

THE BRIDGE CENTER FOR HOPE
FINANCIAL STATEMENTS
FOR THE YEAR ENDING DECEMBER 31, 2020

Table of Contents

| | |
|---|--------|
| Independent Auditors' Report | 1 - 2 |
| Financial Statements | |
| Statement of Financial Position | 3 |
| Statement of Activities and Changes in Net Assets | 4 |
| Statement of Functional Expenses | 5 |
| Statement of Cash Flows | 6 |
| Notes to the Financial Statements | 7 - 10 |
| Supplementary Information | |
| Schedule of Compensation, Benefits, and Other Payments to Agency Head | 11 |
| Other Independent Auditors' Reports | |
| 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 <i>Government Auditing Standards</i> | 12 |
| Schedule of Findings and Responses | 14 |
| Schedule of Prior Year Findings and Responses | 15 |

INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of The Bridge Center for Hope (a non-profit organization), which comprise the statement of financial position as of December 31, 2020, and the related statement of activities and changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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 circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Bridge Center for Hope as of December 31, 2020, and the changes in its net assets, functional expense, and cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 7, 2021, on our consideration of The Bridge Center for Hope'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 solely to describe the scope of our testing of internal control over financial reporting and compliance the results of that testing, and not to provide an opinion on the effectiveness of The Bridge Center for Hope'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 The Bridge Center for Hope's internal control over financial reporting and compliance.

Report on Supplementary Information

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



Daigrepont & Brian, APAC
Baton Rouge, LA

May 7, 2021

THE BRIDGE CENTER FOR HOPE
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2020

ASSETS

Current Assets

| | |
|------|--------------|
| Cash | \$ 1,668,849 |
|------|--------------|

| | |
|----------------------|-----------|
| Total Current Assets | 1,668,849 |
|----------------------|-----------|

| | |
|--------------|--------------|
| Total Assets | \$ 1,668,849 |
|--------------|--------------|

LIABILITIES AND NET ASSETS

Current Liabilities

| | |
|------------------|--------------|
| Accounts Payable | \$ 1,349,451 |
|------------------|--------------|

| | |
|---------------------------|-----------|
| Total Current Liabilities | 1,349,451 |
|---------------------------|-----------|

| | |
|-------------------|-----------|
| Total Liabilities | 1,349,451 |
|-------------------|-----------|

| | |
|------------|---------|
| Net Assets | 319,398 |
|------------|---------|

| | |
|------------------|---------|
| Total Net Assets | 319,398 |
|------------------|---------|

| | |
|----------------------------------|--------------|
| Total Liabilities and Net Assets | \$ 1,668,849 |
|----------------------------------|--------------|

See accompanying notes and independent auditors' report.

THE BRIDGE CENTER FOR HOPE
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDING DECEMBER 31, 2020

| | <u>Total</u> |
|--------------------------------|--------------------------|
| REVENUES | |
| City-Parish Tax Revenue | \$ 6,453,072 |
| Donations and Grants | 87,346 |
| Other Income | <u>722</u> |
| Total Revenues | \$ 6,541,140 |
| EXPENSES | |
| Program Services | \$ 6,117,745 |
| Supporting Services | |
| Management and General | <u>52,788</u> |
| Total Expenses | <u>6,170,533</u> |
| CHANGE IN NET ASSETS | 370,607 |
| Net Assets - Beginning of Year | <u>(51,209)</u> |
| Net Assets - End of Year | <u><u>\$ 319,398</u></u> |

See accompanying notes and independent auditors' report.

