

Return of Organization Exempt from Income Tax

2004

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

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 2004 calendar year, or tax year beginning Jul 1, 2004, and ending Jun 30, 2005

- 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. Address: One Massachusetts Avenue, NW, Washington DC 20001

D Employer Identification Number: 53-0198090. E Telephone number: (202) 336-7000. F Accounting method: Accrual

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

- H (a) Is this a group return for affiliates? No. H (b) If 'Yes,' enter number of affiliates. H (c) Are all affiliates included? No. H (d) Is this a separate return filed by an organization covered by a group ruling? No. I Group Exemption Number. M Check if the organization is not required to attach Schedule B (Form 990, 990-EZ, or 990-PF).

G Web site: CCSO.ORG

J Organization type (check only): 501(c) 3

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. 43,221,227.

Revenue, Expenses, and Changes in Net Assets or Fund Balances (See Instructions)

Table with 21 rows and 4 columns. Rows include: 1 Contributions, gifts, grants, and similar amounts received; 2 Program service revenue including government fees and contracts; 3 Membership dues and assessments; 4 Interest on savings and temporary cash investments; 5 Dividends and interest from securities; 6a Gross rents; 6b Less: rental expenses; 6c Net rental income or (loss); 7 Other investment income; 8a Gross amount from sales of assets other than inventory; 8b Less: cost or other basis and sales expenses; 8c Gain or (loss); 8d Net gain or (loss); 9a Gross revenue (not including contributions); 9b Less: direct expenses other than fundraising expenses; 9c Net income or (loss) from special events; 10a Net sales of inventory, less returns and allowances; 10b Less: cost of goods sold; 10c Gross profit or (loss) from sales of inventory; 11 Other revenue; 12 Total revenue; 13 Program services; 14 Management and general; 15 Fundraising; 16 Payments to affiliates; 17 Total expenses; 18 Excess or (deficit) for the year; 19 Net assets or fund balances at beginning of year; 20 Other changes in net assets or fund balances; 21 Net assets or fund balances at end of year.

SCANNED DEC 11 2005

RECEIVED NOV 17 2005

EXPENSES

ASSETS

**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.

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 (att sch) (cash \$ _____ non-cash \$ _____) . . . . .	22				
23 Specific assistance to individuals (att sch) . . . . .	23				
24 Benefits paid to or for members (att sch) . . . . .	24				
25 Compensation of officers, directors, etc . . . . .	25	402,156.	0.	402,156.	0.
26 Other salaries and wages . . . . .	26	4,666,970.	3,863,416.	703,894.	99,660.
27 Pension plan contributions . . . . .	27	469,642.	357,366.	102,310.	9,966.
28 Other employee benefits . . . . .	28	407,619.	314,320.	85,938.	7,361.
29 Payroll taxes . . . . .	29	371,566.	283,188.	81,073.	7,305.
30 Professional fundraising fees . . . . .	30				
31 Accounting fees . . . . .	31	22,350.	0.	22,350.	0.
32 Legal fees . . . . .	32				
33 Supplies . . . . .	33	450,218.	159,889.	289,122.	1,207.
34 Telephone . . . . .	34	345,588.	171,913.	172,091.	1,584.
35 Postage and shipping . . . . .	35				
36 Occupancy . . . . .	36	1,025,331.	449,561.	568,971.	6,799.
37 Equipment rental and maintenance . . . . .	37				
38 Printing and publications . . . . .	38	269,873.	263,738.	3,888.	2,247.
39 Travel . . . . .	39	4,711,054.	4,529,836.	143,645.	37,573.
40 Conferences, conventions, and meetings . . . . .	40				
41 Interest . . . . .	41				
42 Depreciation, depletion, etc (attach schedule) . . . . .	42	198,919.	0.	198,919.	0.
43 Other expenses not covered above (itemize):					
a Consultants and subcontractors	43a	28,999,096.	28,742,443.	252,158.	4,495.
b Insurance	43b	54,110.	0.	54,110.	0.
c Loss on disposal of equipment	43c	10,342.	0.	10,342.	0.
d Indirect cost allocation	43d	0.	1,936,970.	-1,936,970.	0.
e	43e				
44 Total functional expenses (add lines 22 - 43). Organizations completing columns (B) - (D), carry these totals to lines 13 - 15 . . . . .	44	42,404,834.	41,072,640.	1,153,997.	178,197.

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**

What is the organization's primary exempt purpose? ▶ <u>K-12 Education</u> 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) & (4) organizations and 4947(a)(1) nonexempt charitable trusts must also enter the amount of grants & allocations to others.)	Program Service Expenses (Required for 501(c)(3) and (4) organizations and 4947(a)(1) trusts, but optional for others.)
a Leadership - Schedule 4 _____ _____ _____ (Grants and allocations \$ _____ 0.)	28,506,306.
b Advocacy _____ _____ _____ (Grants and allocations \$ _____ 0.)	456,610.
c Service _____ _____ _____ (Grants and allocations \$ _____ 0.)	12,109,724.
d _____ _____ _____ (Grants and allocations \$ _____ )	
e Other program services. . . . . (Grants and allocations \$ _____ )	
f Total of Program Service Expenses (should equal line 44, column (B), Program services) . . . . . ▶	41,072,640.

