

DRUG PREVENTION RESOURCES, INC.
(a Texas nonprofit corporation)

Financial Statements

December 31, 2009 and 2008

With Independent Auditors' Report

DRUG PREVENTION RESOURCES, INC.
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December 31, 2009 and 2008

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PARTNERS

CATHERINE L. BARD
STEPHEN J. FLANAGAN
SAMUEL T. MONTGOMERY III
KELLY M. MORGAN
KENNETH R. NICHOLAS
(1942-2003)

Independent Auditors' Report

The Board of Directors
Drug Prevention Resources, Inc.

We have audited the accompanying statement of financial position of Drug Prevention Resources, Inc. (the Organization) (a Texas nonprofit organization) as of December 31, 2009, and the related statements of activities, functional expenses, and cash flows for the year then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audit. The financial statements of Drug Prevention Resources, Inc. as of December 31, 2008 were audited by other auditors whose report dated May 29, 2009, expressed an unqualified opinion on those statements.

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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the 2009 financial statements referred to above present fairly, in all material respects, the financial position of Drug Prevention Resources, Inc. as of December 31, 2009, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated July 8, 2010, 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* and should be considered in assessing the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the basic 2009 financial statements of Drug Prevention Resources, Inc. taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.


July 8, 2010

DRUG PREVENTION RESOURCES, INC.
Statements of Financial Position
December 31, 2009 and 2008

	<u>2009</u>	<u>2008</u>
<u>Assets</u>		
Current assets:		
Cash and cash equivalents	\$ 270,985	\$ 228,563
Investments	-	110,581
Grants receivable	85,093	84,676
Accounts receivable, trade	46,926	15,191
Other current assets	<u>1,757</u>	<u>1,694</u>
Total current assets	<u>404,761</u>	<u>440,705</u>
Property and equipment:		
Office furniture and fixtures	9,244	9,244
Computer and office equipment	7,091	7,091
Educational and press equipment	<u>1,405</u>	<u>1,405</u>
Total property and equipment	17,740	17,740
Less: accumulated depreciation	<u>(17,740)</u>	<u>(17,740)</u>
Property and equipment, net	<u>-</u>	<u>-</u>
Deposits	<u>3,872</u>	<u>3,872</u>
Total assets	\$ <u>408,633</u>	\$ <u>444,577</u>
<u>Liabilities and Net Assets</u>		
Liabilities:		
Accounts payable	\$ 12,045	\$ 6,834
Payroll tax liabilities	<u>2,744</u>	<u>2,836</u>
Total liabilities	14,789	9,670
Net assets – unrestricted	<u>393,844</u>	<u>434,907</u>
Total liabilities and net assets	\$ <u>408,633</u>	\$ <u>444,577</u>

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

DRUG PREVENTION RESOURCES, INC.
Statements of Activities
Years ended December 31, 2009 and 2008

	2009	2008
Change in unrestricted net assets:		
Revenue and support:		
Grants and contributions:		
Individuals and denominational	\$ 366,723	\$ 324,784
Federal financial assistance – DSHS	844,703	771,734
Federal financial assistance – other	103,483	237,763
State financial assistance	132,532	69,523
Contract for services	145,479	193,263
Revenue from sales, net of cost of goods sold of \$35,911 in 2009 and \$15,751 in 2008	26,045	10,763
Oil and gas revenue	8,382	18,168
Interest	2,500	7,820
Other	2,980	202
	1,632,827	1,634,020
Total unrestricted revenue and support		
Expenses:		
Programs:		
Prevention programming	1,545,065	1,569,775
Product development	7,374	4,282
Management and general	120,785	26,881
Fund raising	666	-
	1,673,890	1,600,938
Total expenses		
Change in unrestricted net assets	(41,063)	33,082
Net assets at beginning of year	434,907	401,825
Net assets at end of year	\$ 393,844	\$ 434,907

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

DRUG PREVENTION RESOURCES, INC.
Statement of Functional Expenses
Year ended December 31, 2009

	<u>Program Services</u>		<u>Support Services</u>		<u>Total</u>
	<u>Prevention Programming</u>	<u>Product Development</u>	<u>Management and General</u>	<u>Fund Raising</u>	
Salaries and related expenses	\$ 972,487	\$ 4,601	\$ 20,032	\$ 574	\$ 997,694
Insurance	4,612	25	360	3	5,000
Public relations	34,952	6	52,124	-	87,082
Travel, meals and meetings	41,898	284	851	28	43,061
Miscellaneous	5,035	100	3,396	-	8,531
Rent – office and equipment	245,357	828	4,396	41	250,622
Postage and printing	5,625	131	6,908	3	12,667
Program delivery	12,525	-	-	-	12,525
Board expenses	-	-	1,859	-	1,859
Strategic implementation	47,965	-	-	-	47,965
Professional fees	27,332	66	26,140	4	53,542
Supplies	127,115	1,286	1,503	6	129,910
Staff training	9,992	2	2,633	2	12,629
Telephone	10,170	45	583	5	10,803
Total expenses	\$ <u>1,545,065</u>	\$ <u>7,374</u>	\$ <u>120,785</u>	\$ <u>666</u>	\$ <u>1,673,890</u>