**THE BRIDGE CENTER FOR HOPE
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDING DECEMBER 31, 2020**

| | Program Services | Management & General | Total |
|----------------------------|---------------------|-------------------------|---------------------|
| Advertising | \$ 56,177 | \$ - | \$ 56,177 |
| Events and Meetings | 12,929 | - | 12,929 |
| Insurance | 7,157 | 1,789 | 8,946 |
| Miscellaneous Expense | 3,769 | 942 | 4,711 |
| Office Expense | 10,770 | 2,692 | 13,462 |
| Payroll Taxes and Benefits | 9,772 | 2,443 | 12,215 |
| Professional Services | 86,462 | 21,616 | 108,078 |
| Repairs and Maintenance | 16,812 | - | 16,812 |
| Salaries | 93,226 | 23,306 | 116,532 |
| Treatment Center | 5,820,671 | - | 5,820,671 |
| | <u>\$ 6,117,745</u> | <u>\$ 52,788</u> | <u>\$ 6,170,533</u> |

See accompanying notes and independent auditors' report.

**THE BRIDGE CENTER FOR HOPE
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDING DECEMBER 31, 2020**

CASH FLOWS FROM OPERATING ACTIVITIES

| | |
|--|----------------|
| Changes in net assets | \$ 370,607 |
| Adjustments to reconcile net revenues over expenses to net cash used in operating activities: | |
| Increase in accounts payable | 1,201,644 |
| Decrease in payroll liabilities | <u>(2,158)</u> |
| Net cash provided by operating activities | 1,570,093 |

CASH FLOWS FROM FINANCING ACTIVITIES

| | |
|---------------------------------------|----------------------------|
| Payments on line of credit | <u>\$ (104,175)</u> |
| Net cash used in financing activities | <u>(104,175)</u> |
| INCREASE IN CASH | 1,465,918 |
| CASH, BEGINNING OF YEAR | <u>202,931</u> |
| CASH, END OF YEAR | <u><u>\$ 1,668,849</u></u> |

See accompanying notes and independent auditors' report.

**THE BRIDGE CENTER FOR HOPE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING DECEMBER 31, 2020**

1. Summary of Significant Accounting Policies

Organization

The Bridge Center for Hope (Bridge Center) was formed to create and manage programs for people with mental illness and substance use challenges in East Baton Rouge Parish. The Bridge Center's purpose is to operate a mental health and substance use treatment center that would allow citizens and first responders the opportunity to divert people with behavioral health issues to treatment instead of jail or emergency departments.

Programs and services at the Bridge Center will include a Mobile Response Team to provide crisis intervention and stabilization services within the community, a 23-hour crisis observation unit, a 16-bed short-term psychiatric unit, a 16-bed medical detoxification unit, a 16-bed center-based respite unit, and a care management team that will help provide navigation and linkage for guest to outpatient services and appropriate community resource post discharge from the facility.

Basis of Accounting

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

Use of Estimates

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

Cash

Cash consists of deposits held with a bank.

Net Assets

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

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

Net Assets With Donor Restrictions are net assets subject to donor-imposed restrictions that may or will be met by either actions of the organization or the passage of time. Once the restrictions are met, they are reclassified to net assets without donor restrictions. There were no net assets with donor restrictions at year end.

**THE BRIDGE CENTER FOR HOPE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING DECEMBER 31, 2020**

1. Summary of Significant Accounting Policies - Continued

Revenue Recognition

The Bridge Center receives revenue from the City-Parish through a cooperative endeavor agreement. The Bridge Center has determined that the funds received under this agreement are attributable to one performance obligation which is the operation of the mental health and substance use treatment center. Revenue is recognized upon receipt. At the end of the year all revenue under the cooperative endeavor agreement is considered earned.

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

Functional Expenses

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

Donated services

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

Income Taxes

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

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

The Bridge Center's open audit periods are 2017 through 2019.

Subsequent Events

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

Advertising

The Bridge Center expenses all advertising costs as incurred.

**THE BRIDGE CENTER FOR HOPE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING DECEMBER 31, 2020**

2. Concentrations

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

The Bridge Center derives substantially all of its revenues from a cooperative endeavor agreement with the City-Parish, the loss of which would have a material adverse effect on the organization.

