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Form **990**

Return of Organization Exempt From Income Tax

AMENDED

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

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

0706

OMB No. 1545-0047

2006

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

A For the 2006 calendar year, or tax year beginning 07/01, 2006, and ending 06/30/2007

B Check if applicable:
- [ ] Address change
- [ ] Name change
- [ ] Initial return
- [ ] Final return
- [X] Amended return
- [ ] Application pending

Please use IRS label or print or type See Specific Instructions

C Name of organization: INSTITUTE FOR THE INTERNATIONAL EDUCATION OF STUDENTS

Number and street (or P O box if mail is not delivered to street address): 33 N. LASALLE STREET — Room/suite: 1500

City or town, state or country, and ZIP + 4: CHICAGO, IL 60602

D Employer identification number: 36-2251912

E Telephone number: (312) 944-1750

F Accounting method: [ ] Cash [X] 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).**

G Website: ▶ WWW.IESABROAD.ORG

J Organization type (check only one) ▶ [X] 501(c)(03) ◀ (insert no) [ ] 4947(a)(1) or [ ] 527

K Check here ▶ [ ] if the organization is not a 509(a)(3) supporting organization **and** its gross receipts are normally **not** more than $25,000 A return is not required, but if the organization chooses to file a return, be sure to file a complete return

L Gross receipts Add lines 6b, 8b, 9b, and 10b to line 12 ▶ 69,908,897.

H *and I are not applicable to section 527 organizations*

H(a) Is this a group return for affiliates? [ ] Yes [X] No

H(b) If "Yes," enter number of affiliates ▶ N/A

H(c) Are all affiliates included? [ ] Yes [ ] No (If "No," attach a list See instructions)

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

I Group Exemption Number ▶ N/A

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

Part I Revenue, Expenses, and Changes in Net Assets or Fund Balances *(See the instructions.)*

Revenue	1	Contributions, gifts, grants, and similar amounts received			
	a	Contributions to donor advised funds	1a		
	b	Direct public support (not included on line 1a)	1b	28,999.	
	c	Indirect public support (not included on line 1a)	1c		
	d	Government contributions (grants) (not included on line 1a)	1d		
	e	Total (add lines 1a through 1d) (cash $ 18,980. noncash $ 10,019.)			1e 28,999.
	2	Program service revenue including government fees and contracts (from Part VII, line 93)			2 67,543,210.
	3	Membership dues and assessments			3 22,400.
	4	Interest on savings and temporary cash investments			4 896,382.
	5	Dividends and interest from securities			5 527,211.
	6 a	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
	8 a	Gross amount from sales of assets other than inventory — (A) Securities: 864,651.	8a	(B) Other:	
	b	Less cost or other basis and sales expenses: 24,544.	8b		
	c	Gain or (loss) (attach schedule): 840,107.	8c		
	d	Net gain or (loss) Combine line 8c, columns (A) and (B)			8d 840,107.
	9	Special events and activities (attach schedule) If any amount is from **gaming**, check here ▶ [ ]			
	a	Gross revenue (not including $ _____ of contributions reported on line 1b)	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
	10 a	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 26,044.
	12	**Total revenue.** Add lines 1e, 2, 3, 4, 5, 6c, 7, 8d, 9c, 10c, and 11			12 69,884,353.
Expenses	13	Program services (from line 44, column (B))			13 60,053,724.
	14	Management and general (from line 44, column (C))			14 6,031,026.
	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 66,084,750.
Net Assets	18	Excess or (deficit) for the year Subtract line 17 from line 12			18 3,799,603.
	19	Net assets or fund balances at beginning of year (from line 73, column (A))			19 36,208,299.
	20	Other changes in net assets or fund balances (attach explanation) STMT 3			20 5,372,939.
	21	Net assets or fund balances at end of year Combine lines 18, 19, and 20			21 45,380,841.

