

Mothers Against Drunk Driving

Independent Auditor's Reports and Financial Statements

December 31, 2021

Mothers Against Drunk Driving
December 31, 2021

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Independent Auditor's Report

Board of Directors
Mothers Against Drunk Driving
Irving, Texas

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Mothers Against Drunk Driving (MADD), which comprise the statement of financial position as of December 31, 2021, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of MADD, as of December 31, 2021, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are required to be independent of MADD, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about MADD's ability to continue as a going concern for one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

Exercise professional judgment and maintain professional skepticism throughout the audit.

Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of MADD's internal control. Accordingly, no such opinion is expressed.

Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about MADD's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 29, 2022, on our consideration of MADD'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 solely 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 effectiveness of MADD's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering MADD's internal control over financial reporting and compliance.

FORVIS, LLP

Dallas, Texas
June 29, 2022

Mothers Against Drunk Driving
Statement of Financial Position
December 31, 2021

Assets

Cash and cash equivalents:			
Unrestricted	\$	4,820,289	
Restricted		198,363	
Total cash and cash equivalents		5,018,652	
Investments		14,835,074	
Trade accounts receivable		231,466	
Grants receivable		1,699,477	
Prepaid expenses and other assets		411,482	
Literature and supplies inventory		37,385	
Contributions receivable, net		1,066,447	
Property and equipment, net		162,631	
Total assets	\$	23,462,614	

Liabilities and Net Assets

Liabilities

Accounts payable	\$	25,256	
Accrued liabilities		1,243,462	
Deferred revenue		109,549	
Deferred rent		471,132	
Payroll Protection Program funding		2,000,000	
Total liabilities		3,849,399	

Net Assets

Net assets without donor restriction		18,509,938	
Net assets with donor restriction		1,103,277	
Total net assets		19,613,215	
Total liabilities and net assets	\$	23,462,614	

Mothers Against Drunk Driving
Statement of Activities
Year Ended December 31, 2021

	<u>Without Donor Restriction</u>	<u>With Donor Restriction</u>	<u>Total</u>
Revenues			
Contributions			
Individual contributions	\$ 7,237,525	\$ 28,750	\$ 7,266,275
Corporate contributions	3,814,935	147,093	3,962,028
Foundation contributions	725,712	86,848	812,560
In-kind contributions	1,466,626	-	1,466,626
Paycheck Protection Program loan forgiveness	3,708,348	-	3,708,348
Government grants and contracts	8,972,042	-	8,972,042
Special events	65,264	-	65,264
Cost of direct benefit to donor	(116,182)	-	(116,182)
Net special events	<u>(50,918)</u>	<u>-</u>	<u>(50,918)</u>
Other revenue			
Investment return, net	796,616	-	796,616
Victim impact panels and court ordered revenue	9,354,356	-	9,354,356
Licenses, registration and other revenue	<u>808,931</u>	<u>-</u>	<u>808,931</u>
Total contributions, government grants and contracts, special events and other revenue	36,834,173	262,691	37,096,864
Net assets released from restriction	<u>372,869</u>	<u>(372,869)</u>	<u>-</u>
Total revenues	<u>37,207,042</u>	<u>(110,178)</u>	<u>37,096,864</u>
Expenses			
Program services			
Campaign to eliminate drunk driving	11,839,526	-	11,839,526
Underage drinking	2,019,671	-	2,019,671
Victim services	8,676,771	-	8,676,771
Total program services	<u>22,535,968</u>	<u>-</u>	<u>22,535,968</u>
Supporting services			
Management and general	6,956,131	-	6,956,131
Fundraising	3,273,027	-	3,273,027
Total supporting services	<u>10,229,158</u>	<u>-</u>	<u>10,229,158</u>
Total expenses	<u>32,765,126</u>	<u>-</u>	<u>32,765,126</u>
Change in Net Assets	4,441,916	(110,178)	4,331,738
Net Assets, Beginning of Year	<u>14,068,022</u>	<u>1,213,455</u>	<u>15,281,477</u>
Net Assets, End of Year	<u>\$ 18,509,938</u>	<u>\$ 1,103,277</u>	<u>\$ 19,613,215</u>

Mothers Against Drunk Driving
Statement of Functional Expenses
Year Ended December 31, 2021

	Program Services				Support Services			Total
	Campaign to Eliminate Drunk Driving	Underage Drinking Prevention	Victim Services	Total Program Services	Management and General	Fundraising	Total Support Services	
Salaries, benefits, and related taxes	\$ 6,002,509	\$ 1,534,277	\$ 6,253,978	\$ 13,790,764	\$ 4,395,401	\$ 557,944	\$ 4,953,345	\$ 18,744,109
Professional fees and outside contract services	1,413,533	120,110	91,162	1,624,805	913,989	1,224,076	2,138,065	3,762,870
Advertising expense	1,426,519	13,583	1,100,123	2,540,225	5,165	88,854	94,019	2,634,244
Occupancy	614,070	105,457	586,801	1,306,328	259,253	45,728	304,981	1,611,309
Printed materials	852,086	77,535	114,961	1,044,582	5,418	808,472	813,890	1,858,472
Supplies	386,598	50,408	90,443	527,449	60,157	94,957	155,114	682,563
Office expense	132,115	22,785	129,220	284,120	353,855	6,980	360,835	644,955
Travel	233,693	23,138	117,820	374,651	114,664	3,530	118,194	492,845
Postage and shipping	484,667	15,820	51,355	551,842	26,247	502,670	528,917	1,080,759
Service fees	157,476	26,576	38,364	222,416	705,037	42,983	748,020	970,436
Insurance	71,489	18,005	74,269	163,763	86,770	6,752	93,522	257,285
Meetings and conference registration	19,428	2,068	19,056	40,552	6,682	-	6,682	47,234
Other expense	45,343	9,909	9,219	64,471	23,493	6,263	29,756	94,227
Total expenses	11,839,526	2,019,671	8,676,771	22,535,968	6,956,131	3,389,209	10,345,340	32,881,308
Less: cost of direct benefit to donor	-	-	-	-	-	(116,182)	(116,182)	(116,182)
Total expenses included in the expense section on the statement of activities	\$ 11,839,526	\$ 2,019,671	\$ 8,676,771	\$ 22,535,968	\$ 6,956,131	\$ 3,273,027	\$ 10,229,158	\$ 32,765,126

Mothers Against Drunk Driving
Statement of Cash Flows
Year Ended December 31, 2021

