# **Institute of International Education, Inc. and Affiliates**

Consolidated Financial Statements and Supplemental Schedules September 30, 2012 and 2011

## Institute of International Education, Inc. and Affiliates

September 30, 2012 and 2011

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#### **Report of Independent Auditors**

To the Board of Trustees of Institute of International Education, Inc.

In our opinion, the accompanying consolidated statements of financial position and the related consolidated statements of activities, functional expenses, and cash flows present fairly, in all material respects, the financial position of Institute of International Education, Inc. and Affiliates ("IIE") at September 30, 2012 and 2011, and the changes in their net assets and their cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America. These consolidated financial statements are the responsibility of IIE's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits of these statements in accordance with auditing standards generally accepted in the United States of America, which require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

February 4, 2013

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## Institute of International Education, Inc. and Affiliates Consolidated Statements of Financial Position September 30, 2012 and 2011

(in thousands)	2012	2011
Assets Cash and cash equivalents Reimbursable expenditures under contracts in progress Contributions receivable, net Investments, at fair value Prepaid expenses and other assets Fixed assets, net Beneficial interests in perpetual trusts held by third parties	\$ 38,090 43,581 4,319 136,196 4,029 20,625 3,043	\$ 18,524 25,892 1,642 182,482 3,255 22,986 2,794
Total assets	\$ 249,883	\$ 257,575
Liabilities and Net Assets Liabilities Payable for investments purchased Grants payable Accounts payable and accrued expenses Sponsored funds received in advance Bonds payable, net Total liabilities	\$ 1 18,996 36,734 52,219 13,498	\$ 5 50,731 21,179 23,516 13,907 109,338
Commitments and contingencies  Net assets Unrestricted Board designated Undesignated, available for general operations Total unrestricted net assets	10,582 28,988 39,570	9,326 26,293 35,619
Temporarily restricted Permanently restricted  Total net assets  Total liabilities and net assets	\$ 82,296 6,569 128,435 249,883	\$ 106,297 6,321 148,237 257,575

## Institute of International Education, Inc. and Affiliates Consolidated Statements of Activities Years Ended September 30, 2012 and 2011

								2012								2011							
	-		Te	mporarily	Perr	manently					Te	mporarily	Peri	manently									
(in thousands)	Unr	estricted		estricted	Re	stricted		Total	Un	restricted	R	Restricted	Re	stricted		Total							
Revenues																							
Sponsored programs	\$	339,501	\$	-	\$	-	\$	339,501	\$	312,183	\$	-	\$	-	\$	312,183							
Contributions		740		8,220		-		8,960		674		9,687		-		10,361							
Net assets released from restrictions		20,112		(20,112)		-		-		58,545		(58,545)		-		-							
Investment return		6,417		7,891		248		14,556		(205)		2,399		(185)		2,009							
Publications and Membership fees		400		-		-		400		808		-		-		808							
Special events																							
Contributions		1,543		-		-		1,543		827		-		-		827							
Direct costs		(373)		-		-	_	(373)		(112)		-		-		(112)							
Net revenues from special events		1,170		-		-		1,170		715		-		-		715							
Other revenue		345		-				345		239						239							
Total revenues		368,685		(4,001)		248		364,932		372,959	,	(46,459)		(185)		326,315							
Expenses																							
Program services																							
International exchange of students and scholars		259,138		-		-		259,138		224,361		-		-		224,361							
Leadership development educational services		52,869		-		-		52,869		64,330		-		-		64,330							
Higher education institutional development		11,346		-		-		11,346		13,946		-		-		13,946							
Emergency student and scholar assistance		7,854		-		-		7,854		6,426		-		-		6,426							
Research and publications		1,048		-		-		1,048		1,233		-		-		1,233							
Return of sponsor funds		-		20,000		-		20,000		-		-		-		-							
International fellowships program		4,684		-		-		4,684		43,488				-		43,488							
Total program services		336,939		20,000		_		356,939		353,784	_	-		-		353,784							
Supporting services																							
Management and general		26,999		-		-		26,999		25,101		-		-		25,101							
Fund raising		796						796		860				-		860							
Total supporting services		27,795		-				27,795		25,961		-		-		25,961							
Total expenses		364,734		20,000				384,734		379,745		-		-		379,745							
(Decrease) increase in net assets		3,951		(24,001)		248		(19,802)		(6,786)		(46,459)		(185)		(53,430)							
Net assets																							
Beginning of year		35,619		106,297		6,321		148,237		42,405		152,756		6,506		201,667							
End of year	\$	39,570	\$	82,296	\$	6,569	\$	128,435	\$	35,619	\$	106,297	\$	6,321	\$	148,237							

The accompanying notes are an integral part of these consolidated financial statements.

## Institute of International Education, Inc. and Affiliates Consolidated Statements of Functional Expenses Year Ended September 30, 2012

						Pı	rogran	n Services						Supporting Services					
(in thousands)	Ex Stu	ernational change of idents and Scholars	De <sup>s</sup>	eadership velopment ducational Services	Ed Ins	Higher lucation titutional elopment	Sti	nergency udent and Scholar ssistance	a	search and cations	Fe	ernational Ilowships Program	Total Program Services		nagement and General		Fund Raising	Total upporting Services	Total
Grantee expenses																			
Grantee stipends and grants	\$	104,830	\$	35,405	\$	446	\$	242	\$	42	\$	4,684	\$ 145,649	\$	-	\$	-	\$ -	\$ 145,649
Tuition, books and fees		76,433		6,183		398		2,578		-		-	85,592		-		-	-	85,592
Enrichment programs		11,456		3,707		1,319		790		14		-	17,286		-		-	-	17,286
Grantee travel		14,714		2,270		695		485		9		-	18,173		-		-	-	18,173
Grantee health insurance		1,985		5		3		44		-		-	2,037		-		-	-	2,037
Other		6,017		637		1,245		97		8			8,004						 8,004
		215,435		48,207		4,106		4,236		73		4,684	276,741				-	-	276,741
Institute expenses																			
Employee salaries and benefits		26,523		2,772		3,049		2,645		562		-	35,551		14,230		551	14,781	50,332
Occupancy		4,184		477		558		438		78		-	5,735		4,720		80	4,800	10,535
Travel, receptions and benefits		1,158		291		217		149		47		-	1,862		597		21	618	2,480
Communication		1,353		140		296		80		81		-	1,950		934		43	977	2,927
Outside services		8,926		844		1,112		182		132		-	11,196		3,193		72	3,265	14,461
Return of sponsor funds		-		-		-		-		-		20,000	20,000		-		-	-	20,000
Other		1,559		138		2,008		124		75			3,904		3,325		29	 3,354	7,258
		43,703		4,662		7,240		3,618		975		20,000	80,198		26,999		796	27,795	107,993
	\$	259,138	\$	52,869	\$	11,346	\$	7,854	\$	1,048	\$	24,684	\$ 356,939	\$	26,999	\$	796	\$ 27,795	\$ 384,734

