WASHINGTON POLICY CENTER

Reviewed Financial Statements
December 31, 2025 and 2024

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INDEPENDENT ACCOUNTANT'S REVIEW REPORT

To the Board of Directors
Washington Policy Center
Seattle, Washington

We have reviewed the accompanying financial statements of Washington Policy Center (a nonprofit organization), 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. A review includes primarily applying analytical procedures to management's financial data and making inquiries of company management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

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.

Accountant's Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

We are required to be independent of Washington Policy Center and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our review.

Accountant's Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

Greenwood Ohlund

Seattle, Washington
July 8, 2026

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WASHINGTON POLICY CENTER

STATEMENTS OF FINANCIAL POSITION
December 31, 2025 and 2024

ASSETS	2025	2024
Current Assets		
Cash and cash equivalents	$ 823,925	$ 956,149
Contributions receivable	1,321,005	1,279,246
Prepaid expenses and other assets	18,418	25,260
Total current assets	2,163,348	2,260,655
Endowment Investments	4,851,044	4,897,826
Contributions Receivable, net of current portion	584,250	777,667
Right-of-Use Asset - Operating Lease	207,268	345,446
Property and Equipment, net	20,413	26,280
Total assets	$ 7,826,323	$ 8,307,874
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts payable	$ 106,238	$ 84,375
Accrued payroll and related liabilities	193,796	313,891
Operating lease liabilities	170,076	165,132
Total current liabilities	470,110	563,398
Operating Lease Liabilities, less current portion	87,588	257,664
Total liabilities	557,698	821,062
Net Assets		
Without donor restrictions	5,237,059	5,313,588
With donor restrictions	2,031,566	2,173,224
Total net assets	7,268,625	7,486,812
Total liabilities and net assets	$ 7,826,323	$ 8,307,874

See independent accountant's review report and accompanying notes to financial statements.

WASHINGTON POLICY CENTER

STATEMENTS OF ACTIVITIES
For the Years Ended December 31, 2025 and 2024

	2025			2024		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Support and Revenue						
Contributions	$ 1,851,335	$ 1,058,672	$ 2,910,007	$ 5,040,513	$ 1,890,397	$ 6,930,910
Special events revenue	490,425	-	490,425	657,794	-	657,794
Special events - direct benefit to donors	(399,484)	-	(399,484)	(619,310)	-	(619,310)
Other income	2,199	-	2,199	49,048	-	49,048
Net assets released from restrictions	1,200,330	(1,200,330)	-	1,530,559	(1,530,559)	-
Total support and revenue	3,144,805	(141,658)	3,003,147	6,658,604	359,838	7,018,442
Expenses						
Program services	2,680,350	-	2,680,350	2,599,477	-	2,599,477
Management and general	566,952	-	566,952	760,072	-	760,072
Fundraising	689,124	-	689,124	654,607	-	654,607
Total expenses	3,936,426	-	3,936,426	4,014,156	-	4,014,156
Change in net assets before investment return	(791,621)	(141,658)	(933,279)	2,644,448	359,838	3,004,286
Investment Return	715,092	-	715,092	164,993	-	164,993
Change in net assets	**(76,529)**	**(141,658)**	**(218,187)**	**2,809,441**	**359,838**	**3,169,279**
Net Assets, beginning of year	5,313,588	2,173,224	7,486,812	2,504,147	1,813,386	4,317,533
Net Assets, end of year	$ 5,237,059	$ 2,031,566	$ 7,268,625	$ 5,313,588	$ 2,173,224	$ 7,486,812

See independent accountant's review report and accompanying notes to financial statements.

