

financial statements

IIE's financial statements are audited on an annual basis by Arthur Andersen LLP. The Statements of Financial Position, as of September 30, 2001, and the related Statement of Activities for the year ended September 30, 2001 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, 212-984-5427.

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 ACTIVITIES

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.

SUPPORTING SERVICES

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.

Statement of Financial Position

As of September 30, 2001 with comparative totals as of September 30, 2000

	2001	2000
ASSETS		
Cash and cash equivalents	\$ 19,055,658	\$ 7,532,721
Reimbursable expenditures under contracts in progress, net	5,386,310	9,641,286
Contributions receivable	12,416,039	3,675,858
Investments, at market value	45,855,546	54,675,050
Prepaid expenses and other assets	3,447,016	2,050,185
Building, furniture, equipment and leasehold improvements, net	21,261,262	9,360,397
Total assets	<u>\$ 107,421,831</u>	<u>\$ 86,935,497</u>
LIABILITIES AND NET ASSETS		
LIABILITIES:		
Accounts payable and accrued expenses	\$ 4,969,852	\$ 8,197,541
Sponsored funds received in advance	12,806,489	9,577,180
Deferred income	642,499	10,712,370
Note payable	22,602,452	-
Total liabilities	<u>\$ 41,021,292</u>	<u>28,487,091</u>
COMMITMENTS AND CONTINGENCIES		
NET ASSETS:		
Unrestricted	19,237,143	18,043,163
Temporarily restricted	42,163,622	35,500,666
Permanently restricted	4,909,774	4,904,577
Total net assets	<u>66,400,539</u>	<u>58,448,406</u>
Total liabilities and net assets	<u>\$ 107,421,831</u>	<u>\$ 86,935,497</u>

Statement of Activities

For the year ended September 30, 2001

	2001			2000	
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Total
REVENUES					
Sponsored programs	\$ 152,212,537	\$ -	\$ -	\$ 152,212,537	\$ 129,034,076
Contributions	843,882	13,511,654	-	14,355,536	13,239,535
Investment income	1,351,320	1,391,142	-	2,742,462	3,076,203
Unrealized (depreciation) appreciation in fair market value of investments	(6,610,256)	(1,550,501)	-	(8,160,757)	2,906,892
Sales of publications	344,821	-	-	344,821	185,722
Special events-					
Contributions	1,175,780	-	-	1,175,780	1,609,472
Direct costs	(118,782)	-	-	(118,782)	(56,592)
Net revenues from special events	1,056,998	-	-	1,056,998	1,552,880
Membership fees	259,076	-	-	259,076	304,136
Other revenue	399,787	-	5,197	404,984	1,337,770
Total revenues	149,858,165	13,352,295	5,197	163,215,657	151,637,214
Voluntary services	140,870	-	-	140,870	-
Net assets released from restrictions-					
Satisfaction of program restrictions	6,689,339	(6,689,339)	-	-	-
Total revenues and net assets released from restrictions	156,688,374	6,662,956	5,197	163,356,527	151,637,214
EXPENSES					
Sponsored programs-					
International exchange of students and scholars	141,191,680	-	-	141,191,680	115,716,392
Development training and assistance	6,764,400	-	-	6,764,400	5,638,446
Short-term international visitors	4,128,193	-	-	4,128,193	4,148,191
Educational services	4,497,213	-	-	4,497,213	3,833,351
Total sponsored programs	156,581,486	-	-	156,581,486	129,336,380
Institute, educational and information services-					
Research, publications and information services	910,619	-	-	910,619	1,150,138
Overseas and regional office activities	745,570	-	-	745,570	617,540
Total Institute, educational and information services	1,656,189	-	-	1,656,189	1,767,678
Total program services	158,237,675	-	-	158,237,675	131,104,058
Supporting services-					
Management and general	4,401,718	-	-	4,401,718	3,801,399
Fund-raising	1,047,682	-	-	1,047,682	711,981
Program development	1,193,002	-	-	1,193,002	898,134
Total supporting services	6,642,402	-	-	6,642,402	5,411,514
Volunteer service/in-kind contribution expense					
Total expenses	140,870	-	-	140,870	176,175
Total expenses	165,020,947	-	-	165,020,947	136,691,747
(Decrease) increase in net assets before unusual item	(8,332,573)	6,662,956	5,197	(1,664,420)	14,945,467
UNUSUAL ITEM -					
GAIN ON SALE OF BUILDING, net	9,616,553	-	-	9,616,553	-
Increase in net assets	1,283,980	6,662,956	5,197	7,952,133	14,945,467
NET ASSETS, beginning of year	18,043,163	35,500,666	4,904,577	58,448,406	43,502,939
NET ASSETS, end of year	\$ 19,327,143	\$ 42,163,622	\$ 4,909,774	\$ 66,400,539	\$ 58,448,406