

SITIKE COUNSELING CENTER
FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2018

SITIKE COUNSELING CENTER
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JUNE 30, 2018

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A Division of SingerLewak

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Sitike Counseling Center

Report on the Financial Statements

We have audited the accompanying financial statements of Sitike Counseling Center (the "Organization"), which comprise the statement of financial position as of June 30, 2018, the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to financial statements (collectively, 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit 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 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, 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.

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 the Organization as of June 30, 2018, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited the Organization's 2017 financial statements, and our report dated October 24, 2017, expressed an unmodified opinion on those audited financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2017, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Schedule of San Mateo County Programs 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 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 our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 25, 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.

Singer Lewak LLP

September 25, 2018

SITIKE COUNSELING CENTER
STATEMENT OF FINANCIAL POSITION
June 30, 2018
(Comparative Information at June 30, 2017)

| | 2018 | 2017 |
|---|-------------------|-------------------|
| ASSETS | | |
| Current assets | | |
| Cash and cash equivalents | \$ 283,663 | \$ 250,034 |
| Accounts receivable | 344 | 4,184 |
| Prepaid expenses and deposits | 13,737 | 16,525 |
| Total current assets | 297,744 | 270,743 |
| Noncurrent assets | | |
| Certificates of deposit | 248,155 | 202,092 |
| Equipment and improvements, net | 509 | 891 |
| Total noncurrent assets | 248,664 | 202,983 |
| Total assets | \$ 546,408 | \$ 473,726 |
| LIABILITIES AND NET ASSETS | | |
| Current liabilities | | |
| Accounts payable | \$ 14,035 | \$ 14,669 |
| Accrued contract liability | 48,461 | 42,693 |
| Accrued employee benefits | 15,760 | 14,291 |
| Total current liabilities | 78,256 | 71,653 |
| Net assets | | |
| Unrestricted | 468,152 | 402,073 |
| Total net assets | 468,152 | 402,073 |
| Total liabilities and net assets | \$ 546,408 | \$ 473,726 |

The accompanying notes are an integral part of these financial statements.

SITIKE COUNSELING CENTER
STATEMENT OF ACTIVITIES
Year Ended June 30, 2018
(Summarized Comparative Information for the Year Ended June 30, 2017)

| | <u>Unrestricted</u> | <u>Total 2018</u> | <u>Total 2017</u> |
|--------------------------------------|---------------------|-----------------------|-----------------------|
| Revenue | | | |
| Contracts | \$ 566,934 | \$ 566,934 | \$ 553,664 |
| Fees | 345,811 | 345,811 | 347,834 |
| Grants and contributions | 20,313 | 20,313 | 21,521 |
| Special events, net | 3,312 | 3,312 | - |
| Interest income | 1,556 | 1,556 | 1,245 |
| Other | 3 | 3 | - |
| Total revenue | <u>937,929</u> | <u>937,929</u> | <u>924,264</u> |
| Expenses | | | |
| Program services | 855,366 | 855,366 | 836,708 |
| Supporting services | | | |
| Administration and general expenses | 10,677 | 10,677 | 7,022 |
| Fundraising | 5,807 | 5,807 | 3,259 |
| Total expenses | <u>871,850</u> | <u>871,850</u> | <u>846,989</u> |
| Change in net assets | 66,079 | 66,079 | 77,275 |
| Net assets, beginning of year | <u>402,073</u> | <u>402,073</u> | <u>324,798</u> |
| Net assets, end of year | <u>\$ 468,152</u> | <u>\$ 468,152</u> | <u>\$ 402,073</u> |

The accompanying notes are an integral part of these financial statements.

SITIKE COUNSELING CENTER

STATEMENT OF FUNCTIONAL EXPENSES

Year Ended June 30, 2018

(Summarized Comparative Information for the Year Ended June 30, 2017)

