

FINANCIAL STATEMENTS

BANK INFORMATION CENTER

**FOR THE YEAR ENDED DECEMBER 31, 2007
WITH SUMMARIZED FINANCIAL
INFORMATION FOR 2006**

BANK INFORMATION CENTER

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**GELMAN, ROSENBERG & FREEDMAN
CERTIFIED PUBLIC ACCOUNTANTS**

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Bank Information Center
Washington, D.C.

We have audited the accompanying statement of financial position of the Bank Information Center as of December 31, 2007, and the related statements of activities and change in net assets, functional expenses and cash flows for the year then ended. These financial statements are the responsibility of the Bank Information Center's management. Our responsibility is to express an opinion on these financial statements based on our audit. The prior year summarized comparative information has been derived from the organization's 2006 financial statements and, in our report dated May 16, 2007, we expressed an unqualified opinion on those statements.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 the Bank Information Center as of December 31, 2007, and its change in net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Gelman Rosenberg & Freedman

May 28, 2008

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BANK INFORMATION CENTER
STATEMENT OF FINANCIAL POSITION
AS OF DECEMBER 31, 2007
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2006

ASSETS

	2007	2006
CURRENT ASSETS		
Cash and cash equivalents	\$ 1,131,454	\$ 853,203
Accounts receivable	2,014	139
Grants receivable (Note 3)	686,909	502,726
Prepaid expenses	25,825	17,158
Advances	35,181	1,312
Total current assets	1,881,383	1,374,538
FURNITURE AND EQUIPMENT		
Equipment (Note 6)	186,116	150,747
Less: Accumulated depreciation	(134,002)	(118,605)
Net furniture and equipment	52,114	32,142
NONCURRENT ASSETS		
Deposits	10,536	10,447
Grants receivable, net of current maturities (Note 3)	102,025	-
Total noncurrent assets	112,561	10,447
TOTAL ASSETS	\$ 2,046,058	\$ 1,417,127

See accompanying notes to financial statements.

LIABILITIES AND NET ASSETS

	<u>2007</u>	<u>2006</u>
CURRENT LIABILITIES		
Current portion of capital lease payable (Note 6)	\$ 9,749	\$ 6,876
Grants payable	-	34,632
Accounts payable	32,596	42,656
Accrued expenses	<u>23,601</u>	<u>19,735</u>
Total current liabilities	<u>65,946</u>	<u>103,899</u>
LONG-TERM LIABILITIES		
Capital lease payable, net of current portion (Note 6)	21,007	4,979
Security deposit	<u>2,570</u>	<u>2,570</u>
Total long-term liabilities	<u>23,577</u>	<u>7,549</u>
Total liabilities	<u>89,523</u>	<u>111,448</u>
NET ASSETS		
Unrestricted	471,211	365,695
Temporarily restricted (Note 2)	<u>1,485,324</u>	<u>939,984</u>
Total net assets	<u>1,956,535</u>	<u>1,305,679</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 2,046,058</u>	<u>\$ 1,417,127</u>

See accompanying notes to financial statements.

BANK INFORMATION CENTER

**STATEMENT OF ACTIVITIES AND CHANGE IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2007
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2006**

	2007			2006
	Unrestricted	Temporarily Restricted	Total	Total
REVENUE				
Grants	\$ -	\$ 2,072,099	\$ 2,072,099	\$ 876,242
Interest income	45,537	-	45,537	33,032
Contributions and other income	31,649	-	31,649	13,737
Rental income (Note 5)	28,330	-	28,330	30,564
Net assets released from donor restrictions (Note 2)	<u>1,526,759</u>	<u>(1,526,759)</u>	<u>-</u>	<u>-</u>
Total revenue	<u>1,632,275</u>	<u>545,340</u>	<u>2,177,615</u>	<u>953,575</u>
EXPENSES				
Program services:				
Information Services	147,090	-	147,090	146,840
Latin America/Caribbean	307,039	-	307,039	280,611
Asia	232,924	-	232,924	270,182
Africa	154,316	-	154,316	117,480
Europe	163,371	-	163,371	124,698
Middle East	83,273	-	83,273	50
Policy	<u>235,212</u>	<u>-</u>	<u>235,212</u>	<u>238,239</u>
Total program services	<u>1,323,225</u>	<u>-</u>	<u>1,323,225</u>	<u>1,178,100</u>
Supporting services:				
Administration/Management	119,957	-	119,957	124,441
Fundraising	38,666	-	38,666	49,874
Strategic Planning	<u>44,911</u>	<u>-</u>	<u>44,911</u>	<u>69,620</u>
Total supporting services	<u>203,534</u>	<u>-</u>	<u>203,534</u>	<u>243,935</u>
Total expenses	<u>1,526,759</u>	<u>-</u>	<u>1,526,759</u>	<u>1,422,035</u>
Change in net assets	105,516	545,340	650,856	(468,460)
Net assets at beginning of year	<u>365,695</u>	<u>939,984</u>	<u>1,305,679</u>	<u>1,774,139</u>
NET ASSETS AT END OF YEAR	<u>\$ 471,211</u>	<u>\$ 1,485,324</u>	<u>\$ 1,956,535</u>	<u>\$ 1,305,679</u>

