



**Shreveport-Bossier
Rescue Mission, Inc.**

FINANCIAL STATEMENTS
Years Ended June 30, 2016 and 2015

Shreveport-Bossier Rescue Rescue Mission, Inc.

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Independent Auditor's Report

To the Board of Directors
Shreveport-Bossier Rescue Mission, Inc.
Shreveport, Louisiana

I have audited the accompanying financial statements of Shreveport-Bossier Rescue Mission, Inc., which comprise the statements of financial position for the years ended June 30, 2016 and 2015, and the related statements of activities, cash flows and functional expenses for the years then ended, and summary of significant accounting policies and the related notes to financial statements.

Management's Responsibility 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; this includes 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.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 the entity's internal control. Accordingly, I express no such opinion. An audit also includes evaluating the appropriateness of

accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Shreveport-Bossier Rescue Mission, Inc. as of June 30, 2016 and 2015, and the changes in its net assets and cash flows for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

Report on Supplementary Information

My audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Statement of Revenues and Expenses for Thrift Store and Enterprise Operations on page 19 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 for the period ended June 30, 2016 and 2015 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 my opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

James R. McEllis, CPA LLC

Certified Public Accountant

Shreveport, Louisiana
July 27, 2017

Shreveport-Bossier Rescue Mission, Inc.

Statements of Financial Position

<i>June 30,</i>	2016	2015
Assets		
Current assets:		
Cash and cash equivalents (Note 1)	\$ 508,327	\$ 222,827
Prepaid expenses	-	7,470
Total current assets	508,327	230,297
Property and equipment, net (Notes 3 and 5)	3,941,025	4,148,266
Long-term investments (Notes 2 and 6)	870,025	833,365
Total Assets	\$5,319,377	\$5,211,928
Liabilities and Net Assets		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 27,478	\$ 35,922
Notes payable-current portion (Note 5)	87,177	76,216
Total current liabilities	114,655	112,138
Long-term debt (Note 5)	1,171,257	1,264,903
Total Liabilities	1,285,912	1,377,041
Net assets:		
Unrestricted	3,983,465	3,784,887
Temporarily restricted (Note 9)	50,000	50,000
Total net assets	4,033,465	3,834,887
Total Liabilities and Net Assets	\$5,319,377	\$5,211,928

See accompanying summary of accounting policies and notes to financial statements.

Shreveport-Bossier Rescue Mission, Inc.

Statements of Activities

Years Ended June 30,	2016			2015		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
Revenue:						
Contributions (Note 7)	\$1,589,624	\$ -	\$1,589,624	\$1,563,677	\$ -	\$1,563,677
Thrift store and enterprise operations	411,979	-	411,979	476,070	-	476,070
Program service revenue	252,335	-	252,335	264,314	-	264,314
Charitable gift fund	99,660	-	99,660	89,031	-	89,031
Fundraising	88,049	-	88,049	48,535	-	48,535
Gain on sale of assets	48,146	-	48,146	92,500	-	92,500
Grants (Note 8)	22,775	-	22,775	13,641	-	13,641
Investment income	14,153	-	14,153	9,716	-	9,716
Miscellaneous income	9,703	-	9,703	14,236	-	14,236
Rental income	5,826	-	5,826	7,000	-	7,000
Total revenue	2,542,250	-	2,542,250	2,578,720	-	2,578,720
Expenses:						
Program services	1,176,737	-	1,176,737	1,343,110	-	1,343,110
General and administrative	482,847	-	482,847	541,010	-	541,010
Fundraising	335,908	-	335,908	333,486	-	333,486
Enterprise	348,180	-	348,180	413,377	-	413,377
Total expenses	2,343,672	-	2,343,672	2,630,983	-	2,630,983
Increase (decrease) in net assets	198,578	-	198,578	(52,263)	-	(52,263)
Net assets, beginning of year	3,784,887	50,000	3,834,887	3,837,150	50,000	3,887,150
Net assets, end of year	\$3,983,465	\$50,000	\$4,033,465	\$3,784,887	\$50,000	\$3,834,887

See accompanying summary of accounting policies and notes to financial statements.

