

**Bridges of America -
The Turning Point Bridge, Inc.**
Orlando, Florida

Financial Statements and
Supplementary Information

Year Ended June 30, 2014

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Independent Auditor's Report

Board of Directors
**Bridges of America –
The Turning Point Bridge, Inc.**
Orlando, Florida

We have audited the accompanying financial statements of Bridges of America – The Turning Point Bridge, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2014, and the related statements of activities, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Bridges of America - The Turning Point Bridge, Inc. as of June 30, 2014, 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.

Other Matters

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of functional expenses on page 14 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of state financial assistance, as required by Section 215.97, Florida Statutes, *Florida Single Audit Act*, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 6, 2014, on our consideration of Bridges of America - The Turning Point Bridge, 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 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 Bridges of America - The Turning Point Bridge Inc.'s internal control over financial reporting and compliance.

Borchbeck & Gase LLC

Winter Park, FL
November 6, 2014

Bridges of America - The Turning Point Bridge, Inc.
Statement of Financial Position
June 30, 2014

Assets	
Current Assets	
Cash and cash equivalents - unrestricted	\$ 193,689
Receivables from program contracts	71,245
Prepaid expenses	10,380
Total Current Assets	275,314
 Property and Equipment	
Furniture and fixtures	150,783
Equipment	65,160
Leasehold improvements	53,495
Accumulated depreciation	(219,627)
Total Property and Equipment	49,811
 Total Assets	
	\$ 325,125
 Liabilities and Net Assets	
Current Liabilities	
Accounts payable	\$ 13,334
Accrued payroll liabilities	19,659
Accrued compensated absences	9,959
Other accrued liabilities	1,769
Total Current Liabilities	44,721
 Other Liabilities	
Due to affiliates	634,312
Net Assets, Unrestricted	(353,908)
Total Liabilities and Net Assets	\$ 325,125

See accompanying notes and independent auditor's report

Bridges of America - The Turning Point Bridge, Inc.
Statement of Activities
For the Year Ended June 30, 2014

Unrestricted Revenues and Other Support

Program contract revenues - residential work release program	\$ 833,846
Resident rent revenues - residential work release program	543,714
Other program income	25,595
Total Unrestricted Revenues	1,403,155

Expenses

Program contract expenses	1,242,824
Management and general	311,951
Total Unrestricted Expenses	1,554,775

Decrease in Unrestricted Net Assets before Other Income and Expenses (151,620)

Other Income (Expenses)

Loss on asset disposal	(486)
Total Other Income (Expenses)	(486)

Decrease in Unrestricted Net Assets (152,106)

Unrestricted Net Assets at Beginning of Year (201,802)

Unrestricted Net Assets at End of Year \$ (353,908)

See accompanying notes and independent auditor's report

Bridges of America - The Turning Point Bridge, Inc.
Statement of Cash Flows
For the Year Ended June 30, 2014

Cash Flows From Operating Activities	
Cash received from program contracts	\$ 825,724
Cash received from residents rent	554,365
Cash received from other program income	25,595
Cash paid to employees	(566,464)
Cash paid to suppliers	(911,616)
Cash paid for taxes	(52,679)
Net Cash Used in Operating Activities	<u>(125,075)</u>
Cash Flows From Investing Activities	
Cash paid for purchase of fixed assets	(1,045)
Net Cash Used in Investing Activities	<u>(1,045)</u>
Cash Flows From Financing Activities	
Net borrowings from affiliates	216,650
Net Cash Provided by Financing Activities	<u>216,650</u>
Net Increase in Cash and Cash Equivalents	<u>90,530</u>
Cash and Cash Equivalents at Beginning of Year	<u>103,159</u>
Cash and Cash Equivalents at End of Year	<u><u>\$ 193,689</u></u>
Reconciliation of Decrease in Net Assets	
to Net Cash Used in Operating Activities	
Decrease in net assets	\$ (152,106)
Adjustments to reconcile decrease in net assets	
to net cash used in operating activities	
Depreciation	9,163
Loss on asset disposal	486
(Increase) decrease in	
Receivables from program contracts	2,529
Prepaid expenses	620
Increase (decrease) in	
Accounts payable	8,973
Accrued payroll liabilities	3,153
Accrued 401(k) liability	(1,609)
Accrued compensated absences	2,948
Other accrued liabilities	768
Net Cash Used in Operating Activities	<u><u>\$ (125,075)</u></u>

