

CitizenAudit.org

Return of Organization Exempt From Income Tax

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

2001

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 2001 calendar year, or tax year beginning July 1, 2001, and ending June 30, 2002

- B** Check if applicable
- Address change
 - Name change
 - Initial return
 - Final return
 - Amended return
 - Application pending

C Name of organization
COUNCIL OF CHIEF STATE SCHOOL OFFICERS

Number and street (or PO box if mail is not delivered to street address) Room/suite
ONE MASSACHUSETTS AVENUE, NW 700

City or town state or country and ZIP + 4
WASHINGTON DC

D Employer identification number
53-0198090

E Telephone number
202-408-5505

F Accounting method Cash Accrual
 Other (specify) ▶

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

H and I are not applicable to section 527 organizations

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? (If "No" attach a list. See instructions.) Yes No

H(d) Is this a separate return filed by an organization covered by a group ruling? Yes No

I Enter 4-digit GEN ▶

M Check if the organization is not required to attach Sch B (Form 990, 990-EZ or 990-PF)

G Web site ▶ HTTP://WWW.CCSSO.ORG

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

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.

L Gross receipts. Add lines 6b, 8b, 9b, and 10b to line 12 ▶

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				
	a	Direct public support	1a	5,057,573		
	b	Indirect public support	1b			
	c	Government contributions (grants)	1c	8,119,325		
	d	Total (add lines 1a through 1c. cash \$ 13,176,898 noncash \$)	1d	13,176,898		
	2	Program service revenue including government fees and contracts (from Part VII, line 93)	2	3,095,162		
	3	Membership dues and assessments	3	1,631,385		
	4	Interest on savings and investments	4	240,933		
	5	Dividends and interest from securities	5	12,687		
	6a	Gross rents	6a			
	b	Less rental expenses	6b			
	c	Net rental income or (loss) (subtract line 6b from line 6a)	6c			
7	Other investment income (describe ▶)	7				
Revenue	8a	Gross amount from sales of assets other than inventory	(A) Securities		(B) Other	
			100,373	8a		
	b	Less cost or other basis and sales expenses		192,341	8b	
	c	Gain or (loss) (attach schedule)		(91,968)	8c	
	d	Net gain or (loss) (combine line 8c, columns (A) and (B))			8d	(91,968)
	9	Special events and activities (attach schedule)				
	a	Gross revenue (not including \$ of contributions reported on line 1a)	9a			
	b	Less direct expenses other than fundraising expenses	9b			
c	Net income or (loss) from special events (subtract line 9b from line 9a)	9c				
Revenue	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			
11	Other revenue (from Part VII, line 103)	11				
12	Total revenue (add lines 1d, 2, 3, 4, 5, 6c, 7, 8d, 9c, 10c, and 11)	12	18,065,097			
Expenses	13	Program services (from line 44, column (B))	13	16,836,667		
	14	Management and general (from line 44, column (C))	14	1,148,401		
	15	Fundraising (from line 44, column (D))	15			
	16	Payments to affiliates (attach schedule)	16			
	17	Total expenses (add lines 16 and 44, column (A))	17	17,985,068		
Net Assets	18	Excess or (deficit) for the year (subtract line 17 from line 12)	18	80,029		
	19	Net assets or fund balances at beginning of year (from line 73, column (A))	19	1,351,634		
	20	Other changes in net assets or fund balances (attach explanation)	20	(63,930)		
	21	Net assets or fund balances at end of year (combine lines 18, 19, and 20)	21	1,367,733		

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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 21.)

