

# Bridging Freedom, Inc.

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## Independent Auditors' Report

To the Board of Directors  
Bridging Freedom, Inc.

### Opinion

We have audited the accompanying financial statements of Bridging Freedom, Inc. (a nonprofit organization) (the "Organization"), which comprise the statement of financial position as of December 31, 2022, and the related statements of activities and changes in net assets, cash flows, and functional expenses for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Bridging Freedom, Inc. as of December 31, 2022, 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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Bridging Freedom, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Bridging Freedom, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted 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, 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 Bridging Freedom, Inc.'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 Bridging Freedom, Inc.'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.

## **Other Matters**

### **Supplementary Information**

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying Schedule of Expenditures of State Financial Assistance, as required by the Florida Audit General Rule 10.656(3)(d)2 is presented for the 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 information is fairly stated in all material respects in relation to the financial statements taken as a whole.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated October 4, 2024 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 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 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.

FRSCPA, PLLC

St. Petersburg, Florida  
October 4, 2024

**Bridging Freedom, Inc.**  
**Statement of Financial Position**  
**December 31, 2022**

<i>December 31,</i>	<b>2022</b>
<b>Assets</b>	
Current assets:	
Cash and cash equivalents	\$ 97,383
Grants receivable	296,406
Total current assets	393,789
Other assets	
Property and equipment, net	2,695,733
Other assets	2,693
Right of use asset	77,303
Total other assets	2,775,729
<b>Total assets</b>	<b>\$ 3,169,518</b>
<b>Liabilities and net assets</b>	
Current liabilities:	
Current maturities of long-term debt	\$ 16,493
Accounts payable	48,271
Accrued expenses	82,225
Total current liabilities	146,989
Long-term liabilities	
Lease liability	77,604
Long-term debt	42,006
<b>Total liabilities</b>	<b>266,599</b>
<b>Net assets:</b>	
Without donor restrictions:	
Undesignated	2,857,191
Board designated	25,000
Total without donor restrictions	2,882,191
With donor restrictions	20,728
<b>Total net assets</b>	<b>2,902,919</b>
<b>Total liabilities and net assets</b>	<b>\$ 3,169,518</b>

*See accompanying notes to financial statements.*

**Bridging Freedom, Inc.**  
**Statement of Activities**  
**December 31, 2022**

	Without donor restrictions	With donor restrictions	2022
Operating support and revenues:			
Public support:			
Contributions	\$ 219,347	\$ 4,728	\$ 224,075
Grants from governmental agencies	2,689,558	-	2,689,558
Other income	5,330	-	5,330
Special events, net of direct expenses of \$5,202	(1,676)	-	(1,676)
Total public support and revenue	2,912,559	4,728	2,917,287
Net assets released from restrictions	-	-	-
Total support and revenue	2,912,559	4,728	2,917,287
Operating expenses:			
Program services			
Safe House Services	2,518,015	-	2,518,015
Prevention, Awareness and Education	12,362	-	12,362
Total program services	2,530,377	-	2,530,377
Supporting services:			
Program Development and Administration	462,729	-	462,729
Fundraising	2,260	-	2,260
Total supporting services	464,989	-	464,989
Total expenses	2,995,366	-	2,995,366
Change in net assets	(82,807)	4,728	(78,079)
Net assets, beginning of year	2,964,998	16,000	2,980,998
Net assets, end of year	\$ 2,882,191	\$ 20,728	\$ 2,902,919

See accompanying notes to financial statements.

**Bridging Freedom, Inc.**  
**Statement of Cash Flows**  
**December 31, 2022**

<i>Year ended December 31,</i>	<b>2022</b>
<b>Cash flows from operating activities:</b>	
Change in net assets	\$ (78,079)
Adjustments to reconcile change in net assets to net cash (used) by operating activities:	
Depreciation and amortization	112,468
Amortization – right of use asset	14,394
(Increase) decrease in operating assets:	
Pledges receivable	69,739
Grants receivable	(27,700)
Increase (decrease) in operating liabilities:	
Accounts payable	35,170
Accrued expenses	13,933
Lease liability	(14,093)
<b>Net cash provided by operating activities</b>	<b>125,832</b>
<b>Cash flows from investing activities:</b>	
Purchase of property and equipment	(37,787)
Other assets	(2,693)
<b>Net cash used by investing activities</b>	<b>(40,480)</b>
<b>Cash flows from financing activities:</b>	
Proceeds from long-term debt	26,180
Payments on long-term debt	(101,033)
<b>Net cash used by financing activities</b>	<b>(74,853)</b>
<b>Net change in cash and equivalents</b>	<b>10,499</b>
<b>Cash and equivalents, beginning of the year</b>	<b>86,884</b>
<b>Cash and equivalents, end of the year</b>	<b>\$ 97,383</b>
<b>Supplemental Disclosure of Cash Flow Information:</b>	
Cash paid during the year for interest	\$ 707

See accompanying notes to financial statements.