## Institute of International Education, Inc. and Affiliates Consolidated Statements of Functional Expenses Year Ended September 30, 2011

						Pı	rogram	Services						Supporting Services						
(in thousands)	Ex Stu	ernational change of idents and Scholars	De <sup>c</sup>	eadership velopment lucational Services	Eo Ins	Higher ducation titutional relopment	Stu S	nergency Ident and Scholar sistance	 search and lications	Fe	ernational Ilowships Program		Total Program Services		nagement and General	ı	Fund Raising		Total apporting services	Total
Grantee expenses																				
Grantee stipends and grants	\$	104,658	\$	44,628	\$	1,167	\$	242	\$ 43	\$	43,488	\$	194,226	\$	-	\$	-	\$	-	\$ 194,226
Tuition, books and fees		47,785		6,870		1,553		2,819	-		-		59,027		-		-		-	59,027
Enrichment programs		11,191		2,539		1,448		522	13		-		15,713		-		-		-	15,713
Grantee travel		14,280		2,519		1,223		405	8		-		18,435		-		-		-	18,435
Grantee health insurance		750		2		50		49	-		-		851		-		-		-	851
Other		7,075		885		826		60	 4		-	_	8,850			_			-	 8,850
		185,739		57,443		6,267		4,097	68		43,488		297,102							297,102
Institute expenses																				
Employee salaries and benefits		25,936		4,393		3,699		1,598	604		-		36,230		12,547		574		13,121	49,351
Occupancy		4,209		849		568		220	91		-		5,937		4,135		85		4,220	10,157
Travel, receptions and benefits		1,240		404		334		173	77		-		2,228		555		47		602	2,830
Communication		1,315		195		273		73	141		-		1,997		1,061		59		1,120	3,117
Outside services		4,845		918		915		177	184		-		7,039		5,750		61		5,811	12,850
Other		1,077		128		1,890		88	 68		-		3,251		1,053		34		1,087	4,338
		38,622		6,887		7,679		2,329	1,165			_	56,682		25,101		860		25,961	 82,643
	\$	224,361	\$	64,330	\$	13,946	\$	6,426	\$ 1,233	\$	43,488	\$	353,784	\$	25,101	\$	860	\$	25,961	\$ 379,745

## Institute of International Education, Inc. and Affiliates Consolidated Statements of Cash Flows Years Ended September 30 2012 and 2011

(in thousands)		2012	2011
Cash flows from operating activities			
Decrease in net assets	\$	(19,802)	\$ (53,430)
Adjustments to reconcile decrease in net assets to net cash			
used in operating activities			
Depreciation and amortization		3,723	3,802
Amortization of gain on sale of building		(238)	(238)
Amortization of bond issuance costs		16	16
Amortization of discount on bonds		11	11
Net realized (losses) gains on sales of investments		(2,159)	(2,776)
Net unrealized (losses) gains on investments		(7,408)	8,511
Change in operating assets and liabilities		(47.000)	4.000
Reimbursable expenditures under contracts in progress Contributions receivable, net		(17,689)	4,369 241
Prepaid expenses and other assets		(2,677) (790)	3,641
Grants payable		(31,735)	851
Accounts payable and accrued expenses		15,555	3,673
Sponsored funds received in advance		28,703	(12,888)
Net cash used in operating activities	-	(34,490)	 (44,217)
· · · · · · · · · · · · · · · · · · ·		(0.1, 10.0)	(***,=***)
Cash flows from investing activities Purchase of investments		(4,907)	(17,326)
Proceeds from sale of investments		(4,907) 60,507	60,711
Purchase of fixed assets		(1,286)	(3,861)
Disposal of fixed assets		162	291
Net cash provided by investing activities		54,476	 39,815
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Cash flows from financing activities Payment of bonds payable		(420)	(400)
Net cash used in financing activities	-	(420)	 (400)
Net increase (decrease) in cash and cash equivalents		19,566	 (4,802)
·		19,500	(4,002)
Cash and cash equivalents		40.504	00.000
Beginning of year		18,524	 23,326
End of year	\$	38,090	\$ 18,524
Supplemental information			
Cash paid for interest	\$	751	\$ 771

(in thousands)

#### 1. Description of Organization

The accompanying consolidated financial statements include the financial positions, changes in net assets, functional expenses and cash flows of the Institute of International Education, Inc. (the "Institute"), the Indonesian International Education Foundation ("IIEF") and the International Fellowships Fund, Inc. (the "Fund"), (collectively, "IIE").

#### Institute of International Education, Inc.

The Institute was founded in 1919 and incorporated in 1928 in the State of New York. The Institute develops and administers programs of international educational exchange and technical assistance under negotiated contracts with governments, international organizations, corporations, foundations, colleges and universities throughout the United States and abroad.

Services to students, teachers, and other professionals from more than 175 countries are provided by the Institute's New York headquarters, domestic and international offices. The Institute also administers educational assistance to universities and foreign countries, sponsors conferences and seminars and provides procurement and educational testing services on behalf of various sponsors.

In addition, through general support, the Institute conducts counseling and information services, issues publications, and conducts conferences, seminars and other special projects which provide assistance to individuals, colleges, universities and other organizations on matters of international education and cultural exchange.

