Bridgeway Center, Inc.

Financial Statements and
Supplementary Information

June 30, 2012

Bridgeway Center, Inc.
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INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees
Bridgeway Center, Inc.
Fort Walton Beach, Florida

We have audited the accompanying statement of financial position of Bridgeway Center, Inc. ("the Center") (a nonprofit organization) as of June 30, 2012 and the related statements of activities, functional expenses, and cash flows, for the year then ended. These financial statements are the responsibility of the Center's management. Our responsibility is to express an opinion on these financial statements based on our audit. The prior year summarized comparative information has been derived from the Center's June 30, 2011 financial statements, which were audited by other auditors whose report dated September 23, 2011, expressed an unqualified opinion on those statements.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standar*ds, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Bridgeway Center, Inc. as of June 30, 2012 and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 3, 2012, on our consideration of Bridgeway Center, Inc.'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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards and state financial assistance on pages 20 to 23 is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Government, and Non-Profit Organizations*, and Chapter 10.650, Rules of the Auditor General, Florida Single Audit Act Audits – Nonprofit and For-profit Organizations and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards and state financial assistance is fairly stated in all material respects in relation to the financial statements as a whole.

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary schedule for Senior Service Expenses on page 19, which is the responsibility of management, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Carr, Riggs & Ingram, L.L.C.

Miramar Beach, Florida
December 3, 2012

Bridgeway Center, Inc.

Statement of Financial Position

June 30,	**2012**	2011 Total (for Comparative Purposes)
Assets		
Current assets:		
Cash	**$ 1,547,010**	$ 1,754,497
Accounts receivable, net	**207,657**	131,642
Grants and contracts receivable	**491,062**	632,911
Investments	**101,190**	-
Prepaid expenses	**316,731**	406,066
Other	**5,004**	25,036
Total current assets	**2,668,654**	2,950,152
Property and equipment, net	**3,928,865**	3,921,524
Construction in progress	**359,368**	210,095
Debt issue costs, net of accumulated amortization of $10,354	**35,190**	32,076
Total assets	**$ 6,992,077**	$ 7,113,847
Liabilities and Net Assets		
Current liabilities:		
Accounts payable	**$ 183,818**	$ 299,573
Salaries and retirement payable	**298,164**	418,015
Annual accrued leave	**280,146**	189,232
Deferred revenue	**-**	6,632
Escrow deposits	**50,170**	72,773
Other liabilities and reserves	**26,321**	54,241
Current portion of long-term debt	**181,703**	88,975
Total current liabilities	**1,020,322**	1,129,441
Long-term debt, less current portion	**1,936,753**	1,732,563
Total liabilities	**2,957,075**	2,862,004
Net Assets:		
Unrestricted	**4,035,002**	4,251,843
Temporarily restricted	**-**	-
Total net assets	**4,035,002**	4,251,843
Total liabilities and net assets	**$ 6,992,077**	$ 7,113,847

See accompanying notes to financial statements.

Bridgeway Center, Inc.

Statement of Activities

Year ended June 30,	**2012**	2011 Total (For Comparative Purposes)
Unrestricted Activities		
Public support and revenue		
SAMH - Substance abuse and mental health funding	**$ 3,242,501**	$ 3,489,904
Local government funding	**448,092**	514,744
Other state grants	**1,204,020**	1,263,851
Other federal grants	**1,084,769**	1,928,827
Client service fees:		
Other contracts and grants	**447,494**	468,036
Medicaid/Medicare	**3,328,317**	3,661,458
First and third party fees	**827,204**	819,212
Client fees	**61,506**	125,401
Contributions and donations	**316,939**	476,820
Other income	**225,068**	85,045
Net assets released from restrictions:		
Satisfaction of program restrictions	**322,806**	350,912
Total public support and revenue	**11,508,716**	13,184,210
Expenses		
SAMH - Substance abuse and mental health funding		
Adult Mental Health	**5,604,403**	5,423,557
Children's Mental Health	**425,174**	440,381
Adult Substance Abuse	**533,457**	566,478
Children's Substance Abuse	**85,690**	116,155
Total SAMH program expenses	**6,648,724**	6,546,571
Senior Services	**304,550**	1,051,578
Other NonSAMH programs	**2,742,535**	3,243,377
Program support	**439,044**	363,414
General and administrative	**1,590,704**	1,908,423
Total expenses	**11,725,557**	13,113,363
Change in unrestricted net assets	**(216,841)**	70,847
Temporarily Restricted Activities		
DUI revenue	**322,806**	350,912
Satisfaction of program restrictions	**(322,806)**	(350,912)
Change in temporarily restricted net assets	**-**	-
Total change in net assets	**(216,841)**	70,847
Net assets, beginning of year	**4,251,843**	4,180,996
Net assets, end of year	**$ 4,035,002**	$ 4,251,843

See accompanying notes to financial statements.

Bridgeway Center, Inc.

