

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

**Consolidated Financial Statements  
September 30, 2010 and 2009**

**Institute of International Education, Inc. and Affiliate**  
**Consolidated Financial Statements**  
**Index**  
**September 30, 2010 and 2009**

---

	<b>Page(s)</b>
<b>Report of Independent Auditors .....</b>	<b>1</b>
Consolidated Statements of Financial Position.....	2
Consolidated Statements of Activities .....	3
Consolidated Statements of Functional Expenses.....	4–5
Consolidated Statements of Cash Flows.....	6
Notes to Consolidated Financial Statements .....	7–18
Report of Independent Auditors on Supplemental Schedule.....	19
Consolidating Statement of Financial Position.....	20
Consolidating Statement of Activities .....	21



## 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 Affiliate ("IIE") at September 30, 2010 and 2009, 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.

*PricewaterhouseCoopers LLP*

January 26, 2011

**Institute of International Education, Inc. and Affiliate**  
**Consolidated Statements of Financial Position**  
**As of September 30, 2010 and 2009**

---

(in thousands)

	2010	2009
<b>Assets</b>		
Cash and cash equivalents	\$ 23,326	\$ 40,867
Reimbursable expenditures under contracts in progress	30,261	23,887
Contributions receivable, net	1,883	2,250
Investments, at fair value	231,420	245,053
Prepaid expenses and other assets	6,912	4,034
Fixed assets, net	22,980	22,501
Beneficial interests in perpetual trusts held by third parties	2,979	2,831
Total assets	<u>\$ 319,761</u>	<u>\$ 341,423</u>
<b>Liabilities and Net Assets</b>		
Liabilities		
Payable for investments purchased	\$ 8	\$ 3,117
Grants payable	49,880	50,502
Accounts payable and accrued expenses	17,506	17,572
Sponsored funds received in advance	36,404	33,391
Bonds payable, net	14,296	14,665
Total liabilities	<u>118,094</u>	<u>119,247</u>
Commitments and contingencies		
Net assets		
Unrestricted		
Board designated	6,212	5,703
Undesignated, available for general operations	36,193	35,195
Total unrestricted net assets	42,405	40,898
Temporarily restricted	152,756	174,920
Permanently restricted	6,506	6,358
Total net assets	<u>201,667</u>	<u>222,176</u>
Total liabilities and net assets	<u>\$ 319,761</u>	<u>\$ 341,423</u>

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

**Institute of International Education, Inc. and Affiliate**  
**Consolidated Statements of Activities**  
**For the years ended September 30, 2010 and 2009**

(in thousands)

	2010				2009			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
<b>Revenues</b>								
Sponsored programs	\$ 289,154	\$ -	\$ -	\$ 289,154	\$ 300,016	\$ -	\$ -	\$ 300,016
Contributions	933	18,974	-	19,907	1,127	38,348	1,617	41,092
Investment return	3,373	12,688	148	16,209	369	11,598	(47)	11,920
Sales of publications	536	-	-	536	301	-	-	301
Special events								
Contributions	1,315	-	-	1,315	1,154	-	-	1,154
Direct costs	(206)	-	-	(206)	(128)	-	-	(128)
Net revenues from special events	1,109	-	-	1,109	1,026	-	-	1,026
Membership fees	142	-	-	142	432	-	-	432
Other revenue	241	-	-	241	270	-	-	270
	295,488	31,662	148	327,298	303,541	49,946	1,570	355,057
Net assets released from restrictions	53,826	(53,826)	-	-	61,538	(61,538)	-	-
Total revenues	349,314	(22,164)	148	327,298	365,079	(11,592)	1,570	355,057
<b>Expenses</b>								
Program services								
International exchange of students and scholars	211,341	-	-	211,341	209,438	-	-	209,438
Leadership development educational services	57,223	-	-	57,223	54,335	-	-	54,335
Higher education institutional development	21,794	-	-	21,794	32,516	-	-	32,516
Emergency student and scholar assistance	5,825	-	-	5,825	4,375	-	-	4,375
Research and publications	1,002	-	-	1,002	1,109	-	-	1,109
International Fellowships Program	38,314	-	-	38,314	43,364	-	-	43,364
Total program services	335,499	-	-	335,499	345,137	-	-	345,137
Supporting services								
Management and general	11,174	-	-	11,174	10,019	-	-	10,019
Fund raising	1,134	-	-	1,134	1,535	-	-	1,535
Total supporting services	12,308	-	-	12,308	11,554	-	-	11,554
Total expenses	347,807	-	-	347,807	356,691	-	-	356,691
(Decrease) increase in net assets	1,507	(22,164)	148	(20,509)	8,388	(11,592)	1,570	(1,634)
Net assets, beginning of year	40,898	174,920	6,358	222,176	32,509	186,512	4,788	223,809
Net assets, end of year	\$ 42,405	\$ 152,756	\$ 6,506	\$ 201,667	\$ 40,897	\$ 174,920	\$ 6,358	\$ 222,175

