

DC FISCAL POLICY INSTITUTE, INC.

**FINANCIAL STATEMENTS AND
INDEPENDENT AUDITOR'S REPORT**

DECEMBER 31, 2020 AND 2019

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Independent Auditor's Report

To the Board of Directors
DC Fiscal Policy Institute, Inc.
Washington, DC

Report on the Financial Statements

We have audited the accompanying financial statements of DC Fiscal Policy Institute, Inc., (a nonprofit organization), which comprise the statement of financial position as of December 31, 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.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of DC Fiscal Policy Institute, Inc. as of December 31, 2020 and 2019, 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.

Emphasis of Matter

As discussed in Note B to the financial statements, in 2020, DC Fiscal Policy Institute, Inc. adopted new accounting guidance, Accounting Standards Update ("ASU") 2014-09, *Revenue from Contracts with Customers* and ASU 2018-08, *Clarifying the Scope of the Accounting Guidance for Contributions Received and Contributions Made*. Our opinion is not modified with respect to this matter.

Jane Marusa & McQuade PA

May 27, 2021
Washington, DC

DC FISCAL POLICY INSTITUTE, INC.
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2020 AND 2019

	2020	2019
<u>ASSETS</u>		
CURRENT ASSETS		
Cash	\$ 1,781,278	\$ 441,610
Investments	10,368	2,936
Grants and contributions receivable, current portion	156,114	1,235,890
Prepays	5,198	7,473
Total Current Assets	1,952,958	1,687,909
PROPERTY AND EQUIPMENT, NET		
Furniture and equipment	1,200	1,200
Computers	9,250	9,250
Total Property and Equipment	10,450	10,450
Less accumulated depreciation	(4,042)	(2,021)
Total Property and Equipment, Net	6,408	8,429
OTHER ASSETS		
Grants and contributions receivable, net of current portion and discount of \$784	39,216	-
Deposits	21,200	21,200
Total Other Assets	60,416	21,200
TOTAL ASSETS	\$ 2,019,782	\$ 1,717,538
<u>LIABILITIES AND NET ASSETS</u>		
CURRENT LIABILITIES		
Accounts payable	\$ 30,202	\$ 20,653
Accrued expenses	25,534	22,278
Total Current Liabilities	55,736	42,931
LONG TERM LIABILITIES		
PPP loan	112,727	-
Total Liabilities	168,463	42,931
NET ASSETS		
With donor restrictions	304,216	1,352,776
Without donor restrictions	1,547,103	321,831
Total Net Assets	1,851,319	1,674,607
TOTAL LIABILITIES AND NET ASSETS	\$ 2,019,782	\$ 1,717,538

The accompanying notes are an integral part of these financial statements.

DC FISCAL POLICY INSTITUTE, INC.
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2020

	Without donor Restrictions	With donor Restrictions	Total
REVENUE AND SUPPORT			
Grants and contributions	\$ 740,501	\$ 424,216	\$ 1,164,717
Program income	341,500	-	341,500
Investment income, net	10,273	-	10,273
Net assets released from donor restrictions	1,472,776	(1,472,776)	-
Total Revenue and Support	2,565,050	(1,048,560)	1,516,490
EXPENSES			
Program Services:			
Policy Solutions	955,981	-	955,981
Outreach	47,307	-	47,307
Total Program Services	1,003,288	-	1,003,288
Supporting Services:			
Management and general	105,836	-	105,836
Fundraising	230,654	-	230,654
Total Supporting Services	336,490	-	336,490
Total Expenses	1,339,778	-	1,339,778
CHANGE IN NET ASSETS	1,225,272	(1,048,560)	176,712
NET ASSETS, beginning of year	321,831	1,352,776	1,674,607
NET ASSETS, end of year	\$ 1,547,103	\$ 304,216	\$ 1,851,319

The accompanying notes are an integral part of these financial statements.

DC FISCAL POLICY INSTITUTE, INC.
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2019

	Without donor Restrictions	With donor Restrictions	Total
REVENUE AND SUPPORT			
Grants and contributions	\$ 925,192	\$ 917,481	\$ 1,842,673
Contract income	69,050	-	69,050
Merchandise sales	1,155	-	1,155
Investment income, net	11,620	-	11,620
Interest income	2,814	-	2,814
Total Revenue and Support	1,009,831	917,481	1,927,312
EXPENSES			
Program Services:			
Policy Solutions	704,511	-	704,511
Outreach	33,893	-	33,893
Total Program Services	738,404	-	738,404
Supporting Services:			
Management and general	63,301	-	63,301
Fundraising	191,464	-	191,464
Total Supporting Services	254,765	-	254,765
Total Expenses	993,169	-	993,169
CHANGE IN NET ASSETS	16,662	917,481	934,143
NET ASSETS, beginning of year	305,169	435,295	740,464
NET ASSETS, end of year	\$ 321,831	\$ 1,352,776	\$ 1,674,607

The accompanying notes are an integral part of these financial statements.