| | Program Services | | | | | | Supporting Services | | | Total 2018 | Total 2017 |
|-------------------------------|-------------------|------------------------------|--------------------------------|----------------------------------|----------------------|---------------------|------------------------------|----------------------------------|-----------------|-------------------|-------------------|
| | SMC - ODS | First Offender Program | Child Protective Service | Deferred Entry of Judgment | Domestic Violence | Anger Management | Total Program Services | Administration and General | Fundraising | | |
| Salaries and benefits | \$ 362,654 | \$ 128,979 | \$ 42,077 | \$ 24,780 | \$ 29,623 | \$ 5,770 | \$ 593,883 | \$ 7,532 | \$ 2,998 | \$ 604,413 | \$ 578,694 |
| Occupancy expense | 41,035 | 21,345 | 2,622 | 2,808 | 1,757 | 696 | 70,263 | 41 | - | 70,304 | 70,304 |
| Client transportation | 61,366 | 187 | - | 11 | 6 | - | 61,570 | 24 | - | 61,594 | 59,851 |
| Professional fees | 25,421 | 3,908 | 435 | 447 | 549 | 137 | 30,897 | 138 | 240 | 31,275 | 26,509 |
| Supplies and equipment leases | 10,944 | 6,388 | 616 | 478 | 509 | - | 18,935 | 81 | 273 | 19,289 | 17,120 |
| Drug testing | 2,477 | - | 14,716 | 1,929 | - | - | 19,122 | - | - | 19,122 | 17,250 |
| Monitoring fees | - | 17,345 | - | 1,582 | - | - | 18,927 | - | - | 18,927 | 20,301 |
| Utilities | 6,204 | 2,868 | 252 | 401 | 313 | 96 | 10,154 | 38 | - | 10,192 | 17,376 |
| Telephone | 4,283 | 2,997 | 167 | 320 | 320 | - | 8,087 | 27 | - | 8,114 | 7,448 |
| Insurance | 3,953 | 2,310 | 154 | 277 | 235 | 24 | 6,953 | 24 | - | 6,977 | 6,798 |
| Licenses and fees | 3,999 | 2,150 | - | 260 | 489 | - | 6,898 | 26 | - | 6,924 | 11,875 |
| Repairs and maintenance | 4,068 | 1,553 | 115 | 251 | 221 | 62 | 6,270 | 7 | - | 6,277 | 6,710 |
| Food supplies | 2,363 | - | - | - | - | - | 2,363 | 26 | 2,276 | 4,665 | 2,569 |
| Staff training | 746 | 68 | - | 24 | 17 | - | 855 | 2,206 | - | 3,061 | 1,835 |
| Depreciation | - | - | - | - | - | - | - | 382 | - | 382 | 382 |
| Board expense | 113 | 60 | - | 10 | 6 | - | 189 | 125 | 20 | 334 | 1,293 |
| Website | - | - | - | - | - | - | - | - | - | - | 631 |
| Legal expenses | - | - | - | - | - | - | - | - | - | - | 43 |
| Total expenses | \$ 529,626 | \$ 190,178 | \$ 61,154 | \$ 33,578 | \$ 34,045 | \$ 6,785 | \$ 855,366 | \$ 10,677 | \$ 5,807 | \$ 871,650 | \$ 846,988 |

The accompanying notes are an integral part of these financial statements.

SITIKE COUNSELING CENTER
STATEMENT OF CASH FLOWS
Year Ended June 30, 2017
(Comparative Information for the Year Ended June 30, 2016)

| | <u>2018</u> | <u>2017</u> |
|---|-------------------|-------------------|
| Cash flow from operating activities | | |
| Change in net assets | \$ 66,079 | \$ 77,275 |
| Adjustments to reconcile change in net assets to net cash provided by operating activities | | |
| Reinvested interest | (1,063) | (759) |
| Depreciation | 382 | 382 |
| Change in operating assets and liabilities | | |
| Accounts receivable | 3,840 | 3,032 |
| Prepaid expenses and deposits | 2,788 | (1,600) |
| Accounts payable | (634) | 1,115 |
| Accrued contract liability | 5,768 | 3,205 |
| Accrued employee benefits | 1,469 | 2,043 |
| Net cash provided by operating activities | <u>78,629</u> | <u>84,693</u> |
| Cash flow from investing activities | | |
| Purchase of certificate of deposit | (45,000) | (100,000) |
| Net cash used in investing activities | <u>(45,000)</u> | <u>(100,000)</u> |
| Net change in cash and cash equivalents | 33,629 | (15,307) |
| Cash and cash equivalents, beginning of year | <u>250,034</u> | <u>265,341</u> |
| Cash and cash equivalents, end of year | <u>\$ 283,663</u> | <u>\$ 250,034</u> |

The accompanying notes are an integral part of these financial statements.

SITIKE COUNSELING CENTER

NOTES TO FINANCIAL STATEMENTS

June 30, 2018

NOTE 1 – NATURE OF ACTIVITIES

Sitike Counseling Center is a California-based nonprofit organization, founded in 1988, that provides outpatient abuse and mental health treatment to adult residents of San Mateo County and the surrounding Bay Area communities. Our mission is to provide community-based counseling and education in a safe and healing environment that embraces the cultural and emotional needs of every client and to help people find hope, resiliency and life-affirming change.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

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

Basis of Presentation

U.S. GAAP requires that the Organization report information regarding its financial position and activities according to three classes of assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. At June 30, 2018, the Organization had no temporarily restricted or permanently restricted net assets.

Cash and Cash Equivalents

The Organization considers all highly liquid investments with a maturity of three months or less at the purchase date to be cash equivalents.

