

**Washington Regional Alcohol Program, Inc.**

FINANCIAL STATEMENTS AND  
INDEPENDENT AUDITORS' REPORT

Year Ended September 30, 2023

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# James R. Turner & Company, P.C

Certified Public Accountant

703-506-0198

## INDEPENDENT AUDITORS' REPORT

Board of Directors  
Washington Regional Alcohol Program, Inc.

### Opinion

We have audited the accompanying financial statements of the Washington Regional Alcohol Program, Inc., which comprise the balance sheet as of September 30, 2023 and the related statements of activities, changes in net assets, cash flows and functional expenditures for the year ended September 30, 2023 and the related notes to the financial statements.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the Washington Regional Alcohol Program, Inc., as of September 30, 2023 and the changes in its net assets and its cash flows for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

### Basis of Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibility for the Audit of the Financial Statements section of this report. We are required to be independent of the Washington Regional Alcohol Program, Inc. and to meet our ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that our audit evidence that we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Emphasis of Matter

As discussed in Note C to the financial statements, the organization adopted Accounting Standards Update (ASU) 2016-02, Accounting Standards Codification 842, *Leases* and all subsequent ASU's that modified ASC 842. The organization has applied the modified retrospective method to adopt this standard during the year ended September 30, 2023, and adjusted the presentation in the financial statements as permitted by ASC 842. Our opinion is not modified with respect to this matter.

### Responsibilities of Management 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. In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Washington Regional Alcohol Program, Inc.'s ability to continue as a going concern for one year from the date the financial statements are issued.

## **Auditor's Responsibilities for the Audit of the Financial Statements**

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

In performing an audit in accordance with GAAS, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks. Such procedures include examining on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances , but not for the purpose of expressing an opinion on the effectiveness of Washington Regional Alcohol Program, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of the accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, raise substantial doubt about Washington Regional Alcohol Program, Inc.'s ability to continue as a going concern for a reasonable period of time.

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

Vienna, VA  
May 13, 2024

*James R Turner & Company, P.C.*

Washington Regional Alcohol Program, Inc.  
BALANCE SHEET  
September 30, 2023

Assets

Current assets	
Cash	\$ 914,961
Grants and contracts receivable	129,164
Employee receivable	12
Prepaid expenses and deposits	5,010
Total current assets	1,049,147
Office furniture and equipment-At Cost	8,608
Accumulated depreciation	(6,897)
Right-of-use asset-operating lease	37,593
	39,304
Total assets	\$ 1,088,451

Liabilities and Net Assets

Current liabilities	
Accounts payable	\$ 22,138
Accrued expenses and liabilities	3,116
Deferred revenue	622,696
Lease liability-operating lease-current portion	23,119
Total current and total liabilities	671,069
Lease liability-operating lease, less current portion	12,171
Total liabilities	683,240
Net assets	
Net assets without donor restrictions	405,211
Total liabilities and net assets	\$ 1,088,451

See notes to financial statements

Washington Regional Alcohol Program, Inc.  
STATEMENT OF ACTIVITIES  
Year ended September 30, 2023

Revenue and other support	
Checkpoint Strikeforce grant	\$ 1,139,444
Other grants	428,220
In-Kind Contributions	320,463
Contributions	179,313
Total revenue and other support	2,067,440
Expenditures	
Program services:	
Public information and education	1,858,937
SoberRide	64,121
Youth outreach	51,793
Adult outreach	17,335
Other programs	26,661
Advocacy	11,159
	2,030,006
Management and general	29,011
Fundraising	5,699
	2,064,716
Change in net assets	2,724
Net assets without donor restrictions, beginning of year	402,487
Net assets without donor restrictions, end of year	\$ 405,211

See notes to financial statements

Washington Regional Alcohol Program, Inc.  
STATEMENT OF CASH FLOWS  
Year ended September 30, 2023

Cash flows from operating activities	
Net Income	\$ <u>2,724</u>
Adjustments to reconcile net income to net cash provided by operating activities:	
Depreciation and amortization	637
Amortization of right-of-use asset	23,156
(Increase) decrease in pledges receivables	5,450
(Increase) decrease in prepaid expenses	(1,375)
Increase (decrease) in accounts payable	20,795
Increase (decrease) in deferred sponsor revenue	(18,992)
(Decrease) in lease obligation	(23,521)
Total adjustments	<u>6,150</u>
Net cash provided (used) by operating activities	<u>8,874</u>
Cash flow from investing activities:	
Net cash provided (used) by investing activities	<u>0</u>
Cash flow from financing activities:	
Principal payments on financing lease	(1,120)
Net cash provided (used) by financing activities	<u>(1,120)</u>
Net increase (decrease) in cash and equivalents	<u>7,754</u>
Cash and equivalents, beginning of year	907,207
Cash and equivalents, end of year	<u>\$ 914,961</u>
Supplemental disclosures of cash flow information:	
Cash paid during the year for:	
Interest expense	<u>\$ 767</u>
Noncash Transactions Arising from ASC 842 Adoption	
Establishment of right-of-use asset-operating lease	<u>\$ 67,195</u>
Establishment of lease liability-oprating lease, net of rent deposit	<u>\$ 65,257</u>

See notes to financial statements

Washington Regional Alcohol Program, Inc.

