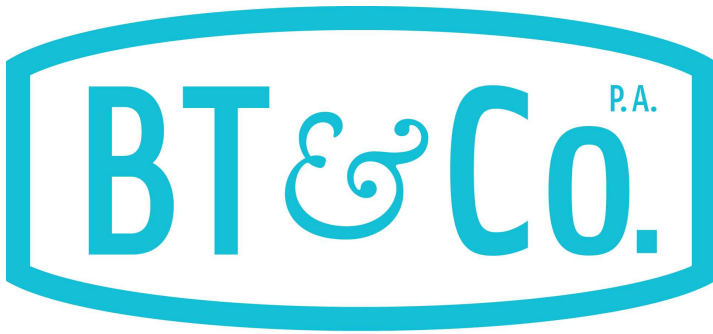




Certified Public Accountants

DCCCA, INC.

FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021

DCCCA, INC.
FINANCIAL STATEMENTS
Year Ended June 30, 2021

Table of Contents

	<u>Page</u>
Independent Auditors' Report	1 - 2
Financial Statements:	
Statement of Financial Position	3 - 4
Statement of Activities	5
Statement of Functional Expenses	6
Statement of Cash Flows	7
Notes to the Financial Statements	8 - 20
Supplementary Information:	
Schedule of Expenditures of Federal Awards	21 - 24
Notes to Schedule of Expenditures of Federal Awards	25
Schedule of Findings and Questioned Costs	26 - 27
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 <i>Government Auditing Standards</i>	28 - 29
Independent Auditors' Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance	30 - 31



INDEPENDENT AUDITORS' REPORT

Board of Directors
DCCCA, Inc.

Report on the Financial Statements

We have audited the accompanying financial statements of DCCCA, Inc. (DCCCA), which comprise the statement of financial position as of June 30, 2021, and the related statements of activities, functional expenses, and cash flows for the year 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 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 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 DCCCA'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 DCCCA'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.

An Independently Owned Member, RSM US Alliance

RSM US Alliance member firms are separate and independent businesses and legal entities that are responsible for their own acts and omissions, and each are separate and independent from RSM US LLP. RSM US LLP is the U.S. member firm of RSM International, a global network of independent audit, tax, and consulting firms. Members of RSM US Alliance have access to RSM International resources through RSM US LLP but are not member firms of RSM International.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of DCCCA as of June 30, 2021, 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.

Other Matters

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary schedules listed in the accompanying table of contents, including the schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* are presented for purposes of additional analysis and are 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 December 15, 2021 on our consideration of DCCCA'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 solely 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 the effectiveness of DCCCA's 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 DCCCA's internal control over financial reporting and compliance.

BT & Co., P.A.

December 15, 2021
Topeka, Kansas

DCCCA, INC.
STATEMENT OF FINANCIAL POSITION
June 30, 2021

ASSETS

Current assets:	
Cash and cash equivalents	\$ 2,800,509
Accounts receivable:	
Grants and contracts	1,891,599
Client and Medicaid	180,342
Other	8,373
Prepaid expenses	744,707
Short-term investments	<u>2,693,867</u>
Total current assets	<u>8,319,397</u>
Long-term investments	<u>47,550,634</u>
Property and equipment:	
Buildings	9,917,948
Furniture, fixtures and equipment	1,292,551
Less accumulated depreciation	(5,831,556)
Construction in process	16,325
Land	<u>3,959,614</u>
Net property and equipment	<u>9,354,882</u>
Total assets	<u><u>\$ 65,224,913</u></u>

(Continued)

DCCCA, INC.
STATEMENT OF FINANCIAL POSITION
(Continued)
June 30, 2021

LIABILITIES AND NET ASSETS

Current liabilities:	
Accounts payable	\$ 1,056,494
Accrued expenses	1,432,644
Deferred revenue	<u>36,508</u>
Total current liabilities	2,525,646
Long-term accrued expenses	<u>270,193</u>
Total liabilities	<u>2,795,839</u>
Net assets:	
Without donor restrictions:	
Undesignated	14,754,527
Board designated	<u>47,550,634</u>
Total without donor restrictions	62,305,161
With donor restrictions	<u>123,913</u>
Total net assets	<u>62,429,074</u>
Total liabilities and net assets	<u><u>\$ 65,224,913</u></u>

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

DCCCA, INC.
STATEMENT OF ACTIVITIES
Year Ended June 30, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
Changes in net assets:			
Revenues and support:			
Contracts	\$ 1,576,631	\$ -	\$ 1,576,631
Grants	23,104,304	-	23,104,304
Program fees	1,885,148	-	1,885,148
Net investment and interest income	11,185,379	-	11,185,379
Rental income	61,300	-	61,300
Contributions	63,823	205,230	269,053
Other	59,339	-	59,339
Net gain on sale of assets	14,570	-	14,570
Net assets released from restriction	210,276	(210,276)	-
	<u>38,160,770</u>	<u>(5,046)</u>	<u>38,155,724</u>
Total revenues and support			
Expenses:			
Program:			
Child welfare services	14,813,495	-	14,813,495
Behavioral health services	5,568,351	-	5,568,351
Community based services	3,653,897	-	3,653,897
Operations services	30,674	-	30,674
	<u>24,066,417</u>	<u>-</u>	<u>24,066,417</u>
Total program expenses			
Management and general	<u>3,558,191</u>	<u>-</u>	<u>3,558,191</u>
Total expenses	<u>27,624,608</u>	<u>-</u>	<u>27,624,608</u>
Increase in net assets	10,536,162	(5,046)	10,531,116
Net assets, beginning of year	<u>51,768,999</u>	<u>128,959</u>	<u>51,897,958</u>
Net assets, end of year	<u>\$ 62,305,161</u>	<u>\$ 123,913</u>	<u>\$ 62,429,074</u>

