

BRIDGE HOUSE CORPORATION
NEW ORLEANS, LOUISIANA
FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION
AS OF AND FOR THE YEARS ENDED
DECEMBER 31, 2021 AND 2020



ERICKSEN KRENTEL^{LLP}
CERTIFIED PUBLIC ACCOUNTANTS • CONSULTANTS

CONTENTS

<u>INDEPENDENT AUDITORS' REPORT</u>	1 – 3
--	-------

FINANCIAL STATEMENTS:

Exhibit "A" Statements of Financial Position.....	4
Exhibit "B" Statements of Activities	5 – 6
Exhibit "C" Statements of Functional Expenses.....	7 – 8
Exhibit "D" Statements of Cash Flows	9
Notes to Financial Statements.....	10 – 23

SUPPLEMENTARY INFORMATION:

Schedule "1" Schedule of Compensation, Benefits, and Other Payments to Agency Head.....	24
--	----

OTHER REPORTING REQUIRED BY *GOVERNMENT AUDITING STANDARDS*:

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>	25 – 26
Schedule of Findings and Responses	27
Summary Schedule of Prior Year Findings	28



INDEPENDENT AUDITORS' REPORT

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

Report on the Audit of the Financial Statements

Opinion

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, 2021 and 2020, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

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, 2021 and 2020, 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.

Basis for Opinion

We conducted our audits 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. 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 Corporation and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management 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, 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, that raise substantial doubt about Bridge House Corporation's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.



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

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, including omissions, 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 ABC Organization'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, that raise substantial doubt about Bridge House Corporation'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.



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

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary information included in Schedule “1” 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 16, 2022, 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 16, 2022
New Orleans, Louisiana

Ericksen Krentel, LLP
Certified Public Accountants

BRIDGE HOUSE CORPORATION
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
<u>ASSETS:</u>		
Cash and cash equivalents	\$ 2,109,462	\$ 1,324,779
Grants and contracts receivable, net	387,042	393,389
Inventories	98,455	92,964
Prepaid expenses	139,323	116,623
Investments	11,180,772	9,873,117
Promises to give, net	528,060	732,552
Restricted cash and funded reserves	200,489	200,069
Property and equipment, net	12,038,302	12,542,473
Beneficial interest in endowment fund	55,985	48,186
Deposits	<u>43,363</u>	<u>38,928</u>
 Total assets	 <u>\$ 26,781,253</u>	 <u>\$ 25,363,080</u>
 <u>LIABILITIES:</u>		
Accounts payable and accrued expenses	\$ 280,549	\$ 257,978
Notes payable:		
Current portion	265,638	888,558
Long-term portion	<u>4,893,537</u>	<u>6,088,174</u>
 Total liabilities	 <u>5,439,724</u>	 <u>7,234,710</u>
 <u>NET ASSETS:</u>		
Without donor restrictions:		
Undesignated	16,549,745	12,226,456
Designated	<u>4,230,000</u>	<u>5,000,000</u>
 Total without donor restrictions	 20,779,745	 17,226,456
 With donor restrictions	 <u>561,784</u>	 <u>901,914</u>
 Total net assets	 <u>21,341,529</u>	 <u>18,128,370</u>
 Total liabilities and net assets	 <u>\$ 26,781,253</u>	 <u>\$ 25,363,080</u>