DC FISCAL POLICY INSTITUTE, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2020

	Programs			Supporting Services			Total Expenses
	Policy Solutions	Outreach	Total Programs	Management and General	Fundraising	Total Support Services	
Salaries	\$ 602,207	\$ 30,110	\$ 632,317	\$ 22,583	\$ 97,859	\$ 120,442	\$ 752,759
Employee benefits	50,830	2,541	53,371	1,906	8,260	10,166	63,537
Retirement benefits	35,001	1,750	36,751	1,312	5,688	7,000	43,751
Payroll taxes	51,541	2,577	54,118	1,933	8,375	10,308	64,426
Total Personnel Expenses	739,579	36,978	776,557	27,734	120,182	147,916	924,473
Accounting	-	-	-	39,421	-	39,421	39,421
Advertising and marketing	-	-	-	-	4,359	4,359	4,359
Bank and credit card fees	-	-	-	396	-	396	396
Conference and meetings	-	-	-	2,050	-	2,050	2,050
Depreciation	1,617	-	1,617	141	263	404	2,021
Dues and memberships	326	-	326	-	-	-	326
Insurance	4,799	-	4,799	420	780	1,200	5,999
Office supplies	20,318	1,016	21,334	762	3,302	4,064	25,398
Printing and copying	11,260	563	11,823	422	1,830	2,252	14,075
Postage and delivery	338	17	355	13	55	68	423
Professional fees	8,250	3,500	11,750	20,630	82,875	103,505	115,255
Occupancy	104,664	5,233	109,897	3,925	17,008	20,933	130,830
Website	15,330	-	15,330	-	-	-	15,330
Scholarships	49,500	-	49,500	-	-	-	49,500
Staff expenses	-	-	-	6,905	-	6,905	6,905
Taxes and licenses	-	-	-	724	-	724	724
Travel	-	-	-	2,293	-	2,293	2,293
Total	<u>\$ 955,981</u>	<u>\$ 47,307</u>	<u>\$ 1,003,288</u>	<u>\$ 105,836</u>	<u>\$ 230,654</u>	<u>\$ 336,490</u>	<u>\$ 1,339,778</u>

The accompanying notes are an integral part of these financial statements.

DC FISCAL POLICY INSTITUTE, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2019

	Programs			Supporting Services			Total Expenses
	Policy Solutions	Outreach	Total Programs	Management and General	Fundraising	Total Support Services	
Salaries	\$ 440,869	\$ 22,043	\$ 462,912	\$ 16,533	\$ 71,641	\$ 88,174	\$ 551,086
Employee benefits	33,445	1,672	35,117	1,254	5,435	6,689	41,806
Retirement benefits	28,302	1,415	29,717	1,062	4,599	5,661	35,378
Payroll taxes	39,761	1,988	41,749	1,491	6,461	7,952	49,701
Total Personnel Expenses	542,377	27,118	569,495	20,340	88,136	108,476	677,971
Accounting	-	-	-	11,894	-	11,894	11,894
Advertising and marketing	-	-	-	8,072	2,108	10,180	10,180
Bank and credit card fees	-	-	-	115	-	115	115
Conference and meetings	-	-	-	3,721	13,680	17,401	17,401
Depreciation	1,617	-	1,617	141	263	404	2,021
Dues and memberships	1,908	-	1,908	-	-	-	1,908
Insurance	1,805	-	1,805	158	293	451	2,256
In-kind	-	-	-	1,170	-	1,170	1,170
Office supplies	13,365	668	14,033	501	2,172	2,673	16,706
Printing and copying	6,802	340	7,142	255	1,105	1,360	8,502
Professional fees	800	-	800	425	64,066	64,491	65,291
Program expenses	-	-	-	500	900	1,400	1,400
Occupancy	115,330	5,767	121,097	4,325	18,741	23,066	144,163
Website	11,797	-	11,797	-	-	-	11,797
Scholarships	8,710	-	8,710	-	-	-	8,710
Staff expenses	-	-	-	4,125	-	4,125	4,125
Taxes and licenses	-	-	-	1,656	-	1,656	1,656
Travel	-	-	-	5,903	-	5,903	5,903
Total	<u>\$ 704,511</u>	<u>\$ 33,893</u>	<u>\$ 738,404</u>	<u>\$ 63,301</u>	<u>\$ 191,464</u>	<u>\$ 254,765</u>	<u>\$ 993,169</u>

The accompanying notes are an integral part of these financial statements.