STATEMENT OF FUNCTIONAL EXPENSES

Year ended September 30, 2023

	Public Information and Education							Management Fund-raising		Total
	SoberRide	Youth Outreach	Adult Outreach	Other Programs	Advocacy	Total	& General	raising		
Consultants	\$ 1,120,242	\$ -	\$ -	\$ -	\$ -	\$ 1,120,242	\$ -	\$ -	\$ 1,120,242	
In-kind media contributions	320,463	-	-	-	-	320,463	-	-	320,463	
Salaries and related benefits	213,122	47,598	15,931	-	8,594	285,245	107,923	4,500	397,668	
Awards and other	15,488	-	-	-	-	15,488	-	-	15,488	
SoberRide cab fares	-	58,928	-	-	-	58,928	-	-	58,928	
Printing	20,939	-	-	-	-	20,939	90	-	21,029	
Accounting and legal	12,833	-	-	-	203	13,036	8,167	615	21,818	
Telephone	131	-	-	-	-	131	3,698	-	3,829	
Rent-office	-	-	-	-	-	-	23,156	-	23,156	
Conferences and meetings	9,879	-	-	16,443	45	26,367	1,876	-	28,243	
Travel and lodging	6,510	-	-	466	1,364	8,340	447	-	8,787	
Meals	-	-	-	-	-	-	331	-	331	
Postage	4,435	-	-	427	-	4,862	-	-	4,862	
Supplies and office expense	5,160	-	-	7,166	50	12,376	689	-	13,065	
Insurance	-	-	-	-	-	-	15,715	-	15,715	
Computer and Web Page support	924	-	-	-	-	924	2,000	-	2,924	
Miscellaneous	4,211	-	-	-	-	4,211	442	122	4,775	
Equipment rental and maintenance	-	-	-	-	-	-	1,990	-	1,990	
Depreciation	-	-	-	-	-	-	637	-	637	
Carrying charges and interest	-	-	-	-	-	-	766	-	766	
Total direct expenses	1,734,337	58,928	15,931	24,502	10,256	1,891,552	167,927	5,237	2,064,716	
Allocated indirect expenses	124,600	5,193	1,404	2,159	903	138,454	(138,916)	462	-	
	\$ 1,858,937	\$ 64,121	\$ 17,335	\$ 26,661	\$ 11,159	\$ 2,030,006	\$ 29,011	\$ 5,699	\$ 2,064,716	

See notes to financial statements  
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WASHINGTON REGIONAL ALCOHOL PROGRAM, INC.

NOTES TO FINANCIAL STATEMENTS

September 30, 2023

**NOTE A – ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES**

**Organization** The Washington Regional Alcohol Program, Inc. (the Organization) was incorporated under the laws of the state of Maryland. The Organization is a non-profit-public-private partnership working to prevent drunk driving and underage drinking in the Washington, D.C. metropolitan area.

**Basis of Presentation** Financial statement presentation follows generally accepted accounting principles. Accordingly, the Organization is required to report information regarding its financial position and activities according to two classes of net assets: without donor restrictions and with donor restrictions. The financial statements are prepared on the accrual basis.

Revenue is generated primarily through public grant programs and private sector contributions. The grant programs are sponsored by federal, state and local governments and reimburse the Organization for labor and administrative costs incurred to conduct programs aimed at reducing alcohol related fatalities and underage drinking. Advertising costs are expensed as incurred.

**Income Taxes** The Organization is exempt from federal and state income tax under Section 501(c)(3) of the Internal Revenue Code on all but unrelated business income. The Organization had no unrelated business income during the Year Ended September 30, 2023. The Organization's tax returns open to examination are the years ended September 30, 2020, 2021 and 2022.

**Cash and Cash Equivalents** The Organization considers all highly liquid short-term investments which have an original maturity of three months or less when acquired, to be cash equivalents.

**Property and Equipment** Property and equipment are stated at cost. Contributed property and equipment is stated at fair market value on the date of contribution. The Organization capitalizes all acquisitions of property and equipment in excess of \$500. Depreciation and amortization is computed using the straight-line method over the estimated useful lives of the related assets, ranging from 5 to 7 years.

WASHINGTON REGIONAL ALCOHOL PROGRAM, INC.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

September 30, 2023

**NOTE A – ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Functional  
Allocation of  
Expenses**

The costs of providing the various programs and activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Primarily on direct costs of programs and direct salaries

**Recognition of  
Donor Restricted  
Contributions**

Support that is restricted by the donor is reported as an increase in net assets with donor restrictions if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in net assets with donor restrictions depending on the nature of the restriction. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the Statement of Activities as net assets released from restrictions.

**Use of Estimates**

Management uses estimates and assumptions in preparing financial statements in accordance with generally accepted accounting principles. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and reported revenue and expenses. Actual results could vary from the estimates that were assumed in preparing the financial statements.

**Concentration of  
Credit Risk**

Cash is maintained at a bank insured by the Federal Deposit Insurance Corporation up to \$250,000. Management believes that the risk of any loss in excess of the insurance amount is minimal.

**Contributed  
Services**

Contributed services to air public service announcements to benefit the Organization's public education programs were received and meet the criteria for recognition in the financial statements during the Year Ended September 30, 2023. The fair value of the contributed air time, which totaled \$320,463 is recognized as an in-kind contribution and an in-kind media expense in the financial statements.