Center for Disaster Philanthropy, Inc. & Subsidiary

Consolidated Financial Statements
and
Independent Auditor's Report

December 31, 2022 and 2021

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Independent Auditor's Report

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

Opinion

We have audited the accompanying consolidated financial statements of Center for Disaster Philanthropy, Inc. & Subsidiary (a nonprofit organization), which comprise the consolidated statements of financial position as of December 31, 2022 and 2021, 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.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Center for Disaster Philanthropy, Inc. & Subsidiary as of December 31, 2022 and 2021, 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 Consolidated Financial Statements section of our report. We are required to be independent of Center for Disaster Philanthropy, Inc. & Subsidiary 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 Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated 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 consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Center for Disaster Philanthropy, Inc. & Subsidiary's ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audits.
- Identify and assess the risks of material misstatement of the consolidated 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 consolidated financial statements.
- Obtain an understanding of internal control relevant to the audits 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 Center for Disaster Philanthropy, Inc. & Subsidiary''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 Center for Disaster Philanthropy, Inc. & Subsidiary'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.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating schedule of financial position and consolidating schedule of activities 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 audit 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.

Sikich LLP

Alexandria, Virginia
April 14, 2023

Center for Disaster Philanthropy, Inc. & Subsidiary
Consolidated Statements of Financial Position
December 31, 2022 and 2021

	2022	2021
Assets		
Cash	$ 36,629,743	$ 28,817,084
Accounts receivable	201	37,457
Contributions and grants receivable, net	4,616,722	1,511,228
Property and equipment, net	67,196	67,970
Other assets	77,173	27,435
Total assets	$ 41,391,035	$ 30,461,174
Liabilities and Net Assets		
Accounts payable and accrued expenses	$ 268,044	$ 248,869
Grants payable	2,373,436	547,663
Contract liabilities	62,748	152,463
Total liabilities	2,704,228	948,995
Net assets:		
Without donor restrictions	13,330,357	9,668,819
With donor restrictions	25,356,450	19,843,360
Total net assets	38,686,807	29,512,179
Total liabilities and net assets	$ 41,391,035	$ 30,461,174

See accompanying notes to the consolidated financial statements.

Center for Disaster Philanthropy, Inc. & Subsidiary

Consolidated Statement of Activities

For the Year Ended December 31, 2022

	Without donor restrictions	With donor restrictions	Total
Revenues:			
Contributions and grants	$ 3,493,018	$ 36,793,343	$ 40,286,361
In-kind contributions	4,996,649	-	4,996,649
Consulting fees	560,625	-	560,625
Interest and other income, net	216,057	-	216,057
Net assets released from restrictions:			
Satisfaction of donor restrictions	31,280,253	(31,280,253)	-
Total revenues	40,546,602	5,513,090	46,059,692
Expenses:			
Program services:			
Disaster programs	31,778,071	-	31,778,071
Consulting services	414,029	-	414,029
Total program services	32,192,100	-	32,192,100
Support services:			
Management and general	1,753,930	-	1,753,930
Fundraising	2,939,034	-	2,939,034
Total support services	4,692,964	-	4,692,964
Total expenses	36,885,064	-	36,885,064
Change in net assets	3,661,538	5,513,090	9,174,628
Net assets, beginning of year	9,668,819	19,843,360	29,512,179
Net assets, end of year	$ 13,330,357	$ 25,356,450	$ 38,686,807

See accompanying notes to the consolidated financial statements.

Center for Disaster Philanthropy, Inc. & Subsidiary
Consolidated Statement of Activities
For the Year Ended December 31, 2021

	Without donor restrictions	With donor restrictions	Total
Revenues:			
Contributions and grants	$ 2,276,329	$ 16,691,408	$ 18,967,737
In-kind contributions	1,700,963	-	1,700,963
Consulting fees	495,548	-	495,548
Interest and other income, net	130,261	2,883	133,144
Net assets released from restrictions:			
Satisfaction of donor restrictions	26,119,300	(26,119,300)	-
Total revenues	30,722,401	(9,425,009)	21,297,392
Expenses:			
Program services:			
Disaster programs	26,063,442	-	26,063,442
Consulting services	345,262	-	345,262
Total program services	26,408,704	-	26,408,704
Support services:			
Management and general	1,159,205	-	1,159,205
Fundraising	1,201,332	-	1,201,332
Total support services	2,360,537	-	2,360,537
Total expenses	28,769,241	-	28,769,241
Change in net assets	1,953,160	(9,425,009)	(7,471,849)
Net assets, beginning of year	7,715,659	29,268,369	36,984,028
Net assets, end of year	$ 9,668,819	$ 19,843,360	$ 29,512,179

