

BRIDGE HOUSE CORPORATION
NEW ORLEANS, LOUISIANA
FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION
AS OF AND FOR THE YEARS ENDED
DECEMBER 31, 2020 AND 2019



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CERTIFIED PUBLIC ACCOUNTANTS • CONSULTANTS

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Bridge House Corporation

Report on the Financial Statements

We have audited the accompanying financial statements of Bridge House Corporation (a nonprofit organization), which comprise the statements of financial position as of December 31, 2020 and 2019, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the *Louisiana Governmental Audit Guide*, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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



Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Bridge House Corporation as of December 31, 2020 and 2019, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Other Information

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 15, 2021, on our consideration of Bridge House Corporation's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Bridge House Corporation's 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 Corporation's internal control over financial reporting and compliance.

May 5, 2021
New Orleans, Louisiana

Ericksen Krentel, LLP
Certified Public Accountants

BRIDGE HOUSE CORPORATION
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2020 AND 2019

	<u>2020</u>	<u>2019</u>
<u>ASSETS:</u>		
Cash and cash equivalents	\$ 1,324,779	\$ 729,028
Grants and contracts receivable, net	393,389	136,804
Inventories	92,964	116,571
Prepaid expenses	116,623	117,680
Investments	9,873,117	8,259,474
Promises to give, net	732,552	1,101,283
Restricted cash and funded reserves	200,069	158,322
Property and equipment, net	12,542,473	12,402,197
Beneficial interest in endowment fund	48,186	44,575
Deposits	<u>38,928</u>	<u>33,462</u>
 Total assets	 <u>\$ 25,363,080</u>	 <u>\$ 23,099,396</u>
 <u>LIABILITIES:</u>		
Accounts payable and accrued expenses	\$ 257,978	\$ 212,678
Notes payable:		
Current portion	888,558	236,338
Long-term portion	<u>6,088,174</u>	<u>5,991,465</u>
 Total liabilities	 <u>7,234,710</u>	 <u>6,440,481</u>
 <u>NET ASSETS:</u>		
Without donor restrictions:		
Undesignated	12,226,456	10,207,151
Designated	<u>5,000,000</u>	<u>5,120,000</u>
 Total without donor restrictions	 17,226,456	 15,327,151
 With donor restrictions	 <u>901,914</u>	 <u>1,331,764</u>
 Total net assets	 <u>18,128,370</u>	 <u>16,658,915</u>
 Total liabilities and net assets	 <u>\$ 25,363,080</u>	 <u>23,099,396</u>

See accompanying NOTES TO FINANCIAL STATEMENTS

BRIDGE HOUSE CORPORATION
STATEMENTS OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<u>Public Support:</u>			
Contributions	\$ 3,455,524	249,630	\$ 3,705,154
Grants and contracts:			
Prevention and treatment of substance abuse	169,173	-	169,173
Medicaid, net of provision for bad debt	2,200,283	-	2,200,283
Emergency food and shelter	12,523	-	12,523
In-kind donations	137,036	-	137,036
Food stamps	95,912	-	95,912
Net assets released from restrictions	<u>683,091</u>	<u>(683,091)</u>	<u>-</u>
Total public support	<u>6,753,542</u>	<u>(433,461)</u>	<u>6,320,081</u>
<u>Other Revenue:</u>			
Client service fees	29,598	-	29,598
Vending	-	-	-
Thrift stores and auto sales	2,362,221	-	2,362,221
Cost of goods sold	(2,357,529)	-	(2,357,529)
Gain on sale of assets	881,750	-	881,750
Investment return and interest income, net	765,650	3,611	769,261
Rental income	50,000	-	50,000
Litigation settlement	<u>209,386</u>	<u>-</u>	<u>209,386</u>
Total other revenue	<u>1,941,076</u>	<u>3,611</u>	<u>1,944,687</u>
Total revenue	<u>8,694,618</u>	<u>(429,850)</u>	<u>8,264,768</u>
<u>Expenses:</u>			
Program services	<u>5,322,919</u>	<u>-</u>	<u>5,322,919</u>
Supporting services:			
Management and general	1,087,053	-	1,087,053
Fundraising	<u>385,341</u>	<u>-</u>	<u>385,341</u>
Total supporting services	<u>1,472,394</u>	<u>-</u>	<u>1,472,394</u>
Total expenses	<u>6,795,313</u>	<u>-</u>	<u>6,795,313</u>
Change in net assets	<u>1,899,305</u>	<u>(429,850)</u>	<u>1,469,455</u>
Net assets, beginning of year	<u>15,327,151</u>	<u>1,331,764</u>	<u>16,658,915</u>
Net assets, end of year	<u>\$ 17,226,456</u>	<u>\$ 901,914</u>	<u>\$ 18,128,370</u>

