

NONPROFIT TECHNOLOGY RESOURCES, INC.

JULY 31, 2011

C O N T E N T S

	PAGE
Independent Accountants' Review Report	1
Financial Statements:	
Financial Position	2
Statement of Activities	3
Statement of Functional Expenses	4
Cash Flows	5
Notes to Financial Statements	6-9

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INDEPENDENT ACCOUNTANTS' REVIEW REPORT

To Management and Board of Directors
Nonprofit Technology Resources, Inc.
Philadelphia, Pennsylvania

We have reviewed the accompanying statement of financial position of Nonprofit Technology Resources, Inc. (a not-for-profit corporation) as of July 31, 2011 and the related statements of activities, cash flows and functional expenses for the year then ended. A review includes primarily applying analytical procedures to management's financial data and making inquiries of Company management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

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 designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the review in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. Those standards require us to perform procedures to obtain limited assurance that there are no material modifications that should be made to the financial statements. We believe that the results of our procedures provide a reasonable basis for our report.

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America.

O'Hara, Ward & Associates

January 9, 2012

NONPROFIT TECHNOLOGY RESOURCES, INC.
STATEMENT OF FINANCIAL POSITION
JULY 31, 2011

ASSETS

Current Assets	
Cash	\$ 37,636
Accounts Receivable	27,137
Inventory	<u>33,458</u>
Total Assets	<u>\$ 98,231</u>

LIABILITIES AND NET ASSETS

Current Liabilities	
Accounts Payable	<u>\$ 56,190</u>
Total Liabilities	<u>56,190</u>
Net Assets	
Unrestricted	37,641
Temporarily Restricted	<u>4,400</u>
Total Net Assets	<u>42,041</u>
Total Liabilities and Net Assets	<u>\$ 98,231</u>

See Accompanying Notes and Independent Accountants' Review Report

**NONPROFIT TECHNOLOGY RESOURCES, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JULY 31, 2011**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Support and Revenue			
Contributions	\$ 109,702	\$ 3,200	\$ 112,902
Computer Training	60,339		60,339
Computer Sales	229,611		229,611
Contract Revenue	37,396		37,396
Interest Income	21		21
Other Income	21,404		21,404
Net Assets released from restrictions	<u>6,900</u>	<u>(6,900)</u>	<u>-0-</u>
	<u>465,373</u>	<u>(3,700)</u>	<u>461,673</u>
Expenses			
Program Services	403,699		403,699
Management and General	34,082		34,082
Fundraising	<u>21,697</u>		<u>21,697</u>
	<u>459,478</u>	<u>-0-</u>	<u>459,478</u>
Change in Net Assets	5,895	(3,700)	2,195
Net Assets, beginning	<u>31,746</u>	<u>8,100</u>	<u>39,846</u>
Net Assets, ending	<u>\$ 37,641</u>	<u>\$ 4,400</u>	<u>\$ 42,041</u>

See Accompanying Notes and Independent Accountants' Review Report

NONPROFIT TECHNOLOGY RESOURCES, INC.
STATEMENTS OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JULY 31, 2011

	Program Services	Management & General	Fundraising	Total 2011
Salaries and Wages	\$193,588	\$22,000	\$18,559	\$234,147
Payroll Taxes	21,648	2,754	2,100	26,502
Employee Benefits	10,514	435	943	11,892
Telephone	2,409			2,409
Contracted Services	8,178	2,551		10,729
Computer Parts and Supplies	60,709	314	95	61,118
Travel	5,186	6		5,192
Insurance	7,858	1,045		8,903
Rent	35,980	20		36,000
Bank Service Charges	3,535	52		3,587
Postage and Shipping	858			858
Miscellaneous	1,532	430		1,962
Payroll Service Fees	1,461	53		1,514
Utilities	15,202			15,202
Equipment Rental and Maintenance	5,815			5,815
Repairs and Maintenance	3,410			3,410
Bookkeeping and Accounting	3,757	4,143		7,900
Advertising	16,467			16,467
Staff Development	1,173	279		1,452
Interest Expense	4,419			4,419
	<u>\$403,699</u>	<u>\$34,082</u>	<u>\$21,697</u>	<u>\$459,478</u>

See Accompanying Notes and Independent Accountants' Review Report

NONPROFIT TECHNOLOGY RESOURCES, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JULY 31, 2011

CASH FLOWS FROM OPERATING ACTIVITIES

Change in Net Assets	\$ 2,195
(Increase) Decrease in Operating Assets:	
Accounts Receivable	(4,013)
Inventory	(5,243)
Increase (decrease) in operating liabilities:	
Accounts Payable	<u>10,377</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES AND NET DECREASE IN CASH	3,316
CASH – BEGINNING OF YEAR	<u>34,320</u>
CASH – END OF YEAR	<u>\$ 37,636</u>

Income Taxes:	<u>\$ -0-</u>
Interest Paid:	<u>\$ 4,419</u>

See Accompanying Notes and Independent Accountants' Review Report

NONPROFIT TECHNOLOGY RESOURCES, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JULY 31, 2011

NOTE 1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Organization

The Organization was founded in 1974 and originally was named Public Interest Media Project, Inc., and changed its name to Nonprofit Technology Resources, Inc. in September 1992. The Organization is located in Philadelphia, PA and provides computer training, and sells used computers and related equipment to low-income individuals. The Organization also receives contract revenue from the Philadelphia Workforce Development Corporation.

Basis of Presentation

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.

See Independent Accountants' Review Report

**NONPROFIT TECHNOLOGY RESOURCES, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JULY 31, 2011**

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

Accounts Receivable

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

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 plus certain expenses related to reproduction or cost.

Contributions

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.

Advertising

Advertising costs are charged to expense as incurred. Total advertising expense was \$16,467 for the year ended July 31, 2011.

See Independent Accountants' Review Report

NONPROFIT TECHNOLOGY RESOURCES, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JULY 31, 2011

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.

Effective August 1, 2009, the Organization adopted Accounting for Uncertainty in Income Taxes. As of August 1, 2010, the Organization had no material unrecognized tax benefits, accrued interest or penalties. The Organization's policy is to account for interest and penalties as a component of income taxes. Federal tax years 2007 through 2010 were open for examination as of July 31, 2011.

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 January 9, 2012.

NOTE 2. ACCOUNTS RECEIVABLE

Accounts Receivable consists of the following:

Contracts	\$ 6,282
Computer sales and other receivables	<u>20,855</u>
	<u>\$27,137</u>

See Independent Accountants' Review Report

NONPROFIT TECHNOLOGY RESOURCES, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JULY 31, 2011

NOTE 3. 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, 2011.

NOTE 4. TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets of \$4,400 as of July 31, 2011 are available for computer training, and \$6,900 were released from restrictions during the year ended July 31, 2011 for computer training.

NOTE 5. 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.

During the year ended July 31, 2011, contract revenue from Philadelphia Workforce Development Corporation and The School District of Philadelphia was 11% of total support and revenue; and 77% of accounts receivable as of July 31, 2011.

See Independent Accountants' Review Report