

**DECISION SCIENCE RESEARCH INSTITUTE, INC.,
dba DECISION RESEARCH**

**ANNUAL FINANCIAL REPORT
March 31, 2014 and 2013**

Decision Science Research Institute, Inc.,
dba **Decision Research**

Annual Financial Report
March 31, 2014 and 2013

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Decision Science Research Institute, Inc. dba Decision Research
Eugene, Oregon

Report on the Financial Statements

We have audited the accompanying financial statements of Decision Science Research Institute, Inc. dba Decision Research (a nonprofit organization), which comprise the statements of financial position as of March 31, 2014 and 2013, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Decision Science Research Institute, Inc. dba Decision Research as of March 31, 2014 and 2013, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of functional expenses and grant and contract activity, is presented for purposes of additional analysis and is not a required part of the financial statements. The accompanying schedule of expenditures of federal awards, as required by Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated July 31, 2015, on our consideration of Decision Science Research Institute, Inc. dba Decision Research's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Decision Science Research Institute, Inc. dba Decision Research's internal control over financial reporting and compliance.

Jones + Roth, P.C.

Jones & Roth, P.C.
Eugene, Oregon
July 31, 2015

Decision Science Research Institute, Inc.,
dba **Decision Research**

Financial Statements

Decision Science Research Institute, Inc.,
dba **Decision Research**

Statements of Financial Position
March 31, 2014 and 2013

	2014	2013
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 248,070	\$ 300,227
Investments	10,154	6,500
Grants and contracts receivable	372,687	244,460
Accounts receivable	4,523	1,538
Prepaid expenses and other assets	10,164	7,905
Total current assets	645,598	560,630
Fixed assets:		
Furniture and equipment	89,005	85,790
Less accumulated depreciation	(79,070)	(78,815)
Net fixed assets	9,935	6,975
Intangible assets:		
Intangible assets	5,323	5,323
Less accumulated amortization	(4,630)	(3,874)
Net intangible assets	693	1,449
Total assets	\$ 656,226	\$ 569,054
LIABILITIES AND NET ASSETS		
Current liabilities:		
Accounts payable	\$ 150,808	\$ 48,453
Accrued payroll and related expenses	69,695	55,427
Accrued paid time off	83,281	73,230
Accrued pension expense	6,342	5,282
Deferred revenue	34,256	45,150
Total current liabilities	344,382	227,542
Net assets; unrestricted	311,844	341,512
Total liabilities and net assets	\$ 656,226	\$ 569,054

See accompanying notes and independent auditor's report.

Decision Science Research Institute, Inc.,
dba Decision Research

Statements of Activities
for the fiscal years ended March 31, 2014 and 2013

	2014	2013
Revenues:		
Grants and contracts		
Federal and Federal Pass-Through	\$ 1,453,944	\$ 1,003,218
Non-Federal	37,681	31,118
	1,491,625	1,034,336
Interest and Dividend Income	419	887
Contributions (cash)	6,841	4,351
Royalties	2,835	1,356
Unrealized Gains/(Losses)	4,158	277
Miscellaneous Income	376	828
	1,506,254	1,042,035
 Expenses:		
<i>Program services: Non-Federal Funds</i>		
Benefit/Risk Perceptions of Prescription Drugs II	1,240	1,818
Judgments of Real Life Functions	5,244	4,462
Consulting	3,564	—
Web Panel Services	10,698	6,603
Improving the Ability of the Duwamish Superfund Clean-up HIA to Address Potential Health Impacts to Native American Tribes	—	4,507
	20,746	17,390
 <i>Program services: Federal Pass-Through Funds</i>		
National Center for Risk and Economic Analysis of Terrorism Events	46,711	95,652
Visual Simulation and Visually Based Control Research	2,130	9,260
Cultural Cognition of Synthetic Biology Risks	39,778	19,255
Resource Management in Developing Countries	—	2,044
NSEC: Center for Nanotechnology in Society	4,345	17,815
Transferring to Regulatory Economies the Risk-Analysis Approaches to Uncertainty	—	32,250
Public Risk Perception Surveys	5,666	45,814
Tribal Environmental Public Health Indicators	1,378	4,092

See accompanying notes and independent auditor's report.