**Part IV Balance Sheets** (See Instructions)

			(A) Beginning of year		(B) End of year
<b>Note:</b> Where required, attached schedules and amounts within the description column should be for end-of-year amounts only.					
<b>ASSETS</b>	45	Cash — non-interest-bearing . . . . .		<b>45</b>	
	46	Savings and temporary cash investments . . . . .	9,381,521.	<b>46</b>	12,921,690.
	47 a	Accounts receivable . . . . .	47 a 183,242.		
		b Less: allowance for doubtful accounts . . . . .	47 b	1,030,939.	47 c 183,242.
	48 a	Pledges receivable . . . . .	48 a		
		b Less: allowance for doubtful accounts . . . . .	48 b		48 c
	49	Grants receivable . . . . .	4,164,062.	<b>49</b>	3,316,041.
	50	Receivables from officers, directors, trustees, and key employees (attach schedule) . . . . .		<b>50</b>	
	51 a	Other notes & loans receivable (attach sch) . . . . .	51 a		
		b Less: allowance for doubtful accounts . . . . .	51 b		51 c
	52	Inventories for sale or use . . . . .		<b>52</b>	
	53	Prepaid expenses and deferred charges . . . . .	566,361.	<b>53</b>	546,907.
	54	Investments — securities (attach schedule) . . . . .	1,633,590.	<b>54</b>	2,331,626.
		▶ <input type="checkbox"/> Cost <input checked="" type="checkbox"/> FMV			
	55 a	Investments — land, buildings, & equipment: basis . . . . .	55 a		
	b Less: accumulated depreciation (attach schedule) . . . . .	55 b		55 c	
56	Investments — other (attach schedule) . . . . .		<b>56</b>		
57 a	Land, buildings, and equipment: basis . . . . .	57 a 1,837,281.			
	b Less: accumulated depreciation (attach schedule) . . . . .	57 b 1,178,474.	733,142.	57 c 658,807.	
58	Other assets (describe ▶ _____).		<b>58</b>		
59	<b>Total assets</b> (add lines 45 through 58) (must equal line 74) . . . . .		17,509,615.	<b>59</b>	19,958,313.
<b>LIABILITIES</b>	60	Accounts payable and accrued expenses . . . . .	2,880,911.	<b>60</b>	4,419,949.
	61	Grants payable . . . . .		<b>61</b>	
	62	Deferred revenue . . . . .	13,362,693.	<b>62</b>	13,014,569.
	63	Loans from officers, directors, trustees, and key employees (attach schedule) . . . . .		<b>63</b>	
	64 a	Tax-exempt bond liabilities (attach schedule) . . . . .		<b>64 a</b>	
		b Mortgages and other notes payable (attach schedule) . . . . .		<b>64 b</b>	
	65	Other liabilities (describe ▶ _____).		<b>65</b>	
66	<b>Total liabilities</b> (add lines 60 through 65) . . . . .		16,243,604.	<b>66</b>	17,434,518.
<b>NET ASSETS OR FUND BALANCES</b>	<b>Organizations that follow SFAS 117, check here</b> <input checked="" type="checkbox"/> and complete lines 67 through 69 and lines 73 and 74.				
	67	Unrestricted . . . . .	1,119,805.	<b>67</b>	2,375,502.
	68	Temporarily restricted . . . . .		<b>68</b>	
	69	Permanently restricted . . . . .	146,206.	<b>69</b>	148,293.
	<b>Organizations that do not follow SFAS 117, check here</b> <input type="checkbox"/> and complete lines 70 through 74.				
	70	Capital stock, trust principal, or current funds . . . . .		<b>70</b>	
	71	Paid-in or capital surplus, or land, building, and equipment fund . . . . .		<b>71</b>	
	72	Retained earnings, endowment, accumulated income, or other funds . . . . .		<b>72</b>	
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; column (B) must equal line 21) . . . . .		1,266,011.	<b>73</b>	2,523,795.
74	<b>Total liabilities and net assets/fund balances</b> (add lines 66 and 73) . . . . .		17,509,615.	<b>74</b>	19,958,313.

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.

BAA

**Part IV** Reconciliation of Revenue per Audited Financial Statements with Revenue per Return (See instructions.)

**Part IV-E** Reconciliation of Expenses per Audited Financial Statements with Expenses per Return

<b>a</b>	Total revenue, gains, and other support per audited financial statements . . . . . ▶	<b>a</b>	43,662,618.
<b>b</b>	Amounts included on line a but not on line 12, Form 990:		
(1)	Net unrealized gains on investments . . \$ 568,105.		
(2)	Donated services and use of facilities . . . \$		
(3)	Recoveries of prior year grants . . . . \$		
(4)	Other (specify):		
	----- \$		
	Add amounts on lines (1) through (4) . . . ▶	<b>b</b>	568,105.
<b>c</b>	Line a minus line b . . . . . ▶	<b>c</b>	43,094,513.
<b>d</b>	Amounts included on line 12, Form 990 but not on line a:		
(1)	Investment expenses not included on line 6b, Form 990 . . . \$		
(2)	Other (specify):		
	----- \$		
	Add amounts on lines (1) and (2) . . ▶	<b>d</b>	
<b>e</b>	Total revenue per line 12, Form 990 (line c plus line d) . . . . . ▶	<b>e</b>	43,094,513.