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

DCCCA, INC.
STATEMENT OF FUNCTIONAL EXPENSES
Year Ended June 30, 2021

	Child Welfare Services	Behavioral Health Services	Community Based Services	Operations Services	Management and General	Total
Salaries, payroll taxes and benefits	\$ 5,226,510	\$ 3,551,608	\$ 1,462,763	\$ 219,982	\$ 2,468,847	\$ 12,929,710
Foster parent payments	7,764,869	-	-	-	-	7,764,869
Supplies and materials	281,200	445,283	1,239,736	65,269	111,574	2,143,062
Consulting and contractual services	333,546	426,503	634,596	3,330	470,493	1,868,468
Facility	-	14,344	-	628,377	177,225	819,946
Depreciation	381	12,834	-	296,608	173,674	483,497
Equipment	170,694	9,698	33,069	(16,892)	183,296	379,865
Insurance	106,018	44,732	-	104,293	47,941	302,984
Travel	189,791	4,651	38,068	39,334	15,938	287,782
Telephone, internet and postage	66,941	21,133	14,248	54,741	38,750	195,813
Miscellaneous	21,280	6,648	56,897	53	69,124	154,002
Recruitment and retention	65,976	13,281	27,023	83	36,974	143,337
Accounting and legal	9,963	9,571	-	-	49,574	69,108
Grant subrecipient	-	-	42,665	-	-	42,665
Public relations	-	-	-	-	39,500	39,500
Internal operations allocation	576,326	1,008,065	104,832	(1,364,504)	(324,719)	-
Total expenses	<u>\$ 14,813,495</u>	<u>\$ 5,568,351</u>	<u>\$ 3,653,897</u>	<u>\$ 30,674</u>	<u>\$ 3,558,191</u>	<u>\$ 27,624,608</u>
Internal allocation of management and general expenses:						
Total expenses	\$ 14,813,495	\$ 5,568,351	\$ 3,653,897	\$ 30,674	\$ 3,558,191	\$ 27,624,608
Allocation	1,284,702	486,513	327,732	-	(2,098,947)	-
	<u>\$ 16,098,197</u>	<u>\$ 6,054,864</u>	<u>\$ 3,981,629</u>	<u>\$ 30,674</u>	<u>\$ 1,459,244</u>	<u>\$ 27,624,608</u>

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

DCCCA, INC.
STATEMENT OF CASH FLOWS
Year Ended June 30, 2021

Cash flows from operating activities:	
Change in net assets	\$ 10,531,116
Adjustments to reconcile change in net assets to net cash from operating activities:	
Depreciation	483,497
Gain on sale of property and equipment	(14,570)
Realized gain on investments	(1,790,871)
Change in fair value of investments	(7,926,533)
Changes in assets and liabilities:	
(Increase) decrease in:	
Accounts receivable	(597,784)
Prepaid expenses	(470,940)
Increase (decrease) in:	
Accounts payable	236,227
Accrued expenses	125,105
Deferred revenue	(17,816)
Net cash from operating activities	557,431
Cash flows from investing activities:	
Purchases of investments	(9,032,456)
Proceeds from sale of investments	8,785,669
Purchases of property and equipment	(532,417)
Proceeds from disposal of property and equipment	14,570
Net cash from investing activities	(764,634)
Net decrease in cash and cash equivalents	(207,203)
Cash and cash equivalents, beginning of year	3,007,712
Cash and cash equivalents, end of year	\$ 2,800,509

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

DCCCA, INC.
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2021

1 - Organization and Summary of Significant Accounting Policies

Organization

DCCCA, Inc. (DCCCA) was organized in Kansas in 1974 as a nonprofit corporation. DCCCA provides social and community services to improve the health, safety, and well-being of those served. DCCCA coordinates programs across Kansas, Missouri, and Oklahoma to provide behavioral health prevention and treatment services, recruitment of foster homes, foster home training and support, family preservation services, community based services for prevention and traffic safety education and resources, and research and analysis. DCCCA cooperates with local, state, and national programs and associations to provide education, research, services, and resources.

Child Welfare Services

Child Placing Agency specialists recruit, train, and provide ongoing support for foster families in Kansas. The specialists support foster families through all stages of their placements 24 hours a day, 7 days a week.

Family Preservation therapists, case managers and family support staff provide in-home interventions to assist families in crisis by improving parenting and family functioning while keeping children safe.

Behavioral Health Services

Residential and outpatient treatment for substance abuse, and outpatient mental health services are provided by DCCCA across Kansas.

Community-Based Services

Community Based Services programs are designed to offer a variety of preventative and safety-based initiatives which address the needs of community partners. Our division focuses on offering in-person and virtual learning and training resources related to substance abuse prevention, mental health promotion, suicide prevention, and traffic safety. We have a special emphasis on opioid and stimulant prevention in Kansas and Oklahoma.

Research and Analysis

Using various metrics and benchmarks to measure success and effectiveness, DCCCA determines appropriate and measurable outcomes to improve the quality of the services provided. The Research and Analysis team also assists in data analysis for outside local, state, and government agencies. In addition, DCCCA performs and monitors direct observation passenger safety surveys to identify vulnerable populations and areas in the state so they can be provided more education and resources.

Cash and Cash Equivalents

For purposes of the statement of cash flows, DCCCA considers all short-term investments with an original maturity of three months or less to be cash equivalents. DCCCA made no cash payments for income taxes or interest during the year ended June 30, 2021.

DCCCA, INC.
NOTES TO THE FINANCIAL STATEMENTS
(Continued)

Accounts Receivable

Accounts receivable are stated at the amount management expects to collect on balances outstanding at year-end. Management provides for probable uncollectible amounts through a charge to earnings and a credit to an implicit allowance based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the implicit allowance and a credit to accounts receivable.