WASHINGTON POLICY CENTER

STATEMENTS OF FUNCTIONAL EXPENSES
For the Years Ended December 31, 2025 and 2024

	2025				2024			
	Program Services	Management and General	Fundraising	Total	Program Services	Management and General	Fundraising	Total
Salaries, benefits, and taxes	$ 1,963,612	$ 435,139	$ 489,865	$ 2,888,616	$ 1,873,346	$ 554,318	$ 466,466	$ 2,894,130
Event rooms, meals and other	94,332	-	399,484	493,816	132,245	-	619,310	751,555
Advertising and promotion	337,127	-	-	337,127	276,897	-	-	276,897
Occupancy	172,943	21,618	21,618	216,179	118,782	14,848	14,848	148,478
Printing and postage	6,991	259	105,051	112,301	37,443	647	78,239	116,329
Professional fees	10,934	38,227	17,195	66,356	12,269	51,841	16,737	80,847
Miscellaneous	14,952	10,624	37,595	63,171	32,997	35,173	55,348	123,518
Bad debt expense	-	51,250	-	51,250	-	90,940	-	90,940
Office expense	34,078	2,781	4,914	41,773	46,051	4,395	6,979	57,425
Travel	32,773	-	4,907	37,680	45,577	-	7,170	52,747
Insurance	6,128	6,128	6,128	18,384	7,000	7,000	7,000	21,000
Depreciation	6,480	926	1,851	9,257	6,370	910	1,820	9,100
Grants	-	-	-	-	10,500	-	-	10,500
Total expenses	2,680,350	566,952	1,088,608	4,335,910	2,599,477	760,072	1,273,917	4,633,466
Less: Special events- direct benefit to donors	-	-	(399,484)	(399,484)	-	-	(619,310)	(619,310)
	$ 2,680,350	$ 566,952	$ 689,124	$ 3,936,426	$ 2,599,477	$ 760,072	$ 654,607	$ 4,014,156

See independent accountant's review report and accompanying notes to financial statements.

WASHINGTON POLICY CENTER

STATEMENTS OF CASH FLOWS
For the Years Ended December 31, 2025 and 2024

	2025	2024
Cash Flows from Operating Activities		
Cash received from:		
Donors	$ 3,545,090	$ 7,228,866
Interest and others	123,799	137,257
Cash paid to:		
Personnel and related	(3,008,711)	(2,670,118)
Suppliers and others	(1,436,286)	(1,689,141)
Net cash flows from operating activities	(776,108)	3,006,864
Cash Flows from Investing Activities		
Purchases of investments	(142,594)	(3,218,923)
Proceeds from sale of investments	782,868	950,000
Purchase of property and equipment	(3,390)	(9,039)
Net cash flows from investing activities	636,884	(2,277,962)
Cash Flows from Financing Activity		
Endowment contributions	7,000	10,000
Net change in cash and cash equivalents	**(132,224)**	**738,902**
Cash and Cash Equivalents, beginning of the year	956,149	217,247
Cash and Cash Equivalents, end of the year	$ 823,925	$ 956,149

See independent accountant's review report and accompanying notes to financial statements.

Note 1 – Organization and Summary of Significant Accounting Policies

Organization

Washington Policy Center (the Center) is an independent Washington State 501(c)(3) non-profit organization that promotes free-market solutions to state and local issues through research and education. The Center serves citizens, policymakers, and the media in Washington through media outreach, publications, a young professionals' group, conferences, and forums on both national and local issues. The Center has eight research centers focused on agriculture policy, education reform, environmental policy, health care policy, government reform, small business growth, transportation policy, and worker rights. Most of these research centers have their own full-time director to focus on their respective policy areas.

The Center has a staff of more than 20 and an annual budget of approximately $5 million, making it one of the largest state-based think tanks in the country. The Center has a presence across the state with staff in Seattle, Cle Elum, Vancouver, Moses Lake, Yakima, and Spokane.

The Center is on sound financial footing as well. In 2012, the Center launched its highly successful Pillar Society Initiative, which enlists the Center's supporters in three-year philanthropic pledges ranging from $5,000 to $100,000+ annually. This sustained foundation for giving also provides the Center's most loyal donors with a fair and transparent array of engagement opportunities, benefits, and recognition they can expect each year. Contributions from Pillar Society members totaled $1,572,500 and $2,093,500 during the years ended December 31, 2025 and 2024, respectively. Through December 31, 2025, the Pillar Society Initiative has raised more than $20 million from well over 300 households and organizations. Overall, 95 percent of the Center's support and revenue come from sources within Washington State.

Financial Statement Presentation

The Center reports information regarding its financial position and activities according to two classes of net assets: without donor restrictions and with donor restrictions.