BRIDGE HOUSE CORPORATION
STATEMENTS OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2019

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<u>Public Support:</u>			
Contributions	\$ 4,440,955	538,490	\$ 4,979,445
Grants and contracts:			
Prevention and treatment of substance abuse	78,324	-	78,324
Medicaid, net of provision for bad debt	1,909,584	-	1,909,584
Emergency food and shelter	8,500	-	8,500
In-kind donations	214,802	-	214,802
Food stamps	147,758	-	147,758
Net assets released from restrictions	<u>582,085</u>	<u>(582,085)</u>	<u>-</u>
 Total public support	 <u>7,382,008</u>	 <u>(43,595)</u>	 <u>7,338,413</u>
 <u>Other Revenue:</u>			
Client service fees	43,591	-	43,591
Vending	1,102	-	1,102
Thrift stores and auto sales	2,641,248	-	2,641,248
Cost of goods sold	(2,620,011)	-	(2,620,011)
Investment return and interest income, net	1,291,084	6,273	1,297,357
Rental income	<u>50,000</u>	<u>-</u>	<u>50,000</u>
 Total other revenue	 <u>1,407,014</u>	 <u>6,273</u>	 <u>1,413,287</u>
 Total revenue	 <u>8,789,022</u>	 <u>(37,322)</u>	 <u>8,751,700</u>
 <u>Expenses:</u>			
Program services	<u>6,226,830</u>	<u>-</u>	<u>6,226,830</u>
Supporting services:			
Management and general	1,020,225	-	1,020,225
Fundraising	<u>505,278</u>	<u>-</u>	<u>505,278</u>
 Total supporting services	 <u>1,525,503</u>	 <u>-</u>	 <u>1,525,503</u>
 Total expenses	 <u>7,752,333</u>	 <u>-</u>	 <u>7,752,333</u>
 Change in net assets	 <u>1,036,689</u>	 <u>(37,322)</u>	 <u>999,367</u>
 Net assets, beginning of year	 <u>14,290,462</u>	 <u>1,369,086</u>	 <u>15,659,548</u>
 Net assets, end of year	 <u>\$ 15,327,151</u>	 <u>\$ 1,331,764</u>	 <u>\$ 16,658,915</u>

BRIDGE HOUSE CORPORATION
STATEMENTS OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2020

	Program Services	Supporting Services		Total
		Management and General	Fundraising	
Salaries	\$ 2,707,044	\$ 237,369	\$ 209,235	\$ 3,153,648
Payroll taxes	205,184	37,513	14,564	257,261
Health insurance	115,371	45,626	59,225	220,222
Total salaries and related expenses	<u>3,027,599</u>	<u>320,508</u>	<u>283,024</u>	<u>3,631,131</u>
Auto expenses	36,392	1,798	-	38,190
Computer expenses	31,425	4,707	24,468	60,600
Food	266,080	6,667	-	272,747
Household supplies	18,135	1,689	-	19,824
Insurance	254,288	53,740	6,718	314,746
Interest	-	162,150	-	162,150
Licenses and taxes	66,887	14,610	-	81,497
Maintenance and repairs	248,102	22,850	-	270,952
Office	83,115	44,783	8,963	136,861
Professional services	185,110	117,214	864	303,188
Clinical supplies and services	110,510	12,292	654	123,456
Rent	225,328	-	-	225,328
Telephone	70,626	27,186	3,233	101,045
Travel and education	265	19,689	159	20,113
Utilities	237,842	59,898	-	297,740
Bad debt (recovery)	-	-	-	-
Depreciation and amortization	322,932	217,272	-	540,204
Event expenses	-	-	51,155	51,155
Miscellaneous	18,892	-	103	18,995
Cost of goods sold	2,357,529	-	-	2,357,529
Advertising and promotions	119,391	-	6,000	125,391
Total expenses	<u>7,680,448</u>	<u>1,087,053</u>	<u>385,341</u>	<u>9,152,842</u>
Less expenses included with revenues on the statement of activities:				
Cost of good sold	<u>(2,357,529)</u>	<u>-</u>	<u>-</u>	<u>(2,357,529)</u>
Total expenses included in the expense section of the statement of activities	<u>\$ 5,322,919</u>	<u>\$ 1,087,053</u>	<u>\$ 385,341</u>	<u>\$ 6,795,313</u>

See accompanying NOTES TO FINANCIAL STATEMENTS

BRIDGE HOUSE CORPORATION
STATEMENTS OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2019

