,974</u>

6. NET ASSETS WITH DONOR RESTRICTIONS

As of December 31, 2024 and 2023, all of the Organization's net assets with donor restrictions are considered to be restricted by donors with time restrictions. All net assets released from restrictions during the years ended December 31, 2024 and 2023 related to contributions with time restrictions that expired.

7. RETIREMENT PLAN

The Organization has a defined contribution plan for all eligible employees. Matching contributions are at the discretion of the Organization's Board of Directors. The Organization's contributions to the plan were approximately \$107,000 and \$136,000 for the years ended December 31, 2024 and 2023, respectively, and are included as salaries and related expenses in the accompanying statements of functional expenses.

8. RELATED PARTY TRANSACTIONS

The Organization received contributions from the Board of Directors and employees totaling approximately \$75,000 and \$67,000 during the years ended December 31, 2024 and 2023, respectively.

9. SUPPLEMENTAL CASH FLOW INFORMATION

Supplemental cash flow information for the years ended December 31, 2024 and 2023 was as follows:

	<u>2024</u>	<u>2023</u>
Cash payments for operating lease liabilities	\$ 218,038	\$ 197,673

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

To the Board of Directors of
Veterans Bridge Home, Inc.
Charlotte, North Carolina

We did not audit the financial statements of Veterans Bridge Home, Inc, which were audited by GreerWalker LLP. Those financial statements were 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. Those auditors issued an unmodified opinion thereon dated June 11, 2025. Those financial statements and the opinion are included in this report.

In planning and performing our audit of compliance with the types of compliance requirements described in the *Auditors' Report on Compliance for Each Major Federal Program and Report on Internal Control over Compliance Required by the Uniform Guidance*, we considered the Organization's internal control over compliance with the types of requirements that could have a direct and material effect on the Organization's major federal programs to determine the nature, timing, and extent of our audit procedures that are designed and performed to test the Organization's compliance with the types of compliance requirements for each major federal program. Our consideration of internal control over compliance was for the limited purpose described in the preceding sentence and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies.

Report on Internal Control Over Compliance

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 GreerWalker's audit they identified a deficiency in internal control that they consider to be a material weakness, which is identified as Finding 2024-001 and described in the accompanying Schedule of Findings and Questioned Costs. Other material weaknesses may also exist that have not been identified.

To the Board of Directors of
Veterans Bridge Home, Inc.
Charlotte, North Carolina

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*.

Veterans Bridge Home, Inc. Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Organization’s response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The Organization’s response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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.

Foard & Company, P.A.

October 28, 2025

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

To the Board of Directors of
Veterans Bridge Home, Inc.
Charlotte, North Carolina

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Veterans Bridge Home, Inc.'s (the "Organization" - a nonprofit organization) compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Compliance Supplement* that could have a direct and material effect on the Organization's major federal program for the year ended December 31, 2024. The Organization's major federal program is 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 its major federal program for the year ended December 31, 2024.

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; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Organization and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Organization's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the Organization's federal programs.

To the Board of Directors of
Veterans Bridge Home, Inc.
Charlotte, North Carolina

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Organization's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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 federal 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.

Other Matters

The results of our auditing procedures disclosed two instances of noncompliance which is required to be reported in accordance with the Uniform Guidance and which is described in the accompanying schedule of findings and questioned costs as Findings 2024-003 and 2024-004. Our opinion on the major federal program is not modified with respect to this matter.

Government Auditing Standards requires the auditor to perform limited procedures on the Organization's response to the noncompliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. The Organization's response was not subjected to the other auditing procedures applied in the audit of compliance and accordingly we express no opinion on the response.

To the Board of Directors of
Veterans Bridge Home, Inc.
Charlotte, North Carolina

Report on Internal Control Over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we did identify a certain deficiency in internal control over compliance that we consider to be a significant deficiency.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as Finding 2023-002 to be a significant deficiency.

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.

