



*Recovering lives since 1986*

**Financial Statements and Supplementary Information**

**Years ended June 30, 2024 and 2023**

**BRIDGE HOUSE, INC.**

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## Independent Auditor's Report

To the Board of Directors of  
Bridge House, Inc.

### Report on the Audit of the Financial Statements

#### *Opinion*

We have audited the accompanying financial statements of **Bridge House, Inc.** (a nonprofit organization), which comprise the statements of financial position as of June 30, 2024 and 2023, 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, Inc.** as of June 30, 2024 and 2023, and the results of its operations 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 audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of **Bridge House, Inc.** and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### *Responsibilities of Management for the Financial Statements*

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

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

## ***Auditor's Responsibilities for the Audit of the Financial Statements***

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

### ***Supplementary Information***

Our audit was performed for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplementary information, including the schedule of expenditures of state financial assistance as required by the State Single Audit Act 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.

## **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated November 30, 2024 on our consideration of ***Bridge House, Inc.***'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 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, Inc.***'s internal control over financial reporting and compliance.

*Solution + Company, LLC*

November 30, 2024

**BRIDGE HOUSE, INC.**

**Statements of Financial Position**

**June 30, 2024 and 2023**

<b>Assets</b>	<b><u>2024</u></b>	<b><u>2023</u></b>
<b>Current assets:</b>		
Cash and equivalents	\$ 80,109	103,012
Investments	1,426,244	1,340,827
Contracts receivable	875	875
Prepaid expenses and other current assets	7,435	32,084
<b>Total current assets</b>	<b><u>1,514,663</u></b>	<b><u>1,476,798</u></b>
<b>Land, buildings and equipment:</b>		
Land	31,000	31,000
Buildings and improvements	999,211	999,211
Furniture and equipment	62,925	62,925
	<u>1,093,136</u>	<u>1,093,136</u>
Less accumulated depreciation and amortization	927,161	915,468
<b>Land, buildings and equipment, net</b>	<b><u>165,975</u></b>	<b><u>177,668</u></b>
<b>Other assets:</b>		
Agency assets	4,227	7,796
<b>Total other assets</b>	<b><u>4,227</u></b>	<b><u>7,796</u></b>
	<b><u>\$ 1,684,865</u></b>	<b><u>1,662,262</u></b>
<b><i>Liabilities and Net Assets</i></b>		
<b>Liabilities:</b>		
Line of credit with bank	\$ 35,000	50,000
Current portion of mortgage payable	8,700	8,100
Accounts payable and accrued expenses	165,020	147,963
Agency liabilities	4,227	7,796
<b>Total current liabilities</b>	<b><u>212,947</u></b>	<b><u>213,859</u></b>
Mortgage payable, less current portion	90,518	108,319
<b>Total liabilities</b>	<b><u>303,465</u></b>	<b><u>322,178</u></b>
<b>Net assets:</b>		
Without donor restrictions:		
Board designated funds	915,000	915,000
Undesignated	440,414	399,098
<b>Total net assets without donor restrictions</b>	<b><u>1,355,414</u></b>	<b><u>1,314,098</u></b>
With donor restrictions	25,986	25,986
<b>Total net assets</b>	<b><u>1,381,400</u></b>	<b><u>1,340,084</u></b>
	<b><u>\$ 1,684,865</u></b>	<b><u>1,662,262</u></b>

See accompanying notes to financial statements.

