

Grantmakers of Western Pennsylvania

Financial Statements

Years Ended December 31, 2015 and 2014
with Independent Auditor's Report

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GRANTMAKERS OF WESTERN PENNSYLVANIA

YEARS ENDED DECEMBER 31, 2015 AND 2014

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Independent Auditor's Report

Members

Grantmakers of Western Pennsylvania

We have audited the accompanying financial statements of Grantmakers of Western Pennsylvania (Grantmakers), a nonprofit organization, which comprise the statements of financial position as of December 31, 2015 and 2014, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of 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 financial position of Grantmakers as of December 31, 2015 and 2014, and the changes in net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Maher Duessel
Pittsburgh, Pennsylvania
August 5, 2015

GRANTMAKERS OF WESTERN PENNSYLVANIA

STATEMENTS OF FINANCIAL POSITION

DECEMBER 31, 2015 AND 2014

	2015	2014
<hr/> Assets <hr/>		
Cash and cash equivalents	\$ 891,598	\$ 669,699
Program reimbursement receivable	181	2,053
Grant receivable	112,500	-
Other Assets	995	1,277
	<hr/>	<hr/>
Total current assets	1,005,274	673,029
	<hr/>	<hr/>
Fixed assets:		
Building improvements	10,881	10,881
Equipment	19,315	19,315
	<hr/>	<hr/>
	30,196	30,196
Less: accumulated depreciation	<u>(30,196)</u>	<u>(29,955)</u>
	<hr/>	<hr/>
Net fixed assets	-	241
	<hr/>	<hr/>
Total Assets	\$ 1,005,274	\$ 673,270
	<hr/> <hr/>	<hr/> <hr/>
<hr/> Liabilities and Net Assets <hr/>		
Liabilities:		
Accounts payable and accrued liabilities	\$ 8,610	\$ 10,686
Deferred membership dues	52,358	40,578
	<hr/>	<hr/>
Total Liabilities	60,968	51,264
	<hr/>	<hr/>
Net Assets:		
Unrestricted	491,550	484,158
Temporarily restricted	452,756	137,848
	<hr/>	<hr/>
Total Net Assets	944,306	622,006
	<hr/>	<hr/>
Total Liabilities and Net Assets	\$ 1,005,274	\$ 673,270
	<hr/> <hr/>	<hr/> <hr/>

See accompanying notes to financial statements.

GRANTMAKERS OF WESTERN PENNSYLVANIA

STATEMENTS OF ACTIVITIES

YEARS ENDED DECEMBER 31, 2015 AND 2014

	<u>2015</u>	<u>2014</u>
Unrestricted Net Assets:		
Revenues:		
Membership dues	\$ 366,572	\$ 365,815
Program fees	1,468	1,943
Fees - other	1,634	5,000
Interest income	595	571
	<u>370,269</u>	<u>373,329</u>
 Total revenues	 370,269	 373,329
 Net assets released from restrictions	 <u>283,511</u>	 <u>72,475</u>
 Total unrestricted revenues	 <u>653,780</u>	 <u>445,804</u>
 Expenses:		
Program services	532,351	303,515
Administration	112,471	91,684
Development	1,566	2,909
	<u>646,388</u>	<u>398,108</u>
 Total expenses	 <u>646,388</u>	 <u>398,108</u>
 Change in Unrestricted Net Assets	 <u>7,392</u>	 <u>47,696</u>
 Temporarily Restricted Net Assets:		
Grants	598,419	206,000
Net assets released from restrictions	<u>(283,511)</u>	<u>(72,475)</u>
 Change in Temporarily Restricted Net Assets	 <u>314,908</u>	 <u>133,525</u>
 Change in Net Assets	 <u>322,300</u>	 <u>181,221</u>
 Net Assets:		
Beginning of year	<u>622,006</u>	<u>440,785</u>
 End of year	 <u>\$ 944,306</u>	 <u>\$ 622,006</u>

See accompanying notes to financial statements.

GRANTMAKERS OF WESTERN PENNSYLVANIA

STATEMENTS OF CASH FLOWS

YEARS ENDED DECEMBER 31, 2015 AND 2014

	2015	2014
<u>Cash Flows From Operating Activities:</u>		
Change in net assets	\$ 322,300	\$ 181,221
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	241	163
Change in:		
Program reimbursement receivable	1,872	122
Grant receivable	(112,500)	-
Other assets	282	(1,277)
Accounts payable and accrued liabilities	(2,076)	3,964
Deferred membership dues	11,780	28,592
	<u>221,899</u>	<u>212,785</u>
Net cash provided by (used in) operating activities	221,899	212,785
Net Increase (Decrease) in Cash and Cash Equivalents	221,899	212,785
<u>Cash and Cash Equivalents:</u>		
Beginning of year	<u>669,699</u>	<u>456,914</u>
End of year	<u>\$ 891,598</u>	<u>\$ 669,699</u>

See accompanying notes to financial statements.

GRANTMAKERS OF WESTERN PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2015 AND 2014

1. ORGANIZATION

Grantmakers of Western Pennsylvania (Grantmakers) was incorporated under the Nonprofit Corporation Law of the Commonwealth of Pennsylvania on February 25, 1985.