Decision Science Research Institute, Inc.,
dba Decision Research

Statements of Activities
for the fiscal years ended March 31, 2014 and 2013

	2014	2013
<i>Program services: Federal Pass-Through Funds, continued</i>		
Evaluating Community Well-being in Relation to Shellfish as a Place-based Cultural Ecosystem Service of the Puget Sound region of the Salish Sea	4,600	—
Guideline Development for Evaluating Resource Development Impacts on Tribal Communities	1,335	—
Adapting a Decision-Making Task to Explore its ERP Correlates in Youth and Adults	12,820	—
Clinical Implementation of Carrier Testing Using NGS	61,786	—
	180,549	226,182
<i>Program services: Direct Federal Funds</i>		
Development of Normal Procedures for Airline Operations	80,214	—
The Life You Can Save: Affective and Deliberative Processes Motivating Charitable Decisions	20,176	42,233
Risky Decision Making in Girls with Foster Care Involvement: Prevention Implications	—	37,062
DRU Modeling Community Response and Economic Impacts of Risk Amplification	—	6,779
Reasoning Processes Underlying Decision Makers' Use of Expert Forecasts	—	16,951
Valuing Lives You Can Save: Understanding and Combatting Value Collapse as Numbers Increase	54,544	98,506
Regret Regulation and Everyday Decisions Across the Adult Lifespan	6,217	55,246
The Singularity Effect of Identifiable Victims: Is It a Matter of Culture and Education?	67,565	18,588
Coastal Vulnerability to Sea Level Rise and Erosion in Northwest Alaska	—	569
Developing Guidelines to Aid in Communicating Uncertainty	89,207	53,142
Detecting and Mitigating Automation Surprises	309,853	33,206
Decision Making and Dysregulation Pathways in Adolescents with Parental SUD History	130,245	—
Developing Indigenous Health Indicators to Reflect Community Health Priorities	21,736	—
Decision-Makers Use of Climate Science in Flood Planning and Management	20,257	24,092
	800,014	386,374
Total program services	1,001,309	629,946
<i>Support Services</i>	534,613	482,709
Total expenses	1,535,922	1,112,655
Change in unrestricted net assets	(29,668)	(70,620)
Unrestricted net assets, beginning of year	341,512	412,132
Unrestricted net assets, end of year	\$ 311,844	\$ 341,512

See accompanying notes and independent auditor's report.

Decision Science Research Institute, Inc.,
dba **Decision Research**

Statements of Cash Flows
for the fiscal years ended March 31, 2014 and 2013

	2014	2013
Cash flows from operating activities:		
Change in unrestricted net assets	\$ (29,668)	\$ (70,620)
Adjustments to reconcile change in unrestricted net assets to net cash used by operating activities:		
Depreciation and amortization	6,127	8,209
Unrealized (gains)/losses	(4,158)	(277)
(Increase) decrease in:		
Grants and contracts receivable	(128,227)	(10,779)
Accounts receivable	(2,985)	(1,162)
Prepaid expenses and other assets	(2,259)	1,044
Increase (decrease) in:		
Accounts payable	102,355	2,556
Accrued payroll and related expenses	14,268	16,853
Accrued paid time off	10,051	(15,537)
Accrued pension expense	1,060	650
Deferred revenue	(10,894)	24,395
Net cash used by operating activities	(44,330)	(44,668)
Cash flows from investing activities:		
Acquisition of furniture and equipment	(7,827)	(1,453)
Net increase (decrease) in cash and cash equivalents	52,157	(46,121)
Cash and cash equivalents, beginning of year	300,227	346,348
Cash and cash equivalents, end of year	\$ 248,070	\$ 300,227
Schedule of noncash investing and financing activities:		
Total acquisition of furniture and equipment	\$ 8,331	\$ -
Value of trade in asset	(504)	-
Cash paid for furniture and equipment	\$ 7,827	\$ -

See accompanying notes and independent auditor's report.

Decision Science Research Institute, Inc.,
dba **Decision Research**

Notes to Financial Statements

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

ORGANIZATION

Decision Science Research Institute, Inc. dba Decision Research (the Organization) is an independent, nonprofit research institute, dedicated to research and education in the behavioral, social and decision sciences. Its main source of funding is through federal, state and private grants and contracts. The Organization is subject to regulatory action surrounding these grants and contracts.

The Organization was incorporated under the laws of the State of Oregon with the purpose of providing charitable, scientific, and educational research.

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 and expenses during the reporting period. Actual results could differ from those estimates.

NET ASSETS

The Organization's net assets are unrestricted. No part of the net assets are permanently restricted or temporarily restricted by donor-imposed stipulations.

CASH AND CASH EQUIVALENTS

Cash consists of cash maintained in checking accounts, savings accounts, and money market accounts with regional west coast financial institutions insured by the Federal Deposit Insurance Corporation (FDIC). At times, these deposits may exceed FDIC insurance limitations.

Cash equivalents are stated at cost and are not insured by the FDIC. Cash equivalents totaled \$1,756 and \$2,491 at March 31, 2014 and 2013, respectively.