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	325,472	37,543	287,929
26	Other salaries and wages	26	3,934,649	3,283,001	651,648
27	Pension plan contributions	27	391,167	305,759	85,408
28	Other employee benefits	28	325,576	257,497	68,079
29	Payroll taxes	29	321,474	251,288	70,186
30	Professional fundraising fees	30			
31	Accounting fees	31	13,225	0	13,225
32	Legal fees	32			
33	Supplies	33	325,229	132,039	193,190
34	Telephone	34			
35	Postage and shipping	35	275,890	168,331	107,559
36	Occupancy	36	773,424	352,525	420,899
37	Equipment rental and maintenance	37			
38	Printing and publications	38	310,423	286,027	24,396
39	Travel	39			
40	Conferences, conventions, and meetings	40	3,314,443	3,185,497	128,946
41	Interest	41			
42	Depreciation, depletion, etc (attach schedule)	42	194,634	0	194,634
43	Other expenses not covered above (itemize) a _____	43a			
b	INSURANCE	43b	25,302	0	25,302
c	LOSS ON FIXED ASSETS	43c	6,582	0	6,582
d	CONSULTANTS/CONTRACTS/AWARDS	43d	7,447,578	7,166,482	281,096
e	INDIRECT COSTS	43e		1,410,678	(1,410,678)
44	Total functional expenses (add lines 22 through 43) Organizations completing columns (B) - (D), carry these totals to lines 13 - 15.	44	17,985,068	16,836,667	1,148,401

Joint Costs Check if you are following SOP 98-2

Are any joint costs from a combined educational campaign and fundraising solicitation reported in (B) Program services? 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 24)

What is the organization's primary exempt purpose? **K-12 EDUCATION**
 All organizations must describe their exempt purpose achievements in a clear and concise manner. State the number of clients served, publications issued, etc. Discuss achievements that are not measurable (Section 501(c)(3) and (4) organizations and 4947(a)(1) nonexempt charitable trusts must also enter the amount of grants and allocations to others.)

	Program Service Expenses (Required for 501(c)(3) and (4) orgs and 4947(a)(1) trusts but optional for others)
a <u>SCHEDULE 5</u> ----- ----- (Grants and allocations \$ 1,845,249)	16,836,667
b ----- ----- (Grants and allocations \$)	
c ----- ----- (Grants and allocations \$)	
d ----- ----- (Grants and allocations \$)	
e Other program services (attach schedule) (Grants and allocations \$)	
f Total of Program Service Expenses (should equal line 44, column (B), Program services)	16,836,667

Part IV Balance Sheets (See Specific Instructions on page 24)

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		358,000	45	0
	46	Savings and temporary cash investments		5,993,281	46	7,790,109
	47a	Accounts receivable	47a 272,104			
	b	Less allowance for doubtful accounts	47b	288,278	47c	272,104
	48a	Pledges receivable	48a		48c	
	b	Less allowance for doubtful accounts	48b			
	49	Grants receivable		1,656,192	49	1,646,267
	50	Receivables from officers, directors, trustees, and key employees (attach schedule)			50	
	51a	Other notes and loans receivable (attach schedule)	51a			
	b	Less allowance for doubtful accounts	51b		51c	
	52	Inventories for sale or use			52	
	53	Prepaid expenses and deferred charges		455,024	53	534,705
	54	Investments — securities (attach schedule)	<input type="checkbox"/> Cost <input checked="" type="checkbox"/> FMV	1,409,867	54	1,260,779
	55a	Investments — land, buildings, and equipment basis	55a			
	b	Less accumulated depreciation (attach schedule)	55b		55c	
56	Investments — other (attach schedule)			56		
57a	Land, buildings, and equipment basis	57a 1,401,840				
b	Less accumulated depreciation (attach schedule)	57b 879,458	602,848	57c	522,382	
58	Other assets (describe ► _____)			58		
59	Total assets (add lines 45 through 58) (must equal line 74)		10,763,490	59	12,026,346	
Liabilities	60	Accounts payable and accrued expenses		2,571,632	60	1,913,155
	61	Grants payable			61	
	62	Deferred revenue		6,840,224	62	8,745,458
	63	Loans from officers, directors, trustees, and key employees (attach schedule)			63	
	64a	Tax-exempt bond liabilities (attach schedule)			64a	
	b	Mortgages and other notes payable (attach schedule)			64b	
	65	Other liabilities (describe ► _____)			65	
66	Total liabilities (add lines 60 through 65)		9,411,856	66	10,658,613	
Net Assets or Fund Balances	Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 67 through 69 and lines 73 and 74					
	67	Unrestricted		1,227,162	67	1,234,993
	68	Temporarily restricted			68	
	69	Permanently restricted		124,472	69	132,740
	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			70	
	71	Paid-in or capital surplus, or land, building, and equipment fund			71	
	72	Retained earnings, endowment, accumulated income, or other funds			72	
73	Total net assets or fund balances (add lines 67 through 69 OR lines 70 through 72, column (A) must equal line 19, column (B) must equal line 21)		1,351,634	73	1,367,733	
74	Total liabilities and net assets/fund balances (add lines 66 and 73)		10,763,490	74	12,026,346	