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

DRUG PREVENTION RESOURCES, INC.
Statement of Functional Expenses
Year ended December 31, 2008

	<u>Program Services</u>		<u>Support Services</u>	
	<u>Prevention Programming</u>	<u>Product Development</u>	<u>Management and General</u>	<u>Total</u>
Salaries and related expenses	\$ 940,407	\$ 2,099	\$ 3,107	\$ 945,613
Insurance	6,625	12	277	6,914
Public relations	6,600	-	150	6,750
Consulting and contract labor	42,013	-	-	42,013
Travel, meals and meetings	22,214	2	1,343	23,559
Miscellaneous	3,754	213	4,157	8,124
Rent – office and equipment	225,568	619	2,797	228,984
Postage and printing	4,315	36	110	4,461
Program delivery	4,300	-	-	4,300
Board expenses	-	-	1,184	1,184
Strategic implementation	93,234	-	4,000	97,234
Professional fees	36,001	56	7,046	43,103
Supplies	164,329	1,218	1,491	167,038
Staff training	10,406	5	796	11,207
Telephone	10,009	22	423	10,454
Total expenses	\$ <u>1,569,775</u>	\$ <u>4,282</u>	\$ <u>26,881</u>	\$ <u>1,600,938</u>

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

DRUG PREVENTION RESOURCES, INC.
Statements of Cash Flows
Years ended December 31, 2009 and 2008

	2009	2008
Cash flows from operating activities:		
Change in net assets	\$ (41,063)	\$ 33,082
Net changes in operating assets and liabilities:		
Grants receivable	(417)	(10,481)
Accounts receivable, trade	(31,735)	14,756
Other current assets	(63)	1,308
Accounts payable	5,211	(6,085)
Payroll tax liabilities	(92)	374
Net cash provided (used) by operating activities	(68,159)	32,954
Cash flows from investing activities:		
Purchase of investments	-	(5,920)
Proceeds from maturity of investments	110,581	-
Net cash provided (used) by investing activities	110,581	(5,920)
Net increase in cash and cash equivalents	42,422	27,034
Cash and cash equivalents at beginning of year	228,563	201,529
Cash and cash equivalents at end of year	\$ 270,985	\$ 228,563

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

DRUG PREVENTION RESOURCES, INC.
Notes to Financial Statements
December 31, 2009 and 2008

(1) General Information and Summary of Significant Accounting Policies

General Information

Drug Prevention Resources, Inc. (the Organization) is the oldest prevention organization in Texas, celebrating its 75th year of service in 2010. The Organization is a nonprofit substance abuse prevention organization with a mission to empower youth and families 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 donor contributions, fees for services, product sales and grants.

Basis of Accounting

The accompanying financial statements are prepared in conformity with accounting principles generally accepted in the United States of America (GAAP). These principles require management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates. Nonprofit organizations are required to report information regarding their financial position and activities based on the existence or absence of donor imposed restrictions. Accordingly, net assets and the changes therein are classified as follows:

Unrestricted net assets – Net assets not subject to donor imposed restrictions or net assets subject to donor imposed restrictions that have been met by the Organization within the year received.

Temporarily restricted net assets – Net assets subject to donor imposed restrictions that will be met by expenditure in accordance with the donors' requests and/or the passage of time. The Organization had no temporarily restricted net assets at December 31, 2009 or 2008.

Permanently restricted net assets – Net assets subject to donor imposed restrictions that the assets be maintained permanently. The donors of these assets permit distribution of all or part of the income earned on related investments for specific purposes. The Organization had no permanently restricted net assets at December 31, 2009 or 2008.

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. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in unrestricted net assets unless their use is restricted by explicit donor stipulation or by law. Expirations of temporarily restricted net assets (i.e., the donor stipulated purpose has been fulfilled and/or the stipulated time period has expired) are reported as reclassifications between the applicable net asset classes.

Cash and Cash Equivalents

The Organization considers all highly liquid debt instruments with a maturity of three months or less when purchased to be cash equivalents.

