

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

Financial Statements and
Supplementary Information

Year Ended June 30, 2016

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Independent Auditor's Report

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

Report on the Financial Statements

We have audited the accompanying financial statements of Bridges of America - The Orlando Bridge, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2016, 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.

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 Orlando Bridge, Inc. as of June 30, 2016, 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.

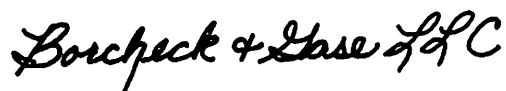
Other Matters

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of functional expenses is presented for purposes of additional analysis and is also not a required part of the financial statements. 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 22, 2016, on our consideration of Bridges of America - The Orlando 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 Orlando Bridge, Inc.'s internal control over financial reporting and compliance.



Winter Park, FL
November 22, 2016

Bridges of America - The Orlando Bridge, Inc.
Statement of Financial Position
June 30, 2016

Assets

Current Assets

Cash and cash equivalents - unrestricted	\$ 459,316
Receivables from program contracts	412,387
Receivables from other program contracts	27,457
Other receivables	55,521
Receivables from employees	910
Food stamps	588
Prepaid expense	35,664
Total Current Assets	991,843

Property and Equipment

Leasehold improvements	94,219
Equipment	343,400
Furniture and fixtures	348,548
Accumulated depreciation	(728,485)
Total Property and Equipment	57,682

Other Assets

Due from affiliates	4,431,393
Due from trust account	14,956
Total Other Assets	4,446,349

Total Assets

\$ 5,495,874

Liabilities and Net Assets

Current Liabilities

Accounts payable	\$ 51,318
Accrued payroll liabilities	86,877
Accrued compensated absences	47,222
Other accrued liabilities	6,095
Total Current Liabilities	191,512

Net Assets, Unrestricted

5,304,362

Total Liabilities and Net Assets

\$ 5,495,874

See accompanying notes and independent auditor's report

Bridges of America - The Orlando Bridge, Inc.
Statement of Activities
For the Year Ended June 30, 2016

Unrestricted Revenues and Other Support

Program contract revenues - non-secure program	\$ 1,605,553
Program contract revenues - residential work release program	1,364,210
Program contract revenues - substance abuse transition/ work release center	2,042,936
Program contract revenues - medical assisted treatment	137,583
Resident rent revenues - non-secure program	295,818
Resident rent revenues - residential work release program	980,273
Resident rent revenues - substance abuse transition/ work release center	466,267
Other program income	218,973
Total Unrestricted Revenues	7,111,613

Expenses

Program contract expenses	5,128,205
Management and general	1,223,056
Total Unrestricted Expenses	6,351,261

Increase in Unrestricted Net Assets Before Other Income and Expenses 760,352

Other Expenses

Contribution expense	360,000
Total Other Expenses	360,000

Increase in Unrestricted Net Assets 400,352

Unrestricted Net Assets at Beginning of Year 4,904,010

Unrestricted Net Assets at End of Year \$ 5,304,362

See accompanying notes and independent auditor's report

Bridges of America - The Orlando Bridge, Inc.
Statement of Cash Flows
For the Year Ended June 30, 2016

Cash Flows From Operating Activities	
Cash received from program contracts	\$ 5,016,009
Cash received from resident rent	1,687,140
Cash received from other program income	350,897
Cash paid to employees	(2,310,406)
Cash paid to suppliers	(3,862,054)
Contributions paid	(360,000)
Cash paid for taxes	(189,071)
Net Cash Provided by Operating Activities	332,515
 Cash Flows From Investing Activities	
Purchase of fixed assets	(13,438)
Net Cash Used in Investing Activities	(13,438)
 Cash Flows From Financing Activities	
Net advances to affiliates	(803,789)
Net Cash Used in Financing Activities	(803,789)
Net Decrease in Cash and Cash Equivalents	(484,712)
Cash and Cash Equivalents at Beginning of Year	944,028
Cash and Cash Equivalents at End of Year	\$ 459,316

See accompanying notes and independent auditor's report

Bridges of America - The Orlando Bridge, Inc.
Statement of Cash Flows - Continued
For the Year Ended June 30, 2016

