

**WORLD INFORMATION TECHNOLOGY
AND SERVICES ALLIANCE**

**FINANCIAL STATEMENTS AND INDEPENDENT
ACCOUNTANTS' REVIEW REPORT
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010**

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WORLD INFORMATION TECHNOLOGY AND SERVICES ALLIANCE

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INDEPENDENT ACCOUNTANTS' REVIEW REPORT

To the Board of Directors
World Information Technology and Services Alliance
Vienna, Virginia

We have reviewed the accompanying statements of financial position of World Information Technology and Services Alliance (a nonprofit organization) as of December 31, 2011 and 2010 and the related statements of activities and cash flows for the years then ended. A review includes primarily applying analytical procedures to management's financial data and making inquiries of Organization 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.

Gilliland & Associates, P.C.

Gilliland & Associates, P.C.
Certified Public Accountants
Falls Church, VA
October 4, 2012

WORLD INFORMATION TECHNOLOGY AND SERVICES ALLIANCE
 STATEMENTS OF FINANCIAL POSITION
 DECEMBER 31, 2011 and 2010

ASSETS	<u>2011</u>	<u>2010</u>
CURRENT ASSETS:		
Cash and Cash Equivalents	\$ 492,416	\$ 929,227
Accounts Receivable, net of allowance for uncollectible account of \$7,000 for 2011 and \$10,000 for 2010	20,785	13,175
Prepaid Expenses	<u>2,776</u>	<u>4,521</u>
TOTAL CURRENT ASSETS	<u>515,977</u>	<u>946,923</u>
LONG-TERM INVESTMENTS	251,821	
PROPERTY & EQUIPMENT:		
Equipment and Furniture	1,707	1,707
Computer Equipment	7,481	7,481
Less: Accumulated Depreciation and Amortization	<u>(7,677)</u>	<u>(5,501)</u>
NET PROPERTY & EQUIPMENT	<u>1,511</u>	<u>3,687</u>
 TOTAL ASSETS	 <u><u>\$ 769,309</u></u>	 <u><u>\$ 950,610</u></u>

(Continued)

See accompanying notes and independent accountants' review report

WORLD INFORMATION TECHNOLOGY AND SERVICES ALLIANCE
 STATEMENTS OF FINANCIAL POSITION
 DECEMBER 31, 2011 and 2010

LIABILITIES AND NET ASSETS	<u>2011</u>	<u>2010</u>
CURRENT LIABILITIES:		
Accounts Payable	\$ 5,402	\$ 5,000
Unearned Dues & Sponsorships	46,875	36,458
Accrued expenses	15,995	15,594
Accrued Salaries	<u>9,421</u>	<u>6,533</u>
TOTAL LIABILITIES	77,693	63,585
NET ASSETS		
Unrestricted Net Assets	<u>691,616</u>	<u>887,025</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 769,309</u>	<u>\$ 950,610</u>

(Concluded)

See accompanying notes and independent accountants' review report

WORLD INFORMATION TECHNOLOGY AND SERVICES ALLIANCE
STATEMENTS OF ACTIVITIES
YEARS ENDED DECEMBER 31, 2011 AND 2010

	<u>2011</u>	<u>2010</u>
REVENUES AND SUPPORT		
World congress on IT	\$ 174,985	\$ 1,050,005
Contributed services	15,000	755,000
Membership dues	116,384	107,569
Special event sponsorship & Founding partners	66,183	78,808
GPPS licensing fees		56,110
Advertising & Publications	6,503	750
Interest	6,199	594
	<u>385,254</u>	<u>2,048,836</u>
EXPENSES		
Programs		
General	332,977	336,208
Special events	18,171	16,077
	<u>351,148</u>	<u>352,285</u>
Administrative	<u>229,515</u>	<u>970,062</u>
	<u>580,663</u>	<u>1,322,347</u>
CHANGE IN NET ASSETS	(195,409)	726,489
NET ASSETS AS OF BEGINNING OF YEAR	<u>887,025</u>	<u>160,536</u>
NET ASSETS AS OF END OF YEAR	<u>\$ 691,616</u>	<u>\$ 887,025</u>

