

# Return of Organization Exempt From Income Tax

Under section 501(c) of the Internal Revenue Code (except black lung benefit trust or private foundation), section 527, or section 4947(a)(1) nonexempt charitable trust

OMB No 1545 0047

**2000**

**Open to Public Inspection**

Department of the Treasury  
Internal Revenue Service

▶ The organization may have to use a copy of this return to satisfy state reporting requirements

**A** For the 2000 calendar year, or tax year period beginning **October 1**, 2000, and ending **September 30**, 20 01

- B** Check if applicable:
- Change of address
  - Change of name
  - Initial return
  - Final return
  - Amended return

Please use IRS label or print or type See Specific Instructions	C Name of organization <b>INSTITUTE OF INTERNATIONAL EDUCATION</b>		D Employer identification number <b>13 1624046</b>
	Number and street (or P O box if mail is not delivered to street address) Room/suite <b>809 UNITED NATIONS PLAZA</b>		E Telephone number <b>( 212 ) 883-8200</b>
	City or town state or country and ZIP code <b>NEW YORK, NY 10017</b>		F Check <input type="checkbox"/> if application pending

**G** Organization type (check only one) ▶  501(c) ( 3 ) ◀ (insert no)  527 or  4947(a)(1)

• Section 501(c)(3) organizations and 4947(a)(1) nonexempt charitable trusts must attach a completed Schedule A (Form 990 or 990-EZ)

**J** Accounting method  Cash  Accrual  Other (specify) ▶

**K** Check here  if the organization's gross receipts are normally not more than \$25 000. The organization need not file a return with the IRS but if the organization received a Form 990 Package in the mail it should file a return without financial data. Some states require a complete return

- Note: H and I are not applicable to section 527 orgs
- H(a) Is this a group return for affiliates?  Yes  No
- H(b) If "Yes" enter number of affiliates ▶
- H(c) Are all affiliates included?  Yes  No (If "No" attach a list. See inst.)
- H(d) Is this a separate return filed by an organization covered by a group ruling?  Yes  No
- I Enter 4 digit group exemption no. (GEN) ▶
- L Check this box if the organization is not required to attach Schedule B (Form 990 or 990-EZ) ▶

**Part I Revenue, Expenses, and Changes in Net Assets or Fund Balances** (See Specific Instructions on page 16.)

Revenue	1	Contributions, gifts, grants, and similar amounts received		14,355,536			
		a	Direct public support	1a			
		b	Indirect public support	1b	148,315,832		
		c	Government contributions (grants)	1c	155,701		
		d	Total (add lines 1a through 1c) (cash \$ _____ noncash \$ _____)	1d	162,827,069		
		2	Program service revenue including government fees and contracts (from Part VII, line 93)	2	4,319,234		
		3	Membership dues and assessments	3	259,076		
		4	Interest on savings and temporary cash investments	4	1,389,733		
		5	Dividends and interest from securities	5	593,953		
		6a	Gross rents	6a	0		
		b	Less rental expenses	6b	0		
		c	Net rental income or (loss) (subtract line 6b from line 6a)	6c	0		
	7	Other investment income (describe ▶)	7	0			
	8a	Gross amount from sales of assets other than inventory	(A) Securities	39,573,278	(B) Other		
	b	Less cost or other basis and sales expenses	8a		8b		
	c	Gain or (loss) (attach schedule)	8c		8c		
	d	Net gain or (loss) (combine line 8c, columns (A) and (B))	8d	758,776			
	9	Special events and activities (attach schedule)					
	a	Gross revenue (not including \$ _____ of contributions reported on line 1a)	9a	1,175,780			
	b	Less direct expenses other than fundraising expenses	9b	118,782			
	c	Net income or (loss) from special events (subtract line 9b from line 9a)	9c	1,056,998			
	10a	Gross sales of inventory, less returns and allowances	10a				
	b	Less cost of goods sold	10b				
	c	Gross profit or (loss) from sales of inventory (attach schedule) (subtract line 10b from line 10a)	10c	0			
	11	Other revenue (from Part VII, line 103)	11	171,575			
	12	Total revenue (add lines 1d, 2, 3, 4, 5, 6c, 7, 8d, 9c, 10c, and 11)	12	171,376,414			
Expenses	13	Program services (from line 44, column (B))	13	158,237,675			
	14	Management and general (from line 44, column (C))	14	5,594,720			
	15	Fundraising (from line 44, column (D))	15	1,047,682			
	16	Payments to affiliates (attach schedule)	16	0			
	17	Total expenses (add lines 13 and 14, column (A))	17	164,880,077			
Net Assets	18	Excess or (deficit) for the year (subtract line 17 from line 12)	18	6,496,337			
	19	Net assets or fund balances at beginning of year (from line 73, column (A))	19	58,448,406			
	20	Other changes in net assets or fund balances (attach explanation)	20	1,455,796			
	21	Net assets or fund balances at end of year (combine lines 18, 19, and 20)	21	66,400,539			

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**Part II Statement of Functional Expenses**

All organizations must complete column (A). Columns (B), (C), and (D) are required for section 501(c)(3) and (4) organizations and section 4947(a)(1) nonexempt charitable trusts but optional for others. (See Specific Instructions on page 20.)

Do not include amounts reported on line 6b, 8b, 9b, 10b, or 16 of Part I		(A) Total	(B) Program services	(C) Management and general	(D) Fundraising
22	Grants and allocations (attach schedule) (cash \$ _____ noncash \$ _____)	22			
23	Specific assistance to individuals (attach schedule)	23			
24	Benefits paid to or for members (attach schedule)	24			
25	Compensation of officers, directors, etc	25			
26	Other salaries and wages	26			
27	Pension plan contributions	27			
28	Other employee benefits	28			
29	Payroll taxes	29			
30	Professional fundraising fees	30	See attached Statement of functional expenses for detailed allocation of		
31	Accounting fees	31	expenses by function See Page 16		
32	Legal fees	32			
33	Supplies	33			
34	Telephone	34			
35	Postage and shipping	35			
36	Occupancy	36			
37	Equipment rental and maintenance	37	164,880,077	158,237,675	5,594,720
38	Printing and publications	38			1,047,682
39	Travel	39			
40	Conferences, conventions and meetings	40			
41	Interest	41			
42	Depreciation, depletion, etc (attach schedule)	42			
43	Other expenses (itemize) a	43a			
	b	43b			
	c	43c			
	d	43d			
	e	43e			
44	Total functional expenses (add lines 22 through 43) Organizations completing columns (B)-(D), carry these totals to lines 13-15	44	164,880,077	158,237,675	5,594,720

**Reporting of Joint Costs** Did you report in column (B) (Program services) any joint costs from a combined educational campaign and fundraising solicitation?  Yes  No  
 If "Yes" enter (i) the aggregate amount of these joint costs \$ \_\_\_\_\_, (ii) the amount allocated to Program services \$ \_\_\_\_\_, (iii) the amount allocated to Management and general \$ \_\_\_\_\_ and (iv) the amount allocated to Fundraising \$ \_\_\_\_\_

**Part III Statement of Program Service Accomplishments** (See Specific Instructions on page 23)

What is the organization's primary exempt purpose? <input checked="" type="checkbox"/> International Education & Cultural Exchange	Program Service Expenses (Required for 501(c)(3) and (4) orgs. and 4947(a)(1) trusts but optional for others)
a International Exchange of Students and Scholars See Page 33 (Grants and allocations \$ _____)	141,191,680
b Development Training and Assistance See Page 34 (Grants and allocations \$ _____)	6,764,400
c Short-Term International Visitors See Page 35 (Grants and allocations \$ _____)	4,128,193
d Education Services See Page 36 (Grants and allocations \$ _____)	4,497,213
e Other program services (attach schedule) (Grants and allocations \$ See Pages 37 & 38)	1,656,189
f Total of Program Service Expenses (should equal line 44, column (B), Program services)	158,237,675

**Part IV Balance Sheets** (See Specific Instructions on page 23 )

Note		Where required attached schedules and amounts within the description column should be for end-of year amounts only		(A) Beginning of year		(B) End of year	
Assets	45	Cash—non-interest-bearing		7,532,721	45	19,055,658	
	46	Savings and temporary cash investments		0	46	0	
	47a	47a	5,386,310	9,641,286	47c	5,386,310	
		47b	0				
	48a	48a	12,416,039	3,675,858	48c	12,416,039	
		48b	0				
	49	Grants receivable		0	49	0	
	50	Receivables from officers, directors, trustees, and key employees (attach schedule)		0	50	0	
	51a	51a	0	0	51c	0	
		51b	0				
	52	Inventories for sale or use		0	52	0	
	53	Prepaid expenses and deferred charges		415,256	53	2,344,149	
	54	Investments—securities (attach schedule) <input type="checkbox"/> Cost <input checked="" type="checkbox"/> FMV		54,675,050	54	45,855,546	
	55a	55a		0	55c	0	
		55b					
	56	Investments—other (attach schedule)		0	56	0	
	57a	57a	25,655,575	9,360,397	57c	21,261,262	
		57b	4,394,313				
	58	Other assets (describe <input type="checkbox"/> _____ )		1,634,929	58	1,102,867	
59	<b>Total assets</b> (add lines 45 through 58) (must equal line 74)		86,935,497	59	107,421,831		
Liabilities	60	Accounts payable and accrued expenses		8,197,541	60	4,969,852	
	61	Grants payable		10,712,370	61	642,499	
	62	Deferred revenue		9,577,180	62	12,806,489	
	63	Loans from officers, directors, trustees, and key employees (attach schedule)		0	63	0	
	64a	Tax-exempt bond liabilities (attach schedule)		0	64a	0	
		b	Mortgages and other notes payable (attach schedule) See page 25A		0	64b	22,602,452
	65	Other liabilities (describe <input type="checkbox"/> _____ )		0	65	0	
66	<b>Total liabilities</b> (add lines 60 through 65)		28,487,091	66	41,021,292		
Net Assets or Fund Balances	Organizations that follow SFAS 117, check here <input type="checkbox"/> and complete lines 67 through 69 and lines 73 and 74						
	67	Unrestricted		18,043,163	67	19,327,143	
	68	Temporarily restricted		35,500,666	68	42,163,622	
	69	Permanently restricted		4,904,577	69	4,909,774	
	Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 70 through 74						
	70	Capital stock, trust principal, or current funds		0	70	0	
	71	Paid-in or capital surplus, or land, building, and equipment fund		0	71	0	
	72	Retained earnings, endowment, accumulated income, or other funds		0	72	0	
	73	<b>Total net assets or fund balances</b> (add lines 67 through 69 OR lines 70 through 72, column (A) must equal line 19 and column (B) must equal line 21)		58,448,406	73	66,400,539	
	74	<b>Total liabilities and net assets / fund balances</b> (add lines 66 and 73)		86,935,497	74	107,421,831	

Form 990 is available for public inspection and, for some people, serves as the primary or sole source of information about a particular organization. How the public perceives an organization in such cases may be determined by the information presented on its return. Therefore, please make sure the return is complete and accurate and fully describes, in Part III, the organization's programs and accomplishments.



