



**D.C. POLICY**  

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**CENTER**

**FINANCIAL STATEMENTS**

December 31, 2021 and 2020

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
DC Policy Center  
Washington, D.C.

***Opinion***

We have audited the financial statements of DC Policy Center, which comprise the statements of financial position as of December 31, 2021 and 2020, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of DC Policy Center as of December 31, 2021 and 2020, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

***Basis for Opinion***

We conducted our audits 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 Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of DC Policy Center and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence 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 the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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 DC Policy Center's ability to continue as a going concern within one year after the date that the financial statements are available to be 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 is not absolute assurance and therefore is 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 for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment 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, and 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 DC Policy Center's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of 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 judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about DC Policy Center'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.

A handwritten signature in black ink that reads "Wegner CPAs, LLP". The signature is stylized and slanted.

Wegner CPAs, LLP  
Alexandria, Virginia  
April 29, 2022

**DC POLICY CENTER**  
**STATEMENTS OF FINANCIAL POSITION**  
December 31, 2021 and 2020

	2021	2020
<b>ASSETS</b>		
CURRENT ASSETS		
Cash	\$ 801,043	\$ 1,029,225
Accounts receivable	17,600	31,600
Unconditional promises to give	220,000	100,000
<b>Total assets</b>	<u>\$ 1,038,643</u>	<u>\$ 1,160,825</u>
<b>LIABILITIES AND NET ASSETS</b>		
CURRENT LIABILITIES		
Accounts payable	\$ 12,769	\$ 1,154
Accrued payroll	17,088	14,962
Accrued interest	5,977	-
Total current liabilities	35,834	16,116
LONG-TERM LIABILITIES		
Economic Injury Disaster Loan	500,000	500,000
Total liabilities	535,834	516,116
NET ASSETS		
Without donor restrictions	57,809	514,709
With donor restrictions		
Subsequent years' operations	75,000	80,000
Education	370,000	50,000
Total net assets	<u>502,809</u>	<u>644,709</u>
<b>Total liabilities and net assets</b>	<u>\$ 1,038,643</u>	<u>\$ 1,160,825</u>

See accompanying notes.

**DC POLICY CENTER**  
**STATEMENT OF ACTIVITIES**  
Year Ended December 31, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
<b>SUPPORT AND REVENUE</b>			
Contributions and grants	\$ 605,833	\$ 445,000	\$ 1,050,833
Paid research	176,100	-	176,100
Total support and revenue	781,933	445,000	1,226,933
<b>EXPENSES</b>			
Research	730,575	-	730,575
Management and general	363,663	-	363,663
Fundraising	274,595	-	274,595
Total expenses	1,368,833	-	1,368,833
<b>NET ASSETS RELEASED FROM RESTRICTIONS</b>			
Expiration of time restrictions	80,000	(80,000)	-
Satisfaction of purpose restrictions	50,000	(50,000)	-
Net assets released from restrictions	130,000	(130,000)	-
<b>Change in net assets</b>	(456,900)	315,000	(141,900)
Net assets at beginning of year	514,709	130,000	644,709
<b>Net assets at end of year</b>	<u>\$ 57,809</u>	<u>\$ 445,000</u>	<u>\$ 502,809</u>

See accompanying notes.

**DC POLICY CENTER**  
**STATEMENT OF ACTIVITIES**  
Year Ended December 31, 2020

	Without Donor Restrictions	With Donor Restrictions	Total
<b>SUPPORT AND REVENUE</b>			
Contributions and grants	\$ 1,160,540	\$ 100,000	\$ 1,260,540
Paid research	137,650	-	137,650
Total support and revenue	1,298,190	100,000	1,398,190
<b>EXPENSES</b>			
Research	759,678	-	759,678
Management and general	276,216	-	276,216
Fundraising	149,583	-	149,583
Total expenses	1,185,477	-	1,185,477
<b>NET ASSETS RELEASED FROM RESTRICTIONS</b>			
Expiration of time restrictions	78,049	(78,049)	-
Satisfaction of purpose restrictions	110,000	(110,000)	-
Net assets released from restrictions	188,049	(188,049)	-
<b>Change in net assets</b>	300,762	(88,049)	212,713
Net assets at beginning of year	213,947	218,049	431,996
<b>Net assets at end of year</b>	<u>\$ 514,709</u>	<u>\$ 130,000</u>	<u>\$ 644,709</u>

See accompanying notes.