Operating Activities	
Change in net assets	\$ 4,331,738
Adjustments to reconcile increase in net assets to net cash provided by operating activities:	
Depreciation and amortization	50,060
Net realized and unrealized gain on investments	(546,824)
Forgiveness of Paycheck Protection program loan	(3,708,348)
Changes in	
Accounts receivable	(86,184)
Grants receivable	897,296
Contributions receivable	58,114
Prepaid expenses and other assets	62,910
Accounts payable	(182,254)
Accrued liabilities	(253,676)
Deferred revenue	(59,096)
Deferred rent	(96,314)
Payroll Protection Program funding	<u>2,000,000</u>
Net cash provided by operating activities	<u>2,467,422</u>
Investing Activities	
Proceeds from sales of investments and maturities of certificates of deposit	1,131,057
Purchases of investments	<u>(1,415,226)</u>
Net cash used in investing activities	<u>(284,169)</u>
Increase in Cash and Cash Equivalents and Restricted Cash	2,183,253
Cash and Cash Equivalents and Restricted Cash, Beginning of Year	<u>2,835,399</u>
Cash and Cash Equivalents and Restricted Cash, End of Year	<u>\$ 5,018,652</u>
Summary of Cash and Cash Equivalents and Restricted Cash	
Cash and cash equivalents	\$ 4,820,289
Restricted cash	<u>198,363</u>
Total Cash and Cash Equivalents and Restricted Cash	<u>\$ 5,018,652</u>

Mothers Against Drunk Driving

Notes to Financial Statements

December 31, 2021

Note 1: Organization and Summary of Significant Accounting Policies

Organization

Mothers Against Drunk Driving (MADD) is a national not-for-profit organization whose mission is to end drunk driving, help fight drugged driving, support the victims of these violent crimes, and prevent underage drinking.

MADD is a Washington, D.C. not-for-profit corporation. The 37 field locations (as of December 31, 2021) 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 prevention and awareness programs and 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 problems of substance-impaired driving and underage drinking, programs to mobilize communities in eliminating these problems, support and advocacy services to drunk and drugged driving victims and their families, and other related programs. The following is a list of some of these programs, campaigns, and activities:

Community Outreach, Public Awareness, and Public Policy

- | | |
|--|---|
| * <i>Campaign to Eliminate Drunk Driving</i> ® | * madd.org |
| * Public Policy/Government Relations | * Media Awards |
| - Legislative Updates and Alerts | * <i>Walk Like MADD</i> ® |
| - Advocacy | * MADD National Conference |
| - e-Newsletter | * Public Service Announcements |
| - Discussion Forum | * Media Communications/Press Events |
| - Statistics | * Direct Mail Education/Awareness Programs |
| * Law Enforcement Recognition Events | * Telephone Education/Awareness Programs |
| * Law Enforcement Support/Collaboration | * General Educational materials & Brochures |
| * Court Monitoring Program | * Volunteer Management: <i>Driven to Save Lives</i> |
| * <i>Tie One On for Safety</i> ® | * <i>MADD Victim Impact Panels</i> ® |

Underage Drinking Prevention

- | | |
|---|---------------------------------------|
| * <i>Power of Parents</i> ® Program | * <i>Power of Community</i> ® program |
| * <i>PowerTalk 21</i> ® day | * <i>Power of You(th)</i> ® program |
| * <i>Power of Parents Start Making a Right Turn (SMART™)</i> parent program | |
| * <i>Power of You(th) Start Making a Right Turn (SMART™)</i> teen program | |

Mothers Against Drunk Driving

Notes to Financial Statements

December 31, 2021

Victim Services

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

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenses, gains, losses and other changes in net assets during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

MADD considers all liquid investments with original maturities of three months or less to be cash equivalents. At December 31, 2021, cash equivalents consisted primarily of money market accounts with brokers. Uninvested cash and cash equivalents included in investment accounts are not considered to be cash and cash equivalents. At December 31, 2021, MADD's cash accounts exceeded federally insured limits by approximately \$4,900,000.

Cash and Cash Equivalents - Restricted

Amounts presented as restricted cash and cash equivalents at December 31, 2021, represent amounts restricted by a granting agency. These funds are required to be held in a separate bank account.

Investments and Net Investment Return

Investments in equity securities having a readily determinable fair value and in all debt securities are carried at fair value. Investment return includes dividend, interest and other investment income; realized and unrealized gains and losses on investments carried at fair value; less external and direct internal investment expenses.

Mothers Against Drunk Driving
Notes to Financial Statements
December 31, 2021

Investment return that is initially restricted by donor stipulation and for which the restriction will be satisfied in the same year is included in net assets with donor restrictions and then released from restriction. Other investment return is reflected in the statement of activities with or without donor restrictions based upon the existence and nature of any donor or legally imposed restrictions.

Trade Accounts Receivable and Grants Receivable

Trade accounts receivable are stated at the amount of consideration from customers or participants, of which MADD has an unconditional right to receive. MADD provides an allowance for doubtful accounts, which is based upon a review of outstanding receivables, historical collection information and existing economic conditions. No allowance was deemed necessary as of December 31, 2021.

Grants receivable consists of amounts due from government agencies and represent amounts due to MADD in accordance with cost-reimbursement contracts. Government grant receivables are fully collectible.

Prepaid Expenses and Other Assets

Prepaid expenses and other assets 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 net realizable value, with cost being determined using the actual cost method.

Property and Equipment

Property and equipment acquisitions are stated at cost, less accumulated depreciation and amortization. MADD capitalizes items in excess of \$5,000 which have a useful life greater than one year. Depreciation and amortization is charged to expense on the straight-line basis over the estimated useful life of each asset. Assets under leasehold improvements are amortized over the shorter of the lease term or respective estimated useful lives.

The estimated useful lives for each major depreciable classification of property and equipment are as follows:

Furniture and fixtures	3 - 5 years
Office equipment	3 - 5 years
Copier equipment	3 - 5 years
Leasehold improvements	Life of lease

Mothers Against Drunk Driving

Notes to Financial Statements

December 31, 2021

Long-Lived Asset Impairment

MADD evaluates the recoverability of the carrying value of long-lived assets whenever events or circumstances indicate the carrying amount may not be recoverable. If a long-lived asset is tested for recoverability and the undiscounted estimated future cash flows expected to result from the use and eventual disposition of the asset are less than the carrying amount of the asset, the asset cost is adjusted to fair value and an impairment loss is recognized as the amount by which the carrying amount of a long-lived asset exceeds its fair value. No asset impairment was recognized during the year ended December 31, 2021.

Deferred Revenue

Deferred revenue for MADD primarily consists of advance payments from granting agencies or future events to be held and are recognized when the underlying conditions or event occurs.

Deferred Rent

Deferred rent includes the difference in the annual, escalating rent amounts and the straight-line rent expense. Deferred rent is amortized over the life of the lease.

Net Assets

Net assets, revenues, gains and losses are classified based on the existence or absence of donor or grantor restrictions.

Net assets without donor restrictions are available for use in general operations and not subject to donor or certain grantor restrictions.

Net assets with donor restrictions are subject to donor or certain grantor restrictions. Some restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other restrictions are perpetual in nature, where the donor or grantor stipulates that resources be maintained in perpetuity.

