
Washington Regional Alcohol Program, Inc.

**FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REPORT**

Year Ended September 30, 2020

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James R. Turner & Company, P.C.

Certified Public Accountant

703-506-0198

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Washington Regional Alcohol Program, Inc.

Report on the Financial Statements

We have audited the accompanying financial statements of the Washington Regional Alcohol Program, Inc., which comprise the balance sheet as of September 30, 2020, and the related statements of activities, changes in net assets, cash flows and functional expenditures for the year 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 audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about 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. According, 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 our audit evidence is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Washington Regional Alcohol Program, Inc., as of September 30, 2020, and the changes in its net assets and its cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Other information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary information presented hereinafter is presented for the purpose of additional analysis and are not a required part of the financial statements. The schedule of expenditures of federal awards (page 14) is presented for the purpose of additional analysis as required by the Uniform Guidance and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards and the supplementary information presented hereinafter for the year ended September 30, 2020, are fairly stated in all material respects in relation to the financial statements taken as a whole.

Other Reporting required by Government Auditing Standards

In accordance with Government Auditing Standards we have also issued reports dated June 10, 2017 on our consideration of Washington Regional Alcohol Program, Inc.'s internal control over financial reporting and our tests of its compliance with laws, regulations, contracts and grants 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 Washington Regional Alcohol Program, Inc., internal control over internal control over financial reporting and compliance.

James R Turner & Company, P.C.

Vienna, VA

June 3, 2021

Lead auditor: James R. Turner

Federal ID Number: 54-1560216

Washington Regional Alcohol Program, Inc.
BALANCE SHEET
September 30, 2020

Assets

Current assets			
Cash	\$	882,453	
Grants and contracts receivable		95,905	
Sponsors and other receivables		1,012	
Prepaid expenses and deposits		7,341	
Total current assets		986,711	
Office furniture and equipment-At Cost		8,608	
Accumulated depreciation		(4,351)	
		4,257	
Total assets	\$	990,968	

Liabilities and Net Assets

Current liabilities			
Accounts payable	\$	24,804	
PPP loan, \$66,004 forgiven in 2021		67,500	
Accrued expenses and liabilities		3,116	
Deferred revenue		519,594	
Current portion of capital lease obligation		1,340	
Total current liabilities		616,354	
Capital lease obligation			
Capital lease obligation, less current portion of \$1,340		2,684	
Total liabilities		619,038	
Net assets			
Net assets without donor restrictions		371,930	
Total liabilities and net assets	\$	990,968	

See notes to financial statements

Washington Regional Alcohol Program, Inc.
STATEMENT OF ACTIVITIES
Year ended September 30, 2020

Revenue and other support		
Checkpoint Strikeforce grant	\$	1,172,159
Other grants		436,901
In-Kind Contributions		501,002
Contributions		152,315
Total revenue and other support		2,262,377
Expenditures		
Program services:		
Public information and education		2,014,198
SoberRide		30,564
Youth outreach		69,877
Adult outreach		15,111
Other programs		34,360
Advocacy		13,653
Total program services		2,177,763
Management and general		69,744
Fundraising		8,953
Total management and general		78,697
Total expenditures		2,256,460
Change in net assets		5,917
Net assets without donor restrictions, beginning of year		366,013
Net assets without donor restrictions, end of year	\$	371,930

See notes to financial statements

Washington Regional Alcohol Program, Inc.
STATEMENT OF CASH FLOWS
Year ended September 30, 2020

Cash flows from operating activities	
Change in net assets	<u>\$ 5,917</u>
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation and amortization	1,747
(Increase) decrease in grants receivable	(83)
(Increase) decrease in pledges receivables	7,000
(Increase) decrease in prepaid expenses	(130)
Increase (decrease) in accounts payable	23,106
Increase (decrease) in payroll taxes withheld and accrued	(666)
Increase (decrease) in accrued liabilities	0
Increase (decrease) in deferred revenue	(55,295)
Increase (decrease) in deferred rent	0
Total adjustments	<u>(24,321)</u>
Net cash provided (used) by operating activities	<u>(18,404)</u>
Cash flow from investing activities:	
Cash payments for the purchase of property	<u>0</u>
Net cash provided (used) by investing activities	<u>0</u>
Cash flow from financing activities:	
Proceeds from PPP loan	67,500
Payment on lease obligation	(1,258)
Net cash provided (used) by financing activities	<u>66,242</u>
Net increase (decrease) in cash and equivalents	47,838
Cash and equivalents, beginning of year	834,615
Cash and equivalents, end of year	<u><u>\$ 882,453</u></u>
Supplemental disclosures of cash flow information:	
Cash paid during the year for:	
Interest expense	<u><u>\$ 1,707</u></u>

See notes to financial statements

Washington Regional Alcohol Program, Inc.

