

TECHNOLOGY AFFINITY GROUP

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REPORT ON AUDIT OF  
FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2010 AND 2009

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# O'CONNELL & COMPANY

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Certified Public Accountants

Suite 213  
8101 Washington Lane  
Wyncote, PA 19095

February 22, 2011

## 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, 2010 and 2009 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, 2010 and 2009 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, 2010 AND 2009

| ASSETS                               | <u>2010</u>           | <u>2009</u>           |
|--------------------------------------|-----------------------|-----------------------|
| Cash and cash equivalents            | \$ 278,920            | \$ 289,666            |
| Prepaid expense                      | <u>9,399</u>          | <u>-</u>              |
| <br>TOTAL ASSETS                     | <br><u>\$ 288,319</u> | <br><u>\$ 289,666</u> |
| <br>LIABILITIES AND NET ASSETS       |                       |                       |
| Liabilities                          |                       |                       |
| Accounts payable                     | \$ 500                | \$ 9,552              |
| <br>Net Assets                       |                       |                       |
| Unrestricted                         | <u>287,819</u>        | <u>280,114</u>        |
| <br>TOTAL LIABILITIES AND NET ASSETS | <br><u>\$ 288,319</u> | <br><u>\$ 289,666</u> |

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

TECHNOLOGY AFFINITY GROUP

STATEMENTS OF ACTIVITIES

FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009

|                                | 2010                | 2009                |
|--------------------------------|---------------------|---------------------|
|                                | <u>Unrestricted</u> | <u>Unrestricted</u> |
| REVENUE                        |                     |                     |
| Foundation grants              | \$ 7,000            | \$ 3,500            |
| Membership dues                | 122,200             | 115,050             |
| Conference fees                | 80,805              | 59,075              |
| Sponsorship revenue            | 25,000              | 25,000              |
| Interest income                | 923                 | 1,940               |
| TOTAL REVENUE                  | <u>235,928</u>      | <u>204,565</u>      |
| EXPENSES                       |                     |                     |
| Consulting                     | 101,400             | 101,400             |
| Conference expense             | 60,064              | 40,255              |
| Dues and subscriptions         | 37,069              | 36,795              |
| Web site development           | 4,655               | 3,244               |
| Professional fees              | 3,700               | 3,500               |
| Hosting fees                   | 12,084              | 9,828               |
| Board expense                  | 1,140               | 1,211               |
| Insurance                      | 1,966               | 1,483               |
| Travel                         | 1,223               | 2,686               |
| Bank charges                   | 4,535               | 391                 |
| Telephone                      | 240                 | 52                  |
| Office supplies                | 86                  | 120                 |
| Taxes and licenses             | 61                  | -                   |
| TOTAL EXPENSES                 | <u>228,223</u>      | <u>200,965</u>      |
| INCREASE IN NET ASSETS         | 7,705               | 3,600               |
| NET ASSETS - Beginning of Year | <u>280,114</u>      | <u>276,514</u>      |
| NET ASSETS - End of Year       | <u>\$ 287,819</u>   | <u>\$ 280,114</u>   |

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

TECHNOLOGY AFFINITY GROUP

STATEMENTS OF CASH FLOWS

YEARS ENDED DECEMBER 31, 2010 AND 2009

|   | <u>2010</u>       | <u>2009</u>       |
|---|-------------------|-------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES  |                   |                   |
| Change in Net Assets  | \$ 7,705          | \$ 3,600          |
| Adjustments to reconcile change in net assets to net cash (used) provided by operating activities |                   |                   |
| Decrease (Increase)   |                   |                   |
| Prepaid expense   | (9,399)           | 9,125             |
| Increase (Decrease)   |                   |                   |
| Accounts Payable  | <u>(9,052)</u>    | <u>2,219</u>      |
| NET CASH (USED) PROVIDED BY OPERATING ACTIVITIES  | <u>(10,746)</u>   | <u>14,944</u>     |
| NET (DECREASE) INCREASE IN CASH   | (10,746)          | 14,944            |
| CASH AND CASH EQUIVALENTS - Beginning of Year   | <u>289,666</u>    | <u>274,722</u>    |
| CASH AND CASH EQUIVALENTS - End of Year   | <u>\$ 278,920</u> | <u>\$ 289,666</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, 2010 AND 2009

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 -- Accounting standards require the tax effects of certain tax positions to be recognized. These tax positions must meet a "more likely than not" standard that based on their technical merit have more than 50% likelihood of being sustained upon IRS examination. Management estimates that there are no uncertain tax positions as of December 31, 2010.

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, 2010 AND 2009

(Continued)

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>2010</u>       | <u>2009</u>       |
|---------------------------------|-------------------|-------------------|
| Program expenses                | \$ 204,734        | \$ 177,675        |
| Management and general expenses | <u>23,489</u>     | <u>23,290</u>     |
|                                 | <u>\$ 228,223</u> | <u>\$ 200,965</u> |

4 Subsequent Event

The Organization has evaluated all subsequent events through February 22, 2011, the date the financial statements were available to be issued.