

DOUGLAS COUNTY DENTAL CLINIC, INC.
LAWRENCE, KANSAS

FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2015

AND

INDEPENDENT AUDITORS' REPORT



A Professional Association • Certified Public Accountant

DOUGLAS COUNTY DENTAL CLINIC, INC.
Lawrence, Kansas

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KOHART
accounting, p.a.

To the Board of Directors
Douglas County Dental Clinic, Inc.
Lawrence, Kansas 66044

INDEPENDENT AUDITORS' REPORT ON FINANCIAL STATEMENTS

Report on the Financial Statements

We have audited the accompanying financial statements of Douglas County Dental Clinic, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2015, 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.

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 Douglas County Dental Clinic, Inc. as of December 31, 2015, 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 Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 17, 2016, on our consideration of Douglas County Dental Clinic, Inc.'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 Douglas County Dental Clinic, Inc.'s internal control over financial reporting and compliance.

Kohart Accounting, PA

Kohart Accounting, PA
A Professional Association
Certified Public Accountant

May 17, 2016

DOUGLAS COUNTY DENTAL CLINIC, INC.

Lawrence, Kansas

STATEMENT OF FINANCIAL POSITION

As of December 31, 2015

ASSETS

Current Assets

Cash (Note 1)	\$ 359,225	
Accounts receivable, net of allowance (Note 3)	21,549	
Prepaid expenses	<u>8,627</u>	
Total current assets		\$ 389,402

Fixed Assets

Property and equipment (Note 4)	453,622	
Accumulated depreciation (Note 1)	<u>(269,404)</u>	
Total fixed assets		184,218

Other Assets

Investments (Note 5)	<u>252,202</u>	
Total other assets		<u>252,202</u>

Total assets		<u><u>\$ 825,821</u></u>
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LIABILITIES AND NET ASSETS

Current Liabilities

Accrued compensated absences (Note 7)	\$ 13,398	
Accrued payroll taxes	<u>640</u>	
Total current liabilities		\$ 14,038

Net Assets

Unrestricted		811,783
Temporarily Restricted		<u>-</u>
Total liabilities and net assets		<u><u>\$ 825,821</u></u>

The accompanying notes to financial statements are an integral part of this statement.

DOUGLAS COUNTY DENTAL CLINIC, INC.

Lawrence, Kansas

STATEMENT OF ACTIVITIES

For the year ended December 31, 2015

	Unrestricted	Unrestricted Board Designated	Temporarily Restricted	Total
Support				
Access to Baby and Child Dentistry program	\$ 18,333			\$ 18,333
United Way	64,362			64,362
KDHE	147,500			147,500
Local government	30,000			30,000
Other grants	23,633			23,633
KanCare	561,188			561,188
Private Pay	344,697			344,697
Contributions - cash	9,196			9,196
Contracted labor	2,995			2,995
Volunteer services	64,827			64,827
Fundraising	18,524			18,524
Miscellaneous	6,078			6,078
Net assests released from restriction	23,100	(23,100)		-
	<u>\$ 1,314,433</u>	<u>\$ (23,100)</u>	<u>\$ -</u>	<u>\$ 1,291,333</u>
Revenue				
Investment income	1,603	-		1,603
	<u>1,316,036</u>	<u>(23,100)</u>	<u>-</u>	<u>1,292,936</u>
Expenses				
Program services	1,029,697			1,029,697
Supporting services				
Management and general	164,831			164,831
Fundraising	8,769			8,769
	<u>1,203,297</u>	<u>-</u>	<u>-</u>	<u>1,203,297</u>
Change in net assets	112,739	(23,100)	-	89,639
Net assets, beginning of year	699,044	23,100	-	722,144
Net assets, end of year	<u>\$ 811,783</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 811,783</u>

The accompanying notes to financial statements are an integral part of this statement.

DOUGLAS COUNTY DENTAL CLINIC, INC.