Part VI Other Information (See Specific Instructions on page 26)		N/A	Yes	No
76	Did the organization engage in any activity not previously reported to the IRS? If "Yes," attach a detailed description of each activity	76		✓
77	Were any changes made in the organizing or governing documents but not reported to the IRS? If "Yes," attach a conformed copy of the changes	77		✓
78a	Did the organization have unrelated business gross income of \$1,000 or more during the year covered by this return?	78a		✓
b	If "Yes," has it filed a tax return on Form 990-T for this year?	78b		N/A
79	Was there a liquidation, dissolution, termination, or substantial contraction during the year? If "Yes," attach a statement	79		✓
80a	Is the organization related (other than by association with a statewide or nationwide organization) through common membership, governing bodies, trustees, officers, etc., to any other exempt or nonexempt organization?	80a	✓	
b	If "Yes," enter the name of the organization <u>International Fellowships Fund Inc.</u> and check whether it is <input type="checkbox"/> exempt OR <input type="checkbox"/> nonexempt			
81a	Enter the amount of political expenditures, direct or indirect, as described in the instructions for line 81	81a		
b	Did the organization file Form 1120-POL for this year?	81b		✓
82a	Did the organization receive donated services or the use of materials, equipment, or facilities at no charge or at substantially less than fair rental value?	82a	✓	
b	If "Yes," you may indicate the value of these items here. Do not include this amount as revenue in Part I or as an expense in Part II (See instructions for reporting in Part III)	82b		140,870
83a	Did the organization comply with the public inspection requirements for returns and exemption applications?	83a	✓	
b	Did the organization comply with the disclosure requirements relating to quid pro quo contributions?	83b	✓	
84a	Did the organization solicit any contributions or gifts that were not tax deductible?	84a		✓
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	84b		n/a
85	501(c)(4), (5), or (6) organizations a Were substantially all dues nondeductible by members?	85a		n/a
b	Did the organization make only in-house lobbying expenditures of \$2,000 or less? If "Yes" was answered to either 85a or 85b, do not complete 85c through 85h below unless the organization received a waiver for proxy tax owed for the prior year	85b		n/a
c	Dues, assessments, and similar amounts from members	85c		n/a
d	Section 162(e) lobbying and political expenditures	85d		n/a
e	Aggregate nondeductible amount of section 6033(e)(1)(A) dues notices	85e		n/a
f	Taxable amount of lobbying and political expenditures (line 85d less 85e)	85f		n/a
g	Does the organization elect to pay the section 6033(e) tax on the amount in 85f?	85g		n/a
h	If section 6033(e)(1)(A) dues notices were sent, does the organization agree to add the amount in 85f to its reasonable estimate of dues allocable to nondeductible lobbying and political expenditures for the following tax year?	85h		n/a
86	501(c)(7) orgs Enter a Initiation fees and capital contributions included on line 12	86a		n/a
b	Gross receipts, included on line 12, for public use of club facilities	86b		n/a
87	501(c)(12) orgs Enter a Gross income from members or shareholders	87a		n/a
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them)	87b		n/a
88	At any time during the year, did the organization own a 50% or greater interest in a taxable corporation or partnership, or an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? If "Yes," complete Part IX	88		✓
89a	501(c)(3) organizations Enter Amount of tax imposed on the organization during the year under section 4911 <u>0</u> , section 4912 <u>0</u> , section 4955 <u>0</u>			
b	501(c)(3) and 501(c)(4) orgs Did the organization engage in any section 4958 excess benefit transaction during the year or did it become aware of an excess benefit transaction from a prior year? If "Yes," attach a statement explaining each transaction	89b		✓
c	Enter Amount of tax imposed on the organization managers or disqualified persons during the year under sections 4912, 4955, and 4958			0
d	Enter Amount of tax on line 89c above, reimbursed by the organization			0
90a	List the states with which a copy of this return is filed <u>New York, California, New Jersey, Illinois</u>	90a		
b	Number of employees employed in the pay period that includes March 12, 2000 (See inst)	90b		463
91	The books are in care of <u>INSTITUTE OF INTERNATIONAL EDUCATION</u> Telephone no <u>( 212 ) 883-8200</u> Located at <u>809 UNITED NATIONS PLAZA, NEW YORK NY</u> ZIP code <u>10017</u>			
92	Section 4947(a)(1) nonexempt charitable trusts filing Form 990 in lieu of Form 1041—Check here <input type="checkbox"/> and enter the amount of tax-exempt interest received or accrued during the tax year <u>92</u>			

**Part VII Analysis of Income-Producing Activities (See Specific Instructions on page 30)**

Enter gross amounts unless otherwise indicated

	Unrelated business income		Excluded by section 512, 513, or 514		(E) Related or exempt function income
	(A) Business code	(B) Amount	(C) Exclusion code	(D) Amount	
93 Program service revenue					3,741,004
a PROGRAM FEES					
b PUBLICATION SALES					344,821
c CONFERENCE FEES					26,820
d CLUSTER REPORTS					18,050
e MISCELLANEOUS INCOME					188,539
f Medicare/Medicaid payments					
g Fees and contracts from government agencies					
94 Membership dues and assessments			03	259,076	
95 Interest on savings and temporary cash investments			14	1,389,733	
96 Dividends and interest from securities			14	593,953	
97 Net rental income or (loss) from real estate					
a debt-financed property					
b not debt-financed property					
98 Net rental income or (loss) from personal property					
99 Other investment income					
100 Gain or (loss) from sales of assets other than inventory			18	758,776	
101 Net income or (loss) from special events			01	1,056,998	
102 Gross profit or (loss) from sales of inventory					
103 Other revenue			18	171,575	
a Currency Exchange Gain					
b					
c					
d					
e					
104 Subtotal (add columns (B), (D), and (E))				4,230,111	4,319,234
105 Total (add line 104, columns (B), (D), and (E))					8,549,345

Note Line 105 plus line 1d, Part I, should equal the amount on line 12, Part I

**Part VIII Relationship of Activities to the Accomplishment of Exempt Purposes (See Specific Instructions on page 31)**

Line No	Explain how each activity for which income is reported in column (E) of Part VII contributed importantly to the accomplishment of the organization's exempt purposes (other than by providing funds for such purposes)
93 (a)	See Page 7
93 (b)	See Page 7
93 (c)	See Page 7
93 (d)	See Page 7

**Part IX Information Regarding Taxable Subsidiaries and Disregarded Entities (See Specific Instructions on page 31)**

(A) Name, address, and EIN of corporation, partnership, or disregarded entity	(B) Percentage of ownership interest	(C) Nature of activities	(D) Total income	(E) End-of-year assets
	%			
	%			
	%			
	%			

**Part X Information Regarding Transfers Associated with Personal Benefit Contracts (See Specific Instructions on page 31)**

- (a) Did the organization, during the year, receive any funds directly or indirectly, to pay premiums on a personal benefit contract?  Yes  No
- (b) Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?  Yes  No

Note If "Yes" to (b), file Form 8870 and Form 4720 (see instructions)

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Preparation of this return (other than officer) is based on all information of which preparer has any knowledge.

Date: 1/26/02  
 Preparer: James H Lapple/VP- Finance & Admin  
 Type or print name and title  
 Date: \_\_\_\_\_ Check if: \_\_\_\_\_ Preparer's SSN or PTIN: \_\_\_\_\_

**SCHEDULE A**  
**(Form 990 or 990-EZ)**

**Organization Exempt Under Section 501(c)(3)**

OMB No 1545-0047

(Except Private Foundation) and Section 501(e), 501(f), 501(k),  
501(n), or Section 4947(a)(1) Nonexempt Charitable Trust

**2000**

**Supplementary Information—(See separate instructions)**

Department of the Treasury  
Internal Revenue Service

▶ **MUST be completed by the above organizations and attached to their Form 990 or 990-EZ**

Name of the organization

Institute of International Education

Employer identification number

13 1624046

**Part I Compensation of the Five Highest Paid Employees Other Than Officers, Directors, and Trustees**  
(See page 1 of the instructions List each one If there are none, enter "None")

(a) Name and address of each employee paid more than \$50,000	(b) Title and average hours per week devoted to position	(c) Compensation	(d) Contributions to employee benefit plans & deferred compensation	(e) Expense account and other allowances
JULIAN JOHNSON 809 UNITED NATIONS PLAZA, NEW YORK, NY 10017	DIRECTOR-ALL	128,568	8,518	
AHMAD GHAMARIAN 809 UNITED NATIONS PLAZA, NEW YORK, NY 10017	DIRECTOR-ALL	123,600	11,742	
ROBERT E SLATTERY 809 UNITED NATIONS PLAZA, NEW YORK, NY 10017	DIRECTOR-ALL	112,898	10,250	
LARRY C LAI 809 UNITED NATIONS PLAZA, NEW YORK, NY 10017	DIRECTOR-ALL	112,475	8,286	
JOAN WALL 809 UNITED NATIONS PLAZA, NEW YORK, NY 10017	DIRECTOR-ALL	104,454	9,638	
Total number of other employees paid over \$50,000 ▶	85			

**Part II Compensation of the Five Highest Paid Independent Contractors for Professional Services**  
(See page 1 of the instructions List each one (whether individuals or firms) If there are none, enter "None")

(a) Name and address of each independent contractor paid more than \$50,000	(b) Type of service	(c) Compensation
SIEMENS BUSINESS SERVICE PO BOX 777-W501879 PHILADELPHIA, PA 19175-1879	TECHNICAL SERVICES	1,145,864
ARTHUR ANDERSEN LLP 1345 AVENUE OF THE AMERICAS NEW YORK, NY 10105	AUDIT CONSULTING	295,139 249,554
WILLIAM BYRNE & ASSOCIATES 1819 CLARKSON ROAD, SUITE 200 CHESTERFIELD, MO 63017	CONSULTING	424,579
GRT CORPORATION 777 SUMMER STREET, SUITE 102 STAMFORD, CT 06901	CONSULTING	295,990
AMERICAN COUNCIL OF LEARNED SOCIETIES 228 EAST 45 STREET NEW YORK, NY 10017	CONSULTING	268,854
Total number of others receiving over \$50,000 for professional services ▶	8	

**Part III Statements About Activities**

	Yes	No
1 During the year has the organization attempted to influence national state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum? If "Yes," enter the total expenses paid or incurred in connection with the lobbying activities ▶ \$ _____ Organizations that made an election under section 501(h) by filing Form 5768 must complete Part VI-A Other organizations checking "Yes," must complete Part VI-B AND attach a statement giving a detailed description of the lobbying activities		✓
2 During the year, has the organization, either directly or indirectly, engaged in any of the following acts with any of its trustees directors, officers creators, key employees, or members of their families, or with any taxable organization with which any such person is affiliated as an officer, director, trustee majority owner, or principal beneficiary		
a Sale exchange, or leasing of property?		✓
b Lending of money or other extension of credit?		✓
c Furnishing of goods, services, or facilities?		✓
d Payment of compensation (or payment or reimbursement of expenses if more than \$1 000)?	✓	
e Transfer of any part of its income or assets? If the answer to any question is 'Yes,' attach a detailed statement explaining the transactions		✓
3 Does the organization make grants for scholarships fellowships student loans, etc ?	✓	
4a Do you have a section 403(b) annuity plan for your employees?	✓	
b Attach a statement to explain how the organization determines that individuals or organizations receiving grants or loans from it in furtherance of its charitable programs qualify to receive payments (See page 2 of the instructions)		See Page 25

**Part IV Reason for Non-Private Foundation Status (See pages 2 through 5 of the instructions )**

The organization is not a private foundation because it is (Please check only ONE applicable box )

- 5  A church convention of churches, or association of churches Section 170(b)(1)(A)(i)
- 6  A school Section 170(b)(1)(A)(ii) (Also complete Part V, page 5 )
- 7  A hospital or a cooperative hospital service organization Section 170(b)(1)(A)(iii)
- 8  A Federal state, or local government or governmental unit Section 170(b)(1)(A)(v)
- 9  A medical research organization operated in conjunction with a hospital Section 170(b)(1)(A)(iii) Enter the hospital's name, city, and state ▶ \_\_\_\_\_
- 10  An organization operated for the benefit of a college or university owned or operated by a governmental unit Section 170(b)(1)(A)(iv) (Also complete the **Support Schedule** in Part IV-A )
- 11a  An organization that normally receives a substantial part of its support from a governmental unit or from the general public Section 170(b)(1)(A)(vii) (Also complete the **Support Schedule** in Part IV-A )
- 11b  A community trust Section 170(b)(1)(A)(vi) (Also complete the **Support Schedule** in Part IV-A )
- 12  An organization that normally receives (1) more than 33 1/3% of its support from contributions, membership fees and gross receipts from activities related to its charitable, etc., functions—subject to certain exceptions and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975 See section 509(a)(2) (Also complete the **Support Schedule** in Part IV-A )
- 13  An organization that is not controlled by any disqualified persons (other than foundation managers) and supports organizations described in (1) lines 5 through 12 above, or (2) section 501(c)(4) (5), or (6), if they meet the test of section 509(a)(2) (See section 509(a)(3) )

Provide the following information about the supported organizations (See page 5 of the instructions )

(a) Name(s) of supported organization(s)	(b) Line number from above

- 14  An organization organized and operated to test for public safety Section 509(a)(4) (See page 5 of the instructions )

**Part IV-A Support Schedule** (Complete only if you checked a box on line 10, 11, or 12.) *Use cash method of accounting.*  
**Note** You may use the worksheet in the instructions for converting from the accrual to the cash method of accounting.

