

CITY OF COTTONWOOD

BUILDING COMMUNITY GRANT PROGRAM

GRANT APPLICATION

Attn: Jeff Cook
Purchasing Agent
816 North Main Street
Cottonwood, AZ 86326

March 17, 2016

Submitted by:
MATFORCE
8056 E. Valley Rd., Ste. B
Prescott Valley, AZ 86314
P: (928) 708-0100
F: (928) 708-0553

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Letter of Introduction

March 17, 2016

Mr. Jeff Cook
816 N Main Street
Cottonwood, AZ 86322

Dear Mr. Cook,

Thank you for the opportunity to apply for funding through the City of Cottonwood Building Community Grant application. This proposal outlines the advantages provided to Cottonwood through an investment in MATFORCE.

MATFORCE was formed in 2006 to address the methamphetamine problem in Yavapai County. At this time, 68% of the felony arrests filed in Yavapai County had a link to methamphetamine use. A small group of civic and community leaders, concerned citizens and law enforcement came together to find solutions to the problem. Multiple strategies were developed and implemented including putting ephedrine behind the pharmacy counter, Faces of Meth awareness campaign, MATFORCE Speakers Bureau and stricter penalties for the sale of meth. The implementation of these strategies resulted in significant decreases in meth use in the County. In 2007, MATFORCE increased its focus to address all legal and illegal substances as well as underage and problematic drinking.

The mission statement of MATFORCE is **“With determination and integrity, we, the citizens of Yavapai County, commit to working in partnership to build healthier communities by striving to eliminate substance abuse and its effects.”** For the past 10 years MATFORCE has been implementing strategies to meet this mission. Currently MATFORCE has 12 separate committees with 260 volunteers implementing projects county-wide.

In 2010 MATFORCE became a separate 501 c 3 nonprofit organization. MATFORCE has a twelve member Board of Directors and four staff members. Board members of MATFORCE include Yavapai County Attorney Sheila Polk, Cottonwood City Manager Doug Bartosh, Dr. Leon Cattolico, Superintendent of the Mingus Union High School Dr. Paul Tighe, Juvenile Services Director Scott Mabery, Chief of Adult Probation John Morris, CEO of West Yavapai Guidance Clinic Larry Green, Prescott Chief of Police Jerald Monahan, Interventionist Pat Moomey, Assistant Director of Yavapai County Health Services Leslie Horton, Cottonwood Fire Captain Troy Hoke and Community Member Billie Grobe.

Community members and organizations of Cottonwood have been an integral part of MATFORCE since its inception. MATFORCE provides substance abuse education to schools in Cottonwood. The Cottonwood City Government, Cottonwood Police Department, Verde Valley Medical Center, Spectrum Health Care, Catholic Charities, Buena Vista Children's Services, Cottonwood Oak Creek Unified School District, Mingus Union High School, Steps to Recovery, Yavapai County Community Health Services, Department of Child Safety and many other organizations from Cottonwood have been essential partners of MATFORCE.

If you require additional information for this proposal, please contact me at 928 300 7129.

Sincerely,

A handwritten signature in blue ink that reads "Merilee K Fowler". The signature is fluid and cursive.

Merilee K Fowler, Executive Director

8056 E. Valley Rd., Ste. B ~ Prescott Valley, AZ 86314
(928) 708-0100 matforce@cablone.net matforce.org

CITY OF COTTONWOOD
BUILDING COMMUNITY GRANT APPLICATION COVER SHEET FISCAL YEAR 2017 NOTE:
APPLICANTS MUST COMPLETE THIS COVER SHEET AND ATTACH THE GRANT
PROPOSAL IN THE FORMAT DESCRIBED HEREIN.

Legal Name and Address of Applicant(s):

MATFORCE, the Yavapai County Substance Abuse Coalition
8056 E. Valley Road, Suite B
Prescott Valley, AZ 86314

Business Registration Number: _____

Type of Organization of Applicant: (check one) Private Non-Profit

Other (briefly explain legal structure of the organization)

MATFORCE is a 501©3 nonprofit organization with a twelve member Board of Directors and four staff members. Board members of MATFORCE include Yavapai County Attorney Sheila Polk, Cottonwood City Manager Doug Bartosh, Dr. Leon Cattolico, Superintendent of the Mingus Union High School Dr. Paul Tighe, Juvenile Services Director Scott Mabery, Chief of Adult Probation John Morris, CEO of West Yavapai Guidance Clinic Larry Green, Prescott Chief of Police Jerald Monahan, Interventionist Pat Moomey, Assistant Director of Yavapai County Health Services Leslie Horton, Cottonwood Fire Captain Troy Hoke and Community Member Billie Grobe.

Describe the function or purpose of the applicant organization.

The mission statement of MATFORCE is, **"With determination and integrity, we, the citizens of Yavapai County, commit to working in partnership to build healthier communities by striving to eliminate substance abuse and its effects."** For the past 10 years MATFORCE has been implementing strategies to meet this mission. MATFORCE has 12 separate committees with 260 volunteers implementing projects county-wide.

Contact person information:

Name Merilee Fowler
Title Executive Director
Address 8056 E. Valley Rd., Ste. B
Prescott Valley, AZ 86314
Phone (928) 708-0100
Email mfowler@matforceaz.org

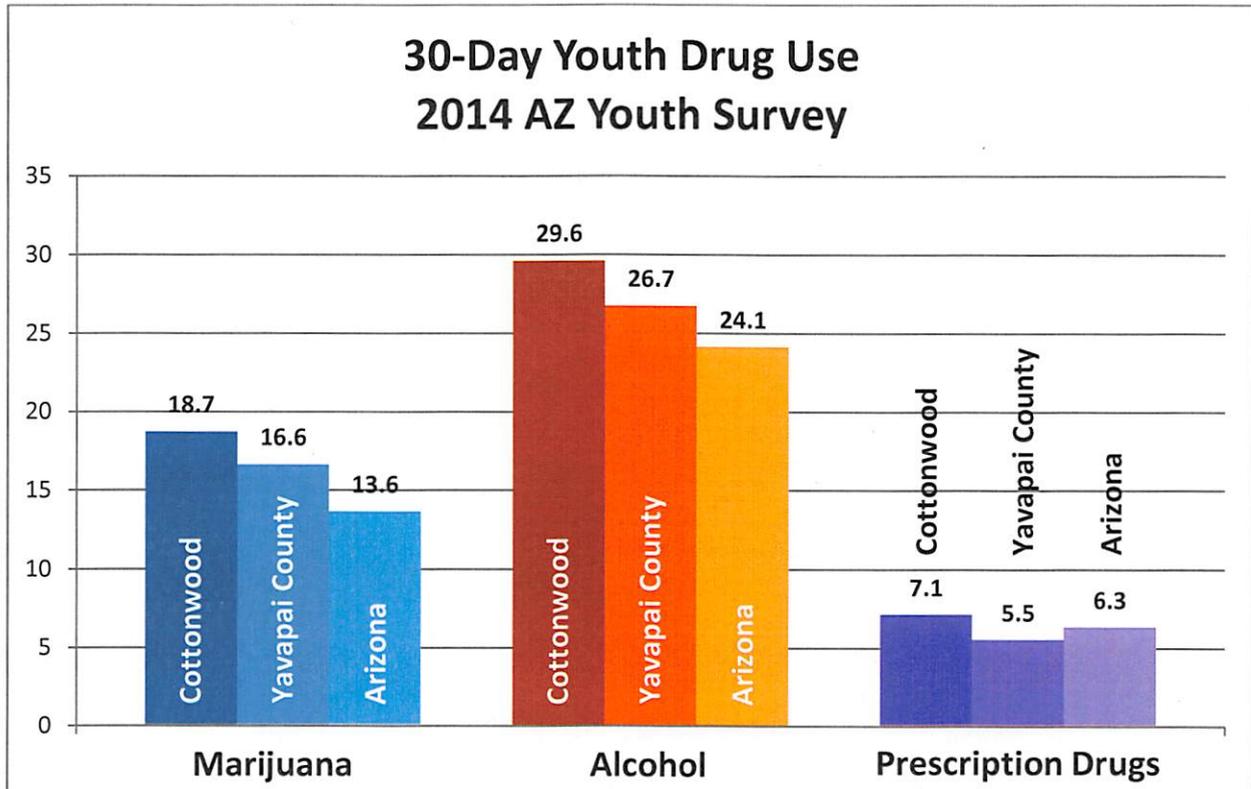
Proposal Format:

Narrative proposals shall be attached to this application sheet following the format described below.

