

**PENNSYLVANIA ASSOCIATION OF NONPROFIT ORGANIZATIONS**  
**FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2023 AND 2022**

PENNSYLVANIA ASSOCIATION OF NONPROFIT ORGANIZATIONS

YEARS ENDED DECEMBER 31, 2023 AND 2022

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# *Zelenkofske Axlerod LLC*

**CERTIFIED PUBLIC ACCOUNTANTS**

EXPERIENCE | EXPERTISE | ACCOUNTABILITY

## 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, 2023 and 2022, 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, 2023 and 2022, 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. Our opinion is not modified with respect to this matter.

#### ***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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210 Tollgate Hill Road, Greensburg, PA 15601



# *Zelenkofske Axelrod LLC*

**CERTIFIED PUBLIC ACCOUNTANTS**

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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 twelve months beyond the financials statement date, including any currently known information that may raise substantial doubt shortly thereafter.

## ***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 Axelrod LLC*

ZELENKOFKSKE AXELROD LLC

Harrisburg, Pennsylvania  
March 29, 2024

PENNSYLVANIA ASSOCIATION OF NONPROFIT ORGANIZATIONS  
STATEMENTS OF ASSETS, LIABILITIES, AND NET ASSETS - MODIFIED CASH BASIS  
DECEMBER 31, 2023 AND 2022

<u>ASSETS</u>	<u>2023</u>	<u>2022</u>
<b>CURRENT ASSETS</b>		
Cash and Cash Equivalents	\$ 219,861	\$ 303,128
Cash and Cash Equivalents - Restricted	18,217	22,302
Security Deposit	1,250	1,250
Prepaid Expenses	3,845	4,319
	<hr/>	<hr/>
Total Current Assets	243,173	330,999
	<hr/>	<hr/>
<b>TOTAL ASSETS</b>	<b>\$ 243,173</b>	<b>\$ 330,999</b>
	<hr/> <hr/>	<hr/> <hr/>
<b><u>LIABILITIES AND NET ASSETS</u></b>		
<b>CURRENT LIABILITIES</b>		
Accounts Payable	\$ 5,487	\$ -
Other Liabilities	677	569
Loans Payable, Current	7,308	7,723
Unearned Revenue	50,311	122,287
	<hr/>	<hr/>
Total Current Liabilities	63,783	130,579
<b>NONCURRENT LIABILITIES</b>		
Loans Payable, Net of Current	9,936	18,378
	<hr/>	<hr/>
Total Liabilities	73,719	148,957
<b>NET ASSETS</b>		
Without Donor Restrictions	151,237	159,740
With Donor Restrictions	18,217	22,302
	<hr/>	<hr/>
TOTAL NET ASSETS	169,454	182,042
	<hr/>	<hr/>
TOTAL LIABILITIES AND NET ASSETS	<b>\$ 243,173</b>	<b>\$ 330,999</b>
	<hr/> <hr/>	<hr/> <hr/>

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

PENNSYLVANIA ASSOCIATION OF NONPROFIT ORGANIZATIONS  
STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS - MODIFIED CASH BASIS  
YEARS ENDED DECEMBER 31, 2023 AND 2022

	<b>2023</b>			<b>2022</b>		
	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
<b><u>REVENUE AND OTHER SUPPORT</u></b>						
Membership Dues	\$ 226,202	\$ -	\$ 226,202	\$ 202,121	\$ -	\$ 202,121
Membership Services:						
Royalty Income	84,214	-	84,214	82,783	-	82,783
Other Membership Services	12,488	-	12,488	15,876	-	15,876
Grants and Contributions	172,503	16,650	189,153	247,535	14,675	262,210
Program Income	88,493	-	88,493	62,187	-	62,187
Consulting Income	135,699	-	135,699	103,369	-	103,369
Interest Income	1,363	1	1,364	261	1	262
Net Assets Released from Restrictions	20,736	(20,736)	-	12,155	(12,155)	-
<b>TOTAL REVENUE AND OTHER SUPPORT</b>	<b>741,698</b>	<b>(4,085)</b>	<b>737,613</b>	<b>726,287</b>	<b>2,521</b>	<b>728,808</b>
<b><u>OPERATING EXPENSES</u></b>						
Program Services	563,460	-	563,460	501,897	-	501,897
Support Services						
Management and General	141,780	-	141,780	143,582	-	143,582
Fundraising	44,961	-	44,961	48,688	-	48,688
<b>TOTAL OPERATING EXPENSES</b>	<b>750,201</b>	<b>-</b>	<b>750,201</b>	<b>694,167</b>	<b>-</b>	<b>694,167</b>
<b>CHANGES IN NET ASSETS</b>	<b>(8,503)</b>	<b>(4,085)</b>	<b>(12,588)</b>	<b>32,120</b>	<b>2,521</b>	<b>34,641</b>
NET ASSETS - Beginning of year	159,740	22,302	182,042	127,620	19,781	147,401
NET ASSETS - End of year	<b>\$ 151,237</b>	<b>\$ 18,217</b>	<b>\$ 169,454</b>	<b>\$ 159,740</b>	<b>\$ 22,302</b>	<b>\$ 182,042</b>