Calendar year (or fiscal year beginning in)	(a) 1999	(b) 1998	(c) 1997	(d) 1996	(e) Total
<b>15</b> Gifts, grants and contributions received (Do not include unusual grants. See line 28.)	140,431,572	117,557,602	117,932,854	100,786,822	476,708,850
<b>16</b> Membership fees received	304,136	310,725	294,116	277,403	1,186,380
<b>17</b> Gross receipts from admissions, merchandise sold or services performed, or furnishing of facilities in any activity that is not a business unrelated to the organization's charitable, etc. purpose	3,520,776	3,441,479	854,242	1,073,171	8,889,668
<b>18</b> Gross income from interest, dividends, amounts received from payments on securities loans (section 512(a)(5)) rents, royalties, and unrelated business taxable income (less section 511 taxes) from businesses acquired by the organization after June 30, 1975	2,015,124	1,602,070	1,208,098	1,475,530	6,300,822
<b>19</b> Net income from unrelated business activities not included in line 18					
<b>20</b> Tax revenues levied for the organization's benefit and either paid to it or expended on its behalf					
<b>21</b> The value of services or facilities furnished to the organization by a governmental unit without charge. Do not include the value of services or facilities generally furnished to the public without charge.					
<b>22</b> Other income. Attach a schedule. Do not include gain or (loss) from sale of capital assets.	2,282,539	3,224,480	2,166,014	1,506,330	9,179,363
<b>23</b> Total of lines 15 through 22	148,554,147	126,136,356	122,455,324	105,119,256	502,265,083
<b>24</b> Line 23 minus line 17	145,033,371	122,694,877	121,601,082	104,046,085	493,375,415
<b>25</b> Enter 1% of line 23	1,485,541	1,261,363	1,224,553	1,051,192	
<b>26 Organizations described on lines 10 or 11</b>	<p><b>a</b> Enter 2% of amount in column (e) line 24</p> <p><b>b</b> Attach a list (which is not open to public inspection) showing the name of and amount contributed by each person (other than a governmental unit or publicly supported organization) whose total gifts for 1996 through 1999 exceeded the amount shown in line 26a. Enter the sum of all these excess amounts.</p> <p><b>c</b> Total support for section 509(a)(1) test. Enter line 24, column (e).</p> <p><b>d</b> Add: Amounts from column (e) for lines 18 _____ 19 _____ 22 <u>9,179,363</u> 26b _____</p> <p><b>e</b> Public support (line 26c minus line 26d total)</p> <p><b>f</b> Public support percentage (line 26e (numerator) divided by line 26c (denominator))</p>				<p><b>26a</b> 9,867,508</p> <p><b>26b</b> style="background-color: #cccccc;"&gt;</p> <p><b>26c</b> 493,375,415</p> <p><b>26d</b> 15,480,185</p> <p><b>26e</b> 477,895,230</p> <p><b>26f</b> 96.86 %</p>
<b>27 Organizations described on line 12</b>	<p><b>a</b> For amounts included in lines 15, 16, and 17 that were received from a disqualified person, attach a list (which is not open to public inspection) to show the name of, and total amounts received in each year from, each 'disqualified person.' Enter the sum of such amounts for each year:</p> <p>(1999) _____ (1998) _____ (1997) _____ (1996) _____</p> <p><b>b</b> For any amount included in line 17 that was received from a nondisqualified person, attach a list to show the name of and amount received for each year, that was more than the larger of (1) the amount on line 25 for the year or (2) \$5,000. (Include in the list organizations described in lines 5 through 11, as well as individuals.) After computing the difference between the amount received and the larger amount described in (1) or (2), enter the sum of these differences (the excess amounts) for each year:</p> <p>(1999) _____ (1998) _____ (1997) _____ (1996) _____</p> <p><b>c</b> Add: Amounts from column (e) for lines 15 _____ 16 _____ 17 _____ 20 _____ 21 _____</p> <p><b>d</b> Add: Line 27a total _____ and line 27b total _____</p> <p><b>e</b> Public support (line 27c total minus line 27d total)</p> <p><b>f</b> Total support for section 509(a)(2) test. Enter amount on line 23, column (e)</p> <p><b>g</b> Public support percentage (line 27e (numerator) divided by line 27f (denominator))</p> <p><b>h</b> Investment income percentage (line 18, column (e) (numerator) divided by line 27f (denominator))</p>				<p><b>27c</b> _____</p> <p><b>27d</b> _____</p> <p><b>27e</b> _____</p> <p><b>27f</b> _____</p> <p><b>27g</b> _____ %</p> <p><b>27h</b> _____ %</p>
<b>28 Unusual Grants</b> For an organization described in line 10, 11, or 12 that received any unusual grants during 1996 through 1999, attach a list (which is not open to public inspection) for each year showing the name of the contributor, the date and amount of the grant, and a brief description of the nature of the grant. Do not include these grants in line 15. (See page 5 of the instructions.)					

**Part V Private School Questionnaire** (See page 5 of the instructions)  
 (To be completed ONLY by schools that checked the box on line 6 in Part IV)

		Yes	No
29	Does the organization have a racially nondiscriminatory policy toward students by statement in its charter, bylaws, other governing instrument, or in a resolution of its governing body?		
30	Does the organization include a statement of its racially nondiscriminatory policy toward students in all its brochures, catalogues, and other written communications with the public dealing with student admissions, programs, and scholarships?		
31	Has the organization publicized its racially nondiscriminatory policy through newspaper or broadcast media during the period of solicitation for students, or during the registration period if it has no solicitation program, in a way that makes the policy known to all parts of the general community it serves? If "Yes," please describe, if "No," please explain (If you need more space, attach a separate statement)		
32	Does the organization maintain the following:		
a	Records indicating the racial composition of the student body, faculty, and administrative staff?		
b	Records documenting that scholarships and other financial assistance are awarded on a racially nondiscriminatory basis?		
c	Copies of all catalogues, brochures, announcements, and other written communications to the public dealing with student admissions, programs, and scholarships?		
d	Copies of all material used by the organization or on its behalf to solicit contributions? If you answered "No" to any of the above, please explain (If you need more space, attach a separate statement)		
33	Does the organization discriminate by race in any way with respect to:		
a	Students' rights or privileges?		
b	Admissions policies?		
c	Employment of faculty or administrative staff?		
d	Scholarships or other financial assistance?		
e	Educational policies?		
f	Use of facilities?		
g	Athletic programs?		
h	Other extracurricular activities? If you answered "Yes" to any of the above, please explain (If you need more space, attach a separate statement)		
34a	Does the organization receive any financial aid or assistance from a governmental agency?		
b	Has the organization's right to such aid ever been revoked or suspended? If you answered "Yes" to either 34a or b, please explain using an attached statement		
35	Does the organization certify that it has complied with the applicable requirements of sections 4 01 through 4 05 of Rev. Proc. 75-50, 1975-2 C.B. 587, covering racial nondiscrimination? If "No," attach an explanation		

**Part VI-A Lobbying Expenditures by Electing Public Charities** (See page 7 of the instructions )  
 (To be completed **ONLY** by an eligible organization that filed Form 5768)

Check here **a**  if the organization belongs to an affiliated group  
 Check here **b**  if you checked "a" above and "limited control" provisions apply

<b>Limits on Lobbying Expenditures</b>		(a) Affiliated group totals	(b) To be completed for ALL electing organizations
(The term "expenditures" means amounts paid or incurred )			
<b>36</b>	Total lobbying expenditures to influence public opinion (grassroots lobbying)	<b>36</b>	
<b>37</b>	Total lobbying expenditures to influence a legislative body (direct lobbying)	<b>37</b>	
<b>38</b>	Total lobbying expenditures (add lines 36 and 37)	<b>38</b>	
<b>39</b>	Other exempt purpose expenditures	<b>39</b>	
<b>40</b>	Total exempt purpose expenditures (add lines 38 and 39)	<b>40</b>	
<b>41</b>	Lobbying nontaxable amount Enter the amount from the following table—		
	<b>If the amount on line 40 is—</b>		
	Not over \$500,000		
	Over \$500,000 but not over \$1,000,000		
	Over \$1,000,000 but not over \$1,500,000		
	Over \$1,500,000 but not over \$17,000,000		
	Over \$17,000,000		
	<b>The lobbying nontaxable amount is—</b>		
	20% of the amount on line 40		
	\$100,000 plus 15% of the excess over \$500,000		
	\$175,000 plus 10% of the excess over \$1,000,000		
	\$225,000 plus 5% of the excess over \$1,500,000		
	\$1,000,000		
<b>42</b>	Grassroots nontaxable amount (enter 25% of line 41)	<b>42</b>	
<b>43</b>	Subtract line 42 from line 36 Enter -0- if line 42 is more than line 36	<b>43</b>	
<b>44</b>	Subtract line 41 from line 38 Enter -0- if line 41 is more than line 38	<b>44</b>	
<b>Caution</b> If there is an amount on either line 43 or line 44, you must file Form 4720			

**4-Year Averaging Period Under Section 501(h)**

(Some organizations that made a section 501(h) election do not have to complete all of the five columns below  
 See the instructions for lines 45 through 50 on page 9 of the instructions )

Calendar year (or fiscal year beginning in) ▶	Lobbying Expenditures During 4-Year Averaging Period				
	(a) 2000	(b) 1999	(c) 1998	(d) 1997	(e) Total
<b>45</b> Lobbying nontaxable amount					
<b>46</b> Lobbying ceiling amount (150% of line 45(e))					
<b>47</b> Total lobbying expenditures					
<b>48</b> Grassroots nontaxable amount					
<b>49</b> Grassroots ceiling amount (150% of line 48(e))					
<b>50</b> Grassroots lobbying expenditures					

**Part VI-B Lobbying Activity by Nonelecting Public Charities**  
 (For reporting only by organizations that did not complete Part VI-A) (See page 9 of the instructions )

During the year did the organization attempt to influence national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of

	Yes	No	Amount
<b>a</b> Volunteers		✓	
<b>b</b> Paid staff or management (Include compensation in expenses reported on lines c through h )		✓	
<b>c</b> Media advertisements		✓	
<b>d</b> Mailings to members, legislators or the public		✓	
<b>e</b> Publications, or published or broadcast statements		✓	
<b>f</b> Grants to other organizations for lobbying purposes		✓	
<b>g</b> Direct contact with legislators their staffs, government officials, or a legislative body		✓	
<b>h</b> Rallies demonstrations, seminars conventions, speeches lectures, or any other means		✓	
<b>i</b> Total lobbying expenditures (add lines c through h)			

If "Yes" to any of the above, also attach a statement giving a detailed description of the lobbying activities



Name of organization Institute of International Education Employer identification number 13 1624046

**Part I** Contributors

(a) No	(b) Name, address and zip code	(c) Aggregate contributions	(d) Type of contribution
<u>1</u>		\$49,218,960	Individual <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if a noncash contribution)
(a) No		(c) Aggregate contributions	(d) Type of contribution
<u>2</u>		\$42,906,704	Individual <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if a noncash contribution)
(a) No		(c) Aggregate contributions	(d) Type of contribution
<u>3</u>		\$14,883,888	Individual <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if a noncash contribution)
(a) No		(c) Aggregate contributions	(d) Type of contribution
<u>4</u>		\$4,068,965	Individual <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if a noncash contribution)
(a) No		(c) Aggregate contributions	(d) Type of contribution
<u>5</u>		\$3,124,671	Individual <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if a noncash contribution)
(a) No	(b) Name, address and zip code	(c) Aggregate contributions	(d) Type of contribution
<u>    </u>		\$	Individual <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if a noncash contribution)

Institute of International Education – 13-1624046  
Schedule in Support of Form 990, Part VIII

- 93(a) Income represents reimbursement of costs to produce reports and administration fees for participants international exchange programs
- 93(b) Income is necessary to pay the costs of publications which are announcements to exchange participants providing information about sources of education exchange opportunities
- 93(c) Income represents amounts paid by participants to cover costs incurred to design, implement and provide workshops on international exchange issues
- 93(d) Income represents reimbursement of costs to produce reports indicating international exchange participant's information to existing and potential funds providers
- 93(e) Miscellaneous excess program funds restricted for educational exchange activities in which the Institute participates



# INSTITUTE OF INTERNATIONAL EDUCATION, INC.

## NOTES TO FINANCIAL STATEMENTS SEPTEMBER 30, 2001

### 1 DESCRIPTION OF ORGANIZATION

The Institute of International Education, Inc (the "Institute" or the "Organization") develops and administers programs of international educational exchange and technical assistance under renegotiable contracts with governments, international organizations, corporations, foundations, colleges and universities in the United States and abroad

Services to students, teachers, technicians and specialists from more than 170 countries are provided by the Institute's New York headquarters, regional offices and overseas offices. The Institute also administers educational assistance to universities and foreign countries, sponsors conferences and seminars and provides procurement services on behalf of certain sponsors.