<b>a</b>	Total expenses and losses per audited financial statements . . . . . ▶	<b>a</b>	42,404,834.
<b>b</b>	Amounts included on line a but not on line 17, Form 990:		
(1)	Donated services and use of facilities . . . . \$		
(2)	Prior year adjustments reported on line 20, Form 990 . . \$		
(3)	Losses reported on line 20, Form 990 . . \$		
(4)	Other (specify):		
	----- \$		
	Add amounts on lines (1) through (4) . . . ▶	<b>b</b>	
<b>c</b>	Line a minus line b . . . . . ▶	<b>c</b>	42,404,834.
<b>d</b>	Amounts included on line 17, Form 990 but not on line a:		
(1)	Investment expenses not included on line 6b, Form 990 . . . \$		
(2)	Other (specify):		
	----- \$		
	Add amounts on lines (1) and (2) . . ▶	<b>d</b>	
<b>e</b>	Total expenses per line 17, Form 990 (line c plus line d) . . . . . ▶	<b>e</b>	42,404,834.

**Part V** List of Officers, Directors, Trustees, and Key Employees (List each one even if not compensated; see instructions)

(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 and deferred compensation	(E) Expense account and other allowances
Schedule 5 See attached.	Officers and Directors 0	0.	0.	0.
G. Thomas Houlihan Oxford, NC 27565	Executive Director 7.5	267,170.	26,717.	42,337.
Bruce Buterbaugh Potomac Falls, VA 20165	Deputy Executive Director, BS 7.5	134,986.	13,499.	420.
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-----				

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 instructions

Other Information (See instructions.)		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 . . . . .		X
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.		X
78 a	Did the organization have unrelated business gross income of \$1,000 or more during the year covered by this return? . . . . .		X
78 b	If 'Yes,' has it filed a tax return on Form 990-T for this year? . . . . .		
79	Was there a liquidation, dissolution, termination, or substantial contraction during the year? If 'Yes,' attach a statement . . . . .		X
80 a	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? . . . . .		X
80 b	If 'Yes,' enter the name of the organization ▶ _____ and check whether it is <input type="checkbox"/> exempt or <input type="checkbox"/> nonexempt.		
81 a	Enter direct and indirect political expenditures. See line 81 instructions . . . . .	81 a	0.
81 b	Did the organization file Form 1120-POL for this year? . . . . .		X
82 a	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? . . . . .		X
82 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 in Part III) . . . . .	82 b	
83 a	Did the organization comply with the public inspection requirements for returns and exemption applications? . . . . .	X	
83 b	Did the organization comply with the disclosure requirements relating to quid pro quo contributions? . . . . .	X	
84 a	Did the organization solicit any contributions or gifts that were not tax deductible? . . . . .		X
84 b	If 'Yes,' did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible? . . . . .		
85 a	501(c)(4), (5), or (6) organizations a Were substantially all dues nondeductible by members? . . . . .		
85 b	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.		
85 c	Dues, assessments, and similar amounts from members . . . . .	85 c	
85 d	Section 162(e) lobbying and political expenditures . . . . .	85 d	
85 e	Aggregate nondeductible amount of section 6033(e)(1)(A) dues notices. . . . .	85 e	
85 f	Taxable amount of lobbying and political expenditures (line 85d less 85e). . . . .	85 f	
85 g	Does the organization elect to pay the section 6033(e) tax on the amount on line 85f? . . . . .	85 g	
85 h	If section 6033(e)(1)(A) dues notices were sent, does the organization agree to add the amount on line 85f to its reasonable estimate of dues allocable to nondeductible lobbying and political expenditures for the following tax year? . . . . .	85 h	
86 a	501(c)(7) organizations. Enter: a Initiation fees and capital contributions included on line 12 . . . . .	86 a	
86 b	b Gross receipts, included on line 12, for public use of club facilities . . . . .	86 b	
87 a	501(c)(12) organizations. Enter: a Gross income from members or shareholders. . . . .	87 a	
87 b	b Gross income from other sources. (Do not net amounts due or paid to other sources against amounts due or received from them.) . . . . .	87 b	
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	X
89 a	501(c)(3) organizations. Enter: Amount of tax imposed on the organization during the year under: section 4911 ▶ None ; section 4912 ▶ None , section 4955 ▶ None		
89 b	b 501(c)(3) and 501(c)(4) organizations. 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 . . . . .	89 b	X
	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.		
90 a	List the states with which a copy of this return is filed ▶ DC		
90 b	Number of employees employed in the pay period that includes March 12, 2004 (See instructions.) . . . . .	90 b	77
91	The books are in care of ▶ The Council Telephone number ▶ (202) 336-7000 Located at ▶ One Massachusetts Ave., NW, Washington, DC ZIP + 4 ▶ 20001-1431		
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 . . . . . ▶ 92		

**Part VII Analysis of Income-Producing Activities** (See instructions)

Note: 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:					
a Registration fees & Other					815,799.
b Contracts, grants and sponsorships					40,144,154.
c _____					
d _____					
e _____					
f Medicare/Medicaid payments . . . . .					
g Fees & contracts from government agencies . . . . .					
94 Membership dues and assessments . . . . .					1,950,840.
95 Interest on savings & temporary cash invmnts. . . . .			14	121,851.	
96 Dividends & interest from securities . . . . .			14	79,230.	
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 pers prop . . . . .					
99 Other investment income . . . . .					
100 Gain or (loss) from sales of assets other than inventory . . . . .					
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)) . . . . .				201,081.	42,910,793.
105 Total (add line 104, columns (B), (D), and (E)) . . . . .					43,111,874.

