

Financial Report

Bridge House Corporation
New Orleans, Louisiana

December 31, 2025



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New Orleans, Louisiana

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December 31, 2025 and 2024

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FINANCIAL SECTION

INDEPENDENT AUDITOR’S REPORT

To the Board of Directors of
Bridge House Corporation,
New Orleans, Louisiana.

Opinion

We have audited the accompanying financial statements of Bridge House Corporation (“Bridge House”) (a non-profit corporation), which comprise the statement of financial position as of December 31, 2025, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Bridge House as of December 31, 2025, and the changes in its net assets, functional expenses, and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

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. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Bridge House and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management of the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, which raise substantial doubt about Bridge House's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Bridge House's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, which raise substantial doubt about Bridge House's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Prior Year Financial Statements

The financial statements of Bridge House as of December 31, 2024 and for the year then ended, were audited by other auditors whose report dated April 23, 2025, expressed an unmodified opinion on those financial statements.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary information in Schedule 1 is presented for purposes of additional analysis, as required by Louisiana Revenue Statute 24:513(A)(3) and is not a required part of the financial statements. Such information in the supplemental schedule 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 in Schedule 1 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 May 4, 2026 on our consideration of Bridge House's internal control over financial reporting and on our test of its compliance with certain provisions of laws, regulations, contracts and grant agreement, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Bridge House's internal control over financial reporting and compliance.



Certified Public Accountants.

New Orleans, Louisiana,
May 4, 2026.

STATEMENTS OF FINANCIAL POSITION**Bridge House Corporation**

New Orleans, Louisiana

December 31, 2025 and 2024

	<u>2025</u>	<u>2024</u>
Assets		
Cash	\$ 1,106,505	\$ 1,599,984
Contracts receivable, net	420,091	397,835
Unconditional promises to give, net	240,590	508,925
Inventories	181,098	99,516
Prepaid expenses	257,064	268,416
Investments	11,523,467	10,489,958
Property and equipment, net	11,719,871	11,768,049
Beneficial interest in endowment fund	69,991	61,628
Deposits	21,042	21,042
Operating lease right of use asset, net	839,434	979,547
	<u>\$26,379,153</u>	<u>\$26,194,900</u>
Liabilities		
Accounts payable and accrued expenses	\$ 280,918	\$ 270,586
Operating lease liability	852,480	979,547
	<u>1,133,398</u>	<u>1,250,133</u>
Net Assets		
Without donor restrictions:		
Undesignated	24,675,357	24,408,370
With donor restrictions	570,398	536,397
	<u>25,245,755</u>	<u>24,944,767</u>
	<u>\$26,379,153</u>	<u>\$26,194,900</u>

See notes to financial statements.

STATEMENT OF ACTIVITIES**Bridge House Corporation**

New Orleans, Louisiana

For the year ended December 31, 2025

	<u>Net Assets Without Donor Restrictions</u>	<u>Net Assets With Donor Restrictions</u>	<u>Totals</u>
Revenues and Support			
Public support:			
Contributions	\$ 1,257,609	\$ 244,817	\$ 1,502,426
Grants and contracts:			
Prevention and treatment of substance abuse	675,054	-	675,054
Medicaid, net of contractual adjustments	2,928,242	-	2,928,242
Contributed nonfinancial assets	2,675,997	-	2,675,997
Special events, net	249,925	-	249,925
Food stamps	248,902	-	248,902
Net assets released from restrictions	219,179	(219,179)	-
Total public support	<u>8,254,908</u>	<u>25,638</u>	<u>8,280,546</u>
Other revenue:			
Thrift stores and auto sales	2,881,105	-	2,881,105
Cost of goods sold	(2,704,020)	-	(2,704,020)
Investment income, net	1,033,737	8,363	1,042,100
Gain on sale of assets	70,182	-	70,182
Client service fees	65,181	-	65,181
Sober living	6,791	-	6,791
Vending	3,828	-	3,828
Total other revenue	<u>1,356,804</u>	<u>8,363</u>	<u>1,365,167</u>
Total revenue	<u>9,611,712</u>	<u>34,001</u>	<u>9,645,713</u>
Expenses			
Program services	8,146,820	-	8,146,820
Supporting services:			
Management and general	954,034	-	954,034
Fundraising	243,871	-	243,871
Total expenses	<u>9,344,725</u>	<u>-</u>	<u>9,344,725</u>
Change in Net Assets	266,987	34,001	300,988
Net Assets			
Beginning of year	<u>24,408,370</u>	<u>536,397</u>	<u>24,944,767</u>
End of year	<u>\$24,675,357</u>	<u>\$ 570,398</u>	<u>\$25,245,755</u>

See notes to financial statements.

STATEMENT OF ACTIVITIES**Bridge House Corporation**
New Orleans, Louisiana

For the year ended December 31, 2024

	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Totals
Revenues and Support			
Public support:			
Contributions	\$ 1,922,082	\$ 139,047	\$ 2,061,129
Grants and contracts:			
Prevention and treatment of substance abuse	491,970	-	491,970
Medicaid, net of contractual adjustments	2,710,159	-	2,710,159
Contributed nonfinancial assets	2,760,544	-	2,760,544
Special events, net	302,157	-	302,157
Food stamps	283,497	-	283,497
Net assets released from restrictions	361,305	(361,305)	-
Total public support	<u>8,831,714</u>	<u>(222,258)</u>	<u>8,609,456</u>
Other revenue:			
Thrift stores and auto sales	2,931,426	-	2,931,426
Cost of goods sold	(2,865,073)	-	(2,865,073)
Investment income, net	1,015,401	6,212	1,021,613
Client service fees	60,299	-	60,299
Vending	2,928	-	2,928
Total other revenue	<u>1,144,981</u>	<u>6,212</u>	<u>1,151,193</u>
Total revenue	<u>9,976,695</u>	<u>(216,046)</u>	<u>9,760,649</u>
Expenses			
Program services	8,280,256	-	8,280,256
Supporting services:			
Management and general	986,876	-	986,876
Fundraising	249,860	-	249,860
Total expenses	<u>9,516,992</u>	<u>-</u>	<u>9,516,992</u>
Change in Net Assets	459,703	(216,046)	243,657
Net Assets			
Beginning of year	<u>23,948,667</u>	<u>752,443</u>	<u>24,701,110</u>
End of year	<u>\$24,408,370</u>	<u>\$ 536,397</u>	<u>\$24,944,767</u>

See notes to financial statements.

STATEMENT OF FUNCTIONAL EXPENSES**Bridge House Corporation**
New Orleans, Louisiana

For the year ended December 31, 2025

	Program Services	Supporting Services		Totals
		Management and General	Fundraising	
Employee benefits	\$ 372,698	\$ 84,263	\$ 11,610	\$ 468,571
Payroll taxes	311,433	31,662	10,709	353,804
Salaries	4,144,524	425,393	140,335	4,710,252
Total salaries and related expenses	4,828,655	541,318	162,654	5,532,627
Advertising and promotions	67,645	-	-	67,645
Auto expenses	91,639	13,742	-	105,381
Clinical supplies and services	202,865	5,334	1,022	209,221
Credit card and bank fees	79,439	5,833	1,743	87,015
Credit losses	117,535	-	-	117,535
Credit loss recoveries	(107,433)	-	-	(107,433)
Computer expenses	133,082	-	52,469	185,551
Cost of goods sold	2,704,020	-	-	2,704,020
Depreciation and amortization	442,346	161,848	-	604,194
Event expenses	-	-	223,286	223,286
Food	375,868	14,917	-	390,785
Household supplies	36,426	3,414	-	39,840
Insurance	497,755	42,438	5,858	546,051
Lease expense	163,522	-	-	163,522
Licenses and taxes	81,350	-	-	81,350
Maintenance and repairs	450,561	42,667	-	493,228
Office	58,459	13,388	17,244	89,091
Professional services	219,897	6,272	-	226,169
Telephone	88,260	12,753	2,881	103,894
Travel and education	-	26,692	-	26,692
Utilities	318,949	63,418	-	382,367
Total expenses	10,850,840	954,034	467,157	12,272,031
Less expenses included with revenues on the Statement of Activities:				
Cost of goods sold	(2,704,020)	-	-	(2,704,020)
Event expenses	-	-	(223,286)	(223,286)
Total expenses included with revenues on the Statement of Activities:	(2,704,020)	-	(223,286)	(2,927,306)
Total expenses included in the expense section of the Statement of Activities	\$8,146,820	\$954,034	\$243,871	\$9,344,725

See notes to financial statements.

STATEMENT OF FUNCTIONAL EXPENSES**Bridge House Corporation**
New Orleans, Louisiana

For the years ended December 31, 2024

	Program Services	Supporting Services		Totals
		Management and General	Fundraising	
Employee benefits	\$ 371,562	\$ 134,351	\$ 6,351	\$ 512,264
Payroll taxes	313,513	30,467	12,731	356,711
Salaries	4,192,870	406,805	167,138	4,766,813
Total salaries and related expenses	4,877,945	571,623	186,220	5,635,788
Advertising and promotions	143,555	-	-	143,555
Auto expenses	73,874	5,720	-	79,594
Clinical supplies and services	195,200	7,539	1,009	203,748
Computer expenses	101,340	-	27,573	128,913
Cost of goods sold	2,865,073	-	-	2,865,073
Credit card and bank fees	66,027	6,418	2,304	74,749
Credit losses	305,862	-	-	305,862
Depreciation and amortization	381,815	181,608	-	563,423
Event expenses	-	-	218,754	218,754
Food	403,092	13,101	-	416,193
Household supplies	33,222	3,271	-	36,493
Insurance	497,030	38,240	-	535,270
Lease expense	150,000	-	-	150,000
Licenses and taxes	66,365	-	-	66,365
Maintenance and repairs	354,921	14,958	213	370,092
Office	67,017	6,344	21,551	94,912
Professional services	193,445	23,934	1,700	219,079
Telephone	84,784	8,679	2,909	96,372
Travel and education	-	27,865	-	27,865
Utilities	284,762	77,576	6,381	368,719
Total expenses	11,145,329	986,876	468,614	12,600,819
Less expenses included with revenues on the Statement of Activities:				
Cost of goods sold	(2,865,073)	-	-	(2,865,073)
Event expenses	-	-	(218,754)	(218,754)
Total expenses included with revenues on the Statement of Activities:	(2,865,073)	-	(218,754)	(3,083,827)
Total expenses included in the expense section of the Statement of Activities	<u>\$8,280,256</u>	<u>\$986,876</u>	<u>\$249,860</u>	<u>\$9,516,992</u>

See notes to financial statements.