- ④ **A Letter of Introduction.** Introduce the applicant organization(s), briefly describing the mission and history in the community of the organization. (maximum 1 page)
- ④ **Community Need.** Describe and document the community need that you have identified to meet with this grant application proposal. (maximum 3 pages)
- ④ **Grant Proposal.** Provide a detailed narrative description of the service, project, or program that you are proposing to meet this community need. At minimum, address the following questions in the proposal: (maximum 5 pages)
 - Amount of grant request.
 - Ability to meet the stated need through the design of the service, project, or program.
 - Why is this grant necessary or an appropriate source of revenue to meet this need?
 - Ability of the organization to complete the program as designed.
 - Project timeline.
 - Project budget.
- ④ **Expected Outcomes.** If awarded the grant, describe the expected outcomes of the program, and how those outcomes will be measured. (maximum 1 page)
- ④ **Project Team.** Identify the people involved in the program, their role within the program, and their time allocation to the program.(maximum 1 page)
- ④ **Addendum.** Attach an addendum to the proposal to include the following:
 - If incorporated, Articles of Incorporation. Operating by-laws.
 - Current budget for the organization.
 - Most recent end of year financial statement for the organization.
 - Any other information about the organization you would want to include.

Community Need

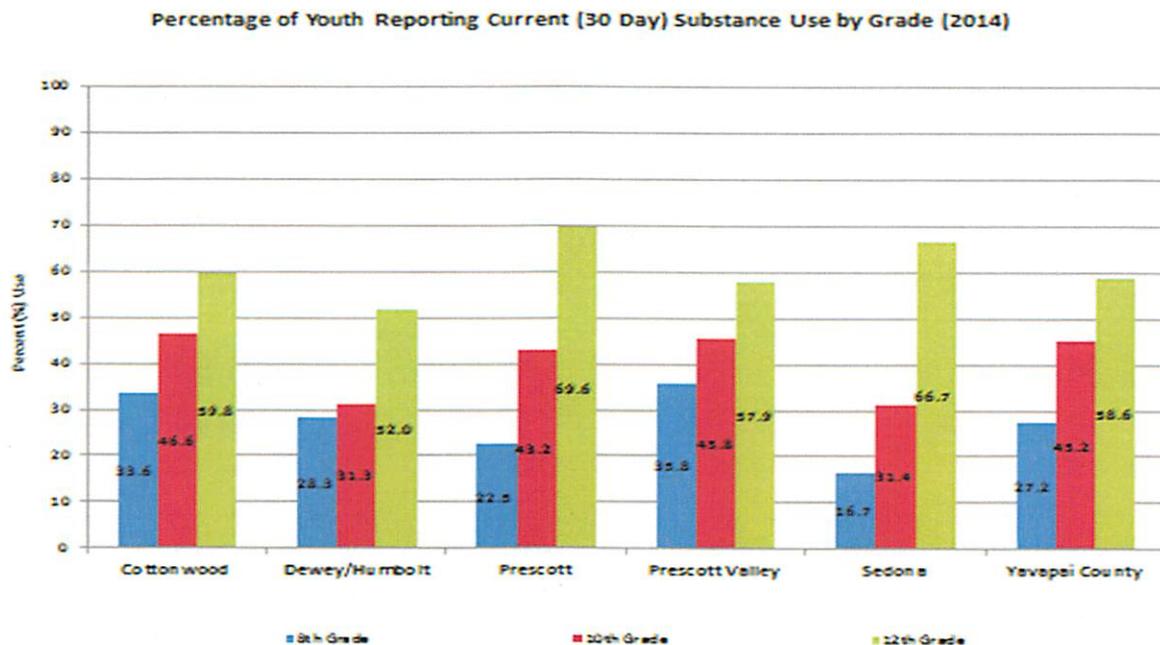
According to the 2014 Arizona Youth Survey (AYS), Cottonwood youth are above county and state averages for 30-day use of alcohol, marijuana, and prescription drugs. Substance abuse prevention education is essential for youth, parents and families in Cottonwood.



The Arizona Criminal Justice Commission administers a youth survey with 8th, 10th and 12th grade students in Arizona every even numbered year. The survey asks a variety of questions on youth substance abuse, risk and protective factors, and related behaviors. Mingus Union High School and Cottonwood Middle School participate in the survey every year.

Use of alcohol and marijuana by youth living in Cottonwood is increasing significantly, at rates higher than the county and state averages. Regular use of alcohol by youth living in Cottonwood increased from 2012 to 2014 while regular use of alcohol for students in Yavapai County decreased during this same time period. **Regular use of marijuana by youth in Cottonwood increased 50% from 2012 to 2014.** Thirty day use of marijuana is significantly higher in Cottonwood than county and state averages.

Females in Cottonwood are abusing substances at rates higher than males. 46.4% of the females surveyed admitted to using substances with 44.2% of males reporting use. Another disturbing statistic is that youth use of substances for 8th grade students in Cottonwood is significantly above youth use averages for 8th grade students living in Yavapai County. 33.6% of 8th grade students living in Cottonwood who were surveyed reported substance use compared to 27.2% of 8th grade students in Yavapai County.



Youth substance use results in increases in delinquent behaviors. Youth in Cottonwood report higher than average delinquent behaviors. 25.9% of the youth in Cottonwood reported that they had been a passenger in a car with a drunk driver. 8.2% of the youth surveyed, reported that they themselves had drove drunk. 13.3% of the youth in Cottonwood reported that they had attended school drunk or high, a 27.07% increase from 2012. A very disturbing statistic is that 7.8% of the youth surveyed reported that they had sold drugs.

Several factors contribute to increases in youth use. Prevention science proves that the following factors relate to youth use: perception of risk, supply, ease of access and social norming. An alarming statistic in the 2014 Arizona Youth Survey is the perception of harm related to marijuana. 69.1% of the youth surveyed living in the Verde Valley and who use marijuana reported no risk associated with marijuana use. 40.7% of the youth surveyed who do not use marijuana reported no risk. 50.4% of the youth living in the Verde Valley who use substances report ease of access with 21.9% of youth you did not report using drugs.

The age of initiation or first use of a drug also factors into youth use and addiction rates. It is the goal of MATFORCE to prevent youth from using substances but it is also a goal to increase the age of initiation. Below is a chart showing the age of first use for youth living in Cottonwood for alcohol, cigarettes, marijuana and prescription drugs:



Grant Proposal:

Provide a detailed narrative description of the service, project, or program that you are proposing to meet this community need. At minimum, address the following questions in the proposal

MATFORCE is requesting funding to continue and expand substance abuse education for kindergarten through 12th grade students in Cottonwood schools. Evidenced based and evidenced informed curriculums will be utilized. The substance abuse education will be provided by the MATFORCE Health Educator and school staff.

To specifically address underage drinking, two evidenced based curriculums will be implemented in Cottonwood schools. We will continue to implement AlcoholEdu ® for High School with all 9th grade students at Mingus Union High School. This online, interactive, alcohol education and prevention course is designed to be used by schools and can easily be presented using our school partners: teachers, counselors, coaches, administrative staff or school nurses.

Additionally, MATFORCE will furnish Alcohol: True Stories hosted by Matt Damon ® to Cottonwood Middle School and Mingus High School. This evidenced based curriculum is a multimedia intervention designed to prevent or reduce alcohol use among young people in grades 5-12 by positively changing the attitudes of youth and their parents and other caregivers in regard to youth drinking. The product is designed for ease of use and includes a teaching guide, so that any teacher, a counselor or school nurse can implement the program.

To address marijuana, alcohol and prescription drug use with elementary students, the evidenced based curriculum, Keep A Clear Mind ® will be implemented. Keep A Clear Mind is a parent-child, take-home program in drug education. It has been field-tested and rigorously evaluated with students in grades 4, 5, & 6. Keep A Clear Mind has won the Center for Substance Abuse Prevention's (CSAP) Exemplary Program Award, has been promoted as a Model Program by CSAP, the Substance Abuse and Mental Health Services Administration, and the Office of Juvenile Justice and Delinquency Prevention. Keep A Clear Mind is listed on the National Registry of Evidence-Based Programs and Practices. To enhance the implementation of this curriculum, high school students will be trained on Keep a Clear Mind ®. These trained students will assist with the delivery of the curriculum in elementary schools in the high risk areas.

