DC POLICY CENTER

FINANCIAL STATEMENTS

December 31, 2025 and 2024

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Wegner CPAs

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, 2025 and 2024, 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, 2025 and 2024, 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.

Wegner CPAs, LLP
Alexandria, Virginia
September 16, 2026

DC POLICY CENTER
STATEMENTS OF FINANCIAL POSITION
December 31, 2025 and 2024

	2025	2024
ASSETS		
CURRENT ASSETS		
Cash	$ 1,013,494	$ 878,540
Accounts receivable	81,351	44,513
Prepaid expenses	3,150	-
Current portion of unconditional promises to give	96,635	338,170
Total current assets	1,194,630	1,261,223
LONG-TERM ASSETS		
Unconditional promises to give	15,000	-
Total assets	$ 1,209,630	$ 1,261,223
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	$ 132,231	$ 53,891
Current portion of Economic Injury Disaster loan	13,209	12,851
Accrued vacation	21,868	24,328
Total current liabilities	167,308	91,070
LONG-TERM LIABILITIES		
Economic Injury Disaster Loan less current portion	444,576	457,785
Total liabilities	611,884	548,855
NET ASSETS		
Without donor restrictions	205,947	322,451
With donor restrictions		
Subsequent years' operations	30,000	293,250
Development of Inclusionary Conversation	-	96,667
Education	260,286	-
Housing Policy Initiative	101,513	-
Total net assets with donor restrictions	391,799	389,917
Total net assets	597,746	712,368
Total liabilities and net assets	$ 1,209,630	$ 1,261,223

See accompanying notes.

DC POLICY CENTER
STATEMENT OF ACTIVITIES
Year Ended December 31, 2025

	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUE			
Contributions and grants	$ 515,230	$ 1,230,312	$ 1,745,542
Paid research	124,777	-	124,777
Interest income	5,132	-	5,132
Total support and revenue	645,139	1,230,312	1,875,451
EXPENSES AND LOSSES			
Research	1,191,166	-	1,191,166
Management and general	349,743	-	349,743
Fundraising	359,164	-	359,164
Total expenses	1,900,073	-	1,900,073
Loss on unconditional promises to give	90,000	-	90,000
Total expenses and losses	1,990,073	-	1,990,073
NET ASSETS RELEASED FROM RESTRICTIONS			
Expiration of time restrictions	316,583	(316,583)	-
Satisfaction of purpose restrictions	911,847	(911,847)	-
Net assets released from restrictions	1,228,430	(1,228,430)	-
Change in net assets	(116,504)	1,882	(114,622)
Net assets at beginning of year	322,451	389,917	712,368
Net assets at end of year	$ 205,947	$ 391,799	$ 597,746

See accompanying notes.

DC POLICY CENTER
STATEMENT OF ACTIVITIES
Year Ended December 31, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUE			
Contributions and grants	$ 494,174	$ 720,836	$ 1,215,010
Paid research	102,260	-	102,260
Total support and revenue	596,434	720,836	1,317,270
EXPENSES			
Research	1,125,007	-	1,125,007
Management and general	226,971	-	226,971
Fundraising	230,330	-	230,330
Total expenses	1,582,308	-	1,582,308
NET ASSETS RELEASED FROM RESTRICTIONS			
Expiration of time restrictions	484,917	(484,917)	-
Satisfaction of purpose restrictions	625,169	(625,169)	-
Net assets released from restrictions	1,110,086	(1,110,086)	-
Change in net assets	124,212	(389,250)	(265,038)
Net assets at beginning of year	198,239	779,167	977,406
Net assets at end of year	$ 322,451	$ 389,917	$ 712,368

See accompanying notes.

DC POLICY CENTER
STATEMENTS OF FUNCTIONAL EXPENSES
Years Ended December 31, 2025 and 2024

	2025			
	Research	Management and General	Fundraising	Total Expenses
Personnel	$ 898,386	$ 205,939	$ 294,230	$ 1,398,555
Professional fees	21,994	96,584	909	119,487
Office expenses	14,339	1,733	2,418	18,490
Conferences and meetings	114,634	-	-	114,634
Insurance	7,592	1,778	2,479	11,849
Occupancy	63,013	14,754	20,581	98,348
Advertising	-	12,282	-	12,282
Information technology	63,019	14,756	20,583	98,358
Interest	8,189	1,917	2,675	12,781
Travel	-	-	15,289	15,289
Total expenses	$ 1,191,166	$ 349,743	$ 359,164	$ 1,900,073

	2024			
	Research	Management and General	Fundraising	Total Expenses
Personnel	$ 927,217	$ 164,914	$ 190,066	$ 1,282,197
Professional fees	21,994	23,676	909	46,579
Office expenses	9,252	1,645	1,897	12,794
Conferences and meetings	37,229	-	-	37,229
Insurance	7,477	1,330	1,533	10,340
Occupancy	69,596	12,378	14,266	96,240
Advertising	-	7,736	-	7,736
Information technology	42,747	7,603	8,762	59,112
Interest	9,495	1,689	1,946	13,130
Bad debt expense	-	6,000	-	6,000
Travel	-	-	10,951	10,951
Total expenses	$ 1,125,007	$ 226,971	$ 230,330	$ 1,582,308

See accompanying notes.