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

PENNSYLVANIA ASSOCIATION OF NONPROFIT ORGANIZATIONS  
STATEMENT OF FUNCTIONAL EXPENSES - MODIFIED CASH BASIS  
YEAR ENDED DECEMBER 31, 2023

Expenses	Program Services				Supporting Services		
	Membership Services	Program Expenses	Contracting Expenses	Total	Management and General	Fundraising	Total
Salaries and wages	\$ 41,104	\$ 174,108	\$ 25,172	\$ 240,384	\$ 41,632	\$ 34,163	\$ 316,179
Employee benefits	5,053	15,586	2,591	23,230	4,479	3,580	31,289
Payroll taxes	3,082	12,783	1,961	17,826	3,109	2,472	23,407
Consulting expenses	-	27,058	119,151	146,209	-	-	146,209
Professional fees	-	-	-	-	65,162	-	65,162
Occupancy	3,041	9,502	1,900	14,443	2,722	1,900	19,065
Advertising	-	-	-	-	480	-	480
Equipment rental/maintenance	2	7	1	10	181	1	192
Postage and shipping	226	752	141	1,119	667	141	1,927
Supplies	17	50	10	77	18	10	105
Telephone/communications	5,313	1,963	231	7,507	3,217	578	11,302
Staff and board training	640	43	-	683	1,544	-	2,227
Travel	-	135	-	135	422	-	557
Insurance	-	-	-	-	10,301	-	10,301
Dues and subscriptions	3,886	13,993	695	18,574	5,175	853	24,602
Webinars and workshops	-	7,860	-	7,860	-	-	7,860
Advocacy expense	-	14,404	-	14,404	1,250	-	15,654
Racial justice program	-	40,986	-	40,986	-	-	40,986
Annual conference	-	22,310	-	22,310	-	-	22,310
Member services	-	-	-	-	759	-	759
Bank/credit card fees	4,450	2,738	515	7,703	662	1,263	9,628
<b>Total Expenses</b>	<b>\$ 66,814</b>	<b>\$ 344,278</b>	<b>\$ 152,368</b>	<b>\$ 563,460</b>	<b>\$ 141,780</b>	<b>\$ 44,961</b>	<b>\$ 750,201</b>

The accompanying notes are an integral part of these 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
<b>Total Expenses</b>	<b>\$ 78,694</b>	<b>\$ 308,179</b>	<b>\$ 115,024</b>	<b>\$ 501,897</b>	<b>\$ 143,582</b>	<b>\$ 48,688</b>	<b>\$ 694,167</b>

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



PENNSYLVANIA ASSOCIATION OF NONPROFIT ORGANIZATIONS  
 STATEMENTS OF CASH FLOWS - MODIFIED CASH BASIS  
 YEARS ENDED DECEMBER 31, 2023 AND 2022

	<b>2023</b>	<b>2022</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Changes in net assets	\$ (12,588)	\$ 34,641
Adjustments to reconcile changes in net assets to net cash provided by (used in) operating activities:		
(Increase) decrease in:		
Prepaid expenses	474	(2,345)
Increase (decrease) in:		
Unearned Revenue	(71,976)	122,287
Payroll taxes and other withholdings	-	(415)
Accounts Payable	5,487	-
Other Liabilities	108	871
	(78,495)	155,039
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Repayments of Loans Payable	(8,857)	-
	(8,857)	-
Net increase (decrease) in cash and cash equivalents	(87,352)	155,039
Cash, cash equivalents, and restricted cash, beginning of year	325,430	170,391
Cash, cash equivalents, and restricted cash, end of year	\$ 238,078	\$ 325,430
Cash and cash equivalents	\$ 219,861	\$ 303,128
Cash and cash equivalents - restricted	18,217	22,302
Total cash, cash equivalents, and restricted cash	\$ 238,078	\$ 325,430
<b>SUPPLEMENTAL DISCLOSURES</b>		
Interest paid	\$ 759	\$ 100

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

PENNSYLVANIA ASSOCIATION OF NONPROFIT ORGANIZATIONS  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2023 AND 2022

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. It meets the requirements for consolidation under GAAP, however, the Association's management opted to exclude it from the reporting entity. 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 \$18,217 and \$22,302 at December 31, 2023 and 2022, respectively.

PENNSYLVANIA ASSOCIATION OF NONPROFIT ORGANIZATIONS  
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 DECEMBER 31, 2023 AND 2022

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, 2023 and 2022 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.

During 2022, the Association received federal grant funding to assist in the ongoing COVID response efforts. As of December 31, 2023 and 2022, \$50,311 and \$122,287, respectively, of these funds had not yet been spent and are included in the unearned revenue on the Statements of Assets, Liabilities, and Net Assets.

	Balance December 31, 2022	Additions	Subtractions	Balance December 31, 2023
Unearned Revenue	\$ 122,287	\$ -	\$ (71,976)	\$ 50,311

F. Revenue and Revenue Recognition

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.

The Association recognizes membership dues in accordance with recommendations of ASC No. 606, *Revenue from Contracts and Customers*. The Association recognizes the membership dues immediately.