For Privacy Act and Paperwork Reduction Act Notice, see the separate instructions. Form **990** (2006)

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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 the instructions)*

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
22a Grants paid from donor advised funds (attach schedule) (cash $ _____ noncash $ _____) If this amount includes foreign grants, check here ▶ ☐	22a				
22b Other grants and allocations (attach schedule) (cash $ 1,930,338. noncash $ _____) If this amount includes foreign grants, check here ▶ ☐	22b	1,930,338.	1,930,338.	STMT 4	
23 Specific assistance to individuals (attach schedule)	23				
24 Benefits paid to or for members (attach schedule)	24				
25a Compensation of current officers, directors, key employees, etc listed in Part V-A (attach schedule)	25a	1,364,411.	522,377.	842,034.	STMT 5
b Compensation of former officers, directors, key employees, etc listed in Part V-B (attach schedule)	25b				
c Compensation and other distributions, not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) (attach schedule)	25c				
26 Salaries and wages of employees not included on lines 25a, b, and c	26	16,831,460.	15,590,971.	1,240,489.	
27 Pension plan contributions not included on lines 25a, b, and c	27	486,411.	408,098.	78,313.	
28 Employee benefits not included on lines 25a - 27	28	753,425.	630,275.	123,150.	
29 Payroll taxes	29	2,291,811.	2,170,422.	121,389.	
30 Professional fundraising fees	30				
31 Accounting fees	31	334,685.	264,108.	70,577.	
32 Legal fees	32	63,609.	44,943.	18,666.	
33 Supplies	33	340,527.	251,078.	89,449.	
34 Telephone	34	599,144.	512,873.	86,271.	
35 Postage and shipping	35	284,592.	43,700.	240,892.	
36 Occupancy	36	5,280,545.	4,607,783.	672,762.	
37 Equipment rental and maintenance	37	803,850.	618,813.	185,037.	
38 Printing and publications	38	126,424.	126,424.		
39 Travel	39	1,079,479.	1,010,992.	68,487.	
40 Conferences, conventions, and meetings	40	1,303,485.	1,083,816.	219,669.	
41 Interest	41	2,790,462.	2,790,462.		
42 Depreciation, depletion, etc (attach schedule)	42	3,094,238.	2,570,561.	523,677.	
43 Other expenses not covered above (itemize)					
a STMT 6	43a	26,325,854.	24,875,690.	1,450,164.	
b _____	43b				
c _____	43c				
d _____	43d				
e _____	43e				
f _____	43f				
g _____	43g				
44 **Total functional expenses.** Add lines 22a through 43g (Organizations completing columns (B)-(D), carry these totals to lines 13-15)	44	66,084,750.	60,053,724.	6,031,026.	

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 the instructions)*

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.

What is the organization's primary exempt purpose? ▶SEE STATEMENT 7 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 SEE STATEMENT 8 (Grants and allocations $ 1,930,338.) If this amount includes foreign grants, check here ▶ ☐	60,053,724.
b (Grants and allocations $) If this amount includes foreign grants, check here ▶ ☐	
c (Grants and allocations $) If this amount includes foreign grants, check here ▶ ☐	
d (Grants and allocations $) If this amount includes foreign grants, check here ▶ ☐	
e Other program services (attach schedule) (Grants and allocations $) If this amount includes foreign grants, check here ▶ ☐	
f Total of Program Service Expenses (should equal line 44, column (B), Program services) . . . . . ▶	60,053,724.

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Part IV Balance Sheets *(See the instructions.)*

