



Center for Disaster Philanthropy, Inc.

Financial Statements
and
Independent Auditor's Report

December 31, 2025 and 2024



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Independent Auditor's Report

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

Opinion

We have audited the accompanying financial statements of Center for Disaster Philanthropy, Inc. (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.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Center for Disaster Philanthropy, Inc. as of December 31, 2025 and 2024, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Center for Disaster Philanthropy, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Center for Disaster Philanthropy, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Center for Disaster Philanthropy, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Center for Disaster Philanthropy, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Sikich CPA LLC

Alexandria, Virginia

May 21, 2026

Center for Disaster Philanthropy, Inc.
Statements of Financial Position
December 31, 2025 and 2024

	<u>2025</u>	<u>2024</u>
Assets		
Cash	\$ 72,102,470	\$ 9,086,863
Investments	12,775,618	11,536,618
Accounts receivable	11,385	300
Contributions and grants receivable, net	3,647,559	1,395,887
Cash with donor restrictions	22,142,855	44,477,731
Property and equipment, net	-	708
Other assets	<u>42,332</u>	<u>25,677</u>
Total assets	<u>\$ 110,722,219</u>	<u>\$ 66,523,784</u>
Liabilities and Net Assets		
Accounts payable and accrued expenses	\$ 752,229	\$ 676,960
Grants payable	2,048,184	966,178
Contract liabilities	<u>124,009</u>	<u>-</u>
Total liabilities	<u>2,924,422</u>	<u>1,643,138</u>
Net assets:		
Without donor restrictions	82,007,383	18,943,628
With donor restrictions	<u>25,790,414</u>	<u>45,937,018</u>
Total net assets	<u>107,797,797</u>	<u>64,880,646</u>
Total liabilities and net assets	<u>\$ 110,722,219</u>	<u>\$ 66,523,784</u>

See accompanying notes to the financial statements.

Center for Disaster Philanthropy, Inc.
Statement of Activities
For the Year Ended December 31, 2025

	<u>Without donor restrictions</u>	<u>With donor restrictions</u>	<u>Total</u>
Revenues:			
Contributions and grants	\$ 64,271,752	\$ 15,330,660	\$ 79,602,412
Consulting fees	410,515	-	410,515
In-kind contributions	190,444	-	190,444
Interest and other income	1,477,127	-	1,477,127
Investment income, net	1,254,113	-	1,254,113
Net assets released from restrictions:			
Satisfaction of donor restrictions	<u>35,477,264</u>	<u>(35,477,264)</u>	<u>-</u>
Total revenues	<u>103,081,215</u>	<u>(20,146,604)</u>	<u>82,934,611</u>
Expenses:			
Program services:			
Disaster services	34,961,265	-	34,961,265
Mobilizing philanthropy	<u>1,371,870</u>	<u>-</u>	<u>1,371,870</u>
Total program services	<u>36,333,135</u>	<u>-</u>	<u>36,333,135</u>
Support services:			
Management and general	3,153,634	-	3,153,634
Fundraising	<u>530,691</u>	<u>-</u>	<u>530,691</u>
Total support services	<u>3,684,325</u>	<u>-</u>	<u>3,684,325</u>
Total expenses	<u>40,017,460</u>	<u>-</u>	<u>40,017,460</u>
Change in net assets	63,063,755	(20,146,604)	42,917,151
Net assets, beginning of year	<u>18,943,628</u>	<u>45,937,018</u>	<u>64,880,646</u>
Net assets, end of year	<u>\$ 82,007,383</u>	<u>\$ 25,790,414</u>	<u>\$ 107,797,797</u>

See accompanying notes to the financial statements.

