

MOTHERS AGAINST DRUNK DRIVING
FINANCIAL STATEMENTS
AND REPORT OF INDEPENDENT
CERTIFIED PUBLIC ACCOUNTANTS
JUNE 30, 2011 AND 2010

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date **MAR 07 2012**

MOTHERS AGAINST DRUNK DRIVING

JUNE 30, 2011 AND 2010

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Lane Gorman Trubitt, PLLC
Accountants & Advisors

Report of Independent Certified Public Accountants

To the Board of Directors
Mothers Against Drunk Driving

We have audited the accompanying statement of financial position of Mothers Against Drunk Driving (National Office and all field locations, collectively referred to as "MADD") as of June 30, 2011, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended. These financial statements are the responsibility of MADD's management. Our responsibility is to express an opinion on these financial statements based on our audit. The prior year summarized comparative information has been derived from MADD's June 30, 2010 financial statements. The financial statements of MADD as of and for the year ended June 30, 2010, were audited by other auditors whose report dated February 28, 2011, expressed an unqualified opinion on those financial 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 of America. 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 financial statements referred to above present fairly, in all material respects, the financial position of MADD as of June 30, 2011, 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 a separate report dated January 18, 2012, on our consideration of MADD's internal control over financial reporting and 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 the 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.

LANE GORMAN TRUBITT, PLLC

Dallas, Texas
January 18, 2012

Mothers Against Drunk Driving
STATEMENT OF FINANCIAL POSITION
 June 30, 2011
 (with comparative totals for June 30, 2010)

	2011	2010
ASSETS		
Cash and cash equivalents	\$ 7,788,683	\$ 13,528,180
Investments, at fair value	11,434,482	6,536,800
Investments, other	-	7,752
Trade accounts receivable, net of allowance for doubtful accounts of \$103,635 in 2011 and \$0 in 2010	236,685	361,978
Grants receivable	2,801,415	2,201,436
Contributions receivable, net of unamortized discount of \$1,069 in 2011 and \$1,521 in 2010	378,913	429,846
Prepaid expenses and other	865,619	503,456
Literature and supplies inventory	527,520	595,565
Property and equipment, net	90,981	132,308
Total assets	\$ 24,124,298	\$ 24,297,321
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts payable	\$ 30,127	\$ 778,749
Accrued liabilities	1,999,293	1,299,374
Deferred revenue	29,400	178,283
Total liabilities	2,058,820	2,256,406
COMMITMENTS AND CONTINGENCIES		
NET ASSETS		
Unrestricted	21,090,829	21,069,197
Temporarily restricted	964,649	961,718
Permanently restricted	10,000	10,000
Total net assets	22,065,478	22,040,915
Total liabilities and net assets	\$ 24,124,298	\$ 24,297,321

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

Mothers Against Drunk Driving
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
Year ended June 30, 2011
(with comparative totals for the year ended June 30, 2010)

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total 2011</u>	<u>Total 2010</u>
REVENUES					
Contributions					
Individuals	\$ 16,093,147	\$ 111,740	\$ -	\$ 16,204,887	17,638,731
Corporations	2,995,600	1,046,663	-	4,042,263	4,483,449
Foundations	527,155	80,950	-	608,105	643,320
In-kind	1,000,976	-	-	1,000,976	682,536
Grants					
Government	9,980,269	-	-	9,980,269	8,398,031
Corporations	1,460	-	-	1,460	7,106
Foundations	6,850	-	-	6,850	-
Special events	111,373	-	-	111,373	49,938
Costs of direct benefits to donors	<u>(93,800)</u>	-	-	<u>(93,800)</u>	<u>(67,493)</u>
Net special events	17,573	-	-	17,573	(17,555)
Other revenue					
Investment income	90,893	-	-	90,893	38,068
Victim impact panels	5,547,693	-	-	5,547,693	5,532,059
Licenses, promotions and other	<u>2,808,442</u>	-	-	<u>2,808,442</u>	<u>3,466,853</u>
Total contributions, grants, special events and other revenue	39,070,058	1,239,353	-	40,309,411	40,872,598
Net assets released from restrictions	<u>1,236,422</u>	<u>(1,236,422)</u>	-	-	-
Total revenues	40,306,480	2,931	-	40,309,411	40,872,598
EXPENSES					
Program services					
Community programs	28,375,161	-	-	28,375,161	26,422,924
Field services	<u>3,336,563</u>	-	-	<u>3,336,563</u>	<u>3,181,459</u>
Total program services	31,711,724	-	-	31,711,724	29,604,383
Supporting services					
Management and general	3,539,013	-	-	3,539,013	2,330,390
Fund-raising	<u>5,034,111</u>	-	-	<u>5,034,111</u>	<u>6,187,373</u>
Total supporting services	<u>8,573,124</u>	-	-	<u>8,573,124</u>	<u>8,517,763</u>
Total expenses	<u>40,284,848</u>	-	-	<u>40,284,848</u>	<u>38,122,146</u>
CHANGE IN NET ASSETS	21,632	2,931	-	24,563	2,750,452
NET ASSETS AT BEGINNING OF YEAR	<u>21,069,197</u>	<u>961,718</u>	<u>10,000</u>	<u>22,040,915</u>	<u>19,290,463</u>
NET ASSETS AT END OF YEAR	<u>\$ 21,090,829</u>	<u>\$ 964,649</u>	<u>\$ 10,000</u>	<u>\$ 22,065,478</u>	<u>\$ 22,040,915</u>

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

Mothers Against Drunk Driving
STATEMENT OF FUNCTIONAL EXPENSES
 Year ended June 30, 2011
 (with comparative totals for the year ended June 30, 2010)

	Program services		Supporting services		Total 2011	Total 2010
	Community programs	Field services	Management and general	Fund-raising		
Printing, publications, and related materials	\$ 3,888,190	\$ 222,655	\$ 29,490	\$ 1,049,571	\$ 1,079,061	\$ 4,635,604
Postage	2,052,864	31,251	14,071	782,708	796,779	2,822,454
Telephone	361,573	40,557	26,911	5,970	32,881	586,316
Salaries, benefits, and related taxes	12,542,257	1,588,385	2,410,734	866,696	3,277,430	17,086,834
Data management	536,919	-	-	215,612	215,612	675,247
Occupancy	1,678,305	202,486	223,233	153,054	376,287	2,491,504
Professional fees	3,428,713	523,157	278,406	1,631,486	1,909,892	5,664,771
Special events - indirect	-	-	-	60,103	60,103	20,580
Conferences and workshops	413,964	182,582	41,738	10,835	52,573	348,031
Travel	1,067,436	257,842	76,937	34,200	111,137	1,057,591
Office expense and maintenance	791,516	135,405	109,911	23,507	133,418	922,478
Depreciation and amortization	15,388	3,903	31,101	-	31,101	109,377
Insurance	97,360	14,159	72,221	-	72,221	189,022
Other	1,500,676	134,181	224,260	200,369	424,629	1,512,337
	<u>\$ 28,375,161</u>	<u>\$ 3,336,563</u>	<u>\$ 3,539,013</u>	<u>\$ 5,034,111</u>	<u>\$ 8,573,124</u>	<u>\$ 38,122,146</u>

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

Mothers Against Drunk Driving
STATEMENT OF CASH FLOWS
Year ended June 30, 2011
(with comparative totals for the year ended June 30, 2010)

	2011	2010
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 24,563	\$ 2,750,452
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities		
Provision for uncollectible receivables	103,635	-
Depreciation and amortization	50,392	109,377
Net realized and unrealized gains on investments	(13,970)	(5,338)
Changes in operating assets and liabilities:		
Trade accounts receivable	21,658	(296,029)
Grants receivable	(599,979)	(368,829)
Contributions receivable	50,933	29,549
Prepaid expenses and other	(362,163)	(136,128)
Literature and supplies inventory	68,045	156,884
Accounts payable	(748,622)	(673,264)
Accrued liabilities	699,919	(286,044)
Deferred revenue	(148,883)	123,784
Net cash provided by (used in) operating activities	(854,472)	1,404,414
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property and equipment	(9,065)	(116,563)
Proceeds from sales and maturities of investments	64,848	412,816
Purchases of investments	(4,940,808)	(6,539,213)
Net cash used in investing activities	(4,885,025)	(6,242,960)
DECREASE IN CASH AND CASH EQUIVALENTS	(5,739,497)	(4,838,546)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	13,528,180	18,366,726
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$ 7,788,683	\$ 13,528,180
Supplemental disclosure of cash flow information:		
Income taxes paid	\$ -	\$ -

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

Mothers Against Drunk Driving
NOTES TO FINANCIAL STATEMENTS

NATURE OF OPERATIONS

Mothers Against Drunk Driving ("MADD") is a national nonprofit organization whose mission is to stop drunk driving, support the victims of this violent crime and prevent underage drinking.