Reconciliation of Increase in Net Assets

To Net Cash Provided by Operating Activities

Increase in net assets	\$ 400,352
Adjustments to reconcile increase in net assets to net cash provided by operating activities:	
Depreciation	14,635
(Increase) decrease in:	
Receivables from program contracts	2,646
Receivables from other program contracts	(12,028)
Other receivables	(55,219)
Employee loan	(350)
Other assets	7,384
Prepaid expense	(2,884)
Increase (decrease) in:	
Accrued compensated absences	2,722
Accounts payable	(36,498)
Accrued payroll liabilities	6,684
Other accrued liabilities	5,071

Net Cash Provided by Operating Activities

\$ 332,515

See accompanying notes and independent auditor's report

Bridges of America - The Orlando Bridge, Inc.
Notes to Financial Statements
For the Year Ended June 30, 2016

Note A – General Information and Significant Accounting Policies

General Information - Bridges of America - The Orlando Bridge, Inc. (the Organization) is a not-for-profit corporation organized to provide a prison Work Release Transitional Program, a Substance Abuse Transition/ Work Release Center, and a Comprehensive Drug and Alcohol Counseling and Rehabilitation Program for criminal offenders in Orange 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 contracts with the Florida Department of Corrections. Receivables from these program contracts represent amounts due under the contracts and are considered fully collectible.

Under the non-secure contract (#C2656), the Organization is authorized to charge those clients employed through the program a subsistence rental charge, which is 40% of the client's gross income, not to exceed a maximum rate per the contract. During the current year, the Organization earned subsistence charges in the amount of \$295,818 from participants who were employed.

Under the work release and subsistence abuse transition contracts (#C2842 and #C2489), 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 \$980,273 from work release program participants who were employed and \$466,267 from therapeutic community program participants who were employed.

Bridges of America - The Orlando Bridge, Inc.
Notes to Financial Statements
For the Year Ended June 30, 2016

Note A – General Information and Significant Accounting Policies - Continued

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 and 39 years using the straight-line method of depreciation. Leasehold improvements are being depreciated over 15 years using the straight-line method of depreciation. Depreciation expense for the year ended June 30, 2016, was \$14,635.

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, 2016.

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 2012.

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.

Bridges of America - The Orlando Bridge, Inc.
Notes to Financial Statements
For the Year Ended June 30, 2016

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.

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 \$95,000, which the Organization has the ability to adjust. The Organization paid rental charges of \$880,335 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
2017	1,140,000
2018	570,000
	<u>\$ 1,710,000</u>

Bridges of Florida, Inc. provides administrative services to the Organization. The Organization paid Bridges of Florida, Inc. \$932,000 for these services in the current year.

Amounts due from affiliates represent funds the Organization has loaned to affiliates to help fund operations and support common missions. During the year ended June 30, 2016, the Organization made net advances of \$803,789 to affiliates. At June 30, 2016, the Organization had a receivable of \$4,431,393 from its affiliates. The Organization has a receivable from the inmate trust account in the amount of \$14,956. However, these amounts are 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 \$96,200 to Society of St. Dismas, an affiliated entity for chaplaincy services. The Organization also made vehicle lease payments of \$42,000 directly to Bridges of America, Inc., under the terms of a month to month lease. This amount is included in vehicle expense. The Organization made a contribution to Christian Prison Ministry, Inc. of \$360,000 to support the activities of that organization.

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 Orlando Bridge, Inc.
Notes to Financial Statements
For the Year Ended June 30, 2016

Note C – Commitments and Contingencies

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, 2016, the outstanding indebtedness balance under guarantee is \$12,641,616.

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.

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 \$15,349,768 as of June 30, 2016, 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.

As of June 30, 2016, the Ministry failed to meet the following covenants: fixed charge coverage ratio, unrestricted net assets, and capital expenditures. The Ministry has received a waiver from the bank for these debt covenants. The loan is collateralized by substantially all corporate assets, and is guaranteed by Christian Prison Ministry, Inc. and affiliated entities.

Bridges of America - The Orlando Bridge, Inc.
Notes to Financial Statements
For the Year Ended June 30, 2016

Note C – Commitments and Contingencies – Continued

The Ministry has a promissory note to 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. As of June 30, 2016, the outstanding indebtedness balance under guarantee is \$945,216.

