TECHNOLOGY AFFINITY GROUP

REPORT ON AUDIT OF
FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2016 AND 2015

C O N T E N T S

O'CONNELL & COMPANY LLC

CERTIFIED PUBLIC ACCOUNTANTS

SUITE 1100
165 TOWNSHIP LINE ROAD
JENKINTOWN, PA 19046

INDEPENDENT AUDITOR'S REPORT

April 13, 2017

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, 2016 and 2015, 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 from 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, 2016 and 2015, 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.

O'Connell & Company LLC

TECHNOLOGY AFFINITY GROUP

STATEMENTS OF FINANCIAL POSITION

DECEMBER 31, 2016 AND 2015

ASSETS	2016	2015
Cash and cash equivalents	$ 660,061	$ 694,044
Grants receivable	135,000	-
TOTAL ASSETS	$ 795,061	$ 694,044
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable	$ 346	$ 6,618
Net Assets		
Unrestricted	593,982	539,666
Temporarily restricted	200,733	147,760
Total Net Assets	794,715	687,426
TOTAL LIABILITIES AND NET ASSETS	$ 795,061	$ 694,044

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

TECHNOLOGY AFFINITY GROUP

STATEMENTS OF ACTIVITIES

FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015

	2016			2015		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
REVENUE						
Foundation grants	$ 23,500	$ 175,000	$ 198,500	$ 20,550	$ 45,000	$ 65,550
Membership dues	267,700	-	267,700	246,750	-	246,750
Conference fees	168,075	-	168,075	186,925	-	186,925
Sponsorship revenue	-	-	-	2,000	-	2,000
Interest income	1,179	-	1,179	1,016	-	1,016
Satisfaction of program restrictions	122,027	(122,027)	-	127,374	(127,374)	-
TOTAL REVENUE	582,481	52,973	635,454	584,615	(82,374)	502,241
EXPENSES						
Consulting	226,506	-	226,506	183,152	-	183,152
Conference expense	139,115	-	139,115	149,452	-	149,452
Dues and subscriptions	325	-	325	325	-	325
Web site development	5,000	-	5,000	40,000	-	40,000
Professional fees	4,000	-	4,000	4,000	-	4,000
Hosting fees	9,433	-	9,433	8,635	-	8,635
Board expense	3,850	-	3,850	1,513	-	1,513
Insurance	2,507	-	2,507	3,238	-	3,238
Travel	6,193	-	6,193	6,288	-	6,288
Bank charges	13,368	-	13,368	12,459	-	12,459
Telephone	720	-	720	780	-	780
Office supplies	60	-	60	344	-	344
Taxes and licenses	61	-	61	61	-	61
Simplify Project	117,027	-	117,027	87,374	-	87,374
TOTAL EXPENSES	528,165	-	528,165	497,621	-	497,621
INCREASE (DECREASE) IN NET ASSETS	54,316	52,973	107,289	86,994	(82,374)	4,620
NET ASSETS - Beginning of Year	539,666	147,760	687,426	452,672	230,134	682,806
NET ASSETS - End of Year	$ 593,982	$ 200,733	$ 794,715	$ 539,666	$ 147,760	$ 687,426

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

TECHNOLOGY AFFINITY GROUP

STATEMENTS OF CASH FLOWS

YEARS ENDED DECEMBER 31, 2016 AND 2015

	2016	2015
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	$107,289	$ 4,620
Adjustments to reconcile change in net assets to net cash (used) provided by operating activities:		
Decrease (Increase)		
Grants receivable	(135,000)	47,500
Accounts receivable	-	15,561
Increase (Decrease)		
Accounts payable	(6,272)	(1,616)
NET CASH (USED) PROVIDED BY OPERATING ACTIVITIES	(33,983)	66,065
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(33,983)	66,065
CASH AND CASH EQUIVALENTS - Beginning of Year	694,044	627,979
CASH AND CASH EQUIVALENTS - End of Year	$660,061	$694,044
SUPPLEMENTAL INFORMATION		
Interest paid	$ -	$ -
Interest capitalized	$ -	$ -

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

TECHNOLOGY AFFINITY GROUP

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2016 AND 2015

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.

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 2013.

2 Concentration of Risk

The Organization maintains its cash and cash equivalents in bank deposit accounts, which, at times, may exceed federally insured limits. The Organization has not experienced any losses in such accounts. Management believes the Organization is not exposed to any significant credit risk related to cash and cash equivalents.

3 Grants Receivable

The Organization had grants receivable of $135,000 as of December 31, 2016. The Organization expects to collect grants in full during the year ended December 31, 2017.

4 Temporarily Restricted

Temporarily restricted net assets are available for the following purposes as of December 31, 2016 and 2015:

	2016	2015
Simplify Project	$ 200,733	$ 142,760
Data Governance	-	5,000
	$ 200,733	$ 147,760

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:

	2016	2015
Simplify Project	$ 117,027	$ 87,374
Data Governance	5,000	40,000
	$ 122,027	$ 127,374

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.

	2016	2015
Program expenses	$ 488,552	$ 462,140
Management and general expenses	39,613	35,481
	$ 528,165	$ 497,621

7 Contract

In December, 2015, the Organization signed a contract with The Ritz-Carlton for the 2017 annual conference that is to take place in November, 2017. 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 $62,336 if the contract is cancelled from the date of signing to 366 days prior to the event. If the contract is cancelled from 365 to 271 days prior to the event, the Organization is liable for $99,738. If the contract is cancelled from 270 to 181 days prior to the event, the Organization is liable for $149,607. If the contract is cancelled from 180 to 91 days prior to the event, the Organization is liable for $199,476. Finally, if the contract is cancelled from 90 days prior to the event through the date of the event, the Organization is liable for $249,345. Management of the Organization has no intention to cancel the contract and, therefore, has not recognized a liability.

In December, 2016, the Organization signed a contract with The Westin La Paloma Resort & Spa for the 2018 annual conference that is to take place in November, 2018. 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 $36,234 if the contract is cancelled from the date of signing to 1 year prior to the event. If the contract is cancelled from 364 days to 9 months prior to the event, the Organization is liable for $72,468. If the contract is cancelled from 9 to 6 months prior to the event, the Organization is liable for $93,085. If the contract is cancelled from 6 to 3 months prior to the event, the Organization is liable for $113,702. Finally, if the contract is cancelled from 3 months prior to the event through the date of the event, the Organization is liable for $147,128. Management of the Organization has no intention to cancel the contract and, therefore, has not recognized a liability.

8 Subsequent Event

The Organization has evaluated all subsequent events through April 13, 2017, the date the financial statements were available to be issued.