To provide education for kindergarten through third grade students and to enhance youth engagement activities MATFORCE will utilize a curriculum titled "Stand with Me and Be Drug Free" ®. To implement this curriculum peer leaders from middle school and high school will be trained to deliver the curriculums to elementary school children. This will create youth led prevention activities. According to NIDA's Prevention Principles risk factors within the family have the greatest impact on younger children. The Stand with Me and Be Drug Free ® campaign focuses on educating families of young children about the risks of drug use resulting in decreasing parental attitudes favorable to drug use. The curriculum educates parents on the importance of good role modeling, talking to their kids early and parental monitoring. The program will draw upon information and materials from evidenced-based and research-based programs.

To address marijuana for middle school and high school students the Scholastic curriculum Heads Up ® will be utilized. This curriculum is endorsed by the National Institute for Drug

Abuse (NIDA) and has 6 parent/student activities addressing marijuana. The curriculum is evidenced informed, and was developed with the assistance of scientists from NIDA. The curriculum covers the science of marijuana, effects on the brain, and stories from people addicted to marijuana. MATFORCE has also developed an on-line curriculum for 6th grade students titled "Marijuana: What do you Know?" ®. This curriculum will be implemented with 6th grade students in the target service area and was developed using information from NIDA.

Amount of Grant Request: MATFORCE is requesting \$10,607 from the City of Cottonwood. The funds will be utilized to pay the MATFORCE Education Coordinator for time spent in Cottonwood schools and the supplies necessary to implement the curriculums.

Ability to meet the stated need through the design of the service, project, or program:

MATFORCE has a track record of successfully implementing strategies to effectively achieve set goals and objectives. MATFORCE has received multiple national, state and local awards for its work and outcomes achieved in reducing substance abuse. MATFORCE was awarded the 2013 Got Outcomes Coalition of the Year Award for the nation from the Community Anti-Drug Coalitions of America (CADCA) and a 2015 Exemplary Award from the National Association of the State Alcohol and Drug Abuse Directors. These awards were granted based on strategies implemented and the statistical outcomes realized in addressing alcohol and/or prescription drug use. From 2006 to 2014 youth prescription drug abuse decreased 55% and underage drinking decreased 35% in Yavapai County. (2006 – 2014 AYS)

Each year, coalition members and community partners work together to implement multiple individual and environmental projects. Projects of MATFORCE range from providing information to changing policies. MATFORCE has members and partners from multiple sectors of the community including law enforcement, government, the faith based community, treatment and recovery, schools, youth serving agencies, medical community, civic organizations, parent organizations and media. Current committees of MATFORCE include the Prescott Area Steering Committee, Verde Valley Steering Committee, Greater Sedona Substance Abuse Committee, Yavapai Reentry Project Steering Committee, Underage Drinking Task Force, Intervention Workgroup, Neonatal Abstinence Syndrome Workgroup, MATFORCE Pharmacy Team, Heroin Strategy Core Group, Finance Committee and the Yavapai County Youth Coalition.

Why is this grant necessary or an appropriate source of revenue to meet this need?

MATFORCE will use the funds to pay a portion of the Education Coordinator's salary and to purchase the substance abuse curricula materials. In the past year MATFORCE utilized funding from the Partnership for Success (PFS) grant funds to provide substance abuse education in Cottonwood. This funding ends on September 30, 2016. MATFORCE also experienced a 40% cut in funding from Health Choices Integrated Care. These two funding cuts will not allow MATFORCE to continue substance abuse education at the current levels without finding alternative sources of revenue.

Continuing and expanding the evidenced based substance abuse education in Cottonwood schools will result in a decrease in youth use of alcohol, marijuana and prescription drugs. Providing scientific education on the true harms and risks of these substances will increase youth perception of risk.

Ability of the organization to complete the program as designed:

Several people are trained to implement the evidenced based curriculums. MATFORCE works with law enforcement officers, medical professionals, school teachers, school counselors and MATFORCE Speakers Bureau members to increase the capacity to implement these curriculums in the schools.

In the past year MATFORCE provided parenting education to 256 parents, substance abuse education to over 7,859 students and the MATFORCE Speakers Bureau presented information on the risks/harms of drugs and alcohol to 9,243 people. MATFORCE provided multiple pro social opportunities with over 3,000 youth participating. MATFORCE has a working relationship with Cottonwood Oak Creek School District, Mingus Union High School District, American Heritage Academy, and the Cottonwood Police Department. Yavapai Broadcasting donates thousands of dollars of kind media each year.

Project timeline:

June – July 2016

1. Purchase and print curricula materials
2. Create "Substance Abuse School Tool Kits"
3. Train educators on new and expanded curricula
4. Implement contract with Everfi for Alcohol EDU
5. Meet with School Administrators

August 2016

1. Deliver School Tool Kits
2. Meet with School Staff on Curricula materials
3. Schedule classroom presentations

September 2016 - May 2017

Implement Classroom Curricula in Cottonwood classrooms

- Alcohol EDU ®
- Heads Up ®
- Drugs and the Body ®
- OTC Medication Safety ®
- RX 360 ®
- What do you Know ®
- Keep a Clear Mind ®
- Stay with Me, Be Drug Free ®
- True Stories ®

Project budget:

Please note: The project budget only includes direct expenses. It does not include operating costs (rent, phone, office supplies, mileage, financial management etc.); administrative salaries (Executive Director, Program Assistant) indirect expenses (liability insurance, audit expense etc.) or In-kind donations (volunteer time, school resources, donated supplies, etc.)

Income:

City of Cottonwood **\$10,607.00**

Personnel Costs: Health Educator: \$18.50 per/hr. x 5 hrs./wk. x 40 wks. **\$3,700.00**

Employee Related Expenses: \$3,700.00 x 8.31% = **\$ 307.00**

Total Personnel Cost **\$4,007.00**

Supply Costs:

Keep a Clear Mind (500 students x \$3.00 workbooks) **\$1,500.00**

Stand with Me, Be Drug Free (1000 students x \$2.00 workbooks) **\$2,000.00**

Printing Costs: Heads Up; Drugs and the Body, OTC, RX 360
(1900 students x \$1.00 printing per student) **\$1,900.00**

True Stories ® (2 videos x \$100) **\$ 200.00**

10 School Tool Kits (10 x \$100) **\$1,000.00**

Total Supply Costs **\$6,600.00**

Total Project Costs **\$10,607.00**

Expected Outcomes:

Many outcomes will be achieved through implementing evidenced based substance abuse prevention curriculums in Cottonwood schools. The main goal of the project is to reduce youth use of prescription drugs, marijuana and alcohol. Exposing parents and students to the serious risks and public health problems caused by drugs and alcohol will increase the perception of risk, leading to a decrease in youth use. The decrease in youth use will be determined by the results of the 2018 Arizona Youth Survey.

The following outcome and process objectives will be obtained:

By May 31, 2017, a minimum of 3000 youth and 2000 parents will have been exposed to education/messaging about the serious risks and public health problems caused by the alcohol and drugs as measured by event reports and material distribution.

By May 31, 2017, a minimum of 1000 elementary school students, 600 middle school students, and 900 high school students in Cottonwood will have completed evidenced informed/evidenced based curriculums as measured by questionnaire completion and staff reporting.

The number of students who complete the curriculums will correlate to increased knowledge in the risks/harms of substance use and protective factors such as emotional competence, prosocial behavior and problem solving. Increased perception of risk will result in decreased youth use. Increasing the number of youth and parents who are exposed to messages on the harms and risks will increase the number of conversations on drugs and alcohol between youth and parents.

Outcome Objectives:

By May 31, 2017, a minimum of 2500 youth participating in evidenced-based school education will self-report an increase in their perception of harm for marijuana, alcohol and/or prescription drugs as measured by surveys and staff reporting.

Increasing the number of youth who report an increase in the risk/harms of substance use will result in a decrease in youth use and a decrease in risk factors such as poor coping skills, affiliation with peers displaying deviant behaviors and perception of approval of drug use by peers and in the school setting.