INVESTMENTS

Investments consist of certificates of deposit and stocks. Certificates of deposit are invested with regional west coast financial institutions insured by the FDIC. These certificates have maturity dates greater than three months. Investments are carried at fair value. Realized and unrealized gains and losses are reported in the Statements of Activities.

GRANTS AND CONTRACTS RECEIVABLE

Grants and contracts receivable consist of amounts that are due from government agencies, foundations, nonprofit organizations, and private companies. Funding sources are geographically disbursed throughout the United States of America, with nominal amounts arising from outside the country. Management believes all receivables are fully collectable; therefore there is no allowance for uncollectable amounts.

FIXED ASSETS

Furniture and equipment are recorded at cost. Donated properties are recorded at their estimated fair market value on the date of gift. Expenditures for maintenance and repairs are charged against income, while renewals and betterments are capitalized. The cost and accumulated depreciation of property sold or otherwise disposed of are eliminated from the accounts, and the resulting gains or losses are reflected in revenue and expenses.

Depreciation is computed using the straight-line method over the estimated useful life of the furniture and equipment.

Decision Science Research Institute, Inc.,
dba Decision Research

Notes to Financial Statements, continued

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued:

REVENUE RECOGNITION

The Organization recognizes revenue on cost reimbursement grants and contracts as qualified expenses are incurred, subject to the amount authorized in the agreement. Unreimbursed grant or contract expenses are reflected in the financial statements as receivables and revenues. Cash receipts related to future grant or contract expenses are recorded as deferred revenue in the Statements of Financial Position.

INDIRECT RATE CALCULATION

Indirect costs are allocated proportionally on the basis of modified total direct costs (total direct costs excluding capital expenditures, participant support, and subcontract costs exceeding \$25,000 per subaward).

INCOME TAXES

Under the provisions of the Internal Revenue Code Section 501(c)(3) and applicable state law, the Organization has been granted exemption from state and federal income taxes. The Organization has also been classified as an entity that is not a private foundation within the meaning of Section 509(a) and qualifies for deductible contributions.

2. INVESTMENTS:

At March 31, investments consisted of the following:

	Market Value	
	2014	2013
Stocks	\$ 10,154	\$ 6,500
Total investments	<u>\$ 10,154</u>	<u>\$ 6,500</u>

3. COMMITMENTS AND CONTINGENCIES:

GRANTS AND CONTRACTS

Amounts received or receivable from grantor agencies are subject to audit and adjustment by such agencies. Any disallowed costs could become a liability of the Organization. Management believes that unallowable costs, if any, would not be significant or material.

OPERATING LEASES

The following is a schedule of estimated future minimum rental payments required under an operating lease for office space that has an initial or remaining lease term of less than one year as of March 31, 2014.

Ending February 28, 2015	\$ 75,825
	<hr/>
Total:	<u>\$ 75,825</u>

Decision Science Research Institute, Inc.,
dba **Decision Research**

Notes to Financial Statements, continued

3. COMMITMENTS AND CONTINGENCIES, continued:

The term of the lease is ten years ending February 28, 2015. The Organization has the right to cancel the lease upon six months notice and payment of \$10,000.

Rent expenses associated with the above lease for the fiscal years ended March 31, 2014 and 2013, were \$80,509 and \$78,164, respectively.

The Organization has a month-to-month rental agreement with an employee of the Organization for the use of home office space. Rent expense for the above agreement for the fiscal years ended March 31, 2014 and 2013 amounted to \$2,252 and \$2,452, respectively.

4. EMPLOYEE RETIREMENT PLAN:

The Organization maintains a defined contribution pension plan for substantially all permanent employees. Employees are 100 percent vested in employer contributions. Employer contributions to the plan for the fiscal years ended March 31, 2014, and 2013, were \$64,974 and \$52,989, respectively.

5. CONCENTRATIONS:

During 2014, the Organization received grant revenue of approximately 65 percent from five grant contracts. During 2013, the Organization received grant revenue of approximately 46 percent from three grant contracts.

6. SUBSEQUENT EVENTS:

Management evaluates events and transactions that occur after the statements of financial position as potential subsequent events. Management has performed this evaluation through the date of the independent auditor's report.