Lawrence, Kansas

STATEMENT OF FUNCTIONAL EXPENSES

For the year ended December 31, 2015

	<u>Program Services</u>	<u>Supporting Services</u>	<u>Fundraising</u>	<u>Totals</u>
Salaries	\$ 524,647	\$ 110,950	\$ -	\$ 635,597
Payroll taxes	44,937	9,503		54,440
Advertising			975	975
Appreciation gifts		1,571		1,571
Automobile	2,225			2,225
Bad debt	42,617			42,617
Bank fees	3,370			3,370
Contract labor	81,652	2,490		84,142
Depreciation	36,454			36,454
Employee benefits	-			-
Fundraising			7,794	7,794
IRA matching contributions	6,714	2,290		9,004
Insurance: health	12,818			12,818
Insurance: other	7,583	2,068		9,651
Insurance: worker's compensation	2,372			2,372
License and permits	450			450
Maintenance and repairs	7,681			7,681
Membership and subscriptions		8,650		8,650
Miscellaneous	1,591			1,591
Patient reimbursement	82			82
Postage and shipping	1,167			1,167
Printing and reproduction	3,385			3,385
Professional services		10,875		10,875
Rent	49,356	11,255		60,611
Small office equipment	784			784
Supplies: dental	114,144			114,144
Supplies: office		5,179		5,179
Telephone	4,808			4,808
Training	2,353			2,353
Travel	267			267
Utilities	13,413			13,413
Volunteer services	64,827			64,827
Total	<u>\$ 1,029,697</u>	<u>\$ 164,831</u>	<u>\$ 8,769</u>	<u>\$ 1,203,297</u>

The accompanying notes to financial statements are an integral part of this statement.

DOUGLAS COUNTY DENTAL CLINIC, INC.

Lawrence, Kansas

STATEMENT OF CASH FLOWS
For the year ended December 31, 2015

Cash Flows From Operating Activities

Change in net assets	\$ 89,639
Adjustments to reconcile change in net assets to net cash flows	
Depreciation	36,454
Unrealized loss on investments	11,188
Realized gain on investments	-
(Increase) decrease in operating assets	
Accounts receivable	(12,924)
Prepaid expenses	(601)
Increase (decrease) in current liabilities	
Accrued compensated absences	3,984
Accrued payroll taxes	525
Net cash provided (used) by operating activities	<u>128,265</u>

Cash Flows From Investing Activities

Purchase of depreciable assets	(21,041)
Maturity of CD	21,705
Reinvested investment income	<u>(12,257)</u>
Net cash provided (used) by investing activities	<u>(11,593)</u>

Net increase (decrease) in cash for period 116,672

Cash as of beginning of period 242,553

Cash as of end of period \$ 359,225

Supplemental Information

Interest paid	<u><u>\$ -</u></u>
Income taxes paid	<u><u>\$ -</u></u>

The accompanying notes to financial statements are an integral part of this statement.

DOUGLAS COUNTY DENTAL CLINIC, INC.
Lawrence, Kansas

NOTES TO FINANCIAL STATEMENTS

Note 1 - Summary of Significant Accounting Policies

Nature of the Organization – Douglas County Dental Clinic, Inc. was organized in Douglas County, Kansas in 1999 to make quality dental care available to low income, uninsured residents of Douglas County, Kansas and recipients of Kansas Medicaid. The Organization provides reduced fee dental care and oral health education with focus given to the special needs of the patient community.

Financial Statement Presentation – Net assets and revenues, gains and losses are classified on donor imposed restrictions. Accordingly, net assets of the Organization and changes therein are classified and reports as follows:

Unrestricted – Resources over which the board of directors has discretionary control.

Temporarily Restricted – Resources subject to donor imposed restrictions which will be satisfied by actions of the Organization or passage of time.

Permanently Restricted – Resources subject to a donor imposed restriction which must be permanently maintained by the Organization.

Basis of Accounting – The Organization prepares its financial statements in accordance with generally accepted accounting principles, which involves the application of accrual accounting; consequently, revenues and gains are recognized when earned, and expenses and losses are recognized when incurred.

Management's 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 what will affect the reported amounts and disclosures. Accordingly, actual results could differ from those estimates. Any adjustments applied to estimated amounts are recognized in the year in which such adjustments are determined.

Cash and Cash Equivalents – The Organization considers all highly liquid investments purchased with an initial maturity of three months or less to be cash and cash equivalents. At times, amounts may exceed FDIC insured limits.

