

**Washington Regional Alcohol Program, Inc.**

FINANCIAL STATEMENTS AND  
INDEPENDENT AUDITORS' REPORT

Year Ended September 30, 2025

## 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
SUPPLEMENTAL INFORMATION	
SCHEDULE OF FEDERAL FINANCIAL AWARDS	14
REPORT ON COMPLIANCE AND INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN A ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS	15
INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY UNIFORM GUIDANCE	17
SCHEDULE OF FINDINGS AND QUESTIONED COSTS	20

# 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, 2025 and the related statements of activities, changes in net assets, cash flows and functional expenditures for the year ended September 30, 2025 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, 2025 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.

### **Other Reporting Responsibilities**

#### Supplementary 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 15) is presented for the purpose of additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards 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, and the schedule of expenditures of federal awards presented hereinafter for the year ended September 30, 2025, is 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 2, 2026 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.'s internal control over internal control over financial reporting and compliance.

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

Vienna, VA

June 2, 2026

Lead auditor: James R. Turner

Federal ID Number: 54-1560216

Washington Regional Alcohol Program, Inc.  
BALANCE SHEET  
September 30, 2025

Assets

Current assets	
Cash	\$ 1,077,580
Grants and contracts receivable	363,422
Prepaid expenses	5,683
Total current assets	1,446,685
Office furniture and equipment-At Cost	8,608
Accumulated depreciation	(8,246)
Right-of-use asset-operating lease	76,815
	77,177
Total assets	\$ 1,523,862

Liabilities and Net Assets

Current liabilities	
Accounts payable	\$ 1,675
Accrued expenses and liabilities	6,882
Deferred revenue	873,791
Lease liability-operating lease-current portion	25,751
Total current and total liabilities	908,099
Lease liability-operating lease, less current portion	47,556
Net assets	
Net assets without donor restrictions	568,207
Total liabilities and net assets	\$ 1,523,862

See notes to financial statements

Washington Regional Alcohol Program, Inc.  
STATEMENT OF ACTIVITIES  
Year ended September 30, 2025

Revenue and other support		
Checkpoint Strikeforce grant	\$	1,073,765
Other grants		1,212,856
In-Kind Contributions		878,053
Contributions		212,737
Other income		6,774
Total revenue and other support		3,384,185
Expenditures		
Program services:		
Public information and education		3,039,654
SoberRide		71,808
Youth outreach		28,688
Adult outreach		38,466
Other programs		19,114
Advocacy		4,408
		3,202,138
Management and general		41,258
Fundraising		6,118
		3,249,514
Change in net assets		134,671
Net assets without donor restrictions, beginning of year		433,536
Net assets without donor restrictions, end of year	\$	568,207

See notes to financial statements

Washington Regional Alcohol Program, Inc.  
STATEMENT OF CASH FLOWS  
Year ended September 30, 2025

Cash flows from operating activities	
Change in net assets	\$ <u>134,671</u>
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation and amortization	799
Amortization of right-of-use asset	18,899
(Increase) decrease in grants receivable	(2,950)
(Increase) decrease in prepaid expenses	(511)
Increase (decrease) in accounts payable	(178,321)
Increase (decrease) in accrued liabilities	(4,602)
Increase (decrease) in deferred revenue	70,291
Increase (decrease) in lease obligation	(20,454)
Total adjustments	<u>(116,849)</u>
Net cash provided (used) by operating activities and increase in cash and equivalents	<u>17,822</u>
Cash and equivalents, beginning of year	<u>1,059,758</u>
Cash and equivalents, end of year	<u><u>\$ 1,077,580</u></u>
Supplemental disclosures of cash flow information:	
Cash paid during the year for:	
Interest expense	<u><u>\$ 731</u></u>
Noncash Transactions	
Operating lease right-of-use-asset	<u><u>79,590</u></u>
Operating lease liability	<u><u>\$ 79,590</u></u>

See notes to financial statements

Washington Regional Alcohol Program, Inc.

