

**DC FISCAL POLICY INSTITUTE, INC.**

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

**DECEMBER 31, 2024 AND 2023**

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CERTIFIED PUBLIC ACCOUNTANTS

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### Independent Auditor's Report

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

#### **Opinion**

We have audited the accompanying financial statements of DC Fiscal Policy Institute, Inc. (a nonprofit organization), which comprise the statements of financial position as of December 31, 2024 and 2023, 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 financial statements referred to above present fairly, in all material respects, the financial position of DC Fiscal Policy Institute, Inc. as of December 31, 2024 and 2023, 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. 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 Fiscal Policy Institute, Inc. 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 Fiscal Policy Institute, Inc.'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 generally accepted auditing standards 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 generally accepted auditing standards, 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 Fiscal Policy Institute, Inc.'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 Fiscal Policy Institute, 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.

*Jm & m*

June 20, 2025  
Washington, DC

**DC FISCAL POLICY INSTITUTE, INC.**  
**STATEMENTS OF FINANCIAL POSITION**  
**DECEMBER 31, 2024 AND 2023**

	<u>2024</u>	<u>2023</u>
<b><u>ASSETS</u></b>		
<b>CURRENT ASSETS</b>		
Cash	\$ 1,374,255	\$ 1,233,919
Grants and contributions receivable, current portion	630,000	512,500
Prepaid expenses	4,240	2,888
Total Current Assets	<u>2,008,495</u>	<u>1,749,307</u>
<b>PROPERTY AND EQUIPMENT, NET</b>		
Furniture and equipment	1,200	1,200
Computers	12,847	9,250
Total Property and Equipment	<u>14,047</u>	<u>10,450</u>
Less: accumulated depreciation	(10,459)	(10,107)
Total Property and Equipment, Net	<u>3,588</u>	<u>343</u>
<b>OTHER ASSETS</b>		
Investments	1,576,102	997,995
Grants and contributions receivable, net of current portion and discount	239,808	571,360
Operating lease, right-of-use assets, net	42,810	50,747
Security deposit	8,154	5,563
Total Other Assets	<u>1,866,874</u>	<u>1,625,665</u>
<b>TOTAL ASSETS</b>	<u><u>\$ 3,878,957</u></u>	<u><u>\$ 3,375,315</u></u>
<b><u>LIABILITIES AND NET ASSETS</u></b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable	\$ 43,128	\$ 80,826
Accrued expenses	57,434	45,654
Operating lease liabilities, current portion	33,888	31,590
Total Current Liabilities	<u>134,450</u>	<u>158,070</u>
<b>LONG TERM LIABILITIES</b>		
Operating lease liabilities, net of current portion	<u>8,922</u>	<u>19,157</u>
Total Liabilities	<u>143,372</u>	<u>177,227</u>
<b>NET ASSETS</b>		
Without donor restrictions	2,396,633	1,496,088
With donor restrictions	1,338,952	1,702,000
Total Net Assets	<u>3,735,585</u>	<u>3,198,088</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u><u>\$ 3,878,957</u></u>	<u><u>\$ 3,375,315</u></u>

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

**DC FISCAL POLICY INSTITUTE, INC.**  
**STATEMENT OF ACTIVITIES**  
**YEAR ENDED DECEMBER 31, 2024**

	Without donor Restrictions	With donor Restrictions	Total
<b>REVENUE AND SUPPORT</b>			
Grants and contributions	\$ 1,620,374	\$ 1,070,000	\$ 2,690,374
Investment gain, net	42,716	-	42,716
Interest income	1,587	-	1,587
Program income	12,053	-	12,053
Net assets released from donor restrictions	<u>1,433,048</u>	<u>(1,433,048)</u>	<u>-</u>
Total Revenue and Support	3,109,778	(363,048)	2,746,730
<b>EXPENSES</b>			
Program Services:			
Policy solutions	1,557,918	-	1,557,918
Outreach	<u>131,064</u>	<u>-</u>	<u>131,064</u>
Total Program Services	1,688,982	-	1,688,982
Support Services:			
Management and general	182,424	-	182,424
Fundraising	<u>337,827</u>	<u>-</u>	<u>337,827</u>
Total Support Services	<u>520,251</u>	<u>-</u>	<u>520,251</u>
Total Expenses	<u>2,209,233</u>	<u>-</u>	<u>2,209,233</u>
CHANGE IN NET ASSETS	900,545	(363,048)	537,497
NET ASSETS, beginning of year	<u>1,496,088</u>	<u>1,702,000</u>	<u>3,198,088</u>
NET ASSETS, end of year	<u>\$ 2,396,633</u>	<u>\$ 1,338,952</u>	<u>\$ 3,735,585</u>