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 IV-A Reconciliation of Revenue per Audited Financial Statements with Revenue per Return (See Specific Instructions, page 26)	Part IV-B Reconciliation of Expenses per Audited Financial Statements with Expenses per Return
<p>a Total revenue, gains, and other support per audited financial statements ▶ a 18,001,167</p> <p>b Amounts included on line a but not on line 12, Form 990</p> <p>(1) Net unrealized gains on investments \$ _____</p> <p>(2) Donated services and use of facilities \$ _____</p> <p>(3) Recoveries of prior year grants \$ _____</p> <p>(4) Other (specify) <u>NET LOSSES</u> \$ (63,930)</p> <p>Add amounts on lines (1) through (4) ▶ b (63,930)</p> <p>c Line a minus line b ▶ c 18,065,097</p> <p>d Amounts included on line 12, Form 990 but not on line a</p> <p>(1) Investment expenses not included on line 6b, Form 990 \$ _____</p> <p>(2) Other (specify) _____ \$ _____</p> <p>Add amounts on lines (1) and (2) ▶ d</p> <p>e Total revenue per line 12, Form 990 (line c plus line d) ▶ e 18,065,097</p>	<p>a Total expenses and losses per audited financial statements ▶ a 17,985,068</p> <p>b Amounts included on line a but not on line 17, Form 990</p> <p>(1) Donated services and use of facilities \$ _____</p> <p>(2) Prior year adjustments reported on line 20, Form 990 \$ _____</p> <p>(3) Losses reported on line 20, Form 990 \$ _____</p> <p>(4) Other (specify) _____ \$ _____</p> <p>Add amounts on lines (1) through (4) ▶ b</p> <p>c Line a minus line b ▶ c 17,985,068</p> <p>d Amounts included on line 17, Form 990 but not on line a</p> <p>(1) Investment expenses not included on line 6b, Form 990 \$ _____</p> <p>(2) Other (specify) _____ \$ _____</p> <p>Add amounts on lines (1) and (2) ▶ d</p> <p>e Total expenses per line 17, Form 990 (line c plus line d) ▶ e 17,985,068</p>

Part V List of Officers, Directors, Trustees, and Key Employees (List each one even if not compensated, see Specific Instructions on page 26)

(A) Name and address	(B) Title and average hours per week devoted to position	(C) Compensation (If not paid enter -0-)	(D) Contributions to employee benefit plans & deferred compensation	(E) Expense account and other allowances
G. THOMAS HOULIHAN OXFORD, NC 27565	EX DIRECTOR 37.5	225,083	22,508	6,420
BRUCE BUTERBAUGH POTOMAC FALLS, VA 20165	DEPUTY EX. DIR. 37.5	100,389	10,039	420
SEE ATTACHED SCHEDULE FOR BOARD OF DIRECTORS		0	0	0

75 Did any officer, director, trustee, or key employee receive aggregate compensation of more than \$100,000 from your organization and all related organizations, of which more than \$10,000 was provided by the related organizations? ▶ Yes No

If "Yes," attach schedule — see Specific Instructions on page 27

Part VII Analysis of Income-Producing Activities (See Specific Instructions on page 32)