MADD is a Washington DC non-profit corporation. The 204 field locations (as of June 30, 2011) throughout the United States are integral parts of the corporation and have no separate legal status. Moreover, they function under the auspices of the MADD National Office, which in addition to directly administering various nationwide programs, provides organizational, technical and other support services to these community-based groups.

Community programs consist of programs, prevention activities and other awareness campaigns that are administered by the National Office and field locations to achieve the mission of MADD. These include programs to promote greater awareness about the problem of impaired drivers and underage drinking, programs to mobilize communities in eliminating these problems, support and advocacy services to drunk driving victims and their families, and other related programs. The following is a list of some of these programs, campaigns and activities.

Community, Public Awareness and Public Policy

- * Court Monitoring Program
- * Speakers Bureau
- * *Tie One On for Safety*
- * Power of Parents: It's Your Influence Program
- * Public Service Announcements
- * Newsletters
- * Media Communications/Press Events
- * MADD Online
- * Direct Mail Education/Awareness Programs
- * Campaign to Eliminate Drunk Driving
- * Community Events
- * Media Awards
- * General Information Brochures
- * MADD Matters
- * Law Enforcement Support/Collaboration
- * Telephone Education/Awareness Programs
- * Parent and Teen Underage Drinking Prevention Awareness in Spanish and English
- * *Walk Like MADD*
- * MADD National Conference
- * Legislative Updates and Alerts
- * Public Policy/Government Relations
 - Victim Tributes
 - Advocacy
 - Victim Chats
 - News
 - e-Newsletter
 - Discussion Forum
 - Community Awareness
 - Statistics
 - Program-Specific Sub Sites

Youth

- * Educational Materials and Brochures
- * *Youth in Action* for High School
- * Underage Drinking Public Service Announcements
- * UMADD College Campus Program
- * *Protecting You/Protecting Me* Elementary Curriculum

Victim Services

- * Beginning and Advanced Victim Assistance Training Institutes
- * Victim Assistance Literature
- * *MADDvocate* Magazine
- * Victim Impact Panels
- * Path of Hope Program for Native Americans
- * Victim Photo Board
- * Candlelight Victim/Survivor Tributes
- * Death Notification Seminars
- * Victim Support Groups
- * Victim Assistance 24 Hour 877-MADD-HELP helpline
- * Trauma Tips
- * Crisis Intervention for Victims
- * Court Accompaniment
- * Training of Allied Professionals
- * Victim Assistance Support, Advocacy & Education
- * Victim Services How-to Manuals
- * Online Support Group
- * Child Endangerment Assistance
- * Victim Rights Week
- * Victim Service Public Service Announcements

Mothers Against Drunk Driving
NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A summary of significant accounting policies consistently applied in the preparation of the accompanying financial statements is as follows:

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("GAAP").

Basis of Presentation

The accompanying financial statements include the accounts of the National Office and all field locations. Inter-location transactions and balances have been eliminated.

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. Unrestricted net assets may be designated for specific purposes by action of the Board of Directors.

Temporarily restricted net assets – Net assets subject to donor-imposed stipulations that may or will be met by actions of MADD and/or the passage of time.

Permanently restricted net assets – Net assets subject to donor-imposed stipulations that they be maintained permanently by MADD. Generally, the donors of these assets permit MADD to use all or part of the income earned on related investments for general or specific purposes.

Revenues are reported as increases in unrestricted net assets unless use of the related asset 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 temporary restrictions on 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 are recognized as revenues in the period unconditional promises to give are received. Conditional promises to give are not recognized until they become unconditional, that is when the conditions on which they depend are substantially met. Contributions of assets other than cash are recorded at their estimated fair value. Contributions to be received after one year are discounted at an appropriate discount rate commensurate with the risks involved. Amortization of the discount is recorded as additional contribution revenue in accordance with donor-imposed restrictions, if any, on the contributions.

Contributions of property and equipment are reported 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 to be 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 those long-lived assets must be maintained, MADD reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

Contributed services are recognized as revenue if the services received (a) create or enhance nonfinancial assets or (b) require specialized skills that would typically need to be purchased if not provided by donation. Contributions of art are generally not recorded on the books when received, unless a readily determinable fair value is available at the date of gift. Gifts of long-lived assets are recognized at fair value at the date of gift. MADD does not imply a time restriction on such gifts.

Income and investment gains and losses are reported as follows:

- As increases (decreases) in permanently restricted net assets if the terms of the gift require they be included in principal of a permanent endowment fund;
- As increases (decreases) in temporarily restricted net assets if the terms of the gift impose restrictions on their use;
- As increases (decreases) in unrestricted net assets in all other cases.

Mothers Against Drunk Driving
NOTES TO FINANCIAL STATEMENTS

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Cash and Cash Equivalents

Cash and cash equivalents consist of cash on hand and all highly liquid investments purchased with an initial maturity of three months or less. MADD maintains its cash balances with high credit quality financial institutions located in various states, which at times may exceed federally insured limits. MADD monitors its risk under these arrangements and has not experienced any losses on such accounts.

Cash and securities maintained through a registered securities dealer are insured up to \$500,000 by the Securities Investor Protection Corporation ("SIPC"). SIPC covers losses from fraud and negligence of the registered securities dealer, but not against market losses or investment return. Balances held in accounts may still at times exceed insured limits. MADD has not incurred any losses in these accounts, outside normal trading activities, and does not believe that they are exposed to any significant credit risk.

Investments, at Fair Value

Investments are recorded at fair value. The net realized and unrealized gains (losses) are reflected in investment income in the statement of activities and changes in net assets.

Investments, Other

Other investments are certificates of deposit with original maturities greater than three months and are carried at amortized cost. The certificates of deposit do not qualify as securities as defined in Financial Accounting Standard Board ("FASB") Accounting Standards Codification ("ASC") 320, *Investments – Debt and Equity Securities*, thus the fair value disclosures required by ASC 820, *Fair Value Measurements and Disclosures*, are not provided. No certificates of deposit were held at June 30, 2011.

Fair Value Measurements

In determining fair value, MADD uses various valuation approaches. GAAP establishes a fair value hierarchy for inputs used in measuring fair value. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability (i.e., the "exit price") in an orderly transaction between market participants at the measurement date. GAAP emphasizes that fair value is a market-based measurement, not an entity-specific measurement. Therefore, a fair value measurement should be determined based on the assumptions that participants would use in pricing the asset or liability.

As a basis for considering market participant assumptions in fair value measurements, GAAP establishes a three-tier hierarchy to distinguish between various types of inputs used in determining the value of MADD's financial instruments. The inputs are summarized in three levels as outlined below:

Level 1 Inputs – Quoted prices (unadjusted) in active markets for identical assets and liabilities. Valuations of these instruments do not require a high degree of judgment since the valuations are based on quoted prices in active markets.

Level 2 Inputs – Quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities that are not active; and inputs other than quoted prices that are observable, such as models or other valuation methodologies. Valuations in this category are inherently less reliable than quoted market prices due to the degree of subjectivity involved in determining appropriate methodologies and the applicable underlying assumptions.

Level 3 Inputs – Unobservable inputs for the valuation of the asset or liability. These inputs require significant management judgment or estimation. These financial instruments have inputs that cannot be validated by readily determinable market data and generally involve considerable judgment by management.

In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, the level in the fair value hierarchy within which the measurement falls in its entirety is determined based on the lowest level input that is significant. MADD's assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment and considers factors specific to the financial instrument.

