

**NATIONAL ORGANIZATION OF RESEARCH
DEVELOPMENT PROFESSIONALS**

**FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REPORT**

SEPTEMBER 30, 2021 AND 2020

WSDD

WSDD CPAs, Ltd.
Certified Public Accountants & Consultants

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
NATIONAL ORGANIZATION OF RESEARCH
DEVELOPMENT PROFESSIONALS

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, 2021 and 2020, 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, 2021 and 2020, 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.

WSDD CPAs, Ltd.

Chicago, Illinois
February 14, 2022

**NATIONAL ORGANIZATION OF RESEARCH
DEVELOPMENT PROFESSIONALS**
Statements of Assets, Liabilities, and Net Assets - Modified Cash Basis
September 30, 2021 and 2020

ASSETS		
	<u>2021</u>	<u>2020</u>
CURRENT ASSETS		
Cash and cash equivalents	<u>\$ 1,226,898</u>	<u>\$ 1,058,971</u>
LIABILITIES AND NET ASSETS		
LIABILITIES	\$	\$
NET ASSETS		
Without donor restrictions	828,907	660,980
With donor restrictions	<u>397,991</u>	<u>397,991</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 1,226,898</u>	<u>\$ 1,058,971</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, 2021 and 2020

	2021			2020		
	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS	TOTAL	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS	TOTAL
SUPPORT AND REVENUE						
Membership dues	\$ 206,466	\$	\$ 206,466	\$ 205,710	\$	\$ 205,710
Conference fees	127,003		127,003	570		570
Conference sponsorship	39,500		39,500			
HBCU grant					397,991	397,991
PEERD Program fees	18,000		18,000	21,074		21,074
Regional activities				7,320		7,320
NORD grant funding	1,981		1,981	10,008		10,008
Capital campaign	5,578		5,578			
Scholarship	1,250		1,250			
Donations	819		819	115		115
Other income	1,324		1,324	1,326		1,326
Total Support and Revenue	<u>401,921</u>	<u>0</u>	<u>401,921</u>	<u>246,123</u>	<u>397,991</u>	<u>644,114</u>
EXPENSES						
Conference	47,451		47,451	42,213		42,213
Management fees	99,225		99,225	25,542		25,542
Board retreat	1,487		1,487	11,470		11,470
PEERD Program	11,600		11,600	14,055		14,055
NORD grants	5,851		5,851	8,255		8,255
Software and subscriptions	12,845		12,845	12,779		12,779
Banking and online fees	13,092		13,092	16,270		16,270
Board of directors				31		31
Web services	1,018		1,018	1,010		1,010
Mentoring	10,000		10,000	753		753
Insurance	9,695		9,695	7,549		7,549
Dues and subscriptions	65		65	1,315		1,315
Communications	1,493		1,493	2,049		2,049
Professional fees	14,515		14,515	13,318		13,318
Professional development	1,378		1,378			
Strategic Alliances	1,750		1,750	5,721		5,721
Regional activities				16,100		16,100
Office supplies	2,529		2,529	979		979
Total Expenses	<u>233,994</u>	<u>0</u>	<u>233,994</u>	<u>179,409</u>	<u>0</u>	<u>179,409</u>
EXCESS OF SUPPORT AND REVENUE OVER EXPENSES	167,927		167,927	66,714	397,991	464,705
NET ASSETS						
Beginning of Year	660,980	397,991	1,058,971	594,266	0	594,266
End of Year	<u>\$ 828,907</u>	<u>\$ 397,991</u>	<u>\$ 1,226,898</u>	<u>\$ 660,980</u>	<u>\$ 397,991</u>	<u>\$ 1,058,971</u>

See independent auditors' report and notes to financial statements.

**NATIONAL ORGANIZATION OF RESEARCH
DEVELOPMENT PROFESSIONALS
Notes to Financial Statements
September 30, 2021 and 2020**

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. During the year ended September 30, 2020, NORDP received a significant grant (see Note 5).

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 date through which events occurring after September 30, 2021, have been evaluated for possible adjustment to the financial statements or disclosure is February 14, 2022, which is the date on which 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.

NOTE 3 - LIQUIDITY AND AVAILABILITY

At September 30, 2021 and 2020, NORDP had a working capital surplus of \$1,226,898 and \$1,058,971, respectively.

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:

	<u>2021</u>	<u>2020</u>
Financial assets at year end:		
Cash and cash equivalents	\$ 1,226,898	\$ 1,058,971
Amounts unavailable for general expenditures due to:		
Purpose restriction	<u>(397,991)</u>	<u>(397,991)</u>
Total Financial Assets Available to Management for General Expenditures Within One Year	<u>\$ 828,907</u>	<u>\$ 660,980</u>

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 - NET ASSETS WITH DONOR RESTRICTIONS

At September 30, 2021 and September 30, 2020, net assets with donor purpose restrictions amounted to \$397,991, relating to a two year pilot program in which NORDP will consult with Historically Black Colleges and Universities (HBCU) to improve their research capacity and competitiveness.

NOTE 6 - FUNCTIONAL EXPENSES

The following represents a summary of NORDP's expenses for the year ended September 30, 2021, on a functional basis, with comparative totals for 2020:

	Program Services	General and Administrative	Total	
			2021	2020
Conference	\$ 47,451	\$	\$ 47,451	\$ 42,213
Management fees		99,225	99,225	25,542
Board retreat		1,487	1,487	11,470
PEERD Program	11,600		11,600	14,055
NORDP Grants	5,851		5,851	8,255
Software and subscriptions		12,845	12,845	12,779
Bank and online fees		13,092	13,092	16,270
Board of directors				31
Web services		1,018	1,018	1,010
Mentoring	10,000		10,000	753
Insurance		9,695	9,695	7,549
Dues and subscriptions		65	65	1,315
Communications		1,493	1,493	2,049
Professional fees		14,515	14,515	13,318
Professional development	1,378		1,378	
Strategic Alliances	1,750		1,750	5,721
Regional activities				16,100
Office supplies	2,026	503	2,529	979
Total Expenses - 2021	<u>\$ 80,056</u>	<u>\$ 153,938</u>	<u>\$ 233,994</u>	
Total Expenses - 2020	<u>\$ 88,299</u>	<u>\$ 91,110</u>		<u>\$ 179,409</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 7 - 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 2018. As of and for the year ended September 30, 2021, management has determined that there are no uncertain tax positions.

NOTE 8 - COVID-19

The COVID-19 pandemic, whose effects first became known in January 2020, is having a broad and negative impact on commerce and financial markets around the world. The United States and global markets experienced significant changes in value resulting from uncertainty caused by the pandemic. NORDP is closely monitoring its operations and its liquidity, and is actively working to minimize the impact of these changes. The extent of the impact of COVID-19 on NORDP's operational and financial performance will depend on certain developments, including the duration and spread of the outbreak, cannot be determined. Accordingly, the extent to which COVID-19 may impact NORDP's financial position, change in net assets and cash flows is uncertain and the accompanying financial statements include no adjustments relating to the effects of this pandemic.