

Washington Regional Alcohol Program, Inc.

FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REPORT

Year Ended September 30, 2024

CONTENTS

INDEPENDENT AUDITORS' REPORT	3
FINANCIAL STATEMENTS	
BALANCE SHEET	5
STATEMENT OF ACTIVITIES	6
STATEMENT OF CASH FLOWS	7
STATEMENT OF FUNCTIONAL EXPENDITURES	8
NOTES TO FINANCIAL STATEMENTS	9

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, 2024 and the related statements of activities, changes in net assets, cash flows and functional expenditures for the year ended September 30, 2024 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, 2024 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.

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.

James R Turner & Company, P.C.

Vienna, VA
June 23, 2025

Washington Regional Alcohol Program, Inc.
BALANCE SHEET
September 30, 2024

Assets

Current assets	
Cash	\$ 1,059,758
Grants and contracts receivable	360,472
Prepaid expenses	5,172
Total current assets	<u>1,425,402</u>
Office furniture and equipment-At Cost	8,608
Accumulated depreciation	(7,447)
Right-of-use asset-operating lease	16,124
	<u>17,285</u>
Total assets	<u><u>\$ 1,442,687</u></u>

Liabilities and Net Assets

Current liabilities	
Accounts payable	\$ 179,996
Accrued expenses and liabilities	11,484
Deferred revenue	803,500
Lease liability-operating lease-current portion	14,171
Total current and total liabilities	<u>1,009,151</u>
Net assets	
Net assets without donor restrictions	<u>433,536</u>
Total liabilities and net assets	<u><u>\$ 433,536</u></u>

See notes to financial statements

Washington Regional Alcohol Program, Inc.
STATEMENT OF ACTIVITIES
Year ended September 30, 2024

Revenue and other support	
Checkpoint Strikeforce grant	\$ 963,037
Other grants	709,946
In-Kind Contributions	121,842
Contributions	177,200
Total revenue and other support	<u>1,972,025</u>
Expenditures	
Program services:	
Public information and education	1,654,609
SoberRide	62,433
Youth outreach	67,864
Adult outreach	86,505
Other programs	18,805
Advocacy	10,652
	<u>1,900,868</u>
Management and general	41,173
Fundraising	1,659
	<u>1,943,700</u>
Change in net assets	<u>28,325</u>
Net assets without donor restrictions, beginning of year	<u>405,211</u>
Net assets without donor restrictions, end of year	<u><u>\$ 433,536</u></u>

See notes to financial statements

Washington Regional Alcohol Program, Inc.
STATEMENT OF CASH FLOWS
Year ended September 30, 2024

Cash flows from operating activities

Net Income	\$ 28,325
Adjustments to reconcile net income to net cash provided by operating activities:	
Depreciation and amortization	550
Amortization of right-of-use asset	21,469
(Increase) decrease in grants receivable	(231,296)
(Increase) decrease in prepaid expenses	(162)
Increase (decrease) in accounts payable	157,858
Increase (decrease) in accrued liabilities	8,368
Increase (decrease) in deferred sponsor revenue	180,804
Total adjustments	137,591
Net cash provided (used) by operating activities	165,916

Cash flow from investing activities:

Net cash provided (used) by investing activities	0
--	---

Cash flow from financing activities:

Decrease in operating lease liability	(21,119)
Net cash provided (used) by financing activities	(21,119)

Net increase (decrease) in cash and equivalents

144,797

Cash and equivalents, beginning of year

914,961

Cash and equivalents, end of year

\$ 1,059,758

Supplemental disclosures of cash flow information:

Cash paid during the year for:

Interest expense	\$ 1,090
------------------	----------

Washington Regional Alcohol Program, Inc.

