SECOND SENSE

FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2017 AND 2016

SECOND SENSE

YEARS ENDED JUNE 30, 2017 AND 2016

CONTENTS

ORBA® OSTROW REISIN BERK & ABRAMS LTD.
CERTIFIED PUBLIC ACCOUNTANTS

Independent Auditors' Report

Board of Directors
Second Sense

Report on Financial Statements

We have audited the accompanying financial statements of Second Sense (a nonprofit organization) (the Organization), which comprise the statements of financial position as of June 30, 2017 and 2016, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits 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. Those standards require that we 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 auditors' 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, we 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.

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We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Second Sense as of June 30, 2017 and 2016, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 29, 2018, on our consideration of the Organization'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 the Organization's internal control over financial reporting and compliance.

Ostrow Reisin Berk & Abrams, Ltd.

January 29, 2018

SECOND SENSE

STATEMENTS OF FINANCIAL POSITION

June 30,		**2017**		2016
ASSETS				
Current assets:				
Cash	**$**	**80,731**	$	43,322
Investments		**142,761**		203,887
Contributions receivable		**69,444**		47,966
Contributions receivable - charitable trust				8,373
Inventory		**7,541**		7,779
Prepaid expenses		**2,320**		1,469
Accrued interest receivable		**1,136**		1,136
Total current assets		**303,933**		313,932
Property and equipment:				
Equipment		**292,706**		276,386
Furniture and fixtures		**71,397**		68,397
Leasehold improvements		**4,275**		4,275
Software		**41,601**		41,601
		409,979		390,659
Less accumulated depreciation and amortization		**(386,825)**		(383,986)
Property and equipment, net		**23,154**		6,673
Other assets:				
Security deposit		**19,827**		19,827
Total assets	**$**	**346,914**	$	340,432

See notes to financial statements.

SECOND SENSE

STATEMENTS OF FINANCIAL POSITION (CONTINUED)

June 30,		2017		2016
LIABILITIES AND NET ASSETS				
Current liabilities:				
Accounts payable	**$**	**25,232**	$	13,405
Accrued vacation		**12,074**		18,281
Current portion of deferred compensation		**23,184**		23,184
Current portion of deferred rent		**14,846**		720
Total current liabilities		**75,336**		55,590
Long-term liabilities:				
Deferred compensation, less current portion		**53,507**		58,609
Deferred rent, less current portion		**62,382**		77,228
Total long-term liabilities		**115,889**		135,837
Total liabilities		**191,225**		191,427
Net assets:				
Unrestricted		**132,735**		115,392
Temporarily restricted		**22,954**		33,613
Total net assets		**155,689**		149,005
Total liabilities and net assets	**$**	**346,914**	$	340,432

See notes to financial statements.

SECOND SENSE

STATEMENTS OF ACTIVITIES

Years ended June 30,	2017			2016		
	Unrestricted	Temporarily restricted	Total	Unrestricted	Temporarily restricted	Total
Revenue:						
Support:						
Contributions	$ 340,905	$ 10,454	$ 351,359	$ 291,689		$ 291,689
Contributions in-kind	43,768		43,768	41,456		41,456
Bequests					$ 16,669	16,669
Special events, net of expenses of $41,116 and $39,580 for 2017 and 2016, respectively	141,260		141,260	119,088		119,088
Government grants and contracts	284,890		284,890	200,000		200,000
Service revenue	14,005		14,005	14,217		14,217
Product sales	31,227		31,227	32,153		32,153
Miscellaneous	255		255	438		438
Net assets released from restriction	21,113	(21,113)		31,450	(31,450)	
Total support	877,423	(10,659)	866,764	730,491	(14,781)	715,710
Income (loss) from investments:						
Interest and dividends	3,623		3,623	6,385		6,385
Realized gain on sale of investments	13,453		13,453	13,665		13,665
Unrealized gain (loss) on investments held	5,200		5,200	(14,479)		(14,479)
Total income from investments, net	22,276		22,276	5,571		5,571
Total revenue	899,699	(10,659)	889,040	736,062	(14,781)	721,281

See notes to financial statements.