**DC POLICY CENTER**  
**STATEMENTS OF FUNCTIONAL EXPENSES**  
Years Ended December 31, 2021 and 2020

	2021			
	Research	Management and General	Fundraising	Total Expenses
Personnel	\$ 530,000	\$ 283,675	\$ 227,076	\$ 1,040,751
Professional fees	96,449	17,125	-	113,574
Office expenses	1,490	3,840	887	6,217
Conferences and meetings	-	2,308	-	2,308
Insurance	5,000	2,676	2,142	9,818
Occupancy	42,776	22,896	18,328	84,000
Advertising	-	1,782	-	1,782
Information technology	44,124	23,616	18,904	86,644
Interest	10,736	5,745	4,600	21,081
Travel	-	-	2,658	2,658
<b>Total expenses</b>	<b>\$ 730,575</b>	<b>\$ 363,663</b>	<b>\$ 274,595</b>	<b>\$ 1,368,833</b>
	2020			
	Research	Management and General	Fundraising	Total Expenses
Personnel	\$ 542,685	\$ 224,646	\$ 133,047	\$ 900,378
Professional fees	149,950	16,800	-	166,750
Office expenses	1,358	1,808	333	3,499
Conferences and meetings	-	5,123	-	5,123
Insurance	1,079	446	264	1,789
Occupancy	50,630	20,958	12,412	84,000
Advertising	-	619	-	619
Information technology	13,976	5,786	3,427	23,189
Interest	-	30	-	30
Travel	-	-	100	100
<b>Total expenses</b>	<b>\$ 759,678</b>	<b>\$ 276,216</b>	<b>\$ 149,583</b>	<b>\$ 1,185,477</b>

See accompanying notes.



**DC POLICY CENTER**  
**STATEMENTS OF CASH FLOWS**  
Years Ended December 31, 2021 and 2020

	2021	2020
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ (141,900)	\$ 212,713
Adjustments to reconcile change in net assets to net cash flows from operating activities		
Amortization of discount on unconditional promises to give	-	(1,951)
(Increase) decrease in assets		
Accounts receivable	14,000	(31,600)
Unconditional promises to give	(120,000)	75,000
Increase (decrease) in liabilities		
Accounts payable	11,615	(12,844)
Accrued payroll	2,126	2,926
Accrued interest	5,977	-
Deferred revenue	-	(20,300)
<b>Net cash flows from operating activities</b>	(228,182)	223,944
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from Economic Injury Disaster Loan	-	500,000
<b>Change in cash</b>	(228,182)	723,944
Cash at beginning of year	1,029,225	305,281
<b>Cash at end of year</b>	<u>\$ 801,043</u>	<u>\$ 1,029,225</u>

See accompanying notes.

**DC POLICY CENTER**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2021 and 2020

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**NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Nature of Activities**

Established in 2016, the DC Policy Center is a non-partisan think tank committed to advancing policies for a strong and vibrant economy in the District of Columbia. The DC Policy Center informs policymaking by offering data and analyses on the District's economy and demography and engages in policymaking by developing and promoting policy proposals, building coalitions to facilitate their adoption, and providing the strongest evidence and the most convincing arguments in support of our policy agenda. The DC Policy Center's main audience includes key members of the District's policy world who collectively shape the direction of policy in the District, such as the Mayor and executive appointees; Councilmembers and their staff; career civil servants; and engaged advocates, employers, business groups, associations, academics, and analysts. The DC Policy Center is primarily funded by contributions and research contracts.

