

FINANCIAL STATEMENTS

BANK INFORMATION CENTER

**FOR THE YEAR ENDED DECEMBER 31, 2008
WITH SUMMARIZED FINANCIAL
INFORMATION FOR 2007**

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, 2008, 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 2007 financial statements and, in our report dated May 28, 2008, 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, 2008, 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 8, 2009

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BANK INFORMATION CENTER
STATEMENT OF FINANCIAL POSITION
AS OF DECEMBER 31, 2008
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2007

ASSETS

	<u>2008</u>	<u>2007</u>
CURRENT ASSETS		
Cash and cash equivalents	\$ 1,089,298	\$ 1,131,454
Accounts receivable	28,427	2,014
Grants receivable (Note 3)	265,368	686,909
Prepaid expenses	10,221	25,825
Advances	<u>34,595</u>	<u>35,181</u>
Total current assets	<u>1,427,909</u>	<u>1,881,383</u>
FURNITURE AND EQUIPMENT		
Equipment (Note 6)	189,669	186,116
Less: Accumulated depreciation	<u>(151,720)</u>	<u>(134,002)</u>
Net furniture and equipment	<u>37,949</u>	<u>52,114</u>
NONCURRENT ASSETS		
Deposits	10,536	10,536
Grants receivable, net of current maturities (Note 3)	<u>669,615</u>	<u>102,025</u>
Total noncurrent assets	<u>680,151</u>	<u>112,561</u>
TOTAL ASSETS	<u>\$ 2,146,009</u>	<u>\$ 2,046,058</u>

See accompanying notes to financial statements.

LIABILITIES AND NET ASSETS

	<u>2008</u>	<u>2007</u>
CURRENT LIABILITIES		
Current portion of capital lease payable (Note 6)	\$ 5,152	\$ 9,749
Accounts payable	13,751	32,596
Deferred revenue	27,994	-
Accrued expenses	<u>36,752</u>	<u>23,601</u>
Total current liabilities	<u>83,649</u>	<u>65,946</u>
LONG-TERM LIABILITIES		
Capital lease payable, net of current portion (Note 6)	15,854	21,007
Security deposit	<u>2,570</u>	<u>2,570</u>
Total long-term liabilities	<u>18,424</u>	<u>23,577</u>
Total liabilities	<u>102,073</u>	<u>89,523</u>
NET ASSETS		
Unrestricted	174,171	471,211
Temporarily restricted (Note 2)	<u>1,869,765</u>	<u>1,485,324</u>
Total net assets	<u>2,043,936</u>	<u>1,956,535</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 2,146,009</u>	<u>\$ 2,046,058</u>

BANK INFORMATION CENTER

**STATEMENT OF ACTIVITIES AND CHANGE IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2008
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2007**

	2008			2007
	Unrestricted	Temporarily Restricted	Total	Total
REVENUE				
Grants	\$ -	\$ 2,107,450	\$ 2,107,450	\$ 2,072,099
Interest income	17,287	-	17,287	45,537
Contributions and other income	33,621	-	33,621	31,649
Contracts	17,503	-	17,503	-
Rental income (Note 5)	24,467	-	24,467	28,330
Net assets released from donor restrictions (Note 2)	<u>1,723,009</u>	<u>(1,723,009)</u>	<u>-</u>	<u>-</u>
Total revenue	<u>1,815,887</u>	<u>384,441</u>	<u>2,200,328</u>	<u>2,177,615</u>
EXPENSES				
Program Services:				
Information Services	132,150	-	132,150	147,090
Latin America/Caribbean	394,813	-	394,813	307,039
Asia	294,323	-	294,323	232,924
Africa	156,782	-	156,782	154,316
Europe	187,434	-	187,434	163,371
Middle East	156,051	-	156,051	83,273
Policy	<u>270,034</u>	<u>-</u>	<u>270,034</u>	<u>235,212</u>
Total program services	<u>1,591,587</u>	<u>-</u>	<u>1,591,587</u>	<u>1,323,225</u>
Supporting Services:				
Administration/Management	283,818	-	283,818	119,957
Fundraising	98,907	-	98,907	38,666
Strategic Planning	<u>138,615</u>	<u>-</u>	<u>138,615</u>	<u>44,911</u>
Total supporting services	<u>521,340</u>	<u>-</u>	<u>521,340</u>	<u>203,534</u>
Total expenses	<u>2,112,927</u>	<u>-</u>	<u>2,112,927</u>	<u>1,526,759</u>
Change in net assets	(297,040)	384,441	87,401	650,856
Net assets at beginning of year	<u>471,211</u>	<u>1,485,324</u>	<u>1,956,535</u>	<u>1,305,679</u>
NET ASSETS AT END OF YEAR	<u>\$ 174,171</u>	<u>\$ 1,869,765</u>	<u>\$ 2,043,936</u>	<u>\$ 1,956,535</u>

See accompanying notes to financial statements.