**Bridging Freedom, Inc.**  
**Statement of Functional Expenses**  
**December 31, 2022**

	Program Services	Supporting services		2022
		Program Development and Administration	Fundraising	
Salaries	\$ 1,732,950	\$ 225,629	\$ –	\$ 1,958,579
Payroll taxes and other costs	208,698	37,490	–	246,188
Total salaries and related expenses	1,941,648	263,119	–	2,204,767
Other expenses				
Business registration fees	–	592	–	592
Contract services	30,178	103,958	2,260	136,396
Campus residence expenses	183,008	–	–	183,008
Insurance	95,778	–	–	95,778
Equipment rental and maintenance	2,692	3,218	–	5,910
Interest expense	1,494	4,172	–	5,666
Occupancy costs	14,408	–	–	14,408
Rent expense	–	26,628	–	26,628
Repairs & Maintenance	107,066	–	–	107,066
Supplies	2,910	–	–	2,910
Bank fees	–	4,429	–	4,429
Information technology/Internet service	4,780	22,621	–	27,401
Advertising and promotion	9,703	–	–	9,703
Office expenses	10,309	18,787	–	29,096
Staff development	11,732	3,628	–	15,360
Travel and meetings	13,780	–	–	13,780
Total expenses before depreciation and amortization	2,429,486	451,152	2,260	2,882,898
Depreciation and amortization	100,891	11,577	–	112,468
<b>Total expenses</b>	<b>\$ 2,530,377</b>	<b>\$ 462,729</b>	<b>\$ 2,260</b>	<b>\$ 2,995,366</b>

See accompanying notes to financial statements.

**Bridging Freedom Inc.**  
**Notes to Financial Statements**  
**December 31, 2022**

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**1. Description of the Organization**

Bridging Freedom, Inc. (the "Organization") is a not-for-profit Florida corporation founded in 2011, whose mission is to combat domestic minor sex-trafficking by bringing restoration to those rescued and preventing further victims of these crimes through the Organization's educational and outreach programs. The programs of the Organization include on-campus therapeutic modalities of mental health, health management, education, life skills, therapeutic activities, as well as safety and transitional services. The Organization collaborates with law enforcement, service providers, and universities to enable a collective impact of community involvement with the issue of human trafficking. In addition, the Organization provides educational awareness presentations with churches, community events, schools, and agency leaders in order to help prevent these crimes in the future.

**2. Significant Accounting Policies**

**Basis of Accounting**

The Organization follows the provisions of FASB Accounting Standards Codification Topic 958 "Not-for-Profit Entities" ("ASC 958"). Under this topic, the Organization is required to report information regarding its financial position and activities according to two classes of net assets: Net Assets with Donor Restrictions and Net Assets Without Donor Restrictions.

The Organization utilizes restricted and unrestricted groupings to account for its resources. Contributions and grants receivable are presented in these groupings as applicable, in the accompanying financial statements. ASC 958 requires a statement of financial position, a statement of activities and a statement of cash flows for not-for-profit organizations. Accordingly, the financial statements are prepared on an accrual basis of accounting.

ASC 958 requires the Organization to distinguish between contributions that increase net assets with restrictions and net assets without restrictions. It also requires recognition of contributed services meeting certain criteria at fair values.

**Income Tax Exemption**

The Organization is exempt from federal income taxes under Section 501(c) (3) of the Internal Revenue Code and is considered an organization that is not a private foundation.

**Bridging Freedom Inc.**  
**Notes to Financial Statements**  
**December 31, 2022**

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**Cash and Cash Equivalents**

For purposes of the statement of cash flows, the Organization considers all highly liquid investments, with original maturities of three months or less to be cash equivalents.

