

PENNSYLVANIA ASSOCIATION OF NONPROFIT ORGANIZATIONS
FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021

PENNSYLVANIA ASSOCIATION OF NONPROFIT ORGANIZATIONS

YEARS ENDED DECEMBER 31, 2022 AND 2021

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Pennsylvania Association of Nonprofit Organizations

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the Pennsylvania Association of Nonprofit Organizations, (the "Association") (a nonprofit organization), which comprise the statements of assets, liabilities, and net assets — modified cash basis as of December 31, 2022 and 2021, and the related statements of revenues, expenses, and changes in net assets – modified cash basis, statements of functional expenses – modified cash basis, and statements of cash flows – modified cash basis, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Association as of December 31, 2022 and 2021, and the changes in its net assets and its cash flows for the years then ended in accordance with the modified cash basis of accounting as described in Note 1.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Association and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter - 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.

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

As explained in Note 9, 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, revenues, expenses, and cash flows of the Association.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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, and 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.



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In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Association's ability to continue as a going concern for one year after the date that the financial statements are issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Association's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Zelenkofske Axlerod LLC

ZELENKOFKSKE AXELROD LLC

Harrisburg, Pennsylvania
April 28, 2023

PENNSYLVANIA ASSOCIATION OF NONPROFIT ORGANIZATIONS
STATEMENTS OF ASSETS, LIABILITIES, AND NET ASSETS - MODIFIED CASH BASIS
DECEMBER 31, 2022 AND 2021

<u>ASSETS</u>	<u>2022</u>	<u>2021</u>
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 303,128	\$ 150,610
Cash and Cash Equivalents - Restricted	22,302	19,781
Security Deposit	1,250	1,250
Prepaid Expenses	4,319	1,974
	<hr/>	<hr/>
Total Current Assets	330,999	173,615
	<hr/>	<hr/>
TOTAL ASSETS	\$ 330,999	\$ 173,615
	<hr/> <hr/>	<hr/> <hr/>
<u>LIABILITIES AND NET ASSETS</u>		
CURRENT LIABILITIES		
Payroll Taxes and Other Withholdings	\$ -	\$ 415
Other Liabilities	569	575
Loans Payable	7,723	-
Unearned Revenue	122,287	-
	<hr/>	<hr/>
Total Current Liabilities	130,579	990
	<hr/>	<hr/>
NONCURRENT LIABILITIES		
Loans Payable	18,378	25,224
	<hr/>	<hr/>
Total Noncurrent Liabilities	18,378	25,224
	<hr/>	<hr/>
Total Liabilities	148,957	26,214
	<hr/>	<hr/>
NET ASSETS		
Without Donor Restrictions	159,740	127,620
With Donor Restrictions	22,302	19,781
	<hr/>	<hr/>
TOTAL NET ASSETS	182,042	147,401
	<hr/>	<hr/>
TOTAL LIABILITIES AND NET ASSETS	\$ 330,999	\$ 173,615
	<hr/> <hr/>	<hr/> <hr/>

The accompanying notes are an integral part of the financial statements.

PENNSYLVANIA ASSOCIATION OF NONPROFIT ORGANIZATIONS
STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS - MODIFIED CASH BASIS
YEARS ENDED DECEMBER 31, 2022 AND 2021

	2022			2021		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
<u>REVENUE AND OTHER SUPPORT</u>						
Membership Dues	\$ 202,121	\$ -	\$ 202,121	\$ 209,925	\$ -	\$ 209,925
Membership Services:						
Royalty Income	82,783	-	82,783	93,168	-	93,168
Other Membership Services	15,876	-	15,876	13,511	-	13,511
Grants and Contributions	247,535	14,675	262,210	125,599	28,975	154,574
Program Income	62,187	-	62,187	56,716	-	56,716
Consulting Income	103,369	-	103,369	114,439	-	114,439
Interest Income	261	1	262	51	9	60
Net Assets Released from Restrictions	12,155	(12,155)	-	17,875	(17,875)	-
TOTAL REVENUE AND OTHER SUPPORT	726,287	2,521	728,808	631,284	11,109	642,393
<u>OPERATING EXPENSES</u>						
Program Services	501,897	-	501,897	377,511	-	377,511
Support Services						
Management and General	143,582	-	143,582	121,235	-	121,235
Fundraising	48,688	-	48,688	37,980	-	37,980
TOTAL OPERATING EXPENSES	694,167	-	694,167	536,726	-	536,726
CHANGES IN NET ASSETS	32,120	2,521	34,641	94,558	11,109	105,667
NET ASSETS - Beginning of year	127,620	19,781	147,401	33,062	8,672	41,734
NET ASSETS - End of year	\$ 159,740	\$ 22,302	\$ 182,042	\$ 127,620	\$ 19,781	\$ 147,401