STATEMENT OF FUNCTIONAL EXPENSES

Year ended September 30, 2025

	Public Information and Education							Management & General	Fund-raising	Total
	SoberRide	Youth Outreach	Adult Outreach	Other Programs	Advocacy	Total	Total			
Consultants	\$ 1,701,540	\$ -	\$ -	\$ -	\$ 11,880	\$ -	\$ 1,713,420	\$ -	\$ -	\$ 1,713,420
In-kind media contributions	878,053	-	-	-	-	-	878,053	-	-	878,053
Salaries and related benefits	250,758	-	26,598	15,238	-	3,109	295,703	134,687	5,030	435,420
Awards and other	-	-	-	-	5,671	-	5,671	-	-	5,671
SoberRide cab fares	-	66,544	-	-	-	-	66,544	-	-	66,544
Printing	17,200	-	-	-	-	-	17,200	-	-	17,200
Accounting and legal	5,333	-	-	-	-	203	5,536	25,248	460	31,244
Telephone	-	-	-	-	-	-	-	3,976	-	3,976
Rent-office	-	-	-	-	-	-	-	22,132	-	22,132
Conferences and meetings	9,424	-	-	18,298	-	-	27,722	-	-	27,722
Travel and lodging	6,773	25	-	-	149	700	7,647	364	-	8,011
Meals	-	-	-	-	-	-	-	124	-	124
Postage	3,281	-	-	-	22	-	3,303	93	-	3,396
Supplies and office expense	8,318	-	-	2,127	-	75	10,520	2,495	-	13,015
Insurance	-	-	-	-	-	-	-	15,279	-	15,279
Computer and Web Page support	1,474	-	-	-	-	-	1,474	2,421	-	3,895
Miscellaneous	-	-	-	-	-	-	-	2,700	-	2,700
Depreciation	-	-	-	-	-	-	-	799	-	799
Carrying charges and interest	-	-	-	-	-	-	-	731	182	913
Total direct expenses	2,882,154	66,569	26,598	35,663	17,722	4,087	3,032,793	211,049	5,672	3,249,514
Allocated indirect expenses	157,500	5,239	2,090	2,803	1,392	321	169,345	(169,791)	446	-
	<u>\$ 3,039,654</u>	<u>\$ 71,808</u>	<u>\$ 28,688</u>	<u>\$ 38,466</u>	<u>\$ 19,114</u>	<u>\$ 4,408</u>	<u>\$ 3,202,138</u>	<u>\$ 41,258</u>	<u>\$ 6,118</u>	<u>\$ 3,249,514</u>

See notes to financial statements

WASHINGTON REGIONAL ALCOHOL PROGRAM, INC.

NOTES TO FINANCIAL STATEMENTS

September 30, 2025

**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, 2025. The Organization's tax returns open to examination are the years ended September 30, 2022, 2023 and 2024.

**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, 2025

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

**Accounts**

**Receivable** Account's receivable consists primarily of reimbursements due for expenditures under government cost reimbursement grants and are recorded at their net realizable value. Substantially, all of the accounts were collected through June 2, 2026 and no allowance for uncollectible accounts was considered necessary at September 30, 2025. Accounts receivable at September 30, 2024 was \$360,472.

**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.

WASHINGTON REGIONAL ALCOHOL PROGRAM, INC.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

September 30, 2025

**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, 2025. The fair value of the contributed air time, which totaled \$878,053 is recognized as an in-kind contribution and an in-kind media expense in the financial statements.

**Deferred  
Revenue**

Amounts received under government grants for program and activity costs incurred after September 30, 2025, are deferred until the program or activity occurs.

**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 lease agreement that commenced June 1, 2025 and continues through June 30, 2028. The lease arrangement requires monthly lease payments of \$2,339

WASHINGTON REGIONAL ALCOHOL PROGRAM, INC.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

September 30, 2025

**NOTE C-LEASES-CONTINUED**

beginning June 1, 2025 through the ending lease term of June 30, 2028. The lease agreement also requires a refundable rental deposit of \$3, 509, which is included in prepaid expenses. A risk free rate of 3.91% was used to determine the average discount rate. .

Rent expense determined on a straight-line basis for the year ended September 30, 2025 was \$22,132, including temporary month to month rentals and expenses of \$753

Supplemental qualitative information related to the operating lease is as follows as and for the year ended September 30, 2025:

Operating lease cost (lease expense)	\$21,379
Cash paid for amounts included in the measure of lease liabilities-operating cash flows	\$21,379
Right-of-use assets obtained in exchange for lease obligation	\$76,815
Weighted-average remaining lease term (in years)	2.75
Weighted-average discount rate	3.91%

Maturities of lease liabilities under the Organization's operating lease for years after September 30, 2025 follows:

2026	\$23,379
2027	23,379
2028	<u>21,379</u>
Total minimum lease payments	<u>77,187</u>
Less discount to present value	<u>(3,880)</u>
Present value of operating lease obligations	<u>\$73,307</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.