SECOND SENSE

STATEMENTS OF ACTIVITIES (CONTINUED)

Years ended June 30,	**2017**			2016		
		Temporarily			Temporarily	
	Unrestricted	**restricted**	**Total**	Unrestricted	restricted	Total
Expenses:						
Program services:						
Adaptive Technology	**$ 181,005**		**$ 181,005**	$ 219,442		$ 219,442
Counseling Services	**204,911**		**204,911**	146,050		146,050
Independent Living Services	**359,027**		**359,027**	277,943		277,943
Total program services	**744,943**		**744,943**	643,435		643,435
Supporting services:						
Management and general	**82,723**		**82,723**	104,685		104,685
Fundraising	**54,690**		**54,690**	43,873		43,873
Total supporting services	**137,413**		**137,413**	148,558		148,558
Total expenses	**882,356**		**882,356**	791,993		791,993
Change in net assets	**17,343**	**$ (10,659)**	**6,684**	(55,931)	$ (14,781)	(70,712)
Net assets:						
Beginning of year	**115,392**	**33,613**	**149,005**	171,323	48,394	219,717
End of year	**$ 132,735**	**$ 22,954**	**$ 155,689**	$ 115,392	$ 33,613	$ 149,005

See notes to financial statements.

SECOND SENSE

STATEMENTS OF FUNCTIONAL EXPENSES

Year ended June 30, 2017	Program services				Supporting services			
	Adaptive Technology	Orientation and Mobility	Independent Living Services	Total program services	Management and general	Fundraising	Total supporting services	Total expenses
Salaries and wages	$ 88,432	$ 101,696	$ 172,441	$ 362,569	$ 35,373	$ 44,216	$ 79,589	$ 442,158
Employee benefits	7,276	8,368	14,189	29,833	2,910	3,638	6,548	36,381
Payroll taxes	6,413	7,376	12,506	26,295	2,565	3,207	5,772	32,067
Depreciation and amortization	852	852	852	2,556	283		283	2,839
Equipment expense	1,165	1,266	2,228	4,659	405		405	5,064
Fees	910	1,274	1,383	3,567	8,296		8,296	11,863
Insurance	2,001	2,301	3,901	8,203	800	1,000	1,800	10,003
Miscellaneous	2,151	2,216	2,151	6,518				6,518
Office expense	1,149	1,322	2,241	4,712	460	575	1,035	5,747
Payroll fees	355	408	693	1,456	142	178	320	1,776
Postage and shipping	480	553	937	1,970	192	240	432	2,402
Printing	3,273	3,764	6,382	13,419	1,309	1,636	2,945	16,364
Professional fees	14,927	7,907	42,545	65,379	25,875		25,875	91,254
Purchases			24,509	24,509				24,509
Rent	33,866	47,413	51,477	132,756	2,709		2,709	135,465
Telephone	1,527	2,138	2,321	5,986	122		122	6,108
Training	88	96	169	353	31		31	384
Travel	653	183	1,777	2,613				2,613
Utilities	727	1,018	1,105	2,850	58		58	2,908
Volunteer services - in-kind	12,726	12,726	13,124	38,576	1,193		1,193	39,769
Volunteer services expense	2,034	2,034	2,096	6,164				6,164
Total functional expenses	$ 181,005	$ 204,911	$ 359,027	$ 744,943	$ 82,723	$ 54,690	$ 137,413	$ 882,356

See notes to financial statements.

SECOND SENSE

STATEMENTS OF FUNCTIONAL EXPENSES (CONTINUED)

Year ended June 30, 2016	Program services				Supporting services			
	Adaptive Technology	Counseling Services	Independent Living Services	Total program services	Management and general	Fundraising	Total supporting services	Total expenses
Salaries and wages	$ 101,165	$ 58,782	$ 114,521	$ 274,468	$ 55,159	$ 34,907	$ 90,066	$ 364,534
Employee benefits	9,829	5,711	11,127	26,667	5,359	3,392	8,751	35,418
Payroll taxes	7,219	4,195	8,172	19,586	3,936	2,491	6,427	26,013
Depreciation and amortization	1,786	1,786	1,786	5,358	595		595	5,953
Equipment expense	5,095	2,673	3,790	11,558	248		248	11,806
Fees	222	696	1,181	2,099	4,587		4,587	6,686
Insurance	2,274	1,321	2,574	6,169	1,240	785	2,025	8,194
Miscellaneous	1,513	1,454	1,440	4,407				4,407
Office expense	1,021	593	1,156	2,770	558	352	910	3,680
Payroll fees	480	279	543	1,302	262	166	428	1,730
Postage and shipping	1,106	643	1,252	3,001	603	382	985	3,986
Printing	4,051	2,354	4,586	10,991	2,209	1,398	3,607	14,598
Professional fees	14,792	7,339	34,035	56,166	25,597		25,597	81,763
Purchases			27,987	27,987				27,987
Rent	46,759	40,079	42,751	129,589	4,008		4,008	133,597
Telephone	106	106	106	318				318
Training	2,352	2,016	2,151	6,519	202		202	6,721
Travel	284	27	603	914	28		28	942
Unemployment	286	80	777	1,143				1,143
Utilities	1,102	945	1,009	3,056	94		94	3,150
Volunteer services - in-kind	13,819	13,819	13,818	41,456				41,456
Volunteer services expense	4,181	1,152	2,578	7,911				7,911
Total functional expenses	$ 219,442	$ 146,050	$ 277,943	$ 643,435	$ 104,685	$ 43,873	$ 148,558	$ 791,993