	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	
Note Enter gross amounts unless otherwise indicated					
93 Program service revenue					
a REGISTRATION FEES AND OTHER					848,365
b PROGRAM MEMBERSHIP FEES					2,246,797
c					
d					
e					
f Medicare/Medicaid payments					
g Fees and contracts from government agencies					
94 Membership dues and assessments					1,631,385
95 Interest on savings and temporary cash investments			14	240,933	
96 Dividends and interest from securities			14	12,687	
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	(91,968)	
101 Net income or (loss) from special events					
102 Gross profit or (loss) from sales of inventory					
103 Other revenue a					
b					
c					
d					
e					
104 Subtotal (add columns (B), (D), and (E))				161,652	4,726,547
105 Total (add line 104, columns (B), (D), and (E))					4,888,199

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 32)

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)
	SEE ATTACHED SCHEDULE

Part IX Information Regarding Taxable Subsidiaries and Disregarded Entities (See Specific Instructions on page 33)

(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
N/A	%			
	%			
	%			
	%			

Part X Information Regarding Transfers Associated with Personal Benefit Contracts (See Specific Instructions on page 33)

- (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. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge

Please Sign Here

Signature of officer: Bruce Buterbaugh CPA Date: 11/1/02

BRUCE BUTERBAUGH, CPA, DEPUTY EXECUTIVE DIRECTOR, INTERNAL SUPPORT AND OPERATIONS
Type or print name and title

Paid Preparer's Use Only

Preparer's signature: _____ Date: _____ Check if self-employed:

Firm's name (or yours if self-employed) address and ZIP + 4: _____ Preparer's SSN or PTIN (See Gen. Inst. W): _____

EIN: _____ Phone no: _____

SCHEDULE A
(Form 990 or 990-EZ)

Organization Exempt Under Section 501(c)(3)

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

OMB No 1545-0047

2001

Department of the Treasury
Internal Revenue Service

Supplementary Information — (See separate instructions)

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

Name of the organization

COUNCIL OF CHIEF STATE SCHOOL OFFICERS

Employer identification number

53-0198090

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
CARNIE HAYES WASHINGTON, DC	DIR. FED/STATE RELATIONS 37.5	157,688	15,769	420
RICHARD DEASY BALTIMORE, MD	DIRECTOR, AEP 37.5	136,375	13,638	420
JULIA LARA WASHINGTON, DC	DEP EX DIR, SSTA 37.5	123,336	12,334	420
JOHN OLSON BURKE, VA	DIRECTOR OF ASSESSMENTS 37.5	112,755	11,276	420
WAYNE MARTIN WASHINGTON, DC	SPECIAL ASSISTANT 30	103,389	10,339	420
Total number of other employees paid over \$50,000 ▶	23			

Part II Compensation of the Five Highest Paid Independent Contractors for Professional Services
(See page 2 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
HOGAN AND HARTSON 555 13TH STREET, NW WASHINGTON, DC 20004	LAW FIRM	60,763
Total number of others receiving over \$50,000 for professional services ▶	0	

Part III Statements About Activities (See page 2 of the instructions)

	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 ▶ \$ <u>361,834</u> (Must equal amounts on line 38, Part VI-A, or line I of Part VI-B) 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.	X	
2 During the year, has the organization, either directly or indirectly, engaged in any of the following acts with any substantial contributors, 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? (If the answer to any question is "Yes," attach a detailed statement explaining the transactions.)		
a Sale, exchange, or leasing of property?		X
b Lending of money or other extension of credit?		X
c Furnishing of goods, services, or facilities?		X
d Payment of compensation (or payment or reimbursement of expenses if more than \$1,000)?		X
e Transfer of any part of its income or assets?		X
3 Does the organization make grants for scholarships, fellowships, student loans, etc.? (See Note below)	X	
4 Do you have a section 403(b) annuity plan for your employees?		X

Note 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.

