

FINANCIAL STATEMENTS AND INDEPENDENT AUDITORS' REPORTS

ABE BROWN MINISTRIES, INC.

December 31, 2021

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INDEPENDENT AUDITORS' REPORT

Board of Directors
Abe Brown Ministries, Inc.

Opinion

We have audited the accompanying financial statements of Abe Brown Ministries, Inc. (a nonprofit organization) (the "Ministries"), which comprise the statement of financial position as of December 31, 2021, 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 the Ministries as of December 31, 2021, 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 the Ministries 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 the Ministries' ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibility

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 the Ministries' 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 Ministries' ability to continue as a going concern for a reasonable period of time.

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

Report on Summarized Comparative Information

We have previously audited the Abe Brown Ministries, Inc.'s 2020 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated May 20, 2021. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2020, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Matters

Other Information

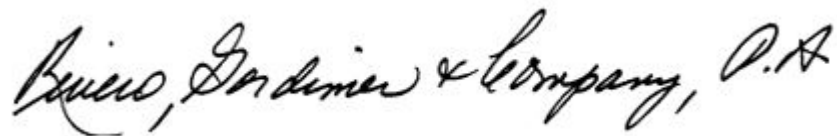
Our audit was conducted for the purpose of forming an opinion on the basic financial statements of the Ministries taken as a whole. The accompanying Schedule of Expenditures of State Financial Assistance, is presented for the purpose of additional analysis as required by Chapter 10.650, *State of Florida Rules of the Auditor General*, 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 financial statements. The information has been subjected to the auditing procedures, including comparing and reconciling such information directly to the underlying accounting records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of State Financial Assistance is fairly stated, in all material respects in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 19, 2022, on our consideration of the Ministries' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Abe Brown Ministries, Inc.'s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Ministries' internal control over financial reporting and compliance.

Tampa, Florida
May 19, 2022

A handwritten signature in black ink that reads "Bruce, Gardner & Company, P.A." The signature is written in a cursive, flowing style.

Abe Brown Ministries, Inc.

STATEMENT OF FINANCIAL POSITION

December 31, 2021
(With comparative total for December 31, 2020)

	Without donor restrictions	With donor restrictions	Total 2021	Total 2020
ASSETS				
CURRENT ASSETS				
Cash and cash equivalents (notes A4 and A13)	\$ 1,331,443	\$ 21,100	\$ 1,352,543	\$ 810,152
Grants receivable (note A5)	429,570	-	429,570	195,434
Pledges receivable (note D)	3,570	-	3,570	1,970
Total current assets	1,764,583	21,100	1,785,683	1,007,556
Property and equipment, net of accumulated depreciation (notes A7 and C)	694,374	-	694,374	737,843
Other	23,500	-	23,500	23,500
TOTAL ASSETS	<u>\$ 2,482,457</u>	<u>\$ 21,100</u>	<u>\$ 2,503,557</u>	<u>\$ 1,768,899</u>
LIABILITIES AND NET ASSETS				
CURRENT LIABILITIES				
Accounts payable and other liabilities	\$ 25,391	\$ -	\$ 25,391	\$ 34,936
Total current liabilities	25,391	-	25,391	34,936
LONG-TERM DEBT (note E)	149,900	-	149,900	149,900
Total liabilities	175,291	-	175,291	184,836
NET ASSETS (note I)				
Without donor restrictions	2,307,166	21,100	2,328,266	1,584,063
	<u>2,307,166</u>	<u>21,100</u>	<u>2,328,266</u>	<u>1,584,063</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 2,482,457</u>	<u>\$ 21,100</u>	<u>\$ 2,503,557</u>	<u>\$ 1,768,899</u>

The accompanying notes are an integral part of this statement.

Abe Brown Ministries, Inc.