In addition, through general support, the Institute conducts counseling and information services, issues publications, assists international programs in the performing and visual arts 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 International Fellowships Fund, Inc ("IFF") a not-for-profit organization to administer and support the activities of the International Fellowships Program. The International Fellowships Program provides educational opportunities for individuals from disadvantaged populations. IFF is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and is designated as a Type 1 supporting organization. IFF commenced operations with funding received from the Ford Foundation in the amount of \$275,526,718 in September 2001. As of September 30, 2001 the expenses of IFF were immaterial. The Board of Trustees of IFF is comprised of four members of IIE's Board of Trustees, along with three independent board members. IFF is controlled by IIE and exists for the benefit of the Institute. Accordingly, IFF's financial position, changes in net assets and cash flows should be consolidated with that of the Institute in accordance with generally accepted accounting principles. The accompanying financial statements do not include IFF's financial position, changes in net assets and cash flows as of and for the year ended September 30, 2001. On an ongoing basis, IIE will provide administrative services to IFF and charge an annual management fee.

### 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### Basis of Presentation

The Institute complies with the reporting requirements of Statement of Financial Accounting Standards ("SFAS") No. 116, "Accounting for Contributions Received and Contributions Made," and SFAS No. 117, "Financial Statements of Not-for-Profit Organizations." Under SFAS No. 117, the Institute is required to report information regarding net assets and revenues, expenses, gains and losses based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the Institute are classified and reported as follows:

#### Unrestricted

Net assets that are not subject to donor-imposed stipulations and that may be expended for any purpose in performing the primary objectives of the Institute are considered unrestricted. 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.

**INSTITUTE OF INTERNATIONAL EDUCATION, INC.**

**NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2001**

Temporarily Restricted

Contributions that are received with donor stipulations that either expire with the passage of time or can be fulfilled and removed by actions of the Institute pursuant to those stipulations are considered temporarily restricted. 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 statements of activities as net assets released from restrictions. Temporarily restricted net assets as of September 30, 2001 and 2000 are as follows:

	<u>2001</u>	<u>2000</u>
Program activities	\$ 32,632,076	\$ 24,971,687
Available 5 years after funds to be matched by the Ford Foundation are raised	<u>9,531,546</u>	<u>10,528,979</u>
	<u>\$ 42,163,622</u>	<u>\$ 35,500,666</u>

Permanently Restricted

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 the Institute are reported as permanently restricted. These net assets include funds which have been designated by the donor to be held and invested in perpetuity and undistributed net assets held by third-party trustees in perpetuity and related undistributed unrealized gains as discussed in Note 4.

Revenue Recognition

Revenues categorized as sponsored programs on the accompanying statement of activities are treated as exchange transactions. Revenues are recognized as the Institute incurs the related expenditures and are classified as deferred income on the accompanying statement of financial position until they are utilized for their specified purposes. To the extent that expenditures on exchange programs are made in excess of cash receipts, reimbursable expenditures on contracts in progress are recorded on the accompanying statement of financial position.

Revenue is recognized when an unconditional promise to give is received in accordance with SFAS No. 116.

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 support services benefited.

Volunteer Services/In-Kind Contributions

Contributed time from volunteers with specialized skills and contributed property are reflected as contributions revenue and volunteer service/in-kind contribution expense at their estimated market value in the accompanying statement of activities.

Pension and Retirement Benefits

## **INSTITUTE OF INTERNATIONAL EDUCATION, INC**

### **NOTES TO FINANCIAL STATEMENTS SEPTEMBER 30, 2001**

Retirement benefits coverage is available for substantially all employees provided through individual contributory annuities with selected financial institutions. The Institute's contributions for fiscal years 2001 and 2000 under the provisions of this defined contribution plan were \$952,133 and \$945,784, respectively.

In addition to providing pension benefits, the Institute provides certain health care insurance benefits for retired employees. The Institute reserves the right to change or terminate these benefits at any time.

#### Cash Equivalents

All highly liquid investments having an original maturity of 90 days or less, including money market accounts, are considered to be cash equivalents.

#### Reimbursable Expenditures Under Contracts in Progress

Included in reimbursable expenditures under contracts in progress on the accompanying statement of financial position are \$5,386,310 and \$9,641,286, representing amounts spent during fiscal years 2001 and 2000, respectively, for U.S. Government programs.

#### Building, Furniture, Equipment and Leasehold Improvements

Building, furniture, equipment, leasehold improvements and software development costs are capitalized and depreciated on a straight-line basis over their estimated useful lives of three to thirty years, respectively. Depreciation and amortization expense for fiscal 2001 and 2000 is \$1,455,775 and \$817,338, respectively.

#### Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

#### Prior-Period Information

The financial statements include certain prior year summarized information for comparative purposes only. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States. Accordingly, such information should be read in conjunction with the Institute's financial statements as of and for the year ended September 30, 2000, from which the summarized information was derived.

**INSTITUTE OF INTERNATIONAL EDUCATION, INC.**

**NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2001**

**3 INVESTMENTS**

Investments, as of September 30, 2001 and 2000, are summarized as follows

	2001		2000	
	Cost Basis	Market Value	Cost Basis	Market Value
<b>Unrestricted</b>				
Cash and equivalents	\$ 1,007,748	\$ 1,007,748	\$ 1,098,235	\$ 1,098,235
Corporate and government fixed income	12,289,946	12,638,751	14,042,224	13,735,824
Equities	<u>24,834,665</u>	<u>20,062,490</u>	<u>23,899,529</u>	<u>26,131,493</u>
	<u>38,132,359</u>	<u>33,708,989</u>	<u>39,039,988</u>	<u>40,965,552</u>
<b>Temporarily restricted</b>				
Cash and equivalents	193,552	193,552	214,725	214,725
Corporate and government fixed income	2,360,462	2,427,456	2,745,515	2,685,609
Equities	<u>4,769,857</u>	<u>3,853,291</u>	<u>4,672,802</u>	<u>5,109,193</u>
	<u>7,323,871</u>	<u>6,474,299</u>	<u>7,633,042</u>	<u>8,009,527</u>
<b>Permanently restricted</b>				
Cash and equivalents	74,189	74,189	51,066	51,066
Corporate and government fixed income	904,773	930,451	652,933	638,688
Equities	<u>1,828,302</u>	<u>1,476,980</u>	<u>1,111,281</u>	<u>1,215,063</u>
	<u>2,807,264</u>	<u>2,481,620</u>	<u>1,815,280</u>	<u>1,904,817</u>
Investments held in perpetual trust by third parties (Note 4)	<u>2,376,145</u>	<u>3,190,638</u>	<u>2,810,076</u>	<u>3,795,154</u>
<b>Total investments</b>	<u>\$ 50,639,639</u>	<u>\$ 45,855,546</u>	<u>\$ 51,298,386</u>	<u>\$ 54,675,050</u>

The Institute complies with SFAS No 124, "Accounting for Certain Investments Held by Not-for-Profit Organizations " SFAS No 124 requires that investments in equity securities with readily determinable market values and all investments in debt securities be reported at fair market value with gains and losses included in the statement of activities

**4 INVESTMENTS HELD IN PERPETUAL TRUST BY THIRD PARTIES**

The Institute has been named the beneficiary of gifts which are held in perpetual trust by third parties, according to the original donors' request. According to the original donors' stipulation, distributions of net income from these trusts are to be made to the Institute and are to be spent for specified purposes. During fiscal years 2001 and 2000, distributions from these trusts in the amount of \$107,499 and \$86,418, respectively, were recorded as temporarily restricted contributions on the accompanying statement of activities. Undistributed net unrealized appreciation of these assets during fiscal years 2001 and 2000 of \$4,480 and \$344,723, respectively, was recorded as unrealized appreciation in fair market value of investments of temporarily restricted net assets within the accompanying statement of activities. The total asset balances as of September 30, 2001 and 2000 of \$3,190,665 and \$3,795,154, respectively, have

**INSTITUTE OF INTERNATIONAL EDUCATION, INC.**

**NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2001**

been included within investments and permanently restricted net assets in the accompanying statement of financial position

**5 SPONSORED PROGRAM REVENUE**

Total sponsored program revenue for fiscal 2001 and 2000 was derived from the following major sponsor categories

	<u>2001</u>	<u>2000</u>
U S Government agencies	\$ 109,104,699	\$ 98,113,190
Foundations and research organizations	28,949,473	24,894,563
Corporations	5,259,035	4,228,944
Foreign governments and international organizations	<u>8,899,330</u>	<u>1,797,379</u>
	<u>\$ 152,212,537</u>	<u>\$ 129,034,076</u>

**6 COMMITMENTS AND CONTINGENCIES**

The accompanying statements of activities include rental expenses of \$3,548,411 and \$3,546,318 for the years ended September 30, 2001 and 2000, respectively. The Institute leases space for its regional and certain overseas offices on a noncancelable, long-term basis. These agreements, expiring at various dates through 2005, permit the Institute to sublease such space at its option. In addition, the Institute entered into a sale-leaseback transaction whereby the Institute sold its New York Office building and leased back approximately 50% of the building's space for ten years (Note 9).

Minimum future lease commitments are as follows at September 30, 2001

	<u>Amount</u>
Fiscal year	
2002	\$ 118,746
2003	64,820
2004	38,814
2005	6,320
Thereafter	<u>513</u>
	<u>\$ 229,213</u>

The Institute, 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 the Institute's financial statements.

## INSTITUTE OF INTERNATIONAL EDUCATION, INC.

NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2001

### 7 BUILDING, FURNITURE, EQUIPMENT AND LEASEHOLD IMPROVEMENTS

Building, furniture, equipment and leasehold improvements consist of the following

	2001	2000
Building	\$ 18,379,215	\$ -
Furniture	1,534,691	1,269,282
Equipment	10,550,593	8,624,016
Leasehold improvements	<u>2,332,891</u>	<u>2,508,490</u>
	32,797,390	12,401,788
Accumulated depreciation	<u>(4,394,313)</u>	<u>(3,041,391)</u>
Net properties and equipment	28,403,077	9,360,397
Less Deferred credit	<u>(7,141,815)</u>	<u>-</u>
Building, Furniture, Equipment and Leasehold Improvements, net	<u>\$ 21,261,262</u>	<u>\$ 9,360,397</u>

### 8 TAX STATUS

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

### 9 BUILDING REPURCHASE/SUBSEQUENT SALE OF TWO FLOORS

In July of 2001, the Institute's Board 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 the Institute repurchasing 10 of the 12 available floors. The purchase price was \$22,750,000. In September of 2001, the Institute sold two of the repurchased floors to a foreign government for \$12,000,000. The Institute's basis in the two sold floors was \$4,788,875 and resulted in a gain on sale of \$7,251,030. A portion of the deferred credit associated with the Institute's sale of the building in 1998 was assigned to the two floors sold and recognized in the current year. The remaining balance of the deferred credit has been reclassified and netted with the Institute's Building, Furniture, Equipment and Leasehold Improvements balance and the deferred credit is being amortized over a 30 year period.