DC FISCAL POLICY INSTITUTE, INC.
STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2020 AND 2019

	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 176,712	\$ 934,143
Adjustments to reconcile changes in net assets to net cash provided by (used for) operating activities:		
Depreciation	2,021	2,021
Stock donation	-	(2,926)
Donated equipment	-	(10,450)
Investment gain, net	(7,432)	(10)
(Increase) decrease in assets:		
Grants and contributions receivable	1,040,560	(1,235,890)
Prepaid expense	2,275	(7,473)
Deposits	-	(21,200)
Increase in liabilities:		
Accounts payable	9,549	20,653
Accrued expenses	3,256	22,278
Net Cash Provided by (Used for) Operating Activities	1,226,941	(298,854)
 CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from PPP loan	112,727	-
Net Cash Provided by Financing Activities	112,727	-
 NET CHANGE IN CASH	1,339,668	(298,854)
 CASH, beginning of year	441,610	740,464
 CASH, end of year	\$ 1,781,278	\$ 441,610

The accompanying notes are an integral part of these financial statements.

DC FISCAL POLICY INSTITUTE, INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019

NOTE A – ORGANIZATION AND NATURE OF ACTIVITIES

DC Fiscal Policy Institute, Inc. (“DCFPI”) is a not-for-profit organization incorporated in the District of Columbia. For almost twenty years DCFPI operated as a project under a Fiscal Sponsorship Agreement (the “Agreement”) of another non-profit organization. DCFPI was incorporated on October 2, 2018 and since receiving its tax-exempt status in August 2019 has been a standalone nonprofit effective date of October 2, 2018.

DCFPI’s mission is to promote opportunity and widespread prosperity for all residents of the District of Columbia through thoughtful policy solutions.

Program Descriptions

Policy Solutions: DCFPI influences DC budget and policy decisions to reduce poverty and income inequality and to give residents the opportunity for a secure economic future. DCFPI accomplishes this through research and analysis, advocacy and strategic partnerships with other organizations and individuals.

Outreach: In order to accomplish its mission, DCFPI also furthers ways to make DC public services more effective and to ensure the workings of DC government are open and accountable to the public. This is done through direct engagement with policymakers, legislator employee of a legislative body; or any other government employee who may participate in the formulation of legislation. Sometimes employees also contact legislators in support of or in opposition to legislation. Grassroot lobbying is undertaken to encourage the public to contact legislators about legislation.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements have been prepared using the accrual basis of accounting. Therefore, revenue and related assets are recognized when earned and expenses and related liabilities are recognized as the obligations are incurred.

Adoption of New Accounting Pronouncement

The Financial Accounting Standards Board (“FASB”) *Accounting Standards Codification* (“ASC”) *Topic 606, Revenue from Contracts with Customers*, as amended, supersedes or replaces nearly all GAAP (“Generally Accepted Accounting Principles”) revenue recognition guidance. These standards establish a new contract and control-based revenue recognition model, change the basis for deciding when revenue is recognized over time or at a point in time, and expand disclosures about revenue. AIM has implemented Topic 606 and has adjusted the presentation in these financial statements accordingly. The amendments have been applied retrospectively to all periods presented, with no effect on net assets.

DC FISCAL POLICY INSTITUTE, INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019
(continued)

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Adoption of New Accounting Pronouncement (continued)

In June 2018, FASB issued *ASU 2018-08, Not-for-Profit Entities (Topic 958), Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made*. This standard assists entities in evaluating whether transactions should be accounted for as contributions or exchange transactions and determining whether a contribution is conditional. AIM has implemented the provisions of ASU 2018-08 applicable to both contributions received and to contributions made in the accompanying financial statements under a modified prospective basis. Accordingly, there is no effect on net assets in connection with our implementation of ASU 2018-08.

Financial Statement Presentation

Financial statement presentation follows FASB ASC Topic *Not-for-Profit-Entities*. In accordance with the topic, DCFPI is required to report information regarding its financial position and activities according to two classes of net assets. Accordingly, the net assets of DCFPI and changes therein are classified and reported as follows:

Net Assets without Donor Restrictions - Net assets that are not subject to donor-imposed stipulations.

Net Assets with Donor Restrictions – Net assets subject to donor-imposed stipulations that may or will be met by either action of DCFPI and/or the passage of time, or that must be maintained permanently by DCFPI. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and are reported in the statement of activities as net assets released from restrictions. Contributions received with donor restrictions that are met in the same reporting period are reported as support without donor restrictions and increase net assets without donor restrictions.