Statement of Functional Expenses

Year ended June 30,	2012									2011
	Adult Mental Health	**Children's Mental Health**	**Adult Substance Abuse**	**Children's Substance Abuse**	**Senior Services**	**Other Non SAMH**	**Program Support**	**General and Administrative**	**Total**	**Total (For Comparative Purposes)**
Personnel										
Salaries	$ 3,413,265	$ 298,637	$ 352,458	$ 60,340	$105,136	$1,478,811	$296,569	$ 940,359	$ 6,945,575	$ 7,341,346
Fringe Benefits	564,363	37,619	35,484	7,960	22,422	270,580	49,694	108,856	1,096,978	1,300,509
Total Personnel	3,977,628	336,256	387,942	68,300	127,558	1,749,391	346,263	1,049,215	8,042,553	8,641,855
Expenses										
Building Occupancy	230,739	7,194	62,243	4,857	934	393,362	9,051	176,082	884,462	966,786
Professional Services	80,950	1,931	8,792	1,018	1,392	34,463	13,185	48,083	189,814	202,305
Travel	13,535	6,698	305	1,581	7,980	49,892	1,733	12,814	94,538	130,357
Equipment Costs	40,171	4,152	3,944	-	415	21,044	875	27,235	97,836	139,316
Client Transportation	54,832	-	-	-	263	11,283	982	26,702	94,062	85,074
Food Services	28,394	-	4	14	60,789	1,773	41,624	12,775	145,373	273,479
Medical and Pharmacy	215,978	-	3	-	-	10,462	11	2,576	229,030	259,099
Subcontracted Services	433,860	44,770	4,669	14	1,200	139,068	13,856	19,343	656,780	772,187
Insurance	145,729	7,932	12,087	4,036	5,307	71,628	-	5,391	252,110	256,143
Interest	-	-	-	-	-	-	-	76,468	76,468	80,656
Telephone and Connectivity	63,968	2,796	8,032	2,363	2,437	61,372	3,075	23,884	167,927	156,443
Client Services	42,650	497	582	-	79,231	76,986	415	222	200,583	329,935
Operating Supplies and Expenses	147,606	3,941	32,270	2,860	15,547	79,303	7,974	95,069	384,570	520,447
Bad Debt	128,363	9,007	12,584	647	1,497	42,508	-	14,845	209,451	299,265
Total Expenses	1,626,775	88,918	145,515	17,390	176,992	993,144	92,781	541,489	3,683,004	4,471,492
Total Personnel and Expens	5,604,403	425,174	533,457	85,690	304,550	2,742,535	439,044	1,590,704	11,725,557	13,113,347
Distributed Costs										
Program Support	291,422	14,425	45,250	2,894	-	73,022	(427,013)	-	-	-
General and Administrative	971,598	73,644	83,942	16,255	19,732	437,564	(12,031)	(1,590,704)	-	-
Total Distributed Costs	1,263,020	88,069	129,192	19,149	19,732	510,586	(439,044)	(1,590,704)	-	-
Total Expenses	$ 6,867,423	$ 513,243	$ 662,649	$ 104,839	$324,282	$3,253,121	$ -	$ -	$11,725,557	$ 13,113,347

See accompanying notes to financial statements.

Bridgeway Center, Inc.

Statement of Cash Flows

Year ended June 30,	**2012**	2011 Total (For Comparative Purposes)
Operating activities		
Change in net assets	**$ (216,841)**	$ 70,847
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	**206,517**	193,820
Amortization	**4,742**	2,132
Provision for bad debts	**209,451**	299,265
(Gain) loss on disposal of assets	**19,458**	-
Change in operating assets and liabilities:		
Accounts receivable	**(285,466)**	(235,168)
Grants and contracts receivable	**141,849**	(86,028)
Prepaid expenses	**89,335**	26,766
Other assets	**20,032**	(20,262)
Accounts payable	**(115,755)**	41,046
Accrued salaries and payroll taxes	**(119,851)**	(9,548)
Accrued annual leave	**90,914**	(63,398)
Escrow deposits	**(22,603)**	(33,954)
Other liabilities	**(27,920)**	(82,850)
Deferred revenue	**(6,632)**	(2,694)
Net cash provided by (used in) operating activities	**(12,770)**	99,974
Investing activities		
Purchase of investments	**(101,190)**	-
Construction in progress additions	**(340,215)**	-
Purchase of property and equipment	**(42,374)**	(369,567)
Net cash used in investing activities	**(483,779)**	(369,567)
Financing activities		
Payments on capital lease	**-**	(8,332)
Note payable borrowing	**462,760**	-
Debt issuance costs	**(7,856)**	-
Payments on bond payable	**(165,842)**	(99,478)
Net cash provided by (used in) financing activities	**289,062**	(107,810)
Net decrease in cash	**(207,487)**	(377,403)
Cash at beginning of year	**1,754,497**	2,131,900
Cash at end of year	**$ 1,547,010**	$ 1,754,497

See accompanying notes to financial statements.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization and Purpose

Bridgeway Center, Inc. (the Center) is a tax-exempt 501(c)(3) non-profit organization. The Center was established in 1966 to provide economical behavioral services to individuals primarily in Okaloosa County who could not afford private full-fee treatment.

The Center provides a variety of behavioral, judicial, educational, and personal care services to more than 17,000 clients per year. The Center offers a sliding scale fee for behavioral services based on total family income and the number of dependents. Behavioral services include a wide range of family treatment and evaluation programs including Emergency Services, Crisis Stabilization, Detoxification, Intensive Outpatient Services, Outpatient Mental Health, Residential Treatment, and Chemical Dependency and Substance Abuse Treatment. Judicial and educational services consists of DUI and Court Probation Services where the Center provides a Driving School, DUI courses, traffic, misdemeanor and diversionary programs exclusively through the Okaloosa County Judicial System. Personal care services include a variety of Senior Services to the elder citizens of Okaloosa County.

Basis of Accounting

The financial statements of Bridgeway Center, Inc. have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities.