INSTITUTE OF INTERNATIONAL EDUCATION, INC

STATEMENT OF SUPPORT REVENUE AND EXPENSES AND CHANGES IN FUND BALANCE

FOR THE YEAR ENDED SEPTEMBER 30, 2002

	<u>Unrestricted Fund</u>	<u>Temporary Restricted Fund</u>	<u>Permanently Restricted Fund</u>	<u>Total All Funds</u>
	(\$)	(\$)	(\$)	(\$)
<b>REVENUES</b>				
Sponsored programs	152,212,537	-	-	152,212,537
Contributions	843,882	13,511,654	-	14,355,536
Investment Income	1,351,320	1,391,142	-	2,742,462
Unrealized appreciation in fair market value of investments	(6,610,256)	(1,550,501)	-	(8,160,757) (1)
 Sales of publications	 344,821	 -	 -	 344,821
Special events-				
Contributions	1,175,780	-	-	1,175,780
Direct costs	118,782	-	-	118,782
Net revenue from special events	<u>1,056,998</u>	<u>-</u>	<u>-</u>	<u>1,056,998</u> (2)
 Membership fees	 259,076	 -	 -	 259,076
Miscellaneous Income net	399,787	-	5,197	404,984
Net assets released from restrictions-				
Satisfaction of program restrictions	<u>6,689,339</u>	<u>(6,689,339)</u>	<u>-</u>	<u>-</u>
 Voluntary Services	 <u>140,870</u>	 <u>-</u>	 <u>-</u>	 <u>140,870</u> (8)
Total revenues	<u>156,688,374</u>	<u>6,662,956</u>	<u>5,197</u>	<u>163,356,527</u> (3)
 <b>EXPENSES</b>				
Sponsored programs-				
International exchange of students and scholars	141,191,680	-	-	141,191,680
Development training and assistance	6,764,400	-	-	6,764,400
Short-term international visitors	4,128,193	-	-	4,128,193
Educational services	4,497,213	-	-	4,497,213
Total sponsored programs	<u>156,581,486</u>	<u>-</u>	<u>-</u>	<u>156,581,486</u>
 Institute, educational and information services-				
Research, publications and information services	910,619	-	-	910,619
Overseas and regional office activities	745,570	-	-	745,570
Total Institute, educational and information services	<u>1,656,189</u>	<u>-</u>	<u>-</u>	<u>1,656,189</u>
Total program services	<u>158,237,675</u>	<u>-</u>	<u>-</u>	<u>158,237,675</u>
 Supporting services-				
Management and general	4,401,718	-	-	4,401,718
Fund-raising	1,047,682	-	-	1,047,682
Program development	1,193,002	-	-	1,193,002
Total supporting services	<u>6,642,402</u>	<u>-</u>	<u>-</u>	<u>6,642,402</u>
 Volunteer service/in-kind contribution expense	 <u>140,870</u>	 <u>-</u>	 <u>-</u>	 <u>140,870</u> (9)
Total expenses	<u>165,020,947</u>	<u>-</u>	<u>-</u>	<u>165,020,947</u> (4)
 (Decrease) increase in net assets	 (8,332,573)	 6,662,956	 5,197	 (1,664,420)
 UNUSUAL ITEM - GAIN ON SALE OF BUILDING	 9,616,553	 -	 -	 9,616,553
 NET ASSETS, beginning of year	 <u>18,043,163</u>	 <u>35,500,666</u>	 <u>4,904,577</u>	 <u>58,448,406</u>
 NET ASSETS, end of year	 <u>19,327,143</u> (5)	 <u>42,163,622</u> (6)	 <u>4,909,774</u> (7)	 <u>66,400,539</u>

- (1) Part 1 Line 20
- (2) Part 1, Line 9c
- (3) Part IV A (a)
- (4) Part IV-B (a)
- (5) Part IV Line 67
- (6) Part IV, Line 68
- (7) Part IV, Line 69
- (8) Part IV-A, Line 2
- (9) Part IV-B, Line 1

International Education - 13-1624046  
 Program Fees  
 Not Qualifying as Grants  
 Support for Line 1, Page 17  
 September 30, 2001

	<u>Subaccount Number</u>	<u>Total \$</u>
Starr Foundation	F020000	3,124,672
Chubb	F022000	10,295
Morgan Stanley	B028000	18,040
Levi Strauss	F096000	105,885
Raychem	B107000	47,945
Lsi Logic Corp-COE	B106000	21,116
Chevron - COE	B105000	59,809
Dow Jones COE	B080000	12,950
FMC Children of Employees	B087000	19,067
Lockheed Martin	B121000	40,500
Harmon Int'l Scholar-COE	B114000	153,370
Harsco	B024000	109,413
Phelps Dodge-COE	F180000	10,520
Dole Food COE-Int'l	B142000	7,422
To Page 17		<b>3,741,004</b>

INSTITUTE OF INTERNATIONAL EDUCATION 13-162-0046  
STATEMENT OF FUNCTIONAL EXPENSES

	International Exchange of Persons	Development Training and Assistance	Short Term International Visitors	Educational Services	Total Expenses	Research Publications and Information Services	Overseas and Regional Office Activities	Total Expenses	Program Services 990 Line 44 Column B Total	Management and General	Column C Total	Column D Fund Raising	Column A Total
Tuition	36,054,342	49,460	169	62,510	36,144,701			1,140	36,184,701				36,184,701
Travel and field trips	9,755,466	141,360	395,439	223,311	10,515,574			1,140	10,516,722				10,516,722
Grantee maintenance	57,444,335	94,902	2,243,883	28,474	59,009,594				59,009,594				59,009,594
Salaries and related benefits of scientific staff	1,134,992	31	817	2,039	1,139,381				1,139,381				1,139,381
Grantee book allowance	1,643,351	4,754	75,425	42,063	1,765,796				1,765,796				1,765,796
Procurement of equipment and supplies	712,006	1,910,771	0	117,422	2,810,799		439	439	2,811,238				2,811,238
Insurance	538,108	1,811	83	7,255	547,057				547,057				547,057
Freight shipment and storage	163,716	612	0	53,789	217,151				217,151				217,151
Other	9,401,105	3,869,206	48,857	1,045,285	13,363,531		9,495	9,495	13,373,028				13,373,028
<b>Sub Total</b>	<b>111,050,794</b>	<b>6,137,909</b>	<b>2,764,773</b>	<b>1,580,108</b>	<b>121,533,586</b>	<b>1,140</b>	<b>9,934</b>	<b>21,602</b>	<b>121,544,608</b>				<b>121,544,608</b>

OTHER INSTITUTE EXPENSES

Subsides and related benefits	17,882,347	376,079	902,127	1,610,035	20,770,588	293,591	417,695	711,486	21,482,074	731,989	2,103,019	247,748	24,834,310
Occupancy	2,907,787	66,294	175,287	181,611	2,940,979	11,436	59,646	71,082	3,012,061	18,696	711,239	15,946	3,787,940
Outside services	4,038,170	57,455	116,612	824,233	4,836,470	441,536	134,707	576,243	5,412,713	205,455	781,599	346,930	6,066,646
Travel	995,545	41,572	26,021	75,850	1,141,138	22,806	16,876	39,682	1,180,820	97,463	38,715	13,320	1,347,518
Communications	474,042	10,822	21,678	42,238	548,778	22,007	17,405	39,412	568,360	22,706	23,063	8,318	641,817
Postage	764,186	4,846	8,358	51,570	831,160	3,055	12,465	15,520	868,829	12,685	13,781	7,748	890,110
Printing and supplies	505,769	5,359	10,771	18,790	540,689	47,266	8,135	55,401	598,090	21,789	21,789		625,637
Information services	321,633	6,713	9,416	24,823	360,585	59	592	651	281,238	325	49,863	129	311,452
Receptions and meetings	192,703	2,846	6,370	17,659	219,878	42,337	12,888	55,225	274,803	37,749	21,343	37,047	391,084
Equipment rentals and repairs	317,202	4,219	9,081	31,693	366,195	11,910	9,845	11,755	377,850	2,598	43,403	3,518	428,689
Stationery and supplies	679,368	17,427	24,498	53,637	769,928	13,473	14,351	27,866	797,784	18,106	49,293	6,474	871,597
Other	616,449	15,342	19,075	71,378	722,242	9,242	22,973	32,215	754,457	23,850	181,577	416,168	1,378,072
<b>Sub-Total</b>	<b>29,217,249</b>	<b>608,114</b>	<b>1,329,294</b>	<b>2,813,922</b>	<b>33,968,579</b>	<b>908,718</b>	<b>727,820</b>	<b>1,638,538</b>	<b>35,605,117</b>	<b>1,192,461</b>	<b>4,034,967</b>	<b>1,047,059</b>	<b>41,879,634</b>
Depreciation and amortization	921,635	18,377	34,126	103,183	1,077,321	753	7,816	8,569	1,087,890	941	386,731	497	1,455,775
<b>Sub-Total</b>	<b>141,131,600</b>	<b>6,764,600</b>	<b>6,127,133</b>	<b>6,487,313</b>	<b>158,581,486</b>	<b>910,619</b>	<b>745,579</b>	<b>1,656,109</b>	<b>159,237,675</b>	<b>1,193,002</b>	<b>4,401,718</b>	<b>1,047,682</b>	<b>166,888,977</b>
Volunteer services/in-kind contributions													140,970
													165,029,947

Institute of International Education - 13-1624046

Schedule in Support of 990, Part 1 (2) and (11)

Program Service Revenue

Program Fees from Sponsor Contracts not qualifying as Grants	3,741,004
Publication Sales	344,821
Conference Fees	26,820
Cluster Reports	18,050
Miscellaneous Income	188,539
Total to 990, Part 1, Line 2	<b>\$4,319,234</b>

Other Revenue

Currency Exchange Gain	171,575
Total to 990, Part 1, Line 11	<b>\$171,575</b>

Institute of International Education - 13-1624046

Sale of Assets  
990, Part 1, Line 8  
September 30, 2001

	<u>Proceeds from sale</u>	<u>Cost</u>	<u>Gain on sale</u>
Common and Preferred Stocks	39,573,278	38,814,502	758,776
Total to Line 8(a)	<span style="border: 1px solid black; padding: 2px;">\$39,573,278</span>		
Total to Line 8(b)		<span style="border: 1px solid black; padding: 2px;">\$38,814,502</span>	
Total to Line 8(d)			<span style="border: 1px solid black; padding: 2px;">758,776</span>

Institute of International Education - 13-1624046

Statement in Support of form 990  
Part 1, line 9

Description	Gross Revenue 9a	Direct Expenses 9b	Net Income 9c
Chicago benefit	62,000	2,521	59,479
Denver benefit	149,740	3,220	146,520
Houston benefit	\$147,022	28,353	118,669
San Francisco benefit	133,400	11,426	121,974
Trustee Benefit Dinner	591,074	73,262	517,812
809 UN Plaza Remodeling	92,544		92,544
Totals	1,175,780	118,782	1,056,998

Institute of International Education - 13-1624046  
 Schedule in support of 990, Part 1, Line 20

	\$	\$
Market value of Investments September 30, 2000	50,221,149	
Market value of Investments September 30, 2001	<u>42,664,908</u>	
Unrealized Depreciation	(7,556,241)	(7,556,241)
Market Value of Third Party Investments September 30, 2000	3,795,154	
Market Value of Third Party Investments September 30, 2001	<u>3,190,638</u>	
Unrealized Depreciation	(604,516)	(604,516)
Unusual Item - Gain on Sale of Building		9,616,553
Total to 990, Part 1, Line 20		1,455,796

Institute of International Education - 13-1624046

Schedule of Prepaid Expenses and Deferred Charges

990 Part IV, Line 53

Grantee Withholding Taxes	284,088
Condo Construction & Permits	1,611,982
Rent	38,636
Software Maintenance	13,077
Deferred Expenses	256,458
Building Maintenance	139,908
Total to Part IV, Line 53	<b>2,344,149</b>

Institute of International Education - 13-1624046  
Schedule of Other Assets  
990, Part IV, Line 58  
September 30, 2001

Deposits-Other	9,690
Accrued Income	486,000
Advances Employees	80,931
Advance - Overseas Offices	256,366
CIES Receivables	198,705
Taxes Receivable	787
Book Inventory	21,979
Publication Receivable	48,409
Total Part IV, Line 58 Other Assets	1,102,867

Institute of International Education - 13-1624046

List of Officers, Directors and Trustees  
 Form 990, Part V  
September 30, 2001

