

**NONPROFIT TECHNOLOGY
RESOURCES, INC.**

Financial Statements

July 31, 2013

*O'Hara, Ward and Associates
Certified Public Accountants*

NONPROFIT TECHNOLOGY RESOURCES, INC.

JULY 31, 2013

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Nonprofit Technology Resources, Inc.
Philadelphia, Pennsylvania

We have audited the accompanying financial statements of Nonprofit Technology Resources, Inc. (a nonprofit organization), which comprise the statement of financial position as of July 31, 2013, and the related statements of activities, functional expenses, and cash flows for the year then ended and the related notes to the 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 audit. We 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 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 position of Nonprofit Technology Resources, Inc. at July 31, 2013 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.

O'Hara, Ward & Associates

June 3, 2014

NONPROFIT TECHNOLOGY RESOURCES, INC.
STATEMENT OF FINANCIAL POSITION
JULY 31, 2013

ASSETS

Current Assets

Cash	\$392,265
Accounts Receivable	945
Inventory	<u>12,266</u>

Total Assets \$405,476

LIABILITIES AND NET ASSETS

Current Liabilities

Accounts Payable	\$ <u>15,197</u>
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Total Liabilities 15,197

Net Assets

Unrestricted	381,879
Temporarily Restricted	<u>8,400</u>

Total Net Assets 390,279

Total Liabilities and Net Assets \$405,476

See Accompanying Notes

**NONPROFIT TECHNOLOGY RESOURCES, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JULY 31, 2013**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Support and Revenue			
Contributions	\$ 3,360	\$ 26,500	\$ 29,860
Computer Training	7,129		7,129
Computer Sales and Repairs	170,616		170,616
Interest Income	1,647		1,647
Net Assets released from restrictions	<u>21,700</u>	<u>\$ (21,700)</u>	<u> </u>
	<u>204,452</u>	<u>4,800</u>	<u>209,252</u>
Expenses			
Program Services	230,043		230,043
Management and General	70,871		70,871
Fundraising	<u>16,521</u>		<u>16,521</u>
	<u>317,435</u>	<u>-0-</u>	<u>317,435</u>
Change in Net Assets	(112,983)	4,800	(108,183)
Net Assets, beginning	<u>494,862</u>	<u>3,600</u>	<u>498,462</u>
Net Assets, ending	<u>\$ 381,879</u>	<u>\$ 8,400</u>	<u>\$ 390,279</u>

See Accompanying Notes

NONPROFIT TECHNOLOGY RESOURCES, INC.
STATEMENTS OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JULY 31, 2013

	Program Services	Management & General	Fundraising	Total
Salaries and Wages	\$105,419	\$26,098	\$13,047	\$144,564
Payroll Taxes	15,316	3,225	1,613	20,154
Telephone	3,031			3,031
Contracted Services	572			572
Computer Parts and Supplies	47,976	2,812	1,404	52,192
Travel	3,045			3,045
Insurance	9,798	1,828		11,626
Rent	21,000	15,000		36,000
Bank Service Charges	3,002	28		3,030
Miscellaneous	45	563		608
Payroll Service Fees	1,031	212		1,243
Utilities	8,971	6,496		15,467
Equipment Rental and Maintenance	4,553	916	457	5,926
Repairs and Maintenance	1,449	80		1,529
Bookkeeping and Accounting	3,300	8,300		11,600
Legal		5,000		5,000
Staff Development	6	275		281
Interest Expense	1,529	38		1,567
	<u>\$230,043</u>	<u>\$70,871</u>	<u>\$16,521</u>	<u>\$317,435</u>

See Accompanying Notes

**NONPROFIT TECHNOLOGY RESOURCES, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JULY 31, 2013**

CASH FLOWS FROM OPERATING ACTIVITIES

Change in Net Assets	\$ (108,183)
Change in Operating Assets and Liabilities:	
Accounts Receivable	507,572
Inventory	20,966
Accounts Payable	<u>(38,205)</u>
NET CASH FROM OPERATING ACTIVITIES AND NET INCREASE IN CASH	382,150
CASH – BEGINNING OF YEAR	<u>10,115</u>
CASH – END OF YEAR	<u><u>\$ 392,265</u></u>