Net assets without donor restrictions are available without restriction for support of the Center's operations. The Center has designated $4,727,733 and $4,781,515 of net assets without donor restrictions at December 31, 2025 and 2024, respectively, for program enhancement (a quasi-endowment, see Note 5).

Some net assets with donor restrictions are temporary in nature and consist of unexpended contributions restricted for particular purposes or future time periods. Other net assets have perpetual donor restrictions, where the principal of the contributions is restricted in perpetuity and the income from which is utilized for the purposes specified by the donors. Net assets with temporary donor restrictions are transferred to net assets without donor restrictions as expenditures are incurred for the restricted programs or as the time restrictions are met.

Revenues are reported as increases in net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Expirations of restrictions on net assets (the donor-stipulated purpose has been fulfilled or the stipulated time period has elapsed) are reported as reclassifications between the applicable classes of net assets.

Contributions and investment gains are reported as without donor restrictions if donor restrictions are met in the year the contribution or the investment gain is earned.

Net assets with donor restrictions are as follows at December 31:

	2025	2024
Net Assets with Time and Purpose Restrictions		
Time restricted	$ 1,850,255	$ 1,891,913
Young professionals	55,000	165,000
Transportation projects	3,000	-
	1,908,255	2,056,913
Net Assets with Perpetual Endowment Restrictions		
General endowment	123,311	116,311
	$ 2,031,566	$ 2,173,224

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 estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Cash and Cash Equivalents

For purposes of the statements of cash flows, the Center considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents (unless those funds are held for long-term purposes and classified as investments). The Center holds cash and cash equivalents in excess of federally insured limits. The Center has not experienced any losses in these accounts, and management does not believe it is exposed to any significant credit risk.

Contributions Receivable

Contributions receivable consist of pledges from various entities, but not yet received. Short-term contributions are recorded at net realizable value. Long-term contributions receivable are recognized at fair value (at the time of donation) and are measured at the present value of their expected cash flow. In arriving at fair value, management considers discounting these contributions using an estimated risk-adjusted discount rate and an allowance for doubtful accounts. Management has determined that a discount and allowance for doubtful accounts was not necessary at December 31, 2025 and 2024.

Contributions receivable consist of the following and are included in the statements of financial position as follows at December 31:

	2025	2024
Contributions receivable in less than one year (current)	$ 1,321,005	$ 1,279,246
Contributions receivable in one to five years (noncurrent)	584,250	777,667
	$ 1,905,255	$ 2,056,913

At December 31, 2025 and 2024, 13% and 10% of contributions receivable were due from one donor, respectively.

Fair Value Measurements

Fair value is a market-based measurement determined based on assumptions that market participants would use in pricing an asset or liability. There are three levels that prioritize the inputs used in measuring fair value as follows:

- Level 1: Observable market inputs such as quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: Observable market inputs, other than quoted prices in active markets, that are observable either directly or indirectly; and
- Level 3: Unobservable market inputs where there is little or no market data, which require the reporting entity to develop its own assumptions.

An asset's or liability's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

Investments

The Center records its investments in marketable securities at their fair values in the statements of financial position. The fair value of investments was determined using Level 1 observable market inputs, within the fair value hierarchy, consisting of quoted prices in active markets (such as national exchanges) for identical assets. Certain cash and cash equivalents are classified as investments based on their inclusion in investment portfolios. Investments are classified as long-term assets, as they are held for the endowment (see Note 5 for further discussion).

Investments consist of the following at December 31:

	2025	2024
Cash and cash equivalents	$ 53,705	$ 109,428
Equity mutual funds	3,627,973	3,585,175
Bond mutual funds	1,169,366	1,203,223
	$ 4,851,044	$ 4,897,826

Investment return is reported on the statement of activities and consists of interest and dividend income, realized and unrealized gains and losses, less external investment expenses.

Leases

The Center determines if an arrangement is a lease at inception. Operating leases are included in ROU assets and operating lease liabilities in the statements of financial position.

ROU assets represent the Center's right to use an underlying asset for the lease term and lease obligations represent the Center's obligation to make lease payments arising from the lease. ROU assets and liabilities are recognized at the commencement date, based on the present value of lease payments over the lease term. Lease terms may include options to extend or terminate the lease when it is reasonably certain that the Center will exercise that option. Lease expense for operating lease payments is recognized on a straight-line basis over the lease term.

