



*Center for Disaster Philanthropy, Inc. &  
Subsidiary*

Consolidated Financial Statements  
and  
Independent Auditor's Report

December 31, 2020 and 2019

The background of the lower half of the cover is a grayscale photograph of a modern building's interior, showing a grid of structural elements and a checkered floor pattern. A teal horizontal band is positioned above this image, and an orange rectangular box is located in the bottom right corner.

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## Independent Auditor's Report

To the Board of Directors  
Center for Disaster Philanthropy, Inc. & Subsidiary  
Washington, D.C.

We have audited the accompanying consolidated financial statements of Center for Disaster Philanthropy, Inc. & Subsidiary (collectively referred to as CDP), which comprise the consolidated statements of financial position as of December 31, 2020 and 2019, and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

### ***Management's Responsibility for the Consolidated Financial Statements***

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated financial statements based on our audits. We conducted our audits 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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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 consolidated financial statements.

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

**Opinion**

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of CDP 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.

**Other Matter**

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating schedules of financial position and activities (pages 21 - 22) are presented for purposes of additional analysis and are not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audits of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

**Emphasis-of-Matter Regarding Revenue Recognition**

As discussed in Note 2 to the consolidated financial statements, during the year ended December 31, 2019, CDP adopted the provisions of Accounting Standards Update (ASU) No. 2014-09, *Revenue from Contracts with Customers*, as amended by ASU 2015-14, which supersedes or replaces nearly all accounting principles generally accepted in the United States of America revenue recognition guidance. The adoption of this ASU did not result in a change to the accounting for any of CDP's revenue streams; as such, no cumulative effect adjustment was recorded. Our opinion is not modified with respect to this matter.

*Sikich LLP*

Alexandria, Virginia

March 29, 2021

**Center for Disaster Philanthropy, Inc. & Subsidiary**  
**Consolidated Statements of Financial Position**  
**December 31, 2020 and 2019**

	2020	2019
<b>Assets</b>		
Cash	\$ 33,079,782	\$ 11,408,827
Certificate of deposit	1,002,227	-
Accounts receivable	41,040	1,332
Contributions and grants receivable, net	3,291,263	4,916,489
Property and equipment, net	8,025	9,518
Other assets	18,188	17,067
Total assets	\$ 37,440,525	\$ 16,353,233
 <b>Liabilities and Net Assets</b>		
Accounts payable and accrued expenses	\$ 229,883	\$ 175,345
Grants payable	150,000	1,468,140
Contract liabilities	76,614	76,669
Total liabilities	456,497	1,720,154
Net assets:		
Without donor restrictions	7,715,659	2,214,287
With donor restrictions	29,268,369	12,418,792
Total net assets	36,984,028	14,633,079
Total liabilities and net assets	\$ 37,440,525	\$ 16,353,233

See accompanying notes to the consolidated financial statements.

**Center for Disaster Philanthropy, Inc. & Subsidiary**  
**Consolidated Statement of Activities**  
**For the Year Ended December 31, 2020**

	<u>Without donor restrictions</u>	<u>With donor restrictions</u>	<u>Total</u>
<b>Revenues:</b>			
Contributions and grants	\$ 3,168,494	\$ 51,486,109	\$ 54,654,603
Consulting fees	306,365	-	306,365
In-kind contributions	140,473	-	140,473
Interest and other income, net	101,487	7,481	108,968
Net assets released from restrictions:			
Satisfaction of donor restrictions	<u>34,644,013</u>	<u>(34,644,013)</u>	<u>-</u>
Total revenues	<u>38,360,832</u>	<u>16,849,577</u>	<u>55,210,409</u>
<b>Expenses:</b>			
<b>Program services:</b>			
Disaster programs	28,777,802	-	28,777,802
Consulting services	<u>3,256,181</u>	<u>-</u>	<u>3,256,181</u>
Total program services	<u>32,033,983</u>	<u>-</u>	<u>32,033,983</u>
<b>Support services:</b>			
Management and general	406,988	-	406,988
Fundraising	<u>418,489</u>	<u>-</u>	<u>418,489</u>
Total support services	<u>825,477</u>	<u>-</u>	<u>825,477</u>
Total expenses	<u>32,859,460</u>	<u>-</u>	<u>32,859,460</u>
Change in net assets	5,501,372	16,849,577	22,350,949
Net assets, beginning of year	<u>2,214,287</u>	<u>12,418,792</u>	<u>14,633,079</u>
Net assets, end of year	<u>\$ 7,715,659</u>	<u>\$ 29,268,369</u>	<u>\$ 36,984,028</u>

See accompanying notes to the consolidated financial statements.

