DRUG PREVENTION RESOURCES, INC.

FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITORS' REPORTS

DECEMBER 31, 2013

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Drug Prevention Resources, Inc.

Report on the Financial Statements

We have audited the accompanying financial statements of Drug Prevention Resources, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2013, and the related statements of activities and changes in net assets, 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 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 Drug Prevention Resources, Inc. as of December 31, 2013, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 29, 2014, on our consideration of Drug Prevention Resources, 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 Drug Prevention Resources, Inc.'s internal control over financial reporting and compliance.

Salmon Sims Thomas & Associates

Salmon Sims Thomas & Associates
A Professional Limited Liability Company

September 29, 2014

Drug Prevention Resources, Inc.
Statement of Financial Position
December 31, 2013

ASSETS

Current Assets		
Cash	$	602,082
Receivables		80,616
Inventory		500
Prepaid expenses		7,691
Total Current Assets		690,889
Property and Equipment		
Property and equipment		44,628
Less: accumulated depreciation		(44,470)
Net Property and Equipment		158
Other Assets		
Deposits		3,872
TOTAL ASSETS	$	694,919

LIABILITIES AND NET ASSETS

Current liabilities		
Accounts payable and accrued expenses	$	13,961
Deferred revenue		77,784
Accrued payroll and benefits		15,866
Deferred rent		12,777
Total Current Assets		120,388
Non-Current liabilities		
Deferred rent		8,518
Total Liabilities		128,906
Net Assets		
Unrestricted		566,013
TOTAL LIABILITIES AND NET ASSETS	$	694,919

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

Drug Prevention Resources, Inc.
Statement of Activities and Changes in Net Assets
For the Year Ended December 31, 2013

Revenues and Support		
Grants and contributions		
Individuals and denominational	$	24,553
Donated services		244,463
Donated space		106,750
Federal financial grants - DSHS		588,046
Federal financial grants - other		160,411
State financial grants		365,318
Contract for services		10,000
Revenue from sales, net of cost of goods sold of $16,744		6,389
Oil and gas revenue		113,424
Interest income		941
Other		430
Total Revenues and Support		1,620,725
Expenses		
Program services		1,424,211
Management and general		88,334
Fundraising		84,820
Total Expenses		1,597,365
Increase in Net Assets		23,360
Net Assets, beginning of period		542,653
Net Assets, end of period	$	566,013

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

Drug Prevention Resources, Inc.
Statement of Functional Expenses
For the Year Ended December 31, 2013

	Program Services	Supporting Services	Fundraising	Total Expenses
Salaries & related	$ 771,122	$ 47,828	$ 45,925	$ 864,875
Travel & business	32,120	1,992	1,913	36,025
Postage	1,003	62	60	1,125
Professional fees	43,556	2,701	2,594	48,851
Donated rent	95,178	5,903	5,668	106,749
Marketing	5,295	328	315	5,938
Contract labor	7,961	494	474	8,929
Depreciation expense	5,515	342	327	6,184
Supplies	132,861	8,240	7,913	149,014
Maintenance & repairs	181	11	12	204
Rent	67,490	4,186	4,019	75,695
Office expenses	9,270	575	552	10,397
Telephone	13,119	814	781	14,714
Donated services	172,897	10,724	10,297	193,918
Strategic implementation	55,262	3,428	3,291	61,981
Other	11,381	706	679	12,766
	$ 1,424,211	$ 88,334	$ 84,820	$ 1,597,365

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

Drug Prevention Resources, Inc.
Statement of Cash Flows
For the Year Ended December 31, 2013

Cash Flows From Operating Activities	
Increase in Net Assets	$ 23,360
Adjustments to reconcile change in net assets	
to net cash provided by operating activities:	
Depreciation expense	6,184
Deferred rent	21,295
Decrease (increase) in assets:	
Receivables	2,132
Prepaid expense	(2,411)
Increase (decrease) in liabilities:	
Accounts payable and accrued expenses	(2,485)
Accrued payroll and benefits	407
Deferred revenue	5,562
Net Cash Provided by Operating Activities	54,044
Cash, beginning of year	548,038
Cash, end of year	$ 602,082

