

**PENNSYLVANIA ASSOCIATION OF
NONPROFIT ORGANIZATIONS**

FINANCIAL STATEMENTS
With Supplementary Information

YEARS ENDED DECEMBER 31, 2015 AND 2014



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PENNSYLVANIA ASSOCIATION OF NONPROFIT ORGANIZATIONS

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Pennsylvania Association of Nonprofit Organizations
2040 Linglestown Road, Suite 302
Harrisburg, Pennsylvania 17110

Report on the Financial Statements

We have audited the accompanying financial statements of **Pennsylvania Association of Nonprofit Organizations** (the Association), a nonprofit organization, which comprise the Statement of Assets, Liabilities, and Net Assets (Deficit) - Modified Cash Basis as of December 31, 2015, and the related Statements of Revenue, Expenses, and Changes in Net Assets (Deficit) - Modified Cash Basis, Expenses - Modified Cash Basis, and Cash Flows - 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.

Auditors' 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 auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

Auditors' Responsibility (Continued)

In making those risk assessments, the auditors consider internal control relevant to the Association'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 Association'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 (deficit) of **Pennsylvania Association of Nonprofit Organizations** as of December 31, 2015, and its revenue, expenses, and changes in net assets (deficit) for the year then ended in accordance with the 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 that matter.

Emphasis-of-Matter Regarding Health Alliance for Nonprofits (HANP)

As explained in Note 6, the Association has entered into an agreement with HANP for the purpose of providing management and administrative services to HANP's program participants. As a part of the agreement, the Association has effective control of HANP, through its majority membership on the HANP's board of directors. These financial statements present only the financial position, activities, expenses, and cash flows of the Association.

Other Matter

Reporting on Prior Year Financial Statements

The financial statements of **Pennsylvania Association of Nonprofit Organizations** as of and for the year ended December 31, 2014 were audited by SF&Company who expressed an unmodified opinion on those statements on July 7, 2015.

Baker Tilly Viechow Krause, LLP

Harrisburg, Pennsylvania
July 19, 2016

PENNSYLVANIA ASSOCIATION OF NONPROFIT ORGANIZATIONS

**STATEMENTS OF ASSETS, LIABILITIES, AND
NET ASSETS (DEFICIT) - MODIFIED CASH BASIS**

	<u>December 31,</u>	
	<u>2015</u>	<u>2014</u>
ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 6,828	\$ 13,964
Due from Consortium	857	2,255
Prepaid Expenses	56	566
TOTAL CURRENT ASSETS	<u>7,741</u>	<u>16,785</u>
PROPERTY AND EQUIPMENT - Net	1,433	2,675
OTHER ASSETS		
Security Deposit	<u>4,028</u>	<u>4,028</u>
TOTAL ASSETS	<u>\$ 13,202</u>	<u>\$ 23,488</u>
LIABILITIES AND NET ASSETS (DEFICIT)		
CURRENT LIABILITIES		
Line of Credit	\$ 20,000	\$ 26,500
Payroll Taxes and Other Withholdings	610	1,677
TOTAL CURRENT LIABILITIES	<u>20,610</u>	<u>28,177</u>
NET ASSETS (DEFICIT)		
Unrestricted	<u>(7,408)</u>	<u>(4,689)</u>
TOTAL LIABILITIES AND NET ASSETS (DEFICIT)	<u>\$ 13,202</u>	<u>\$ 23,488</u>

See independent auditors' report and accompanying notes.

PENNSYLVANIA ASSOCIATION OF NONPROFIT ORGANIZATIONS

STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET ASSETS (DEFICIT) - MODIFIED CASH BASIS YEAR ENDED DECEMBER 31, 2015

	Unrestricted	Temporarily Restricted	Total
REVENUE AND OTHER SUPPORT			
Membership Dues	\$ 190,891	\$ 0	\$ 190,891
Membership Services			
Royalty Income	74,427	0	74,427
Other Membership Services	14,857	0	14,857
Foundation Grants and Contributions	10,105	0	10,105
Program Income	129,296	0	129,296
Consulting Income	86,745	0	86,745
Interest Income	13	0	13
Fundraising Income	27,344	0	27,344
In-Kind Contributions	943	0	943
Loss on Disposal of Capital Assets	(329)	0	(329)
TOTAL REVENUE AND OTHER SUPPORT	534,292	0	534,292
EXPENSES			
Program Services	441,684	0	441,684
Supporting Services			
Management and General	61,093	0	61,093
Fundraising	34,234	0	34,234
TOTAL EXPENSES	537,011	0	537,011
DECREASE IN NET ASSETS	(2,719)	0	(2,719)
NET ASSETS (DEFICIT) - BEGINNING	(4,689)	0	(4,689)
NET ASSETS (DEFICIT) - ENDING	\$ (7,408)	\$ 0	\$ (7,408)

See independent auditors' report and accompanying notes.