Center for Disaster Philanthropy, Inc.
Statement of Activities
For the Year Ended December 31, 2024

	Without donor restrictions	With donor restrictions	Total
Revenues:			
Contributions and grants	\$ 3,377,336	\$ 38,381,460	\$ 41,758,796
Consulting fees	188,959	-	188,959
In-kind contributions	599,046	-	599,046
Interest and other income	816,941	-	816,941
Investment income, net	21,417	-	21,417
Net assets released from restrictions:			
Satisfaction of donor restrictions	<u>18,014,239</u>	<u>(18,014,239)</u>	<u>-</u>
Total revenues	<u>23,017,938</u>	<u>20,367,221</u>	<u>43,385,159</u>
Expenses:			
Program services:			
Disaster services	17,313,013	-	17,313,013
Mobilizing philanthropy	<u>1,051,569</u>	<u>-</u>	<u>1,051,569</u>
Total program services	<u>18,364,582</u>	<u>-</u>	<u>18,364,582</u>
Support services:			
Management and general	2,289,322	-	2,289,322
Fundraising	<u>704,970</u>	<u>-</u>	<u>704,970</u>
Total support services	<u>2,994,292</u>	<u>-</u>	<u>2,994,292</u>
Total expenses	<u>21,358,874</u>	<u>-</u>	<u>21,358,874</u>
Change in net assets	1,659,064	20,367,221	22,026,285
Net assets, beginning of year	<u>17,284,564</u>	<u>25,569,797</u>	<u>42,854,361</u>
Net assets, end of year	<u>\$ 18,943,628</u>	<u>\$ 45,937,018</u>	<u>\$ 64,880,646</u>

See accompanying notes to the financial statements.

Center for Disaster Philanthropy, Inc.
Statement of Functional Expenses
For the Year Ended December 31, 2025

	Disaster services	Mobilizing philanthropy	Total program services	Management and general	Fundraising	Total support services	Total expenses
Grants	\$ 32,994,048	\$ -	\$ 32,994,048	\$ -	\$ -	\$ -	\$ 32,994,048
Advertising	142,640	-	142,640	5,790	-	5,790	148,430
Payroll and benefits	1,454,886	1,143,296	2,598,182	2,486,572	430,295	2,916,867	5,515,049
Professional service fees	132,793	112,618	245,411	240,323	11,740	252,063	497,474
Office and other expenses	123,759	65,713	189,472	232,114	77,026	309,140	498,612
Travel	76,845	26,778	103,623	100,363	6,044	106,407	210,030
Depreciation and amortization	-	-	-	708	-	708	708
Professional development	6,267	5,632	11,899	48,774	78	48,852	60,751
Meetings and convenings	30,027	17,833	47,860	38,990	5,508	44,498	92,358
Total expenses	<u>\$ 34,961,265</u>	<u>\$ 1,371,870</u>	<u>\$ 36,333,135</u>	<u>\$ 3,153,634</u>	<u>\$ 530,691</u>	<u>\$ 3,684,325</u>	<u>\$ 40,017,460</u>

See accompanying notes to the financial statements.

Center for Disaster Philanthropy, Inc.
Statement of Functional Expenses
For the Year Ended December 31, 2024

	Disaster services	Mobilizing philanthropy	Total program services	Management and general	Fundraising	Total support services	Total expenses
Grants	\$ 14,984,287	\$ -	\$ 14,984,287	\$ -	\$ -	\$ -	\$ 14,984,287
Advertising	558,888	-	558,888	14,829	6,950	21,779	580,667
Payroll and benefits	1,440,529	852,143	2,292,672	1,534,144	552,125	2,086,269	4,378,941
Professional service fees	164,859	116,227	281,086	345,038	37,641	382,679	663,765
Office and other expenses	62,453	43,872	106,325	260,598	100,347	360,945	467,270
Travel	76,885	22,325	99,210	102,021	1,783	103,804	203,014
Depreciation and amortization	12,120	7,170	19,290	12,908	4,645	17,553	36,843
Professional development	2,598	1,238	3,836	6,648	-	6,648	10,484
Meetings and convenings	10,394	8,594	18,988	13,136	1,479	14,615	33,603
Total expenses	<u>\$ 17,313,013</u>	<u>\$ 1,051,569</u>	<u>\$ 18,364,582</u>	<u>\$ 2,289,322</u>	<u>\$ 704,970</u>	<u>\$ 2,994,292</u>	<u>\$ 21,358,874</u>

See accompanying notes to the financial statements.

