

DRUG PREVENTION RESOURCES, INC.

**FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITORS' REPORTS**

DECEMBER 31, 2014

Drug Prevention Resources, Inc.
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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, 2014, 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, 2014, 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.

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 November 6, 2015, 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.

A handwritten signature in cursive script that reads "Salmon Sims Thomas". The signature is written in dark ink on a light-colored background.

Salmon Sims Thomas & Associates
A Professional Limited Liability Company

November 6, 2015

Drug Prevention Resources, Inc.
Statement of Financial Position
December 31, 2014

ASSETS

Current Assets

Cash	\$ 1,479,327
Receivables	37,110
Inventory	500
Prepaid expenses	7,695
Total Current Assets	<u>1,524,632</u>

Property and Equipment

Property and equipment	51,235
Less: accumulated depreciation	<u>(45,411)</u>
Net Property and Equipment	<u>5,824</u>

Other Assets

Deposits	<u>3,872</u>
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TOTAL ASSETS \$ 1,534,328

LIABILITIES AND NET ASSETS

Current liabilities

Accounts payable and accrued expenses	\$ 40,172
Deferred revenue	134,410
Accrued payroll and benefits	18,386
Deferred rent, current	12,777
Total Current Assets	<u>205,745</u>

Non-Current liabilities

Deferred rent, net of current portion	<u>8,518</u>
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Total Liabilities 214,263

Net Assets

Unrestricted	<u>1,320,065</u>
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TOTAL LIABILITIES AND NET ASSETS \$ 1,534,328

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, 2014

Revenues and Support

Grants and contributions		
Individuals and denominational	\$	69,114
Donated services		313,293
Donated space		14,432
Financial grants - DSHS		981,223
Federal financial grants - other		156,463
Revenue from sales, net of cost of goods sold of \$13,488		9,382
Oil and gas revenue		1,054,130
Interest income		10,643
Other		300
Total Revenues and Support		2,608,980

Expenses

Program services		1,653,861
Supporting services		102,573
Fundraising		98,494
Total Expenses		1,854,928

Increase in Net Assets		754,052
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Net Assets, beginning of period		566,013
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Net Assets, end of period	\$	1,320,065
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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, 2014

	<u>Program Services</u>	<u>Supporting Services</u>	<u>Fundraising</u>	<u>Total Expenses</u>
Salaries & related	\$ 821,613	\$ 50,959	\$ 48,932	\$ 921,504
Travel & business	48,651	3,017	2,897	54,565
Postage	1,857	115	111	2,083
Professional fees	113,481	7,038	6,758	127,277
Donated rent	1,988	123	118	2,229
Marketing	17,282	1,072	1,029	19,383
Contract labor	6,902	428	411	7,741
Depreciation expense	839	52	50	941
Supplies	31,333	1,943	1,866	35,142
Maintenance & repairs	1,230	76	73	1,379
Rent	72,147	4,475	4,297	80,919
Office expenses	31,630	1,962	1,884	35,476
Telephone	15,683	973	934	17,590
Donated services	282,079	17,495	16,799	316,373
Strategic implementation	37,643	2,335	2,242	42,220
Other	169,503	10,510	10,093	190,106
	<u>\$ 1,653,861</u>	<u>\$ 102,573</u>	<u>\$ 98,494</u>	<u>\$ 1,854,928</u>

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, 2014

Cash Flows From Operating Activities	
Increase in Net Assets	\$ 754,052
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation expense	941
Decrease (increase) in assets:	
Receivables	43,506
Prepaid expense	(4)
Increase in liabilities:	
Accounts payable and accrued expenses	26,211
Accrued payroll and benefits	2,520
Deferred revenue	56,626
Net Cash Provided by Operating Activities	<u>883,852</u>
Cash Flows From Investing Activities	
Purchase of property and equipment	<u>(6,607)</u>
Net Increase in Cash	877,245
Cash, beginning of year	<u>602,082</u>
Cash, end of year	<u><u>\$ 1,479,327</u></u>

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

Drug Prevention Resources, Inc.
Notes to Financial Statements
December 31, 2014

NOTE 1: NATURE OF ORGANIZATION

Drug Prevention Resources, Inc. (Organization) is the oldest drug prevention organization in Texas, celebrating its 79th year of service in 2014. 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 U.S. GAAP 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 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.

Drug Prevention Resources, Inc.
Notes to Financial Statements
December 31, 2014

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 program, supporting, and fundraising 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
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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 U.S. 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.

Drug Prevention Resources, Inc.
Notes to Financial Statements
December 31, 2014

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deferred Rent (Continued)

In accordance with U.S. 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 November XX, 2015, 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 \$39,009 in 2014.

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 \$78,119 for 2014.