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

Drug Prevention Resources, Inc.
Notes to Financial Statements
December 31, 2013

NOTE 1: NATURE OF ORGANIZATION

Drug Prevention Resources, Inc. (Organization) is the oldest drug prevention organization in Texas, celebrating its 78th year of service in 2013. The Organization is a not-for-profit substance abuse prevention organization with a mission dedicated to preventing youth substance abuse through innovative delivery of evidence based strategies that empower youth, families and communities to flourish within their environments. The Organization accomplishes this by providing individual strategies for high risk youth and environmental strategies in high risk neighborhoods. The Organization is supported primarily through federal and state grants, donor contributions, fees for services and product sales.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The summary of significant accounting policies of the Organization is presented to assist in understanding the financial statements. The financial statements and notes are representations of the Organization's management, who is responsible for the fairness and objectivity embodied in the financial statements. These accounting policies conform to accounting principles generally accepted in the United States of America and have been consistently applied in the preparation of the financial statements.

Financial Statement Presentation - Net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified as follows:

Unrestricted Net Assets - Net assets not subject to donor-imposed stipulations.

Revenues are reported as increases in unrestricted net assets unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in unrestricted net assets. Expirations of temporarily restricted net assets (*i.e.*, the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as reclassifications between the applicable classes of net assets. Contributions of assets other than cash are recorded at their estimated fair value on the date of donation.

Use of Estimates - Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and reported revenues and expenses. Significant estimates used in preparing these financial statements include those assumed in recording depreciation and amortization and the realizable value of accounts receivable. It is at least reasonably possible that the significant estimates used will change within the next year. Actual results could vary from estimates.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and Cash Equivalents - The Organization considers all short-term investments with an original maturity of ninety days or less to be cash equivalents. The Organization places its cash, which, at times, may exceed federally-insured limits, with high-credit quality institutions. The Organization has not experienced any losses on such accounts.

Functional Allocation of Expenses - The costs of providing the 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.

Property and Equipment - Property and equipment are stated at cost when purchased or fair market value at the date of donation, less accumulated depreciation and amortization. Major expenditures and those that substantially increase useful lives are capitalized. Maintenance, repairs and replacements, which do not improve or extend the lives of the respective assets, are charged to operations when incurred. When property and equipment are sold or otherwise disposed of, the asset and related accumulated depreciation and amortization are removed, and any gain or loss is included in operations. Depreciation is calculated using the straight-line method has been calculated as follows:

Equipment	3 to 5 years

Donated Services, Materials and Facilities – Donations of noncash assets as contributions are recorded as contributions at their estimated fair value as of the date of donation. Donated services are recognized as contributions in accordance with GAAP, if the services (a) create or enhance nonfinancial assets or (b) require and are provided by individuals with specialized skills and if not provided by donation would typically need to be purchased.

Income Taxes – The Organization is exempt from federal income taxes under Section 501(a) of the Internal Revenue Code (IRC) of 1986, as amended, as an organization described in Section 501(c)(3) of the IRC. The Organization has been classified as an organization that is not a private foundation under IRC Section 509(a)(2), and as such, contributions to the Organization qualify for deductions as charitable contributions. However, income generated from activities unrelated to the Organization's exempt purpose is subject to tax under IRC Section 511.

Deferred Rent

The Organization has entered into an operating lease agreement containing provisions for future rent increases and periods of reduced rent payments.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deferred Rent (Continued)

In accordance with GAAP, the Organization records monthly rent expense equal to the total of the payments due over the lease term, divided by the number of months of the lease term. The difference between rent expense recorded and the amount paid is credited or charged to deferent rent.

Accounting for Uncertainty in Income Taxes - Management has concluded that any tax positions that would not meet the more-likely-than-not criterion of Financial Accounting Standards Board (FASB) *Accounting Standards Codification* (ASC) Topic 740-10, *Accounting for Income Taxes*, would be immaterial to the financial statements taken as a whole. Accordingly, the accompanying financial statements do not include any provision for uncertain tax positions, and no related interest or penalties have been recorded in the statement of activities or accrued in the statement of financial position. Federal and state tax returns of the entity are generally open to examination by the relevant taxing authorities for a period of three years from the date the returns are filed.

Date of Management's Review - Subsequent events have been evaluated for potential recognition or disclosure through September 29, 2014, which is the date the financial statements were available to be issued.

NOTE 3: RETIREMENT PLAN

The Organization makes contributions, subject to the board of directors' discretion, for its staff to GuideStone Financial Resources of the Southern Baptist Convention. Upon completion of one year of employment, by full time employees, the Organization contributes $2 for every $1 in employee contributions (up to 10% of an employee's salary). Total retirement benefits expense was $52,268 in 2013.