The accompanying notes are an integral part of the financial statements.

PENNSYLVANIA ASSOCIATION OF NONPROFIT ORGANIZATIONS
STATEMENT OF FUNCTIONAL EXPENSES - MODIFIED CASH BASIS
YEAR ENDED DECEMBER 31, 2022

Expenses	Program Services				Supporting Services		
	Membership Services	Program Expenses	Contracting Expenses	Total	Management and General	Fundraising	Total
Salaries and wages	\$ 54,446	\$ 177,147	\$ 21,181	\$ 252,774	\$ 50,977	\$ 37,732	\$ 341,483
Employee benefits	3,231	13,897	1,493	18,621	4,716	3,106	26,443
Payroll taxes	4,491	13,258	1,831	19,580	3,108	3,075	25,763
Consulting expenses	-	28,447	87,462	115,909	-	-	115,909
Professional fees	-	-	-	-	36,304	115	36,419
Occupancy	2,979	9,308	1,862	14,149	2,667	1,862	18,678
Advertising	-	-	-	-	11,685	-	11,685
Equipment rental/maintenance	278	870	174	1,322	3,332	174	4,828
Postage and shipping	282	906	176	1,364	366	176	1,906
Supplies	7	21	4	32	234	4	270
Telephone/communications	5,064	1,872	220	7,156	4,744	550	12,450
Staff and board training	547	-	-	547	2,619	-	3,166
Travel	-	-	-	-	198	-	198
Insurance	-	-	-	-	9,955	-	9,955
Dues and subscriptions	2,120	12,166	539	14,825	10,342	612	25,779
Webinars and workshops	-	7,935	-	7,935	-	-	7,935
Advocacy expense	-	16,001	-	16,001	-	-	16,001
Racial justice program	-	14,500	-	14,500	-	-	14,500
Annual conference	-	9,819	-	9,819	-	-	9,819
Member services	900	-	-	900	100	-	1,000
Bank/credit card fees	4,349	2,032	82	6,463	814	1,282	8,559
Miscellaneous expenses	-	-	-	-	1,421	-	1,421
Total Expenses	\$ 78,694	\$ 308,179	\$ 115,024	\$ 501,897	\$ 143,582	\$ 48,688	\$ 694,167

The accompanying notes are an integral part of the financial statements.

PENNSYLVANIA ASSOCIATION OF NONPROFIT ORGANIZATIONS
STATEMENT OF FUNCTIONAL EXPENSES - MODIFIED CASH BASIS
YEAR ENDED DECEMBER 31, 2021