See accompanying NOTES TO FINANCIAL STATEMENTS

BRIDGE HOUSE CORPORATION
STATEMENTS OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<u>Public Support:</u>			
Contributions	\$ 4,277,538	\$ 245,158	\$ 4,522,696
Grants and contracts:			
Prevention and treatment of substance abuse	160,672	-	160,672
Medicaid, net of provision for bad debt	3,226,971	-	3,226,971
Emergency food and shelter	18,023	-	18,023
In-kind donations	215,328	-	215,328
Food stamps	201,538	-	201,538
Net assets released from restrictions	<u>593,087</u>	<u>(593,087)</u>	<u>-</u>
 Total public support	 <u>8,693,157</u>	 <u>(347,929)</u>	 <u>8,345,228</u>
 <u>Other Revenue:</u>			
Client service fees	57,076	-	57,076
Vending	426	-	426
Thrift stores and auto sales	3,135,923	-	3,135,923
Cost of goods sold	(3,141,414)	-	(3,141,414)
Investment return and interest income, net	1,208,163	7,799	1,215,962
Rental income	29,167	-	29,167
Forgiveness of debt	<u>1,418,700</u>	<u>-</u>	<u>1,418,700</u>
 Total other revenue	 <u>2,708,041</u>	 <u>7,799</u>	 <u>2,715,840</u>
 Total revenue	 <u>11,401,198</u>	 <u>(340,130)</u>	 <u>11,061,068</u>
 <u>Expenses:</u>			
Program services	<u>6,452,305</u>	<u>-</u>	<u>6,452,305</u>
Supporting services:			
Management and general	989,555	-	989,555
Fundraising	<u>406,049</u>	<u>-</u>	<u>406,049</u>
 Total supporting services	 <u>1,395,604</u>	 <u>-</u>	 <u>1,395,604</u>
 Total expenses	 <u>7,847,909</u>	 <u>-</u>	 <u>7,847,909</u>
 Change in net assets	 <u>3,553,289</u>	 <u>(340,130)</u>	 <u>3,213,159</u>
 Net assets, beginning of year	 <u>17,226,456</u>	 <u>901,914</u>	 <u>18,128,370</u>
 Net assets, end of year	 <u>\$ 20,779,745</u>	 <u>\$ 561,784</u>	 <u>\$ 21,341,529</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>

See accompanying NOTES TO FINANCIAL STATEMENTS

BRIDGE HOUSE CORPORATION
STATEMENTS OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2021

	Program Services	Supporting Services		Total
		Management and General	Fundraising	
Salaries	\$ 3,310,521	\$ 314,802	\$ 202,986	\$ 3,828,309
Payroll taxes	250,190	39,288	14,697	304,175
Health insurance	136,396	58,455	43,155	238,006
 Total salaries and related expenses	 3,697,107	 412,545	 260,838	 4,370,490
Auto expenses	84,079	12,188	-	96,267
Computer expenses	67,479	2,664	9,111	79,254
Food	413,028	17,210	-	430,238
Household supplies	26,856	2,385	-	29,241
Insurance	278,239	48,808	6,749	333,796
Interest	-	91,987	-	91,987
Licenses and taxes	56,359	2,004	3,296	61,659
Maintenance and repairs	322,373	32,239	34	354,646
Office	117,446	24,550	9,780	151,776
Professional services	250,052	13,164	1,100	264,316
Clinical supplies and services	165,528	3,369	538	169,435
Rent	141,305	-	-	141,305
Telephone	74,784	15,005	3,801	93,590
Travel and education	450	19,993	-	20,443
Utilities	296,678	59,081	-	355,759
Depreciation and amortization	317,174	232,363	-	549,537
Event expenses	-	-	107,334	107,334
Miscellaneous	31,618	-	711	32,329
Cost of goods sold	3,141,414	-	-	3,141,414
Advertising and promotions	111,750	-	2,757	114,507
 Total expenses	 9,593,719	 989,555	 406,049	 10,989,323
Less expenses included with revenues on the statement of activities:				
Cost of good sold	(3,141,414)	-	-	(3,141,414)
 Total expenses included in the expense section of the statement of activities	 \$ 6,452,305	 \$ 989,555	 \$ 406,049	 \$ 7,847,909

See accompanying NOTES TO FINANCIAL STATEMENTS

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	3,027,599	320,508	283,024	3,631,131
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
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	7,680,448	1,087,053	385,341	9,152,842
Less expenses included with revenues on the statement of activities:				
Cost of good sold	(2,357,529)	-	-	(2,357,529)
Total expenses included in the expense section of the statement of activities	\$ 5,322,919	\$ 1,087,053	\$ 385,341	\$ 6,795,313

