

**Bridges of America –  
The Polk Bridge, Inc.**  
*Orlando, Florida*

Financial Statements and  
Supplementary Information

Year Ended June 30, 2015

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## **Independent Auditor's Report**

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

### **Report on the Financial Statements**

We have audited the accompanying financial statements of Bridges of America - The Polk Bridge, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2015, 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.

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#### **Members**

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 Polk Bridge, Inc. as of June 30, 2015, 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 15 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 Chapter 10.650, *Rules of the Auditor General, Florida Single Audit Act Audits – Nonprofit and For-profit Organizations*, 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 17, 2015, on our consideration of Bridges of America - The Polk 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 Polk Bridge, Inc.'s internal control over financial reporting and compliance.

*Borchbeck & Chase LLP*

Winter Park, FL  
November 17, 2015

**Bridges of America - The Polk Bridge, Inc.**  
**Statement of Financial Position**  
**June 30, 2015**

**Assets**

**Current Assets**

Cash and cash equivalents - unrestricted	\$ 372,806
Receivables from program contracts	97,159
Receivables from employees	2,550
Food stamps	60,738
Prepaid expenses	5,463
<b>Total Current Assets</b>	<b>538,716</b>

**Property and Equipment**

Leasehold improvements	179,792
Furniture & fixtures	72,341
Equipment	22,931
Accumulated depreciation	(239,049)
<b>Total Property and Equipment</b>	<b>36,015</b>

**Other Assets**

Due from affiliates	170,403
Due from trust account	3,330
<b>Total Other Assets</b>	<b>173,733</b>

<b>Total Assets</b>	<b>\$ 748,464</b>
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**Liabilities and Net Assets**

**Current Liabilities**

Accounts payable	\$ 33,816
Accrued payroll liabilities	21,324
Accrued compensated absences	7,659
Other accrued liabilities	1,040
Due to client welfare	5,060
<b>Total Current Liabilities</b>	<b>68,899</b>

<b>Net Assets, Unrestricted</b>	<b>679,565</b>
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<b>Total Liabilities and Net Assets</b>	<b>\$ 748,464</b>
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See accompanying notes and independent auditor's report

**Bridges of America - The Polk Bridge, Inc.**  
**Statement of Activities**  
**For the Year Ended June 30, 2015**

<b>Unrestricted Revenues and Other Support</b>	
Program contract revenues - non-secure program	\$ 1,078,267
Resident rent revenues - non-secure program	186,402
Program contract revenues - medical assisted treatment	42,002
Program revenues - polk county residential treatment	20,592
Other program income	28,120
<b>Total Unrestricted Revenues and Other Support</b>	1,355,383
<b>Expenses</b>	
Program contract expenses	1,032,962
Management and general	211,772
<b>Total Unrestricted Expenses</b>	1,244,734
<b>Increase In Unrestricted Net Assets</b>	110,649
<b>Unrestricted Net Assets At Beginning Of Year</b>	568,916
<b>Unrestricted Net Assets At End Of Year</b>	\$ 679,565

See accompanying notes and independent auditor's report

**Bridges of America -The Polk Bridge, Inc.**  
**Statement of Cash Flows**  
**For the Year Ended June 30, 2012**

<b>Cash Flows From Operating Activities</b>	
Cash received from program contracts	\$ 1,112,818
Cash received from residents rent	186,402
Cash received from other program income	68,108
Cash paid to employees	(600,193)
Cash paid to suppliers	(578,159)
Cash paid for taxes	(44,421)
<b>Net Cash Provided By Operating Activities</b>	<b>144,555</b>
 <b>Cash Flows From Financing Activities</b>	
Net advances to affiliates	(78,347)
<b>Net Cash Used in Financing Activities</b>	<b>(78,347)</b>
<b>Net Increase In Cash and Cash Equivalents</b>	<b>66,208</b>
<b>Cash and Cash Equivalents At Beginning Of Year</b>	<b>306,598</b>
<b>Cash and Cash Equivalents At End Of Year</b>	<b>\$ 372,806</b>
 <b>Reconciliation Of Increase In Net Assets</b>	
<b>To Net Cash Provided By Operating Activities</b>	
Increase in net assets	\$ 110,649
Adjustments to reconcile increase in net assets to net cash provided by operating activities:	
Depreciation	13,419
(Increase) decrease in:	
Accounts receivable	(7,451)
Prepaid expenses	(273)
Other assets	16,847
Increase (decrease) in:	
Accrued payroll liabilities	4,619
Accrued compensated absences	(225)
Other accrued liabilities	(13,330)
Due to client welfare	5,060
Accounts payable	15,240
<b>Net Cash Provided By Operating Activities</b>	<b>\$ 144,555</b>