Cash

For financial statement purposes, DCFPI consider demand deposits and money market accounts to be cash. DCFPI maintains its cash in bank deposit accounts which are insured by the Federal Deposit Insurance Corporation up to \$250,000 per institution. At times, the accounts may exceed this limit; however, DCFPI believes it is not exposed to any significant credit risk on cash.

DC FISCAL POLICY INSTITUTE, INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019
(continued)

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Grants and Contributions Receivable

Grants and contributions receivable are stated at the amount management expects to collect from balances outstanding at year end. Grants and contributions receivable are reported net of the allowance for doubtful accounts, if any. The allowance for doubtful accounts is estimated based on management's ongoing review of historical collection trends, the age of outstanding receivables and existing economic conditions. Past due grants and contributions receivable are written off when internal collection efforts have been unsuccessful in collecting the amount due. As of December 31, 2020 and 2019, management believes that all receivables are fully collectable. Therefore, no allowance for doubtful accounts has been recorded.

Investments

Investments in mutual funds are reported at fair value, which is based on observable quoted market prices. Money market funds are reported at cost, which approximates fair value. Interest income is reported when earned. Dividends are recorded on the ex-dividend date. Net appreciation (depreciation) in fair value of investments includes the gains and losses on investments bought and sold as well as held during the year.

Property and Equipment

Property and equipment are stated at cost. Property and equipment with a minimum cost basis of \$500 are capitalized. Donated property and equipment is recognized at donated value. Depreciation is calculated using the straight-line method based on the estimated useful lives of the assets of three to five years. Maintenance and repairs which do not improve or extend the life of the respective asset are charged to expense when incurred.

Revenue Recognition

DCFPI recognizes grants and contributions when cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been substantially met. Contributions received with donor stipulations are recorded as contributions with donor restrictions based on the donor's intent. Unless otherwise stated by the donor, individual donations are recorded as contributions without donor restrictions. Contributions with donor restrictions are met in the same reporting period as the contribution is received are reported as contributions without donor restrictions support.

DC FISCAL POLICY INSTITUTE, INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019
(continued)

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Revenue Recognition (continued)

Program income is income received from a consulting agreement for performing training for community-based organizations and community leaders on the budget and legislative processes in the District of Columbia . This revenue is recognized after the services have been completed.

In-Kind Contributions

In-kind contributions are recorded at fair market value at the date of donation. Donated services are recognized at their fair value if the service requires specialized skills and the services would typically need to be purchased, if not donated. For the years ended December 31, 2020 and 2019, DCFPI received donated goods totaled \$0 and \$11,620, respectively .

Method Used for Allocation of Expenses For Management and General Activities

The financial statements report certain categories of expense that are attributable to more than one program or a supporting function as management and general activities. Expenses of this nature are allocated on a reasonable basis that is consistently applied. Allocated expenses include occupancy expense, insurance, employee benefits and other general organizational expenses that are allocated among the programs and supporting services benefitted based on estimates of time.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make certain estimates and assumptions. These estimates affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from these estimates.

NOTE C – INCOME TAXES

DCFPI is recognized as exempt from federal income tax, except on unrelated business activities, under the provisions of Section 501(c)(3) of the Internal Revenue Code.

DCFPI believes that it has appropriate support for any tax positions taken, and as such, does not have any uncertain tax positions that are material to the financial statements or that would have an effect on its tax-exempt status. There are no unrecognized tax benefits or liabilities that need to be recorded.

DC FISCAL POLICY INSTITUTE, INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019
(continued)

NOTE C – INCOME TAXES - continued

DCFPI’s information tax returns are subject to examination by the Internal Revenue Service for a period of three years from the date they were filed, except under certain circumstances. This is the second year of DCFPI’s formation and therefore it’s information returns for the year 2019 is open for a tax examination by the IRS, although no request has been made as of the date of these financial statements.

NOTE D – AVAILABLE RESOURCES AND LIQUIDITY

DCFPI regularly monitors liquidity required to meet its operating needs and other contractual commitments. DCFPI has various sources of liquidity at its disposal including cash, investments, and grants and contributions receivable.

In addition to financial assets available to meet general expenditures over the next twelve months, DCFPI strives to operate with a balanced budget and anticipates collecting sufficient revenue to cover general expenditures. Of the total net assets with donor restrictions totaling \$304,216, the total amount available for expenditures in the next twelve months is \$265,000. Of the total grants and contributions receivable totaling \$195,330, the amount available in the next twelve months is \$156,114.