See accompanying notes and independent accountants' review report

WORLD INFORMATION TECHNOLOGY AND SERVICES ALLIANCE
STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2011 AND 2010

	<u>2011</u>	<u>2010</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ (195,409)	\$ 726,489
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	2,177	2,177
(Increase) decrease in:		
Accounts receivable	(7,610)	26,728
Prepaid expenses	1,744	(2,590)
Increase (decrease) in:		
Accounts payable	402	-
Unearned dues & sponsorships	10,417	(24,408)
Accrued expenses	401	(602)
Accrued salaries	2,888	1,776
NET CASH (USED) PROVIDED BY OPERATING ACTIVITIES	<u>(184,990)</u>	<u>729,570</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of long-term certificates of deposit	<u>(251,821)</u>	<u>-</u>
NET CASH USED IN INVESTING ACTIVITIES	<u>(251,821)</u>	<u>-</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	(436,811)	729,570
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	<u>929,227</u>	<u>199,657</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u><u>\$ 492,416</u></u>	<u><u>\$ 929,227</u></u>

See accompanying notes and independent accountants' review report

WORLD INFORMATION TECHNOLOGY AND SERVICES ALLIANCE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2011 AND 2010

1. Organization and Nature of Business

World Information Technology and Services Alliance (WITSA) is a trade association servicing the information technology (IT) industry. WITSA was established in 1978 as a consortium of IT industry associations from 70 countries around the world. WITSA serves as the global voice of the IT industry and is dedicated to advocating policies that advance the industry's growth and development worldwide. This includes facilitating international trade and investment in IT products, strengthening national industry associations, and hosting the World Congress on Information Technology and the Global Public Conference.

2. Summary of Significant Accounting Policies

Basis of Presentation

The accompanying policies of WITSA are in accordance with accounting principles generally accepted in the United States of America applied on a basis consistent with that of the preceding years.

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 the disclosures of contingent assets and liabilities at the date of the financial statements. Such estimates also affect the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Significant estimates used in preparing these financial statements include those used in determining the net realizable value of accounts receivable.

Cash and Cash Equivalents

For the purposes of reporting cash and cash equivalents, WITSA considers all highly liquid investments with a maturity of three months or less to be cash equivalents.

Long-Term Investments

Long-term investments consist of certificates of deposit purchased in 2011 with 24 and 36 month maturities.

Property and Equipment

Property and equipment are stated at cost. Depreciation is provided using the straight line method over the useful life of the assets.

WORLD INFORMATION TECHNOLOGY AND SERVICES ALLIANCE
NOTES TO FINANCIAL STATEMENTS
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Accounts Receivable

Accounts receivable represent amounts due for sponsorships, membership dues, and program services. WITSA provides an allowance for doubtful accounts that is based upon a review of outstanding receivables, historical collection information, and existing economic conditions. Delinquent receivables are written off based on individual credit evaluation and specific circumstances of the customer.

Income Taxes

WITSA is a nonprofit organization and is exempt from federal income taxes under Section 501(c)(6) of the Internal Revenue Code and the applicable income tax regulations of the Commonwealth of Virginia on income other than unrelated business income. WITSA had no unrelated business income and therefore no income tax due during 2011 and 2010.

Classification of Net Assets

WITSA's net assets are generally grouped into the following two classes:

Unrestricted net assets – Unrestricted net assets generally result from revenues derived from providing services, receiving unrestricted contributions less expenses incurred in providing services, raising contributions, and performing administrative functions.

Temporarily restricted net assets – Temporarily restricted net assets generally result from contributions and other inflows of assets whose use by WITSA is limited by donor-imposed stipulations that either expire by passage of time or can be fulfilled and removed by actions of WITSA pursuant to those stipulations; however, if a restriction is fulfilled in the same time period in which the contribution is received, WITSA reports the support as unrestricted. For 2011 and 2010, there were no temporarily restricted net assets.

Revenues

Membership dues are recognized ratably as revenue in the applicable membership period. Dues for full and pending members are based upon each member's latest fiscal year's reported aggregate gross revenue relating to computer services. Dues for associate members are based on total gross revenue.