**Center for Disaster Philanthropy, Inc. & Subsidiary**  
**Consolidated Statement of Activities**  
**For the Year Ended December 31, 2019**

	<u>Without donor restrictions</u>	<u>With donor restrictions</u>	<u>Total</u>
<b>Revenues:</b>			
Contributions and grants	\$ 523,014	\$ 12,944,003	\$ 13,467,017
Consulting fees	353,880	-	353,880
Interest and other income, net	52,109	8,145	60,254
Net assets released from restrictions:			
Satisfaction of donor restrictions	<u>12,057,588</u>	<u>(12,057,588)</u>	<u>-</u>
Total revenues	<u>12,986,591</u>	<u>894,560</u>	<u>13,881,151</u>
<b>Expenses:</b>			
<b>Program services:</b>			
Disaster programs	10,949,903	-	10,949,903
Consulting services	<u>1,636,460</u>	<u>-</u>	<u>1,636,460</u>
Total program services	<u>12,586,363</u>	<u>-</u>	<u>12,586,363</u>
<b>Support services:</b>			
Management and general	357,003	-	357,003
Fundraising	<u>354,267</u>	<u>-</u>	<u>354,267</u>
Total support services	<u>711,270</u>	<u>-</u>	<u>711,270</u>
Total expenses	<u>13,297,633</u>	<u>-</u>	<u>13,297,633</u>
Change in net assets	(311,042)	894,560	583,518
Net assets, beginning of year	<u>2,525,329</u>	<u>11,524,232</u>	<u>14,049,561</u>
Net assets, end of year	<u>\$ 2,214,287</u>	<u>\$ 12,418,792</u>	<u>\$ 14,633,079</u>

See accompanying notes to the consolidated financial statements.

**Center for Disaster Philanthropy, Inc. & Subsidiary**  
**Consolidated Statement of Functional Expenses**  
**For the Year Ended December 31, 2020**

	<u>Disaster programs</u>	<u>Consulting services</u>	<u>Total program services</u>	<u>Management and general</u>	<u>Fundraising</u>	<u>Total support services</u>	<u>Total expenses</u>
Grants	\$ 27,093,399	\$ 2,963,516	\$ 30,056,915	\$ -	\$ -	\$ -	\$ 30,056,915
Payroll and benefits	1,254,823	171,146	1,425,969	329,061	309,430	638,491	2,064,460
Consultants	165,067	93,668	258,735	6,980	-	6,980	265,715
Professional services fees	91,745	8,502	100,247	46,396	17,540	63,936	164,183
In-kind advertising	68,911	-	68,911	-	68,911	68,911	137,822
Office and other expenses	66,488	12,380	78,868	15,707	14,463	30,170	109,038
Occupancy	14,810	2,762	17,572	3,505	3,228	6,733	24,305
Travel	13,893	2,591	16,484	3,288	3,028	6,316	22,800
Meetings and convenings	5,142	959	6,101	1,217	1,121	2,338	8,439
Depreciation and amortization	<u>3,524</u>	<u>657</u>	<u>4,181</u>	<u>834</u>	<u>768</u>	<u>1,602</u>	<u>5,783</u>
Total expenses	<u>\$ 28,777,802</u>	<u>\$ 3,256,181</u>	<u>\$ 32,033,983</u>	<u>\$ 406,988</u>	<u>\$ 418,489</u>	<u>\$ 825,477</u>	<u>\$ 32,859,460</u>

See accompanying notes to the consolidated financial statements.



**Center for Disaster Philanthropy, Inc. & Subsidiary**  
**Consolidated Statement of Functional Expenses**  
**For the Year Ended December 31, 2019**

	<u>Disaster programs</u>	<u>Consulting services</u>	<u>Total program services</u>	<u>Management and general</u>	<u>Fundraising</u>	<u>Total support services</u>	<u>Total expenses</u>
Grants	\$ 9,309,753	\$ 1,330,944	\$ 10,640,697	\$ -	\$ -	\$ -	\$ 10,640,697
Payroll and benefits	1,059,552	115,244	1,174,796	259,044	292,850	551,894	1,726,690
Professional services fees	239,846	69,110	308,956	59,368	37,275	96,643	405,599
Consultants	170,292	106,567	276,859	18,050	-	18,050	294,909
Travel	86,876	655	87,531	3,257	6,520	9,777	97,308
Office and other expenses	48,128	8,924	57,052	11,185	11,293	22,478	79,530
Occupancy	16,091	3,074	19,165	3,672	3,764	7,436	26,601
Meetings and convenings	13,724	925	14,649	1,156	1,222	2,378	17,027
Depreciation and amortization	<u>5,641</u>	<u>1,017</u>	<u>6,658</u>	<u>1,271</u>	<u>1,343</u>	<u>2,614</u>	<u>9,272</u>
Total expenses	<u>\$ 10,949,903</u>	<u>\$ 1,636,460</u>	<u>\$ 12,586,363</u>	<u>\$ 357,003</u>	<u>\$ 354,267</u>	<u>\$ 711,270</u>	<u>\$ 13,297,633</u>

See accompanying notes to the consolidated financial statements.