Revenue Recognition

Performance Obligations

Revenue from exchange transactions is measured as the amount of consideration MADD expects to receive in exchange for transferring distinct goods or providing benefit to event attendees. MADD's revenue generated from exchange transactions consists substantially of registration revenue for *MADD Victim Impact Panels*® and Law Enforcement Recognition Events, court ordered revenue, and licensing agreements. MADD recognizes revenue when performance obligations under the terms of contracts with its customers or attendees are satisfied, which occurs over the course of the related event or panel.

Mothers Against Drunk Driving
Notes to Financial Statements
December 31, 2021

All revenues were recognized over time for the year ended December 31, 2021, with the exception of magazine sales and mailing list revenues of \$15,209 and \$27,093, respectively, which is included in licenses, promotions and other revenue in the accompanying statement of activities.

Contributions

Contributions are provided to MADD either with or without restrictions placed on the gift by the donor. Revenues and net assets are separately reported to reflect the nature of those gifts – with or without donor restrictions. The value recorded for each contribution is recognized as follows:

Nature of the Gift	Value Recognized
<i>Conditional gifts, with or without restriction</i>	
Gifts that depend on MADD overcoming a donor-imposed barrier to be entitled to the funds	Not recognized until the gift becomes unconditional, <i>i.e.</i> the donor-imposed barrier is met
<i>Unconditional gifts, with or without restriction</i>	
Received at date of gift – cash and other assets	Fair value
Received at date of gift – property, equipment and long-lived assets	Estimated fair value
Expected to be collected within one year	Net realizable value
Collected in future years	Initially reported at fair value determined using the discounted present value of estimated future cash flows technique

In addition to the amount initially recognized, revenue for unconditional gifts to be collected in future years is also recognized each year as the present-value discount is amortized using the level-yield method. Contributions receivable are primarily from organizations or individuals and are stated at the amount that management expects to collect from outstanding balances.

When a donor stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. Absent explicit donor stipulations for the period of time that long-lived assets must be held, expirations of restrictions for gifts of land, buildings, equipment and other long-lived assets are reported when those assets are placed in service.

Gifts and investment income that are originally restricted by the donor and for which the restriction is met in the same time period are recorded as revenue with donor restrictions and then released from restriction.

Conditional contributions having donor stipulations which are satisfied in the period the gift is received are recorded as revenue and net assets without donor restrictions.

Mothers Against Drunk Driving

Notes to Financial Statements

December 31, 2021

Government Grants

Support funded by grants is recognized as MADD meets the conditions prescribed by the grant agreement, performs the contracted services or incurs outlays eligible for reimbursement under the grant agreements. Grant activities and outlays are subject to audit and acceptance by the granting agency and, as a result of such audit, adjustments could be required.

Special Events

MADD conducts special fundraising events, including golf tournaments, dinners, auctions and breakfasts. 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 to donors that the participant receives at such events is presented on the statement of activities to result in net special events revenue. All other expenses related to special events are allocated to fundraising expense.

Victim Impact Panels

Revenue from victim impact panels is recognized as MADD satisfies their performance obligations, which is as the panels occur.

Licenses, Registration and Other

Licenses, promotions, and other revenue are recognized as MADD satisfies their performance obligations, which is over the course of the agreement. 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.

In-kind Contributions

In addition to receiving cash contributions, MADD receives in-kind contributions of advertising and other professional services from various donors. It is the policy of MADD to record the estimated fair value of certain in-kind donations as an expense in its financial statements, and similarly increase contribution revenue by the same amount.

Conditional Grants

MADD has approximately \$8,500,000 in conditional government grants from various federal and state agencies at December 31, 2021 that are not recognized in the financial statements.

Mothers Against Drunk Driving

Notes to Financial Statements

December 31, 2021

Advertising

Advertising costs are expensed as incurred. Total advertising costs for the year ended December 31, 2021, was \$2,634,244, including \$1,466,627 of in-kind advertising costs. It is the policy of MADD to record the estimated fair value of certain in-kind donations as an expense in its financial statements, and similarly increase contribution revenue by same amount.

Functional Allocation of Expenses

The costs of supporting the various programs and other activities have been summarized on a functional basis in the statement of activities. The statement of functional expenses presents the natural classification detail of expenses by function. Certain costs have been allocated among the program, management and general and fundraising categories based on employee time studies, specific identification and other methods.

Income Taxes

MADD is exempt from income taxes under Section 501 of the Internal Revenue Code and a similar provision of state law. However, MADD is subject to federal income tax on any unrelated business taxable income. For the year ended December 31, 2021, MADD had net unrelated business income of approximately \$15,000.

MADD files tax returns in the U.S. federal jurisdiction.

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.

General Litigation

MADD is subject to a claim that arose primarily in the ordinary course of its activities. It is the opinion of management the disposition or ultimate resolution of such claim will not have a material adverse effect on the financial position, change in net assets and cash flows of MADD. Events could occur that would change this estimate materially in the near term.

Mothers Against Drunk Driving
Notes to Financial Statements
December 31, 2021

Note 2: Investments

Investments at December 31, 2021 consisted of the following:

Cash and cash equivalents (money markets)	\$ 2,380,524
Mutual funds:	
Fixed income	7,446,751
Domestic stock equities	3,006,987
International stock equities	<u>2,000,812</u>
 Total investments	 <u>\$ 14,835,074</u>

Total net investment return is comprised of the following:

Interest and dividend income	\$ 272,694
Net realized gains on sales of investments	345,644
Net unrealized gains on investments	201,180
Investment fees	<u>(22,902)</u>
 Total net investment return	 <u>\$ 796,616</u>

Note 3: Disclosures About Fair Value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value measurements must maximize the use of observable inputs and minimize the use of unobservable inputs. There is a hierarchy of three levels of inputs that may be used to measure fair value:

- Level 1** Quoted prices in active markets for identical assets
- Level 2** Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets
- Level 3** Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets

Mothers Against Drunk Driving
Notes to Financial Statements
December 31, 2021

Recurring Measurements

The following table presents the fair value measurements of investments recognized in the accompanying statement of financial position measured at fair value on a recurring basis and the level within the fair value hierarchy in which the fair value measurements fall at December 31, 2021:

	Fair Value	Fair Value Measurements Using		
		In Active Markets for Identical Assets (Level 1)	Significant Observable Inputs (Level 2)	Unobservable Inputs (Level 3)
Investments				
Mutual funds:				
Fixed income	\$ 7,446,751	\$ 7,446,751	\$ -	\$ -
Domestic stock	3,006,987	3,006,987	-	-
International stock	2,000,812	2,000,812	-	-
Total investments	\$ 12,454,550	\$ 12,454,550	\$ -	\$ -

The following is a description of the inputs and valuation methodologies used for assets measured at fair value on a recurring basis and recognized in the accompanying statement of financial position, as well as the general classification of such assets pursuant to the valuation hierarchy. There have been no significant changes in the valuation techniques during the year ended December 31, 2021.