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

For the year ended December 31, 2021
(With comparative total for December 31, 2020)

	Without donor restrctions	With donor restrctions	Total 2021	Total 2020
PUBLIC SUPPORT AND REVENUE				
Public support				
Contributions	\$ 528,530	\$ 83,100	\$ 611,630	\$ 371,052
Grants from governmental agencies				
Federal	-	-	-	50,000
State	1,343,339	-	1,343,339	878,627
Local	46,099	-	46,099	159,974
Special events, net of direct expenses of \$23,259	40,947	-	40,947	17,346
Total public support and revenue	<u>1,958,915</u>	<u>83,100</u>	<u>2,042,015</u>	<u>1,476,999</u>
OTHER REVENUE				
Program service revenue	47,711	-	47,711	66,352
Interest income and other	1,173	-	1,173	2,596
Gain on debt forgiveness	167,163	-	167,163	179,937
	<u>216,047</u>	<u>-</u>	<u>216,047</u>	<u>248,885</u>
Net assets released from restrictions	<u>62,000</u>	<u>(62,000)</u>	<u>-</u>	<u>-</u>
Total public support and revenue and net assets released from restrictions	<u>2,236,962</u>	<u>21,100</u>	<u>2,258,062</u>	<u>1,725,884</u>
EXPENSES				
Program expenses				
Ready4Work	964,984	-	964,984	936,207
Transition services	288,563	-	288,563	259,398
Total program services	<u>1,253,547</u>	<u>-</u>	<u>1,253,547</u>	<u>1,195,605</u>
Supporting services				
Management and general	186,043	-	186,043	190,508
Fundraising and development	74,269	-	74,269	69,801
Total supporting services	<u>260,312</u>	<u>-</u>	<u>260,312</u>	<u>260,309</u>
Total expenses	<u>1,513,859</u>	<u>-</u>	<u>1,513,859</u>	<u>1,455,914</u>
CHANGE IN NET ASSETS	723,103	21,100	744,203	269,970
Net assets at beginning of year	<u>1,584,063</u>	<u>-</u>	<u>1,584,063</u>	<u>1,314,093</u>
Net assets at end of year	<u>\$ 2,307,166</u>	<u>\$ 21,100</u>	<u>\$ 2,328,266</u>	<u>\$ 1,584,063</u>

The accompanying notes are an integral part of this statement.

Abe Brown Ministries, Inc.

STATEMENT OF CASH FLOWS

For the year ended December 31, 2021
(With comparative total for December 31, 2020)

	<u>2021</u>	<u>2020</u>
Cash flows from operating activities		
Change in net assets	\$ 744,203	\$ 269,970
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation	55,572	58,631
Gain on debt forgiveness	(167,163)	(179,937)
(Increase) decrease in pledges receivable	(1,600)	170
(Increase) decrease in accounts receivable	(234,136)	31,414
(Decrease) in accounts payable and other liabilities	(9,545)	(14,759)
(Decrease) in refundable advances	-	(22,000)
Total adjustments	<u>(356,872)</u>	<u>(126,481)</u>
Net cash provided by operating activities	<u>387,331</u>	<u>143,489</u>
Cash flows from investing activities		
Purchases of fixed assets	<u>(12,103)</u>	<u>-</u>
Net cash used by investing activities	<u>(12,103)</u>	<u>-</u>
Cash flows from financing activities		
Proceeds from note payable- PPP	167,163	179,937
Proceeds from note payable- EIDL	-	149,900
Net cash provided by financing activities	<u>167,163</u>	<u>329,837</u>
Net change in cash and cash equivalents	542,391	473,326
Cash and cash equivalents at beginning of year	<u>810,152</u>	<u>336,826</u>
Cash and cash equivalents at end of year	<u>\$ 1,352,543</u>	<u>\$ 810,152</u>
Supplemental disclosures of cash flow information		
Cash paid during the year		
Interest	<u>\$ 4,742</u>	<u>\$ 3,855</u>
Taxes	<u>\$ -</u>	<u>\$ -</u>

The accompanying notes are an integral part of this statement.

Abe Brown Ministries, Inc.

STATEMENT OF FUNCTIONAL EXPENSES

For the year ended December 31, 2021
(With comparative total for December 31, 2020)