**Center for Disaster Philanthropy, Inc. & Subsidiary**  
**Consolidated Statements of Cash Flows**  
**For the Years Ended December 31, 2020 and 2019**

	2020	2019
Cash flows from operating activities:		
Change in net assets	\$ <u>22,350,949</u>	\$ <u>583,518</u>
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation and amortization	5,783	9,272
Donated stock	(312,962)	(169,104)
Realized loss on donated stock	6,068	690
Decrease (increase) in assets:		
Accounts receivable	(39,708)	22,215
Contributions and grants receivable	1,625,226	(3,404,490)
Other assets	(1,121)	(17,067)
Increase (decrease) in liabilities:		
Accounts payable and accrued expenses	54,538	(16,236)
Grants payable	(1,318,140)	471,950
Contract liabilities	(55)	5,571
Total adjustments	<u>19,629</u>	<u>(3,097,199)</u>
Net cash provided by (used in) operating activities	<u>22,370,578</u>	<u>(2,513,681)</u>
Cash flows from investing activities:		
Purchases of property and equipment	(4,290)	(7,134)
Purchases of certificates of deposit	(7,000,000)	(5,750,000)
Proceeds from redemption of certificates of deposit	5,997,773	6,751,444
Proceeds from sales of stock	<u>306,894</u>	<u>168,414</u>
Net cash (used in) provided by investing activities	<u>(699,623)</u>	<u>1,162,724</u>
Net increase (decrease) in cash	21,670,955	(1,350,957)
Cash, beginning of year	<u>11,408,827</u>	<u>12,759,784</u>
Cash, end of year	<u>\$ 33,079,782</u>	<u>\$ 11,408,827</u>

See accompanying notes to the consolidated financial statements.

**Center for Disaster Philanthropy, Inc. & Subsidiary**  
**Notes to the Consolidated Financial Statements**  
**December 31, 2020 and 2019**

**1. Organization**

The accompanying consolidated financial statements include the accounts of the Center for Disaster Philanthropy, Inc. and the Louisiana Disaster Recovery Alliance LLC (collectively referred to as CDP). The Center for Disaster Philanthropy is the sole member of the Louisiana Disaster Recovery Alliance LLC.

The Center for Disaster Philanthropy, Inc. (the Center) was incorporated and effectively received its 501(c)(3) determination on March 7, 2012. The Center's mission is to leverage the power of philanthropy to mobilize a full range of resources that strengthen the ability of communities to withstand disasters and recover equitably when they occur. This includes increasing the effectiveness of contributions given to disasters, bringing greater attention to the life cycle of disasters, providing timely and relevant advice from experts with deep knowledge of disaster philanthropy, conducting due diligence so donors can give with confidence, and creating plans for informed giving for individuals, corporations and foundations.

On September 20, 2016, the Louisiana Disaster Recovery Alliance LLC (LDRA) was formed in Louisiana. LDRA is an alliance of organizations based in, or with a substantial presence in, the State of Louisiana that have a shared vision of promoting a more resilient Louisiana. LDRA was established to share knowledge and resources within Louisiana, to promote best practices with respect to disaster recovery efforts and to provide a model for regional, philanthropic response efforts around the country. The Center provides management and administrative support to the LDRA.

**2. Summary of Significant Accounting Policies**

**a. Principles of consolidation**

The accompanying consolidated financial statements include the accounts of the Center and LDRA. All significant intercompany accounts and transactions have been eliminated in consolidation.

**b. Basis of presentation**

CDP's consolidated financial statements are presented in accordance with accounting principles generally accepted in the United States of America (US GAAP) for nonprofit organizations. Under those principles, CDP is required to report information regarding its financial position and activities according to two classes of net assets:

**Center for Disaster Philanthropy, Inc. & Subsidiary**  
**Notes to the Consolidated Financial Statements**  
**December 31, 2020 and 2019**

- *Net Assets Without Donor Restrictions* represent resources that are not subject to donor imposed restrictions and are available for operations at management's discretion.
  
- *Net Assets With Donor Restrictions* represent resources restricted by donors. Some donor restrictions are temporary in nature and those restrictions will be met by actions of CDP or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity. When a donor restriction expires, that is, when a purpose restriction is accomplished or time restriction has elapsed, donor restricted net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the accompanying consolidated statements of activities.

**c.** Basis of accounting

CDP's consolidated financial statements are prepared on the accrual basis of accounting in accordance with US GAAP.

**d.** Use of estimates

The preparation of consolidated financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses and their functional allocation during the reporting period. Actual results could differ from those estimates.

**e.** Income taxes

The Center is exempt from federal and local income taxes under Section 501(c)(3) of the Internal Revenue Code and a similar provision of state law. The Center is not classified as a private foundation. LDRA is wholly owned by the Center and its operating results flow through to the Center for tax reporting purposes.