**Promises to Give**

Unconditional promises to give are recognized as revenues in the period received and as assets, decreases of liabilities, or expenses depending on the form of the benefits received. Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promises become unconditional.

**Contributions**

Contributions received are recorded as increases in net assets without donor restrictions or net assets with donor restrictions depending on the existence and/or nature of any donor restrictions. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

**Paid Research**

DC Policy Center conducts policy and educational research for third party payors in which a contract is entered into specifying specific deliverables and the fixed fees earned for the research. Revenue from this research is recognized at the point in time when DC Policy Center provides the particular service.

**Expense Allocation**

The financial statements report certain categories of expenses that are attributable to more than one program service or supporting activity. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include personnel, occupancy, office, insurance, interest, and information technology which are allocated on the basis of estimates of time and effort.

**Advertising**

Advertising costs are expensed in the period incurred.

**DC POLICY CENTER**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2021 and 2020

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**NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Income Tax Status**

The DC Policy Center is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. In addition, DC Policy Center qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization other than a private foundation under Section 509(a)(2).

**Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**Date of Management's Review**

Management has evaluated subsequent events through April 29, 2022, the date which the financial statements were available to be issued.

**NOTE 2—RETIREMENT PLAN**

The DC Policy Center offers its employees a 401(k) retirement plan, in which both the organization and eligible employees can contribute. Full-time employees are eligible to participate in the plan after successfully completing six months of service. Employees are immediately 100% vested in the retirement plan and the organization matches employee contributions, up to 6%. For the years ended December 31, 2021 and 2020, retirement plan expense totaled \$43,981 and \$30,126, respectively.

**NOTE 3—CONCENTRATIONS**

Donor Concentration

For the years ended December 31, 2021 and 2020, approximately 70% of the DC Policy Center's support and revenue was provided by 5 and 6 donors, respectively.

Credit Risk

The DC Policy Center maintains its cash balances in three financial institutions located in Washington, D.C. The balances are insured by the Federal Deposit Insurance Corporation up to \$250,000. At times during the year, the DC Policy Center's cash balances exceed FDIC Insurance amount.

**DC POLICY CENTER**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2021 and 2020

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**NOTE 4—CONDITIONAL PROMISE TO GIVE**

The DC Policy Center has contributions for which the donors' promise to give are conditioned upon the DC Policy Center incurring certain qualifying expenses. At December 31, 2021, conditional promises to give total \$500,000. The promises will be recognized as revenue when the respective conditions are met in future years.

**NOTE 5—ECONOMIC INJURY DISASTER LOAN**

In May 2020 in response to the COVID-19 pandemic, the DC Policy Center applied for and received a \$500,000 Economic Injury Disaster Loan (EIDL) from the United States Small Business Administration. Monthly payments totaling \$2,136, including principal and interest at 2.75%, begin in January 2023. The loan matures in June 2051 and is secured by the assets of the DC Policy Center.

Future minimum payments on the loan for the years ending December 31 are as follows:

2022	\$ -
2023	10,675
2024	12,164
2025	12,503
2026	12,851
Thereafter	451,807

While payments are not due until 2023, DC Policy Center will make payments in 2022, as cash flow allows.

**NOTE 6—LIQUIDITY AND AVAILABILITY**

The following reflects the DC Policy Center's financial assets as of the date of the statements of financial position, reduced by amounts not available for general expenditure within one year of the date of the statements of financial position because of donor-imposed restrictions.

	<u>2021</u>	<u>2020</u>
Financial assets at year-end	\$ 1,038,643	\$ 1,160,825
Less those unavailable for general expenditures within one year, due to:		
Restricted by donor with purpose restrictions	<u>(370,000)</u>	<u>(50,000)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 668,643</u>	<u>\$ 1,110,825</u>

The DC Policy Center is supported, in part, by restricted contributions and grants. Because a donor's restriction requires resources to be used in a particular manner or in a future period, DC Policy Center must maintain sufficient resources to meet those responsibilities to its donors. Thus, financial assets may not be available for expenditure within one year. As part of the DC Policy Center's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

**DC POLICY CENTER**  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2021 and 2020

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**NOTE 7—LEASE**

The DC Policy Center sub-leases office space in Washington, D.C. on a month-to-month basis. For the years ended December 31, 2021 and 2020, rent expense for this lease totaled \$84,000 per year.

