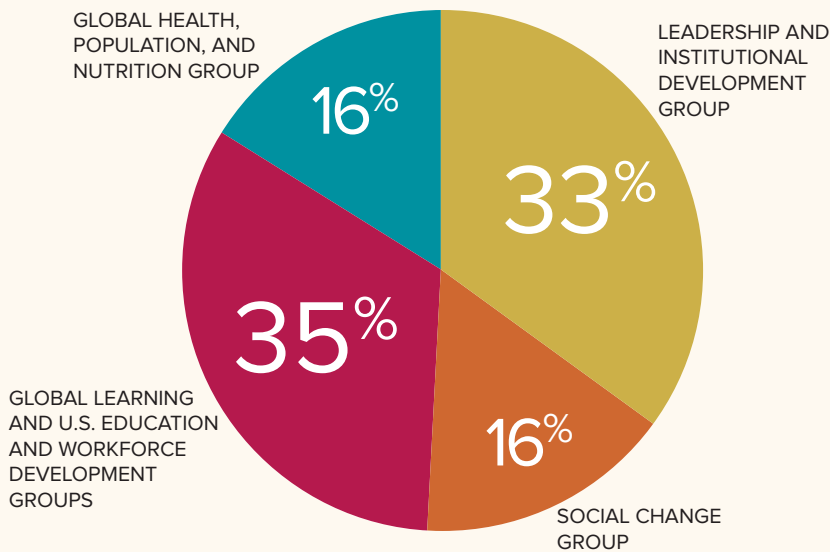
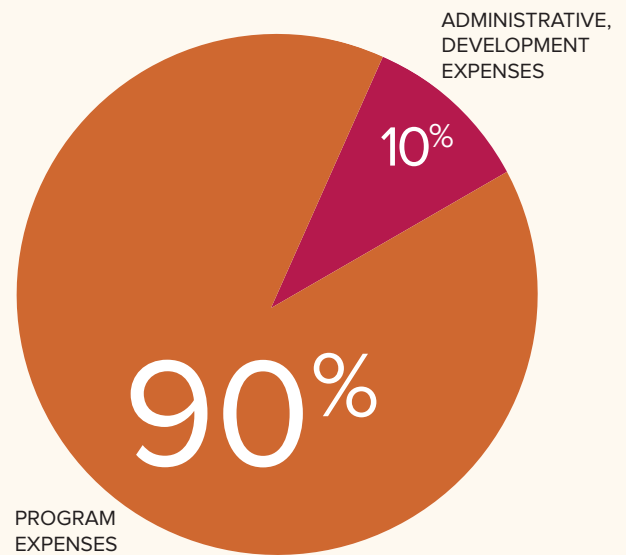


# Financial Statements

**PROGRAMS BY GROUP**



**ALLOCATION OF FUNDS**



The Academy for Educational Development is an independent, nonprofit, charitable organization that is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. Contributions to AED for its exempt purposes and mission are tax deductible.

AED is also registered with the U.S. Agency for International Development as a private voluntary organization. Approximately 80% of AED’s programs are implemented internationally, 20% in the United States. A careful and efficient steward of donor resources, AED maintains very low administrative costs, with 90% of our expenses going toward programs and 10% allocated for administration and development.

AED’s financial statements are audited on an annual basis by KPMG PEAT MARWICK LLP. This Statement of Financial Position as of December 31, 2007, and Statement of Activities for the year ending December 31, 2007, are part of AED’s financial statement. The complete audited statements are available upon request to AED’s chief financial officer.

AED, consistent with its mission to make a positive difference in people’s lives, has in place high standards of ethical conduct and fiscal responsibility. These standards guide all of the decisions and judgments we make. In particular, we have instituted numerous measures for safeguarding the integrity of our financial resources. We encourage alerts of any unethical conduct. The number of the toll-free **Ethics and Compliance Hotline**, which operates 24 hours a day, seven days a week, is: **1-800-318-7153**.

**STATEMENT OF FINANCIAL POSITION:** Year Ending December 31, 2007

ASSETS	
Total current assets	\$59,774,325
Property and equipment, net	7,488,298
Long-term investments	20,248,399
Other assets	1,110,058
<b>TOTAL ASSETS</b>	<b>\$88,621,080</b>
LIABILITIES	
Total current liabilities	\$48,692,940
Accrued deferred rent	4,687,061
Net assets-unrestricted	35,016,299
Net assets-Board-designated	119,655
Net assets-temporarily restricted	105,125
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$88,621,080</b>

**STATEMENT OF ACTIVITIES:** Year Ending December 31, 2007

REVENUE	
Studies and projects	\$400,232,665
Investments	1,244,237
Restricted contributions	2,525,725
Other	1,205,503
<b>TOTAL REVENUE</b>	<b>\$405,208,130</b>
EXPENSES	
Program services	\$366,554,880
Management and administration	28,847,317
Program development	7,359,224
<b>TOTAL EXPENSES</b>	<b>\$402,761,421</b>
CHANGE IN NET ASSETS	
Unrestricted	\$1,609,861
Temporarily restricted	(439,461)
Net assets, beginning of year	34,070,679
Net assets, end of year	35,241,079