	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			246,187.	45	93,328.
	46 Savings and temporary cash investments			20,239,602.	46	25,059,064.
	47a Accounts receivable	47a	2,372,709.			
	b Less allowance for doubtful accounts	47b	196,659.	1,016,991.	47c	2,176,050.
	48a Pledges receivable	48a				
	b Less allowance for doubtful accounts	48b			48c	
	49 Grants receivable				49	
	50a Receivables from current and former officers, directors, trustees, and key employees (attach schedule)				50a	
	b Receivables from other disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) (attach schedule)				50b	
	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 STMT 9			850,818.	53	1,273,707.
	54a Investments - publicly-traded securities STMT 10 ▶ ☐ Cost ☒ FMV			22,021,087.	54a	26,712,575.
	b Investments - other securities (attach schedule) ▶ ☐ Cost ☐ FMV				54b	
	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 STMT 11	57a	71,330,284.			
	b Less. accumulated depreciation (attach schedule)	57b	13,580,446.	55,862,356.	57c	57,749,838.
	58 Other assets, including program-related investments (describe ▶ STMT 12)			16,681.	58	780,643.
	59 **Total assets** (must equal line 74) Add lines 45 through 58			100,253,722.	59	113,845,205.
Liabilities	60 Accounts payable and accrued expenses			5,440,985.	60	5,481,570.
	61 Grants payable				61	
	62 Deferred revenue STMT 13			4,622,770.	62	4,585,209.
	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) STMT 14			24,040,900.	64b	26,105,300.
	65 Other liabilities (describe ▶ STMT 15)			29,940,768.	65	32,292,285.
	66 **Total liabilities.** Add lines 60 through 65			64,045,423.	66	68,464,364.
Net Assets or Fund Balances	**Organizations that follow SFAS 117, check here** ▶ ☒ and complete lines 67 through 69 and lines 73 and 74.					
	67 Unrestricted			36,014,696.	67	45,084,960.
	68 Temporarily restricted			7,830.	68	82,306.
	69 Permanently restricted			185,773.	69	213,575.
	Organizations that do not follow SFAS 117, check here ▶ ☐ 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 and column (B) **must** equal line 21)			36,208,299.	73	45,380,841.
	74 **Total liabilities and net assets/fund balances.** Add lines 66 and 73			100,253,722.	74	113,845,205.

Part IV-A Reconciliation of Revenue per Audited Financial Statements With Revenue per Return *(See the instructions.)*

a	Total revenue, gains, and other support per audited financial statements			a	75,257,292.
b	Amounts included on line a but not on Part I, line 12				
1	Net unrealized gains on investments	b1	3,275,588.		
2	Donated services and use of facilities	b2			
3	Recoveries of prior year grants	b3			
4	Other (specify) SEE STATEMENT 16	b4	2,097,351.		
	Add lines b1 through b4			b	5,372,939.
c	Subtract line b from line a			c	69,884,353.
d	Amounts included on Part I, line 12, but not on line a:				
1	Investment expenses not included on Part I, line 6b	d1			
2	Other (specify)	d2			
	Add lines d1 and d2			d	
e	**Total revenue** (Part I, line 12) Add lines c and d ▶			e	69,884,353.

Part IV-B Reconciliation of Expenses per Audited Financial Statements With Expenses per Return

a	Total expenses and losses per audited financial statements			a	66,084,750.
b	Amounts included on line a but not on Part I, line 17				
1	Donated services and use of facilities	b1			
2	Prior year adjustments reported on Part I, line 20	b2			
3	Losses reported on Part I, line 20	b3			
4	Other (specify)	b4			
	Add lines b1 through b4			b	
c	Subtract line b from line a			c	66,084,750.
d	Amounts included on Part I, line 17, but not on line a:				
1	Investment expenses not included on Part I, line 6b	d1			
2	Other (specify):	d2			
	Add lines d1 and d2			d	
e	**Total expenses** (Part I, line 17). Add lines c and d ▶			e	66,084,750.

Part V-A Current Officers, Directors, Trustees, and Key Employees (List each person who was an officer, director, trustee, or key employee at any time during the year even if they were not compensated) *(See the 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 & deferred compensation plans	(E) Expense account and other allowances
SEE STATEMENT 17		1,232,882.	129,040.	2,486.

Part V-A Current Officers, Directors, Trustees, and Key Employees *(continued)*

			Yes	No
75a	Enter the total number of officers, directors, and trustees permitted to vote on organization business at board meetings ▶ 17			
b	Are any officers, directors, trustees, or key employees listed in Form 990, Part V-A, or highest compensated employees listed in Schedule A, Part I, or highest compensated professional and other independent contractors listed in Schedule A, Part II-A or II-B, related to each other through family or business relationships? If "Yes," attach a statement that identifies the individuals and explains the relationship(s)	75b		X
c	Do any officers, directors, trustees, or key employees listed in Form 990, Part V-A, or highest compensated employees listed in Schedule A, Part I, or highest compensated professional and other independent contractors listed in Schedule A, Part II-A or II-B, receive compensation from any other organizations, whether tax exempt or taxable, that are related to the organization? See the instructions for the definition of "related organization." ▶	75c		X
d	If "Yes," attach a statement that includes the information described in the instructions Does the organization have a written conflict of interest policy?	75d	X	