Financial Statement Presentation

According to U.S. generally accepted accounting principles, the Center is required to report information regarding its financial position and activities according to three classes of net assets as follows:

- **Unrestricted Net Assets**
  Unrestricted net assets are currently available at the direction of the Board of Directors for use in the Center's operations or invested in property and equipment.
- **Temporarily Restricted Net Assets**
  Contributions received with donor stipulations that limit the use of donated assets that are treated as temporarily restricted net assets. When the purpose of the restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as "satisfaction of program restrictions." The Center does not currently have any temporarily restricted net assets.
- **Permanently Restricted Net Assets**
  Contributions received with donor stipulations that they be maintained permanently by the Center. The Center does not currently have any permanently restricted net assets.

The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Center's financial statements for the year ended June 30, 2011 from which the summarized information was derived.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Charity Care

The Center provides care to clients who meet certain criteria, either without charge or at amounts less than its established rates. The amounts classed as charity care are not reported as revenue or receivables and have been netted against First and Third Party Fees in the Statement of Activities.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Accounts Receivable and Allowance for Doubtful Accounts

Accounts receivable are shown at the anticipated realizable value, net of an allowance for uncollectible accounts. The Center has established an allowance for doubtful accounts for receivables that management has estimated collection is not probable. Private pay accounts over 90 days are written off after assessing collectability and correction of any erroneous fees. Medicaid, Medicare, and third party receivables over 90 days are reviewed for errors, re-billed, and written off after exhausting all other collection efforts.

Investments

Investments consist of certificates of deposits at local banks. Terms range from one to five years with interest rates ranging from 0.5% to 2.0%.

Property and Equipment

The Center capitalizes all expenditures for equipment in excess of $1,000; or, if donated, at fair market value at the date of acquisition. Proceeds from the sale of fixed assets are transferred to current net assets (temporarily restricted or unrestricted, as appropriate). Property and equipment purchased are recorded at cost and depreciated using the straight-line method over the estimated useful lives of assets ranging from five to seven years for equipment and 15 to 40 years for buildings and leasehold improvements.

Debt Issue Costs

Debt issue costs consist of legal and loan fees. These costs are being amortized using the straight-line method over the terms of the related debt which ranges from 5 to 20 years.

Escrow Deposits

The Center acts as an intermediary collecting and remitting funds from certain clients on behalf of various governmental agencies. The balance consists of the amount of monies collected, but not yet remitted at June 30, 2012. The balance also includes amounts held on behalf of patients at June 30, 2012.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Annual Leave

The Center's policy for paid leave permits all regular full and part-time employees to earn paid leave for each hour of pay received. These hours are to be used for any leave of absence such as sickness, bereavement, personal business and vacation. Paid leave earned is based on employees' hire date and length of service. At termination, employees are paid for unused annual leave earned up to the date of termination for up to 80 hours for employees with less than five years of experience, up to 120 hours for employees with between five and ten years of experience, and up to 160 hours for employees with over ten years of experience.

Deferred Revenue

Deferred revenue consists of fees received in advance for employee assistance programs and other contracted services. Fees are recognized as revenue when the services are provided.

Income Taxes

The Center has been granted an exemption from income taxes under Internal Revenue Code, Section 501(c)(3) as a not-for-profit corporation. The Center has also been classified as an entity that is not a private foundation within the meaning of Section 509(a) and qualifies for deductible contributions as provided in Section 170(b)(1)(A)(vi).

The Center annually files Form 990 with the Internal Revenue Service. The financial statement effects of a tax position taken or expected to be taken are recognized in the financial statements when it is more likely than not, based on the technical merits, that the position will be sustained upon examination. As of June 30, 2012, the Center has analyzed its tax positions and believes that all are more likely than not to be sustained upon examination. The Center is no longer subject to U.S. Federal or state income tax examinations by taxing authorities for years before 2008.

Functional Expenses

Salaries and other expenses that are associated with a specific program are charged directly to that program. Salaries and other expenses that benefit more than one program are allocated to the various programs based on each program's volume of activity relative to the specific expense pool. Indirect costs are allocated to each program based on the ratio of an individual program's direct expenses to total direct expenses for all programs. This method provides a fair and equitable allocation to all functions and programs.

Statement of Cash Flows

Cash as reported on the Statement of Cash Flows includes all cash and cash equivalents with an original maturity of three months or less. Cash paid for interest during the year ended June 30, 2012 totaled $76,391.

Reclassifications

Certain reclassifications have been made to the 2011 reported amounts in order to conform with the 2012 presentation.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Subsequent Events

The Center has evaluated subsequent events and transactions for potential recognition or disclosure in the financial statements through December 3, 2012, the date the financial statements were available to be issued.

NOTE 2 – CONCENTRATIONS

Grants and Contracts

The Center receives a substantial portion of its funding, directly or indirectly in the form of pass-through funding, from Access Behavioral Health, dba Lakeview Center. The greatest amount is received as substance abuse and mental health (SAMH) funding. During the year ended June 30, 2012, $4,742,696 was received from the Lakeview Center. Funding from Lakeview represents 42% of total revenue.

Uninsured Cash Balances

The Center maintains bank accounts that are insured by the Federal Deposit Insurance Corporation (FDIC) up to $250,000. As of June 30, 2012, the Center exceeds FDIC limits by $801,258.

NOTE 3 – RESTRICTED CASH

The Center has two bank accounts with cash restrictions. One account is used for out-of-area inpatient hospital stays and is managed by Access Behavioral Health, dba Lakeview Center, Inc. The Center has ownership of the account but not signature authority. The other account consists of restricted monies held on behalf of patients, to which the Center does not have ownership. Total restricted cash at June 30, 2012 was $293,119.

