

TECHNOLOGY ASSOCIATION OF GRANTMAKERS, INC.

REPORT ON AUDIT OF
FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2023 AND 2022

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INDEPENDENT AUDITOR'S REPORT

October 21, 2024

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, 2023 and 2022, 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, 2023 and 2022, 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, 2023 AND 2022

	<u>2023</u>	<u>2022</u>
ASSETS		
Cash and cash equivalents	\$ 1,231,077	\$ 1,129,866
Accounts receivable	-	14,335
Grants receivable	144,260	-
Other accounts receivable	-	47,718
Other assets	<u>12,500</u>	<u>35,000</u>
TOTAL ASSETS	<u><u>\$ 1,387,837</u></u>	<u><u>\$ 1,226,919</u></u>
 LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable	\$ 112,223	\$ 82,985
Deferred revenue	<u>108,485</u>	<u>39,730</u>
Total Liabilities	220,708	122,715
 Net Assets		
Without Donor Restrictions	909,212	1,104,204
With Donor Restrictions		
Purpose restrictions	<u>257,917</u>	<u>-</u>
Total Net Assets	<u><u>1,167,129</u></u>	<u><u>1,104,204</u></u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 1,387,837</u></u>	<u><u>\$ 1,226,919</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, 2023 AND 2022

	<u>2023</u>			<u>2022</u>		
	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
REVENUE						
Grants and contributions	\$ 44,862	\$ 345,000	\$ 389,862	\$ 141,300	\$ -	\$ 141,300
Membership dues	797,014	-	797,014	737,585	-	737,585
Conference fees	602,275	-	602,275	512,573	-	512,573
Sponsorship revenue	-	-	-	37,000	-	37,000
Program income	5,670	-	5,670	12,800	-	12,800
Other income	20,000	-	20,000	18,257	-	18,257
Interest income	15,752	-	15,752	260	-	260
Satisfaction of program restrictions	87,083	(87,083)	-	146,667	(146,667)	-
TOTAL REVENUE	<u>1,572,656</u>	<u>257,917</u>	<u>1,830,573</u>	<u>1,606,442</u>	<u>(146,667)</u>	<u>1,459,775</u>
EXPENSES						
Program services	1,319,459	-	1,319,459	972,440	-	972,440
Management and general	400,626	-	400,626	195,322	-	195,322
Development	47,563	-	47,563	30,726	-	30,726
TOTAL EXPENSES	<u>1,767,648</u>	<u>-</u>	<u>1,767,648</u>	<u>1,198,488</u>	<u>-</u>	<u>1,198,488</u>
(DECREASE) INCREASE IN NET ASSETS	(194,992)	257,917	62,925	407,954	(146,667)	261,287
NET ASSETS - Beginning of Year	<u>1,104,204</u>	<u>-</u>	<u>1,104,204</u>	<u>696,250</u>	<u>146,667</u>	<u>842,917</u>
NET ASSETS - End of Year	<u>\$ 909,212</u>	<u>\$ 257,917</u>	<u>\$ 1,167,129</u>	<u>\$ 1,104,204</u>	<u>\$ -</u>	<u>\$ 1,104,204</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, 2023 AND 2022

	<u>2023</u>				<u>2022</u>			
	<u>Program Services</u>	<u>Management & General</u>	<u>Development</u>	<u>Total</u>	<u>Program Services</u>	<u>Management & General</u>	<u>Development</u>	<u>Total</u>
Salaries and wages	\$ 416,009	\$ 158,823	\$ 35,755	\$ 610,587	\$ 243,518	\$ 123,298	\$ 26,466	\$ 393,282
Employee benefits	42,928	16,389	3,690	63,007	19,887	10,069	2,162	32,118
Payroll taxes	26,754	10,214	2,300	39,268	15,858	8,029	1,723	25,610
Total Personnel	485,691	185,426	41,745	712,862	279,263	141,396	30,351	451,010
Bank charges	-	14,637	-	14,637	-	16,029	-	16,029
Board expense	-	5,819	5,818	11,637	-	375	375	750
Conference expense	483,061	-	-	483,061	423,123	-	-	423,123
Consulting	247,975	-	-	247,975	246,523	-	-	246,523
Dues and subscriptions	4,341	-	-	4,341	4,021	-	-	4,021
Hosting fees	82,580	82,579	-	165,159	8,885	8,886	-	17,771
Insurance	-	1,611	-	1,611	-	645	-	645
Office supplies	-	7,621	-	7,621	-	14,691	-	14,691
Professional fees	-	102,933	-	102,933	-	13,300	-	13,300
Travel	15,811	-	-	15,811	10,625	-	-	10,625
	<u>\$1,319,459</u>	<u>\$ 400,626</u>	<u>\$ 47,563</u>	<u>\$1,767,648</u>	<u>\$ 972,440</u>	<u>\$ 195,322</u>	<u>\$ 30,726</u>	<u>\$1,198,488</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, 2023 AND 2022