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

**Institute of International Education, Inc. and Affiliate**  
**Consolidated Statements of Functional Expenses**  
**For the year ended September 30, 2010**

(in thousands)

	2010										
	Program Services							Supporting Services			
	International Exchange of Students and Scholars	Leadership Development Educational Services	Higher Education Institutional Development	Emergency Student and Scholar Assistance	Research and Publications	International Fellowships Program	Total Program Services	Management and General	Fund Raising	Total Supporting Services	Total
<b>Grantee expenses</b>											
Grantee stipends and grants	\$ 95,207	\$ 39,479	\$ 2,965	\$ 177	\$ 127	\$ 38,314	\$ 176,269	\$ -	\$ -	\$ -	\$ 176,269
Tuition, books and fees	44,017	5,053	4,494	1,640	-	-	55,204	-	-	-	55,204
Enrichment programs	9,528	2,114	1,630	699	12	-	13,983	-	-	-	13,983
Grantee travel	12,984	2,023	968	410	7	-	16,392	-	-	-	16,392
Grantee health insurance	477	2	5	46	-	-	530	-	-	-	530
Other	3,688	865	1,351	71	4	-	5,979	-	-	-	5,979
	<u>165,901</u>	<u>49,536</u>	<u>11,413</u>	<u>3,043</u>	<u>150</u>	<u>38,314</u>	<u>268,357</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>268,357</u>
<b>Institute expenses</b>											
Employee salaries and benefits	28,919	4,953	6,475	1,757	394	-	42,498	4,123	645	4,768	47,266
Occupancy	5,697	1,060	1,316	341	91	-	8,505	1,436	126	1,562	10,067
Travel, receptions and benefits	1,654	320	552	159	53	-	2,738	358	75	433	3,171
Communication	1,955	348	399	131	71	-	2,904	421	117	538	3,442
Technology	5,750	822	1,377	318	197	-	8,464	2,137	124	2,261	10,725
Other	1,465	184	262	76	46	-	2,033	2,699	47	2,746	4,779
	<u>45,440</u>	<u>7,687</u>	<u>10,381</u>	<u>2,782</u>	<u>852</u>	<u>-</u>	<u>67,142</u>	<u>11,174</u>	<u>1,134</u>	<u>12,308</u>	<u>79,450</u>
Total	<u>\$ 211,341</u>	<u>\$ 57,223</u>	<u>\$ 21,794</u>	<u>\$ 5,825</u>	<u>\$ 1,002</u>	<u>\$ 38,314</u>	<u>\$ 335,499</u>	<u>\$ 11,174</u>	<u>\$ 1,134</u>	<u>\$ 12,308</u>	<u>\$ 347,807</u>

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

**Institute of International Education, Inc. and Affiliate**  
**Consolidated Statements of Functional Expenses**  
**For the year ended September 30, 2009**

(in thousands)

	2009										
	Program Services						Supporting Services				
	International Exchange of Students and Scholars	Leadership Development Educational Services	Higher Education Institutional Development	Emergency Student and Scholar Assistance	Research and publications	International Fellowships Program	Total Program Services	Management and General	Fund Raising	Total Supporting Services	Total
<b>Grantee expenses</b>											
Grantee stipends and grants	\$ 88,650	\$ 37,600	\$ 7,292	\$ 113	\$ 8	\$ 43,364	\$ 177,027	\$ -	\$ -	\$ -	\$ 177,027
Tuition, books and fees	45,441	5,269	7,350	1,389	-	-	59,449	-	-	-	59,449
Enrichment programs	11,314	1,941	2,992	210	32	-	16,489	-	-	-	16,489
Grantee travel	13,483	1,313	1,018	268	-	-	16,082	-	-	-	16,082
Grantee health insurance	505	-	21	39	-	-	565	-	-	-	565
Other	5,785	394	2,106	244	20	-	8,549	-	-	-	8,549
	<u>165,178</u>	<u>46,517</u>	<u>20,779</u>	<u>2,263</u>	<u>60</u>	<u>43,364</u>	<u>278,161</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>278,161</u>
<b>Institute expenses</b>											
Employee salaries and benefits	27,307	4,194	6,851	1,600	424	-	40,376	3,082	1,043	4,125	44,501
Occupancy	5,410	929	1,415	189	103	-	8,046	1,761	104	1,865	9,911
Travel, receptions and benefits	1,526	443	1,023	63	79	-	3,134	251	155	406	3,540
Communication	2,418	334	614	105	130	-	3,601	887	99	986	4,587
Technology	6,266	1,206	1,461	155	183	-	9,271	1,368	92	1,460	10,731
Other	1,333	712	373	-	130	-	2,548	2,670	42	2,712	5,260
	<u>44,260</u>	<u>7,818</u>	<u>11,737</u>	<u>2,112</u>	<u>1,049</u>	<u>-</u>	<u>66,976</u>	<u>10,019</u>	<u>1,535</u>	<u>11,554</u>	<u>78,530</u>
<b>Total</b>	<u>\$ 209,438</u>	<u>\$ 54,335</u>	<u>\$ 32,516</u>	<u>\$ 4,375</u>	<u>\$ 1,109</u>	<u>\$ 43,364</u>	<u>\$ 345,137</u>	<u>\$ 10,019</u>	<u>\$ 1,535</u>	<u>\$ 11,554</u>	<u>\$ 356,691</u>

