

TECHNOLOGY AFFINITY GROUP

REPORT ON AUDIT OF
FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2011 AND 2010

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O'CONNELL & COMPANY

Certified Public Accountants

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February 24, 2012

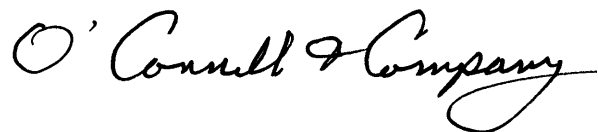
INDEPENDENT AUDITOR'S REPORT

Board of Directors
Technology Affinity Group
Wayne, Pennsylvania

We have audited the accompanying statements of financial position of Technology Affinity Group (the Organization) as of December 31, 2011 and 2010 and the related statements of activities and cash flows for the years then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We have 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 audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Technology Affinity Group as of December 31, 2011 and 2010 and the changes in its net assets and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.



Certified Public Accountants

TECHNOLOGY AFFINITY GROUP

STATEMENTS OF FINANCIAL POSITION

DECEMBER 31, 2011 AND 2010

ASSETS	<u>2011</u>	<u>2010</u>
Cash and cash equivalents	\$ 300,782	\$ 278,920
Prepaid expense	<u> -</u>	<u> 9,399</u>
 TOTAL ASSETS	 <u>\$ 300,782</u>	 <u>\$ 288,319</u>
 LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable	\$ -	\$ 500
 Net Assets		
Unrestricted	 <u> 300,782</u>	 <u> 287,819</u>
 TOTAL LIABILITIES AND NET ASSETS	 <u>\$ 300,782</u>	 <u>\$ 288,319</u>

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

TECHNOLOGY AFFINITY GROUP

STATEMENTS OF ACTIVITIES

FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010

	<u>2011</u>	<u>2010</u>
REVENUE		
Foundation grants	\$ 11,750	\$ 7,000
Membership dues	133,700	122,200
Conference fees	87,730	80,805
Sponsorship revenue	27,500	25,000
Interest income	<u>602</u>	<u>923</u>
TOTAL REVENUE	<u>261,282</u>	<u>235,928</u>
EXPENSES		
Consulting	120,570	101,400
Conference expense	62,016	60,064
Dues and subscriptions	38,166	37,069
Web site development	-	4,655
Professional fees	3,700	3,700
Hosting fees	9,368	12,084
Board expense	1,965	1,140
Insurance	1,279	1,966
Travel	4,753	1,223
Bank charges	5,927	4,535
Telephone	240	240
Office supplies	274	86
Taxes and licenses	<u>61</u>	<u>61</u>
TOTAL EXPENSES	<u>248,319</u>	<u>228,223</u>
INCREASE IN NET ASSETS	12,963	7,705
NET ASSETS - Beginning of Year	<u>287,819</u>	<u>280,114</u>
NET ASSETS - End of Year	<u>\$ 300,782</u>	<u>\$ 287,819</u>

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

TECHNOLOGY AFFINITY GROUP

STATEMENTS OF CASH FLOWS

YEARS ENDED DECEMBER 31, 2011 AND 2010

	<u>2011</u>	<u>2010</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ 12,963	\$ 7,705
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities		
Decrease (Increase)		
Prepaid expense	9,399	(9,399)
Increase (Decrease)		
Accounts Payable	<u>(500)</u>	<u>(9,052)</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>21,862</u>	<u>(10,746)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	21,862	(10,746)
CASH AND CASH EQUIVALENTS - Beginning of Year	<u>278,920</u>	<u>289,666</u>
CASH AND CASH EQUIVALENTS - End of Year	<u>\$ 300,782</u>	<u>\$ 278,920</u>
SUPPLEMENTAL INFORMATION		
Interest paid	<u>\$ -</u>	<u>\$ -</u>
Interest capitalized	<u>\$ -</u>	<u>\$ -</u>

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

TECHNOLOGY AFFINITY GROUP

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2011 AND 2010

Technology Affinity Group (the Organization) is a non-profit corporation incorporated in the state of Florida. The Organization's purpose is to advance the capacities of philanthropic organizations through the use of technology. The Organization qualifies as a tax-exempt organization under Section 501(c)3 of the Internal Revenue Code; accordingly, there is no income tax applicable to its activities.

1 Summary of Significant Accounting Policies

Accrual Basis -- The financial statements of the Organization have been prepared on the accrual basis.

Cash and Cash Equivalents -- For the statement of cash flows, the Organization includes cash on deposit to be cash and cash equivalents.

Revenue -- Revenue is recorded on the accrual basis of accounting. The Organization derives its revenue primarily from member dues, conference fees, and grants.

Contributions -- The Organization records contributions of cash and other assets when an unconditional promise to give such assets is received from a donor. Contributions are recorded at the fair market value of the assets received and are classified as either permanently restricted, temporarily restricted or unrestricted, depending on whether the donor has imposed a restriction on the use of such assets. It is the policy of the Organization to record restricted contributions whose restrictions are met in the same reporting period as unrestricted contributions.

Use of Estimates -- The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure 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 could differ from those estimates.

Income Taxes -- The Organization adopted the accounting standard related to the recognition and measurement of uncertain tax positions. The adoption of this standard had no financial statement effect for the Organization. The Organization is no longer subject to federal and state tax examinations for the years prior to 2008.

2 Sponsorships

The Organization has a relationship with the Gartner Group in which they provide Gartner research to members and host bi-monthly conference calls with Gartner Analysts. The Organization's contract includes two additional research licenses, which are paid for by member foundations who receive direct access to the research in exchange for their sponsorships.

TECHNOLOGY AFFINITY GROUP

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2011 AND 2010

3 Functional Classification of Expenses

The costs of providing program services and supporting services of the Organization have been summarized on a functional basis in the following schedule.

	<u>2011</u>	<u>2010</u>
Program expenses	\$ 221,766	\$ 204,734
Management and general expenses	<u>26,553</u>	<u>23,489</u>
	<u>\$ 248,319</u>	<u>\$ 228,223</u>

4 Subsequent Event

The Organization has evaluated all subsequent events through February 24, 2012, the date the financial statements were available to be issued.