Investments

Where quoted market prices are available in an active market, investments are classified within Level 1 of the valuation hierarchy. Level 1 investments include mutual funds. If quoted market prices are not available, then fair values are estimated by using pricing models, quoted prices of securities with similar characteristics or discounted cash flows and are classified as Level 2. In certain cases where Level 1 or Level 2 inputs are not available, investments are classified within Level 3 of the hierarchy.

Mothers Against Drunk Driving
Notes to Financial Statements
December 31, 2021

Note 4: Contributions Receivable

MADD has entered into various sponsorships agreements with third parties. The terms of the agreements range from one to fifteen years. Included in contributions receivable are the following unconditional promises to give at December 31, 2021:

Pledges and charitable lead trust receivable before unamortized discount	\$ 1,104,666
Less unamortized discount	<u>(38,219)</u>
Contributions receivable, net	<u><u>\$ 1,066,447</u></u>

Contributions receivable are discounted using rates ranging from 1.43% to 2.73%.

Contributions receivable are expected to be collected in:

Less than one year	\$ 941,194
One to five years	130,778
Greater than five years	<u>32,694</u>
	<u><u>\$ 1,104,666</u></u>

MADD is a beneficiary of a charitable lead trust from which MADD is to receive over a period of 15 years, an amount each year equal to the value of the remaining income and principal of the trust fund divided by the number of years remaining in the term of the trust fund. The present value of future cash receipts from this trust fund was approximately \$157,950 as of December 31, 2021 and is recorded in contributions receivable.

Note 5: Property and Equipment

Property and equipment consist of the following at December 31, 2021:

Furniture and fixtures	\$ 121,025
Office equipment	536,076
Copier equipment	190,121
Leasehold improvements	<u>450,087</u>
	1,297,309
Less accumulated depreciation and amortization	<u>(1,134,678)</u>
Property and equipment, net	<u><u>\$ 162,631</u></u>

Depreciation and amortization expense for the year ended December 31, 2021 was 10,142 and 39,918, respectively.

Mothers Against Drunk Driving
Notes to Financial Statements
December 31, 2021

Note 6: Accrued Liabilities

Accrued liabilities consist of the following at December 31, 2021:

Accrued payroll, benefits and vacation	\$ 1,069,116
Consulting and outsourced services	145,367
Other accrued expenses	<u>28,979</u>
	<u>\$ 1,243,462</u>

Note 7: Net Assets With Donor Restriction

Net assets with donor restrictions at December 31, 2021 are restricted for the following purposes or periods:

Subject to expenditure for specified purpose	
Campaign To Eliminate Drunk Driving	\$ 4,500
Victim services	25,000
Other	<u>7,330</u>
	<u>36,830</u>
Subject to the passage of time	
Charitable lead trust	157,950
Pledges receivable	<u>203,111</u>
	<u>361,061</u>
Subject to the passage of time and expenditure for specified purpose	
Underage drinking prevention	650,568
Campaign To Eliminate Drunk Driving	22,800
Other	<u>32,018</u>
	<u>705,386</u>
	<u>\$ 1,103,277</u>

Mothers Against Drunk Driving
Notes to Financial Statements
December 31, 2021

Net Assets Released from Restrictions

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of other events specified by donors.

Satisfaction of purpose restrictions	
Underage drinking prevention	\$ 25,000
Campaign To Eliminate Drunk Driving	<u>7,522</u>
	<u>32,522</u>
Expiration of time restrictions	
Charitable lead trust	51,771
Pledges receivable	<u>67,676</u>
	<u>119,447</u>
Expirations of time restrictions and satisfaction of purpose restrictions	
Underage drinking prevention	175,000
Campaign To Eliminate Drunk Driving	12,500
Other	<u>33,400</u>
	<u>220,900</u>
	<u><u>\$ 372,869</u></u>

Note 8: Liquidity and Availability

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of December 31, 2021, comprise the following:

Unrestricted cash and cash equivalents	\$ 4,820,289
Investments	14,835,074
Trade accounts receivable	231,466
Grants receivable	1,699,477
Contributions receivable	<u>1,066,447</u>
Total financial assets	<u>22,652,753</u>
Less donor imposed restrictions not expected to be used in next year	
Donor imposed restrictions	
Restricted funds	<u>618,277</u>
Total donor imposed restrictions	<u>618,277</u>
Financial assets available to meet cash needs for general expenditures within one year	<u><u>\$ 22,034,476</u></u>

Mothers Against Drunk Driving

Notes to Financial Statements

December 31, 2021

MADD receives significant contributions restricted by donors and considers contributions restricted for programs which are ongoing, major and central to its annual operations to be available to meet cash needs for general expenditures. For the year ended December 31, 2021, restricted contributions of \$485,000 were included in financial assets available to meet cash needs for general expenditures within one year.

MADD manages its liquidity and reserves following three guiding principles: operating within a prudent range of financial soundness and stability, maintaining adequate liquid assets to fund near-term operating needs and maintaining sufficient reserves to provide reasonable assurance that long-term obligations will be discharged. MADD has a liquidity goal to maintain current financial assets less current liabilities at a minimum of six months operating expenses, excluding in-kind expenses. To achieve these targets, MADD forecasts its future cash flows and monitors its liquidity and reserves, and monitors its reserves daily.

Note 9: Employee Benefit Plans

MADD has two employee benefit plans. A defined contribution retirement plan (the 401(a) Plan) and a tax-deferred retirement plan (the 403(b) Plan). The 401(a) 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 401(a) 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. Employer contributions are discretionary and determined annually by MADD. There were no discretionary contributions for the year ended December 31, 2021.

MADD allows eligible employees to contribute to 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. MADD matches eligible employee contributions up to 3% of compensation. MADD's contributions to the 403(b) Plan, which are included in salaries, benefits, and taxes on the statement of functional expenses, was \$100,412 for the year ended December 31, 2021.

Mothers Against Drunk Driving
Notes to Financial Statements
December 31, 2021

Note 10: Leases

The MADD National Office and certain field locations have non-cancelable operating lease agreements for office space at various locations that expire through January 2030 (this takes into consideration the National Office entering into a new lease in 2022 with expected move-in date of January 2023). 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 for the years ended December 31:

2022	\$ 1,157,151
2023	728,468
2024	429,913
2025	305,691
2026	303,891
Thereafter	<u>732,445</u>
	<u>\$ 3,657,559</u>

Rent expense, which is included in occupancy on the statement of functional expenses, totaled approximately \$1,165,000 for the year ended December 31, 2021.

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.