See accompanying notes and independent auditor's report

Bridges of America - The Turning Point Bridge, Inc.
Notes to Financial Statements
For the Year Ended June 30, 2014

Note A - General Information and Significant Accounting Policies

General Information - Bridges of America – The Turning Point Bridge, Inc. (the Organization) is a not-for-profit corporation organized to provide a Work Release Transition Program facility for criminal offenders in Broward County, Florida. The Organization is exempt from income tax under Internal Revenue Code Section 501(c)(3) as a public charity.

Donated Services and Materials - The Board of Directors serves without compensation. These services are not recorded in the financial statements since they generally are not susceptible to objective measurement or valuation. Additionally, the Organization occasionally receives donated goods for use in its operations. Management has determined that such amounts are not material to the financial statements of the Organization.

Basis of Presentation – The Organization has adopted Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic 958. This statement establishes standards for financial reporting by not-for-profit organizations. The Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. The Organization does not have any temporarily or permanently restricted net assets.

Program Contract Revenue and Receivable - Program contract revenue represents amounts for providing program services under the terms of the contract with the State of Florida Department of Corrections. Receivables from this program contract represent amounts due under the contract and are considered fully collectible.

Under the work release contract, the Organization is authorized to charge those inmates employed through the program a subsistence rental charge, which is 55% of the inmate's net pay, not to exceed a maximum rate per the contract. During the current year, the Organization earned subsistence charges in the amount of \$543,714 from work release program participants who were employed.

Property and Equipment - Purchased assets costing in excess of \$1,000 individually or in the aggregate are capitalized and recorded at cost. Donated assets are recorded at their fair market value at the date of the donation. Improvements and betterments are capitalized, while repair and maintenance expenditures are expensed in the statement of activities. Property and equipment are being depreciated over its estimated useful lives of 5 and 7 years using the straight-line method of depreciation. Leasehold improvements are being depreciated over 15 and 39 years using the straight-line method of depreciation. Depreciation expense for the year ended June 30, 2014, was \$9,163.

Bridges of America - The Turning Point Bridge, Inc.
Notes to Financial Statements
For the Year Ended June 30, 2014

Note A - General Information and Significant Accounting Policies – Continued

Cash and Cash Equivalents - For purposes of the statement of cash flows, the Organization considers all highly liquid debt instruments purchased with an original maturity of three months or less to be cash equivalents.

Estimates - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Interest Expense – The Organization incurred no interest expense during the year ended June 30, 2014.

Income Taxes – The Organization adopted FASB ASC Topic 740. The pronouncements clarify the accounting for uncertainty in income tax recognition in financial statements and requires the impact of a tax position to be recognized in the financial statements if that position is more likely than not of being sustained by the taxing authority. The Organization is a not-for-profit corporation which has obtained tax-exempt status under section 501(c)(3) of the Internal Revenue Code with no unrelated business income and is not subject to income tax. Management has evaluated this tax position and has determined that it is more likely than not to be upheld. The adoption has not had a material effect on the Organization.

The Organization has evaluated the tax positions for all open tax years. Currently, the tax years open and subject to examination by the Internal Revenue Service are the fiscal years ended June 30, 2011, 2012, 2013, and 2014. However, the Organization is not currently under audit.

Allocation of Expenses – The costs of providing the various program and supporting activities of the Organization have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the program and supporting activities.

Note B – Related Party Transactions

The Organization shares a common Board of Directors and common management with Christian Prison Ministries, Inc., a not-for-profit corporation, and other Bridges of America entities, which provide similar services in other facilities throughout the State of Florida.