See notes to financial statements.

SECOND SENSE

STATEMENTS OF CASH FLOWS

Years ended June 30,		2017		2016
Cash flows from operating activities:				
Change in net assets	**$**	**6,684**	$	(70,712)
Adjustments to reconcile change in net assets to net cash used in operating activities:				
Depreciation and amortization		**2,839**		5,953
Donated property and equipment		**(4,000)**		
Deferred rent		**(720)**		2,007
Net realized and unrealized (gain) loss on investments		**(18,653)**		814
(Increase) decrease in operating assets:				
Contributions receivable		**(21,478)**		(4,011)
Contributions receivable - charitable trust		**8,373**		8,066
Inventory		**238**		1,721
Prepaid expenses		**(851)**		761
Accrued interest receivable				994
Increase (decrease) in operating liabilities:				
Accounts payable		**11,827**		(4,100)
Accrued vacation		**(6,207)**		(774)
Deferred compensation		**(5,102)**		(3,160)
Net cash used in operating activities		**(27,050)**		(62,441)
Cash flows from investing activities:				
Purchase of property and equipment		**(15,320)**		(2,603)
Proceeds from sales of investments		**92,048**		51,305
Purchases of investments		**(12,269)**		(25,681)
Net cash provided by investing activities		**64,459**		23,021
Net increase (decrease) in cash		**37,409**		(39,420)
Cash:				
Beginning of year		**43,322**		82,742
End of year	**$**	**80,731**	$	43,322
Supplemental disclosure of cash flow information:				
Donated property and equipment	**$**	**4,000**		

See notes to financial statements.

1. Organization

Second Sense (the Organization) was organized under the Illinois General Not-for-Profit Corporation Act in 1947. The Organization's mission is to help people with vision loss retain their independence at home, at work and in the community. In accordance with its strategic plan, the Organization instituted programs that are simultaneously unique, fundable and match the Organization's core competencies. The principal programs are: Adaptive Technology – providing instruction on the use of adaptive hardware and software; Counseling Services – aids people to adjust to vision loss as well as seek and retain professional employment; Independent Living Services – helping those with new vision loss continue their activities of daily living; and Orientation and Mobility – teaching clients how to travel safely and independently using a white cane. Rehabilitation Services also displays and sells assistive aids and appliances. The principal programs also provide information and referral information to people with vision loss. The Organization received 62% and 66% of its total revenue for the years ended June 30, 2017 and 2016, respectively, from public support.

2. Summary of significant accounting policies

Basis of accounting:

The financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP).

Basis of presentation:

The Organization reports information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets and permanently restricted net assets.

> **Unrestricted** - Unrestricted net assets are available to finance the general operations of the Organization. The only limits on the use of unrestricted net assets are the broad limits resulting from the nature of the Organization, the environment in which it operates and the purposes specified in its Articles of Incorporation.
>
> **Temporarily restricted** - Temporarily restricted net assets result (a) from contributions and other inflows of assets, the use of which by the Organization is limited by donor-imposed stipulations that either expire by passage of time or can be fulfilled and removed by action of the Organization pursuant to those stipulations, (b) from other asset enhancements and diminishments subject to the same kinds of stipulations and (c) from reclassifications to (or from) other classes of net assets as a consequence of donor-imposed stipulations, their expiration by passage of time or their fulfillment and removal by actions of the Organization pursuant to those stipulations. Temporary restricted contributions expensed in the year received are reported as unrestricted net assets.

