

**The Bridge House, Inc.**

**Audited Financial Statements**

**June 30, 2009**

**Ron L. Beaulieu & Company**

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**CERTIFIED PUBLIC ACCOUNTANTS**

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**THE BRIDGE HOUSE, INC.**

**JUNE 30, 2009**

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# Ron L. Beaulieu & Company

## CERTIFIED PUBLIC ACCOUNTANTS

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### INDEPENDENT AUDITORS' REPORT

August 29, 2010

Board of Directors  
The Bridge House, Inc.  
Plymouth, New Hampshire

We have audited the accompanying statements of financial position of The Bridge House, Inc. as of June 30, 2009, and the related statements of activities, functional expenses and cash flows for the year then ended. These financial statements are the responsibility of the Corporation's management. Our responsibility is to express an opinion on these financial statements based on our audit. The financial statements of The Bridge House, Inc. as of June 30, 2008, were audited by other auditors whose report dated December 22, 2008 expressed an unqualified opinion on those statements.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements presentation. We believe that our audit provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Bridge House, Inc. as of June 30, 2009 and the results of its operation, changes in net assets and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

*Ron L. Beaulieu & Co.*

Certified Public Accountants

**THE BRIDGE HOUSE, INC.**  
**STATEMENTS OF FINANCIAL POSITION**  
**JUNE 30,**

	<b>2009</b>	<b>2008</b>
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash	\$ 393,466	\$ 363,943
Contributions receivable	-	2,750
Grants receivable	134,778	152,430
Prepaid expenses	3,958	5,677
Total current assets	532,202	524,800
<b>FIXED ASSETS</b>		
Real estate	833,680	822,278
Equipment	32,613	32,613
Total fixed assets	866,293	854,891
Less - accumulated depreciation	(98,863)	(72,528)
Net fixed assets	767,430	782,363
<b>TOTAL ASSETS</b>	<b>\$ 1,299,632</b>	<b>\$ 1,307,163</b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable	1,641	2,739
Accrued payroll	2,515	795
Accrued compensated absences	3,281	4,446
Total current liabilities	7,437	7,980
<b>TOTAL LIABILITIES</b>	<b>7,437</b>	<b>7,980</b>
<b>NET ASSETS</b>		
Unrestricted	592,195	483,475
Temporarily restricted	700,000	815,708
Total net assets	1,292,195	1,299,183
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 1,299,632</b>	<b>\$ 1,307,163</b>

See accompanying independent auditors' report and notes to financial statements.

**THE BRIDGE HOUSE, INC.  
STATEMENTS OF ACTIVITIES  
FOR THE YEARS ENDED JUNE 30,**

	<b>2009</b>	<b>2008</b>
<b>REVENUE AND OTHER SUPPORT</b>		
State and federal grants	\$ 147,603	\$ 225,953
Other grants	33,163	75,852
Contributions	16,603	23,092
Fundraisers	17,760	20,321
Fees	11,958	11,695
Interest	6,033	13,371
In-kind contributions	4,800	12,391
Total revenue and other support	237,920	382,675
<b>EXPENSES</b>		
Program services	224,621	242,258
Management and general	11,641	22,461
Fundraising	8,646	15,323
Total expenses	244,908	280,042
Increase/(Decrease) in net assets	(6,988)	102,633
<b>NET ASSETS - JULY 1</b>	1,299,183	1,196,550
<b>NET ASSETS - JUNE 30</b>	\$ 1,292,195	\$ 1,299,183

See accompanying independent auditors' report and notes to financial statements.