2016

<i>Years Ended June 30,</i>	Program Services	General and Administrative	Fundraising	Enterprise	Total Expenses
Expenses:					
Advertising	\$ 7,469	\$ 12,641	\$179,586	\$ -	\$ 199,696
Building and maintenance	31,269	11,882	-	19,386	62,537
Depreciation and impairment	133,406	10,376	4,447	-	148,229
Dues and subscriptions	2,439	5,307	6,599	-	14,345
Insurance	152,148	43,471	19,320	26,566	241,505
Interest and service charges	-	66,327	251	2,513	69,091
Miscellaneous	40,769	2,184	13,833	16,016	72,802
Payroll	554,394	251,621	71,229	216,998	1,094,242
Printing and postage	126	11,847	630	-	12,603
Professional fees	-	30,580	-	-	30,580
Special events	-	-	40,013	-	40,013
Supplies	127,030	12,373	-	30,787	170,190
Telephone, television and utilities	117,629	17,190	-	29,055	163,874
Vehicle operations	10,058	7,048	-	6,859	23,965
Total expenses	\$1,176,737	\$482,847	\$335,908	\$348,180	\$2,343,672

Shreveport-Bossier Rescue Rescue Mission, Inc.

Statements of Functional Expenses

2015

Program Services	General and Administrative	Fundraising	Enterprise	Total Expenses
\$ -	\$ 7,329	\$181,118	\$ 50	\$ 188,497
29,798	12,088	102	17,310	59,298
173,045	13,459	5,768	-	192,272
4,473	8,456	5,424	25	18,378
156,300	46,889	19,663	29,242	252,094
-	92,107	381	3,765	96,253
22,265	6,131	918	21,799	51,113
638,844	241,762	85,075	252,901	1,218,582
364	4,251	7,444	58	12,117
-	64,782	-	-	64,782
10,402	779	27,593	-	38,774
156,188	9,427	-	35,865	201,480
134,382	18,515	-	32,124	185,021
17,049	15,035	-	20,238	52,322
\$1,343,110	\$541,010	\$333,486	\$413,377	\$2,630,983

Shreveport-Bossier Rescue Mission, Inc.

Statements of Cash Flows

Years Ended June 30,	2016			2015		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
Cash Flows From Operating Activities:						
Increase (decrease) in net assets	\$198,578	\$ -	\$198,578	\$(52,263)	\$ -	\$(52,263)
Adjustments to reconcile change in net assets to net cash provided by operating activities:						
Depreciation and asset impairment	148,229	-	148,229	192,272	-	192,272
Gain/loss on sale of assets	(48,146)	-	(48,146)	(92,500)	-	(92,500)
Gain on sale of investments	(14,153)	-	(14,153)	(8,135)	-	(8,135)
Noncash gifts	(22,649)	-	(22,649)	-	-	-
Change in operating assets and liabilities:						
Prepaid expenses	7,470	-	7,470	1,564	-	1,564
Assets held for sale	-	-	-	(14,259)	-	(14,259)
Succession trust assets	-	-	-	39,313	-	39,313
Accounts payable and accrued liabilities	(8,444)	-	(8,444)	14,861	-	14,861
Net cash used by operating activities	260,885	-	260,885	80,853	-	80,853
Cash Flows From Investing Activities:						
Purchase of property and equipment	(42,741)	-	(42,741)	(56,447)	-	(56,447)
Proceeds from sale of assets	149,899	-	149,899	92,500	-	92,500
Net redemption of investments	142	-	142	82,652	-	82,652
Net cash used by investing activities	107,300	-	107,300	118,705	-	118,705
Cash Flows From Financing Activities:						
Proceeds from borrowing	-	-	-	-	-	-
Payments on bank loans	(82,685)	-	(82,685)	(86,543)	-	(86,543)
Net cash used by financing activities	(82,685)	-	(82,685)	(86,543)	-	(86,543)
Net increase (decrease) in cash	285,500	-	285,500	113,015	-	113,015
Cash, at beginning of year	222,827	-	222,827	109,812	-	109,812
Cash, at end of year	508,327	-	508,327	222,827	-	222,827
Interest paid	\$ 59,525	\$ -	\$ 59,525	\$ 87,189	\$ -	\$ 87,189

Shreveport-Bossier Rescue Mission, Inc.