Mothers Against Drunk Driving
NOTES TO FINANCIAL STATEMENTS

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Fair Value Measurements (Continued)

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used as of June 30, 2011.

U.S. Treasury Notes are reflected in the accompanying financial statements based on market data other than quoted prices in an active market, which is considered to be a Level 2 input.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while MADD believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

Receivables

Receivables consist primarily of grants receivable from government agencies and represent amounts due to MADD in accordance with cost-reimbursement contracts. Accounts receivable are carried at the invoiced amount or the amount of reimbursable costs incurred, less an estimate made for doubtful receivables.

Government grant receivables are fully collectible. Other receivables outstanding more than 90 days are considered past due. MADD determines its allowance for doubtful accounts based on past due amounts and other available information regarding the current status of individual accounts and current economic conditions. MADD writes off receivables when they become uncollectible, and payments subsequently received on such receivables are credited to the provision for uncollectible receivables account. Recoveries of receivables previously written off are recorded when received. In the event of complete nonperformance, the maximum exposure to MADD is the outstanding receivable balance at the date of nonperformance.

Prepaid Expenses and Other

Prepaid expenses and other consist of deposits, prepaid rent, prepaid insurance and other similar amounts that relate to future periods.

Literature and Supplies Inventory

Supplies of literature and other program-related materials are stated at the lower of cost or market, with cost being determined using the average cost method.

Property and Equipment

Donated property and equipment are recorded at fair value at date of receipt, and expenditures for property and equipment are stated at cost. MADD capitalizes those items in excess of \$5,000 which have a useful life greater than one year. Depreciation is provided on a straight-line basis over the estimated useful lives of the assets ranging from three to seven years.

Leasehold improvements are amortized on a straight-line basis over the respective lease term or life of the improvement, whichever is shorter.

Advertising

Advertising costs are expensed as incurred. Total advertising costs for the years ended June 30, 2011 and 2010 were \$2,096,792 and \$1,728,195, respectively, and are included in other supporting expenses in the accompanying statement of activities and changes in net assets.

Mothers Against Drunk Driving
NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue Recognition

Revenue is recognized on conditional promises to give when the conditions are substantially met. Grant revenue is recognized as contract terms are fulfilled. Contributions and grants are considered to be available for unrestricted purposes unless restricted by the donor for specific purposes. Revenue from victim impact panels is recognized as the panels occur. Licenses, promotions and other revenue are recognized when earned.

MADD has entered into royalty agreements with various third parties relating to use of the MADD name and brand. Revenue recognized under these royalty agreements is included in licenses, promotions and other revenue in the accompanying statement of activities and changes in net assets.

Deferred Revenue

Deferred revenue for MADD primarily consists of advance payments from granting agencies.

Special Events

MADD conducts special fundraising events, including golf tournaments, runs, dinners, auctions, breakfasts and bike rallies. However, only events where there is a registration or participation fee are included in special events revenue; contributions raised in conjunction with events are included as contribution revenue. The cost of the direct benefit that the participant receives at such events is presented on the statement of activities and changes in net assets to result in net special events. All other expenses related to special events are allocated to fund-raising services.

Joint Costs

As stated in ASC 958, *Not for Profit Entities*, costs included in conducting joint activities that are not identifiable with a particular component of the activity are allocated between fund-raising and program services.

Functional Allocation of Expenses

The costs of providing the various program and supporting services have been summarized on a functional basis in the accompanying statements of activities and changes in net assets, and functional expenses. Certain costs have been allocated among the programs and supporting services benefited.

Lease Accounting

MADD determines whether to account for its leases as operating, capital or financing leases depending on the underlying terms of the lease agreement. This determination of classification is complex and requires significant judgment relating to certain information including the estimated fair value and remaining economic life of the leased assets, MADD's cost of funds, minimum lease payments and other lease terms.

Income Taxes

MADD is exempt from federal income tax under 501(c)(3) of the United States Internal Revenue Code (the "Code"), except to the extent it has unrelated business income. In addition, MADD has been determined by the Internal Revenue Service not to be a private foundation within the meaning of Section 509(a) of the Code. For the years ended June 30, 2011 and 2010, MADD had no net unrelated business income. Accordingly, no provision for income tax has been provided in the accompanying financial statements.

GAAP requires the evaluation of tax positions taken or expected to be taken in the course of preparing MADD's tax returns to determine whether the tax positions are more likely than not of being sustained by the applicable tax authority. Tax positions not deemed to meet the more likely than not threshold would be recorded as a tax benefit or expense in the current year. A reconciliation is not provided herein, as the beginning and ending amounts of unrecognized benefits are zero, with no interim additions, reductions, or settlements. MADD is relying on its tax-exempt status and its adherence to all applicable laws and regulations to preserve that status. However, the conclusions regarding accounting for uncertainty in income taxes will be subject to review and may be adjusted at a later date based on factors including, but not limited to, ongoing analysis of tax laws, regulations, and interpretations thereof.

Mothers Against Drunk Driving
NOTES TO FINANCIAL STATEMENTS

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Income Taxes (Continued)

MADD recognizes interest and penalties, if any, related to uncertain tax positions as income tax expense. MADD's informational returns filed are generally subject to examination for three years after the later of the due date or date of filing. As a result, MADD is no longer subject to income tax examinations by tax authorities for years prior to fiscal year 2008.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Comparative Financial Information

The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in accordance with GAAP. Accordingly, such information should be read in conjunction with MADD's financial statements for the year ended June 30, 2010, from which the summarized information was derived.

Reclassifications

Certain accounts in the prior-year financial statements have been reclassified for comparative purposes to conform with the presentation in the current-year financial statements.

2. **INVESTMENTS**

The following table sets forth by level, within the fair value hierarchy, MADD's investments at fair value as of June 30, 2011:

<u>Description</u>	<u>Carrying Value</u>	<u>Measured at Fair Value</u>	<u>Quoted Prices in Active Markets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
U.S. Treasury Notes	\$ 11,434,482	\$ 11,434,482	\$ -	\$ 11,434,482	\$ -
	<u>\$ 11,434,482</u>	<u>\$ 11,434,482</u>	<u>\$ -</u>	<u>\$ 11,434,482</u>	<u>\$ -</u>

The following table sets forth by level, within the fair value hierarchy, MADD's investments at fair value as of June 30, 2010:

<u>Description</u>	<u>Carrying Value</u>	<u>Measured at Fair Value</u>	<u>Quoted Prices in Active Markets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
U.S. Treasury Notes	\$ 6,536,800	\$ 6,536,800	\$ -	\$ 6,536,800	\$ -
	<u>\$ 6,536,800</u>	<u>\$ 6,536,800</u>	<u>\$ -</u>	<u>\$ 6,536,800</u>	<u>\$ -</u>

MADD invests in various investment securities. Investment securities are exposed to various risks, such as interest rate, overall market volatility and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect MADD's account balances and the amounts reported in the statement of financial position.

Mothers Against Drunk Driving
NOTES TO FINANCIAL STATEMENTS

2. INVESTMENTS (Continued)

The following summarizes total investment income for the years ended June 30,:

	2011	2010
Interest income	\$ 76,923	\$ 32,730
Net realized and unrealized gains on investments	<u>13,970</u>	<u>5,338</u>
	<u>\$ 90,893</u>	<u>\$ 38,068</u>

3. CONTRIBUTIONS RECEIVABLE

Included in contributions receivable are the following unconditional promises to give at June 30,:

	2011	2010
Pledges and receivable from a charitable lead trust before unamortized discount	\$ 379,982	\$ 431,367
Less unamortized discount	<u>(1,069)</u>	<u>(1,521)</u>
	378,913	429,846
Less allowance for uncollectible contributions	-	-
Net unconditional promise to give	<u>\$ 378,913</u>	<u>\$ 429,846</u>

Contributions receivable are discounted using a rate of .58%.

Contributions receivable are expected to be collected in:

Less than one year	\$ 369,982
One to five years	<u>10,000</u>
	<u>\$ 379,982</u>

MADD is the beneficiary of income from a charitable lead trust from which MADD is to receive \$10,000 per year for 10 years through year 2013. The present value of the future cash receipts from the trust was approximately \$19,000 and \$28,000 as of June 30, 2011 and 2010, respectively, and is recorded in contributions receivable.