**BRIDGE HOUSE, INC.**

**Statements of Activities**

**Years ended June 30, 2024 and 2023**

	2024			2023		
	<u>Without donor restrictions</u>	<u>With donor restrictions</u>	<u>Total</u>	<u>Without donor restrictions</u>	<u>With donor restrictions</u>	<u>Total</u>
<b>Support and revenue:</b>						
Government grants	\$ 1,448,485	-	1,448,485	1,411,870	-	1,411,870
Net investment return	144,299	-	144,299	78,944	4,780	83,724
Contributions and private grants	96,823	-	96,823	82,993	-	82,993
Special events, less direct expenses of \$17,721 in 2024	22,961	-	22,961	26,367	-	26,367
Other income, net	15,262	-	15,262	3,702	-	3,702
Net assets released from restrictions:						
Satisfaction of purpose restriction	-	-	-	6,363	(6,363)	-
<b>Total support and revenue</b>	<b>1,727,830</b>	<b>-</b>	<b>1,727,830</b>	<b>1,610,239</b>	<b>(1,583)</b>	<b>1,608,656</b>
<b>Expenses:</b>						
Program	1,413,749	-	1,413,749	1,336,640	-	1,336,640
Management and general	268,782	-	268,782	287,031	-	287,031
Fund raising	3,983	-	3,983	3,479	-	3,479
<b>Total expenses</b>	<b>1,686,514</b>	<b>-</b>	<b>1,686,514</b>	<b>1,627,150</b>	<b>-</b>	<b>1,627,150</b>
<b>Change in net assets</b>	<b>41,316</b>	<b>-</b>	<b>41,316</b>	<b>(16,911)</b>	<b>(1,583)</b>	<b>(18,494)</b>
<b>Net assets – beginning of year</b>	<b>1,314,098</b>	<b>25,986</b>	<b>1,340,084</b>	<b>1,331,009</b>	<b>27,569</b>	<b>1,358,578</b>
<b>Net assets – end of year</b>	<b>\$ 1,355,414</b>	<b>25,986</b>	<b>1,381,400</b>	<b>1,314,098</b>	<b>25,986</b>	<b>1,340,084</b>

See accompanying notes to financial statements.

**BRIDGE HOUSE, INC.**

**Statements of Functional Expenses**

**Years ended June 30, 2024 and 2023**

	<u>2024</u>				<u>2023</u>			
	<u>Program</u>	<u>Management and General</u>	<u>Fund Raising</u>	<u>Total Expenses</u>	<u>Program</u>	<u>Management and General</u>	<u>Fund Raising</u>	<u>Total Expenses</u>
Salaries and wages	\$ 889,883	110,500	-	1,000,383	832,823	128,113	-	960,936
Employee benefits	165,135	22,256	-	187,391	152,861	23,653	-	176,514
Professional fees and consultants	-	86,789	-	86,789	-	100,000	-	100,000
Payroll taxes	71,877	8,453	-	80,330	60,941	9,429	-	70,370
Food and related costs	67,538	-	-	67,538	67,635	-	-	67,635
Office supplies and expense	29,546	14,370	3,983	47,899	15,025	7,209	1,053	23,287
Utilities	43,680	2,299	-	45,979	52,452	2,167	-	54,619
Repairs and maintenance	40,057	2,108	-	42,165	47,295	2,785	-	50,080
Vehicle and transportation expenses	31,755	-	-	31,755	35,443	-	-	35,443
Direct member support	26,441	-	-	26,441	15,128	-	-	15,128
Insurance	21,255	3,519	-	24,774	11,503	3,235	-	14,738
Information technology expense	14,890	-	-	14,890	12,000	-	-	12,000
Depreciation and amortization expense	11,692	-	-	11,692	12,821	-	-	12,821
Conferences and travel	-	8,376	-	8,376	12,215	-	-	12,215
Interest expense	-	7,325	-	7,325	-	7,827	-	7,827
Other expenses	-	2,787	-	2,787	8,498	2,613	2,426	13,537
<b>Total functional expenses</b>	<b>\$ 1,413,749</b>	<b>268,782</b>	<b>3,983</b>	<b>1,686,514</b>	<b>1,336,640</b>	<b>287,031</b>	<b>3,479</b>	<b>1,627,150</b>

See accompanying notes to financial statements.