Center for Disaster Philanthropy, Inc. & Subsidiary

Consolidated Statement of Functional Expenses

For the Year Ended December 31, 2022

	Disaster programs	Consulting services	Total program services	Management and general	Fundraising	Total support services	Total expenses
Grants	$ 28,228,486	$ -	$ 28,228,486	$ -	$ -	$ -	$ 28,228,486
In-kind advertising	2,433,110	-	2,433,110	-	2,433,110	2,433,110	4,866,220
Payroll and benefits	782,219	195,146	977,365	1,336,965	423,655	1,760,620	2,737,985
Professional service fees	191,402	5,368	196,770	217,105	19,827	236,932	433,702
Office and other expenses	71,173	17,757	88,930	121,803	38,549	160,352	249,282
Consultants	-	184,078	184,078	-	-	-	184,078
Travel	46,704	6,170	52,874	45,449	13,559	59,008	111,882
Depreciation and amortization	9,888	2,467	12,355	16,902	5,356	22,258	34,613
Professional development	8,078	2,015	10,093	13,801	4,374	18,175	28,268
Meetings and convenings	7,011	1,028	8,039	1,905	604	2,509	10,548
Total expenses	$ 31,778,071	$ 414,029	$ 32,192,100	$ 1,753,930	$ 2,939,034	$ 4,692,964	$ 36,885,064

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, 2021

	Disaster programs	Consulting services	Total program services	Management and general	Fundraising	Total support services	Total expenses
Grants	$ 24,302,150	$ -	$ 24,302,150	$ -	$ -	$ -	$ 24,302,150
In-kind advertising	826,429	-	826,429	-	826,429	826,429	1,652,858
Payroll and benefits	719,114	158,446	877,560	957,862	340,046	1,297,908	2,175,468
Professional service fees	132,154	4,987	137,141	89,044	6,025	95,069	232,210
Office and other expenses	55,844	11,864	67,708	80,769	26,541	107,310	175,018
Consultants	18,360	168,393	186,753	24,240	-	24,240	210,993
Travel	2,257	-	2,257	837	-	837	3,094
Depreciation and amortization	4,215	929	5,144	5,614	1,993	7,607	12,751
Meetings and convenings	2,919	643	3,562	839	298	1,137	4,699
Total expenses	$ 26,063,442	$ 345,262	$ 26,408,704	$ 1,159,205	$ 1,201,332	$ 2,360,537	$ 28,769,241

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, 2022 and 2021

	2022	2021
Cash flows from operating activities:		
Change in net assets	$ 9,174,628	$ (7,471,849)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation and amortization	34,613	12,751
Donated stock	(33,647)	(8,446)
Realized (gain) loss on donated stock	(285)	501
Decrease (increase) in assets:		
Accounts receivable	37,256	3,583
Contributions and grants receivable	(3,105,494)	1,780,035
Other assets	(49,738)	(9,247)
Increase (decrease) in liabilities:		
Accounts payable and accrued expenses	19,175	18,986
Grants payable	1,825,773	397,663
Contract liabilities	(89,715)	75,849
Total adjustments	(1,362,062)	2,271,675
Net cash provided by (used in) operating activities	7,812,566	(5,200,174)
Cash flows from investing activities:		
Purchases of property and equipment	(33,839)	(72,696)
Proceeds from redemption of certificates of deposit	-	1,002,227
Proceeds from sales of stock	33,932	7,945
Net cash provided by investing activities	93	937,476
Net increase (decrease) in cash	7,812,659	(4,262,698)
Cash, beginning of year	28,817,084	33,079,782
Cash, end of year	$ 36,629,743	$ 28,817,084

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 was 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 provided management and administrative support to the LDRA. The LDRA was dissolved on March 23, 2022, and all remaining assets were transferred to an unrelated organization.

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:

- *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 was wholly owned by the Center and its operating results flowed through to the Center for tax reporting purposes prior to its dissolution.

