

INTERNATIONAL GAME DEVELOPERS ASSOCIATION  
(A NOT-FOR-PROFIT ASSOCIATION)

FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2006

INTERNATIONAL GAME DEVELOPERS ASSOCIATION  
(A NOT-FOR-PROFIT ASSOCIATION)

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CERTIFIED PUBLIC ACCOUNTANTS

Board of Directors  
International Game Developers Association  
Mt. Royal, New Jersey

We have reviewed the accompanying statement of financial position of the International Game Developers Association (a not-for-profit association) as of December 31, 2006, and the related statements of activities and cash flows for the year then ended, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. All information included in these financial statements is the representation of the management of International Game Developers Association.

A review consists principally of inquiries of Association personnel and analytical procedures applied to financial data. It is substantially less in scope than an audit in accordance with auditing standards generally accepted in the United States of America, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America.

The supplementary information accompanying the financial statements is presented only for supplementary analysis purposes and has been subjected to the inquiry and analytical procedures applied in the review of the basic financial statements. We did not become aware of any material modifications that should be made to such information.

*Elko & Associates Ltd*

March 1, 2007

INTERNATIONAL GAME DEVELOPERS ASSOCIATION  
(A NOT-FOR-PROFIT ASSOCIATION)  
STATEMENT OF FINANCIAL POSITION  
DECEMBER 31, 2006  
See Accountants' Review Report

## ASSETS

## CURRENT ASSETS

Cash	\$	187,328
Deposits		1,002
Accounts receivable		<u>4,030</u>

Total Assets \$ 192,360

## LIABILITIES

## CURRENT LIABILITIES

Accounts payable	\$	2,286
Payroll taxes payable		1,319
Due to chapters		<u>14,160</u>

Total Liabilities 17,765

## NET ASSETS

## NET ASSETS

Unrestricted		<u>174,595</u>
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TOTAL LIABILITIES AND NET ASSETS \$ 192,360

The accompanying Notes are an integral part of these statements.

INTERNATIONAL GAME DEVELOPERS ASSOCIATION  
(A NOT-FOR-PROFIT ASSOCIATION)  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2006  
See Accountants' Review Report

REVENUE	
Membership dues	\$ 390,211
Advertising and sponsorship	54,510
Interest	2,909
Agency fee	1,530
Items for resale, net	75
Loss on sale of office equipment	<u>(1,860)</u>
Total Revenue	<u>447,375</u>
EXPENSES	
Program - Meetings	179,995
Administrative	<u>228,639</u>
Total Expenses	<u>408,634</u>
INCREASE IN NET ASSETS	38,741
NET ASSETS - BEGINNING OF YEAR	<u>135,854</u>
NET ASSETS - END OF YEAR	<u><u>\$ 174,595</u></u>

The accompanying Notes are an integral part of these statements.

INTERNATIONAL GAME DEVELOPERS ASSOCIATION  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED DECEMBER 31, 2006  
See Accountants' Review Report

CASH FLOWS FROM OPERATING ACTIVITIES	
Increase in net assets	\$ 38,741
Adjustments:	
Depreciation	620
Loss on sale of office equipment	1,860
(Increase) decrease in assets:	
Accounts receivable	(2,030)
Prepaid expenses	3,603
Deposits	2,183
Increase (decrease) in liabilities:	
Accounts payable	(7,821)
Payroll taxes payable	(940)
Due to chapters	<u>17,173</u>
Total Adjustments	<u>14,648</u>
Net Cash Provided by Operating Activities	53,389
 CASH - BEGINNING OF YEAR	 <u>133,939</u>
CASH - END OF YEAR	<u><u>\$ 187,328</u></u>

The accompanying Notes are an integral part of these statements.

INTERNATIONAL GAME DEVELOPERS ASSOCIATION  
(A NOT-FOR-PROFIT ASSOCIATION)  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2006  
See Accountants' Review Report

NOTE A - Nature of Organization and Summary of Significant Accounting Policies

Nature of Organization - The International Game Developers Association (the "Association") is a not-for-profit association incorporated in the state of California (articles of incorporation amended and restated in January 2005). The Association is committed to advancing the careers, and enhancing the lives of game developers by connecting members with their peers, promoting professional development, and advocating on issues that affect the developer community. The Association also provides programs which encourage a forum for professional improvement for game developers through local chapters, special interest groups and online discussion programs. Its members include programmers, designers, artists, producers and others interested in the game development industry throughout the world. The Association's primary source of revenue is membership dues.