Investments

DCCCA invests in money market mutual funds and mutual funds which are reported at fair value. 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. Unrealized changes in fair values are included in the change in net assets. Investment securities are exposed to various risks, such as interest rate, market fluctuation and credit risk.

Property and Equipment

Property and equipment are stated at cost. Assets with a cost greater than \$ 2,000 are capitalized. Depreciation is computed on the straight-line method over the estimated useful lives of the assets, which vary from two to fifteen years for furniture, fixtures and equipment, and two to forty years for buildings and building improvements.

Maintenance, repairs and minor renewals are expensed as incurred, while expenditures for major additions and improvements are capitalized. When assets are disposed of, the related cost and accumulated depreciation are removed from the accounts and any gain or loss is recognized.

Accrued Vacation and Sick Pay

Employees are granted vacation and sick leave in varying amounts, based on length of service. In the event of termination or separation, an employee is paid for all accumulated vacation. If years of service and other qualifications are met, the employee is paid for accrued sick pay. It is the policy of DCCCA to record both vacation pay and qualified sick pay as an expense as it is earned. The amount of earned but unused accumulated vacation pay and qualified sick pay is included in accrued expenses on the statement of financial position.

Net Assets

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions: Net assets available for use in general operations and not subject to donor restrictions.

Net Assets With Donor Restrictions: Net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates

DCCCA, INC.
NOTES TO THE FINANCIAL STATEMENTS
(Continued)

that resources be maintained in perpetuity. DCCCA reports contributions restricted by donors as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions. At June 30, 2021, DCCCA had no net assets required to be held in perpetuity.

Revenue Recognition

Client/Patient Service Revenue

DCCCA reports client/patient service revenue at the amount that reflects the consideration to which DCCCA expects to be entitled to in exchange for providing patient care. These amounts are due from patients, third-party payors (including health insurers and government programs) and others and include variable consideration for retroactive adjustments due to settlement of audits and reviews. Revenue is recognized as performance obligations are satisfied.

Performance obligations are determined based on the nature of the services provided by DCCCA. Revenue for performance obligations satisfied over time is recognized based on actual charges incurred in relation to total expected (or actual) charges. DCCCA believes that this method provides a faithful depiction of the transfer of services over the term of the performance obligation based on the inputs needed to satisfy the obligation. Revenue for performance obligations satisfied at a point in time is recognized when goods or services are provided, and DCCCA does not believe it is required to provide additional goods or services to the patient.

DCCCA determines the transaction price based on standard charges for goods and services provided to patients, reduced by contractual adjustments provided to third-party payors, discounts provided to uninsured patients in accordance with DCCCA's policy, and/or implicit price concessions. The implicit price concessions included in estimating the transaction price represent the difference between amounts billed to patients and the amounts expected to be collected based on DCCCA's collection history with a similar class of patients. DCCCA analyzes its past history and identifies trends for each of its major payor sources of revenue. Management regularly reviews data about these major payor sources of revenue. Subsequent changes to the estimate of the transaction price are generally recorded as adjustments to patient service revenue in the period of the change. Subsequent changes that are determined to be the result of an adverse change in the patient's ability to pay are recorded as bad debt expense. Bad debt expense for the year ended June 30, 2021 was not significant.

DCCCA recognizes client/patient service revenue associated with services provided to patients who have third-party payor coverage on the basis of contractual rates for the services rendered. For uninsured patients that do not qualify for charity care, DCCCA recognizes revenue on the basis of its standard rates for services provided (or on the basis of discounted rates, if negotiated or provided by policy). On the basis of historical experience, a significant portion of DCCCA's uninsured patients will be unable or unwilling to pay for the services provided. Thus, DCCCA records a significant price concession related to uninsured patients in the period the services are provided. As it relates to private customers, credit risk is mitigated because payment is received before, shortly after or at the time the goods or services are provided. For those program services

DCCCA, INC.
NOTES TO THE FINANCIAL STATEMENTS
(Continued)

provided before payment is received, continuing services will be terminated for non-payment, limiting future credit risk.

Accounts receivable associated with client/patient service revenue was \$ 180,342 and \$ 104,793 for the years ended June 30, 2021 and 2020, respectively.

Non-Client/Patient Service Revenue

DCCCA recognizes revenue from program services when the products are transferred, and the services are provided. All services are transferred at a point in time. Payment terms for services are not deemed to include any significant financing component as payment is received at the time, or shortly after, the goods or services are provided. Consideration paid for services is not variable. Accounts receivable associated with contract services was \$ 1,673,055 and \$ 1,304,852 for the years ended June 30, 2021 and 2020, respectively.

DCCCA recognizes contributions when cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been substantially met. DCCCA's federal and state contracts and grants are conditioned upon certain performance requirements and the incurrence of allowable qualifying expense. Consequently, at June 30, 2021, conditional contributions approximating \$ 1,781,424, for which \$ 36,508 had been received in advance, have not been recognized in the accompanying consolidated financial statements.

DCCCA's customers consist of federal, state and local government agencies and private customers, primarily located within the state of Kansas. For government grants and contracts, future cash flows depend on DCCCA's ability to continue to obtain federal, state and local government contracts, and indirectly on the amount of funding available to these agencies for new and current government projects. Therefore, a portion of DCCCA's operations is dependent upon the level and timing of government funding. Credit risk is mitigated because payment is received before, shortly after or at the time the goods or services are provided. For those program services provided before payment is received, continuing services will be terminated for non-payment, limiting future credit risk.

The disbursement of funds received under these awards generally requires compliance with terms and conditions as specified in the grant agreements and is subject to audit. Any disallowed claims resulting from such audits could become a liability of DCCCA. However, in the opinion of management, any such disallowed claims will not have a material effect on DCCCA's financial position.