#### **Indonesian International Education Foundation**

IIEF was established in May, 1992 and is located in South Jakarta, Indonesia. IIEF has developed expertise in four core areas: Scholarship and Fellowship Management, Capacity Development Initiatives, Services to Education and Testing and Certification. The Institute is one of three members on the Board of Founders for IIEF.

#### International Fellowships Fund, Inc.

In February 2001, the Institute created and incorporated in the State of Delaware the Fund. During fiscal 2001, the Ford Foundation provided the Fund with a grant of \$275,527 to administer and support the activities of the International Fellowships Program ("IFP"). The grant stipulates that the Ford Foundation funds are to be spent over a ten-year and one-month period.

The Ford Foundation provided \$60 million of additional funding in increments of \$15 million during fiscal years 2006, 2007, 2009 and 2010, completing Ford's funding obligations to the Fund. In 2007, the length of the original grant and all subsequent grants to the Fund from the Ford Foundation were extended through September 30, 2014. Any unspent funds after this period revert to the Ford Foundation. IFP selected its final cohort of grantees in fiscal year 2010. Due to the time required for grantee placement and multi-year grant terms, the Fund anticipates making payments through fiscal year 2014. In fiscal year 2012, the Fund returned \$20 million of unspent funds to the Ford Foundation. Pursuant to the grant agreement, the Fund may not pledge, mortgage or otherwise encumber, in any way, the cash and investments without prior written consent of the Ford Foundation. The IFP provides educational opportunities for individuals from disadvantaged populations. The Board of Trustees of the Fund is comprised of four members of the Institute's Board of Trustees and three appointees of the Ford Foundation. The Fund is controlled by the Institute and exists for the benefit of the Institute.

(in thousands)

The Institute, operating in an independent contractor capacity, provides certain administrative services and operating support to the Fund consistent with the objectives, policies and limitations described in the Ford Foundation grant agreement. The Institute provides the Fund with administrative services and office space consistent with the objectives, policies and limitations described in the service and grant agreements.

Pursuant to an executed Secondment Agreement between the Institute and the Fund, IIE provides certain staff to the Fund to provide operational and administrative support services to the Fund, consistent with the overall program objectives.

The amounts paid to the Institute under these agreements totaled \$2,211 and \$1,922 for the years ended September 30, 2012 and 2011, respectively.

#### 2. Summary of Significant Accounting Policies

#### **Basis of Presentation**

The accompanying financial statements have been prepared on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America ("GAAP"). IIE is required under these principles to report revenues, expenses, gains and losses based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of IIE are classified and reported as follows:

- Unrestricted net assets net assets that are not subject to donor-imposed stipulations and
  that may be expended for any purpose in performing the primary objectives of IIE.
  Unrestricted net assets include board-designated net assets which are used to account for all
  resources over which the Board of Trustees has discretionary control. Revenues are reported
  as increases in unrestricted net assets unless the related asset is limited by donor-imposed
  restrictions. Gains and losses on investments and other assets or liabilities are reported as
  increases or decreases in unrestricted net assets unless their use is restricted by explicit
  donor stipulation or law. Expenses are reported as decreases in unrestricted net assets.
- Temporarily restricted net assets net assets that are subject to donor stipulations that either expire with the passage of time or can be fulfilled and removed by actions of IIE. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is met, temporarily restricted net assets are released to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. In the event IIE is unable to meet their purposes, all remaining funds would be remitted back to the donors, unless subsequently re-designated by the donor.
- Permanently restricted net assets net assets that are subject to donor-imposed stipulations
  that neither expire with the passage of time nor can be fulfilled or otherwise removed by
  actions of IIE. These net assets include funds which have been designated by the donor to be
  held and invested in perpetuity, but permit IIE to use the income and gains for specified and
  unspecified purposes.

(in thousands)

#### **Support and Revenue**

Revenues from sponsored programs are recognized as IIE incurs the related expenditures. Cash received before the related expenditures are incurred is recorded as sponsored funds received in advance. To the extent that expenditures are made in excess of cash receipts, reimbursable expenditures on contracts in progress are recorded to the level of anticipated funding in a sponsored program.

Contributions are recorded as revenue when IIE has an unconditional right to receive those funds. Contributions are recorded in a net asset classification based upon the existence or absence of donor restrictions. Conditional promises to give are not recognized until they become unconditional, that is, when the conditions on which they depend are substantially met.

#### **Cash Equivalents**

All highly liquid investments having an original maturity of 90 days or less at time of purchase and money market accounts are considered to be cash equivalents and reported at the lower of cost or market value.

#### **Reimbursable Expenditures Under Contracts in Progress**

Reimbursable expenditures under contracts in progress represent receivables in which program expenses exceed cash receipts. These receivables are due from sponsors for expenses incurred for the performance of contractual obligations.

#### **Fixed Assets**

Fixed assets are capitalized at cost and depreciated on a straight-line basis over their estimated useful lives. Leasehold improvements are amortized over the shorter of estimated useful lives or the term of the lease. Depreciation and amortization expenses on fixed assets for fiscal years 2012 and 2011 were \$3,723 and \$3,802, respectively.

#### Beneficial Interests in Perpetual Trusts Held by Third Parties

IIE is an income beneficiary of various trusts funds held by others in perpetuity. As a result, IIE has recorded, as an asset, the net present value of the income estimated to be received from these trusts based upon multiplying the fair value of the underlying assets by IIE's ownership percentages.

Changes in fair value of IIE's beneficial interests are recognized as gains or losses in the permanently restricted net asset category. According to the original donors' stipulation, distributions of net income from these trusts are to be made to IIE and are to be spent for specified purposes. During fiscal years 2012 and 2011, distributions from these trusts in the amount of \$115 and \$134, respectively, were recorded as temporarily restricted contributions.

#### **Sponsored Funds Received in Advance**

Sponsored funds received in advance represent advance payments in which cash receipts exceed program expenses. These advance payments are received from sponsors for IIE's future expenses for the performance of contractual obligations.

(in thousands)

#### **Retirement Benefits**

Retirement benefits coverage is available for substantially all employees provided through individual contributory annuities with selected financial institutions. IIE's contributions for fiscal years 2012 and 2011 under the provisions of this defined contribution plan were \$2,768 and \$2,746, respectively.