2. Summary of significant accounting policies (continued)

Basis of presentation: (continued)

Permanently restricted - Permanently restricted net assets (generally referred to as endowment funds) are assets that have donor-imposed restrictions that stipulate that the contributed resources be maintained permanently, but permit the entity to utilize or expend part or all of the income or other economic benefits derived from the donated assets. The Organization has no permanently restricted net assets as of June 30, 2017 and 2016.

Investments:

The Organization reports all investments at their fair value. Any realized or unrealized gains and losses are reported in the statements of activities.

Receivable from trust:

Included in the statements of financial position is a receivable for the fair value of the assets held in a charitable remainder trust in which the donor established and funded a trust administered by a third party other than the Organization, for the benefit of the Organization. Under the trust, the Organization has an irrevocable right to receive assets upon expiration of the trust term.

Inventory:

Inventory is stated at lower of cost or market, with cost determined by the first-in, first-out method.

Property and equipment and related depreciation and amortization:

Property and equipment are stated at cost if purchased or fair value if contributed. The Organization capitalizes property and equipment purchases over $500. Depreciation is computed using the straight-line method over the estimated useful lives of the assets. Amortization of leasehold improvements is provided ratably over the shorter of the life of the lease or the improvement.

2. Summary of significant accounting policies (continued)

Use of 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.

Contributions receivable:

Unconditional promises to give at June 30, 2017 and 2016 are collectible in less than one year. No allowance for uncollectible promises to give is provided as management believes all amounts are fully collectible.

3. Fair value measurements

There are three levels of inputs used to measure fair value. The definition of each input is described below:

Level 1 — Quoted prices are available in active markets for identical investments as of the reporting date.

Level 2 — Pricing inputs are other than quoted prices in active markets of comparable instruments, which are either directly or indirectly observable as of the reporting date and fair value is determined through the use of models or other valuation methodologies.

Level 3 — Pricing inputs are unobservable for the investment and include situations where there is little, if any, market activity for the investment. The inputs into the determination of fair value are based upon the best information under the circumstances and may require significant management judgment or estimation.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

3. Fair value measurements (continued)

For the years ended June 30, 2017 and 2016, the application of valuation techniques applied to similar assets and liabilities has been consistent with techniques used in previous years. The valuation methodologies used for instruments at fair value are described below:

Corporate bonds: Valued at amortized cost, which approximates fair value.

Common stocks, mutual funds and exchange-traded funds: Valued at the closing price reported on the active market on which the individual securities are traded.

The Organization's investments are carried at fair value and are considered Level 1 investments and consisted of the following at June 30, 2017 and 2016:

June 30,	**2017**	2016
	Level 1	
Beneficial interest in charitable trust:		
Cash		$ 511
Money market fund		677
Mutual funds		7,185
Total beneficial interest in charitable trust		8,373
Investments:		
Money market fund	**$ 10,291**	14,051
Corporate bonds	**21,234**	74,363
Common stocks	**106,211**	115,473
Exchange-traded funds	**5,025**	
Total investments	**142,761**	203,887
Total assets at fair value	**$ 142,761**	$ 212,260

4. Concentration of credit risk

The Organization maintains its cash in bank accounts which, at times, may exceed federally-insured limits. At June 30, 2017 and 2016, no amounts were held in excess of federally-insured limits. Management believes that the Organization is not exposed to any significant credit risk on cash.

As of June 30, 2017 and 2016, 89% and 66% of the total contributions receivable were from three donors, respectively. For the years ended June 30, 2017 and 2016, 33% and 27% of total revenue was from one donor, respectively.

5. Contributions receivable – charitable trust

The Organization was named the beneficiary in an irrevocable charitable trust that was established when the trust grantor died. According to the trust agreement, the Organization is to receive the income of the trust each year and will receive the remaining trust assets as the earlier of the value of the trust falling below $20,000 or 21 years after the last to die of the grantor and all descendants of the grantor's father who were living at the date of the grantor's death. In prior years, the Organization has received $12,000 per year. During the year ended June 30, 2017, the Organization received the final payment.

A contribution receivable was recorded at the fair value of the trust assets. This amount are classified as temporarily restricted until received. The total amount of the contribution receivable was $8,378 as of June 30, 2016.