April 29, 2022

To the Board of Directors  
DC Policy Center  
Washington, D.C.

We have audited the financial statements of DC Policy Center for the year ended December 31, 2021, and we will issue our report thereon dated April 29, 2022. Professional standards require that we provide you with information about our responsibilities under auditing standards generally accepted in the United States of America, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated March 23, 2022. Professional standards also require that we communicate to you the following information related to our audit.

### Significant Audit Matters

#### *Qualitative Aspects of Accounting Practices*

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by DC Policy Center are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year. We noted no transactions entered into by DC Policy Center during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate affecting the financial statements was:

Management's estimate of the allocation of personnel, occupancy, office, insurance, interest, and information technology expenses to program services and supporting activities is based on estimates of time and effort. We evaluated the key factors and assumptions used to develop the allocation in determining that it is reasonable in relation to the financial statements taken as a whole.

The financial statement disclosures are neutral, consistent, and clear.

#### *Difficulties Encountered in Performing the Audit*

We encountered no significant difficulties in dealing with management in performing and completing our audit.

#### *Disagreements with Management*

For purposes of this letter, a disagreement with management is a disagreement on a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

#### *Management Representations*

We have requested certain representations from management that are included in the management representation letter dated April 29, 2022. Attached is a copy of management's written representations.

*Management Consultations with Other Independent Accountants*

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a “second opinion” on certain situations. If a consultation involves application of an accounting principle to DC Policy Center’s financial statements or a determination of the type of auditor’s opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

*Other Audit Findings or Issues*

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as DC Policy Center’s auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

This information is intended solely for the use of the board of directors and management of DC Policy Center and is not intended to be, and should not be, used by anyone other than these specified parties.

Sincerely,

Wegner CPAs, LLP

A handwritten signature in black ink that reads "Glenn Miller". The signature is written in a cursive, flowing style.

Glenn Miller, CPA  
Partner

## DC POLICY CENTER

To Wegner CPAs, LLP

This representation letter is provided in connection with your audit of the financial statements of DC Policy Center, which comprise the statements of financial position as of December 31, 2021 and 2020, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the disclosures (collectively, the "financial statements"), for the purpose of expressing an opinion as to whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We confirm, to the best of our knowledge and belief, as of April 29, 2022, the following representations made to you during your audit.

### Financial Statements

1. We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated December 13, 2021, including our responsibility for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP.
2. The financial statements referred to above are fairly presented in conformity with U.S. GAAP.
3. We acknowledge our responsibility for 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.
4. We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
5. Significant assumptions we used in making accounting estimates, including those measured at fair value, are reasonable.
6. There are no known related-party relationships or transactions which need to be accounted for or disclosed in accordance with U.S. GAAP.
7. All events subsequent to the date of the financial statements and for which U.S. GAAP requires adjustment or disclosure have been adjusted or disclosed.
8. We are in agreement with the adjusting journal entries you have proposed, and they have been posted to DC Policy Center's accounts.
9. The effects of all known actual or possible litigation, claims, and assessments have been accounted for and disclosed in accordance with U.S. GAAP.
10. Significant estimates and material concentrations have been appropriately disclosed in accordance with U.S. GAAP.
11. Guarantees, whether written or oral, under which DC Policy Center is contingently liable, have been properly recorded or disclosed in accordance with U.S. GAAP.