STATEMENTS OF CASH FLOWS**Bridge House Corporation**

New Orleans, Louisiana

For the years ended December 31, 2025 and 2024

	<u>2025</u>	<u>2024</u>
Cash Flows From Operating Activities:		
Change in net assets	\$ 300,988	\$ 243,657
Adjustments to reconcile change in net assets to cash provided by operating activities:		
Depreciation and amortization	604,194	563,423
Credit losses	117,535	305,862
Credit loss recoveries	(107,433)	-
Change in discount on promises to give	(31,665)	34,157
Net realized and unrealized gain on investments	(847,297)	(806,709)
Investment (income) on restricted funds	(8,363)	(6,212)
Accrued operating lease obligations	13,046	-
(Increase) decrease in:		
Contracts receivable	(32,358)	(109,576)
Unconditional promises to give	300,000	244,186
Inventories	(81,582)	(7,444)
Prepaid expenses	11,352	(95,681)
Deposits	-	996
Increase (decrease) in:		
Accounts payable and accrued expenses	10,332	(4,542)
Net cash provided by operating activities	<u>248,749</u>	<u>362,117</u>
Cash Flows From Investing Activities:		
Purchases of property and equipment	(556,016)	(837,474)
Proceeds from sale of investments	5,732,251	3,001,386
Purchases of investments	(5,918,463)	(1,779,958)
Net cash provided by (used in) investing activities	<u>(742,228)</u>	<u>383,954</u>
Net Increase (Decrease) in Cash	<u>(493,479)</u>	<u>746,071</u>
Cash		
Beginning of year	<u>1,599,984</u>	<u>853,913</u>
End of year	<u>\$1,106,505</u>	<u>\$1,599,984</u>

See notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

Bridge House Corporation
New Orleans, Louisiana

December 31, 2025 and 2024

Note 1 - NATURE OF ACTIVITIES

Bridge House Corporation (“Bridge House”) is a non-profit corporation organized to provide treatment and long-term residential care for individuals with drug and alcohol addictions in the Greater New Orleans area. Bridge House is supported primarily through donor contributions, thrift store and donated auto sales, and governmental grants and contracts.

The program provided by Bridge House is as follows:

Bridge House’s primary goal is providing treatment and support to men and women suffering with alcohol and drug addiction in the south Louisiana region. Bridge House achieves good results by utilizing time-proven methods of gender-specific group and individual substance abuse counseling, rehabilitation, and vocational training programs. Bridge House’s primary strategic advantage is derived from the many years of invaluable expertise and experience in the field. Bridge House sustains its efforts through policies of strong fiscal management and by its ability to maintain the goodwill and support of many private individuals and government programs.

Note 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**a. Basis of Accounting**

The financial statements of Bridge House are prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America as promulgated by the Financial Accounting Standards Board. Under this method, revenues are recognized when earned, and expenses are recorded when incurred.

b. Basis of Presentation

Net assets, revenues, and expenses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of Bridge House and changes therein are classified and reported as follows:

Note 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

b. Basis of Presentation

Net Assets Without Donor Restrictions - Net assets that are not subject to donor-imposed stipulations.

Net Assets With Donor Restrictions - Net assets subject to donor-imposed stipulations that may or will be met either by actions of Bridge House, the passage of time, or are to be held in perpetuity.

c. Use of Estimates

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

d. Cash and Cash Equivalents

For purposes of reporting cash flows, cash equivalents include all highly liquid investments with maturities of three months or less. There were no cash equivalents as of December 31, 2025 and 2024.

e. Grants and Contracts Receivable

Bridge House receives funding from federal, state, and local agencies for administering various grants and contracts. Management monitors the receivables and assesses the collectability of accounts on a monthly basis. Bridge House records an allowance for uncollectible accounts based on an assessment of the receivables, taking into consideration the nature of the account and aging of the balance. For the years ended December 31, 2025 and 2024, management has determined that all amounts were collectible and no allowance was necessary.

Bridge House also receives payment for services rendered from Medicaid programs. Bridge House manages the receivables by regularly reviewing its accounts and contracts and by providing appropriate allowances for uncollectible amounts. Bridge House records an allowance for uncollectible accounts based on an assessment of the receivables, taking into consideration the nature of the account and aging of the balance.

Note 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

e. Grants and Contracts Receivable (Continued)

Bridge House adopted the Current Expected Credit Losses (CECL) accounting standard. Bridge House now maintains an allowance for credit losses based on an estimate of the losses it would incur if the Managed Care Organizations do not make payments rendered from Medicaid programs. At the end of each month, Bridge House groups its remaining Medicaid accounts receivable on a collective (pool) basis. For Medicaid receivables, Bridge House provides reserves for uncollectible accounts based on its accounts receivable aging. These reserves range from 5% to 8% for amounts just past due and accounts that are more than 90 days past due. As of December 31, 2025 and 2024, the amount recorded as the allowance credit losses from contracts was \$34,663 and \$24,561, respectively.

f. Inventories

Inventories are stated at the lower of cost, fair value at date of donation plus the cost of repairs, or net realizable value.

g. Property and Equipment

Property and equipment is recorded at cost when purchased. Bridge House has a policy of capitalizing property and equipment in excess of \$10,000. Expenditures for maintenance, repairs, and minor renewals are charged to expense as incurred. Major expenditures for improvements, renewals, and betterments are capitalized. Depreciation is computed using the straight-line method over the estimated useful lives of the assets. Estimated useful lives of property and equipment range from five to thirty years. The cost and accumulated depreciation of assets sold or retired are removed from the respective accounts and any resulting gain or loss is reflected in the change in net assets.

The table below summarizes the estimated useful lives:

Buildings	30 Years
Furniture, fixtures, and Building improvements	5 - 15 Years 7 - 30 Years
Leasehold improvements	5 Years
Vehicles	5 -7 Years

Donations of property and equipment are recorded as support at their estimated fair value at the date of donation. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose or for use for a specified period of time. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as increases in net assets with donor restrictions.

Note 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

g. Property and Equipment (Continued)

Absent donor stipulations regarding how long those donated assets must be maintained, Bridge House reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. Bridge House reclassifies net assets with donor restrictions to net assets without donor restrictions at that time. If the donor has stipulated a time restriction, the expiration of this restriction is reported as the related asset is depreciated.

h. Investments

Investments are generally carried at fair market value. Investments acquired through donation are recorded at fair market value at the date of donation. Unrealized gains and losses are included in the change in net assets in the accompanying Statements of Activities. Unrealized gains and losses on investments are recorded as increases or decreases in net asset without donor restrictions unless their use is restricted by explicit donor stipulations or law. Interest earned on donor restricted investments is reported based on the existence or absence of donor-imposed restrictions. Realized gains and losses on sales of securities are determined using the specific-identification method. A decline in the fair value of investments below cost that is deemed to be other than temporary results in a charge to the change in net assets, and the establishment of a new cost basis for the investment.

i. Leases

Bridge House applies judgment in determining whether a contract contains a lease and whether a lease is classified as an operating lease or a finance lease. Bridge House defines the lease term as the non-cancellable term of the lease, which may include options to extend or terminate the lease when it is reasonably certain that Bridge House will exercise that option. The lease term is used in determining classification between operating lease and finance lease, calculating the lease liability and determining the incremental borrowing rate.

Bridge House also applies judgment in allocating the consideration in a contract between lease and non-lease components. It considers whether Bridge House can benefit from the right-of-use asset either on its own or together with other resources and whether the asset is highly dependent on or highly interrelated with another right-of-use asset.

Bridge House discounts lease payments using the rate implicit in the lease if that rate is readily available. If that rate cannot be readily determined, the lessee uses its incremental borrowing rate. Bridge House generally uses the incremental borrowing rate when initially recording real estate leases. Information from the lessor regarding the fair value of underlying assets and initial direct costs incurred by the lessor related to the leased assets is not available.

Note 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

i. Leases (Continued)

Bridge House determines the incremental borrowing rate of each lease by estimating the credit rating of Bridge House at the time the lease is recognized, referencing market yields corresponding to the credit rating and weighted average life of the lease, and factoring in other lease-specific factors such as assumed collateral.

j. Revenue Recognition

Promises to Give, Grants, and Contributions

Contributions that are restricted by the donor are reported as an increase in net assets without donor restrictions if the restrictions expire in the reporting period in which the contributions are recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions depending on the nature of the restrictions.

When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions.

Unconditional promises to give are recognized as revenues or gains in the period received and as assets, decreases of liabilities, or expenses depending on the form of the benefits received. Conditional promises to give are recognized only when the conditions on which they depend are substantially met. There were no conditional promises to give as of December 31, 2025 and 2024.

Contributions of donated noncash assets are recorded at their fair values in the period received. Absent donor imposed restrictions contributions of donated financial assets are converted nearly immediately into cash. Bridge House receives a substantial amount of services donated by its clients and supporters in carrying out Bridge House's activities. No amounts have been reflected in the financial statements for those services since they do not meet the criteria for recognition under the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958-605-50-1, *Accounting for Contributions Received and Contributions Made*.