BANK INFORMATION CENTER

**STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2008
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2007**

	2008					
	Program Services					
	Latin America/ Caribbean	Asia	Africa	Europe	Middle East	
Information Services						
Contributions	\$ -	\$ 2,025	\$ -	\$ -	\$ -	\$ -
Salaries	79,933	109,537	78,298	86,824	98,109	88,253
Benefits (Note 4)	15,570	15,916	17,838	23,751	18,065	19,207
Regional office expense	-	6,822	21,252	4,965	-	-
Legal fees	-	-	800	-	1,349	-
Translation services	-	6,930	-	103	1,737	1,858
Advertising	60	170	-	-	120	-
Conferences and meetings	564	40,585	11,467	970	171	5,549
Dues, subscriptions and publications	1,767	2,822	332	286	2,621	-
Long distance telephone	664	5,277	1,516	1,237	267	456
Postage and delivery	27	238	1,795	6	-	251
Printing and reproduction	4,689	6,933	5,090	77	2,195	103
Professional development	352	-	-	-	-	-
Website development	7,820	9,240	-	-	-	-
Regional staff compensation	-	24,798	40,410	-	-	-
Consulting	-	89,286	15,426	3,006	13,002	400
Small grants	-	-	19,000	-	-	-
Pass on grants	-	20,000	-	-	2,500	-
Travel expenses	962	31,117	51,612	16,558	24,641	18,187
Bank service charges	2	856	8,984	(638)	86	54
Business insurance	266	275	269	268	307	297
Accounting	1,125	1,164	1,137	1,135	1,300	1,256
Technology and computer support	492	509	586	497	569	549
Depreciation expense	1,608	1,996	1,472	1,623	1,863	1,854
Interest expense	-	-	-	-	-	-
Miscellaneous	-	-	300	-	-	-
Equipment rental and maintenance	705	344	653	551	628	570
Office expenses	1,936	3,896	2,335	1,828	2,176	2,017
Rent (Note 5)	13,608	14,077	13,751	13,735	15,728	15,190
TOTAL	\$ 132,150	\$ 394,813	\$ 294,323	\$ 156,782	\$ 187,434	\$ 156,051

See accompanying notes to financial statements.

							2007
Supporting Services							
Policy	Total Program Services	Administration/ Management	Fundraising	Strategic Planning	Total Supporting Services	Total	Total
\$ -	\$ 2,025	\$ -	\$ -	\$ -	\$ -	\$ 2,025	\$ -
125,960	666,914	154,448	52,846	27,787	235,081	901,995	692,964
33,847	144,194	33,693	7,791	3,401	44,885	189,079	133,168
-	33,039	16	-	-	16	33,055	11,651
-	2,149	1,749	-	-	1,749	3,898	761
-	10,628	1,609	-	566	2,175	12,803	11,412
60	410	180	209	-	389	799	3,169
9,274	68,580	5,962	67	48,388	54,417	122,997	55,886
167	7,995	426	-	-	426	8,421	3,876
780	10,197	3,898	260	116	4,274	14,471	15,248
-	2,317	2,085	280	45	2,410	4,727	2,870
1,016	20,103	-	975	6	981	21,084	17,120
-	352	500	-	-	500	852	3,696
270	17,330	-	-	20	20	17,350	16,709
-	65,208	-	-	-	-	65,208	-
55,331	176,451	266	-	51,823	52,089	228,540	204,346
-	19,000	-	-	-	-	19,000	3,500
-	22,500	-	-	-	-	22,500	5,000
13,070	156,147	41,552	13,737	79	55,368	211,515	134,678
100	9,444	2,643	-	-	2,643	12,087	3,125
397	2,079	354	314	87	755	2,834	2,787
1,682	8,799	1,496	1,326	367	3,189	11,988	11,013
736	3,938	695	580	161	1,436	5,374	4,324
2,951	13,367	2,524	1,185	642	4,351	17,718	15,397
-	-	2,019	-	-	2,019	2,019	1,656
-	300	3,761	-	-	3,761	4,061	-
453	3,904	1,290	1,116	101	2,507	6,411	3,019
3,591	17,779	4,551	2,176	584	7,311	25,090	33,187
20,349	106,438	18,101	16,045	4,442	38,588	145,026	136,197
\$ 270,034	\$ 1,591,587	\$ 283,818	\$ 98,907	\$ 138,615	\$ 521,340	\$ 2,112,927	\$ 1,526,759

See accompanying notes to financial statements.

