

ABOUT THE FINANCIAL STATEMENTS...

THE FOLLOWING DESCRIBES THE WORK OF IIE IN EACH FUNCTIONAL AREA APPEARING IN THE AUDITED FINANCIAL STATEMENT.

PROGRAM SERVICES: SPONSORED PROGRAMS

INTERNATIONAL EXCHANGE OF PERSONS

IIE brings foreign nationals to the United States for academic study and/or practical training and arranges for U.S. nationals to study, provide technical assistance, conduct research, teach, or serve as teaching assistants abroad. IIE also arranges training in third countries and gives courses and seminars in participants' home countries.

For foreign students and professionals, IIE services include technical assistance to sponsors in assessing training needs, identifying or developing appropriate training programs, selecting participants, and arranging for their admission to training programs. Training sources include academic degree programs, specialized short courses, internships, study tours, and professional affiliations. IIE disburses sponsor funds; acts as participants' visa sponsor; monitors their progress; provides English-language training when necessary; arranges professional and social enrichment activities; and maintains liaison with the training providers.

For U.S. students, IIE administers international study and professional-development programs for a variety of public and private sponsors, including USIA, USAID, the U.S. Department of State, foreign governments, nongovernmental organizations, and educational and cultural institutions. IIE conducts the nationwide competition for the USIA Fulbright grants for graduate study, conducts auditions for grants in the performing arts, and administers grants to students going to countries without Fulbright Commissions.

SCIENTIFIC COOPERATION ACTIVITIES

IIE provides international purchasing services to a number of international agricultural and other research institutes as well as to developing-country universities and nongovernmental organizations.

SHORT-TERM INTERNATIONAL VISITORS

IIE arranges U.S. visits for foreign leaders and specialists, singly and in groups. Most are sponsored by the U.S. Information Agency Office of International Visitors.

Each visit focuses on a specific theme, such as environmental protection, U.S. higher education, or the U.S. legal system. IIE arranges meetings with U.S. leaders and professionals, visits to cultural institutions, and home hospitality to provide a broad view of American life.

ASSISTANCE TO COLLEGES AND UNIVERSITIES

IIE offices in Hong Kong, Bangkok, Budapest, and Mexico City administer and/or provide support services for the administration of tests of English-language competence and standardized U.S. university admissions tests. The Educational Testing Service (ETS) is the sponsor.

INSTITUTE EDUCATIONAL AND ARTS SERVICES

PUBLICATIONS, CENSUS, COUNSELING, LIBRARY, AND REFERENCE SERVICES

IIE conducts research and publishes findings relevant to all aspects of international education. IIE's annual census of foreign nationals studying in the United States is the basis of an annual publication, *Open Doors*. IIE researches and publishes comprehensive directories of study-abroad programs and provides information and advice on international study in its New York, regional, and overseas offices. IIE also maintains a specialized international education library in New York.

OVERSEAS AND REGIONAL OFFICE ACTIVITIES

IIE offices in Bangkok, Budapest, Hong Kong, and Mexico City provide information and educational services to students, universities, the business community, and government officials in the regions they serve, in addition to supporting IIE projects in their regions. IIE/Hong Kong-China, IIE/Mexico, and IIE/Bangkok maintain information centers on U.S. higher education, advising thousands annually, and conduct outreach programs for schools in their regions.

U.S. regional offices in Chicago, Denver, Houston, and San Francisco develop and conduct locally supported exchanges and support national IIE projects, including supervising IIE-related students in their

regions, monitoring their progress, and arranging professional enrichment programs and home hospitality. They also stimulate international awareness through discussion groups, seminars, and school outreach programs. IIE offices in Denver and Houston serve as centers for programming USIA international visitors.

ARTS SERVICES, STUDENT ACTIVITIES, CONFERENCES, AND PROJECTS

This category includes administrative costs of IIE's Arts International program as well as administrative costs of conferences and seminars on key international-education issues. IIE maintains an emergency loan fund for foreign students.

SUPPORTING SERVICES

MANAGEMENT AND GENERAL

This function includes expenses of running IIE as a whole, from human-resources management to equipment maintenance. A major 1994 investment was in technology and staff training to extend and upgrade IIE's worldwide electronic communications capabilities.

FUNDRAISING

This function is devoted to raising unrestricted funds to support IIE educational services to the public and to provide start-up funding for IIE-initiated programs to meet emerging needs. Funds come from individuals, corporations, and foundations as well as from fundraising benefits in New York, Chicago, Denver, Houston, and San Francisco honoring corporate and civic leaders.

PROGRAM DEVELOPMENT

This function includes developing special IIE initiatives and finding support for them, as well as coordinating development of IIE proposals to obtain grants and contracts from governments, foundations, corporations, academic institutions, nongovernmental organizations, and individuals to implement specific projects. Those IIE implemented in 1994 are described and/or listed in this report.