Grantmakers is a nonprofit professional membership association of grantmaking organizations composed of various foundations, corporations and charitable trusts of all sizes and purposes. Grantmakers is principally funded through dues and grants from members. Grantmakers:

- i. Encourages membership enrollment and active participation of all grantmaking organizations throughout Western Pennsylvania, in order to maximize the opportunity for exchange of information and collaboration on common interests.
- ii. Assists members to identify community needs, working with them to develop information about these needs and providing a forum for discussion of potential solutions. The community of interest is not limited to the City of Pittsburgh or Allegheny County, but extends throughout Western Pennsylvania.
- iii. Nurtures the professional development of its diverse membership by serving as a resource to improve the effectiveness of its members' operations and decisions.
- iv. Presents information regarding philanthropy to the community at large.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A summary of significant accounting policies consistently applied by management in the preparation of the financial statements follows:

Basis of Accounting

The financial statements have been prepared on the accrual basis of accounting. Accordingly, revenues are recorded when earned and expenses are recognized when the liabilities are incurred.

GRANTMAKERS OF WESTERN PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2015 AND 2014

Basis of Presentation

Net assets, revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. The net assets of Grantmakers are classified and reported as follows:

Unrestricted Net Assets - Net assets that are not subject to donor-imposed stipulations. The Board of Directors has designated certain accumulated funds as reserves. The Board of Directors retains control over the related assets and may, at its discretion, subsequently use them for other purposes. (See Note 3)

Temporarily Restricted Net Assets - Net assets subject to donor-imposed stipulations that may or will be met either by actions of Grantmakers and/or the passage of time.

Permanently Restricted Net Assets – Net assets subject to donor-imposed stipulations that require resources be maintained permanently but permits the organization to use up or expend part or all of the income derived from the donated assets. Grantmakers has no permanently restricted net assets.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results may differ from those estimates.

Membership Dues

Membership dues are recognized when pledged or received. Memberships are on a calendar year basis, January 1 to December 31, and are based on members' total grant payouts. At times, members will pay their membership dues for the following year prior to year-end. For these instances, membership dues are recognized as deferred revenues for the amount of dues paid.

Grants

Grants to Grantmakers are reported at stated value at the date notified. The grants are reported as unrestricted if no donor stipulations are specified and either temporarily or

GRANTMAKERS OF WESTERN PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2015 AND 2014

permanently restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified as unrestricted net assets and reported in the statements of activities as net assets released from restrictions.

Cash and Cash Equivalents

For purposes of the statements of cash flows, Grantmakers considers all investments with a purchased maturity of three months or less to be cash equivalents. Grantmakers maintains cash and cash equivalents at financial institutions, which may at times exceed federally insured limits.

Grants Receivable

Grants receivable represents amounts awarded by donors that have not been received. Management has determined that no allowance was considered necessary. All grants receivable are expected to be collected within one year.

Fixed Assets

Fixed assets are recorded at cost or, if donated, the estimated fair value at the date received. Depreciation is calculated on the straight-line method over the asset's estimated useful life. A capitalization level of \$3,000 has been adopted by Grantmakers.

Income Tax

Grantmakers is exempt from federal income taxes pursuant to Section 501(c)(3) of the Internal Revenue Code of 1986 (IRC) and has been classified as an organization that is not a private foundation under Sections 509(a)(1) and 170(b)(1)(A)(vi) of the IRC. Accordingly, no provision for federal income tax has been made in the financial statements. Further, Grantmakers annually files a Form 990.

Donated Services

Donated services (in-kind contributions) for the years ended December 31, 2015 and 2014 do not meet the criteria for inclusion in the accompanying financial statements. Grantmakers receives donation of services of immeasurable benefit to the organization from many individuals.

GRANTMAKERS OF WESTERN PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2015 AND 2014

Functional Expenses

The costs of providing the program and other activities have been summarized on a functional basis in the statements of activities. Accordingly, certain costs have been allocated among the cost centers benefited based upon actual staff hours.

Subsequent Events

Subsequent events have been evaluated through the Independent Auditor's Report date, which is the date the financial statements were available to be issued.

3. NET ASSETS

The Board of Directors has designated certain accumulated funds as reserves. These reserves are classified as unrestricted net assets. The Board of Directors retains control over the related assets and may, at its discretion, subsequently use them for other purposes. Total reserves were \$320,801 and \$320,250 for the years ended December 31, 2015 and 2014, respectively.

Temporarily restricted net assets at December 31, 2015 and 2014 consist of:

	<u>2015</u>	<u>2014</u>
Remake Learning Council	\$ 318,231	\$ 136,219
Places fellow	42,000	-
STEM ecosystem	14,750	-
Women in philanthropy	1,629	1,629
Remake Learning media	76,146	-
Total	<u>\$ 452,756</u>	<u>\$ 137,848</u>

GRANTMAKERS OF WESTERN PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2015 AND 2014

4. NET ASSETS RELEASED FROM RESTRICTIONS

During fiscal years 2015 and 2014, net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes as follows:

	<u>2015</u>	<u>2014</u>
Remake Learning Council	\$ 192,988	\$ 63,781
STEM ecosystem	250	-
Remake Learning media	83,773	-
Impact lab program	5,000	-
Member engagement	1,500	691
Food funders - consultant study	-	6,000
Capitalization workshops	-	2,003
Total	<u>\$ 283,511</u>	<u>\$ 72,475</u>

5. LEASE COMMITMENTS

In October 2015, Grantmakers renewed its lease for office space that provides for fixed annual rent payments of approximately \$16,000 through June 30, 2021. Rental payments totaled approximately \$16,000 in 2015 and 2014. The remaining annual rent payments are due as follows:

2016	\$ 15,891
2017	16,049
2018	16,364
2019	16,680
2020	16,996
Thereafter	<u>8,577</u>
Total	<u>\$ 90,557</u>

6. EMPLOYEE BENEFIT PLAN

Grantmakers has a noncontributory, defined contribution pension plan (Plan) covering all employees commencing after the employee completes three months of service. Grantmakers contributes 10% of eligible employee gross wages to the Plan. Total pension expense was approximately \$20,100 and \$15,800 for 2015 and 2014, respectively.