Generally accepted auditing standards state that cash available for current unrestricted use need not be reported separately from cash received with donor-imposed restrictions that is also available for current use.

Allowance for Doubtful Accounts – Management has determined the majority of fees for service to uninsured adults is or will be uncollectible. The Organization has recorded the provision for doubtful accounts as a bad debt. Accounts are reversed upon recoverability of the accounts or relieved at the point an account is written off. Bad debt expense for the year ended December 31, 2015 was \$42,617.

DOUGLAS COUNTY DENTAL CLINIC, INC.
Lawrence, Kansas

NOTES TO FINANCIAL STATEMENTS

Note 1 - Summary of Significant Accounting Policies (continued)

Property and Equipment – Purchased property, equipment and vehicles are valued at cost. Donated property, equipment and vehicles are recorded at the fair value at the date of the gift. Repairs and maintenance are charged to operations when incurred. Betterments and renewals in extend the life of assets are capitalized. When property, equipment and vehicles are sold or otherwise disposed of, the asset account and related accumulated depreciation account are relieved, and any gain or loss is included in operations. Depreciation is computed on a straight line method over the following useful life of the asset:

Buildings and Improvements	10 – 39 years
Furniture and Equipment	3 – 10 years
Vehicles	5 – 7 years

Depreciation expense for the year ended December 31, 2015 was \$36,454.

Contributions – The Organization accounts for contributions in accordance with accounting standards. Contributions received are recorded as increases in unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions. All donor-restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. Restricted support, where restrictions are met in the same period as the donation is made, is shown as additions to unrestricted support.

Donated Materials and Services – Donated materials and services are recognized as contributions in accordance with accounting standards at their estimated fair value if the services (a) create or enhance the Organization's non-financial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased. The Organization relies on local volunteers to achieve its objective of serving the dental health care needs of Douglas County, Kansas. Douglas County Dental Clinic, Inc. has calculated the amount of donated services based on the average health care wages from the U.S. Bureau of Statistics multiplied by the amount of hours contributed. This amounted to \$64,827 for the 2015 fiscal year.

The Organization also donates and discounts dental health care services to the families in need in the Douglas County, Kansas area. The Organization donated and discounted dental health care services totaling \$299,456 and \$156,176, respectively, for the 2015 fiscal year.

Statement of Functional Expenses – The costs of providing various programs and supporting services have been summarized on a functional basis in the statement of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

DOUGLAS COUNTY DENTAL CLINIC, INC.
Lawrence, Kansas

NOTES TO FINANCIAL STATEMENTS

Note 1 - Summary of Significant Accounting Policies (continued)

Income Taxes – The Organization is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code and, therefore, has no provision for federal income taxes. In addition, the Organization qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization other than a private foundation under Section 509(a)(2). Income determined to be unrelated business taxable income (UBTI) would be taxable.

The Organization follows the accounting standards for uncertain tax positions. The Organization's policy prescribes a recognition threshold and measurement principles for the financial statement recognition and measurement of tax positions taken or expected to be taken on a tax return that are not certain to be realized. The implementation of this policy had no impact on the Organization's financial statements.

The Organization files as a tax-exempt organization. As of December 31, 2015, its 2012 through 2014 fiscal year tax returns are open for examination by the IRS.

Fair Value Measurements – The Organization categorizes its assets and liabilities measured at fair value into a three-level hierarchy on the priority of the inputs to the valuation technique used to determine fair value. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level I) and the lowest priority to unobservable inputs (Level III). If the inputs used in the determination of the fair value measurement fall within different levels of the hierarchy, the categorization is based on the lowest input that is significant to the fair value measurement. Assets and liabilities valued at fair value are categorized based on the inputs to the valuation techniques as follows:

Level I – Inputs that utilize quoted prices (unadjusted) in active markets for identical assets or liabilities that the Organization has the ability to access. Fair values for these instruments are estimated using pricing models or quoted prices of securities with similar characteristics.

Level II – Inputs that include quoted prices for similar assets and liabilities in not active markets and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument.