#### **Functional Allocation**

The costs of providing the various programs and other activities have been summarized on a functional basis in the accompanying consolidated statements of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Costs functionalized as "Grantee expenses" include expenditures such as tuition and grantee maintenance, and costs functionalized as "Institute expenses" include all operational costs (e.g., salaries, occupancy).

#### **Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America ("GAAP") requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, and related disclosures of contingent liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. On an ongoing basis, IIE evaluates its estimates, including those described below. IIE bases its estimates on historical experience and on various other assumptions that IIE believes are reasonable under the circumstances. Actual results could differ from those estimates. Change in estimates related to prior years approximated \$1.4 million and \$2.6 million in 2011 and 2012, respectively. IIE believes the following is a description of the most significant estimates used in the preparation of its consolidated financial statements.

#### Investments

Marketable debt and equity security investments are classified as trading securities, which are carried at estimated fair value with unrealized gains and losses reflected in results of operations. Estimated fair values are principally based on quoted market prices.

Limited liquidity investments are stated at estimated fair value. Limited liquidity investments are primarily made under agreements to participate in limited partnerships and limited liability corporations which are generally subject to certain withdrawal restrictions. These investments are valued on the basis of IIE's equity in the net assets. Values for these investments may include financial interest in both nonmarketable and market-traded securities, and may be based on appraisals, market values discounted for concentration of ownership, or other estimates. Because of the inherent uncertainty of valuing these investments, as well as the underlying investments, IIE's estimate of fair value may differ significantly from the values that would have been used had a ready market for the investments existed. The financial statements for these investment interests are audited annually by independent auditing firms. These investments may be illiquid, and thus IIE may not be able to realize the value of such investments in a timely manner.

#### Fixed Assets

Fixed assets are recorded at cost. Depreciation is provided over the estimated useful lives of the related assets using the straight-line method, ranging from three (3) to seven (7) years. Such estimates are based upon management's judgments of how long the assets will remain in service. Amortization of leasehold improvements is computed using the straight-line method over the shorter of the remaining lease term or the estimated useful lives of the improvements.

(in thousands)

IIE periodically evaluates the estimated recoverability of its long lived assets, annually or whenever events or changes in circumstances indicate that the carrying amount may not be recoverable or in connection with its annual financial review process.

#### **Indirect Costs**

IIE recovers indirect costs by allocating such costs to specific programs administered by IIE. Indirect costs are those costs incurred by common and joint objectives (or activities) and therefore, cannot be readily assigned to a specific direct cost objective. Indirect costs include general and administrative and facility costs. IIE estimates the allocation of these costs to a specific program or supporting activity, consistent with the guidelines contained in OMB Circular A-122, "Cost Principles for Nonprofit Organizations", that prescribes the cost accounting policies associated with the administration of Federal awards by nonprofit organizations.

#### **Taxes**

The Institute and the Fund are not-for-profit organizations exempt from federal income tax under Section 501(c)(3) of the U.S. Internal Revenue Code. The Fund is designated as a Type 1 supporting organization of the Institute. The Institute is not generally required to pay corporate income tax in most countries in which it operates by virtue of, inter alia, IIE's not-for-profit status and/or the status of its local affiliate or representative offices. However, the Institute pays payroll and use taxes in the normal course of business where required, and some activities of the Institute may be subject to sales and value added taxes in certain jurisdictions; the Institute pays, or maintains appropriate provisions to account for, such liabilities.

#### 3. Contributions Receivable, Net

Contributions receivable at September 30, 2012 and 2011 were \$4,318 and \$1,642, respectively. These balances are due in less than one year and therefore have not been discounted.

#### 4. Financial Instruments

IIE follows guidance with respect to accounting and reporting for the fair value of their financial assets and liabilities. This guidance establishes a fair value hierarchy for those instruments measured at fair value that distinguishes between assumptions based on market data (observable inputs) and the Institute's assumptions (unobservable inputs). The hierarchy consists of three levels as noted below:

The following is a description of the IIE's valuation methodologies for investments measured at fair value.

- Level 1 Quoted prices are available in active markets for identical investments as of the reporting date, without adjustment. The type of investments in Level 1 includes listed equities held in the name of IIE, and excludes listed equities and other securities held indirectly through commingled funds.
- Level 2 Pricing inputs, including broker quotes, are generally those other than exchange quoted prices in active markets, which are either directly or indirectly observable as of the reporting date, and fair value is determined through the use of models or other valuation methodologies.

(in thousands)

Level 3 Pricing inputs are unobservable for the investment and includes situations where there is little, if any, market activity for the investment. Investments that are included in this category generally include privately held investments and securities held in partnership

format.

Assets and liabilities measured at fair value are based on one or more of three valuation techniques. The three techniques are as follows:

#### Market Approach

Prices and other relevant information generated by market transactions involving identical or comparable assets or liabilities;

#### Cost Approach

Amount that would be required to replace the service capacity of an asset (i.e. replacement cost); and

#### Income Approach

Techniques to convert future amounts to a single present amount based on market expectations (including present value techniques).

Effective October 1, 2009, IIE adopted the accounting concept under GAAP to utilize the "practical expedient." The practical expedient is an acceptable method under GAAP to determine the fair value of these investments at reported net asset value from the respective general partners (a) that do not have a readily determinable fair value predicated upon a public market and (b) either have the attributes of an investment company or prepare their financial statements consistent with the measurement principles of an investment company under GAAP.

IIE invests in two fund of fund investment partnerships. The values of these funds are determined by the funds and their respective fund administrators and evaluated by management to substantiate that the values of these investments represent a reasonable approximation of fair value as of September 30, 2012 and 2011.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while IIE believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different estimate of fair value at the reporting date.