4. PROPERTY AND EQUIPMENT

Property and equipment consist of the following at June 30,:

	2011	2010
Furniture and fixtures	\$ 99,336	\$ 99,336
Office equipment	622,559	622,559
Leasehold improvements	<u>339,019</u>	<u>324,954</u>
	1,060,914	1,046,849
Less accumulated depreciation and amortization	<u>(971,133)</u>	<u>(920,741)</u>
	89,781	126,108
Land	<u>1,200</u>	<u>6,200</u>
	<u>\$ 90,981</u>	<u>\$ 132,308</u>

Mothers Against Drunk Driving
NOTES TO FINANCIAL STATEMENTS

5. NET ASSETS

Net assets consist of the following at June 30,:

	2011	2010
Unrestricted	\$ 21,090,829	\$ 21,069,197
Temporarily restricted		
Specific future periods	18,931	28,479
Specific program and support activities	945,718	933,239
Permanently restricted		
Endowment	10,000	10,000
	\$ 22,065,478	\$ 22,040,915

Net Assets Released From Restrictions

\$1,236,422 of temporarily restricted net assets were released from restrictions by incurring expenses satisfying the restricted purposes, by passage of time, or occurrence of events specified by the donors for the year ended June 30, 2011.

6. ALLOCATION OF JOINT COSTS

Joint costs paid by MADD to outside firms for education materials and activities that included fund-raising appeals have been allocated as follows at June 30,:

	2011	2010
Community programs	\$ 6,652,743	\$ 6,209,118
Fund-raising	3,345,152	3,980,188
	\$ 9,997,895	\$ 10,189,306

7. EMPLOYEE BENEFIT PLANS

A defined contribution retirement plan (the "DC Plan") covers all eligible employees of MADD who are at least 21 years of age, have completed one year of service, and have worked at least 1,000 hours. Employee contributions are not allowed under the DC Plan. Employees are fully vested after five years of service or, if hired prior to July 1989, are fully vested after three years of service. Effective July 1, 2009, employer contributions are discretionary and determined annually by MADD. There were no discretionary contributions for the years ended June 30, 2011 and 2010, and no future contributions are anticipated.

MADD allows eligible employees to contribute to a tax-deferred retirement plan (the "403(b) Plan") which is subject to Sections 403 and 501 of the Code. All eligible employees may contribute to the 403(b) Plan any whole percentage of their eligible salary not to exceed the maximum allowed by the Code. The total value of the participant's contribution is fully and immediately vested. Effective January 1, 2011, MADD began employer contributions, electing to match eligible employee contributions up to 3% of compensation. MADD's contributions to the 403(b) Plan, which are included in salaries, benefits, and related taxes on the statements of functional expenses, were approximately \$72,800 and \$3,500 for the years ended June 30, 2011 and 2010, respectively.

8. IN-KIND CONTRIBUTIONS AND DONATED PERSONAL SERVICES OR VOLUNTEERS

MADD receives in-kind contributions consisting of donated materials and professional services. Contributed services are recorded if the service (a) creates or enhances nonfinancial assets or (b) requires specialized skills which would typically need to be purchased if not contributed. In-kind donations are included in total revenues and expenses in the accompanying statement of activities and changes in net assets for the years ended June 30, 2011 and 2010 at their estimated fair values of approximately \$1,001,000 and \$683,000, respectively.

In-kind contributions benefit various functions and are allocated among those functions in the accompanying statement of functional expenses.

Mothers Against Drunk Driving
NOTES TO FINANCIAL STATEMENTS

8. IN-KIND CONTRIBUTIONS AND DONATED PERSONAL SERVICES OR VOLUNTEERS (Continued)

In addition, MADD receives services from a large number of volunteers who give significant amounts of their time to MADD for programs, fund-raising campaigns, and management. The value of this contributed time is not reflected in the financial statements since it does not meet the criteria discussed above.

9. LEASES

The MADD National Office and certain field locations have non-cancelable operating lease agreements for office space that expire through June 30, 2016. Management expects that, in the normal course of business, leases that expire will be renewed or replaced by other leases. MADD recognizes escalating lease payments on a straight-line basis over the term of each respective lease. Future annual minimum lease payments due under these leases are as follows at June 30,:

2012	\$	1,582,343
2013		1,149,483
2014		838,345
2015		135,548
2016		6,639
Thereafter		-
		\$ 3,712,358

Rent expense, which is included in occupancy on the statement of functional expenses, totaled approximately \$1,847,000 and \$2,120,000 for the years ended June 30, 2011 and 2010, respectively.

MADD has contracted with a third party vendor to represent MADD in various real estate leasing transactions and to perform administrative functions related to those leases. The agreement has a term of three years with optional multi-year extensions.

10. COMMITMENTS, CONTINGENCIES AND CONCENTRATIONS

MADD, in its normal course of business, is subject to various legal actions. Additionally, federal, state, and other grants are subject to periodic review and assessment by related federal, state, and other agencies. MADD believes the ultimate outcome of these matters will not have a material effect on MADD's financial position, results of operations, or cash flows.

At June 30, 2011, receivables from one telemarketing agency and one donor represent approximately 89% of contributions receivable. In addition, at June 30, 2011, one grantor represents 32% of grants receivable, and one customer represents 60% of net trade accounts receivable.

MADD has entered into various sponsorships and licensing agreements with third parties relating to use of certain MADD service marks, trade names and logos. The terms of the agreements range from one to four years. Certain third parties have also agreed to pay MADD a royalty for each item of merchandise bearing certain MADD service marks, trade names and logos. Future minimum revenues due under these agreements are as follows at June 30,:

2012	\$	1,610,000
2013		360,000
2014		460,000
Thereafter		-
		\$ 2,430,000

11. SUBSEQUENT EVENTS

Management has evaluated subsequent events through January 18, 2012, the date the financial statements were available to be issued.

Management and the Board of Directors of MADD have elected to convert to a calendar year-end, effective December 31, 2011.

MOTHERS AGAINST DRUNK DRIVING

SINGLE AUDIT REPORT

JUNE 30, 2011

MOTHERS AGAINST DRUNK DRIVING

JUNE 30, 2011

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Lane Gorman-Trubitt, PLLC
Accountants & Advisors

Report of Independent Certified Public Accountants 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*

To the Board of Directors
Mothers Against Drunk Driving

We have audited the financial statements of Mothers Against Drunk Driving (National Office and all field locations, collectively referred to as "MADD") as of and for the year ended June 30, 2011, and have issued our report thereon dated January 18, 2012. 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 MADD'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 MADD's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of MADD'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 MADD'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 the 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. However, we identified a certain deficiency in internal control over financial reporting, described as Finding 2011-1 in the accompanying schedule of findings and questioned costs that we consider to be a significant deficiency in internal control over financial reporting

Compliance and Other Matters

As part of obtaining reasonable assurance about whether MADD'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*.

Compliance and Other Matters (Continued)

We noted certain other matters that we reported to management of MADD and its Audit Committee in a separate letter dated January 18, 2012.

MADD's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit MADD's responses and, accordingly, we express no opinion on the responses.

This report is intended solely for the information and use of the Audit Committee, Board of Directors, management, 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.

LANE GORMAN TRUBITT, PLLC

Dallas, Texas
January 18, 2012



Lane Gorman Trubitt, PLLC
Accountants & Advisors

Report of Independent Certified Public Accountants on Compliance
with Requirements that Could Have a Direct and Material
Effect on Each Major Program and on Internal Control
Over Compliance in Accordance with OMB Circular A-133

To the Board of Directors
Mothers Against Drunk Driving

Compliance

We have audited the compliance of Mothers Against Drunk Driving (National Office and all field locations, collectively referred to as "MADD") with the types of compliance requirements described in the United States Office of Management and Budget ("OMB") *Circular A-133 Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2011. MADD's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of MADD's management. Our responsibility is to express an opinion on MADD'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 MADD'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 MADD's compliance with those requirements.

In our opinion, MADD complied, in all material respects, with the requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2011.