Expenses	Program Services				Supporting Services		
	Membership Services	Program Expenses	Contracting Expenses	Total	Management and General	Fundraising	Total
Salaries and wages	\$ 43,838	\$ 129,895	\$ 24,502	\$ 198,235	\$ 53,492	\$ 27,337	\$ 279,064
Employee benefits	3,172	12,448	1,987	17,607	3,680	2,012	23,299
Payroll taxes	3,310	9,802	1,848	14,960	4,731	2,064	21,755
Consulting expenses	-	271	66,424	66,695	-	-	66,695
Professional fees	-	-	-	-	33,010	615	33,625
Occupancy	2,894	9,045	1,809	13,748	2,533	1,809	18,090
Advertising	-	-	-	-	2,510	-	2,510
Equipment rental/maintenance	1,224	3,825	765	5,814	(826)	765	5,753
Postage and shipping	356	1,113	223	1,692	328	223	2,243
Supplies	27	102	17	146	99	17	262
Telephone/communications	5,305	1,960	231	7,496	3,460	577	11,533
Staff and board training	-	500	-	500	684	-	1,184
Insurance	-	-	-	-	9,374	-	9,374
Dues and subscriptions	2,885	11,068	244	14,197	6,895	392	21,484
Webinars and workshops	-	8,718	-	8,718	-	-	8,718
Advocacy expense	-	1,000	-	1,000	-	1,110	2,110
Racial justice program	-	4,500	-	4,500	-	-	4,500
Annual conference	-	15,017	-	15,017	-	-	15,017
Member services	-	-	-	-	900	-	900
Bank/credit card fees	4,599	2,492	33	7,124	780	1,009	8,913
Miscellaneous expenses	-	50	12	62	(415)	50	(303)
Total Expenses	\$ 67,610	\$ 211,806	\$ 98,095	\$ 377,511	\$ 121,235	\$ 37,980	\$ 536,726

The accompanying notes are an integral part of the financial statements.

PENNSYLVANIA ASSOCIATION OF NONPROFIT ORGANIZATIONS
STATEMENTS OF CASH FLOWS - MODIFIED CASH BASIS
YEARS ENDED DECEMBER 31, 2022 AND 2021

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Changes in net assets	\$ 34,641	\$ 105,667
Adjustments to reconcile changes in net assets to net cash provided by (used in) operating activities:		
(Increase) decrease in:		
Prepaid expenses	(2,345)	416
Increase (decrease) in:		
Unearned Revenue	122,287	-
Payroll taxes and other withholdings	(415)	415
Other Liabilities	(6)	39
	154,162	106,537
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayments of Loans Payable	877	-
	877	-
Net cash provided by (used in) financing activities		
	155,039	106,537
Net increase (decrease) in cash and cash equivalents		
	170,391	63,854
Cash, cash equivalents, and restricted cash, beginning of year		
	\$ 325,430	\$ 170,391
Cash, cash equivalents, and restricted cash, end of year		
	303,128	150,610
Cash and cash equivalents		
Cash and cash equivalents - restricted	22,302	19,781
	\$ 325,430	\$ 170,391
Total cash, cash equivalents, and restricted cash		
	\$ 325,430	\$ 170,391
SUPPLEMENTAL DISCLOSURES		
Interest paid	\$ 100	-
	\$ 100	-

The accompanying notes are an integral part of the financial statements.

PENNSYLVANIA ASSOCIATION OF NONPROFIT ORGANIZATIONS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

NOTE 1: NATURE OF ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. 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.

B. 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 recording receivables for reimbursement of expenses, prepayment of expenses, liabilities for payroll taxes and other withholdings, the balances owed on a line of credit and loans payable, and recognizing revenue and expense for non-cash contributions. In addition, the activity of Health Alliance for Nonprofits ("HANP") is not included in the accompanying financial statements. See Note 9.

C. 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 two classes of net assets: net assets without donor restrictions and net assets with donor restrictions. In addition, the Association has presented 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:

- **Net Assets Without Donor Restrictions** – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.
- **Net Assets With Donor Restrictions** – Net assets subject to donor (or certain grantor) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources are maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, or when the stipulated purpose for which the resource was restricted has been fulfilled, or both. The Association reports Net Assets with Donor Restrictions of \$22,302 and \$19,781 at December 31, 2022 and 2021, respectively.

PENNSYLVANIA ASSOCIATION OF NONPROFIT ORGANIZATIONS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2022 AND 2021

NOTE 1: NATURE OF ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)

C. Financial Statement Presentation (Continued)

Net assets with donor restrictions at December 31, 2022 and 2021 included amounts subject to expenditures for specified purposes. Note 3 details the restricted cash and cash equivalents.

D. Cash and Cash Equivalents

The Association considers cash on hand and cash held in deposit accounts with an original maturity of three months or less to be cash equivalents.

E. Unearned Revenue

The unearned revenue for PANO will be recognized as revenue in the fiscal year they are earned.