By May 31, 2018 youth use of marijuana, prescription drugs and alcohol will decrease by a minimum of 10% as measured by the 2018 Arizona Youth Survey.

Project Team:

The project team will consist of two MATFORCE staff members: Executive Director Merilee Fowler and Verde Valley Health Educator Lauren Young. Merilee will coordinate the project. She orders the curricula materials and assists with communication in the schools. Merilee is also responsible for the grant reporting and evaluation of the project. 5% of Merilee's time will be allocated Lauren will coordinate and implement the curriculums in the schools. Lauren works 20 hours a week, 25% of her allocated time will be utilized to implement the project.

MATFORCE has developed relationships with the administration and staff of Cottonwood schools. School staff members such as school counselors and School Resource Officers will also assist in the implementation of the curriculum and be a part of the project team. Members from the MATFORCE Speakers Bureau will also assist in the implementation of the school curriculums and be a part of the project team. Members of the MATFORCE Speakers Bureau include fire fighters, paramedics, law enforcement officers, people in recovery and Yavapai County Community Health Educators.

Addendum:

The following attachments are included in this proposal:

- If incorporated, Articles of Incorporation. Operating by-laws.
- Current budget for the organization.
- Most recent end of year financial statement for the organization.
- MATFORCE 10 Year Celebration booklet

AZ. CORP. COMMISSION
FILED

JUL 11 1997

APPR.
TERM
DATE

T. Hill

9/26

08137224

ARTICLES OF INCORPORATION
OF

CENTRAL YAVAPAI COALITION FOR SUBSTANCE ABUSE EDUCATION & PREVENTION

KNOW ALL MEN BY THESE PRESENTS:
THAT WE, THE UNDERSIGNED, HAVE THIS DAY ASSOCIATED OURSELVES TOGETHER FOR
THE PURPOSE OF FORMING A NON-PROFIT CORPORATION UNDER & PURSUANT TO ARTICLE
2, CHAPTER 22, TITLE 10, ARIZONA REVISED STATUTES & FOR THAT PURPOSE DO HEREBY
ADOPT THESE ARTICLES OF INCORPORATION:

ARTICLE I

NAME: THE NAME OF THE CORPORATION SHALL BE: CENTRAL YAVAPAI COALITION
FOR SUBSTANCE ABUSE EDUCATION & PREVENTION HEREINAFTER
REFERRED TO AS CYCSAEP. *AKB*

ARTICLE II

PURPOSE: THE PURPOSE FOR WHICH THE CORPORATION IS ORGANIZED IS THE CON-
DUCT OF ANY OR ALL LAWFUL AFFAIRS FOR WHICH NON-PROFIT CORPORA-
TIONS MAY BE INCORPORATED UNDER TITLE 10, CHAPTER 22, ARIZONA
REVISED STATUTES, OR CORRESPONDING PROVISIONS OF ANY SUBSE-
QUENT LAW OF THE STATE OF ARIZONA, BUT ONLY TO THE EXTENT THAT
THOSE PURPOSES ARE CHARITABLE, SCIENTIFIC, OR EDUCATIONAL AS
THOSE TERMS ARE DEFINED BY SECTION 501(c)(3) OF THE INTERNAL REVE-
NUE CODE OF 1986, OR CORRESPONDING PROVISION OF SUBSEQUENT
FEDERAL LAW.

ARTICLE III

CHARACTER OF AFFAIRS: THE INITIAL BUSINESS OF THE CORPORATION SHALL BE:

1. TO SERVE AS AN EDUCATIONAL & REFERENCE SOURCE ON SUBSTANCE
ABUSE ISSUES & PROGRAMS FOR THE CENTRAL YAVAPAI COUNTY AREA
OF ARIZONA.
2. TO FOSTER AND/OR DEVELOP PROGRAMS TO PROMOTE PUBLIC AWARENESS
OF THE PROBLEMS AND POTENTIAL PROBLEMS ASSOCIATED WITH SUB-
STANCE ABUSE IN VARIED SEGMENTS OF THE POPULATION IN THE CENTRAL
YAVAPAI COUNTY AREA OF ARIZONA.
3. TO SERVE AS A FACILITATING BODY THROUGH WHICH BUSINESS, CIVIC,
SOCIAL, RELIGIOUS, PROFESSIONAL GROUP/ORGANIZATION AND INDIVI-
DUAL SUPPORT CAN BE DIRECTED TOWARD EDUCATION AND PREVENTION
PROGRAMS WHICH WILL RESULT IN A COMPREHENSIVE AND COORDINATED
EFFORT IN MEETING THE PROBLEM OF SUBSTANCE ABUSE IN THE CENTRAL
YAVAPAI COUNTY AREA OF ARIZONA.

ARTICLE IV

LOCATION: THE CORPORATION MAY CONDUCT ITS BUSINESS WITHIN YAVAPAI COUNTY,
AND IN ANY OTHER PLACE OR PLACES WITHIN THE STATE OF ARIZONA. THE
MAILING ADDRESS OF THE CORPORATION SHALL BE P.O. BOX 44,
PRESCOTT, ARIZONA 86302.

ARTICLE V

MEMBERSHIP: CORPORATIONS, INSTITUTIONS, GROUPS, AND INDIVIDUALS AGREEING TO THE PHILOSOPHY AND PURPOSE OF THE CORPORATION SHALL BE ELIGIBLE FOR MEMBERSHIP. THE QUALIFICATIONS, RIGHTS, AND METHOD OF ACCEPTANCE SHALL BE SPECIFIED IN THE BY LAWS.

ARTICLE VI

STOCK: THE CORPORATION SHALL NOT HAVE OR ISSUE SHARES OF STOCK AND SHALL PAY NO DIVIDENDS, PECUNIARY PROFITS, OR ANY PART OF THE NET EARNINGS OF THE CORPORATION WHATSOEVER TO ITS BOARD OF DIRECTOR MEMBERS, OFFICERS, ORGANIZERS, MEMBERS OR OTHER PRIVATE PERSONS, EXCEPT TO PAY REASONABLE COMPENSATION FOR SERVICES RENDERED TO MAKE PAYMENTS AND DISTRIBUTIONS IN FURTHERANCE OF THE PURPOSES SET FORTH IN ARTICLES II AND III HEREOF.

ARTICLE VII

RESTRICTIONS: NOTWITHSTANDING ANY CHANGE IN NAME, MERGER, CONSOLIDATION, REORGANIZATION, TERMINATION, DISSOLUTION, OR WINDING UP OF THIS CORPORATION, VOLUNTARY OR INVOLUNTARY, OR BY OPERATION OF LAW, OR OTHER PROVISIONS HEREOF, THE CORPORATION SHALL:

1. NOT CARRY ON ANY ACTIVITIES NOT PERMITTED TO BE CARRIED ON (1) BY A CORPORATION EXEMPT FROM FEDERAL INCOME TAX UNDER SECTION 501 (c) (3) OF THE INTERNAL REVENUE CODE OF 1986 (OR THE CORRESPONDING PROVISION OF ANY FUTURE UNITED STATES INTERNAL REVENUE LAW) OR (2) BY CORPORATION CONTRIBUTIONS TO WHICH ARE DEDUCTIBLE UNDER SECTION 170 (c) (2) OF THE INTERNAL REVENUE CODE OF 1986 (OR THE CORRESPONDING PROVISION OF ANY FUTURE UNITED STATES INTERNAL REVENUE LAW).
2. NOT ALLOW ANY PART OF THE ASSETS OR NET EARNINGS OF THE CORPORATION TO BE USED NOR SHALL THE CORPORATION EVER BE ORGANIZED OR OPERATED FOR ANY PURPOSES NOT EXCLUSIVELY WITHIN THE MEANING OF SECTION 501 (c) (3) OF THE CODE.
3. NOT ENGAGE IN DISCRIMINATION BECAUSE OF RACE, RELIGION, CREED, SEX, AGE, OR FOR ANY OTHER REASON.
4. AT NO TIME ENGAGE IN ANY ACTIVITIES WHICH ARE UNLAWFUL UNDER THE LAWS OF THE UNITED STATES OF AMERICA, THE DISTRICT OF COLUMBIA, OR ANY OTHER JURISDICTION WHERE ITS ACTIVITIES ARE CARRIED ON.
5. NOT ALLOW ANY PART OF ITS ACTIVITIES TO CONSIST OF CARRYING ON PROPAGANDA, OR OTHERWISE ATTEMPTING TO INFLUENCE LEGISLATION, AND THE CORPORATION SHALL NOT PARTICIPATE IN POLITICAL CAMPAIGNS INCLUDING THE PUBLISHING OR DISTRIBUTION OF STATEMENTS ON BEHALF OF ANY CANDIDATE FOR A PUBLIC OFFICE.