(in thousands)

The following table summarizes the valuation of IIE's financial instruments measured on a recurring basis by caption and by level within the valuation hierarchy as of September 30:

	2012										
	Level 1 Quoted Prices	Si	Level 2 Other gnificant oservable		Total						
Cash equivalents	\$ 47	\$	-	\$	47						
Short-term investment funds	3,753				3,753						
Equity securities											
US	30,135		-		30,135						
International	6,452		17,997		24,449						
Commodities	9,670		-		9,670						
Debt securities											
Government bonds	11,256		-		11,256						
Corporate bonds	18,342		-		18,342						
Commercial paper	_		8		8						
Bond funds	25,969		-		25,969						
Mortgage-backed securities											
Government	-		643		643						
Corporate	-		215		215						
Limited partnerships	 		11,709		11,709						
Total investments	\$ 105,624	\$	30,572	\$	136,196						

(in thousands)

The following table summarizes the valuation of the Institute's financial instruments measured on a recurring basis by caption and by level within the valuation hierarchy as of September 30:

			2011		
	 Level 1 Quoted		Level 2 Other ignificant		
	Prices	Ol	oservable		Total
Cash equivalents	\$ 1,160	\$	-	\$	1,160
Short-term investment funds	2,750	·	_	•	2,750
Equity securities	·				•
ับรั	23,855		-		23,855
International	5,580		16,286		21,866
Commodities	8,524		_		8,524
Debt securities					
Government bonds	28,844		4,485		33,329
Corporate bonds	54,563		5,167		59,730
Commercial paper	-		9		9
Bond funds	12,316		3,048		15,364
Mortgage-backed securities					
Government	-		2,825		2,825
Corporate	-		2,063		2,063
Limited partnerships	 		11,007		11,007
Total investments	\$ 137,592	\$	44,890	\$	182,482

All net realized and unrealized gains /losses in the table above are reflected in the Statement of Activities. Net unrealized gains /losses relate to those financial instruments held by IIE at September 30, 2012.

(in thousands)

IIE's assets with a fair value estimate using net asset value per share as a basis at September 30, 2012 and 2011 are as follows:

International Equity Securities \$  Limited partnerships	Fair Value September 30, 2012 10,524	Fair Value September 30, 2011 \$ 9,450	Unfunded Commitment \$ -	Settlement Terms*  Redemptions occur at NAV	Redemption Frequency*	Redemption Notice Period
, , , , , , , , , , , , , , , , , , , ,	10,524	\$ 9,450	\$ -		Monthly, as of	6 days
Limited partnerships				occur at IVAV	the first business day of the month	
	5,771	5,414	-	Redeemed at the value as of the last business day of every calendar quarter	Daily	65 days
Limited partnerships	22,233	\$ 20,436		balance upon estimated proceeds within 90 days after the end of the year in which notice of redemption was provided, and the balance upon completion of the annual audit for that year	Semi-annually	90 days

Investment return consisted of the following for the years ended September 30:

	2012	2011
The Institute		
Interest and dividends	\$ 2,667	\$ 3,486
Net realized gains (losses)	1,230	935
Net unrealized gains (losses)	9,513	 (4,257)
	13,410	164
Less: Investment management fees	(252)	(241)
Total investment return	 13,158	(77)
The Fund		
Interest and dividends	2,642	4,628
Net realized gains	929	1,841
Net unrealized gains	(2,105)	(4,254)
	1,466	2,215
Less: Investment management fees	 (68)	 (129)
	 1,398	 2,086
Total investment return	\$ 14,556	\$ 2,009

(in thousands)

#### 5. Fixed Assets, Net

Fixed assets as of September 30 consist of the following:

	Estimated Useful	Asset	et Value				
	Lives	2012		2011			
Building	30 Years	\$ 19,092	\$	19,069			
Furniture	7 Years	2,804		2,768			
Equipment	2-4 Years	6,228		6,175			
Software development costs	3–7 Years	17,451		16,491			
Leasehold improvements	3–25 Years	 10,378		10,326			
		55,953		54,829			
Less: Accumulated depreciation		 (30,804)		(27,081)			
		25,149		27,748			
Less: Unamortized deferred credit		 (4,524)		(4,762)			
Total fixed assets, net		\$ 20,625	\$	22,986			

In July of 2001, IIE exercised its right of first refusal and repurchased a significant portion of its New York headquarters building at 809 United Nations Plaza. The building is now a condominium with IIE repurchasing 10 of the 12 available floors. The purchase price was \$22,750. In September of 2001, IIE sold two of the repurchased floors for \$12,000. IIE's basis in the two sold floors was \$4,789 and resulted in a gain on sale of \$7,251. A portion of the deferred credit relating to IIE's sale and leaseback of the building in 1998 was assigned to the two floors sold and is being amortized annually. The remaining balance of the deferred credit has been netted with IIE's fixed assets balance and is being amortized over a 30-year period.

#### 6. Bonds Payable, Net

Bonds payable as of September 30 consist of the following:

	2012	2011
Series 2001 bonds	\$ 13,715	\$ 14,135
Less: Unamortized discount on Series 2001 bonds	(217)	 (228)
Total bonds payable, net	\$ 13,498	\$ 13,907

On November 1, 2001, IIE issued \$17,345 in tax exempt term bonds (the "Series 2001 bonds") through the New York City Industrial Development Agency ("IDA") to provide funds for the acquisition, equipping and improvement of the New York City office (the "Facility").

In connection with the issuance of bonds, IIE incurred costs that are being amortized over the term of the bond (30 years). Total deferred financing costs of \$473, net of accumulated amortization of \$174 and \$158 at September 30, 2012 and 2011, respectively, are included in prepaid expenses and other assets.

(in thousands)

IIE has segregated a portion of the bond proceeds, for use in connection with certain capital expenditures, as restricted cash, which is presented within prepaid and other assets.

The Facility is owned by IIE and leased by IIE to the IDA and subleased by the IDA back to IIE pursuant to a lease agreement (the "Agreement"). The Series 2001 bonds are payable by the IDA through a third party trustee solely from the lease rentals payable by IIE pursuant to the Agreement, and are not collateralized by any mortgage lien or security interest in IIE's ownership interest in the Facility. The Series 2001 bonds are secured by a security interest in IIE's gross revenues and are callable. In addition, payment of the principal and interest on the Series 2001 bonds when due is insured. The Series 2001 bonds mature in various amounts, ranging from \$280 to \$1,100 per year, through 2031. The fair market value of the Series 2001 bonds at September 30, 2012 was \$13,756. The nominal interest rates attributable to the Series 2001 bonds range from 4% to 5.25%.

