

**NATIONAL ORGANIZATION OF RESEARCH
DEVELOPMENT PROFESSIONALS**

**FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REPORT**

SEPTEMBER 30, 2020 AND 2019

WSDD

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, 2020 and 2019, 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, 2020 and 2019, 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
June 30, 2021

**NATIONAL ORGANIZATION OF RESEARCH
DEVELOPMENT PROFESSIONALS**
Statements of Assets, Liabilities, and Net Assets - Modified Cash Basis
September 30, 2020 and 2019

ASSETS		
	<u>2020</u>	<u>2019</u>
CURRENT ASSETS		
Cash and cash equivalents	<u>\$ 1,058,971</u>	<u>\$ 609,040</u>
LIABILITIES AND NET ASSETS		
LIABILITIES		
Credit card payable	\$	\$ 14,774
NET ASSETS		
Without donor restrictions	660,980	594,266
With donor restrictions	<u>397,991</u>	<u> </u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 1,058,971</u>	<u>\$ 609,040</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, 2020 and 2019

	SEPTEMBER 30,			
	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS	2020 TOTAL	2019 WITHOUT DONOR RESTRICTIONS
SUPPORT AND REVENUE				
Membership dues	\$ 205,710	\$	\$ 205,710	\$ 182,999
Conference fees	570		570	347,063
Conference sponsorship				66,000
HBCU grant		397,991	397,991	
PEERD Program fees	21,074		21,074	37,233
Regional activities	7,320		7,320	11,525
NORD grant funding	10,008		10,008	7,500
Donations	115		115	80
Other income	1,326		1,326	6,029
Total Support and Revenue	<u>246,123</u>	<u>397,991</u>	<u>644,114</u>	<u>658,429</u>
EXPENSES				
Conference	42,213		42,213	300,868
Management fees	25,542		25,542	21,843
Board retreat	11,470		11,470	28,074
PEERD Program	14,055		14,055	20,434
NORD grants	8,255		8,255	6,000
Software and subscriptions	12,779		12,779	9,292
Banking and online fees	16,270		16,270	17,580
Board of directors	31		31	347
Web services	1,010		1,010	3,029
Mentoring	753		753	2,091
Insurance	7,549		7,549	5,048
Dues and subscriptions	1,315		1,315	2,210
Communications	2,049		2,049	3,229
Professional fees	13,318		13,318	14,637
Strategic Alliances	5,721		5,721	11,567
Regional activities	16,100		16,100	1,534
Office supplies	979		979	116
Total Expenses	<u>179,409</u>	<u>0</u>	<u>179,409</u>	<u>447,899</u>
EXCESS OF SUPPORT AND REVENUE OVER EXPENSES	66,714	397,991	464,705	210,530
NET ASSETS				
Beginning of Year	<u>594,266</u>	<u>0</u>	<u>594,266</u>	<u>383,736</u>
End of Year	<u>\$ 660,980</u>	<u>\$ 397,991</u>	<u>\$ 1,058,971</u>	<u>\$ 594,266</u>

See independent auditors' report and notes to financial statements.

**NATIONAL ORGANIZATION OF RESEARCH
DEVELOPMENT PROFESSIONALS
Notes to Financial Statements
September 30, 2020 and 2019**

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 COVID 19 outbreak in the United States may continue to 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. No adjustments have been made to these financial statements as a result of this uncertainty. Subsequent events have been evaluated through June 30, 2021, 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.

NOTE 3 - LIQUIDITY AND AVAILABILITY

At September 30, 2020 and 2019, NORDP had a working capital surplus of \$1,058,971 and \$594,266, 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>2020</u>	<u>2019</u>
Financial assets at year end:		
Cash and cash equivalents	\$ 1,058,971	\$ 609,040
Amounts unavailable for general expenditures due to:		
Purpose restriction	<u>(397,991)</u>	<u> </u>
Total Financial Assets Available to Management for General Expenditures Within One Year	<u>\$ 660,980</u>	<u>\$ 609,040</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, 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, 2020, on a functional basis, with comparative totals for 2019:

	Program Services	General and Administrative	Total	
			2020	2019
Conference	\$ 42,213	\$	\$ 42,213	\$ 300,868
Management fees		25,542	25,542	21,843
Board retreat		11,470	11,470	28,074
PEERD Program	14,055		14,055	20,434
NORDP Grants	8,255		8,255	6,000
Software and subscriptions		12,779	12,779	9,292
Bank and online fees		16,270	16,270	17,580
Board of directors		31	31	347
Web services		1,010	1,010	3,029
Mentoring	753		753	2,091
Insurance		7,549	7,549	5,048
Dues and subscriptions		1,315	1,315	2,210
Communications	318	1,731	2,049	3,229
Professional fees		13,318	13,318	14,637
Strategic Alliances	5,721		5,721	11,567
Regional activities	16,100		16,100	1,534
Office supplies	884	95	979	116
Total Expenses - 2020	<u>\$ 88,299</u>	<u>\$ 91,110</u>	<u>\$ 179,409</u>	
Total Expenses - 2019	<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 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 2017. As of and for the year ended September 30, 2020, management has determined that there are no uncertain tax positions.