

TECHNOLOGY AFFINITY GROUP

REPORT ON AUDIT OF
FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2008 AND 2007

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March 12, 2009

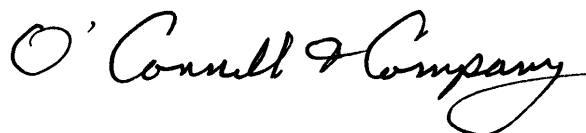
INDEPENDENT AUDITOR'S REPORT

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, 2008 and 2007 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, 2008 and 2007 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, 2008 AND 2007

ASSETS	<u>2008</u>	<u>2007</u>
Cash and cash equivalents	\$ 274,722	\$ 218,039
Other accounts receivable	-	295
Prepaid expense	<u>9,125</u>	<u>8,525</u>
 TOTAL ASSETS	 <u>\$ 283,847</u>	 <u>\$ 226,859</u>
 LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable	\$ 7,333	\$ -
 Net Assets		
Unrestricted	<u>276,514</u>	<u>226,859</u>
 TOTAL LIABILITIES AND NET ASSETS	 <u>\$ 283,847</u>	 <u>\$ 226,859</u>

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

TECHNOLOGY AFFINITY GROUP

STATEMENTS OF ACTIVITIES

FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007

	2008	2007
	<u>Unrestricted</u>	<u>Unrestricted</u>
REVENUE		
Foundation grants	\$ 7,750	\$ 122,862
Membership dues	121,450	107,750
Conference fees	72,802	64,298
Sponsorship revenue	24,250	45,272
Interest income	4,816	1,707
TOTAL REVENUE	<u>231,068</u>	<u>341,889</u>
EXPENSES		
Consulting	74,727	59,800
Conference expense	67,131	45,323
Dues and subscriptions	35,195	36,125
Web site development	825	9,575
Hosting fees	288	3,244
Board expense	869	2,464
Insurance	1,483	1,467
Travel	567	628
Bank charges	-	299
Telephone	212	185
Taxes and licenses	-	61
Office supplies	116	42
TOTAL EXPENSES	<u>181,413</u>	<u>159,213</u>
INCREASE IN NET ASSETS	49,655	182,676
NET ASSETS - Beginning of Year	<u>226,859</u>	<u>44,183</u>
NET ASSETS - End of Year	<u>\$ 276,514</u>	<u>\$ 226,859</u>

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

TECHNOLOGY AFFINITY GROUP

STATEMENTS OF CASH FLOWS

YEARS ENDED DECEMBER 31, 2008 AND 2007

	<u>2008</u>	<u>2007</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ 49,655	\$ 182,676
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Decrease (Increase)		
Other accounts receivable	295	(295)
Prepaid expense	(600)	475
Increase (Decrease		
Accounts Payable	<u>7,333</u>	<u>-</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>56,683</u>	<u>182,856</u>
NET INCREASE IN CASH	56,683	182,856
CASH AND CASH EQUIVALENTS - Beginning of Year	<u>218,039</u>	<u>35,183</u>
CASH AND CASH EQUIVALENTS - End of Year	<u>\$ 274,722</u>	<u>\$ 218,039</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, 2008 AND 2007

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.

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.

2 Foundation Grants

The Technology Affinity Group became separately incorporated in 2006 and received its 501(c)3 status in early 2007. Prior to receiving its own 501(c)3, the Organization operated as a project of the Tides Foundation. As part of becoming separately incorporated, the Tides Foundation made a grant during 2007 of \$113,362 to transfer the operating project balance to the new organization.

3 Sponsorships

The Organization has a relationship with the Gartner Group in which they provide Gartner research to its 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, 2008 AND 2007

(Continued)

4 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>2008</u>	<u>2007</u>
Program expenses	\$ 162,562	\$ 143,815
Management and general expenses	<u>18,851</u>	<u>15,398</u>
	<u>\$ 181,413</u>	<u>\$ 159,213</u>