Principal payments on the Series 2001 bonds for the next five years are due as follows:

Fiscal years	
2013	\$ 440
2014	465
2015	485
2016	510
2017	535
Thereafter	11,280
Total bonds payable	13,715
Less: Unamortized discounts	(217)
Total bonds payable, net	\$ 13,498

In accordance with the Agreement, IIE must comply with certain administrative requirements.

#### 7. Grants Payable

Grants payable at September 30 consisted of the following:

	2012	2011
Amounts payable in less than one year Amounts payable in one to five years	\$ 18,671 325	\$ 38,043 12,688
Total grants payable	\$ 18,996	\$ 50,731

(in thousands)

#### 8. Temporarily Restricted Net Assets

Temporarily restricted net assets were available for the following purposes at September 30:

	2012	2011
International fellowships	\$ 20,308	\$ 47,159
International exchange of students and scholars	61,988	 59,138
Total temporarily restricted net assets	\$ 82,296	\$ 106,297

Temporarily restricted net assets were released from restrictions for the years ended September 30 for the following purposes:

	2012	2011
International fellowships	\$ 8,250	\$ 47,246
International exchange of students and scholars	 11,862	 11,299
Total net assets released from restrictions	\$ 20,112	\$ 58,545

#### 9. Permanently Restricted Net Assets

Permanently restricted net assets available to support programs at September 30 were as follows:

	2012	2011
Beneficial interests in perpetual trusts held by third parties Endowment funds, investment return restricted to	\$ 3,042	\$ 2,794
international exchange of students and scholars	 3,527	3,527
Total permanently restricted net assets	\$ 6,569	\$ 6,321

#### 10. Endowment Net Assets

On September 17, 2010, New York State enacted the New York Prudent Management of Institutional Funds Act ("NYPMIFA"). NYPMIFA contains provisions that govern charitable institutions' appropriation and use, among other things, of donor-restricted endowment funds. NYPMIFA updated certain provisions of prior endowment management law. Most significantly, under prior law, charitable institutions were required to maintain the "historic dollar value" of endowment funds, meaning that institutions could appropriate only a prudent portion of a fund if the value of the Fund were greater than the dollar value of the donor's contributions(s) to the fund (i.e., the "historic dollar value"), and the appropriation would not take the Fund below that amount; or a prudent portion only of the income from the Fund, if the value of the Fund were less than the historic dollar value.

(in thousands)

Under NYPMIFA, a detailed prudence standard governs appropriation from endowment funds, and there is no longer a requirement to maintain historic dollar value. Prudent appropriation from a fund whose value is less than its historic dollar value is permitted. In particular, NYPMIFA provides that, unless a donor expresses a contrary intention in a gift instrument, a charitable institution may appropriate as much of an endowment fund as it "determines is prudent for the uses, benefits, purposes and duration for which the fund is established," without regard for historic dollar value. As with prior law, NYPMIFA retains the requirement that in making any decision to appropriate, "the institution shall act in good faith, with the care that an ordinarily prudent person in a like position would exercise under similar circumstances." It further provides a new requirement that the institution "shall consider, if relevant" the following eight factors in deciding whether or not to appropriate from a fund:

- The duration and preservation of the endowment fund;
- The purposes of IIE and the endowment fund;
- General economic conditions;
- The possible effect of inflation or deflation;
- The expected total return from income and the appreciation of investments;
- Other resources of IIE;
- Alternatives to expenditure of the endowment fund; and
- The investment policy of IIE.

The provisions of NYPMIFA allowing prudent appropriation without regard to historic dollar value apply to funds created after its effective date of September 17, 2010. Donors of funds created before that date were given the option of requiring institutions to continue to observe the historic dollar value restrictions contained in prior law.

IIE's endowment consists of invested assets as directed by the Board of Trustees which are classified as permanently restricted net assets and term endowments, which can be included within the temporarily restricted and unrestricted net assets. IIE considers its term endowment to be that portion of temporarily restricted net assets, which are restricted by time and purpose, and its board designated funds.

The policy governing the investment of IIE's endowment includes two objectives: (1) provide a reasonable and prudent level of currently expendable income in accordance with the spending policy set by the Board of Trustees (currently 5% of the endowment's moving average fair value over the prior 36 months as of September 30<sup>th</sup> of the preceding fiscal year in which distribution is planned, unless specified by a donor); and (2) support IIE and its mission over the long term by maintaining future growth of the endowment. Under this policy, the endowment assets are invested in a manner that is intended to produce a real return, net of inflation and investment management costs, of at least 5%. Actual returns in any given year may have varied from this amount.

(in thousands)

To satisfy its long-term rate-of-return objectives, IIE relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). IIE targets a diversified asset allocation to achieve its long-term objective within prudent risk constraints.

In accordance with current New York State law, IIE is required to preserve the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result, so long as there is no explicit donor stipulation to the contrary, the Institute classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) realized and unrealized gains and losses to the permanent endowment when stipulated by the donor gift instrument. The remaining portion of the donor restricted endowment that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by IIE in a manner consistent with the standard of prudence prescribed by law.

For financial reporting purposes, donor-restricted endowment fund appreciation, gains and income exceeding donor restrictions are classified as temporarily restricted net assets until those amounts are appropriated for expenditure by IIE in a manner consistent with the standard of prudence prescribed by law. Upon appropriation, appreciation and earning are reclassified as unrestricted net assets.

For each donor-restricted endowment fund IIE, classified the portion of the fund that is not designated as permanently restricted net assets as temporarily restricted net assets until appropriated for expenditure by IIE. In initially applying the guidance to its donor-restricted endowment funds in existence upon NYPMIFA enactment, IIE determined that there were no accumulated amounts earned on donor restricted endowment funds in excess of appropriation. As a result, no reclassification to temporarily restricted net assets was required.