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 instructions.)

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	Schedule 8

**Part IX Information Regarding Taxable Subsidiaries and Disregarded Entities** (See instructions.) N/A

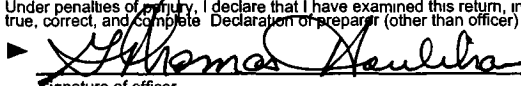
(A) Name, address, and EIN of corporation, partnership, or disregarded entity	(B) Percentage of ownership interest	(C) Nature of activities	(D) Total income	(E) End-of-year assets
	%			
	%			
	%			
	%			

**Part X Information Regarding Transfers Associated with Personal Benefit Contracts** (See instructions.)

- 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)

Please Sign Here

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 information furnished by taxpayer.

  
Signature of officer

G. Thomas Houlihan, Executive Director  
Type or print name and title

Paid Preparer's Use Only

Preparer's signature \_\_\_\_\_

Firm's name (or yours if self-employed), address, and ZIP + 4  
CCSSO  
1 MASSACHUSETTS AVE NW STE  
WASHINGTON

**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

**2004**

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 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 and deferred compensation	(e) Expense account and other allowances
Julia Lara Washington, DC	Deputy Executive Director 7.5	149,992.	14,999.	420.
Richard Deasy Baltimore, MD	Director, AEP 37.5	149,809.	14,981.	420.
Joe Simpson Centreville, VA	Deputy Executive Director 7.5	143,431.	14,343.	420.
Lois Adams-Rodgers Vienna, VA	Deputy Executive Director 7.5	123,781.	12,378.	420.
Scott Montgomery Fredricksburg, VA	Chief of Staff 37.5	117,555.	11,756.	420.
Total number of other employees paid over \$50,000 . . . . . ▶	34			

**Part II Compensation of the Five Highest Paid Independent Contractors for Professional Services**

(See 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 & Hartson 555 13th St., NW, Washington, D.C.	Law Firm	222,451.
Holland & Knight 2099 Pennsylvania Ave., NW, Washington, D.C.	Law Firm	475,498.
Total number of others receiving over \$50,000 for professional services . . . . . ▶	None	

Part III Statements About Activities (See 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 . . . . ▶ \$ 456,610.

1 X

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 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? . . . . . 2a X

b Lending of money or other extension of credit? . . . . . 2b X

c Furnishing of goods, services, or facilities? . . . . . 2c X

d Payment of compensation (or payment or reimbursement of expenses if more than \$1,000)? . . . . . 2d X

e Transfer of any part of its income or assets? . . . . . 2e X

3a Do you make grants for scholarships, fellowships, student loans, etc? (If 'Yes,' attach an explanation of how you determine that recipients qualify to receive payments.) . . . . . 3a X

b Do you have a section 403(b) annuity plan for your employees? . . . . . 3b X

4a Did you maintain any separate account for participating donors where donors have the right to provide advice on the use or distribution of funds? . . . . . 4a X

b Do you provide credit counseling, debt management, credit repair, or debt negotiation services? . . . . . 4b X

Part IV Reason for Non-Private Foundation Status (See 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 [X] 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 instructions.)

Table with 2 columns: (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 instructions.)