Supplementary Data

Decision Science Research Institute, Inc.
 dba Decision Research
 Schedule of Functional Expenses and Grant and Contract Activity
 For the year ended March 31, 2014

FUNCTIONAL EXPENSES:	Program Services: Non-Federal Funds							Program Services: Federal Pass-Through Funds						
	GRAND TOTAL	PROGRAM SERVICES TOTAL	Benefit/Risk Perceptions of Prescription Drugs	Judgments of Real Life Functions	Latent Class Analysis	Consulting Services	Web Panel Services	National Center for Risk and Economic Analysis of Terrorism Events	Visual Simulation and Visually Based Control Research	Cultural Cognition of Synthetic Biology Risks	NSEC Center for Nanotechnology in Society	Public Risk Perception Surveys	Tribal Environmental Public Health Indicators	Evaluating Community Well-being in Relation to Shellfish as a Place-based Cultural Ecosystem Service of the Puget Sound Region of the Salish Sea
			PHARMA II	SWEDISH JUDGMENTS	YALE - CK	CONSULTING	WEB PANEL	CREATE RECOMPETE	PEROT	SYNBIO	NANO	TSA	EPA HEALTH	PUGET SOUND
Payroll	687,204.92	420,049.54		4,179.89		2,661.76	791.87	26,406.82		11,489.35	3,566.36	3,636.43	1,127.55	3,850.97
Fringe benefits	206,244.63	123,245.59		1,064.57		902.00	215.47	8,664.84		3,143.01	778.67	1,156.86	250.74	748.63
Consultants	84,680.25	79,501.25												
Temporary Help	16,963.68													
Subcontracts	298,332.77	298,332.77												
Travel	47,556.54	41,393.15	1,239.60					8,871.69		474.70		892.85		
Internet	2,704.42													
Data Entry	-20.00	-20.00										-20.00		
Subjects/Data Collection	38,807.03	38,807.03						2,768.00		4,744.98				
Workshop														
Rent	84,254.91													
Janitorial	2,622.00													
Parking	335.65													
Phone	5,416.25													
Supplies	3,348.34													
Soft/Hardware	5,648.60													
Postage	942.46													
Copies/Publishing	1,483.72													
Administrative Services	6,131.78													
Office Expense, Other	1,193.73													
Library	1,329.81													
Dues/Subscriptions	1,101.74													
Recruiting Expenses	1,896.26													
Maintenance/Repair	996.84													
Bid & Proposal														
Insurance	3,528.22													
Furn & Equip Lease	3,788.22													
Depreciation	5,370.90													
Amortization	755.64													
Legal														
Accounting	21,300.00													
Indirect offset														
Miscellaneous	2,003.15													
TOTALS	1,535,922.46	1,001,309.33	1,239.60	5,244.46		3,563.76	10,698.10	46,711.35	2,130.00	39,778.29	4,345.03	5,666.14	1,378.29	4,599.60
GRANT & CONTRACT ACTIVITY:														
Grant or Contract Award Amt. Prior Yrs	5,176,628.74	619,909.00	58,000.00	19,500.00				332,350.00	361,177.94	142,151.00	71,032.00	86,527.00	12,000.00	
Less Revenues Earned in Prior Years	-2,593,315.43	-609,098.00	-23,661.53	-14,893.00				-287,366.72	-347,952.11	-75,237.39	-57,511.45	-76,968.15	-9,996.77	
Amount Available Beginning of Year	2,583,313.31	10,811.00	34,338.47	4,607.00				44,983.28	13,225.83	66,913.61	13,520.55	9,558.85	2,003.23	
Adjustment to Prior Years														
Amount Awarded (Reduced) in FY14	1,251,393.00					8,692.00	18,096.00	106,000.00						12,000.00
TOTAL AVAILABLE	3,834,706.31	10,811.00	34,338.47	4,607.00		8,692.00	18,096.00	150,983.28	13,225.83	66,913.61	13,520.55	9,558.85	2,003.23	12,000.00
LESS: FY14 Direct Expenses	-1,001,309.33	-1,239.60	-5,244.46			-3,563.76	-10,698.10	-46,711.35	-2,130.00	-39,778.29	-4,345.03	-5,666.14	-1,378.29	-4,599.60
FY14 Subcontract Expenses in Excess of \$25,000 & equipment (not subject to indirect)	253,653.77													
FY14 Indirect Expenses at Actual Rate of 71.24%	-532,596.33	-883.04	-3,735.92			-2,538.66	-7,620.85	-33,275.07	-1,517.32	-28,336.27	-3,095.20	-4,036.30	-981.83	-3,276.55
FY14 Indirect Expenses in Excess of Cap of 68%	24,190.46	40.11	169.69			115.31	346.12	1,511.33	68.92	1,287.03	140.57	183.33	44.59	148.82
FY14 Indirect Expenses in Excess of Contractual Indirect Cost Rate														
In-Kind Costs														
Contract Revenues Earned in Excess of Expenses	-11,933.93					-2,704.89	-123.17		-362.10	-86.10	-52.53	-39.74		
Expenses Incurred in Excess of Award Amount	1,799.66												312.30	
FY14 NET CHARGE TO TOTAL AVAILABLE	-1,519,849.47	-2,082.53	-8,810.69			-8,692.00	-18,096.00	-78,475.09	-3,940.50	-66,913.63	-7,352.19	-9,558.85	-2,003.23	-7,727.33
REMAINING AWARD AMOUNT END OF YEAR	2,314,856.84	8,728.47	25,527.78	4,607.00				72,508.19	9,285.33	-0.02	6,168.36			4,272.67