**Grants Receivable**

The Organization receives support from various State and Federal grants. The grants receivable results from services which have been provided or incurred pursuant to various State and Federal grants and contracts, but for which reimbursement has not yet been received as of December 31, 2022. None of the amounts receivable at December 31, 2022 are deemed to be uncollectible. Therefore, no provision for uncollectible accounts has been made in the accompanying financial statements.

**Property and Equipment**

Property and equipment are stated at cost or at estimated fair value at date of gift, if donated. Replacements, maintenance and repairs that do not improve or extend the lives of related assets are expensed currently. Property and equipment additions in excess of \$2,500 are generally capitalized. Depreciation is computed on a straight-line basis over the estimated useful lives of the assets, ranging between five and forty years. Maintenance and repairs are expensed in the year in which the expense is incurred.

**Financial Accounting Standards**

The Organization follows the provisions of the Financial Accounting Standards Board Accounting Standards Codification ("FASB ASC").

FASB ASC 958-605 requires the Organization to distinguish between contributions that are without donor restrictions and those with donor restrictions. It also requires recognition of contributed services meeting certain criteria at fair values.

FASB ASC 958-205 established the standards for external financial reporting for not-for-profit organizations, which includes a statement of financial position, a statement of activities, and a statement of cash flows. It requires the classification of resources into two classes of net assets based on the absence or existence of donor-imposed restrictions. These two classifications of net assets are those without donor restrictions and those with donor restrictions.

**Bridging Freedom Inc.**  
**Notes to Financial Statements**  
**December 31, 2022**

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Revenues are reported as increases in unrestricted net assets unless use of the related asset is limited by donor-imposed restrictions.

Expenses are reported as decreases in unrestricted net assets. Expirations of contributions with donor restrictions on net assets (i.e. donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as reclassifications between the applicable classes of net assets. Contributions whose restrictions are met in the same reporting period are treated as without restrictions.

**Contributions and Revenue Recognition**

The Organization reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when the purpose for which the gift was received has been accomplished, or time restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. Contributions whose restrictions are met in the same accounting period during which the contribution is received are recorded as support without restrictions in the period received. State and local government and other grants are recognized as support when performance occurs pursuant to the contract agreement.

Certain grants received by the Organization are considered conditional contributions since the grant agreements require the Organization to perform services, incur expenses, or meet contract objectives in order to earn the grant funding. Payments received under these grants are deferred until earned. Revenue is recognized in the financial statements when eligible expenses are incurred, services are performed, or grant objectives are met.

Contract services revenues are derived from various fee-for-service vendor rate agreements, fixed price unit contracts, and performance/cost reimbursement contracts. Units of service are billed, and recognized as revenue, after the service is performed. Revenues from performance and cost-reimbursement contracts are recorded based upon terms of the grantor allotment, which may be conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when the Organization has completed performance requirements and/or incurring qualifying expenditures.

**Bridging Freedom Inc.**  
**Notes to Financial Statements**  
**December 31, 2022**

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The Organization reports gifts of land, buildings and equipment as support without restrictions unless explicit donor stipulations specify how the donated assets must be used. Gifts of cash or other assets that must be used to acquire long-lived assets are reported as support with restrictions. The Organization reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

**Contributed Nonfinancial Assets**

The Organization records the value of donated supplies and services when there is an objective basis available to measure their value. Donated supplies and services are reflected as contributed nonfinancial assets in the accompanying financial statements at their estimated values at the date of receipt.

Contribution of services are recognized if the services received (a) create or enhance capital assets, or (b) are provided by entities that normally provide those services for compensation and are substantially the same services normally purchased by the Organization. A substantial number of unpaid volunteers have made significant contributions of their time to develop and maintain the Organization's programs and fundraising campaigns, however, the financial statements do not reflect the value of the contributed services because they do not meet the recognition criteria prescribed by general accepted accounting principles.

**Functional Allocation of Expenses**

The costs of providing various programs and supporting services have been summarized on a functional basis in the Statement of Functional Expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

**Management Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and disclosures in the accompanying notes thereto. Actual results could differ from those estimates.

**Income Taxes**

The Organization follows FASB ASC 740-10, Accounting for Uncertainty in Income Taxes, which provides guidance on accounting for uncertainty in income taxes recognized in the Organization's financial statements. The guidance prescribes a recognition threshold and measurement attribute for financial statement recognition

**Bridging Freedom Inc.**  
**Notes to Financial Statements**  
**December 31, 2022**

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and measurement of a tax position taken, or expected to be taken in a tax return, and provides guidance on de-recognition, classification, interest and penalties, accounting in interim periods, disclosure and transition. In addition, the standard includes the position that the Organization continues to qualify to be treated as a 501(c) (3) Organization for federal income tax purposes. As of December 31, 2022, the Organization had no uncertain tax positions that require either recognition or disclosure in the Organization's financial statements.