**Center for Disaster Philanthropy, Inc. & Subsidiary**  
**Notes to the Consolidated Financial Statements**  
**December 31, 2020 and 2019**

**f.** Accounts receivable

Accounts receivable are due in less than one year and stated at their net realizable value. Reserves are established for accounts receivable that are delinquent and considered uncollectible based on periodic reviews by management. At December 31, 2020 and 2019, all receivables are fully collectible, therefore, no allowance for doubtful accounts has been recognized.

**g.** Contributions and grants receivable, net

Contributions and certain grants receivable are unconditional promises to give that are recognized as contributions when the promise is received. Contributions and grants receivable that are expected to be collected in less than one year are reported at their net realizable value. Amounts that are expected to be collected in more than one year are recorded at the present value of their estimated future cash flows. The cash flows are discounted at a discount rate commensurate with the risk involved. Amortization of the resulting discount is recognized as additional contribution revenue.

Reserves are established for contributions and grants receivable that are delinquent and considered uncollectible based on periodic reviews by management. At December 31, 2020 and 2019, all contributions and grants receivable are fully collectible, therefore, no allowance for doubtful accounts has been recognized.

**h.** Property and equipment, net

Property and equipment acquisitions are recorded in the consolidated financial statements at cost, net of accumulated depreciation and amortization. Depreciation and amortization expense is computed using the straight-line method over the estimated useful lives of the assets as follows:

Website	3 years
Computer equipment	3 years

CDP's policy is to capitalize major additions and improvements over \$1,000. Repairs and maintenance which do not significantly add to the value of assets are expensed as incurred.

**Center for Disaster Philanthropy, Inc. & Subsidiary**  
**Notes to the Consolidated Financial Statements**  
**December 31, 2020 and 2019**

i. Revenue recognition

CDP recognizes unconditional contributions and grants when received or promised and are recorded net of any current year allowance or discount activity. CDP reports gifts of cash and other assets as net assets with donor restrictions if they are received or promised with donor stipulations that limit the use of the donated assets to CDP's programs or to a future year. When a donor restriction expires, that is, when a purpose restriction is accomplished or time restriction has elapsed, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the accompanying consolidated statements of activities as net assets released from restrictions. 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 met.

At December 31, 2019, contributions of \$500,000 had not been recognized in the accompanying consolidated statements of activities because the condition on which they depend, raising additional contributions that will be matched dollar-for-dollar, had not yet been met. At December 31, 2020, there were no conditional promises to give.

*In-kind contributions:* CDP receives various types of in-kind contributions. Contributed services are recognized at fair value if the services received (a) create or enhance long-lived assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. Contributions of tangible assets are recognized at fair value when received. The amounts reflected in the accompanying consolidated financial statements as in-kind contributions are offset by like amounts included in expenses. During the year ended December 31, 2020, CDP received contributed professional services with a fair value on the dates of donation of \$2,651 and contributed advertising services with a fair value on the dates of donation of \$137,822. There were no in-kind services received for the year ended December 31, 2019.

*Consulting fees:* These fees are recognized as revenue over time as services are provided. The performance obligations consist of acting as a trusted advisor and providing information and recommendations on philanthropic endeavors associated with the life cycle of disasters. Fees received relating to future periods are recorded as contract liabilities in the accompanying consolidated statements of financial position.

**Center for Disaster Philanthropy, Inc. & Subsidiary**  
**Notes to the Consolidated Financial Statements**  
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The timing of revenue recognition, billings and cash collections results in billed accounts receivable (contract assets) and customer advances and deposits (contract liabilities) on the accompanying consolidated statements of financial position. For consulting engagements with ongoing services throughout the year, fees are billed in advance or in installments varying from monthly to semi-annually. For project-based consulting engagements, fees are typically billed with a portion due at the contract execution and the remainder as performance obligations are met.

There were no significant judgments involved in the methodology used by CDP to recognize revenue from consulting services contracts.

The beginning and ending contract balances were as follows at December 31:

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Accounts receivable	\$ 41,040	\$ 1,332	\$ 23,547
Contract liabilities	\$ 76,614	\$ 76,669	\$ 71,098

**j.** Functional allocation of expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the accompanying consolidated statements of activities. Accordingly, certain costs, such as payroll and benefits, occupancy, and depreciation and amortization have been allocated among programs and support services based on level of effort. Other expenses, such as professional service fees, office expenses, and travel have been directly charged among the programs and support services benefited, with the remaining portion allocated among programs and support services based on level of effort. Such allocations are determined by management on an equitable basis.

**k.** Adoption of new accounting standards

The Financial Accounting Standards Board (FASB) issued new guidance that created Topic 606, *Revenue from Contracts with Customers*, in the Accounting Standards Codification (ASC). Topic 606 supersedes the revenue recognition requirements in FASB ASC 605, *Revenue Recognition*, and requires the recognition of revenue when promised goods or services are transferred to customers in an amount that reflects the consideration to which an entity expects to be entitled in exchange for those goods or services.