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

**DC FISCAL POLICY INSTITUTE, INC.**  
**STATEMENT OF ACTIVITIES**  
**YEAR ENDED DECEMBER 31, 2023**

	Without donor Restrictions	With donor Restrictions	Total
<b>REVENUE AND SUPPORT</b>			
Grants and contributions	\$ 765,077	\$ 2,277,000	\$ 3,042,077
Investment gain, net	5,104	-	5,104
Interest income	1,317	-	1,317
Program income	21,748	-	21,748
Net assets released from donor restrictions	<u>1,345,500</u>	<u>(1,345,500)</u>	<u>-</u>
Total Revenue and Support	2,138,746	931,500	3,070,246
<b>EXPENSES</b>			
Program Services:			
Policy solutions	1,375,387	-	1,375,387
Outreach	<u>82,369</u>	<u>-</u>	<u>82,369</u>
Total Program Services	<u>1,457,756</u>	<u>-</u>	<u>1,457,756</u>
Support Services:			
Management and general	243,744	-	243,744
Fundraising	<u>281,202</u>	<u>-</u>	<u>281,202</u>
Total Support Services	<u>524,946</u>	<u>-</u>	<u>524,946</u>
Total Expenses	<u>1,982,702</u>	<u>-</u>	<u>1,982,702</u>
<b>CHANGE IN NET ASSETS</b>	156,044	931,500	1,087,544
<b>NET ASSETS, beginning of year</b>	<u>1,340,044</u>	<u>770,500</u>	<u>2,110,544</u>
<b>NET ASSETS, end of year</b>	<u>\$ 1,496,088</u>	<u>\$ 1,702,000</u>	<u>\$ 3,198,088</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, 2024**

	Program Services			Support Services			Total Expenses
	Policy Solutions	Outreach	Total Programs	Management and General	Fundraising	Total Support Services	
Personnel Costs:							
Salaries	\$ 984,949	\$ 85,602	\$ 1,070,551	\$ 56,782	\$ 186,882	\$ 243,664	\$ 1,314,215
Employee benefits	104,082	9,046	113,128	6,000	19,748	25,748	138,876
Retirement benefits	70,256	6,106	76,362	4,050	13,330	17,380	93,742
Payroll taxes	79,590	6,917	86,507	4,589	15,101	19,690	106,197
Total Personnel Costs	1,238,877	107,671	1,346,548	71,421	235,061	306,482	1,653,030
Accounting	-	-	-	56,146	-	56,146	56,146
Bank and credit card fees	-	-	-	913	-	913	913
Depreciation	264	23	287	15	50	65	352
Facilities, food and beverages	10,740	933	11,673	364	40,025	40,389	52,062
Insurance	5,264	458	5,722	303	999	1,302	7,024
Occupancy	38,500	3,346	41,846	2,219	7,305	9,524	51,370
Office supplies and technology	33,605	2,921	36,526	1,750	6,376	8,126	44,652
Postage and delivery	-	-	-	320	-	320	320
Printing and copying	-	-	-	-	9,327	9,327	9,327
Professional fees	116,005	12,438	128,443	45,613	16,900	62,513	190,956
Promotion and outreach	-	-	-	1,189	14,639	15,828	15,828
Sub grants	77,000	-	77,000	-	-	-	77,000
Staff development	15,897	1,382	17,279	916	3,016	3,932	21,211
Subscriptions	2,795	243	3,038	161	530	691	3,729
Travel	7,279	633	7,912	420	1,381	1,801	9,713
Website	11,692	1,016	12,708	674	2,218	2,892	15,600
Total Expenses	<u>\$ 1,557,918</u>	<u>\$ 131,064</u>	<u>\$ 1,688,982</u>	<u>\$ 182,424</u>	<u>\$ 337,827</u>	<u>\$ 520,251</u>	<u>\$ 2,209,233</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, 2023**