	Program Services	Supporting Services		Total
		Management and General	Fundraising	
Salaries	\$ 3,033,713	\$ 278,399	\$ 227,762	\$ 3,539,874
Payroll taxes	257,416	22,234	18,452	298,102
Health insurance	92,619	44,981	36,415	174,015
Total salaries and related expenses	<u>3,383,748</u>	<u>345,614</u>	<u>282,629</u>	<u>4,011,991</u>
Auto expenses	56,126	14,411	-	70,537
Computer expenses	15,849	16,180	24,780	56,809
Food	348,057	9,056	-	357,113
Household supplies	24,109	1,591	-	25,700
Insurance	264,422	21,973	6,561	292,956
Interest	-	206,759	-	206,759
Licenses and taxes	94,609	1,591	-	96,200
Maintenance and repairs	412,696	15,075	-	427,771
Office	94,329	34,389	8,322	137,040
Professional services	174,345	72,179	4,958	251,482
Clinical supplies and services	174,893	10,673	2,463	188,029
Rent	253,638	9,490	-	263,128
Telephone	78,849	34,940	3,456	117,245
Travel and education	4,521	18,062	-	22,583
Utilities	284,107	25,410	-	309,517
Bad debt (recovery)	14,375	-	-	14,375
Depreciation and amortization	366,945	182,675	-	549,620
Event expenses	-	-	169,139	169,139
Miscellaneous	37,135	157	2,970	40,262
Cost of goods sold	2,620,011	-	-	2,620,011
Advertising and promotions	144,077	-	-	144,077
Total expenses	<u>8,846,841</u>	<u>1,020,225</u>	<u>505,278</u>	<u>10,372,344</u>
Less expenses included with revenues on the statement of activities:				
Cost of good sold	<u>(2,620,011)</u>	<u>-</u>	<u>-</u>	<u>(2,620,011)</u>
Total expenses included in the expense section of the statement of activities	<u>\$ 6,226,830</u>	<u>\$ 1,020,225</u>	<u>\$ 505,278</u>	<u>\$ 7,752,333</u>

BRIDGE HOUSE CORPORATION
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

	2020	2019
<u>CASH FLOWS PROVIDED BY (USED BY)</u>		
<u>OPERATING ACTIVITIES:</u>		
Change in net assets	\$ 1,469,455	\$ 999,367
Adjustments to reconcile change in net assets to cash provided by (used by) operating activities:		
Depreciation and amortization	540,204	549,620
Provision for bad debts	-	14,375
Change in discount on promises to give	(66,103)	(33,558)
Net (gain) on disposal of fixed assets	(881,750)	-
Net unrealized (gain) loss on investments	(520,000)	(1,182,693)
Net realized (gain) loss on sale of investments	118,662	41,347
Investment (income) loss on restricted funds	(3,611)	(6,273)
Donated assets/investments included in public support	(30,302)	(5,724)
(Increase) decrease in:		
Grants and contracts receivable	(256,585)	173,128
Inventories	23,607	21,237
Prepaid expenses	1,057	16,190
Promises to give	434,834	(62,667)
Deposits	(5,466)	1,408
Increase (decrease) in:		
Accounts payable and accrued expenses	45,300	(55,318)
Net cash provided by operating activities	869,302	470,439
<u>CASH FLOWS PROVIDED BY (USED BY)</u>		
<u>INVESTING ACTIVITIES:</u>		
Capital expenditures	(1,017,155)	(203,856)
Proceeds from sale of fixed assets	1,238,675	-
Proceeds from sale of investments	4,354,486	3,278,294
Purchase of investments	(5,556,739)	(2,421,347)
Net cash provided by (used by) investing activities	(980,733)	653,091
<u>CASH FLOWS PROVIDED BY (USED BY)</u>		
<u>FINANCING ACTIVITIES:</u>		
Principal payments on notes payable	(177,671)	(1,436,185)
Proceeds from issuance of long-term debt	926,600	-
Net cash provided by (used by) financing activities	748,929	(1,436,185)
Net increase (decrease) in cash, cash equivalents, and restricted cash	637,498	(312,655)
Cash, cash equivalents, and restricted cash at beginning of year	887,350	1,200,005
Cash, cash equivalents, and restricted cash at end of year	\$ 1,524,848	\$ 887,350
Cash, cash equivalents and restricted cash as of December 31, 2020 and 2019 consist of the following:		
Cash and cash equivalents	\$ 1,324,779	\$ 729,028
Cash restricted for:		
Iberia bank	200,069	158,322
Total cash, cash equivalents, and restricted cash	\$ 1,524,848	\$ 887,350

See accompanying NOTES TO FINANCIAL STATEMENTS

BRIDGE HOUSE CORPORATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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.

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables and other liabilities.