DC POLICY CENTER
STATEMENTS OF CASH FLOWS
Years Ended December 31, 2025 and 2024

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	$ (114,622)	$ (265,038)
Adjustments to reconcile change in net assets to net cash flows from operating activities		
Loss on unconditional promises to give	90,000	-
(Increase) decrease in assets		
Accounts receivable	(36,838)	59,637
Unconditional promises to give	136,535	167,830
Prepaid expenses	(3,150)	-
Increase (decrease) in liabilities		
Accounts payable	78,340	3,262
Accrued vacation	(2,460)	(2,687)
Net cash flows from operating activities	147,805	(36,996)
CASH FLOWS FROM FINANCING ACTIVITIES		
Principal payments on Economic Injury Disaster Loan	(12,851)	(12,502)
Change in cash	134,954	(49,498)
Cash at beginning of year	878,540	928,038
Cash at end of year	$ 1,013,494	$ 878,540
SUPPLEMENTAL DISCLOSURE		
Cash paid for interest	$ 12,781	$ 13,130

See accompanying notes.

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; Council members 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.

Accounts Receivable

Accounts receivable primarily represent amounts due from third parties for consulting for paid research engagements. When estimating expected credit losses, DC Policy Center has elected the practical expedient that allows it to assume that current conditions as of the date of the statement of financial position do not change for the remaining life of the asset and the accounting policy election that allows it to consider collection activity after date of the statement of financial position. DC Policy Center has considered subsequent collection activity September 16, 2026, which is the date the financial statements were available to be issued. Management believes credit losses on amounts that are uncollected as of this date will be immaterial.

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.

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

DC Policy Center's accounts receivable from contracts with customers are as follows:

	2025	2024
Accounts receivable at beginning of year	$ 44,513	$ 104,150
Accounts receivable at end of year	81,351	44,513

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, which is allocated on the basis of estimates of time and effort, as well as supplies, telephone, postage and shipping, and travel, which are allocated based on personnel allocations.

Advertising

Advertising costs are expensed in the period incurred.

Leases

DC Policy Center does not recognize short-term leases in the statements of financial position. For these leases, DC Policy Center recognizes the lease payments in the change in net assets on a straight-line basis over the lease term and variable lease payments in the period in which the obligation for those payments is incurred. DC Policy Center also does not separate nonlease components from lease components for all classes of underlying assets and instead accounts for each separate lease component and the nonlease components associated with that lease component as a single lease component. If the rate implicit in the lease is not readily determinable, DC Policy Center uses a risk-free rate as the discount rate for the lease for all classes of underlying assets.

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).

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 September 16, 2026, the date which the financial statements were available to be issued.

NOTE 2—UNCONDITIONAL PROMISES TO GIVE

Unconditional promises to give are as follows:

	2025	2024
Receivable in less than one year	$ 96,635	$ 338,170
Receivable in one to five years	15,000	-
Unconditional promises to give	$ 111,635	$ 338,170

NOTE 3—RETIREMENT PLAN

The DC Policy Center offers its employees a 401(k) retirement plan, in which both DC Policy Center 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 DC Policy Center matches employee contributions, up to 6%. For the years ended December 31, 2025 and 2024, retirement plan expense totaled $74,267 and $53,450, respectively.

NOTE 4—CONCENTRATIONS

Donor Concentration

For the years ended December 31, 2025 and 2024, approximately 40% and 50% of the DC Policy Center's support and revenue was provided by 3 donors each year.

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 December 31, 2025 and 2024, DC Policy Center's uninsured cash balances totaled approximately $672,000 and $635,000, respectively.

NOTE 5—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, 2025, conditional promises to give total $525,000. The promises will be recognized as revenue when the respective conditions are met in future years.

NOTE 6—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%, began 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:

2026	$	13,209
2027		13,576
2028		13,954
2029		14,343
2030		14,743
Thereafter		387,960

NOTE 7—LEASE

The DC Policy Center sub-leases office space in Washington, D.C. on a short-term basis. For the years ended December 31, 2025 and 2024, rent expense for this lease totaled $97,920 each year.

NOTE 8—EMPLOYEE RETENTION CREDIT

During the year ended December 31, 2022, DC Policy Center claimed Employee Retention Credits (ERC) totaling $150,986 under the provisions the Coronavirus Aid, Relief, and Economic Security Act, as amended. Employers are eligible for the ERC if they experience either a significant decline in gross receipts or the full or partial suspension of operations because of governmental orders limiting commerce, travel, or group meetings due to COVID-19. DC Policy Center determined it had a significant decline in gross receipts and claimed the ERC for the second calendar quarter of 2020, as well as the second and third calendar quarters of 2021. The Internal Revenue Service (IRS) generally has five years from the date an ERC claim is filed to audit the claim. Therefore, the IRS may audit DC Policy Center's eligibility for the ERC and its substantiation of the amounts claimed. If the IRS determines DC Policy Center was ineligible for the ERC, DC Policy Center would be required to repay the amount claimed along with penalties and interest.

NOTE 9—LIQUIDITY AND AVAILABILITY

The following table 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.

	2025	2024
Financial assets at year-end		
Cash	$ 1,013,494	$ 878,540
Accounts receivable	81,351	44,513
Unconditional promises to give	111,635	338,170
Total financial assets	1,206,480	1,261,223
Less those unavailable for general expenditures within one year, due to:		
Donor restricted for specific purpose	(361,799)	(96,667)
Financial assets available to meet cash needs for general expenditures within one year	$ 844,681	$ 1,164,556

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.