Center for Disaster Philanthropy, Inc.
Statements of Cash Flows
For the Years Ended December 31, 2025 and 2024

	<u>2025</u>	<u>2024</u>
Cash flows from operating activities:		
Change in net assets	\$ <u>42,917,151</u>	\$ <u>22,026,285</u>
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	708	36,843
Loss on disposal of assets	-	19,646
Donated investments	(24,627)	(15,199)
Realized gain on investments	(325,723)	(156,355)
Unrealized (gain) loss on investments	(982,528)	120,351
Change in assets:		
Accounts receivable	(11,085)	105,290
Contributions and grants receivable	(2,251,672)	2,636,295
Other assets	(16,655)	(9,481)
Change in liabilities:		
Accounts payable and accrued expenses	75,269	(7,629)
Grants payable	1,082,006	(1,942,492)
Contract liabilities	<u>124,009</u>	<u>-</u>
Total adjustments	<u>(2,330,298)</u>	<u>787,269</u>
Net cash provided by operating activities	<u>40,586,853</u>	<u>22,813,554</u>
Cash flows from investing activities:		
Purchases of investments	(4,270,741)	(21,312,130)
Proceeds from sales of investments	4,364,619	9,826,715
Purchases of property and equipment	<u>-</u>	<u>(12,760)</u>
Net cash provided by (used in) investing activities	<u>93,878</u>	<u>(11,498,175)</u>
Net increase in cash and cash with donor restrictions	40,680,731	11,315,379
Cash and cash with donor restrictions, beginning of year	<u>53,564,594</u>	<u>42,249,215</u>
Cash and cash with donor restrictions, end of year	\$ <u><u>94,245,325</u></u>	\$ <u><u>53,564,594</u></u>
Cash and cash with donor restrictions:		
Cash	\$ 72,102,470	\$ 9,086,863
Cash with donor restrictions	<u>22,142,855</u>	<u>44,477,731</u>
Total cash and cash with donor restrictions	\$ <u><u>94,245,325</u></u>	\$ <u><u>53,564,594</u></u>

See accompanying notes to the financial statements.

Center for Disaster Philanthropy, Inc.
Notes to the Financial Statements
December 31, 2025 and 2024

1. Organization

The Center for Disaster Philanthropy, Inc. (CDP) was incorporated and effectively received its 501(c)(3) determination on March 7, 2012. CDP's mission is to mobilize philanthropy to 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.

2. Summary of Significant Accounting Policies

a. Basis of presentation

CDP's financial statements are presented in accordance with accounting principles generally accepted in the United States of America (U.S. 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 statements of activities.

b. Basis of accounting

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

Center for Disaster Philanthropy, Inc.
Notes to the Financial Statements
December 31, 2025 and 2024

c. Use of estimates

The preparation of financial statements in conformity with U.S. 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 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.

d. Fair value measurements

U.S. GAAP establishes a framework for measuring fair value. That framework uses a hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. U.S. GAAP requires CDP to maximize the use of observable inputs when measuring fair value. The hierarchy describes three levels of inputs, which are as follows:

- Level 1 - Quoted prices in active markets for identical assets or liabilities.
- Level 2 - Quoted prices for similar assets or liabilities in active markets; quoted prices for identical assets or liabilities in inactive markets; or inputs that are derived principally from or corroborated by observable market data by correlation or other means.
- Level 3 - Significant unobservable inputs .

In many cases, a valuation technique used to measure fair value includes inputs from more than one level of the fair value hierarchy. The lowest level of significant input determines the placement of the entire fair value measurement in the hierarchy. The categorization of an investment within the hierarchy reflects the relative ability to observe the fair value measure and does not necessarily correspond to the perceived risk of that investment.

Valuation Techniques

Following is a description of the valuation techniques used for assets and liabilities measured at fair value on a recurring basis. There have been no changes in the techniques used during the years ended December 31, 2025 and 2024.