Basis of Presentation

The financial statement presentation follows the recommendations of the Financial Accounting Standards Board (FASB) in its Accounting Standards Codification (ASC) 958-210-50-3, *Financial Statements of Not-for-Profit Organizations*. Under FASB ASC 958-210-50-3, Bridge House is required to report information regarding its financial position and activities according to two classes of net assets:

Net Assets With Donor Restrictions - The part of net assets of a not-for-profit entity that is subject to donor-imposed restrictions (donors include other types of contributors, including makers of certain grants).

Net Assets Without Donor Restrictions - The part of net assets of a not-for-profit entity that is not subject to donor-imposed restrictions (donors include other types of contributors, including makers of certain grants).

Use of Estimates

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

Cash and Cash Equivalents

For purposes of the statement of cash flows, except for assets held in its investment portfolio, Bridge House considers all certificates of deposits and all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

BRIDGE HOUSE CORPORATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Restricted Cash and Funded Reserves

Restricted cash and funded reserves consist of balances in cash accounts that are required by loan agreements.

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, 2020 and 2019, 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. For the years ended December 31, 2020 and 2019, Bridge House provided \$120,664 and \$55,924, respectively, for the allowance for uncollectible amounts.

Inventories

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

Investments

Investments in marketable securities and mutual funds with readily determinable fair values and all investments in debt securities are reported at fair value in the statement of financial position. Unrealized gains and losses are included in the change in net assets in the accompanying statement of activities as increases or decreases in net assets without donor restrictions unless their use is with restrictions by explicit donor stipulations or law. Dividend, interest, and other investment income are recorded as increases in net assets without donor restriction unless the use is restricted by the donor.

Certificates of deposit (CDs) represent CDs with initial maturities of greater than three months but less than one year, the use of which is restricted for specific purposes by the Board of Directors. They are recorded at the face value plus accrued interest, which approximates fair value.

BRIDGE HOUSE CORPORATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investments (continued)

FASB ASC topic 820, *Fair Value Measurements and Disclosures* emphasizes market-based measurement and, in doing so, stipulates a fair value hierarchy. The hierarchy is based on the type of inputs, or data used, to measure fair value. The fair value hierarchy is summarized below:

Level 1 lies at the top of the hierarchy. Inputs are quoted prices in active markets.

Level 2 inputs are in the middle of the hierarchy, where data is adjusted from similar items traded in markets that are active markets or from identical or similar items in markets that are not active. Level 2 inputs do not stem directly from quoted prices.

Level 3 inputs are unobservable and require the entity to develop its own assumptions.

No Level 2 or Level 3 inputs were used by the Organization.

Property and Equipment

Bridge House follows the practice of capitalizing, at cost, all expenditures for fixed assets in excess of \$5,000. Depreciation is computed on a straight-line basis over the following estimated useful lives:

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

Leasehold improvements are amortized over the lesser of the useful lives of the improvements or the remaining lease term. Donations of property and equipment are recorded as contributions at their estimated fair value at the date of donation. Such donations are reported as increases in net assets without donor restrictions unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted contributions. 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.

BRIDGE HOUSE CORPORATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition

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, 2020 and 2019.

Contributions of donated noncash assets are recorded at their fair values in the period received. 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 FASB ASC 958-605-50-1, *Accounting for Contributions Received and Contributions Made*.

Bridge House receives Medicaid revenue arising from contracts with the State of Louisiana – Department of Health and Hospitals. 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 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 Car sales are recognized at the point of sale when the exchange transaction occurs, as one performance obligation.

BRIDGE HOUSE CORPORATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Functional Expenses

Directly identifiable expenses are charged to programs and supporting services. Expenses related to more than one function are charged to programs and supporting services on the basis of periodic time and expense studies. Management and general expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of Bridge House.

Income Tax Status

Bridge House is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code and from state income taxes under Section 121(5) of Title 47 of the Louisiana Revised Statutes of 1950. However, income from certain activities not directly related to Bridge House's tax-exempt purpose may be subject to taxation as unrelated business income. In addition, Bridge House qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization that is not a private foundation under Section 509(a)(2).

As of December 31, 2020, Bridge House had no uncertain tax positions that qualify for either recognition or disclosure in the financial statements. The 2017 through 2019 tax years remain subject to examination by the IRS. Bridge House does not believe that any reasonably possible changes will occur within the next twelve months that will have a material impact on the financial statements.

Advertising

All non-direct response advertising costs are expensed as incurred and included in advertising and promotions expenses. Advertising expense amounted to \$125,391 and \$144,077 for the years ended December 31, 2020 and 2019, respectively.

Date of Management's Review

Subsequent events have been evaluated through May 5, 2021 which is the date the financial statements were available to be issued.