The Organization's informational returns are subject to examination by taxing authorities for a period of three years from the date they are filed.

**Concentrations of Credit Risk**

Financial instruments that potentially subject the Organization to concentrations of credit risk consist of cash and cash equivalents. The Organization manages this risk using high credit worthy financial institutions. Interest bearing and non-interest-bearing accounts are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 per depositor at each financial institution. At December 31, 2022, the Organization had no cash balances in excess of Federal Deposit Insurance Corporation (FDIC) insured limits.

**Accounting Pronouncements Adopted**

In February 2016, the FASB issued Accounting Standards Update (ASU) 2016-02, *Leases (Topic 842)*. The guidance in this ASU supersedes the leasing guidance in *Topic 840, Leases*. Under the new guidance, lessees are required to recognize lease assets and lease liabilities on the statement of financial position for all leases with terms longer than 12 months. Leases will be classified as either finance or operating, with classification affecting the pattern of expense recognition in the Statement of Activities. In June 2020, the FASB issued ASU No. 2020-05, which deferred the effective date for all entities that had not yet adopted Topic 842 to annual reporting periods beginning after December 15, 2021. A modified retrospective transition approach is required, applying the new standard to all leases existing at the date of initial application. The Organization adopted the new standard on January 1, 2022 and used the effective date as the date of initial application.

The new standard provides a number of optional practical expedients in transition. The Organization elected the "package of practical expedients" which permitted the Organization not to reassess under the new standard its prior conclusions about

**Bridging Freedom Inc.**  
**Notes to Financial Statements**  
**December 31, 2022**

lease identification, lease classification, and initial direct costs. The new standard also provided practical expedients for ongoing accounting. The Organization also elected the short-term lease recognition exemption for all leases that qualified. For those leases that qualified, existing short-term leases at the transition date, the Organization did not recognize ROU assets or lease liabilities. As a result of the adoption of this standard, the Organization recognized an operating lease ROU asset of \$91,697 as of July 1, 2022. Corresponding to the above recognition of assets, the Organization recognized an operating lease liability of \$91,697 as of July 1, 2022 which were based on the present value of the remaining minimum rental payments under current leasing standards for existing leases.

**3. Property and Equipment**

Property and equipment consisted of the following at December 31, 2022:

	2022
Land	\$ 480,000
Building	882,657
Land improvements	1,512,938
Equipment	109,409
Furniture and fixtures	65,179
	3,050,183
Less: accumulated depreciation	(354,450)
Property and equipment, net	\$ 2,695,733

**4. Concentration of Risk**

The Organization receives a substantial amount of support from grantor agencies for its programs. Approximately 92% of public support revenue came from two providers, consisting of approximately \$719,000 from the Department of Legal Affairs, and approximately \$1,971,000 from Community Based Care providers. If this support were to be reduced or eliminated, it could affect the operation of the supported programs. In addition, the Organization is subject to audit examination by grantor agencies. In the event that reimbursed expenditures were disallowed, repayments would be required.

**Bridging Freedom Inc.**  
**Notes to Financial Statements**  
**December 31, 2022**

**5. Net Assets with Donor Restrictions and Board Designated Funds**

Net assets with donor restrictions contain donor-imposed restrictions that expire upon the passage of time or once specific actions are undertaken by the Organization. The net assets are then released and reclassified to support without donor restrictions when these restrictions are satisfied. As of December 31, 2022, the Organization had purpose restricted net assets of approximately \$21,000, which is related to Rotary House #3.

The Organization was the beneficiary of a professional sports team foundation in the amount of \$25,000. The board has designated the funds for a campus bridge to be constructed in the future, as additional funds will be needed to begin the project.

**6. Line of Credit**

The Organization has a \$100,000 line of credit with a bank, with interest payable at prime (8.0% as of December 31, 2022). The line has no maturity date, is unsecured and had no balance at December 31, 2022.