3. Mental Health and Substance Use Treatment Center

In December 2018 the voters of East Baton Rouge Parish passed a 1.5 mill 10 year property tax to fund a mental health and substance use treatment center. In 2019 the Bridge Center entered into a cooperative endeavor agreement with the City Parish to manage and operate the treatment center for a period of ten years ending on December 31, 2029. The City Parish will make annual appropriations to the Bridge Center based on the proceeds from the tax collected. Services at the center will include crisis intervention, crisis stabilization, medical detoxification, respite, and ongoing case management.

In accordance with the terms of the cooperative endeavor agreement the Bridge Center has contracted with a third party to oversee the day to day operations of the center and provide the crisis intervention, crisis stabilization, medical detoxification, respite, and ongoing case management.

4. Commitments and Contingencies

Under the terms of the cooperative endeavor agreement the Bridge Center is potentially subject to audit or examination of records by the City Parish. Donations and grants are also subject to potential examination from donors or grantors. Such examinations could lead to requests for reimbursement for reimbursement for expenditures disallowed under the terms of the agreement. It is the opinion of management that any potential examinations will not result in any requests for reimbursement.

5. Liquidity and Availability of Financial Assets

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

Financial Assets at Year End

| | |
|---|----------------------------|
| Cash | <u>\$ 1,668,849</u> |
| Financial Assets Available for General Expenditures | <u><u>\$ 1,668,849</u></u> |

As part of the organization's liquidity management plan excess cash has been placed in a savings account to meet unexpected liquidity needs or in the event of financial distress.

**THE BRIDGE CENTER FOR HOPE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING DECEMBER 31, 2020**

6. Line of Credit

The Bridge Center had an available line of credit with a bank in the amount of \$250,000. On March 31, 2020 the outstanding balance of \$104,175 was paid off and the line of credit closed.

7. Retirement Plan

The Bridge Center offers retirement benefits through a 401k plan for eligible employees. The Bridge Center provides matching contributions of 3% of eligible compensation. Participants are fully vested in contributions made to their individual retirement account. During 2020 the Bridge Center contributed \$3,300.

**THE BRIDGE CENTER FOR HOPE
SCHEDULE OF COMPENSATION, BENEFITS,
AND OTHER PAYMENTS TO AGENCY HEAD
FOR THE YEAR ENDING DECEMBER 31, 2020**

Executive Director: Charlotte Claiborne

| | |
|-------------------|-------------------|
| Salary | \$ 116,532 |
| Employee Benefits | <u>3,300</u> |
| | <u>\$ 119,832</u> |

See accompanying notes and independent auditors' report.

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
The Bridge Center for Hope
Baton Rouge, LA

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 The Bridge Center for Hope (a non-profit organization) which comprise the statement of financial position as of December 31, 2020 and the related statements of activities and changes in net assets, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated May 7, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered The Bridge Center for Hope's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing an opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of The Bridge Center for Hope's internal control. Accordingly, we do not express an opinion on the effectiveness of The Bridge Center for Hope'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 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 the internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether The Bridge Center for Hope's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audits, 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 the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Daigrepont & Brian APAC". The script is cursive and fluid.

Daigrepont & Brian, APAC
Baton Rouge, Louisiana

May 7, 2021

**THE BRIDGE CENTER FOR HOPE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2020**

We have audited the financial statements of The Bridge Center for Hope, as of December 31, 2020, and for the year then ended, and have issued our report thereon dated May 7, 2021. 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.

Summary of Auditors' Reports

| | | | |
|--|------------|-------|-----------------|
| Type of auditor's report issued | Unmodified | | |
| Material weakness(es) identified? | Yes | _____ | No <u> X </u> |
| Significant deficiencies identified that are not considered to be a material weakness? | Yes | _____ | No <u> X </u> |
| Compliance | | | |
| Noncompliance material to the financial statements | Yes | _____ | No <u> X </u> |

Findings

There are no findings for the year ended December 31, 2020

Questioned Costs

There are no questioned costs for the year ended December 31, 2020

**THE BRIDGE CENTER FOR HOPE
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2019**

Summary of Prior Audit Findings

There were no prior year audit findings.