F. Contributions

The Association accounts for contributions in accordance with the recommendations of ASC No. 958-605, *Not-for-Profit Entities 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, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of revenue, expenses, and changes in net assets - modified cash basis as net assets released from restrictions. If restricted funds are received and released in the same year, they are recorded as net assets without donor restrictions.

G. Federal Income Taxes

The Association is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. 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 Association 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. The Association's tax returns remain subject to examination for years ended December 31, 2019 and after.

H. Allocation of Expenses

The costs of providing various programs and other activities have been summarized in the statements of revenue, expenses, and changes in net assets - modified cash basis and statements of functional expenses - modified cash basis. Accordingly, expenses that are directly identifiable with a particular function are charged to the program or supporting service benefited. Other expenses may benefit more than one program or supporting function and are allocated based on estimated time and effort. The expenses that are allocated include salaries and wages, employee benefits, payroll taxes, occupancy, equipment rental/maintenance, postage and shipping, supplies, telephone, dues and subscriptions, consulting, staff and board training, and miscellaneous expense. The allocation of expenses is revisited annually by management to ensure the statements reflect current activity of the Association.

PENNSYLVANIA ASSOCIATION OF NONPROFIT ORGANIZATIONS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2022 AND 2021

NOTE 1: NATURE OF ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)

I. Advertising

Advertising is expensed as incurred. Advertising costs for the years ended December 31, 2022 and 2021 were \$11,685 and \$2,510, respectively.

J. Reclassifications

Certain amounts in the 2021 financial statements have been reclassified to conform with the 2022 presentation format. These reclassifications had no effect on the Association's changes in net assets.

K. 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.

L. Accounting Pronouncements - Adopted

In February 2016, the FASB issued ASU No. 2016-02, *Leases (Topic 842)*. The adoption of this ASU did not result in modification of previously reported amounts.

During September 2020, the FASB issued ASU No. 2020-07, *Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. The adoption of this ASU did not result in modification of previously reported amounts.

During October 2020, the FASB issued ASU No. 2020-08, *Codification Improvements*. The adoption of this ASU did not result in modification of previously reported amounts.

In November 2021, the FASB issued ASU No. 2021-09, *Leases (Topic 842): Discount Rate for Lessees That Are Not Public Business Entities*. The adoption of this ASU did not result in modification of previously reported amounts.

In November 2021, the FASB issued ASU No. 2021-10, *Government Assistance (Topic 832): Disclosures by Business Entities about Government Assistance*. The adoption of this ASU did not result in modification of previously reported amounts.

NOTE 2: CONCENTRATIONS OF CREDIT RISK

The Association's cash balances in financial institutions, at times, may exceed the Federal Deposit Insurance Corporation 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 (CONTINUED)
 DECEMBER 31, 2022 AND 2021

NOTE 3: RESTRICTED CASH AND CASH EQUIVALENTS

Restricted cash and cash equivalents is comprised of the following as of December 31, 2022 and 2021:

	2022	2021
Don Kramer Help Desk	\$ 6,557	\$ 6,556
Training and Scholarships	1,750	-
Standards for Excellence	2,425	-
Racial Justice	11,570	13,225
Total	\$ 22,302	\$ 19,781

NOTE 4: LOANS PAYABLE

In 2020, the Association entered into a loan from the U.S. Small Business Administration to assist with the impacts of COVID-19. The loan, which is in the form of the Economic Injury Disaster Term Note dated June 11, 2020, matures on June 11, 2050 and bears interest at a rate of 2.75% per annum, is payable monthly in the amount of \$641 commencing on June 9, 2022. The Note may be prepaid by the Association at any time prior to maturity with no prepayment penalties. Interest will accrue on funds actually advanced from the date of each advance. The balance of the loan at December 31, 2022 and 2021 was \$18,378 and \$25,224, respectively.

NOTE 5: ROYALTY INCOME

The Association receives payments from agreements with various vendors who provide products and services to the Association's members. Total royalty income received for the years ended December 31, 2022 and 2021 was \$82,783 and \$93,168, respectively.

NOTE 6: 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.

PENNSYLVANIA ASSOCIATION OF NONPROFIT ORGANIZATIONS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2022 AND 2021

NOTE 7: RELATED PARTIES

Most of the Association's board of directors are required to be representatives of member organizations of the Association.