Functional Expenses

The costs of providing program and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Salaries and payroll taxes are allocated based on time and effort, benefits are allocated based on enrolled employees, program expenses are allocated directly to the program benefited, supplies and materials are allocated based on reported usage, and facilities are allocated based on square footage. Internally, management allocates a significant portion of management and general expenses and operations to program activities.

DCCCA, INC.
NOTES TO THE FINANCIAL STATEMENTS
(Continued)

The internal operations allocation includes shared operations expenses, such as facility management allocated on a square footage basis, owned vehicle expenses, allocated on a program usage basis and information technology expenses, allocated based numbers of employees. Internal allocation of management and general expenses are based on ten percent of allowable direct program expenses unless a specific funding arrangement requires a different allocation basis be utilized.

Tax-Exempt Status

DCCCA has received a determination letter from the Internal Revenue Service stating that it is exempt from federal income taxes under Internal Revenue Code Section 501(c)(3). Kansas recognizes IRS determinations. DCCCA has not been classified as a private foundation.

DCCCA files a Form 990 (Return of Organization Exempt from Income Tax) annually. When this return is filed, it is highly certain that some positions taken would be sustained upon examination by the taxing authorities, while others are subject to uncertainty about the merits of the position taken or the amount of the position that would ultimately be sustained. Examples of tax positions common to not for profit organizations include such matters as the following: the tax-exempt status of the entity and the nature, characterization and taxability of various positions relative to potential sources of unrelated business taxable income. Unrelated business taxable income is reported on Form 990T, as appropriate. The benefit of a tax position is recognized in the financial statements in the period during which, based on all available evidence, management believes that it is more likely than not that the position will be sustained upon examination, including the resolution of appeals or litigation processes, if any.

Tax positions are not offset or aggregated with other positions. Tax positions that meet the “more likely than not” recognition threshold are measured as the largest amount of tax benefit that is more than 50% likely to be realized on settlement with the applicable taxing authority. The portion of the benefits associated with tax positions taken that exceeds the amount measured as described above is reflected as a liability for uncertain tax benefits in the accompanying statements of financial position along with any associated interest and penalties that would be payable to the taxing authorities upon examination. As of June 30, 2021, there were no uncertain tax benefits identified and recorded as a liability.

Risk and Uncertainties

On January 30, 2020, the World Health Organization declared the coronavirus outbreak a "Public Health Emergency of International Concern" and, on March 11, 2020, declared it to be a pandemic. Actions taken around the world to help mitigate the spread of the coronavirus include restrictions on travel, quarantines in certain areas, and forced closures for certain types of public places and businesses. The coronavirus and actions taken to mitigate the spread of it have had and are expected to continue to have an adverse impact on the economies and financial markets of many countries, including the geographical area in which DCCCA operates. On March 27, 2020, the *Coronavirus Aid, Relief, and Economic Security Act* (CARES Act) was enacted to, amongst other provisions, provide emergency assistance for individuals, families and businesses affected by the pandemic.

It is unknown how long the adverse conditions associated with the pandemic will last and what the complete financial effect will be to DCCCA.

DCCCA, INC.
NOTES TO THE FINANCIAL STATEMENTS
(Continued)

As of the date of the auditors' report, DCCCA continues to experience declining client/patient service fee revenues associated with behavioral health services' reduced capacity within its residential treatment facilities. Additionally, it is uncertain if various therapeutic service deliveries currently provided virtually on a temporary provision will be allowed to continue. Labor shortages for certain positions, especially for jobs requiring in-home and face to face client contact, may become difficult to recruit and retain. Supply chain disruptions and shortages of personal protective gear and cleaning supplies could also impact DCCCA's ability to serve clients in a safe environment.

Accordingly, while management cannot quantify the financial and other impacts to DCCCA as of the date of the auditors' report, management believes that a material impact on the DCCCA's financial position and results of future operations is reasonably possible.

Additionally, it is reasonably possible that estimates made in DCCCA's financial statements have been, or will be, materially and adversely impacted in the near term as a result of these conditions.

In April 2020, DCCCA applied for and received \$ 1,964,400 from the Paycheck Protection Program (PPP), made available through the CARES Act. DCCCA recognized the PPP funds as revenue for the year ended June 30, 2020 based on satisfying the criteria for forgiveness of the loan. In March 2021, full loan forgiveness was received from the Small Business Administration.

Additionally, during FY2021, DCCCA received \$ 755,788 of funding related to one or more of the COVID-19 federal funding sources.

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 certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Recent Accounting Pronouncement

In August 2018, FASB issued ASU 2018-13, *Fair Value Measurement (Topic 820): Disclosure Framework – Changes to the Disclosure Requirements for Fair Value Measurement*, which removes, modifies and adds certain disclosure requirements of ASC Topic 820. The ASU is effective for all entities for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2019. DCCCA has implemented the provisions of ASU 2018-13. There is no effect on net assets or investments in connection with DCCCA's implementation of ASU 2018-13.

Pending Accounting Pronouncement

In February 2016, FASB issued ASU 2016-02, *Leases (Topic 842)*. The guidance in this ASU supersedes the leasing guidance in Topic 840, *Leases*. Under the new guidance, lessees are required to recognize lease assets and lease liabilities on the statement of financial position for all leases with terms longer than 12 months. Leases will be classified as either finance or operating with classification affecting the pattern of expense recognition in the income statement. The new standard is effective for fiscal years beginning after December 15, 2021, including interim periods within those fiscal years. Management is currently evaluating the effect that the standard will have on the financial statements.