PENNSYLVANIA ASSOCIATION OF NONPROFIT ORGANIZATIONS

STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET ASSETS (DEFICIT) - MODIFIED CASH BASIS YEAR ENDED DECEMBER 31, 2014

	Unrestricted	Temporarily Restricted	Total
REVENUE AND OTHER SUPPORT			
Membership Dues	\$ 206,649	\$ 0	\$ 206,649
Membership Services			
Royalty Income	75,581	0	75,581
Other Membership Services	9,138	0	9,138
Foundation Grants and Contributions	3,485	7,000	10,485
Program Income	99,239	0	99,239
Consulting Income	32,844	0	32,844
Interest Income	29	0	29
Fundraising Income	18,335	0	18,335
Net Assets Released from Restrictions	14,593	(14,593)	0
TOTAL REVENUE AND OTHER SUPPORT	459,893	(7,593)	452,300
EXPENSES			
Program Services	432,609	0	432,609
Supporting Services			
Management and General	75,955	0	75,955
Fundraising	25,130	0	25,130
TOTAL EXPENSES	533,694	0	533,694
DECREASE IN NET ASSETS	(73,801)	(7,593)	(81,394)
NET ASSETS - BEGINNING	69,112	7,593	76,705
NET ASSETS (DEFICIT) - ENDING	\$ (4,689)	\$ 0	\$ (4,689)

See independent auditors' report and accompanying notes.

PENNSYLVANIA ASSOCIATION OF NONPROFIT ORGANIZATIONS

STATEMENTS OF EXPENSES - MODIFIED CASH BASIS YEAR ENDED DECEMBER 31, 2015 WITH COMPARATIVE TOTAL FOR THE YEAR ENDED DECEMBER 31, 2014

	Program Services	Supporting Services		Total	
		Management and General	Fundraising	2015	2014
EXPENSES					
Salaries and Wages	\$ 214,701	\$ 33,506	\$ 21,262	\$ 269,469	\$ 304,325
Employee Benefits	16,216	3,363	890	20,469	20,331
Payroll Taxes	16,196	1,703	1,611	19,510	23,032
Consulting Expenses	43,393	0	0	43,393	0
Professional Fees	12,660	2,426	2,422	17,508	21,670
Occupancy	37,098	4,639	2,182	43,919	36,036
Advertising	0	0	0	0	1,705
Equipment Rental/Maintenance	6,081	537	1,216	7,834	13,280
Postage and Shipping	2,578	346	379	3,303	2,109
Supplies	1,324	244	244	1,812	1,917
Telephone	6,050	1,123	1,135	8,308	8,200
Staff Training	679	2,343	0	3,022	5,422
Travel	320	171	0	491	5,406
Insurance	3,930	2,555	786	7,271	7,064
Depreciation	685	228	0	913	1,032
Dues and Subscriptions	11,664	4,756	2,070	18,490	10,438
Webinars and Workshops	9,360	0	0	9,360	10,491
Standards for Excellence Program	9,882	0	0	9,882	12,449
Advocacy Expense	1,215	0	0	1,215	0
Publications	885	0	0	885	75
Stipends and Scholarships	0	0	0	0	8,545
Annual Conference	40,998	0	0	40,998	30,819
Interest Expense	0	1,495	0	1,495	514
Member Services	2,283	214	0	2,497	5,790
Miscellaneous Expenses	3,486	501	37	4,024	3,044
In-Kind Donations	0	943	0	943	0
TOTAL EXPENSES	<u>\$ 441,684</u>	<u>\$ 61,093</u>	<u>\$ 34,234</u>	<u>\$ 537,011</u>	<u>\$ 533,694</u>

See independent auditors' report and accompanying notes.

