

INTERNATIONAL DEVELOPMENT EXCHANGE

(A California Corporation)

FINANCIAL STATEMENTS

JUNE 30, 2006

INTERNATIONAL DEVELOPMENT EXCHANGE

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Independent Auditors' Report

Board of Directors
International Development Exchange

We have audited the accompanying statement of financial position of International Development Exchange (a nonprofit organization) as of June 30, 2006, and the related statements of activities, functional expenses 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 conducted our audit in accordance with generally accepted auditing standards. 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 International Development Exchange as of June 30, 2006, 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.

Bailey + Utley CPA

Certified Public Accountants

San Leandro, California
October 19, 2006

INTERNATIONAL DEVELOPMENT EXCHANGE**STATEMENT OF FINANCIAL POSITION - JUNE 30, 2006**

	Unrestricted <u>Fund</u>	Restricted <u>Fund</u>	<u>Total</u>
ASSETS:			
Cash	\$ 39,328	\$140,240	\$179,568
Donation receivable	13,632	0	13,632
Prepaid expenses	<u>4,292</u>	<u>0</u>	<u>4,292</u>
TOTAL CURRENT ASSETS	\$ 57,252	\$140,240	\$197,492
Property and equipment, at cost (Note 1), net of accumulated depreciation of \$52,437	<u>1,660</u>	<u>0</u>	<u>1,660</u>
	<u>\$ 58,912</u>	<u>\$140,240</u>	<u>\$199,152</u>
LIABILITIES:			
Accounts payable	\$ 850	\$ 0	\$ 850
Accrued payroll	<u>24,143</u>	<u>0</u>	<u>24,143</u>
	<u>\$ 24,993</u>	<u>\$ 0</u>	<u>\$ 24,993</u>
NET ASSETS:			
Unrestricted	\$ 33,919	\$ 0	\$ 33,919
Temporarily restricted	0	140,240	140,240
Permanently restricted	<u>0</u>	<u>0</u>	<u>0</u>
	<u>\$ 33,919</u>	<u>\$140,240</u>	<u>\$174,159</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 58,912</u>	<u>\$140,240</u>	<u>\$199,152</u>

INTERNATIONAL DEVELOPMENT EXCHANGE**STATEMENT OF ACTIVITIES****YEAR ENDED JUNE 30, 2006**

	Unrestricted <u>Fund</u>	Restricted <u>Fund</u>	<u>Total</u>
REVENUE:			
Foundation grants	\$ 67,911	\$334,047	\$401,958
Individual grants	214,727	93,851	308,578
Donated services (Note 3)	16,570		16,570
Events	8,433	0	8,433
Group grants	2,419		2,419
Dividend and interest income	337	0	337
Corporate grants	1,710	0	1,710
Loss on marketable securities	(438)	0	(438)
Net assets released from restriction	<u>96,573</u>	<u>(96,573)</u>	<u>0</u>
 TOTAL REVENUE	 <u>\$408,242</u>	 <u>\$331,325</u>	 <u>\$739,567</u>
EXPENSES (Schedule B-1):			
Program services:			
Program	<u>\$279,464</u>	<u>\$287,658</u>	<u>\$567,122</u>
Supporting services:			
Fundraising	\$104,539	\$ 0	\$104,539
Management and general	<u>40,425</u>	<u>0</u>	<u>40,425</u>
 Total supporting services	 <u>\$144,964</u>	 <u>0</u>	 <u>\$144,964</u>
 TOTAL EXPENSES	 <u>\$424,428</u>	 <u>\$287,658</u>	 <u>\$712,086</u>
 CHANGE IN NET ASSETS	 (16,186)	 43,667	 27,481
NET ASSETS, July 1, 2005	<u>\$ 50,105</u>	<u>\$ 96,573</u>	<u>\$146,678</u>
NET ASSETS, June 30, 2006	<u>\$ 33,919</u>	<u>\$140,240</u>	<u>\$174,159</u>