**7. Long-Term Debt**

Long-term debt consisted of the following at December 31, 2022:

	2022
Installment note payable to bank, monthly payments of \$608, including interest at 5.5%, secured by equipment, due September 2024	\$ 12,147
Installment note payable to bank, monthly payments of \$427, including interest at 5.5%, secured by equipment, due September 2027	21,352
Installment note payable to bank, monthly payments of \$599, including interest at 7.0%, secured by equipment, due December 2026	25,000
Total	58,499
Less current maturities	(16,493)
Long-term debt	\$ 42,006

**Bridging Freedom Inc.**  
**Notes to Financial Statements**  
**December 31, 2022**

Principal maturities on long-term debt are as follows:

Year ending December 31,	Amount
2023	\$ 16,493
2024	15,657
2025	10,991
2026	11,652
2027	3,706
Total	\$ 58,499

**8. Liquidity and Availability of Financial Assets**

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

Financial assets at year-end	\$ 393,789
Less those unavailable for general expenditures within one year	—
Financial assets available to meet cash needs for general expenditures within one year	\$ 393,789

**9. Lease Commitments**

The Organization adopted Topic 842 on January 1, 2022 applying the standards to leases that had not expired as of January 1, 2022.

Right of Use (ROU) asset represents the right to use an underlying asset for the lease term and lease liability represents the obligation to make lease payments arising from the lease. This asset and liability is recognized at the commencement date of the lease based on their present value. The Organization uses its incremental borrowing rate based on the information available at commencement date in determining present value. This weighted average discount rate is 4.8%. The ROU assets obtained in exchange for lease liabilities amounted to \$91,697.

The Company leases office space under operating leases through June 2025. Under the terms of this lease, the tenant is generally responsible for repairs and maintenance costs. Lease expense under the operating lease for the year ended December 31, 2022

**Bridging Freedom Inc.**  
**Notes to Financial Statements**  
**December 31, 2022**

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was \$26,628. Future minimum lease payments required as of December 31, 2022 are as follows: 2023 - \$32,306, 2024 - \$33,210 and 2025 - \$17,057.

**10. Subsequent Events**

Management has evaluated subsequent events through October 4, 2024, the date which the financial statements were available to be issued.

**INTERNAL CONTROL AND  
COMPLIANCE REPORTS**

**Bridging Freedom, Inc.**  
**Schedule of Expenditures of State Financial Assistance**  
**December 31, 2022**

State Grantor / Program Title	CSFA Number	Contract Number	State Expenditures
<b>Department of Legal Affairs and Attorney General</b>			
2021 - 2022	41.023	K05172	\$ 365,509
2022 - 2023	41.023	K05340	353,523
			<u>719,032</u>
<b>Passed through Florida Department of Children and Families</b>			
ChildNet	60.074	IJ706 / JJ217	125,965
Children's Network of Hillsborough	60.074	QJ015	26,132
Children's Network of Southwest Florida	60.074	QJ016	1,968
Citrus Family Care Network	60.074	KJ138	21,600
Community Partnership for Children	60.074	NJ210	10,350
Family Support Services of North Florida	60.074	DJ038	34,333
Families Support Services of Pasco/Pinellas	60.074	QJ014	57,345
Family Support Services of Suncoast	60.074	QJ014	42,594
Northwest Florida Health Network	60.074	AJ500	140,895
			<u>461,182</u>
Brevard Family Partnership	60.138	GJ401	7,054
ChildNet	60.138	IJ706 / JJ217	136,840
Children's Network of Hillsborough	60.138	QJ015	28,142
Children's Network of Southwest Florida	60.138	QJ016	99,732
Families First Network of Lakeview (Tallahassee)	60.138	AJ495	32,372
Family Support Services of North Florida	60.138	DJ038	120,008
Families First Network of Lakeview (Pensacola)	60.138	AJ495	31,289
Heartland for Children	60.138	TJ501	246,288
Kids Central, Inc.	60.138	PJ503	187,726
			<u>889,451</u>
Subtotal - Florida Department of Children and Families			<u>1,350,633</u>
<b>Total expenditures of state financial assistance</b>			<b>\$ 2,069,665</b>

**Bridging Freedom, Inc.**  
**Notes to Schedule of Expenditures of State Financial Assistance**  
**December 31, 2022**

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**1. Basis of Presentation**

The accompanying Schedule of Expenditures of State Financial Assistance includes the State grant activity of the Organization and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Chapter 10.650, *Rules of Auditor General*, State of Florida. Therefore, some amounts presented in this schedule may differ from amounts presented or used in the preparation of the basic financial statements.