See accompanying notes to financial statements.

BANK INFORMATION CENTER

**STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2007
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2006**

	2007						
	Program Services						
Information Services	Latin America/ Caribbean	Asia	Africa	Europe	Middle East	Policy	
Salaries	\$ 79,459	\$ 93,990	\$ 77,182	\$ 88,786	\$ 85,975	\$ 54,931	\$ 97,695
Benefits (Note 4)	15,065	14,185	11,658	20,136	12,869	11,884	23,931
Field offices rent	-	-	11,651	-	-	-	-
Legal fees	-	-	-	-	-	-	-
Translation services	531	5,561	387	2,923	1,536	474	-
Advertising	100	704	1,542	129	50	65	100
Conferences and meetings	3,098	24,427	7,170	698	311	1,078	12,018
Dues, subscriptions and publications	1,518	1,706	105	244	73	2	228
Postage and delivery	331	174	1,736	108	83	-	14
Printing and reproduction	6,640	7,715	1,927	250	175	175	113
Professional development	15	2,375	-	355	320	-	-
Website development	11,915	4,275	-	-	-	-	519
Consulting	4,425	88,054	43,767	6,700	14,530	-	46,025
Small grants	-	-	2,500	1,000	-	-	-
Pass-on grants	-	-	5,000	-	-	-	-
Travel expenses	2,503	24,585	33,414	13,516	26,975	4,886	12,926
Bank service charges	20	231	364	20	10	30	20
Business insurance	274	586	385	235	258	61	532
Accounting	1,252	1,685	1,259	1,019	1,169	651	2,272
Technology and computer support	429	727	674	371	422	308	832
Depreciation expense	1,667	2,161	1,679	1,454	1,679	1,037	3,229
Interest expense	-	-	90	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-
Equipment rental and maintenance	231	688	416	194	203	-	450
Office expenses	3,522	9,509	13,259	3,989	2,948	1,500	6,970
Rent (Note 5)	14,095	23,701	16,759	12,189	13,785	6,191	27,338
TOTAL	\$ 147,090	\$ 307,039	\$232,924	\$154,316	\$163,371	\$ 83,273	\$ 235,212

See accompanying notes to financial statements.

2006

Supporting Services						2006	
Total Program Services	Administration/ Management	Fundraising	Strategic Planning	Total Supporting Services	Total	Total	
\$ 578,018	\$ 72,321	\$ 24,827	\$ 17,798	\$ 114,946	\$ 692,964	\$ 595,842	
109,728	14,657	5,599	3,184	23,440	133,168	123,428	
11,651	-	-	-	-	11,651	14,893	
-	761	-	-	761	761	2,544	
11,412	-	-	-	-	11,412	8,846	
2,690	371	-	108	479	3,169	625	
48,800	994	42	6,050	7,086	55,886	59,354	
3,876	-	-	-	-	3,876	3,512	
2,446	244	63	117	424	2,870	1,026	
16,995	125	-	-	125	17,120	30,297	
3,065	631	-	-	631	3,696	909	
16,709	-	-	-	-	16,709	35,752	
203,501	-	-	845	845	204,346	151,145	
3,500	-	-	-	-	3,500	-	
5,000	-	-	-	-	5,000	36,195	
118,805	6,450	760	8,663	15,873	134,678	145,285	
695	2,430	-	-	2,430	3,125	2,395	
2,331	228	95	133	456	2,787	2,572	
9,307	940	421	345	1,706	11,013	14,593	
3,763	262	152	147	561	4,324	7,615	
12,906	1,461	603	427	2,491	15,397	14,741	
90	1,566	-	-	1,566	1,656	1,528	
-	-	-	-	-	-	275	
-	-	-	-	-	-	191	
2,182	597	76	164	837	3,019	4,545	
41,697	3,851	1,036	1,851	6,738	48,435	34,561	
114,058	12,068	4,992	5,079	22,139	136,197	129,366	
\$ 1,323,225	\$ 119,957	\$ 38,666	\$ 44,911	\$ 203,534	\$ 1,526,759	\$ 1,422,035	