Summary of Significant Accounting Policies

Business

The Shreveport-Bossier Rescue Mission (the Mission) is a nonprofit corporation organized under the laws of the State of Louisiana on a nonstock basis having one class of member. The Shreveport-Bossier Rescue Mission is incorporated as a nonprofit rehabilitation and educational program for disadvantaged men, women and children.

Substantially all of the Mission's revenue is from the contributions from individuals, businesses and churches. Accordingly, the Mission is heavily dependent on the local community and stability of the local economy in which it operates.

Basis of Presentation

Resources are reported for accounting purposes in separate classes of net assets based on the existence or absence of donor-imposed restrictions. In the accompanying financial statements, net assets are classified into one of the following categories:

Unrestricted – Net assets that are not subject to donor-imposed stipulations. Unrestricted net assets may be designated for specific purposes by action of the Mission. Restricted assets received and expended in the same year are classified as unrestricted.

Temporarily Restricted – Net assets whose use by the Mission is subject to donor-imposed stipulations that can be fulfilled by actions of the Mission pursuant to those stipulations or that expire through the passage of time.

Permanently Restricted – Net assets whose use by the Mission is subject to donor-imposed stipulations that assets be maintained permanently by the Mission. The donors of these assets permit the Mission to use all or part of the investment return of these assets for continuing operations which may be subject to certain restrictions.

Expenses are generally reported as decreases in unrestricted net assets. Expirations of donor-imposed stipulations that simultaneously increase one class of net assets and decrease another are reported as transfers between the applicable classes of net assets. Gains and losses on investments and other assets and liabilities are reported as increases and decreases in unrestricted net assets unless their use is restricted by explicit donor stipulation or law.

Shreveport-Bossier Rescue Mission, Inc.

Summary of Significant Accounting Policies

(Continued)

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management 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 revenues and expenses during the reporting period. Actual results could differ from those estimates. Significant estimates made by management include the depreciable life of assets.

Property and Equipment

Beginning in 1994, the Mission began capitalizing the acquisition cost of land, buildings, furniture and equipment. Acquisitions in prior years were expensed in the year of acquisition.

Depreciation expense is calculated based upon the assets' estimated useful lives using the straight-line method. Useful lives at June 30, 2016 are as follows:

Buildings and renovations	40 years
Furniture and equipment	5-10 years
Transportation equipment	5 years

Liabilities

Unremitted withheld payroll taxes and unremitted sales tax collected from customers of the Thrift Store are recognized as liabilities on the Statement of Financial Position.

Reclassifications

Certain prior year amounts have been reclassified to conform to current year presentation.

Revenue Recognition

Unrestricted contributions and grants are recognized as revenue in the period in which the donation is received or the grant is due and payable to the Mission.

Shreveport-Bossier Rescue Rescue Mission, Inc.

Summary of Significant Accounting Policies

(Continued)

Revenue Recognition (concluded)

The Mission 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, that is, when a stipulated time restriction ends, or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. The net change in assets of other funds are reported as offsetting revenue (expense) solely to simplify financial statement presentation. Restricted donations on which the restriction expires in the same period as the revenue is recognized are reported as unrestricted revenues.

Support arising from donated goods, property and services is recognized in the financial statements at its fair value.

Allowance for Doubtful Accounts

The Mission records an allowance for doubtful accounts based on specifically identified amounts believed to be uncollectible. Any unanticipated change in one of those customers' credit worthiness or other matters affecting collectability of amounts due from such customers could have a material effect on the Mission's results of operations in the period in which such changes or events occur. After all attempts to collect a receivable have failed, the receivable is written off against the allowance. At June 30, 2016 and 2015, the allowance for doubtful accounts totaled \$0 and \$0 respectively.

Income Taxes

The Mission is exempt from federal income tax under provisions of Section 501(c)(5) of the Internal Revenue Code of 1986 and exempt from state income tax under appropriate provisions in the laws of the State of Louisiana.

The Mission has adopted ASC 740, Accounting for Uncertainty in Income Taxes. Management has evaluated the Mission's tax positions and concluded that the Mission has taken no uncertain tax positions that require adjustment to the financial statements in order to comply with the provisions of ASC 740. In addition, Management is not aware of any matters that would cause the Mission to lose its tax-exempt status.

Shreveport-Bossier Rescue Rescue Mission, Inc.

