

**NATIONAL ORGANIZATION OF RESEARCH  
DEVELOPMENT PROFESSIONALS**

**FINANCIAL STATEMENTS AND  
INDEPENDENT AUDITORS' REPORT**

**SEPTEMBER 30, 2019 AND 2018**

# WSDD

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## WSDD CPAs, Ltd. Certified Public Accountants & Consultants

### INDEPENDENT AUDITORS' REPORT

To the Board of Directors  
NATIONAL ORGANIZATION OF RESEARCH  
DEVELOPMENT PROFESSIONALS

#### **Report on the Financial Statements**

We have audited the accompanying financial statements of National Organization of Research Development Professionals (a non-profit organization), which comprise the statements of assets, liabilities, and net assets – modified cash basis as of September 30, 2019 and 2018, and the related statements of support, revenue and expenses, and changes in net assets – modified cash basis for the years then ended, and the related notes to the financial statements.

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting as described in Note 1; this includes determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible 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.

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on these 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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the 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 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 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 financial statements referred to above present fairly, in all material respects, the assets, liabilities and net assets of National Organization of Research Development Professionals as of September 30, 2019 and 2018, and its support, revenue and expense, and changes in net assets for the years then ended in accordance with the modified cash basis of accounting as described in Note 1.

**Basis of Accounting**

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

*WSDD CPAs, Ltd.*

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WSDD CPAs, Ltd.

Chicago, Illinois  
August 5, 2020

**NATIONAL ORGANIZATION OF RESEARCH  
DEVELOPMENT PROFESSIONALS**  
**Statements of Assets, Liabilities, and Net Assets - Modified Cash Basis**  
**September 30, 2019 and 2018**

	<b>ASSETS</b>	<u>2019</u>	<u>2018</u>
<b>CURRENT ASSETS</b>			
Cash and cash equivalents		<u>\$ 609,040</u>	<u>\$ 383,821</u>
<b>LIABILITIES AND NET ASSETS</b>			
<b>LIABILITES</b>			
Credit card payable		\$ 14,774	\$ 85
<b>NET ASSETS WITHOUT DONOR RESTRICTIONS</b>		<u>594,266</u>	<u>383,736</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>		<u>\$ 609,040</u>	<u>\$ 383,821</u>

**NATIONAL ORGANIZATION OF RESEARCH  
DEVELOPMENT PROFESSIONALS**  
**Statements of Support, Revenue and Expenses,  
and Changes in Net Assets - Modified Cash Basis**  
**For the Years Ended September 30, 2019 and 2018**

	<u>2019</u>	<u>2018</u>
<b>SUPPORT AND REVENUE</b>		
Membership dues	\$ 182,999	\$ 175,764
Conference fees	347,063	318,842
Conference sponsorship	66,000	83,250
PEERD Program fees	37,233	
Regional activities	11,525	1,622
NORD grant funding	7,500	
Donations	80	50
Other income	6,029	
Total Support and Revenue	<u>658,429</u>	<u>579,528</u>
 <b>EXPENSES</b>		
Conference	300,868	330,629
Management fees	21,843	
Administrative assistant		7,187
Board retreat	28,074	9,223
PEERD Program	20,434	
NORD grants	6,000	
Software and subscriptions	9,292	15,295
Banking and online fees	17,580	22,307
Board of directors	347	512
Web services	3,029	3,410
Mentoring	2,091	244
Insurance	5,048	4,208
Dues and subscriptions	2,210	
Communications	3,229	5,036
Professional fees	14,637	12,167
Strategic Alliances	11,567	7,807
Regional activities	1,534	16,288
Office supplies	116	830
Total Expenses	<u>447,899</u>	<u>435,143</u>
 <b>EXCESS OF SUPPORT AND REVENUE OVER EXPENSES</b>	 210,530	 144,385
 <b>NET ASSETS WITHOUT DONOR RESTRICTIONS -</b>		
Beginning of Year	<u>383,736</u>	<u>239,351</u>
End of Year	<u>\$ 594,266</u>	<u>\$ 383,736</u>

See independent auditors' report and notes to financial statements.

**NATIONAL ORGANIZATION OF RESEARCH  
DEVELOPMENT PROFESSIONALS**  
**Notes to Financial Statements**  
**September 30, 2019 and 2018**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Organization and Nature of Activities**

The National Organization of Research Development Professionals (NORDP) is a membership organization whose goals are to serve research development professionals and their institutions by providing a formal organization to support professional development, enhance institutional research competitiveness, and catalyze new research and institutional collaborations. NORDP members pursue effective practices and best approaches to support the efforts of researchers to develop strategic research activities in response to the extramural funding landscape, catalyze new collaborations and partnerships, and inform funding agencies about exciting ongoing and emerging research efforts at their institutions.