**Center for Disaster Philanthropy, Inc. & Subsidiary**  
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The new guidance also added Subtopic 340-40, *Other Assets and Deferred Costs - Contracts with Customers*, to the ASC to require the deferral of incremental costs of obtaining a contract with a customer. Collectively, CDP refers to the new Topic 606 and Subtopic 340-40 as the “new guidance.” CDP adopted the requirements of the new guidance as of January 1, 2019, utilizing the modified retrospective method of transition. Results for reporting periods beginning after January 1, 2019 are presented under ASC 606 while prior period amounts continue to be reported in accordance with ASC 605. This adoption did not result in a change to the accounting for any of the in-scope revenue streams; as such, no cumulative effect adjustment was recorded. CDP applied the new guidance using the practical expedient provided in Topic 606 that allows the guidance to be applied only to contracts that were not complete as of January 1, 2019. Adoption of the new guidance resulted in no changes to our accounting policies for revenue recognition, accounts receivable, and contract liabilities.

I. New pronouncements

In February 2016, the FASB issued ASU 2016-02, *Leases* (Topic 842), to increase transparency and comparability about leases among entities. The new guidance requires lessees to recognize a lease liability and a corresponding lease asset for virtually all lease contracts. It also requires additional disclosure about leasing arrangements. ASU 2016-02, as amended by 2020-05, is effective for not-for-profit entities for fiscal years beginning after December 15, 2021 and interim periods within fiscal years beginning after December 15, 2022. ASU 2016-02 originally specified a modified retrospective transition method which requires the entity to initially apply the new lease standard at the beginning of the earliest period presented in the financial statements. In July 2018, the FASB issued ASU 2018-11, *Leases* (Topic 842), *Targeted Improvements*, providing a second, optional transition method which allows the entity to apply the new standard at the adoption date and recognize a cumulative effect adjustment to the opening balance of net assets in the period of adoption. CDP is currently assessing the impacts of this new standard, including the two optional transition methods. CDP does not anticipate the adoption of the standard to have a material impact on the consolidated financial statements.



**Center for Disaster Philanthropy, Inc. & Subsidiary**  
**Notes to the Consolidated Financial Statements**  
**December 31, 2020 and 2019**

**3. Liquidity and Availability**

The following represents CDP's financial assets available to meet general expenditures within one year at December 31, 2020 and 2019:

Financial assets at year end:	<u>2020</u>	<u>2019</u>
Cash	\$ 33,079,782	\$ 11,408,827
Certificates of deposit	1,002,227	-
Accounts receivable	41,040	1,332
Contributions and grants receivable, net	<u>3,291,263</u>	<u>4,916,489</u>
Total financial assets	<u>37,414,312</u>	<u>16,326,648</u>
Less amounts not available within one year:		
Grants committed	150,000	1,468,140
Net assets with donor restrictions	29,268,369	12,418,792
Less: Time restricted net assets to be released	<u>(610,000)</u>	<u>(450,000)</u>
Total	<u>28,808,369</u>	<u>13,436,932</u>
Financial assets available to meet general expenditures within one year	<u>\$ 8,605,943</u>	<u>\$ 2,889,716</u>

CDP is focused on maintaining its financial liquidity and operating reserves. CDP's goal is to maintain financial assets to meet at least six months of operating expenses (approximately \$1,000,000) and to maintain reserves to meet any unexpected operating needs and to draw upon in the event of revenue fluctuations. CDP regularly monitors its cash flows and reserves to ensure that it maintains sufficient liquidity to meet its operating needs and other contractual obligations as they become due. As part of its liquidity plan, excess cash is invested in short-term investments, such as certificates of deposit. CDP also has a \$500,000 line of credit available to meet cash flow needs if required.

**4. Concentrations of Credit Risk**

CDP maintains bank deposits that, at times, may exceed the Federal Deposit Insurance Corporation (FDIC) limit. CDP maintains an operating account and an insured cash sweep account at one financial institution. Funds automatically transfer between the operating and insured cash sweep accounts to ensure that minimal balances, if any, are maintained above the FDIC limit in either account. At December 31, 2020 and 2019, CDP had bank deposits in excess of the FDIC limit of \$85 and \$106, respectively. CDP has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash.

**Center for Disaster Philanthropy, Inc. & Subsidiary**  
**Notes to the Consolidated Financial Statements**  
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**5. Certificates of Deposit**

Certificates of deposits are placed with multiple financial institutions through the Certificate of Deposit Account Registry Service (CDARS) Deposit Placement Program to ensure that all amounts are fully insured by the FDIC. Certificates of deposit were earning interest at fixed rates ranging from 0.45% to 0.90% per annum depending on the term of the certificate of deposit for the years ended December 31, 2020 and 2019.