	Title and Average hours per Week devoted to Position -----	Comp -----	Contributions to Employee Benefit Plans -----
Allan Goodman 809 United Nations Plaza New York, NY 10017	President All	260,000	14,192
David D Arnold 809 United Nations Plaza New York, NY 10017	Executive Vice President All	220,000	13,594
Peggy Blumenthal 809 United Nations Plaza New York, NY 10017	Vice President All	160,500	11,940
James H Lapple 809 United Nations Plaza New York, NY 10017	Vice President All	155,000	10,875
Patti McGill Peterson 3007 Tilden Street Washington, DC 20008	Vice President All	145,000	10,875
Thomas Farrell 1400 K Street, NW Washington, DC 20005	Vice President All	145,000	11,036
William Stacy Rhodes 1400 K Street, NW Washington, DC 20005	Vice President All	8,526	0
Totals to 990 Part V		1,094,026	72,512

Institute of International Education - 13-1624046  
Part IV Line 57 a & b Form 990  
September 30, 2001

Description of Property	NET Costs@9/30/01	Accumulated Depreciation at 10/1/00	Depreciation Current Period	Disposals Current Period	Accumulated Depreciation at 9/30/01
Furniture, Equipment & Improvements 7, 10 & 15 yrs	1,396,530	288,792	156,113	5,602	439,304
Other Property	1,740		58		58
Office Equipment - 7 Years	505,489	173,604	75,591		249,195
Auto - 3 years	7,023	7,023			7,023
Leasehold Improvements	2,277,552	204,002	333,150	60,027	477,125
Computer Software 5 yrs	580,319	178,765	132,372		311,137
Computer Hardware 4-5 yrs	<u>2,238,358</u>	<u>1,522,374</u>	<u>220,262</u>		1,742,636
Total Computer	2,818,677	1,701,139	352,634		2,053,773
Building - 50 years	18,379,215	0	194,654	40,235	154,419
Financial Systems Development	1,734,023	469,282	346,586		815,868
Fulbright Computer System	197,556	197,549			197,549
Donated Art	11,119				
CIP-Construction	55,339				
CIP-Furniture & Fixtures	138,161				
CIP-NY Renovations	141,127				
CIP-DC Renovations	3,787				
CIP CIES System Migration	2,096,018				
CIP-Entex Technical Assessment	157,649				
CIP-Entex Transition/Due Diligence	96,587				
CIP-Entex Site Upgrade-Consultant	181,350				
CIP-Entex Site Upgrade Hardward	1,248,054				
CIP-Site Upgrade Software	151,745				
CIP-Entex Environment Design	188,000				
CIP-Other Capital	821,824				
CIP-Database Enhancemnts	188,825				
Less Deferred Credit- Bldg Sale	(7,141,815)				
<b>Total Part IV Line 57 a &amp; b</b>	<b>25,655,575</b>	<b>3,041,391</b>	<b>1,458,786</b>	<b>105,864</b>	<b>4,394,313</b>

Institute of International Education - 13-1624046

Statement in Support of Form 990 Schedule A Part 111

Applications for study or research abroad are available to any U S citizen with an undergraduate degree A competitive process determines which candidates are screened and eventually selected by independent screening committees

Institute of International Education – 13-1624046  
Support for Form 990, line 64b

Note payable represents indebtedness to New York City Industrial Development Agency, regarding bond issued for the purchase of building located at 809 United Nations Plaza, New York City

Institute of International Education - 13-1624046

Statement in Support of Form 990  
Part 111, line e

Other Program Services

Research, publications and information services (See page 34)	910,619
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Overseas & Regional Office Activities (See page 36)	745,570
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Total Part 111, line e	<b>1,656,189</b>
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Institute of International Education

13-1624046

Summary of Schedule of Investments  
 in Support of 990, Part IV, Line 54  
 September 30, 2001

	Cost Basis	Market Value
<u>Unrestricted</u>		
Cash and equivalents	1,007,748	1,007,748
Corporate and government fixed income	12,289,946	12,638,751
Equities	<u>24,834,665</u>	<u>20,062,490</u>
	<u>38,132,359</u>	<u>33,708,989</u>
<u>Temporarily restricted</u>		
Cash and equivalents	193,552	193,552
Corporate and government fixed income	2,360,462	2,427,456
Equities	<u>4,769,857</u>	<u>3,853,291</u>
	<u>7,323,871</u>	<u>6,474,299</u>
<u>Permanently restricted</u>		
Cash and equivalents	74,189	74,189
Corporate and government fixed income	904,773	930,451
Equities	<u>1,828,302</u>	<u>1,476,980</u>
	<u>2,807,264</u>	<u>2,481,620</u>
Market value of investments held in perpetual trust by third parties	2,376,145	3,190,638
Total investments	<u>\$50,639,639</u>	<u>\$45,855,546</u>

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SIGNIFICANT PROGRAM SERVICE ACTIVITIES\*

Form 990, Part III (a)  
September 30, 2001

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International Exchange of Students and Scholars

Generally, activities of this type involve the exchange of individuals from foreign countries to the United States, from the United States to foreign countries or among foreign countries. In almost all instances, this exchange is within or to an academic setting. Examples of this type of activity are as follows:

- 1) The Institute administered educational exchange programs sponsored by the U.S. Information Agency, sending United States citizens abroad for one year study; bringing foreign students to the United States for academic work.
- 2) The various Ford Foundation sponsored academic Travel and Study grants and its Latin-American fellowship programs.

Total \$141,191,680  
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\*Not covered by auditors' report

SIGNIFICANT PROGRAM SERVICE ACTIVITIES\*

Form 990, Part III (b)  
September 30, 2001

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Development Training and Assistance

Activities of this type involve procurement functions for institutions and universities, and backstopping for consultants, advisors and interns in various activities. Examples of this type of activity are as follows.

- (1) Procurement function for institutions and universities through the world, whereby the Institute serves sponsors in obtaining and shipping of such items as text books, library equipment, etc.
  
- (2) Backstopping of consultants, advisors and interns engaged in various activities such as population control and public administrative assistance. These activities are sponsored by such organizations as the Agency for International Development and the U.S. Information Agency

Total	6,764,400
	=====

\*Not covered by auditors' report

INSTITUTE OF INTERNATIONAL EDUCATION 13-1624046

SIGNIFICANT PROGRAM SERVICE ACTIVITIES \*

Form 990, Part III (c)  
September 30, 2001

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Short-term International Visitors

Activities of this type involve the administration of programs which establish travel and appointment itineraries for Generally, these visitors are from foreign government posts and worldwide educational organizations. Examples of this type of activity are as follows:

- 1) The International Visitors program sponsored by the United States information Agency.
- 2) The UNESCO program.
- 3) Various Ford Foundation sponsored non-academic grants.

Total	\$4,128,193
	=====

\*Not covered by auditors' report

INSTITUTE OF INTERNATIONAL EDUCATION 13-1624046

SIGNIFICANT PROGRAM SERVICE ACTIVITIES\*

Form 990, Part III (d)  
September 30, 2001

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Educational Services

Activities of this type involve assistance to foreign institutions in such areas as curriculum development, educational system planning and aid in the upgrading of faculty staff. Under this heading is also included the programs of the International Council on Higher Education, which provide a forum at the highest level to deal with common problems in the educational area.

Total	\$4,497,213
	=====

\*Not covered by auditors' report

INSTITUTE OF INTERNATIONAL EDUCATION 13-1624046

SIGNIFICANT PROGRAM SERVICE ACTIVITIES\*

Form 990, Part III (e)  
September 30, 2001

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Research, Publication and Information Services

As and integral part of IIE's own activity, the Institute embarks upon original research activities resulting in the publication of material germane to all the various aspects of international education.

A prime example of this type of endeavor is the annual census of foreign nationals currently studying at institutions of higher learning within the United States. This annual census results in the publication "OPEN DOORS," which is considered to be one of the most important source documents for statistical analysis of the foreign student population. In addition, IIE prepares specialized study guides as demand for them emerges among students

In addition to research and publication, the Institute engages in counseling of both foreign students who wish to study in the United States and American Students who plan on furthering their education abroad.

The Institute also maintains one of the most comprehensive and extensive libraries pertaining to international education, as well as a highly refined reference service.

Total                    \$910,619

SIGNIFICANT PROGRAM SERVICE ACTIVITIES\*

Form 990, Part III (e)  
September 30, 2001

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Overseas and Regional Offices Activities

To facilitate the movement of students in the broad field of international education, IIE has established overseas offices in Mexico City, Mexico; Hong Kong, Bangkok, Thailand, Jakarta, Indonesia, Budapest, Hungary, Cairo, Egypt, Moscow and Vietnam. In addition, IIE has domestic offices located in Chicago, Denver, Houston, San Francisco and Washington, D.C.

The purpose of these offices is to provide a central source of information and an expertise to handle and to cope with the everyday problems which continually arise in administering to foreign students. In addition, the domestic offices also perform the function of a host in assisting international visitors who come to the United States for short-term observations and consultation tours

Total	\$745,570
	=====

\*Not covered by auditors' report



**INSTITUTE OF INTERNATIONAL EDUCATION, INC.**

**FINANCIAL STATEMENTS  
AS OF SEPTEMBER 30, 2001  
TOGETHER WITH AUDITORS' REPORT**



## REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

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

We have audited the accompanying statement of financial position of Institute of International Education, Inc (the "Institute") (a New York not-for-profit corporation) as of September 30, 2001, and the related statements of activities, functional expenses and cash flows for the year then ended. These financial statements are the responsibility of the Institute's management. Our responsibility is to express an opinion on these financial statements based on our audit. Financial statement and footnote information as of and for the year ended September 30, 2000 is presented for comparative purposes only and was extracted from the financial statements for that year, on which an unqualified audit opinion dated December 11, 2000 was expressed.

We conducted our audit in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the 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. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Accounting principles generally accepted in the United States require the Institute to consolidate into its financial statements the International Fellowships Fund, Inc, a supporting organization. As more fully explained in Note 1 to the financial statements, the Institute's financial statements are not presented on a consolidated basis.

In our opinion, except for the effect of the matter discussed in the preceding paragraph, the financial statements referred to above present fairly, in all material respects, the financial position of the Institute as of September 30, 2001, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States.

*Arthur Andersen LLP*

New York, New York  
December 7, 2001

**INSTITUTE OF INTERNATIONAL EDUCATION, INC.**

**STATEMENT OF FINANCIAL POSITION  
AS OF SEPTEMBER 30, 2001 WITH COMPARATIVE  
TOTALS AS OF SEPTEMBER 30, 2000**

<u>ASSETS</u>	<u>2001</u>	<u>2000</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 19,055,658	\$ 7,532,721
Reimbursable expenditures under contracts in progress, net (Note 2)	5,386,310	9,641,286
Contributions receivable	12,416,039	3,675,858
Investments, at market value (Notes 3 and 4)	45,855,546	54,675,050
Prepaid expenses and other assets	3,447,016	2,050,185
Building, furniture, equipment and leasehold improvements, net (Note 7)	<u>21,261,262</u>	<u>9,360,397</u>
Total assets	<u>\$ 107,421,831</u>	<u>\$ 86,935,497</u>
<u>LIABILITIES AND NET ASSETS</u>		
<b>LIABILITIES</b>		
Accounts payable and accrued expenses	\$ 4,969,852	\$ 8,197,541
Sponsored funds received in advance	12,806,489	9,577,180
Deferred income (Notes 2)	642,499	10,712,370
Note payable	<u>22,602,452</u>	<u>-</u>
Total liabilities	<u>41,021,292</u>	<u>28,487,091</u>
<b>COMMITMENTS AND CONTINGENCIES (Note 6)</b>		
<b>NET ASSETS (Note 2)</b>		
Unrestricted	19,327,143	18,043,163
Temporarily restricted	42,163,622	35,500,666
Permanently restricted	<u>4,909,774</u>	<u>4,904,577</u>
Total net assets	<u>66,400,539</u>	<u>58,448,406</u>
Total liabilities and net assets	<u>107,421,831</u>	<u>\$ 86,935,497</u>