Note 11: Commitments, Concentrations and Uncertainties

Contributions and Government Grants

At December 31, 2021, two donors comprised approximately 63% of contributions receivable.

For the year ended December 31, 2021, approximately 24% of total revenue was related to federal awards, and approximately 99% of total federal awards were related to two federal agencies, the U.S. Department of Transportation and U.S. Department of Justice.

Investments

MADD invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market 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 the amounts reported in the accompanying statement of financial position.

Mothers Against Drunk Driving

Notes to Financial Statements

December 31, 2021

Note 12: CARES Act

MADD received a first Payroll Protection Program (PPP) loan established by the *Coronavirus Aid, Relief, and Economic Security Act* (CARES Act) in April 2020 totaling \$3,708,348, which was subject to forgiveness if certain conditions were satisfied. MADD elected to account for the funding as a conditional contribution by applying ASC Topic 958-605, *Revenue Recognition*. Revenue is recognized when conditions are met, which include meeting full-time equivalent employee and salary reduction requirements and incurring eligible expenditures. During 2021, MADD received notification that the PPP loan had been forgiven and recognized contribution revenue in the accompanying statement of activities.

MADD received a second PPP loan in January 2021 for \$2,000,000, which is subject to forgiveness if certain conditions are satisfied. PPP loans are subject to audit and acceptance by the U.S. Department of Treasury, Small Business Administration (SBA), and lender; as a result of such audit, adjustments could be required to the recognition of revenue.

At December 31, 2021, formal notification of forgiveness for the second PPP loan had not been received, and conditions had not been met. As such, the loan is included within liabilities in the accompanying statement of financial position.

Note 13: Revenue from Contracts with Customers

Victim Impact Panel Revenue

Revenue is measured as the amount of consideration MADD expects to receive in exchange for providing benefit to victim impact panel attendees. These amounts are due from attendees and include variable consideration for in person victim impact panel rescheduling fees. Revenue is recognized as performance obligations are satisfied, which is ratably over the victim impact panel, or upon expiration of the time frame for the completion of the panel, whichever occurs first.

Victim impact panel revenue for 2021 was \$9,093,810, and is included in victim impact panels and court ordered revenue in the accompanying statement of activities.

Registration Revenue

Revenue is measured as the amount of consideration MADD expects to receive in exchange for providing benefit to event attendees. These amounts are due from attendees and does not include variable consideration. Revenue is recognized as performance obligations are satisfied, which is ratably over the event.

Registration revenue for 2020 was \$645,570, and is included in licenses, registration and other revenue in the accompanying statement of activities.

Mothers Against Drunk Driving
Notes to Financial Statements
December 31, 2021

Transaction Price and Recognition

MADD determines the transaction price based on standard charges for goods and services provided. Payment is typically due at the time the contract is entered into, or in accordance with the terms of the specific agreement.

Subsequent changes to the estimate of the transaction price are generally recorded as adjustments to revenue in the period of the change. Subsequent changes that are determined to be the result of an adverse change in the customer's ability to pay are recorded as bad debt expense.

MADD has determined that the nature, amount, timing and uncertainty of revenue and cash flows are affected by the following factors:

- Payors (for example, customer, event attendees, etc.) that have different reimbursement and payment methodologies
- Geography of the service location
- MADD's line of business that provided the service

For the year ended December 31, 2021, MADD recognized revenue of \$10,140,660 from services that transfer to the customer or attendee over time and \$73,260 from goods that transfer to the customer at a point in time.

Contract Balances

The following table provides information about MADD's contract liabilities, which are included within deferred revenue in the accompanying statement of financial position, from contracts with customers:

	<u>2021</u>
Contract liabilities, beginning of year	\$ 166,818
Contract liabilities, end of year	77,950

MADD did not have contract assets or accounts receivable related to contracts with customers at beginning of year or end of year 2021.

Mothers Against Drunk Driving

Notes to Financial Statements

December 31, 2021

Note 14: Future Change in Accounting Principles

Accounting for Leases

The Financial Accounting Standards Board (FASB) amended its standard related to the accounting for leases. Under the new standard, lessees will now be required to recognize substantially all leases on the statements of financial position as both a right-of-use asset and a liability. The standard has two types of leases for statements of activities recognition purposes: operating leases and finance leases. Operating leases will result in the recognition of a single lease expense on a straight-line basis over the lease term similar to the treatment for operating leases under existing standards. Finance leases will result in an accelerated expense similar to the accounting for capital leases under existing standards. The determination of lease classification as operating or finance will be done in a manner similar to existing standards. The new standard also contains amended guidance regarding the identification of embedded leases in service contracts and the identification of lease and nonlease components in an arrangement. The new standard is effective for fiscal year 2022. MADD is evaluating the effect the standard will have on the financial statements; however, the standard is expected to have a material effect on the financial statements due to the recognition of additional assets and liabilities for operating leases.

Presentation and Disclosure for Contributed Nonfinancial Assets

On September 17, 2020, the FASB issued Accounting Standards Update 2020-07, *Topic 958: Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets* to increase the transparency of contributed nonfinancial assets through enhancements to presentation and disclosure. The standard requires contributed nonfinancial assets to be presented on a separate line item in the statement of activities, segregated apart from contributions of cash and other financial assets. Additionally, disclosure requirements have been amended to require a disaggregation of the amount of contributed nonfinancial assets recognized within the statement of activities by category that depicts the type of contributed nonfinancial assets, as well as specific disclosure requirements for each category recognized. The amendments in this Update should be applied on a retrospective basis and are effective for fiscal year 2022. MADD is evaluating the impact of this standard on the financial statements.

Note 15: Subsequent Events

Subsequent events have been evaluated through June 29, 2022, which is the date the financial statements were available to be issued.

In January 2022, MADD received notification of forgiveness of the second PPP loan in the amount of approximately \$2,000,000 and will recognize as contribution revenue in 2022.