**BRIDGE HOUSE, INC.**

**Statements of Cash Flows**

**Years ended June 30, 2024 and 2023**

	<u><b>2024</b></u>	<u><b>2023</b></u>
<b>Cash flows from operating activities:</b>		
Change in net assets	\$ 41,316	(18,494)
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Depreciation and amortization	11,693	12,821
Net unrealized and realized (gains) losses	(118,217)	(58,649)
Changes in operating assets and liabilities:		
Decrease (increase) in:		
Contracts receivable	-	10,400
Prepaid expenses and other assets	24,649	(4,804)
Agency assets	3,569	2,389
Increase (decrease) in:		
Accounts payable and accrued expenses	17,057	38,635
Agency liabilities	<u>(3,569)</u>	<u>(2,389)</u>
<b>Net cash used in operating activities</b>	<u><b>(23,502)</b></u>	<u><b>(20,091)</b></u>
<b>Cash flows from investing activities:</b>		
Redemptions (purchases) of investments, net	32,800	18,167
Acquisition of land, buildings and equipment	<u>-</u>	<u>(7,381)</u>
<b>Net cash provided by investing activities</b>	<u><b>32,800</b></u>	<u><b>10,786</b></u>
<b>Cash flows from financing activities:</b>		
Proceeds from (repayments on) line of credit	(15,000)	50,000
Net repayment of mortgage payable	<u>(17,201)</u>	<u>(6,703)</u>
<b>Net cash provided by (used in) financing activities</b>	<u><b>(32,201)</b></u>	<u><b>43,297</b></u>
<b>Increase (decrease) in cash and equivalents</b>	<b>(22,903)</b>	<b>33,992</b>
<b>Cash and equivalents- beginning of year</b>	<u><b>103,012</b></u>	<u><b>69,020</b></u>
<b>Cash and equivalents- end of year</b>	<u><u><b>\$ 80,109</b></u></u>	<u><u><b>103,012</b></u></u>

See accompanying notes to financial statements.

# BRIDGE HOUSE, INC.

## Notes to Financial Statements

June 30, 2024 and 2023

### (1) Summary of Significant Accounting Policies

#### *Nature of Operations*

Bridge House, Inc. (Agency) is a not-for-profit association organized under the laws of the state of Connecticut located in Bridgeport, CT. The Agency offers hope and opportunities to people living with mental illness so they can achieve their full potential.

Accredited by Clubhouse International, the Agency supports people living with mental illness to rejoin the worlds of friendship, family, employment, and education. The Agency demonstrates that those living with mental illness can lead productive and satisfying lives.

#### *Financial Statement Presentation*

The Agency follows accounting for not-for-profit organizations as outlined in professional standards. Accordingly, the Agency is required to report information regarding its financial position and activities according to two classes of net assets as follows:

*Net Assets Without Donor Restrictions* - Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.

*Net Assets With Donor Restrictions* - Net assets subject to donor (or grantor) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates those resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, or when the stipulated purpose for which the resource was restricted has been fulfilled.

#### *Grants and Contracts*

Grants and contracts are generally considered to be exchange transactions in which the grantor or contractor requires the performance of specified activities.

Entitlement to cost reimbursement grants and contracts is based on the expenditure of funds in accordance with grant restrictions and, therefore, revenue is recognized to the extent of grant expenditures. Entitlement to performance-based grants and contracts are based on the attainment of specific performance goals and, therefore, revenue is recognized to the extent of performance achieved.

#### *Contributions*

Contributions are defined as voluntary, nonreciprocal transfers. Contributions are recognized when the donor makes a promise to give that is, in substance, unconditional. Unrestricted contributions, and contributions that are restricted by the donor, for which the restriction expires in the year in which the contributions are recognized, are reported as increases in net assets without donor restrictions. All other donor-restricted contributions are reported as increases in net assets with donor restrictions depending on the nature of the restriction. When a restriction expires, the restricted net assets are reclassified to net assets without donor restrictions.

(Continued)

# BRIDGE HOUSE, INC.

## Notes to Financial Statements

### (1) Summary of Significant Accounting Policies (continued)

#### *Cash and Equivalents and Concentration of Credit Risk*

The Agency maintains cash balances at one financial institution. At times during the year, the cash balances may have exceeded the insured limit. The cash accounts are insured by the Federal Deposit Insurance Corporation up to \$250,000. The Agency has not experienced any losses in such accounts, and management believes it is not exposed to any significant credit risk on cash.

Investment accounts are protected by the Securities Investor Protection Corporation up to \$500,000 per account (including cash and securities).

#### *Investments*

Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the statement of financial position. Unrealized gains and losses are included in the change in net assets. Investment income and gains restricted by a donor are reported as increases in unrestricted net assets if the restrictions are met (either by passage of time or by use) in the reporting period in which the income and gains are recognized.