Contracts

Bridge House receives Medicaid revenue arising from contracts with the State of Louisiana - Department of Health and Hospitals and Managed Care Organizations (MCOs). Generally, Bridge House is reimbursed on a fee-for-service basis based on predetermined reimbursement rate schedules. Bridge House determines the transaction price based on established billing rates reduced by contractual adjustments

Note 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

j. Revenue Recognition (Continued)

Contracts (Continued)

provided to third-party payers, discounts provided to uninsured patients and implicit price concessions. Contractual adjustments and discounts are based on contractual agreements, discount policies and historical experience. Implicit price concessions are based on historical collection experience.

Thrift Store and Used Cars

Thrift Store and Used Car sales are recognized at the point of sale when the exchange transaction occurs, as one performance obligation.

k. Contributed Nonfinancial Assets

Donated equipment and other noncash donations are recorded as contributions at their fair market value at the date of donation. Bridge House reports the donations in the net assets without donor restrictions category, unless explicit donor stipulations specify how the donated assets must be used.

Bridge House recognizes contributions of services received if such services: (a) create or enhance nonfinancial assets, (b) require specialized skills, (c) are provided by individuals possessing those skills, and (d) would typically need to be purchased if not contributed.

Bridge House receives services from a large number of volunteers who give significant amounts of their time to the programs of Bridge House. No amounts have been reflected for these types of donated services, as there is no objective basis available to measure the value of such services.

l. Methods Used for Allocation of Expenses

Directly identifiable expenses are charged to programs and supporting services. The costs of providing various programs and other activities have been summarized on a functional basis in the Statements of Activities and in the Statements of Functional Expenses. The financial statements of Bridge House report certain categories of expenses that are attributable to more than one program or supporting function. The majority of expenses are allocated based on actual time and effort or specific identification. However, several expenses (e.g., salaries and related expenditures, advertising, and professional fees, etc.) require allocation based on usage (e.g., time studies, estimated consumption, etc.) by each function.

Note 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

m. Advertising Costs

Advertising costs are expensed when incurred. Advertising expenses for the years ended December 31, 2025 and 2024 were \$67,645 and \$143,555, respectively.

n. Income Taxes

Bridge House is a nonprofit corporation organized under the laws of the State of Louisiana. It is exempt from Federal income tax under Section 501(c)(3) of the Internal Revenue Code (the “Code”) and qualifies as an organization that is not a private foundation as defined in Section 509(a) of the Code. It is also exempt from Louisiana income tax under the authority of R.S.47:121(5). Bridge House is not subject to Federal income tax unless the organization has unrelated trade or business income.

Accounting standards provide detailed guidance for financial statement recognition, measurement, and disclosures of uncertain tax positions recognized in an entity’s financial statements. It requires an entity to recognize financial statement impact of a tax position when it is more likely than not that the position will not be sustained upon examination. Tax years ended December 31, 2022 and later remain subject to examination by taxing authorities. As of December 31, 2025, management of Bridge House believes that it has no uncertain tax positions that qualify for either recognition or disclosure in the financial statements.

o. Reclassifications

Certain amounts in the 2024 financial statements have been reclassified to conform to the 2025 financial statement presentation.

p. Subsequent Events

Management evaluates events occurring subsequent to the date of financial statements in determining the accounting for and disclosure of transactions and events that effect the financial statements. Subsequent events have been evaluated through May 4, 2026, which is the date the financial statements were available to be issued.

Note 3 - CONCENTRATIONS OF CREDIT RISK

Bridge House maintains its cash balances in several local financial institutions. As of December 31, 2025, cash deposits in excess of Federal Deposit Insurance Corporation limits totaled approximately \$765,000.

Note 3 - CONCENTRATIONS OF CREDIT RISK (Continued)

Bridge House maintains investments with Morgan Stanley Smith Barney LLC, who is a member of SIPC, which protects securities up to \$500,000 (\$250,000 for cash and cash equivalents). As of December 31, 2025, amounts in excess of insured limits totaled approximately \$10,400,000.

Approximately 35% of Bridge House's total revenue and 95% of the grants and contracts receivable for the year ended December 31, 2025 was awarded by the State of Louisiana - Department of Health and Hospitals. Approximately 31% of Bridge House's total revenue and 97% of the grants and contracts receivable for the year ended December 31, 2024 was awarded by the State of Louisiana - Department of Health and Hospitals.

Note 4 - CONTRACTS RECEIVABLE

Contracts receivable balances are predominantly comprised of amounts currently due from MCOs for the years ended December 31, 2025 and 2024. The following table summarizes contracts receivable and related allowance for credit losses as of December 31, 2025, 2024 and January 1, 2024.

	<u>December 31, 2025</u>	<u>December 31, 2024</u>	<u>January 1, 2024</u>
Contract receivables, gross	\$ 454,754	\$ 422,396	\$ 625,357
Allowance for credit losses	<u>(34,663)</u>	<u>(24,561)</u>	<u>(31,236)</u>
Contract receivables, net of credit losses	<u>\$ 420,091</u>	<u>\$ 397,835</u>	<u>\$ 594,121</u>

The following tables presents the delinquency status as of December 31, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
Current - 30 days	\$ 339,375	\$ 259,074
31-60 days	115,379	147,684
61-90 days	-	15,638
Greater than 90 days	<u>-</u>	<u>-</u>
Contract receivables, gross	<u>\$ 454,754</u>	<u>\$ 422,396</u>

Note 4 - CONTRACTS RECEIVABLE (Continued)

Activity for the years ended December 31, 2025 and 2024 in the allowance for credit losses for the contracts receivable was as follows:

	2025	2024
Beginning allowance for credit losses	\$ 24,561	\$ 31,236
Credit losses	117,535	305,862
Credit loss recoveries	(107,433)	-
Write-offs	-	(312,537)
Ending allowance for credit losses	\$ 34,663	\$ 24,561

Note 5 - UNCONDITIONAL PROMISES TO GIVE

Unconditional promises to give as of December 31, 2025 and 2024 are included in the financial statements after discounting the future cash flows to the present value using a discount rate of approximately 5% as of December 31, 2025 and 2024. This discount rate is based on an estimate of the U.S. daily treasury yield.

	2025	2024
Unconditional promises to give	\$ 250,000	\$ 550,000
Less unamortized discount	(9,410)	(41,075)
Net unconditional promises to give	\$ 240,590	\$ 508,925
Amount due in:		
Less than one year	\$ 100,000	\$ 200,000
One to five years	150,000	350,000
	\$ 250,000	\$ 550,000

Note 6 - INVENTORIES

As of December 31, 2025 and 2024, inventories consist of the following:

	2025	2024
Donated thrift store items	\$ 72,289	\$ 73,210
Donated used cars	108,809	26,306
	\$ 181,098	\$ 99,516

Note 7 - INVESTMENTS

Marketable securities as of December 31, 2025 and 2024 are summarized as follows:

	2025	2024
Money market funds	\$ 851,226	\$ 509,261
Equity securities	4,734,001	4,631,703
Fixed income	3,102,187	2,009,838
Alternatives	2,098,383	2,088,341
Structured investments	737,670	1,250,815
Totals	\$ 11,523,467	\$ 10,489,958

The following schedule summarizes the investment return from securities for the years ended December 31, 2025 and 2024 and its classification in the Statements of Activities:

	2025	2024
Dividends and interest	\$ 254,039	\$ 266,933
Net realized gains	708,974	366,783
Net unrealized gains	138,323	439,926
Management fees	(59,236)	(52,029)
Total return on investments	\$ 1,042,100	\$ 1,021,613

Note 8 - FAIR VALUE MEASUREMENTS

The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy under FASB ASC 820 are described as follows:

Note 8 - FAIR VALUE MEASUREMENTS (Continued)

Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that Bridge House has the ability to access.

Level 2 - Inputs to the valuation methodology include:

- quoted prices for similar assets or liabilities in active markets;
- quoted prices for identical or similar assets or liabilities in inactive markets;
- inputs other than quoted prices that are observable for the asset or liability; and
- inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 - Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques maximize the use of relevant observable inputs and minimize the use of unobservable inputs.

- *Money market funds*: Valued at quoted market prices, which represent the net asset value (NAV) per unit. These are included in Level 1 of the fair value hierarchy.
- *Equity Securities and fixed income and preferred*: Valued at the closing price reported on the active market on which the individual securities are traded or valued by independent pricing vendors used by the custodians of the investments. The pricing vendor uses various pricing models for each asset class that are consistent with what other market participants would use. The inputs and assumptions to the models used by the pricing vendors are derived from market-observable sources, including benchmark yields, reported trades, broker/dealer quotes, and other market-related data. Since many of these securities do not trade on a daily basis, the methodology of the pricing vendor uses available information, including benchmark curves, benchmarking of like securities, and matrix pricing. These are included in Level 1 or Level 2 of the fair value hierarchy.

Note 8 - FAIR VALUE MEASUREMENTS (Continued)

- *Alternative investments:* Valued at quoted market prices, which represent the NAV per unit or valued, as a practical expedient, using the net asset values reported by the investees. The NAV are determined based on the fair values of the underlying investments of the funds, companies, or partnerships. There are restrictions on withdrawals from the investment for some of Bridge House's investments in alternative investments. These are included in Level 1 or Level 3 of the fair value hierarchy.
- *Structured investments:* Valued, as a practical expedient, using the NAV reported by the investees. The NAV are determined based on the fair values of the underlying investments of the funds, companies, or partnerships. Due to restrictions on withdrawals from the investment, Bridge House's investments in structured investments are included in Level 3 of the fair value hierarchy.

Investments held in pooled accounts managed by Greater New Orleans Foundation are included in Level 2 of the fair value hierarchy as the investment pool is valued using the NAV as reported by the custodian. The net asset values are determined based on the fair values of the underlying investments. The custodian of this portfolio uses independent pricing services, where available, to value the securities included in this portfolio. If an independent pricing service does not value a security or the value is not, in the view of the custodian, representative of the market value, the custodian will attempt to obtain a price quote from a secondary pricing source, which may include third party brokers, investment advisers, and principal market makers or affiliated pricing services. If a secondary source is unable to provide a price, the custodian may obtain a quotation from the counterparty that sold the security.