Part IV Reason for Non-Private Foundation Status (See pages 3 through 6 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)
- 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)(vi) (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 6 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) 2000	(b) 1999	(c) 1998	(d) 1997	(e) Total
15 Gifts, grants, and contributions received (Do not include unusual grants See line 28)	15,084,904	12,583,053	12,519,998	12,043,434	52,231,389
16 Membership fees received	1,563,044	1,517,067	1,810,872	1,785,966	6,676,949
17 Gross receipts from admissions, merchandise sold or services performed, or furnishing of facilities in any activity that is related to the organization's charitable, etc., purpose	757,571	556,232	488,925	435,369	2,238,097
18 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	138,838	108,396	74,830	106,739	428,803
19 Net income from unrelated business activities not included in line 18					
20 Tax revenues levied for the organization's benefit and either paid to it or expended on its behalf					
21 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					
22 Other income Attach a schedule Do not include gain or (loss) from sale of capital assets	(40,934)	8,249	(7,749)	51,154	10,720
23 Total of lines 15 through 22	17,503,423	14,772,997	14,886,876	14,422,662	61,585,958
24 Line 23 minus line 17	16,745,852	14,216,765	14,397,951	13,987,293	59,347,861
25 Enter 1% of line 23	175,034	147,730	148,869	144,227	
26 Organizations described on lines 10 or 11	a Enter 2% of amount in column (e), line 24				26a 1,186,957
b Prepare a list for your records to show the name of and amount contributed by each person (other than a governmental unit or publicly supported organization) whose total gifts for 1997 through 2000 exceeded the amount shown in line 26a Do not file this list with your return Enter the total of all these excess amounts					26b 1,001,275
c Total support for section 509(a)(1) test Enter line 24, column (e)					26c 59,347,861
d Add Amounts from column (e) for lines 18 <u>428,803</u> 19 <u> </u> 22 <u>10,720</u> 26b <u>1,001,275</u>					26d 1,440,798
e Public support (line 26c minus line 26d total)					26e 57,907,063
f Public support percentage (line 26e (numerator) divided by line 26c (denominator))					26f 97.57 %
27 Organizations described on line 12	a For amounts included in lines 15, 16, and 17 that were received from a "disqualified person," prepare a list for your records to show the name of, and total amounts received in each year from, each "disqualified person." Do not file this list with your return. Enter the sum of such amounts for each year (2000) _____ (1999) _____ (1998) _____ (1997) _____				
b For any amount included in line 17 that was received from each person (other than "disqualified person"), prepare a list for your records 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.) Do not file this list with your return 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 (2000) _____ (1999) _____ (1998) _____ (1997) _____					
c Add Amounts from column (e) for lines 15 _____ 16 _____ 17 _____ 20 _____ 21 _____					27c _____
d Add Line 27a total _____ and line 27b total _____					27d _____
e Public support (line 27c total minus line 27d total)					27e _____
f Total support for section 509(a)(2) test Enter amount from line 23, column (e)	27f _____				
g Public support percentage (line 27e (numerator) divided by line 27f (denominator))					27g _____ %
h Investment Income percentage (line 18, column (e) (numerator) divided by line 27f (denominator)).					27h _____ %
28 Unusual Grants For an organization described in line 10, 11, or 12 that received any unusual grants during 1997 through 2000, prepare a list for your records to show, for each year, the name of the contributor, the date and amount of the grant, and a brief description of the nature of the grant Do not file this list with your return Do not include these grants in line 15					

Part V Private School Questionnaire (See page 7 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		

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PAGE 1, PART 1, LINE 1
CONTRIBUTIONS, GIFTS, GRANTS AND SIMILAR AMOUNTS RECEIVED

Direct Public Support		
Foundation, etc		
DeWitt Wallace - Reader's Digest Fund		2,452,843
Carnegie Corporation		56,436
Scholastic, Inc		387,339
PEW Trust		276,777
Annie E Casey Foundation		52,164
Meeting Sponsorships and Other		338,401
Mott Foundation		613,089
INTASC - Various		74,730
Middle Grade Meeting on NCLB - Various		14,190
Arts Education Partnership - Various		54,672
American Forum		35,142
W K Kellogg Foundation		76,461
Kauffman Foundation		202,980
University of South Florida		4,717
Packard Foundation		195,178
MacArthur Foundation		41,773
State of South Carolina		10,201
AT&T Foundation		147,347
National Geographic		23,133
	<i>Subtotal</i>	<u>\$5,057,573</u>
Government		
Department of Education		5,931,416
HHS/CDC		964,486
National Endowment for the Arts		581,634
National Science Foundation		641,789
	<i>Subtotal</i>	<u>\$8,119,325</u>
TOTAL		<u><u>\$13,176,898</u></u>