NOTE 4: LEASE COMMITMENTS

Operating Leases

The Organization leases office space and equipment under noncancellable operating lease agreements. Rent expense under these operating leases was approximately $75,695 for 2013.

Required minimum lease payments under the lease agreements are approximately as follows for the years ending December 31,

2014	$ 75,400
2015	75,400
2016	74,400
2017	68,500
2018	14,900
	$ 308,600

NOTE 5: CONCENTRATIONS OF RISK

Receivables at December 31, 2013 include one state agency that accounted for more than 10 percent of total grants receivable making up approximately $68,522 or 86% of the balance. In 2013 the Organization received approximately 40% of its support from the Texas Department of State Health Services grant.

NOTE 6: OIL AND GAS LEASE

In February 2010, the Organization entered into a fully paid up oil and gas lease on retained mineral rights of a tract of land in Loving County, Texas. The lease agreement is in force for a primary term of three years from the date of execution and for as long thereafter as oil and gas is being produced on the property. The lease agreement calls for royalties to be paid to the Organization of one-fourth of any oil and gas production less applicable ad valorem taxes and production or other excise taxes. As consideration for this lease agreement, the Organization received a lease bonus in the amount of $480,000 in 2010. In January 2012, the Organization received approximately $53,000 in consideration for an extension and amendment of the oil and gas lease in Loving County, Texas. The oil and gas lease was extended for a term of three years expiring in July 2015. These lease bonuses were recorded to deferred revenue and are recognized as oil and gas revenue ratably over the primary term of the agreements.

NOTE 7: DONATED ASSETS AND SERVICES

The Organization received donated professional services, space, equipment, and volunteer service hours for the following purposes for the years ended December 31:

	2013
Professional services	$ 244,500
Space	106,800
	$ 351,300

These amounts are included in revenue as unrestricted contributions which are reflected in the Statement of Activities and Changes in Net Assets.

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 *GOVERNMENTAL AUDITING STANDARDS*

To the Board of Directors
Drug Prevention Resources, 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 Drug Prevention Resources, Inc., which comprise the statement of financial position as of December 31, 2013, and the related statements of activities and changes in net assets, 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 September 29, 2014.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Drug Prevention Resources, Inc.'s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Drug Prevention Resources, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of Drug Prevention Resources, Inc.'s internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. However, material weaknesses may exist that have not been identified.

Compliance

As part of obtaining reasonable assurance about whether Drug Prevention Resources, Inc.'s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

This report is intended solely for the information and use of the Board of Directors, management, and the federal awarding agencies and is not intended to be and should not be used by anyone other than these specified parties.

Salmon Sims Thomas & Associates

Salmon Sims Thomas & Associates
A Professional Limited Liability Company
September 29, 2014

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133

To the Board of Directors
of Drug Prevention Resources, Inc.

Report on Compliance for Each Major Federal Program

We have audited Drug Prevention Resources, Inc.'s compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Drug Prevention Resources, Inc.'s major federal programs for the year ended December 31, 2013. Drug Prevention Resources, Inc.'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

Drug Prevention Resources, Inc.'s management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of Drug Prevention Resources, Inc.'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 OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 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 Drug Prevention Resources, Inc.'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 Drug Prevention Resources, Inc.'s compliance.

Opinion on Each Major Federal Program

In our opinion, Drug Prevention Resources, Inc. 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 December 31, 2013.

Report on Internal Control over Compliance

Management of Drug Prevention Resources, Inc. 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 Drug Prevention Resources, Inc.'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 OMB Circular A-133, 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 Drug Prevention Resources, Inc.'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 a 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 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. However, other 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 OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Salmon Sims Thomas & Associates

Salmon Sims Thomas & Associates
A Professional Limited Liability Company

September 29, 2014

Drug Prevention Resources, Inc.
Schedule of Expenditures of Federal Awards
December 31, 2013