This methodologies described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while Bridge House believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

Note 8 - FAIR VALUE MEASUREMENTS (Continued)

As of December 31, 2025 and 2024, assets measured at fair value on a recurring basis are comprised of and determined as follows:

Description	Fair Value at December 31, 2025	2025 Based on		
		Quoted Prices in Active Markets (Level 1)	Other Observable Inputs (Level 2)	Unobservable Inputs (Level 3)
Money market funds	\$ 851,226	\$ 851,226	\$ -	\$ -
Equity securities	4,734,001	3,053,554	1,680,447	-
Fixed income and preferred	3,102,187	2,443,558	658,629	-
Alternative investments	2,098,383	335,768	-	1,762,615
Structured investments	737,670	-	-	737,670
Pooled accounts managed by Greater New Orleans Foundation	69,991	-	69,991	-
	<u>\$ 11,593,458</u>	<u>\$ 6,684,106</u>	<u>\$ 2,409,067</u>	<u>\$ 2,500,285</u>
Description	Fair Value at December 31, 2024	2024 Based on		
		Quoted Prices in Active Markets (Level 1)	Other Observable Inputs (Level 2)	Unobservable Inputs (Level 3)
Money market funds	\$ 509,261	\$ 509,261	\$ -	\$ -
Equity securities	4,631,703	3,253,746	1,377,957	-
Fixed income and preferred	2,009,838	1,398,533	611,305	-
Alternative investments	2,088,341	627,118	-	1,461,223
Structured investments	1,250,815	-	-	1,250,815
Pooled accounts managed by Greater New Orleans Foundation	61,628	-	61,628	-
Totals	<u>\$ 10,551,586</u>	<u>\$ 5,788,658</u>	<u>\$ 2,050,890</u>	<u>\$ 2,712,038</u>

Note 8 - FAIR VALUE MEASUREMENTS (Continued)

The following table sets forth a summary of changes in the fair value of Bridge House's Level 3 assets for the years ended December 31, 2025 and 2024.

	Alternatives					Structured Investments				
	Appollo Diversified Real Estate Fund Class M Shares	Blue Owl Credit	Carlyle Tactical Private Credit Class U Shares	MACQ Focused Access Fund (formerly CPG Access	Total	RBC Trigger Plus SPX	BCS Trigger Plus SVX	MS Buffered Plus SX5E	Total	Totals
Balance as of January 1, 2024	\$ 445,264	\$ -	\$ -	\$ 890,621	\$ 1,335,885	\$ 250,792	\$ 562,130	\$ 237,688	\$ 1,050,610	\$ 2,386,495
Purchases and capital contributions	-	-	-	-	-	-	-	-	-	-
Income, gains, and (losses)	13,378	-	-	111,960	125,338	81,780	90,450	27,975	200,205	325,543
Exchanges in and (out)	-	-	-	-	-	-	-	-	-	-
Sales and distributions	-	-	-	-	-	-	-	-	-	-
Balance as of December 31, 2024	458,642	-	-	1,002,581	1,461,223	332,572	652,580	265,663	1,250,815	2,712,038
Purchases and capital contributions	-	250,000	250,000	-	500,000	-	-	-	-	500,000
Income, gains, and (losses)	(454)	(2,123)	4,951	126,801	129,175	51,318	85,090	7,877	144,285	273,460
Exchanges in and (out)	-	-	-	-	-	-	-	-	-	-
Sales and distributions	(327,783)	-	-	-	(327,783)	(383,890)	-	(273,540)	(657,430)	(985,213)
Balance as of December 31, 2025	<u>\$ 130,405</u>	<u>\$ 247,877</u>	<u>\$ 254,951</u>	<u>\$ 1,129,382</u>	<u>\$ 1,762,615</u>	<u>\$ -</u>	<u>\$ 737,670</u>	<u>\$ -</u>	<u>\$ 737,670</u>	<u>\$ 2,500,285</u>

Note 8 - FAIR VALUE MEASUREMENTS (Continued)

The following table summarizes investments measured at fair value based on NAV per share as of December 31, 2025 and 2024, respectively.

Category of Investment	Investment	Fair Value December 31,		Investment Strategy	Unfunded Commitments December 31,		Redemption Frequency (If Currently Eligible)	Redemption Restrictions and Terms	Redemption Notice Period
		2025	2024		2025	2024			
Alternatives	Apollo Diversified Real Estate Fund Class M Shares	\$130,405	\$458,642	Fund of real estate funds	-	-	Quarterly	Quarterly tender of no less than 5% of the fund's outstanding shares	~30 days before due date (early Feb, May, Aug, Nov)
Alternatives	Blue Owl Credit	\$247,877	\$0	Non-Traded Public Business Development Company (Perpetual Business Development Company)	-	-	Quarterly	Quarterly tender of no less than 5% of the fund's outstanding shares	~30 days before quarter; form required
Alternatives	Carlyle Tactical Private Credit Fund Class U Shares	\$254,951	\$0	Global, diversified credit strategy investing across public and private credit markets	-	-	Quarterly	Quarterly tender of no less than 5% of the fund's outstanding shares	~15 days before documented due dates in early Jan, April, July, October
Alternatives	MACQ Focused Access Fund (formerly CPG Focused Access Fund)	\$1,129,382	\$1,002,581	Multi-Manager / Equity Return Assets	-	-	Quarterly	Quarterly tender of 5-25% of fund dependent on underlying fund liquidity and at the discretion of the board	~30 days before quarter; form required

Note 8 - FAIR VALUE MEASUREMENTS (Continued)

Category of Investment	Investment	Fair Value December 31,		Investment Strategy	Unfunded Commitments December 31,		Redemption Frequency (If Currently Eligible)	Redemption Restrictions and Terms	Redemption Notice Period
		2025	2024		2025	2024			
Structured Investments	RBC Trigger Plus SPX	\$0	\$332,572	Alternative to direct exposure to the underlying indices that enhances returns for any positive performance of the worst performing underlying index	-	-	Daily	None	Daily
Structured Investments	BCS Trigger Plus SVX	\$737,670	\$652,580	Alternative to direct exposure to the underlying indices that enhances returns for any positive performance of the worst performing underlying index	-	-	Daily	None	Daily
Structured Investments	MS Buffered Plus SX5E	\$0	\$265,663	Alternative to direct exposure to the underlying indices that enhances returns for any positive performance of the worst performing underlying index	-	-	Daily	None	Daily

Note 9 - PROPERTY AND EQUIPMENT

Property and equipment as of December 31, 2025 and 2024 consists of the following:

	2025	2024
Land and buildings	\$ 16,193,214	\$ 16,193,214
Furniture, fixtures, and equipment	549,143	806,231
Building improvements	1,416,509	262,633
Leasehold improvements	79,551	87,791
Construction in progress	-	769,507
Vehicles	362,425	595,840
	18,600,842	18,715,216
Less accumulated depreciation and amortization	(6,880,971)	(6,947,167)
Totals	\$ 11,719,871	\$ 11,768,049

Depreciation and amortization expense totaled \$604,194 and \$563,423 for the years ended December 31, 2025 and 2024, respectively.

Note 10 - BENEFICIAL INTEREST IN ENDOWMENT FUND

Bridge House is the beneficiary of an endowment fund created by donors, the assets of which are not in the possession of Bridge House. The fund is held by the Greater New Orleans Foundation. Bridge House has legally enforceable rights and claims to such assets, including the sole right to income there from. The principal portion of the endowment fund is a net asset with donor restrictions. Income earned by the fund is distributed to Bridge House at the discretion of the Greater New Orleans Foundation. As of December 31, 2025 and 2024, the beneficial interest in The Greater New Orleans Foundation's Bridge House Fund has a fair value of \$69,991 and \$61,628, respectively.

During the years ended December 31, 2025 and 2024, Bridge House incurred \$8,363 and \$6,212 of investment income from the fund, respectively. Bridge House reinvested these amounts back into the endowment fund.

Note 10 - BENEFICIAL INTEREST IN ENDOWMENT FUND (Continued)

Changes in endowment net assets for the years ended December 31, 2025 and 2024 is summarized as follows:

	2025	2024
Endowment net assets, beginning of year	\$ 61,628	\$ 55,416
Interest and dividend income	738	699
Administrative fees	(516)	(474)
Net realized gains	974	2,460
Net unrealized gains	7,167	3,527
Endowment net assets, end of year	\$ 69,991	\$ 61,628

Note 11 - ACCOUNTS PAYABLE AND ACCRUED EXPENSES

Accounts payable and accrued expenses for the years ended December 31, 2025 and 2024 consisted of the following:

	2025	2024
Accounts payable	\$ 106,926	\$ 95,092
Accrued salaries and payroll taxes	154,081	137,667
Accrued sales taxes	14,340	15,911
Other accrued expenses	5,571	21,916
	\$ 280,918	\$ 270,586

Note 12 - RESTRICTIONS ON NET ASSETS

Net assets with donor restrictions are restricted by donors for specific programs and purposes, or for use in subsequent periods. These restrictions are considered to expire when payments for restricted purposes are made. Donor restricted net assets as of December 31, 2025 and 2024 are available for the following purposes:

	2025	2024
Beneficial interest in endowment fund	\$ 69,991	\$ 61,628
Generator fund (see Note 5)	240,590	318,222
Fundraising events	144,817	139,047
Chiller fund	75,000	-
Grace House fund	25,000	-
Charitable bequest	15,000	17,500
Net assets with donor restrictions	<u>\$ 570,398</u>	<u>\$ 536,397</u>

During the years ended December 31, 2025 and 2024, net assets were released from donor restrictions by incurring expenditures satisfying the restricted purposes or by the passage of time. The following purpose restrictions were accomplished:

	2025	2024
Charitable bequest	\$ 2,500	\$ 2,500
Generator fund	77,632	255,214
Fundraising events	139,047	103,591
Net assets released from restrictions	<u>\$ 219,179</u>	<u>\$ 361,305</u>

Note 13 - LEASES

Bridge House makes payments monthly for the use of treatment, housing, thrift store and used car facilities. Presently, Bridge House has short-term and long-term agreements with the owners of these properties. Short-term arrangements could be terminated at the discretion of either party to the rental agreements. Long-term leases are non-cancelable operating leases, by Bridge House, that expire at various dates through December 31, 2031. Certain leases generally contain renewal options for periods ranging from two to ten years, include escalation clauses, and require Bridge House to pay executor costs such as taxes, maintenance and insurance.