The accompanying notes are an integral part of this statement

**INSTITUTE OF INTERNATIONAL EDUCATION, INC**

**STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED SEPTEMBER 30 2001 WITH COMPARATIVE  
TOTALS FOR THE YEAR ENDED SEPTEMBER 30 2000**

	2001				2000	
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Total	Total
<b>REVENUES</b>						
Sponsored programs (Note 5)	\$ 152,212,537	\$	\$	\$ 152,212,537	\$ 129,034,076	
Contributions	843,882	13,511,654		14,365,536	13,239,535	
Investment income	1,351,320	1,391,142		2,742,462	3,076,203	
Unrealized (depreciation) appreciation in fair market value of investments (Note 3)	(6,610,256)	(1,550,501)		(8,160,757)	2,906,892	
Sales of publications	344,821			344,821	185,722	
Special events- Contributions	1,175,780			1,175,780	1,609,472	
Direct costs	(118,782)			(118,782)	(96,592)	
	<u>1,056,998</u>			<u>1,056,998</u>	<u>1,552,880</u>	
Net revenues from special events						
Membership fees	259,076			259,076	304,136	
Other revenue	399,787		5,197	404,984	1,337,770	
	<u>149,858,165</u>	<u>13,352,295</u>	<u>5,197</u>	<u>163,215,657</u>	<u>151,637,214</u>	
Total revenues	140,870			140,870		
Voluntary services						
Net assets released from restrictions	6,689,339	(6,689,339)				
Satisfaction of program restrictions	156,688,374	6,662,956	5,197	163,356,527	151,637,214	
Total revenues and net assets released from restrictions						
<b>EXPENSES</b>						
Sponsored programs	141,191,680			141,191,680	115,716,392	
International exchange of students and scholars	6,764,400			6,764,400	5,638,446	
Development training and assistance	4,128,193			4,128,193	4,148,191	
Short-term international visitors	4,497,213			4,497,213	3,833,351	
Educational services	156,581,486			156,581,486	129,336,380	
Total sponsored programs						
Institute educational and information services	910,619			910,619	1,150,138	
Research publications and information services	745,570			745,570	617,540	
Overseas and regional office activities	1,656,189			1,656,189	1,767,678	
Total Institute educational and information services	158,237,675			158,237,675	131,104,058	
Total program services						
Supporting services-						
Management and general	4,401,718			4,401,718	3,801,399	
Fund-raising	1,047,682			1,047,682	711,981	
Program development	1,193,002			1,193,002	898,134	
Total supporting services	6,642,402			6,642,402	5,411,514	
Volunteer services/in kind contribution expense (Note 2)	140,870			140,870	176,175	
Total expenses	165,020,947			165,020,947	136,691,747	
(Decrease) increase in net assets before unusual item	(8,332,573)	6,662,956	5,197	(1,664,420)	14,945,467	
UNUSUAL ITEM - GAIN ON SALE OF BUILDING net (Note 9)						
Increase in net assets	9,616,553			9,616,553	14,945,467	
NET ASSETS beginning of year	1,283,980	6,662,956	5,197	7,952,133	43,502,939	
NET ASSETS end of year	18,043,163	35,500,666	4,904,577	58,448,406	58,448,406	
	<u>\$ 19,327,143</u>	<u>\$ 42,163,622</u>	<u>\$ 4,909,774</u>	<u>\$ 66,400,539</u>	<u>\$ 58,448,406</u>	

The accompanying notes are an integral part of this statement

INSTITUTE OF INTERNATIONAL EDUCATION INC

STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED SEPTEMBER 30 2001 WITH COMPARATIVE TOTALS  
FOR THE YEAR ENDED SEPTEMBER 30 2000

Description	2001										2000 Total
	Sponsored Programs					Institute Educational and Information Services					
	International Exchange of Students and Scholars	Development Training and Assistance	Short Term International Visitors	Educational Services	Total	Research Publications and Information Services	Overseas and Regional Office Activities	Management and General	Fund Raising	Program Development	Total Expenses
<b>SPONSORED DIRECT EXPENSES</b>											
Tuition	\$ 36,046,362	\$ 45,660	\$ 189	\$ 62,510	\$ 36,164,701	\$ 1,148	\$ 1,148	\$	\$	\$	\$ 36,164,701
Travel and field trips	9,755,464	141,360	395,439	223,311	10,515,574						10,516,722
Grantee maintenance	52,644,335	94,907	2,243,863	26,474	55,009,594						55,009,594
Salaries and related benefits of scientific staff	1,136,492	33	817	2,039	1,139,381						1,139,381
Grantee book allowance	1,643,554	4,754	75,425	42,063	1,765,796						1,765,796
Procurement of equipment and supplies	712,606	1,980,771		117,422	2,810,799		439				2,811,238
Insurance	538,108	1,611	83	7,255	547,057						547,057
Freight, shipment and storage	162,770	612		53,789	217,151						217,151
Other	8,401,105	3,869,206	48,957	1,043,265	13,353,533		9,495				13,373,028
Subtotal	111,050,796	6,137,909	2,764,713	1,580,108	121,533,526	1,148	9,534	11,082			121,544,668
<b>OTHER INSTITUTE EXPENSES</b>											
Salaries and related benefits	17,882,347	376,079	902,127	1,610,035	20,770,588	293,591	417,895	2,103,019	247,248	731,969	21,564,310
Occupancy	2,507,787	66,254	175,287	191,611	2,940,979	11,436	59,646	711,239	15,944	18,696	3,757,940
Outside services	4,038,170	57,455	118,612	624,233	4,836,470	441,536	134,707	781,590	266,930	205,415	6,666,648
Travel	995,595	43,672	26,021	75,950	1,141,138	22,806	16,976	56,715	12,320	97,663	1,347,518
Communication	474,042	10,822	21,678	42,238	548,778	72,007	17,805	23,003	8,118	22,306	641,817
Postage	786,186	4,986	8,358	51,579	851,109	3,055	12,468	13,781	6,615	12,085	889,110
Printing and supplies	505,769	5,359	10,771	18,790	540,689	47,266	8,135	7,748	29,547	21,739	625,637
Information services	221,633	4,713	9,416	24,823	269,585	59	592	49,862	129	225	311,452
Receptions and meetings	192,703	2,846	6,370	17,959	219,878	42,337	12,688	21,365	57,047	37,749	391,064
Equipment rentals and repairs	317,202	8,219	9,081	31,693	366,195	1,910	9,845	43,603	2,318	2,598	426,469
Stationery and supplies	679,366	12,427	24,496	53,637	769,928	13,473	14,383	49,223	6,474	18,105	871,597
Other	816,449	15,342	19,075	71,376	922,242	9,242	22,973	181,592	416,158	23,850	1,376,072
Subtotal	29,717,249	608,114	1,329,254	2,813,922	33,968,579	908,718	772,820	4,034,997	1,047,059	1,192,461	41,879,634
Depreciation and amortization	923,635	18,377	34,126	103,183	1,079,321	753	7,816	366,721	623	541	1,455,775
Total	141,191,680	6,764,400	4,123,169	4,497,213	156,581,466	910,619	1,445,370	4,401,716	1,047,682	1,193,002	165,020,947
Volunteer service/in-kind contributions											140,870
Total											165,691,747

The accompanying notes are an integral part of this statement.

**INSTITUTE OF INTERNATIONAL EDUCATION, INC.**

**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED SEPTEMBER 30, 2001 WITH COMPARATIVE  
TOTALS FOR THE YEAR ENDED SEPTEMBER 30, 2000**

	<u>2001</u>	<u>2000</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Increase in net assets	\$ 7,952,133	\$ 14,945,467
Adjustments to reconcile increase in net assets to net cash provided by operating activities-		
Depreciation and amortization	1,455,775	817,338
Amortization of gain on sale of building	(2,354,806)	(1,152,254)
Realized gain on sale of investments	(2,742,462)	(3,076,203)
Unrealized depreciation (appreciation) on investments	8,160,757	(2,906,892)
Decrease in reimbursable expenditures under contracts in progress	3,854,976	1,857,537
Increase in allowance for uncollectible amounts under contracts in progress	400,000	-
(Increase) in contributions receivable	(8,865,299)	(1,198,513)
Increase in contributions receivable discount valuation allowance	125,118	-
(Increase) in prepaid expenses and other assets	(1,396,831)	(897,232)
(Decrease) increase in accounts payable and accrued expenses	(3,227,689)	1,825,987
(Decrease) increase in deferred income	(7,225,484)	85,083
Increase (decrease) in sponsored funds received in advance	<u>3,229,309</u>	<u>(1,366,721)</u>
Net cash (used in) provided by operating activities	<u>(634,503)</u>	<u>8,933,597</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of investments	(38,468,844)	(23,138,994)
Proceeds from sale of investments	41,870,053	23,956,483
Purchase of fixed assets	(25,846,221)	(7,638,322)
Net proceeds from sale of building	<u>12,000,000</u>	<u>-</u>
Net cash used in investing activities	<u>(10,445,012)</u>	<u>(6,820,833)</u>
<b>CASH FLOW FROM FINANCING ACTIVITY</b>		
Proceeds from note payable	<u>22,602,452</u>	<u>-</u>
Net cash provided by financing activity	<u>22,602,452</u>	<u>-</u>
Net increase in cash and cash equivalents	11,522,937	2,112,764
<b>CASH AND CASH EQUIVALENTS, beginning of year</b>	<u>7,532,721</u>	<u>5,419,957</u>
<b>CASH AND CASH EQUIVALENTS, end of year</b>	<u>\$ 19,055,658</u>	<u>\$ 7,532,721</u>

The accompanying notes are an integral part of this statement

# INSTITUTE OF INTERNATIONAL EDUCATION, INC.

## NOTES TO FINANCIAL STATEMENTS SEPTEMBER 30, 2001

### 1 DESCRIPTION OF ORGANIZATION

The Institute of International Education, Inc (the "Institute" or the "Organization") develops and administers programs of international educational exchange and technical assistance under renegotiable contracts with governments, international organizations, corporations, foundations, colleges and universities in the United States and abroad

Services to students, teachers, technicians and specialists from more than 170 countries are provided by the Institute's New York headquarters, regional offices and overseas offices. The Institute also administers educational assistance to universities and foreign countries, sponsors conferences and seminars and provides procurement services on behalf of certain sponsors

In addition, through general support, the Institute conducts counseling and information services, issues publications, assists international programs in the performing and visual arts 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 International Fellowships Fund, Inc ("IFF") a not-for-profit organization to administer and support the activities of the International Fellowships Program. The International Fellowships Program provides educational opportunities for individuals from disadvantaged populations. IFF is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and is designated as a Type 1 supporting organization. IFF commenced operations with funding received from the Ford Foundation in the amount of \$275,526,718 in September 2001. As of September 30, 2001 the expenses of IFF were immaterial. The Board of Trustees of IFF is comprised of four members of IIE's Board of Trustees, along with three independent board members. IFF is controlled by IIE and exists for the benefit of the Institute. Accordingly, IFF's financial position, changes in net assets and cash flows should be consolidated with that of the Institute in accordance U S generally accepted accounting principles. The accompanying financial statements do not include IFF's financial position, changes in net assets and cash flows as of and for the year ended September 30, 2001. On an ongoing basis, IIE will provide administrative services to IFF and charge an annual management fee.

### 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### Basis of Presentation

The Institute complies with the reporting requirements of Statement of Financial Accounting Standards ("SFAS") No. 116, "Accounting for Contributions Received and Contributions Made," and SFAS No. 117, "Financial Statements of Not-for-Profit Organizations." Under SFAS No. 117, the Institute is required to report information regarding net assets and revenues, expenses, gains and losses based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the Institute are classified and reported as follows:

#### Unrestricted

Net assets that are not subject to donor-imposed stipulations and that may be expended for any purpose in performing the primary objectives of the Institute are considered unrestricted. 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.