Accounts Receivable

Accounts Receivable relate primarily to governmental agencies and are stated at the amount the Organization expects to collect. The Organization's policy is to review receivables periodically and to assess the probability of collection. When it is deemed probable that amounts are not collectible, an allowance for doubtful accounts is established with a corresponding charge to operations. For the year ended June 30, 2018, there was no allowance for doubtful accounts established and no bad debts written off.

Equipment and Improvements

Acquisitions of equipment and improvements in excess of \$2,000 are capitalized. Property and equipment are carried at cost, or, if donated, at the approximate fair value at the date of donation. Depreciation is computed using the straight-line method over the estimated useful lives of the related assets.

Use of Estimates

Management uses estimates and assumptions in preparing financial statements in accordance with U.S. GAAP. Those estimates and assumptions affect the reported amounts of asset and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses during the reporting period. Actual results could differ from those estimates.

SITIKE COUNSELING CENTER
NOTES TO FINANCIAL STATEMENTS
June 30, 2018

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Contributions

The Organization reports information about its financial position and activities according to three classes of net assets: unrestricted, temporarily restricted, and permanently restricted. Unrestricted contributions are recognized as an increase in unrestricted net assets when received. Donor restricted contributions are reported as increases in temporarily or permanently restricted net assets, depending on the nature of the donor-imposed restriction. When restrictions are satisfied, either by the passage of time or by accomplishing the purpose, the temporarily restricted net assets are reclassified to unrestricted net assets and reported in the activity statement as net assets released from restrictions. When restrictions are satisfied in the same accounting period that the contribution is received, both the revenue and the related expenses are reported in the unrestricted net asset class. There were no temporarily or permanently restricted net assets at June 30, 2018.

Client Fees

Fees are charged for treatment and services provided by the Organization. Due to the uncertain nature of collection of these fees, revenue is recognized only when cash is received.

Contributed Services

Contributions of services are recognized when received if such services (a) create or enhance non-financial assets, (b) require specialized skills, and (c) are provided by individuals possessing those skills, and would typically need to be purchased if not donated. The Organization pays for most services requiring specific expertise.

Donated Property and Equipment

Donations of property and equipment are recorded as support at their estimated fair value at the date of donation. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted support. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Organization reclassifies temporarily restricted net assets to unrestricted net assets at that time.

Functional Allocation of Expenses

Expenses are charged to programs and supporting services on the basis of periodic time and expense studies as well as estimates made by the Organization's management. General and administrative expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the organization.

SITIKE COUNSELING CENTER
NOTES TO FINANCIAL STATEMENTS
June 30, 2018

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Income Taxes

The Organization is exempt from federal income taxes under Internal Revenue Code Section 501(c)(3) and California Revenue and Taxation Code Section 23701d. In addition, the Organization also qualifies for the charitable contribution deduction under Section 170(b)(1)(A)(vi) and has been classified as an organization other than a private foundation under Section 509(a)(1).

The Organization recognizes the effect of income tax positions only if those positions are more likely than not to be sustained. The Organization does not believe its financial statements include any uncertain tax positions.

Comparative Financial Information

The financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended June 30, 2017, from which the summarized information was derived.

Recent Accounting Pronouncements

In August 2016, the FASB issued ASU 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*, which simplifies and improves how a not-for-profit organization classifies its net assets, as well as the information it presents in financial statements and notes about its liquidity, financial performance, and cash flows. Among other changes, the ASU replaces the three current classes of net assets with two new classes, "net assets with donor restrictions" and "net assets without donor restrictions", and expands disclosures about the nature and amount of any donor restrictions. ASU 2016-14 is effective for fiscal years beginning after December 15, 2017 and interim periods within fiscal years beginning after December 15, 2018, with early adoption permitted. The Organization is currently evaluating the impact the adoption of this guidance will have on its financial statements.

In May 2014, the FASB issued ASU 2014-09, *Revenue from Contracts with Customers (Topic 606)*, requiring an entity to recognize the amount of revenue to which it expects to be entitled for the transfer of promised goods or services to customers. The updated standard will replace most existing revenue recognition guidance in U.S. GAAP when it becomes effective and permits the use of either a full retrospective or retrospective with cumulative effect transition method. In August 2015, the FASB issued ASU 2015-14 which defers the effective date of ASU 2014-09 one year making it effective for annual reporting periods beginning after December 15, 2018. The Organization has not yet selected a transition method and is currently evaluating the effect that the standard will have on the financial statements, but expects revenues to remain substantially unchanged.

SITIKE COUNSELING CENTER
NOTES TO FINANCIAL STATEMENTS
June 30, 2018

NOTE 3 – CONCENTRATION OF CREDIT RISK

The Organization maintains cash balances at two financial institutions. Accounts at these institutions are insured up to \$250,000. The Organization does not believe that it is exposed to any significant risk in connection with any uninsured cash balances.