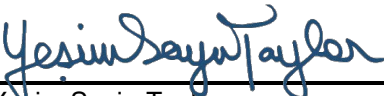


## Information Provided

12. We have provided you with:
  - a. Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements, such as records (including information obtained from outside of the general and subsidiary ledgers), documentation, and other matters.
  - b. Additional information that you have requested from us for the purpose of the audit.
  - c. Unrestricted access to persons within DC Policy Center from whom you determined it necessary to obtain audit evidence.
  - d. Minutes of the meetings of the governing board or summaries of actions of recent meetings for which minutes have not yet been prepared.
13. All material transactions have been recorded in the accounting records and are reflected in the financial statements.
14. We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
15. We have no knowledge of any fraud or suspected fraud that affects DC Policy Center and involves:
  - a. Management,
  - b. Employees who have significant roles in internal control, or
  - c. Others where the fraud could have a material effect on the financial statements.
16. We have no knowledge of any allegations of fraud or suspected fraud affecting DC Policy Center's financial statements communicated by employees, former employees, grantors, regulators, or others.
17. We have no knowledge of any instances of noncompliance or suspected noncompliance with laws and regulations whose effects should be considered when preparing financial statements.
18. We are not aware of any pending or threatened litigation, claims, or assessments or unasserted claims or assessments that are required to be accrued or disclosed in the financial statements in accordance with U.S. GAAP, and we have not consulted a lawyer concerning litigation, claims, or assessments.
19. We have disclosed to you the names of all of DC Policy Center's related parties and all the related-party relationships and transactions, including any side agreements.
20. DC Policy Center has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.
21. We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us.
22. DC Policy Center is an exempt organization under Section 501(c)(3) of the Internal Revenue Code. Any activities of which we are aware that would jeopardize DC Policy Center's tax-exempt status, and all activities subject to tax on unrelated business income or excise or other tax, have been disclosed to you. All required filings with tax authorities are up-to-date.
23. In regard to the tax services, preparation of the financial statements, and bookkeeping services performed by you, we have—

- Assumed all management responsibilities.
- Overseen the services by designating an individual who possesses suitable skill, knowledge, and/or experience.
- Evaluated the adequacy and results of the services performed.
- Accepted responsibility for the results of the services.

We have carefully read this letter before signing it and understand, while you have provided the language of this letter to us, we are making these representations to you. We understand our obligation to carefully consider the possibility that any of the representations are not accurate. We have inquired of other members of management or employees of DC Policy Center to the extent necessary to obtain a high degree of assurance that these representations are true. We know that you will be relying on them in the issuance of your report.

  
\_\_\_\_\_  
Yesim Sayin-Taylor  
Executive Director

April 29, 2022

To the Board of Directors  
DC Policy Center  
Washington, D.C.

In planning and performing our audit of the financial statements of DC Policy Center as of and for the year ended December 31, 2021, in accordance with auditing standards generally accepted in the United States of America, we considered DC Policy Center's internal control over financial reporting (internal control) as a basis for designing 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 DC Policy Center's internal control. Accordingly, we do not express an opinion on the effectiveness of DC Policy Center's internal control.

However, during our audit we became aware of an external cyber-attack that provides the opportunity for additional information technology controls.

*Consider Annual Cyber Security Training*

As systems and processes move online, all organizations become more susceptible to cyber security threats from external sources. We recommend DC Policy Center implement an annual cyber security training to ensure staff are aware of the different types of cyber threats DC Policy Center could be exposed to. Topics to cover include the following:

- Malware: software that targets a specific device, system, or network with the goal of taking over a system
- Phishing: an email attack which involves deceiving the recipient into either disclosing sensitive information, downloading malware, or making unauthorized payments to the hacker
- Trojan: a type of malware which appears to be a legit software or source but then lets out a malicious code once within the system
- Ransomware: an attack on software which involves encrypting DC Policy Center's data and demanding payment in exchange for letting the user have full access to the data again

While not exhaustive, the list above are the most common cyber security threats that we recommend DC Policy Center consider on an annual basis. We also recommend DC Policy Center review its systems on an annual basis for the various threats discussed at the annual cyber security training.

This communication is intended solely for the information and use of management, the board of directors, and others within DC Policy Center, and is not intended to be and should not be used by anyone other than these specified parties.

Sincerely,

Wegner CPAs, LLP

Glenn Miller, CPA  
Partner