BRIDGE HOUSE CORPORATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019

(2) LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The following reflects Bridge House's financial assets as of December 31, 2020 and 2019, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the balance sheet date. Amounts not available include amounts set aside for future required funding of debt. However, amounts already appropriated for general expenditure within one year of the balance sheet date have not been subtracted as unavailable.

	<u>2020</u>	<u>2019</u>
Financial assets, at year end	\$ 12,523,906	\$10,384,911
Less those unavailable for general expenditure within one year due to:		
Contractual or donor-imposed restrictions:		
Beneficial interest in endowment fund	(48,186)	(44,575)
Restricted by donor with time or purpose restrictions	(853,728)	(1,287,189)
Restricted cash	(200,069)	(158,322)
Board designated for future required funding of debt	<u>(5,000,000)</u>	<u>(5,120,000)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 6,421,923</u>	<u>\$ 3,774,825</u>

Bridge House is substantially supported by contributions. 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 meet those responsibilities to its donors. Thus, financial assets may not be available for general expenditure within one year. 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.

(3) STATEMENT OF CASH FLOWS SUPPLEMENTARY DISCLOSURES

Supplemental disclosures of cash flow information:

	<u>2020</u>	<u>2019</u>
Cash paid during the year for:		
Interest	<u>\$ 131,256</u>	<u>\$ 209,085</u>

(4) RESTRICTED CASH AND FUNDED RESERVES

In accordance with loan agreement with a financial institution, Bridge House is required to maintain a depository relationship with the bank in the amount of \$200,000.

As of December 31, 2020 and 2019, the restricted cash account had a balance of \$200,069 and \$158,322, respectively. Bridge House received a waiver from its bank related to its deposit amount at December 31, 2019. Bridge House was in compliance with its financial covenants at December 31, 2020 and 2019.

BRIDGE HOUSE CORPORATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019

(5) INVENTORIES

Inventories at December 31, 2020 and 2019 consist of:

	<u>2020</u>	<u>2019</u>
Donated thrift store items	\$ 34,192	\$ 63,463
Donated used cars	<u>58,772</u>	<u>53,108</u>
	<u>\$ 92,964</u>	<u>\$ 116,571</u>

(6) INVESTMENTS

The fair value of investments are determined by reference to quoted prices in active markets for identical assets (Level 1) and are as follows at December 31:

	<u>2020</u>	<u>2019</u>
Certificates of deposit and money market funds	\$ 290,150	\$ 434,861
Stocks, bonds, and mutual funds	<u>9,582,967</u>	<u>7,824,613</u>
Total investments	<u>\$ 9,873,117</u>	<u>\$ 8,259,474</u>

The following schedule summarizes the investment return without donor restrictions and its classification in the statement of activities for the years ended December 31:

	<u>2020</u>	<u>2019</u>
Dividends and interest	\$ 179,442	\$ 196,136
Net realized gains (losses)	118,662	(41,347)
Management fees	(52,454)	(46,398)
Net unrealized gains (losses)	<u>520,000</u>	<u>1,182,693</u>
Total return on investments	<u>\$ 765,650</u>	<u>\$ 1,291,084</u>

BRIDGE HOUSE CORPORATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019

(7) PROMISES TO GIVE

Unconditional promises to give consist of the following at December 31st:

	<u>2020</u>	<u>2019</u>
Receivable in less than one year	\$ 228,500	\$ 338,334
Receivable in one to five years	400,000	525,000
Receivable in more than five years	<u>200,000</u>	<u>400,000</u>
Promises to give, gross	828,500	1,263,334
Less: discounts	<u>(95,948)</u>	<u>(162,051)</u>
Promises to give, net	<u>\$ 732,552</u>	<u>\$ 1,101,283</u>

Unconditional promises to give in more than one year are discounted at 4%.

Uncollectible promises are expected to be insignificant; therefore, no allowance has been recorded for the years ended December 31, 2020 and 2019.

(8) PROPERTY AND EQUIPMENT AND DEPRECIATION

The cost of such property and equipment at December 31, 2020 and 2019 are as follows:

	<u>2020</u>	<u>2019</u>
Land and buildings	\$ 16,176,034	\$ 15,506,576
Furniture, fixtures, and equipment	420,579	449,533
Building improvements	-	539,711
Leasehold improvements	77,131	342,578
Vehicles	<u>557,174</u>	<u>588,802</u>
	17,230,918	17,427,200
Less accumulated depreciation	<u>(4,688,445)</u>	<u>(5,025,003)</u>
Total	<u>\$ 12,542,473</u>	<u>\$ 12,402,197</u>

Depreciation and amortization expense for the years ended December 31, 2020 and 2019 was \$540,204 and \$549,620, respectively.