See accompanying notes to financial statements.

BANK INFORMATION CENTER
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2007
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2006

	<u>2007</u>	<u>2006</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 650,856	\$ (468,460)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	15,397	14,741
(Increase) decrease in:		
Accounts receivable	(1,875)	1,001
Grants receivable	(286,208)	834,837
Prepaid expenses	(8,667)	(10,073)
Advances	(33,867)	13,764
Deposits	(89)	-
Increase (decrease) in:		
Grants payable	(34,632)	34,632
Accounts payable	(10,060)	29,472
Accrued expenses	<u>3,866</u>	<u>1,147</u>
Net cash provided by operating activities	<u>294,721</u>	<u>451,061</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of furniture and equipment	<u>(8,083)</u>	<u>(5,308)</u>
Net cash used by investing activities	<u>(8,083)</u>	<u>(5,308)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Principal payments on capital lease	<u>(8,387)</u>	<u>(6,224)</u>
Net cash used by financing activities	<u>(8,387)</u>	<u>(6,224)</u>
Net increase in cash and cash equivalents	278,251	439,529
Cash and cash equivalents at beginning of year	<u>853,203</u>	<u>413,674</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 1,131,454</u>	<u>\$ 853,203</u>
SUPPLEMENTAL INFORMATION:		
Interest Paid	<u>\$ 1,566</u>	<u>\$ 1,528</u>
Capital Lease Obligation	<u>\$ 27,286</u>	<u>\$ -</u>

See accompanying notes to financial statements.

BANK INFORMATION CENTER
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2007

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION

Organization -

The Bank Information Center is an independent, non-profit, non-governmental organization that provides information and strategic support to NGOs and social movements throughout the world on the projects, policies and practices of the World Bank and other Multilateral Development Banks (MDBs). The Bank Information Center advocates for greater transparency, accountability and citizen participation at the MDBs.

Basis of presentation -

The accompanying financial statements are presented on the accrual basis of accounting, and in accordance with Statement of Financial Accounting Standards No. 117, "Financial Statements of Not-for-Profit Organizations".

The financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the organization's financial statements for the year ended December 31, 2006, from which the summarized information was derived.

Furniture and equipment -

Furniture and equipment in excess of \$1,000 are recorded at historical cost. Depreciation is recorded on the straight-line method over the useful lives of the related assets, generally five years.

Income taxes -

The Bank Information Center is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for income taxes has been made in the accompanying financial statements. The Bank Information Center is not a private foundation.

Net asset classification -

The net assets are reported as follows:

- **Unrestricted net assets** include unrestricted revenue and contributions received without donor-imposed restrictions. These net assets are available for the operation of the Bank Information Center and include both internally designated and undesignated resources.
- **Temporarily restricted net assets** include revenue and contributions subject to donor-imposed stipulations that will be met by the actions of the Bank Information Center and/or the passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statement of Activities and Change in Net Assets as net assets released from restrictions.

BANK INFORMATION CENTER

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2007**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION
(Continued)**

Grants and contributions -

Grants and contributions are recorded as revenue in the year notification is received from the donor. The revenue is recognized as unrestricted revenue upon satisfaction or completion of the programs in compliance with donor imposed restrictions. Amounts received prior to the satisfaction or completion of the programs are presented as temporarily restricted net assets in the accompanying financial statements.