See accompanying NOTES TO FINANCIAL STATEMENTS

BRIDGE HOUSE CORPORATION
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
<u>CASH FLOWS PROVIDED BY (USED BY)</u>		
<u>OPERATING ACTIVITIES:</u>		
Change in net assets	\$ 3,213,159	\$ 1,469,455
Adjustments to reconcile change in net assets to cash provided by (used by) operating activities:		
Depreciation and amortization	549,537	540,204
Forgiveness of debt	(1,418,700)	-
Change in discount on promises to give	(24,008)	(66,103)
Net (gain) on disposal of fixed assets	-	(881,750)
Net unrealized (gain) loss on investments	(908,351)	(520,000)
Net realized (gain) loss on sale of investments	(161,903)	118,662
Investment (income) loss on restricted funds	(7,799)	(3,611)
Donated assets/investments included in public support	-	(30,302)
(Increase) decrease in:		
Grants and contracts receivable	6,347	(256,585)
Inventories	(5,491)	23,607
Prepaid expenses	(22,700)	1,057
Promises to give	228,500	434,834
Deposits	(4,435)	(5,466)
Increase (decrease) in:		
Accounts payable and accrued expenses	<u>22,571</u>	<u>45,300</u>
Net cash provided by operating activities	<u>1,466,727</u>	<u>869,302</u>
<u>CASH FLOWS PROVIDED BY (USED BY)</u>		
<u>INVESTING ACTIVITIES:</u>		
Capital expenditures	(45,366)	(1,017,155)
Proceeds from sale of fixed assets	-	1,238,675
Proceeds from sale of investments	2,256,083	4,354,486
Purchase of investments	<u>(2,493,484)</u>	<u>(5,556,739)</u>
Net cash provided by (used by) investing activities	<u>(282,767)</u>	<u>(980,733)</u>
<u>CASH FLOWS PROVIDED BY (USED BY)</u>		
<u>FINANCING ACTIVITIES:</u>		
Principal payments on notes payable	(1,040,957)	(177,671)
Proceeds from issuance of long-term debt	<u>642,100</u>	<u>926,600</u>
Net cash provided by (used by) financing activities	<u>(398,857)</u>	<u>748,929</u>
Net increase (decrease) in cash, cash equivalents, and restricted cash	785,103	637,498
Cash, cash equivalents, and restricted cash at beginning of year	<u>1,524,848</u>	<u>887,350</u>
Cash, cash equivalents, and restricted cash at end of year	<u>\$ 2,309,951</u>	<u>\$ 1,524,848</u>
Cash, cash equivalents and restricted cash as of December 31, 2021 and 2020 consist of the following:		
Cash and cash equivalents	\$ 2,109,462	\$ 1,324,779
Restricted cash: depository agreement	<u>200,489</u>	<u>200,069</u>
Total cash, cash equivalents, and restricted cash	<u>\$ 2,309,951</u>	<u>\$ 1,524,848</u>

See accompanying NOTES TO FINANCIAL STATEMENTS

BRIDGE HOUSE CORPORATION
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2021 AND 2020

(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.

Method of Accounting and Financial Reporting Framework

Assets and liabilities and revenues and expenses are recognized 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 (FASB).

Basis of Presentation

The financial statement presentation follows the recommendations of the 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 (CONTINUED)
DECEMBER 31, 2021 AND 2020

(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, 2021 and 2020, 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, 2021 and 2020, Bridge House provided \$20,126 and \$120,664, 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 statements 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 (CONTINUED)
DECEMBER 31, 2021 AND 2020

(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 \$10,000. 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 (CONTINUED)
DECEMBER 31, 2021 AND 2020

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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, 2021 and 2020.

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*.

Contracts

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 Cars

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 (CONTINUED)
DECEMBER 31, 2021 AND 2020

(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, 2021, Bridge House had no uncertain tax positions that qualify for either recognition or disclosure in the financial statements. The 2018 through 2020 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 \$114,507 and \$125,391 for the years ended December 31, 2021 and 2020, respectively.

Date of Management's Review

Subsequent events have been evaluated through May 16, 2022, which is the date the financial statements were available to be issued.

BRIDGE HOUSE CORPORATION
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2021 AND 2020

(2) LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The following reflects Bridge House's financial assets as of December 31, 2021 and 2020, 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.

	2021	2020
Financial assets, at year end	\$ 14,461,810	\$ 12,572,092
Less those unavailable for general expenditure within one year due to:		
Contractual or donor-imposed restrictions:		
Beneficial interest in endowment fund	(55,985)	(48,186)
Restricted by donor - time/purpose restrictions	(505,799)	(853,728)
Restricted cash	(200,489)	(200,069)
Board designated for debt service	(4,230,000)	(5,000,000)
Financial assets available to meet cash needs for general expenditures within one year	\$ 9,469,537	\$ 6,470,109

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:

	2021	2020
Cash paid during the year for:		
Interest	\$ 100,372	\$ 131,256

(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, 2021 and 2020, the restricted cash account had a balance of \$200,489 and \$200,069, respectively. Bridge House was in compliance with its financial covenants at December 31, 2021 and 2020.