**THE BRIDGE HOUSE, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED JUNE 30, 2009**

	Program Services	Management & General	Fundraising	Total
Payroll	\$ 120,768	\$ 1,981	\$ 3,961	\$ 126,710
Payroll taxes	15,945	336	504	16,785
Total payroll and benefits	<u>136,713</u>	<u>2,317</u>	<u>4,465</u>	<u>143,495</u>
Donated services	4,800	-	-	4,800
Professional fees	8,739	2,295	1,004	12,038
Telephone and internet	4,539	-	-	4,539
Insurance	1,624	-	-	1,624
Travel	-	-	-	-
Office expense	1,796	449	-	2,245
Depreciation	23,701	2,634	-	26,335
Rent	32,272	3,586	-	35,858
Vehicle expense	7,090	-	-	7,090
Training	933	-	-	933
Drug screenings	93	-	-	93
Criminal records search	45	-	-	45
Direct client services	2,201	-	-	2,201
Fundraising	-	-	3,177	3,177
Miscellaneous	75	360	-	435
Total expenses	<u>\$ 224,621</u>	<u>\$ 11,641</u>	<u>\$ 8,646</u>	<u>\$ 244,908</u>

See accompanying independent auditors' report and notes to financial statements.

**THE BRIDGE HOUSE, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSESES**  
**FOR THE YEAR ENDED JUNE 30, 2008**

	Program Services	Management & General	Fundraising	Total
Payroll	\$ 143,179	\$ 4,801	\$ 9,974	\$ 157,954
Payroll taxes	17,640	591	810	19,041
Total payroll and benefits	<u>160,819</u>	<u>5,392</u>	<u>10,784</u>	<u>176,995</u>
Donated services	9,890	-	-	9,890
Professional fees	1,028	8,228	-	9,256
Telephone and internet	3,246	735	-	3,981
Insurance	-	1,288	-	1,288
Travel	240	-	-	240
Office expense	3,804	661	-	4,465
Depreciation	22,154	2,462	-	24,616
Rent	31,831	3,537	-	35,368
Vehicle expense	7,369	-	-	7,369
Training	555	-	-	555
Drug screenings	27	-	-	27
Criminal records search	660	-	-	660
Direct client services	497	-	-	497
Fundraising	-	-	4,466	4,466
Miscellaneous	138	158	73	369
Total expenses	<u>\$ 242,258</u>	<u>\$ 22,461</u>	<u>\$ 15,323</u>	<u>\$ 280,042</u>

See accompanying independent auditors' report and notes to financial statements.

**THE BRIDGE HOUSE, INC.  
STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED JUNE 30,**

	<u>2009</u>	<u>2008</u>
<b>OPERATING ACTIVITIES</b>		
Change in net assets	\$ (6,988)	\$ 102,633
Adjustments to reconcile change in net assets to cash provided by operating activities:		
Depreciation	26,335	24,616
Donated equipment	-	(500)
Changes in operating assets and liabilities:		
(Increase) decrease in contributions receivable	2,750	(2,750)
(Increase) decrease in grants receivable	17,652	(95,105)
(Increase) decrease in prepaid expenses	1,719	(4,722)
Increase (decrease) in accounts payable	(1,098)	79
Increase (decrease) in accrued payroll	1,720	(6,340)
Increase (decrease) in accrued compensated abs.	(1,165)	-
<b>NET CASH PROVIDED/(USED) BY OPERATING ACTIVITIES</b>	<u>40,925</u>	<u>17,911</u>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Disposition of investments	-	211,523
Additions to fixed assets	(11,402)	(52,745)
Deletions to fixed assets	-	-
<b>NET CASH PROVIDED/(USED) BY INVESTING ACTIVITIES</b>	<u>(11,402)</u>	<u>158,778</u>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	29,523	176,689
<b>CASH AND CASH EQUIVALENTS - JULY 1</b>	<u>363,943</u>	<u>187,254</u>
<b>CASH AND CASH EQUIVALENTS- JUNE 30</b>	<u>\$ 393,466</u>	<u>\$ 363,943</u>
 <b>SUPPLEMENTAL DISCLOSURE OF CASH FLOW</b>		
Cash paid during the year for:		
Interest	<u>\$ -</u>	<u>\$ -</u>

See accompanying independent auditors' report and notes to financial statements.

**THE BRIDGE HOUSE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2009 AND 2008**

**NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Nature of Activities

The Organization was incorporated in 2004, under the laws of the State of New Hampshire, as a “not-for-profit” organization. In accordance with its Mission Statement, the not-for-profit organization provides shelter and services, including case management to the homeless population of the community to help them find and maintain permanent housing. Residents are provided with services that include budgeting and credit counseling, parenting classes, substance abuse counseling, and assistance in acquiring additional services from other state and federal programs.