Note 13 - LEASES (Continued)

Lease Term and Discount Rate:

	2025	2024
Lease Cost		
Operating lease costs	\$ 151,210	\$ 147,000
Operating lease right-of-use assets	\$ 839,434	\$ 979,547
Operating lease liabilities	\$ 852,480	\$ 979,547
Cash Flow Items		
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows from operating leases	\$ 150,792	\$ 147,000
Right-of-use assets obtained in exchange for lease liabilities	\$ -	\$ -
Weighted-Average Information		
Weighted-average remaining lease in years	6.00	7.00
Weighted-average discount rate:		
Operating leases	2.61%	2.61%
Future Minimum Lease Payments		
	Year Ending December 31,	Amounts
2026		\$ 150,792
2027		150,792
2028		154,680
2029		154,680
2030		154,680
Thereafter		154,680
		920,304
Total lease payments less interest		(67,824)
Present value of lease liabilities		\$ 852,480

Note 14 - CONTRIBUTED NONFINANCIAL ASSETS

For the years ended December 31, 2025 and 2024, Bridge House recognized contributed nonfinancial assets in revenues and other support on the Statements of Activities:

	Revenue Recognized		Utilization in Activities	Donor Restrictions	Valuation Techniques and Inputs
	<u>2025</u>	<u>2024</u>			
Thrift stores	\$2,538,387	\$2,580,812	Program Services	No associated donor restrictions	Bridge House estimated the fair value based on an estimate of the cost of purchasing similar items.
Food commodities	<u>137,610</u>	<u>179,732</u>			
Totals	<u>\$2,675,997</u>	<u>\$2,760,544</u>			

Bridge House thrift stores received donated goods ranging from mattresses, cars, clothes, and home furniture from the public to be sold at Bridge House’s thrift stores. The assets are determined at fair market value based on the items cost or by the sale of comparable items. These amounts are recorded as contributed nonfinancial asset revenues and program service expenses on the accompanying statements of activities.

Bridge House participated in the United States Department of Agriculture Food Distribution Program for the years ended December 31, 2025 and 2024. The program provides food commodities to Bridge House use in the preparation of meals for clients.

The value of the food commodities is determined at fair market value indicated by the donor. These amounts are recorded as contributed nonfinancial asset revenues and program service expenses on the accompanying statements of activities.

All contributed nonfinancial assets received by Bridge House for the years ended December 31, 2025 and 2024 were considered without donor restrictions and able to be used by Bridge House as determined by the board of directors and management.

Note 15 - THIRD PARTY REIMBURSEMENTS

Bridge House has agreements with Medicare and Medicaid fiscal intermediaries (MCOs) to provide treatment and long-term residential care services to qualified patients. For the years ended December 31, 2025 and 2024, approximately \$2,928,000 and \$2,710,000, respectively, of program service fees were received from the MCOs acting as a Medicare and Medicaid fiscal intermediary. As reflected in the accompanying financial statements, Medicare and Medicaid accounts for approximately 35% and 32% of total revenue and support for the years ended December 31, 2025 and 2024, respectively.

Note 15 - THIRD PARTY REIMBURSEMENTS (Continued)

MCOs provide annual contracts to Bridge House which grant the MCOs the right to audit program accounts and activities. MCOs, acting as Medicare and Medicaid intermediaries for Medicare and Medicaid patients, reimburses services rendered to Medicare and Medicaid program beneficiaries under an allowable cost reimbursement formula that is subject to audit and retroactive adjustments. Management believes that Bridge House is in compliance with the provisions of these contracts and grants.

Note 16 - SPECIAL EVENT REVENUE

Gross receipts from special fundraising events recorded by Bridge House consist of exchange transaction revenue and contribution revenue. As a result of adopting ASU 2014-09, Bridge House is required to separately present the components of this revenue for the years ended December 31, 2025 and 2024.

	2025	2024
Sponsorships and contributions	\$435,275	\$ 398,436
Special event tickets and other revenue	37,936	122,475
Special events - gross	473,211	520,911
Less: cost of direct donor benefit	(223,286)	(218,754)
Special events - net	\$249,925	\$ 302,157

Note 17 - AVAILABILITY OF FINANCIAL ASSETS

Bridge House is substantially supported by program service fees. Bridge House is also supported by contributions with and without donor restrictions, grants and contracts, food stamp program, and other revenues. Because a donor's restriction requires resources to be used in a particular manner or in a future period, Bridge House must maintain sufficient resources to be used in a particular manner or in a future period, Bridge House must maintain sufficient resources to meet those responsibilities to its donors. Thus, financial assets may not be available for general expenditure within one year. General expenditures include expenses associated with program services and management and general.

Note 17 - AVAILABILITY OF FINANCIAL ASSETS (Continued)

As part of Bridge House's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

	2025	2024
Financial assets as of December 31, 2025 and 2024:		
Cash and cash equivalents	\$ 1,106,505	\$ 1,599,984
Contracts receivable, net	420,091	397,835
Unconditional promises to give, net	240,590	508,925
Investments	11,523,467	10,489,958
Beneficial interest in endowment fund	69,991	61,628
Total financial assets	13,360,644	13,058,330
Less those unavailable for general expenditure within one year, due to:		
Contractual or donor-imposed restrictions:		
Beneficial interest in endowment fund	(69,991)	(61,628)
Restricted by donor - time/purpose restrictions	(500,407)	(233,221)
	(570,398)	(294,849)
Financial assets available to meet cash needs for general expenditures within one year	\$ 12,790,246	\$ 12,763,481

Note 18 - TAX-DEFERRED ANNUITY PLAN

Bridge House has a tax-deferred annuity plan qualified under Section 403(b) of the Internal Revenue Code. The plan covers full-time employees of Bridge House. Employees may make contributions to the plan up to the maximum amount allowed by the Internal Revenue Code. For the year ended December 31, 2025, Bridge House made a 1.5% profit sharing contribution of the employee's qualifying compensation. For the year ended December 31, 2024, Bridge House made matching contributions up to 2.5% of the employee's qualifying compensation and an additional 1.5% profit sharing contribution. Plan expenses for the years ended December 31, 2025 and 2024 were \$85,230 and \$122,350, respectively.

Note 19 - COMMITMENTS

Chiller Project

During the year ended December 31, 2025, Bridge House entered into a contract for architectural and construction services related to the air cooled chiller and valve replacement project for approximately \$186,000. There were no amounts related to construction in progress related to this contract as of December 31, 2025.

Note 20 - CONTINGENCIES

Bridge House is exposed to various risks of loss from torts; theft of, damage to, and destruction of assets; business interruption; errors and omissions; employee injuries and illnesses; natural disaster; and employee health and accident benefits. Commercial insurance coverage is purchased for claims arising from such matters. There were no settled claims that exceeded this commercial coverage during the years ended December 31, 2025 and 2024.

SUPPLEMENTAL INFORMATION

**SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER
PAYMENTS TO AGENCY HEAD OR CHIEF EXECUTIVE OFFICER**

Bridge House Corporation
New Orleans, Louisiana

For the year ended December 31, 2025

Agency Head Name: Kevin Gardere, Executive Director

Purpose

Salary	\$	-
Benefits - insurance		-
Benefits - retirement		-
Benefits - other		-
Car allowance		-
Vehicle provided by government		-
Per diem		-
Reimbursements		-
Travel		-
Registration fees		-
Conference travel		-
Continuing professional education fees		-
Housing		-
Unvouchered expenses		-
Special meals		-
		<hr/>
	\$	<hr/> <hr/>

Note:

Kevin Gardere did not receive any salary or related benefits from public sources.

SPECIAL REPORTS OF CERTIFIED PUBLIC ACCOUNTANTS

**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 GOVERNMENT AUDITING STANDARDS**

To the Board of Directors,
Bridge House Corporation,
New Orleans, Louisiana.

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 financials statements of Bridge House Corporation (“Bridge House”) (a nonprofit organization), which comprise the Statement of Financial Position as of December 31, 2025, and the related Statements of Activities, Functional Expenses and Cash Flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated May 4, 2026.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Bridge House’s internal control over financial reporting (“internal control”) as a basis for determining 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 Bridge House’s internal control. Accordingly, we do not express an opinion on the effectiveness of Bridge House’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 entity’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 or significant deficiencies may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Bridge House's financial statements are free of material misstatements, 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 financial statements. 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*.

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 Bridge House's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Bourgeois Bennett, L.L.C.

Certified Public Accountants.

New Orleans, Louisiana,
May 4, 2026.

SCHEDULE OF FINDINGS AND RESPONSES

Bridge House Corporation
New Orleans, Louisiana

For the year ended December 31, 2025

Section I - Summary of Auditor's Report

a) Financial Statements

Type of auditor's report issued: unqualified

Internal control over financial reporting:

- Material weakness(as) identified? ___ Yes X No
- Significant deficiency(is) identified that are
not considered to be a material weakness? ___ Yes X None reported

Noncompliance material to financial statements noted? ___ Yes X No

b) Federal Awards

Bridge House Corporation did not expend more than \$1,000,000 in Federal awards during the year ended December 31, 2025, and therefore, was exempt from the audit requirements under Title 2 U.S. Code of Federal regulations Part 200, Uniform Guidance.