NOTE 4 – ACCOUNTS RECEIVABLE

Accounts Receivable at June 30, 2012 consist of the following:

Private pay	$	76,014
Medicaid		111,939
Medicare		13,490
Other insurance		119,369
Other receivables		78,974
		399,786
Less allowance for uncollectible accounts		(192,129)
	$	207,657

NOTE 4 – ACCOUNTS RECEIVABLE (CONTINUED)

Contract services performed by the Center, but not yet paid by the contracting agency as of June 30, 2012 are as follows:

Access Behavioral Health dba Lakeview Center, Inc.	$	424,083
U.S. Department of Housing and Urban Development		23,065
Other		43,914
	$	491,062

NOTE 5 – PROPERTY AND EQUIPMENT

Property and equipment consists of land, buildings, leasehold improvements and equipment at June 30, 2012, as follows:

	2011 Balance	Additions	Transfers	Disposals	2012 Balance
Land	$ 1,790,202	$ -	$ -	$ -	$ 1,790,202
Buildings	1,661,706	-	-	-	1,661,706
Building improvements	2,400,168	42,216	-	(193,882)	2,248,502
Equipment	956,152	-	191,100	(429,836)	717,416
Property and equipment	6,808,228	42,216	191,100	(623,718)	6,417,826
Less accumulated depreciation	(2,886,704)	(206,517)	-	604,260	(2,488,961)
Property and equipment, net	$ 3,921,524	$ (164,301)	$ 191,100	$ (19,458)	$ 3,928,865
Construction in progress	$ 210,095	$ 340,215	$ (190,942)	$ -	$ 359,368

Grant funded assets may be restricted by the fund source program that originally purchased the asset. Custody of these assets could revert back to the grantor upon completion or termination of the contract. Equipment purchased with agency funds are recorded at cost and depreciated on a straight-line basis over the estimated useful lives of the assets, primarily five to seven years. Depreciation expense for the year ended June 30, 2012 was $206,517.

Included in the June 30, 2012 equipment totals are assets purchased with state and federal grants totaling $58,991 that are fully depreciated.

NOTE 6 – LONG-TERM DEBT

Bond Payable

The Center has a bond payable through Okaloosa County, originally dated December 1, 2006 and revised November 1, 2007. The bond requires monthly payments in the amount of $13,831 including interest at 4.258% through November 2026, and is secured by land, buildings, improvements, and equipment.

Note Payable

On September 28, 2011 the Center borrowed $462,760 from a bank for the purpose of acquiring certain software licensing rights. The note requires monthly payments in the amount of $8,641 including interest at 4.5% through September 2016 and is secured by the acquired software licenses.

For all debt amounts, principal payments over the next five years and thereafter are as follows:

	Bond Payable	Note Payable	Total
2013	$ 94,206	$ 87,497	**$ 181,703**
2014	97,726	91,517	**189,243**
2015	102,030	95,721	**197,751**
2016	106,361	100,118	**206,479**
2017	111,207	24,816	**136,023**
Thereafter	1,207,257	-	**1,207,257**
	$ 1,718,787	$ 399,669	**$ 2,118,456**

NOTE 7 - LINE OF CREDIT

The Center has an available line of credit with Coastal Bank and Trust of Florida in the amount of $250,000. The line of credit bears interest at 1% above prime. There are no amounts outstanding on the line of credit as of June 30, 2012.

NOTE 8 – OPERATING LEASES

The Center leases buildings and apartments throughout Okaloosa County under operating leases expiring in various years through the end of 2012. Rental expense for the year ended June 30, 2012 was 373,362.

The Center has no non-cancelable operating leases having remaining terms in excess of one year as of June 30, 2012.

Certain operating leases provide for renewal options annually at their fair market value at the time of renewal. In the normal course of business, operating leases are generally renewed or replaced by other leases.

NOTE 9 - INDIVIDUAL TAX-SHELTERED ANNUITY PLAN

The Center has contributed an amount equal to one percent of full-time employees' salary and part-time employees' salary (for those part-time employees working in excess of 1,000 hours per year) to an Internal Revenue Code Section 403(b) Individual Tax-Sheltered Annuity (TSA) Plan administered by VALIC. This contribution is made for employees with at least one year of employment.

Upon hire, employees may, at their option, contribute a percentage of their salary to the TSA Plan. After one year of service, the Center will contribute 1% for the benefit of any employee who makes a contribution of at least 2%. This match is in addition to the Center's discretionary 1% contribution (for 2012), which is made even if the employee elects not to contribute to the plan. Employees are fully vested in their contributions at all times. Vesting for employer contributions is based on years of service. Employees are fully vested in employer contributions after five years of service.

The employer's contribution to the TSA Plan for the year ended June 30, 2012, was $29,218. Fringe benefit expenses were reduced by $14,221 due to a refund of plan forfeitures during the year.

NOTE 10 – VOLUNTEERS

The Center has a crisis department (suicide prevention/rape crisis center) that is available to the community 24 hours a day, 7 days per week, 365 days a year, providing confidential telephone crisis intervention, on-site intake/evaluation, suicide prevention, crisis stabilization, mental health/substance abuse treatment and rape crisis center. Volunteers with specialized training are utilized to adequately staff the crisis department.

Volunteers are required to meet the State of Florida's certification standards by attending training classes and receiving instructive assistance by working along with other certified staff. The Center logs volunteer hours worked and recognizes revenue based upon state approved rates. For fiscal year 2012, the total in-kind contribution revenue recognized for the volunteer program equaled $74,943 The same amount has been recognized as an expense under subcontracted services in the accompanying Statement of Functional Expenses.