BRIDGE HOUSE CORPORATION
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2021 AND 2020

(5) INVENTORIES

Inventories consist of the following at December 31st:

	<u>2021</u>	<u>2020</u>
Donated thrift store items	\$ 70,176	\$ 58,772
Donated used cars	<u>28,279</u>	<u>34,192</u>
	<u>\$ 98,455</u>	<u>\$ 92,964</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 31st:

	<u>2021</u>	<u>2020</u>
Money market funds	\$ 114,922	\$ 290,150
Equities	5,065,724	4,284,220
Fixed income	3,335,308	2,938,264
Alternatives	2,176,388	1,600,243
Structured investments	<u>488,430</u>	<u>760,240</u>
Total investments	<u>\$ 11,180,772</u>	<u>\$ 9,873,117</u>

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

	<u>2021</u>	<u>2020</u>
Dividends and interest	\$ 204,037	\$ 179,442
Net realized gains	161,903	118,662
Management fees	(66,128)	(52,454)
Net unrealized gains	<u>908,351</u>	<u>520,000</u>
Total return on investments	<u>\$ 1,208,163</u>	<u>\$ 765,650</u>

BRIDGE HOUSE CORPORATION
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2021 AND 2020

(7) PROMISES TO GIVE

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

	<u>2021</u>	<u>2020</u>
Receivable in less than one year	\$ 100,000	\$ 228,500
Receivable in one to five years	400,000	400,000
Receivable in more than five years	<u>100,000</u>	<u>200,000</u>
Promises to give, gross	600,000	828,500
Less: discounts	<u>(71,940)</u>	<u>(95,948)</u>
Promises to give, net	<u>\$ 528,060</u>	<u>\$ 732,552</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, 2021 and 2020.

(8) PROPERTY AND EQUIPMENT AND DEPRECIATION

Costs of property and equipment consist of the following at December 31st:

	<u>2021</u>	<u>2020</u>
Land and buildings	\$ 16,176,034	\$ 16,176,034
Furniture, fixtures, and equipment	455,283	420,579
Building improvements	-	-
Leasehold improvements	87,791	77,131
Vehicles	<u>557,175</u>	<u>557,174</u>
	17,262,063	17,230,918
Less accumulated depreciation	<u>(5,237,981)</u>	<u>(4,688,445)</u>
Total	<u>\$ 12,038,302</u>	<u>\$ 12,542,473</u>

Depreciation and amortization expense for the years ended December 31, 2021 and 2020 was \$549,537 and \$540,204, respectively.

BRIDGE HOUSE CORPORATION
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2021 AND 2020

(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, 2021 and 2020, the beneficial interest in The Greater New Orleans Foundation's Bridge House Fund was a fair value of \$55,985 and \$48,186, respectively.

During the year ended December 31, 2021 and 2020, Bridge House incurred \$7,799 and \$3,611, respectively, of investment income from the fund. Bridge House reinvested these amounts back into the endowment fund.

Changes in endowment net assets for the years ended December 31, 2021 and 2020 is summarized as follows:

	<u>2021</u>	<u>2020</u>
Endowment net assets, beginning of year	\$ 48,186	\$ 44,575
Interest and dividend income	585	340
Administrative fees	(450)	(337)
Net realized gains	2,544	713
Net unrealized gains (losses)	<u>5,120</u>	<u>2,895</u>
Endowment net assets, end of year	<u>\$ 55,985</u>	<u>\$ 48,186</u>

(10) ACCOUNTS PAYABLE AND ACCRUED EXPENSES

Accounts payable and accrued expenses consisted of the following at December 31st:

	<u>2021</u>	<u>2020</u>
Accounts payable	\$ 104,290	\$ 78,377
Accrued salaries and payroll taxes	90,919	69,040
Accrued sales taxes	15,059	12,119
Other accrued expenses	<u>70,281</u>	<u>98,442</u>
	<u>\$ 280,549</u>	<u>\$ 257,978</u>

BRIDGE HOUSE CORPORATION
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2021 AND 2020

(11) NOTES PAYABLE

Notes payable at December 31, 2021 and 2020 consisted of the following:

	<u>2021</u>	<u>2020</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% (1.35% at December 31, 2021); note matures on April 1, 2040.	\$ 4,230,000	\$ 5,000,000
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.	929,175	1,050,132
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
	5,159,175	6,976,732
Less: current portion of long-term debt	(265,638)	(888,558)
Total long-term debt, net	\$ 4,893,537	\$ 6,088,174

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

2022	\$	265,638
2023		943,537
2024		160,000
2025		160,000
2026		180,000
Thereafter		3,450,000
	\$	5,159,175

Interest costs charged to expenses for the years ended December 31, 2021 and 2020 were \$91,987 and \$162,150, respectively.