STATEMENT OF FUNCTIONAL EXPENSES

Year ended September 30, 2020

	Public Information and Education	SoberRide	Youth Outreach	Adult Outreach	Other Programs	Advocacy	Total	Management & General	Fund-raising	Total
Consultants	\$ 1,684,486	\$ -	\$ -	\$ -	\$ 23,827	\$ -	\$ 1,708,313	\$ -	\$ -	\$ 1,708,313
Salaries and related benefits	188,135	-	65,630	14,424	-	10,453	278,642	105,468	7,732	391,842
Awards and other	-	-	438	-	8,769	-	9,207	-	-	9,207
SoberRide cab fares	-	29,272	-	-	-	-	29,272	-	-	29,272
Printing	17,436	-	-	-	92	-	17,528	215	-	17,743
Accounting and legal	12,666	-	-	-	-	203	12,869	7,834	425	21,128
Telephone	-	-	-	-	-	-	-	4,424	-	4,424
Rent-office	-	-	-	-	-	-	-	23,989	-	23,989
Conferences and meetings	7,932	-	-	-	-	55	7,987	-	-	7,987
Travel and lodging	3,205	-	579	48	201	2,092	6,125	937	27	7,089
Meals	-	-	-	-	-	148	148	242	-	390
Postage	2,843	-	-	-	18	-	2,861	328	23	3,212
Supplies and office expense	6,472	-	276	-	-	125	6,873	1,556	-	8,429
Insurance	-	-	-	-	-	-	-	8,168	-	8,168
Computer and Web Page support	2,911	-	-	-	-	-	2,911	2,571	-	5,482
Miscellaneous	2,954	-	-	-	-	-	2,954	1,120	367	4,441
Equipment rental and maintenance	-	-	-	-	-	-	-	1,890	-	1,890
Depreciation	-	-	-	-	-	-	-	1,747	-	1,747
Carrying charges and interest	-	-	-	-	-	-	-	1,707	-	1,707
Total direct expenses	1,929,040	29,272	66,923	14,472	32,907	13,076	2,085,690	162,196	8,574	2,256,460
Allocated indirect expenses	85,158	1,292	2,954	639	1,453	577	92,073	(92,452)	379	-
	\$ 2,014,198	\$ 30,564	\$ 69,877	\$ 15,111	\$ 34,360	\$ 13,653	\$ 2,177,763	\$ 69,744	\$ 8,953	\$ 2,256,460

See notes to financial statements

WASHINGTON REGIONAL ALCOHOL PROGRAM, INC.

NOTES TO FINANCIAL STATEMENTS

September 30, 2020

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 three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. 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, 2020. The Organization's tax returns open to examination are the years ended September 30, 2017, 2018 and 2019.

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, 2020

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 and direct salaries.

**Recognition of
Donor Restricted
Contributions**

Support that is restricted by the donor is reported as an increase in unrestricted net assets 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 or the donor restricted purpose is satisfied, 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, 2020. The fair value of the contributed air time, which totaled \$501,002 is recognized as an in-kind contribution and a consulting expense in the financial statements.

WASHINGTON REGIONAL ALCOHOL PROGRAM, INC.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

September 30, 2020

NOTE B – FEDERALLY ASSISTED GRANT PROGRAMS

The Organization participates in a number of federally assisted grant programs. The Organization's federal and state grants are subject to federal and state compliance audits by the grantors or their representatives. Such audits could lead to requests for reimbursements to the grantor agency for expenditures disallowed under the terms of the grant. Based upon prior experience, the Organization believes that such disallowances, if any, would not be significant.

NOTE C – COMMITMENT

The Organization leases office space under an operation lease that expires September 30, 2020. Rent expense for the rear ended September 30, 2020 was \$23,989.