Supplementary Information

Mothers Against Drunk Driving

Schedule of Expenditures of Federal Awards

Year Ended December 31, 2021

Federal Grantor/Pass-Through Grantor	Program Title	Recipient MADD Office	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Expenditures
U.S. Department of Health and Human Services					
U.S. Department of Health and Human Services, Substance Abuse and Mental Health Services Administration					
Pass-Through Programs:					
<u>Block Grants for Prevention and Treatment of Substance Abuse</u>					
South Carolina Department of Alcohol and Other Drug Abuse Services	Prevent Underage Drinking	South Carolina, State Office	93.959	MADD-UDS-21	\$ 16,381
South Carolina Department of Alcohol and Other Drug Abuse Services	Prevent Underage Drinking	South Carolina, State Office	93.959	MADD-UDS-22	22,799
Health Services - Behavioral Health Services Division AODS	Prevent Underage Drinking	California, State Office	93.959	74-615	6,634
Total expended under 93.959					<u>45,814</u>
Total U.S. Department of Health and Human Services					<u>45,814</u>
U.S. Department of Justice					
U.S. Department of Justice, Office for Victims of Crime					
Pass-Through Programs:					
<u>Crime Victim Assistance (VOCA)</u>					
Alabama Department of Economic and Community Affairs, LE/Traffic Safety Division	Crime Victim Assistance	Alabama, State Office	16.575	19-VA-VS-031	61,833
Alabama Department of Economic and Community Affairs	Crime Victim Assistance	Alabama, State Office	16.575	2020-VS-GX-0013	5,484
Arizona Dept of Public Safety	Crime Victim Assistance	Arizona, State Office	16.575	2019-VS-GX-0041	171,886
Governors Office of Crime Control and Prevention	Maryland's Victim Services	Maryland, State Office	16.575	VOCA-2019-0028	25,831
Governors Office of Crime Control and Prevention	Maryland's Victim Services	Maryland, State Office	16.575	VOCA-2021-0032	4,258
Minnesota Department of Public Safety ("State")	Crime Victim Services 2020	Minnesota, State Office	16.575	A-CVS-2020-MADD-MN-045	27,286
Minnesota Department of Public Safety ("State")	Crime Victim Services 2022	Minnesota, State Office	16.575	A-CVS-2022-MADD-MN-122	15,343
Missouri State Department of Social Services, Division of Finance and Administrative services	Victims of Crime Act	Missouri, State Office	16.575	ER130200073	217,658
State of North Carolina, Department of Public Safety	We Help Survivors Survive - HAPP NC Outreach Campaign	North Carolina, State Office	16.575	2018-V2-GX-0061	394,674
New Mexico Crime Victims Reparation Commission	OVC FY18 VOCA Victim Assistance	New Mexico, State Office	16.575	2021-VA-947	53,520
New Mexico Crime Victims Reparation Commission	OVC FY19VOCA Victim Assistance	New Mexico, State Office	16.575	2022-VA-148	9,607
New York Office of VS / State Crime Victims Board	Crime Victim Assistance	New York, State Office	16.575	OVS01-C10999GG-1080200	111,507
State of Ohio, Attorney General's Office	Ohio Victim Services	Ohio, State Office	16.575	2021-VOCA-134059045	33,659
State of Ohio, Attorney General's Office	Ohio Victim Services	Ohio, State Office	16.575	2022-VOCA-134715329	11,061
District Attorneys Council	Statewide Victim Services	Oklahoma, State Office	16.575	2020-VOCA-MADD-040	37,942
District Attorneys Council	MADD's Victim Services Program	Oklahoma, State Office	16.575	2021-VOCA-MADD-015	7,909
Pennsylvania Commission on Crime and Delinquency	MADD Pennsylvania VOCA Non-comp 2020-2023	Pennsylvania, State Office	16.575	2018/2019/2020-VS-05-33152	77,468
Rhode Island U.S Department of Justice	Victim Advocacy	Rhode Island, State Office	16.575	18-1826-VOCA	5,887
Rhode Island U.S Department of Justice, Office of Justice Programs	Victim Advocacy	Rhode Island, State Office	16.575	2020-V2-GX-0062	56,078
Rhode Island U.S Department of Justice, Office of Justice Programs	Victim Advocacy	Rhode Island, State Office	16.575	21-2129-VOCA	11,463
South Carolina Office of the Attorney General	Victim of Crime Act	South Carolina, State Office	16.575	1V20024	89,644
South Carolina Office of the Attorney General	Victim Services Program	South Carolina, State Office	16.575	1V21017	24,550
Tennessee, Office of Criminal Justice Programs	Victim Services	Tennessee, State Office	16.575	2015-VA-GX-0018	57,347

The accompanying notes are an integral part of this Schedule.

Mothers Against Drunk Driving
Schedule of Expenditures of Federal Awards (Continued)
Year Ended December 31, 2021

Federal Grantor/Pass-Through Grantor	Program Title	Recipient MADD Office	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Expenditures
State of Texas, Office of the Governor, Criminal Justice Division	Victims of Crime Act	Texas State	16.575	1531718	1,063,375
State of Texas, Office of the Governor, Criminal Justice Division	VA-Victims of Crime Act Formula Grant Program	Texas State	16.575	1531719	191,283
Colorado Dpt. of Public Safety, Division of Criminal Justice	MADD Colorado Victim Services Assistance	Colorado, State Office	16.575	2020-VA-21-551-00	133,955
State of Connecticut Judicial Branch Office of Victim Services	Victims of Crime Act - Victim Assistance Project	Connecticut, State Office	16.575	2018-V2-GX-0054	82,318
State of Connecticut Judicial Branch Office of Victim Services	Victims of Crime Act - Victim Assistance Project	Connecticut, State Office	16.575	2019-V2-GX-0031	83,309
State of Florida, Office of the Attorney General	Crime Victim Assistance	Florida, State Office	16.575	VOCA-2020-Mothers Against Drunk Dri-00529	365,439
State of Florida, Office of the Attorney General	Crime Victim Assistance	Florida, State Office	16.575	VOCA-2021-Mothers Against Drunk Dri-00533	102,953
Office of the Governor Criminal Justice Coordinating Council	Community Based Victim Services	Georgia, State Office	16.575	C18-8-482	133,041
Office of the Governor Criminal Justice Coordinating Council	Community Based Victim Services	Georgia, State Office	16.575	C20-8-120	35,363
City and County of Honolulu	Support Services for Survivors of Homicide Victims	Hawaii, State Office	16.575	P0-PAT-1900112, v3	25,553
City and County of Honolulu	Support Services for Survivors of Homicide Victims	Hawaii, State Office	16.575	P0-PAT-2200033, v1	16,171
City and County of Honolulu	Support Services for Survivors of Homicide Victims	Hawaii, State Office	16.575	P0-PAT-2200004, v1	7,828
Idaho Department of Health & Welfare	Crime Victim Assistance	Idaho, State Office	16.575	VC045000	77,613
Idaho Department of Health & Welfare	Crime Victim Assistance	Idaho, State Office	16.575	VC052100	54,004
Indiana Criminal Justice Institute	VOCA Assistance	Indiana, State Office	16.575	2018-V2-GX-0031	71,835
Kansas Office of the Governor	Victims of Crime Act	Kansas, State Office	16.575	21-VOCA-59	95,378
Kansas Office of the Governor	Federal Victims of Crime Act Victim Assistance Program	Kansas, State Office	16.575	22-VOCA-60	34,413
Kentucky Justice and Public Safety Cabinet	MADD Kentucky Victim Services	Kentucky, State Office	16.575	VOCA-2020-MADD-00068	59,077
Louisiana Commission on Law Enforcement	DWI Crash Victim Assistance Program 8	Louisiana, State Office	16.575	2018-V2-GX-0042	38,341
Louisiana Commission on Law Enforcement	DWI Crash Victim Assistance Program 8	Louisiana, State Office	16.575	2019-VA-04-6082	42,146
Michigan Department of Health and Human Services	Victim Assistance Service Program	Michigan, State Office	16.575	E20210534-00	219,845
Michigan Department of Health and Human Services	Victim Assistance Service Program	Michigan, State Office	16.575	E20221408-00	65,455
West Virginia Division of Justice and Community Services	Crime Victim Assistance	WV State Office	16.575	18-VA-060	39,535
Total expended under 16.575					4,550,125
Total U.S. Department of Justice					4,550,125
U.S. Department of Transportation, National Highway Traffic Safety Administration (NHTSA)					
Direct Award:					
<u>National Highway Traffic Safety Administration (NHTSA) Discretionary Safety Grants and Cooperative Agreements</u>					
US Department of Transportation					
National Highway Traffic Safety Administration	Law Enforcement Impaired Driving Roll Call Video	National Office	20.614		53,273
US Department of Transportation					
National Highway Traffic Safety Administration	Regional Impaired Driving Law Enforcement Summits	National Office	20.614		5,493
US Department of Transportation					
National Highway Traffic Safety Administration	MADD National Impaired Driving Law Enforcement Engagement Initiative	National Office	20.614		2,382
Total expended under 20.614					61,148