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

**Institute of International Education, Inc. and Affiliate**  
**Consolidated Statements of Cash Flows**  
**For the years ended September 30, 2010 and 2009**

---

(in thousands)

	2010	2009
<b>Cash flows from operating activities</b>		
(Decrease) increase in net assets	\$ (20,509)	\$ (1,634)
Adjustments to reconcile decrease in net assets to net cash used in operating activities		
Depreciation and amortization	3,437	3,125
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	(2,394)	11,336
Net unrealized (gain) on investments	(5,106)	(13,203)
Change in operating assets and liabilities		
Reimbursable expenditures under contracts in progress	(6,374)	(2,957)
Contributions receivable, net	367	8,023
Prepaid expenses and other assets	(2,894)	4,518
Grants payable	(622)	2,971
Accounts payable and accrued expenses	(66)	5,070
Sponsored funds received in advance	3,013	(29,931)
Net cash used in operating activities	<u>(31,359)</u>	<u>(12,893)</u>
<b>Cash flows from investing activities</b>		
Purchase of investments	(45,740)	(147,841)
Proceeds from sale of investments	63,707	158,779
Purchase of fixed assets	(3,678)	(3,077)
Use of restricted cash	(91)	(109)
Net cash provided by investing activities	<u>14,198</u>	<u>7,752</u>
<b>Cash flows from financing activities</b>		
Payment of bonds payable	<u>(380)</u>	<u>(360)</u>
Net cash used in financing activities	<u>(380)</u>	<u>(360)</u>
Net increase in cash and cash equivalents	(17,541)	(5,501)
<b>Cash and cash equivalents</b>		
Beginning of year	<u>40,867</u>	<u>46,368</u>
End of year	<u>\$ 23,326</u>	<u>\$ 40,867</u>
<b>Supplemental information</b>		
Cash paid for interest	<u>\$ 789</u>	<u>\$ 796</u>

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



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

## **Notes to Consolidated Financial Statements**

### **September 30, 2010 and 2009**

---

*(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") 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. The Institute is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code, and has been classified as an organization which is not a private foundation under Section 509(a).

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 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.

##### **International Fellowships Fund, Inc.**

In February 2001, the Institute created and incorporated in the State of Delaware the Fund. The Fund is a not-for-profit organization exempt from federal income taxes under Section 501(c) (3) of the U.S. Internal Revenue Code and is designated as a Type 1 supporting organization of the Institute. 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.

In 2007, the length of this grant and all subsequent grants to the Fund from the Ford Foundation was extended through September 30, 2014. As a result, there was an additional \$75 million in funding to the Fund that will be recognized as revenue upon receipt and as conditions within the grant extension agreement are met. Any unspent funds after this period revert 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 comprises one member of the Institute's management, three members of the Institute's Board of Trustees, and three members of the Ford Foundation. The Fund is controlled by the Institute and exists for the benefit of the Institute.

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.

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

## **Notes to Consolidated Financial Statements**

### **September 30, 2010 and 2009**

---

*(in thousands)*

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 \$1,781 and \$1,972 for the years ended September 30, 2010 and 2009, respectively.

Of the \$75 million in additional conditional grants, as previously noted, the Fund has received a total of \$60 million to date in increments of \$15 million during fiscal years 2006, 2007, 2009 and 2010.

## **2. Summary of Significant Accounting Policies**

### **Basis of Presentation**

IIE is required 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 accomplished, 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 fulfill 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.

### **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.

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

## **Notes to Consolidated Financial Statements**

### **September 30, 2010 and 2009**

---

*(in thousands)*

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.

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

Reimbursable expenditures under contracts in progress represent bona fide receivables in which IIE has earned revenue primarily on government contracts.