Interest income from certificates of deposit amounted to \$21,629 and \$14,154 for the years ended December 31, 2020 and 2019, respectively.

**6. Contributions and Grants Receivable, Net**

Contributions and grants receivable consist of unconditional promises to give and are summarized as follows:

	2020	2019
Unconditional promises to give expected to be collected in:		
Less than one year	\$ 2,492,560	\$ 3,115,142
One to three years	800,000	1,850,000
Total	3,292,560	4,965,142
Less:		
Discount to present value (discount rate of 0.13% and 1.6% )	(1,297)	(48,653)
Contributions and grants receivable, net	\$ 3,291,263	\$ 4,916,489

**7. Property and Equipment, Net**

The following is a summary of property and equipment held at December 31:

	2020	2019
Website	\$ 20,800	\$ 20,800
Computer equipment	20,732	16,442
Property and equipment	41,532	37,242
Accumulated depreciation and amortization	(33,507)	(27,724)
Total property and equipment, net	\$ 8,025	\$ 9,518

**Center for Disaster Philanthropy, Inc. & Subsidiary**  
**Notes to the Consolidated Financial Statements**  
**December 31, 2020 and 2019**

**8. Line of Credit**

The Center entered into a working capital line of credit with its financial institution. The line of credit was increased to \$500,000 in March 2019, with no other changes in the terms and conditions. The line of credit is payable in monthly payments of principal and interest and is secured by a priority lien on the business assets of the Center. The interest rate on the line of credit was the "Wall Street Journal Prime Rate" plus 100 basis points with a floor of 5.5% per annum, which was 5.75% at December 31, 2019. In March 2020, the line of credit was changed from a term facility to a demand facility, which will be reviewed annually by its financial institution. The interest rate on the line of credit is the 30-day libor plus 3%, with no floor, which was 3.25% at December 31, 2020. The Center believes it is in compliance with all covenants stipulated on the facility for the years ended December 31, 2020 and 2019. At December 31, 2020 and 2019, there was no outstanding balance on the line.

**9. Net Assets With Donor Restrictions**

Net assets were released from donor restrictions during the years ended December 31, 2020 and 2019 for the following purposes:

	<u>2020</u>	<u>2019</u>
COVID-19 Response Fund	\$ 21,902,255	\$ -
Google Disaster Grants	3,277,733	1,011,956
2019 Atlantic Hurricane Season Recovery Fund	2,001,679	117,833
Global Recovery Fund	1,694,052	287,292
Midwest Early Recovery Fund	1,204,916	1,582,239
2019 California Wildfires Recovery Fund	1,104,293	37,647
Time Restricted Grants	1,039,218	285,555
Disaster Recovery Fund	831,735	-
Native American and Tribal Communities Recovery Program	537,395	10,380
Capacity Building Grant	197,179	300,946
2019 Midwest Floods Recovery Fund	150,864	128,351
Disaster Philanthropy Playbook	128,185	56,844
State of Disaster Philanthropy	121,661	104,149
2017 Atlantic Hurricane Season Recovery Fund	118,016	(148,010)
Louisiana Disaster Recovery Alliance	75,376	188
California Wildfires Recovery Fund	68,994	-
Atlantic Hurricane Season Recovery Fund	47,042	-
2018 California Wildfires Recovery Fund	29,672	1,553,820
2018 Atlantic Hurricane Season Recovery Fund	13,717	1,754,089
Hurricane Harvey	-	4,854,475
Kerala Flooding	-	110,867
Miscellaneous Donor Restricted Funds and Grants	<u>100,031</u>	<u>8,967</u>
Total net assets released from restrictions	<u>\$ 34,644,013</u>	<u>\$ 12,057,588</u>

**Center for Disaster Philanthropy, Inc. & Subsidiary**  
**Notes to the Consolidated Financial Statements**  
**December 31, 2020 and 2019**

At December 31, 2020 and 2019, net assets with donor restrictions were available for the following purposes:

	<u>2020</u>	<u>2019</u>
COVID-19 Response Fund	\$ 19,751,171	\$ -
Google Disaster Grants	1,990,421	2,391,715
Midwest Early Recovery Fund	1,896,787	3,052,129
California Wildfires Recovery Fund	1,847,932	-
Atlantic Hurricane Season Recovery Fund	1,063,936	-
Disaster Recovery Fund	628,898	376,277
Time Restricted Grants	610,000	499,221
Global Recovery Fund	519,155	488,686
Native American and Tribal Communities Recovery Program	456,585	990,927
Colorado Wildfires Recovery Fund	237,293	-
Disaster Philanthropy Playbook	106,932	230,117
2019 California Wildfires Recovery Fund	55,887	1,074,433
2017 Atlantic Hurricane Season Recovery Fund	55,850	173,866
2019 Atlantic Hurricane Season Recovery Fund	13,290	2,239,207
Capacity Building Grant	-	196,955
FJC Earmarked Fund	-	183,384
Gulf Coast Resilience Innovation Fund	-	177,764
2019 Midwest Floods Recovery Fund	-	149,664
Miscellaneous Donor Restricted Funds and Grants	<u>34,232</u>	<u>194,447</u>
Total net assets with donor restrictions	<u>\$ 29,268,369</u>	<u>\$ 12,418,792</u>