Decision Science Research Institute, Inc.
 dba Decision Research
 Schedule of Functional Expenses and Grant and Contract Activity
 For the year ended March 31, 2014

Program Services: Direct Federal Funds													SUPPORT SERVICES TOTAL	Allowable Costs	Corporate and Unallowable Costs
Guideline Development for Evaluating Resource Development Impacts on Tribal Communities	Adapting a Decision-Making Task to Explore its ERP Correlates in Youth and Adults	Clinical Implementation of Carrier Testing Using NGS	Development of Normal Procedures for Airline Operations	The Life You Can Save Affective and Deliberative Processes Motivating Charitable Decisions	Valuing Lives You Can Save Understanding and Combatting Value Collapse as Numbers Increase	Regret Regulation and Everyday Decisions Across the Adult Lifespan	The Singularity Effect of Identifiable Victims Is it a Matter of Culture and Education?	Developing Guidelines to Aid in Communicating Uncertainty	Detecting and Mitigating Automation Surprises	Decision Making and Dysregulation Pathways in Adolescents with Parental SUD History	Developing Indigenous Health Indicators to Reflect Community Health Priorities	Decision-Makers Use of Climate Science in Flood Planning and Management			
SALISH	NIH-ERP	NIH-KAISER NEXTGEN	FAA PROCEDURES	ROKIA II	ROKIA III	NSF REGRET	NSF TEHLA	NSF UNCERTAINTY II	NASA AUTOMATION	NIH - DEV	NIH-INDIGENOUS HEALTH INDICATORS	NSF FLOODS			
1,118.30	9,865.34	47,064.17	19,041.75	14,025.73	36,518.64	2,043.24	33,688.45	59,865.16	87,809.04	25,615.33	10,301.03	15,382.36	267,155.38	267,155.38	
216.74	2,954.47	14,721.23	6,266.83	4,637.77	10,470.68	640.29	10,323.16	15,811.27	27,953.51	7,337.00	2,023.76	2,964.09	82,999.04	82,999.04	
			52,580.00								4,865.00		5,179.00	5,179.00	
													16,963.68	16,963.68	
			2,325.87		2,832.98	1,163.30	22,267.00	1,818.17	182,810.37	93,255.40	4,545.81	1,910.83	6,163.39	6,163.39	
									11,280.44	4,036.91			2,704.42	2,704.42	
				1,512.72	4,721.36	2,370.48	1,286.13	11,712.60							
													84,254.91	84,254.91	
													2,622.00	2,622.00	
													335.65	335.65	
													5,416.25	5,416.25	
													3,348.34	3,348.34	
													5,648.60	5,648.60	
													942.46	942.46	
													1,483.72	1,483.72	
													6,131.78	6,131.78	
													1,193.73	886.83	306.90
													1,329.81	1,329.81	
													1,101.74	1,101.74	
													1,896.26	1,896.26	
													996.84	996.84	
													3,528.22	3,174.22	354.00
													3,788.22	3,788.22	
													5,370.90	5,370.90	
													755.64	755.64	
													21,300.00	21,300.00	
													2,003.15	647.26	1,355.89
1,335.04	12,819.81	61,785.40	80,214.45	20,176.22	54,543.66	6,217.31	67,564.74	89,207.20	309,853.36	130,244.64	21,735.60	20,257.28	534,613.13	532,596.34	2,016.79
			869,584.80	430,001.00	449,998.00	283,723.00	338,995.00	599,989.00	400,000.00				101,691.00		
				-386,076.18	-165,490.29	-274,764.70	-78,759.30	-89,279.02	-55,785.98				-40,474.84		
			869,584.80	43,924.82	284,507.71	8,958.30	260,235.70	510,709.98	344,214.02				61,216.16		
7,000.00	26,961.00	114,216.00							400,000.00	274,050.00	284,378.00				
7,000.00	26,961.00	114,216.00	869,584.80	43,924.82	284,507.71	8,958.30	260,235.70	510,709.98	744,214.02	274,050.00	284,378.00		61,216.16		
-1,335.04	-12,819.81	-61,785.40	-80,214.45	-20,176.22	-54,543.66	-6,217.31	-67,564.74	-89,207.20	-309,853.36	-130,244.64	-21,735.60		-20,257.28		
-951.02	-9,132.26	-44,013.15	-57,141.18	-14,372.64	-38,854.46	-4,428.93	14,630.00	-63,547.21	170,768.37	68,255.40	-15,483.47		-14,430.38		
43.19	414.79	1,999.08	2,595.34	652.82	1,764.77	201.15	-37,708.34	2,886.30	-99,077.92	-44,158.36	703.26		655.43		
			-7,466.40						4,500.12	2,005.67					
	0.57								-1,099.00						
-2,242.87	-21,536.71	-103,799.47	-142,226.69	-33,896.04	-91,633.35	-8,958.30	-103,560.36	-149,868.11	-405,530.16	-172,397.33	-36,515.81		-34,032.23		
4,757.13	5,424.29	10,416.53	727,358.11	10,028.78	192,874.36		156,675.34	360,841.87	338,683.86	101,652.67	247,862.19		27,183.93		