Internal Control Over Compliance

Management of MADD 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 MADD's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the 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 MADD's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as discussed below, we identified one deficiency in internal control over compliance that we consider to be a "material weakness" and another single deficiency that we consider to be a "significant deficiency."

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.

Internal Control Over Compliance (Continued)

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. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as Finding 2011-2 to be a "material weakness."

A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as Finding 2011-3 and Finding 2011-4 to be "significant deficiencies."

MADD's responses to findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit MADD's responses and, accordingly, we express no opinion on the responses.

Schedule of Expenditures of Federal Awards

We have audited the basic financial statements of MADD as of and for the year ended June 30, 2011, and have issued our report thereon dated January 18, 2012, which contained an unqualified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the basic financial statements 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 is the responsibility of MADD's management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic 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 basic financial statements taken as a whole.

This report is intended solely for the information and use of the Audit Committee, Board of Directors, management, 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.

LANE GORMAN TRUBITT, PLLC

Dallas, Texas
January 18, 2012

Mothers Against Drunk Driving
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 Year ended June 30, 2011

Federal Grantor/Pass-Through Grantor	Program Title	Recipient MADD Office	Federal CFDA Number	Pass-Through Entry Identifying Number	Expenditures
U.S. Department of Justice					
Pass-Through Programs:					
<u>JAG Program Cluster</u>					
<u>ARRA - Recovery Act - Edward Byrne Memorial Justice Assistance Grant (JAG) Program/Grants to States and Territories</u>					
Tennessee Office of Criminal Justice Program	MADD Victim Services ARRA/JAG	Tennessee, State Office	16.803	3502	\$ 29,620
Total expended under 16.803					<u>29,620</u>
Total JAG Program Cluster					29,620
U.S. Department of Justice, Office of Juvenile Justice and Delinquency Prevention					
Pass-Through Programs:					
<u>Juvenile Justice and Delinquency Prevention - Allocation to States</u>					
Connecticut Office of Policy and Management	Prevention of Underage Drinking	Connecticut	16.540	09JJ438UCS	10,740
Texas Department of Transportation	Statewide Programs Project	Texas	16.540	JA-10-J20-18480-05	349,704
Total expended under 16.540					<u>360,444</u>
<u>Enforcing Underage Drinking Laws Program</u>					
Alabama Department of Economic and Community Affairs, LE/Traffic Safety Division	MADD AL State Youth Advisory Board	Alabama, State Office	16.727	10-AH-ST-002	42,883
Alabama Department of Economic and Community Affairs, LE/Traffic Safety Division	Enforcing Underage Drinking Prevention Program	Alabama, State Office	16.727	09-AH-ST-001	48,035
Connecticut Office of Policy and Management	Prevention of Underage Drinking	Connecticut	16.727	09UD0C0053	25,671
Kentucky State Police	Enforcing Underage Drinking Laws Block Grant	Kentucky, State Office	16.727	2009-AH-FX-0089	34,663
Kentucky State Police	Youth in Action (EUDL Grant)	Kentucky, State Office	16.727	2010-AH-FX-0093	14,804
Minnesota Department of Public Safety	Enforcing Underage Drinking Laws	Minnesota, State Office	16.727	B-46142	52,178
New Mexico Children, Youth and Families Department	Enforcing Underage Drinking Laws	New Mexico, State Office	16.727	10-690-9987-1	44,782
Rhode Island Department of Mental Health, Retardation and Hospitals	Enforcing Underage Drinking Laws Program	Rhode Island, State Office	16.727	RFP7138893	335,921
Total expended under 16.727					<u>598,937</u>
U.S. Department of Justice, Office of Victims of Crime					
Direct Awards:					
<u>OVC National Conference Support Award</u>					
Training and Technical Assistance Center	OVC TTAC Professional Scholarship Program	National Office	N/A	OVC National Conference Support Award	24,941
Total expended under OVC National Conference Support Award					<u>24,941</u>
Pass-Through Programs:					
<u>Crime Victim Assistance</u>					
Alabama Department of Economic and Community Affairs, LE/Traffic Safety Division	Crime Victim Assistance	Alabama, State Office	16.575	10-VA-UN-005	19,251
Alabama Department of Economic and Community Affairs, LE/Traffic Safety Division	Crime Victim Assistance	Alabama, State Office	16.575	09-VA-UN-004	6,008

See accompanying notes to schedule of expenditures of federal awards.

Mothers Against Drunk Driving
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)
 Year ended June 30, 2011

Federal Grantor/Pass-Through Grantor	Program Title	Recipient MADD Office	Federal CFDA Number	Pass-Through Entity Identifying Number	Expenditures
U.S. Department of Justice (Continued)					
U.S. Department of Justice, Office of Victims of Crime (Continued)					
Pass-Through Programs: (Continued)					
Crime Victim Assistance (Continued)					
Arkansas Victim Justice and Assistance Program Administration	Crime Victim Assistance	Arizona, State Office	16.575	10138-9V	\$ 36,378
Arkansas Victim Justice and Assistance Program Administration	Crime Victim Assistance	Arizona, State Office	16.575	09138-9V	1,782
Arizona Department of Public Safety	Crime Victim Assistance	Arizona, State Office	16.575	2010-073	15,716
Arizona Department of Public Safety	Crime Victim Assistance	Arizona, Pima Co.	16.575	2010-080	57,372
Connecticut Judicial Branch Office of Victim Services	Crime Victim Assistance	Connecticut	16.575	2009-VA-GX-0005	137,704
State of Florida, Office of the Attorney General	Crime Victim Assistance	Florida, Hillsborough	16.575	V09047	13,258
State of Florida, Office of the Attorney General	Crime Victim Assistance	Florida, State Office	16.575	V09102	58,133
State of Florida, Office of the Attorney General	Crime Victim Assistance	Florida, Hillsborough	16.575	V10047	32,537
State of Florida, Office of the Attorney General	Crime Victim Assistance	Florida, State Office	16.575	V10102	128,442
County of Hawaii	Crime Victim Assistance	Hawaii	16.575	C-003081	12,369
City and County of Honolulu	Crime Victim Assistance	Hawaii	16.575	C-96633	18,404
County of Hawaii	Crime Victim Assistance	Hawaii	16.575	C-002659	10,274
Idaho Council on Domestic Violence and Victim Assistance	Victims of Crime Act	Idaho, State Office	16.575	VC007500	40,961
Illinois Criminal Justice	Victims of Crime Act	Illinois State	16.575	210117	45,483
Illinois Criminal Justice	Victims of Crime Act	Illinois State	16.575	209117	7,453
Kansas Office of the Governor	Victims of Crime Act	Kansas, State Office	16.575	10-VOCA-41	23,516
Kansas Office of the Governor	Victims of Crime Act	Kansas, State Office	16.575	11-VOCA-41	64,745
Kentucky Justice and Public Safety Cabinet	Victim Services Program	Kentucky, State Office	16.575	VOCA-2009-MADD-00065	16,763
Kentucky Justice and Public Safety Cabinet	Victim Services Program	Kentucky, State Office	16.575	VOCA-2010-MADD-00059	52,716
Louisiana Commission on Law Enforcement	Crime Victim Assistance	Louisiana, State Office	16.575	C09-8-014	68,953
Louisiana Commission on Law Enforcement	Crime Victim Assistance	Louisiana, State Office	16.575	C08-8-002	27,402
Michigan Department of Community Health	Crime Victim Assistance	Michigan Statewide	16.575	20357-14V10	107,881
Missouri State Department of Public Safety, Office of the Director	Victims of Crime Act	Missouri, Charter	16.575	2007-VOCA-0111	32,653
Missouri State Department of Public Safety, Office of the Director	Victims of Crime Act	Missouri, Charter	16.575	2008-VOCA-0097-SW	100,271
Mississippi Department of Public Safety	Victims of Crime Act	Mississippi, State Office	16.575	09VA5811	36,843
Mississippi Department of Public Safety	Victims of Crime Act	Mississippi, State Office	16.575	07VA5811	11,192
North Carolina Governor's Crime Commission	Strengthen Services to Underserved DWI Victims	North Carolina, State Office	16.575	092-1-09-044-AV-377	6,447
New Mexico Crime Victims Reparation Commission	Victims of Crime Act	New Mexico, State Office	16.575	2011-VA-639	44,580
New York Office of VS / State Crime Victims Board	Crime Victim Assistance	New York	16.575	C-501085	94,525
Ohio AG/Crime Victims Assist. & Prevention	Crime Victim Assistance	Ohio	16.575	2011VAGENE084	95,142
Ohio AG/Crime Victims Assist. & Prevention	Crime Victim Assistance	Ohio	16.575	2010VAGENE084	36,603
Pennsylvania Commission on Crime and Delinquency	Crime Victim Assistance	Pennsylvania, State Office	16.575	2008/2009/2010-VF-05-20033	47,901
Pennsylvania Commission on Crime and Delinquency	Crime Victim Assistance	Pennsylvania, Berks	16.575	2008/2009/2010-VF-05-20034	37,134

See accompanying notes to schedule of expenditures of federal awards.