At September 30, 2012, the endowment net asset composition by type of fund and purpose consisted of the following:

	Uni	restricted	mporarily estricted	manently estricted	Total
Donor restricted funds					
Scholarships and professional development	\$	-	\$ -	\$ 2,162	\$ 2,162
Scholar Rescue Fund		-	24,493	1,365	25,858
Fulbright Legacy Fund		-	3,782	-	3,782
International Fellowships Funds		-	12,346	-	12,346
Other donor restricted funds		-	21,833	-	21,833
Board designated funds					
Fulbright Legacy Fund		7,142	-	-	7,142
Scholar Rescue Fund		3,176	-	-	3,176
Andrew Heiskell Endowment		264	 	 	 264
Total endowments	\$	10,582	\$ 62,454	\$ 3,527	\$ 76,563

(in thousands)

At September 30, 2011, the endowment net asset composition by type of fund and purpose consisted of the following:

	Unr	estricted	mporarily estricted	manently stricted	Total
Donor restricted funds					
Scholarships and professional development	\$	-	\$ -	\$ 2,162	\$ 2,162
Scholar Rescue Fund		-	20,154	1,365	21,519
Fulbright Legacy Fund		-	3,409	-	3,409
International Fellowships Funds		-	43,260	-	43,260
Other donor restricted funds		-	22,886	-	22,886
Board designated funds					
Fulbright Legacy Fund		6,260	-	-	6,260
Scholar Rescue Fund		2,818	-	-	2,818
Andrew Heiskell Endowment		248	 	 	 248
Total endowments	\$	9,326	\$ 89,709	\$ 3,527	\$ 102,562

Changes in endowment net assets for the year ended September 30, 2012 and 2011 consisted of the following:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets at September 30, 2010	\$ 6,212	\$ 137,576	\$ 3,527	\$ 147,315
Investment return				
Investment income, net of fees	309	6,413	-	6,722
Realized gains (losses)	88	2,388	=	2,476
Unrealized gains (losses)	(530)	(6,446)		(6,976)
Total investment gains (loss)	(133)	2,355	-	2,222
Contributions	3,410	1,898	-	5,308
Appropriation of endowment assets used for				
expenditures	(163)	(52,120)		(52,283)
Endowment net assets at September 30, 2011	9,326	89,709	3,527	102,562
Investment return				
Investment income, net of fees	237	4,003	-	4,240
Realized gains (losses)	99	1,723	-	1,822
Unrealized gains (losses)	1,148	2,126		3,274
Total investment gains (loss)	1,484	7,852	-	9,336
Contributions	-	1,180	-	1,180
Return of sponsor funds Appropriation of endowment assets used for	-	(20,000)	-	(20,000)
expenditures	(228)	(16,287)		(16,515)
Endowment net assets at September 30, 2012	\$ 10,582	\$ 62,454	\$ 3,527	\$ 76,563

(in thousands)

#### 11. Sponsored Program Revenue

Sponsored program revenue for fiscal years 2012 and 2011 was derived from the following major sponsor categories:

	2012	2011
U.S. government agencies	\$ 240,851	\$ 237,750
Foundations and research organizations	36,505	32,874
Corporations	15,690	25,939
Foreign governments and international organizations	 46,455	 15,620
Total sponsored program revenue	\$ 339,501	\$ 312,183

#### 12. Commitments and Contingencies

#### **Operating Leases**

Rental expense was \$5,432 and \$4,822 for the years ended September 30, 2012 and 2011, respectively. IIE leases space for certain domestic and overseas offices on a noncancelable, long-term basis. These agreements, expiring at various dates through 2018, permit IIE to sublease such space at its option.

Minimum future lease commitments are as follows at September 30, 2012:

Fiscal years	
2013	\$ 3,867
2014	3,473
2015	3,207
2016	2,919
2017	2,918
Thereafter	 10,053
	\$ 26,437

IIE, from time to time, is involved in litigation concerning its business affairs. Management believes that the resolution of all pending litigation will not have a material adverse effect on IIE's consolidated financial condition.

IIE engages in activities which are subject to governmental audit from time to time. The ultimate outcome of such audits could result in amounts due to government agencies, which expenses would be absorbed by IIE. In IIE's opinion, such amounts, if any, would not have a significant effect on the financial condition or changes in net assets of IIE.

#### 13. Subsequent Events

IIE has performed an evaluation of subsequent events through February 4, 2013, which is the date the financial statements were issued. IIE has determined that all events or transactions, including estimates, required to be recognized in accordance with generally accepted accounting principles, are included in the financial statements.



#### Report of Independent Auditors on Supplemental Schedule

To the Board of Trustees of Institute of International Education, Inc.

Vicewatrhouse [sager LLP

We have audited the consolidated financial statements of Institute of International Education, Inc and Affiliates ("IIE) as of September 30, 2012 and for the year then ended and our report thereon appears on page 1 of this document. That audit was conducted for the purpose of forming an opinion on the consolidated financial statements taken as a whole. The consolidating information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The consolidating information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves and other additional procedures, in accordance with auditing standards generally accepted in the United States of America. In our opinion, the consolidating information is fairly stated, in all material respects, in relation to the consolidated financial statements taken as a whole. The consolidating information is presented for purposes of additional analysis of the consolidated financial statements rather than to present the financial position, and statement of activities of the individual companies and is not a required part of the consolidated financial statements. Accordingly, we do not express an opinion on the financial position, results of operations and cash flows of the individual companies.