PENNSYLVANIA ASSOCIATION OF NONPROFIT ORGANIZATIONS

STATEMENT OF EXPENSES - MODIFIED CASH BASIS YEAR ENDED DECEMBER 31, 2014

	Program Services	Supporting Services		Total
		Management and General	Fundraising	
EXPENSES				
Salaries and Wages	\$ 263,514	\$ 20,137	\$ 20,674	\$ 304,325
Employee Benefits	16,894	2,563	874	20,331
Payroll Taxes	19,947	1,516	1,569	23,032
Professional Fees	0	21,670	0	21,670
Occupancy	30,673	3,874	1,489	36,036
Advertising	1,590	115	0	1,705
Equipment Rental/Maintenance	6,472	6,658	150	13,280
Postage and Shipping	1,444	627	38	2,109
Supplies	342	1,575	0	1,917
Telephone	5,470	2,730	0	8,200
Staff Training	945	4,477	0	5,422
Travel	4,697	409	300	5,406
Insurance	0	7,064	0	7,064
Depreciation	774	258	0	1,032
Dues and Subscriptions	9,743	695	0	10,438
Webinars and Workshops	10,491	0	0	10,491
Standards for Excellence Program	12,449	0	0	12,449
Publications	75	0	0	75
Stipends and Scholarships	8,545	0	0	8,545
Annual Conference	30,819	0	0	30,819
Interest Expense	0	514	0	514
Member Services	5,597	193	0	5,790
Miscellaneous Expenses	2,128	880	36	3,044
TOTAL EXPENSES	\$ 432,609	\$ 75,955	\$ 25,130	\$ 533,694

See independent auditors' report and accompanying notes.

PENNSYLVANIA ASSOCIATION OF NONPROFIT ORGANIZATIONS

STATEMENTS OF CASH FLOWS - MODIFIED CASH BASIS

	Years Ended December 31,	
	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES		
Decrease in Net Assets	\$ (2,719)	\$ (81,394)
Adjustments to Reconcile Decrease in Net Assets to Net Cash Used by Operating Activities		
Depreciation	913	1,032
Loss on Disposal of Capital Assets	329	0
(Increase) Decrease in		
Due from Consortium	1,398	(1,981)
Prepaid Expenses	510	(510)
Increase (Decrease) in		
Payroll Taxes and Other Withholdings	(1,067)	133
NET CASH USED BY OPERATING ACTIVITIES	(636)	(82,720)
 CASH FLOWS USED BY INVESTING ACTIVITIES		
Purchases of Property and Equipment	0	(790)
 CASH FLOWS FROM FINANCING ACTIVITIES		
Borrowings on Line of Credit	23,500	26,500
Repayments of Line of Credit	(30,000)	(38,500)
NET CASH USED BY FINANCING ACTIVITIES	(6,500)	(12,000)
 NET DECREASE IN CASH AND CASH EQUIVALENTS	(7,136)	(95,510)
 CASH AND CASH EQUIVALENTS - BEGINNING	13,964	109,474
 CASH AND CASH EQUIVALENTS - ENDING	\$ 6,828	\$ 13,964
 SUPPLEMENTAL DISCLOSURES		
Interest Paid	\$ 1,495	\$ 514

See independent auditors' report and accompanying notes.

PENNSYLVANIA ASSOCIATION OF NONPROFIT ORGANIZATIONS

NOTES TO FINANCIAL STATEMENTS - MODIFIED CASH BASIS YEARS ENDED DECEMBER 31, 2015 AND 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations

Pennsylvania Association of Nonprofit Organizations (the Association), a nonprofit organization, is a statewide membership organization serving and advancing the charitable nonprofit sector through leadership, advocacy, education, and services in order to improve the quality of life in Pennsylvania.

Basis of Accounting

The accompanying financial statements have been prepared on the modified cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The Association records revenue and other support when received rather than when earned and expenses are recorded when paid rather than when the obligation is incurred. Modifications to the cash basis of accounting include capitalizing and recording depreciation on office equipment and furnishings; recording receivables for reimbursement of expenses, prepayment of expenses, liabilities for payroll taxes and other withholdings, and the balance owed on the line of credit, and recognizing revenue and expense for non-cash contributions. In addition, the activity of Health Alliance for Nonprofits is not included in the accompanying financial statements.