NOTE 11 – SUPPORT FROM THE STATE OF FLORIDA WITH REQUIRED MATCH

The Center received a substantial portion of its support from the State of Florida, Department of Children and Families under a fixed fee contract remitted on a monthly basis, with a minimum number of clients to be served. This contract also contains a match requirement. The following schedule shows that the Center met the match requirement for the year ended June 30, 2012:

Total expenses	$	(11,725,557)
Add back:		
Other state and federal funds		6,120,789
Non-match SAMH funds		856,742
Total remaining allowable expenses for required state match		(4,748,026)
Amount of state funds to be matched received		
ADM - capitated fund		2,460,865
PATH		25,731
Senior 111B		35,412
Senior 111C1		20,588
Senior 111C2		24,491
Senior 111E		19,332
Senior CCE		59,234
Total amount of state funds to be matched received		2,645,653
Required local match (percent of state funds received) (32.58%)		861,925
Required local match (percent for senior federal funding received)		
Senior 111B		3,541
Senior 111C1		2,059
Senior 111C2		2,449
Senior 111E		1,933
Senior CCE		5,923
Total required local match (percent for senior federal funding received) (0.60%)		15,905
Total allowable expenditures		4,748,026
Total amount of allowable state earnings as a percentage of allowable expenses (67.42%)		3,201,172
Total amount of state funds received		(2,645,653)
Excess of match required by the state	$	555,519

NOTE 12 - GRANTS AND SERVICE FEES

The Center receives federal and state grants, Medicare, Medicaid, Capitated Medicaid funds, and services fees. These funds are subject to compliance audits by the providers or their representatives. The audits of these programs have not yet been accepted and/or approved by the providers and their representatives. Accordingly, the final determination of compliance with applicable grant requirements and other federal and state programs will be established at a future date. The amount, if any, of billings and expenditures which may be disallowed cannot be determined and, accordingly, no provision for these amounts has been made in the accompanying financial statements.

NOTE 13 – TEMPORARILY RESTRICTED REVENUES

Temporarily restricted revenues are residual receipts restricted for use in the DUI program. For fiscal year 2012, DUI restricted revenues totaled $314,825.

NOTE 14 – DRIVING UNDER THE INFLUENCE PROGRAM

The following information is provided to comply with State of Florida requirements related to the Driving Under the Influence (DUI) Program:

a. As required by Section 322.293, Florida Statutes, and Administrative Code 15A-10.012, Bridgeway Center collects a state assessment fee of $12 from every client enrolling in its DUI program and remits the fees to the State of Florida. State assessment fees collected and distributed to the State of Florida for the respective fiscal years ended June 30 are summarized as follows:

June 30,	**2012**	2011
DUI fees due from prior year	**$ 1,170**	$ 1,350
DUI fees collected current year	**13,950**	15,900
DUI fees remitted current year	**(14,160)**	(16,080)
Total DUI fees due to State	**$ 960**	$ 1,170

b. The DUI program at the Center has established and maintained procedures which adequately account for all fees received and for all receipts created and/or issued by the program.

c. There were no amounts due from participants at June 30, 2012 or June 30, 2011.

NOTE 14 – DRIVING UNDER THE INFLUENCE PROGRAM (CONTINUED)

d. Special Supervision Services for the year ended June 30 are summarized as follows:

June 30,	2012	2011
SPECIAL SUPERVISION SERVICES ACTIVITIES		
Revenues:		
Special supervision fees	**$ 56,982**	$ 47,984
Total revenues	**56,982**	47,984
Expenses:		
Salaries and related expenses		
Salaries	**48,708**	35,275
FICA	**3,274**	2,371
Workers Compensation	**716**	519
Unemployment	**57**	41
Life Insurance	**32**	23
Health Insurance	**6,237**	4,517
Total salaries and related expenses	**59,024**	42,746
Program and related expenses		
Building occupancy	**279**	271
Professional services	**40**	40
Travel	**64**	-
Equipment cost	**41**	-
Insurance	**110**	101
Phone/connectivity	**217**	267
Operating supplies and expense	**387**	199
Total Program and related expenses	**1,138**	878
Allocation of administration expenses	**784**	674
Total expenses	**60,946**	44,298
Net change	**$ (3,964)**	$ 3,686

NOTE 14 – DRIVING UNDER THE INFLUENCE PROGRAM (CONTINUED)

e. The following are the DUI program's summarized financial statements as of and for the year ended June 30:

STATEMENT OF FINANCIAL POSITION - DUI PROGRAM

June 30,		**2012**		**2011**
Assets				
Cash	**$**	**200**	$	200
Prepaid expenses		**5,448**		3,763
Equipment (net of accumulated depreciation)		**15,320**		24,978
Total assets	**$**	**20,968**	$	28,941
Liabilities				
Due to Bridgeway Center, Inc.	**$**	**197,322**	$	183,491
Salaries payable		**5,618**		9,421
Accrued annual leave		**8,995**		3,234
Total liabilities		**211,935**		196,146
Net assets				
Net assets		**(206,287)**		(192,183)
DUI fixed assets		**15,320**		24,978
Net assets		**(190,967)**		(167,205)
Total liabilities and net assets	**$**	**20,968**	$	28,941

NOTE 14 - DRIVING UNDER THE INFLUENCE PROGRAM (CONTINUED)