**WINDING UP/
DISSOLUTION:**

ARTICLE VIII

UPON WINDING UP AND DISSOLUTION OF THIS CORPORATION, THE BOARD OF DIRECTORS AND THE OFFICERS OF THE CORPORATION, IN THE PERSON OF THE TREASURER, SHALL AFTER PAYING OR ADEQUATELY PROVIDING FOR THE DEBTS AND OBLIGATIONS OF THE CORPORATION DISPOSE OF OR DISTRIBUTE ALL REMAINING ASSETS TO A NON-PROFIT FUND, FOUNDATION, OR CORPORATION, WHICH IS ORGANIZED AND OPERATED EXCLUSIVELY FOR SCIENTIFIC, EDUCATIONAL, CHARITABLE, OR RELIGIOUS PURPOSES AS DESCRIBED IN SECTION 501 (c) (3) OF THE INTERNAL REVENUE CODE (OR CORRESPONDING PROVISION OF ANY FUTURE UNITED STATES INTERNAL REVENUE LAW) AND WHICH HAS ESTABLISHED ITS TAX-EXEMPT STATUS UNDER 501 (c) (3) OF THE INTERNAL REVENUE CODE. AS THE BOARD OF DIRECTORS AND THE OFFICERS MAY DETERMINE, ANY ASSETS NOT DISPOSED OF SHALL BE DISPOSED OF BY THE SUPERIOR COURT OF THE COUNTY IN WHICH THE PRINCIPAL OFFICER OF THE CORPORATION IS THEN LOCATED, EXCLUSIVELY FOR SUCH PURPOSE OR PURPOSES OR TO SUCH ORGANIZATION OR ORGANIZATIONS AS THE COURT SHALL DETERMINE ARE ORGANIZED AND OPERATED FOR SUCH PURPOSE.

**BUSINESS
AFFAIRS:**

ARTICLE IX

THE AFFAIRS OF THE CORPORATION SHALL BE CONDUCTED BY A BOARD OF DIRECTORS AND THE ELECTED OFFICERS OF THE CORPORATION IN ACCORDANCE WITH THE ARTICLES OF INCORPORATION AND BY-LAWS. THE BOARD OF DIRECTORS SHALL BE COMPOSED OF INDIVIDUALS REPRESENTING THE VARIOUS CATEGORIES OF MEMBERSHIP AS PROVIDED IN THE BY-LAWS. QUALIFICATIONS OF OFFICERS OF THE CORPORATION, THE MANNER OF THEIR ELECTION, AND THEIR TERM OF OFFICE SHALL BE PRESCRIBED BY THE BY-LAWS. THERE SHALL BE (9) MEMBERS OF THE INITIAL BOARD OF DIRECTORS WHO SHALL SERVE UNTIL THEIR SUCCESSORS QUALIFY ACCORDING TO THE BY-LAWS. THEIR NAMES AND ADDRESSES ARE:

KENNETH BARR HC 61 BOX 2010, DEWEY, ARIZONA 86327
LOU BROWN 717 NORTH 5TH STREET, PRESCOTT, ARIZONA 86301
JACK A. KINNEY 1042 HYLAND CIRCLE, PRESCOTT, ARIZONA 86303-4649
ANDREA LUCHESE 146 SOUTH GRANITE, PRESCOTT, ARIZONA 86303
GAYLE RAMIREZ 222 SOUTH MARINA, PRESCOTT, ARIZONA 86301
CHRIS SHERWIN 930 DIVISION STREET, PRESCOTT, ARIZONA 86301
KELLEY SISCHKA 1046 HYLAND CIRCLE, PRESCOTT, ARIZONA 86303
MARNEY STEELE 1951 MEANDER, PRESCOTT, ARIZONA 86301
JAMES TERHUNE 1100 EAST SHELDON, PRESCOTT, ARIZONA 86301

ARTICLE X

INCORPORATORS: THE NAMES AND ADDRESSES OF THE INCORPORATORS ARE:

CHRIS SHERWIN 930 DIVISION STREET, PRESCOTT, ARIZONA 86301
ANDREA LUCHESE 146 SOUTH GRANITE STREET, PRESCOTT, ARIZONA 86301

COMMISSIONERS
KRISTINK MAYES - Chairman
GARY PIERCE
PAUL NEWMAN
SANDRA D. KENNEDY
BOB STUMP



ARIZONA CORPORATION COMMISSION

ERNEST G. JOHNSON
Executive Director

JEFF GRANT
Director
Corporations Division

October 4, 2010

OCT 0 2010

ANN SULT
3343 N WINDSONG DR # 6
PRESCOTT VALLEY, AZ 86314

RE: MATFORCE, THE YAVAPAI COUNTY SUBSTANCE ABUSE COALITION
File Number: 08137224

We are pleased to notify you that your Amendment to Articles of Incorporation for the above-referenced corporation HAS BEEN APPROVED.

You must publish a copy of the Amendment. The publication must be in a newspaper of general circulation in the county of the known place of business in Arizona for three consecutive publications. A list of acceptable newspapers in each county is enclosed and is also posted on the Commission website. Publication must be completed WITHIN 60 DAYS after October 4, 2010, which is the date the document was approved for filing by the Commission. The corporation may be subject to administrative dissolution if it fails to publish. You will receive an Affidavit of Publication from the newspaper, and you may file it with the Commission.

We strongly recommend that you periodically monitor your corporation's record with the Commission, which can be viewed at www.azcc.gov/divisions/corporations. If you have questions or need further information, please contact us at (602) 542-3026 in Phoenix, or Toll Free (Arizona residents only) at 1-800-345-5819.

Sincerely,
Enrique Lira
Examiner, Corporations Division

CF:11
REV. 01/2009

**ARIZONA CORPORATION COMMISSION
CORPORATIONS DIVISION COVER SHEET**

USE A SEPARATE COVER SHEET FOR EACH DOCUMENT

ARE YOU FILING: New Entity Change to existing entity Re-submission/Correction

PLEASE COMPLETE ALL APPROPRIATE SECTIONS

Type in Corp/LLC Name: Advocates for Positive Choices a Central Yavapai Coalition
for Substance Abuse Education and Prevention

FILING TYPE	REGULAR SERVICE FEE	EXPEDITED SERVICE FEE
<input type="checkbox"/> Articles of Domestication	\$180.00	\$135.00
<input type="checkbox"/> Articles of Incorporation (Profit)	\$ 60.00	\$ 95.00
<input type="checkbox"/> Articles of Incorporation (Non Profit)	\$ 40.00	\$ 75.00
<input type="checkbox"/> Articles of Organization (Limited Liability Company)	\$ 60.00	\$ 85.00
<input type="checkbox"/> Application For Authority (Business)	\$175.00	\$210.00
<input type="checkbox"/> Application to Conduct Affairs (Non Profit)	\$175.00	\$210.00
<input type="checkbox"/> Application for New Authority	\$175.00	\$210.00
<input type="checkbox"/> Application for Registration	\$160.00	\$185.00
<input checked="" type="checkbox"/> Articles of Amendment	\$ 25.00	<input checked="" type="checkbox"/> \$ 68.00
<input type="checkbox"/> Articles of Amendment & Restatement	\$ 25.00	\$ 86.00
<input type="checkbox"/> Articles of Correction	\$ 25.00	\$ 60.00
<input type="checkbox"/> Articles of Merger/Share Exchange	\$100.00	\$135.00
<input type="checkbox"/> Articles of Merger (Limited Liability Company)	\$ 60.00	\$ 85.00
<input type="checkbox"/> Affidavit of Publication	\$ 0.00	\$ 35.00
<input type="checkbox"/> CORPORATIONS -Certified Copies* <small>*If copies are for different entities the Expedite fee applies to each entity</small>	<input type="checkbox"/> \$5.00 Each () (Enter Quantity)	<input type="checkbox"/> \$40.00 () (Enter Quantity)
<input type="checkbox"/> LLCs - Certified Copies* <small>*If copies are for different entities the Expedite fee applies to each entity</small>	<input type="checkbox"/> \$10.00 Each () (Enter Quantity)	<input type="checkbox"/> \$45.00 () (Enter Quantity)
<input type="checkbox"/> Good Standing Certificate* <small>*Good Standing Certificates are for different entities the Expedite fee applies to each entity</small>	<input type="checkbox"/> \$10.00 Each () (Enter Quantity)	<input type="checkbox"/> \$45.00 () (Enter Quantity)
<input type="checkbox"/> Other: _____	<input type="checkbox"/> Regular Fee	<input type="checkbox"/> Expedite Fee

SELECT PAYMENT TYPE:

DO NOT WRITE YOUR CREDIT CARD NUMBER ON THIS FORM!