Part V-B Former Officers, Directors, Trustees, and Key Employees That Received Compensation or Other Benefits

(If any former officer, director, trustee, or key employee received compensation or other benefits (described below) during the year, list that person below and enter the amount of compensation or other benefits in the appropriate column See the instructions)

(A) Name and address	(B) Loans and Advances	(C) Compensation (if not paid, enter -0-)	(D) Contributions to employee benefit plans & deferred compensation plans	(E) Expense account and other allowances
	-0-	-0-	-0-	-0-

Part VI Other Information *(See the instructions.)*

			Yes	No
76	Did the organization make a change in its activities or methods of conducting activities? If "Yes," attach a detailed statement of each change	76		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.	77		X
78a	Did the organization have unrelated business gross income of $1,000 or more during the year covered by this return?	78a		X
b	If "Yes," has it filed a tax return on **Form 990-T** for this year?	78b	N/A	
79	Was there a liquidation, dissolution, termination, or substantial contraction during the year? If "Yes," attach a statement	79		X
80a	Is the organization related (other than by association with a statewide or nationwide organization) through common membership, governing bodies, trustees, officers, etc., to any other exempt or nonexempt organization?	80a		X
b	If "Yes," enter the name of the organization ▶ _____ and check whether it is ☐ exempt or ☐ nonexempt			
81a	Enter direct and indirect political expenditures. (See line 81 instructions) 81a			
b	Did the organization file **Form 1120-POL** for this year?	81b		X

Part VI Other Information *(continued)*

			Yes	No
82a	Did the organization receive donated services or the use of materials, equipment, or facilities at no charge or at substantially less than fair rental value?	82a		X
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) 82b N/A			
83a	Did the organization comply with the public inspection requirements for returns and exemption applications?	83a	X	
b	Did the organization comply with the disclosure requirements relating to *quid pro quo* contributions?	83b	X	
84a	Did the organization solicit any contributions or gifts that were not tax deductible?	84a		X
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	84b	N/A	
85	*501(c)(4), (5), or (6) organizations* a Were substantially all dues nondeductible by members?	85a	N/A	
b	Did the organization make only in-house lobbying expenditures of $2,000 or less?	85b	N/A	
	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			
c	Dues, assessments, and similar amounts from members 85c N/A			
d	Section 162(e) lobbying and political expenditures 85d N/A			
e	Aggregate nondeductible amount of section 6033(e)(1)(A) dues notices 85e N/A			
f	Taxable amount of lobbying and political expenditures (line 85d less 85e) 85f N/A			
g	Does the organization elect to pay the section 6033(e) tax on the amount on line 85f?	85g	N/A	
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?	85h	N/A	
86	*501(c)(7) orgs* Enter a Initiation fees and capital contributions included on line 12 86a N/A			
b	Gross receipts, included on line 12, for public use of club facilities 86b N/A			
87	*501(c)(12) orgs* Enter a Gross income from members or shareholders 87a N/A			
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them) 87b N/A			
88b	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	88a		X
b	At any time during the year, did the organization, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," complete Part XI ▶	88b		X
89a	*501(c)(3) organizations* Enter Amount of tax imposed on the organization during the year under section 4911 ▶ N/A, section 4912 ▶ N/A, section 4955 ▶ N/A			
b	*501(c)(3) and 501(c)(4) orgs* Did the organization engage in any section 4958 excess benefit transaction during the year or did it become aware of an excess benefit transaction from a prior year? If "Yes," attach a statement explaining each transaction	89b		X
c	Enter Amount of tax imposed on the organization managers or disqualified persons during the year under sections 4912, 4955, and 4958 ▶ N/A			
d	Enter Amount of tax on line 89c, above, reimbursed by the organization ▶ N/A			
e	*All organizations* At any time during the tax year, was the organization a party to a prohibited tax shelter transaction?	89e		X
f	*All organizations* Did the organization acquire a direct or indirect interest in any applicable insurance contract?	89f		X
g	*For supporting organizations and sponsoring organizations maintaining donor advised funds* Did the supporting organization, or a fund maintained by a sponsoring organization, have excess business holdings at any time during the year?	89g		X
90a	List the states with which a copy of this return is filed ▶			
b	Number of employees employed in the pay period that includes March 12, 2006 (See instructions)	90b	79	
91a	The books are in care of ▶ MR. W MARTENS Telephone no ▶ 312-944-1750 Located at ▶ 33 N. LASALLE STREET CHICAGO, IL ZIP + 4 ▶ 60602			
b	At any time during the calendar year, did the organization have an interest in or a signature or other authority over a financial account in a foreign country (such as a bank account, securities account, or other financial account)? If "Yes," enter the name of the foreign country ▶ ARGENTINA See the instructions for exceptions and filing requirements for **Form TD F 90-22.1**, Report of Foreign Bank and Financial Accounts	91b	X	