BRIDGE HOUSE CORPORATION
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2021 AND 2020

(11) NOTES PAYABLE (CONTINUED)

Bridge House received an additional Paycheck Protection Program (PPP) loan under the CARES Act on March 23, 2021, in the amount of \$642,100. Both PPP loans totaling \$1,418,700 were forgiven by the SBA in 2021 and are recorded in other revenue on the statement of activities.

(12) DESIGNATED NET ASSETS

Net assets without donor restrictions at December 31, 2021 and 2020 includes \$4,230,000 and \$5,000,000, respectively, of assets which were designated by the Board of Directors to be used for the future required funding of debt detailed in Note 11.

(13) RESTRICTIONS ON NET ASSETS

Net assets with donor restrictions consisted of the following at December 31st:

	<u>2021</u>	<u>2020</u>
Beneficial interest in endowment fund	\$ 55,985	\$ 48,186
Charitable bequest	25,000	27,500
Woodward property	60,135	161,092
Stratford property	195,506	420,506
Future fundraising events	<u>225,158</u>	<u>244,630</u>
Net assets with donor restrictions	<u>\$ 561,784</u>	<u>\$ 901,914</u>

Net assets released from donor restrictions consisted of the following at December 31st:

	<u>2021</u>	<u>2020</u>
Charitable bequest	\$ 2,500	\$ 2,500
Woodward property	120,957	57,671
Stratford property	225,000	380,000
Future fundraising events	<u>244,630</u>	<u>242,920</u>
Net assets released from restrictions	<u>\$ 593,087</u>	<u>\$ 683,091</u>

BRIDGE HOUSE CORPORATION
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2021 AND 2020

(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, 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. Rent expense for short and long-term leases for 2021 and 2020 was \$141,305 and \$225,328, respectively.

Future minimum lease payments under operating leases that have remaining terms in excess of one year as of December 31, 2021 are:

2022	\$	147,000
2023		147,000
2024		147,000
2025		150,792
2026		150,792
Thereafter		<u>769,512</u>
		<u>\$ 1,512,096</u>

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. As of June 30, 2021 the tenant and Bridge House agreed to terminate the final year of the lease contract. Rental income for the years then ended December 31, 2021 and 2020 was \$29,167 and \$50,000, respectively.

(15) COMMODITY ASSISTANCE

Bridge House participated in the United States Department of Agriculture Food Distribution Program for the years ended December 31, 2021 and 2020. The program provides food commodities to Bridge House to use in the preparation of meals for clients. The value of the donated commodities was \$215,328 and \$137,036 for the years ended December 31, 2021 and 2020, respectively. These amounts are recorded as in-kind donation revenues and program service expenses on the accompanying statements of activities.

BRIDGE HOUSE CORPORATION
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2021 AND 2020

(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 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, 2021 and 2020 totaled \$1,764,132 and \$1,044,735 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, 2021 and 2020, amounts in excess of insured limits totaled \$10,815,850 and \$9,373,117, respectively.

Approximately 30% of Bridge House's total revenue and 100% of the grants and contracts receivable for the year ended December 31, 2021 was awarded by the State of Louisiana -Department of Health and Hospitals. Approximately 29% of Bridge House's total revenue and 98% of the grants and contracts receivable for the year ended December 31, 2020 was awarded by the State of Louisiana Department of Health and Hospitals.

Promises to give are from one donor as of December 31, 2021. Approximately 97% of promises to give are from two donors as of December 31, 2020.

(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, 2021 and 2020.

(18) RELATED PARTY TRANSACTION

During fiscal year 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 (CONTINUED)
DECEMBER 31, 2021 AND 2020

(19) 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
SCHEDULE OF COMPENSATION, BENEFITS,
AND OTHER PAYMENTS TO AGENCY HEAD
FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>Else Pederson</u>
Time served	1/1/21 through 12/31/21
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, 2021, 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 16, 2022.

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 and significant deficiencies may exist that were not identified.



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

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 16, 2022
New Orleans, Louisiana

Ericksen Krentel, LLP
Certified Public Accountants

BRIDGE HOUSE CORPORATION
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED DECEMBER 31, 2021

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, 2021.