DRUG PREVENTION RESOURCES, INC.
Notes to Financial Statements, continued
December 31, 2009 and 2008

(1) General Information and Summary of Significant Accounting Policies, continued

Contributions

Contributions are recognized as revenue in the period when cash or unconditional promises to give are received. Conditional promises to give are recognized when the conditions on which they depend are substantially met. Government grants are generally considered conditional promises to give and are recognized as support when qualifying expenditures are incurred.

The Organization reports gifts of land, buildings, equipment and supplies as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations about how long-lived assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

Revenues for contractual services rendered are generally recognized on a time-and-materials basis and are recognized in the period in which the services are performed. Revenues related to product sales are recorded at the time products are shipped.

Property and Equipment

Property and equipment are recorded at cost when purchased or at estimated fair market value if donated. Repairs and maintenance, other than betterments, are charged to expense as incurred. The Organization capitalizes all expenditures for depreciable assets in excess of \$5,000. Depreciation and amortization is provided using the straight-line method over the estimated useful lives of five to ten years for depreciable assets. There was no depreciation and amortization expense in 2009 or 2008.

Functional Allocation of Expenses

The costs of operating the Organization have been summarized on a functional basis in the statements of activities. Accordingly, certain costs have been allocated among program services and support services. The statements of functional expenses present the allocation of expenses to the various functions.

Tax Status

The Organization is exempt from federal income taxes under section 501(c)(3) of the Internal Revenue Code and therefore no provision has been made for federal income taxes in the financial statements. In addition, the Organization has been classified as an entity that is not a private foundation within the meaning of section 509(a) of the Internal Revenue Code. There was no unrelated business income in 2009 or 2008. The Organization is also exempt from state income taxes.

Management has evaluated the Organization's federal and state tax positions and believes there are no significant uncertain tax positions. The Organization is generally not subject to examination by federal tax authorities for tax years before 2006.

DRUG PREVENTION RESOURCES, INC.
Notes to Financial Statements, continued
December 31, 2009 and 2008

(2) Donated Services, Materials and Facilities

The Organization received donated professional services for public relations, financial auditing, and website and graphic design totaling \$59,148 in 2009. The Organization received donated professional services for financial auditing and computer and website technology totaling \$5,581 in 2008. The Organization received donated space for programming valued at \$172,214 in 2009 and \$168,719 in 2008. Additionally, the Organization received approximately 5,675 hours of volunteer service towards programs in 2009 and approximately 7,000 hours in 2008. The volunteer service hours were valued at \$124,211 for 2009 and \$136,695 for 2008. These donated services and facilities have been recognized in the accompanying statements of activities.

(3) Retirement Benefits

The Organization makes contributions, subject to the board of directors' discretion, for its staff to GuideStone Financial Resources of the Southern Baptist Convention. Total retirement benefits expense was \$48,838 in 2009 and \$40,734 in 2008.

(4) Leases

The Organization leases office space and equipment under noncancellable operating lease agreements. Rent expense under these operating leases was \$78,455 in 2009 and \$60,265 in 2008. These amounts exclude costs associated with donated space as discussed in note 2. The following is a summary of future minimum annual payments under these agreements:

Year ending December 31:		
2010	\$	67,962
2011		69,117
2012		62,465
Total future minimum lease payments	\$	<u>199,544</u>

(5) Concentrations

Grants receivable at December 31, 2009 include one state agency that accounts for more than 10 percent of total grants receivable making up approximately \$80,000 or 94% of the balance. Grants receivable at December 31, 2008 include one state agency that accounted for more than 10 percent of total grants receivable making up approximately \$81,000 or 95% of the balance.

The Organization received approximately 60% in 2009 and 52% in 2008 of its support from the Texas Department of State Health Services grant.

DRUG PREVENTION RESOURCES, INC.
Notes to Financial Statements, continued
December 31, 2009 and 2008

(6) Subsequent Events

In February 2010, the Organization entered into a fully paid up oil and gas lease on a tract of land owned by the Organization 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 the first quarter of 2010.

Management has evaluated subsequent events for recognition or disclosure in the financial statements through July 8, 2010, the date the financial statements were available to be issued. Management's review discovered no additional subsequent events that should be recognized as of December 31, 2009 or that are deemed significant enough to disclose.