#### *Land, Buildings and Equipment*

Land, buildings and equipment are depreciated using the straight-line method for financial reporting purposes over their estimated useful lives ranging from five to 39 years on a straight-line basis. Assets having a useful life of more than one year and a cost more than \$5,000 are capitalized and valued at cost or fair market value, if received through donations. Maintenance, repairs, and minor renewals are charged to operations as incurred. The Agency uses the direct expense method for any planned major maintenance activities.

Certain equipment has been acquired with state grant funds. Although in some instances the grantor retains a reversionary right to such assets in the event they are not used for the respective programs, it is the policy of the Agency to capitalize such assets when it considers it probable that it will be permitted to retain the assets when the grant arrangements terminate.

#### *Donated Assets and Services*

The Agency reports gifts of land, buildings, and equipment as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations about how long the long-lived assets must be maintained, the Agency reports expirations of donor restrictions in full when the respective long-lived assets are placed in service.

The Agency recognizes donated services or goods at their estimated fair market value if they create or enhance non-financial assets or require specialized skills and would typically be purchased if not provided by donation.

(Continued)

# BRIDGE HOUSE, INC.

## Notes to Financial Statements

### (1) Summary of Significant Accounting Policies (continued)

#### *Compensated Absences*

It is the Agency's policy that vacation time earned must be used by the end of each fiscal year, unless specific approval for carryover is granted.

#### *Income Taxes*

The Agency is exempt from federal and state income taxes pursuant to the provisions of Section 501(c) (3) of the Internal Revenue Code and has been classified as other than a private foundation. Accordingly, no provision for income taxes is recorded in the financial statements.

Accounting principles generally accepted in the United States of America require management to evaluate tax positions taken by the Agency and recognize a tax liability (or asset) if it has taken an uncertain position that more-likely-than-not would not be sustained upon examination by taxing authorities. Management has analyzed the tax positions, and has concluded that as of June 30, 2024, there are no uncertain tax positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements.

The Agency is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. Management believes it is no longer subject to income tax examinations for years prior to 2021.

#### *Functional Expenses*

The costs of providing various programs and activities have been summarized on a functional basis in the accompanying statements of activities.

Expenses directly attributable to a specific functional area are reported as expenses of those areas while indirect costs that benefit multiple functional areas have been allocated based on estimates made by management.

#### *Use of Estimates*

The preparation of financial statements in conformity with generally accepted accounting principles requires the Agency to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

#### *Subsequent Events*

Subsequent events have been evaluated through November 30, 2024, which is the date the financial statements were available to be issued.

(Continued)

**BRIDGE HOUSE, INC.**

**Notes to Financial Statements**

(2) **Investments and Fair Value Measurements**

Investments, managed by a financial institution in various accounts, are stated at fair value and consist primarily of equities, U.S. Treasury obligations and corporate bonds.

Investment account balances consist of the following as of June 30:

<b><u>2024</u></b>	<b><u>Cost</u></b>	<b><u>Fair value</u></b>	<b><u>Unrealized gains (losses)</u></b>
Cash	\$ 58,567	58,567	-
Equities	541,478	870,807	329,329
Fixed Income & Preferreds	499,094	466,588	(32,506)
Alternatives	<u>21,943</u>	<u>30,282</u>	<u>8,339</u>
Total	\$ <u>1,121,082</u>	<u>1,426,244</u>	<u>305,162</u>
<b><u>2023</u></b>	<b><u>Cost</u></b>	<b><u>Fair value</u></b>	<b><u>Unrealized gains (losses)</u></b>
Cash	\$ 106,458	106,458	-
Equities	543,517	745,182	201,665
Fixed Income & Preferreds	500,958	459,877	(41,081)
Alternatives	<u>28,098</u>	<u>29,310</u>	<u>1,212</u>
Total	\$ <u>1,179,031</u>	<u>1,340,827</u>	<u>161,796</u>

Net investment return, including unrealized gains (losses) and net of fees, for the years ended June 30, 2024 and 2023 was approximately \$144,300 and \$83,700, respectively.