The Ministry also has a promissory note payable with Branch Banking and Trust Company with monthly payments of principal and interest in the amount of \$12,531 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. As of June 30, 2016, the outstanding indebtedness balance under guarantee is \$591,274.

The Ministry has a commitment for a 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 June 30, 2016, the Ministry has drawn \$1,254,700 on this LOC.

The following entities were listed as Guarantors on the loan agreements and the line of credit 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 Organization has a contract between Bridges of America – The Orlando Bridge, Inc. (#C2489) and the Florida Department of Corrections to provide a substance abuse/transition/work release center for inmates. 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 December 31, 2016, at which time the contract may not be renewed. Subsequent to year-end, the Florida Department of Corrections has decided not to renew the substance abuse transition/work release centers. Management has indicated they are looking for alternative programs to replace these contracts.

Bridges of America - The Orlando Bridge, Inc.
Notes to Financial Statements
For the Year Ended June 30, 2016

Note D – Major Sources of Support

Non-Secure Program

The Organization has a contract with the Florida Department of Corrections to provide comprehensive drug and alcohol counseling, rehabilitation, and employment programs for criminal offenders. The Organization earned \$1,605,553 under contract #C2656 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, 2018. The Organization is compensated for the provision of these services by the Florida Department of Corrections on a monthly basis. As of June 30, 2016, outstanding receivables from the program contract were \$132,437.

During the year ended June 30, 2016, 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 \$137,583 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, 2016, and July 31, 2017, respectively. As of June 30, 2016, the outstanding receivable from FADAA was \$27,457.

Work Release Program

The Organization has a contract with the Florida Department of Corrections to provide a secure work release program for inmates. The Organization earned \$1,364,210 under contract #C2842 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, 2018.

The Organization is compensated for the provision of these services by the Florida Department of Corrections on a monthly basis. As of June 30, 2016, outstanding receivables from the program contract were \$112,876.

Bridges of America - The Orlando Bridge, Inc.
Notes to Financial Statements
For the Year Ended June 30, 2016

Note D – Major Sources of Support - Continued

Substance Abuse Transition/ Work Release Center

The Organization has a contract with the Florida Department of Corrections to provide a substance abuse transition/ work release center for inmates. The Organization earned \$2,042,936 under contract #C2489 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 December 31, 2016, see Note H.

The Organization is compensated for the provision of these services by the Florida Department of Corrections on a monthly basis. As of June 30, 2016, outstanding receivables from the program contract were \$167,074.

The Organization also has outstanding receivables in the amount of \$55,219 for other program revenue for subsistence fees.

Note E – Operating Leases

During the year, the Organization incurred rent expense on operating leases in the amount of \$17,653. As of the year ended June 30, 2016, there were no required minimum lease payments.

Note F – Concentration of Credit Risk

The Organization maintains cash balances at several financial institutions which are insured by the Federal Deposit Insurance Corporation. At various times during the year ended June 30, 2016, 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 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. All of the program contract revenue and receivables are received from the Florida Department of Corrections.

Bridges of America - The Orlando Bridge, Inc.
Notes to Financial Statements
For the Year Ended June 30, 2016

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, 2016, 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 22, 2016, the date the financial statements were available to be issued.

Subsequent to year end, on July 25, 2016, the Organization entered into a contract extension (#C2489) between Bridges of America – The Orlando Bridge, Inc. – Therapeutic Community and the Florida Department of Corrections for three months ending December 31, 2016. The Florida Department of Corrections has informed the Organization that this contract will not be renewed after December 31, 2016.

Supplementary Information

Bridges of America - The Orlando Bridge, Inc.
Statement of Functional Expenses
For the Year Ended June 30, 2016