Summary of Significant Accounting Policies

(Concluded)

**Statements of
Cash Flows**

For purposes of the statements of cash flows, the Mission considers all cash in bank accounts and highly liquid debt instruments, not retained for long-term investment purposes, with an original or remaining maturity of three months or less, to be cash equivalents. Highly liquid debt instruments with remaining lives in excess of three months are classified as short-term investments.

Functional Expenses

Functional expenses have been allocated between Program Services, General and Administrative, Fundraising and Enterprise based on an analysis of personnel time and space utilized for the related activities.

**Advertising and
Development Costs**

The Mission expenses advertising as it is incurred. The Mission expended approximately \$199,696 and \$188,497 in the years ended June 30, 2016 and 2015, respectively, for advertising.

Subsequent Events

Management evaluated events subsequent to the Mission's most recent year end through July 27, 2017, the date the financial statements were available for issuance.

Shreveport-Bossier Rescue Rescue Mission, Inc.

Notes to Financial Statements

1. Cash The Mission, at times, maintains deposits in federally insured financial institutions in excess of federally insured limits. Management monitors the soundness of these financial institutions and feels the Mission's risk is negligible

2. Investments The value of the investments at June 30, 2016 and 2015 is summarized as follows:

2016		2015	
Cost	Fair Value	Cost	Fair Value
\$845,275	\$870,025	\$813,210	\$833,365

3. Property and Equipment Depreciation for financial reporting purposes is provided on the straight-line method based upon the estimated useful lives of the assets as follows:

Buildings and renovations	40 years
Furniture and equipment	5-10 years
Transportation equipment	5 years
Software	5 years

The major classifications of property and equipment for the years ended June 30, 2016 and 2015 were as follows:

	2016	2015
Buildings and renovation	\$4,340,993	\$4,479,135
Furniture & equipment	527,209	498,412
Transportation equipment	84,338	84,338
Software	12,209	12,209
Land	519,864	519,864
	5,484,613	5,593,958
Less accumulated depreciation and amortization including a 2015 impairment reserve of \$43,014	1,543,588	1,445,692
Net property and equipment	\$3,941,025	\$4,148,266

Shreveport-Bossier Rescue Mission, Inc.

Notes to Financial Statements

(Continued)

4. Donated Materials, Equipment and Services

During the course of operations, the Mission receives donations of material and equipment from many business and individuals. While the Mission recognized the importance of the volunteers and the donated material and equipment, no objective basis for valuation of these items was determined and they are not included in the financial statements.

5. Notes Payable

Notes payable and long-term debt consist of the following at June 30:

	2016	2015
Note payable for facilities due 9/21/2021; and bears a 4.95% interest rate. Monthly payments of \$12,319 through 8/12/2021 and a balloon payment of \$776,825 upon maturity. Demand feature waived through June 30, 2016. Collateralized by a building.	\$1,258,434	\$1,341,119
Less current maturities of long-term debt	(87,177)	(76,216)
Long-term debt less current portion	\$1,171,257	\$1,264,903

The amount of interest for 2016 and 2015 was \$59,525 and \$87,189 respectively.

Schedule of maturities is as follows:

Year Ended June 30,	Amount
2017	\$ 87,177
2018	91,592
2019	96,230
2020	101,103
Thereafter	882,332
Total	\$1,258,434

Shreveport-Bossier Rescue Mission, Inc.

Notes to Financial Statements

(Continued)

6. Fair Value Disclosures

The Mission utilizes fair value measurements to record certain assets and to determine fair value disclosures. Fair value is 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. Fair value is best determined based upon quoted market prices. In cases where quoted market prices are not available, fair values are based on estimates using present value or other valuation techniques. Those techniques are significantly affected by the assumptions used, including the discount rate and estimates of further cash flows. Accordingly, the fair value estimates may not be realized in an immediate settlement of the instrument.

FASB Accounting Standards Codification Topic 820, *Fair Value Measurements*, establishes a three-tier hierarchy which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value, as follows:

Level 1 – Quoted prices in active markets for identical assets or liabilities that the Fair has the ability to access.

Level 2 – Significant other observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities in active markets, quoted prices in markets that are not active and other inputs that are observable or can be corroborated by observable market data.

Level 3 – Significant unobservable inputs that generally include situations where there is little, if any, market activity of the investment. The inputs into determination of fair value require significant management judgement or estimation.