BANK INFORMATION CENTER
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2008
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2007

	<u>2008</u>	<u>2007</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 87,401	\$ 650,856
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	17,718	15,397
(Increase) decrease in:		
Accounts receivable	(26,413)	(1,875)
Grants receivable	(146,049)	(286,208)
Prepaid expenses	15,604	(8,667)
Advances	586	(33,867)
Deposits	-	(89)
Increase (decrease) in:		
Grants payable	-	(34,632)
Accounts payable	(18,845)	(10,060)
Deferred revenue	27,994	-
Accrued expenses	<u>13,151</u>	<u>3,866</u>
Net cash provided (used) by operating activities	<u>(28,853)</u>	<u>294,721</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of furniture and equipment	<u>(3,553)</u>	<u>(8,083)</u>
Net cash used by investing activities	<u>(3,553)</u>	<u>(8,083)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Principal payments on capital lease	<u>(9,750)</u>	<u>(8,387)</u>
Net cash used by financing activities	<u>(9,750)</u>	<u>(8,387)</u>
Net increase (decrease) in cash and cash equivalents	(42,156)	278,251
Cash and cash equivalents at beginning of year	<u>1,131,454</u>	<u>853,203</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 1,089,298</u>	<u>\$ 1,131,454</u>
SUPPLEMENTAL INFORMATION:		
Interest Paid	<u>\$ 2,019</u>	<u>\$ 1,656</u>
NON-CASH TRANSACTION:		
Capital Lease Obligation	<u>\$ -</u>	<u>\$ 27,286</u>

See accompanying notes to financial statements.

BANK INFORMATION CENTER
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2008

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 Bank Information Center's financial statements for the year ended December 31, 2007, 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.

Uncertain tax positions

In June 2006, the FASB released FASB Interpretation (FIN) No. 48, *Accounting for Uncertainty in Income Taxes*. FIN 48 interprets the guidance in FASB Statement of Financial Accounting Standards (SFAS) No. 109, *Accounting for Income Taxes*. When FIN 48 is implemented, reporting entities utilize different recognition thresholds and measurement requirements when compared to prior technical literature. On December 30, 2008, the FASB Staff issued FASB Staff Position (FSP) FIN 48-3, *Effective Date of FASB Interpretation No. 48 for Certain Nonpublic Enterprises*. As deferred by the guidance in FSP FIN 48-3, the Bank Information Center is not required to implement the provisions of FIN 48 until fiscal years beginning after December 15, 2008. As such, the Bank Information Center has not implemented those provisions in the 2008 financial statements.

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NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2008

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

Uncertain tax positions (continued) -

Since the provisions of FIN 48 have not been implemented in accounting for uncertain tax positions, the Bank Information Center continues to utilize its prior policy of accounting for these positions, following the guidance in SFAS No. 5, *Accounting for Contingencies*. Disclosure is not required of a loss contingency involving an unasserted claim or assessment when there has been no manifestation by a potential claimant of an awareness of a possible claim or assessment unless it is considered probable that a claim will be asserted and there is a reasonable possibility that the outcome will be unfavorable. Using that guidance, as of December 31, 2008, the Bank Information Center has no uncertain tax positions that qualify for either recognition or disclosure in the financial statements.

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.

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.

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NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2008

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

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.

Reclassification -

Certain amounts in the prior year's financial statements have been reclassified to conform to the current year's presentation.

2. TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets consisted of the following at December 31, 2008:

Program Restricted:	
Middle East	\$ 169,148
Latin America/Caribbean	1,124,676
Asia	198,333
Europe	35,437
Policy	112,000
Time Restricted:	
General Support	<u>230,171</u>
	<u>\$1,869,765</u>

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, 2008:

Program Service:	
Middle East	\$ 156,051
Latin America/Caribbean	246,418
Asia	212,682
Europe	147,063
Policy	101,938
Strategic Planning	71,262
Passage of Time	
General Support:	<u>787,595</u>
	<u>\$1,723,009</u>

BANK INFORMATION CENTER
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2008

3. GRANTS RECEIVABLE

Grants which will not be paid within one-year have been discounted using a current interest rate of 3.25%.

Following is a summary by years of grants receivable at December 31, 2008:

<u>Year Ended December 31,</u>			
2009		\$	265,368
2010			400,000
2011			<u>300,847</u>
			966,215
Present value discount			<u>(31,232)</u>
			934,983
Less: Current portion			<u>(265,368)</u>
LONG-TERM PORTION		\$	<u>669,615</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. The Bank Information Center 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. The Bank Information Center's match will not exceed 10% of compensation. For the year ended December 31, 2008, the Bank Information Center contributed \$15,177.

5. LEASE COMMITMENT

The Bank Information Center entered a lease agreement on February 2, 2005 which 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 July 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>
2009	\$ 142,638	\$ (16,774)	\$ 125,864
2010	<u>35,964</u>	<u>-</u>	<u>35,964</u>
	<u>\$ 178,602</u>	<u>\$ (16,774)</u>	<u>\$ 161,828</u>

Total sublease income for the year ended December 31, 2008 was \$24,467.

Total occupancy expense for the year ended December 31, 2008 was \$145,026.

BANK INFORMATION CENTER
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2008

6. CAPITAL LEASE

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 \$7,276 at December 31, 2008.

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, 2008:

<u>Year Ended December 31,</u>	
2009	\$ 6,600
2010	6,600
2011	6,600
2012	<u>4,400</u>
	24,200
Less: Amount representing interest	<u>(3,194)</u>
Future minimum principal payments	21,006
Less: Current portion	<u>(5,152)</u>
LONG-TERM PORTION OF CAPITAL LEASE OBLIGATION	\$ <u>15,854</u>