During 2022 and 2021, the Association received contributions and membership dues from member organizations of which board members are representatives totaling \$3,563 and \$18,806, respectively. During 2022 and 2021, the Association paid fees for consulting services used in its consulting operations to a related member totaling \$20,750 and \$4,938, respectively

The Association receives its legal services pro-bono from a board member. No legal services were provided in 2022 and 2021.

NOTE 8: LIQUIDITY AND AVAILABILITY OF RESOURCES

The Association's practice is to structure its financial assets to be available as its general expenditures, liabilities and other obligations come due. As of December 31, 2022 and 2021, the Association had \$303,128 and \$150,610 of financial assets consisting of cash and cash equivalents, respectively. At December 31, 2022 and 2021, the Association had \$294,836 and \$149,620 of financial assets net of other liabilities available for general expenditure within one year of the balance sheet date, respectively. To help manage unanticipated liquidity needs, the Association has a committed line of credit in the amount of \$100,000 which it could draw upon. As of December 31, 2022 and 2021, the Association had \$100,000 of available credit from the committed line of credit to draw upon. The Association regularly monitors liquidity required to meet its operating needs and other contractual commitments.

For purposes of analyzing resources available to meet general expenditures over a 12-month period, the Association considers all expenditures related to its ongoing activities to support its mission as general expenditures.

In addition to financial assets available to meet general expenditures over the next 12 months, the Association operates a balanced budget and anticipates collecting sufficient revenue to cover general expenditures. Refer to the statement of cash flows which identified the sources and uses of the Organization's cash and shows positive cash generated by operations in 2022 and 2021.

PENNSYLVANIA ASSOCIATION OF NONPROFIT ORGANIZATIONS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2022 AND 2021

NOTE 9: ACQUISITION OF CONTROL OF 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. Condensed unaudited cash basis financial information for HANP is presented below as of and for the years ended December 31:

	<u>2022</u>	<u>2021</u>
Statements of Financial Position		
Assets:		
Cash and cash equivalents	\$ 226,101	\$ 185,928
Accounts receivable	-	7,991
Total assets	<u>\$ 226,101</u>	<u>\$ 193,919</u>
Liabilities:		
Accounts payable	\$ 5,739	\$ 5,739
Other current liabilities	217,063	182,803
Total liabilities	222,802	188,542
Net assets without donor restrictions	<u>3,299</u>	<u>5,377</u>
Total liabilities and net assets	<u>\$ 226,101</u>	<u>\$ 193,919</u>
Statements of Activities		
Revenue:		
Fee revenue	\$ 12,779	\$ 11,916
Interest Income	4	4
Premium revenue	2,347,316	2,414,488
Uncategorized Income	2,145	-
Total revenue	<u>2,362,244</u>	<u>2,426,408</u>
Expenses:		
Operation expenses	24,177	19,825
Premium expenses	2,347,316	2,414,450
Uncategorized expenses	2,145	-
Total expenses	<u>2,373,638</u>	<u>2,434,275</u>
Net operating loss	<u>(11,394)</u>	<u>(7,867)</u>
Other income		
Miscellaneous income	<u>9,316</u>	<u>7,990</u>
Changes in net assets without donor restrictions	<u>\$ (2,078)</u>	<u>\$ 123</u>

PENNSYLVANIA ASSOCIATION OF NONPROFIT ORGANIZATIONS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2022 AND 2021

NOTE 10: LINE OF CREDIT

The Association has an unsecured line of credit with Truist Bank, which allows for borrowings up to \$100,000, with a maturity date of January 24, 2024. Each year, the Association extends this Line of Credit by an additional year. The interest rate is adjustable, based on the bank's prime rate. The interest rate at December 31, 2022 and 2021 was 5.0%. At December 31, 2022 and 2021, the outstanding balances were \$0.

NOTE 11: SUBSEQUENT EVENTS

Management of the Association has evaluated subsequent events through April 28, 2023, which is the date the financial statements were available to be issued. Management is not aware of any additional subsequent events that would require recognition or disclosure in the financial statements.