Government Auditing Standards requires the auditor to perform limited procedures on the Organization's response to the noncompliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. The Organization's response was not subjected to the other auditing procedures applied in the audit of compliance and accordingly we express no opinion on the response.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We did not audit the basic financial statements of Veterans Bridge Home, Inc., which were audited by GreerWalker, LLP. Those financial statements were audited 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. Those auditors issued an unmodified opinion thereon dated June 11, 2025. The basic financial statements and the opinion thereon are included in the accompanying reporting package.

To the Board of Directors of
Veterans Bridge Home, Inc.
Charlotte, North Carolina

The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic 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 basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. These auditing procedures were applied to the basic financial statements of the entity by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for those statements, is based solely on the report of the other auditors.

In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Purpose of this Report

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.

Foard & Company, P.A.

October 28, 2025

VETERANS BRIDGE HOME, INC.

Schedule of Findings and Questioned Costs

Year Ended December 31, 2024

I. SUMMARY OF AUDITORS' RESULTS

1. An unmodified opinion was issued on the financial statements of Veterans Bridge Home, Inc. (the "Organization").
2. A material weakness relating to the audit of the financial statements is reported in the "Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements In Accordance with *Government Auditing Standards*."
3. No instances of noncompliance material to the financial statements of the Organization were disclosed during the audit.
4. A significant deficiency relating to the audit of the major federal program is reported in the "Independent Auditors' Report on Compliance For Each Major Program And On Internal Control Over Compliance Required By The Uniform Guidance."
5. An unmodified opinion was issued on the Organization's compliance with the types of compliance requirements applicable to its major federal program.
6. Our audit disclosed two audit findings related to the major federal program for the Organization.
7. The program tested as a major program for the year ended December 31, 2024, was Assistance Listing #64.055 Staff Sergeant Parker Gordon Fox Suicide Prevention Program.
8. The threshold used for distinguishing between Type A and B programs was \$750,000.
9. The Organization did not qualify as a low-risk auditee under Section 200 of the Uniform Guidance.

II. FINDINGS RELATED TO THE AUDIT OF THE FINANCIAL STATEMENTS

Material Weakness

Finding 2024-001

Criteria: An organization's financial statements should be fairly stated in all material respects.

Condition: The Organization's initial financial statements had a corrected material misstatement related to grant revenue.

Cause: Current processes do not include a consistent method of ensuring grant expenditures and grant agreements are being tracked to ensure proper reporting of revenue in the correct period.

Effect: By not having the correct process to ensure grant expenditures and grant agreements are recorded in the correct accounting period, the Organization had a corrected material misstatement.

VETERANS BRIDGE HOME, INC.

Schedule of Findings and Questioned Costs

Year Ended December 31, 2024

Recommendation: Additional resources should be allocated to accounting so that financial statements are materially correct.

Management Response: Management agrees with this finding.

III. FINDINGS RELATED TO THE AUDIT OF FEDERAL AWARDS

U.S. Department of Veterans Affairs
Staff Sergeant Parker Gordon Fox Suicide Prevention Grant Program
Assistance Listing #64.055

Finding 2024-002

Significant Deficiency – Allowable Costs/Activities and Cash Management

Criteria: The A-102 Common Rule requires that non-Federal entities receiving federal awards establish and maintain internal control designed to reasonably ensure compliance with federal laws, regulations, and program compliance requirements. Adequate segregation of duties provided between performance, review, and recordkeeping of a task is a control activity which will reasonably ensure compliance with federal laws, regulations, and program requirements.

Condition: Documentation of preparer and reviewer could not be readily substantiated for two reimbursement requests selected for testing which is part of the Organization's controls over allowable costs/activities and cash management.

Questioned Costs – None.

Context: Review of reimbursement requests are not performed in a consistent manner or consistently documented. Various methods, including emails, Teams chats, and informal verbal communications, are used by the Organization. Evidence was provided for other reimbursement requests being reviewed and approved through various methods. However, for the reimbursement requests selected for testing, documentation of review and approval could not be readily substantiated.

Effect: By not maintaining adequate and consistent documentation of review, the Organization may not be able to readily prevent, detect, and correct potential errors in allowable costs/activities and cash management requirements. Therefore, the Organization may be incorrectly reimbursed for expenditures under the program requirements.