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, 2022 and 2021, 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, 2022 and 2021, 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.

i. Grants payable

Unconditional grants made by CDP are recognized immediately and classified as grants expense. There are no conditional grants awarded. Grants payable represent amounts awarded but not yet paid, due to various organizations within a year.

j. 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. 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, 2022, contributions approximating $150,000, have not been recognized in the accompanying consolidated statement of activities because the condition on which they depend has not yet been met. The total conditional contributions depends on raising additional contributions for the campaign before November 1, 2023 that will be matched dollar-for-dollar. As of April 14, 2023, which is the date the consolidated financial statements were available to be issued, the match of $150,000 had been met. At December 31, 2021, 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.

Consulting fees: The majority of consulting fees consist of consulting services provided to clients on an on-going basis to act as a trusted advisor and provide information and recommendations on philanthropic endeavors associated with the life cycle of disasters. For such contracts, revenue is recognized ratably over the term of the contract based on the time elapsed method. For other consulting fees, revenue is recognized over time based upon hours worked and satisfaction of performance obligations.

CDP also provides professional services and earns revenue based on the delivery of hours. These contracts are time and material contracts generally accounted for as a single performance obligation and are not segmented between different elements of the contract. Revenue from time and material contracts is recognized over time as the work progresses, based on the hours expended, plus material and other direct costs.

Client payments on contracts are typically due within 30 days of billing. CDP's contracts do not contain any significant amount of variable consideration. There are no significant judgments or estimates involved in the recognition of revenue.

k. 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, office and other expenses, depreciation and amortization and professional development have been allocated among programs and support services based on level of effort. Other expenses, such as professional service fees, consultants, travel and in-kind advertising 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.

l. Adoption of new accounting standards

In September 2020, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. The new guidance requires nonprofit entities to present contributed nonfinancial assets as a separate line item on the statement of activities, apart from contributions of cash or other financial assets. The standard also increases the disclosure requirements around contributed nonfinancial assets, including disaggregating by category the types of contributed nonfinancial assets a nonprofit has received. Adoption of this standard did not have a significant impact on the accompanying financial statements, with the exception of the increased disclosure. The accounting change has been retrospectively applied to the earliest periods presented in these consolidated financial statements.

3. Liquidity and Availability

The following represents CDP's financial assets at December 31:

Financial assets at year end:	2022	2021
Cash	$ 36,629,743	$ 28,817,084
Accounts receivable	201	37,457
Contributions and grants receivable, net	4,616,722	1,511,228
Total financial assets	41,246,666	30,365,769
Less amounts not available within one year:		
Grants committed	2,373,436	547,663
Net assets with donor restrictions	25,356,450	19,843,360
Less: Time restricted net assets to be released	(1,359,000)	(215,000)
Total	26,370,886	20,176,023
Financial assets available to meet general expenditures within one year	$ 14,875,780	$ 10,189,746

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 $2,300,000) 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. 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, 2022 and 2021, CDP had bank deposits in excess of the FDIC limits of $106 and $85, respectively. CDP has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash.

5. Contributions and Grants Receivable, Net

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

	2022	2021
Unconditional promises to give expected to be collected in:		
Less than one year	$ 2,940,429	$ 1,511,228
One to three years	1,800,000	-
Total	4,740,429	1,511,228
Less:		
Discount to present value (average discount rate of 4.32%)	(123,707)	-
Contributions and grants receivable, net	$ 4,616,722	$ 1,511,228

6. Property and Equipment, Net

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

	2022	2021
Website	$ 94,860	$ 82,110
Computer equipment	53,207	32,118
Property and equipment	148,067	114,228
Accumulated depreciation and amortization	(80,871)	(46,258)
Total property and equipment, net	$ 67,196	$ 67,970

7. Line of Credit

The Center entered into a working capital line of credit with its financial institution in the amount of $500,000. The line of credit is a demand facility, which will be reviewed annually, and has as collateral all business assets of the Center. The interest rate on the line of credit is the 30-day libor plus 3%, with no floor, which was 7.125% and 3.125% at December 31, 2022 and 2021, respectively. The Center believes it is in compliance with all covenants stipulated on the facility for the years ended December 31, 2022 and 2021. At December 31, 2022 and 2021, there was no outstanding balance on the line.