Contracts with the County of San Mateo accounted for 61% of the Organization's revenues and support for the year ended June 30, 2018.

NOTE 4 – CERTIFICATES OF DEPOSIT

| | |
|--|--------------------------|
| Sterling Bank and Trust, 1 year certificate of deposit, earning interest at 0.65%, matured July 2018. The certificate was renewed at maturity with a new maturity date of July 31, 2019. | \$ 102,656 |
| Sterling Bank and Trust, 6 month certificate of deposit, earning interest at 0.40%, maturity date October 31, 2018 | <u>145,499</u> |
| Total | <u>\$ 248,155</u> |

NOTE 5 – EQUIPMENT AND IMPROVEMENTS

| | |
|---------------------------------|----------------------|
| Furniture and equipment | \$ 53,529 |
| Leasehold Improvements | 168,244 |
| | 221,773 |
| Less: accumulated depreciation | <u>(221,264)</u> |
| Equipment and improvements, net | <u>\$ 509</u> |

NOTE 6 – RETIREMENT PLAN

The Organization has a 403(b) tax deferred annuity plan that provides retirement benefits to eligible employees. Employees are eligible to participate upon being hired and are permitted to contribute 100% of their compensation up to the maximum permitted by law. No matching contribution was made by the Organization for the year ended June 30, 2018.

SITIKE COUNSELING CENTER
NOTES TO FINANCIAL STATEMENTS
June 30, 2018

NOTE 7 – OPERATING LEASES

The Organization is obligated under a long-term lease agreement for a copier extending to December 2018. For the year ended June 30, 2018, rent paid under this operating lease was \$4,352. Future minimum lease commitments under this equipment lease are as follows:

| | |
|-----------------------------|------------------------|
| <u>Year Ending June 30,</u> | |
| 2019 | <u>\$ 2,134</u> |

The Organization leases its facilities under a month-to-month lease. For the year ended June 30, 2018, rent paid under this lease was \$70,304.

NOTE 8 – CONTINGENT LIABILITIES

The Organization's grants and contracts are subject to inspection and audit by the appropriate governmental funding agencies. The purpose is to determine whether the program funds were used in accordance with their respective guidelines and regulations. The potential exists for disallowance of previously funded program costs. For the year ended June 30, 2018, the Organization has determined that the potential disallowance of program costs is reasonably estimable and has included the contingent liability on the statement of financial position as accrued contract liability.

NOTE 9 – SUBSEQUENT EVENTS

Management has evaluated subsequent events through September 25, 2018, the date which the financial statements were available to be issued, and determined that no reportable subsequent events occurred.

SUPPLEMENTARY INFORMATION

SITIKE COUNSELING CENTER
SCHEDULE OF SAN MATEO COUNTY PROGRAMS
Year Ended June 30, 2018

| <u>Program Name</u> | <u>County Department</u> | <u>Contract Number</u> | <u>Contract Period</u> | <u>Contract Amount</u> | <u>Expenditures</u> | | <u>Amount Received from County</u> | |
|---------------------|----------------------------|------------------------|----------------------------|------------------------|---------------------|------------------------------|------------------------------------|------------------------------|
| | | | | | <u>Fiscal Year</u> | <u>Contract Life-to-Date</u> | <u>Fiscal Year</u> | <u>Contract Life-to-Date</u> |
| SMC ODS | Behavioral Health | 75001 | Feb 1, 2017 - Jun 30, 2018 | \$ 527,685 | \$ 529,624 | \$ 743,192 | \$ 527,685 | \$ 741,150 |
| CPS Services | Children & Family Services | 74607 | Jul 1, 2016 - Dec 31, 2018 | \$ 48,450 | \$ 48,858 | \$ 98,876 | \$ 48,450 | \$ 94,230 |
| Anger Management | Children & Family Services | 74200-17-D007 | Jul 1, 2016 - Jun 30, 2019 | \$ 12,150 | \$ 6,785 | \$ 12,577 | \$ 585 | \$ 1,116 |
| Domestic Violence | Children & Family Services | 74200-17-D007 | Jul 1, 2016 - Jun 30, 2019 | \$ 12,150 | \$ 34,045 | \$ 54,500 | \$ 560 | \$ 560 |



A Division of SingerLewak

**INDEPENDENT AUDITOR'S 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
Sitike Counseling Center

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 Sitike Counseling Center (the "Organization"), which comprise the statement of financial position as of June 30, 2018, the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to financial statements, and have issued our report thereon dated September 25, 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.

Board of Directors
Sitike Counseling Center
Independent Auditor's 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
Page 2 of 2

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.

Singer Lewak LLP

September 25, 2018