Decision Science Research Institute, Inc.,
dba **Decision Research**

Grant Compliance

Decision Science Research Institute, Inc.,
dba **Decision Research**

Government Auditing Standards Report

**INDEPENDENT AUDITOR'S 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**

To the Board of Directors
 Decision Science Research Institute, Inc. dba Decision Research
 Eugene, Oregon

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 Decision Science Research Institute, Inc. dba Decision Research (Decision Research) (a nonprofit organization), which comprise the statement of financial position as of March 31, 2014, and the related statements of activities and cash flows for the year then ended, and the related notes of the financial statements, and have issued our report thereon dated July 31, 2015

Internal Control Over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs that we consider to be significant deficiencies. Refer to item 2014-01.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Decision Research'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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as item 2014-01.

Decision Research's Response to Findings

Decision Research's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. Decision Research's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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 Organization'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 Organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Jones + Roth, P.C.

Jones & Roth, P.C.
Eugene, Oregon
July 31, 2015

Decision Science Research Institute, Inc.,
dba **Decision Research**

A-133 (Single-Audit) Reports

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND
ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133**

To the Board of Directors
Decision Science Research Institute, Inc. dba Decision Research
Eugene, Oregon

Report on Compliance for Each Major Federal Program

We have audited Decision Science Research Institute, Inc. dba Decision Research's (Decision Research) compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Decision Research's major federal programs for the year ended March 31, 2014. Decision Research's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Decision Research's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Decision Research's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Decision Research's compliance.

Opinion on Each Major Federal Program

In our opinion, Decision Research complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended March 31, 2014.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs as item 2014-1. Our opinion on each major federal program is not modified with respect to these matters.

Decision Research's response to the noncompliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs. Decision Research's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

Management of Decision Research is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Decision Research's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Decision Research's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified certain deficiencies in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as item 2014-1, that we consider to be significant deficiencies.

Decision Research's response to the internal control over compliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs. Decision Research's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Jones + Roth, P.C.
Jones & Roth, P.C.
Eugene, Oregon
July 31, 2015

Decision Science Research Institute, Inc.,
dba Decision Research

Schedule of Expenditures of Federal Awards for the fiscal year ended March 31, 2014