**10. Concentrations of Revenue Risk**

As part of an effort to secure more long-term financial sustainability, CDP had several multi-year grants in 2020 and 2019. As a result, approximately 70% and 82% of contributions and grants receivable, net were from two donors as of December 31, 2020 and 2019, respectively. CDP received approximately 27% and 49% of its total contributions and grants revenue from two donors for the years ended December 31, 2020 and 2019, respectively. Any significant reduction in revenue and support may adversely impact CDP's financial position and operations.

**Center for Disaster Philanthropy, Inc. & Subsidiary**  
**Notes to the Consolidated Financial Statements**  
**December 31, 2020 and 2019**

**11. Paycheck Protection Program**

The Paycheck Protection Program (PPP) is a low-interest Small Business Administration (SBA) loan and generally covers eight weeks of payroll costs and may be forgiven entirely if the borrower meets certain conditions, such as staffing levels and spending a certain amount of funds on salaries and other qualifying expenditures during the qualified period. CDP was approved for a loan under this program on July 27, 2020 in the amount of \$189,878, with an interest rate of 1% and a maturity date of five years from the date on which CDP applies for loan forgiveness. As of December 31, 2020, management determined that the conditions for loan forgiveness had been met and the full amount of the loan was recognized and included in contributions without donor restrictions in the accompanying consolidated statements of activities.

**12. Commitment and Contingency**

Operating lease

On May 1, 2019, CDP entered into a twelve-month membership agreement with a coworking office space. The membership fee was \$2,709 per month through April 30, 2020. On May 1, 2020, CDP extended the lease by six months, for the same membership fee amount per month through October 31, 2020. On November 1, 2020, CDP entered into a month-to-month virtual membership agreement for access to the office space and services provided by the coworking office space. The virtual membership fee is \$150 per month.

Contingency

Beginning around March 2020, the COVID-19 virus was declared a global pandemic as it continued to spread rapidly. Business continuity and funding sources could be severely impacted for months or beyond as governments and their citizens take significant and unprecedented measures to mitigate the consequences of the pandemic.

CDP launched its COVID-19 Response Fund in early March 2020 and has raised approximately \$40,000,000 through December 31, 2020. CDP continues to receive contributions for this fund. The financial impact and duration of the global pandemic cannot be reasonably estimated at this time; however, due to the nature of the crisis and CDP's response, it has not had a negative impact on its operations or financial results. CDP's management does not expect the ongoing pandemic to affect its financial stability.

**Center for Disaster Philanthropy, Inc. & Subsidiary**  
**Notes to the Consolidated Financial Statements**  
**December 31, 2020 and 2019**

**13. Retirement Plan**

Effective October 1, 2018, CDP implemented a contributory, defined contribution retirement plan (the Plan) for the benefit of all qualified employees. In order to qualify to participate in the Plan, an employee must have completed one year of service, must have worked at least 1,000 hours per year and must be at least 21 years of age. The Plan makes contributions of 100% of the first 3% of an employee's contributions. Effective January 1, 2019, CDP amended the plan to be a safe harbor plan which makes contributions of 100% of the first 4% of an employee's contributions, and effective May 1, 2019, CDP amended the plan to remove the year of service and hours requirements. With this amendment, employees are eligible to participate in the plan on their employment date. Employer contributions totaled \$60,775 and \$40,069 for the years ended December 31, 2020 and 2019, respectively.

**14. Subsequent Events**

In preparing the consolidated financial statements, CDP has evaluated events and transactions for potential recognition or disclosure through March 29, 2021, which is the date the consolidated financial statements were available to be issued. There were no subsequent events that require recognition or disclosure in these consolidated financial statements.