Mothers Against Drunk Driving
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)
 Year ended June 30, 2011

Federal Grantor/Pass-Through Grantor	Program Title	Recipient MADD Office	Federal CFDA Number	Pass-Through Entity Identifying Number	Expenditures
U.S. Department of Justice (Continued)					
U.S. Department of Justice, Office of Victims of Crime (Continued)					
Pass-Through Programs: (Continued)					
<u>Crime Victim Assistance</u> (Continued)					
Pennsylvania Commission on Crime and Delinquency	Crime Victim Assistance	Pennsylvania, Butler	16.575	2008/2009/2010-VF-05-20035	\$ 7,810
Pennsylvania Commission on Crime and Delinquency	Crime Victim Assistance	Pennsylvania, Montgomery	16.575	2008/2009/2010-VF-05-20036	11,113
Pennsylvania Commission on Crime and Delinquency	Crime Victim Assistance	Pennsylvania, Chester	16.575	2008/2009/2010-VF-05-20037	10,150
Pennsylvania Commission on Crime and Delinquency	Crime Victim Assistance	Pennsylvania, Delaware	16.575	2008/2009/2010-VF-05-20038	15,538
Rhode Island Department of Public Safety	Victim Advocate	Rhode Island	16.575	10-421-VOCA	17,813
Rhode Island Department of Public Safety	Victim Advocate	Rhode Island	16.575	09-416-VOCA	6,250
South Carolina Department of Transportation, Office of Justice Programs	Victims of Crime Act	South Carolina, State Office	16.575	1V10081	31,422
Tennessee Office of Criminal Justice Program	MADD Victim Services	Tennessee, State Office	16.575	3943	53,670
State of Texas, Office of the Governor, Criminal Justice Division	Victims of Crime Act	Texas State	16.575	VA-10-V30-15317-11	1,496,609
State of Texas, Office of the Governor, Criminal Justice Division	Victims of Crime Act	Texas State	16.575	VA-09-V30-15317-10	327,170
West Virginia Division of Justice and Community Services	Victims of Crime Act	West Virginia, State Office	16.575	10-VA-019	11,242
West Virginia Division of Justice and Community Services	Victims of Crime Act	West Virginia, State Office	16.575	09-VA-004	200
Wisconsin Department of Justice	Crime Victim Services	Wisconsin, State office	16.575	2008-050-14	27,027
Wisconsin Department of Justice	Crime Victim Services	Wisconsin, State office	16.575	2008-050-13	9,950
Total expended under 16.575					<u>3,572,756</u>
<u>ARRA - Recovery Act - State Victim Assistance Formula Grant Program</u>					
Arkansas Victim Justice and Assistance Recovery Program	VOCA Recovery Program	Arkansas, State Office	16.801	09138-ARRA VOCA	21,900
Connecticut Judicial Branch Office of Victim Services	Federal Recovery Act Assistance	Connecticut	16.801	2008-VA-GX-0022 / 2009-SG-B9-0096	3,264
Idaho Council on Domestic Violence and Victim Assistance	Federal Recovery Act Assistance	Idaho, State Office	16.801	VC005100	45,238
Michigan Crime Victim Services Commission Department of Community Health	Recovery act - ovc - FY09	Michigan Statewide	16.801	20100586	71,672
Total expended under 16.801					<u>142,074</u>
Total U.S. Department of Justice					<u>\$ 4,728,772</u>

See accompanying notes to schedule of expenditures of federal awards.

Mothers Against Drunk Driving
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)
 Year ended June 30, 2011

Federal Grantor/Pass-Through Grantor	Program Title	Recipient MADD Office	Federal CFDA Number	Pass-Through Entity Identifying Number	Expenditures
U.S. Department of Transportation, National Highway Traffic Safety Administration (NHTSA)					
Direct Awards:					
<u>National Highway Traffic Safety Administration (NHTSA) Discretionary Safety Grants</u>					
National Highway Traffic Safety Administration	Conducting Ignition Interlock Institutes	National Office	20.614	DTNH22-06-H-00008/0004	\$ 164,664
National Highway Traffic Safety Administration	Documenting Ignition Interlock Legislative History	National Office	20.614	DTNH22-06-H-00008/0005	11,637
National Highway Traffic Safety Administration	Increasing Blood Alcohol Concentration Reporting	National Office	20.614	DTNH22-06-H-00008/0006	538,122
National Highway Traffic Safety Administration	National Law Enforcement Outreach	National Office	20.614	DTNH22-06-H-00008/0007	<u>89,938</u>
Total expended under 20.614					804,361
Pass-Through Programs:					
<u>Highway Safety Cluster:</u>					
<u>State and Community Highway Safety</u>					
Arizona Governor's Office of Highway Safety	Court Monitoring Program- Southern Arizona	Arizona, Pima Co.	20.600	2011-AL-072	35,636
Arizona Governor's Office of Highway Safety	Court Monitoring Program- State Arizona	Arizona, State Office	20.600	2011-AL-073	22,071
The Department of Alcoholic Beverage Control	Impaired Driver/Public Education	California, State Office	20.600	AL1060	35,516
Hawaii Department of Transportation	State and Community Highway Safety	Hawaii	20.600	FLEX 3 - MADD HAWAII	29,996
Hawaii Department of Transportation	State and Community Highway Safety	Hawaii	20.600	FLEX 3 - MADD HAWAII	43,752
The Commonwealth of Massachusetts Executive Office Of Public Safety and Security	Highway Safety Youth Program	Massachusetts, State Office	20.600	2010MADD000000000000	30,639
Nebraska Office of Highway Safety, Department of Motor Vehicles	Court Monitoring Program	Nebraska, State Office	20.600	402-11-17	66,721
Nebraska Office of Highway Safety, Department of Motor Vehicles	Traffic Safety Professional Training Conferences	Nebraska, State Office	20.600	11-25	4,997
Nebraska Office of Highway Safety, Department of Motor Vehicles	Traffic Safety Professional Training Conferences	Nebraska, State Office	20.600	11-25	2,791
Nebraska Office of Highway Safety, Department of Motor Vehicles	Court Monitoring Program	Nebraska, State Office	20.600	10-17	24,653
Rhode Island Department of Public Safety	Youth In Action 2011	Rhode Island, State Office	20.600	Youth in Action OHS -402- OP 08/164 -AL 08	13,104
Rhode Island Department of Public Safety	Team Spirit	Rhode Island	20.600	Team Spirit 164 -AL-11	1,000
Rhode Island Department of Public Safety	Team Spirit	Rhode Island	20.600	Team Spirit 164 -AL-10	<u>40,000</u>
Total expended under 20.600					350,876
<u>Alcohol Impaired Driving Countermeasures Incentive Grants I</u>					
Arizona Governor's Office of Highway Safety	Court Monitoring Program- Phoenix	Arizona, State Office	20.601	2010-410-049	332
Arizona Governor's Office of Highway Safety	Court Monitoring Program- Maricopa County	Arizona, State Office	20.601	2010-410-052	6,583
Arizona Governor's Office of Highway Safety	Court Monitoring Program- Southern Arizona	Arizona, Pima Co.	20.601	2010-410-053	12,235
The Department of Alcoholic Beverage Control	Impaired Driver/Public Education	California, State Office	20.601	AL1060	593,920
Colorado Department of Transportation	Colorado Underage Drinking Prevention Program	Colorado, State Office	20.601	11-01-11-07	21,281
Colorado Department of Transportation	Colorado Underage Drinking Prevention Program	Colorado	20.601	11-01-11-06	54,177
Georgia Governor's Office of Highway Safety	Multi-County Chapter Development Initiative	Georgia, State Office	20.601	GA-2010-542-00413	20,300
Georgia Governor's Office of Highway Safety	Multi-County Chapter Development Initiative	Georgia, State Office	20.601	GA-2011-542-00392	81,566
Illinois Department of Transportation	Court Monitoring Program	Illinois State	20.601	AL1-5480-229	138,885
Illinois Department of Transportation	Court Monitoring Program	Illinois State	20.601	AL0-5480-265	55,316
Louisiana Highway Safety Commission	VIP and Court Monitoring	Louisiana, State Office	20.601	2011-10-24	96,336
Louisiana Highway Safety Commission	Underage Drinking Prevention Program	Louisiana, State Office	20.601	2011-10-21	<u>113,231</u>

See accompanying notes to schedule of expenditures of federal awards.