DCCCA, INC.
NOTES TO THE FINANCIAL STATEMENTS
(Continued)

2 - Availability and Liquidity

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of June 30, 2021 are:

Financial assets:

Cash and cash equivalents	\$ 2,800,509
Grant receivables	1,891,599
Accounts receivable, net	180,342
Other receivable	8,373
Short term investments	2,693,867
Less net assets with donor restrictions	<u>(123,913)</u>
Total financial assets available for general expenditures within one year	<u><u>\$ 7,450,777</u></u>

DCCCA regularly monitors liquidity required to meet its operating needs, commitments and obligations, while striving to maximize the investment of its available funds. For purposes of analyzing resources available to meet general expenditures over a 12-month period, DCCCA considers all expenditures related to its ongoing mission. DCCCA anticipates collecting sufficient revenue from grants, contracts, fees for service and other sources including investment earnings to cover the general expenditures not covered by donor-restricted resources.

DCCCA, INC.
NOTES TO THE FINANCIAL STATEMENTS
(Continued)

3 - Investments

Short-term and long-term investments at June 30, 2021 are stated at fair value and are summarized as follows:

	<u>Cost</u>	<u>Fair Value</u>
Short-term:		
Money market mutual funds	\$ 2,693,867	\$ 2,693,867
Long-term:		
Mutual funds - equity:		
Large/mid cap value	4,145,240	4,998,733
Large/mid cap blend	879,640	1,027,982
Large cap growth	1,759,280	1,920,440
Large/mid cap growth	1,817,602	2,796,751
US stock	5,315,069	10,567,484
International, non US value	2,490,007	3,402,434
International, non US growth	1,332,374	3,096,645
International, non US stock	4,756,269	6,651,158
Mutual funds - bonds:		
Fixed income short-term	1,724,747	1,764,510
Fixed income intermediate	2,566,013	2,629,692
Fixed income multi-sector	6,807,856	6,966,682
Fixed income world	1,656,681	1,728,123
Total long-term investments	<u>35,250,778</u>	<u>47,550,634</u>
Total investments	<u>\$ 37,944,645</u>	<u>\$ 50,244,501</u>

The following schedule summarizes the investment return for short-term and long-term investments for the year ended June 30, 2021.

	<u>Without Donor Restrictions</u>
Interest and dividend income and realized gains and losses	\$ 3,304,806
Investment fees	(45,960)
Change in fair value of investments	<u>7,926,533</u>
	<u>\$ 11,185,379</u>

DCCCA, INC.
NOTES TO THE FINANCIAL STATEMENTS
(Continued)

4 - Fair Value Measurements

The disclosure provisions of the Fair Value Measurements and Disclosures Topic of the Financial Accounting Standards Board Accounting Standards Codification (FASB ASC 820) establish a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value.

The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy under FASB ASC 820 are described below:

- | | |
|---------|--|
| Level 1 | Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities; |
| Level 2 | Quoted prices in markets that are not considered to be active or financial instruments for which all significant inputs are observable, either directly or indirectly; |
| Level 3 | Prices or valuations that require inputs that are both significant to fair value measurement and unobservable. |

The asset 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.

The following is a description of the valuation methodology used for assets measured at fair value. There have been no changes in the methodology used at June 30, 2021.

Money market mutual funds and mutual funds: Valued by quoted market prices and other relevant information generated by market transactions.

DCCCA, INC.
NOTES TO THE FINANCIAL STATEMENTS
(Continued)

Fair values of assets measured on a recurring basis at June 30, 2021 are as follows:

Description	Fair Value	Fair Value Measurements at Reporting Date		
		Level 1	Level 2	Level 3
Money market mutual funds	\$ 2,693,867	2,693,867	\$ -	\$ -
Mutual funds - equity:				
Large/mid cap value	4,998,733	4,998,733	-	-
Large/mid cap blend	1,027,982	1,027,982	-	-
Large cap growth	1,920,440	1,920,440	-	-
Large/mid cap growth	2,796,751	2,796,751	-	-
US stock	10,567,484	10,567,484	-	-
International, non US value	3,402,434	3,402,434	-	-
International, non US growth	3,096,645	3,096,645	-	-
International, non US stock	6,651,158	6,651,158	-	-
Mutual funds - bonds:				
Fixed income short-term	1,764,510	1,764,510	-	-
Fixed income intermediate	2,629,692	2,629,692	-	-
Fixed income multi-sector	6,966,682	6,966,682	-	-
Fixed income world	1,728,123	1,728,123	-	-
	<u>\$ 50,244,501</u>	<u>\$ 50,244,501</u>	<u>\$ -</u>	<u>\$ -</u>

5 - Leases

DCCCA has entered into various operating leases for program facilities that include leases that are either renegotiated annually or are on a month-to-month basis, as well as agreements with lease terms in excess of one year. The agreements contain provisions that the facility leases may be terminated with prior written notice if certain funding sources are not renewed. During the year ended June 30, 2021, rent expense for these leases was \$ 212,557.

The following is a schedule of future minimum lease payments required under the operating leases with initial or remaining lease terms in excess of one year as of June 30, 2021:

Year Ended June 30,	
2022	\$ 224,552
2023	215,412
2024	193,449
2025	44,016
2026	9,170
	<u>\$ 686,599</u>

DCCCA, INC.
NOTES TO THE FINANCIAL STATEMENTS
(Continued)

6 - Concentrations

Information regarding concentrations follows:

Concentrations of Credit Risk

DCCCA manages deposit concentration risk by placing cash with financial institutions believed by management to be creditworthy. At times, amounts on deposit may exceed insured limits or include uninsured investments in mutual funds. To date, DCCCA has not experienced losses in any of these accounts. Investments are made by an investment manager whose performance is monitored by DCCCA. Although the fair values of investments are subject to fluctuation on a year-to-year basis, DCCCA believes that the investment policies and guidelines are prudent for the long-term welfare of the organization.