**INSTITUTE OF INTERNATIONAL EDUCATION, INC.**

**NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2001**

Temporarily Restricted

Contributions that are received with donor stipulations that either expire with the passage of time or can be fulfilled and removed by actions of the Institute pursuant to those stipulations are considered temporarily restricted. 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 statements of activities as net assets released from restrictions. Temporarily restricted net assets as of September 30, 2001 and 2000 are as follows:

	<u>2001</u>	<u>2000</u>
Program activities	\$ 32,632,076	\$ 24,971,687
Available 5 years after funds to be matched by the Ford Foundation are raised	<u>9,531,546</u>	<u>10,528,979</u>
	<u>\$ 42,163,622</u>	<u>\$ 35,500,666</u>

Permanently Restricted

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 the Institute are reported as permanently restricted. These net assets include funds which have been designated by the donor to be held and invested in perpetuity and undistributed net assets held by third-party trustees in perpetuity and related undistributed unrealized gains as discussed in Note 4.

Revenue Recognition

Revenues categorized as sponsored programs on the accompanying statement of activities are treated as exchange transactions. Revenues are recognized as the Institute incurs the related expenditures and are classified as deferred income on the accompanying statement of financial position until they are utilized for their specified purposes. To the extent that expenditures on exchange programs are made in excess of cash receipts, reimbursable expenditures on contracts in progress are recorded on the accompanying statement of financial position.

Revenue is recognized when an unconditional promise to give is received in accordance with SFAS No. 116.

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 support services benefited.

Volunteer Services/In-Kind Contributions

Contributed time from volunteers with specialized skills and contributed property are reflected as contributions revenue and volunteer service/in-kind contribution expense at their estimated market value in the accompanying statement of activities.

Pension and Retirement Benefits

## **INSTITUTE OF INTERNATIONAL EDUCATION, INC.**

### **NOTES TO FINANCIAL STATEMENTS SEPTEMBER 30, 2001**

Retirement benefits coverage is available for substantially all employees provided through individual contributory annuities with selected financial institutions. The Institute's contributions for fiscal years 2001 and 2000 under the provisions of this defined contribution plan were \$952,133 and \$945,784, respectively.

In addition to providing pension benefits, the Institute provides certain health care insurance benefits for retired employees. The Institute reserves the right to change or terminate these benefits at any time.

#### Cash Equivalents

All highly liquid investments having an original maturity of 90 days or less, including money market accounts, are considered to be cash equivalents.

#### Reimbursable Expenditures Under Contracts in Progress

Included in reimbursable expenditures under contracts in progress on the accompanying statement of financial position are \$5,386,310 and \$9,641,286, representing amounts spent during fiscal years 2001 and 2000, respectively, for U.S. Government programs.

#### Building, Furniture, Equipment and Leasehold Improvements

Building, furniture, equipment, leasehold improvements and software development costs are capitalized and depreciated on a straight-line basis over their estimated useful lives of three to thirty years, respectively. Depreciation and amortization expense for fiscal 2001 and 2000 is \$1,455,775 and \$817,338, respectively.

#### Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

#### Prior-Period Information

The financial statements include certain prior year summarized information for comparative purposes only. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States. Accordingly, such information should be read in conjunction with the Institute's financial statements as of and for the year ended September 30, 2000, from which the summarized information was derived.

**INSTITUTE OF INTERNATIONAL EDUCATION, INC.**

**NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2001**

**3 INVESTMENTS**

Investments, as of September 30, 2001 and 2000, are summarized as follows

	2001		2000	
	Cost Basis	Market Value	Cost Basis	Market Value
Unrestricted				
Cash and equivalents	\$ 1,007,748	\$ 1,007,748	\$ 1,098,235	\$ 1,098,235
Corporate and government fixed income	12,289,946	12,638,751	14,042,224	13,735,824
Equities	<u>24,834,665</u>	<u>20,062,490</u>	<u>23,899,529</u>	<u>26,131,493</u>
	<u>38,132,359</u>	<u>33,708,989</u>	<u>39,039,988</u>	<u>40,965,552</u>
Temporarily restricted				
Cash and equivalents	193,552	193,552	214,725	214,725
Corporate and government fixed income	2,360,462	2,427,456	2,745,515	2,685,609
Equities	<u>4,769,857</u>	<u>3,853,291</u>	<u>4,672,802</u>	<u>5,109,193</u>
	<u>7,323,871</u>	<u>6,474,299</u>	<u>7,633,042</u>	<u>8,009,527</u>
Permanently restricted				
Cash and equivalents	74,189	74,189	51,066	51,066
Corporate and government fixed income	904,773	930,451	652,933	638,688
Equities	<u>1,828,302</u>	<u>1,476,980</u>	<u>1,111,281</u>	<u>1,215,063</u>
	<u>2,807,264</u>	<u>2,481,620</u>	<u>1,815,280</u>	<u>1,904,817</u>
Investments held in perpetual trust by third parties (Note 4)	<u>2,376,145</u>	<u>3,190,638</u>	<u>2,810,076</u>	<u>3,795,154</u>
Total investments	<u>\$ 50,639,639</u>	<u>\$ 45,855,546</u>	<u>\$ 51,298,386</u>	<u>\$ 54,675,050</u>

The Institute complies with SFAS No 124, "Accounting for Certain Investments Held by Not-for-Profit Organizations" SFAS No 124 requires that investments in equity securities with readily determinable market values and all investments in debt securities be reported at fair market value with gains and losses included in the statement of activities

**4 INVESTMENTS HELD IN PERPETUAL TRUST BY THIRD PARTIES**

The Institute has been named the beneficiary of gifts which are held in perpetual trust by third parties, according to the original donors' request. According to the original donors' stipulation, distributions of net income from these trusts are to be made to the Institute and are to be spent for specified purposes. During fiscal years 2001 and 2000, distributions from these trusts in the amount of \$107,499 and \$86,418, respectively, were recorded as temporarily restricted contributions on the accompanying statement of activities. Undistributed net unrealized appreciation of these assets during fiscal years 2001 and 2000 of \$4,480 and \$344,723, respectively, was recorded as unrealized appreciation in fair market value of investments of temporarily restricted net assets within the accompanying statement of activities. The total asset balances as of September 30, 2001 and 2000 of \$3,190,665 and \$3,795,154, respectively, have

**INSTITUTE OF INTERNATIONAL EDUCATION, INC.**

**NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2001**

been included within investments and permanently restricted net assets in the accompanying statement of financial position

**5 SPONSORED PROGRAM REVENUE**

Total sponsored program revenue for fiscal 2001 and 2000 was derived from the following major sponsor categories

	<u>2001</u>	<u>2000</u>
U S Government agencies	\$ 109,104,699	\$ 98,113,190
Foundations and research organizations	28,949,473	24,894,563
Corporations	5,259,035	4,228,944
Foreign governments and international organizations	<u>8,899,330</u>	<u>1,797,379</u>
	<u>\$ 152,212,537</u>	<u>\$ 129,034,076</u>

**6 COMMITMENTS AND CONTINGENCIES**

The accompanying statements of activities include rental expenses of \$3,548,411 and \$3,546,318 for the years ended September 30, 2001 and 2000, respectively. The Institute leases space for its regional and certain overseas offices on a noncancelable, long-term basis. These agreements, expiring at various dates through 2005, permit the Institute to sublease such space at its option. In addition, the Institute entered into a sale-leaseback transaction whereby the Institute sold its New York Office building and leased back approximately 50% of the building's space for ten years (Note 9).

Minimum future lease commitments are as follows at September 30, 2001

	<u>Amount</u>
Fiscal year	
2002	\$ 118,746
2003	64,820
2004	38,814
2005	6,320
Thereafter	<u>513</u>
	<u>\$ 229,213</u>

The Institute, 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 the Institute's financial statements.

**INSTITUTE OF INTERNATIONAL EDUCATION, INC**

NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2001

**7 BUILDING, FURNITURE, EQUIPMENT AND LEASEHOLD IMPROVEMENTS**

Building, furniture, equipment and leasehold improvements consist of the following

	2001	2000
Building	\$ 18,379,215	\$ -
Furniture	1,534,691	1,269,282
Equipment	10,550,593	8,624,016
Leasehold improvements	<u>2,332,891</u>	<u>2,508,490</u>
	32,797,390	12,401,788
Accumulated depreciation	<u>(4,394,313)</u>	<u>(3,041,391)</u>
Net properties and equipment	28,403,077	9,360,397
Less Deferred credit	<u>(7,141,815)</u>	<u>-</u>
Building, Furniture, Equipment and Leasehold Improvements, net	<u>\$ 21,261,262</u>	<u>\$ 9,360,397</u>

**8 TAX STATUS**

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

**9 BUILDING REPURCHASE/SUBSEQUENT SALE OF TWO FLOORS**

In July of 2001, the Institute's Board 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 the Institute repurchasing 10 of the 12 available floors. The purchase price was \$22,750,000. In September of 2001, the Institute sold two of the repurchased floors to a foreign government for \$12,000,000. The Institute's basis in the two sold floors was \$4,788,875 and resulted in a gain on sale of \$7,251,030. A portion of the deferred credit associated with the Institute's sale of the building in 1998 was assigned to the two floors sold and recognized in the current year. The remaining balance of the deferred credit has been reclassified and netted with the Institute's Building, Furniture, Equipment and Leasehold Improvements balance and the deferred credit is being amortized over a 30 year period.

Form **8868**

(December 2000)

Department of the Treasury  
Internal Revenue Service

# Application for Extension of Time To File an Exempt Organization Return

OMB No 1545 1709

▶ File a separate application for each return

- If you are filing for an **Automatic 3-Month Extension**, complete only Part I and check this box
- If you are filing for an **Additional (not automatic) 3-Month Extension**, complete only Part II (on page 2 of this form)

**Note** Do not complete Part II unless you have already been granted an automatic 3-month extension on a previously filed Form 8868

## Part I Automatic 3-Month Extension of Time—Only submit original (no copies needed)

**Note:** Form 990-T corporations requesting an automatic 6-month extension—check this box and complete Part I only

All other corporations (including Form 990-C filers) must use Form 7004 to request an extension of time to file income tax returns. Partnerships, REMICs and trusts must use Form 8736 to request an extension of time to file Form 1065, 1066, or 1041

Type or print  File by the due date for filing your return. See instructions	Name of Exempt Organization <b>Institute of International Education</b>	Employer identification number <b>13 1624046</b>
	Number street and room or suite no. If a P.O. box see instructions <b>809 United Nations Plaza</b>	
	City town or post office state and ZIP code. For a foreign address see instructions <b>New York, NY 10017</b>	

Check type of return to be filed (file a separate application for each return)

- |  |  |                                    |
|--|--|------------------------------------|
| <input checked="" type="checkbox"/> Form 990 | <input type="checkbox"/> Form 990-T (corporation)                | <input type="checkbox"/> Form 4720 |
| <input type="checkbox"/> Form 990-BL         | <input type="checkbox"/> Form 990-T (sec 401(a) or 408(a) trust) | <input type="checkbox"/> Form 5227 |
| <input type="checkbox"/> Form 990-EZ         | <input type="checkbox"/> Form 990-T (trust other than above)     | <input type="checkbox"/> Form 6069 |
| <input type="checkbox"/> Form 990-PF         | <input type="checkbox"/> Form 1041-A                             | <input type="checkbox"/> Form 8870 |

- If the organization does **not** have an office or place of business in the United States, check this box
- If this is for a **Group Return**, enter the organization's four digit Group Exemption Number (GEN) \_\_\_\_\_ If this is for the **whole** group, check this box  If it is for part of the group check this box  and attach a list with the names and EINs of all members the extension will cover

1 I request an automatic 3-month (6-month, for **990-T corporation**) extension of time until **May 15**, 2002, to file the exempt organization return for the organization named above. The extension is for the organization's return for

▶  calendar year 20 . or

▶  tax year beginning **October 1**, 2000, and ending **September 30**, 2001

2 If this tax year is for less than 12 months check reason  Initial return  Final return  Change in accounting period

3a If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069 enter the tentative tax less any nonrefundable credits. See instructions \$ \_\_\_\_\_

b If this application is for Form 990-PF or 990-T, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit \$ \_\_\_\_\_

c **Balance Due** Subtract line 3b from line 3a. Include your payment with this form, or, if required, deposit with FTD coupon or, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions \$ \_\_\_\_\_

### Signature and Verification

Under penalties of perjury I declare that I have examined this form, including accompanying schedules and statements, and to the best of my knowledge and belief it is true, correct, and complete, and that I am authorized to prepare this form.

Signature ▶  Title ▶ **Assistant Controller** Date ▶ **January 7, 2002**