February 4, 2013



## Institute of International Education, Inc. and Affiliates Consolidating Statement of Financial Position September 30, 2012 and 2011

						2012								20	011			
								Elimination	Co	nsolidated						Elimination	Co	nsolidated
(in thousands)		IIE		IIEF		IFF		Entries	S	tatements		IIE		IFF		Entries	S	tatements
Assets																		
Cash and cash equivalents	\$	36,077	\$	1,331	\$	682	\$	-	\$	38,090	\$	14,134	\$	4,390	\$	-	\$	18,524
Reimbursable expenditures																		
under contracts in progress		41,713		1,601		-		267		43,581		25,892		-		-		25,892
Contributions receivable, net		4,319		-				-		4,319		1,642				-		1,642
Investments, at fair value		101,987		-		34,209		-		136,196		92,335		90,147		-		182,482
Prepaid expenses and						007		(0.700)		4.000		0.055						
other assets		6,414		117		267		(2,769)		4,029		3,255		-		-		3,255
Fixed assets, net		20,600		25		-		-		20,625		22,986		-		-		22,986
Beneficial interest in																		
perpetual trusts held by third parties		3,043		_		_		_		3,043		2,794		-		_		2,794
Total assets	\$	214,153	\$	3,074	\$	35,158	\$	(2,502)	\$	249,883	\$	163,038	\$	94,537	\$		\$	257,575
Liabilities and Net Assets																		
Payable for investments																		
purchased	\$	-	\$	_	\$	1	\$	_	\$	1	\$	_	\$	5	\$	_	\$	5
Grants payable	•	-	•	_	•	22,803	•	(3,807)	*	18,996	•	-	•	50,803	•	(72)	•	50,731
Accounts payable and						,		(-,,		.,				,		( )		,
accrued expenses		36,071		2,649		8		(1,994)		36,734		20,710		469		-		21,179
Sponsored funds received																		
in advance		56,198		175		-		(4,154)		52,219		27,343		-		(3,827)		23,516
Bonds payable, net		13,498								13,498		13,907				<u> </u>		13,907
Total liabilities		105,767		2,824		22,812		(9,955)		121,448		61,960		51,277		(3,899)		109,338
Commitments and contingencies																		
Net assets Unrestricted																		
Board designated Undesignated, available		10,582		-		-		-		10,582		9,326		-		-		9,326
for general operations		29,246		250		-		(508)		28,988		26,293		-		-		26,293
Total unrestricted net assets		39,828		250		-		(508)		39,570		35,619	_	-		-		35,619
Temporarily restricted		61,989		-		12,346		7,961		82,296		59,138		43,260		3,899		106,297
Permanently restricted		6,569				,0	_	-		6,569		6,321		-		-,-30		6,321
Total net assets		108,386		250		12,346	_	7,453		128,435		101,078		43,260		3,899		148,237
Total liabilities and net assets	\$	214,153	\$	3,074	\$	35,158	\$	(2,502)	\$	249,883	\$	163,038	\$	94,537	\$		\$	257,575

## Institute of International Education, Inc. and Affiliates Consolidating Statement of Activities Year Ended September 30, 2012

						_			_						
			IE		IIEF		IFF			Eliminations				olidated	
(in thousands)	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Unrestricted	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
(in triousarius)	Oniestricteu	Restricted	Restricted	iotai	Offiestricted	Onrestricted	Restricted	Total	Onestricted	Restricted	Total	Officestricted	Restricted	Restricted	iotai
Revenues															
Sponsored programs	+		\$ - \$		\$ 8,309	\$ -	\$ - 9	-	\$ (37,588) \$	- \$	(37,588)			\$ - \$	339,501
Contributions	740	8,220	-	8,960	-	-	-	-	-	-	-	740	8,220	-	8,960
Net assets released from															
restrictions	11,862	(11,862)	-	-	-	12,312	(12,312)	-	(4,062)	4,062	-	20,112	(20,112)	-	-
Investment return	6,417	6,493	248	13,158	-	-	1,398	1,398	-	-	-	6,417	7,891	248	14,556
Publications and Membership fees	400	-	-	400	-	-		-	-	-	-	400	-	-	400
Special events															
Contributions	1,543	-	-	1,543	-	-	-	-	-	-	-	1,543	-	-	1,543
Direct costs	(373)			(373)				-		-	-	(373)			(373)
Net revenues from special events	1,170	-	-	1,170	-	-	-	-	-	-	-	1,170	-	-	1,170
Other revenue	1,041			1,041	9			-	(705)		(705)	345			345
Total revenues	390,410	2,851	248	393,509	8,318	12,312	(10,914)	1,398	(42,355)	4,062	(38,293)	368,685	(4,001)	248	364,932
Expenses															
Program services															
International exchange of															
students and scholars	286,006	-	-	286,006	6,499	-	-	-	(33,367)	-	(33,367)	259,138	-	-	259,138
Leadership development															
educational services	52,869	-	-	52,869	-	-	-	-	-	-	-	52,869	-	-	52,869
Higher education institutional															
development	12,867	-	-	12,867	1,476	-	-	-	(2,997)	-	(2,997)	11,346	-	-	11,346
Emergency student and scholar															
assistance	7,854	-	-	7,854	-	-	-	-	-	-	-	7,854	-	-	7,854
Research and publications	1,048	-	-	1,048	-	-	-	-	-	-	-	1,048	-	-	1,048
Return of sponsor funds	-	-	-	-	-	-	20,000	20,000	-	-	-	-	20,000	-	20,000
International Fellowships															
Program				-	-	9,970		9,970	(5,286)		(5,286)	4,684			4,684
Total program services	360,644			360,644	7,975	9,970	20,000	29,970	(41,650)		(41,650)	336,939	20,000		356,939
Supporting services															
Management and general	24,761	-		24,761	19	2,342	-	2,342	(123)	-	(123)	26,999	-	-	26,999
Fund raising	796	-		796	-	-	-		` -	-	` -	796	-	-	796
Total supporting services	25,557	-	-	25,557	19	2,342		2,342	(123)	-	(123)	27,795	-	-	27,795
Total expenses	386,201	-	-	386,201	7,994	12,312	20,000	32,312	(41,773)	-	(41,773)	364,734	20,000	-	384,734
(Decrease) increase in net assets	4,209	2,851	248	7,308	324	-	(30,914)	(30,914)	(582)	4,062	3,480	3,951	(24,001)	248	(19,802)
Net assets															
Beginning of year	35,619	59,138	6,321	101,078	(74)		43,260	43,260	74	3,899	3,973	35,619	106,297	6,321	148,237
End of year	\$ 39,828	\$ 61,989	\$ 6,569 \$	108,386	\$ 250	\$ -	\$ 12,346	12,346	\$ (508) \$	7,961 \$	7,453	\$ 39,570	\$ 82,296	\$ 6,569 \$	128,435