

**THE BRIDGE CENTER FOR HOPE**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDING DECEMBER 31, 2019**

## Table of Contents

Independent Auditors' Report	1 - 2
Financial Statements	
Statement of Financial Position	3
Statement of Activities and Changes in Net Assets	4
Statement of Functional Expenses	5
Statement of Cash Flows	6
Notes to the Financial Statements	7 - 10
Supplementary Information	
Schedule of Compensation, Benefits, and Other Payments to Agency Head	11

## INDEPENDENT AUDITORS' REPORT

To the Board of Directors  
The Bridge Center for Hope  
Baton Rouge, LA

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

We have audited the accompanying financial statements of The Bridge Center for Hope (a non-profit organization), which comprise the statement of financial position as of December 31, 2019, and the related statement of activities and changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

### **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.

### **Auditors' 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. 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 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 The Bridge Center for Hope as of December 31, 2019, and the changes in its net assets, functional expense, and cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

**Report on Supplementary Information**

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Schedule of Compensation, Benefits and Other Payments to Agency Head are presented for purposes of additional analysis and are 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.



Daigrepoint & Brian, APAC  
Baton Rouge, LA

May 13, 2020

**THE BRIDGE CENTER FOR HOPE  
STATEMENT OF FINANCIAL POSITION  
DECEMBER 31, 2019**

**ASSETS**

Current Assets

Cash	\$ 202,931
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Total Current Assets	<u>202,931</u>
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Total Assets	<u><u>\$ 202,931</u></u>
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**LIABILITIES AND NET ASSETS**

Current Liabilities

Accounts Payable	\$ 147,807
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Payroll Liabilities	2,158
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Line of Credit	<u>104,175</u>
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Total Current Liabilities	<u>254,140</u>
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Total Liabilities	<u>254,140</u>
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Net Assets

Without Restriction	<u>(51,209)</u>
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Total Net Assets	<u>(51,209)</u>
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Total Liabilities and Net Assets	<u><u>\$ 202,931</u></u>
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See accompanying notes and independent auditors' report.

**THE BRIDGE CENTER FOR HOPE  
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS  
FOR THE YEAR ENDING DECEMBER 31, 2019**

	<u>Without Donor Restriction</u>	<u>With Donor Restriction</u>	<u>Total</u>
<b>REVENUES</b>			
Donations and Grants	\$ 80,180	\$ 260,000	\$ 340,180
Other Income	497	308	805
Net Assets Released from Restriction	300,738	(300,738)	-
<b>Total Revenues</b>	<u>\$ 381,415</u>	<u>\$ (40,430)</u>	<u>\$ 340,985</u>
<b>EXPENSES</b>			
Program Services	\$ 554,505	\$ -	\$ 554,505
Supporting Services			
Management and General	9,717	-	9,717
<b>Total Expenses</b>	<u>564,222</u>	<u>-</u>	<u>564,222</u>
<b>CHANGE IN NET ASSETS</b>	(182,807)	(40,430)	(223,237)
Net Assets - Beginning of Year	<u>131,598</u>	<u>40,430</u>	<u>172,028</u>
Net Assets - End of Year	<u>\$ (51,209)</u>	<u>\$ -</u>	<u>\$ (51,209)</u>

See accompanying notes and independent auditors' report.

**THE BRIDGE CENTER FOR HOPE  
STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDING DECEMBER 31, 2019**

	Program Services	Management & General	Total
Pre-Trial Diversion	\$ 297,574	\$ -	\$ 297,574
Miscellaneous	11,952	2,988	14,940
Office Expense	3,598	900	4,498
Payroll Taxes and Benefits	1,742	436	2,178
Professional Services	211,342	-	211,342
Salaries and Contract Labor	21,574	5,393	26,967
Travel and Meetings	6,723	-	6,723
	<u>\$ 554,505</u>	<u>\$ 9,717</u>	<u>\$ 564,222</u>

See accompanying notes and independent auditors' report.