The accompanying notes are an integral part of this Schedule.

Mothers Against Drunk Driving

Schedule of Expenditures of Federal Awards (Continued)

Year Ended December 31, 2021

Federal Grantor/Pass-Through Grantor	Program Title	MADD Office	Number	Entity Identifying Number	Expenditures
Pass-Through Programs:					
<u>Highway Safety Cluster (HSC)</u>					
<u>State and Community Highway Safety</u>					
Arizona Governor's Office of Highway Safety	Underage Drinking Prevention Initiative	Arizona, State Office	20.600	2021-AL-018	32,708
Arizona Governor's Office of Highway Safety	MADD Drunk Driving Program	Arizona, State Office	20.600	2022-AL-016	16,870
Arizona Governor's Office of Highway Safety	Court Monitoring and Law Enforcement Support	Arizona, State Office	20.600	2021-AL-017	32,469
Nebraska Office of Highway Safety, Department of Motor Vehicles	Court Monitoring Evaluation and Education Project	Nebraska, State Office	20.600	402-21-17	93,145
Nebraska Department of Transportation Highway Safety Office	MADD Court Monitoring Program	Nebraska, State Office	20.600	402-22-17	23,759
Total expended under 20.600					198,951
<u>National Priority Safety Programs</u>					
MD Highway Safety Office	Power of Youth	Maryland, State Office	20.616	GN-MADD-2021-268	24,032
Missouri Department of Transportation, Highway Safety Division	Court Monitoring Program	Missouri, State Office	20.616	21-M5CS-03-001	62,753
Missouri Department of Transportation, Highway Safety Division	Court Monitoring Program	Missouri, State Office	20.616	22-M5CS-03-003	23,146
North Carolina, State Department of Transportation, Governor's Highway Safety Program	Impaired Driving and Underage Drinking Prevention	North Carolina, State Office	20.616	GHSP 2021-PERSONNEL/EQUI	167,286
North Carolina Governor's Highway Safety Program	Impaired Driving and Underage Drinking Prevention	North Carolina, State Office	20.616	M5X-22-15-01	48,500
NJ Division of Highway Traffic Safety	Victim Services Grant	New Jersey, State Office	20.616	AL-21-45-07-01	36,870
NJ Division of Highway Traffic Safety	Victim Services Seed Grant	New Jersey, State Office	20.616	AL-22-45-07-01	11,027
South Carolina Office of Highway Safety Justice Programs	MADD SC Court Monitoring Program	South Carolina, State Office	20.616	M4X-2021-HS-23-21	53,553
South Carolina Office of Highway Safety Justice Programs	MADD SC Midlands Upstate Court Monitoring Program	South Carolina, State Office	20.616	M5X-2022-HS-23-22	16,312
South Carolina Office of Highway Safety Justice Programs	MADD SC Coastal Court Monitoring Program	South Carolina, State Office	20.616	M4X-2021-HS-50-21	38,763
South Carolina Office of Highway Safety Justice Programs	MADD SC Coastal Court Monitoring Program	South Carolina, State Office	20.616	M5X-2022-HS-50-22	16,540
Texas Department of Transportation	MADD TX Take the wheel initiative	Texas, Statewide	20.616	2021-MADD-G-1YG-0007	534,396
Texas Department of Transportation	MADD TX Take the wheel initiative	Texas, Statewide	20.616	2022-MADD-G-1YG-0097	152,196
Virginia Department of Motor Vehicles	Impaired Driving Safety Countermeasures	Virginia, State Office	20.616	FM6OT-2021-51150-21150	664,404
Virginia Department of Motor Vehicles	Community and Volunteer Engagement to End Impaired Driving	Virginia, State Office	20.616	FM6OT-2022-52303-22303	36,355
CDOT, Office of Transportation Safety	MADD Colorado Court Monitoring Program	Colorado, State Office	20.616	411024979	73,947
CDOT, Office of Transportation Safety	MADD Colorado Court Monitoring Program	Colorado, State Office	20.616	22-HTS-ZL-00379/491002691	29,090
State of Florida, Department of Transportation	MADD Florida Safe and Aware	Florida, State Office	20.616	M5X-2021-00137 & Contract GIQ54	214,737
State of Florida, Department of Transportation	MADD Florida Safe and Aware	Florida, State Office	20.616	M5X-2022-00126	65,276
Governor's Office of Highway Safety	Mothers Against Drunk Driving Georgia	Georgia, State Office	20.616	GA-20221-F.A.S.T. 405d Impaired Lo-042	87,275
Governor's Office of Highway Safety	Mothers Against Drunk Driving Georgia	Georgia, State Office	20.616	GA-2022-F.A.S.T.405d Impaired Lo-007	23,059
Idaho Transportation Department Office of Highway Safety	MADD - Canyon County Court Monitor	Idaho, State Office	20.616	SID2105	24,732
Idaho Transportation Department Office of Highway Safety	MADD - Court Monitor Program	Idaho, State Office	20.616	SID2204	7,148
Illinois Department of Transportation	Court Monitoring Program	Illinois State	20.616	AP-21-0162, 13-12	142,107
Illinois Department of Transportation	Court Monitoring Project	Illinois State	20.616	HS-22-0175,13-16	32,129
Total expended under 20.616					2,585,633
Total Highway Safety Cluster (HSC)					2,784,584

The accompanying notes are an integral part of this Schedule.