Mothers Against Drunk Driving
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)
Year ended June 30, 2011

Federal Grantor/Pass-Through Grantor	Program Title	Recipient MADD Office	Federal CFDA Number	Pass-Through Entity Identifying Number	Expenditures
U.S. Department of Transportation, National Highway Traffic Safety Administration (NHTSA) (Continued)					
Pass-Through Programs: (Continued)					
<u>Highway Safety Cluster: (Continued)</u>					
<u>Alcohol Impaired Driving Countermeasures Incentive Grants I (Continued)</u>					
Louisiana Highway Safety Commission	VIP and Court Monitoring	Louisiana, State Office	20.601	K8-2010-11-00-00	\$ 44,325
Louisiana Highway Safety Commission	Underage Drinking Prevention Program	Louisiana, State Office	20.601	K8FR 2010-09-00-00	80,454
Maryland Department of Transportation State Highway Administration	Court Monitoring	Maryland, State Office	20.601	MD 11-254	40,007
Maryland Department of Transportation State Highway Administration	Court Monitoring	Maryland, State Office	20.601	MD 10-005	12,301
North Carolina State Department of Transportation, Governor's Highway Safety Program	NC Highway Safety Plan	North Carolina, State Office	20.601	K8-10-02-43	59,514
North Carolina State Department of Transportation, Governor's Highway Safety Program	NC Highway Safety Plan	North Carolina, State Office	20.601	K8-11-02-41	34,819
Tennessee, Department of Transportation, Governor's Highway Safety Office	Court Monitoring	Tennessee, State Office	20.601	K8-10-86	19,680
Tennessee, Department of Transportation, Governor's Highway Safety Office	Underage Drinking Prevention, Youth in Action	Tennessee, State Office	20.601	K8-10-87	28,199
Tennessee, Department of Transportation, Governor's Highway Safety Office	Court Monitoring	Tennessee, State Office	20.601	K8-11-11	51,254
Tennessee, Department of Transportation, Governor's Highway Safety Office	Underage Drinking Prevention, Youth in Action	Tennessee, State Office	20.601	K8-11-16	53,377
Texas Department of Transportation	State and Community Highway Safety	National Office	20.601	2011-MADD-G-1YG-0020	160,440
Texas Department of Transportation	State and Community Highway Safety	National Office	20.601	2011-MADD-G-1YG-0129	463,213
Texas Department of Transportation	State and Community Highway Safety	National Office	20.601	2010-MADD-G-SYG-0248	64,541
Virginia Department of Motor Vehicles	Alcohol Countermeasures	Virginia, State Office	20.601	K8-2010-50230-3850	83,538
Virginia Department of Motor Vehicles	Alcohol Countermeasures	Virginia, State Office	20.601	K8-2011-51314-4256	118,622
Total expended under 20.601					<u>2,508,446</u>
Total Highway Safety Cluster					<u>\$ 2,859,322</u>
<u>Alcohol Open Container Requirements</u>					
Missouri State Highway Safety Division	Court Monitoring Project	Missouri, Charter	20.607	10-154-AL-83	\$ 24,559
Missouri State Highway Safety Division	Court Monitoring Project	Missouri, Charter	20.607	11-154-AL-97	74,562
Mississippi Department of Public Safety	Underage Drinking Prevention	Mississippi, State Office	20.607	11-TA-581-1	44,327
Mississippi Department of Public Safety	Underage Drinking Prevention	Mississippi, State Office	20.607	10-TA-581-1	23,516
Total expended under 20.607					166,964
<u>Minimum Penalties for Repeat Offenders for Driving While Intoxicated</u>					
Ohio Department of Public Safety	Stopping the Pattern of Impaired Driving and Underage Drinking and Driving	Ohio	20.608	GG-2011-25-00-00-00569-00	19,012
Ohio Department of Public Safety	Stopping the Pattern of Impaired Driving and Underage Drinking and Driving	Ohio	20.608	GG-2010-25-00-00-00256-00	11,276
Total expended under 20.608					<u>30,288</u>
Total U.S. Department of Transportation					<u>\$ 3,860,935</u>

See accompanying notes to schedule of expenditures of federal awards.

Mothers Against Drunk Driving
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)
 Year ended June 30, 2011

Federal Grantor/Pass-Through Grantor	Program Title	Recipient MADD Office	Federal CFDA Number	Pass-Through Entity Identifying Number	Expenditures
U.S. Department of Health and Human Services, Substance Abuse and Mental Health Services Administration					
Direct Awards:					
<u>Substance Abuse and Mental Health Services - Projects of Regional and National Significance</u>					
Substance Abuse and Mental Health Services Administration	Underage Drinking Prevention Program	Louisiana, State Office	93.243	1H79SP016069-01	\$ 14,874
Total expended under 93.243					<u>14,874</u>
Total U.S. Department of Health and Human Services					<u>\$ 14,874</u>
U.S. Department of Education, Office of Safe and Drug-Free Schools					
Pass-Through Programs:					
<u>Safe and Drug-Free Schools and Communities - National Programs</u>					
Louisiana Governor's Safe and Drug Free Schools Office	Underage Drinking Prevention Program	Louisiana, State Office	84.184	695804	33,328
Total expended under 84.184					<u>33,328</u>
Total U.S. Department of Education					<u>\$ 33,328</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS					<u>\$ 8,637,909</u>

See accompanying notes to schedule of expenditures of federal awards.

Mothers Against Drunk Driving
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year ended June 30, 2011

1. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the "Schedule") is a summary of MADD's federal awards activities presented on the accrual basis of accounting, in conformity with accounting principles generally accepted in the United States of America and OMB Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*. Therefore, some amounts may differ from amounts presented in, or used in the preparation of the basic financial statements.

2. SUBRECIPIENTS

Of the federal expenditures presented in the Schedule, MADD provided federal awards to subrecipients as follows:

<u>Program Title</u>	<u>Federal CFDA Number</u>	<u>Amount Provided to Subrecipients</u>
National Highway Traffic Safety Administration (NHTSA) Discretionary Safety Grants	20.614	\$ <u>465,701</u>

Mothers Against Drunk Driving
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year ended June 30, 2011

SUMMARY OF AUDITOR'S RESULTS

1. We have issued an unqualified opinion in our report on the financial statements.
2. The audit of the financial statements disclosed one "significant deficiency" relating to internal control over financial reporting that is reported as Finding 2011-1 below. This deficiency is *not* considered to be a "material weakness."
3. The results of our 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 with major programs.
5. Three significant deficiencies relating to the audit of internal control over major programs were reported. One of these deficiencies is reported as a "material weakness."
6. Audit findings that are required to be reported under OMB Circular A-133 section 510(a) are reported in this schedule.
7. The programs tested as major programs for the year ended June 30, 2011, are as follows:

Juvenile Justice and Delinquency Prevention - Allocation to States	CFDA #16.540
Enforcing Underage Drinking Laws Program	CFDA #16.727
Crime Victim Assistance	CFDA #16.575
National Highway Traffic Safety Administration	
Discretionary Safety Grants	CFDA #20.614
Highway Safety Cluster	CFDA #20.600 and #20.601
8. The dollar threshold used for distinguishing between type A and B programs was \$300,000.
9. Mothers Against Drunk Driving did not qualify as a low-risk auditee.