STATEMENT OF ACTIVITIES - DUI PROGRAM

June 30,	**2012**	**2011**
Revenues		
Fees	**$ 322,806**	$ 350,912
Total revenues	**322,806**	350,912
Expenses		
Salaries	**153,349**	171,141
Employee health and retirement benefits	**21,516**	14,583
Payroll taxes	**12,776**	17,998
Total salaries and related expenses	**187,641**	203,722
Building occupancy	**20,674**	18,754
Professional services	**7,605**	5,358
Travel	**4,742**	4,117
Equipment cost	**3,067**	2,604
Client transportation	**3,610**	3,497
Food services	**470**	442
Medical and pharmacy	**605**	1,125
Subcontracted services	**34,552**	34,565
Insurance	**8,172**	8,168
Phone/connectivity	**16,095**	11,059
Operating supplies and expense	**15,168**	36,132
Total direct expenses	**114,760**	125,821
Allocation of administrative expenses	**34,509**	51,780
Total expenses	**336,910**	381,323
Change in net assets	**(14,104)**	(30,411)
Change in DUI fixed assets (restricted equipment)	**(9,658)**	(4,456)
Total change in net assets	**(23,762)**	(34,867)
Net assets, beginning of year	**(167,205)**	(132,338)
Net assets, end of year	**$ (190,967)**	$ (167,205)

SUPPLEMENTARY INFORMATION

Bridgeway Center, Inc.

Schedule of Senior Service Expenses
(Unaudited)

Year ended June 30, 2012

	Senior Service Programs											
	Senior Services (Unallocated)	**Transportation**	**Companionship**	**Congregate Meals**	**Home Delivered Meals**	**Homemaker**	**Personal Care**	**Screening/ Assessment**	**Case Management**	**Respite**	**Other**	**Senior Services Total**
Personnel Services												
Salaries	$ 13,367	$ -	$ 9,604	$ 7,246	$ 4,922	$ 17,382	$ 25,352	$ 4,268	$ 22,848	$ 147	$ -	$ 105,136
Fringes	8,795	4	1,595	2,525	1,200	2,662	3,451	1,602	566	20	2	22,422
Total Personnel	22,162	4	11,199	9,771	6,122	20,044	28,803	5,870	23,414	167	2	127,558
Expenses												
Building Occupancy	934	-	-	-	-	-	-	-	-	-	-	934
Professional Services	73	-	181	138	69	293	375	61	198	4	-	1,392
Travel	1,739	-	522	280	143	1,450	2,364	122	1,275	85	-	7,980
Equipment Costs	415	-	-	-	-	-	-	-	-	-	-	415
Client Transportation	263	-	-	-	-	-	-	-	-	-	-	263
Food Services	14,672	-	-	7,812	38,305	-	-	-	-	-	-	60,789
Subcontracted Services	1,200	-	-	-	-	-	-	-	-	-	-	1,200
Insurance	-	-	760	554	276	1,178	1,508	246	766	19	-	5,307
Telephone & Connectivity	2,150	-	39	31	15	64	81	13	43	1	-	2,437
Client Services	24,885	14,701	3,230	1,527	-	2,873	7,720	-	-	24,295	-	79,231
Operating Supplies & Expe	3,592	-	366	9,285	193	562	771	121	602	51	4	15,547
Bad Debt	1,102	-	(21)	-	-	10	(222)	-	625	(13)	16	1,497
Total Expenses	51,025	14,701	5,077	19,627	39,001	6,430	12,597	563	3,509	24,442	20	176,992
Total Personnel & Expens	73,187	14,705	16,276	29,398	45,123	26,474	41,400	6,433	26,923	24,609	22	304,550
Distributed Costs												
Program Support	(33,889)	-	2,963	5,110	7,159	4,516	6,011	962	4,686	2,482	-	-
General & Administrative	-	539	1,683	3,125	3,510	2,691	3,499	570	2,688	1,427	-	19,732
Total Distributed Costs	(33,889)	539	4,646	8,235	10,669	7,207	9,510	1,532	7,374	3,909	-	19,732
Total Expenses	$ 39,298	$ 15,244	$ 20,922	$ 37,633	$ 55,792	$ 33,681	$ 50,910	$ 7,965	$ 34,297	$ 28,518	$ 22	$ 324,282

Bridgeway Center, Inc.

Schedule of Expenditures of Federal Awards and State Financial Assistance

Year ended June 30, 2012

Grantor/Program Title	CFDA/ CSFA Number	Grant Contract Number	Expenditures
FEDERAL AWARDS:			
U.S Department of Health and Human Services			
Direct Programs:			
SAMH Services - Projects of Regional and National Significance	93.243	1H79SM059095-01	$ 303,880
Indirect Programs:			
Passed Through Florida Department of Children and Families:			
Projects for Assistance in Transition from Homelessness (PATH)	93.150	B-001-100	102,925
Temporary Assistance for Needy Families (TANF) AMH & ASA	93.558	B-001-100	28,611
Child Abuse and Neglect State Grants	93.669	C-001-100	25,003
Block Grants for Community Mental Health Services	93.958	B-001-100	279,436
Block Grants for Prevention and Treatment of Substance Abuse	93.959	B-001-100	653,931
Passed Through Florida Department of Children and Families Passed Through Lakeview Center, Inc.:			
Promoting Safe and Stable Families	93.556	C-001-100	111,216
Child Welfare Services	93.645	C-001-100	26,527
Passed Through Florida Department of Health.:			
Injury Prevention and Control Research and State and Community Based Programs	93.136	COH7A	15,172
Passed Through Florida Department of Elder Affairs along with the Department of Health and Human Services passed through Northwest Florida Area Agency on Aging, Inc.:			
Special Programs for the Aging Cluster:			
Special Programs for the Aging-Title III, Part B-Grants for Supportive Services and Senior Centers	93.044	AA 011-B	35,412
Special Programs for the Aging-Title III, Part C-Nutrition Services (Congregate Meals)	93.045	AA 011-B	20,588
Special Programs for the Aging-Title III, Part C-Nutrition Services (Home Delivered Meals)	93.045	AA 011-B	24,491
Subtotal Expenditures - CFDA No. 93.045			45,079