Check

Check # _____

Check Amount \$ 60.00

M.O.D. Account

MOD Acct # _____

Mod Amount \$ _____

Cash

Cash Amount \$ _____

Credit Card -- for in-person filings only

CC Amount \$ _____

No fee required

SELECT ONE RETURN DELIVERY OPTION: Mail Pick Up Fax # ()

REQUIRED: Please list the person or company who will be picking up the completed documents.

DOCUMENTS WILL BE MAILED IF THEY ARE NOT PICKED UP IN A TIMELY MANNER (APPROXIMATELY TWO WEEKS).

Person or Company Name:

Phone Number:

MATforce, the Yavapai County Substance Abuse Coalition 928-708-0100

Address:

3343 N. Windsong Dr St 6 Prescott Valley, AZ 86314

City:

State:

Zip:

FOR ARIZONA CORPORATION COMMISSION USE ONLY

PICK-UP BY: _____

DATE: _____

View current process times at: www.azcc.gov/Divisions/Corporations

AZ CORPORATION COMMISSION
FILED

AZ Corp. Commission



03257668

SEP 28 2010

FILE NO. 0813722.4

NON-PROFIT CORPORATION
ARTICLES OF AMENDMENT
Pursuant to A.R.S. §10-11006

1. The name of the corporation is: Advocates for Positive Choices a Central Yavapai Coalition for Substance Abuse Education and Prevention.
2. Attached hereto as Exhibit A is the text of each amendment adopted.
3. The amendment was adopted the 10th day of May, 2010.
4. The amendment was duly adopted by act of (choose one):
 - the members
 - the board of directors (without member action and either member action was not required or members are not entitled to vote).
5. and with approval, in writing, by the person or persons so specified in the corporation's Articles of Incorporation or bylaws.

Dated as of this 27th day of September, 2010.

Signature: 

(Pursuant to ARS §10-3120 (F)(G)) the Articles of Amendment must be executed by an officer of the corporation or the Chairman of the Board of Directors).

Title: Co-Chair

Printed Name: Ann Sult

AZ CORPORATION COMMISSION
FILED

SEP 02 2010

FILE NO. 0813722.4

AZ CORPORATION COMMISSION
FILED

JUN 25 2010

FILE NO. 0813722.4

1. Line #3 of the Articles Introduction reads --

"Advocates for Positive Choices a Central Yavapai Coalition for Substance Abuse Education and Prevention"

Is amended to read:

"MATForce, the Yavapai County Substance Abuse Coalition"

2. Article 1, Name:

"The Name of the Corporation shall be: Advocates for Positive Choices, a Central Yavapai Coalition for Substance Abuse Education and Prevention Hereinafter Referred to as APC/CYCSAEP"

Is amended to read:

"MATForce, the Yavapai County Substance Abuse Coalition" ✓✓

Bylaws
Of

MATFORCE, the Yavapai County
Substance Abuse Coalition

Adopted 9/14/10
Revised: October 2012
Adopted and Approved: May 2014

**By laws
of
MATFORCE, the Yavapai County Substance Abuse Coalition (MATFORCE)**

**Article I
Purpose of the Coalition**

1. To serve as an educational and reference resource on substance abuse issues and programs for Yavapai County of Arizona.
2. To foster and/or develop programs to promote public awareness of the problems and potential problems associated with substance abuse in varied segments of the population in Yavapai County of Arizona.
3. To serve as a facilitating body through which business, civic organization, social group, religious group, professional group, and individual support can be directed toward education and prevention programs which will result in a comprehensive and coordinated effort in meeting the problem of substance Abuse in Yavapai County of Arizona.
4. **Mission Statement: With determination and integrity, we, the citizens of Yavapai County, commit to working in partnership to build healthier communities by striving to eliminate substance abuse and its effects**

**Article II
Membership (Optional)**

Section 1: Membership shall be determined by activities with local substance coalition:

To become a member of MATFORCE, the qualifications for membership are determined by:

- A. Recorded document of active involvement
- B. Sector representation
- C. Agrees to support the philosophy and purpose of MATFORCE.

**Article III
Location**

The business address of MATFORCE is 8056 E. Valley Road, Suite B, Prescott Valley AZ.

**Article IV
Board of Directors**

There shall be a Board of Directors constituted as follows:

Chair
Co-Chair

The Board will consist of no less than five members and no more than fifteen members who are elected by a majority of the board.

Article V Meetings

Section 1: Board of Directors:

The Board of Directors will meet monthly or as otherwise directed by the Chair.

Section 2: Quorum:

A quorum for all meetings of the Board of Directors shall consist of at least 50% for all meetings of the Board of Directors.

Section 3: Meeting Notices:

Meeting time and location for all meetings will be announced no less than 5 days prior to the meeting.

Article VI Officers

Officers of MATFORCE shall be as follows:

- A. Chair
- B. Co-chair

Article VII Elections

Members of the Board and Co-Chairs will be elected by the Board of Directors

Article VIII Committees

There shall be no standing committees. However, as conditions and/or situations dictate, the chair of the Board may establish an Ad Hoc Committee with a specific purpose and stated time of existence.

Article IX Compensation

No Board of Directors member, Officer, Committee member, or member of MATFORCE shall receive any remuneration for their service in the coalition. However, all may be reimbursed for any out-of-pocket expenses which they may incur for authorized expenditures on behalf of the coalition.

**Article X
Books and Records**

Section 1: Financial records will be the responsibility of the Fiscal Agent.

Section 2: Meeting minutes and related material will be the responsibility of the coalition staff.

Section 3: Financial records will be audited or reviewed annually.

**Article XI:
Fiscal Year**

The fiscal year will begin 1 July each calendar year and will end on 30 June the following calendar year.

**Article XII
Governing rules for meetings**

A modified Roberts Rules of Order will be the governing document for all meetings of the Board of Directors.

**Articles XIII
Removal from Office**

A board member shall comply with conditions of Board responsibilities. Any board member not living up to these responsibilities may be removed from the Board of Directors at the discretion of the Board.

**Article XIII
By Laws Amendments**

Any article(s) may be amended under the following procedure:

Section 1: A proposed amendment(s) will be submitted to MATFORCE Board of Directors at least sixty (60) calendar days before the next scheduled annual or any regularly scheduled annual or any regularly scheduled meeting of MATFORCE.

Comments by the reviewers will be returned to the Executive Director no less than thirty (30) calendar days before the meeting. The Director will prepare a summary of comments for distribution to the board no less than ten (10) days before the meeting. A vote of two thirds (2/3) of the board (either by in-person or absentee ballot) will be required to accept the amendments(s). The amendment(s) will be effective as of the date of the acceptance.

