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To the Board of Directors of
Southern Independent Booksellers Alliance

In planning and performing our audit of the financial statements of Southern Independent Booksellers Alliance ("SIBA") as of and for the year ended December 31, 2016, in accordance with auditing standards generally accepted in the United States of America, we considered SIBA'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 entity's internal control. Accordingly, we do not express an opinion on the effectiveness of SIBA'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 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 entity'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 entity's internal control to be significant deficiencies:

Timeliness of Form 1099 Reporting:

Required Form 1099s for non-employee compensation are to be issued to the parties receiving compensation no later than January 31, 2017 in accordance with reporting requirements set forth by the Internal Revenue Service ("IRS"). During our audit, we noted that SIBA failed to issue required Form 1099s by the required reporting deadline. Failure to issue these forms timely could result in penalties assessed by the IRS on a per form basis. We recommend that management implement appropriate policies to ensure that all 1099s are issued timely in accordance with IRS reporting requirements.

Timeliness of Payroll Tax Remittance

Federal law requires you, as an employer, to withhold certain taxes from your employee's pay. Form 941, Employer's Quarterly Federal Tax Return, is used to report federal income taxes, social security tax, or Medicare tax withheld from employee paychecks and to pay the employer's portion of payroll tax. Form 941 is to be remitted on a quarterly basis. During our audit, we noted that SIBA failed to remit federal payroll taxes for the third quarter of 2016. Failure to remit payroll taxes timely could result in penalties and interest assessed by the IRS. We recommend that management implement appropriate policies to ensure that payroll taxes are remitted timely in accordance with IRS reporting requirements.

This communication is intended solely for the information and use of management, the 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.

Columbia, South Carolina
March 3, 2017

The Halls Group, P.A.