**Section II - Internal Control Over Financial Reporting and Compliance and Other Matters
Material to the Basic Financial Statements**

Internal Control Over Financial Reporting

There were no findings reported during the audit of the year ended December 31, 2025 related to internal control over financial reporting.

Compliance and Other Matters

There were no findings reported during the audit of the year ended December 31, 2025 related to compliance and other matters.

Section III - Federal Award Findings and Questioned Costs

Not applicable.

REPORTS BY MANAGEMENT

SCHEDULE OF PRIOR YEAR FINDINGS AND RESPONSES

Bridge House Corporation New Orleans, Louisiana

For the year ended December 31, 2025

Section I - Internal Control Over Financial Reporting and Compliance and Other Matters Material to the Basic Financial Statements

Internal Control Over Financial Reporting

No material weaknesses were reported during the audit of financial statements for the fiscal year ended December 31, 2024.

No significant deficiencies were reported during the audit of the financial statements for the fiscal year ended December 31, 2024.

Compliance and Other Matters

No compliance findings material to the financial statements were reported during the audit for the year ended December 31, 2024.

Section II - Internal Control and Compliance Material to Federal Awards

Bridge House Corporation did not expend more than \$750,000 in Federal awards during the year ended December 31, 2024, and therefore, was exempt from the audit requirements under Title 2 U.S. Code of Federal regulations Part 200, Uniform Guidance.

Section III - Management Letter

A management letter was not issued in connection with the audit of the financial statements for the year ended December 31, 2024.

MANAGEMENT'S CORRECTIVE ACTION PLAN

Bridge House Corporation
New Orleans, Louisiana

For the year ended December 31, 2025

Section I - Internal Control Over Financial Reporting and Compliance and Other Matters Material to the Basic Financial Statements

Internal Control Over Financial Reporting

No material weaknesses were reported during the audit of financial statements for the fiscal year ended December 31, 2025.

No significant deficiencies were reported during the audit of the financial statements for the fiscal year ended December 31, 2025.

Compliance and Other Matters

No compliance findings material to the financial statements were reported during the audit for the year ended December 31, 2025.

Section II - Internal Control and Compliance Material to Federal Awards

Bridge House Corporation did not expend more than \$1,000,000 in Federal awards during the year ended December 31, 2025, and therefore, was exempt from the audit requirements under Title 2 U.S. Code of Federal regulations Part 200, Uniform Guidance.

Section III - Management Letter

A management letter was not issued in connection with the audit of the financial statements for the year ended December 31, 2025.

STATEWIDE AGREED-UPON PROCEDURES

INDEPENDENT ACCOUNTANT’S REPORT ON
APPLYING AGREED-UPON PROCEDURES

To the Board of Directors,
Bridge House Corporation,
New Orleans, Louisiana.

We have performed the procedures described in Schedule 2 on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor’s (LLA) Statewide Agreed-Upon Procedures (SAUP) for the fiscal period January 1, 2025 through December 31, 2025. Bridge House Corporation (“Bridge House”) management is responsible for those C/C areas identified in the SAUPs.

Bridge House has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in the LLA’s SAUPs for the fiscal period January 1, 2025 through December 31, 2025. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purpose. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are described in Schedule 2.

We were engaged by Bridge House to perform this agreed-upon procedures engagement and conducted our engagement in accordance with the attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on these C/C areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of Bridge House and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely to describe the scope of testing performed on those C/C areas identified in the SAUPs, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the LLA as a public document.

Bougeois Bennett, L.L.C.

Certified Public Accountants.

New Orleans, Louisiana,
May 4, 2026.

SCHEDULE OF PROCEDURES AND ASSOCIATED FINDINGS
OF THE STATEWIDE AGREED-UPON PROCEDURES

Bridge House Corporation
New Orleans, Louisiana

For the year ended December 31, 2025

The required procedures and our findings are as follows:

1) Procedures Performed on Bridge House's Written Policies and Procedures

A. Obtain and inspect the entity's written policies and procedures and observe whether they address each of the following categories and subcategories if applicable to public funds and the entity's operations:

i. **Budgeting**, including preparing, adopting, monitoring, and amending the budget.

Performance: Obtained and read the written policy for budgeting and found it to address all the functions listed above.

Exceptions: There were no exceptions noted.

ii. **Purchasing**, including (1) how purchases are initiated, (2) how vendors are added to the vendor list, (3) the preparation and approval process of purchase requisitions and purchase orders, (4) controls to ensure compliance with the Public Bid Law, and (5) documentation required to be maintained for all bids and price quotes.

Performance: Obtained and read the written policy for purchasing and found it to address all the functions listed above.

Exceptions: There were no exceptions noted.

iii. **Disbursements**, including processing, reviewing, and approving.

Performance: Obtained and read the written policy for disbursements and found it to address all the functions listed above.

Exceptions: There were no exceptions noted.

iv. **Receipts/Collections**, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g., periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).

Performance: Obtained and read the written policy for receipts and collections and found it to address all the functions listed above.

Exceptions: There were no exceptions noted.

1) Procedures Performed on Bridge House’s Written Policies and Procedures (Continued)

- v. **Payroll/Personnel**, including (1) payroll processing, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee rates of pay or approval and maintenance of pay rate schedules.
Performance: Obtained and read the written policy for payroll and personnel and found it to address all the functions listed above.
Exceptions: There were no exceptions noted.
- vi. **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
Performance: Obtained and read the purchasing handbook for contracting and found it to address all the functions listed above.
Exceptions: There were no exceptions noted.
- vii. **Travel and Expense Reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
Performance: Obtained and read the written policy for travel and expense reimbursement and found it to address all the functions listed above.
Exceptions: There were no exceptions noted.
- viii. **Credit Cards** (and debit cards, fuel cards, purchase cards, if applicable), including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).
Performance: Obtained and read the written policy for credit cards and found it to address all the functions listed above.
Exceptions: There were no exceptions noted.
- ix. **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute (R.S.) 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to Bridge House’s ethics policy.
Performance: Obtained and read the written policy for ethics and found it to address all the functions listed above.
Exceptions: There were no exceptions noted.
- x. **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
Not applicable for not-for-profit entities.

1) Procedures Performed on Bridge House’s Written Policies and Procedures (Continued)

- xi. **Information Technology Disaster Recovery/Business Continuity**, including (1) identification of critical data and frequency of data backups; (2) storage of backups in a separate physical location isolated from the network; (3) periodic testing/verification that backups can be restored; (4) use of antivirus software on all systems; (5) timely application of all available system and software patches/updates; and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.

Performance: Obtained and read the written policy for information technology disaster recovery/business continuity and found it to address all the functions listed above.

Exceptions: There were no exceptions noted.

- xii. **Prevention of Sexual Harassment**, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

Not applicable for not-for-profit entities.

2) Procedures Performed on Bridge House’s Board or Finance Committee

- A. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board’s enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and

- i. Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board’s enabling legislation, charter, bylaws, or other equivalent document.

Performance: Bridge House’s bylaws require one annual meeting. Other meetings shall occur as determined by the Board. We obtained and read minutes from five board meetings during the year ended December 31, 2025. The frequency of and quorum representation of those meetings was considered to be appropriate.

Exceptions: There were no exceptions noted.

- ii. For those entities reporting on the not-for-profit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity’s collections during the fiscal period.

Performance: Inspected meeting minutes and confirmed that the minutes referenced or included budget-to-actual comparisons relating to public funds.

Exceptions: There were no exceptions noted.

2) Procedures Performed on Bridge House's Board or Finance Committee (Continued)

- iii. For governmental entities, obtain the prior year audit report and observe the unassigned fund balance in the General Fund. If the general fund had a negative ending unassigned fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unassigned fund balance in the General Fund.

Not applicable. Bridge House is a nonprofit organization. The governmental accounting model is not applicable.

- iv. Observe whether the board/finance committee received written updates of the progress of resolving audit finding(s), according to management's corrective action plan at each meeting until the findings are considered fully resolved.

Not applicable. Bridge House did not have audit findings for the year ended December 31, 2025.

3) Procedures Performed on Bridge House's Bank Reconciliations

- A. Obtain a listing of entity bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for each selected account, and observe that:

Performance: Obtained the listing of bank accounts from management and received management's representation in a separate letter that the listing is complete.

Exceptions: There were no exceptions noted.

- i. Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated or electronically logged);

Performance: Obtained monthly bank reconciliations for the month of September 2025 for the main operating bank account and two other accounts. Inspected management's documentation for timely preparation of the bank reconciliations.

Exceptions: There were no exceptions noted.

- ii. Bank reconciliations include written evidence that a member of management or a board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation within one month of the date the reconciliation was prepared (e.g., initialed and dated or electronically logged); and

Performance: Inspected Bridge House's documentation for the September 2025 bank reconciliations for the three bank accounts and verified a member of management who does not handle cash, post ledgers, or issue checks has reviewed the bank reconciliation.

Exceptions: The member of management who does not handle cash, post ledgers, or issue checks did not document the date of review of each bank reconciliation. Exception noted.

3) Procedures Performed on Bridge House's Bank Reconciliations (Continued)

iii. Management has documentation reflecting it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

Performance: Inspected documents for items outstanding for more than 12 months.

We noted no checks outstanding for longer than 12 months as of the end of the fiscal period.

Exceptions: There were no exceptions noted.

4) Procedures Performed on Bridge House's Collections (excluding electronic funds transfers)

A. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).

Performance: Obtained the listing of deposit sites from management and received management's representation in a separate letter that the listing is complete. Selected the two locations for testing.

Exceptions: There were no exceptions noted.

B. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (e.g., 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if there are no written policies or procedures, then inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:

Performance: Obtained the listing of collection locations from management and received management's representation in a separate letter that the listing is complete. Selected one collection location for each deposit site for testing.