The Agency has adopted the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 820 which, among other things, defines fair value, establishes a hierarchal framework for measuring fair value and expands disclosure about fair value measurements. This standard defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value hierarchy is organized into three levels based upon the assumptions (inputs), as follows:

*Level 1 Inputs* are quoted prices (unadjusted) in active markets for identical assets or liabilities that the reporting entity can access at the measurement date.

*Level 2 Inputs* are inputs other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly with fair value being determined through the use of models or other valuation methodologies.

*Level 3 Inputs* are unobservable inputs for the asset or liability and are used to the extent that observable inputs do not exist. Level 3 inputs require significant management judgment and estimation. Factors considered include the purchase cost, prices of recent private placements, liquidity of the investment, and changes in financial condition of the issuer.

The Agency values its investments in readily marketable securities primarily using Level 1 Inputs.

(Continued)

# BRIDGE HOUSE, INC.

## Notes to Financial Statements

### (3) **Major Revenue and Support**

The Agency received approximately 88% of its operating revenue and support in 2024 under various fee for service agreements or contracts with government agencies. Any significant decrease or elimination in these contracts would have a major adverse impact on the operations of the Agency.

The payments received from government agencies are subject to audit as well as an ultimate determination of the allowability of program costs. Any disallowance subsequent to the completion of any program could result in additional liabilities to the Agency.

### (4) **Agency Assets and Liabilities**

The Agency acts as an agent with respect to receiving, holding, and disbursing funds belonging to its members. As of June 30, 2024 and 2023, Agency assets consisted of cash of approximately \$4,200 and \$7,800, respectively, with a corresponding liability due to members.

### (5) **Operating Leases and New Accounting Pronouncement**

Management of the Agency adopted ASU 2016-02, *Leases* effective July 1, 2002. ASU 2016-02 requires entities to recognize all leased assets as assets on the statement of financial position with a corresponding liability. Entities are also required to present additional disclosures regarding the nature and extent of leasing activities.

Management believes there was no significant impact of this standard on the financial statements due to the nature of its operating leases at June 30, 2024 as follows:

#### **Homeless Outreach Program**

The Homeless Outreach Program operates from off-site office space provided by a grantor agency. The grantor agency is not charging rent for the space and there is no provision for rent expense in the grant budget. Management of the Agency has deemed that the amount of in-kind rent is immaterial to the financial statements, and accordingly, no revenues or expenses related to this lease have been recorded in the accompanying financial statements.

#### **Equipment**

The Agency leases various vans on a noncancellable operating basis for member transportation. The leases provide for varying monthly payments, and expire at various times through 2024. Additionally, the Agency leases office equipment on an operating basis at a rental of approximately \$300 per month.

Total vehicle lease expense was approximately \$24,200 and \$19,000 for 2024 and 2023, respectively.

(Continued)

# BRIDGE HOUSE, INC.

## Notes to Financial Statements

### (6) Mortgage Note Payable and Line of Credit

The Agency has a mortgage note payable in the amount of \$150,000 payable in monthly installments of \$1,253, with interest at 5.76%, through 2033. The note is secured by real property. The outstanding balance at June 30, 2024 was approximately \$99,200.

The approximate aggregate maturities of long-term debt for fiscal years ending after June 30, 2024 are as follows: 2025, \$8,500; 2026, \$9,000; 2027, \$9,500; 2028, \$10,000; and \$10,500 in 2029.

The Agency also has a \$50,000 working capital line of credit with a local bank which provides for an interest rate of prime plus 2%. This line of credit had an outstanding balance of \$35,000 at June 30, 2024.

Interest incurred and paid was approximately \$6,600 and \$7,800 for 2024 and 2023, respectively.

### (7) Unemployment Compensation Trust

The Agency has opted out of the State of Connecticut Unemployment Compensation System, and has elected to pay contributions to the Unemployment Services Trust (UST). During previous years, the Agency became aware that it had accumulated estimated accumulated experience credits and requested and received cash refunds. The Agency will be liable to pay unemployment benefits in excess of any funds remaining in their account with UST.