	<u>Program/Contract</u>			<u>Total Programs</u>	<u>Management and General</u>	<u>Total</u>
	<u>Non-Secure</u>	<u>Work Release</u>	<u>Substance Abuse/ Work Release</u>			
Salaries & Wages	\$ 413,909	\$ 753,066	\$ 976,226	\$ 2,143,201	\$ 181,682	\$ 2,324,883
Administrative fee	-	-	-	-	932,000	932,000
Facility rental	276,800	295,000	308,535	880,335	-	880,335
Insurance	87,083	158,438	205,389	450,910	38,224	489,135
Food expense	124,556	194,306	59,197	378,059	-	378,059
Utilities	62,492	54,772	148,054	265,318	-	265,318
Payroll taxes	32,456	59,051	76,550	168,057	14,246	182,303
Medical assisted treatment	136,005	-	-	136,005	-	136,005
Repairs and maintenance	34,077	40,813	49,821	124,711	-	124,711
Client welfare	30,629	26,519	45,194	102,342	-	102,342
Chaplaincy services	31,200	30,000	35,000	96,200	-	96,200
Vehicle expense	28,156	44,835	12,101	85,092	-	85,092
Accounting	7,480	37,400	29,920	74,800	3,600	78,400
Supplies	19,244	10,853	11,910	42,007	17,564	59,571
Telephone	12,395	20,557	10,700	43,652	-	43,652
Employee education and awards	912	1,609	2,017	4,538	34,644	39,182
Fire and safety	9,008	11,911	12,715	33,634	-	33,634
Equipment leasing and rental	4,986	6,799	5,868	17,653	-	17,653
Inmate banking expense	4,303	7,777	4,638	16,718	-	16,718
Depreciation expense	4,976	3,805	5,854	14,635	-	14,635
Payroll fees	2,497	4,542	5,888	12,927	1,096	14,023
Miscellaneous	6,892	2,593	2,878	12,363	-	12,363
Extermination and pest control	4,192	3,470	4,164	11,826	-	11,826
Taxes and licenses	2,158	2,298	2,312	6,768	-	6,768
Travel expenses	1,363	4,625	466	6,454	-	6,454
	<u>\$ 1,337,769</u>	<u>\$ 1,775,039</u>	<u>\$ 2,015,397</u>	<u>\$ 5,128,205</u>	<u>\$ 1,223,056</u>	<u>\$ 6,351,262</u>

See accompanying notes and independent auditor's report

Bridges of America - The Orlando Bridge, Inc.
Schedule of Expenditures of State Financial Assistance
For the Year Ended June 30, 2016

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:						
Nonsecure Drug Treatment Program	C2656	70.016	\$ -	\$ 1,605,701	\$ -	\$ 1,605,701
Work Release Program	C2842	70.017	-	1,365,998	-	1,365,998
Work Release Center	C2489	70.013	-	336,246	-	336,246
Substance Abuse Transition	C2489	70.013	-	1,708,064	-	1,708,064
			<u>\$ -</u>	<u>\$ 5,016,009</u>	<u>\$ -</u>	<u>\$ 5,016,009</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***

Board of Directors
**Bridges of America -
The Orlando 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, the financial statements of Bridges of America - The Orlando Bridge, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2016, 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 22, 2016.

Internal Control Over Financial Reporting

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

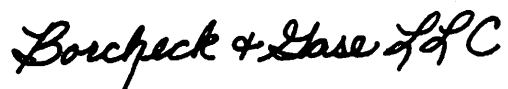
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not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

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*, in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Winter Park, FL
November 22, 2016



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

Report on Compliance for Each Major State Project

We have audited Bridges of America - The Orlando 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 Orlando Bridge, Inc.'s major State projects for the year ended June 30, 2016. Bridges of America - The Orlando 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 Orlando 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 Orlando Bridge, Inc.'s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

Members

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 Orlando Bridge, Inc.'s compliance.

Opinion on Each Major State Project

In our opinion, Bridges of America - The Orlando 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, 2016.

Report on Internal Control Over Compliance

Management of Bridges of America - The Orlando 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 Orlando 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 Orlando 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.

Borheck & Case LLC

Winter Park, FL
November 22, 2016

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

For the Year Ended June 30, 2016

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 Orlando Bridge, Inc.
2. There were no significant deficiencies disclosed during the audit of the financial statements of Bridges of America – The Orlando Bridge, Inc.
3. No instances of noncompliance material to the financial statements of Bridges of America – The Orlando 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 Orlando 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:

State Project	State CSFA No.
Work Release Transition Program Orlando, Florida	70.017
Substance Abuse Transition/ Work Release Center In Orlando, Florida	70.013
Non-Secure Transition Program In Orlando, Florida	70.016

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.