Accounts Receivable – Client and Medicaid and Other

DCCCA's outpatient treatment clients are primarily located in eastern Kansas. Concentration risk is limited, however, because of the large number of clients comprising DCCCA's client base and because most clients are insured under third-party agreements. The net amount receivable at June 30, 2021, from clients, third-party and other payers totaled \$ 180,342.

Revenues and Support

Substantially all of DCCCA's revenue and support is received from various federal and state governmental agencies in the form of grants or contracts. DCCCA's three largest governmental funding sources accounted for approximately 51% of DCCCA's total revenue and support for the year ended June 30, 2021 and 76% of the net accounts receivable from grants and contracts of \$ 1,891,599 at June 30, 2021. Concentration risk is considered limited, however, because of the number of grants and contracts received.

7 - Board Designated Net Assets

DCCCA's Board of Directors (the Board) has designated net assets of \$ 47,550,634 to be disbursed only at the Board's request. Principal disbursements of these net assets shall be used only for special projects outside of normal operating expenses, or for operating expenses when other sources are insufficient to meet said expenses. Distributions of accumulated income must be approved by the Board.

8 - Revenue Recognition - Disaggregation of Revenue from Contracts with Customers

The following table disaggregates DCCCA's revenue based on the timing of satisfaction of performance obligations for the year ended June 30, 2021:

Performance obligations satisfied at a point in time	\$ 20,572,752
Performance obligations satisfied over time	-
Total revenues from contracts with customers	<u>\$ 20,572,752</u>

DCCCA, INC.
NOTES TO THE FINANCIAL STATEMENTS
(Continued)

9 - Retirement Plan

DCCCA has a 403(b) retirement plan available to all employees. The plan allows participants to make pretax contributions, and DCCCA, at the option of the Board of Directors, may match certain percentages of employee contributions. All amounts contributed to the plan are deposited in a trust fund with a financial institution and administered by independent trustees. The net expense recorded by DCCCA for the year ended June 30, 2021 was \$ 177,789.

10 - Accrued Employee Benefits

DCCCA's employee health insurance plan is a partially self-funded plan, with current individual and aggregate stop loss insurance coverage in the amount of \$ 100,000 and \$ 1,000,000 respectively. The liability for claims incurred but not yet paid has been estimated to be approximately \$ 143,466 as of June 30, 2021 and has been recorded in the statement of financial position as an accrued expense.

11 - Net Assets with Donor Restrictions

Net assets with donor restrictions were available in the following amounts at June 30, 2021:

Purpose restriction:

Kansas Traffic Safety	\$ 8,562
Oklahoma SAFE	638
Lawrence Growing Food Growing Hope	5,627
Missouri Teen Seatbelt Use	28,069
Pratt Substance Use Disorder Housed Intensive Outpatient Program	20,000
Lawrence Tpsi Taxi	967
Opioid Education and Conference Initiative	33,330
Recovery Today Barrier Reeducation Initiative	4,692
Child Placing Agency Client Initiative	21,678
Harvesting Hope Supported Housing Initiative	100
Client Substance Disorder Reference Material Initiative	250
Total net assets with donor restrictions	<u><u>\$ 123,913</u></u>

DCCCA, INC.
NOTES TO THE FINANCIAL STATEMENTS
(Continued)

The following net assets with donor restrictions were released from restriction for their restricted purposes restrictions during the year ended June 30, 2021:

Kansas Traffic Safety	\$ 23,057
Oklahoma SAFE	43
Missouri Teen Seatbelt Use	2,844
Family Preservation Client Initiative	179,549
First Step at Lake View	250
Recovery Today Barrier Reeduction Initiative	<u>4,533</u>
Total net assets with donor restrictions released from restrictions	<u><u>\$ 210,276</u></u>

12 - Subsequent Events

DCCCA has evaluated subsequent events through the date of the independent auditors' report which is the date the financial statements are available to be issued.

SUPPLEMENTARY INFORMATION

DCCCA, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2021

Federal Grantor/Pass-Through Grantor/Program Title	Assistance Listing Number	Pass-Through Entity Identifying Number	Award Amount	Federal Expenditures	Amounts Passed on to Subrecipients
U.S. Department of Agriculture:					
Passed through National Institute of Food and Agriculture					
Passed through Kansas State Department of Education					
Cooperative Extension Service	10.500	2021	\$ 11,024	\$ 11,024	\$ -
Child and Adult Care Food Program	10.558	X0057	4,443	4,443	-
Total U.S. Department of Agriculture				15,467	-
U.S. Department of Transportation:					
Passed through National Highway Traffic Safety Administration					
Passed through Oklahoma Department of Public Safety					
Passed through Oklahoma Highway Safety Office					
Highway Safety Cluster:					
State and Community Highway Safety	20.600	OP-20-02-01-06	97,030	21,754	-
		OP-21-02-01-07	95,627	55,703	-
Passed through National Highway Traffic Safety Administration					
Passed through Missouri Department of Public Safety					
Passed through Highway Safety Office					
Highway Safety Cluster:					
State and Community Highway Safety	20.600	20-CP-09-002	45,000	4,838	-
		21-CP-09-001	47,500	25,986	-
Passed through National Highway Traffic Safety Administration					
Passed through Kansas Department of Transportation					
Passed through Bureau of Transportation Safety & Technology					
Highway Safety Cluster:					
State and Community Highway Safety	20.600	SP-1906-20	666,499	143,681	-
		SP-1906-21	666,499	451,516	-
National Priority Safety Program	20.616	SP-4506-20	248,241	48,163	-
		SP-4506-21	248,241	113,133	-
		SP-4701-20	30,000	55	-
		SP-4701-21	30,000	400	-
		SP-4504-20	40,000	9,107	-
		SP-4504-21	40,000	21,736	-
		SP-4801-20	37,000	9,130	-
		SP-4801-21	37,000	18,493	-
Highway Safety Cluster subtotal				923,695	-
Total U.S. Department of Transportation				\$ 923,695	\$ -