Financial Statement Presentation

The Association's financial statement presentation follows the recommendations of Accounting Standards Codification (ASC) No. 958, *"Not-for-Profit Entities."* Under ASC No. 958, the Association is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. In addition, the Association is required to present the Statements of Cash Flows - Modified Cash Basis. Under the provisions of ASC No. 958, net assets and changes therein are classified and reported, based on the existence or absence of donor-imposed stipulations as follows:

- * ***Unrestricted Net Assets*** - Net assets that are not subject to donor-imposed stipulations.
- * ***Temporarily Restricted Net Assets*** - Net assets subject to donor-imposed stipulations that will be met either by action of the Association and/or the passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported on the Statements of Revenue, Expenses, and Changes in Net Assets (Deficit) - Modified Cash Basis as net assets released from restrictions.

PENNSYLVANIA ASSOCIATION OF NONPROFIT ORGANIZATIONS

NOTES TO FINANCIAL STATEMENTS - MODIFIED CASH BASIS YEARS ENDED DECEMBER 31, 2015 AND 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial Statement Presentation (Continued)

- * *Permanently Restricted Net Assets* - Net assets subject to permanent donor-imposed stipulations that they be maintained permanently. Generally, the donors of such assets permit the Association to use all or part of the income earned on the assets for general or specific purposes. The Association does not have any permanently restricted net assets at December 31, 2015.

Use of Estimates

The preparation of financial statements in accordance with the modified cash basis of accounting requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and other support and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Cash and Cash Equivalents

The Association considers cash on hand and cash held in deposit accounts to be cash equivalents.

Property and Equipment

Property and equipment are stated at cost. The Association follows the practice of capitalizing expenditures for assets over \$500, with useful lives of at least one year. Depreciation is computed using the straight-line method of accounting over the estimated useful lives of the assets. Maintenance and repairs are charged to expense as incurred and major renewals and improvements are capitalized.

Contributions

The Association accounts for contributions in accordance with the recommendations of ASC No. 958-605, "*Revenue Recognition*." The Association reports gifts of cash and other assets as restricted revenue, if they are received with donor-imposed stipulations, which limit the use of the donated assets. When a donor-imposed stipulation expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported on the Statements of Revenue, Expenses, and Changes in Net Assets (Deficit) - Modified Cash Basis as net assets released from restrictions.

PENNSYLVANIA ASSOCIATION OF NONPROFIT ORGANIZATIONS

NOTES TO FINANCIAL STATEMENTS - MODIFIED CASH BASIS YEARS ENDED DECEMBER 31, 2015 AND 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Federal Income Taxes

The Association is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code (IRC). However, income from certain unrelated business activities may be subject to taxation as unrelated business income. ASC No. 740-10, "Income Taxes," prescribes a comprehensive model for how an organization should measure, recognize, present, and disclose uncertain tax positions taken on its tax returns. The Organization believes that it has appropriate support for tax positions taken and, as such, does not have any uncertain tax positions that are material to the financial statements.

Allocation of Expenses

The costs of providing various programs and other activities have been summarized on the Statements of Revenue, Expenses, and Changes in Net Assets (Deficit) - Modified Cash Basis and Statements of Expenses - Modified Cash Basis. Accordingly, certain costs have been allocated among the program and supporting services benefited.

Advertising

Advertising is expensed as incurred. Advertising costs for the years ended December 31, 2015 and 2014 were \$0 and \$1,705, respectively.

Subsequent Events

Management of the Association has evaluated subsequent events through July 19, 2016, which is the date the financial statements were available to be issued. Management is not aware of any subsequent events that would require recognition or disclosure in the financial statements.

2. CONCENTRATION OF CREDIT RISK

The Association's cash balances in financial institutions, at times, may exceed the Federal Deposit Insurance Corporation (FDIC) insured limits. Management regularly monitors the financial condition of the financial institutions, along with their cash balances, and tries to keep potential risks to a minimum. The Association has not experienced any such losses on these accounts.

PENNSYLVANIA ASSOCIATION OF NONPROFIT ORGANIZATIONS

NOTES TO FINANCIAL STATEMENTS - MODIFIED CASH BASIS YEARS ENDED DECEMBER 31, 2015 AND 2014

3. PROPERTY AND EQUIPMENT

Property and equipment consist of the following at December 31:

	<u>Useful Lives</u>	<u>2015</u>	<u>2014</u>
Furniture and Equipment	5 - 7 Years	\$ 4,941	\$ 29,275
Leasehold Improvements	5 Years	1,690	1,690
Total		6,631	30,965
Less: Accumulated Depreciation		(5,198)	(28,290)
Net Book Value		<u>\$ 1,433</u>	<u>\$ 2,675</u>

Depreciation for the years ended December 31, 2015 and 2014 was \$913 and \$1,032, respectively.