Fee and service revenue received in advance are deferred and recorded as revenue when the event occurs or when services are provided.

WITSA is the owner of all rights to World Congress trademarks and proprietary material used in the marketing and holding of World Congress on Information Technology events. These rights are licensed to the sponsoring WITSA member association, and WITSA has no further responsibilities to the sponsoring association under these agreements. Sponsoring associations make two to three payments to

WORLD INFORMATION TECHNOLOGY AND SERVICES ALLIANCE
NOTES TO FINANCIAL STATEMENTS
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WITSA under the licensing agreements. Revenue is recognized as cash is collected from the sponsoring association. The sponsoring WITSA member association assumes all financial responsibility associated with the World Congress, which is held approximately every two years.

Temporarily restricted contributions are included in unrestricted revenue when the funds are expended for the purpose specified by the contributors.

Allocation of Expenses

WITSA allocates salaries and benefits to its programs and supporting administrative services in the statements of activities based on actual time spent. Other expenses are allocated to its program and supporting administrative services based on direct costs.

3. Accounts Receivable

As of December 31, 2011 and 2010, accounts receivable net of an allowance for doubtful accounts is as follows:

	<u>2011</u>	<u>2010</u>
Accounts receivable	\$ 27,785	\$ 23,175
Allowance for doubtful accounts	<u>(7,000)</u>	<u>(10,000)</u>
	\$ <u>20,785</u>	\$ <u>13,175</u>

4. Related Party Transactions

With approximately 400 direct member companies, Information Technology Association of America (ITAA) is the leading trade association serving the information technology industry. ITAA seeks to foster an environment conducive to the health, prosperity and competitive nature of the IT industry and to help its members deliver the benefits of IT to its customers.

Various members provide in-kind contributions to facilitate WITSA's mission outside the United States. These contributions include office space, personnel, and other administrative support to WITSA.

5. Fair Value of Financial Instruments

WITSA has a number of financial instruments. The fair value of all financial instruments does not differ materially from the aggregate carrying values of its financial instruments recorded in the accompanying statements of financial position at December 31, 2011 and 2010.

Cash and cash equivalents, accounts receivable, certificates of deposit and debt are carried at cost, which approximates fair values.

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NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2011 AND 2010

6. Concentrations of Credit Risk

Financial instruments that potentially subject WITSA to concentrations of credit risk consist primarily of temporary cash investments, certificates of deposit and accounts receivable. WITSA grants credit terms in the normal course of business to its members and sponsors for the payment of accounts receivable. As part of its ongoing procedures, WITSA monitors the credit worthiness of its members and sponsors.

WITSA places its temporary cash investments with a bank insured by the FDIC up to \$250,000. WITSA's uninsured cash balances were \$131,291 and \$621,244 at December 31, 2011 and December 31, 2010, respectively. WITSA received a large payment late in 2010. Those funds were transferred in January 2011 into separate accounts at additional banks to comply with FDIC insurance limitations.

Credit risk for accounts receivable is concentrated as over 40% of the receivable balance is from one member association.

7. Lease Commitment

WITSA entered into a lease for office space under a month-to-month agreement that commenced on July 15, 2008. This agreement was renewed effective July 15, 2011 and expires July 14, 2012. Rent expense associated with this lease amounted to \$8,400 in 2011 and \$7,700 in 2010.

8. Unrestricted Revenue

During 2010, the Organization received a licensing and event hosting fee from a member country in the amount of \$750,000 for WITSA's World Congress on Information Technology 2014. The licensing fee has been recognized as unrestricted revenue in the 2010 financial statements as the Organization is not required to perform any future services to earn the revenue.

9. Non-Cash Contributed Services

The Organization periodically receives contributed services from member organizations that enhance activities. During 2011 and 2010, the Organization received services worth an estimated fair value of \$15,000 and \$755,000 respectively. Non-Cash contributed services are included in the financial statements as unrestricted revenues and administrative expenses. These amounts have no effect on the change in net assets of the periods presented.

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