Supplemental Information

**Center for Disaster Philanthropy, Inc. & Subsidiary**  
**Consolidating Schedule of Financial Position**  
**December 31, 2020**  
**(with summarized financial information for 2019)**

	<u>Center for Disaster Philanthropy, Inc.</u>	<u>Louisiana Disaster Recovery Alliance LLC</u>	<u>Eliminations</u>	<u>2020 Total</u>	<u>2019 Total</u>
<b>Assets</b>					
Cash	\$ 33,066,731	\$ 13,051	\$ -	\$ 33,079,782	\$ 11,408,827
Certificate of deposit	1,002,227	-	-	1,002,227	-
Accounts receivable	41,040	-	-	41,040	1,332
Contributions and grants receivable, net	3,291,263	-	-	3,291,263	4,916,489
Property and equipment, net	8,025	-	-	8,025	9,518
Other assets	<u>18,188</u>	<u>-</u>	<u>-</u>	<u>18,188</u>	<u>17,067</u>
Total assets	<u>\$ 37,427,474</u>	<u>\$ 13,051</u>	<u>\$ -</u>	<u>\$ 37,440,525</u>	<u>\$ 16,353,233</u>
<b>Liabilities and Net Assets</b>					
Accounts payable and accrued expenses	\$ 229,883	\$ -	\$ -	\$ 229,883	\$ 175,345
Grants payable	150,000	-	-	150,000	1,468,140
Contract liabilities	<u>76,614</u>	<u>-</u>	<u>-</u>	<u>76,614</u>	<u>76,669</u>
Total liabilities	<u>456,497</u>	<u>-</u>	<u>-</u>	<u>456,497</u>	<u>1,720,154</u>
Net assets:					
Without donor restrictions	7,715,659	-	-	7,715,659	2,214,287
With donor restrictions	<u>29,255,318</u>	<u>13,051</u>	<u>-</u>	<u>29,268,369</u>	<u>12,418,792</u>
Total net assets	<u>36,970,977</u>	<u>13,051</u>	<u>-</u>	<u>36,984,028</u>	<u>14,633,079</u>
Total liabilities and net assets	<u>\$ 37,427,474</u>	<u>\$ 13,051</u>	<u>\$ -</u>	<u>\$ 37,440,525</u>	<u>\$ 16,353,233</u>



**Center for Disaster Philanthropy, Inc. & Subsidiary**  
**Consolidating Schedule of Activities**  
**For the Year Ended December 31, 2020**  
**(with summarized financial information for 2019)**

	<u>Center for Disaster Philanthropy, Inc.</u>	<u>Louisiana Disaster Recovery Alliance LLC</u>	<u>Eliminations</u>	<u>2020 Total</u>	<u>2019 Total</u>
Net assets without donor restrictions:					
Contributions and grants	\$ 3,168,494	\$ -	\$ -	\$ 3,168,494	\$ 523,014
Consulting fees	306,365	-	-	306,365	353,880
In-kind contributions	140,473	-	-	140,473	-
Interest and other income, net	101,487	-	-	101,487	52,109
Net assets released from restrictions:					
Satisfaction of donor restrictions	<u>34,568,637</u>	<u>75,376</u>	<u>-</u>	<u>34,644,013</u>	<u>12,057,588</u>
Total revenues without donor restrictions	<u>38,285,456</u>	<u>75,376</u>	<u>-</u>	<u>38,360,832</u>	<u>12,986,591</u>
Expenses:					
Program services:					
Disaster programs	28,702,802	75,000	-	28,777,802	10,949,903
Consulting services	<u>3,256,181</u>	<u>-</u>	<u>-</u>	<u>3,256,181</u>	<u>1,636,460</u>
Total program services	<u>31,958,983</u>	<u>75,000</u>	<u>-</u>	<u>32,033,983</u>	<u>12,586,363</u>
Support services:					
Management and general	406,612	376	-	406,988	357,003
Fundraising	<u>418,489</u>	<u>-</u>	<u>-</u>	<u>418,489</u>	<u>354,267</u>
Total support services	<u>825,101</u>	<u>376</u>	<u>-</u>	<u>825,477</u>	<u>711,270</u>
Total expenses	<u>32,784,084</u>	<u>75,376</u>	<u>-</u>	<u>32,859,460</u>	<u>13,297,633</u>
Change in net assets without donor restrictions	<u>5,501,372</u>	<u>-</u>	<u>-</u>	<u>5,501,372</u>	<u>(311,042)</u>
Net assets with donor restrictions:					
Contributions and grants	51,486,109	-	-	51,486,109	12,944,003
Interest and other income, net	7,112	369	-	7,481	8,145
Net assets released from restrictions:					
Satisfaction of donor restrictions	<u>(34,568,637)</u>	<u>(75,376)</u>	<u>-</u>	<u>(34,644,013)</u>	<u>(12,057,588)</u>
Change in net assets with donor restrictions	<u>16,924,584</u>	<u>(75,007)</u>	<u>-</u>	<u>16,849,577</u>	<u>894,560</u>
Change in net assets	22,425,956	(75,007)	-	22,350,949	583,518
Net assets, beginning of year	<u>14,545,021</u>	<u>88,058</u>	<u>-</u>	<u>14,633,079</u>	<u>14,049,561</u>
Net assets, end of year	<u>\$ 36,970,977</u>	<u>\$ 13,051</u>	<u>\$ -</u>	<u>\$ 36,984,028</u>	<u>\$ 14,633,079</u>