	<u>2023</u>	<u>2022</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 62,925	\$ 261,287
Adjustments to reconcile change in net assets to net cash used by operating activities:		
(Increase) Decrease		
Accounts receivable	14,335	(14,335)
Grants receivable	(144,260)	-
Other accounts receivable	47,718	(47,718)
Other assets	22,500	(19,000)
Increase (Decrease)		
Accounts payable	29,238	76,081
Deferred revenue	<u>68,755</u>	<u>16,595</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>101,211</u>	<u>272,910</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	101,211	272,910
CASH AND CASH EQUIVALENTS - Beginning of Year	<u>1,129,866</u>	<u>856,956</u>
CASH AND CASH EQUIVALENTS - End of Year	<u>\$1,231,077</u>	<u>\$1,129,866</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, 2023 AND 2022

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, 2023.

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

	<u>2023</u>	<u>2022</u>
Balance January 1	\$ 39,730	\$ 23,135
Deferred revenue recognized	(39,730)	(23,135)
Cash received in advance of performance	<u>108,485</u>	<u>39,730</u>
Balance December 31	<u>\$ 108,485</u>	<u>\$ 39,730</u>

The balance of deferred revenue at December 31, 2023, less any refunds issued will be recognized as revenue over the fiscal year beginning on or after January 1, 2024, 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, 2023 AND 2022

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, 2023 AND 2022

2 Liquidity

The table below represents financial assets available for general expenditures within one year at December 31, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
Financial assets at year end:		
Cash and cash equivalents	\$ 1,231,077	\$ 1,129,866
Grants receivable	144,260	-
Accounts receivable	-	14,335
Other accounts receivable	-	47,718
Total financial assets	<u>1,375,337</u>	<u>1,191,919</u>
Less amounts not available to be used within one year	<u>94,260</u>	<u>-</u>
Financial assets available to meet general expenditures within one year	<u>\$ 1,281,077</u>	<u>\$ 1,191,919</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 Grants Receivable

The Organization had outstanding grants receivable valued at \$144,260 at December 31, 2023. Management believes all grants will be received in subsequent years and therefore has not established a provision for uncollectible accounts. The present value allowance has been calculated using 3% discount rate.

Below is a schedule of future grant payments:

2024	\$ 75,000
2025	75,000
	<u>150,000</u>
Less: present value allowance	(5,740)
	<u>\$ 144,260</u>

TECHNOLOGY ASSOCIATION OF GRANTMAKERS, INC.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

4 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.

5 Net Assets with Donor Restrictions

Net assets with donor restrictions are available for the following purposes as of December 31, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
Subject to expenditure over time	<u>257,917</u>	<u>-</u>

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>2023</u>	<u>2022</u>
Purpose Restriction Accomplished		
Conference	\$ 25,000	\$ -
Advancing Equity in Philanthropy	-	100,000
Addressing the Tech Overhead Myth	<u>-</u>	<u>5,000</u>
	25,000	105,000
Time Restriction Accomplished	<u>62,083</u>	<u>41,667</u>
Total Satisfaction of Restrictions	<u>\$ 87,083</u>	<u>\$ 146,667</u>

6 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, 2023 and 2022 was \$19,743 and \$14,940, respectively.

TECHNOLOGY ASSOCIATION OF GRANTMAKERS, INC.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

7 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.

8 Subsequent Events

The Organization has evaluated all subsequent events through October 21, 2024, the date the financial statements were available to be issued.