Basis of Accounting

The financial statements of the corporation have been prepared on the accrual basis of accounting.

Net Assets

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

Temporarily Restricted Net Assets

The Organization reports gifts of cash and other assets as restricted support, if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, temporarily restricted net asset are reclassified to unrestricted net assets and reported in the state of activities as net assets released from restrictions. The Organization has elected to have all temporarily restricted assets with restrictions expiring in the same reporting period recorded as unrestricted.

Unrestricted Net Assets

Net assets that are not subject to donor-imposed stipulations.

Fixed Asset Acquisitions

Fixed assets are stated at cost. Additions and improvement of fixed assets are capitalized. Assets are depreciated by using the straight-line method over their estimated useful lives. It is managements’ policy to capitalize an asset if its cost exceeds \$100.

Contributions

The Corporation receives donated items to be used in its program services. The materials are valued based on market data. The Corporation also receives donated time from a number of volunteers. Amounts have been included in the financial statements if the services are provided by a skilled professional.

**THE BRIDGE HOUSE, INC.  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2009 AND 2008**

**NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Compensated Absences

It is the Corporation's policy to permit certain employees to accumulate earned benefit time throughout the year which will be paid upon termination.

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.

**NOTE 2 – CASH**

The Bridge House, Inc. maintains its cash balances at several financial institutions. The balance is insured by the Federal Deposit Insurance Corporation up to \$250,000. At June 30, 2009 and 2008, The Bridge House, Inc.'s uninsured balance totaled \$0 and \$0 respectively. It is the opinion of management that the solvency of the referenced financial institution is not of particular concern at this time.

**NOTE 3 – ALLOWANCE FOR UNCOLLECTIBLE ACCOUNTS**

The allowance for uncollectible accounts was estimated to be \$0 and \$0 at June 30, 2009 and 2008 respectively.

**NOTE 4 – RESTRICTED NET ASSETS**

Temporarily restricted net assets include the following at June 30, 2009 and 2008, respectively:

	<u>2009</u>	<u>2008</u>
Town of Plymouth , NH	\$ 700,000	\$ 700,000
State Grant in Aid	-	85,000
Stewart B. McKinney Grant	-	10,096
Lakes Region United Way	-	18,025
FEMA Grant	-	2,587
	<u>\$ 700,000</u>	<u>\$ 815,708</u>

The Organization received a \$700,000 grant from the Town of Plymouth, NH to assist with the construction of a new facility during the year ended June 20, 2005. A mortgage deed in the amount of \$670,000 related to this grant has been recorded against the title of the property. The Organization is required to continue the building's use as a homeless shelter for a period of twenty years. In the event of default, the Organization must return the funds or relinquish ownership of the building to satisfy the restrictions.

**THE BRIDGE HOUSE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2009 AND 2008**

**NOTE 5 – LEASE AGREEMENT**

On October 18, 2004, the Organization entered into a lease agreement with Whole Village Family Resource Center to lease a portion of its premise. The term of the lease is for 50 years and expires October 4, 2054. The rent is \$1 plus incremental costs, which are defined as additional costs incurred by the Organization's lease of the premise. The lease expense for the years ending June 30, 2009 and 2008 amounted to \$2,751 for each year.

**NOTE 6 - INCOME TAXES**

The Corporation qualifies as an organization exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. Management believes there were no unrelated activities subject to tax on unrelated business income for the years ended June 30, 2009 and 2008. No income tax provisions have been made in the accompanying financial statements.

**NOTE 7– CONCENTRATION IN REVENUE**

The services provided by the Organization are funded primarily by grant awards from federal and state funding. If federal and state budget reforms are made, they might have a significant future impact on operating income. Revenues at June 30, 2009 and 2008 are comprised of 62% and 59%, respectively, from two grantors.

**NOTE 8 – 2008 RESTATEMENT**

An adjustment was made to grants receivable and revenues as of June 30, 2008 in the amount of \$10,000 to reflect a grant receivable that should have been reported. Temporarily restricted state and federal grant revenue was also increased by this same \$10,000.