#### **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 expense on fixed assets for fiscal years 2010 and 2009 was \$3,437 and \$3,125, 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 2010 and 2009, distributions from these trusts in the amount of \$91 and \$109, respectively, were recorded as temporarily restricted contributions.

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

Sponsored funds received in advance represent bona fide advance payments in which IIE has not yet earned revenue as stated in the agreements.

#### **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 2010 and 2009 under the provisions of this defined contribution plan were \$2,614 and \$2,344, respectively.

#### **Functional Allocation**

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

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

## **Notes to Consolidated Financial Statements**

### **September 30, 2010 and 2009**

---

*(in thousands)*

#### **Volunteer Services/In-Kind Contributions**

Contributed time from volunteers with specialized skills and contributed property are reflected as contributions revenue at their estimated market value as permitted by accounting principles generally accepted in the United States of America.

#### **Fair Value of Financial Instruments**

The carrying value of cash equivalents, receivables, payables and deferred income approximate fair values as of September 30 due to relative short maturities.

#### **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. 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 there can be no assurance that IIE will be able to realize the value of such investments in a timely manner.

#### *Property and equipment*

Property and equipment 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 managements' 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.

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

## **Notes to Consolidated Financial Statements**

### **September 30, 2010 and 2009**

---

*(in thousands)*

IIE periodically evaluates the estimated recoverability of its long lived assets, including property and equipment and intangible assets, such as computer software, 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 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 Non-Profit Organizations", that prescribes the cost accounting policies associated with the administration of Federal awards by non-profit organizations.

#### **Reclassifications**

Some prior year amounts have been reclassified for comparative purposes.

### **3. Contributions Receivable, Net**

Contributions receivable at September 30, 2010 and 2009 were \$1,883 and \$2,250 respectively. These balances are due in less than one year and therefore have not been discounted.

### **4. Recent Accounting Pronouncements**

In October 2009, IIE adopted ASU 2009-12 that adds disclosures and provides guidance for estimating the fair value of investments in investment companies that calculate Net Asset Value per share (NAV). The NAV per share to be used as a practical proxy for fair value where investment companies follow the American Institute of Certified Public Accountants (AICPA) Guide in arriving at their reported NAV.

In January 2010, IIE adopted ASU No. 2010-06 to require additional disclosures. The guidance requires entities to disclose transfers of assets in and out of Level 1 and 2 of the fair value hierarchy and reasons for those transfers. ASU 2010-06 is effective January 2010. In addition, the guidance requires separate presentation of purchases and sales in the Level 3 asset reconciliations; this is effective January 2011. The adoption of this guidance is not expected to have a material impact on IIE's financial statements.

### **5. Valuation of Investments**

Effective October 1, 2008, IIE adopted Fair Value Accounting, which defined fair value as the price that would be received to sell an asset or paid to transfer a liability in the principal market for the asset or liability, in the absence of a principal market, the most advantageous market for the asset or liability, in an orderly transaction between market participants at the measurement date.

GAAP established 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: Level 1 – Quotes market prices; Level 2 – Inputs other than Level 1; Level 3 – Unobservable inputs developed using estimates.

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

## **Notes to Consolidated Financial Statements**

### **September 30, 2010 and 2009**

---

*(in thousands)*

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.
- 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.

IIE invests in two fund of fund investment partnerships. The value of these funds are determined by the general partner of each fund and evaluated by management to ensure these investments represent a reasonable approximation of fair value as of September 30, 2010 and 2009.

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 principals of an investment company under GAAP.

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 the prior year, these investments were categorized as Level 3 due to a one-year redemption period. This commitment period expired during the current year resulting in a redemption period of 90 days. The improved liquidity for these investments entitles IIE to classify these investments as Level 2. As a result, IIE does not have any Level 3 investments in the current year.

**Institute of International Education, Inc. and Affiliate**  
**Notes to Consolidated Financial Statements**  
**September 30, 2010 and 2009**

(in thousands)

The following table summarizes the valuation of IIE's investments by the fair value hierarchy levels:

(\$ in thousands)

	As of September 30, 2010		
	Level 1	Level 2	Total
		Other	
	Quoted Prices	Significant Observable	
Cash equivalents	\$ 785	\$ -	\$ 785
Short-term investment funds	11,607	-	11,607
Equity securities			
US	25,635	-	25,635
International	6,046	17,694	23,740
Commodities	8,481	-	8,481
Debt securities			
Government bonds	32,147	2,944	35,091
Corporate bonds	79,810	12,386	92,196
Commerical paper		9	9
Bond funds	10,789	3,156	13,945
Mortgage-backed securities			
Government	-	3,838	3,838
Corporate	-	4,302	4,302
Asset-backed securities	-	1,714	1,714
Limited Partnerships	-	10,077	10,077
Total investments	\$ 175,300	\$ 56,120	\$ 231,420