**Part VII 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) 2003	(b) 2002	(c) 2001	(d) 2000	(e) Total
<b>15</b> Gifts, grants, and contributions received. (Do not include unusual grants. See line 28.) . . . . .	15,863,188.	15,224,198.	13,176,898.	15,084,904.	59,349,188.
<b>16</b> Membership fees received . . . . .	1,841,612.	1,723,855.	1,631,385.	1,563,044.	6,759,896.
<b>17</b> 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 . . . . .	3,922,916.	2,052,018.	3,095,162.	757,571.	9,827,667.
<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 . . . . .	90,102.	99,476.	253,620.	138,838.	582,036.
<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. . . . .	24,268.	-30,742.	-91,968.	-40,934.	-139,376.
<b>23</b> Total of lines 15 through 22. . . . .	21,742,086.	19,068,805.	18,065,097.	17,503,423.	76,379,411.
<b>24</b> Line 23 minus line 17. . . . .	17,819,170.	17,016,787.	14,969,935.	16,745,852.	66,551,744.
<b>25</b> Enter 1% of line 23. . . . .	217,421.	190,688.	180,651.	175,034.	
<b>26 Organizations described on lines 10 or 11:</b>					
<b>a</b> Enter 2% of amount in column (e), line 24 . . . . . ▶					<b>26a</b>
<b>b</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 2000 through 2003 exceeded the amount shown in line 26a. Do not file this list with your return. Enter the total of all these excess amounts. . . . . ▶					<b>26b</b>
<b>c</b> Total support for section 509(a)(1) test: Enter line 24, column (e) . . . . . ▶					<b>26c</b>
<b>d</b> Add: Amounts from column (e) for lines:	<b>18</b> _____	<b>19</b> _____			
	<b>22</b> _____	<b>26b</b> _____			<b>26d</b>
<b>e</b> Public support (line 26c minus line 26d total) . . . . . ▶					<b>26e</b>
<b>f</b> Public support percentage (line 26e (numerator) divided by line 26c (denominator)). . . . . ▶					<b>26f</b> %
<b>27 Organizations described on line 12:</b>					
<b>a</b> 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: (2003) _____ 0. (2002) _____ 0. (2001) _____ 0. (2000) _____ 0.					
<b>b</b> For any amount included in line 17 that was received from each person (other than 'disqualified persons'), 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: (2003) _____ 0. (2002) _____ 0. (2001) _____ 0. (2000) _____ 0.					
<b>c</b> Add: Amounts from column (e) for lines:	<b>15</b> 59,349,188.	<b>16</b> 6,759,896.			
	<b>17</b> 9,827,667.	<b>20</b> _____	<b>21</b> _____		
<b>d</b> Add: Line 27a total . . . . . 0. and line 27b total . . . . . 0. . . . . ▶					<b>27c</b> 75,936,751.
<b>e</b> Public support (line 27c total minus line 27d total). . . . . ▶					<b>27d</b> 0.
<b>f</b> Total support for section 509(a)(2) test: Enter amount from line 23, column (e) . . . . . ▶					<b>27e</b> 75,936,751.
<b>g</b> Public support percentage (line 27e (numerator) divided by line 27f (denominator)) . . . . . ▶					<b>27f</b> 76,379,411.
<b>h</b> Investment income percentage (line 18, column (e) (numerator) divided by line 27f (denominator)) . . . . . ▶					<b>27g</b> 99.42 %
					<b>27h</b> 0.76 %
<b>28 Unusual Grants:</b> For an organization described in line 10, 11, or 12 that received any unusual grants during 2000 through 2003, 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 instructions)  
 (To be completed ONLY by schools that checked the box on line 6 in Part IV)

N/A  
 Yes No

<p><b>29</b> 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? . . . . .</p>	<p><b>29</b></p>		
<p><b>30</b> 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? . . . . .</p>	<p><b>30</b></p>		
<p><b>31</b> 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.)                  -----                  -----                  -----</p>	<p><b>31</b></p>		
<p><b>32</b> Does the organization maintain the following:</p> <p><b>a</b> Records indicating the racial composition of the student body, faculty, and administrative staff? . . . . .</p> <p><b>b</b> Records documenting that scholarships and other financial assistance are awarded on a racially nondiscriminatory basis? . . . . .</p> <p><b>c</b> Copies of all catalogues, brochures, announcements, and other written communications to the public dealing with student admissions, programs, and scholarships? . . . . .</p> <p><b>d</b> Copies of all material used by the organization or on its behalf to solicit contributions? . . . . .</p> <p>If you answered 'No' to any of the above, please explain. (If you need more space, attach a separate statement.)                  -----                  -----</p>	<p><b>32 a</b> <b>32 b</b> <b>32 c</b> <b>32 d</b></p>		
<p><b>33</b> Does the organization discriminate by race in any way with respect to:</p> <p><b>a</b> Students' rights or privileges? . . . . .</p> <p><b>b</b> Admissions policies? . . . . .</p> <p><b>c</b> Employment of faculty or administrative staff? . . . . .</p> <p><b>d</b> Scholarships or other financial assistance? . . . . .</p> <p><b>e</b> Educational policies? . . . . .</p> <p><b>f</b> Use of facilities? . . . . .</p> <p><b>g</b> Athletic programs? . . . . .</p> <p><b>h</b> Other extracurricular activities? . . . . .</p> <p>If you answered 'Yes' to any of the above, please explain. (If you need more space, attach a separate statement.)                  -----                  -----</p>	<p><b>33 a</b> <b>33 b</b> <b>33 c</b> <b>33 d</b> <b>33 e</b> <b>33 f</b> <b>33 g</b> <b>33 h</b></p>		
<p><b>34 a</b> Does the organization receive any financial aid or assistance from a governmental agency? . . . . .</p> <p><b>b</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.</p>	<p><b>34 a</b> <b>34 b</b></p>		
<p><b>35</b> 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. . . . .</p>	<p><b>35</b></p>		