Exceptions: There were no exceptions noted.

i. Employees responsible for cash collections do not share cash drawers/registers;

Performance: Inspected policy manuals, inquired of management as to all of the requirements.

Exceptions: Employees at the Thrift Stores share cash collection drawers. Exception noted.

ii. Each employee responsible for collecting cash is not also responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g., pre-numbered receipts) to the deposit;

Performance: Inspected policy manuals, inquired of management as to all of the requirements.

Exceptions: There were no exceptions noted.

4) Procedures Performed on Bridge House's Collections (excluding electronic funds transfers)
(Continued)

iii. Each employee responsible for collecting cash is not also responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit; and
Performance: Inspected policy manuals, inquired of management as to all of the requirements.

Exceptions: There were no exceptions noted.

iv. The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or custodial fund additions, is (are) not also responsible for collecting cash, unless another employee/official verifies the reconciliation.

Performance: Inspected policy manuals, inquired of management as to all of the requirements.

Exceptions: There were no exceptions noted.

C. Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe that the bond or insurance policy for theft was in force during the fiscal period.

Performance: Obtained a copy of the insurance policy for theft covering all employees who have access to cash. Observed that the insurance policy for theft was in force during the fiscal period.

Exceptions: There were no exceptions noted.

D. Randomly select 2 deposit dates for each of the 5 bank accounts selected for Bank Reconciliations procedure #3A (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternatively, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and

i. Observe that receipts are sequentially pre-numbered.

Performance: Obtained supporting documentation for the selected deposits and observed that receipts were sequentially pre-numbered.

Exceptions: There were no exceptions noted.

ii. Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.

Performance: Traced supporting documentation to the deposit slip.

Exceptions: There were no exceptions noted.

**4) Procedures Performed on Bridge House's Collections (excluding electronic funds transfers)
(Continued)**

- iii. Trace the deposit slip total to the actual deposit per the bank statement.
Performance: Traced deposit slip total to actual deposit per bank statement.
Exceptions: There were no exceptions noted.

- iv. Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer).
Performance: Observed the date of deposits and compared that to evidence of date of receipt.
Exceptions: One sampled deposit was in excess of than one business day. Exception noted.

- v. Trace the actual deposit per the bank statement to the general ledger.
Performance: Traced the actual deposits per the bank statement to the general ledger.
Exceptions: There were no exceptions noted.

5) Procedures Performed on Bridge House's Non-Payroll Disbursements (excluding card purchases, travel reimbursements, and petty cash purchases)

- A. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).
Performance: Obtained a listing of locations that process payments for the fiscal period from management and received management's representation in a separate letter that the listing is complete. Selected the sole location for testing. Bridge House only has one location for processing payments.
Exceptions: There were no exceptions noted.

- B. For each location selected under procedure #5A above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, then inquire of employees about their job duties), and observe that job duties are properly segregated such that:
 - i. At least 2 employees are involved in initiating a purchase request, approving a purchase, and placing an order or making the purchase;
Performance: Obtained a listing of employees involved in initiating a purchase request, approving a purchasing, and placing an order/making a purchase. Observed at least 2 employees are involved.
Exceptions: There were no exceptions noted.

5) Procedures Performed on Bridge House's Non-Payroll Disbursements (excluding card purchases, travel reimbursements, and petty cash purchases) (Continued)

- ii. At least 2 employees are involved in processing and approving payments to vendors;
Performance: Obtained a listing of employees involved in processing and approving payments to vendors. Observed at least 2 employees are involved.
Exceptions: There were no exceptions noted.

 - iii. The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files;
Performance: Obtained a listing of employees involved in processing payments to vendors and a listing of employees allowed to add/modify vendor files.
Exceptions: One employee involved in processing payments to vendors is allowed to add/modify vendor files. Exception noted.

 - iv. Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments; and
Performance: Obtained a listing of employees involved in processing payments to vendors and a listing of employees involved with signing and mailing checks.
Exceptions: One employee involved in processing payments to vendors is allowed to mail signed checks. Exception noted.

 - v. Only employees/officials authorized to sign checks approve the electronic disbursement (release) of funds, whether through automated clearinghouse (ACH), electronic funds transfer (EFT), wire transfer, or some other electronic means.
Performance: Obtained a listing of the employee authorized to sign checks and noted that he is the only employee authorized to approve electronic disbursements.
Exceptions: There were no exceptions noted.
- C. For each location selected under procedure #5A, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction, and
Performance: Obtained Bridge House's non-payroll disbursement transaction population and management's representation in a separate letter that the population is complete.
Selected 5 disbursements from the sole location that processes payment for testing.
Exceptions: There were no exceptions noted.

5) Procedures Performed on Bridge House's Non-Payroll Disbursements (excluding card purchases, travel reimbursements, and petty cash purchases) (Continued)

- i. Observe whether the disbursement, whether by paper or electronic means, matched the related original itemized invoice and supporting documentation indicates that deliverables included on the invoice were received by the entity, and

Performance: Observed the 5 disbursements matched the related original invoice/billing statements and deliverables were received.

Exceptions: There were no exceptions noted.

- ii. Observe whether the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under procedure #5B, as applicable.

Performance: Observed the 5 disbursements included evidence of segregation of duties.

Exceptions: There were no exceptions noted.

- D. Using the entity's main operating account and the month selected in Bank Reconciliations procedure #3A, randomly select 5 non-payroll-related electronic disbursements (or all electronic disbursements if less than 5) and observe that each electronic disbursement was (a) approved by only those persons authorized to disburse funds (e.g., sign checks) per the entity's policy, and (b) approved by the required number of authorized signers per the entity's policy.

Performance: Selected 5 non-payroll-related electronic disbursements. Observed the 5 disbursements included evidence of approval by an authorized person and approval by the required number of authorized signers.

Exceptions: There were no exceptions noted.

6) Procedures Performed on Bridge House's Credit Cards/Debit Cards/Fuel Cards/ Purchase Cards (Cards)

- A. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and purchase cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.

Performance: Obtained a listing of all active credit cards, bank debit cards, fuel cards, and purchase cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards and received management's representation in a separate letter that the listing is complete.

Exceptions: There were no exceptions noted.

- B. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement). Obtain supporting documentation, and

6) Procedures Performed on Bridge House's Credit Cards/Debit Cards/Fuel Cards/ Purchase Cards (Cards) (Continued)

- i. Observe whether there is evidence that the monthly statement or combined statement and supporting documentation (e.g., itemized receipts for credit/debit card purchases, exception reports for excessive fuel card usage) were reviewed and approved, in writing (or electronically approved) by someone other than the authorized card holder (those instances requiring such approval that may constrain the legal authority of certain public officials, such as the mayor of a Lawrason Act municipality, should not be reported); and
Performance: We obtained evidence that the monthly statement or combined statement and supporting documentation were reviewed and approved, in writing by someone other than the authorized card holder for all of the card statements selected.

Exceptions: There were no exceptions noted.

- ii. Observe that finance charges and late fees were not assessed on the selected statements.
Performance: We observed that all of the card statements tested did not include finance charges assessed.

Exceptions: There were no exceptions noted.

- C. Using the monthly statements or combined statements selected under procedure #6B, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (e.g., each card should have 10 transactions subject to inspection). For each transaction, report whether the transaction is supported by:

- i. An original itemized receipt that identifies precisely what was purchased.
Performance: Observed that the transactions from the monthly statements were supported by original itemized receipts that identifies precisely what was purchased.

Exceptions: There were no exceptions noted.

- ii. Written documentation of the business/public purpose.
Performance: Observed that the transactions from the monthly statements were supported with written documentation of the business/public purpose.

Exceptions: There were no exceptions noted.

- iii. Documentation of the individuals participating in meals (for meal charges only).
Performance: Observed transactions for any meal charges and documentation of the individuals participating in meals.

Exceptions: There were no exceptions noted.

6) Procedures Performed on Bridge House’s Credit Cards/Debit Cards/Fuel Cards/ Purchase Cards (Cards) (Continued)

D. Using the list of terminated employees obtained in Payroll and Personnel procedure #9C identify those individuals who had access to cards and randomly select 5 terminated employees (or all terminated employees with card access if less than 5) from this population. Observe evidence that the cards have been deactivated for these terminated employees. In cases where a card is shared by multiple users, obtain evidence that the terminated employees’ authorization has been removed.

Performance: We observed that no terminated employees were designated as primary users of any cards.

Exceptions: There were no exceptions noted.

7) Procedures Performed on Bridge House’s Travel and Travel-Related Expense Reimbursements (excluding card transactions)

A. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management’s representation that the listing or general ledger is complete. Randomly select 5 reimbursements and obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:

Performance: Obtained a listing of all travel and travel-related expense reimbursements during the fiscal period from management and received management’s representation in a separate letter that the listing is complete. Obtained the related expense reimbursement form and supporting documentation for 5 reimbursements.

Exceptions: There were no exceptions noted.

i. If reimbursed using a per diem, observe that the approved reimbursement rate is no more than those rates established either by the State of Louisiana (doa.la.gov/doa/ost/ppm-49-travel-guide/) or the U.S. General Services Administration (www.gsa.gov);

Performance: The 5 selected reimbursements were not made by using a per diem rate established by the State of Louisiana, as they were for actual costs.

Exceptions: There were no exceptions noted.

ii. If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased;

Performance: Observed that reimbursements using actual cost were supported by an original itemized receipt that identified precisely what was purchased.

Exceptions: There were no exceptions noted.

7) Procedures Performed on Bridge House's Travel and Travel-Related Expense Reimbursements (excluding card transactions) (Continued)

- iii. Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by Written Policies and Procedures procedure #1A(vii); and

Performance: Observed that each reimbursement was supported by documentation of the business/public purpose (for meal charges, observed that the documentation included the names of those individuals participating) and other documentation required by written policy (procedures #1A(vii)).

Exceptions: There were no exceptions noted.