The following table summarizes the valuation of IIE's investments by the fair value hierarchy levels:

(\$ in thousands)

	As of September 30, 2009		
	Level 1	Level 2	Level 3
		Other	
	Quoted Prices	Significant Observable	Significant Unobservable
Cash equivalents	\$ 1,454	\$ -	\$ -
Short-term investment funds	10,455	-	-
Equity securities	28,425	25,528	-
Debt securities	118,455	26,844	-
Mortgage-backed securities	-	23,035	-
Asset-backed securities	-	1,613	-
Limited Partnerships	-	-	9,244
Total investments	\$ 158,789	\$ 77,020	\$ 9,244

**Institute of International Education, Inc. and Affiliate**  
**Notes to Consolidated Financial Statements**  
**September 30, 2010 and 2009**

---

(in thousands)

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, 2010.

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

	2010	2009
<b>The Institute</b>		
Interest and dividends	\$ 2,303	\$ 2,076
Net realized gains (losses)	(566)	(1,332)
Net unrealized gains (losses) and other	6,344	1,613
	<u>8,081</u>	<u>2,357</u>
Less - Investment management fees	<u>(192)</u>	<u>(256)</u>
Total investment return	<u>7,889</u>	<u>2,101</u>
<b>The Fund</b>		
Interest and dividends	6,776	8,383
Net realized gains	2,960	(10,004)
Net unrealized gains	(1,238)	11,590
	<u>8,498</u>	<u>9,969</u>
Less - Investment management fees	<u>(178)</u>	<u>(150)</u>
	<u>8,320</u>	<u>9,819</u>
Total investment return	<u>\$ 16,209</u>	<u>\$ 11,920</u>



**Institute of International Education, Inc. and Affiliate**  
**Notes to Consolidated Financial Statements**  
**September 30, 2010 and 2009**

---

(in thousands)

**6. Fixed Assets, Net**

Fixed assets as of September 30 consist of the following:

	<b>Estimated Useful Lives</b>	<b>Asset Value 2010</b>	<b>Asset Value 2009</b>
Building	30 Years	\$ 19,005	\$ 18,896
Furniture	7 Years	2,880	2,773
Equipment	2-4 Years	5,449	4,772
Software development costs	3-7 Years	15,561	12,480
Leasehold improvements	3-25 Years	8,877	8,718
Construction in progress		-	455
		<u>51,772</u>	<u>48,094</u>
Less - Accumulated depreciation		<u>(23,792)</u>	<u>(20,355)</u>
		27,980	27,739
Less - Unamortized deferred credit		<u>(5,000)</u>	<u>(5,238)</u>
Total fixed assets, net		<u>\$ 22,980</u>	<u>\$ 22,501</u>

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.

**7. Bonds Payable, Net**

Bonds payable as of September 30 consist of the following:

	<b>2010</b>	<b>2009</b>
Series 2001 bonds	\$ 14,535	\$ 14,915
Less - Unamortized discount on Series 2001 bonds	<u>(239)</u>	<u>(250)</u>
Total bonds payable, net	<u>\$ 14,296</u>	<u>\$ 14,665</u>

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

## **Notes to Consolidated Financial Statements**

### **September 30, 2010 and 2009**

---

*(in thousands)*

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 \$142 and \$126 at September 30, 2010 and 2009, respectively are included in prepaid expenses and other assets.

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. 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, 2010 was \$16,830. 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 year**

2011	\$	400
2012		420
2013		440
2014		465
2015		485
Thereafter		<u>12,325</u>
Total bonds payable		14,535
Less - Unamortized discounts		<u>(239)</u>
Total bonds payable, net	\$	<u>14,296</u>

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

**Institute of International Education, Inc. and Affiliate**  
**Notes to Consolidated Financial Statements**  
**September 30, 2010 and 2009**

---

(in thousands)

**8. Grants Payable**

Grants payable at September 30 consisted of the following:

	2010	2009
Amounts payable in less than one year	\$ 36,045	\$ 35,997
Amounts payable in one to five years	<u>13,807</u>	<u>14,505</u>
Total grants payable	<u>\$ 49,852</u>	<u>\$ 50,502</u>

**9. Temporarily Restricted Net Assets**

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

	2010	2009
International fellowships	\$ 92,319	\$ 112,174
International exchange of students and scholars	<u>60,437</u>	<u>62,746</u>
Total temporarily restricted net assets	<u>\$ 152,756</u>	<u>\$ 174,920</u>

Temporarily restricted net assets were released from restrictions for the years ended September 30, 2010 and 2009 for the following purposes:

	2010	2009
International fellowships	\$ 43,175	\$ 47,516
International exchange of students and scholars	<u>10,651</u>	<u>14,022</u>
Total net assets released from restrictions	<u>\$ 53,826</u>	<u>\$ 61,538</u>

**10. Permanently Restricted Net Assets**

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

	2010	2009
Beneficial interests in perpetual trusts held by third parties	\$ 2,979	\$ 2,831
Endowment funds, investment return restricted to international exchange of students and scholars	<u>3,527</u>	<u>3,527</u>
Total permanently restricted net assets	<u>\$ 6,506</u>	<u>\$ 6,358</u>

**11. Endowment Net Assets**

In August 2008, the FASB issued guidance on the net asset classification of donor-restricted endowment funds for a not-for-profit organization that is subject to an enacted version of the

**Institute of International Education, Inc. and Affiliate**  
**Notes to Consolidated Financial Statements**  
**September 30, 2010 and 2009**

---

*(in thousands)*

Uniform Prudent Management of Institutional Funds Act of 2006 (UPMIFA). On September 17, 2010, New York State adopted UPMIFA and the disclosure requirements under GAAP became applicable.

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 is twofold: to 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 to 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 vary from this amount.

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 UPMIFA.

**Institute of International Education, Inc. and Affiliate**  
**Notes to Consolidated Financial Statements**  
**September 30, 2010 and 2009**

---

(in thousands)

At September 30, 2010, the endowment net asset composition by type of fund consisted of the following:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Donor restricted funds				
Scholarships and professional development	\$ -	\$ -	\$ 2,162	\$ 2,162
Scholar rescue fund	-	20,118	1,365	21,483
Fulbright legacy fund	-	3,228	-	3,228
International fellowships funds	-	88,767	-	88,767
Other donor restricted funds	-	25,463	-	25,463
Board designated funds				
Fulbright legacy fund	4,632	-	-	4,632
Scholar rescue fund	1,323	-	-	1,323
Andrew heiskell endowment	257	-	-	257
Total endowments	<u>6,212</u>	<u>137,576</u>	<u>3,527</u>	<u>147,315</u>

At September 30, 2009, the endowment net asset composition by type of fund consisted of the following:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Donor restricted funds				
Scholarships and professional development	\$ -	\$ -	\$ 2,162	\$ 2,162
Scholar rescue fund	-	17,865	1,365	19,230
Fulbright legacy fund	-	3,149	-	3,149
International fellowships funds	-	108,896	-	108,896
Other donor restricted funds	-	24,672	-	24,672
Board designated funds				
Fulbright legacy fund	4,218	-	-	4,218
Scholar rescue fund	1,239	-	-	1,239
Andrew heiskell endowment	246	-	-	246
Total endowments	<u>\$ 5,703</u>	<u>\$ 154,582</u>	<u>\$ 3,527</u>	<u>\$ 163,812</u>

**Institute of International Education, Inc. and Affiliate**  
**Notes to Consolidated Financial Statements**  
**September 30, 2010 and 2009**

(in thousands)

Changes in endowment net assets for the year ended September 30, 2010 and 2009 consisted of the following:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Endowment net assets, September 30. 2008	\$ 2,500	\$ 175,574	1910	\$ 179,984
Investment return				
Investment income, net of fees	74	9,585	-	9,659
Realized gains (losses)	(13)	(11,288)	-	(11,301)
Unrealized gains (losses)	895	12,922	-	13,817
Total investment gains (loss)	956	11,219	-	12,175
Contributions	2,263	17,992	1,617	21,872
Appropriation of endowment assets used for expenditures	(16)	(50,204)	-	(50,220)
Endowment net assets, September 30. 2009	<u>\$ 5,703</u>	<u>\$ 154,581</u>	<u>\$ 3,527</u>	<u>\$ 163,811</u>
Investment return				
Investment income, net of fees	118	7,986	-	8,104
Realized gains (losses)	(66)	2,796	-	2,730
Unrealized gains (losses)	506	1,873	-	2,379
Total investment gains (loss)	558	12,655	-	13,213
Contributions	-	16,504	-	16,504
Appropriation of endowment assets used for expenditures	(49)	(46,164)	-	(46,213)
Endowment net assets, September 30. 2010	<u>\$ 6,212</u>	<u>\$ 137,576</u>	<u>\$ 3,527</u>	<u>\$ 147,315</u>

**12. Sponsored Program Revenue**

Sponsored program revenue for fiscal years 2010 and 2009 was derived from the following major sponsor categories:

	<b>2010</b>	<b>2009</b>
U.S. government agencies	\$ 202,564	\$ 189,693
Foundations and research organizations	48,279	56,402
Corporations	22,664	19,074
Foreign governments and international organizations	15,647	34,847
Total sponsored program revenue	<u>\$ 289,154</u>	<u>\$ 300,016</u>

**Institute of International Education, Inc. and Affiliate**  
**Notes to Consolidated Financial Statements**  
**September 30, 2010 and 2009**

---

(in thousands)

**13. Commitments and Contingencies**

Uncertain Income Tax Positions

As of October 1, 2008, IIE adopted guidance related to the Accounting for Uncertainty in Income Taxes. Based on analysis, IIE has determined that its adoption did not have an impact on the financial statements in 2009, but will review annually to ensure there are no adjustments necessary.