NORDP is a non-profit organization described in Section 501(c)(3) of the Internal Revenue Code and is generally exempt from federal and state income taxes.

**Support and Revenue**

The primary support for NORDP comes from members' dues and conference fees, and is generally available for unrestricted use. Other revenue include conference sponsorships and regional activities.

**Accounting Method**

NORDP uses the modified cash basis method of accounting. The modified cash basis of accounting differs from the accrual method of accounting in that the modified cash basis method records revenue as received and expenses when paid, whereas the accrual method of accounting records revenue and expenses when incurred. The modified cash basis method of accounting is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

**Donated Services**

No amounts have been reflected for donated services since no objective basis is available to measure their value.

**Subsequent Events**

The COVID 19 outbreak in the United States may cause significant disruptions to operations and special events. While the disruption is currently expected to be temporary, there is considerable uncertainty around its duration. The related financial impact and duration cannot be reasonably estimated at this time. Subsequent events have been evaluated through August 5, 2020, which is the date the financial statements were available to be issued.

## NOTE 2 - DESCRIPTION OF NET ASSET BALANCES

NORDP has established the following net asset categories:

### ***Net Assets Without Donor Restrictions***

This fund includes all resources over which the Board of Directors has discretionary control. All contributions without donor restrictions and expenses are included in the revenues and expenses of this fund. Transfers are made to this fund from the Net Assets With Donor Restrictions as the conditions of the restrictions are met.

### ***Net Assets With Donor Restrictions***

This fund includes all resources that are restricted by donor-imposed stipulations. Amounts are transferred to the net assets without donor restrictions fund as those stipulations are met or through the passage of time. NORDP had no net assets with donor restrictions at September 30, 2019 and 2018.

## NOTE 3 - LIQUIDITY AND AVAILABILITY

At September 30, 2019, NORDP had a working capital surplus of \$609,040.

Financial assets available for general expenditure that is without donor or other restrictions limiting their use, within one year of the balance sheet date, comprise the following:

Cash and cash equivalents	<u>\$ 609,040</u>
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## NOTE 4 - CONCENTRATION OF CASH

Cash consists of monies held in highly liquid interest bearing accounts. NORDP places its cash with a financial institution deemed to be creditworthy. Balances are insured by the FDIC up to \$250,000 per financial institution. Balances may at times exceed insured limits.

## NOTE 5 - FUNCTIONAL EXPENSES

The following represents a summary of NORDP's expenses for the year ended September 30, 2019, on a functional basis.

	<u>Program Services</u>	<u>General and Administrative</u>	<u>Total</u>
Conference	\$ 300,868	\$	\$ 300,868
Management fees		21,843	21,843
Board retreat		28,074	28,074
PEERD Program	20,434		20,434
NORD grants	6,000		6,000
Software and subscriptions		9,292	9,292
Bank and online fees		17,580	17,580
Board of directors		347	347
Web services		3,029	3,029
Mentoring	2,091		2,091
Insurance		5,048	5,048
Dues and subscriptions		2,210	2,210
Communications	318	2,911	3,229
Professional fees		14,637	14,637
Strategic Alliances	11,567		11,567
Regional activities	1,534		1,534
Office supplies		116	116
Total Expenses	<u>\$ 342,812</u>	<u>\$ 105,087</u>	<u>\$ 447,899</u>

The above statement of functional expenses present the natural classification detail of expenses by function. These cost reflect direct expenses, no allocations were made.

## NOTE 6 - TAX STATUS

NORDP is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, there is no provision for income taxes in the financial statements. Management believes that NORDP continues to qualify and to operate as designated.

Accounting standards provide guidance for how certain tax positions should be recognized, measured, disclosed and presented in the financial statements. This requires the evaluation of tax positions taken or expected to be taken in the course of preparing NORDP's information returns to determine whether the tax position are "more-likely-than-not" of being sustained "when challenged" or "when examined" by the applicable tax authority. Tax positions not deemed to meet the more-likely-than-not threshold would be recorded as a tax benefit and asset or expense and liability in the current year. NORDP files information returns in the U.S. federal jurisdiction and Illinois state jurisdiction. NORDP is no longer subject to U.S. federal and state examinations by tax authorities for years before 2016. As of and for the year ended September 30, 2019, management has determined that there are no uncertain tax positions.