Mothers Against Drunk Driving
Schedule of Expenditures of Federal Awards (Continued)
Year Ended December 31, 2021

Federal Grantor/Pass-Through Grantor	Program Title	Recipient MADD Office	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Expenditures
<u>Alcohol Open Container Requirements</u>					
Missouri Department of Transportation, Highway Safety Division	MADD Power of Parents and Power of Youth	Missouri, State Office	20.607	21-154-AL-079	58,996
Missouri Department of Transportation, Highway Safety Division	MADD Power of Parents and Power of Youth	Missouri, State Office	20.607	22-154-AL-130	14,122
Tennessee, Department of Safety and Homeland Security	MADD Court Monitoring Program	Tennessee, State Office	20.607	Z21THS208	80,089
Tennessee, Department of Safety and Homeland Security	MADD Court Monitoring Program	Tennessee, State Office	20.607	Z22THS204	17,972
Tennessee, Department of Safety and Homeland Security	Underage Drinking Prevention	Tennessee, State Office	20.607	Z21THS207	117,758
Tennessee, Department of Safety and Homeland Security	MADD Underage Drinking Prevention Program	Tennessee, State Office	20.607	Z22THS203	30,813
State of Connecticut Department of Transportation	Power of Parents	Connecticut, State Office	20.607	0201-0722-EE	25,712
State of Connecticut Department of Transportation	MADD Power of Parents	Connecticut, State Office	20.607	0202-0722-EE	6,613
Louisiana Highway Safety Commission	Take the wheel	Louisiana, State Office	20.607	2021-55-22	8,226
Total expended under 20.607					360,301
<u>Minimum Penalties for Repeat Offenders for Driving While Intoxicated</u>					
Oregon Department of Transportation - Transportation Safety Division	No Refusal Program	Oregon, Eugene Chapter	20.608	164AL-21-14-22	6,309
California Department of Alcoholic Beverage Control	DUI Awareness Program- MADD	California, Los Angeles	20.608	21-OTSMI	237,900
California Department of Alcoholic Beverage Control	DUI Awareness Program- MADD	California, Los Angeles	20.608	22-OTSMI	72,976
Louisiana Highway Safety Commission	Court Monitoring	Louisiana, State Office	20.608	44486	41,508
Louisiana Highway Safety Commission	MADD Court Monitoring Program	Louisiana, State Office	20.608	44851	10,817
Nevada Department of Public Safety	MADD Court Monitoring Program	Nevada, State Office	20.608	TS-2021-MADD-00186	29,904
State of Nevada Department of Public Safety	MADD Court Monitoring Program	Nevada, State Office	20.608	TS-2022-MADD-00084	7,359
Total expended under 20.608					406,773
Total U.S. Department of Transportation					3,612,806
TOTAL EXPENDITURES OF FEDERAL AWARDS					\$ 8,208,745

The accompanying notes are an integral part of this Schedule.

Mothers Against Drunk Driving
Schedule of Expenditures of Federal Awards (Continued)
Year Ended December 31, 2021

Note 1: Basis of Presentation

The accompanying schedule of expenditures of federal awards (Schedule) includes the federal award activity of MADD under programs of the federal government for the year ended December 31, 2021. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of MADD, it is not intended to and does not present the financial position, change in net assets, or cash flows of MADD.

Note 2: Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the schedule, if any, represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

Note 3: Indirect Cost Rate

MADD has elected to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

Note 4: Federal Loan Programs

MADD did not have any federal loans outstanding as of December 31, 2021.

Note 5: Subrecipients

MADD did not pass any of its federal grants to subrecipients during the year ended December 31, 2021.



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**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***

Independent Auditor's Report

Board of Directors
Mothers Against Drunk Driving
Irving, Texas

We have audited, 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, the financial statements of Mothers Against Drunk Driving (MADD), which comprise MADD's statement of financial position as of December 31, 2021, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated June 29, 2022.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered MADD's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of MADD's internal control. Accordingly, we do not express an opinion on the effectiveness of MADD's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of 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 internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether MADD's financial statements are free from 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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

FORVIS,LLP

Dallas, Texas
June 29, 2022



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Report on Compliance for the Major Federal Program and Report on Internal Control Over Compliance

Independent Auditor's Report

Board of Directors
Mothers Against Drunk Driving
Dallas, Texas

Report on Compliance for the Major Federal Program

Opinion on the Major Federal Program

We have audited Mothers Against Drunk Driving's (MADD) compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on MADD's major federal program for the year ended December 31, 2021. MADD's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, MADD complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended December 31, 2021.

Basis for Opinion on the Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the "Auditor's Responsibilities for the Audit of Compliance" section of our report.

We are required to be independent of MADD and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for the major federal program. Our audit does not provide a legal determination of MADD's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to MADD's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on MADD's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about MADD's compliance with the requirements of the major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

Exercise professional judgment and maintain professional skepticism throughout the audit.

Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding MADD's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.

Obtain an understanding of MADD's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of MADD's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type

of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or 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.

Our consideration of internal control over compliance was for the limited purpose described in the “Auditor’s Responsibilities for the Audit of Compliance” section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

FORVIS, LLP

Dallas, Texas
June 29, 2022

Mothers Against Drunk Driving

Schedule of Findings and Questioned Costs

Year Ended December 31, 2021

Section I - Summary of Auditor's Results

Financial Statements

1. Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP was:

<input checked="" type="checkbox"/> Unmodified	<input type="checkbox"/> Qualified	<input type="checkbox"/> Adverse	<input type="checkbox"/> Disclaimer
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2. Internal control over financial reporting:

Significant deficiency(ies) identified?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> None Reported
Material weakness(es) identified?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

3. Noncompliance material to the financial statements noted?

	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
--	------------------------------	--

Federal Awards

4. Internal control over the major federal award program:

Significant deficiency(ies) identified?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> None Reported
Material weakness(es) identified?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

5. Type of auditor's report issued on compliance for the major federal program:

<input checked="" type="checkbox"/> Unmodified	<input type="checkbox"/> Qualified	<input type="checkbox"/> Adverse	<input type="checkbox"/> Disclaimer
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6. Any audit findings disclosed that are required to be reported by 2 CFR 200.516(a)

	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
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7. Identification of major federal program:

Cluster/Program	Assistance Listing Numbers
Highway Safety Cluster	20.600, 20.616

8. Dollar threshold used to distinguish between Type A and Type B programs: \$750,000.

9. Auditee qualified as a low-risk auditee?

	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
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Mothers Against Drunk Driving
Schedule of Findings and Questioned Costs (Continued)
Year Ended December 31, 2020

Section II – Financial Statement Findings

Reference Number	Finding
	No matters are reportable.

Section III – Federal Award Findings and Questioned Costs

Reference Number	Finding
	No matters are reportable.

Mothers Against Drunk Driving
Summary Schedule of Prior Audit Findings
Year Ended December 31, 2021

Reference Number	Summary of Finding	Status
	No matters are reportable.	