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, 2021

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

LOUISIANA LEGISLATIVE AUDITOR
STATEWIDE AGREED-UPON PROCEDURES
BRIDGE HOUSE CORPORATION
NEW ORLEANS, LOUISIANA
FOR THE YEAR ENDED
DECEMBER 31, 2021



ERICKSEN KRENTEL^{LLP}
CERTIFIED PUBLIC ACCOUNTANTS • CONSULTANTS



**INDEPENDENT ACCOUNTANTS' REPORT
ON APPLYING AGREED-UPON PROCEDURES**

To the Board of Directors of
Bridge House Corporation

We have performed the procedures enumerated below on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period January 1, 2021 through December 31, 2021. Bridge House Corporation's management is responsible for those C/C areas identified in the SAUPs.

Bridge House Corporation 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 LLA's SAUPs for the fiscal period January 1, 2021 through December 31, 2021. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. 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 are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are attached in Schedule "1."

We were engaged by Bridge House Corporation to perform this agreed-upon procedures engagement and conducted our engagement in accordance with 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 those 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 Corporation 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.

May 16, 2022
New Orleans, Louisiana

Ericksen Krentel, LLP
Certified Public Accountants

BRIDGE HOUSE CORPORATION
AGREED-UPON PROCEDURES
JANUARY 1, 2021 – DECEMBER 31, 2021

WRITTEN POLICIES AND PROCEDURES

1. **Procedures:** 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:
 - a) ***Budgeting***, including preparing, adopting, monitoring, and amending the budget.
 - b) ***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.
 - c) ***Disbursements***, including processing, reviewing, and approving.
 - d) ***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).
 - e) ***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(s) rate of pay or approval and maintenance of pay rate schedules.
 - f) ***Contracting***, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
 - g) ***Credit Cards (and debit cards, fuel cards, P-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).
 - h) ***Travel and Expense Reimbursement***, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
 - i) ***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 the entity's ethics policy.

BRIDGE HOUSE CORPORATION
AGREED-UPON PROCEDURES (CONTINUED)
JANUARY 1, 2021 – DECEMBER 31, 2021

WRITTEN POLICIES AND PROCEDURES (CONTINUED)

- j) ***Debt Service***, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
- k) ***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.
- l) ***Sexual Harassment***, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

Results: The written policies and procedures entirely address the functions of budgeting, purchasing, disbursements, receipts/collections, payroll/personnel, contracting, credit cards, travel and expense reimbursement, debt, information technology, disaster recovery and business continuity listed above. Ethics and sexual harassment are not applicable as the Organization is a private not-for-profit entity.

BOARD OR FINANCE COMMITTEE

- 2. **Procedures:** 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:
 - a) 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.
 - b) 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.
 - c) 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.

Results: Obtained the board committee meeting minutes for fiscal year. The board meets on a quarterly basis and financial comparison of quarterly and annual financial comparisons were discussed.

BRIDGE HOUSE CORPORATION
AGREED-UPON PROCEDURES (CONTINUED)
JANUARY 1, 2021 – DECEMBER 31, 2021

BANK RECONCILIATIONS

3. **Procedures:** 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:
- a) 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);
 - b) Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and
 - c) 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.

Results: Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date. Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation. Bank reconciliations had no reconciling items outstanding for more than 12 months at the statement closing date. The reconciled balance for the final month of the fiscal period agrees to the general ledger.

COLLECTIONS

4. **Procedures:** 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):
5. **Procedures:** 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 (i.e., 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, 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:
- a) Employees responsible for cash collections do not share cash drawers/registers.
 - b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g., pre-numbered receipts) to the deposit.

BRIDGE HOUSE CORPORATION
AGREED-UPON PROCEDURES (CONTINUED)
JANUARY 1, 2021 – DECEMBER 31, 2021

COLLECTIONS (CONTINUED)

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

Results: The Organization has separate employees for collecting cash and reconciling cash documentation. The employee responsible for collecting cash is not responsible for posting collection entries to the general ledger. The employee responsible for reconciling collections is not responsible for collecting cash.

- 6. **Procedures:** Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe the bond or insurance policy for theft was enforced during the fiscal period.

Results: The Organization has an insurance policy that covers theft and it was enforced during the fiscal period.

- 7. **Procedures:** Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (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). Alternately, 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:
 - a) Observe that receipts are sequentially pre-numbered.
 - b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
 - c) Trace the deposit slip total to the actual deposit per the bank statement.
 - d) Observe 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).
 - e) Trace the actual deposit per the bank statement to the general ledger.