STATEMENT OF FUNCTIONAL EXPENSES

Year ended September 30, 2024

Public Information and Education	SoberRide	Youth Outreach	Adult Outreach	Other Programs	Advocacy	Total	Management & General	Fund- raising	Total
Consultants	\$ 1,135,389	\$ -	\$ -	\$ 20,000	\$ 11,383	\$ -	\$ 1,166,772	\$ -	\$ 1,166,772
In-kind media contributions	121,842	-	-	-	-	-	121,842	-	121,842
Salaries and related benefits	206,742	-	61,985	18,348	-	8,444	295,519	129,827	426,304
Awards and other	3,026	-	-	-	5,253	-	8,279	-	8,279
SoberRide cab fares	-	56,969	-	-	-	-	56,969	-	56,969
Printing	18,003	-	-	-	401	-	18,404	90	18,494
Accounting and legal	13,000	-	-	-	-	203	13,203	12,580	26,208
Telephone	-	-	-	-	-	-	-	3,898	3,898
Rent-office	-	-	-	-	-	-	-	24,517	24,517
Conferences and meetings	7,536	-	-	5,636	-	-	13,172	-	13,172
Travel and lodging	5,856	81	28	-	145	887	6,997	573	7,570
Meals	-	-	-	-	-	-	-	263	263
Postage	3,932	-	-	-	2	-	3,934	73	4,007
Supplies and office expense	6,176	-	-	34,962	-	200	41,338	552	41,890
Insurance	-	-	-	-	-	-	-	15,898	15,898
Computer and Web Page support	946	-	-	-	-	-	946	2,237	3,183
Miscellaneous	-	-	-	100	-	-	100	946	1,179
Equipment rental and maintenance	-	-	-	-	-	-	-	1,615	1,615
Depreciation	-	-	-	-	-	-	-	550	550
Carrying charges and interest	-	-	-	-	-	-	-	1,090	1,090
Total direct expenses	1,522,448	57,050	62,013	79,046	17,184	9,734	1,747,475	194,709	1,943,700
Allocated indirect expenses	132,161	5,383	5,851	7,459	1,621	918	153,393	(153,536)	-
	<u>\$ 1,654,609</u>	<u>\$ 62,433</u>	<u>\$ 67,864</u>	<u>\$ 86,505</u>	<u>\$ 18,805</u>	<u>\$ 10,652</u>	<u>\$ 1,900,868</u>	<u>\$ 41,173</u>	<u>\$ 1,943,700</u>

See notes to financial statements

WASHINGTON REGIONAL ALCOHOL PROGRAM, INC.

NOTES TO FINANCIAL STATEMENTS

September 30, 2024

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, 2024. The Organization's tax returns open to examination are the years ended September 30, 2021, 2022 and 2023.

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, 2024

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, 2024. The fair value of the contributed air time, which totaled \$ 121,842 is recognized as an in-kind contribution and an in-kind media expense in the financial statements.

WASHINGTON REGIONAL ALCOHOL PROGRAM, INC.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

September 30, 2024

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 – LEASES

The Organization determines if an arrangement is a financing or operation lease at the inception of the arrangement. Assets acquired pursuant to a financing lease arrangement are capitalized and classified based upon the appropriate type of asset acquired; operating leases are included in right-of use ("ROU") assets which represent the Organization's right to use an underlying asset for the lease terms and lease liabilities represent the Organization's obligation to make lease payments arising from leases. Operating ROU lease assets and liabilities are recognized at the commencement date based upon the present value of lease payments over the lease term. As the Organization's leases do not provide an implicit interest rate, the Organization used a risk-free rate base upon information available at the commencement date in determining the present value of the lease payments.

ROU assets also include any lease payments made and exclude lease incentives. The Organization lease terms may include options to extend or terminate the lease when it is reasonably certain that the Organization will exercise that option. Lease expense for lease payments is recognized on a straight-line basis over the lease term.

The Organization leases office space under a sublease agreement that commenced May 1, 2022 and continues March 31, 2025. The sublease arrangement requires monthly lease payments of \$1,938 beginning May 1, 2022, and increasing to \$1,991 beginning May 1, 2023 and \$2,048 beginning May 1, 2024 through the ending lease term of March 31, 2025. The sublease agreement also required a rental deposit of \$1,938.

Rent expense determined on a straight-line basis for the year ended September 30, 2024 was \$24,517.

Supplemental qualitative information related to the operating lease is as follows as and for the year ended September 30, 2024:

Operating lease cost (lease expense)	\$24,517
Cash paid for amounts included in the measure of lease liabilities-operating cash flows	\$23,521
Right-of-use assets obtained in exchange for lease obligation	\$67,195
Weighted-average remaining lease term (in years)	.5
Weighted-average discount rate	1.059%

WASHINGTON REGIONAL ALCOHOL PROGRAM, INC.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

September 30, 2024

NOTE C-LEASES-CONTINUED

Maturities of lease liabilities under the Organization's operating lease for years after September 30, 2024 follows:

2025	<u>\$12,288</u>
Total minimum lease payments	12,288
Less discount to present value	<u>(164)</u>
Present value of operating lease obligations	<u>\$12,124</u>

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 \$16,074.

NOTE F-SUBSEQUENT EVENTS

Subsequent events have been considered by the Organization and are included in the financial statements through June 23, 2025 the date the financial statements were available for issue.

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, 2024.

NOTE H-LIQUITY

The Organization has determined that its liquid assets are sufficient to satisfy its current liabilities and believes that its net assets and that operations for the next year will provide sufficient resources to fund its ongoing requirements. Liquid assets available for 2024 amounted to \$591,075 (cash and receivables of \$1,420,230 less liabilities \$829,155).