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PAGE 2, PART II, LINE 42
DEPRECIATION

<u>Description</u>	<u>Date</u> <u>Acquired</u>	<u>Method</u>	<u>Life</u>	<u>Cost</u>	Accumulated Depreciation Prior Years	FY 2002 <u>Depreciation</u>
Furniture & Equipment	Various	SL	Various	\$1,401,840	\$684,824	\$194,634
TOTAL				\$1,401,840	\$684,824	\$194,634

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PAGE 3, PART IV, LINE 54
INVESTMENTS

<u>Description</u>	<u>30-Jun-02</u>		<u>30-Jun-01</u>		
	<u>Principal Amount or Number of Shares</u>	<u>Market Value</u>	<u>Principal Amount or Number of Shares</u>	<u>Market Value</u>	
1/10 Berkshire Hathaway	1	66,800	1/10 Berkshire Hathaway	1	69,400
American Tower Corp	3,000	10,350	ADC Telecommunications	1,100	7,260
AOL	250	3,678	AES Corp	300	12,915
Liberty Media	2,300	23,000	Alliance Capital Management	200	10,612
Baker Hughes Inc	300	9,987	American Tower Corp	1,400	28,938
Bank of New York	1,100	37,125	AOL	250	13,250
Bed Bath and Beyond	300	11,322	AT&T Liberty Media	2,300	40,227
Berkshire Hathaway CL B	5	11,170	Baker Hughes Inc	300	10,050
UBS Tactical Allocation	2,278	51,144	Bank of New York	1,100	52,800
Cisco	300	4,185	Bed Bath and Beyond	300	9,360
Citigroup Inc	1,733	67,154	Berkshire Hathaway CL B	5	11,500
Cons Edison	600	25,050	Brinson Tactical Allocation	3,009	83,687
Devon Energy	300	14,784	Cisco	300	5,460
Dover Motorsports	3,000	17,100	Citigroup Inc	1,733	91,572
Dover Downs Gaming	2,100	26,880	Cons Edison	600	23,880
El Paso Energy Partners	700	22,309	Devon Energy	300	15,750
Hershey Foods	300	18,750	Dover Downs Entmt	5,000	77,000
International S 7 875%	100,000	106,050	El Paso Energy Partners	700	22,050
Intl Speedway	2,000	80,000	EMC	200	5,850
Johnson & Johnson	300	15,678	Enron	300	14,730
JP Morgan Chase	200	6,784	Hershey Foods	300	18,513
Kraft Foods, Inc	500	20,475	International S 7 875%	100,000	103,440
Markel Corp	460	90,620	Intl Speedway	2,000	83,000
McData Corp CL A	7	62	Johnson & Johnson	300	15,000
Medtronic	300	12,855	JP Morgan Chase	200	8,920
Microsoft	300	16,410	Kraft Foods, Inc	500	15,500
Motorola	896	13,073	Level 3 Communications	250	1,373
Nokia	900	13,032	Markel Corp	460	90,390
Penn National Gaming	4,200	152,460	McData Corp CL A	7	123
Pfizer	400	14,000	Medtronic	300	13,803
PW Juniper Crossover	38,819	31,103	Microsoft	300	21,900
Star Gar Partners	1,100	20,218	Minnesota Mng Mfg	200	22,820
Teppco Partners LP	700	22,435	Motorola	450	7,452
UBS AG Buls S&P 500	40,000	34,200	Nokia	500	11,095
Unumprovident	300	7,635	Penn National Gaming	4,200	106,680
Wells Fargo	1,000	50,060	Pfizer	300	12,015
Worldcom Inc GA MCI Grp	60	102	PW Juniper Crossover	38,819	37,263
Totals		\$1,128,039	Star Gar Partners	1,100	22,935
NTOY Endowment		132,740	UBS AG Goals linked to Motorola	10,000	8,550
Total		\$1,260,779	Unumprovident	300	9,636
			Wells Fargo	1,000	46,430
			WorldCom	1,500	21,300
			Worldcom Inc GA MCI Grp	60	966
			Totals		\$1,285,395
			NTOY Endowment		124,472
			Total		\$1,409,867