See accompanying notes and independent auditor's report

**Bridges of America – The Polk Bridge, Inc.**  
**Notes to Financial Statements**  
**For the Year Ended June 30, 2015**

**Note A – General Information and Significant Accounting Policies**

**General Information** - Bridges of America - The Polk Bridge, Inc. (the Organization) is a not-for-profit corporation organized to provide a substance abuse transitional re-entry program for criminal offenders in Polk 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** - According to U.S. generally accepted accounting principles, 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 Florida Department of Corrections. Receivables from this program contract represent amounts due under the contract and are considered fully collectible.

Under the Florida Department of Corrections program, the Organization is authorized to charge those clients employed through the program a subsistence rental charge, which is 40% of the offender's gross income, not to exceed a maximum rate per the contract. During the current year, the Organization received subsistence charges in the amount of \$186,402 from 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 values 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 their estimated useful lives of 5 to 7 years using the straight-line method of depreciation. Leasehold improvements are being depreciated over 15 to 39 years using the straight-line method of depreciation. Depreciation expense for the year ended June 30, 2015, was \$13,419.

**Bridges of America – The Polk Bridge, Inc.**  
**Notes to Financial Statements**  
**For the Year Ended June 30, 2015**

**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, 2015.

**Income Taxes** - 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 Organization has evaluated the tax positions for all open tax years and believes that all positions are more likely than not to be sustained upon examination. The Organization is no longer subject to U.S. Federal or State income tax examinations by taxing authorities for years before 2011.

**Allocation of Expenses** - The costs of providing the various programs 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 Ministry, 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 Polk Bridge, Inc.**  
**Notes to Financial Statements**  
**For the Year Ended June 30, 2015**

**Note B – Related Party Transactions – Continued**

Christian Prison Ministry, Inc. owns all of the facilities used by the Organization in conducting its program activities. The Organization rents the facility from Christian Prison Ministry, Inc. under the terms of a five year lease which ends December 31, 2017 and calls for monthly payments of \$10,000. The Organization paid rental charges of \$120,000 to Christian Prison Ministry, Inc. for the use of these facilities in the current year. Future minimum rental payments are as follows:

Years Ending June 30,	Amount
2016	120,000
2017	120,000
2018	60,000
	\$ 300,000

Bridges of America, Inc. provides administrative services to the Organization. The Organization paid Bridges of America, Inc. \$84,000 for these services in the current year.

Amounts due from affiliates represent funds the Organization loaned to affiliates to help fund operations and support common missions. During the year ended June 30, 2015, the Organization made payments totaling \$78,347 to related entities. At June 30, 2015, the Organization had a receivable of \$170,403 from its affiliates. This amount is not expected to be repaid within the next operating cycle. No interest is being charged on these loans.

During the current year, the Organization paid \$15,000 to Society of St. Dismas, an affiliated entity, for chaplaincy services. The Organization also made vehicle lease payments of \$6,000 directly to Bridges of America, Inc. under the terms of a month-to-month lease. This amount is included in vehicle expense.

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 Polk Bridge, Inc.**  
**Notes to Financial Statements**  
**For the Year Ended June 30, 2015**

**Note C – Commitments and Contingencies**

During the year ended June 30, 2013, Christian Prison Ministry, Inc. (the Ministry) 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 the Ministry. As of June 30, 2015, the outstanding indebtedness balance under guarantee is \$13,024,182.

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 the Ministry, 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 the Ministry. The principal is to be amortized over a period of 25 years.

The following entities are listed as Guarantors on the loan agreement: Christian Prison Ministry, Inc., 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 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., Bridges Correctional Treatment, Inc. and Bridges of Florida, Inc.

In order to maintain compliance with the loan agreement, the Ministry 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 \$15,349,768 as of June 30, 2015, 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.

**Bridges of America – The Polk Bridge, Inc.**  
**Notes to Financial Statements**  
**For the Year Ended June 30, 2015**

**Note C – Commitments and Contingencies – Continued**

As of June 30, 2015, management believes the Ministry and the Guarantors met these financial covenants. The loan is collateralized by substantially all corporate assets, and is guaranteed by the Ministry and affiliated entities.

