

# Financials

## Statements of Financial Position (As of September 30, 2005 and 2004)

	2005	2004
<b>Assets</b>		
Cash and cash equivalents	\$ 23,289,514	\$ 11,166,955
Reimbursable expenditures under contracts in progress	11,145,300	16,515,246
Contributions receivable, net	8,163,591	10,772,705
Investments, at fair value	56,458,336	49,059,841
Prepaid expenses and other assets	7,381,788	1,527,642
Fixed assets, net	19,772,769	21,612,451
Restricted cash	49,837	128,155
Beneficial interests in perpetual trusts held by third parties	3,328,312	3,243,145
<b>Total assets</b>	<b>\$129,589,447</b>	<b>\$114,026,140</b>
<b>Liabilities and Net Assets</b>		
<b>Liabilities</b>		
Accounts payable and accrued expenses	\$ 6,097,009	\$ 8,220,006
Sponsored funds received in advance	27,968,844	12,903,627
Bonds payable, net	15,975,046	16,268,702
<b>Total liabilities</b>	<b>50,040,899</b>	<b>37,392,335</b>
<b>Commitments and Contingencies</b>		
<b>Net Assets</b>		
Unrestricted	32,706,176	21,187,711
Temporarily restricted	41,603,958	50,292,847
Permanently restricted	5,238,414	5,153,247
<b>Total net assets</b>	<b>79,548,548</b>	<b>76,633,805</b>
<b>Total liabilities and net assets</b>	<b>\$129,589,447</b>	<b>\$114,026,140</b>

## Statement of Activities (For the year ended September 30, 2005 with comparative totals for the year ended September 30, 2004)

	2005			2004	
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Total
<b>Revenues</b>					
Sponsored programs	\$172,616,623			\$172,616,623	\$161,990,889
Contributions	731,603	\$ 11,524,940		12,256,543	35,485,747
Investment return, net	5,238,676	932,879	\$ 85,167	6,256,722	4,324,027
Special events, net	439,809			439,809	1,118,401
Other Revenue	820,305			820,305	769,996
	179,847,016	12,457,819	85,167	192,390,002	203,689,060
Net assets released from restrictions and other reclasses	21,146,708	(21,146,708)		—	—
<b>Total revenues</b>	<b>200,993,724</b>	<b>(8,688,889)</b>	<b>85,167</b>	<b>192,390,002</b>	<b>203,689,060</b>
<b>Expenses</b>					
<b>Program services</b>					
International exchange of students and scholars	172,325,390			172,325,390	168,315,451
Development training and assistance	679,493			679,493	1,504,328
Short-term international visitors	4,599,404			4,599,404	4,878,189
Educational services	5,578,890			5,578,890	6,814,065
Overseas and regional office activities	407,045			407,045	395,557
Research, publications and information services	541,931			541,931	606,929
<b>Total program services</b>	<b>184,132,153</b>			<b>184,132,153</b>	<b>182,514,519</b>
<b>Supporting services</b>					
Management and general	5,012,217			5,012,217	5,703,965
Fund raising	330,889			330,889	770,555
<b>Total supporting services</b>	<b>5,343,106</b>			<b>5,343,106</b>	<b>6,474,520</b>
<b>Total expenses</b>	<b>189,475,259</b>			<b>189,475,259</b>	<b>188,989,039</b>
Increase (decrease) in net assets	11,518,465	(8,688,889)	85,167	2,914,743	14,700,021
Net assets, beginning of year	21,187,711	50,292,847	5,153,247	76,633,805	61,933,784
<b>Net assets, end of year</b>	<b>\$ 32,706,176</b>	<b>\$ 41,603,958</b>	<b>\$5,238,414</b>	<b>\$ 79,548,548</b>	<b>\$ 76,633,805</b>

In February, 2001, the Institute created and incorporated the International Fellowships Fund, Inc. (IFF), a not-for-profit organization to administer and support the activities of the International Fellowships Program. IFF is exempt from Federal income taxes under Section 501(C)(3) of the Internal Revenue Code and is designated as a Type I supporting organization to the Institute. IFF commenced operations with funding received from the Ford Foundation in the amount of \$275,526,718 in September 2001. IFF is a "depleting endowment" with a 10-year pay-out objective. IIE appoints four of the seven IFF board members thereby maintaining controlling interest. In accordance with accounting principles generally accepted in the United States of America, IIE is required to present a consolidated financial statement including its affiliate (IFF). Reported assets and liabilities include pending trades in marketable securities being purchased or sold by IFF as of September 30, 2005 and settled in early October 2005. A fiscal year 2005 consolidation summary is presented below.

	IIE Only	IFF Only	Consolidated IIE
Investments, at fair value	56,458,336	245,691,010	302,149,346
Total Assets	129,589,447	250,660,666	379,863,162
Total Liabilities	50,040,899	38,942,533	86,987,210
Unrestricted Net Assets	32,706,176	—	33,671,665
Temporarily Restricted Net Assets	41,603,958	211,718,133	253,965,873
Permanently Restricted Net Assets	5,238,414	—	5,238,414
Total Revenue	192,390,002	12,607,693	178,294,478
Total Expenses	189,475,259	41,170,600	202,805,731
Increase (decrease) in Net Assets	2,914,743	(28,562,907)	(24,511,253)

IIE's financial statements are audited on an annual basis by PricewaterhouseCoopers, LLP. The complete audited financial statements are available upon request. Excerpts from the statements of financial position, as of September 30, 2005, and the related statement of activities for the year ended September 30, 2005 are presented above.