For the years ended June 30, 2024 and 2023, UST reported nominal claims paid and other cash transactions, and the Agency account earned estimated income and experience credits. At June 30, 2024, UST has reported an estimated remaining balance of approximately \$27,600 in the Agency's account, and the Agency's financial statements reflect an estimated liability of approximately \$23,000.

### (8) Net Assets with Donor Restrictions

Net assets with donor restrictions consisted of the following at June 30:

	<u>2024</u>	<u>2023</u>
Purpose restriction:		
Ruderman/Knight and Breither Education Fund	\$ 22,304	22,304
Newman's Own Foundation	3,236	3,236
Near and Far Travel	<u>446</u>	<u>446</u>
Total net assets with donor restrictions	\$ <u>25,986</u>	<u>25,986</u>

(Continued)

**BRIDGE HOUSE, INC.**

**Notes to Financial Statements**

(9) **Employee Benefit Plans**

The Agency has a 403(b) Elective Deferral Plan (Plan) which covers all employees over age 21 with 1,000 hours of annual service after one year of employment, and employees' elective deferral contributions up to IRS limitations. The Agency may also make discretionary contributions. Elective deferrals are vested 100% and Agency contributions are 100% vested over six years or upon the Participant reaching a certain age.

For the years ended June 30, 2024 and 2023, the Agency made contributions to the Plan of approximately \$43,700 and \$47,200, respectively.

(10) **Liquidity and Availability of Resources**

The Agency's approximate financial assets available within one year of the statement of financial position date for general expenditures are as follows:

Cash and equivalents (unrestricted)	\$ 50,000
Investments	<u>1,426,000</u>
Total financial assets available within one year	1,476,000
Less amounts unavailable to management without Board approval:	
Board designated funds	<u>915,000</u>
Total financial assets available to management for general expenditures within one year	\$ <u>565,000</u>

The Agency has a goal to maintain financial assets, which consist of unrestricted cash and equivalents on hand to meet 90 days of annual operating expenses, which are, on average, approximately \$425,000. The Agency has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. As of June 30, 2024 and 2023, the Board has designated \$915,000 for land, buildings, and equipment.

(11) **Adoption of Current and Future Accounting Pronouncements**

In June 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Codification (ASC) 326 *Financial Instruments—Credit Losses* which significantly changed how entities will measure credit losses for most financial assets and certain other instruments that are not measured at fair value through net income. The most significant change in this standard is a shift from the incurred loss model to the expected loss model. Under the standard, disclosures are required to provide users of the financial statements with useful information in analyzing an entity's exposure to credit risk and the measurement of credit losses. The Agency's assets as of June 30, 2024 that are subject to the guidance in FASB ASC 326 are grants receivable. The Agency adopted the standard, effective July 1, 2023. The impact of the adoption was not considered material to the financial statements.

(Continued)

# BRIDGE HOUSE, INC.

## Notes to Financial Statements

### (11) Adoption of Current and Future Accounting Pronouncements (continued)

Management has not determined what, if any, impact implementation of the following statements may have on the financial statements in 2025 but does not believe it will be significant if current operations remain the same:

- **Accounting Standards Update (ASU) 2021-08—*Business Combinations (Topic 805): Accounting for Contract Assets and Contract Liabilities from Contracts with Customers.*** The requirements of this Statement are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter. Earlier application is encouraged.
- **ASU 2022-04—*Liabilities—Supplier Finance Programs (Subtopic 405-50): Disclosure of Supplier Finance Program Obligations.*** The requirements of the amendments to this Statement are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter. Earlier application is encouraged.
- **ASU 2023-01—*Leases (Topic 842): Common Control Arrangements.*** The requirements of this Statement are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter. Earlier application is encouraged.

### (12) Subsequent Event

During October 2024, the Agency completed the purchase of a new facility located in Stratford, CT. The total purchase price of the facility was \$750,000. This acquisition is expected to enhance the Agency's operational capacity and support its strategic growth initiatives.

The transaction will be reflected in the financial statements for the year ending June 30, 2025, as it occurred after the balance sheet date. Management has evaluated the impact of this subsequent event and determined that it does not require any adjustments to the financial statements for the year ending June 30, 2024.