Bridges of America - The Turning Point Bridge, Inc.
Notes to Financial Statements
For the Year Ended June 30, 2014

Note B – Related Party Transactions – Continued

Christian Prison Ministries, Inc. owns all of the facilities used by the Organization in conducting its program activities. Under the terms of a five year lease which ends December 31, 2017 and calls for monthly payments of \$15,000, the Organization paid rental charges of \$180,000 to Christian Prison Ministries, Inc. for the use of these facilities in the current year. Future minimum rental payments are as follows:

Years Ending June 30,	Amount
2015	\$ 180,000
2016	180,000
2017	180,000
2018	90,000
	<u>\$ 630,000</u>

In addition, the Organization paid administrative fees of \$180,000 to Bridges of America, Inc. for management services in the current year.

Amounts due to affiliates represents funds the Organization borrowed for start-up and operating purposes. During the current year, the Organization received \$216,650 from Christian Prison Ministries, Inc. As of June 30, 2014, the Organization has a payable of \$634,312 due to the affiliated entities. This amount is not expected to be repaid within the next operating cycle. No interest is being charged on the loans.

The Organization paid \$84,000 to Bridges of America – The Broward County Bridge, Inc., an affiliated entity, for food preparation services. This amount is included in food expense in the accompanying statement of functional expenses.

During the current year, the Organization paid \$32,400 to Society of St. Dimas, an affiliated entity, for chaplaincy services. The Organization also made vehicle lease payments of \$12,000 directly to Bridges of America, Inc. under the terms of a month to month lease. This amount is included in vehicle expense in the accompanying statement of functional expenses.

A member of the Board of Directors of Bridges of America, Inc. is also an employee and point of contact at Branch Banking and Trust Company (BB&T) through which an affiliated entity secured the line of credit and loan (see note C).

Bridges of America - The Turning Point Bridge, Inc.
Notes to Financial Statements
For the Year Ended June 30, 2014

Note C – Commitments and Contingencies

During the year ended June 30, 2013, Christian Prison Ministry, Inc. entered into a mortgage and security agreement. Under the agreement Branch Banking and Trust Company (the mortgagee) has agreed to purchase Orange County Industrial Development Authority (Florida) Variable Rate Demand Revenue and Refunding Bonds, Series 2012, in the total amount of \$14,027,676. In return the Orange County Industrial Development Authority (Florida) (the Issuer) has agreed to loan the proceeds from the sale of the bonds to the Ministry pursuant to a loan agreement dated, August 1, 2012, between the Issuer and Christian Prison Ministry, Inc. As of June 30, 2014, the outstanding indebtedness balance under guarantee is \$13,391,780.

The funds were used for the purpose of redeeming the outstanding principal amount of the Variable Rate Demand Revenue Bonds, Series 2005, financing the site acquisition and construction of the new Jacksonville facilities, financing capital expenditures to be made at various facilities operated by Christian Prison Ministry, Inc., and paying the costs associated with issuing the bonds.

Monthly payments of principal and interest are due on the first of each month, starting September 1, 2012, with an interest rate of 78% of one month LIBOR plus 1.625%, to be adjusted monthly. The loan will be callable on demand after seven years and any date thereafter upon 120 days' notice to Christian Prison Ministry, Inc. The principal is to be amortized over a period of 25 years.

The following entities are listed as Guarantors on the loan agreement: Bridges of America, Inc., Bridges of America – The Bradenton Bridge, Inc., Bridges of America – The Broward County Bridge, Inc., Bridges of America – The Jacksonville Bridge, Inc., Bridges of America – The Orlando Bridge, Inc., Bridges of America – The Pinellas Bridge, Inc., Bridges of America – The Polk Bridge, Inc., Bridges of America – Community Re-entry Services, Inc., Bridges of America – The Turning Point Bridge, Inc., Bridges of America – The Cocoa Bridge, Inc., Bridges of America – The Lake City Bridge, Inc., Bridges of America – The Santa Fe Bridge, Inc., and Bridges Correctional Treatment, Inc.

In order to maintain compliance with the loan agreement, Christian Prison Ministry, Inc. and the Guarantors must maintain, on a combined basis, certain financial covenants. The requirements include maintaining a fixed charge coverage ratio of 1.20 to 1.00, as well as maintaining an unrestricted net asset balance of \$15,323,966 as of June 30, 2014, to be increased by at least 50% of total positive increase in combined net assets, each fiscal year thereafter. The combined entity may not create, incur, assume or suffer to exist any new operating leases for equipment which create additional annual payment obligations in the aggregate of more than \$750,000 for any fiscal year, or incur capital expenditures in excess of \$750,000 in any fiscal year. The expenditures for the Jacksonville facility were not considered to be a part of the calculation of total capital expenditures for these covenants.