NOTE D- OPERATING VULNERABILITY

The Organization is heavily dependent upon government grants and contracts for its operations. If government funds were curtailed it would be necessary to curtail or eliminate several programs. The expectation is that government entities will continue funding many of the programs. In the event one funding source would terminate the relationship with the Organization, management believes sufficient funding exists from other sources to continue the basic program of the Organization.

NOTE E-RETIREMENT PLAN

Eligible employees of the Organization are included, on a voluntary basis, in a contributory tax-deferred annuity plan administered by the Organization. Employees satisfy eligibility requirements when they complete one year of service and are at least eighteen years old or older. Contributions by the Organization were \$15,720.

NOTE F-SUBSEQUENT EVENTS

Subsequent events have been considered by the Organization and are included in the financial statements through June 3, 2021, the date the financial statements were available for issue.

In early 2020, an outbreak of a novel strain of coronavirus (COVID-19) emerged globally. As a result, events have occurred including mandates from federal, state and local authorities leading to an overall decline in economic activity which could result in a loss of lease revenue and other material adverse effects to the Company's financial position, results of operations, and cash flows. The Company is not able to estimate the length or severity of this outbreak and the related financial impact. Management plans to adjust its operations accordingly and will continue to assess and monitor the situation as it evolves. If the length of the outbreak and related effects on the Company's operations continue for an extended period of time the Company may have to seek alternative measures to finance its operations

WASHINGTON REGIONAL ALCOHOL PROGRAM, INC.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

September 30, 2020

NOTE F-SUBSEQUENT EVENTS-CONTINUED

There is no assurance these measures will be successful. The financial statements do not include any adjustments that might result if the Organization is unable to continue as a going concern.

The Organization applied for and received an SBA loan under the PPP loan program during 2020 as a result of the COVID-19 pandemic. At September 30, 2020, the loan is being accounting for as an obligation pending approval of a forgiveness application with the SBA. On June 2, the Organization was notified that \$66,004 of the loan had been forgiven and the unforgiven portion was of \$1,496 was paid, along with \$15 of interest.

NOTE G-LINE OF CREDIT

The Organization has a \$50,000 unsecured line of credit with a local bank. No draws were made on the line of credit and no amounts were outstanding at September 30, 2020.

NOTE G-OBLIGATION UNDER CAPITAL LEASE

The Organization entered into lease agreement for office equipment under a lease agreement capitalized as a capital lease. Under the terms of the lease, the Organization can purchase the equipment at the conclusion of the lease for one dollar. Lease payments are paid monthly and include imputed interest of 6.25%, final payment is due July 19, 2023.

Payments under the lease for the five years after September 30, 2020 follows:

2021	\$1,553
2022	1,553
2023	<u>1,294</u>
Total payments	4,400
Less imputed interest	<u>(376)</u>
	<u>\$4,024</u>

NOTE H- NEW ACCOUNTING PRONOUNCEMENT

Effective October 1, 2018, the Organization adopted the Financial Accounting Standards Board Accounting Standards Update 2016-14, *Presentation of Financial Statements of Not-for-profit Entities, issued in August 2016*. The update addressed the complexity and understandability of net asset classification, information about liquidity and availability of resources and other matters. The adoption of the update had no significant impact of the financial statements of the Organization.

WASHINGTON REGIONAL ALCOHOL PROGRAM, INC.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

September 30, 2020

NOTE H- NEW ACCOUNTING PRONOUNCEMENT-CONTINUED

The organization presents its financial position on a classified basis which provides liquidly information about the organization's current assets and liabilities. The organization has determined that operations for the next year will provide sufficient resources to fund its ongoing requirements.

SUPPLEMENTAL INFORMATION

WASHINGTON REGIONAL ALCOHOL PROGRAM, INC.

SCHEDULE OF FEDERAL FINANCIAL AWARDS

For the Year Ended September 30, 2020

Federal Grantor/

Pass Through Grantor /

Program Title /

	<u>CFDA Number</u>	<u>Federal expenditures</u>
National Highway Traffic Safety Administration/ State and Community Highway Safety		
Maryland Department of Transportation	20.600	\$ 71,814
Virginia Department of Motor Vehicles/ Impaired Driver Prevention, Education & Checkpoint	20.607	<u>1,172,159</u>
Total 20.600 cluster		<u>1,243,973</u>