**Independent Auditor's Report On Internal Control Over Financial Reporting  
And On Compliance And Other Matters Based On An Audit Of Financial Statements  
Performed In Accordance With *Government Auditing Standards***

To the Board of Directors  
Bridge House, Inc.

We have audited, 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 the financial statements of Bridge House, Inc. (Organization) which comprise the statement of financial position as of June 30, 2024 and the related statements of activities, and cash flows as of and for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated November 30, 2024.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Organization'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 the Organization's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Organization'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 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 over financial reporting 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.

(Continued)

## Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization'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 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 result 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.

*Solutions + Company, LLC*

November 30, 2024

## **Independent Auditors' Report on Compliance for Each Major State Program and Report on Internal Control over Compliance Required by the State Single Audit Act**

To the Board of Directors  
Bridge House, Inc.

### **Report on Compliance for Each Major State Program**

#### ***Opinion on Each Major State Program***

We have audited Bridge House, Inc.'s (Organization) compliance with the types of compliance requirements identified as subject to audit in the Office of Policy and Management's *Compliance Supplement* that could have a direct and material effect on each of the Organization's major state programs for the year ended June 30, 2024. The Organization's major state programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Organization complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended June 30, 2024.

#### ***Basis for Opinion on Each Major State Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the State Single Audit Act (C.G.S Sections 4-230 to 4-236). Our responsibilities under those standards and the State Single Audit Act are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Organization and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major state program. Our audit does not provide a legal determination of the Organization's compliance with the compliance requirements referred to above.

#### ***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the Organization's state programs.

(Continued)

## ***Auditors' Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Organization's compliance based on our audit. 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 GAAS, *Government Auditing Standards*, and the State Single Audit will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Organization's compliance with the requirements of each major state program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the State Single Audit Act, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, 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 Organization's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of the Organization's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the State Single Audit Act, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

### **Report on Internal Control over Compliance**

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a state program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a state program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

(Continued)

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the State Single Audit Act. Accordingly, this report is not suitable for any other purpose.

*Solution + Company, LLC*

November 30, 2024

**BRIDGE HOUSE, INC.**

**Schedule of Expenditures of State Financial Assistance**

**Year ended June 30, 2024**

<b>State Grantor Pass-through Grantor <u>Program Title</u></b>	<b>State Grant Program <u>Identification Number</u></b>	<b><u>Expenditures</u></b>
<b>Department of Mental Health and Addiction Services:</b>		
Psychiatric and Mental Health Services	11000-MHA53000-16053	\$ 1,354,069
Grants for Substance Abuse Services	11000-MHA53000-16003	<u>83,339</u>
Total state financial assistance		\$ <u>1,437,408</u>

**NOTES TO SCHEDULE**

The accompanying schedule of expenditures of state financial assistance includes state grant activity of Bridge House, Inc. under programs of the State of Connecticut for the fiscal year ended June 30, 2024. Various departments and agencies of the State of Connecticut have provided financial assistance through grants and other authorizations in accordance with the General Statutes of the State of Connecticut. These financial assistance programs fund the Psychiatric and Mental Health Services programs.

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies of Bridge House, Inc. conform to accounting principles generally accepted in the United States of America as applicable to not-for-profit agencies.

The information in the Schedule of Expenditures of State Financial Assistance is presented based upon regulations established by the State of Connecticut, Office of Policy and Management.

**Basis of Accounting**

The expenditures reported on the Schedule of Expenditures of State Financial Assistance are reported on the accrual basis of accounting. In accordance with Section 4-236-22 of the Regulations to the State Single Audit Act, certain grants are not dependent on expenditure activity, and accordingly, are considered to be expended in the fiscal year of receipt. These grant program receipts are reflected in the expenditures column of the Schedule of Expenditures of State Financial Assistance.

**2. LOAN PROGRAMS**

None.



## **II. Financial Statement Findings**

During our audit, we noted no material findings for the year ended June 30, 2024.

## **III. State Financial Assistance Findings and Questioned Costs**

During our audit, we noted no material instances of noncompliance and none of the costs reported in the state financially assisted programs are questioned or recommended to be disallowed.