8. Net Assets With Donor Restrictions

Net assets were released from donor restrictions during the years ended December 31, 2022 and 2021 for the following purposes:

	2022	2021
COVID-19 Response Fund	$ 9,696,988	$ 13,110,781
Google Disaster Grants	4,869,680	3,788,166
Ukraine Humanitarian Crisis Recovery Fund	4,602,423	-
Atlantic Hurricane Season Recovery Fund	2,688,602	1,280,965
Disaster Recovery Fund	2,171,459	1,952,450
Global Recovery Fund	1,672,523	935,074
Midwest Early Recovery Fund	1,545,883	745,635
California Wildfires Recovery Fund	1,471,055	1,853,660
Time Restricted Grants	965,000	825,000
Colorado Wildfires Recovery Fund	711,226	553,194
Haiti Earthquake Recovery Fund	664,555	642,490
Global Hunger Crisis Fund	325,483	-
Native American and Tribal Communities Recovery Program	-	452,083
2019 California Wildfires Recovery Fund (return of grant funds)	-	(152,150)
Miscellaneous Donor Restricted Funds and Grants	95,376	131,952
Total net assets released from restrictions	$ 31,480,253	$ 26,119,300

At December 31, 2022 and 2021, net assets with donor restrictions were available for the following purposes:

	2022	2021
Ukraine Humanitarian Crisis Recovery Fund	$ 9,412,178	$ -
Atlantic Hurricane Season Recovery Fund	3,985,456	2,111,500
Midwest Early Recovery Fund	3,206,041	1,637,462
Google Disaster Grants	2,444,950	990,672
Time Restricted Grants	1,359,000	215,000
Disaster Recovery Fund	1,112,480	793,942
COVID-19 Response Fund	932,013	10,153,595
California Wildfires Recovery Fund	667,283	1,745,645
Global Recovery Fund	661,243	907,968
Haiti Earthquake Recovery Fund	645,881	1,104,528
Colorado Wildfires Recovery Fund	442,029	34,004
Global Hunger Crisis Fund	394,229	-
Disaster Philanthropy Playbook	93,667	110,749
Miscellaneous Donor Restricted Funds and Grants	-	38,295
Total net assets with donor restrictions	$ 25,356,450	$ 19,843,360

9. Concentrations of Revenue Risk

At December 31, 2022 and 2021, CDP had contributions and grants receivable of approximately 75% and 53% from one donor at December 31, 2022 and 2021, respectively. There were no significant concentrations of revenue. Any significant reduction in revenue and support may adversely impact CDP's financial position and operations.

10. Disaggregation of Revenue

All consulting fees revenue is from services transferred over time. Various economic factors affect the recognition of revenue and cash flows, including CDP's ability to provide consulting services. For the years ended December 31, 2022 and 2021, there was no material impact on CDP's consulting fees revenue.

The timing of revenue recognition, billings and cash collections results in billed accounts receivable (contract assets) and client 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.

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

	2022	2021	2020
Accounts receivable	$ 201	$ 37,457	$ 41,040
Contract liabilities	$ 62,748	$ 152,463	$ 76,614

11. In-kind Contributions

CDP received the following contributions of nonfinancial assets for the years ended December 31:

	2022	2021
Advertisements	$ 4,866,220	$ 1,652,858
Legal and professional service fees	100,087	29,475
Software, technology and other	30,342	18,630
Total contributed nonfinancial assets	$ 4,996,649	$ 1,700,963

CDP receives donated advertising from one donor which is valued based on the number of clicks on individual ads at the fair market value rate for nonprofits. The donated goods were utilized within the year and allocated to the programs benefited. There were no donor restrictions associated with the donated goods.

Donated legal and professional service fees are valued at fair value based on the time spent and hourly rates and verified based on current rates for equivalent services in the market. Software, technology and other are based on the fair market value if the organization was to purchase these items. These donated goods and services were utilized within the year and allocated among programs and support services based on level of effort. There were no donor restrictions associated with the donated goods and services.

12. Related Party Transactions

During the year ended December 31, 2022 and 2021, CDP received contributions from individual Board members and organizations with which Board members are affiliated. During the years ended December 31, 2022 and 2021, CDP received contributions in the amount of $691,024 and $425,532, respectively, from organizations at which four and two Board members, respectively, are high level executives. In addition, for the years ended December 31, 2022 and 2021, CDP received in-kind legal services valued at $92,587 and $29,475 from an organization at which a Board member is affiliated.

13. Commitment

Membership agreement

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 was $150 per month through October 31, 2022.

Effective November 1, 2022, CDP entered into a new twelve-month access member subscription agreement for access to the office space and services provided by the coworking office space. The access membership fee is $399 per month, and CDP received a discount of approximately $100 for the first three months of the agreement.

