

TECHNOLOGY ASSOCIATION OF GRANTMAKERS, INC.

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REPORT ON AUDIT OF  
FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2022 AND 2021

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## INDEPENDENT AUDITOR'S REPORT

September 22, 2023

Board of Directors  
Technology Association of Grantmakers, Inc.  
Chicago, Illinois

### *Opinion*

We have audited the accompanying financial statements of Technology Association of Grantmakers, Inc. (the "Organization") which comprise the statements of financial position as of December 31, 2022 and 2021, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of December 31, 2022 and 2021, 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.

### *Basis for Opinion*

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### *Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

### *Auditor's Responsibility*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists.

***Auditor's Responsibility (Continued)***

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Organization's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.



O'Connell and Company, LLC

TECHNOLOGY ASSOCIATION OF GRANTMAKERS, INC.

STATEMENTS OF FINANCIAL POSITION

DECEMBER 31, 2022 AND 2021

	<u>2022</u>	<u>2021</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 1,129,866	\$ 856,956
Accounts receivable	14,335	-
Other accounts receivable	47,718	-
Other assets	<u>35,000</u>	<u>16,000</u>
<b>TOTAL ASSETS</b>	<u><u>\$ 1,226,919</u></u>	<u><u>\$ 872,956</u></u>
 <b>LIABILITIES AND NET ASSETS</b>		
Liabilities		
Accounts payable	\$ 82,985	\$ 6,904
Deferred revenue	<u>39,730</u>	<u>23,135</u>
<b>Total Liabilities</b>	122,715	30,039
 Net Assets		
Without Donor Restrictions	1,104,204	696,250
With Donor Restrictions		
Purpose restrictions	<u>-</u>	<u>146,667</u>
<b>Total Net Assets</b>	<u><u>1,104,204</u></u>	<u><u>842,917</u></u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u><u>\$ 1,226,919</u></u>	<u><u>\$ 872,956</u></u>

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

TECHNOLOGY ASSOCIATION OF GRANTMAKERS, INC.

STATEMENTS OF ACTIVITIES

FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

	2022			2021		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
<b>REVENUE</b>						
Grants and contributions	\$ 141,300	\$ -	\$ 141,300	\$ 36,550	\$ 175,000	\$ 211,550
Membership dues	737,585	-	737,585	430,590	-	430,590
Conference fees	512,573	-	512,573	7,303	-	7,303
Sponsorship revenue	37,000	-	37,000	92,500	-	92,500
Program income	12,800	-	12,800	-	-	-
Other income	18,257	-	18,257	14,120	-	14,120
Interest income	260	-	260	213	-	213
Satisfaction of program restrictions	146,667	(146,667)	-	73,539	(73,539)	-
<b>TOTAL REVENUE</b>	<u>1,606,442</u>	<u>(146,667)</u>	<u>1,459,775</u>	<u>654,815</u>	<u>101,461</u>	<u>756,276</u>
<b>EXPENSES</b>						
Program services	972,440	-	972,440	366,633	-	366,633
Management and general	195,322	-	195,322	158,666	-	158,666
Development	30,726	-	30,726	31,108	-	31,108
<b>TOTAL EXPENSES</b>	<u>1,198,488</u>	<u>-</u>	<u>1,198,488</u>	<u>556,407</u>	<u>-</u>	<u>556,407</u>
<b>INCREASE (DECREASE) IN NET ASSETS</b>	407,954	(146,667)	261,287	98,408	101,461	199,869
<b>NET ASSETS - Beginning of Year</b>	<u>696,250</u>	<u>146,667</u>	<u>842,917</u>	<u>597,842</u>	<u>45,206</u>	<u>643,048</u>
<b>NET ASSETS - End of Year</b>	<u>\$ 1,104,204</u>	<u>\$ -</u>	<u>\$ 1,104,204</u>	<u>\$ 696,250</u>	<u>\$ 146,667</u>	<u>\$ 842,917</u>

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

TECHNOLOGY ASSOCIATION OF GRANTMAKERS, INC.