BRIDGE HOUSE CORPORATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019

(9) 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. At December 31, 2020 and 2019, the beneficial interest in The Greater New Orleans Foundation's Bridge House Fund was a fair value of \$48,186 and \$44,575, respectively.

During the year ended December 31, 2020 and 2019, Bridge House incurred \$3,611 and \$6,273, respectively, of investment income (loss) from the fund. Bridge House reinvested these amounts back into the endowment fund.

Changes in endowment net assets for the years ended December 31, 2020 and 2019 is summarized as follows:

	<u>2020</u>	<u>2019</u>
Endowment net assets, beginning of year	\$ 44,575	\$ 38,302
Interest and dividend income	340	412
Administrative fees	(337)	(263)
Net realized gains	713	1,427
Net unrealized gains (losses)	<u>2,895</u>	<u>4,697</u>
Endowment net assets, end of year	<u>\$ 48,186</u>	<u>\$ 44,575</u>

(10) ACCOUNTS PAYABLE AND ACCRUED EXPENSES

At December 31, 2020 and 2019, accounts payable and accrued expenses consisted of the following items:

	<u>2020</u>	<u>2019</u>
Accounts payable	\$ 78,377	\$ 59,603
Accrued salaries and wages	65,491	33,582
Accrued payroll taxes	3,549	45,479
Accrued sales taxes	12,119	-
Other accrued expenses	<u>98,442</u>	<u>74,014</u>
	<u>\$ 257,978</u>	<u>\$ 212,678</u>

BRIDGE HOUSE CORPORATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019

(11) NOTES PAYABLE

Notes payable at December 31, 2020 and 2019 consisted of the following:

	<u>2020</u>	<u>2019</u>
Notes payable to Louisiana Public Facilities Authority, secured by all real property owned by Bridge House; payable in quarterly payments of interest; interest accrues at SIFMA Swap Index rate plus 1.25% (2.86% at December 31, 2020); note matures on April 1, 2040.	\$ 5,000,000	\$ 5,120,000
Notes payable to Iberia Bank, secured by investment securities held by Bridge House, payable in monthly installments of principal and interest; interest accrues at 3.75%; note matures on March 29, 2023.	1,050,132	1,107,803
Paycheck Protection Program (PPP) Loan under the CARES Act for \$776,600. Note is forgivable June 2022. This unsecured note has an initial six-month deferral period, payable 18-month term maturing June 30, 2022.	776,600	-
Small Business Administration (SBA) Loan under the CARES Act for \$150,000, secured by property. Payable in monthly installments of \$641 beginning 12-months after July 30, 2020; interest accrues at a rate of 2.75% per Annum. Note matures on July 30, 2050.	150,000	-
	6,976,732	6,227,803
Less: current portion of long-term debt	(888,558)	(236,338)
Total long-term debt, net	\$ 6,088,174	\$ 5,991,465

Following are maturities of notes payable for each of the next five years and thereafter:

2021	\$	888,558
2022		1,045,783
2023		947,181
2024		163,746
2025		163,850
Thereafter		3,767,614
	\$	6,976,732

Interest costs charged to expenses for the years ended December 31, 2020 and 2019 were \$162,150 and \$206,759, respectively.

BRIDGE HOUSE CORPORATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019

(12) DESIGNATED NET ASSETS

Net assets without donor restrictions at December 31, 2020 and 2019 includes \$5,000,000 and \$5,120,000, respectively, of assets which were designated by the Board of Directors to be used for the future required funding of debt detailed in Note 10.

(13) RESTRICTIONS ON NET ASSETS

As of December 31, 2020 and 2019, net assets with donor restrictions consisted of the following:

	<u>2020</u>	<u>2019</u>
Beneficial interest in endowment fund	\$ 48,186	\$ 44,575
Charitable bequest	27,500	30,000
Woodward property	161,092	213,763
Stratford property	420,506	800,506
Future fundraising events	<u>244,630</u>	<u>242,920</u>
Net assets with donor restrictions	<u>\$ 901,914</u>	<u>\$ 1,331,764</u>

As of December 31, 2020 and 2019, net assets released from donor restrictions consisted of the following:

	<u>2020</u>	<u>2019</u>
Charitable bequest	\$ 2,500	\$ 2,500
Woodward property	57,671	111,185
Stratford property	380,000	310,000
Future fundraising events	<u>242,920</u>	<u>158,400</u>
Net assets released from restrictions	<u>\$ 683,091</u>	<u>\$ 582,085</u>

(14) OPERATING 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, 2021. 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. Rent expense for short and long-term leases for 2020 and 2019 was \$225,328 and \$263,128, respectively.