Cash and cash equivalents -

The Bank Information Center considers all cash and other highly liquid investments with initial maturities of three months or less to be cash equivalents.

At times during the year, the Bank Information Center maintains cash balances at financial institutions in excess of the Federal Deposit Insurance Corporation (FDIC) limits. Management believes the risk in these situations to be minimal.

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 revenue and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Functional allocation of expenses -

The costs of providing the various programs and other activities have been summarized on a functional basis in the Statement of Activities and Change in Net Assets. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

2. TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets consisted of the following at December 31, 2007:

Program Restricted:	
Middle East	\$ 203,897
Latin America/Caribbean	151,479
Asia	274,644
Europe	25,000
Policy	81,937
Strategic Planning	36,262
Time Restricted:	
General support	<u>712,105</u>
	<u>\$1,485,324</u>

BANK INFORMATION CENTER

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2007**

2. TEMPORARILY RESTRICTED NET ASSETS (Continued)

Net assets were released from restrictions by satisfying donor imposed restrictions (program expenditures or passage of time). Following is a summary of net assets released from restrictions for the year ended December 31, 2007:

Program Service:	
Middle East	\$ 83,273
Latin America/Caribbean	294,881
Asia	166,277
Africa	37,000
Europe	130,000
Policy	28,063
Passage of Time	
General Support:	<u>787,265</u>
	<u>\$ 1,526,759</u>

3. GRANTS RECEIVABLE

Grants which will not be paid within one year have been discounted using a current interest rate of 7.25%.

Following is a summary by years of grants receivable at December 31, 2007:

<u>Year Ended June 30,</u>	
2008	\$ 686,909
2009	<u>110,000</u>
	796,909
Present value discount	<u>(7,975)</u>
	788,934
Less: Current portion	<u>(686,909)</u>
LONG-TERM PORTION	<u>\$ 102,025</u>

4. RETIREMENT PLAN

In July 2000, the Bank Information Center adopted a defined contribution retirement plan for all full-time employees who have completed one year of service. BIC modified the matching scheme in October 2005. For all full-time employees who have completed one year of service, the Bank Information Center will match 30% of the employee's contribution. The match increases to 40% after completion of two years of services and 50% after three years. BIC's match will not exceed 10% of compensation. For the year ended December 31, 2007, BIC contributed \$16,592.

BANK INFORMATION CENTER
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2007

5. LEASE COMMITMENT

The Bank Information Center entered a lease agreement on February 2, 2005 that commenced on April 1, 2005 and terminates March 31, 2010. The Bank Information Center also entered into a sublease agreement which commenced on April 1, 2005 and terminates March 31, 2009. Following are the future minimum lease and sublease payments to be received:

<u>Year Ended December 31,</u>	<u>Lease</u>	<u>Sublease</u>	<u>Net Future Commitments</u>
2008	\$ 137,811	\$ (24,040)	\$ 113,771
2009	142,638	(6,099)	136,539
2010	<u>35,964</u>	<u>-</u>	<u>35,964</u>
	<u>\$ 316,413</u>	<u>\$ (30,139)</u>	<u>\$ 286,274</u>

Total occupancy expense and rental income for the year ended December 31, 2007 was \$136,197 and \$28,330, respectively.

6. CAPITAL LEASE

In 2003, the Bank Information Center entered into a five-year lease for office equipment. The leased property under capital lease has a cost of \$30,404. The accumulated depreciation on the leased equipment totaled \$26,350 at December 31, 2007.

In 2007, the Bank Information Center entered into a five-year lease for office equipment. The leased property under capital lease has a cost of \$27,286. The accumulated depreciation on the leased equipment totaled \$1,819 at December 31, 2007.

The following is a schedule by years of future minimum lease payments required under the capital leases together with the present value of the minimum lease payments as of December 31, 2007:

<u>Year Ended December 31,</u>	
2008	\$ 11,768
2009	6,600
2010	6,600
2011	6,600
2012	<u>4,400</u>
	35,968
Less: Amount representing interest	<u>(5,212)</u>
Future minimum principal payments	30,756
Less: Current portion	<u>(9,749)</u>
LONG-TERM PORTION OF CAPITAL LEASE OBLIGATION	<u>\$ 21,007</u>