FEDERAL AGENCY	CFDA NO.	PASS-THROUGH ENTITY IDENTIFYING NUMBER	AMOUNT
U.S. Department of Health and Human Services			
Direct Programs:			
Drug Free Communities Support Program	93.276		$ 109,799
Drug Free Communities Mentoring Program	93.276		50,612
			160,411
Pass-through programs from:			
Department of State Health Services (DSHS):			
Block Grant for Prevention of Substance Abuse	93.959	2013-041497-001	102,516
Block Grant for Prevention of Substance Abuse	93.959	2013-041502-001	113,366
Block Grant for Prevention of Substance Abuse	93.959	2014-044680-001	69,502
Block Grant for Prevention of Substance Abuse	93.959	2013-041585-001	208,184
Block Grant for Prevention of Substance Abuse	93.959	2014-044841-001	94,479
Block Grant for Prevention of Substance Abuse	93.959	2013-041447-003	50,851
Block Grant for Prevention of Substance Abuse	93.959	2014-044849-001	26,346
Block Grant for Prevention of Substance Abuse	93.959	2013-041147-002	65,631
Block Grant for Prevention of Substance Abuse	93.959	2014-044853-001	39,518
Block Grant for Prevention of Substance Abuse	93.959	2013-041447-001	24,096
Block Grant for Prevention of Substance Abuse	93.959	2013-041447-004	34,579
Block Grant for Prevention of Substance Abuse	93.959	2014-044850-001	19,445
Block Grant for Prevention of Substance Abuse	93.959	2013-041447-005	61,125
Block Grant for Prevention of Substance Abuse	93.959	2014-044851-001	43,726
Total passed through Department Of State Health Services			953,364
Total U.S. Department of Health and Human Services			$ 1,113,775

NOTE 1: BASIS OF ACCOUNTING

The Schedule of Expenditures of Federal Awards is prepared on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the general purpose financial statements.

Drug Prevention Resources, Inc.
Schedule of Findings and Questioned Costs
December 31, 2013

SUMMARY OF AUDITORS' RESULTS

1. The auditor issued an unqualified opinion on the financial statements of Drug Prevention Resources, Inc. as of and for the year ended December 31, 2013.

2. No significant deficiencies relating to the audit of the financial statements were reported.

3. The results of the financial statement audit disclosed no instances of noncompliance which were considered material to the financial statements.

4. We issued an unqualified opinion in our report on compliance for major programs for the year ended December 31, 2013.

5. No significant deficiencies relating to the audit of internal control over major federal award programs were found.

6. There were no audit findings that are required to be reported in accordance with Section 510(a) of OMB Circular A-133.

7. The program tested as a major program for the year ended December 31, 2013 is as follows:

Block Grant for Prevention of Substance Abuse	93.959

8. The threshold used for distinguishing between type A and B programs was $300,000.

9. Drug Prevention Resources, Inc. did not qualify as a low-risk auditee.

FINDINGS – FINANCIAL STATEMENT AUDIT

None

FINDINGS – MAJOR FEDERAL AWARD PROGRAMS AUDIT

None

Drug Prevention Resources, Inc.
Summary Schedule of Prior Audit Findings
December 31, 2013

2012-01 Block Grant for Prevention of Substance Abuse – CFDA No. 93.959; Grant Period-September 1, 2011 to August 31, 2012

Condition: Several prevention programs did not meet the outcome requirements as outlined per the grant agreements.

Criteria: Outcome requirements for the grant period September 1, 2011 to August 31, 2012 per the applicable grant agreement are outlined below:

	Completion Rate	Test Match Rate	Success Rate
YPI Programs	60%	70%	70%
YPS Programs	70%	70%	70%

Actual outcomes for the grant period September 1, 2011 to August 31, 2012 are outlined below:

	Completion Rate	Test Match Rate	Success Rate
YPI Programs	42%	39%	82%
YPS Programs	51%	50%	72%

Cause: Many students that enroll in the various programs are not able to complete the programs due to circumstances outside of the Organization's Control (i.e. a student may transfer to another school or state and is unable to complete the program). The compliance requirements under the Block Grant for Prevention of Substance Abuse do not allow certain circumstances outside of the Organization's control when calculating overall outcome requirement for the period.

Views of Responsible Officials and Planned Corrective Actions: The following items have been identified by management of the Organization to serve as corrective actions for the above findings:

1. The Organization will work with DSHS to revise the goals and projections for each of the program types.
2. The Organization will review the suitability of program sites to ensure stability of perspective participants to increase opportunity of program completion.
3. The Organization will consider alternative program activities if students are not able to participate in all sessions of a program which could impact the likeliness of completion of a program.

With the implementation of the corrective plans for program year 2013, there were noted improvements in the outcome requirements in all programs.