BRIDGE HOUSE CORPORATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019

(14) OPERATING LEASES (CONTINUED)

Future minimum lease payments under operating leases that have remaining terms in excess of one year as of December 31, 2020 are:

2021	\$	158,736
2022		147,000
2023		147,000
2024		147,000
2025		150,792
Thereafter		920,304
		\$ 1,670,832

During the year ended December 31, 2018, Bridge House assumed an operating lease agreement to lease a portion of its Woodward property to a third-party. The lease agreement requires monthly rent payments of \$4,167 and expires on August 31, 2022. Rental income for the each of the years ended December 31, 2020 and 2019 was \$50,000.

Future minimum lease payments to be received under this lease have remaining terms in excess of one year as of December 31, 2020 are:

2021	\$	50,000
2022		33,336
		\$ 83,336

(15) COMMODITY ASSISTANCE

Bridge House participated in the United States Department of Agriculture Food Distribution Program for the years ended December 31, 2020 and 2019. The program provides food commodities to Bridge House to use in the preparation of meals for clients. The value of the donated commodities was \$137,036 and \$214,802 for the years ended December 31, 2020 and 2019, respectively. These amounts are recorded as in-kind donation revenues and program service expenses on the accompanying statements of activities.

(16) CONCENTRATIONS OF CREDIT RISK

Financial instruments that potentially subject Bridge House to concentrations of credit risk consist principally of cash and cash equivalents and accounts receivable. Bridge House's policy is to not require accounts receivable to be collateralized.

BRIDGE HOUSE CORPORATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019

(16) CONCENTRATIONS OF CREDIT RISK (CONTINUED)

Bridge House maintains its cash and cash equivalents in various financial institutions. The balances are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. The balances, at times, may exceed federally insured limits. The uninsured portion of cash balances as of December 31, 2020 and 2019 totaled \$1,044,735 and \$225,202 respectively.

Bridge House maintains certificates of deposit, stocks, bonds, and mutual funds with Morgan Stanley Smith Barney LLC, who is a member of SIPC, which protects securities up to \$500,000. As of December 31, 2020 and 2019, amounts in excess of insured limits totaled \$9,373,116 and \$7,759,474, respectively.

Approximately 29% of Bridge House's total revenue and 98% of the grants and contracts receivable for the year ended December 31, 2019 was awarded by the State of Louisiana - Department of Health and Hospitals. Approximately 20% of Bridge House's total revenue and 99% of the grants and contracts receivable for the year ended December 31, 2019 was awarded by the State of Louisiana Department of Health and Hospitals.

Approximately 97% of gross promises to give are from two donors as of December 31, 2020. Approximately 87% of gross promises to give are from two donors as of December 31, 2019.

(17) 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. Bridge House does not contribute to the plan. Employees may make contributions to the plan up to the maximum amount allowed by the Internal Revenue Code. There were no plan expenses for the years ended December 31, 2020 and 2019.

(18) RELATED PARTY TRANSACTION

During 2020, Bridge House sold the Delachaise property in New Orleans. The real estate agent for the company selling the property serves on Bridge House's Board of Directors. The agent and agency were compensated by way of a commission worth 3.5% of the \$1,145,200 listing price. The real estate agent also worked with Bridge House to purchase the Euphrosine property, for the purpose of expanding operations. The agent and agency were compensated by way of commission worth 1.6% of the \$1,100,000 listing price and donated \$20,250 of the commission back to Bridge House.

BRIDGE HOUSE CORPORATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019

(19) RISK AND UNCERTAINTIES

In December 2019, an outbreak of a novel strain of coronavirus (COVID-19) originated in Wuhan, China and has since spread to other countries, including the U.S. On March 11, 2020, the World Health Organization characterized COVID-19 as a pandemic. In addition, multiple jurisdictions in the U.S. have declared a state of emergency. It is anticipated that these impacts will continue for some time. Impacts on Bridge House's operations include the ability to operate at the clinic, thrift stores, and used car lot at full capacity and the postponing of fundraising events. Operating functions that may be changed include reduction in staff, other financing methods, fundraising events, or operations at thrift stores and used car lot. Changes to the operating environment may increase operating costs. The future effects of these issues are unknown. In response, Bridge House applied for and received a Payroll Protection Program loan in the amount of \$776,600 and an Economic Injury Disaster Loan from the SBA in the amount of \$150,000 to finance operations during the pandemic. Bridge House fully expects the PPP loan to be forgiven with minimal interest incurred. See Note 10 for more details on PPP and EIDL loans.