Bridges of America - The Turning Point Bridge, Inc.
Notes to Financial Statements
For the Year Ended June 30, 2014

Note C – Commitments and Contingencies – Continued

As of June 30, 2014, Christian Prison Ministry, Inc. and the Guarantors met these financial covenants, with the exception of the capital expenditure covenant which was overspent by approximately \$165,144. The bank waived this debt covenant. The loan is secured by substantially all corporate assets, and is guaranteed by Christian Prison Ministry, Inc. and affiliated entities.

In February 2014 Christian Prison Ministry, Inc. entered into a promissory note payable in the amount of \$1,200,000 with Branch Banking and Trust Company. Monthly payments of principal and interest in the amount of \$11,419 are due each month, starting March 21, 2014, with an interest rate of one month LIBOR plus 2.5%, not to exceed 24%, to be adjusted monthly. The loan is to be paid in 59 equal payments with one final payment of all remaining principal and accrued interest on February 21, 2019. The note is secured by the property owned by Christian Prison Ministry, Inc. in Duval County, Florida.

The following entities were listed as Guarantors on the loan agreement: Bridges of America, Inc., Bridges of America – The Bradenton Bridge, Inc., Bridges of America – The Broward County Bridge, Inc., Bridges of America – The Jacksonville Bridge, Inc., Bridges of America – The Orlando Bridge, Inc., Bridges of America – The Pinellas Bridge, Inc., Bridges of America – The Polk Bridge, Inc., Bridges of America – Community Re-entry Services, Inc., Bridges of America – The Turning Point Bridge, Inc., Bridges of America – The Cocoa Bridge, Inc., Bridges of America – The Lake City Bridge, Inc., Bridges of America – The Santa Fe Bridge, Inc., and Bridges Correctional Treatment, Inc.

Christian Prison Ministry, Inc. was granted a Line of Credit (LOC) in the amount of \$2,500,000, of which \$1,588,991 was unused at June 30, 2014. It carries an interest rate of one month LIBOR plus 2.5%, rounded upward, to be adjusted monthly. The LOC calls for monthly interest payments with the principal due at the term of the agreement. The LOC matures on August 1, 2015. The LOC is secured by all business and real property owned by Christian Prison Ministry, Inc.

The following entities were listed as Guarantors on the line of credit agreement: Bridges of America, Inc., Bridges of America – The Bradenton Bridge, Inc., Bridges of America – The Broward County Bridge, Inc., Bridges of America – The Jacksonville Bridge, Inc., Bridges of America – The Orlando Bridge, Inc., Bridges of America – The Pinellas Bridge, Inc., Bridges of America – The Polk Bridge, Inc., Bridges of America – Community Re-entry Services, Inc., Bridges of America – The Turning Point Bridge, Inc., Bridges of America – The Cocoa Bridge, Inc., Bridges of America – The Lake City Bridge, Inc., Bridges of America – The Santa Fe Bridge, Inc., and Bridges Correctional Treatment, Inc.

Bridges of America - The Turning Point Bridge, Inc.
Notes to Financial Statements
For the Year Ended June 30, 2014

Note D - Major Sources of Support

The Organization has a contract with the Florida Department of Corrections to provide a Work Release Center facility and program services including substance abuse and other transitional services for inmates. The Organization earned \$833,846 under contract #C2205 during the current year. The contract, which is terminable by the Florida Department of Corrections under certain conditions, is renewable on a periodic basis. The current contract is effective through June 30, 2015.

The Organization provides drug, alcohol, counseling, rehabilitation and employment services to inmates and is compensated for the provision of these services by the Florida Department of Corrections on a monthly basis. As of June 30, 2014, outstanding receivables from these programs were \$71,245.

Note E - Operating Leases

During the year ended June 30, 2014, the Organization had several office equipment leases, expiring in May 2017, which are accounted for as operating leases. The total equipment lease expense for the current year was \$10,076.