	Program Services			Support Services			Total Expenses
	Policy Solutions	Outreach	Total Programs	Management and General	Fundraising	Total Support Services	
Personnel Costs:							
Salaries	\$ 836,864	\$ 56,545	\$ 893,409	\$ 101,780	\$ 135,708	\$ 237,488	\$ 1,130,897
Employee benefits	91,670	6,194	97,864	11,149	14,865	26,014	123,878
Retirement benefits	59,315	4,008	63,323	7,214	9,619	16,833	80,156
Payroll taxes	66,182	4,472	70,654	8,049	10,732	18,781	89,435
Total Personnel Costs	1,054,031	71,219	1,125,250	128,192	170,924	299,116	1,424,366
Accounting	-	-	-	50,022	-	50,022	50,022
Bank and credit card fees	-	-	-	474	-	474	474
Depreciation	1,496	-	1,496	282	243	525	2,021
Facilities, food and beverages	-	-	-	7,172	29,627	36,799	36,799
Insurance	6,768	457	7,225	823	1,098	1,921	9,146
Occupancy	29,792	2,013	31,805	3,623	4,831	8,454	40,259
Office supplies and technology	30,569	2,065	32,634	3,718	4,957	8,675	41,309
Postage and delivery	-	-	-	-	232	232	232
Printing and copying	-	-	-	-	12,183	12,183	12,183
Professional fees	119,173	5,389	124,562	46,779	43,602	90,381	214,943
Promotion and outreach	-	-	-	454	10,563	11,017	11,017
Sub grants	106,000	-	106,000	-	-	-	106,000
Staff development	2,367	160	2,527	288	384	672	3,199
Subscriptions	3,488	236	3,724	423	566	989	4,713
Travel	9,419	-	9,419	-	-	-	9,419
Website	12,284	830	13,114	1,494	1,992	3,486	16,600
Total Expenses	<u>\$ 1,375,387</u>	<u>\$ 82,369</u>	<u>\$ 1,457,756</u>	<u>\$ 243,744</u>	<u>\$ 281,202</u>	<u>\$ 524,946</u>	<u>\$ 1,982,702</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, 2024 AND 2023**

	<u>2024</u>	<u>2023</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ 537,497	\$ 1,087,544
Adjustments to reconcile changes in net assets to net cash provided by (used for) operating activities:		
Depreciation	352	2,021
Stock donation	(35,391)	(27,919)
Carrying amount of operating lease, right-of-use asset	(30,760)	(63,459)
Amortization of operating lease, right-of-use asset	38,697	12,712
Investment (gain) loss, net	(42,716)	(5,104)
(AIncrease) decrease in assets:		
Grants and contributions receivable	214,052	(863,860)
Pledges receivable	-	43,067
Prepaid expense	(1,352)	(2,888)
Security deposit	(2,591)	15,637
Increase (decrease) in liabilities:		
Accounts payable	(37,698)	(48,924)
Accrued expenses	11,780	11,040
Operating lease liability	(7,937)	50,747
Net Cash Provided by (Used for) Operating Activities	<u>643,933</u>	<u>210,614</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchases of investments	(500,000)	(920,000)
Purchases of property and equipment	(3,597)	-
Net Cash Provided by (Used for) Investing Activities	<u>(503,597)</u>	<u>(920,000)</u>
<b>NET CHANGE IN CASH</b>	<b>140,336</b>	<b>(709,386)</b>
<b>CASH</b> , beginning of year	<u>1,233,919</u>	<u>1,943,305</u>
<b>CASH</b> , end of year	<u>\$ 1,374,255</u>	<u>\$ 1,233,919</u>

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

**DC FISCAL POLICY INSTITUTE, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024 AND 2023**

**NOTE A – ORGANIZATION AND NATURE OF ACTIVITIES**

DC Fiscal Policy Institute, Inc. (“DCFPI”) is a not-for-profit organization incorporated in 2018 in the District of Columbia. DCFPI envisions a city of shared abundance and collective liberation where everyone has the nurture, sustenance, and safety every person inherently deserves. DCFPI strives for a future that roots out anti-blackness, enables black and brown residents to live to their fullest, ends displacement, and repairs centuries of racist harm.