The Center has elected to recognize payments for short-term leases with a lease term of 12 months or less as expense as incurred and these leases are not included as right of use assets or lease obligations on the statements of financial position. Management has determined that any discount rate used for computing the present value of lease liabilities would be immaterial and as such is not included in these financial statements.

Property and Equipment

Property and equipment are stated at cost, or fair value if donated. All purchases greater than $500 with a useful life of three years or longer are capitalized. Depreciation and amortization is computed using the straight-line method over the estimated useful lives of the assets. Computers and equipment are depreciated over five to ten years, and software is amortized over three years.

Property and equipment are as follows at December 31:

	2025	2024
Computers and equipment	$ 79,200	$ 81,201
Less: accumulated depreciation	(58,787)	(54,921)
	$ 20,413	$ 26,280

Revenue Recognition

Contributions (including those received through special events) are recorded when unconditionally pledged as without donor restrictions and with donor restrictions, depending on the existence and/or nature of any donor restrictions.

During the years ended December 31, 2025 and 2024, 10% and, 49% of total support and revenue was received from one donor, respectively.

Functional Allocation of Expenses

The costs of providing the various programs and other activities of the Center have been summarized on a functional basis in the statements of activities and functional expenses. Certain expenses are attributed to more than one program or supporting function. Accordingly, certain costs have been allocated among the programs and supporting services benefited based on an estimate of personnel time and usage for the related activities. The majority of expenses are allocated based on payroll costs, which are tracked using time and effort reporting by employees. Event rooms, meals and other, miscellaneous, printing and postage, occupancy and other are allocated based on time and effort.

Advertising and Promotion

The Center uses advertising to promote its programs among the audiences it serves and its fundraising events. Advertising and promotion costs are expensed as incurred. Advertising and promotion expense for the years ended December 31, 2025 and 2024 totaled $337,127 and $276,897, respectively.

Income Taxes

The Internal Revenue Service has determined that the Center is exempt from federal income taxes under Internal Revenue Code Section 501(c)(3). As such, it is subject to income taxes only on unrelated business income. During the years ended December 31, 2025 and 2024, the Center had no unrelated business income and, accordingly, no provision for federal income taxes has been reported in the accompanying financial statements.

Subsequent Events

The Center has evaluated subsequent events through the date these financial statements were available to be issued, which was July 8, 2026.

Note 2 – Liquidity and Availability of Resources

The Center regularly monitors its current and future needs for operations to ensure it has sufficient funds on hand to cover its operating expenses. In addition to financial assets disclosed below, the Center has an unsecured line-of-credit in the amount of $200,000, which it could draw upon in the event of an unanticipated liquidity need. There was no outstanding balance or any draws/repayments on this line of credit as of and for the years ended December 31, 2025 and 2024.

The Center intends to invest cash in excess of anticipated needs for one year in its board-designated endowment fund to increase investment yields.

The following table reflects the Center's financial assets as of December 31, 2025 and 2024, reduced by amounts that are not available to meet general expenditures within one year of the statement of financial position date because of contractual restrictions with donors or internal board designations. Amounts not available include board-designated funds that are intended to fund special board initiatives not considered in the annual operating budget. In the event the need arises to utilize the board-designated funds for liquidity purposes, the reserves could be drawn upon through board resolution.

	2025	2024
Financial Assets:		
Cash and cash equivalents	$ 823,925	$ 956,149
Contributions receivable	1,905,255	2,056,913
Investments	4,851,044	4,897,826
	7,580,224	7,910,888
Amounts Not Available to be Used Within One Year:		
Contributions receivable not collectible within the next year	(584,250)	(777,667)
Net assets with board designations	(4,727,733)	(4,781,515)
Net assets with donor restrictions for purpose	(181,311)	(281,311)
	$ 2,086,930	$ 2,070,395

Note 3 – Related Party Transactions

Board members made contributions to the Center of $676,490 and $229,200 during the years ended December 31, 2025 and 2024, respectively. At December 31, 2025 and 2024, contributions receivable from board members were $440,000 and $223,500, respectively.