The future minimum payments under the operating leases are as follows:

Years Ending June 30,	
2015	\$ 6,120
2016	6,120
2017	5,100
2018	-
2019	-
Total future minimum lease payments	\$ 17,340

Note F – Concentration of Credit Risk

The Organization maintains cash balances at one financial institution which are insured by the Federal Deposit Insurance Corporation. At various times during the year ended June 30, 2014, the Organization may have had balances in these accounts which exceeded insured amounts.

Additionally, the Organization has a concentration of credit risk for program contract revenues and receivables. If there were a significant decrease or termination of the contracts, there would be an adverse effect on the Organization’s program services and operations. These revenues and receivables represent amounts earned and collectible, respectively, for providing drug and alcohol counseling and rehabilitation programs for criminal offenders.

Bridges of America - The Turning Point Bridge, Inc.
Notes to Financial Statements
For the Year Ended June 30, 2014

Note F – Concentration of Credit Risk – Continued

All of the program contract revenue and receivables are received from the State of Florida Department of Corrections.

Note G – Employee Benefit Plan

The Organization participates in a retirement plan pursuant to Section 401(k) which was established by Bridges of America, Inc. To be eligible to participate in the plan, employees must have completed one year of service, be 21 years of age or older and are required to work 1,000 hours or more during a twelve consecutive month period. Employees are vested over a six year period for the employer's matching contributions into the plan. The plan provides for a discretionary matching contribution of up to 8% of the participant's salary contribution and is funded annually. During the year ended June 30, 2014, the Organization decided not to make a contribution to the plan.

Note H – Subsequent Events

In preparing these financial statements, management has evaluated events and transactions for potential recognition or disclosure through November 6, 2014, the date the financial statements were available to be issued. No events or transactions which require recognition or disclosure were identified.

Supplementary Information

Bridges of America - The Turning Point Bridge, Inc.
Statement of Functional Expenses
For the Year Ended June 30, 2014

	Program/Contract Work Release	Management and General	Total
Salaries and wages	\$ 493,406	\$ 78,318	\$ 571,724
Administrative fee	-	180,000	180,000
Facility rental	180,000	-	180,000
Insurance	116,838	15,932	132,770
Utilities	94,056	-	94,056
Food expense	84,372	-	84,372
Payroll taxes	44,085	6,012	50,097
Accounting	32,150	9,100	41,250
Vehicle expense	37,584	-	37,584
Chaplaincy services	32,400	-	32,400
Repairs and maintenance	20,806	-	20,806
Telephone	19,893	-	19,893
Supplies	15,666	3,527	19,193
Client welfare	17,555	-	17,555
Miscellaneous	11,663	1,829	13,492
Fire and safety	10,773	-	10,773
Equipment leasing and rental	10,076	-	10,076
Employee education and awards	1,620	7,832	9,452
Legal	-	9,174	9,174
Depreciation expense	9,163	-	9,163
Extermination and pest control	6,468	-	6,468
Taxes and licenses	2,582	-	2,582
Payroll fees	1,668	227	1,895
	<u>\$ 1,242,824</u>	<u>\$ 311,951</u>	<u>\$ 1,554,775</u>

See accompanying notes and independent auditor's report

Bridges of America - The Turning Point Bridge, Inc.
Schedule of Expenditures of State Financial Assistance
For the Year Ended June 30, 2014

Agency and Program Title	Contract Number	Catalog of State Financial Assistance	State Expenditures - Grants/ Aids Appropriations	State Expenditures - Other Funds	Federal Through State Expenditures	Total Expenditures
Florida Department of Corrections:						
Work Release Transition Program	C2205	70.017	\$ -	\$ 825,724	\$ -	\$ 825,724
			<u>\$ -</u>	<u>\$ 825,724</u>	<u>\$ -</u>	<u>\$ 825,724</u>
				(1)		

(1) State expenditures are reported on the cash basis of accounting.

