



OFFICE OF INSPECTOR GENERAL

U.S. Agency for International Development

MEMORANDUM

DATE: November 8, 2024

TO: Sheree F. Marshall
Supervisory Auditor
USAID/Bureau for Management/Office of Acquisition and Assistance/Cost, Audit and Support Division, Contract Audit Management Branch

FROM: David A. McNeil /s/
Director
External Financial Audits Division

SUBJECT: Single Audit of Freedom House, Inc., for the Year Ended June 30, 2023
(3-000-25-012-T)

This memorandum transmits the final audit report on the single audit of Freedom House, Inc., (Freedom House) for the Year Ended June 30, 2023. The audit report was obtained from the Federal Audit Clearinghouse. Freedom House contracted with the independent audit firm Rubino & Company (Rubino) to conduct the audit. Rubino stated it performed its audit in accordance with U.S. Government auditing standards issued by the Comptroller General of the United States and Title 2 Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards. Rubino is responsible for the enclosed report and the conclusions expressed in it. We do not express an opinion on Freedom House's schedule of Federal awards; the effectiveness of its internal control; or its compliance with the awards, laws, and regulations.¹

Rubino's audit objectives were to: (1) audit Freedom House's financial statements comprising the statements of financial position as of June 30, 2023, and the related statements of activities and changes in net assets, functional expenses and cash flows for the year then ended, and the related notes to the financial statements; (2) obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion; and (3) audit Freedom House's compliance with the types of compliance requirements identified as subject to audit in

¹ We reviewed the audit firm's report for conformity with professional reporting standards. Our desk reviews are typically performed to identify any items needing clarification or issues requiring management attention. Desk reviews are limited to review of the audit report itself and excludes review of the auditor's supporting working papers; they are not designed to enable us to directly evaluate the quality of the audit performed.

the Office of Management and Budget Compliance Supplement that could have a direct and material effect on each of Freedom House's major Federal programs for the year ended June 30, 2023. To answer the audit objectives, Rubino: (1) exercised professional judgment and maintained professional skepticism throughout the audit; (2) identified and assessed 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; (3) obtained 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 Freedom House's internal control; (4) evaluated 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; and (5) concluded whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Freedom House's ability to continue as a going concern for a reasonable period of time. Freedom House's audited expenditures of Federal awards was \$93,965,202, of which the U.S. Agency for International Development's (USAID) audited expenditures amounted to \$63,013,570.

Rubino expressed an unmodified opinion on the financial statements and on compliance for major Federal programs. Further, Rubino reported that it did not find any material weaknesses or significant deficiencies in internal control over financial reporting and internal control over major programs. Finally, Rubino did not identify any audit findings required to be reported in accordance with 2 CFR 200.516(a) and did not report any Federal award findings and questioned costs.

OIG does not routinely distribute independent public accounting reports beyond the immediate addressees because a high percentage of these reports contain information restricted from release under the Trade Secrets Act, 18 U.S.C. 1905 and Freedom of Information Act Exemption Four, 5 U.S.C. 552(b)(4) ("commercial or financial information obtained from a person that is privileged or confidential"). In addition, USAID OIG has determined that this transmittal memo and the enclosed report are not subject to notification and reporting requirements under Section 5274 of the National Defense Authorization Act.²

² The James M. Inhofe National Defense Authorization Act for Fiscal Year 2023 Pub. L. No. 117-263, § 5274. Please direct related inquiries to oinotice_ndaa5274@usaid.gov.