INSTITUTE OF INTERNATIONAL EDUCATION

BALANCE SHEET — AS OF SEPTEMBER 30, 1994, WITH SUMMARIZED TOTALS FOR 1993

	CURRENT FUND	LAND, BUILDING AND EQUIPMENT FUND	ENDOWMENT FUND	TOTAL ALL FUNDS	1993 TOTALS
ASSETS					
Cash	\$ 4,730,800	\$ ---	\$ 90,000	\$ 4,820,800	\$ 2,246,700
Investments, at cost, which approximates market	11,148,600	---	5,268,000	16,416,600	16,874,700
Reimbursable expenditures under contracts in progress	4,054,100	---	---	4,054,100	3,102,000
Prepaid expenses and other current assets	1,274,900	---	---	1,274,900	995,500
LAND, BUILDING AND EQUIPMENT, at cost:					
Land	---	987,500	---	987,500	987,500
Building	---	4,177,800	---	4,177,800	4,177,800
Furniture and equipment	---	8,243,400	---	8,243,400	7,255,300
	---	13,408,700	---	13,408,700	12,420,600
Less—Accumulated depreciation	---	8,452,500	---	8,452,500	7,263,900
Total land, building and equipment, net	---	4,956,200	---	4,956,200	5,156,700
Total assets	\$21,208,400	\$4,956,200	\$5,358,000	\$31,522,600	\$28,375,600
LIABILITIES AND FUND BALANCE					
LIABILITIES:					
Accounts payable and accrued expenses	\$ 5,930,000	\$ ---	\$ ---	\$ 5,930,000	\$ 4,857,700
Sponsor funds received in advance	8,055,000	---	---	8,055,000	8,778,100
Deferred income	4,467,300	---	---	4,467,300	2,439,100
Total liabilities	18,452,300	---	---	18,452,300	16,074,900
FUND BALANCE:					
Unrestricted, designated by the Board of Trustees for —					
Major building and equipment repairs and replacement	1,899,800	---	---	1,899,800	1,793,700
Program initiatives and special projects	400,000	---	---	400,000	400,000
Contract compliance and program adjustment	456,300	---	---	456,300	371,100
Land, building and equipment	---	4,956,200	---	4,956,200	5,156,700
Endowment	---	---	5,358,000	5,358,000	4,579,200
Total fund balance	2,756,100	4,956,200	5,358,000	13,070,300	12,300,700
Total liabilities and fund balance	\$21,208,400	\$4,956,200	\$ 5,358,000	\$31,522,600	\$28,375,600

IEE's financial statements are audited on an annual basis by Arthur Andersen LLP. This Balance Sheet, as of September 30, 1994 and Statement of Support, Revenues and Expenses and Changes in Fund Balance for the Year Ended September 30, 1994 are part of IEE's financial statements. The complete audited financial statements are available upon request. **Please contact the Controller, Institute of International Education, 809 United Nations Plaza, New York, NY 10017, 212 984-5475.**

**STATEMENT OF SUPPORT, REVENUE AND EXPENSES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED SEPTEMBER 30, 1994 WITH SUMMARIZED TOTALS FOR 1993**

	CURRENT FUND	LAND, BUILDING AND EQUIPMENT FUND	ENDOWMENT FUND	TOTAL ALL FUNDS	1993 TOTALS
REVENUE AND PUBLIC OPERATING SUPPORT:					
Revenue —					
Sponsored programs	\$ 83,492,000	\$ ---	\$ ---	\$ 83,492,000	\$ 90,714,100
Investment income	391,800	---	---	391,800	524,000
Sales of publications	405,200	---	---	405,200	444,000
Miscellaneous income, net	70,400	---	---	70,400	107,100
Rental income (net of related expenses of \$832,600 and \$865,400 in 1994 and 1993, respectively)	992,900	---	---	992,900	919,900
Total revenue	85,352,300	---	---	85,352,300	92,709,100
Public operating support —					
Contributions	2,759,700	---	---	2,759,700	2,565,300
Special events (net of direct expenses of \$102,300 and \$102,500 in 1994 and 1993, respectively)	353,300	---	---	353,300	473,100
Membership fees	290,600	---	---	290,600	349,700
Total public operating support	3,403,600	---	---	3,403,600	3,388,100
Total revenue and public operating support	88,755,900	---	---	88,755,900	96,097,200
PROGRAM SERVICE EXPENSES:					
Sponsored programs —					
International exchange of persons	71,143,300	754,600	---	71,897,900	63,686,100
Scientific cooperation activities	2,209,800	7,500	---	2,217,300	19,584,600
Short-term international visitors	5,434,100	90,600	---	5,524,700	5,134,700
Assistance to colleges and universities	1,938,600	17,800	---	1,956,400	1,241,200
Total sponsored programs	80,725,800	870,500	---	81,596,300	89,646,600
Institute, educational and arts services —					
Publications, census, counseling, library and reference services	1,653,900	61,000	---	1,714,900	1,377,300
Overseas and regional office activities	697,000	18,600	---	715,600	680,600
Arts services, student activities, conferences and projects	460,100	16,200	---	476,300	401,700
Total Institute, educational and arts services	2,811,000	95,800	---	2,906,800	2,459,600
Total program services	83,536,800	966,300	---	84,503,100	92,106,200
SUPPORTING SERVICES EXPENSES:					
Management and general	2,327,100	143,400	---	2,470,500	2,928,500
Fundraising	628,400	16,800	---	645,200	372,900
Program development	1,100,000	46,300	---	1,146,300	867,100
Total supporting services	4,055,500	206,500	---	4,262,000	4,168,500
Total expenses	87,592,300	1,172,800	---	88,765,100	96,274,700
EXCESS (DEFICIENCY) OF REVENUE AND PUBLIC OPERATING SUPPORT OVER EXPENSES BEFORE CAPITAL ADDITIONS	1,163,600	(1,172,800)	---	(9,200)	(177,500)
CAPITAL ADDITIONS:					
Contributions to endowment fund	---	---	443,600	443,600	365,000
Reinvested income to endowment fund	---	---	335,200	335,200	581,100
Total capital additions	---	---	778,800	778,800	946,100
FUND BALANCE, beginning of year	2,564,800	5,156,700	4,579,200	12,300,700	11,532,100
Transfers between funds —					
Land, building and equipment additions	(972,300)	972,300	---	---	---
FUND BALANCE, end of year	\$2,756,100	\$4,956,200	\$5,358,000	\$13,070,300	\$12,300,700