National Highway Traffic Safety Administration/ Cluster		
Maryland Department of Transportation/ State and Community Highway Safety	20.616	111,217
National Highway Traffic Safety Administration/ Virginia Department of Motor Vehicles	20.616	125,018
District of Columbia Department of Transportation Alcohol Traffic Safety and Drunk Driving	20.616	<u>100,414</u>
		<u>336,649</u>
		<u>\$1,580,622</u>

NOTE 1 – BASIS OF PRESENTATION

1. The accompanying schedule of federal financial awards includes the federal grant activity of the Washington Regional Alcohol Program, Inc. and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements* for Federal Awards. Therefore, some amounts may differ from amounts presented in, or used in the preparation of, the basic financial statements.
2. Expenditures for the Virginia Department of Motor Vehicles and the District of Columbia grants include a de-minimis rate of 10%, pursuant to 2CFR 200.414(f). Other grants include an indirect cost rate of 20%.
3. Indirect costs have been reduced for PPP loan forgiveness of \$66,004.

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

Independent Auditor's Report

Board of Directors
Washington Regional Alcohol Program, Inc.

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 Washington Regional Alcohol Program, Inc., which comprise the balance sheet as of September 30, 2020 and for the related statements of activities, cash flows and functional expenditures for the year then, and the related notes to the financial statements, and have issued our report thereon dated June 3, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Washington Regional Alcohol Program, Inc.'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 the Washington Regional Alcohol Program, Inc.'s' internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization'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 material 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 a combination of deficiencies, in internal control that is less severe than a material weakness, yet important to merit attention by those charged with governance.

Our consideration of internal control over financial reporting was for the limited purpose described in this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Washington Regional Alcohol Program, Inc.'s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported Government Auditing Standards.

Purpose of this Report

This 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 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.

James R. Turner & Company, P.C.

Vienna, Virginia
June 3, 2021

**INDEPENDENT AUDITOR’S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY UNIFORM
GUIDANCE**

Board of Directors
Washington Regional Alcohol Program, Inc.

Report on Compliance for Each Major Federal Program

We have audited the compliance of Washington Regional Alcohol Program, Inc. with the types of compliance requirements described in the *U.S. Office of Management and Budget Compliance Supplement* that could have a direct and material effect on and the audit requirements of Title 2 U.S., *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).each of Washington Regional Alcohol Program, Inc. major federal programs for the year ended September 30, 2020. Washington Regional Alcohol Program, Inc.’s major federal programs are identified in the summary 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 Washington Regional Alcohol Program, Inc.’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 the audit requirements of Title 2 U.S., *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance 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 the Washington Regional Alcohol Program, Inc.’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 Washington Regional Alcohol Program, Inc.’s compliance

Opinion on Each Major Federal Program

In our opinion, Washington Regional Alcohol Program, Inc., 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 each its major federal programs for the year then ended September 30, 2020.

Internal Control Over Compliance

Management of Washington Regional Alcohol Program, Inc. 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 Washington Regional Alcohol Program, Inc.'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 for the circumstances for the purpose of expressing our opinion on compliance for each major federal program and to test and report on the internal control over compliance in accordance with Uniform Guidance, 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 the Washington Regional Alcohol Program, Inc.'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 the 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. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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

James R. Turner & Company, P.C.

Vienna, Virginia
June 3, 2021

WASHINGTON REGIONAL ALCOHOL PROGRAM, INC.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended September 30, 2020

Section I – Summary of Auditor’s Results

Financial Statements

Type of auditor’s report issued: Unqualified

Internal control over financial reporting: Significant deficiency (ies) identified? ___ yes ___ X ___ no

Noncompliance material to financial statements noted? ___ yes ___ X ___ no

Federal Awards

Internal control over major programs: Material weakness (es) identified? ___ yes ___ X ___ no

Reportable condition(s) identified not considered to be material weaknesses? ___ yes ___ X ___ no

Type of auditor’s report issued on compliance for major programs: Unqualified

Any audit findings disclosed that are required to be reported in accordance with Section 200.516 of OMB Uniform Guidance ___ yes ___ X ___ no

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
20.600 Highway Safety Cluster	State and Community Highway Safety
20.607 Highway Safety Cluster	Alcohol Open Container Requirements
20.616 Highway Safety Cluster	National Priority Safety Programs

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

Auditee qualified as low-risk auditee? ___ yes ___ X ___ no

Section II – Financial Statement Findings

None

Section III – Federal Award Findings and Questioned Costs

None