BRIDGE HOUSE CORPORATION
AGREED-UPON PROCEDURES (CONTINUED)
JANUARY 1, 2021 – DECEMBER 31, 2021

COLLECTIONS (CONTINUED)

Results: The related collection documentation was traced to deposit slips. The deposit slip total agrees to the actual deposit per the bank statement. Regular periodic deposits were made after collection. The actual deposit per the bank statement agreed to the general ledger.

NON-PAYROLL DISBURSEMENTS (EXCLUDING CARD PURCHASES/PAYMENTS, TRAVEL REIMBURSEMENTS, AND PETTY CASH PURCHASES)

8. **Procedures:** 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):
9. **Procedures:** For each location selected under #8 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, inquire of employees about their job duties), and observe that job duties are properly segregated such that:
 - f) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.
 - g) At least two employees are involved in processing and approving payments to vendors.
 - h) 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.
 - i) 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.

Results: The Organization had at least two employees involved in initiating a purchase request, approving a purchase, placing an order/making the purchase, and processing and approving payments to vendors. 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. Either the employee responsible for signing checks mails the payment or gives the signed checks to another employee to mail who is not responsible for processing payments.

10. **Procedures:** For each location selected under #8 above, 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:

BRIDGE HOUSE CORPORATION
AGREED-UPON PROCEDURES (CONTINUED)
JANUARY 1, 2021 – DECEMBER 31, 2021

NON-PAYROLL DISBURSEMENTS (EXCLUDING CARD PURCHASES/PAYMENTS, TRAVEL REIMBURSEMENTS, AND PETTY CASH PURCHASES) (CONTINUED)

- a) Observe that the disbursement matched the related original itemized invoice and supporting documentation indicates deliverables included on the invoice were received by the entity.
- b) Observe that the disbursement documentation included evidence (e.g. initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

Results: The 5 disbursements matched the related original invoice/billing statement. The disbursement documentation included evidence of segregation of duties.

CREDIT CARDS/DEBIT CARDS/P-CARDS

11. **Procedure:** Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-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.

Results: Obtained a listing of all active credit cards and representation the listing is complete.

12. **Procedures:** 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:

- a) Observe whether there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original 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. [Note: Requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.]
- b) Observe that finance charges and late fees were not assessed on the selected statements.

Results: The monthly statements were approved in writing. The Chief Executive Officer approved all monthly credit card statements, while the Chief Financial Officer approved the Chief Executive Officer's card. There were no finance charges and/or late fees assessed on the selected statements.

BRIDGE HOUSE CORPORATION
AGREED-UPON PROCEDURES (CONTINUED)
JANUARY 1, 2021 – DECEMBER 31, 2021

CREDIT CARDS/DEBIT CARDS/P-CARDS (CONTINUED)

13. **Procedure:** Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e., each card should have 10 transactions subject to testing). For each transaction, observe it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and note whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.

Results: Each of the selected transactions were supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only).

TRAVEL AND TRAVEL-RELATED EXPENSE REIMBURSEMENTS (EXCLUDING CARD TRANSACTIONS)

14. **Procedures:** 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, 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:

- a) If reimbursed using a per diem, observe the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov).
- b) If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.
- c) 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 policy (procedure #1h).
- d) Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Results: The Organization only had three travel reimbursements made during the year. Each reimbursement agreed to the itemized receipt, supporting documentation of the business/public purpose, and the reimbursement was reviewed and approved in writing by someone other than the person receiving the reimbursement.

BRIDGE HOUSE CORPORATION
AGREED-UPON PROCEDURES (CONTINUED)
JANUARY 1, 2021 – DECEMBER 31, 2021

CONTRACTS

15. **Procedures:** 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. Alternately, 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:
- a) Observe that the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.
 - b) Observe that the contract was approved by the governing body/board, if required by policy or law (e.g., Lawrason Act, Home Rule Charter).
 - c) If the contract was amended (e.g., change order), observe that the original contract terms provided for such an amendment and that the amendments were made in compliance with contract terms (e.g., if approval is required for any amendment, was approval documented)
 - d) 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.

Results: The five sampled contracts were not required by law to be bid in accordance with the Louisiana Procurement Code or Public Bid Law. Each contract was approved by the governing board. There were no amendments to the contracts and all the payments agreed to the terms and conditions of the contract.