See accompanying notes and independent auditor's report



**Independent Auditor's Report on Internal Control Over Financial Reporting
and on Compliance and Other Matters Based on an Audit of Financial
Statements Performed in Accordance With the *Government Auditing
Standards* and Chapter 10.650, *Rules of the Auditor General*,
of the State of Florida**

Board of Directors
**Bridges of America -
The Turning Point Bridge, Inc.**
Orlando, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and Chapter 10.650, *Rules of the Auditor General*, of the State of Florida, the financial statements of Bridges of America - The Turning Point Bridge, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2014, 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 November 6, 2014.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Bridges of America - The Turning Point Bridge, Inc.'s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Bridges of America - The Turning Point Bridge, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the organization'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.

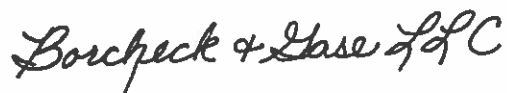
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not 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 Bridges of America - The Turning Point Bridge, Inc.'s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and Chapter 10.650, *Rules of the Auditor General*, of the State of Florida.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* and Chapter 10.650, *Rules of the Auditor General*, of the State of Florida, in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Winter Park, FL
November 6, 2014



**Independent Auditor's Report on Compliance for Each Major State Project
and Report on Internal Control Over Compliance Required by Chapter
10.650, Rules of the Auditor General, of the State of Florida**

Board of Directors
Bridges of America -
The Turning Point Bridge, Inc.
Orlando, Florida

Report on Compliance for Each Major State Project

We have audited Bridges of America - The Turning Point Bridge, Inc.'s compliance with the types of compliance requirements described in the *Department of Financial Services' State Projects Compliance Supplement*, that could have a direct and material effect on each of Bridges of America - The Turning Point Bridge, Inc.'s major State projects for the year ended June 30, 2014. Bridges of America - The Turning Point Bridge, Inc.'s major State projects are 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 law, regulations, contracts, and grants applicable to its State projects.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Bridges of America - The Turning Point Bridge, Inc.'s 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*. Those standards, 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 State project occurred. An audit includes examining, on a test basis, evidence about Bridges of America - The Turning Point Bridge, Inc.'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 on compliance for each major State project. However, our audit does not provide a legal determination on the Bridges of America - The Turning Point Bridge, Inc.'s compliance.

Opinion on Each Major State Project

In our opinion, Bridges of America - The Turning Point Bridge, Inc. complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major State projects for the year ended June 30, 2014.

Report on Internal Control Over Compliance

Management of Bridges of America - The Turning Point Bridge, Inc. 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 Bridges of America - The Turning Point Bridge, Inc.'s 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*, of the State of Florida, 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 Bridges of America - The Turning Point Bridge, Inc.'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 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 the 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 still 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 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.

Borchbeck & Gase LLC

Winter Park, FL
November 6, 2014

**Bridges of America – The Turning Point Bridge, Inc.
Schedule of Findings and Questioned Costs-
Florida State Projects**

For the Year Ended June 30, 2014

A. Summary of Auditor’s Results

1. The auditor’s report expresses an unmodified opinion on the basic financial statements of Bridges of America – The Turning Point Bridge, Inc.
2. There were no significant deficiencies disclosed during the audit of the financial statements of Bridges of America – The Turning Point Bridge, Inc.
3. No instances of noncompliance material to the financial statements of Bridges of America – The Turning Point Bridge, Inc. were disclosed during the audit.
4. There were no significant deficiencies relating to the audit of the State projects.
5. The auditor’s report on compliance with requirements that could have a direct and material effect on each of the major State projects for Bridges of America – The Turning Point Bridge, Inc. expresses an unmodified opinion.
6. Our audit disclosed no findings required to be reported related to the State projects required to be disclosed under Chapter 10.650, *Rules of the Auditor General*.
7. The programs/projects tested as major programs/ projects included the following:

State Project	State CSFA No.
Work Release Transition Program and Substance Abuse Transitional Re-Entry Program In Broward County, Florida	Contract #C2205
8. The threshold for distinguishing Type A and Type B programs was \$247,717 for major State projects.
9. No Summary of Schedule of Prior Audit Findings is required because there were no prior audit findings related to the State projects listed above.
10. No management letter is required because there were no findings required to be reported to management pursuant to Chapter 10.650, *Rules of the Auditor General*.
11. No Corrective Action Plan is required because there were no findings required to be reported under the Florida Single Audit Act.