- Equities: Valued at the closing quoted price in an active market.
- Bonds: The investment grade bonds held by CDP generally do not trade in active markets on the measurement date. Therefore, corporate debt securities are valued using inputs including yields currently available on comparable securities of issuers with similar credit rating, recent market price quotations (where observable), bond spreads, and fundamental data relating to the issuer.

Center for Disaster Philanthropy, Inc.
Notes to the Financial Statements
December 31, 2025 and 2024

e. Income taxes

CDP 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. CDP is not classified as a private foundation.

CDP is not aware of any activities that would jeopardize their tax-exempt status that would require recognition in the accompanying financial statements. Generally, tax returns are subject to examination by taxing authorities for up to three years from the date a completed return is filed. If material omissions of income exist, tax returns may be subject to examination for up to six years. CDP is no longer subject to U.S. federal or state examinations by tax authorities for tax years prior to 2022.

f. Cash and cash with donor restrictions

For financial statement purposes, CDP classifies demand deposits as cash and short-term investments with an original maturity of three months or less as cash equivalents. However, cash and cash equivalents held temporarily within the investment portfolio are not considered cash equivalents. CDP held no cash equivalents as of December 31, 2025 and 2024. CDP has both cash without donor restrictions and cash with donor restrictions. Cash, with donor restrictions represents cash that is restricted for donor designations.

g. Accounts receivable

Accounts receivable are due in less than one year and stated at their net realizable value.

h. Allowance for credit losses

The allowance estimate is derived from a review of the CDP's historical losses based on the aging of receivables. This estimate is adjusted for management's assessment of current conditions, reasonable and supportable forecasts regarding future events, and any other factors deemed relevant by the CDP. CDP believes historical loss information is a reasonable starting point in which to calculate the expected allowance for credit losses. Management has determined that the allowance for credit losses is immaterial to the financial statements and no allowance for credit losses has been applied.

Center for Disaster Philanthropy, Inc.
Notes to the Financial Statements
December 31, 2025 and 2024

i. 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, 2025 and 2024, all contributions and grants receivable are fully collectible, therefore, no allowance for doubtful accounts has been recognized.

j. Investments

Investments are reported at fair value and realized and unrealized gains and losses are reported in the statement of activities as increases or decreases in unrestricted net assets, unless the income or loss is restricted temporarily or permanently by donor restrictions or law.

CDP invests in a variety of investments that are exposed to various risks, such as fluctuations in market value and credit risk. It is reasonably possible that changes in risks in the near term could materially affect investment balances and amounts reported in the accompanying financial statements. Investment income is reported net of external and direct internal investment expenses.

k. Property and equipment, net

Property and equipment acquisitions are recorded in the 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.

Website

3 years

CDP's policy is to capitalize major additions and improvements over \$5,000. Repairs and maintenance which do not significantly add to the value of assets are expensed as incurred.

Center for Disaster Philanthropy, Inc.
Notes to the Financial Statements
December 31, 2025 and 2024

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.

m. Revenue recognition

Contributions and grants: 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, 2025 and 2024, 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 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.

Center for Disaster Philanthropy, Inc.
Notes to the Financial Statements
December 31, 2025 and 2024

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.

n. Functional allocation of expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the accompanying 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 grants, advertising, professional service fees, travel, and meetings and convenings, 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.

3. Liquidity and Availability

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

	2025	2024
Financial assets at year end:		
Cash and cash with donor restrictions	\$ 94,245,325	\$ 53,564,594
Investments	12,775,618	11,536,618
Accounts receivable	11,385	300
Contributions and grants receivable, net	<u>3,647,559</u>	<u>1,395,887</u>
Total financial assets	<u>110,679,887</u>	<u>66,497,399</u>
Less amounts not available within one year:		
Grants committed	2,048,184	966,178
Net assets with donor restrictions	25,790,414	45,937,018
Less: Time restricted net assets to be released within a year	<u>-</u>	<u>(250,000)</u>
Total	<u>27,838,598</u>	<u>46,653,196</u>
Financial assets available to meet general expenditures within one year	<u>\$ 82,841,289</u>	<u>\$ 19,844,203</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 \$2,800,000) and to maintain reserves to meet any unexpected operating needs and to draw upon in the event of revenue fluctuations. CDP considers general expenditures to be those not limited by or used to meet donor or other restrictions and are not associated with a specific grant program.