WASHINGTON REGIONAL ALCOHOL PROGRAM, INC.

NOTES TO FINANCIAL STATEMENTS

September 30, 2025

**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 \$16,518.

**NOTE F-SUBSEQUENT EVENTS**

Subsequent events have been considered by the Organization and are included in the financial statements through June 2, 2026 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, 2025.

**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 2026 amounted to \$532,904 (cash and receivables of \$1,441,002 less liabilities \$908,098).

SUPPLEMENTARY INFORMATION

WASHINGTON REGIONAL ALCOHOL PROGRAM, INC.

SCHEDULE OF FEDERAL FINANCIAL AWARDS

For the Year Ended September 30, 2025

Federal Grantor/  
Pass Through Grantor /  
Program Title /

National Highway Traffic Safety Administration/ 20.607  
Alcohol Container Requirements

National Highway Traffic Safety Administration/ 20.600 Cluster  
State and Community Highway Safety

	Assistance Listing Number	<u>Federal expenditures</u>
Virginia Department of Motor Vehicles/ Alcohol Open Container Requirements	20.607	\$1,076,745
MD National Highway Traffic Safety Administration/ VA Department of Motor Vehicles	20.616	175,141
District of Columbia Department of Transportation Alcohol Traffic Safety and Drunk Driving	20.616	134,778
	20.616	<u>899,955</u>
Total	20.616	<u>\$2,286,619</u>

**NOTE 1 – BASIS OF PRESENTATION AND SUMMARY OF ACCOUNTING POLICIES**

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
2. 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.
3. Expenditures for the Virginia Department of Motor Vehicles and the District of Columbia grants include a de-minimis rate of 15%, pursuant to 2CFR 200.414(f). Other grants include an indirect cost rate of 20%.

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING 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, 2025 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 2, 2026.

**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.

## **Report on 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 2, 2026

# 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 each of Washington Regional Alcohol Program, Inc.'s major federal programs for the year ended September 30, 2025. 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.

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 Federal Assistance Listing Numbers 20:607 and 20.616 of the National Highway Safety Administration's Priority Safety Programs for the year ended September 30, 2025.

## Basis for Opinion on Each Major Federal Program

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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance Section of our report.

We are required to be independent of Washington Regional Alcohol Program, Inc. and to meet other ethical responsibilities, in accordance with relevant ethical requirements related to our audit. We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Washington Regional Alcohol Program, Inc.'s compliance.

## Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, regulations, rules and provisions of contracts or grant agreements applicable to its federal programs.

## Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Washington Regional Alcohol Program, Inc. compliance based on our audit. 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, Government Auditing Standards and Uniform Guidance will always detect a material noncompliance when it exists. The risk of not detecting material noncompliance 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. Noncompliance with the compliance requirements referred to above is considered to be material, if there is a substantial likelihood that, individually or in the aggregate, they could reasonably be expected to influence the judgement made by a reasonable user based upon the report on compliance about Washington Regional Alcohol Program, Inc. compliance with the requirements of each Major federal program as a whole.

In performing an audit in accordance with GAAS, Government Auditing Standards, and Uniform Guidance we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining on a test basis, evidence regarding Washington Regional Alcohol Program, Inc. compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Washington Regional Alcohol Program, Inc. internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Washington Regional Alcohol Program, Inc. control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

### **Report on 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 Auditor's Responsibilities for the Audit of Compliance 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.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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 2, 2026

WASHINGTON REGIONAL ALCOHOL PROGRAM, INC.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended September 30, 2025

Section I – Summary of Auditor’s Results

Financial Statements

Type of auditor’s report issued: Unmodified
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: Unmodified
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:

Table with 2 columns: Assistance listing number, Name of Federal Program or Cluster. Rows include 20.616 National Priority Safety Programs (Highway Safety Cluster) and 20.607 Alcohol Open Container Requirements (Highway Safety).

Dollar threshold used to distinguish between Type A and Type B programs: \$1,000,000

Auditee qualified as low-risk auditee? \_\_\_ yes X no

Section II – Financial Statement Findings

None

Section III – Federal Award Findings and Questioned Costs

None

Section IV – Prior Year Findings

None