Note 4 – Lease Obligation

The Organization maintains an operating lease for office space in Seattle, Washington through June 2027. This lease provides for annual increases in future minimum monthly rental payments and requires the Organization to pay a proportionate share of operating costs.

Operating lease costs under this lease totaled $138,178 for each of the years ended December 31, 2025 and 2024 and are included within occupancy in the statements of functional expenses. Operating cash flows under this lease were $165,132 and $106,888 during the years ended December 31, 2025 and 2024, respectively.

A maturity analysis of annual undiscounted cash flows for lease liabilities as of December 31, 2025, is as follows for the years ending December 31:

2026	$ 170,076
2027	87,588
	$ 257,664

Operating lease liabilities are presented in the statements of financial position as follows at December 31:

	2025	2024
Operating lease liability (a current liability)	$ 170,076	$ 165,132
Operating lease liability, less current portion	87,588	257,664
	$ 257,664	$ 422,796

Note 5 – Endowment

The Center's endowment includes one individual perpetual fund for the purpose of providing general support as well as funds designated by the Board of Directors to function as endowments (quasi-endowments). As required by accounting principles generally accepted in the United States, net assets associated with endowment funds, including quasi-endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

Interpretation of Relevant Law

The Board of Directors of the Center has interpreted the State of Washington Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Center classifies as net assets with perpetual donor restrictions as (a) the original value of gifts donated to the perpetual endowment, plus (b) the original value of subsequent gifts to the perpetual endowment and accumulations to the perpetual endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund.

The remaining portion of the donor-restricted endowment fund that is not classified in net assets with perpetual donor restrictions is classified as net assets with donor restrictions until those amounts are appropriated for expenditure by the Center in a manner consistent with the standard of prudence prescribed by UPMIFA.

In accordance with UPMIFA, the Center considers the following factors in deciding to appropriate or accumulate donor-restricted funds:

- The duration and preservation of the endowment fund
- The purposes of the Center and the donor-restricted endowment fund
- General economic conditions
- The possible effect of inflation or deflation
- The expected total return from income and the appreciation of investments
- Other resources of the Center
- The investment policies of the Center

Changes in endowment net assets are as follows for the years ended December 31:

	2025			
		With Donor Restrictions		
	Without Donor Restrictions	Unappropriated Earnings	Perpetual	Total
Endowment net assets, beginning of year	$ 4,781,515	$ -	$ 116,311	$ 4,897,826
Investment return	686,384	-	-	686,384
Contributions received	-	-	7,000	7,000
Appropriations for expenditure	(740,166)	-	-	(740,166)
Endowment net assets, end of year	$ 4,727,733	$ -	$ 123,311	$ 4,851,044

	2024			
		With Donor Restrictions		
	Without Donor Restrictions	Unappropriated Earnings	Perpetual	Total
Endowment net assets, beginning of year	$ 2,445,808	$ -	$ 106,311	$ 2,552,119
Investment return	154,498	-	-	154,498
Contributions received	2,181,209	-	10,000	2,191,209
Endowment net assets, end of year	$ 4,781,515	$ -	$ 116,311	$ 4,897,826

Return Objectives and Risk Parameters

The Center has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the Center must hold in perpetuity or for a donor-specified period, as well as quasi-endowment funds. Under this policy, as approved by the Board of Directors, the endowment assets are invested in a manner that is intended to protect principal while maximizing returns within parameters of reasonable and prudent risk. The Center's goal is to manage the funds to provide a total return over a five-year rolling period exceeding the Consumer Price Index plus administrative costs. Actual returns in any given year may vary from this amount.

Strategies Employed for Achieving Objectives

To satisfy its long-term rate-of-return objectives, the Center relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Center targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

Spending Policy and How the Investment Objectives Relate to Spending Policy

The Center makes available for spending an amount equal to the sum of the assumed long-term future net investment returns minus the sum of the assumed long-term rate of inflation plus net of investment fees. The Center shall annually analyze the spending guideline in light of various factors to determine the actual amount to be distributed.

Funds with Deficiencies

From time to time, the fair value of assets associated with individual donor restricted endowment funds may fall below the level that the donor or UPMIFA requires the Center to retain as a fund of perpetual duration. There were no deficiencies of this nature at December 31, 2025 or 2024.