(Continued)

DCCCA, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
(Continued)

Federal Grantor/Pass-Through Grantor/Program Title	Assistance Listing Number	Pass-Through Entity Identifying Number	Award Amount	Federal Expenditures	Amounts Passed on to Subrecipients
U.S. Department of Treasury:					
Passed through State of Kansas Office of Recovery Strengthening People and Revitalizing Kansas (SPARK)					
Passed through Kansas Department for Aging and Disability Services					
Passed through Behavioral Health Services					
COVID-19 - Coronavirus Relief Fund	21.019	327216	\$ 577,454	\$ 577,454	\$ -
Passed through State of Kansas Office of Recovery Strengthening People and Revitalizing Kansas (SPARK)					
Passed through Kansas Department for Aging and Disability Services					
Passed through Crawford County					
COVID-19 - Coronavirus Relief Fund	21.019	NA	11,112	11,112	-
Passed through State of Kansas Office of Recovery Strengthening People and Revitalizing Kansas (SPARK)					
Passed through Kansas Department for Aging and Disability Services					
Passed through Douglas County					
COVID-19 - Coronavirus Relief Fund	21.019	NA	108,675	87,170	-
Passed through State of Kansas Office of Recovery Strengthening People and Revitalizing Kansas (SPARK)					
Passed through Kansas Department for Aging and Disability Services					
Passed through Sedgwick County					
COVID-19 - Coronavirus Relief Fund	21.019	NA	64,976	62,212	-
Coronavirus Relief Fund subtotal				737,948	-
Total U.S. Department of Treasury				737,948	-
U.S. Department of Health and Human Services:					
Passed through Centers for Disease Control and Prevention					
Passed through Kansas Department of Health and Environment					
Injury Prevention and Control Research and State and Community Based Programs	93.136	1 NU17CE924998-01-00	32,000	2,556	-
		PO# 86562	35,000	23,627	-
		PO# 89554	13,255	6,387	-
Passed through Substance Abuse and Mental Health Services Administration					
Passed through Center for Substance Abuse Prevention Drug-Free Communities Support Program Grants					
Passed through Kansas Department for Aging and Disability Services					
Substance Abuse and Mental Health Services - Projects of Regional and National Significance	93.243	1U79SP02079901 - 3	300,000	120,362	42,665
Passed through Substance Abuse and Mental Health Services Administration					
Passed through Center for Substance Abuse Prevention					
Passed through Oklahoma Department of Mental Health and Substance Abuse Services					
Substance Abuse and Mental Health Services - Projects of Regional and National Significance	93.243	1U79SP020703	25,494	25,246	-

(Continued)

DCCCA, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
(Continued)

Federal Grantor/Pass-Through Grantor/Program Title	Assistance Listing Number	Pass-Through Entity Identifying Number	Award Amount	Federal Expenditures	Amounts Passed on to Subrecipients
Passed through Centers for Disease Control and Prevention Passed through CDC National Center for Chronic Disease Prevention and Health Promotion Passed through CDC Office of Financial Resources Drug-Free Communities Support Program Grants	93.276	1 NH28CE002969-01-00	\$ 103,366	\$ 41,027	\$ -
Passed through Administration for Children and Families Office of Child Care Passed through Kansas Department of Education Passed through Children's Cabinet and Trust Fund Every Student Succeeds Act/Preschool Development Grants	93.434	3592-3070-Z383 3592-3070-Z431	68,981 68,980	65,486 16,228	- -
Passed through the Administration for Children and Families Passed through Kansas Department for Children and Families Title IV-E Prevention Program	93.472	PPS-2019-FFSUD-1	498	498	-
Passed through the Administration for Children and Families Passed through Kansas Department for Children and Families MaryLee Allen Promoting Safe and Stable Families Program Title IV-B	93.556	FP 46984 & 46985	213,637	213,637	-
Passed through the Administration for Children and Families Passed through Kansas Department for Children and Families Temporary Assistance for Needy Families	93.558	FP 46984 & 46985 PPD-2019-CPA-DCCCA-21	1,694,003 1,817,559	1,694,003 1,817,559	- -
Passed through the Administration for Children and Families Passed through Kansas Department for Children and Families Passed through Child Care Aware of Kansas Child Care and Development Block Grant	93.575	B790579 Supply B790579 RRF	1,500 7,729	1,500 7,229	- -
Passed through the Administration for Children and Families Passed through Kansas Department for Children and Families Stephanie Tubbs Jones Child Welfare Services Program IV-B COVID-19 - Stephanie Tubbs Jones Child Welfare Services Program IV-B	93.645	FP 46984 & 46985 IV-B CWS Pandemic Grant	664,007 18,460	664,007 18,460	- -
Passed through the Administration for Children and Families Passed through University of Kansas Center for Research Adoption Opportunities	93.652	Adoption	4,544	4,544	-
Passed through the Administration for Children and Families Passed through Kansas Department for Children and Families Foster Care Title IV-E	93.658	FP 46984 & 46985 PPD-2019-CPA-DCCCA-21	303,695 1,446,319	303,695 1,446,319	- -
Passed through the Administration for Children and Families Passed through Kansas Department for Children and Families Adoption Assistance Title IV-E	93.659	Adoption	49,692	49,692	-

(Continued)

DCCCA, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
(Continued)