	Program Services			Supporting Services		Total 2021	Total 2020
	Ready4Work	Transition Services	Total Program Services	Management and General	Fundraising and Development		
Salaries	\$ 381,457	\$ 100,904	\$ 482,361	\$ 98,946	\$ 37,105	\$ 618,412	\$ 659,543
Payroll taxes	30,417	8,046	38,463	7,890	2,959	49,312	52,837
Employee benefits	26,576	7,030	33,606	6,893	2,585	43,084	46,777
Total salaries and related expenses	438,450	115,980	554,430	113,729	42,649	710,808	759,157
Advertising	1,249	-	1,249	-	-	1,249	4,739
Communications	15,330	6,617	21,947	9,459	1,027	32,433	28,743
Contract labor	22,634	384	23,018	9,855	-	32,873	32,311
Data system	40,177	15,000	55,177	-	-	55,177	14,196
Direct client services	326,547	180	326,727	-	-	326,727	296,102
Dues and subscriptions	1,078	1,786	2,864	955	955	4,774	4,424
Facility food cost	1,503	2,075	3,578	-	-	3,578	7,068
Financial assistance	-	2,587	2,587	-	-	2,587	669
Gifts	4,314	887	5,201	1,396	-	6,597	3,441
Insurance	27,610	36,502	64,112	7,124	-	71,236	83,673
Interest	214	4,528	4,742	-	-	4,742	3,855
Licenses	-	-	-	828	-	828	132
Miscellaneous	5,424	-	5,424	13,163	181	18,768	20,025
Office supplies	6,932	3,534	10,466	916	1,922	13,304	16,141
Pest control	576	1,170	1,746	436	-	2,182	4,411
Postage	2,434	1,237	3,671	1,224	6,916	11,811	7,692
Printing and copying	4,214	490	4,704	830	1,050	6,584	2,281
Professional fees	8,015	25,576	33,591	12,920	15,544	62,055	45,694
Repairs and maintenance	2,182	36,855	39,037	4,337	-	43,374	20,618
Service charges	2,429	3,666	6,095	1,524	-	7,619	3,493
Travel	5,352	4,374	9,726	908	-	10,634	12,237
Training	3,420	-	3,420	-	-	3,420	150
Utilities	7,556	14,131	21,687	1,994	1,246	24,927	26,031
Total expenses before bad debt and depreciation	927,640	277,559	1,205,199	181,598	71,490	1,458,287	1,397,283
Depreciation	37,344	11,004	48,348	4,445	2,779	55,572	58,631
Total expenses	\$ 964,984	\$ 288,563	\$ 1,253,547	\$ 186,043	\$ 74,269	\$ 1,513,859	\$ 1,455,914

The accompanying notes are an integral part of this statement.

Abe Brown Ministries, Inc.

NOTES TO FINANCIAL STATEMENTS

December 31, 2021

NOTE A - DESCRIPTION OF THE ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A description of the organization and a summary of its significant accounting policies consistently applied in the preparation of the accompanying financial statements follow:

1. Description of the Organization

Abe Brown Ministries, Inc., (the "Ministries") is a not-for-profit Florida corporation founded in 1976, whose primary purpose is to provide comprehensive ministries in prisons throughout Florida, offering notable community oriented services and serving as a model participant in a nationwide network of organizations providing similar services. During 2014, the Ministries replicated the nationally recognized Ready4Work program designed to provide holistic workforce training and job placement services through case management, life and job skills training, life-coaching (mentoring), job placement assistance, and data tracking.

2. Basis of Accounting

The financial statements, presented on the accrual basis of accounting, have been prepared to focus on the Ministries as a whole, and to present balances and transactions according to the existence or absence of donor-imposed restrictions. This has been accomplished by classification of assets, liabilities, and net assets into two self-balancing net asset groups as follow:

- With Donor Restriction - Net assets with donor restrictions are net assets subject to donor-imposed stipulations that may be fulfilled by actions of the Ministries to meet the stipulations, that may become undesignated by the passage of time, or that require net assets to be permanently maintained, thereby restricting the use of principal.
- Without Donor Restriction - Net assets without donor restrictions are net assets not subject to donor-imposed restrictions or the donor-imposed restrictions have expired. These net assets are available for use at the discretion of the Board of Directors and/or management for general operating purposes.

Revenues are reported as increases in net assets without donor restriction unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions.

Contributions received and unconditional promises to give are measured at their fair values at the date of contribution and are reported as increases in net assets without donor restrictions. The Ministries reports gifts of cash and other assets as restricted support if they are designated for future periods. Donor restricted net assets are reclassified to without donor restriction net assets when the restriction expires. Accordingly, the financial statements classify all net assets as without donor restriction except those that involve a donor restriction which are classified as with donor restriction.

