TECHNOLOGY AFFINITY GROUP

REPORT ON AUDIT OF
FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2018 AND 2017

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O'CONNELL & COMPANY LLC

CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITOR'S REPORT

August 15, 2019

Board of Directors
Technology Affinity Group
Chicago, Illinois

We have audited the accompanying financial statements of Technology Affinity Group which comprise the statements of financial position as of December 31, 2018 and 2017, and the related statements of activities, functional expenses 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, 2018 and 2017, 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, 2018 AND 2017

ASSETS	2018	2017
Cash and cash equivalents	$ 520,789	$ 650,464
Accounts receivable	19,308	-
Grants receivable	-	85,000
Prepaid expenses	11,243	8,568
TOTAL ASSETS	$ 551,340	$ 744,032
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable	$ -	$ 4,098
Net Assets		
Without Donor Restrictions	551,340	655,101
With Donor Restrictions		
Purpose restrictions	-	84,833
Total Net Assets	551,340	739,934
TOTAL LIABILITIES AND NET ASSETS	$ 551,340	$ 744,032

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

TECHNOLOGY AFFINITY GROUP

STATEMENTS OF ACTIVITIES

FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017

	2018			2017		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE						
Foundation grants	$ 10,000	$ 10,000	$ 20,000	$ 25,000	$ 75,000	$ 100,000
Membership dues	274,700	-	274,700	260,550	-	260,550
Conference fees	240,395	-	240,395	190,785	-	190,785
Sponsorship revenue	-	-	-	848	-	848
Interest income	1,917	-	1,917	1,465	-	1,465
Other Income	370	-	370	-	-	-
Satisfaction of program restrictions	94,833	(94,833)	-	190,900	(190,900)	-
TOTAL REVENUE	622,215	(84,833)	537,382	669,548	(115,900)	553,648
EXPENSES						
Program services	636,773	-	636,773	560,747	-	560,747
Management and general	89,203	-	89,203	47,682	-	47,682
TOTAL EXPENSES	725,976	-	725,976	608,429	-	608,429
(DECREASE) INCREASE IN NET ASSETS	(103,761)	(84,833)	(188,594)	61,119	(115,900)	(54,781)
NET ASSETS - Beginning of Year	655,101	84,833	739,934	593,982	200,733	794,715
NET ASSETS - End of Year	$ 551,340	$ -	$ 551,340	$ 655,101	$ 84,833	$ 739,934

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

TECHNOLOGY AFFINITY GROUP

STATEMENTS OF FUNCTIONAL EXPENSES

FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017

	2018			2017		
	Program Services	Management & General	Total	Program Services	Management & General	Total
Bank charges	$ -	$ 16,139	$ 16,139	$ -	$ 14,112	$ 14,112
Board expense	2,509	-	2,509	2,967	-	2,967
Conference expense	180,800	-	180,800	154,338	-	154,338
Consulting	312,337	67,266	379,603	191,221	27,391	218,612
Dues and subscriptions	3,086	-	3,086	3,075	-	3,075
Hosting fees	9,062	-	9,062	10,426	-	10,426
Insurance	3,073	-	3,073	2,519	-	2,519
Office supplies	-	931	931	-	50	50
Professional fees	-	4,350	4,350	-	5,888	5,888
Simplify Project	116,728	-	116,728	190,900	-	190,900
Taxes and licenses	-	517	517	-	61	61
Telephone	-	-	-	540	180	720
Travel	7,678	-	7,678	4,714	-	4,714
Web site development	1,500	-	1,500	47	-	47
	$ 636,773	$ 89,203	$ 725,976	$ 560,747	$ 47,682	$ 608,429

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

TECHNOLOGY AFFINITY GROUP

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017

	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	$(188,594)	$ (54,781)
Adjustments to reconcile change in net assets to net cash used by operating activities:		
(Increase) Decrease		
Accounts receivable	(19,308)	-
Grants receivable	85,000	50,000
Prepaid expenses	(2,675)	(8,568)
(Decrease) Increase		
Accounts payable	(4,098)	3,752
NET CASH USED BY OPERATING ACTIVITIES	(129,675)	(9,597)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(129,675)	(9,597)
CASH AND CASH EQUIVALENTS - Beginning of Year	650,464	660,061
CASH AND CASH EQUIVALENTS - End of Year	$ 520,789	$650,464
SUPPLEMENTAL INFORMATION		
Interest paid	$ -	$ -
Interest capitalized	$ -	$ -

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

TECHNOLOGY AFFINITY GROUP

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017

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.

Accounts Receivable -- The Organization carries its accounts receivable at cost less an allowance for doubtful accounts. On a periodic basis, the Organization evaluates accounts receivable and establishes an allowance for doubtful accounts when deemed necessary.

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.