Operating Leases

Rental expense was \$4,879 and \$5,656 for the years ended September 30, 2010 and 2009, respectively. IIE leases space for certain domestic and overseas offices on a non-cancelable, 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, 2010:

**Fiscal year**

2011	\$	3,520
2012		3,070
2013		3,016
2014		3,005
2015		2,372
Thereafter		2,632
	\$	<u>17,615</u>

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 statements.

IIE receives funding from governmental agencies for various activities which are subject to audit. Currently, IIE is responding to an inquiry by the U.S. government in relation to IIE's compliance with certain federal reimbursement regulations. The ultimate outcome of such possible audits and this inquiry may result in amounts due the U.S. government, which would be absorbed by IIE. In IIE's opinion such amounts, if any, would not have a significant effect on the financial condition, changes in net assets or cash flows of IIE.

**14. Subsequent events**

IIE has performed an evaluation of subsequent events through January 26, 2011, which is the date the consolidated 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 consolidated financial statements.



## Report of Independent Auditors on Supplemental Schedule

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

Our audit was conducted for the purpose of forming an opinion on the basic consolidated financial statements of Institute of International Education, Inc. and Affiliate ("IIE") taken as a whole. The supplemental consolidating statement of financial position and statement of activity as of September 30, 2010 are presented for purposes of additional analysis and are not a required part of IIE's basic consolidated financial statements. Accordingly, we do not express our opinion on the financial position of the individual entities and statement of activities. However, the consolidating information and statement of activities has been subjected to the auditing procedures applied in the audit of the basic consolidated financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic consolidated financial statements taken as a whole.

*PricewaterhouseCoopers LLP*

January 26, 2011



**Institute of International Education, Inc. and Affiliate**  
**Consolidating Statement of Financial Position**  
**As of September 30, 2010**

	2010				2009			
	IIE	IFF	Elimination Entries	Consolidated Statements	IIE	IFF	Elimination Entries	Consolidated Statements
<b>Assets</b>								
Cash and cash equivalents	\$ 23,272	\$ 54	\$ -	\$ 23,326	\$ 39,035	\$ 1,832	\$ -	\$ 40,867
Reimbursable expenditures under contracts in progress	30,261	-	-	30,261	24,161	-	(274)	23,887
Contributions receivable, net	1,883	-	-	1,883	2,250	-	-	2,250
Investments, at fair value	93,735	137,685	-	231,420	84,300	160,753	-	245,053
Prepaid expenses and other assets	5,689	1,223	-	6,912	4,034	-	-	4,034
Fixed assets, net	22,980	-	-	22,980	22,501	-	-	22,501
Beneficial interest in perpetual trusts held by third parties	2,979	-	-	2,979	2,831	-	-	2,831
Total assets	<u>\$ 180,799</u>	<u>\$ 138,962</u>	<u>\$ -</u>	<u>\$ 319,761</u>	<u>\$ 179,112</u>	<u>\$ 162,585</u>	<u>\$ (274)</u>	<u>\$ 341,423</u>
<b>Liabilities and Net Assets</b>								
Payable for investments purchased	\$ -	\$ 8	\$ -	8	\$ -	\$ 3,117	\$ -	3,117
Grants payable	-	49,852	28	49,880	-	50,090	412	50,502
Accounts payable and accrued expenses	17,171	335	-	17,506	17,089	483	-	17,572
Sponsored funds received in advance	39,984	-	(3,580)	36,404	37,357	-	(3,966)	33,391
Bonds payable, net	14,296	-	-	14,296	14,665	-	-	14,665
Total liabilities	<u>71,451</u>	<u>50,195</u>	<u>(3,552)</u>	<u>118,094</u>	<u>69,111</u>	<u>53,690</u>	<u>(3,554)</u>	<u>119,247</u>
Commitments and contingencies								
Net assets								
Unrestricted								
Board designated	6,212	-	-	6,212	5,703	-	-	5,703
Undesignated, available for general operations	36,193	-	-	36,193	35,194	-	-	35,194
Total unrestricted net assets	42,405	-	-	42,405	40,897	-	-	40,897
Temporarily restricted	60,437	88,767	3,552	152,756	62,746	108,895	3,279	174,920
Permanently restricted	6,506	-	-	6,506	6,358	-	-	6,358
Total net assets	<u>109,348</u>	<u>88,767</u>	<u>3,552</u>	<u>201,667</u>	<u>110,001</u>	<u>108,895</u>	<u>3,279</u>	<u>222,175</u>
Total liabilities and net assets	<u>\$ 180,799</u>	<u>\$ 138,962</u>	<u>\$ -</u>	<u>\$ 319,761</u>	<u>\$ 179,112</u>	<u>\$ 162,585</u>	<u>\$ (275)</u>	<u>\$ 341,422</u>