STATEMENTS OF FUNCTIONAL EXPENSES

FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

	2022				2021			
	Program Services	Management & General	Development	Total	Program Services	Management & General	Development	Total
Salaries and wages	\$ 243,518	\$ 123,298	\$ 26,466	\$ 393,282	\$ 153,407	\$ 95,299	\$ 20,708	\$ 269,414
Employee benefits	19,887	10,069	2,162	32,118	6,299	3,913	850	11,062
Payroll taxes	15,858	8,029	1,723	25,610	9,468	5,881	1,278	16,627
Total Personnel	279,263	141,396	30,351	451,010	169,174	105,093	22,836	297,103
Bank charges	-	16,029	-	16,029	-	14,730	-	14,730
Board expense	-	375	375	750	-	7,550	7,550	15,100
Conference expense	423,123	-	-	423,123	55,204	-	-	55,204
Consulting	246,523	-	-	246,523	100,875	3,555	722	105,152
Dues and subscriptions	4,021	-	-	4,021	3,485	-	-	3,485
Hosting fees	8,885	8,886	-	17,771	8,420	8,420	-	16,840
Insurance	-	645	-	645	-	2,440	-	2,440
Office supplies	-	14,691	-	14,691	-	3,350	-	3,350
Professional fees	-	13,300	-	13,300	247	13,528	-	13,775
Taskforce on Digital Infra. Proj.	-	-	-	-	27,611	-	-	27,611
Travel	10,625	-	-	10,625	1,617	-	-	1,617
	<u>\$ 972,440</u>	<u>\$ 195,322</u>	<u>\$ 30,726</u>	<u>\$ 1,198,488</u>	<u>\$ 366,633</u>	<u>\$ 158,666</u>	<u>\$ 31,108</u>	<u>\$ 556,407</u>

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

TECHNOLOGY ASSOCIATION OF GRANTMAKERS, INC.

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

	<u>2022</u>	<u>2021</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 261,287	\$ 199,869
Adjustments to reconcile change in net assets to net cash used by operating activities:		
(Increase) Decrease		
Accounts receivable	(14,335)	-
Grants receivable	-	25,000
Other accounts receivable	(47,718)	-
Other assets	(19,000)	(977)
Increase (Decrease)		
Accounts payable	76,081	(20,096)
Deferred revenue	<u>16,595</u>	<u>23,135</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>272,910</u>	<u>226,931</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of certificates of deposit	-	(49)
Proceeds from certificates of deposit redemption	<u>-</u>	<u>152,710</u>
NET CASH PROVIDED BY INVESTING ACTIVITIES	<u>-</u>	<u>152,661</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	272,910	379,592
CASH AND CASH EQUIVALENTS - Beginning of Year	<u>856,956</u>	<u>477,364</u>
CASH AND CASH EQUIVALENTS - End of Year	<u>\$ 1,129,866</u>	<u>\$ 856,956</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 ASSOCIATION OF GRANTMAKERS, INC.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

Technology Association of Grantmakers, Inc. (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 -- Accounts receivable is stated at the amount the Organization expects to collect from outstanding balances. The Organization provides for probable uncollectible amounts through a provision for bad debt expense and an adjustment to a valuation allowance based on its assessment of the current status of individual accounts. Management considers all accounts receivable to be collectible and, therefore, has not established a provision for uncollectible accounts for the year ended December 31, 2022.

Deferred Revenues -- Membership dues received in advance are recorded as deferred revenue when received and reflected as revenues in the applicable year.

	<u>2022</u>	<u>2021</u>
Balance January 1	\$ 23,135	\$ -
Deferred revenue recognized	(23,135)	-
Cash received in advance of performance	<u>39,730</u>	<u>23,135</u>
Balance December 31	<u>\$ 39,730</u>	<u>\$ 23,135</u>

The balance of deferred revenue at December 31, 2022, less any refunds issued will be recognized as revenue over the fiscal year beginning on or after January 1, 2023, as services are rendered.

Revenue and Revenue Recognition -- Revenue is recorded on the accrual basis of accounting. The Organization derives its revenue primarily from member dues, conference fees, and grants. The Organization recognizes revenue from fees during the year in which the related services are provided. The performance obligation of fees is simultaneously received and consumed; therefore, the revenue is recognized in the period earned.