Center for Disaster Philanthropy, Inc.
Notes to the Financial Statements
December 31, 2025 and 2024

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 equity and fixed income securities. 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, 2025 and 2024, CDP had bank deposits in excess of the FDIC limits of \$1,678,392 and \$257,815, 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:

	<u>2025</u>	<u>2024</u>
Unconditional promises to give expected to be collected in:		
Less than one year	\$ 1,785,559	\$ 1,348,137
One to three years	<u>2,000,000</u>	<u>50,000</u>
Total	3,785,559	1,398,137
Less:		
Discount to present value (discount rate of 4.60% and 4.50%)	<u>(138,000)</u>	<u>(2,250)</u>
Contributions and grants receivable, net	<u>\$ 3,647,559</u>	<u>\$ 1,395,887</u>

6. Investments

The table below presents CDP's fair value hierarchy for those assets measured at fair value on a recurring basis at December 31, 2025:

	<u>Level 1</u>	<u>Level 2</u>	<u>Total</u>
Equities	\$ 6,854,003	\$ -	\$ 6,854,003
Bonds	<u>-</u>	<u>5,607,090</u>	<u>5,607,090</u>
Total assets at fair value	<u>\$ 6,854,003</u>	<u>\$ 5,607,090</u>	12,461,093
Cash, reported at cost			<u>314,525</u>
Total investments			<u>\$ 12,775,618</u>

Center for Disaster Philanthropy, Inc.
Notes to the Financial Statements
December 31, 2025 and 2024

The table below presents CDP's fair value hierarchy for those assets measured at fair value on a recurring basis at December 31, 2024:

	<u>Level 1</u>	<u>Level 2</u>	<u>Total</u>
Equities	\$ 4,909,463	\$ -	\$ 4,909,463
Bonds	<u>-</u>	<u>4,091,066</u>	<u>4,091,066</u>
Total assets at fair value	<u>\$ 4,909,463</u>	<u>\$ 4,091,066</u>	9,000,529
Cash, reported at cost			<u>2,536,089</u>
Total investments			<u>\$ 11,536,618</u>

7. Property and Equipment, Net

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

	<u>2025</u>	<u>2024</u>
Website	\$ 94,860	\$ 94,860
Accumulated depreciation and amortization	<u>(94,860)</u>	<u>(94,152)</u>
Total property and equipment, net	<u>\$ -</u>	<u>\$ 708</u>

Depreciation and amortization expense for the years ended December 31, 2025 and 2024 was \$708 and \$36,843, respectively.

8. Line of Credit

CDP 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 is renewed annually, and has as collateral all business assets of CDP. The interest rate on the line of credit is the 30-day libor plus 3%, with no floor, which was 7.12% and 7.68% at December 31, 2025 and 2024, respectively. CDP is in compliance with all covenants stipulated on the facility for the years ended December 31, 2025 and 2024. At December 31, 2025 and 2024, there was no outstanding balance on the line.

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9. Net Assets With Donor Restrictions

At December 31, 2025 and 2024, net assets with donor restrictions were available for the following purposes:

	<u>2025</u>	<u>2024</u>
Truist - Western North Carolina Recovery Fund	\$ 4,764,182	\$ 20,069,625
Atlantic Hurricane Season Recovery Fund	4,054,230	6,551,070
Google Disaster Funds	3,292,035	4,847,665
Midwest Early Recovery Fund	3,000,000	1,034,886
Ukraine Humanitarian Crisis Recovery Fund	2,626,819	4,662,612
Global Recovery Fund	1,742,606	1,900,996
Sudan Humanitarian Crisis Fund	1,463,861	283,903
Disaster Recovery Fund	1,271,193	1,316,008
California Wildfires Recovery Fund	1,170,587	225,703
Turkey and Syria Earthquake Fund	714,712	2,513,786
Disaster Preparedness Fund	711,206	150,000
Israel and Gaza Relief Recovery Fund	480,301	1,252,017
Truist - FlexFund	300,000	-
Lilly Foundation FlexFund	150,000	-
Hawaii Wildfires Recovery Fund	22,535	261,200
Klarman Family Foundation	15,962	41,600
Global Hunger Crisis Recovery Fund	7,997	1,499
The Patterson Foundation	2,188	50,000
Time Restricted Grants	-	250,000
St. Joseph Fund (Providence Health)	-	350,000
Haiti Earthquake Recovery Fund	-	139,250
Hilton Foundation	-	33,808
Tornado Recovery Fund	-	1,390
Total net assets with donor restrictions	<u>\$ 25,790,414</u>	<u>\$ 45,937,018</u>

10. Concentrations of Revenue and Receivable Risk

At December 31, 2025, CDP had contributions and grants receivable of approximately 96% from two donors. At December 31, 2024, CDP had contributions and grants receivable of approximately 56% from one donor. For the years ended December 31, 2025 and 2024, CDP received \$60,000,000 and \$21,000,000 from separate donors, which is approximately 72% and 52% of its total revenue and support. Any significant reduction in revenue and support may adversely impact CDP's financial position and operations.

11. 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, 2025 and 2024, there was no material impact on CDP's consulting fees revenue.

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The timing of revenue recognition, billings and cash collections results in billed accounts receivable and client advances and deposits (contract liabilities) on the accompanying 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:

	<u>2025</u>	<u>2024</u>	<u>2023</u>
Accounts receivable	\$ 11,385	\$ 300	\$ 105,590
Contract liabilities	\$ 124,009	\$ -	\$ -

12. Paycheck Protection Program

The SBA reserves the right to audit any PPP loan, regardless of size. These audits may occur after forgiveness has been granted. In accordance with the CARES Act, all borrowers are required to maintain their PPP loan documentation for six years after the PPP loan is repaid in full and to provide that documentation to the SBA upon request. CDP's PPP loan was forgiven on March 30, 2021. CDP does not believe the results of any audits or reviews by the SBA would have a material impact on the financial statements.

13. In-kind Contributions

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

	<u>2025</u>	<u>2024</u>
Advertisements	\$ 144,483	\$ 564,495
Legal and professional service fees	25,258	20,188
Software, technology and other	<u>20,703</u>	<u>14,363</u>
Total contributed nonfinancial assets	<u>\$ 190,444</u>	<u>\$ 599,046</u>

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 services were utilized within the year and allocated to the programs benefited. There were no donor restrictions associated with the donated services.

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.

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14. Related Party Transactions

During the years ended December 31, 2025 and 2024, CDP received contributions from individual Board members and organizations with which Board members are affiliated. During the years ended December 31, 2025 and 2024, CDP received contributions in the amount of \$510,205 and \$415,000, respectively, from organizations at which six and four Board members, respectively, are high level executives. In addition, for the years ended December 31, 2025 and 2024, CDP received in-kind legal services valued at \$25,258 and \$20,188, respectively, from an organization at which a Board member is affiliated.

15. 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 \$175,151 and \$136,571 and employer non-matching contributions totaled \$58,226 and \$50,093 for the years ended December 31, 2025 and 2024, respectively.

16. Subsequent Events

Subsequent events are events or transactions that occur after the statement of financial position date but before financial statements are issued or are available to be issued. These events and transactions either provide additional evidence about conditions that existed at the date of the statement of financial position, including the estimates inherent in the process of preparing financial statements (that is, recognized subsequent events), or provide evidence about conditions that did not exist at the date of the statement of financial position but arose after that date (that is, nonrecognized subsequent events).

In preparing the financial statements, CDP has evaluated events and transactions for potential recognition or disclosure through May 21, 2026, which is the date the financial statements were available to be issued. Based on the evaluation, CDP noted that there were no subsequent events that require recognition or disclosure in these financial statements.