

INTERNATIONAL DEVELOPMENT EXCHANGE

(A California Corporation)

FINANCIAL STATEMENTS

JUNE 30, 2007

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, 2007, 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, 2007, 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.

Certified Public Accountants

San Leandro, California
October 29, 2007

INTERNATIONAL DEVELOPMENT EXCHANGE**STATEMENT OF FINANCIAL POSITION - JUNE 30, 2007**

	Unrestricted <u>Fund</u>	Restricted <u>Fund</u>	<u>Total</u>
ASSETS:			
Cash	\$ 58,751	\$252,580	\$311,331
Grants receivable	23,700	0	23,700
Donation receivable	13,189	0	13,189
Prepaid expenses	<u>3,881</u>	<u>0</u>	<u>3,881</u>
TOTAL CURRENT ASSETS	\$ 99,521	\$252,580	\$352,101
Property and equipment, at cost (Note 1), net of accumulated depreciation of \$54,097	<u>4,868</u>	<u>0</u>	<u>4,868</u>
	<u>\$104,389</u>	<u>\$252,580</u>	<u>\$356,969</u>
LIABILITIES:			
Accounts payable	\$ 0	\$ 0	\$ 0
Accrued payroll	<u>25,667</u>	<u>0</u>	<u>25,667</u>
	<u>\$ 25,667</u>	<u>\$ 0</u>	<u>\$ 25,667</u>
NET ASSETS:			
Unrestricted	\$ 78,722	\$ 0	\$ 78,722
Temporarily restricted	0	252,580	252,580
Permanently restricted	<u>0</u>	<u>0</u>	<u>0</u>
	<u>\$ 78,722</u>	<u>\$252,580</u>	<u>\$331,302</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$104,389</u>	<u>\$252,580</u>	<u>\$356,969</u>

INTERNATIONAL DEVELOPMENT EXCHANGE**STATEMENT OF ACTIVITIES****YEAR ENDED JUNE 30, 2007**

	Unrestricted <u>Fund</u>	Restricted <u>Fund</u>	<u>Total</u>
REVENUE:			
Foundation grants	\$ 97,736	\$368,200	\$465,936
Individual grants	273,810	88,913	362,723
Donated services (Note 3)	19,800		19,800
Events	9,030	0	9,030
Group grants	8,866		8,866
Dividend and interest income	1,584	0	1,584
Corporate grants	10,281	0	10,281
Loss on marketable securities	(1,708)	0	(1,708)
Net assets released from restriction	<u>140,240</u>	<u>(140,240)</u>	<u>0</u>
TOTAL REVENUE	<u>\$559,639</u>	<u>\$316,873</u>	<u>\$876,512</u>
EXPENSES (Schedule B-1):			
Program services:			
Program	<u>\$367,977</u>	<u>\$204,533</u>	<u>\$572,510</u>
Supporting services:			
Fundraising	\$103,986	\$ 0	\$103,986
Management and general	<u>42,873</u>	<u>0</u>	<u>42,873</u>
Total supporting services	<u>\$146,859</u>	<u>0</u>	<u>\$146,859</u>
TOTAL EXPENSES	<u>\$514,836</u>	<u>\$204,533</u>	<u>\$719,369</u>
CHANGE IN NET ASSETS	44,803	112,340	157,143
NET ASSETS, July 1, 2006	<u>\$ 33,919</u>	<u>\$140,240</u>	<u>\$174,159</u>
NET ASSETS, June 30, 2007	<u>\$ 78,722</u>	<u>\$252,580</u>	<u>\$331,302</u>

INTERNATIONAL DEVELOPMENT EXCHANGE**STATEMENT OF FUNCTIONAL EXPENSES****YEAR ENDED JUNE 30, 2007**

	<u>Program</u>	<u>Fundraising</u>	<u>Management and General</u>	<u>Total Expenses</u>
Grants – projects (Restricted)	\$306,928	\$ 0	\$ 0	\$306,928
Salaries	152,085	70,538	28,068	250,691
Rent	19,832	6,570	2,921	29,323
Services by volunteers (Note 3)	15,840	3,960		19,800
Consulting	2,501	852	378	3,731
Employee benefits	17,576	5,073	2,257	24,906
Payroll taxes	14,577	4,835	2,150	21,562
Depreciation	0	0	1,660	1,660
Telecommunications	2,691	884	393	3,968
Utilities	4,640	1,519	675	6,834
Newsletter/website	3,843	1,340	594	5,777
Travel	7,601	813	360	8,774
Printing	2,064	708	314	3,086
Postage	1,041	555	247	1,843
Accounting	3,113	959	428	4,500
Legal	1,600	493	220	2,313
Insurance	2,188	606	271	3,065
Workers' compensation	2,455	617	275	3,347
Equipment rental/maintenance	2,081	661	294	3,036
Office supplies	2,481	624	235	3,340
Payroll service fees	1,575	510	227	2,312
Conferences	2,644	893	399	3,936
Bank charges	291	72	74	437
Membership	552	198	111	861
Miscellaneous	<u>2,311</u>	<u>706</u>	<u>322</u>	<u>3,339</u>
TOTAL EXPENSES	<u>\$572,510</u>	<u>\$103,986</u>	<u>\$ 42,873</u>	<u>\$719,369</u>

INTERNATIONAL DEVELOPMENT EXCHANGE**STATEMENT OF CASH FLOWS****YEAR ENDED JUNE 30, 2007**

CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets (Exhibit B)		\$157,143
Adjustments to reconcile excess of expenses over revenue to net cash provided by operating activities:		
Depreciation	\$ 1,660	
(Increase) decrease in:		
Grant receivable	(23,700)	
Donation receivable	443	
Prepaid expenses	411	
(Decrease) increase in:		
Accounts payable	(850)	
Accrued payroll	<u>1,524</u>	<u>(20,512)</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES		<u>\$136,631</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of property and equipment	<u>(\$ 4,868)</u>	
NET CASH USED BY INVESTING ACTIVITIES		(4,868)
NET INCREASE IN CASH		\$131,763
CASH AT JULY 1, 2006		<u>179,568</u>
CASH AT JUNE 30, 2007		<u>\$311,331</u>

INTERNATIONAL DEVELOPMENT EXCHANGES

NOTES TO FINANCIAL STATEMENTS - JUNE 30, 2007

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, 2007

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 1,650 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.