Level III – Inputs that are unobservable inputs for the asset or liability, which are typically based on an entity's own assumptions, as there is little, if any, related market activity. Fair values for these instruments are estimated using appraised value.

Subsequent to initial recognition, the Organization may remeasure the carrying value of assets and liabilities measured on a nonrecurring basis to fair value. Adjustments to fair value usually result when certain assets are impaired. Such assets are written down from their carrying amounts to their fair value.

Professional standards allow entities the irrevocable option to elect to measure certain financial instruments and other items at fair value for the initial and subsequent measurement on an instrument-by-instrument basis.

DOUGLAS COUNTY DENTAL CLINIC, INC.
Lawrence, Kansas

NOTES TO FINANCIAL STATEMENTS

Note 1 - Summary of Significant Accounting Policies (continued)

Fair values are measured using independent pricing models or other model-based valuation techniques such as appraised values, adjusted for security's credit rating, prepayment assumptions, and other factors such as credit loss assumptions. The Organization does not have any assets or liabilities that are valued using Level I or Level II inputs.

Note 2 – Cash and Credit Risk

At year end, the bank carrying amounts of the organization's accounts were \$641,923, which consisted of \$215,650 in open accounts, \$174,071 in money market accounts, and \$252,202 in investments accounts.

On November 9, 2010, the FDIC issued a Final Rule implementing section 343 of the Dodd-Frank Wall Street Reform and Consumer Protection Act that provides for unlimited insurance coverage of noninterest-bearing transaction accounts. Beginning December 31, 2010, through December 31, 2012, all noninterest-bearing transaction accounts are fully insured, regardless of the balance of the account, at all FDIC-insured institutions. The unlimited insurance coverage is available to all depositors, including consumers, businesses, and government entities. This unlimited insurance coverage is separate from, and in addition to, the insurance coverage provided to a depositor's other deposit accounts held at an FDIC-insured institution. The deposits were under secured by \$391,923 as of December 31, 2015. The board has determined to accept the risk involved for under secured deposits.

Note 3 – Accounts Receivable

Accounts receivable are recorded when services are rendered. Services to uninsured adults are considered uncollectible and consist of the following:

KanCare/Insurance	\$ 12,450
Private Pay	51,716
	<hr/> 64,166
Allowance for Doubtful Accounts	(42,617)
	<hr/> <u>\$ 21,549</u>

DOUGLAS COUNTY DENTAL CLINIC, INC.
Lawrence, Kansas

NOTES TO FINANCIAL STATEMENTS

Note 4 – Property and Equipment

Property and equipment are summarized by major classifications at December 31, 2015 as follows:

Automobiles	\$ 36,585
Furniture and equipment	373,337
Leasehold improvements	<u>43,700</u>
	<u>\$ 453,622</u>

Note 5 – Investments

The organization has adopted SFAS No. 124, "Accounting for Certain Investments Held by Not-for-Profit Organizations." Under SFAS No. 124, investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the statement of financial position. Unrealized gains and losses are also reported in the statement of activities.

	<u>Cost basis</u>	<u>Fair Value</u>	<u>Unrealized Appreciation (Depreciation)</u>
Mutual Funds			
American Balanced Fund - C	\$ 99,204	\$ 109,907	\$ 10,703
The Bond Fund of America - C	52,013	51,247	(766)
Fidelity Balanced	<u>85,715</u>	<u>91,047</u>	<u>5,332</u>
	<u>\$ 236,932</u>	<u>\$ 252,201</u>	<u>\$ 15,269</u>

Investment income is summarized as follows:

Interest/dividends	\$ 3,532
Capital gain distributions	9,259
Unrealized gain	<u>(11,188)</u>
	<u>\$ 1,603</u>

DOUGLAS COUNTY DENTAL CLINIC, INC.
Lawrence, Kansas

NOTES TO FINANCIAL STATEMENTS

Note 6 – Fair Value Measurements

The Organization uses fair value measurements to record fair value adjustment to certain assets and to determine fair value disclosures. For additional information on how the Organization measures fair value, refer to Note 1 – Summary of Significant Accounting Principles. The Organization has assets that are valued using Level I inputs; there are not assets or liabilities valued using Level II or Level III inputs as of December 31, 2015.