Cause: Current processes do not include a consistent method of performing, documenting, and maintaining adequate documentation of the review of reimbursement requests.

Recommendation: No recommendation is necessary; the Organization implemented proper procedures as of December 31, 2024, to ensure this requirement has been met going forward.

VETERANS BRIDGE HOME, INC.

Schedule of Findings and Questioned Costs

Year Ended December 31, 2024

Management's Response: Management agrees with the finding.

U.S. Department of Veterans Affairs
Staff Sergeant Parker Gordon Fox Suicide Prevention Grant Program
Assistance Listing #64.055

Finding 2024-003

Nonmaterial Noncompliance – Special Tests

Criteria: The Staff Sergeant Parker Gordon Fox Suicide Prevention Grant Program, Program Guide Version 2, requires grantees to maintain certain information in each participant case file. Included in the requirements is an exit checklist to ensure appropriate exit steps have been carried out once it is determined that a participant is going to be exiting the program.

Condition: Exit checklists were not completed nor filed in each participant case file.

Questioned Costs: None.

Context: The Organization has an informal checklist that is used when participant's are exiting. This checklist is not completed and maintained in each participant's case file.

Effect: By not completing and filing an exit checklist for each participant that is exiting, the Organization may not have completed all appropriate exit steps. Additionally, participant case files do not contain the documentation required by the program.

Cause: Current processes do not include completing and filing in the participant's case file a checklist for each participant exiting the program.

Recommendation: No recommendation is necessary, the Organization implemented proper procedures as of December 31, 2024, to ensure this requirement has been met going forward.

Management's Response: Management agrees with the finding.

U.S. Department of Veterans Affairs
Staff Sergeant Parker Gordon Fox Suicide Prevention Grant Program
Assistance Listing # 64.055

Finding 2024-004

Nonmaterial Noncompliance – Late Data Collection Form Submission

Criteria: The Organization's Data Collection Form is to be submitted nine months from the fiscal year end date.

VETERANS BRIDGE HOME, INC.

Schedule of Findings and Questioned Costs

Year Ended December 31, 2024

Condition: The Data Collection Form will be submitted more than nine months from the fiscal year end date for the December 31, 2024, audit.

Effect: The Organization will not qualify as a low-risk auditee.

Cause: The Single Audit was completed after the required due date.

Recommendation: Future audits will be scheduled months in advance of the due date and a Schedule of Federal Awards (“SEFA”) be prepared timely.

Management’s Response: Management agrees with the finding.

IV. SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS

Finding 2023-001

Condition: There was one adjustment related to the recording of leases in accordance with Accounting Standards Codification 842 that was not completed as part of the year-end closing process, and two other adjustments related to grants receivable and revenue.

Recommendation: The Organization should add to their current year-end checklist a process to review that leases are being properly recorded into the trial balance timely, and grant revenue be reported as qualifying expenditures as they are incurred.

Current Status: The finding remains applicable for the current year related to grant revenue and is reported as Finding 2024-001.

Finding 2023-002

Condition: Documentation of preparer and reviewer could not be readily substantiated for two reimbursement requests selected for testing which is part of the Organization’s controls over allowable costs/activities and cash management.

Recommendation: The Organization should improve procedures to consistently perform and document review of reimbursement requests, including maintaining adequate documentation of its occurrence.

Current Status: The Organization corrected the issue after the prior year audit dated July 30, 2024; however, the issue did remain from January – July 2024 and is reported as Finding 2024-002. This is not expected to be a finding for 2025.

Finding 2023-003

Condition: Exit checklists were not completed nor filed in each participant case file.

VETERANS BRIDGE HOME, INC.

Schedule of Findings and Questioned Costs

Year Ended December 31, 2024

Recommendation: The Organization should improve procedures to formally complete and include in participant case files a checklist for each participant who is exiting the program.

Current Status: The Organization corrected the issue after the prior year audit dated July 30, 2024; however, the issue did remain from January – July 2024 and is reported as Finding 2024-002. This is not expected to be a finding for 2025.