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

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

Limits on Lobbying Expenditures		(a) Affiliated group totals	(b) To be completed for ALL electing organizations
(The term 'expenditures' means amounts paid or incurred.)			
36	Total lobbying expenditures to influence public opinion (grassroots lobbying) . . . . .	36	0.
37	Total lobbying expenditures to influence a legislative body (direct lobbying) . . . . .	37	456,610.
38	Total lobbying expenditures (add lines 36 and 37) . . . . .	38	456,610.
39	Other exempt purpose expenditures . . . . .	39	41,948,224.
40	Total exempt purpose expenditures (add lines 38 and 39) . . . . .	40	42,404,834.
41	Lobbying nontaxable amount. Enter the amount from the following table —		
	<b>If the amount on line 40 is —</b>		<b>The lobbying nontaxable amount is —</b>
	Not over \$500,000 . . . . .		20% of the amount on line 40 . . . . .
	Over \$500,000 but not over \$1,000,000 . . . . .		\$100,000 plus 15% of the excess over \$500,000
	Over \$1,000,000 but not over \$1,500,000 . . . . .		\$175,000 plus 10% of the excess over \$1,000,000
	Over \$1,500,000 but not over \$17,000,000 . . . . .		\$225,000 plus 5% of the excess over \$1,500,000
	Over \$17,000,000 . . . . .		\$1,000,000 . . . . .
42	Grassroots nontaxable amount (enter 25% of line 41) . . . . .	42	250,000.
43	Subtract line 42 from line 36. Enter -0- if line 42 is more than line 36 . . . . .	43	0.
44	Subtract line 41 from line 38. Enter -0- if line 41 is more than line 38 . . . . .	44	0.
<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.)

Calendar year (or fiscal year beginning in) ▶	Lobbying Expenditures During 4-Year Averaging Period					
	(a) 2004	(b) 2003	(c) 2002	(d) 2001	(e) Total	
45	Lobbying nontaxable amount . . . . .	1,000,000.	1,000,000.	1,000,000.	100,000.	3,100,000.
46	Lobbying ceiling amount (150% of line 45(e)) . . . . .					4,650,000.
47	Total lobbying expenditures . . . . .	456,610.	386,895.	297,760.	361,834.	1,503,099.
48	Grassroots non-taxable amount . . . . .	250,000.	250,000.	250,000.	250,000.	1,000,000.
49	Grassroots ceiling amount (150% of line 48(e)) . . . . .					1,500,000.
50	Grassroots lobbying expenditures . . . . .	0.	0.	0.	0.	0.

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

N/A

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
a Volunteers . . . . .			
b Paid staff or management (Include compensation in expenses reported on lines c through h.) . . . . .			
c Media advertisements . . . . .			
d Mailings to members, legislators, or the public . . . . .			
e Publications, or published or broadcast statements . . . . .			
f Grants to other organizations for lobbying purposes . . . . .			
g Direct contact with legislators, their staffs, government officials, or a legislative body . . . . .			
h Rallies, demonstrations, seminars, conventions, speeches, lectures, or any other means . . . . .			
i 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.



**53-0198090**  
**COUNCIL OF CHIEF STATE SCHOOL OFFICERS**  
**WASHINGTON, D.C.**  
**2004 - FORM 990 - RETURN OF ORGANIZATION EXEMPT FROM INCOME TAX**  
**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 <u>Years</u>	<u>FY 2005</u> <u>Depreciation</u>
Furniture & Equipment	Various	SL	Various	<u>\$1,837,281</u>	<u>\$1,178,474</u>	<u>\$198,919</u>
TOTAL				<u>\$1,837,281</u>	<u>\$1,178,474</u>	<u>\$198,919</u>

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**COUNCIL OF CHIEF STATE SCHOOL OFFICERS  
WASHINGTON, D.C.**

**2004- FORM 990 - RETURN OF ORGANIZATION EXEMPT FROM INCOME TAX  
PAGE 3, PART IV, LINE 54  
INVESTMENTS**

Description	30-Jun-05		Description	30-Jun-04	
	Principal Amount or Number of Shares	Market Value		Principal Amount or Number of Shares	Market Value
1/10 Berkshire Hathaway	1	83,500	1/10 Berkshire Hathaway	1	88,950
ABN AMRO Hldg NV	700	17,171	AES Corp	2,700	26,811
AES Corp	5,700	93,366	American Tower Corp	6,500	98,800
Alliance Gaming	1,000	14,020	Americredit Corp	4,200	82,026
American Tower Corp	6,500	136,630	Anthem, Inc.	250	22,390
Americredit Corp	4,200	107,100	Bank of America Corp	200	16,924
Wellpoint	250	34,820	Bank of New York	1,100	32,428
Bank of America Corp	400	18,244	Bed Bath and Beyond	300	11,535
Bank of New York	1,100	31,658	Berkshire Hathaway CL B	5	14,775
Bed Bath and Beyond	300	12,534	Calamos Strategic Total Return	3,000	39,660
Berkshire Hathaway CL B	5	13,918	Cisco	300	7,110
Burlington Resources	500	27,620	Citigroup Inc.	1,333	61,985
Carmax, Inc	2,000	53,300	Colgate Palmolive	400	23,380
Calamos Strategic Total Return	3,202	44,668	Devon Energy	300	19,800
Citigroup Inc.	1,333	61,625	Dover Motorsports	3,000	12,000
Devon Energy	600	30,408	Gulferra Energy Partners	700	27,090
Dover Motorsports	3,000	18,000	Hershey Foods	300	27,762
Enterprise Products	1,267	33,943	ING Clarion Global Real Estate	3,021	37,460
Hershey Foods	600	37,260	Intl Speedway	2,000	97,000
ING Clarion Global Real Estate	3,291	50,879	Johnson & Johnson	300	16,710
Intl Speedway	2,000	112,600	Kraft Foods, Inc	500	15,840
Johnson & Johnson	300	19,500	Liberty Media	900	8,091
Liberty Media	900	9,171	Liberty Media Intl Ser A	45	1,670
Liberty Media Intl Ser A	45	2,097	Markel Corp	460	127,650
Markel Corp	460	155,940	Microsoft	600	17,136
Microsoft	600	14,904	Nokia	900	13,086
Nokia	900	14,976	Penn National Gaming	4,200	278,880
Novartis	300	14,232	Pfizer	400	13,712
Penn National Gaming	8,400	613,200	PW Juniper Crossover	38,819	41,215
Pfizer	700	19,306	Royal Dutch Peterolum	400	20,668
PW Juniper Crossover	38,819	39,220	Time Warner/AOL	250	4,395
UBS Global Allocation Fnd CL A	9,281	123,719	UBS AG Buls S&P 500	40,000	38,800
Willis Group Holdings	450	14,724	UBS Global Allocation Fnd CL A	6,000	74,104
Wells Fargo	1,000	61,580	Wells Fargo	1,000	57,230
Totals		\$2,135,833	Totals		\$1,477,072
NTOY Endowment		195,793	NTOY Endowment		156,518
Total		<u>\$2,331,626</u>	Total		<u>\$1,633,590</u>