Abe Brown Ministries, Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2021

NOTE A - DESCRIPTION OF THE ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

3. Liquidity

Assets and liabilities are presented in the accompanying statement of financial position according to their nearness of conversion to cash and, their maturity and resulting use of cash, respectively. See note B for more information on liquidity and availability of assets.

4. Cash and Cash Equivalents

Cash and cash equivalents consist of highly liquid short-term money market instruments with a maturity of three months or less.

5. Grants Receivable

The Ministries receives support from various State, Federal and local grants. None of the amounts receivable at December 31, 2021 are deemed to be uncollectible. Therefore, no provision for uncollectible amounts has been made in the accompanying financial statements.

6. Beneficial Interest in Assets Held by Others

The Ministries is the beneficiary of a designated fund which is held and administered by The Community Foundation of Tampa Bay, Inc. The transfers of these funds are not irrevocable and variance powers have been granted to the recipient organization; as such, these funds are not recorded by the Ministries. Semi-annual distributions made from this fund are recorded as received. The total value of this fund is approximately \$30,400 at December 31, 2021.

The Ministries is also the beneficiary of a designated fund which is held by the National Christian Foundation and is not recorded by the Ministries. The transfers of these funds are not irrevocable and variance powers have been granted to the recipient organization; as such, these funds are not recorded by the Ministries. The purpose of this endowment is to provide income for perpetuity to the Ministries for its programs and services as directed by the Ministries' Board of Directors. The total value of this fund is approximately \$33,400 at December 31, 2021.

7. Property and Equipment

Property and equipment are recorded at cost, or if donated, at fair market value at the date of donation. Depreciation is computed on the straight-line method over the estimated useful lives of the related assets, ranging generally from 3 to 30 years.

Maintenance and repairs are expensed in the year in which the expense is incurred. Additions and improvements over \$500 are capitalized.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2021

NOTE A - DESCRIPTION OF THE ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

8. Grant Revenues and Refundable Advances

Revenues from governmental grants are recorded based upon terms of the grantor allotment which generally provide that revenues are earned when the allowable costs of the specific grant provisions have been incurred. Support received from governmental agencies in advance of related allowable costs is recorded as refundable advances. Unexpended advances may have to be returned to the awarding agency at the end of the contract term. Revenues are subject to audit by the grantor and, if the examination results in a disallowance of any expenditure, repayment could be required.

9. Functional Allocations of Expenses

The costs of providing the various programs 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. The Ministries' principal activities comprise:

➤ Ready4Work

The program provides post-release services to formerly incarcerated persons who have been released from a Department of Corrections' facility, no more than one year before entry into the Ready4Work program. The program includes case management, career development, life skills training, life-coaching, family reunification, and job placement services to assist program participants. Ready4Work also includes community supervision and post-release services to formerly incarcerated program participants to help transition back into the community.

➤ Transition Services

The program assists offenders, ex-offenders and their families to achieve productive and fulfilling lives. The Ministries is keenly aware of the struggles that ex-offenders face, therefore providing former incarcerated persons with basic needs (food, shelter, clothing), housing, education, employment, healthcare (especially treatment for substance abuse, mental-health and HIV/AIDS problems) and discipleship.

10. Comparative Information

The financial statements include certain prior period summarized comparative information in total. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Ministries' financial statements for the year ended December 31, 2020, from where it was derived.

Abe Brown Ministries, Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2021

NOTE A - DESCRIPTION OF THE ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

11. Contributions

The Ministries receives donated services from a variety of volunteers assisting in various positions. No amounts for volunteer services have been recognized in the accompanying Statement of Activities and Changes in Net Assets since there is no objective basis to measure the value of such services.

12. Advertising

The Ministries' policy is to expense advertising costs as incurred.

13. Concentrations of Credit Risk

Financial instruments that potentially subject the Ministries to concentrations of credit risk consist of cash and cash equivalents. The Ministries manages this risk through the use of 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.