4. LINE OF CREDIT

The Association has an unsecured line of credit with BB&T Bank, which allows for borrowings up to \$100,000, with a maturity date of January 25, 2017. The interest rate is adjustable, based on the bank's prime rate. The interest rate at December 31, 2015 and 2014 was 5.0 percent. At December 31, 2015 and 2014, the outstanding balances were \$20,000 and \$26,500, respectively.

5. ROYALTY INCOME

The Association receives payments from various agreements with insurance companies that provide products and services to the Association's members. Total royalty income received for the years ended December 31, 2015 and 2014 was \$74,427 and \$75,581, respectively.

6. ACQUISITION OF CONTROL OF HEALTH ALLIANCE FOR NONPROFITS (HANP)

On June 28, 2013, the Association entered into a management agreement with HANP, a Pennsylvania nonprofit organization, whose mission is to facilitate the availability of group and individual health insurance and other employee benefit products for purchase by members of the United Way Agencies participating in the program and members of the Association.

PENNSYLVANIA ASSOCIATION OF NONPROFIT ORGANIZATIONS

NOTES TO FINANCIAL STATEMENTS - MODIFIED CASH BASIS YEARS ENDED DECEMBER 31, 2015 AND 2014

7. OPERATING LEASES

The Association leases office space under a non-cancelable operating lease. The lease expires on October 31, 2017. The Association subleased a portion of the office space to another nonprofit organization, under a sublease agreement. The sublessee gave notice and vacated the premises during July 2015. The Association's annual lease expense was \$52,082 and \$50,320 for the years ended December 31, 2015 and 2014, respectively. The lease expense was offset by sublease income through June 2015 as follows:

	<u>2015</u>	<u>2014</u>
Total Office Lease Expense	\$ 52,082	\$ 50,320
Less: Sublease Income	<u>(8,163)</u>	<u>(14,592)</u>
Net Office Lease Expense	<u>\$ 43,919</u>	<u>\$ 35,728</u>

Future minimum payments, under the operating lease, are as follows for the years ending December 31:

2016	\$ 53,906
2017	<u>46,230</u>
Total	<u>\$ 100,136</u>

During each of the years ended December 31, 2015 and 2014, the Association also leased equipment, under operating leases. The total expense related to these equipment leases was \$7,777 and \$9,550 for the years ended December 31, 2015 and 2014, respectively.

8. 403(B) PLAN

The Association maintains a 403(b) plan for its employees. The Association does not have any matching requirements related to this plan.

9. NET ASSET DEFICIT

As shown in the accompanying financial statements, the Association experienced a decrease in net assets of \$2,719 during the year ended December 31, 2015. As of that date, the Association's current liabilities exceeded its current assets by \$12,869, and total liabilities exceeded total assets by \$7,408.

PENNSYLVANIA ASSOCIATION OF NONPROFIT ORGANIZATIONS

NOTES TO FINANCIAL STATEMENTS - MODIFIED CASH BASIS YEARS ENDED DECEMBER 31, 2015 AND 2014

9. NET ASSET DEFICIT (Continued)

While expenses remained constant, there was an increase in program and contract revenue over the prior year. However, the increase in revenue was not enough to create a positive net asset position. For the year ended December 31, 2014, the Association experienced a decrease in net assets of \$81,394 due to the loss of royalty income from First Nonprofit Company, giving the Association a significant deficit.

Management engaged in immediate staff restructuring in early 2014 in response to the revenue loss. Management also implemented a three-year strategic plan to increase membership and revenue. Management's plans include increasing membership through membership drives and offering group memberships, and increasing revenue by applying for grants, obtaining sponsorships for programs and monthly webinars, soliciting contributions through a "Top 10 at 10" fundraising campaign, and expanding the contracted services line. During 2016, management will also be focusing on regional programming and on the restructuring from corporate membership to corporate partnership in order to increase revenue and establish themselves in the community to grow their membership. Management believes these factors may contribute toward achieving profitability. Management also projects that all cash needs will be met throughout 2016.