DC Fiscal Policy Institute shapes racially-just tax, budget, and policy decisions by centering Black and brown communities in our research and analysis, community partnerships, and advocacy efforts to advance an antiracist, equitable future. DCFPI’s programs are funded by grants and contributions from foundations and individuals; and program income from services it provides on a contractual basis.

**Program Descriptions**

*Policy Solutions* - DCFPI conducts timely and foundational research and analysis for an equitable tax, budget, and policy agenda that centers around those most harmed by racial and economic exclusion. DCFPI does this to expand collective understanding of how oppressive structures shape past and present inequities; and to create a strong evidence-base for rejecting racialized austerity politics and embracing policies rooted in shared abundance.

*Outreach* - DCFPI strategically communicates with, and educates decision makers, partners, and the public to increase salience, resonance, and prioritization of policies that advance racial and economic justice among partners and policy makers. DCFPI commits analytic, legislative, and strategic skills and capacities to support partners; and build collaborative campaigns for strategic alliances. DCFPI does this to ensure more unified and powerful voices advocating for collective vision and goals that are responsive to the experiences of residents facing racial and economic oppression.

**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.

**DC FISCAL POLICY INSTITUTE, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024 AND 2023**  
(continued)

**NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued**

Financial Statement Presentation

Financial statement presentation follows Financial Accounting Standards Board (“FASB”) ASC Topic 958, *Not-for-Profit-Entities*. In accordance with Topic 958, net assets, revenue, gains and losses are classified based on the existence of absence of donor-imposed restrictions.

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 in perpetuity 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.

Cash

For purposes of the statements of cash flows, DCFPI considers interest bearing accounts to be cash. DCFPI maintains its cash in certain 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.

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, 2024 and 2023, management believes that all receivables are fully collectible, between one to two years; and therefore, an allowance for doubtful accounts has not been established.

**DC FISCAL POLICY INSTITUTE, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024 AND 2023**  
(continued)

**NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued**

**Investments**

Investments include cash, certificates of deposit, and stocks. Interest income is reported when earned. Dividends are recorded on the ex-dividend date. Net investment income includes 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, or, if donated, at fair value as of the date of donation. Property and equipment with a minimum cost basis of \$2,500 and a useful life of greater than one year are capitalized. Depreciation is calculated using the straight-line method based on the estimated useful lives of the assets, which range from three to five years. Repairs and maintenance, which do not improve or extend the life of the asset, are charged to expense when incurred.

**Operating Lease, Right-of-Use Asset and Liability**

Operating lease, right-of-use (“ROU”) assets are measured at the commencement date at the amount of the initially measured liability. Unless impaired, ROU assets are subsequently measured throughout the lease term at the amount of the lease liability (that is the present value of the remaining lease payments), plus unamortized initial direct costs, and the addition or subtraction of any prepaid lease payments (accrued lease payments, less the unamortized balance of lease incentives received). Operating lease payments are recognized on a straight-line basis over the lease term.

DCFPI is a lessee in a noncancellable lease for virtual office space. The office lease has been recorded on the statement of financial position as both an ROU asset and lease liability, calculated by discounting fixed lease payments over the lease term at the risk-free rate. Lease liabilities are increased by interest and reduced by payments each period; and the ROU asset is amortized over the lease term. For operating leases, interest on the lease liability and the amortization of the ROU asset result in straight-line rent expense over the lease term. Variable lease expenses, if any, are recognized when incurred. DCFPI excludes short-term leases having initial terms of 12 months or less from the new guidance as an accounting policy, and recognizes rent expense on a straight-line basis over the lease term.

**DC FISCAL POLICY INSTITUTE, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024 AND 2023**  
(continued)

**NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued**

**Revenue Recognition**

*Grants and Contributions*

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. As of December 31, 2024, DCFPI received conditional promises to give in the total amount of \$150,000 to be fulfilled by the year ending December 31, 2025.

**Method Used for Allocation of Expenses**

The financial statements report certain categories of expense that are attributable to more than one program or a support function as management and general activities. Expenses of this nature are allocated on a reasonable basis that is consistently applied. Allocated expenses include occupancy, insurance, and depreciation expenses, which are allocated on the basis of salaries and related costs, determined by estimates of time and effort expended.

**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 were no unrecognized tax benefits or liabilities that needed to be recorded.