DRUG PREVENTION RESOURCES, INC.
Schedule of Expenditures of Federal Awards
Year ended December 31, 2009

<u>Federal Grantor/Pass through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Agency or Pass-Through Number</u>	<u>Federal Expenditures</u>
U.S. Department of Health and Human Services			
Direct Programs:			
Drug Free Communities Support Program	93.276		\$ <u>103,483</u>
Pass-through programs from:			
Department of State Health Services:			
Block Grant for Prevention of Substance Abuse	93.959	2009-029856-001	96,065
Block Grant for Prevention of Substance Abuse	93.959	2010-032586-001	68,922
Block Grant for Prevention of Substance Abuse	93.959	2009-029881-001	100,326
Block Grant for Prevention of Substance Abuse	93.959	2010-032553-001	29,363
Block Grant for Prevention of Substance Abuse	93.959	2009-029883-001	180,638
Block Grant for Prevention of Substance Abuse	93.959	2010-032392-001	72,856
Block Grant for Prevention of Substance Abuse	93.959	2009-029870-003	45,929
Block Grant for Prevention of Substance Abuse	93.959	2010-032041-004	17,071
Block Grant for Prevention of Substance Abuse	93.959	2009-029870-001	58,508
Block Grant for Prevention of Substance Abuse	93.959	2010-032041-002	20,017
Block Grant for Prevention of Substance Abuse	93.959	2009-029870-004	15,552
Block Grant for Prevention of Substance Abuse	93.959	2010-032041-005	9,240
Block Grant for Prevention of Substance Abuse	93.959	2009-029870-002	28,772
Block Grant for Prevention of Substance Abuse	93.959	2010-032041-003	16,040
Block Grant for Prevention of Substance Abuse	93.959	2009-029870-005	59,185
Block Grant for Prevention of Substance Abuse	93.959	2010-032041-001	<u>26,219</u>
Total Passed Through Department of State Health Services			<u>844,703</u>
Total U.S. Department of Health and Human Services			\$ <u>948,186</u>

The accompanying note is an integral part of this schedule.

DRUG PREVENTION RESOURCES, INC.
Note to Schedule of Expenditures of Federal Awards
Year Ended December 31, 2009

(1) Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Drug Prevention Resources, Inc. and is presented 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*.

PARTNERS

CATHERINE L. BARD
STEPHEN J. FLANAGAN
SAMUEL T. MONTGOMERY III
KELLY M. MORGAN

KENNETH R. NICHOLAS
(1942-2003)

**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**

The Board of Directors
Drug Prevention Resources, Inc.

We have audited the financial statements of Drug Prevention Resources, Inc. (the Organization) (a Texas nonprofit organization) as of and for the year ended December 31, 2009, and have issued our report thereon dated July 8, 2010. 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 Drug Prevention Resources, 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 Drug Prevention Resources, 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 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.

Our consideration of internal control over financial reporting 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 financial reporting that might be deficiencies, 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 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*.

This report is intended solely for the information and use of management, the board of directors, others within the entity, 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.

Nicholas & Montgomery LLP

July 8, 2010

PARTNERS

CATHERINE L. BARD
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**Report on Compliance with Requirements Applicable to Each Major
Program and on Internal Control over Compliance in Accordance with
OMB Circular A-133**

The Board of Directors
Drug Prevention Resources, Inc.

Compliance

We have audited the compliance of Drug Prevention Resources, Inc. (the Organization) (a Texas nonprofit organization) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that are applicable to its major federal program for the year ended December 31, 2009. Drug Prevention Resources, Inc.'s major federal program is identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to its major federal programs is the responsibility of Drug Prevention Resources, Inc.'s management. Our responsibility is to express an opinion on Drug Prevention Resources, Inc.'s compliance based on our audit.

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. Our audit does not provide a legal determination of Drug Prevention Resources, Inc.'s compliance with those requirements.

In our opinion, Drug Prevention Resources, Inc. complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the year ended December 31, 2009.

Internal Control Over Compliance

The management of Drug Prevention Resources, Inc. is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered Drug Prevention Resources, Inc.'s internal control over compliance with the requirements that could have a direct and material effect on its major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance 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 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.

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 deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of management, the board of directors, others within the entity, 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.

Nicholas & Montgomery LLP

July 8, 2010

DRUG PREVENTION RESOURCES, INC.
Schedule of Findings and Questioned Costs
Year Ended December 31, 2009

Summary of Auditors' Results:

1. The type of report issued on the general-purpose financial statements: **Unqualified**
2. Significant deficiencies or material weaknesses in internal controls that were disclosed by the audit of the financial statements: **None**
3. Noncompliance issues that are material to the financial statements: **None**
4. The type of report issued on compliance for major programs: **Unqualified**
5. Significant deficiencies or material weaknesses in internal controls that were disclosed by the audit of major programs: **None**
6. Any audit findings that are required to be reported under Section .510(a) of OMB Circular A-133: **None**
7. Major program identified: **93.959 Block Grant for Prevention of Substance Abuse**
8. Dollar threshold used to distinguish between Type A and Type B programs: **\$300,000**
9. Did the auditee qualify as a low-risk auditee under Section .530 of OMB Circular A-133: **Yes**

Findings Related to the Financial Statements Reported in Accordance with *Government Auditing Standards*

None

Findings and Questioned Costs Related to Federal Awards

None