MATFORCE BUDGET								
July 1, 2015 - June 30, 2016								
			Year 2	Year 3				
	Parent Commission	NARBHA	SPF PFS	SPF PFS	MATFORCE Miscellaneous	Restricted Funds	Yavapai Reentry Project	TOTAL
REVENUES								
Grants								
Parent Commission	188,537							188,537
AmeriCorps								-
Arizona Criminal Justice Commission								-
Partnership for Success Grant			27,775	93,750				121,525
NARBHA		61,940						61,940
Foundations								
Sedona Community Foundation					5,000			5,000
Jewish Community Foundation					5,000			5,000
Total Grants	188,537	61,940	27,775	93,750	10,000	-	-	382,002
Other Income Sources								
Victim Impact Panels					1,000			1,000
Drug Court Alumni					2,000			2,000
Total	-	-	-	-	3,000	-	-	3,000
Contributions/Contracts								
AmeriCorps Partner Match								-
Youth Steps					3,000			3,000
Community Counts					10,000		25,200	35,200
Total Contributions	-	-	-	-	13,000	-	25,200	38,200
Other Sources								
MHTA Conference Income					25,000			25,000
Total Other Sources	-	-	-	-	25,000	-	-	25,000
TOTAL REVENUES	188,537	61,940	27,775	93,750	51,000	-	25,200	448,202

Travel - out of state				2,400	3,000				5,400
Office Supplies	3,600		600	1,800			1,200		7,200
Coalition Materials				2,400	1,900	1,000			5,300
Program Materials		1,200		2,386		1,000			4,586
Web Based Curriculum				5,000	5,000				10,000
Parenting Materials	1,100								1,100
Alcohol Education									-
True Stories	2,000								2,000
Good Behavior Game					5,000				5,000
Coping Skills Curricula	1,000								1,000
Kids at Hope	1,500								1,500
Keep a Clear Mind	1,500								1,500
Computer/Printer/Copier				520	1,693				2,213
Printing	3,617		2,340	2,400	500				8,857
Postage	600			807					1,407
Background Checks					100				100
Marijuana, The Science and the Experiment					23,000				23,000
Staff and Volunteer Thank yous					2,500				2,500
Marijuana Harmless, Think Again Campaign		500			5,000				5,500
Total Operating	25,597	5,850	2,940	24,913	64,728	3,500	1,200	-	128,728
GSSAC									-
Administrative Charges	17,000	1,800	2,083	6,242					27,125
Dr. Cattolico Scholarship					1,000				1,000
Drug Court Alumni					2,000				2,000
TOTAL EXPENDITURES	188,537	61,940	27,775	93,750	88,541	10,000	25,200	-	495,743
Expenditures - Admin Expense					27,125				468,618
					61,416				
Revenue	188,537	61,940	27,775	93,750	51,000		25,200	-	448,202
	-	-							

MatForce, the Yavapai County Substance Abuse Coalition

Financial Statements

Years Ended June 30, 2015 and 2014

**MatForce, the Yavapai County Substance Abuse Coalition
Financial Statements
Years Ended June 30, 2015 and 2014**

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MatForce, the Yavapai County Substance Abuse Coalition
Statement of Financial Position
Years Ended June 30, 2015 and 2014

Assets

	<u>2015</u>	<u>2014</u>
Cash and cash equivalents	\$ 145,327	\$ 229,333
Receivables	77,088	48,683
Amount due from a related organization	-	1,810
Prepaid Expenses	<u>588</u>	<u>2,836</u>
Total current assets	<u>223,003</u>	<u>282,662</u>
 Total assets	 <u>\$ 223,003</u>	 <u>\$ 282,662</u>

Liabilities and Net Assets

Current Liabilities		
Accounts payable	\$ -	\$ 31,936
Amount due to a related organization	-	3,224
Accrued expenses	<u>14,625</u>	<u>26,305</u>
Total current liabilities	<u>14,625</u>	<u>61,465</u>
 Total liabilities	 <u>14,625</u>	 <u>61,465</u>
Net assets		
Unrestricted net assets	102,834	60,356
Board designated	47,526	62,504
Temporarily restricted net assets	<u>58,018</u>	<u>98,337</u>
 Total net assets	 <u>208,378</u>	 <u>221,197</u>
 Total liabilities and net assets	 <u>\$ 223,003</u>	 <u>\$ 282,662</u>

DRAFT

See accompanying notes to financial statements.

MatForce, the Yavapai County Substance Abuse Coalition
Statement of Activities
Years Ended June 30, 2015 and 2014

	<u>2015</u>	<u>2014</u>
Unrestricted Net Assets		
Support and revenues		
Contributions	\$ 12,825	\$ 9,430
In-kind contributions	31,476	30,696
Grants	439,107	193,655
Fundraising	-	738
Program and other revenue	29,077	4,644
Interest income	<u>32</u>	<u>45</u>
Total support and revenues	512,517	239,208
Net assets released from restrictions	<u>45,319</u>	<u>78,160</u>
 Total unrestricted revenue, support and reclassifications	 <u>557,836</u>	 <u>317,368</u>
Expenses		
Program services	487,761	329,485
Supporting services		
Management and general	42,575	46,493
Fundraising	<u>-</u>	<u>454</u>
Total expenses	<u>530,336</u>	<u>376,432</u>
 Increase (decrease) in unrestricted net assets	 <u>27,500</u>	 <u>(59,064)</u>
 Temporarily restricted net assets		
Contributions	5,000	100,000
Grants	-	144,000
Temporarily restricted net assets released from restriction	<u>(45,319)</u>	<u>(78,160)</u>
 Increase (decrease) in temporarily restricted net assets	 <u>(40,319)</u>	 <u>165,840</u>
 Increase (decrease) in net assets	 (12,819)	 106,776
 Net assets at beginning of year	 <u>221,197</u>	 <u>114,421</u>
Net assets at end of year	<u>\$ 208,378</u>	<u>\$ 221,197</u>

See accompanying notes to financial statements.

MatForce, the Yavapai County Substance Abuse Coalition
Statement of Cash Flows
Years Ended June 30, 2015 and 2014

	<u>2015</u>	<u>2014</u>
Cash flows from operating activities		
(Decrease) increase in net assets	\$ (12,819)	\$ 106,776
Adjustments to reconcile increase in net assets to net cash (used) provided by operating activities:		
(Increase) decrease in operating assets:		
Receivables	(30,214)	(26,451)
Amounts due from related organizations	1,810	(1,810)
Prepaid expense	4,058	(2,721)
Increase (decrease) in operating liabilities:		
Accounts payable	(43,756)	28,889
Accrued expenses	139	15,097
Amounts due to related organizations	(3,224)	3,224
Net cash (used) provided by operating activities	(84,006)	123,004
Net increase in cash and cash equivalents	(84,006)	123,004
Beginning cash and cash equivalents	229,333	106,329
Ending cash and cash equivalents	\$ 145,327	\$ 229,333
Supplemental data:		
In-kind advertising income and expense	\$ 31,476	\$ 30,696

See accompanying notes to financial statements.

MatForce, the Yavapai County Substance Abuse Coalition
Notes to Financial Statements
Years Ended June 30, 2015 and 2014

Note 1 - Summary of Significant Accounting Policies

Nature of Activities

MatForce, The Yavapai County Substance Abuse Coalition (Organization), formerly known as Advocates for Positive Choices, a Central Yavapai Coalition for Substance Abuse Education and Prevention, was incorporated in 1997 to serve as an educational and reference source for substance abuse issues and programs in Yavapai County, Arizona. Its mission statement is, "With integrity and determination we, the citizens of Yavapai County, commit to working in partnership to build healthier communities by striving to eliminate substance abuse and its effects." The Organization is committed to working in partnership to build healthier communities by striving to eliminate substance abuse and its effect in the community. The Organization strives to foster and develop programs that promote public awareness of the problems and potential problems associated with substance abuse in various segments of the population of Yavapai County, Arizona.

The Organization facilitates businesses, civic organizations, social groups, religious groups, professional groups, and individuals with education and prevention programs, which result in a comprehensive and coordinated effort in meeting the problems of substance abuse in the community. The Organization fulfills its mission through grants, program contract revenues, and contributions.

Financial Statement Presentation

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United State of America.

As required by the Financial Accounting Standards Board's (FASB) Accounting Standards Codification (ASC) standards, the Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted, temporarily restricted, and permanently restricted.

The Organization has adopted the FASB's ASC Revenue subsection whereby contributions received are recorded at fair value at time of receipt as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor restriction.

All grants and contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as temporarily restricted or permanently restricted support that increases those net asset classes. When a temporary restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statement of Activities as net assets released from restrictions. Contributions received with donor-imposed restrictions that are met in the same year in which the contributions are received are classified as unrestricted contributions.

The Organization receives a significant portion of its revenue from reimbursable governmental grants and contracts. Grant terms range between one and three years.

