

TECHNOLOGY AFFINITY GROUP

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REPORT ON AUDIT OF  
FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2012 AND 2011

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# O'CONNELL & COMPANY

Certified Public Accountants

## INDEPENDENT AUDITOR'S REPORT

Board of Directors  
Technology Affinity Group  
Wayne, Pennsylvania

### *Report on the Financial Statements*

We have audited the accompanying financial statements of Technology Affinity Group which comprise the statements of financial position as of December 31, 2012 and 2011, 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, 2012 and 2011, 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.



Certified Public Accountants  
Wyncote, Pennsylvania  
April 12, 2013

TECHNOLOGY AFFINITY GROUP

STATEMENTS OF FINANCIAL POSITION

DECEMBER 31, 2012 AND 2011

ASSETS	<u>2012</u>	<u>2011</u>
Cash and cash equivalents	\$ 291,457	\$ 300,782
Accounts receivable	<u>24,250</u>	<u>-</u>
 TOTAL ASSETS	 <u>\$ 315,707</u>	 <u>\$ 300,782</u>
 LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable	\$ -	\$ -
 Net Assets		
Unrestricted	<u>315,707</u>	<u>300,782</u>
 TOTAL LIABILITIES AND NET ASSETS	 <u>\$ 315,707</u>	 <u>\$ 300,782</u>

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

TECHNOLOGY AFFINITY GROUP

STATEMENTS OF ACTIVITIES

FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011

	<u>2012</u>	<u>2011</u>
REVENUE		
Foundation grants	\$ 9,250	\$ 11,750
Membership dues	151,450	133,700
Conference fees	116,860	87,730
Sponsorship revenue	24,250	27,500
Interest income	455	602
TOTAL REVENUE	<u>302,265</u>	<u>261,282</u>
EXPENSES		
Consulting	125,150	120,570
Conference expense	87,554	62,016
Dues and subscriptions	39,295	38,166
Web site development	3,575	-
Professional fees	3,700	3,700
Hosting fees	13,157	9,368
Board expense	1,801	1,965
Insurance	1,100	1,279
Travel	3,637	4,753
Bank charges	7,683	5,927
Telephone	240	240
Office supplies	387	274
Taxes and licenses	61	61
TOTAL EXPENSES	<u>287,340</u>	<u>248,319</u>
INCREASE IN NET ASSETS	14,925	12,963
NET ASSETS - Beginning of Year	<u>300,782</u>	<u>287,819</u>
NET ASSETS - End of Year	<u>\$ 315,707</u>	<u>\$ 300,782</u>

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

TECHNOLOGY AFFINITY GROUP

STATEMENTS OF CASH FLOWS

YEARS ENDED DECEMBER 31, 2012 AND 2011

	<u>2012</u>	<u>2011</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ 14,925	\$ 12,963
Adjustments to reconcile change in net assets to net cash (used) provided by operating activities		
Decrease (Increase)		
Accounts receivable	(24,250)	-
Prepaid expense	-	9,399
Increase (Decrease)		
Accounts payable	-	(500)
NET CASH (USED) PROVIDED BY OPERATING ACTIVITIES	<u>(9,325)</u>	<u>21,862</u>
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(9,325)	21,862
CASH AND CASH EQUIVALENTS - Beginning of Year	<u>300,782</u>	<u>278,920</u>
CASH AND CASH EQUIVALENTS - End of Year	<u>\$ 291,457</u>	<u>\$ 300,782</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, 2012 AND 2011

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 2009.

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, 2012 AND 2011

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>2012</u>	<u>2011</u>
Program expenses	\$ 260,935	\$ 221,766
Management and general expenses	<u>26,405</u>	<u>26,553</u>
	<u>\$ 287,340</u>	<u>\$ 248,319</u>

4 Subsequent Event

The Organization has evaluated all subsequent events through April 12, 2013, the date the financial statements were available to be issued.