**Institute of International Education, Inc. and Affiliate**  
**Consolidating Statement of Activities**  
**As of September 30, 2010**

	IIE 2010				IFF 2010				Eliminations 2010				Consolidated 2010			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
<b>Revenues</b>																
Sponsored programs	\$ 322,580	\$ -	\$ -	\$ 322,580	\$ -	\$ -	\$ -	\$ -	\$ (33,426)	\$ -	\$ -	\$ (33,426)	\$ 289,154	\$ -	\$ -	\$ 289,154
Contributions	933	3,974	-	4,907	-	15,000	-	15,000	-	-	-	-	933	18,974	-	19,907
Investment return	3,373	4,368	148	7,889	-	8,320	-	8,320	-	-	-	-	3,373	12,688	148	16,209
Sales of publications	536	-	-	536	-	-	-	-	-	-	-	-	536	-	-	536
Special events																
Contributions	1,315	-	-	1,315	-	-	-	-	-	-	-	-	1,315	-	-	1,315
Direct costs	(206)	-	-	(206)	-	-	-	-	-	-	-	-	(206)	-	-	(206)
Net revenues from special events	1,109	-	-	1,109	-	-	-	-	-	-	-	-	1,109	-	-	1,109
Membership fees	142	-	-	142	-	-	-	-	-	-	-	-	142	-	-	142
Other revenue	241	-	-	241	-	-	-	-	-	-	-	-	241	-	-	241
	328,914	8,342	148	337,404	-	23,320	-	23,320	(33,426)	-	-	(33,426)	295,488	31,662	148	327,298
Net assets released from restrictions	10,651	(10,651)	-	-	43,448	(43,448)	-	-	(273)	273	-	-	53,826	(53,826)	-	-
Total revenues	339,565	(2,309)	148	337,404	43,448	(20,128)	-	23,320	(33,699)	273	-	(33,426)	349,314	(22,164)	148	327,298
<b>Expenses</b>																
Program services																
International exchange of students and scholars	242,207	-	-	242,207	-	-	-	-	(30,866)	-	-	(30,866)	211,341	-	-	211,341
Leadership development educational services	57,223	-	-	57,223	-	-	-	-	-	-	-	-	57,223	-	-	57,223
Higher education institutional development	21,794	-	-	21,794	-	-	-	-	-	-	-	-	21,794	-	-	21,794
Emergency student and scholar assistance	5,825	-	-	5,825	-	-	-	-	-	-	-	-	5,825	-	-	5,825
Research and publications	1,002	-	-	1,002	-	-	-	-	-	-	-	-	1,002	-	-	1,002
International Fellowships Program	-	-	-	-	41,146	-	-	41,146	(2,832)	-	-	(2,832)	38,314	-	-	38,314
Total program services	328,051	-	-	328,051	41,146	-	-	41,146	(33,698)	-	-	(33,698)	335,499	-	-	335,499
Supporting services																
Management and general	8,872	-	-	8,872	2,302	-	-	2,302	-	-	-	-	11,174	-	-	11,174
Fund raising	1,134	-	-	1,134	-	-	-	-	-	-	-	-	1,134	-	-	1,134
Total supporting services	10,006	-	-	10,006	2,302	-	-	2,302	-	-	-	-	12,308	-	-	12,308
Total expenses	338,057	-	-	338,057	43,448	-	-	43,448	(33,698)	-	-	(33,698)	347,807	-	-	347,807
(Decrease) increase in net assets	1,508	(2,309)	148	(653)	-	(20,128)	-	(20,128)	(1)	273	-	272	1,507	(22,164)	148	(20,509)
Net assets, beginning of year	40,897	62,746	6,358	110,001	-	108,895	-	108,895	1	3,279	-	3,280	40,898	174,920	6,358	222,176
Net assets, end of year	\$ 42,405	\$ 60,437	\$ 6,506	\$ 109,348	\$ -	\$ 88,767	\$ -	\$ 88,767	\$ -	\$ 3,552	\$ -	\$ 3,552	\$ 42,405	\$ 152,756	\$ 6,506	\$ 201,667