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

2015	\$ 75,400
2016	74,400
2017	68,500
2018	14,900
2019 and thereafter	-
	<u>\$ 233,200</u>

Drug Prevention Resources, Inc.
Notes to Financial Statements
December 31, 2014

NOTE 5: CONCENTRATIONS OF RISK

Receivables at December 31, 2014 include one state agency that accounted for more than 10 percent of total grants receivable making up approximately \$18,495 or 45% of the balance. In 2014 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. During the year the Organization sold the remainder of its right of the land for a total of \$1,054,130.

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:

	<u>2014</u>
Professional services	\$ 313,293
Space	<u>14,432</u>
	<u>\$ 327,725</u>

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, 2014, 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 November 6, 2015.

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
A Professional Limited Liability Company
November 6, 2015



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, 2014. 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, 2014.

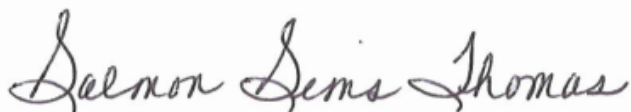
Report on Internal Control over Compliance

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
A Professional Limited Liability Company

November 6, 2015

Drug Prevention Resources, Inc.
Schedule of Expenditures of Federal Awards
December 31, 2014

<u>FEDERAL AGENCY</u>	<u>CFDA NO.</u>	<u>PASS-THROUGH ENTITY IDENTIFYING NUMBER</u>	<u>AMOUNT</u>
U.S. Department of Health and Human Services			
Direct Programs:			
Drug Free Communities Support Program	93.276		\$ 156,463
Pass-through programs from:			
Department of State Health Services (DSHS):			
Block Grant for Prevention of Substance Abuse	93.959	2014-044680-001	141,993
Block Grant for Prevention of Substance Abuse	93.959	2015-046422-001	48,393
Block Grant for Prevention of Substance Abuse	93.959	2014-044841-001	159,210
Block Grant for Prevention of Substance Abuse	93.959	2015-046516-001	51,511
Block Grant for Prevention of Substance Abuse	93.959	2014-044849-001	60,875
Block Grant for Prevention of Substance Abuse	93.959	2015-046913-001	46,193
Block Grant for Prevention of Substance Abuse	93.959	2014-044853-001	72,769
Block Grant for Prevention of Substance Abuse	93.959	2015-046913-001	46,987
Block Grant for Prevention of Substance Abuse	93.959	2014-041447-004	78,099
Block Grant for Prevention of Substance Abuse	93.959	2015-041447-004	29,478
Block Grant for Prevention of Substance Abuse	93.959	2014-044851-001	80,790
Block Grant for Prevention of Substance Abuse	93.959	2015-046915-001	41,580
Block Grant for Prevention of Substance Abuse	93.959	2014-045436-001	73,383
Block Grant for Prevention of Substance Abuse	93.959	2015-046678-001	<u>49,962</u>
Total passed through Department Of State Health Services			<u>981,223</u>
Total U.S. Department of Health and Human Services			<u>\$ 1,137,686</u>

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 Expenditures of Federal Awards
December 31, 2014

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, 2014.
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, 2014.
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, 2014 is as follows:

Block Grant for Prevention of Substance Abuse	93.959
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8. The threshold used for distinguishing between type A and B programs was \$300,000.
9. Drug Prevention Resources, Inc. did qualify as a low-risk auditee.

FINDINGS – FINANCIAL STATEMENT AUDIT

None

FINDINGS – MAJOR FEDERAL AWARD PROGRAMS AUDIT

None

Drug Prevention Resources, Inc.
Schedule of Prior Year Findings and Questioned Costs
December 31, 2014

SUMMARY OF AUDITORS' RESULTS

10. The auditor issued an unqualified opinion on the financial statements of Drug Prevention Resources, Inc. as of and for the year ended December 31, 2014.
11. No significant deficiencies relating to the audit of the financial statements were reported.
12. The results of the financial statement audit disclosed no instances of noncompliance which were considered material to the financial statements.
13. We issued an unqualified opinion in our report on compliance for major programs for the year ended December 31, 2014.
14. No significant deficiencies relating to the audit of internal control over major federal award programs were found.
15. There were no audit findings that are required to be reported in accordance with Section 510(a) of OMB Circular A-133.
16. The program tested as a major program for the year ended December 31, 2014 is as follows:

Block Grant for Prevention of Substance Abuse	93.959
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17. The threshold used for distinguishing between type A and B programs was \$300,000.
18. Drug Prevention Resources, Inc. did not qualify as a low-risk auditee.

FINDINGS – FINANCIAL STATEMENT AUDIT

None

FINDINGS – MAJOR FEDERAL AWARD PROGRAMS AUDIT

None