

Prologue and Notes to Finance Statements and Independent Auditors' Report for FY 2015

In Fiscal Year 2015, NORDP annual revenue exceeded \$300,000, the threshold, under the State of Illinois' (where NORDP is incorporated as a nonprofit organization) regulatory requirements, for an independent auditors' report. To better understand the way that the NORDP Board spends the revenues collected from the membership for the benefit of its members and the profession, these notes are offered in addition to the Financial Statement and Independent Auditors' Report for fiscal year ending August 31, 2015. All net revenues in a fiscal year are carried forward to the following fiscal year for use in furthering the mission of NORDP.

EXPENSE Categories, FY15. These are subject to change at the discretion of the Treasurer.

Conference includes a deposit for 2016 (Orlando, FL) and all expenses associated with the 2015 annual conference in Bethesda, MD.

Administrative assistant is a contract for services.

Board retreat is the cost of 2 retreats: one in late September, 2014 & one in August, 2015. Historically the Board holds **one** 2-day in-person meeting each fiscal year. Since the fiscal year starts in September, Fiscal Year 15 included the expenses of **two** in-person meetings (one for FY14, one for FY15). The Board also meets in person the day prior to the annual pre-conference workshops.

External engagement is the category used for scholarships given to NORDP members to attend and present information on NORDP and for NORDP membership fees in organizations, such as APLU.

Software and Subscription covers the cost of Basecamp, survey, QuickBooks, and similar subscriptions. *Memberclicks*, NORDP membership software, is approximately ½ of the total expense.

Board of Directors captures the cost of the President's reception at the annual conference (approximately \$3000) and the Board members' expenses for meeting one day prior to the conference. FY15 was the first year that the President's reception was not considered part of the conference. In FY16 it will be handled as a conference expense item.

Web services is the cost of web design and maintenance.

Professional development is the cost of monthly subscription software used for recurring webinars and training materials.

Communication is cost of teleconference subscription and usage, a 800 number, and brochure design.

Professional fees consist of legal services and the preparation of IRS & IL 990 forms.

Bookkeeper is the cost of tracking and allocating of expenses and reconciliation of bank accounts. Currently the treasurer writes checks and authorizes electronic payments.

Regional activities operate at a breakeven. However, this financial report contains revenues from FY15, but due to a lag in providing a timely invoice, expenses that occurred in FY14.

Office supplies includes the purchase of a portable data projector for use during retreats and annual conference. The purchase price was less than the cost of 2 rentals.

**NATIONAL ORGANIZATION OF RESEARCH
DEVELOPMENT PROFESSIONALS**

**FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REPORT**

AUGUST 31, 2015

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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 statement of assets, liabilities, and net assets – modified cash basis as of August 31, 2015, and the related statement of support, revenue and expenses, and changes in net assets – modified cash basis for the year 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 audit. We conducted our audit 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.

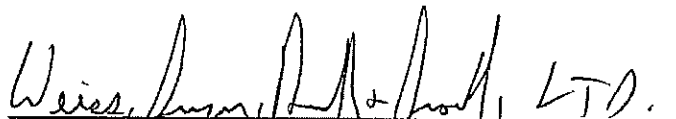
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets, liabilities and fund balances of National Organization of Research Development Professionals as of August 31, 2015, and its support, revenue and expense, and changes in net assets for the year 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.


Weiss, Sugar, Dvorak & Dusek, Ltd.

Chicago, Illinois
March 4, 2016

**NATIONAL ORGANIZATION OF RESEARCH
DEVELOPMENT PROFESSIONALS**
Statement of Assets, Liabilities, and Net Assets - Modified Cash Basis
August 31, 2015

ASSETS

CURRENT ASSETS

Cash and cash equivalents	<u>\$ 207,894</u>
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LIABILITIES AND NET ASSETS

LIABILITES	\$ 0
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NET ASSETS	<u>207,894</u>
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TOTL LIABILITIES AND NET ASSETS	<u>\$ 207,894</u>
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**NATIONAL ORGANIZATION OF RESEARCH
DEVELOPMENT PROFESSIONALS
Statement of Support, Revenue and Expenses,
and Changes in Net Assets - Modified Cash Basis
For the Year Ended August 31, 2015**

SUPPORT AND REVENUE

Membership dues	\$ 102,678	
Conference fees	188,883	
Conference sponsorship	48,000	
Regional activities	1,316	
Interest	<u>1</u>	
Total Support and Revenue		\$ 340,878

EXPENSES

Conference	200,258	
Administrative assistant	33,595	
Board retreat	16,699	
External engagement	11,620	
Software and subscriptions	10,567	
Board of directors	5,911	
Web services	2,181	
Professional development	5,088	
Communications	4,848	
Professional fees	4,589	
Bookkeeper	1,004	
Regional activities	2,439	
Office supplies	<u>642</u>	
Total Expenses		<u>299,441</u>

**EXCESS OF SUPPORT AND REVENUE
OVER EXPENSES**

41,437

NET ASSETS - BEGINNING OF YEAR

166,457

NET ASSETS - END OF YEAR

\$ 207,894

**NATIONAL ORGANIZATION OF RESEARCH
DEVELOPMENT PROFESSIONALS**
Notes to Financial Statements
August 31, 2015

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

NORDP has evaluated subsequent events for potential recognition and/or the disclosure through March 4, 2016, 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:

Unrestricted Net Assets

This fund includes all resources over which the Board of Directors has discretionary control. All unrestricted revenue and expenses, are included in the revenues and expenses of this fund. Transfers are made to this fund from the Temporarily Restricted Net Assets as the conditions of the restrictions are met.

Temporarily Restricted Net Assets

This fund includes all resources that are temporarily restricted by the donors. Amounts are transferred to the unrestricted fund as expenditures are incurred which meet the restrictions of the donors. NORDP had no temporarily restricted net assets at August 31, 2015.

NOTE 3 – 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 2012. As of and for the year ended August 31, 2015, management has determined that there are no uncertain tax positions.