

TECHNOLOGY AFFINITY GROUP

REPORT ON AUDIT OF
FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2007

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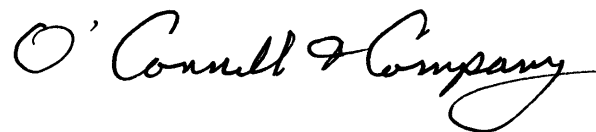
INDEPENDENT AUDITOR'S REPORT

Board of Directors
Technology Affinity Group
Wayne, Pennsylvania

We have audited the accompanying statement of financial position of Technology Affinity Group (the Organization) as of December 31, 2007 and the related statements of activities and cash flows for the year 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 audit.

We have conducted our audit 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 audit provides 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, 2007 and the changes in its net assets and its cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America.



Certified Public Accountants
March 24, 2008

TECHNOLOGY AFFINITY GROUP

STATEMENT OF FINANCIAL POSITION

DECEMBER 31, 2007

ASSETS	
Cash and cash equivalents	\$ 218,039
Other accounts receivable	295
Prepaid expense	<u>8,525</u>
TOTAL ASSETS	<u>\$ 226,859</u>
LIABILITIES AND NET ASSETS	
Liabilities	<u>-</u>
Net Assets	
Unrestricted	<u>226,859</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 226,859</u>

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

TECHNOLOGY AFFINITY GROUP

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED DECEMBER 31, 2007

	<u>Unrestricted</u>
REVENUE	
Foundation grants	\$ 122,862
Membership dues	107,750
Conference fees	64,298
Sponsorship revenue	45,272
Interest income	<u>1,707</u>
 TOTAL REVENUE	 <u>341,889</u>
 EXPENSES	
Consulting	59,800
Conference expense	45,323
Dues and subscriptions	36,125
Web site development	9,575
Hosting fees	3,244
Board expense	2,464
Insurance	1,467
Travel	628
Bank charges	299
Telephone	185
Taxes and licenses	61
Office supplies	<u>42</u>
 TOTAL EXPENSES	 <u>159,213</u>
 INCREASE IN NET ASSETS	 182,676
 NET ASSETS - Beginning of Year	 <u>44,183</u>
 NET ASSETS - End of Year	 <u><u>\$ 226,859</u></u>

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

TECHNOLOGY AFFINITY GROUP

STATEMENT OF CASH FLOWS

YEAR ENDED DECEMBER 31, 2007

CASH FLOWS FROM OPERATING ACTIVITIES

Change in Net Assets	\$182,676
Adjustments to reconcile change in net assets to net cash provided by operating activities	
Decrease (Increase)	
Other accounts receivable	(295)
Prepaid expense	<u>475</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>182,856</u>
NET INCREASE IN CASH	182,856
CASH AND CASH EQUIVALENTS - Beginning of Year	<u>35,183</u>
CASH AND CASH EQUIVALENTS - End of Year	<u><u>\$218,039</u></u>
 SUPPLEMENTAL INFORMATION	
Interest paid	<u><u>\$ -</u></u>

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

TECHNOLOGY AFFINITY GROUP
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2007

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.

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.

2 Concentration of Risk

The Organization has cash balances held in a financial institution. The amount on deposit with this institution exceeded the \$100,000 federally insured limit by \$138,064 as of December 31, 2007.

3 Foundation Grants

The Technology Affinity Group became separately incorporated in 2006 and received its 501(c)3 status in early 2007. Prior to receiving its own 501(c)3, the Organization operated as a project of the Tides Foundation. As part of becoming separately incorporated, the Tides Foundation made a grant of \$113,362 to transfer the operating project balance to the new organization.

TECHNOLOGY AFFINITY GROUP

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2007

(Continued)

4 Sponsorships

The Organization has a relationship with the Gartner Group in which they provide Gartner research to its 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.

5 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.

Program expenses	\$ 143,815
Management and general expenses	<u>15,398</u>
	<u>\$ 159,213</u>