14. Retirement Plan

CDP has implemented a contributory, defined contribution retirement plan (the Plan) for the benefit of all qualified employees. The Plan is a safe harbor plan which makes contributions of 100% of the first 4% of an employee's contributions. All employees who are at least 21 years of age are eligible to participate in the plan on their employment date. Effective January 1, 2022, the Plan was amended to allow for annual non-matching contributions at the sole discretion of CDP at the same fixed percentage of each employee’s compensation if the employee was employed as of December 31. These non-matching contributions have a three-year vesting schedule. Employer contributions totaled $85,539 and $67,915 for the years ended December 31, 2022 and 2021, respectively.

15. Subsequent Events

In preparing the consolidated financial statements, CDP has evaluated events and transactions for potential recognition or disclosure through April 14, 2023, which is the date the consolidated financial statements were available to be issued. Except as disclosed in Note 2j, 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, 2022

(with summarized financial information for 2021)

	Center for Disaster Philanthropy, Inc.	Louisiana Disaster Recovery Alliance LLC	Eliminations	2022 Total	2021 Total
Assets					
Cash	$ 36,629,743	$ -	$ -	$ 36,629,743	$ 28,817,084
Accounts receivable	201	-	-	201	37,457
Contributions and grants receivable, net	4,616,722	-	-	4,616,722	1,511,228
Property and equipment, net	67,196	-	-	67,196	67,970
Other assets	77,173	-	-	77,173	27,435
Total assets	$ 41,391,035	$ -	$ -	$ 41,391,035	$ 30,461,174
Liabilities and Net Assets					
Accounts payable and accrued expenses	$ 268,044	$ -	$ -	$ 268,044	$ 248,869
Grants payable	2,373,436	-	-	2,373,436	547,663
Contract liabilities	62,748	-	-	62,748	152,463
Total liabilities	2,704,228	-	-	2,704,228	948,995
Net assets:					
Without donor restrictions	13,330,357	-	-	13,330,357	9,668,819
With donor restrictions	25,356,450	-	-	25,356,450	19,843,360
Total net assets	38,686,807	-	-	38,686,807	29,512,179
Total liabilities and net assets	$ 41,391,035	$ -	$ -	$ 41,391,035	$ 30,461,174

Center for Disaster Philanthropy, Inc. & Subsidiary

Consolidating Schedule of Activities

For the Year Ended December 31, 2022

(with summarized financial information for 2021)

	Center for Disaster Philanthropy, Inc.	Louisiana Disaster Recovery Alliance LLC	Eliminations	2022 Total	2021 Total
Net assets without donor restrictions:					
Contributions and grants	$ 3,293,018	$ -	$ -	$ 3,293,018	$ 2,276,329
In-kind contributions	4,996,649	-	-	4,996,649	1,700,963
Consulting fees	560,625	-	-	560,625	495,548
Interest and other income, net	216,807	-	(750)	216,057	130,261
Net assets released from restrictions:					
Satisfaction of donor restrictions	31,472,158	8,095	-	31,480,253	26,119,300
Total revenues without donor restrictions	40,539,257	8,095	(750)	40,546,602	30,722,401
Expenses:					
Program services:					
Disaster programs	31,771,236	6,835	-	31,778,071	26,063,442
Consulting services	414,029	-	-	414,029	345,262
Total program services	32,185,265	6,835	-	32,192,100	26,408,704
Support services:					
Management and general	1,753,420	1,260	(750)	1,753,930	1,159,205
Fundraising	2,939,034	-	-	2,939,034	1,201,332
Total support services	4,692,454	1,260	(750)	4,692,964	2,360,537
Total expenses	36,877,719	8,095	(750)	36,885,064	28,769,241
Change in net assets without donor restrictions	3,661,538	-	-	3,661,538	1,953,160
Net assets with donor restrictions:					
Contributions and grants	36,993,343	-	-	36,993,343	16,691,408
Interest and other income, net	-	-	-	-	2,833
Net assets released from restrictions:					
Satisfaction of donor restrictions	(31,472,158)	(8,095)	-	(31,480,253)	(26,119,300)
Change in net assets with donor restrictions	5,521,185	(8,095)	-	5,513,090	(9,425,059)
Change in net assets	9,182,723	(8,095)	-	9,174,628	(7,471,849)
Net assets, beginning of year	29,504,084	8,095	-	29,512,179	36,984,028
Net assets, end of year	$ 38,686,807	$ -	$ -	$ 38,686,807	$ 29,512,179