Federal Grantor/Pass-Through Grantor/Program Title	Assistance Listing Number	Pass-Through Entity Identifying Number	Award Amount	Federal Expenditures	Amounts Passed on to Subrecipients
Passed through Substance Abuse and Mental Health Services Administration					
Passed through Kansas Department for Aging and Disability Services					
Passed through Community Services and Programs					
Passed through Behavioral Health Services					
Opioid STR Grants	93.788	NA	\$ 744,419	\$ 650,057	\$ -
		NA	22,935	12,221	-
		NA	38,750	38,715	-
		NA	430,000	421,022	-
		NA	50,000	4,011	-
		NA	75,000	1,842	-
		327216 SOR1	367,846	367,846	-
		327216	540,630	540,630	-
Passed through Substance Abuse and Mental Health Services Administration					
Passed through Center for Substance Abuse Prevention					
Drug-Free Communities Support Program Grants					
Passed through Oklahoma Department of Mental Health and Substance					
Abuse Services					
Opioid STR Grants	93.788	1H79TI081698	49,090	47,297	-
Passed through Kansas Department for Health and Environment					
Kansas Maternal, Infant and Early Childhood Home Visiting Grant	93.870	44982 - 2	65,360	16,142	-
		44982 - 3	58,295	11,362	-
Passed through Health Resources and Services Administration					
Passed through Pratt Regional Medical Center Corporation					
Passed through Ninescah Opioid and Workforce Coalition					
Rural Health Care Services Outreach, Rural Health Network					
Development and Small Health Care Provider Quality Improvement	93.912	NA	20,000	2,081	-
Passed through Substance Abuse and Mental Health Services Administration					
Passed through Kansas Department for Aging and Disability Services					
Passed through Behavioral Health Services					
Block Grants for Prevention and Treatment of Substance Abuse	93.959	Prevention	681,044	681,044	-
Passed through Substance Abuse and Mental Health Services Administration					
Passed through Kansas Department for Aging and Disability Services					
Passed through Community Services and Programs					
Passed through Behavioral Health Services					
Block Grants for Prevention and Treatment of Substance Abuse	93.959	327216	1,170,242	1,170,242	-
Passed through Centers for Disease Control and Prevention					
Passed through Kansas Department of Health and Environment					
Preventive Health and Health Services Block Grant	93.991	48631	10,000	9,927	-
		49395	10,000	4,173	-
Passed through Kansas Department for Health and Environment					
Maternal and Child Health Services Block Grant to the States	93.994	46875	45,000	16,958	-
Total U.S. Department of Health and Human Services				10,517,632	42,665
Total federal awards expenditures				\$ 12,194,742	\$ 42,665

See accompanying notes to Schedule of
Expenditures of Federal Awards

DCCCA, INC.
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
June 30, 2021

1 - Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of DCCCA under programs of the federal government for the year ended June 30, 2021. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements* for Federal Awards (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of DCCCA, it is not intended to and does not present the financial position, changes in net assets, or cash flows of DCCCA.

2 - Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. DCCCA has elected to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

DCCCA, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2021

Section I - Summary of Auditors' Results

Financial Statements

Type of auditors' report issued:	Unmodified
Internal control over financial reporting:	
Material weaknesses identified:	None
Significant deficiencies identified that are not considered to be material weaknesses:	None reported
Noncompliance material to financial statements noted:	None

Federal Awards

Internal control over major programs:	
Material weaknesses identified:	None
Significant deficiencies identified that are not considered to be material weaknesses:	None reported
Type of auditors' report issued on compliance for major programs:	Unmodified
Audit findings that are required to be reported in accordance with 2 CFR 200.516(a):	None
Identification of major programs:	

<u>Assistance Listing Number</u>	<u>Name of Federal Program</u>
93.788	Opioid State Targeted Response
93.959	Block Grants for Prevention and Treatment of Substance Abuse
Dollar threshold used to distinguish between Type A and Type B Programs:	\$ 750,000
Auditee qualified as low-risk auditee:	Yes

(Continued)

DCCCA, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Section II – Financial Statement Findings

None.

Section III – Federal Award Findings and Questioned Costs

None.



**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
DCCCA, Inc.

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 DCCCA, Inc. (DCCCA), which comprise the statement of financial position as of June 30, 2021, 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 December 15, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered DCCCA'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 DCCCA's internal control. Accordingly, we do not express an opinion on the effectiveness of DCCCA'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 DCCCA'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.

An Independently Owned Member, RSM US Alliance

RSM US Alliance member firms are separate and independent businesses and legal entities that are responsible for their own acts and omissions, and each are separate and independent from RSM US LLP. RSM US LLP is the U.S. member firm of RSM International, a global network of independent audit, tax, and consulting firms. Members of RSM US Alliance have access to RSM International resources through RSM US LLP but are not member firms of RSM International.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether DCCCA'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 financial statements. 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 DCCCA's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering DCCCA's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

BT & Co., P.A.

December 15, 2021
Topeka, Kansas



INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE

Board of Directors
DCCCA, Inc.

Report on Compliance for Each Major Federal Program

We have audited DCCCA, Inc.'s (DCCCA) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on DCCCA's major federal programs for the year ended June 30, 2021. DCCCA's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for DCCCA's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about DCCCA's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of DCCCA's compliance.

Opinion on Each Major Federal Program

In our opinion, DCCCA complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2021.

An Independently Owned Member, RSM US Alliance

RSM US Alliance member firms are separate and independent businesses and legal entities that are responsible for their own acts and omissions, and each are separate and independent from RSM US LLP. RSM US LLP is the U.S. member firm of RSM International, a global network of independent audit, tax, and consulting firms. Members of RSM US Alliance have access to RSM International resources through RSM US LLP but are not member firms of RSM International.

Report on Internal Control Over Compliance

Management of DCCCA is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered DCCCA's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of DCCCA's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

BT & Co., P.A.

December 15, 2021
Topeka, Kansas