Net Assets -- Net assets, revenues, gains and losses are classified based on the existence or absence of donor or grantor imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions -- Net assets available for use in general operations and not subject to donor or grantor restrictions.

Net Assets With Donor Restrictions -- Net assets subject to donor or grantor imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are recognized as revenue when the assets are placed in service. Contributions restricted by donors are reported as increases in net assets without donor restrictions if the restrictions expire in the reporting period when the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported on the statement of activities as net assets released from restrictions.

1 Summary of Significant Accounting Policies (Continued)

Functional Allocation of Expenses -- The costs of program and supporting services activities have been summarized on a functional basis in the statement of activities. The statements of functional expenses presents the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

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 is exempt from income tax under IRC section 501(c)(3), though it is subject to tax on income unrelated to its exempt purpose, unless that income is otherwise excluded by the Code. The Organization has processes presently in place to ensure the maintenance of its tax-exempt status; to identify and report unrelated income; to determine its filing and tax obligations; and to identify and evaluate other matters that may be considered tax positions. The Organization has determined that there are no material uncertain tax positions that require recognition or disclosure in the financial statements.

New Accounting Pronouncement -- During the year ended December 31, 2018, the Organization adopted the requirements of the Financial Accounting Standards Board's Accounting Standards Update No. 2016- 14—Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities (ASU 2016- 14). This Update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the type of information provided about expenses and investment return for not-for-profit entities. A key change required by ASU 2016-14 is the net asset classes used in these financial statements. Amounts previously reported as unrestricted net assets are now reported as net assets without donor restrictions and amounts previously reported as temporarily restricted net assets and permanently restricted net assets are now reported as net assets with donor restrictions. A footnote on liquidity has also been added. The accompanying information from the 2017 financial statements has been restated to conform to the 2018 presentation and disclosure requirements of ASU 2016-14.

2 Liquidity

The table below represents financial assets available for general expenditures within one year at December 31, 2018:

Financial assets at year end:	
Cash and cash equivalents	$ 520,789
Accounts receivable - other	19,308
Financial assets available to meet general expenditures within one year	$ 540,097

2 Liquidity (Continued)

As part of the Organization's liquidity management plan, cash in excess of daily requirements are invested in short-term investments.

3 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.

4 Accounts Receivable

The Organization has accounts receivable of $19,308 as of December 31, 2018. The receivable is in relation to the Organization's annual conference that was held in November, 2018. The Organization is owed a commission from the conference venue based on the amount of hotel room charges for the event. All receivables are expected to be collected during the year ending December 31, 2019.

5 Net Assets with Donor Restrictions

Net assets with donor restrictions are available for the following purposes as of December 31, 2018 and 2017:

	2018	2017
Simplify Project	$ -	$ 84,833

Net assets were reduced from donor restrictions by incurring expenses satisfying the restricted purpose or by occurrences of other events specified by donors as follows:

	2018	2017
Purpose Restriction Accomplished		
Simplify Project	$ 94,833	$ 190,900

5 Commitment

In February, 2018, the Organization signed a contract with Loews Miami Beach Hotel for the annual conference that is to take place in November, 2019. The contract includes a cancellation agreement indicating that the Organization may not cancel the contract for any reason except Force Majeure, without incurring damages. According to the contract, the Organization will be held liable if the contract is cancelled after the contract signing date. If the contract is cancelled from the date of signing to November 16, 2018, the Organization is liable for $30,232. If the contract is cancelled from November 17, 2018 to March 21, 2019, the Organization is liable for $50,387. If the contract is cancelled from March 22, 2019 to August 18, 2019, the Organization is liable for $100,775. If the contract is cancelled from August 19, 2019 to October 17, 2019, the Organization is liable for $232,857. Finally, if the contract is cancelled from October 18, 2019 to November 17, 2019, the Organization is liable for $273,950. Management of the Organization has no intention to cancel the contract and, therefore, has not recognized a liability.

In November, 2018, the Organization signed a contract with Grand Hyatt San Antonio for the annual conference that is to take place in November, 2020. The contract includes a cancellation agreement indicating that the Organization may not cancel the contract for any reason except Force Majeure, without incurring damages. According to the contract, the Organization will be held liable if the contract is cancelled after the contract signing date. If the contract is cancelled from the date of signing to April 30, 2019, the Organization is liable for $18,571. If the contract is cancelled from May 1, 2019 to October 31, 2019, the Organization is liable for $92,856. If the contract is cancelled from November 1, 2019 to April 30, 2020, the Organization is liable for $111,427. If the contract is cancelled from May 1, 2020 to November 8, 2020, the Organization is liable for $163,570. Management of the Organization has no intention to cancel the contract and, therefore, has not recognized a liability.

6 Subsequent Event

The Organization has evaluated all subsequent events through August 15, 2019, the date the financial statements were available to be issued.