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PAGE 3, PART IV, LINE 62
SUPPORT AND REVENUE DESIGNATED FOR FUTURE PERIODS

	30-Jun-02		30-Jun-01
Carnegie Corporation	\$257,260	Carnegie Corporation	\$26,160
SCASS Project - State Contracts	1,360,335	SCASS Project - State Contracts	905,406
Wallace Readers Digest Foundation	5,210,146	Wallace Readers Digest Foundation	3,316,775
Prepaid registrations	1,354	Prepaid registrations	15,880
Kellogg Foundation - SEANet	15,197	Kellogg Foundation - SEANet	91,658
Surdna - SEANet	50,000	Achieve	48,143
Various - Middles Grades Meeting on NCLB	110,811	INSTAC - State Funded	599,997
INSTAC - State Funded	24,270	INTASC - Misc	117,682
INTASC - Misc	114,638	NAS- IEA Liaison	10,482
High Poverty Schools Project	18,721	South Carolina	11,753
Packard Foundation	138,780	Packard Foundation	17,866
Kauffman Foundation	44,499	Kauffman Foundation	109,205
Annie E Casey Foundation	17,939	Annie E Casey Foundation	50,135
AT & T Foundation	105,846	AT & T Foundation	118,193
Arts Education Partnership - Various	414,077	University of Michigan	9,091
Charles Stewart Mott Foundation	68,772	Arts Education Partnership - Misc	236,234
OERI - Missouri	166,265	MacArthur Foundation	78,361
Collaboration	12,188	Charles Stewart Mott Foundation	233,159
Misc Publication revenue	57,091	OERI - Missouri	282,735
APQC	39,273	Misc Publication revenue	45,530
PEW Charitable Trusts	32,533	National Geographic - OERI Missouri	23,133
School Leaders Licensing	77,648	PEW Charitable Trusts	59,311
Subtotal Grants	\$8,337,643	School Leaders Licensing	211,013
Membership Dues	407,815	Subtotal Grants	\$6,617,902
TOTAL	\$8,745,458	Membership Dues	222,322
		TOTAL	\$6,840,224

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PAGE 2, PART III, STATEMENT OF PROGRAM SERVICE ACCOMPLISHMENTS

The Council creates and coordinates seminars, educational travel, and study programs that offer many opportunities for the professional growth and development of chief state school officers and their management teams

In addition to providing professional development opportunities for chief state school officers, the Council undertakes projects which address areas of concern at the state level and are designed to strengthen education through each state education agency. Research and resources developed by the Council are widely disseminated to chief state school officers and their state education agency staff.

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PAGE 4 PART V, OFFICERS DIRECTORS AND TRUSTEES

<u>NAME AND ADDRESS</u>	<u>TITLE</u>
Suellen K Reed Superintendent State Department of Education Room 229, State House 200 W Washington street Indianapolis Indiana 46204-2798	President
Peter McWalters Commissioner Department of Elementary and Secondary Education 255 Westminster Street Providence, Rhode Island 02903-3400	Vice-President
Michael E Ward Superintendent State Department of Public Instruction Education Building 301 North Wilmington Street Raleigh, North Carolina 27601-2825	President Elect
Judy Catchpole Superintendent State Department of Education Hathaway Building, 2nd Floor 2300 Capitol Avenue Cheyenne, Wyoming 82002-0050	Director
Douglas D Chnstensen State Department of Education 301 Centennial Mall, South Post Office Box 94987 Lincoln, Nebraska 68509-4987	Director
Steven O Laing Superintendent State Office of Education 250 East 500 South Salt Lake City, Utah 84111	Director
David P Dnscoll Commissioner Commonwealth Department of Education 350 Main Street Malden, Massachusetts 02148	Director
Susan T Zelman Superintendent State Department of Education 25 S Front Street Columbus Ohio 43215-4104	Director
Ted Stuhll Director State Department of Education Grimes State Office Building East 14th & Grand Streets Des Moines Iowa 50319-0146	Director