**DC FISCAL POLICY INSTITUTE, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024 AND 2023**  
(continued)

**NOTE C – INCOME TAXES - continued**

DCFPI's information tax returns are subject to examination by the Internal Revenue Service ("IRS") for a period of three years from the date they were filed, except under certain circumstances. Information returns of DCFPI for the years ended December 31, 2021 through 2023, are 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, grants and contributions receivable, and investments.

In addition to financial assets available to meet general expenditures over the next twelve months, DCFPI anticipates collecting sufficient revenue to cover general expenditures.

The following table reflects DCFPI's financial assets as of December 31, 2024 and 2023, reduced by amounts that are not available to meet general expenditures within one year of the statements of financial position date because of donor-restrictions:

	<u>2024</u>	<u>2023</u>
Cash	\$ 1,374,255	\$ 1,233,919
Grants and contributions receivable	869,808	1,083,860
Investments	<u>1,576,102</u>	<u>997,995</u>
Total Financial Assets	<u>3,820,165</u>	<u>3,315,774</u>
Less: long term portion of grants and contributions receivable	<u>(239,808)</u>	<u>(571,360)</u>
Total Financial Assets Available to Meet Cash		
Needs for General Expenditures within One Year	<u>\$ 3,580,357</u>	<u>\$ 2,744,414</u>

**NOTE E – INVESTMENTS AND FAIR VALUE MEASUREMENT**

FASB ASC Topic 820, *Fair Value Measurement*, establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements).

*Level 1*      Inputs are based on unadjusted quoted prices for identical assets traded in active markets that DCFPI has the ability to access.

**DC FISCAL POLICY INSTITUTE, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024 AND 2023**  
(continued)

**NOTE E – INVESTMENTS AND FAIR VALUE MEASUREMENT - continued**

*Level 2*      Inputs are based upon quoted prices for similar assets in active markets, quoted prices for identical or similar assets in inactive markets, or model based valuation techniques for which all significant assumptions are observable in the market or can be corroborated by observable market data.

*Level 3*      Inputs are unobservable and significant to the fair value measurement.

The valuation methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although management believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

DCFPI's investments in certificates of deposit are recorded at cost plus accrued interest, which approximates fair value. The fair value of cash is valued by carrying amount, which approximates fair value. The fair value of common stock is based on observable quoted market prices.

Marketable securities are exposed to various risks such as interest rates, market, and credit risks. Due to the level of risks associated with certain investment securities, it is at least reasonably possible that changes in the values of investments will occur in the near term and those changes could materially affect the amounts reported in the statements of financial position.

The following table summarizes DCFPI's investments at fair value on a recurring basis as of December 31, 2024:

	Level 1	Level 2	Level 3	Total
Cash	\$ 255,718	\$ -	\$ -	\$ 255,718
Certificate of deposit	-	1,300,783	-	1,300,783
Common stock	19,601	-	-	19,601
<b>Total Investments</b>	<b>\$ 275,319</b>	<b>\$ 1,300,783</b>	<b>\$ -</b>	<b>\$ 1,576,102</b>

The following table summarizes DCFPI's investments at fair value on a recurring basis as of December 31, 2023:

	Level 1	Level 2	Level 3	Total
Cash	\$ 317,858	\$ -	\$ -	\$ 317,858
Certificate of deposit	-	652,218	-	652,218
Common stock	27,919	-	-	27,919
<b>Total Investments</b>	<b>\$ 345,777</b>	<b>\$ 652,218</b>	<b>\$ -</b>	<b>\$ 997,995</b>

**DC FISCAL POLICY INSTITUTE, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024 AND 2023**  
(continued)

**NOTE F – GRANTS AND CONTRIBUTIONS RECEIVABLE**

As of December 31, 2024 and 2023, grantors and contributors to DCFPI have made unconditional written promises to give, of which \$880,000 and \$1,107,500, respectively, remained due and outstanding. DCFPI has multi-year grants due within one to two years. Amounts due beyond one year of the statements of financial position date have been recorded at the present value of the estimated cash flows, using the daily treasury yield curve rate of 4%.