6. Temporary restrictions on net assets

Temporarily restricted net assets are unspent grant revenues and donation restricted as follows:

June 30,	**2017**	2016
Contributions receivable		$ 12,735
Contributions receivable - charitable trust		8,378
Independent Living Services	**$ 12,500**	12,500
Orientation and mobility	**6,954**	
Volunteer appreciation	**3,500**	
Total temporarily restricted net assets	**$ 22,954**	$ 33,613

6. Temporary restrictions on net assets (continued)

Net assets were released from donor restrictions by incurring expenses satisfying the purpose restrictions specified by donors or by passage of time as follows:

Years ended June 30,	**2017**	2016
Contributions receivable - charitable trust	**$ 8,378**	$ 31,450
Contributions receivable	**12,735**	
Total net assets released from restrictions	**$ 21,113**	$ 31,450

7. Contributions in-kind

Donations of services are recorded if they create or enhance a non-financial asset or are specialized skills that would be purchased if they were not donated. During the years ended June 30, 2017 and 2016, the Organization received donated services valued at $39,768 and $41,456, respectively. During the year ended June 30, 2017, the Organization received donated property and equipment valued at $4,000.

8. Income taxes

The Organization is a tax-exempt organization as described in Section 501(c)(3) of the Internal Revenue Code (the Code) and is exempt from federal income taxes on related income pursuant to Section 501(a) of the Code. In addition, the Internal Revenue Service has determined that the Organization is not a private foundation within the meaning of Section 509(a) of the Code.

The Organization has adopted the requirements for accounting for uncertain tax positions and management has determined that the Organization was not required to record a liability related to uncertain tax positions as of June 30, 2017 and 2016.

9. Lease commitment

The Organization occupies rented office space at 65 East Wacker Place, Chicago, Illinois under an operating lease expiring on June 30, 2021. Subsequent to June 30, 2017, the Organization extended the lease to June 30, 2026. Rent expense for the years ended June 30, 2017 and 2016 was $135,465 and $133,597, respectively. The Organization must pay operating expenses and real estate taxes under the terms of the operating lease. Total rental payments are amortized on a straight-line basis over the term of the lease. The unamortized portion is reflected in the financial statements as a liability for deferred rent.

9. Lease commitment (continued)

Future minimum rent payments are as follows:

Year ending June 30:	Amount
2018	$ 158,704
2019	161,756
2020	164,808
2021	167,860
2022	170,912
Thereafter	714,168
Total	$ 1,538,208

The Organization leases a copier under an operating lease that expires during the year ending June 30, 2019. Under the terms of the lease, the Organization makes quarterly payments of $1,797. Rent expense was $7,188 for each of the years ended June 30, 2017 and 2016.

Future minimum lease payments are as follows:

Year ending June 30:	Amount
2018	$ 7,188
2019	7,188
2020	5,391
Total	$ 19,767

10. Retirement plan

The Organization has a 403(b) retirement plan, which allows eligible employees to defer payment of taxes on a portion of their salary by making contributions to the plan through payroll deductions. At the discretion of management, the Organization may make matching contributions. The Organization did not make any matching contributions to the plan for the years ended June 30, 2017 and 2016.

11. Deferred compensation

The Organization has an employment agreement dated July 4, 1990 with its founder to pay annual compensation and fringe benefits during his lifetime. Upon his death in 2003, the employment agreement stipulated that payments and benefits were to continue to the founder's wife and will do so for the remainder of her lifetime. The liability is based on an actuarial estimation of the wife's life expectancy updated annually. Payments of principal and interest are made monthly in the amount of $1,932. The present value of the expected balance remaining under this agreement as of June 30, 2017 and 2016 is $76,691 and $81,793, respectively. During the year ended June 30, 2017, the Organization contacted the founder's wife to negotiate a settlement. As of January 29, 2018, there has been no agreement for the settlement.

12. Subsequent events

Management of the Organization has reviewed and evaluated subsequent events from June 30, 2017, the financial statement date, through January 29, 2018, the date the financial statements were available to be issued.

Independent Auditors' 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*

Board of Directors
Second Sense

We have audited, in accordance with the 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 Second Sense (the Organization), which comprise the statement of financial position as of June 30, 2017, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated January 29, 2018.

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) to determine the 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.

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. 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.

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 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.

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Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization's financial statements are free from 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 determination of financial statement amounts. 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 results 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.

Ostrow Reisin Berk & Abrams, Ltd.

Chicago, IL
January 29, 2018

SECOND SENSE

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED JUNE 30, 2017

There were no findings during the year ended June 30, 2017.