See accompanying notes to schedule

Schedule of Expenditures of Federal Awards and State Financial Assistance (Continued)

Year ended June 30, 2012

Grantor/Program Title	CFDA/ CSFA Number	Grant Contract Number	Expenditures
FEDERAL AWARDS CONTINUED:			
U.S Department of Health and Human Services (Continued)			
Indirect Programs: (Continued)			
Passed Through Florida Department of Elder Affairs Along with the Department of Health and Human Services passed through Northwest Florida Area Agency on Aging, Inc.:			
Special Programs for the Aging Cluster:			
Nutrition Services Incentive Program	93.053	AU 011-B	$ 11,986
Total Special Programs for the Aging Cluster			92,477
National Family Caregiver Support-Title III, Part E	93.052	AA 011-B	19,332
Total U.S. Department of Health and Human Services			1,658,510
U.S. Department of Housing and Urban Development			
Direct Programs:			
Supportive Housing Program	14.235	FL0075B4H051003	180,641
Supportive Housing Program	14.235	FL0076B4H051003	214,395
Subtotal Expenditures - CFDA No. 14.235			395,036
Total U.S. Department of Housing and Urban Development			395,036
U.S. Department of Justice			
Indirect Programs:			
Passed Through Florida Department of Children and Families:			
Violence Against Women Formula Grants	16.588	12-6010-VS	73,272
Passed Through Florida Office of Attorney General:			
Crime Victim Assistance	16.575	V11054	42,651
Crime Victim Assistance	16.575	V10054	33,828
Subtotal Expenditures - CFDA No. 16.575			76,479
Passed through Florida Council on Sexual Violence			
Sexual Assualt Services Formula Program	16.017	10SAS01	6,076
Total U.S. Department of Justice			155,827
Total Expenditures of Federal Awards			$ 2,209,373

See accompanying notes to schedule

Schedule of Expenditures of Federal Awards and State Financial Assistance (Continued)

Year ended June 30, 2012

Grantor/Program Title	CFDA/ CSFA Number	Grant Contract Number	Expenditures
STATE FINANCIAL ASSISTANCE:			
Florida Department of Children and Families			
Indirect Projects:			
Community Based Care Supports: Family Safety and Preservation Services			
Temporary Assistance for Needy Families	60.094	C-001-100	$ 540,624
Social Security 1V E Waiver MOE	60.094	C-001-100	481,832
Family Care unit -	60.094	C-001-200	220,336
Promoting Safe and Stable Families	60.094	51.1-SVC	13,266
Promoting Safe and Stable Families	60.094	202-1-SVC	6,550
Subtotal Expenditures - CSDA No. 60.094			1,262,608
Total Florida Department of Children and Families			1,262,608
Florida Department of Elder Affairs			
Indirect Projects:			
Passed Through Northwest Florida Area Agency on Aging, Inc:			
Alzheimer's Respite Services	65.004	AZ0111-B	7,646
Community Care for the Elderly (CCE)	65.010	AC0111-B	59,234
Home Care for the Elderly (Case Management)	65.001	AH011-B	1,548
Home Care for the Elderly (Subsidies)	65.001	AH010-B	7,729
Subtotal Expenditures - CSFA No. 65.001			9,277
Total Florida Department of Elder Affairs			76,157
Florida Department of Juvenile Justice			
Direct Projects:			
Mental Health Services	80.011	X1513	14,550
Total Florida Department of Juvenile Justice			14,550
Florida Department of Health			
Indirect Projects:			
Passed Through Florida Council Against Sexual Violence:			
Rape Crisis Program Trust Fund - Sexual Battery Victims' Access to Services Act	64.061	01RCP-01	18,967
Total Florida Department of Health			18,967

See accompanying notes to schedule

Schedule of Expenditures of Federal Awards and State Financial Assistance (Continued)

Year ended June 30, 2012

Grantor/Program Title	CFDA/ CSFA Number	Grant Contract Number	Expenditures
STATE FINANCIAL ASSISTANCE (CONTINUED):			
Florida Department of Corrections			
Direct Projects:			
Outpaitient Substance Abuse Program	70.020	C-2396	$ 13,500
Outpatient Mental Health & Sex Offender Program	70.020	C2221	508
Total Florida Department of Corrections			14,008
Florida Department of Legal Affairs and Attorney General			
Indirect Projects:			
Passed Through Florida Council Against Sexual Violence:			
Florida Council Against Sexual Violence	41.010	110AG01	3,183
Total Florida Department of Legal Affairs and Attorney General			3,183
Total Expenditures of State Financial Assistance			$ 1,389,473

See accompanying notes to schedule

Notes to Schedule of Expenditures of Federal Awards and State Financial Assistance

NOTE 1 - GENERAL

The accompanying schedule of expenditures of federal awards and state financial assistance presents the activity of all federal awards programs and state financial assistance projects of Bridgeway Center, Inc. (the Center). All federal awards and state financial assistance received directly from federal or state agencies as well as federal awards passed through other government agencies are included on the schedule.

NOTE 2 - BASIS OF ACCOUNTING

The accompanying schedule of expenditures of federal awards and state financial assistance is presented using the accrual basis of accounting, which is described in Note 1 to the Center's financial statements.

NOTE 3 - LOW RISK AUDITEE

Bridgeway Center, Inc. qualified as a low risk auditee per criteria set forth in Section .530 of OMB circular A-133.

