

INTERNATIONAL DEVELOPMENT EXCHANGE

(A California Corporation)

FINANCIAL STATEMENTS

JUNE 30, 2005

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, 2005, 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, 2005, 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
December 13, 2005

EXHIBIT A

INTERNATIONAL DEVELOPMENT EXCHANGE

STATEMENT OF FINANCIAL POSITION - JUNE 30, 2005

	Unrestricted Fund	Restricted Fund	Total
ASSETS:			
Cash	\$ 42,440	\$ 103,120	\$ 145,560
Grants receivable	0	29,000	29,000
Donation receivable	18,940	0	18,940
Prepaid expenses	<u>3,912</u>	<u>0</u>	<u>3,912</u>
TOTAL CURRENT ASSETS	\$ 65,292	\$ 132,120	\$ 197,412
Property and equipment, at cost (Note 1), net of accumulated depreciation of \$50,981	<u>3,116</u>	<u>0</u>	<u>3,116</u>
	\$ 68,408	\$ 132,120	\$ 200,528
LIABILITIES:			
Accounts payable	\$ 491	\$ 0	\$ 491
Grants payable	0	35,547	35,547
Accrued payroll	<u>17,812</u>	<u>0</u>	<u>17,812</u>
	\$ 18,303	\$ 35,547	\$ 53,850
NET ASSETS:			
Unrestricted	\$ 50,105	\$ 0	\$ 50,105
Temporarily restricted	0	96,573	96,573
Permanently restricted	<u>0</u>	<u>0</u>	<u>0</u>
	\$ 50,105	\$ 96,573	\$ 146,678
TOTAL LIABILITIES AND NET ASSETS	\$ 68,408	\$ 132,120	\$ 200,528

EXHIBIT B**INTERNATIONAL DEVELOPMENT EXCHANGE****STATEMENT OF ACTIVITIES****YEAR ENDED JUNE 30, 2005**

	Unrestricted Fund	Restricted Fund	Total
REVENUE:			
Foundation grants	\$ 83,143	\$169,544	\$252,687
Individual grants	198,480	34,116	232,596
Consortium grants	57,584	0	57,584
Donated services (Note 3)	18,984	0	18,984
Events	1,548	0	1,548
Group grants	16,617	0	16,617
Dividend and interest income	604	0	604
Corporate grants	2,000	0	2,000
Gain on marketable securities	(2,270)	0	(2,270)
Net assets released from restriction	<u>94,461</u>	<u>(94,461)</u>	<u>0</u>
TOTAL REVENUE	\$471,151	\$109,199	\$580,350
EXPENSES (Schedule B-1):			
Program services:			
Program	<u>\$364,272</u>	<u>\$107,087</u>	<u>\$471,359</u>
Supporting services:			
Fundraising	\$ 98,822	\$ 0	\$ 98,822
Management and general	<u>35,185</u>	<u>0</u>	<u>35,085</u>
Total supporting services	<u>\$133,907</u>	<u>0</u>	<u>\$133,907</u>
TOTAL EXPENSES	\$498,179	\$107,087	\$605,266
CHANGE IN NET ASSETS	(27,028)	2,112	(24,916)
NET ASSETS, July 1, 2004	\$ 77,133	\$ 94,461	\$ (71,594)
NET ASSETS, June 30, 2005	\$ 50,105	\$ 96,573	\$146,678

SCHEDULE B-1

INTERNATIONAL DEVELOPMENT EXCHANGE

STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED JUNE 30, 2005

	Program	Fundraising	Management and General	Total Expenses
Grants projects (Restricted)	\$207,269	\$ 0	\$ 0	\$207,269
Salaries	147,435	64,002	23,182	234,619
Rent	18,030	6,220	2,021	26,271
Services by volunteers (Note 3)	15,377	3,607	0	18,984
Consulting	5,486	128	1,273	6,887
Employee benefits	8,140	3,152	1,038	12,330
Payroll taxes	13,045	5,117	1,594	19,756
Depreciation	1,078	162	277	1,457
Telecommunications	1,772	1,280	420	3,472
Utilities	4,342	1,512	509	6,363
Newsletter/website	4,911	2,053	860	7,824
Travel	8,892	758	62	9,712
Printing	4,995	1,990	616	7,601
Postage	4,165	265	86	4,516
Accounting	2,501	699	300	3,500
Legal	6,267	2,530	801	9,598
Insurance	2,224	772	276	3,272
Workers' compensation	2,401	808	265	3,474
Equipment rental/maintenance	1,555	650	260	2,405
Office supplies	3,295	1,116	495	4,816
Payroll service fees	732	463	465	1,660
Conferences	4,602	426	132	5,160
Recruitment	9	82	31	122
Bank charges	740	321	0	1,051
Membership	684	274	117	1,075
Miscellaneous	1,412	505	155	2,072
TOTAL EXPENSES	\$471,359	\$ 98,822	\$ 35,085	\$605,266

EXHIBIT C

INTERNATIONAL DEVELOPMENT EXCHANGE

STATEMENT OF CASH FLOWS

YEAR ENDED JUNE 30, 2005

CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets (Exhibit B)		(\$ 24,916)
Adjustments to reconcile excess of expenses over revenue to net cash provided by operating activities:		
Depreciation	\$ 1,457	
(Increase) decrease in:		
Grant receivable	(7,000)	
Donation receivable	(10,823)	
Prepaid expenses	29,925	
(Decrease) increase in:		
Accounts payable	(6,598)	
Grants payable	(10,453)	
Accrued payroll	<u>6,699</u>	<u>3,207</u>
NET CASH USED BY OPERATING ACTIVITIES		<u>(\$ 21,709)</u>
NET DECREASE IN CASH		(\$ 21,709)
CASH AT JULY 1, 2004		<u>167,269</u>
CASH AT JUNE 30, 2005		\$145,560

INTERNATIONAL DEVELOPMENT EXCHANGES

NOTES TO FINANCIAL STATEMENTS - JUNE 30, 2005

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, 2005

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 these 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 1,582 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.