

FINANCIAL STATEMENTS

PROGRAM SERVICES: SPONSORED PROGRAMS

The following briefly describes the work of IIE in the major functional areas appearing in the audited financial statements. IIE's work in these areas is also more fully described in the narrative text in this report.

INTERNATIONAL EXCHANGE OF PERSONS

IIE brings foreign nationals to the US for academic study and/or practical training and arranges for US nationals to study, provide technical assistance, conduct research or serve as business advisers abroad. IIE also arranges training in third countries. IIE conducts the nationwide competition for Fulbright grants for US scholars and graduate students. IIE's programs are supported by individuals, corporations, foundations, US

government agencies, foreign governments, nongovernmental organizations and educational and cultural institutions.

SCIENTIFIC COOPERATION

IIE provides international purchasing services to a number of international institutions as well as to developing-country universities and nongovernmental organizations.

SHORT-TERM INTERNATIONAL VISITORS

IIE arranges US visits for foreign leaders from the public and private sectors. Sponsors include agencies of the US government, foreign governments and a wide range of private institutions.

ASSISTANCE TO COLLEGES AND UNIVERSITIES

Various of IIE's international offices administer or provide support services for the administration of

tests of English-language competence and other standardized US university admissions tests.

INSTITUTE EDUCATIONAL SERVICES

IIE's Research Division tracks international student flows and, with US government support, publishes its findings annually in Open Doors. IIE also publishes comprehensive directories of study-abroad programs (available at www.iiepassport.org) and provides information on international study through its website (www.iie.org). IIE also offers more targeted information to international educators on IIE member campuses.

OVERSEAS OFFICE AND REGIONAL CENTER ACTIVITIES

IIE offices abroad 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's Regional Centers in the US develop and conduct locally supported exchanges and support national IIE programs and projects.

This function includes the expense of running IIE as a whole. IIE has continued this past year to invest in equipment, maintenance and staff development to better prepare it to provide service in the years ahead. Fundraising is devoted to raising unrestricted funds from individuals, corporations and foundations to support IIE educational services. Program development includes identifying needs and developing IIE initiatives to meet them, as well as coordinating efforts to find support for those initiatives.

IIE's financial statements are audited on an annual basis by Arthur Andersen LLP. The Statements of Financial Position, as of September 30, 1999, and the related Statements of Activities for the year ended September 30, 1999 are part of IIE'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.

STATEMENTS OF FINANCIAL POSITION

As of September 30, 1999 and 1998

	1999	1998
ASSETS		
Cash	\$ 5,419,957	\$ 2,159,575
Reimbursable expenditures under contracts in progress, net	11,498,823	7,613,402
Contributions receivable	2,477,345	7,864,812
Investments, at market value	49,509,444	32,555,131
Prepaid expenses and other assets	1,152,953	1,537,258
Property and equipment, net	2,539,411	5,057,924
Total assets	<u>\$ 72,597,933</u>	<u>\$ 56,788,102</u>
LIABILITIES AND NET ASSETS		
Liabilities:		
Accounts payable and accrued expenses	\$ 6,371,554	\$ 5,460,571
Deferred income	11,779,539	448,957
Sponsored funds received in advance	10,943,901	9,260,101
Total liabilities	<u>29,094,994</u>	<u>15,169,629</u>
COMMITMENTS AND CONTINGENCIES		
Net Assets:		
Unrestricted	11,256,149	2,109,368
Property and equipment	2,539,411	5,057,924
Total unrestricted net assets	<u>13,795,560</u>	<u>7,167,292</u>
Temporarily restricted	25,613,991	30,421,121
Permanently restricted	4,093,388	4,030,060
Total net assets	<u>43,502,939</u>	<u>41,618,473</u>
Total liabilities and net assets	<u>\$ 72,597,933</u>	<u>\$ 56,788,102</u>

STATEMENTS OF ACTIVITIES

For the year ended September 30, 1999
with comparative totals for the year ended
September 30, 1998

	1999			1998	
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Total
REVENUES:					
Sponsored programs	\$ 116,853,051	\$ -	\$ -	\$ 116,853,051	\$ 101,848,668
Contributions	803,819	2,110,392	-	2,914,211	15,954,785
Investment income	4,470,342	226,666	63,328	4,760,336	2,920,820
Unrealized (depreciation) appreciation in fair market value of investments	(1,753,447)	307,660	-	(1,445,787)	(2,492,811)
Net rental (loss) income	(31,168)	-	-	(31,168)	219,269
Sales of publications	544,133	-	-	544,133	403,164
Special events-					
Contributions	861,201	-	-	861,201	966,706
Direct costs	118,782	-	-	118,782	154,438
Net revenues from special events	742,419	-	-	742,419	812,268
Membership fees	310,725	-	-	310,725	294,116
Other revenue	101,104	-	-	101,104	41,983
Total revenues	122,040,978	2,644,718	63,328	124,749,024	120,002,262
Net assets released from restrictions-					
Satisfaction of program restrictions	7,451,848	(7,451,848)	-	-	-
Total revenues and net assets released from restrictions	129,492,826	(4,807,130)	63,328	124,749,024	120,002,262
EXPENSES:					
Sponsored programs-					
International exchange of persons	106,884,514	-	-	106,884,514	89,756,322
Scientific cooperation activities	5,955,729	-	-	5,955,729	3,582,493
Short-term international visitors	5,226,876	-	-	5,226,876	4,954,805
Assistance to colleges and universities	3,793,771	-	-	3,793,771	3,058,864
Total sponsored programs	121,860,890	-	-	121,860,890	101,352,484
Institute, educational and arts services-					
Publications, census, counseling, library and reference services	1,205,999	-	-	1,205,999	1,292,765
Overseas and regional office activities	606,891	-	-	606,891	1,089,008
Total Institute, educational and arts services	1,812,890	-	-	1,812,890	2,736,526
Total program services	123,673,780	-	-	123,673,780	104,089,010
Supporting services-					
Management and general	4,880,132	-	-	4,880,132	3,921,000
Fund-raising	1,255,016	-	-	1,255,016	537,525
Program development	896,073	-	-	896,073	1,187,638
Total supporting services	7,031,221	-	-	7,031,221	5,646,163
Volunteer service/in-kind contribution expense	120,044	-	-	120,044	283,076
Total expenses	130,825,045	-	-	130,825,045	110,018,249
(Decrease) increase in net assets before unusual item	(1,332,219)	(4,807,130)	63,328	(6,076,021)	9,984,013
UNUSUAL ITEM - GAIN ON SALE OF BUILDING, net	7,960,487	-	-	7,960,487	
Increase (decrease) in net assets	6,628,268	(4,807,130)	63,328	1,884,466	9,984,013
NET ASSETS, beginning of year	7,167,292	30,421,121	4,030,060	41,618,473	31,634,460
NET ASSETS, end of year	\$ 13,795,560	\$ 25,613,991	\$ 4,093,388	\$ 43,502,939	\$ 41,618,473