PAYROLL AND PERSONNEL

16. **Procedures:** Obtain a listing of employees and officials 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.
17. **Procedures:** Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:
- a) Observe that all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory).
 - b) Observe that supervisors approved the attendance and leave of the selected employees or officials.

BRIDGE HOUSE CORPORATION
AGREED-UPON PROCEDURES (CONTINUED)
JANUARY 1, 2021 – DECEMBER 31, 2021

PAYROLL AND PERSONNEL (CONTINUED)

- c) Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.
- d) Observe the rate paid to the employees or officials agree to the authorized salary/pay rate found within the personnel file.

Results: Each employee selected had documentation of daily attendance and leave, supervisors approved the attendance and leave forms, any leave accrued or taken during the pay period is reflected in the cumulative leave records and the observed pay rate agreed to the authorized personnel file.

18. **Procedures:** 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, 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 employees' or officials' cumulative leave records, agree the pay rates to the employees' or officials' authorized pay rates in the employees' or officials' personnel files and agree the termination payment to entity policy.

Results: There was only one termination payment during the year and the termination payment calculations agreed to the hours, employee's cumulative leave record, and pay rate.

19. **Procedures:** Obtain management's representation that employer and employee portions of payroll taxes, retirement contributions, health insurance premiums, and workers' compensation premiums have been paid, and associated forms have been filed, by required deadlines.

Results: Obtained management's representation that all taxes, payroll taxes, retirement contribution, and employee benefit premiums had been paid and required forms were filed timely.

ETHICS

20. **Procedures:** Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, obtain ethics documentation from management, and:

- a) Observe that the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.
- b) Observe that the documentation demonstrates each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable.

Results: Not applicable to the Organization, as it is a non-profit.

BRIDGE HOUSE CORPORATION
AGREED-UPON PROCEDURES (CONTINUED)
JANUARY 1, 2021 – DECEMBER 31, 2021

DEBT SERVICE

21. **Procedures:** Obtain a listing of bonds/notes issued during the fiscal period and management's representation that the listing is complete. Select all bonds/notes on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each bond/note issued.

Results: Not applicable. The Organization did not issue bonds/notes during the fiscal period.

22. **Procedures:** 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).

Results: Not applicable. For the one note selected, the Organization is not required by a debt covenant to maintain a reserve balance.

FRAUD

23. **Procedures:** 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.

Results: There were no misappropriations of public funds and assets during the fiscal period.

24. **Procedures:** 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.

Results: The Organization has posted the required notice on its premises and website.

INFORMATION TECHNOLOGY/DISASTER RECOVERY/ BUSINESS CONTINUTY

25. **Procedures:** Perform the following procedures:

- a) Obtain and inspect the entity's most recent documentation that it has backed up its critical data (if no written documentation, inquire of personnel responsible for backing up critical data) and observe that such backup occurred within the past week. If backups are stored on a physical medium (e.g., tapes, CDs), observe evidence that backups are encrypted before being transported.

BRIDGE HOUSE CORPORATION
AGREED-UPON PROCEDURES (CONTINUED)
JANUARY 1, 2021 – DECEMBER 31, 2021

INFORMATION TECHNOLOGY/DISASTER RECOVERY/BUSINESS CONTINUITY
(CONTINUED)

- b) Obtain and inspect the entity's most recent documentation that it has tested/verified that its backups can be restored (if no written documentation, inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.
- 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.

Results: We performed the procedures and discussed the results with management.

SEXUAL HARASSMENT

26. **Procedures:** Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, obtain sexual harassment training documentation from management, and observe the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year.

Results: The Organization as a private non-profit is not subject to the sexual harassment law, R.S. 42:344.

27. **Procedures:** 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).

Results: The Organization as a private non-profit is not subject to the sexual harassment law, R.S. 42:344.

28. **Procedures:** 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 it includes the applicable requirements of R.S. 42:344.

- a) Number and percentage of public servants in the agency who have completed the training requirements;
- b) Number of sexual harassment complaints received by the agency;
- c) Number of complaints which resulted in a finding that sexual harassment occurred;
- d) Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and

BRIDGE HOUSE CORPORATION
AGREED-UPON PROCEDURES (CONTINUED)
JANUARY 1, 2021 – DECEMBER 31, 2021

SEXUAL HARASSMENT

e) Amount of time it took to resolve each complaint.

Results: The Organization as a private non-profit is not subject to the sexual harassment law, R.S. 42:344.