

# FINANCIALS

## IIE Statement of Financial Position | For the year ended September 30, 2006 with comparative totals as of September 30, 2005.

	2006	2005
<b>Assets</b>		
Cash and cash equivalents	\$29,385,204	\$23,289,514
Reimbursable expenditures under contracts in progress	5,806,947	11,145,300
Contributions receivable	10,360,778	8,163,591
Investments, at fair value	79,004,790	56,458,336
Prepaid expenses and other assets	9,491,513	7,381,788
Fixed assets, net	22,322,518	19,772,769
Restricted cash	51,850	49,837
Beneficial interests in perpetual trusts held by third parties	3,346,675	3,328,312
<b>Total assets</b>	<b>\$159,770,275</b>	<b>\$129,589,447</b>
<b>Liabilities and Net Assets</b>		
<b>LIABILITIES</b>		
Accounts payable and accrued expenses	\$4,382,051	\$6,097,009
Sponsored funds received in advance	57,296,452	27,968,844
Bonds payable	15,665,444	15,975,046
Deferred income	-	-
<b>Total liabilities</b>	<b>\$77,343,947</b>	<b>\$50,040,899</b>
<b>Commitments and Contingencies</b>		
<b>NET ASSETS</b>		
Unrestricted	34,839,218	32,706,176
Temporarily restricted	43,330,333	41,603,958
Permanently restricted	5,256,777	5,238,414
<b>Total net assets</b>	<b>82,426,328</b>	<b>79,548,548</b>
<b>Total liabilities and net assets</b>	<b>\$159,770,275</b>	<b>\$129,589,447</b>

## IIE Statement of Activities | For the year ended September 30, 2006

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	2005 Total
<b>Revenues</b>					
Sponsored programs	\$192,740,878			\$192,740,878	\$172,616,623
Contributions	1,552,188	\$10,094,618		11,646,806	12,256,543
Investment return	3,347,372	2,386,858	\$18,363	5,752,593	6,256,722
Special events net	575,980			575,980	439,809
Other revenue	820,968			820,968	820,305
	199,037,386	12,481,476	18,363	211,537,225	192,390,002
Net assets released from restrictions	11,755,101	(11,755,101)			
<b>Total Revenues</b>	<b>210,792,487</b>	<b>726,375</b>	<b>18,363</b>	<b>211,537,225</b>	<b>192,390,002</b>
<b>Expenses</b>					
<b>Sponsored programs</b>					
International exchange of students and scholars	192,055,469			192,055,469	172,325,390
Development training and assistance	764,003			764,003	679,493
Short-term international visitors	4,779,985			4,779,985	4,599,404
Educational services	6,693,929			6,693,929	5,578,890
<b>Total sponsored programs</b>	<b>204,293,386</b>			<b>204,293,386</b>	<b>183,183,177</b>
<b>Institute, educational and information services</b>					
Overseas and regional office activities	531,919			531,919	407,045
Research, publications and information services	812,240			812,240	541,931
<b>Total institute, educational and information services</b>	<b>1,344,159</b>			<b>1,344,159</b>	<b>948,976</b>
<b>Total program services</b>	<b>205,637,545</b>			<b>205,637,545</b>	<b>184,132,153</b>
<b>Supporting services</b>					
Management and general	2,693,890			2,693,890	5,012,217
Fund raising	328,010			328,010	330,889
<b>Total supporting services</b>	<b>3,021,900</b>			<b>3,021,900</b>	<b>5,343,106</b>
<b>Total expenses</b>	<b>208,659,445</b>			<b>208,659,445</b>	<b>189,475,259</b>
Increase (decrease) in net assets	2,133,042	726,375	18,363	2,877,780	2,914,743
<b>NET ASSETS, beginning 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>
<b>NET ASSETS, end of year</b>	<b>\$34,839,218</b>	<b>\$42,330,333</b>	<b>\$5,256,777</b>	<b>\$82,426,328</b>	<b>\$79,548,548</b>

**Consolidation of Affiliate** | 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 State 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, 2006 and settled in early October 2006. A fiscal year 2006 consolidation summary is presented below.

	IIE Only	IFF Only	Consolidated IIE
Net Investments, at Market	\$79,004,790	\$223,680,041	\$302,684,831
<b>Total Assets</b>	<b>159,770,275</b>	<b>241,301,394</b>	<b>400,642,339</b>
<b>Total Liabilities</b>	<b>77,343,947</b>	<b>49,198,901</b>	<b>124,054,130</b>
<b>Unrestricted Net Assets</b>	<b>34,839,218</b>	<b>-</b>	<b>36,254,824</b>
<b>Temporarily Restricted Net Assets</b>	<b>42,330,333</b>	<b>192,102,493</b>	<b>235,076,608</b>
<b>Permanently Restricted Net Assets</b>	<b>5,256,777</b>	<b>-</b>	<b>5,256,777</b>
<b>Total Revenue</b>	<b>211,537,225</b>	<b>28,605,397</b>	<b>211,723,855</b>
<b>Total Expenses</b>	<b>208,659,445</b>	<b>48,221,037</b>	<b>228,011,598</b>
<b>Decrease Net Assets</b>	<b>2,877,780</b>	<b>(19,615,640)</b>	<b>(16,287,743)</b>

IIE's financial statements are audited on an annual basis by PricewaterhouseCoopers LLP. The statements of financial position, as of September 30, 2006, and the related statement of activities for the year ended September 30, 2006 are presented above. The complete audited financial statements are available upon request. Please contact the Controller at the Institute of International Education, 809 United Nations Plaza, New York NY 10017, 212-984-5585.