NOTE B - LIQUIDITY AND AVAILABILITY OF RESOURCES

The Ministries has the following financial assets that could readily be made available within one year of the balance sheet to fund expenses at December 31, 2021:

Cash and cash equivalents	\$ 1,352,543
Pledge receivables	3,570
Grant receivables	<u>429,570</u>
	1,785,683
Less:	
Amounts unavailable for general expenditures within one year, due to:	
Restricted by donors with purpose restriction	21,100
Amounts unavailable to management without Board's approval:	
Board designated for Life Transformation Community	<u>30,232</u>
Total financial assets available to management for expenditure within one year	<u><u>\$ 1,734,351</u></u>

Abe Brown Ministries, Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2021

NOTE B - LIQUIDITY AND AVAILABILITY OF RESOURCES - Continued

The Ministries maintains a policy of structuring its financial assets to be available as its general expenditures, liabilities, and other obligations come due. To help manage unanticipated liquidity needs, the Ministries' has a committed line of credit of \$200,000, which it could draw upon (see note F). Additionally, the Ministries has Board Designated net assets without donor restrictions that, while the Ministries does not intend to spend these for purposes other than identified, the amounts could be made available for current operations if necessary.

NOTE C - PROPERTY AND EQUIPMENT

Property and equipment consisted of the following at December 31, 2021:

Land	\$	111,351
Building and improvements		1,153,192
Vehicles		267,533
Furniture and equipment		186,874
		<u>1,718,950</u>
Less accumulated depreciation		<u>(1,024,576)</u>
	\$	<u>694,374</u>

Depreciation expense was \$55,572 for the year ended December 31, 2021.

NOTE D - PLEDGES RECEIVABLE

Pledges receivable are summarized as follows at December 31, 2021:

Total unconditional pledges	\$	5,670
Less allowance for uncollectible pledges		<u>(2,100)</u>
Net pledges receivable	\$	<u>3,570</u>

Pledges receivable are reported at the fair value of promises to give that are due in more than one year by discounting expected future cash flows using a discount rate of 3.0%. At December 31, 2021 no promises to give were due in more than one year.

Abe Brown Ministries, Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2021

NOTE E - LONG-TERM DEBT

The long-term debt consisted of the following at December 31, 2021:

Economic Injury Disaster Loan bears interest at a rate of 2.75%. Payments of \$641 will begin in January 2023, and will be applied to accrued interest first, and the balance if any, will be applied to principal. Collateralized by all business assets.	\$ 149,900
Less current maturities	<u>-</u>
Long-term portion	<u>\$ 149,900</u>

Annual maturities on long-term det are as follows:

<u>Year ending December 31,</u>	
2022	\$ -
2023	3,665
2024	3,767
2025	3,872
2026	3,979
Thereafter	<u>134,617</u>
	<u>\$ 149,900</u>

NOTE F - LINE OF CREDIT

The Ministries established a \$200,000 line of credit on July 2, 2020, maturing June 30, 2022. The line is due upon demand, with interest at the floating Wall Street Journal Prime Rate (3.25% at December 31, 2021) with a floor of 2.75%, collateralized by all business assets. The line of credit had a balance of \$-0- at December 31, 2021.

NOTE G - INCOME TAX STATUS

The Ministries has received a determination of tax-exempt status from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code and Chapter 220.13 of the Florida Statutes, respectively. Accordingly, no provision for income taxes has been reflected in the accompanying financial statements.

The Ministries is not aware of any tax positions it has taken that are subject to a significant degree of uncertainty. Tax years after 2018 remain subject to examination by federal and state taxing authorities

Abe Brown Ministries, Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2021

NOTE H - COMMITMENTS

1. Operating Leases

The Ministries leases vehicles under operating leases with various expiration dates through December 2021.

Approximate future minimum rental payments for the operating leases are as follows:

<u>Year ending December 31,</u>	
2022	\$ 7,300
2023	3,800
2024	<u>1,300</u>
	<u>\$ 12,400</u>

Rental expenses approximated \$7,200 for the year ended December 31, 2021.

2. Contingencies

In the normal course of business, the Ministries is sometimes involved in legal matters. No actions exist which, in management's opinion, would have a material effect on the Ministries' financial position.

NOTE I - NET ASSETS

1. Net Assets Without Donor Restrictions

Net assets without donor restrictions are net assets not subject to donor-imposed stipulations or the donor-imposed restrictions have expired. These net assets are available for the use at the discretion of the Board of Directors and/or management for general operating purposes. From time to time the board designates a portion of these net assets for specific purposes which makes them unavailable for use at management's discretion. The Ministries' Board of Directors has designated \$30,232 of without donor restriction net assets for the Life Transformation Community for the year ended December 31, 2021.