**THE BRIDGE CENTER FOR HOPE  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDING DECEMBER 31, 2019**

CASH FLOWS FROM OPERATING ACTIVITIES

Changes in net assets	\$ (223,237)
Adjustments to reconcile net revenues over expenses to net cash used in operating activities:	
Increase in accounts payable	143,245
Increase in accrued liabilities	<u>2,158</u>
Net cash used in operating activities	<u>(77,834)</u>

CASH FLOWS FROM FINANCING ACTIVITIES

Draws on line of credit	\$ 104,175
Net cash provided by financing activities	<u>104,175</u>
INCREASE IN CASH	26,341
CASH, BEGINNING OF YEAR	<u>176,590</u>
CASH, END OF YEAR	<u><u>\$ 202,931</u></u>

See accompanying notes and independent auditors' report.

**THE BRIDGE CENTER FOR HOPE  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDING DECEMBER 31, 2019**

**1. Summary of Significant Accounting Policies**

*Organization*

The Bridge Center for Hope (Bridge Center) was formed to create and manage programs for people with mental illness and substance abuse problems in East Baton Rouge Parish. The Bridge Center's goal is to implement a crisis intervention center that would let law enforcement officers divert people with behavioral health issues to treatment instead of jail.

*Basis of Accounting*

The current year financial statements of the Bridge Center have been prepared on the accrual basis of accounting according to accounting principles generally accepted in the United States of America. Accordingly, all significant receivables, payables and other liabilities are reflected in the financial statements.

*Use of Estimates*

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

*Cash*

Cash consists of deposits held with a bank and funds held with a local foundation on behalf of the organization.

*Net Assets*

The Bridge Center reports information regarding its financial position and activities according to two classes of net assets:

Net Assets Without Donor Restrictions are net assets that are not subject to donor-imposed restrictions and are available for use at the organization's discretion.

Net Assets With Donor Restrictions are net assets subject to donor-imposed restrictions that may or will be met by either actions of the organization or the passage of time. Once the restrictions are met, they are reclassified to net assets without donor restrictions.

*Revenue Recognition*

Revenue from donations and grants are recorded as revenue when received or when an unconditional promise to give is made. Donations and grants received are available for unrestricted use unless there is a donor imposed restriction.

THE BRIDGE CENTER FOR HOPE  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDING DECEMBER 31, 2019

1. Summary of Significant Accounting Policies - Continued

*Functional Expenses*

The Bridge Center allocates its expenses on a functional basis among its various programs. Expenses that can be identified with a specific program are allocated directly according to their natural expense classification. Other expenses are allocated between programs and supporting services based on management's best estimate of time, percentage, or square footage used, among other factors.

*Donated services*

Unpaid board members and volunteers conduct a significant portion of the Bridge Centers' functions. The value of this contributed time is not reflected in the accompanying financial statements since the service performed does not meet the criteria necessary for recognition.

*Income Taxes*

The Bridge Center accounts for income taxes in accordance with FASB ASC 740-10, *Accounting for Uncertainty in Income Taxes*. Management believes it has no material uncertain tax positions and, accordingly has not recognized a liability for any unrecognized tax benefits.

The Bridge Center is a non-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code.

The Bridge Center first filed Form 990 in the U.S. federal jurisdiction for tax year 2016 which is still open for potential audit.

*Subsequent Events*

In preparing these financial statements the Bridge Center has evaluated events and transactions for potential recognition or disclosure through the date of the independent auditors' report, which is the date the financial statements were available to be issued.

*Advertising*

The Bridge Center expenses all advertising costs as incurred.

*Recently Issued Accounting Standards*

Effective January 1, 2019, The Bridge Center adopted the requirements of the Financial Accounting Standards Board's (FASB) Accounting Standards Update (ASU) No. 2014-09, "Revenue from Contracts with Customers (Topic 606)". This ASU and all subsequently issued clarifying ASUs replaced most revenue recognition guidance in U.S. GAAP and addresses how an entity should recognize revenue derived from various contracts with customers that generate revenue, along with requiring additional disclosures related to the nature, amount, and timing of revenue and cash flows arising from contracts with customers. Primarily, the update requires the organization to evaluate the various performance obligations related to its contracts with customers, allocate the transaction price to the various performance obligations, and recognize revenue as performance obligations are satisfied.