As of December 31, 2024 and 2023, grants and contributions receivable consisted of the following:

	<u>2024</u>	<u>2023</u>
Due in less than one year	\$ 630,000	\$ 512,500
Due in one to two years	<u>250,000</u>	<u>595,000</u>
Total	<u>880,000</u>	<u>1,107,500</u>
Less: Allowance for discounting balance to present value	<u>(10,192)</u>	<u>(23,640)</u>
Grants and Contributions Receivable, Net	<u><u>\$ 869,808</u></u>	<u><u>\$ 1,083,860</u></u>

**NOTE G – RETIREMENT PLAN**

In 2019, DCFPI established the DC Fiscal Policy Institute 401(k) Plan (the “Plan”). 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 the Internal Revenue Service’s regulations each year. DCFPI may make a discretionary profit-sharing contribution to the Plan.

For the years ended December 31, 2024 and 2023, DCFPI contributed seven percent of each eligible employee’s compensation. The total amount of profit sharing contributions for the years ended December 31, 2024 and 2023, totaled \$93,742 and \$80,156, respectively.

**NOTE H – OPERATING LEASES**

On December 28, 2018, DCFPI signed a two-year sublease agreement with the Center on Budget and Policy Properties to sublease office space at 1275 First Street, NE, Washington, D.C. starting on January 1, 2019, with an initial termination date of December 31, 2020. However, the sublease was amended twice, to extend the lease period to December 31, 2022, and for a final additional six months through June 30, 2023. DCFPI did not renew the sublease agreement for any additional months after June 2023.

**DC FISCAL POLICY INSTITUTE, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**NOTE H – OPERATING LEASES - continued**

Beginning on August 1, 2023, DCFPI commenced a two-year lease agreement with the landlord, Spaces, for a virtual office location at a monthly base rent of \$2,782. On March 29, 2024, DCFPI signed a second two-year lease agreement with Spaces, for a virtual office location, at a monthly base rent of \$1,295, which commenced on July 1, 2024.

The discount rate is the rate implicit in the lease if it is readily determinable. The implicit rate of DCFPI's lease was not readily determinable. Therefore, DCFPI has elected to use the risk-free rates, which were 4.92% as of August 1, 2023 and 4.77% as of July 1, 2024, the dates of the lease commencements.

The balance of the ROU operating assets is as follows as of December 31:

	<u>2024</u>	<u>2023</u>
Operating lease right-of-use asset	\$ 94,219	\$ 63,459
Amortization of operating lease right-of-use asset	(51,409)	(12,712)
<b>Total Operating Lease Right-of-Use Asset, Net</b>	<b><u>\$ 42,810</u></b>	<b><u>\$ 50,747</u></b>

Minimum future lease payments are as follows for the years ending December 31:

2025	\$ 35,012
2026	9,065
<b>Total lease payments</b>	<b>44,077</b>
<b>Less: interest</b>	<b>(1,267)</b>
<b>Present Value of Operating Lease Liability</b>	<b><u>\$ 42,810</u></b>

Occupancy expense for the years ended December 31, 2024 and 2023, totaled \$51,370 and \$40,259, respectively, and these amounts included DCFPI's share of taxes and common area expenses.

Average operating lease term and discount rate as of December 31, was as follows:

	<u>2024</u>	<u>2023</u>
Weighted average remaining lease term (years):	1.13	1.58
Weighted average discount rate:	4.84%	4.92%

**DC FISCAL POLICY INSTITUTE, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**NOTE I – NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions as of December 31, 2024 and 2023, was as follows:

	<u>2024</u>	<u>2023</u>
Policy solutions	\$ 458,952	\$ 300,000
Time restricted	<u>880,000</u>	<u>1,402,000</u>
Total	<u><u>\$ 1,338,952</u></u>	<u><u>\$ 1,702,000</u></u>

**NOTE J – CONCENTRATIONS OF RISK**

For the year ended December 31, 2024, approximately 51% of total revenue was provided by two separate not-for-profit organizations: the Yield Giving Foundation and the Bainum Family Foundation. For the year ended December 31, 2023, approximately 51% of total revenue was provided by two separate not-for-profit organizations: the Greater Washington Community Foundation (“GWCF”) and the Bainum Family Foundation. Approximately 56% and 68% of grants and contributions receivable as of December 31, 2024 and 2023, respectively, was due from GWCF.

**NOTE K – 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 June 20, 2025, the date the financial statements were available to be issued. There were no additional events or transactions that were discovered during the evaluation that required additional disclosure or recognition.