Basis of Accounting - The Association prepares its financial statements on the accrual basis of accounting.

Basis of Presentation - The Association reports 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. Contributions that are restricted by the donor are reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the contributions are recognized. All other restricted contributions are reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported as net assets released from restrictions. The Association has no temporarily or permanently restricted net assets.

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 amounts reported in these financial statements and accompanying notes. Actual results could differ from those estimates.

Advertising - The Association expenses the cost of advertising as incurred. Advertising expense was \$10,457 for the year ended December 31, 2006.

Concentration of Credit Risk - The Association maintains cash balances in a financial institution. The amounts on deposit at December 31, 2006 exceeded the \$100,000 federally insured limit. The Association believes that their current cash in this financial institution is not exposed to any material risk.

Accounts Receivable - Accounts receivable are reported at the amount management expects to collect on balances outstanding at year-end. Management closely monitors outstanding balances and writes off all balances deemed to be uncollectible as of year-end. Management has determined that an allowance for doubtful accounts is not required as of December 31, 2006.

Income Taxes - The Association is exempt from federal income tax under the provisions of Section 501(c)(6) of the Internal Revenue Code.

Functional Allocation of Expenses - Indirect costs have been allocated among the programs and supporting services benefited.

INTERNATIONAL GAME DEVELOPERS ASSOCIATION  
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 NOTES TO FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED DECEMBER 31, 2006  
 See Accountants' Review Report

## NOTE B - Cash

Cash at December 31, 2006 consists of the following:

	2006
Checking - operating	\$ 42,478
Interest-bearing savings	144,850
Total	\$ 187,328

## NOTE C - Due to Chapters

The Association has entered into agency transactions with local chapter organizations whereby it holds cash deposits on behalf of these chapters. Restricted cash of \$14,160 related to these agency deposits is included in cash as of December 31, 2006.

## NOTE D - Commitments

The Association has an agreement with the Talley Management Group, Inc. to provide general administration and financial services as well as program services for the Association. The contract is for one year beginning in November 2006 with automatic annual renewals, subject to termination by either party with 90 days written notice. It provides for an annual fee based upon a percentage of the Association's income, as defined. The management group is also reimbursed for direct expenses associated with its services.

The Association has an agreement with its Executive Director to provide membership and program development and administration as well as marketing, public relations and website development for the Association. The contract is for one year and automatically renews annually, subject to termination by either party with 60 days written notice. It provides for a fixed monthly fee, as defined, plus reimbursement for direct travel expenses associated with his services.



**SUPPLEMENTARY INFORMATION**

INTERNATIONAL GAME DEVELOPERS ASSOCIATION  
(A NOT-FOR-PROFIT CORPORATION)  
FUNCTIONAL STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2006  
See Accountants' Review Report

	<u>PROGRAM - MEETINGS</u>	<u>ADMINIS- TRATIVE</u>	<u>TOTAL</u>
<b>REVENUE</b>			
Membership dues	\$ -	\$ 390,211	\$ 390,211
Advertising and sponsorship	54,510	-	54,510
Interest	-	2,909	2,909
Agency fee	-	1,530	1,530
Items for resale, net	-	75	75
Loss on sale of office equipment	-	(1,860)	(1,860)
	<u>54,510</u>	<u>392,865</u>	<u>447,375</u>
<b>EXPENSES</b>			
Travel	19,119	10,817	29,936
Professional fees	-	40,324	40,324
Office supplies	-	1,901	1,901
Telephone	9	5,908	5,917
Mail/postage	7,430	1,872	9,302
Promotion	1,326	1,623	2,949
Executive director fees	35,709	107,227	142,936
Printing	8,518	8,445	16,963
Salaries and related taxes	42,525	14,003	56,528
Employee benefits	-	3,915	3,915
Rent expense	260	13,124	13,384
Meetings and courses	65,099	-	65,099
Professional development	-	5,258	5,258
Insurance	-	2,312	2,312
Bank Charges	-	10,380	10,380
Repairs and maintenance	-	910	910
Depreciation	-	620	620
	<u>179,995</u>	<u>228,639</u>	<u>408,634</u>
<b>INCREASE (DECREASE) IN NET ASSETS</b>			
	<u>\$ (125,485)</u>	<u>\$ 164,226</u>	<u>\$ 38,741</u>