The nature of these short-term contracts and grants force the Organization to seek new funding sources on a recurring basis. Without continued grant and contract funding, it is unlikely the Organization could continue to administer its programs.

MatForce, the Yavapai County Substance Abuse Coalition
Notes to Financial Statements
Years Ended June 30, 2015 and 2014

Note 1 - Summary of Significant Accounting Policies (continued)

Financial Statement Presentation (continued)

Contract revenue is recognized when services are performed and deemed receivable by the Organization. Unearned contract revenue received by the Organization is recognized as deferred on the face of the financial statements.

All receivables are deemed fully collectible. No allowance for doubtful accounts has been established by management. All receivables are current, and therefore, collectible within the subsequent fiscal year.

Use of Estimates

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

Concentrations

The Organization maintains several accounts in one commercial bank, which may, at times, exceed federally insured limits.

The Organization receives a significant portion of its support from a few agencies. Eighty-four percent of the total support received by the Organization was provided by three government donors. Loss of this funding could have a material effect on the financial health of the Organization.

Any of the funding sources may, upon audit by the granting agency, request reimbursement for expenses or return of funds, or both, as a result of noncompliance by the Organization with the terms of the grants or contracts. The Organization believes that any such instances, should they occur, are immaterial. No liability for noncompliance has been recognized by management in these financial statements.

Significant Estimates

The value of in-kind advertising is based on the fair value of media spots provided to the Organization. The Organization may find that this estimate is under or overvalued.

Contributed Services and Tangibles

Tangible in-kind contributions are recognized at their estimated fair value in the period received.

At times, the Organization may receive donated services. Only contributed services that require specialized skills, are provided by individuals possessing those skills, have value to the Organization, and would have been purchased by the Organization if not provided by contributors, are recognized at their fair value. Accordingly, the Organization had no services meeting this requirement and no contributed services were recognized in the current financial statements.

MatForce, the Yavapai County Substance Abuse Coalition
Notes to Financial Statements
Years Ended June 30, 2015 and 2014

Note 1 - Summary of Significant Accounting Policies (continued)

Contributed Services and Tangibles (continued)

In accordance with nonprofit accounting standards, contributed advertising is recognized as contributed assets rather than services measured at fair value at the time of donation.

Property and Equipment

Purchases of property and equipment are recognized at cost. Donations of property and equipment are recognized as support at their estimated fair value. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted support. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. Temporarily restricted net assets are reclassified to unrestricted net assets at that time.

The Organization's capitalization policy has been established at \$5,000. Depreciation is computed using the straight-line method over the useful lives of three, five, seven, and fifteen years.

Fixed assets acquired by grant monies received from the State of Arizona are considered to be owned by the State of Arizona. Titles of stated properties remain with the State of Arizona and are fully expensed upon purchase. No amounts have been recognized for such property in the Statement of Financial Position for the fiscal years ended June 30, 2015 and 2014. Capitalized property shall not be disposed of without written approval from the State of Arizona.

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the Statement of Activities. Accordingly, certain costs have been allocated between the programs and supporting services benefited.

Advertising

The Organization's media campaign utilizes billboard, radio, print, and television media to fulfill its drug prevention mission. Advertising costs are expensed as incurred. The Organization receives a significant amount of contributed or in-kind advertising from local agencies. Advertising totaled \$74,113 and \$56,907, for the years ended June 30, 2015 and 2014, of which, \$31,476 and \$30,696 was contributed by local agencies.

MatForce, the Yavapai County Substance Abuse Coalition
Notes to Financial Statements
Years Ended June 30, 2015 and 2014

Note 1 - Summary of Significant Accounting Policies (continued)

Income Taxes

The Organization is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. It has been classified as an organization that is not a private foundation within the meaning of Section 509(a).

Accounting principles generally accepted in the United States of America prescribe a recognition threshold and a measurement process for accounting for uncertain tax positions and also provide guidance on various related matters, such as interest, penalties, and required disclosures. Management believes the Organization does not have any uncertain tax positions.

The Organization files information returns with state and federal agencies. Generally, the returns are subject to examination by income tax authorities for three years from the filing of a return with the Internal Revenue Service and four years from the filing of a return with the Arizona Department of Revenue. As such, the returns for tax years 2014, 2013, 2012, and 2011 are subject to examination by taxing authorities. Interest or penalties assessed by taxing authorities, if any, would be included in management and general expenses.

Cash and Cash Equivalents

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

Reclassification

Certain prior year amounts may have been reclassified to conform to the current year financial statement presentation.

Note 2 - Receivables

Receivables consist primarily of contract and grant reimbursements. All receivables are considered to be collectible within one year. No allowance for doubtful accounts has been established by management due to the nature of the receivables. Contracts, grants, and accounts receivable include the following at June 30, 2015 and 2014:

	<u>2015</u>	<u>2014</u>
Grants	\$ 77,088	\$ 48,423
Other	-	260
Total	<u>\$ 77,088</u>	<u>\$ 48,683</u>

MatForce, the Yavapai County Substance Abuse Coalition
Notes to Financial Statements
Years Ended June 30, 2015 and 2014

Note 3 - Net Assets

The temporarily restricted net assets as of June 30, 2015 and 2014, consist of the following:

	<u>2015</u>	<u>2014</u>
Substance abuse prevent and education	\$ 58,018	\$ 98,337
Total	<u>\$ 58,018</u>	<u>\$ 98,337</u>

Per the Organization's fiscal policy, the Organization retains unrestricted board-designated funds of six months operating expenses, which include administrative and director payroll and rent and utilities expense.

The unrestricted board-designation net assets as of June 30, 2015 and 2014, consist of the following:

	<u>2015</u>	<u>2014</u>
Operating reserve	\$ 39,941	\$ 62,504
Prescription drug initiative	<u>7,585</u>	<u>-</u>
Total	<u>\$ 47,526</u>	<u>\$ 62,504</u>

There were no permanently restricted net assets as of June 30, 2015 and 2014.

Note 4 - In-kind Contributions

In-kind contributions are summarized below for the years ended June 30, 2015 and 2014.

	<u>2015</u>	<u>2014</u>
Advertising	\$ 31,476	\$ 30,696
Total	<u>\$ 31,476</u>	<u>\$ 30,696</u>

Note 5 - Related Party Transactions

The Organization and an affiliated organization, Community Counts, have the same individuals as their Board of Directors and Executive Director. Also, both organizations have many of the same employees. Additionally, the related organizations share certain general and administrative expenses. Salaries and other operating and administrative expenses are allocated to the organizations either on a percentage basis or based on actual time and/or consumption. The officers of the Organization would have the ability to influence the Organization's operations for the benefit of the other organization under their control. The Organization paid \$10,400 and \$17,769 to the affiliate for salaries and operating and administrative support during the years ended June 30, 2015 and 2014, respectively. No amounts were due from the related organization at June 30, 2015. The amount due from the related organization at June 30, 2014, was \$1,810, and is stated as amount due from a related organization in the Statement of Financial Position. There were no amounts due to the related organization at June 30, 2015. At June 30, 2014, \$3,224 was due to the related organization.

MatForce, the Yavapai County Substance Abuse Coalition
Notes to Financial Statements
Years Ended June 30, 2015 and 2014

Note 6 - Contingent Liabilities

In May of 2012 the Organization entered into a lease agreement for rental of its program and administrative office. The lease term began June 1, 2012, and ended May 31, 2014, with an option to renew, giving written ninety-days notice prior to lease termination. The lease was renewed in February 2014 for an additional three-year term through May 2017. Monthly payments begin at \$1,122 and increase to \$1,156 and \$1,200 for the subsequent annual terms of which, a portion of this lease agreement is paid by the related party organization referenced above. Total contingent lease payments for the fiscal years ending June 30 follow:

2016	\$ 4,742
2017	<u>4,566</u>
Total	<u>\$ 9,308</u>

Total rent expense for the years ended June 30, 2015 and 2014, was \$4,932 and \$4,800, respectively.

Note 7 - Subsequent Events

Management of the Organization has evaluated events and transactions subsequent to June 30, 2015, for potential recognition or disclosure in the financial statements. The Organization had no subsequent events that required recognition or disclosure in the financial statements. Subsequent events were reviewed by Management through November 5, 2015, which is the date the financial statements were available to be issued.