In February 2014 the Ministry 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 collateralized by the property owned by the Ministry in Duval County, Florida.

The following entities were listed as Guarantors on the loan agreement: Christian Prison Ministry, Inc., 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 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., Bridges Correctional Treatment, Inc. and Bridges of Florida, Inc.

The Ministry was granted a Line of Credit (LOC) in the amount of \$2,500,000 with Branch Banking and Trust Company, of which \$1,768,991 was unused at June 30, 2015. 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. LOC is collateralized by all business and real property owned by the Ministry. The LOC matured on August 1, 2015 and subsequent to year end, the outstanding balance on the date of maturity was restructured into a promissory note in the amount of \$701,009. Monthly payments of principal and interest of \$12,531 are due each month, starting September 28, 2015, with an interest rate of one month LIBOR plus 2.5%, 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 August 28, 2020.

Subsequent to year end, the Ministry entered into a modification agreement to renew the Line of Credit (LOC) in the amount of \$2,500,000 with Branch Banking and Trust Company. 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, 2018. As of the date of these financial statements, the Ministry has not drawn on this LOC.

**Bridges of America – The Polk Bridge, Inc.**  
**Notes to Financial Statements**  
**For the Year Ended June 30, 2015**

**Note C – Commitments and Contingencies – Continued**

The following entities were listed as Guarantors on the line of credit agreements and the promissory note: Christian Prison Ministry, Inc., 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 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., Bridges Correctional Treatment, Inc. and Bridges of Florida, Inc.

**Note D – Major Sources of Support**

The Organization has a contract with the Florida Department of Corrections to provide a comprehensive drug and alcohol counseling, rehabilitation, and employment program for criminal offenders. The Organization earned \$1,078,267 under contract #C2411 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 in its final renewal period and is effective through July 31, 2017.

The Organization provides drug and alcohol, counseling, rehabilitation and employment services to clients and is compensated for the provision of these services by the Florida Department of Corrections on a monthly basis. As of June 30, 2015, outstanding receivables from these programs was \$83,585.

During the year ended June 30, 2015, the Organization entered into an agreement with the Florida Alcohol and Drug Abuse Association (FADAA) to provide screening for and administration of extended-release injectable naltrexone (VIVITROL) available to treat alcohol and opioid-addicted criminal offenders. The Organization also entered into an agreement with the Florida Department of Corrections to provide medical assisted treatment services to criminal offenders. The Organization earned \$42,002 under these agreements for medical assisted treatment during the current year. The current FADAA and Florida Department of Corrections agreements are effective through June 30, 2015, and July 31, 2017, respectively. As of June 30, 2015, the outstanding receivable from FADAA was \$13,574.

The Organization has a contract with the Polk County Board of County Commissioners to provide inpatient and residential treatment services for criminal offenders. The Organization earned \$20,592 under contract #12-054 during the current year. The contract is renewable for two one (1) year extension terms upon the same terms and conditions. The current contract is in its final renewal period and is effective through June 30, 2015.

**Bridges of America – The Polk Bridge, Inc.**  
**Notes to Financial Statements**  
**For the Year Ended June 30, 2015**

**Note E – Operating Leases**

During the year ended June 30, 2015, the Organization had several office equipment leases, expiring May 1, 2017, which are accounted for as operating leases. The total equipment lease expense for the current year was \$4,680.

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

<u>Years Ending June 30,</u>	
2016	\$ 4,680
2017	3,900
2018	-
2019	-
2020	-
Total future minimum lease payments	<u><u>\$ 8,580</u></u>

**Note F – Concentration of Credit Risk**

The Organization maintains cash balances at one financial institution which is insured by the Federal Deposit Insurance Corporation. At various times during the year ended June 30, 2015, 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, resident rent revenue and receivables. If there was 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. All of the program contract revenue and receivables are received from the Florida Department of Corrections.

**Note G – Employee Benefit Plan**

The Organization participates in a retirement plan pursuant to Internal Revenue Code 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, 2015, the Organization decided not to make a contribution to the plan.

**Bridges of America – The Polk Bridge, Inc.**  
**Notes to Financial Statements**  
**For the Year Ended June 30, 2015**

**Note H – Subsequent Events**

In preparing these financial statements, management has evaluated events and transactions for potential recognition or disclosure through November 17, 2015, the date the financial statements were available to be issued. No events or transactions requiring recognition or disclosure were identified.

