

TECHNOLOGY AFFINITY GROUP

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REPORT ON AUDIT OF  
FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2013 AND 2012

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## INDEPENDENT AUDITOR'S REPORT

April 15, 2014

Board of Directors  
Technology Affinity Group  
Wayne, Pennsylvania

We have audited the accompanying financial statements of Technology Affinity Group which comprise the statements of financial position as of December 31, 2013 and 2012, and the related statements of activities and cash flows for the years then ended, and the related notes to 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*

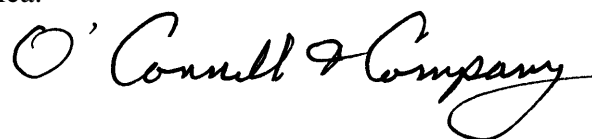
Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about 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 positions of Technology Affinity Group as of December 31, 2013 and 2012, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.



TECHNOLOGY AFFINITY GROUP

STATEMENTS OF FINANCIAL POSITION

DECEMBER 31, 2013 AND 2012

ASSETS	<u>2013</u>	<u>2012</u>
Cash and cash equivalents	\$ 454,899	\$ 291,457
Grants receivable	59,282	-
Accounts receivable	<u>-</u>	<u>24,250</u>
 TOTAL ASSETS	 <u>\$ 514,181</u>	 <u>\$ 315,707</u>
 LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable	\$ 4,449	\$ -
 Net Assets		
Unrestricted	352,820	315,707
Temporarily restricted	<u>156,912</u>	<u>-</u>
Total Net Assets	<u>509,732</u>	<u>315,707</u>
 TOTAL LIABILITIES AND NET ASSETS	 <u>\$ 514,181</u>	 <u>\$ 315,707</u>

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

TECHNOLOGY AFFINITY GROUP

STATEMENTS OF ACTIVITIES

FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012

	<u>2013</u>			<u>2012</u>		
	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
<b>REVENUE</b>						
Foundation grants	\$ 51,500	\$ 162,500	\$ 214,000	\$ 9,250	\$ -	\$ 9,250
Membership dues	169,600	-	169,600	151,450	-	151,450
Conference fees	154,720	-	154,720	116,860	-	116,860
Sponsorship revenue	-	-	-	24,250	-	24,250
Interest income	466	-	466	455	-	455
Satisfaction of program restrictions	5,588	(5,588)	-	-	-	-
<b>TOTAL REVENUE</b>	<u>381,874</u>	<u>156,912</u>	<u>538,786</u>	<u>302,265</u>	<u>-</u>	<u>302,265</u>
<b>EXPENSES</b>						
Consulting	179,304	-	179,304	125,150	-	125,150
Conference expense	102,396	-	102,396	87,554	-	87,554
Dues and subscriptions	30,250	-	30,250	39,295	-	39,295
Web site development	-	-	-	3,575	-	3,575
Professional fees	3,700	-	3,700	3,700	-	3,700
Hosting fees	8,746	-	8,746	13,157	-	13,157
Board expense	2,741	-	2,741	1,801	-	1,801
Insurance	1,835	-	1,835	1,100	-	1,100
Travel	5,462	-	5,462	3,637	-	3,637
Bank charges	9,928	-	9,928	7,683	-	7,683
Telephone	240	-	240	240	-	240
Office supplies	98	-	98	387	-	387
Taxes and licenses	61	-	61	61	-	61
<b>TOTAL EXPENSES</b>	<u>344,761</u>	<u>-</u>	<u>344,761</u>	<u>287,340</u>	<u>-</u>	<u>287,340</u>
<b>INCREASE IN NET ASSETS</b>	37,113	156,912	194,025	14,925	-	14,925
<b>NET ASSETS - Beginning of Year</b>	<u>315,707</u>	<u>-</u>	<u>315,707</u>	<u>300,782</u>	<u>-</u>	<u>300,782</u>
<b>NET ASSETS - End of Year</b>	<u>\$ 352,820</u>	<u>\$ 156,912</u>	<u>\$ 509,732</u>	<u>\$ 315,707</u>	<u>\$ -</u>	<u>\$ 315,707</u>

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

TECHNOLOGY AFFINITY GROUP

STATEMENTS OF CASH FLOWS

YEARS ENDED DECEMBER 31, 2013 AND 2012

	<u>2013</u>	<u>2012</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 194,025	\$ 14,925
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities		
Decrease (Increase)		
Grants receivable	(59,282)	-
Accounts receivable	24,250	(24,250)
Increase (Decrease)		
Accounts payable	<u>4,449</u>	<u>-</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>163,442</u>	<u>(9,325)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	163,442	(9,325)
CASH AND CASH EQUIVALENTS - Beginning of Year	<u>291,457</u>	<u>300,782</u>
CASH AND CASH EQUIVALENTS - End of Year	<u>\$ 454,899</u>	<u>\$ 291,457</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, 2013 AND 2012

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.

Temporarily Restricted -- The Organization reports gifts as 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 to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

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 2010.

TECHNOLOGY AFFINITY GROUP

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2013 AND 2012

2 Sponsorships

The Organization had a relationship with the Gartner Group in which they provided Gartner research to members and host bi-monthly conference calls with Gartner Analysts. The Organization's contract included two additional research licenses, which are paid for by member foundations who receive direct access to the research in exchange for their sponsorships. The contract was terminated during the year ended December 31, 2013.

3 Grants Receivable

The Organization had grants receivable of \$59,282 as of December 31, 2013. The Organization expects to collect grants in full during the year ended December 31, 2014.

4 Temporarily Restricted

Temporarily restricted net assets are available for the following purposes as of December 31, 2013 and 2012:

	<u>2013</u>	<u>2012</u>
Simplify Project	<u>\$156,912</u>	<u>\$ -</u>

5 Satisfaction of Restriction

Temporarily restricted net assets were reduced from donor restriction by incurring expenses satisfying the restricted purpose or by occurrences of other events specified by donors as follows:

	<u>2013</u>	<u>2012</u>
Simplify Project	<u>\$ 5,588</u>	<u>\$ -</u>

6 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>2013</u>	<u>2012</u>
Program expenses	\$ 312,886	\$ 260,935
Management and general expenses	<u>31,875</u>	<u>26,405</u>
	<u>\$ 344,761</u>	<u>\$ 287,340</u>



TECHNOLOGY AFFINITY GROUP

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2013 AND 2012

7 Subsequent Event

The Organization has evaluated all subsequent events through April 15, 2014, the date the financial statements were available to be issued.