Federal Grantor/Pass-Through Grantor/Project Title	Federal CFDA/ Subcontract Number	Award Amount
National Science Foundation:		
<i>Direct Grants:</i>		
1. Regret Regulation and Everyday Decisions Across the Adult Lifespan	47.075	\$ 283,723
2. The Life You Can Save: Affective and Deliberative Processes Motivating Charitable Decisions	47.075	430,001
3. Valuing Lives You Can Save: Understanding and Combatting Value Collapse as Numbers Increase	47.075	449,998
4. The Singularity Effect of Identifiable Victims: Is it a Matter of Culture and Education?	47.075	338,995
5. Developing Guidelines to Aid in Communicating Uncertainty	47.075	599,989
6. Decision-Makers Use of Climate Science in Flood Planning and Management	47.041	101,691
<i>Passed through Yale University:</i>		
7. Cultural Cognition of Synthetic Biology Risks	47.075 / C10D10402	142,151
<i>Passed through NSEC at University of California at Santa Barbara</i>		
8. NSEC: Center for Nanotechnology in Society	47.075	71,032
		\$ 2,417,580
NASA:		
<i>Direct Grants:</i>		
9. Detecting and Mitigating Automation Surprises	43.XXX/NNX12AP14A	\$ 800,000
<i>Passed through Dell:</i>		
10. Visual Simulation and Visually Based Control Research	43.XXX / 1670-DEC-001	361,178
		\$ 1,161,178
U.S. Department of Health & Human Services:		
<i>Direct Grants:</i>		
11. Risky Decision Making in Girls with Foster Care Involvement: Prevention Implications	93.279	\$ 440,597
12. Decision Making and Dysregulation Pathways in Adolescents with Parental SUD History	93.279	\$ 274,050
13. Developing Indigenous Health Indicators to Reflect Community Health Priorities	93.879	\$ 284,378
<i>Passed through Oregon Social Learning Center:</i>		
14. Adapting a Decision-Making Task to Explore its ERP Correlates through Adolescence	93.865	\$ 26,961
<i>Passed through Kaiser Foundation Research Institute:</i>		
15. Clinical Implementation of Carrier Testing Using NGS	93.172/UM1HG007292-01	\$ 114,216
		\$ 1,140,202
Environmental Protection Agency:		
<i>Passed through Swinomish Indian Tribal Community:</i>		
16. Tribal Environmental Public Health Indicators	66.509/917-90-03-00	\$ 12,000
17. Guideline Development for Evaluating Resource Development Impacts on Tribal Communities	66.926/NWIFC EPA320-438(2)	\$ 7,000
<i>Passed through Puget Sound Institute University of Washington:</i>		
18. Evaluating Community Well-being in Relation to Shellfish as a Place-Based Cultural Ecosystem Service of the Puget Sound Region of the Salish Sea Project	66.123/752491	\$ 12,000
		\$ 31,000
Federal Aviation Administration		
19. Development of Normal Procedures for Airline Operations	n/a	\$ 869,585
Department of Homeland Security:		
<i>Passed through University of Southern California</i>		
20. Public Risk Perception Surveys	97.061/33911202	\$ 86,527
21. National Center for Risk & Economic Analysis of Terrorism Events	97.061 / 159447/151349	438,350
		\$ 524,877

Total Research and Development:

Decision Science Research Institute, Inc.,
dba **Decision Research**

Schedule of Expenditures of Federal Awards for the fiscal year ended March 31, 2014

	Accrued or (Deferred) Revenue at March 31, 2013	Receipts	Expenditures	Accrued or (Deferred) Revenue at March 31, 2014	Expenditures passed through to subrecipients
NSF:					
<i>Direct:</i>					
1.	\$ 3,629	\$ 12,587	\$ 8,958	-	\$ -
2.	5,069	38,497	33,896	468	-
3.	18,952	94,033	91,633	16,552	-
4.	26,959	81,821	75,336	20,473	-
5.	15,304	152,005	149,868	13,167	-
6.	18,875	41,559	34,032	11,348	-
7.	20,552	87,466	66,914	(0)	-
8.	7,477	14,829	7,352	0	-
	<u>\$ 116,817</u>	<u>\$ 522,797</u>	<u>\$ 467,989</u>	<u>62,009</u>	<u>\$ -</u>
NASA:					
<i>Direct:</i>					
9.	38,286	387,256	405,530	56,560	182,810
<i>Dell:</i>					
10.	717	4,658	3,941	-	-
	<u>\$ 39,003</u>	<u>\$ 391,914</u>	<u>\$ 409,471</u>	<u>56,560</u>	<u>\$ 182,810</u>
U.S. DHHS:					
<i>Direct:</i>					
11.	\$ 1,848	\$ 1,848	\$ -	-	-
12.	\$ -	\$ 122,717	\$ 172,397	49,680	93,255
13.		\$ 14,200	\$ 36,516	22,316	
14.		\$ 21,537	\$ 21,537	-	
15.		\$ 62,088	\$ 103,799	41,711	
	<u>\$ 1,848</u>	<u>\$ 222,390</u>	<u>\$ 334,249</u>	<u>113,707</u>	<u>\$ 93,255</u>
EPA:					
<i>Swinomish:</i>					
16.	\$ 2,493	\$ 4,497	\$ 2,004	1	-
17.			\$ 2,243	2,243	-
18.			\$ 7,727	7,727	
	<u>\$ 2,493</u>	<u>\$ 4,497</u>	<u>\$ 11,974</u>	<u>9,970</u>	<u>\$ -</u>
19.		\$ 63,527	\$ 142,227	78,700	
DHS:					
<i>USC:</i>					
20.	\$ 76,968	\$ 86,527	\$ 9,559	-	-
21.	7,330	34,065	78,475	51,740	-
	<u>\$ 84,298</u>	<u>\$ 120,592</u>	<u>\$ 88,034</u>	<u>51,740</u>	<u>\$ -</u>
	<u>\$ 244,460</u>	<u>\$ 1,325,717</u>	<u>\$ 1,453,944</u>	<u>372,686</u>	<u>\$ 276,065</u>

DECISION SCIENCE RESEARCH INSTITUTE, INC.
dba Decision Research
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Fiscal Year Ended March 31, 2014

1. Purpose of Schedule

The accompanying schedule of expenditures of federal awards (the Schedule) is a supplementary schedule to Decision Research's financial statements and is presented for purposes of additional analysis. Because the Schedule presents only a selected portion of the activities of Decision Research, it is not intended to and does not present either the financial position or changes in net assets of Decision Research.