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 value of the assets received and are classified as either without donor restriction or with donor restriction, depending on whether the donor has imposed a restriction on the use of such assets.

TECHNOLOGY ASSOCIATION OF GRANTMAKERS, INC.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

1 Summary of Significant Accounting Policies (Continued)

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.

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 statement 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.

TECHNOLOGY ASSOCIATION OF GRANTMAKERS, INC.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

2 Liquidity

The table below represents financial assets available for general expenditures within one year at December 31, 2022 and 2021:

	<u>2022</u>	<u>2021</u>
Financial assets at year end:		
Cash and cash equivalents	\$ 1,129,866	\$ 856,956
Accounts receivable	14,335	-
Other accounts receivable	<u>47,718</u>	<u>-</u>
Financial assets available to meet general expenditures within one year	<u>\$ 1,191,919</u>	<u>\$ 856,956</u>

The Organization has certain donor-restricted assets limited to use which are available for general expenditure within one year in the normal course of operations. Accordingly, these assets have been included in the qualitative information above for financial assets to meet general expenditures within one year.

As part of the Organization's liquidity management plan, cash in excess of daily requirements is 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 Net Assets with Donor Restrictions

Net assets with donor restrictions are available for the following purposes as of December 31, 2022 and 2021:

	<u>2022</u>	<u>2021</u>
Subject to expenditure for specified purpose:		
Advancing Equity in Philanthropy	\$ -	\$ 100,000
Addressing the Tech Overhead Myth	<u>-</u>	<u>5,000</u>
	-	105,000
Subject to expenditure over time	<u>-</u>	<u>41,667</u>
Total Net Assets with Donor Restrictions	<u>\$ -</u>	<u>\$ 146,667</u>

TECHNOLOGY ASSOCIATION OF GRANTMAKERS, INC.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

4 Net Assets with Donor Restrictions (Continued)

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:

	<u>2022</u>	<u>2021</u>
Purpose Restriction Accomplished		
Advancing Equity in Philanthropy	\$ 100,000	\$ -
Addressing the Tech Overhead Myth	5,000	-
Taskforce on Digital Infrastructure	-	45,206
Addressing the Tech Overhead Myth	-	20,000
	<u>105,000</u>	<u>65,206</u>
Time Restriction Accomplished	41,667	8,333
Total Satisfaction of Restrictions	<u>\$ 146,667</u>	<u>\$ 73,539</u>

5 Defined Contribution Retirement Savings Plan

The Organization sponsors a defined contribution pension plan that covers substantially all employees who meet the plan requirements. The Organization can choose to make matching contributions to the plan, annually. Pension expense for the years ended December 31, 2022 and 2021 was \$14,940 and \$7,947, respectively.

6 Compensated Absences

Employees of the Organization are entitled to paid vacations, sick days and other time off depending on length of services and other factors. It is impractical to estimate the amount of compensation for future absences and, accordingly, no liability has been recorded in the accompanying financial statements. The Organization's policy is to recognize the costs of compensated absences when paid to employees.

TECHNOLOGY ASSOCIATION OF GRANTMAKERS, INC.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

7 Commitments

Annual Conference - 2023

In June, 2019, the Organization signed a contract with Grand Hyatt Nashville for the annual conference scheduled to take place in November, 2021. The contract included a cancellation agreement indicating that the Organization may not cancel the contract for any reason except Force Majeure, without incurring damages. In March, 2021, the contract was amended to move the date of the event to November, 2023. The Organization was charged \$5,000 for amending the contract. According to the amended contract, the Organization will be held liable if the contract is cancelled after the contract signing date. If the contract is cancelled from January 1, 2023 to May 9, 2023, the Organization is liable for \$265,691. If the contract is cancelled from May 10, 2023 to August 7, 2023, the Organization is liable for \$371,968. If the contract is cancelled from August 8, 2023 to November 5, 2023, the Organization is liable for \$483,607. Management of the Organization has no intention to cancel the contract and, therefore, has not recognized a liability.

8 Subsequent Events

The Organization has evaluated all subsequent events through September 22, 2023, the date the financial statements were available to be issued.