**THE BRIDGE CENTER FOR HOPE  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDING DECEMBER 31, 2019**

**1. Summary of Significant Accounting Policies - Continued**

*Recently Issued Accounting Standards - Continued*

The adoption of this standard did not result in any changes to beginning retained earnings at January 1, 2019. This standard did not change how revenue is recognized with respect to donations and grants which makes up the majority of the Bridge Center's revenue.

Effective January 1, 2019, The Bridge Center adopted the requirements of the Financial Accounting Standards Board's (FASB) Accounting Standards Update (ASU) No. 2018-08, *Not-for-Profit Entities (Topic) 958*, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. The ASU clarifies and improves the guidance for contributions received and contributions made, and provides guidance to organizations on how to account for transactions as contributions or exchange transactions. In addition, it clarifies whether a contribution is conditional.

The adoption of this standard did not result in any changes to beginning retained earnings at January 1, 2019.

**2. Concentrations**

From time to time the Bridge Center maintains cash balances in banks that are in excess of FDIC insurable limits. Management periodically evaluates the integrity of the entities that hold the Bridge Centers' cash.

The Bridge Center derives the majority of its revenues from donations and grants, the loss of which would have a material adverse effect on the organization. For the year ended December 31, 2019 two donors accounted for 76% and 16% of the organization's revenue. No other donor exceeded 10% of revenue.

**3. Net Assets with Donor Restriction**

Changes in net assets with donor restriction during the year ended December 31, 2019 were as follows:

	Beginning of Year	Increases	Decreases	End of Year
Pre-Trial Diversion Program	40,430	260,308	300,738	-
	<u>\$ 40,430</u>	<u>\$ 260,308</u>	<u>\$ 300,738</u>	<u>\$ -</u>

**4. Commitments and Contingencies**

The Bridge Center receives donations and grants for specific purposes that are potentially subject to examination by the donor or grantor. Such examinations could lead to requests for reimbursement to the donor or grantor for expenditures disallowed under the terms of the agreement. It is the opinion of management that any potential examinations will not result in any requests for reimbursement

**THE BRIDGE CENTER FOR HOPE  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDING DECEMBER 31, 2019**

**5. Liquidity and Availability of Financial Assets**

The following reflects the Bridge Center's financial assets as of the statement of financial position date, reduced by amounts not available for general use because of a contractual or donor imposed restriction within one year of the balance sheet date.

Financial Assets at Year End	
Cash	\$ 202,931
Line of Credit Balance Available	145,825
Financial Assets Available for General Expenditures	<u>\$ 348,756</u>

As part of the organization's liquidity management plan a line of credit has been secured as a source of working capital to meet unexpected liquidity needs or in the event of financial distress.

**6. Line of Credit**

The Bridge Center has an available line of credit with a bank in the amount of \$250,000. There was \$104,175 outstanding at December 31, 2019. Interest on the line of credit is computed at the Wall Street Journal prime rate plus 4%, which was 8.75% at December 31, 2019, and is paid monthly. This note is unsecured.

**7. Board of Directors Compensation**

The Board of Directors is a voluntary board, therefore, no compensation has been paid to any member.

**8. Mental Health and Substance Abuse Treatment Center**

In December 2018 the voters of East Baton Rouge Parish passed a property tax to fund a mental health and substance abuse treatment center. The 1.5 mill 10 year property tax will enable the Bridge Center to provide services such as crisis intervention, behavioral health respite, detoxification, and ongoing case management. Funds from this tax won't be available until January 2020.

**THE BRIDGE CENTER FOR HOPE  
SCHEDULE OF COMPENSATION, BENEFITS,  
AND OTHER PAYMENTS TO AGENCY HEAD  
FOR THE YEAR ENDING DECEMBER 31, 2019**

**Executive Director:** Charlotte Claiborne

No compensation paid from state or local funding.

See accompanying notes and independent auditors' report.