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SCHEDULE A - ORGANIZATION EXEMPT UNDER 501 (C) (3)
PAGE 3, PART IV-A, LINE 22
OTHER INCOME

2000 Loss on Sale of Securities	(\$40,934)
1999 Gain on Sale of Securities	\$8,249
1998 Loss on Sale of Securities	(7,749)
1997 Gain on Sale of Securities	<u>51,154</u>
 TOTAL	 <u><u>\$10,720</u></u>

COUNCIL OF CHIEF STATE SCHOOL OFFICERSWASHINGTON, D C2001 - FORM 990 - RETURN OF ORGANIZATION EXEMPT FROM INCOME TAXPAGE 1, PART 1, LINE 8GAIN (LOSS) FROM SALE OF ASSETS OTHER THAN INVENTORY

Security	# Shares	Basis	Amount Received	Gain (Loss)
Alliance Cap Management	200	8,280 00	10,577 64	2,297 64
Brinson Tactical	745 99	16,830 67	20,000 00	3,169 33
Dover Downs	2,400	21,004 00	28,640 44	7,636 44
Enron	300	20,290 96	4,139 86	(16,151 10)
Minnesota Mining Manf	200	23,012 50	24,461 62	1,449 12
WorldCom Inc	1,547	34,606 53	3,418 76	(31,187 77)
ADC Teclecommunications	1,100	14,382 73	4,092 86	(10,289 87)
Level 3 Communications	250	20,158 05	952 47	(19,205 58)
EMC Corp	200	17,883 95	1,679 94	(16,204 01)
AES Corp	300	15,892 00	2,408 92	(13,483 08)
Totals		192,341 39	100,372 51	(91,968 88)

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SCHEDULE A, PAGE 2, LINE 3, FELLOWSHIPS

The Christa McAuliffe Fellowship Program is a unique, annual state-based recognition program for experienced teachers that results in the development of a product useful to the improvement of classroom instruction. The program links the development of fellowship activities and projects to each state's standards-based school improvement agenda as a capacity-building opportunity for the state education agency (SEA) to establish field experts in those areas. The state determines the areas of priority according to its improvement agenda, and applicants submit a proposal to the SEA to work within one of the designated priority areas. The selection process is coordinated at the state level, with a state-wide selection panel selecting the winning proposal(s). All interested applicants work directly through their SEAs.

Full-time public and private school teachers (K-12) who have been employed as teachers for eight or more years are eligible to apply. Each fellowship may be used for a one-year sabbatical of study, research or academic improvement, consultation with or assistance to other school districts or private school systems, development of innovative programs, projects or partnerships that involve the business community and the schools, programs that incorporate the use and sharing of technologies to help students learn, and expansion or replication of model programs of staff development. The program's activities are funded by the U.S. Department of Education.

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PAGE 6, PART VII, ACCOMPLISHMENT OF EXEMPT PURPOSES

93a Fees to cover costs associated with holding various meetings for membership and other educational personnel at which research and best practices, etc are discussed is an integral part of] the Council's purpose

Other revenue includes the sale of publications that provide information on important educational issues

93b Consortium fees paid by member states to participate in specific educational projects created to assist states with various education related problems

94 Membership dues in support of the Council's purpose of ensuring quality education for all children

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PAGE 1, PART 1, LINE 20
OTHER CHANGES IN NET ASSETS OR FUND BALANCES

Net Assets, July 1, 2001

Unrestricted	\$1,227,162
Temporarily Restricted	0
Permanently Restricted	<u>124,472</u>
Subtotal	\$1,351,634
Gain (Loss) for year (Per 990)	80,029
Unrealized Gains on Securities (net)	<u>(63,930)</u>
Net Assets, June 30, 2002	<u><u>\$1,367,733</u></u>