



December 21, 2016

To the Board of Directors of
The Bridge Ministry, Inc.

In planning and performing our audit of the statement of cash receipts and disbursements of The Bridge Ministry, Inc. for the year ended December 31, 2015, in accordance with auditing standards generally accepted in the United States of America, we considered The Bridge Ministry, Inc.'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. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control that we consider to be material weaknesses and other deficiencies that we consider to be significant deficiencies.

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 Organization's financial statements will not be prevented, or detected and corrected, on a timely basis. We did not identify any deficiencies in internal control that we consider to be material weaknesses.

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. We consider the following deficiencies in The Bridge Ministry, Inc.'s internal control to be significant deficiencies:

Financial Reporting

The Committee of Sponsoring Organizations ("COSO") framework for effective internal control over financial reporting involves the identification and analysis of the risks of material misstatement to the Organization's audited financial statements. The Organization currently relies on its independent auditor to assist in proposing final adjustments to its internal accounting records and to prepare its audited financial statements with full disclosures in accordance with generally accepted accounting principles. Under present auditing standards, these matters are determined to merit consideration as significant deficiencies.

Furthermore, during our engagement we also noted the following matters that present opportunities for strengthening internal controls and operating efficiency.

The following matters noted in the prior year are still applicable through the date of this report.

Segregation of Duties

Findings: To protect the Organization from intentional or unintentional errors, certain tasks should be completed by more than one individual. Presently, the same person opens the mail, records receipts in the donor software, makes deposits and mails contribution statements. Also, the Chief Operating Officer has the authority to approve invoices for payment and to sign checks.

Recommendations: We recommend that one person should not have access to unlogged donor checks, donor records and the deposit process. Instead, we suggest that someone open the mail and log all receipts before the receipts are forwarded to someone to record them in the donor software and to prepare the deposit. The Chief Operating Officer or a designee should agree the receipt log to the bank deposit for the day to ensure completeness. Furthermore, if the Chief Operating Officer continues to have the authority to approve invoices for payment and to sign checks, then a designated board member should review the monthly bank statement or cash disbursement journal to ascertain the appropriateness of the disbursements.

Bank Reconciliation, Bank Statement and Payroll Register Review

Finding: We noted one of the bank accounts had an unreconciled difference at year end. We also noted the monthly bank reconciliation, bank statement and payroll registers are reviewed by the Chief Operating Officer; however, no evidence of this review is documented.

Recommendation: We recommend that reconciliations resolve all differences at the end of each month. We recommend these monthly reconciliations, statements and payroll registers be initialed by the Chief Operating Officer as evidence of review. In addition, we recommend these monthly reconciliations, statements and payroll registers be reviewed in detail as the Organization has numerous disbursements.

Donor Software Reconciliation

Finding: We noted that the donor software report was not reconciled to the general ledger at year-end. However, per discussion with the bookkeeper, we noted that the donor software began being reconciled to the general ledger in 2016.

Recommendation: We recommend management reconcile contributions per the donor software to the corresponding general ledger balance on a monthly or quarterly basis.

Credit Card Statements and Charges

Finding: While testing credit card transactions, we noted several charges that lacked supporting documentation. We also noted that general ledger coding for each charge was not listed on the statement nor was formal review and approval of charges documented on the statement. During 2015, we noted that two months of expenses were outstanding as the previous month's statement balance was not paid in full.

Recommendation: We recommend that supporting invoices or receipts be maintained for all credit card charges and evidence of management review be documented on the monthly credit card statements. In addition, we recommend that general ledger coding based on the nature of the supporting documentation be noted on the credit card statement next to each respective charge. We also recommend that the full statement balance be paid each month.

Human Resources

Finding: While testing payroll, we noted where an employee's compensation was not documented in their personnel file.

Recommendation: Each employee's personnel file should contain documentation of their compensation rate approved by executive management.

This communication is intended solely for the information and use of management board of directors, and others within the Organization, and is not intended to be, and should not be, used by anyone other than these specified parties.

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