INTERNATIONAL DEVELOPMENT EXCHANGE**STATEMENT OF FUNCTIONAL EXPENSES****YEAR ENDED JUNE 30, 2006**

	<u>Program</u>	<u>Fundraising</u>	<u>Management and General</u>	<u>Total Expenses</u>
Grants – projects (Restricted)	\$293,162	\$ 0	\$ 0	\$293,162
Salaries	165,189	69,070	27,247	261,506
Rent	18,384	7,022	3,735	29,141
Services by volunteers (Note 3)	13,258	3,312	0	16,570
Consulting	814	256	495	1,565
Employee benefits	8,796	3,243	1,251	13,290
Payroll taxes	14,981	5,489	2,075	22,545
Depreciation	1,077	102	277	1,456
Telecommunications	2,593	997	367	3,957
Utilities	4,177	1,584	596	6,357
Newsletter/website	6,277	2,324	893	9,494
Travel	10,797	1,059	205	12,061
Printing	4,406	1,618	657	6,681
Postage	2,155	789	306	3,250
Accounting	2,573	1,053	374	4,000
Legal	495	203	72	770
Insurance	1,963	804	271	3,038
Workers' compensation	1,965	731	83	2,779
Equipment rental/maintenance	2,939	1,059	438	4,436
Office supplies	2,352	891	322	3,565
Payroll service fees	965	516	201	1,682
Conferences	5,706	1,269	330	7,305
Bank charges	593	186	137	916
Membership	587	205	93	885
Miscellaneous	<u>918</u>	<u>757</u>	<u>0</u>	<u>1,675</u>
TOTAL EXPENSES	<u>\$567,122</u>	<u>\$104,539</u>	<u>\$ 40,425</u>	<u>\$712,086</u>

INTERNATIONAL DEVELOPMENT EXCHANGE**STATEMENT OF CASH FLOWS****YEAR ENDED JUNE 30, 2006**

CASH FLOWS FROM OPERATING ACTIVITIES:

Change in net assets (Exhibit B)		\$ 27,481
Adjustments to reconcile excess of expenses over revenue to net cash provided by operating activities:		
Depreciation	\$ 1,456	
(Increase) decrease in:		
Grant receivable	29,000	
Donation receivable	5,308	
Prepaid expenses	(380)	
(Decrease) increase in:		
Accounts payable	359	
Grants payable	(35,547)	
Accrued payroll	<u>6,331</u>	<u>6,527</u>

NET CASH PROVIDED BY OPERATING ACTIVITIES \$ 34,008

NET INCREASE IN CASH \$ 34,008

CASH AT JULY 1, 2005 145,560CASH AT JUNE 30, 2006 \$179,568

INTERNATIONAL DEVELOPMENT EXCHANGES

NOTES TO FINANCIAL STATEMENTS - JUNE 30, 2006

Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Nature of activities:

IDEX is a social change organization challenging social and economic forces that marginalize people worldwide.

IDEX builds mutually empowering alliances with people who share a common vision to confront global systems of inequality, through channeling funds, mutual learning, networking, capacity building and outreach.

Contributions:

On July 1, 1996, IDEX elected to adopt SFAS No. 116, Accounting for Contributions Received and Contributions Made. Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. 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 or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

Financial statement presentation:

On July 1, 1996, IDEX elected to adopt Statement of Financial Accounting Standards (SFAS) No. 117, Financial Statements of Not-For-Profit Organizations. Under SFAS No. 117, IDEX is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. In addition, the Organization is required to present a statement of cash flows.

Support, revenue and expenses:

Unless restricted for a specific purpose by the donor, all contributions are considered to be available for unrestricted use. Support, revenue and expenses are accounted for on the accrual method.

Property and equipment:

Property and equipment are stated at cost. Depreciation is computed on the straight-line method of accounting over useful lives of three to five years.

Grants:

The Organization records income from grants in the period designated by the donor.

Tax-exempt status:

The Organization has been granted tax-exempt status by the Internal Revenue Service and the California Franchise Tax Board.

Donated services:

The value of donated services is included in revenue and expenses of the accompanying financial statements. See Note 3 for additional information.

INTERNATIONAL DEVELOPMENT EXCHANGES

NOTES TO FINANCIAL STATEMENTS - JUNE 30, 2006

Note 2. NATURE OF ESTIMATES:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosure. Accordingly, actual results could differ from those estimates.

Note 3. DONATED SERVICES:

The services of volunteers are an indispensable part of the Organization's program. A value for the services of specialized volunteers is included in the financial statements in agreement with guidelines established by the American Institute of Certified Public Accountants.

In addition, the Organization received approximately 1,381 volunteer hours for nonspecialized services. These services are of great value but are not included in the financial statements in accordance with guidelines established by the American Institute of Certified Public Accountants.