**2. Contingencies**

These State projects are subject to financial and compliance audits by grantor agencies, which, if instances of material noncompliance are found, may result in disallowed expenditures, and affect the Organization's continued participation in specific projects. The amount, if any, of expenditures that may be disallowed by the grantor agencies cannot be determined at this time, although the Organization expects such amounts, if any, to be immaterial.



**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 Directors  
Bridging Freedom, 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 Bridging Freedom, Inc. (a nonprofit organization) (the "Organization") which comprise the statement of financial position as of December 31, 2022, and the related statements of activities, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated October 4, 2024.

**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) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or 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 the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in

internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

**Report on Compliance and Other Matters**

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

**Purpose of this Report**

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

FRSCPA, PLLC

St. Petersburg, Florida  
October 4, 2024



**Independent Auditors' Report on Compliance for each Major State  
Project and on Internal Control Over Compliance required by  
Chapter 10.650, Rules of the Auditor General**

To the State of Florida  
and Bridging Freedom, Inc. ("Organization")

**Report on Compliance for Each Major State Project**

***Opinion on Each Major Federal Program***

We have audited the Organization's compliance with the types of compliance requirements identified in the requirements described in the Department of Financial Services' State Projects Compliance Supplement that could have a direct and material effect on each of the Organization's major State projects for the year ended December 31, 2022. The Organization's major State projects are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Bridging Freedom, 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 projects for the year ended December 31, 2022.

***Basis for Opinion on Each Major State Project***

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 Chapter 10.650, Rules of the Auditor General, State of Florida. 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 Bridging Freedom, Inc. 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 project. Our audit does not provide a legal determination of Bridging Freedom, Inc.'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 Bridging Freedom, Inc.'s state projects.

### ***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 Bridging Freedom, Inc.'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 Chapter 10.650, Rules of the Auditor General, State of Florida 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 Bridging Freedom, Inc.'s compliance with the requirements of each major state project as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and Chapter 10.650, Rules of the Auditor General, State of Florida, 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 Bridging Freedom, Inc.'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 Bridging Freedom, Inc.'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 Chapter 10.650, Rules of the Auditor General, State of Florida, but not for the purpose of expressing an opinion on the effectiveness of Bridging Freedom, Inc.'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 project 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 project 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 project that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Chapter 10.650, Rules of the Auditor General, State of Florida. Accordingly, this report is not suitable for any other purpose.

FRSCPA, PLLC

St. Petersburg, Florida  
October 4, 2024

**Bridging Freedom, Inc.**  
**Schedule of Findings and Questioned Costs**  
**Year ended December 31, 2022**

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**Section I – Summary of Auditor’s Results**

**Financial Statements**

Type of auditor’s report issued Unmodified

Internal Control over financial reporting

    Material weakness identified? Yes \_\_\_\_\_ No   X  

    Significant deficiency(ies) identified? Yes \_\_\_\_\_ None reported   X  

Noncompliance material to financial statements noted? Yes \_\_\_\_\_ No   X  

**State Projects**

Internal control over major projects:

    Material weakness identified? Yes \_\_\_\_\_ No   X  

    Significant deficiency(ies) identified? Yes \_\_\_\_\_ None reported   X  

Type of auditor’s report issued on compliance for major programs Unmodified

Any audit findings disclosed that are required to be reported in accordance with Chapter 10.656, *Rules of the Auditor General*? Yes \_\_\_\_\_ No   X  

Identification of major programs:

<u>State Project</u>	<u>State CFSA number</u>
Department of Legal Affairs and Attorney General (FY2021-2022, FY2022-2023)	41.023

Dollar threshold used to distinguish between for Type A and Type B State projects \$750,000

**Bridging Freedom, Inc.**  
**Schedule of Findings and Questioned Costs**  
**Year ended December 31, 2022**

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**Section II – Financial Statement Findings**

None reported.

**Section III – State Award Findings and Questioned Costs**

None reported.

**Section IV –Other issues**

**Prior Year Audit Findings**

No Summary Schedule of Prior Audit Findings is required because there were no findings in the prior audit.

**Management Letter**

No management letter is required because there were no findings required to be reported in the management letter.

**Corrective Action Plan**

No Corrective Action Plan is required because there were no findings required to be reported under the Florida Single Audit Act.