SUPPLEMENTARY INFORMATION



formerly
SF&COMPANY

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INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION

To the Board of Directors
Pennsylvania Association of Nonprofit Organizations
2040 Linglestown Road, Suite 302
Harrisburg, Pennsylvania 17110

We have audited the financial statements of **Pennsylvania Association of Nonprofit Organizations** (the Association), a nonprofit organization, as of and for the year ended December 31, 2015, and our report thereon, dated July 19, 2016, which expressed an unmodified opinion on those financial statements, appears on Pages 1 and 2. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary information contained in the accompanying Schedule of Detail of Program Services - Modified Cash Basis is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material aspects, in relation to the financial statements as a whole.

Prior Year Supplementary Information

The 2014 supplementary information of **Pennsylvania Association of Nonprofit Organizations** had been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. SF&Company, whose report dated July 7, 2015, expressed an opinion that the information is fairly stated, in all material aspects, in relation to the financial statements as a whole.

Baker Tilly Virchow Krause, LLP

Harrisburg, Pennsylvania
July 19, 2016



PENNSYLVANIA ASSOCIATION OF NONPROFIT ORGANIZATIONS

**SCHEDULE OF DETAIL OF PROGRAM SERVICES - MODIFIED CASH BASIS
YEAR ENDED DECEMBER 31, 2015**

	Program Services			Total
	Membership Services	Program Expense	Contracting Expenses	
EXPENSES				
Salaries and Wages	\$ 46,071	\$ 123,552	\$ 45,078	\$ 214,701
Employee Benefits	5,800	8,948	1,468	16,216
Payroll Taxes	3,389	9,387	3,420	16,196
Consulting Expenses	0	212	43,181	43,393
Professional Fees	2,422	7,821	2,422	12,665
Occupancy	10,911	26,187	0	37,098
Equipment Rental/Maintenance	1,216	3,649	1,216	6,081
Postage and Shipping	898	1,324	356	2,578
Supplies	244	836	244	1,324
Telephone	1,123	3,781	1,146	6,050
Staff Training	631	48	0	679
Travel	11	309	0	320
Insurance	786	2,358	786	3,930
Depreciation	363	206	116	686
Dues and Subscriptions	1,920	7,824	1,920	11,664
Webinars and Workshops	0	9,360	0	9,360
Standards for Excellence				
Program	0	9,882	0	9,882
Advocacy Expense	0	1,215	0	1,215
Publications	385	500	0	885
Annual Conference	0	40,992	0	40,992
Member Services	2,283	0	0	2,283
Miscellaneous Expenses	1,700	1,786	0	3,486
TOTAL EXPENSES	\$ 80,153	\$ 260,177	\$ 101,353	\$ 441,684

See independent auditors' report on supplementary information.

PENNSYLVANIA ASSOCIATION OF NONPROFIT ORGANIZATIONS

**SCHEDULE OF DETAIL OF PROGRAM SERVICES - MODIFIED CASH BASIS
YEAR ENDED DECEMBER 31, 2014**

	<u>Program Services</u>			<u>Contracting Expenses</u>	<u>Total</u>
	<u>Membership Services</u>	<u>Program Expense</u>			
EXPENSES					
Salaries and Wages	\$ 84,152	\$ 136,091	\$ 43,271	\$ 263,514	
Employee Benefits	5,683	9,439	1,772	16,894	
Payroll Taxes	6,358	10,247	3,342	19,947	
Occupancy	8,934	21,441	298	30,673	
Advertising	1,550	40	0	1,590	
Equipment Rental/Maintenance	2,058	4,414	0	6,472	
Postage and Shipping	1,203	241	0	1,444	
Supplies	35	307	0	342	
Telephone	1,662	3,808	0	5,470	
Staff Training	184	761	0	945	
Travel	2,965	1,732	0	4,697	
Depreciation	255	519	0	774	
Dues and Subscriptions	3,020	5,456	1,267	9,743	
Webinars and Workshops	0	10,491	0	10,491	
Standards for Excellence					
Program	0	11,632	817	12,449	
Publications	75	0	0	75	
Stipends and Scholarships	0	8,545	0	8,545	
Annual Conference	0	30,819	0	30,819	
Member Services	5,334	263	0	5,597	
Miscellaneous Expenses	1,191	929	8	2,128	
TOTAL EXPENSES	\$ 124,659	\$ 257,175	\$ 50,775	\$ 432,609	

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