The following table presents the fair value hierarchy, measuring fair value at quoted prices in active markets identical assets (Level I), significant other observable inputs (Level II), and significant unobservable inputs (Level III). Assets measured at fair value on a non-recurring basis as of December 31, 2015 are as follows:

Description	December 31, 2015	Level I	Level II	Level III	Total
Mutual Funds	\$ 252,202	<u>\$252,202</u>	<u></u>	<u></u>	<u>\$252,202</u>

For the year ended December 31, 2015, no cumulative losses were computed as management had determined the assets and liabilities were not impaired.

Note 7 – Compensated Absences

The Organization provides for time off with pay for periods of time due to illness, vacation, or personal pursuits. Time off with pay accrues at the rate of 3.2 hours for each pay period worked during the first year and 5 hours for each pay period thereafter. The accumulation cap for employees in their second to fourth year of employment is 120 hours. The accumulation cap for employees in their fifth year of employment or beyond is 150 hours. Accrued time off with pay was \$13,398 as of December 31, 2015.

Note 8 – Contingency

The Organization receives significant financial assistance from federal, state and local agencies. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in a grant agreement and are subject to audit. Any disallowed claims resulting from such audit could become a liability. However, in the opinion of management, all such disallowed claims have been accrued and any further disallowed claims will not have a material effect on the financial statements of the Organization at December 31, 2015.

DOUGLAS COUNTY DENTAL CLINIC, INC.
Lawrence, Kansas

NOTES TO FINANCIAL STATEMENTS

Note 9 – Operating Leases

On October 31, 2012, the Organization entered into a five-year lease, with Raney Properties, L.P, to operate at 2210 Yale Rd. in Lawrence, Kansas, commencing November 1, 2012, and continuing through December 31, 2017. The lease required the security deposit of \$3,650 upon execution of the lease contract. Rent expense under the lease agreement for the year ended December 31, 2015 totaled \$43,800.

On May 30, 2013, the Organization entered into a five-year lease with Toshiba financial Services to lease a copier, commencing June 1, 2013 and continuing through August 31, 2018. The lease required a monthly payment of \$102.00. Rent expense under the lease agreements for the year ended December 31, 2015 totaled \$1,332.

Future minimum payments are as follows:

	<u>2210 Yale</u>	<u>Copier</u>
2016	\$ 43,800	\$ 1,224
2017	43,800	1,224
2018		806
2019		
	<hr/>	<hr/>
	<u>\$ 87,600</u>	<u>\$ 3,254</u>

Note 10 – Risk Management

The Organization is exposed to various risks of loss related to limited torts; thefts of, damage to and destruction of assets; errors and omissions and natural disasters. The Organization carries commercial insurance and has not incurred any losses in the past three years.

Note 13 – Evaluation of Subsequent Events

The Organization has evaluated subsequent events through May 17, 2016, the date which the financial statements were available to be issued.



KOHART
accounting, p.a.

Board of Directors
Douglas County Dental Clinic, Inc.
Lawrence, Kansas 66044

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

We have audited the financial statements of Douglas County Dental Clinic, Inc. (a nonprofit organization) as of and for the year ended December 31, 2015 and have issued our report thereon dated May 17, 2016. 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.

Internal Control over Financial Reporting

In planning and performing our audit, we considered Douglas County Dental Clinic, Inc.'s internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Douglas County Dental Clinic, Inc.'s internal control over financial reporting. Accordingly we do not express an opinion on the effectiveness of the Organization's internal control over financial reporting.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the organization's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles, such that there is more than a remote likelihood that a misstatement of the organization's financial statements that is more than inconsequential will not be prevented or detected by the organization's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the organization's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Douglas County Dental Clinic, Inc.'s financial statements are free of material misstatement, we performed test 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.

We noted certain matters that we reported to management of Douglas County Dental Clinic, Inc. in a separate letter dated May 17, 2016.

This report is intended solely for the information and use of management, the audit committee, others within the organization, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Kohart Accounting, PA

Kohart Accounting, PA
A Professional Association
Certified Public Accountant

May 17, 2016

