

TECHNOLOGY AFFINITY GROUP

REPORT ON AUDIT OF
FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2014 AND 2013

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O'CONNELL & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITOR'S REPORT

April 9, 2015

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, 2014 and 2013, 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, 2014 and 2013, 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, 2014 AND 2013

ASSETS	<u>2014</u>	<u>2013</u>
Cash and cash equivalents	\$ 627,979	\$ 454,899
Grants receivable	47,500	59,282
Accounts receivable	<u>15,561</u>	<u>-</u>
 TOTAL ASSETS	 <u>\$ 691,040</u>	 <u>\$ 514,181</u>
 LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable	\$ 8,234	\$ 4,449
 Net Assets		
Unrestricted	452,672	352,820
Temporarily restricted	<u>230,134</u>	<u>156,912</u>
Total Net Assets	<u>682,806</u>	<u>509,732</u>
 TOTAL LIABILITIES AND NET ASSETS	 <u>\$ 691,040</u>	 <u>\$ 514,181</u>

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

TECHNOLOGY AFFINITY GROUP

STATEMENTS OF ACTIVITIES

FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

	<u>2014</u>			<u>2013</u>		
	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
REVENUE						
Foundation grants	\$ 30,650	\$ 182,500	\$ 213,150	\$ 51,500	\$ 162,500	\$ 214,000
Membership dues	229,100	-	229,100	169,600	-	169,600
Conference fees	195,125	-	195,125	154,720	-	154,720
Interest income	851	-	851	466	-	466
Satisfaction of program restrictions	<u>109,278</u>	<u>(109,278)</u>	<u>-</u>	<u>5,588</u>	<u>(5,588)</u>	<u>-</u>
TOTAL REVENUE	<u>565,004</u>	<u>73,222</u>	<u>638,226</u>	<u>381,874</u>	<u>156,912</u>	<u>538,786</u>
EXPENSES						
Consulting	162,086	-	162,086	173,716	-	173,716
Conference expense	154,418	-	154,418	102,396	-	102,396
Dues and subscriptions	325	-	325	30,250	-	30,250
Web site development	2,925	-	2,925	-	-	-
Professional fees	3,900	-	3,900	3,700	-	3,700
Hosting fees	11,497	-	11,497	8,746	-	8,746
Board expense	1,589	-	1,589	2,741	-	2,741
Insurance	1,897	-	1,897	1,835	-	1,835
Travel	3,358	-	3,358	5,462	-	5,462
Bank charges	12,671	-	12,671	9,928	-	9,928
Telephone	780	-	780	240	-	240
Office supplies	367	-	367	98	-	98
Taxes and licenses	61	-	61	61	-	61
Simplify Project	<u>109,278</u>	<u>-</u>	<u>109,278</u>	<u>5,588</u>	<u>-</u>	<u>5,588</u>
TOTAL EXPENSES	<u>465,152</u>	<u>-</u>	<u>465,152</u>	<u>344,761</u>	<u>-</u>	<u>344,761</u>
INCREASE IN NET ASSETS	99,852	73,222	173,074	37,113	156,912	194,025
NET ASSETS - Beginning of Year	<u>352,820</u>	<u>156,912</u>	<u>509,732</u>	<u>315,707</u>	<u>-</u>	<u>315,707</u>
NET ASSETS - End of Year	<u>\$ 452,672</u>	<u>\$ 230,134</u>	<u>\$ 682,806</u>	<u>\$ 352,820</u>	<u>\$ 156,912</u>	<u>\$ 509,732</u>

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

TECHNOLOGY AFFINITY GROUP

STATEMENTS OF CASH FLOWS

YEARS ENDED DECEMBER 31, 2014 AND 2013

	<u>2014</u>	<u>2013</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 173,074	\$ 194,025
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Decrease (Increase)		
Grants receivable	11,782	(59,282)
Accounts receivable	(15,561)	24,250
Increase (Decrease)		
Accounts payable	<u>3,785</u>	<u>4,449</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>173,080</u>	<u>163,442</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	173,080	163,442
CASH AND CASH EQUIVALENTS - Beginning of Year	<u>454,899</u>	<u>291,457</u>
CASH AND CASH EQUIVALENTS - End of Year	<u>\$ 627,979</u>	<u>\$ 454,899</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, 2014 AND 2013

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.

Grants Receivable -- The Organization considers all grants receivable to be fully collectible; accordingly, no allowance for doubtful accounts is required. If amounts become uncollectible, they will be charged to bad debt expense when that determination is made.

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.

TECHNOLOGY AFFINITY GROUP

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2014 AND 2013

1 Summary of Significant Accounting Policies (Continued)

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 2011.

2 Grants Receivable

The Organization had grants receivable of \$47,500 as of December 31, 2014. The Organization expects to collect grants in full during the year ended December 31, 2015.

3 Temporarily Restricted

Temporarily restricted net assets are available for the following purposes as of December 31, 2014 and 2013:

	<u>2014</u>	<u>2013</u>
Simplify Project	<u>\$230,134</u>	<u>\$156,912</u>

4 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>2014</u>	<u>2013</u>
Simplify Project	<u>\$109,278</u>	<u>\$ 5,588</u>

5 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>2014</u>	<u>2013</u>
Program expenses	<u>\$ 445,890</u>	<u>\$ 312,886</u>
Management and general expenses	<u>19,262</u>	<u>31,875</u>
	<u>\$ 465,152</u>	<u>\$ 344,761</u>

TECHNOLOGY AFFINITY GROUP

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2014 AND 2013

6 Contract

In November, 2014, the Organization signed a contract with the Lowes Hollywood Hotel for the 2015 annual conference that is to take place in November, 2015. The contract includes a cancellation agreement indicating the Organization may not cancel the contract for any reason except Force Majeure, without incurring damages. According to the contract, the Organization would be liable for \$111,075 if the contract is cancelled from the date of signing to 181 days prior to the event. If the contract is cancelled from 91 to 180 days prior to the event, the Organization is liable for \$138,844. Finally, if the contract is cancelled from 90 days prior to the event till the date of the event, the Organization is liable for \$166,613. Management of the Organization has no intention to cancel the contract and, therefore, has not recognized a liability.

7 Reclassification

Certain prior year amounts have been reclassified to conform with the current year's presentation.

8 Subsequent Event

The Organization has evaluated all subsequent events through April 9, 2015, the date the financial statements were available to be issued.