The Association recognizes other non-exchange transactions, including grants, under ASC No. 958, *Not-for-Profit Entities Revenue Recognition*. The Association recognizes grant revenue (up to the grant amount) over the period of the grant or to the extent of the expenses incurred. Revenue recognition depends on the terms of the grant.

PENNSYLVANIA ASSOCIATION OF NONPROFIT ORGANIZATIONS  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2023 AND 2022

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

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.

I. Advertising

Advertising is expensed as incurred. Advertising costs for the years ended December 31, 2023 and 2022 were \$480 and \$11,685, respectively.

J. 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.

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, 2023 AND 2022

NOTE 3: RESTRICTED CASH AND CASH EQUIVALENTS

Restricted cash and cash equivalents is comprised of the following as of December 31, 2023 and 2022:

	2023	2022
Don Kramer Help Desk	\$ 6,558	\$ 6,557
Training and Scholarships	649	1,750
Standards for Excellence	4,675	2,425
Racial Justice	5,335	11,570
Regional Programming	1,000	-
Total	\$ 18,217	\$ 22,302

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. Based on the current repayment schedule, the loan will be paid off prior to 2050. Interest will accrue on funds actually advanced from the date of each advance. The balance of the loan at December 31, 2023 and 2022 was \$17,244 and \$26,101, respectively.

For the years ending December 31,	Principal	Interest	Total
2024	\$ 7,308	\$ 384	\$ 7,692
2025	7,513	179	7,692
2026	2,423	13	2,436
	\$ 17,244	\$ 576	\$ 17,820

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, 2023 and 2022 was \$84,214 and \$82,783, 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, 2023 AND 2022

NOTE 7: RELATED PARTIES

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

During 2023 and 2022, the Association received contributions and membership dues from member organizations of which board members are representatives totaling \$3,857 and \$3,563, respectively. During 2023 and 2022, the Association paid fees for consulting services used in its consulting operations to a related member totaling \$0 and \$20,750, respectively.

The Association receives its legal services pro-bono from a board member. No legal services were provided in 2023 and 2022.

NOTE 8: LIQUIDITY AND AVAILABILITY OF RESOURCES

The Association's financial assets available for general expenditure, that is, without donor restrictions limiting their use, within one year of the date of financial position, comprise the following:

	<b>2023</b>	<b>2022</b>
Cash and Cash Equivalents	\$ 219,861	\$ 303,128
TOTAL	\$ 219,861	\$ 303,128

The Association's practice is to structure its financial assets to be available at a level equal to two months average operating expenses (Approximately \$121,700).

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, 2023 and 2022, the Association had \$100,000 of available credit from the committed line of credit to draw upon (Note 10).

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.

PENNSYLVANIA ASSOCIATION OF NONPROFIT ORGANIZATIONS  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2023 AND 2022

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

	<u>2023</u>	<u>2022</u>
Statements of Financial Position		
Assets:		
Cash and cash equivalents	\$ 111,311	\$ 226,101
Accounts receivable	7,168	-
Total assets	<u>\$ 118,479</u>	<u>\$ 226,101</u>
Liabilities:		
Accounts payable	\$ 4,866	\$ 5,739
Other current liabilities	109,692	217,063
Total liabilities	114,558	222,802
Net assets without donor restrictions	<u>3,921</u>	<u>3,299</u>
Total liabilities and net assets	<u>\$ 118,479</u>	<u>\$ 226,101</u>
Statements of Activities		
Revenue:		
Fee revenue	\$ 8,149	\$ 12,779
Interest Income	4	4
Premium revenue	2,340,270	2,347,316
Uncategorized Income	-	2,145
Total revenue	<u>2,348,423</u>	<u>2,362,244</u>
Expenses:		
Operation expenses	18,553	24,177
Premium expenses	2,340,154	2,347,316
Uncategorized expenses	-	2,145
Total expenses	<u>2,358,707</u>	<u>2,373,638</u>
Net operating loss	<u>(10,284)</u>	<u>(11,394)</u>
Other income		
Miscellaneous income	<u>10,906</u>	<u>9,316</u>
Changes in net assets without donor restrictions	622	(2,078)
Net Assets - Beginning of year	<u>3,299</u>	<u>5,377</u>
Net Assets - End of year	<u>\$ 3,921</u>	<u>\$ 3,299</u>

PENNSYLVANIA ASSOCIATION OF NONPROFIT ORGANIZATIONS  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2023 AND 2022

NOTE 10: LINE OF CREDIT

The Association has an unsecured line of credit, which allows for borrowings up to \$100,000, with a maturity date of March 8, 2025. 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, 2023 and 2022 was 5.0%. At December 31, 2023 and 2022, the outstanding balances were \$0.

NOTE 11: SUBSEQUENT EVENTS

As of February 1, 2024, the Association renegotiated their agreement to lease commercial office space from WITF, Inc. for \$1,200 monthly. The rate will increase by 2.5% each year over the term of the lease. The term begins February 1, 2024 and ends January 31, 2027.

Management of the Association has evaluated subsequent events through March 29, 2024, 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 besides those noted above.