(20) NEW ACCOUNTING PRONOUNCEMENTS

The Financial Accounting Standards Board (FASB) has issued Accounting Standards Update (Update) No. 2016-02, "*Leases*." This Update seeks to increase transparency and comparability among organizations by recognizing lease assets and lease liabilities on the balance sheet and by disclosing key information about leasing arrangements. Deferring the effective date of Update No. 2016-02 to annual reporting periods beginning after December 15, 2020, the FASB issued Update No. 2019-10, "*Financial Instruments-Credit Losses (Topic 326), Derivatives and Hedging (Topic 815), and Lease (Topic 842)*." The FASB further delayed the implementation date by one year through ASU 2020-05 "*Revenue from Contracts with Customers (Topic 606) and Leases (Topic 842)*." Entities may now apply the guidance in Update No. 2016-02 to annual reporting periods beginning after December 15, 2021, and to interim reporting periods within annual reporting periods beginning after December 15, 2022. Bridge House plans to adopt this Update as applicable by the effective date.

The Financial Accounting Standards Board (FASB) has issued Accounting Standards Update (Update) No. 2020-07, "*Not-for-Profit Entities (Topic 958)*." This Update seeks to increase transparency of contributed nonfinancial assets for not-for-profit (NFP) entities through enhancements to presentation and disclosure. The amendments in this Update address certain stakeholders' concerns about the lack of transparency about the measurement of contributed nonfinancial assets recognized by NFPs, as well as the amount of those contributions used in an NFP's programs and other activities. This Update will be applied on a retrospective basis and is effective for annual periods beginning after June 15, 2021, and interim periods within annual periods beginning after June 15, 2022. Early adoption is permitted. Bridge House plans to adopt this Update as applicable by the effective date.

BRIDGE HOUSE CORPORATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019

(21) SUBSEQUENT EVENT

In 2021, Bridge House applied for and received a \$642,100 loan issued by the Small Business Administration (SBA) as part of the Paycheck Protection Program (PPP) Round II under the Coronavirus Aid, Relief, and Economic Security Act (CARES Act). Under this program, 100% of monies borrowed may be forgiven if the proceeds are expended in accordance with program guidelines. The unsecured note has an initial ten-month deferral period and after taking into account any loan forgiveness, any remaining principal and accrued interest, accrued at a simple interest rate of 1.00%, will be payable in substantially equal monthly installments on the first day of each month over the remaining 18-month term of the loan.

Also in 2021, Bridge House paid in full the SBA EIDL loan in the amount of \$150,000.

BRIDGE HOUSE CORPORATION
SCHEDULE OF COMPENSATION, BENEFITS,
AND OTHER PAYMENTS TO AGENCY HEAD
FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>Else Pederson</u>
Time served	1/1/20 through 12/31/20
Salary	\$ -
Benefits - insurance (health and dental)	-
Benefits - cell phone	-
	<hr/>
Total compensation, benefits, and other payments	<u><u>\$ -</u></u>

*Note: Else Pederson does not receive salary or related benefits from public sources.



**INDEPENDENT AUDITORS' 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 of
Bridge House Corporation

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Bridge House Corporation (a non-profit corporation), which comprise the statement of financial position as of December 31, 2020, 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 5, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Bridge House Corporation's internal control over financial reporting (internal control) as a basis for designing 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 Corporation's internal control. Accordingly, we do not express an opinion on the effectiveness of the Bridge House Corporation'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 may exist that have not been identified.



To the Board of Directors
Bridge House Corporation

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Bridge House Corporation’s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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 Bridge House Corporation’s internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Bridge House Corporation’s internal control and compliance. Accordingly, this communication is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

May 5, 2021
New Orleans, Louisiana

Erickson Krentel, LLP
Certified Public Accountants

BRIDGE HOUSE CORPORATION
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED DECEMBER 31, 2020

I. SUMMARY OF AUDITORS' REPORTS

1. The auditors' report expresses an unmodified opinion on the financial statements of Bridge House Corporation.
2. No significant deficiencies or material weaknesses in internal control relating to the audit of the financial statements are reported in the Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Prepared in Accordance with *Government Auditing Standards*.
3. No instances of noncompliance material to the financial statements were reported in the 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*.
4. A management letter was not issued for the year ended December 31, 2020.

II. FINDINGS – FINANCIAL STATEMENT AUDIT

NOT APPLICABLE

III. FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAM AUDIT

NOT APPLICABLE

BRIDGE HOUSE CORPORATION
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2020

I. FINDINGS RELATED TO THE FINANCIAL STATEMENTS

NOT APPLICABLE

**II. FINDINGS AND QUESTIONED COSTS RELATED TO MAJOR FEDERAL
AWARD PROGRAMS**

NOT APPLICABLE

III. MANAGEMENT LETTER

NOT APPLICABLE