VETERANS BRIDGE HOME, INC.
Schedule of Expenditures of Federal Awards
Year Ended December 31, 2024

Federal Grantor/ Pass-Through Grantor/ Program Title	Assistance Listing Number	Federal Expenditures
U.S. Department of Treasury: Passed through Mecklenburg County, North Carolina COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	\$ 635,503
Total U.S. Department of Treasury		<u>635,503</u>
U.S. Department of Veterans Affairs: Sergeant Parker Gordon Fox Suicide Prevention Program	64.055	676,820
Total U.S. Department of Veterans Affairs		<u>676,820</u>
U.S. Department of Health and Human Services: Passed through <i>Veterans Service of the Carolinas</i> Block Grants for Community Mental Health Services	93.958	248,417
Total U.S. Department of Health and Human Services		<u>248,417</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS		<u><u>\$ 1,560,740</u></u>

VETERANS BRIDGE HOME, INC.**Notes to the Schedule of Expenditures of Federal Awards
Year Ended December 31, 2024**

Note 1 – Basis of Presentation and Summary of Significant Accounting Policies

The accompanying Schedule of Expenditures of Federal Awards (Schedule) includes the federal grant activity of Veterans Bridge Home, Inc. (the “Organization”) for the year ended December 31, 2024. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Organization, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Organization.

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. No amounts were passed through to subrecipients.

Note 2 – Indirect Costs

The Organization has elected not to use the ten-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

Note 3 – Pass Through Funding

The Organization did not pass through any funding to a subrecipient in the year ended December 31, 2024.



Corrective Action Plan

Material Weakness: Inconsistent processes for tracking grant expenditures and grant agreements, resulting in risk of improper revenue recognition and reporting in the incorrect period.

Root Cause

Veterans Bridge Home’s (VBH) current grant management and accounting procedures do not include a standardized or automated method for linking grant agreements, budgets, and expenditures. Tracking of allowable costs, reporting periods, and revenue recognition relies heavily on manual coordination between program staff and the finance team. This creates potential timing differences in recognizing grant revenue in the correct fiscal period.

Corrective Action Steps

Action Item	Responsible Party	Timeline
<p>1. Establish Centralized Grant Tracking System: Implement standardized grant tracking within Sage Intacct to document all active grants, including award dates, total funding, reporting periods, invoicing schedules, and revenue recognition milestones.</p>	CAO/Accounting Manager	August 2025
<p>2. Develop Standard Operating Procedure (SOP): Draft and adopt a formal SOP outlining the grant lifecycle—from award acceptance to closeout—including responsibilities for Finance and Program staff, timing of expense review, and month-end revenue recognition.</p>	CAO/Finance & Compliance Team	October 2025
<p>3. Conduct Monthly Grant Reconciliation: Perform monthly reconciliations between program expenditure reports and the general ledger to confirm revenue recognition aligns with the grant’s reporting period and allowable cost guidelines.</p>	Accounting Manager	Ongoing, beginning October 2025
<p>4. Implement Pre-Close Grant Review Checklist: Integrate a pre-close review process to ensure all grant expenditures and related revenue are properly recorded before monthly financial close.</p>	CAO/Accounting Manager	October 2025
<p>5. Training for Program and Finance Staff: Provide quarterly training sessions to ensure consistent understanding of grant compliance requirements, reporting deadlines, and proper documentation for revenue recognition.</p>	CAO/Program Leads	November 2025 and ongoing

Action Item	Responsible Party	Timeline
<p>6. Quarterly Internal Review: Finance will conduct quarterly internal audits of grant activity to verify adherence to the SOP and accuracy of grant-related journal entries. Findings will be reported to the Internal Affairs Committee.</p>	CAO	Ongoing, beginning Q4 2025

Expected Outcome

- Consistent and documented process for grant tracking and revenue recognition.
- Reduced risk of material misstatement in financial reporting.
- Improved audit readiness through enhanced internal controls and documentation.
- Strengthened collaboration between Finance and Program departments to ensure compliance with Uniform Guidance and donor requirements.

Monitoring

Progress will be monitored monthly by the CFO and Accounting Manager, with quarterly updates provided to the Internal Affairs Committee until the weakness is fully remediated and validated by external auditors.