2. Significant Accounting Policies

Reporting Entity

The reporting entity is fully described in Note 1 of Decision Research's financial statements. The Schedule includes all federal financial assistance programs obtained by Decision Research for the fiscal year ended March 31, 2014.

Basis of Presentation

The information in the Schedule is presented in accordance with OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. The receipt and expenditure of federal awards are accounted for under the accrual method of accounting.

DECISION SCIENCE RESEARCH INSTITUTE, INC.
dba Decision Research
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Fiscal Year Ended March 31, 2014

Summary of Auditor's Results

- 1) The independent auditor's report expresses an unmodified opinion on the financial statements of Decision Research.
- 2) No significant deficiencies or material weaknesses in internal control were disclosed by the audit of the financial statements.
- 3) No instances of noncompliance material to the financial statements, which would be required to be reported in accordance with Government Auditing Standards, were disclosed during the audit.
- 4) One significant deficiency in internal control was disclosed by the audit of the major federal award programs.
- 5) The independent auditor's report on compliance for the major federal award programs for Decision Research expresses an unmodified opinion.
- 6) There was one audit finding required to be reported under OMB Circular A-133 §____.510. There were no questioned costs required to be reported under OMB Circular A-133 §____.510.
- 7) The program tested as a major program was:

Research and Development Cluster:

CFDA # 20.108	Department of Transportation Programs
CFDA # 43.001	NASA Programs
CFDA # 47.041	National Science Foundation
CFDA # 47.075	National Science Foundation
CFDA # 66.509	Environmental Protection Agency
CFDA # 66.123	Environmental Protection Agency
CFDA # 66.926	Environmental Protection Agency
CFDA # 93.279	Department of Health and Human Services Programs
CFDA # 93.879	Department of Health and Human Services Programs
CFDA # 93.865	Department of Health and Human Services Programs
CFDA # 93.172	Department of Health and Human Services Programs
CFDA # 97.061	Department of Homeland Security Programs

- 8) The threshold for distinguishing between Type A and Type B programs was \$300,000.
- 9) Decision Research was not considered a low-risk auditee under OMB Circular A-133 §____.530.

Findings – Financial Statement Audit

None.

DECISION SCIENCE RESEARCH INSTITUTE, INC.
dba Decision Research
SCHEDULE OF FINDINGS AND QUESTIONED COSTS, Continued
For the Fiscal Year Ended March 31, 2014

Findings and Questioned Costs – Major Federal Award Program Audit

Finding 2014-1: Timeliness of financial reporting

Type of finding: Significant deficiency in internal control over financial reporting and noncompliance required to be reported under OMB Circular A-133 §___.510.

Condition: Annual financial reporting has been delayed for several months in the past four years.

Criteria: OMB Circular A-133 §___.320 requires that the audit be completed within nine months after the end of the audit period.

Cause: A lack of responsiveness from staff was the primary reason for the delay. The staff made an attempt in late November to complete the audit process on time. However, the auditor had to put off completing the audit until after tax season due to existing commitments.

Effect: Financial reports and Single Audit submissions were delayed.

Management's corrective action plan: Several new steps have been taken to ensure that the audit is completed in a timely fashion. In the future: 1) A new computerized accounting system has been purchased and implemented, 2) A new administrative position has been created to ease the burden of all administrative staff, and 3) regular weekly coordination and oversight meetings involving all of the administrative staff has been implemented. Officers and Board of Directors also routinely attend these meetings.

Prior Year Findings – Major Federal Award Program Audit

Finding 2013-1: Timeliness of financial reporting

Type of finding: Significant deficiency in internal control over financial reporting and noncompliance required to be reported under OMB Circular A-133 §___.510.

Condition: Annual financial reporting has been delayed for several months in the past three years.

Criteria: OMB Circular A-133 §___.320 requires that the audit be completed within 9 months after the end of the audit period.

Cause: Accounting personnel turnover and a lack of sufficient time for staff were the primary reasons for the delay.

Effect: Financial reports and Single Audit submissions were delayed.

Management's corrective action plan: Accounting level of effort has been increased significantly. We will be able to meet this deadline. Our FY14 audit is already scheduled to begin next month.

2014 Follow up: See Finding 2014-1.