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REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Board of Trustees
Bridgeway Center, Inc.
Fort Walton Beach, Florida

We have audited the financial statements of The Bridgeway Center, Inc. ("the Center") as of and for the year ended June 30, 2012, and have issued our report dated December 3, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

Management of Bridgeway Center, Inc. is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the Center's internal control over financial reporting as a basis for designing our auditing procedures 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 Center's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Center's internal control over financial reporting.

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.

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 that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Center'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 that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of management, the Board of Trustees, the Center, and the Florida Auditor General and is not intended to be and should not be used by anyone other than these specified parties.

Carr, Riggs & Ingram, L.L.C.

Miramar Beach, Florida
December 3, 2012

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133 AND CHAPTER 10.650, RULES OF THE AUDITOR GENERAL OF THE STATE OF FLORIDA

To the Board of Trustees
Bridgeway Center, Inc.
Fort Walton Beach, Florida

Compliance

We have audited Bridgeway Center, Inc.'s ("the Center") compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* and in the *Department of Financial Services' State Projects Compliance Supplement*, that are applicable to each of the Center's major federal programs and state projects for the year ended June 30, 2012. The Center's major federal programs and state projects are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs and state projects is the responsibility of the Center's management. Our responsibility is to express an opinion on the Center's compliance based on our audit.

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; OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; and Chapter 10.650, Rules of the Auditor General, *Florida Single Audit Act Audits – Nonprofit and For-Profit Organizations.* Those standards, OMB Circular A-133 and Chapter 10.650, Rules of the Auditor General, require 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 federal program occurred. An audit includes examining, on a test basis, evidence about the Center's 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. Our audit does not provide a legal determination of the Center's compliance with those requirements.

In our opinion, Bridgeway Center, Inc. complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal awards programs and major state projects for the year ended June 30, 2012.

Internal Control Over Compliance

Management of Bridgeway Center, Inc. is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs and state projects. In planning and performing our audit, we considered the Center's internal control over compliance with requirements that could have a direct and material effect on a major federal program or state project in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, 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 Center's 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 federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of the finance committee, management, others within the Center, the Board of Trustees, federal and state awarding agencies and pass-through entities, and specific legislative or regulatory bodies and is not intended to be and should not be used by anyone other than these specified parties.

Carr, Riggs & Ingram, L.L.C.

Miramar Beach, Florida
December 3, 2012

SUMMARY OF AUDITOR'S RESULTS

As required by OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and Chapter 10.650, Rules of the Auditor General, *Florida Single Audit Act Audits – Nonprofit and For-profit Organizations*, the following is a summary of the results of the audit of the Bridgeway Center, Inc. for the fiscal year ended June 30, 2012:

- The auditor's report expresses an unqualified opinion on the financial statements of Bridgeway Center, Inc.
- No significant deficiencies relating to the audit of the financial statements are reported in the 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*.
- No instances of noncompliance material to the financial statements of Bridgeway Center, Inc., which would be required to be reported in accordance with *Government Audit Standards*, were disclosed during the audit.
- No significant deficiencies relating to the audit of the major federal programs or state projects are reported in the Report on Compliance with Requirements Applicable to Each Major Federal Program and State Project and Internal Control Over Compliance in Accordance with OMB Circular A-133 and Chapter 10.650 Rules of the Auditor General, State of Florida.
- The auditor's report on compliance with requirements that could have a direct and material effect on each major federal program and state project for Bridgeway Center, Inc. expresses an unqualified opinion.
- Our audit disclosed no findings required to be reported related to federal programs under section 510(a) of OMB Circular A-133, nor did our audit disclose any findings related to state projects required to be disclosed under Chapter 10.656.
- The following were tested as major federal programs and state projects:

Major Federal Programs	CFDA #	Expenditures
Substance Abuse and Mental Health Services, Projects of Regional and National Significance - SAMHSA	93.243	$ 303,880
Block Grants for Community Mental Health Services	93.958	279,436
Promoting Safe and Stable Families	93.556	111,216
Total Major Federal Programs		$ 694,532

SUMMARY OF AUDITOR'S RESULTS (CONTINUED)

Major State Projects	CSFA #	Expenditures
Community Based Care Supports	60.094	$ 1,262,608
Total Major State Projects		$ 1,262,608

- The threshold used for distinguishing between Type A and B federal programs and state projects was $300,000.

- Bridgeway Center, Inc. did qualify as a low risk auditee per criteria set forth in Section .530 of OMB circular A-133.

FINDINGS RELATED TO THE FINANCIAL STATEMENTS THAT ARE REQUIRED TO BE REPORTED UNDER GENERALLY ACCEPTED GOVERNMENT AUDITING STANDARDS (GAGAS)

- The results of our audit of Bridgeway Center, Inc. did not disclose any findings required to be reported in accordance with GAGAS.

FINDINGS AND QUESTIONED COSTS FOR MAJOR FEDERAL AWARDS PROGRAMS AND MAJOR STATE PROJECTS

- The results of our audit of Bridgeway Center, Inc. did not disclose any findings or questioned costs required to be reported under the provisions of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations or* Chapter 10.650, Rules of the Auditor General, *Florida Single Audit Act Audits – Nonprofit and For-profit Organizations.* No Summary of Prior Audit Findings is required because there were no prior audit findings related to federal awards programs or state projects. No corrective action plan is required because there were no findings required to be reported under the Federal Single Audit Acts or the Florida Single Audit Act.

OTHER ISSUES

- No Summary Schedule of Prior Audit Findings pursuant to Rules of the Auditor General 10.557(3)(d)(5) and 10.656(3)(d)6) is required because there were no prior audit findings related to State projects.

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