Shreveport-Bossier Rescue Mission, Inc.

Notes to Financial Statements

(Continued)

6. Fair Value Disclosures - (continued)

Fair values of assets measured on a recurring basis at June 30, 2016 and 2015 are as follows:

Asset at Fair Value as of June 30, 2016:

	Level 1	Level 2	Level 3	Total
Money Market	\$ 45,754	\$ -	\$ -	\$ 45,754
Common Stock	492,321	-	-	492,321
Mutual Funds	298,616	-	-	298,616
Fixed Income	33,334	-	-	33,334
Total	\$870,025	\$ -	\$ -	\$870,025

Asset at Fair Value as of June 30, 2015:

	Level 1	Level 2	Level 3	Total
Money Market	\$ 29,721	\$ -	\$ -	\$ 29,721
Common Stock	409,547	-	-	409,547
Mutual Funds	319,906	-	-	319,906
Fixed Income	74,191	-	-	74,191
Total	\$833,365	\$ -	\$ -	\$833,365

7. Contributions Received

During the years ended June 30, 2016 and 2015, contributions were received from the following sources:

	2016	2015
Unrestricted		
Individuals	\$1,034,205	\$1,096,651
Businesses and organizations	367,980	218,619
Churches and church groups	103,094	108,752
Memorials, honorariums and bequest	84,345	139,655
Total contributions received	\$1,589,624	\$1,563,677

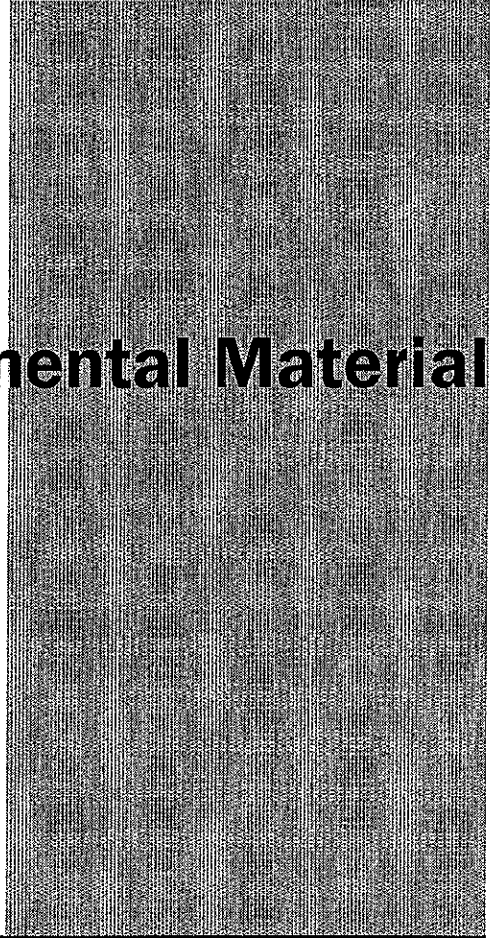
Shreveport-Bossier Rescue Rescue Mission, Inc.

Notes to Financial Statements *(Concluded)*

8. Grants Received		2016	2015
	Community Foundation of North Louisiana	\$15,354	\$12,391
	Other	7,421	1,250
	Total	\$22,775	\$13,641

9. **Temporarily Restricted Net Assets** Funds included in temporarily restricted net assets are to be used to establish new programs.

Supplemental Material



Shreveport-Bossier Rescue Rescue Mission, Inc.

Statements of Revenues and Expenses for Thrift Store and Enterprise Operations

For the Year Ended June 30, 2016

	2016	2015
Revenues:		
Sales	\$411,979	\$483,070
Total revenues	411,979	483,070
Expenses		
Payroll	216,998	252,901
Supplies	30,787	35,865
Telephone, television and utilities	29,055	32,124
Insurance	26,566	27,837
Building and maintenance	19,386	17,310
Miscellaneous	16,016	21,799
Vehicle operations	6,859	20,238
Interest and service charges	2,513	3,765
Printing and postage	-	58
Advertising	-	50
Dues and subscriptions	-	25
Total expenses	348,180	411,972
Net increase from Thrift Store and Enterprise Operations	\$ 63,799	\$ 71,098



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October 29, 2016

Mr. Bob Brubaker, Treasurer
Shreveport-Bossier Rescue Mission, Inc.
Post Office Box 3949
Shreveport, LA 71133-3949

Dear Mr. Brubaker:

Professional standards require me to advise you of the following matters relating to my recently completed audit of Shreveport-Bossier Rescue Mission, Inc. (the "Mission") as of and for the year ended June 30, 2016. The matters discussed herein are those that I have noted as of January 27, 2017 and I have not updated my procedures regarding these matters since that date to the current date.