## **Supplementary Information**

**Bridges of America - The Polk Bridge, Inc.**  
**Statement of Functional Expenses**  
**For the Year Ended June 30, 2015**

	<b>Program/Contract Non-Secure</b>	<b>Management and General</b>	<b>Total</b>
Salaries and wages	\$ 502,837	\$ 85,870	\$ 588,707
Facility rental	120,000	-	120,000
Insurance	77,290	13,199	90,489
Administrative fee	-	84,000	84,000
Utilities	64,324	-	64,324
Medical assisted treatment	46,686	-	46,686
Payroll taxes	37,076	6,332	43,408
Vehicle expense	35,300	-	35,300
Accounting	16,250	7,850	24,100
Supplies	19,899	3,999	23,898
Telephone	17,870	-	17,870
Food Stamp Expense	16,846	-	16,846
Chaplaincy services	15,000	-	15,000
Depreciation expense	13,419	-	13,419
Repairs and maintenance	11,648	-	11,648
Client welfare	10,916	-	10,916
Employee education and awards	1,134	7,701	8,835
Extermination and pest control	6,297	-	6,297
Payroll fees	4,491	767	5,258
Equipment leasing and rental	4,680	-	4,680
Travel expenses	4,252	-	4,252
Miscellaneous	1,109	1,457	2,566
Banking fees	2,016	-	2,016
Fire and safety	1,504	-	1,504
Printing and publications	1,105	-	1,105
Taxes and licenses	1,013	-	1,013
Legal fees	-	597	597
	<u>\$ 1,032,962</u>	<u>\$ 211,772</u>	<u>\$ 1,244,734</u>

See accompanying notes and independent auditor's report

**Bridges of America - The Polk Bridge, Inc.**  
**Schedule of Expenditures of State Financial Assistance**  
**For the Year Ended June 30, 2015**

Agency and Program Title	Contract Number	Catalog of State Financial Assistance Number	State Expenditures - Grants/ Aids Appropriations	State Expenditures - Other Funds	Federal Through State Expenditures	Total Expenditures
<b>Florida Department of Corrections:</b>						
Nonsecure Drug Treatment Program	C2411	70.016	\$ -	\$ 1,112,818	\$ -	\$ 1,112,818
			<u>\$ -</u>	<u>\$ 1,112,818</u>	<u>\$ -</u>	<u>\$ 1,112,818</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 Polk 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 Polk Bridge, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2015, 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 17, 2015.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Bridges of America - The Polk 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 Polk 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 Polk 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.

*Borchbeck & Case LLC*

Winter Park, FL  
November 17, 2015



**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 Polk Bridge, Inc.**  
Orlando, Florida

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

We have audited Bridges of America - The Polk Bridge, Inc.'s compliance with the types of compliance requirements described in the *Florida Department of Financial Services' State Projects Compliance Supplement*, that could have a direct and material effect on each of Bridges of America - The Polk Bridge, Inc.'s major State projects for the year ended June 30, 2015. Bridges of America - The Polk 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 Polk 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*, of the State of Florida. Those standards, and Chapter 10.650, *Rules of the Auditor General*, of the State of Florida, 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 Polk 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 Polk Bridge, Inc.'s compliance.

### ***Opinion on Each Major State Project***

In our opinion, Bridges of America - The Polk 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, 2015.

### **Report on Internal Control Over Compliance**

Management of Bridges of America - The Polk 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 Polk 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 Polk 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*, of the State of Florida. Accordingly, this report is not suitable for any other purpose.

*Borchbeck & Lase LLC*

Winter Park, FL  
November 17, 2015

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

For the Year Ended June 30, 2015

**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 Polk Bridge, Inc.
2. There were no significant deficiencies disclosed during the audit of the financial statements of Bridges of America – The Polk Bridge, Inc.
3. No instances of noncompliance material to the financial statements of Bridges of America – The Polk 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 Polk 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*, of the State of Florida.
7. The programs/projects tested as major programs/ projects included the following:

<b>State Project</b>	<b>State CSFA No.</b>
Non-Secure Drug Treatment Program	Contract #C2411
Polk County, Florida	
8. The threshold for distinguishing Type A and Type B programs was \$300,000 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*, of the State of Florida.
11. No Corrective Action Plan is required because there were no findings required to be reported under the Florida Single Audit Act.