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**COUNCIL OF CHIEF STATE SCHOOL OFFICERS**  
**WASHINGTON, D.C.**  
**2004 - FORM 990 - RETURN OF ORGANIZATION EXEMPT FROM INCOME TAX**  
**PAGE 3, PART IV, LINE 62**  
**SUPPORT AND REVENUE DESIGNATED FOR FUTURE PERIODS**

30-Jun-05	30-Jun-04
Data Partnership - Gates/Broad	Data Partnership - Gates/Broad
6,895,225	8,248,232
SCASS Projects - states	SCASS Project - State Contracts
1,767,870	2,601,613
Wallace Readers Digest Foundation	Arts Education Partnership - Various
722,016	681,822
Arts Education Partnership - Various	Wallace Readers Digest Foundation
537,789	440,847
Nevada - SCASS LEP K-2	NCLB Cost Consortium - State Fees
344,754	233,554
Meeting Sponsorships	Meeting Sponsorships
328,833	148,332
Oklahoma - SCASS TILSA	PEW Charitable Trusts
234,727	138,097
Wireless R&D Consortium	INTASC - State Fees
201,112	100,508
SEANet - Various	SEANet - Various
186,939	79,933
Arkansas subcontract	Annie E. Casey foundation - School Readiness
150,346	69,377
CELT Phase I & II - State Fees	School Leaders Licensing
140,775	58,375
INTASC - State Fees	McAuliffe
139,300	55,573
EIMAC - state fees	Packard Foundation
131,261	52,222
Joyce Foundation - Teacher Quality	Charles Stewart Mott Foundation
114,129	40,867
Oklahoma - SCASS LEP	CELT Phase II - State Fees
108,475	25,000
Charles Stewart Mott Foundation	State Survey
105,822	21,949
McAuliffe	Health Education
93,765	17,047
NCLB Cost Consortium - State Fees	IBM/Harvard
82,633	8,760
IBM/Harvard	Former Chiefs Reunion
80,982	975
Health Education	Subtotal Grants
64,478	13,023,083
Packard Foundation	Membership Dues
37,771	339,610
School Leaders Licensing	TOTAL
33,337	\$13,362,693
Texas Instruments	
24,024	
Louisiana contract	
19,848	
New Mexico	
19,828	
PEW Charitable Trusts	
14,051	
University of Minnesota	
10,795	
Summer Institute registration fees	
7,750	
New Jersey - Math/Science Partnership	
3,526	
DRC contract	
2,332	
Former Chiefs Reunion	
1,225	
CDDRE	
628	
NAEP Information Network	
4	
Subtotal Grants	
12,606,350	
Membership Dues	
408,219	
TOTAL	
\$13,014,569	

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**COUNCIL OF CHIEF STATE SCHOOL OFFICERS****WASHINGTON, D.C.****2004 - FORM 990 - RETURN OF ORGANIZATION EXEMPT FROM INCOME TAX**  
**PAGE 2, PART III, STATEMENT OF PROGRAM SERVICE ACCOMPLISHMENTS**

The Council of Chief State School Officers, through Leadership, Advocacy, and Service, assists chief state school officers and their organizations in achieving the vision of an American education system that enables all children to succeed in school, work, and life. Additionally, the Council works to ensure that each child is prepared to succeed as a productive member of a democratic society.

**Leadership**

CCSSO sponsored over 40 events targeting primarily chiefs and state education agency staff. Major meetings include the Summer Institute, the Annual Policy Forum, and the Legislative Conference. These events provide timely and relevant information, inform innovations in education, and guide states in building capacity. Our leadership focus is also supported by the National Teacher of the Year program and our relationship with other nonprofit and for-profit organizations.

**Advocacy**

Through targeted and effective advocacy, the Council provides a platform for chiefs to be heard by Congress, the White House, and the U.S. Department of Education. Council staff members work closely with chief state school officers and SEA staff to improve communication between SEAs and the federal government, advocate federal support for education, and strengthen and clarify the SEAs' roles in federal education programs.