The following table reflects DCFPI’s financial assets as of December 31, 2020 and 2019, reduced by amounts that are not available to meet general expenditures within one year of the statement of financial position date because of donor-restrictions:

	2020	2019
Cash	\$ 1,781,278	\$ 441,610
Investments	10,368	2,936
Grants and contributions receivables	195,330	1,235,890
Total Financial Assets	1,986,976	1,680,436
Less: long term portion of grants and contributions receivables	(39,216)	-
Total Financial Assets Available to Meet Cash		
Needs for General Expenditures within One Year	\$ 1,947,760	\$ 1,680,436

NOTE E – MULTI YEAR GRANT

DCFPI has one multi-year grant that is due within one to three years. This grant has been reduced by the discounted present value in accordance with accounting principles generally accepted in the United States of America. Present value discount rate of 2% was applied against the long term portion of the grant receivable for the year ended December 31, 2020. Expected receipts from the grant due are as follows:

DC FISCAL POLICY INSTITUTE, INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019
(continued)

NOTE E – MULTI YEAR GRANT - continued

	2020	2019
Due in less than one year	\$ 156,114	\$ 1,235,890
Due in one to five year	40,000	-
Total	196,114	1,235,890
Less: unamortized discount	(784)	-
Grants Receivable, Net	\$ 195,330	\$ 1,235,890

NOTE F – PENSION PLAN

In 2019, DCFPI established the DC Fiscal Policy Institute 401(K) Plan (the “Plan”), under Section 403(b) of the Internal Revenue Code. All employees who are over the age of eighteen are eligible to contribute to the Plan. Under the provisions of the Plan, employees can elect to contribute immediately upon hire and can defer up to a certain amount of their wages as determined by IRS regulations each year. DCFPI may make a discretionary profit-sharing contribution to the plan. For the year ending December 31, 2020, DCFPI contributed seven percent of each eligible employee’s compensation. The total amount of profit sharing contributions for the years ended December 31, 2020 and 2019 totaled \$43,751 and \$35,378, respectively.

NOTE G – OPERATING LEASES

On December 28, 2018, DCFPI signed a two-year sub-lease agreement with the Center on Budget and Policy Properties for sub leasing office space at 1275 First Street, NE, Washington, D.C. starting January 1, 2019 and ending December 31, 2020. Another agreement to extend this lease through December 31, 2022 was signed on January 1, 2021.

Occupancy expense for the years ended December 31, 2020 totaled \$130,830 and \$144,163, respectively and this amount included DCFPI’s share of taxes and common area expenses.

Future minimum lease payments are as follows as of December 31:

2021	\$	133,560
2022		136,920
Total	\$	270,480

DC FISCAL POLICY INSTITUTE, INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019
(continued)

NOTE H – PPP LOAN

On July 6, 2020, DCFPI secured \$112,727 with City First Bank of D.C. (the “Lender”) under the Small Business Administration’s (“SBA”) Paycheck Protection Plan (“PPP”) that authorized forgivable loans to small businesses. The loan can be used to cover certain expenses during the COVID-19 crisis. The loan amounts may be forgiven as long as the loan proceeds are used to cover payroll costs, rent, certain mortgage interest, and utility costs over a period specified in the loan document after the loan is made. If not used for the described purpose, the loan is due on July 7, 2025, along with interest calculated at a rate of 1% per annum. DCFPI’s management believes it will meet the requirements to achieve full loan forgiveness. As of December 31, 2020, the PPP loan outstanding balance totaled \$112,727.

On March 1, 2021, DCFPI received approval for the full forgiveness on the loan principal and interest by the lender and SBA.

On March 14, 2021, DCFPI secured an additional \$153,460 with City First Bank of D.C. (the “Lender”) under the Small Business Administration’s (“SBA”) Paycheck Protection Plan (“PPP”) that authorized forgivable loans to small businesses under the same conditions as the loan above. DCFPI’s management believes it will meet the requirements to achieve full loan forgiveness.

NOTE I – NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions as of December 31, 2020 and 2019, was as follows:

	2020	2019
Policy Solutions	\$ 5,000	\$ 211,886
Time restrictions	299,216	1,140,890
Total	\$ 304,216	\$ 1,352,776

NOTE J – SUBSEQUENT EVENTS

In preparing these financial statements, DC Fiscal Policy Institute, Inc.’s management has evaluated events and transactions for potential recognition or disclosure through May 27, 2021, the date the financial statements were available to be issued. There were no additional events, except as mentioned in Note G and Note H, or transactions that were discovered during the evaluation that required additional disclosure or recognition.