Interest Paid: \$ 1,567

See Accompanying Notes

NONPROFIT TECHNOLOGY RESOURCES, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JULY 31, 2013

NOTE 1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Organization

The Organization was founded in 1974, and renamed to Nonprofit Technology Resources in 1992. NTR is committed to helping the people of Philadelphia, and the organizations that serve them, access and use information and communications technologies. NTR serves low-income people in Philadelphia with a holistic training program that includes hardware and software troubleshooting, repairing, and refurbishing donated computers, which are then provided to the community. This unique program includes training people in environmentally-friendly recycling methods, using only certified partners with best-practices compliant with R2, e-Stewards and ISO 14001 standards. The main source of revenue and support is computer sales and repairs.

Basis of Accounting

The financial statements have been prepared using the accrual basis of accounting.

Classifications of Net Assets

The Organization reports information regarding its financial position and activities in net asset categories according to the existence or absence of donor-imposed restrictions in either unrestricted net assets or temporarily restricted net assets.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of 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.

NONPROFIT TECHNOLOGY RESOURCES, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JULY 31, 2013

NOTE 1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Accounts Receivable

Receivables are recorded at the un-discounted amounts of earned revenue and support.

The Organization considers accounts receivable to be fully collectible; accordingly, no allowance for doubtful accounts has been established. If accounts become uncollectible, they will be charged to operations when that determination is made. Collections on accounts previously written off are included in other income as received.

Inventory

The Organization's inventory consists of finished goods which are valued at average salvage value of donated computers and related equipment.

Revenue Recognition

Contributions are recognized as support in the period received or when a donor provides an unconditional promise to give.

Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in temporarily restricted net assets depending on the nature of the restrictions. When a donor restriction expires, temporarily restricted net assets are released to unrestricted net assets.

Unpaid volunteers have made significant contributions of their time in the furtherance of the Organization's activities. The value of this contribution is not reflected in these financial statements because the criteria for recognition have not been satisfied.

Revenue from computer training and sales are recorded when earned.

NONPROFIT TECHNOLOGY RESOURCES, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JULY 31, 2013

NOTE 1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Functional Allocation of Expenses

The costs of providing the programs and activities have been summarized in a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the program and supporting services benefited.

Income Tax

The Organization is exempt from federal income tax under Section 501 (c) (3) of the Internal Revenue Code, and state income taxes under the provisions of Pennsylvania Nonprofit Corporation Law.

The Organization has adopted current accounting principles for uncertain income tax positions that require evaluation of tax positions taken on its income tax returns and recognizing a tax asset or liability if the position would not be sustained under audit. The Organization's policy is to record interest and penalties from tax examinations as income taxes. For federal income tax purposes, the returns remain open for possible examination three years after they are filed.

Subsequent Events

The Organization's policy is to review and evaluate subsequent events for disclosure or recognition during the period after its year-end until the date the financial statements are available to be issued, the report date of June 3, 2014.

NOTE 2. LEASE

The Organization rents its facilities on a month-to-month basis, and equipment on a day-to-day basis. Rent expense was \$36,000 for the year ended July 31, 2013.

NONPROFIT TECHNOLOGY RESOURCES, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JULY 31, 2013

NOTE 3. TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets of \$8,400 as of July 31, 2013 are available for computer training, and \$21,700 were released from restrictions during the year ended July 31, 2013 for computer training.

NOTE 4. CONCENTRATIONS

From time to time, cash balances may exceed amounts insured by the Federal Deposit Insurance Corporation. The Organization deposits its cash with credit worthy institutions and has not experienced any losses on such accounts and believes it is not exposed to any significant credit risk on cash.

NOTE 5. EXTRAORDINARY ITEM

The Organization was a beneficiary of a class action lawsuit against a manufacturer of computer parts payable to resellers of the computer parts and several non-profit organizations. The settlement was accrued as an unrestricted contribution on its award date of August 1, 2011 and was collected in the current fiscal period.