**Service**

CCSSO supports SEAs in developing standards-based systems that enable all children to succeed. Initiatives of CCSSO's service to states include improved methods for collecting, analyzing, and using information and data for decision making; development of assessment resources; creation of high-quality professional preparation and development programs; emphasis on instruction suited for diverse learners; and the removal of barriers to academic success. Specific examples of services provided to members include research, publications, networking opportunities, and targeted technical assistance.



COUNCIL OF CHIEF STATE SCHOOL OFFICERS  
WASHINGTON, D C

2004 - FORM 990 RETURN OF ORGANIZATION EXEMPT FROM INCOME TAX  
PAGE 4, PART V, OFFICERS, DIRECTORS AND TRUSTEES

<u>NAME AND ADDRESS</u>	<u>TITLE</u>
David P Driscoll Commissioner Commonwealth Department of Education 350 Main Street Malden, Massachusetts 02148	President
Douglas D Christensen Commissioner State Department of Education 301 Centennial Mall, South Post Office Box 94987 Lincoln, Nebraska 68509-4987	Vice-President
Valerie Woodruff Secretary State Department of Education Post Office Box 1402 Townsend Building, Suite 2 Federal & Loockerman Streets Dover, Delaware 19903-1402	President Elect
Rick Melmer Secretary of Education State Department of Education 700 Governors Drive Pierre, SD 57501	Director
Susan Castillo Superintendent State Department of Education 255 Capitol Street, NE Salem, OR 97310-0203	Director
Wayne Sanstead Superintendent State Department of Public Instruction State Capitol, 11th Floor 600 East Boulevard Avenue Bismark, North Dakota 58505-0440	Director
Susan T Zelman Superintendent State Department of Education 25 S. Front Street Columbus, Ohio 43215-4104	Director
D Kent King Commissioner Missouri Department of Elementary and Secondary Education 205 Jefferson Street PO Box 480 Jefferson City, MO 665102	Director
Elizabeth Burmaster Superintendent of Public Instruction Wisconsin Department of Public Instruction P O Box 7841 125 South Webster Street Madison, WI 53707	Director

53-0198090COUNCIL OF CHIEF STATE SCHOOL OFFICERSWASHINGTON, D.C.2004 - FORM 990 - RETURN OF ORGANIZATION EXEMPT FROM INCOME TAXSCHEDULE A - ORGANIZATION EXEMPT UNDER 501 (C) (3)PAGE 3, PART IV-A, LINE 22OTHER INCOME

2003 Gain on Sale of Securities	\$24,268
2002 Loss on Sale of Securities	(\$30,742)
2001 Loss on Sale of Securities	(\$91,968)
2000 Loss on Sale of Securities	<u>(\$40,934)</u>
 TOTAL	 <u><u>(\$139,376)</u></u>

**COUNCIL OF CHIEF STATE SCHOOL OFFICERS****WASHINGTON, D.C.****2004 - FORM 990 - RETURN OF ORGANIZATION EXEMPT FROM INCOME TAX****PAGE 1, PART 1, LINE 8****GAIN (LOSS) FROM SALE OF ASSETS OTHER THAN INVENTORY**

<b>Security</b>	<b># Shares</b>	<b>Basis</b>	<b>Amount Received</b>	<b>Gain (Loss)</b>
Time Warner	250	10,689.74	4,129.90	(6,559.84)
Royal Dutch Peterolum	400	19,572.00	22,320.47	2,748.47
Kraft	500	15,500.00	17,099.59	1,599.59
Colgate Palmolive	400	22,496.00	18,431.56	(4,064.44)
Cisco	300	16,606.24	5,631.16	(10,975.08)
Rights Liberty Media	9	0.00	71.00	71.00
UBS AG BuIs S&P 500	40,000	40,000.00	39,900.00	(100.00)
Willis Group Holdings	50	1,850.30	1,768.92	(81.38)
<b>Totals</b>		<b>126,714.28</b>	<b>109,352.60</b>	<b>(17,361.68)</b>

**COUNCIL OF CHIEF STATE SCHOOL OFFICERS**

**WASHINGTON, D.C.**

**2004 - FORM 990 - RETURN OF ORGANIZATION EXEMPT FROM INCOME TAX**  
**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 Contracts and grants that have been determined to be for the purchase of goods or services from the Council.

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.

53-0198090COUNCIL OF CHIEF STATE SCHOOL OFFICERSWASHINGTON, D.C.2004 - FORM 990 - RETURN OF ORGANIZATION EXEMPT FROM INCOME TAXPAGE 1, PART 1, LINE 20OTHER CHANGES IN NET ASSETS OR FUND BALANCES

Net Assets, July 1, 2004

Unrestricted	\$1,119,805
Temporarily Restricted	0
Permanently Restricted	<u>146,206</u>
Subtotal	\$1,266,011
Gain (Loss) for year (Per 990)	689,678
Unrealized Gains (Losses) on Securities (net)	<u>568,106</u>
Net Assets, June 30, 2005	<u><u>\$2,523,795</u></u>