2. Net Assets With Donor Restrictions

Net assets with donor restrictions are net assets subject to donor-imposed stipulations that expire upon the passage of time or once specific actions are undertaken by the Ministries. The net assets are then released and reclassified to unrestricted support when these restrictions are satisfied. Net assets with donor restrictions totaled \$21,100 at December 31, 2021.

Abe Brown Ministries, Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2021

NOTE J - GAIN ON DEBT FORGIVENESS

In January 2021, the Ministries applied for and received funds of \$167,163 as part of the second round of the U.S. Small Business Administration (“SBA”) Paycheck Protection Program (“PPP”). The proceeds from the loan were used to fund payroll and other specific costs outlined in the program. The Ministries applied for and received forgiveness in December 2021. Accordingly, a gain on debt forgiveness of \$167,163 has been recognized in the statement of activities and changes in net assets for the year ended December 31, 2021.

NOTE K - SUBSEQUENT EVENTS

The Ministries has evaluated events and transactions occurring subsequent to December 31, 2021 through May 19, 2022, which is the date the financial statements were available to be issued.

SUPPLEMENTARY INFORMATION

Abe Brown Ministries, Inc.

SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE

For the year ended December 31, 2021

<u>State Grantor/Project Title</u>	<u>State CSFA#</u>	<u>Contract Number</u>	<u>Expenditures or State Loan</u>
Florida Department of Corrections			
Transitional Services - Post Release	70.011	B96BFD	<u>\$ 1,343,339</u>
Total			<u><u>\$ 1,343,339</u></u>

The accompanying notes are an integral part of this statement.

Abe Brown Ministries, Inc.

NOTES TO SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE

December 31, 2021

NOTE A - BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of State Financial Assistance includes the State grant activity of the Ministries 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 the Auditor General*. Therefore, some amounts presented in this schedule may differ from amounts presented or used in the preparation of the basic financial statements.

NOTE B - 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 Ministries' 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 Ministries expects such amounts, if any, to be immaterial.

NOTE C - SUBRECIPIENTS

The Ministries did not provide State financial assistance to subrecipients.

REGULATORY REPORTS

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*

ABE BROWN MINISTRIES, INC.

December 31, 2021



Herman V. Lazzara
Sam A. Lazzara
Kevin R. Bass
Jonathan E. Stein
Stephen G. Douglas
Marc D. Sasser, of Counsel
Cesar J. Rivero, in Memoriam (1942-2017)

Michael E. Helton
Christopher F. Terrigino
James K. O'Connor
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Julie A. Davis

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

Board of Directors
Abe Brown Ministries, Inc.

We have 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 of America, the financial statements of Abe Brown Ministries, Inc. (a nonprofit organization) (the "Ministries"), which comprise the statement of financial position as of December 31, 2021 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 May 19, 2022.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Ministries' internal control over financial reporting (internal control) as a basis for designing 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 Ministries' internal control. Accordingly, we do not express an opinion on the effectiveness of the Ministries' 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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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



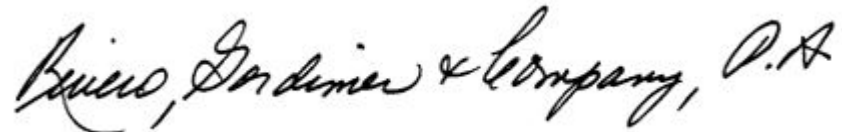
Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Ministries' 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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

Tampa, Florida
May 19, 2022

A handwritten signature in black ink that reads "Benicio, Gordinier & Company, P.A." The signature is written in a cursive, flowing style.

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR
EACH MAJOR STATE PROJECT AND REPORT ON INTERNAL CONTROL
OVER COMPLIANCE AS REQUIRED BY CHAPTER 10.650,
RULES OF THE AUDITOR GENERAL

ABE BROWN MINISTRIES, INC.

December 31, 2021



RIVERO, GORDIMER & COMPANY, P.A.

Member
American Institute of Certified Public Accountants
Florida Institute of Certified Public Accountants

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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR
EACH MAJOR STATE PROJECT AND REPORT ON INTERNAL
CONTROL OVER COMPLIANCE AS REQUIRED BY CHAPTER
10.650, RULES OF THE AUDITOR GENERAL

Board of Directors
Abe Brown Ministries, Inc.