FINDINGS – FINANCIAL STATEMENTS AUDIT

SIGNIFICANT DEFICIENCY

Finding 2011-1

OVERALL

Criteria: MADD is responsible for the preparation of financial statements in accordance with accounting principles generally accepted in the United States of America ("GAAP") and for the implementation of appropriate internal controls over the preparation of the financial statements, including the proper valuation of contributed goods and services.

Condition: During our testing, we identified a few instances in which in-kind contributions were not recorded in the general ledger and other instances in which the assigned values were inconsistent. These relatively minor errors resulted in adjustments to the financial statements; however, there was no net effect on the change in net assets.

Cause: MADD needs to strengthen internal controls over the recording of in-kind contributions to ensure the accuracy of the financial statements.

Mothers Against Drunk Driving
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year ended June 30, 2011

FINDINGS – FINANCIAL STATEMENTS AUDIT (Continued)

Finding 2011-1 (Continued)

Effect: There is a slight risk that, without the assistance of the independent auditors in identifying potential misstatements, MADD's financial statements could contain a material misstatement.

Recommendation: We recommend management review procedures in place to ensure that all recordable in-kind contributions are captured and recorded consistently at estimated fair value in accordance with GAAP.

Views of Responsible Officials: MADD has implemented additional controls, including further review of in-kind contributions identified as matches under grants, to address this finding. Additionally, the Texas in-kind transactions are now being recorded monthly at the National office, instead of being submitted by the Texas assistant grant admin at the end of the grant period. Consistent use of "ad value" has been implemented when recording media in-kind which is further reviewed by the Regional Accounting Manager.

FINDINGS – MAJOR FEDERAL AWARD PROGRAMS AUDIT

MATERIAL WEAKNESS

Finding 2011-2

OVERALL

Criteria: MADD is responsible for the preparation of an accurate and complete schedule of expenditure of federal awards (the "Schedule") and for the implementation of appropriate internal controls over the preparation of the Schedule.

Condition: We identified adjustments to award amounts, CFDA numbers and identification of awarding agencies required for a fair presentation of the Schedule for the year ended June 30, 2011. These adjustments had material effects on some major programs.

Cause: MADD needs to strengthen internal controls to ensure the accuracy of the Schedule.

Effect: There is a slight risk that MADD could fail to properly report required federal awards in the Schedule.

Recommendation: Additional internal controls should be established to ensure accurate preparation of the Schedule. Management should develop a more formal process to evaluate federal awards in instances where information required to be reported in the Schedule is ambiguous in the grant agreement or contract. Management should further review the procedures to segregate federal and nonfederal funding to ensure the accuracy of the amounts reported in the Schedule.

Views of Responsible Officials: MADD will formalize procedures to review and evaluate funding received for potential federal awards and to ensure the accurate determination of award amounts and CFDA numbers to be included in the Schedule. Written documentation from the grantor confirming the CFDA number and type and amount of federal grant is required.

Mothers Against Drunk Driving
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year ended June 30, 2011

FINDINGS – MAJOR FEDERAL AWARD PROGRAMS AUDIT (Continued)

SIGNIFICANT DEFICIENCY

Finding 2011-3

Program Title & CFDA No.: Crime Victim Assistance (“VOCA”) – 16.575
Highway Safety Cluster (“HSC”) – 20.600 and 20.601

Federal Agency: U.S. Department of Justice (VOCA)
U.S. Department of Transportation (HSC)

Criteria: MADD is required to identify applicable matching compliance requirements. In instances where matching is required, the recipient of federal awards is required to ensure that matching costs are verifiable from the non-federal entity’s records and are accurately reported to the awarding agency in accordance with applicable cost principles.

Condition: We noted the following errors in internal control over matching compliance in our testing:

- A grant review form was not available as documentation that management reviewed the grant budget for matching requirements for two out of fifteen grants tested.
- Management did not identify and report a required match during the grant period for one grant out of fifteen tested.
- Timesheets documenting the in-kind match were not signed by a MADD representative for one grant reimbursement request out of ten tested.
- Certain in-kind advertising amounts were double-counted as an in-kind match for one grant reimbursement request out of ten tested. However, the matching requirement was exceeded on this grant, and the double-counting did not represent failure to attain the required match.
- The required match and the match attained were underreported by \$1,250 for one grant reimbursement request out of ten tested.

Cause: MADD needs to strengthen internal controls over identification and substantiation of match requirements.

Effect: MADD could fail to attain required matches for federal funds or could lack documentation to substantiate costs used for matching, which could result in questioned costs.

Recommendation: MADD should ensure that procedures are in place to identify matching requirements and to ensure that required documentation is assembled and maintained in accordance with grantor requirements. Additional review procedures for grant reporting of matches should be implemented to ensure accuracy of the reported amounts.

Views of Responsible Officials: MADD will formalize procedures to review grant contracts to ensure all matching requirements are documented. In addition, additional training will be conducted to ensure match amounts are recorded properly. For the instance mentioned above where a match was not reported during the grant period, the match was attained since the field office expended unrestricted funds for qualifying match expenditures. Accordingly, no amounts are expected to be repaid to the grantor. Several non-compliant grants have been brought into the National Office to be prepared and monitored by better qualified staff. Each grant requires a grant summary sheet to ensure that all grant requirements are monitored.

Mothers Against Drunk Driving
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year ended June 30, 2011

FINDINGS – MAJOR FEDERAL AWARD PROGRAMS AUDIT (Continued)

SIGNIFICANT DEFICIENCY

Finding 2011-4

OVERALL

Criteria: MADD is required to identify applicable reporting requirements. In instances where reporting is required, MADD is required to ensure that reports are submitted to the applicable agency in a timely manner.

Condition: We noted a certain report was issued after the six month statutory issue date for the state of Louisiana.

Cause: MADD needs to strengthen internal controls over identification of reporting deadlines and ensure that reports are submitted on a timely basis.

Effect: Funding from the applicable agency could be suspended until MADD is in compliance with the reporting requirements.

Recommendation: We recommend management ensure procedures are in place to identify reporting requirements and to ensure that required reports are submitted in accordance with the applicable requirements.

Views of Responsible Officials: MADD will formalize procedures to ensure all reporting requirements are documented. Each grant will require a grant summary sheet to ensure that all grant requirements are monitored.

Mothers Against Drunk Driving
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
Year ended June 30, 2011

For a complete description of the prior year audit findings, please refer to the schedule of expenditures of federal awards and Reports of Independent Certified Public Accountants dated February 28, 2011 for the year ended June 30, 2010. The following schedule summarizes the status of prior audit findings:

Finding 2010-01

Type of Finding: Significant deficiency in internal control over financial reporting

Current Status: In process. See current year findings of 2011-1 and 2011-2.

Views of Responsible Officials: Staff turnover has stabilized resulting in a better quality work product. As some grants are now prepared at National, fewer reclassifications are necessary. Standardized templates are being created and implemented for greater efficiencies and best practices. Efficiencies have been created with one person recording payroll with general ledger download directly from the payroll vendor.

Finding 2010-02

Type of Finding: Noncompliance and significant deficiency

Compliance Requirement: Cash management

Programs Affected: Crime Victim Assistance – CFDA #16.575
Enforcing Underage Drinking Laws Program – CFDA #16.727
Highway Safety Cluster – CFDA #20.600 and #20.601

Current Status: Remediated. A Grant 101 webinar was developed by the MADD Chief Financial Officer and Controller. This webinar required attendance of all MADD personnel who are involved with grants to ensure understanding of all compliance requirements. A "Project Transaction" report is generated which is required to be used in preparing the reimbursement requests. This report includes the check number if the invoice has been paid as of the run date of the report. If a check number is not present, the expense is excluded from the reimbursement request.

Finding 2010-03

Type of Finding: Noncompliance

Compliance Requirement: Reporting

Programs Affected: Crime Victim Assistance – CFDA #16.575

Current Status: Remediated. As MADD closes/relocates offices, the Field Relations Director ensures that all grant related documents are retained in centralized location and that access is enabled for more than one person.