- iv. Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Performance: Observed that each reimbursement was reviewed and approved, in writing, by someone other than the person that received the reimbursement.

Exceptions: There were no exceptions noted.

8) Procedures Performed on Bridge House's Contracts

- A. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternatively, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and

Performance: Obtained a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period and received management's representation in a separate letter that the listing is complete. The listing included 2 contracts. Selected 2 contracts for testing.

Exceptions: There were no exceptions noted.

- i. Observe whether the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law;

Performance: Observed that none of the contracts selected required the bid to be in accordance with Louisiana Public Bid Law.

Exceptions: There were no exceptions noted.

8) Procedures Performed on Bridge House's Contracts (Continued)

- ii. Observe whether the contract was approved by the governing body/board, if required by policy or law (e.g., Lawrason Act, Home Rule Charter);

Performance: Observed that one of the contracts selected did not require approval by the governing body, as it is a service contract. The other property and equipment contract required approval by the governing body, as per Bridge House's bylaws.

We noted approval by the governing body of the property and equipment contract.

Exceptions: There were no exceptions noted.

- iii. If the contract was amended (e.g., change order), observe that the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms (e.g., if approval is required for any amendment, the documented approval); and

Performance: Observed no contract amendments for the 2 contracts selected.

Exceptions: There were no exceptions noted.

- iv. Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.

Performance: Inspected one payment for one of the contracts selected, obtained supporting invoices, agreed invoices to the contract terms, and observed invoices related to the payment agreed to terms and conditions of the contract. The other contract selected did not have a payment associated with it in the fiscal period.

Exceptions: There were no exceptions noted.

9) Procedures Performed on Bridge House's Payroll and Personnel

- A. Obtain a listing of employees employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees or officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.

Performance: Obtained a listing of employees employed during the fiscal period from management and received management's representation in a separate letter that the listing is complete. Selected 5 employees, obtained related paid salaries and personnel files, and agreed paid salaries to authorized salaries/pay rates in the personnel files.

Exceptions: There were no exceptions noted.

- B. Randomly select one pay period during the fiscal period. For the 5 employees selected under procedure #9A above, obtain attendance records and leave documentation for the pay period, and

9) Procedures Performed on Bridge House's Payroll and Personnel (Continued)

- i. Observe that all selected employees documented their daily attendance and leave (e.g., vacation, sick, compensatory);
Performance: Selected one pay period to test attendance and leave taken during that pay period. Inspected all daily attendance and leave record for proper documentation.
Exceptions: There were no exceptions noted.
 - ii. Observe whether supervisors approved the attendance and leave of the selected employees or officials;
Performance: Obtained documented attendance and leave taken during the pay period selected.
Exceptions: Observed that supervisors did not approve the attendance and leave of the selected employees. Exception noted.
 - iii. Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records; and
Performance: Observed that any leave accrued or taken during the pay period was reflected in the cumulative leave records.
Exceptions: There were no exceptions noted.
 - iv. Observe the rate paid to the employees or officials agrees to the authorized salary/pay rate found within the personnel file.
Performance: Agreed the pay rates to authorized salary/pay rates maintained in employee files.
Exceptions: There were no exceptions noted.
- C. Obtain a listing of those employees or officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees or officials and obtain related documentation of the hours and pay rates used in management's termination payment calculations and the entity's policy on termination payments. Agree the hours to the employee's or official's cumulative leave records, agree the pay rates to the employee's or official's authorized pay rates in the employee's or official's personnel files, and agree the termination payment to entity policy.
Performance: Obtained a listing of those employees that received termination payments during the fiscal period from management and received management's representation in a separate letter that the listing is complete. The hours used in management's termination payment calculations were agreed to cumulative leave records, pay rates were agreed to authorized pay rates in the personnel files, and we agreed the termination payment to Bridge House policy.
Exceptions: There were no exceptions noted.

9) Procedures Performed on Bridge House's Payroll and Personnel (Continued)

- D. Obtain management's representation that employer and employee portions of third-party payroll related amounts (e.g., payroll taxes, retirement contributions, health insurance premiums, garnishments, workers' compensation premiums) have been paid, and any associated forms have been filed, by required deadlines.

Performance: Obtained management's representation that employee and employee portions of third-party payroll accounts have been paid, and any associated forms have been filed by the required deadlines.

Exceptions: There were no exceptions noted.

10) Procedures Performed on Bridge House's Ethics

- A. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A obtain ethics documentation from management, and

- i. Observe whether the documentation demonstrates that each employee/official completed one hour of ethics training during the calendar year as required by R.S. 42:1170; and

Performance: Obtained documentation of each of the employees selected in #9A that had completed the required ethics training.

Exceptions: There were no exceptions noted.

- ii. Observe whether the entity maintains documentation which demonstrates that each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable.

Not applicable as there were no changes to Bridge House's ethics policy during the fiscal period.

- B. Inquire and/or observe whether the agency has appointed an ethics designee as required by R.S. 42:1170.

Performance: Through inquiry of management, Bridge House has an appointed ethics designee.

Exceptions: There were no exceptions noted.

11) Procedures Performed on Bridge House's Debt Service

- A. Obtain a listing of bonds/notes and other debt instruments issued during the fiscal period and management's representation that the listing is complete. Select all debt instruments on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each debt instrument issued as required by Article VII, Section 8 of the Louisiana Constitution.

Not applicable for not-for-profit entities.

11) Procedures Performed on Bridge House’s Debt Service (Continued)

- B. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management’s representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants (including contingency funds, short-lived asset funds, or other funds required by the debt covenants).
Not applicable for not-for-profit entities.

12) Procedures Performed on Bridge House’s Fraud Notice

- A. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management’s representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled as required by R.S. 24:523.
Performance: Inquired of management of any misappropriations of public funds and assets during the fiscal period. Management represented there were none.
Exceptions: There were no exceptions noted.
- B. Observe that the entity has posted, on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.
Performance: Inspected the fraud notice posted on the premises and website concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.
Exceptions: There were no exceptions noted.

13) Procedures Performed on Bridge House’s Information Technology Disaster Recovery/ Business Continuity

Perform the following procedures, **verbally discuss the results with management, and report “We performed the procedure and discussed the results with management”**:

- A. Obtain and inspect the entity’s most recent documentation that it has backed up its critical data (if there is no written documentation, then inquire of personnel responsible for backing up critical data) and observe evidence that such backup (a) occurred within the past week, (b) was not stored on the government’s local server or network, and (c) was encrypted.
Performance: We performed the procedure and discussed the results with management.
- B. Obtain and inspect the entity’s most recent documentation that it has tested/verified that its backups can be restored (if there is no written documentation, then inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.
Performance: We performed the procedure and discussed the results with management.

**13) Procedures Performed on Bridge House's Information Technology Disaster Recovery/
Business Continuity (Continued)**

- C. Obtain a listing of the entity's computers currently in use and their related locations, and management's representation that the listing is complete. Randomly select 5 computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.

Performance: We performed the procedure and discussed the results with management.

- D. Randomly select 5 terminated employees (or all terminated employees if less than 5) using the list of terminated employees obtained in Payroll and Personnel procedure #9C. Observe evidence that the selected terminated employees have been removed or disabled from the network.

Performance: We performed the procedure and discussed the results with management.

- E. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A, obtain cybersecurity training documentation from management, and observe that the documentation demonstrates that the following employees/officials with access to the agency's information technology assets have completed cybersecurity training as required by R.S. 42:1267. The requirements are as follows:

- Hired before June 9, 2020 - completed the training; and
- Hired on or after June 9, 2020 - completed the training within 30 days of initial service or employment.

Performance: We performed the procedure and discussed the results with management.

14) Procedures Performed on Bridge House's Prevention of Sexual Harassment

- A. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A, obtain sexual harassment training documentation from management, and observe that the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year as required by R.S. 42:343.

Not applicable for not-for-profit entities.

- B. Observe that the entity has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the entity's premises if the entity does not have a website).

Not applicable for not-for-profit entities.

- C. Obtain the entity's annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe that the report includes the applicable requirements of R.S. 42:344:

14) Procedures Performed on Bridge House's Prevention of Sexual Harassment (Continued)

- i. Number and percentage of public servants in the agency who have completed the training requirements;
Not applicable for not-for-profit entities.
- ii. Number of sexual harassment complaints received by the agency;
Not applicable for not-for-profit entities.
- iii. Number of complaints which resulted in a finding that sexual harassment occurred;
Not applicable for not-for-profit entities.
- iv. Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and
Not applicable for not-for-profit entities.
- v. Amount of time it took to resolve each complaint.
Not applicable for not-for-profit entities.

Management's Overall Response to Exceptions:

- 3A.ii. Bridge House will implement a policy for the CEO to initial, date, and send an email to the CFO verifying that he has reviewed the monthly financials, bank statements, bank reconciliations, and gas and credit card statements.
- 4B.i. Each of the Thrift Stores has a manager, assistant manager and cashier using the registers. Separate registers would not be feasible. Space would not allow for additional registers. Each of the above serves customers, receives merchandise from customers, and sets out merchandise to keep operations moving.
- 4D.iv. The assistant store manager at the Earhart Thrift Store location does not have transportation to make the night deposit when the manager is off. The manager will make the deposit before 8 AM so the deposit is processed with the previous day date. Bridge House will have another person in Thrift Store operations make the deposit the next day before 8 AM when the manager is on vacation.
- 5.B.iii. Bridge House will implement a policy to create a list from Blackbaud software of vendor modifications monthly for the CEO to sign and verify.
- 5.B.iv. Bridge House will implement a policy to have someone not in Finance mail out the checks.
- 9.B.ii. Bridge House will implement a policy to have all supervisors approve their employees' timecards. Bridge House will have most employees also sign off on their timecards. Bridge House has quite a few employees with no computers, so they sign in on to one provided at their worksite. As usual, the CFO and accounting assistant review the timecards before sending them to ADP. Their timesheets are approved by the CFO.