Report on Compliance for Each Major State Project

We have audited Abe Brown Ministries, Inc.'s (the "Ministries") compliance with the types of compliance requirements described in the Florida Department of Financial Services' *State Projects Compliance Supplement* that could have a direct and material effect on the Ministries' major State project for the year ended December 31, 2021. The Ministries' major State project is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its state project.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Ministries' major State projects based on our audit of the types of compliance requirements referred to above. 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*. Chapter 10.650, *Rules of the Auditor General*, requires that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state project occurred. An audit includes examining, on a test basis, evidence about the Ministries' compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the major State project. However, our audit does not provide a legal determination of the Ministries' compliance.



Opinion on Each Major State Project

In our opinion, the Ministries 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 State project for the year ended December 31, 2021.

Report on Internal Control Over Compliance

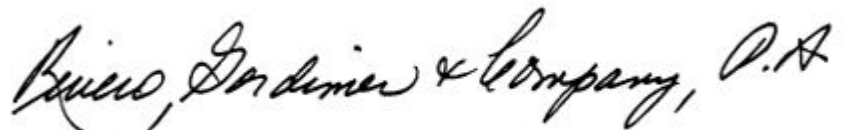
Management of the Ministries is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Ministries' internal control over compliance with the types of requirements that could have a direct and material effect on each major State project to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major State project and to test and report on internal control over compliance in accordance with Chapter 10.650, *Rules of the Auditor General*, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Ministries' 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 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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 Chapter 10.650, *Rules of the Auditor General*. Accordingly, this report is not suitable for any other purpose.

Tampa, Florida
May 19, 2022



Abe Brown Ministries, Inc.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the year ended December 31, 2021

Section I - Summary of Auditors' Results

Financial Statements

Type of auditors' report issued Unmodified

Internal control over financial reporting

Material weakness(es) identified? yes X no

Significant deficiency(ies) identified? yes X none reported

Noncompliance material to financial statements noted? yes X no

State Financial Assistance

Internal control over major State projects

Material weakness(es) identified? yes X no

Significant deficiency(ies) identified? yes X none reported

Type of auditors' report issued on compliance for major State projects Unmodified

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

Identification of major projects:

State

CSFA Number

70.011

Name of State Project

Transitional Services - Post Release

Dollar threshold used to distinguish between type A and type B State projects \$ 403,002

Section II - Financial Statement Findings

No matters were reported for the year ended December 31, 2021. Accordingly, a corrective action plan is not required.

Section III - State Financial Assistance Findings and Questioned Costs

No matters were reported for the year ended December 31, 2021. Accordingly, a corrective action plan is not required.

Section IV - Other Issues

- a) A management letter is not required because there were no findings required to be reported in the management letter (see AG Rule Section 10.656(3)).
- b) A summary Schedule of Prior Audit Findings is not required because there were no prior audit findings related to State projects (see AG Rules 10.557(3)(e)5. and 10.656(3)(d)5.).

MANAGEMENT LETTER
ABE BROWN MINISTRIES, INC.
December 31, 2021



Herman V. Lazzara	Michael E. Helton
Sam A. Lazzara	Christopher F. Terrigino
Kevin R. Bass	James K. O'Connor
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MANAGEMENT LETTER

Board of Directors
Abe Brown Ministries, Inc.

Report on the Financial Statements

We have audited the financial statements of Abe Brown Ministries, Inc. (a nonprofit organization) (the "Ministries") as of and for the fiscal year ended December 31, 2021, and have issued our report thereon, dated May 19, 2022.

Auditor's Responsibility

We conducted our audit 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 Florida Auditor General.

Other Reporting Requirements

We have issued our 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*, Independent Auditors' Report on Compliance for Each Major State Project and Report on Internal Control Over Compliance in accordance with Chapter 10.650, Rules of the Florida Auditor General.

Additional Matters

Section 10.654(1)(e), Rules of the Auditor General, requires that we address noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements or State project amounts that is less than material but which warrants the attention of those charged with governance. In connection with our audit, we did not have any such findings.

Purpose of this Letter

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, and other granting agencies, and applicable management and is not intended to be and should not be used by anyone other than these specified parties.

Tampa, Florida
May 19, 2022