My Responsibility Under Generally Accepted Auditing Standards

As stated in my engagement letter dated August 2, 2016 my responsibility, as prescribed by professional standards, is to plan and perform my audit to obtain reasonable assurance about whether the financial statements are free of material misstatements, whether caused by error or fraud. An audit in accordance with generally accepted auditing standards does not provide absolute assurance or guarantee the accuracy of the financial statements and is subject to the inherent risk that errors or fraud, if they exist, have not been detected. Such standards also require that I obtain a sufficient understanding of the Organization's internal control to plan the audit. However, such understanding is required for the purpose of determining my audit procedures and not to provide any assurance concerning such internal control.

Overview of Planned Scope and Timing of the Audit

A discussion was held in with management in July 2016 regarding the planned scope and timing of the audit. The focus of this discussion included how the risks of material misstatement, whether due to error or fraud, would be addressed and on factors, rather than specific thresholds or amounts, that would impact materiality used in my planning and execution of the audit.

Significant Findings from the Audit

Accounting Policies

I have reviewed the accounting policies that management has identified to be the most critical, and concur with management's assessment.

Mr. Bob Brubaker
January 27, 2017
Page Two

Management Judgments and Accounting Estimates

There were no material contingencies, as defined in FASB ASC 450, *Contingencies*, for which I had questions or concerns about the reasonableness of the accounting or the adequacy of the financial statement disclosure.

Misstatements

Professional standards require the auditor to accumulate all known and likely misstatements identified during the audit, other than those that I believe are trivial, and communicate them to the appropriate level of management. Additionally, I am required to communicate with those charged with governance uncorrected misstatements and the effect that they may have on the opinion in the auditor's report, and request their correction. Attached is a listing of the journal entries made during my audit.

Disagreements with Management

Professional standards define a disagreement with management as a matter, whether or not resolved to my satisfaction, concerning a financial accounting, reporting, or auditing matter that could be significant to the Organization's financial statements or the audit report. No such disagreements arose during the course of my audit.

Consultation with Other Accountants

There may be circumstances where the Organization considers consulting with other accountants about accounting and auditing matters. I am unaware of any consultations.

Significant Issues Discussed with Management Prior to My Retention

Prior to my being retained as auditor for the current fiscal year, there were no major accounting or other issues of concern discussed with management.

Material Alternative Accounting Treatments Discussed with Management

During the past year, there were no discussions with management concerning material alternative accounting treatments.

Significant Difficulties Encountered in Performing the Audit

There were no significant difficulties encountered during the course of the audit. All records and information requested by James K. McClelland, CPA LLC were freely available for inspection. Management and other personnel provided full cooperation.

Mr. Bob Brubaker
January 27, 2017
Page Three

Other Information in Documents Containing the Company's Audited Financial Statements

My responsibility for other information in documents containing the Organization's audited financial statements does not extend beyond the financial information identified in the audit report, and I am not required to perform procedures to corroborate such other information.

Representations Requested from Management

Refer to the management representation letter that I provided to those charged with governance.

Other Issues Arising from the Audit that I Consider Significant and Relevant to Those Charged with Governance

There were no other issues arising from the audit that I consider significant and relevant to those charged with governance.

Internal Control Matters

I did not identify any deficiencies in internal control that I consider to be material weaknesses.

Independence

I am not aware of any circumstances or relationships that would impair my independence. Please refer to my engagement letter as it relates to management's responsibilities concerning independence.

Should you desire further information concerning these matters, James K. McClelland, the audit engagement director, will be happy to meet with you at your convenience.

This letter is solely for the internal use of those charged with governance and management of Barksdale Forward, Inc. and should not be distributed to any other persons or used for any other purpose.

Very truly yours,



James K. McClelland, CPA