Part VI Other Information *(continued)*

		Yes	No
c	At any time during the calendar year, did the organization maintain an office outside of the United States?	X	

If "Yes," enter the name of the foreign country ▶ ARGENTINA

92 *Section 4947(a)(1) nonexempt charitable trusts filing Form 990 in lieu of* ***Form 1041*** - Check here ▶ ☐

and enter the amount of tax-exempt interest received or accrued during the tax year ▶ 92 N/A

Part VII Analysis of Income-Producing Activities *(See the 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 TUITION AND FEES					67,543,210.
b					
c					
d					
e					
f Medicare/Medicaid payments					
g Fees and contracts from government agencies					
94 Membership dues and assessments					22,400.
95 Interest on savings and temporary cash investments			14	896,382.	
96 Dividends and interest from securities			14	527,211.	
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	840,107.	
101 Net income or (loss) from special events					
102 Gross profit or (loss) from sales of inventory					
103 Other revenue a					
b OTHER REVENUE					26,044.
c					
d					
e					
104 Subtotal (add columns (B), (D), and (E))				2,263,700.	67,591,654.
105 **Total** (add line 104, columns (B), (D), and (E)) ▶					69,855,354.

Note: *Line 105 plus line 1e, Part I, should equal the amount on line 12, Part I*

Part VIII Relationship of Activities to the Accomplishment of Exempt Purposes *(See the 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)
	STMT 22

Part IX Information Regarding Taxable Subsidiaries and Disregarded Entities *(See the instructions.)*

(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 the 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).*

Part XI Information Regarding Transfers To and From Controlled Entities. *Complete only if the organization is a controlling organization as defined in section 512(b)(13).*

		Yes	No
106	Did the reporting organization **make** any transfers **to** a controlled entity as defined in section 512(b)(13) of the Code? If "Yes," complete the schedule below for each controlled entity		X

	(A) Name, address, of each controlled entity	(B) Employer Identification Number	(C) Description of transfer	(D) Amount of transfer
a				
b				
c				
	Totals			

		Yes	No
107	Did the reporting organization **receive** any transfers **from** a controlled entity as defined in section 512(b)(13) of the Code? If "Yes," complete the schedule below for each controlled entity		X

	(A) Name, address, of each controlled entity	(B) Employer Identification Number	(C) Description of transfer	(D) Amount of transfer
a				
b				
c				
	Totals			

		Yes	No
108	Did the organization have a binding written contract in effect on August 17, 2006, covering the interest, rents, royalties, and annuities described in question 107 above?		X

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 all information of which preparer has any knowledge

▶ Signature of officer — Date 2/12/10

▶ William J. Martens, VP Finance
Type or print name and title

Paid Preparer's Use Only

Preparer's signature ▶ — Date 2/11/10 — Check if self-employed ▶ ☐ — Preparer's SSN or PTIN (See Gen Inst X)

Firm's name (or yours if self-employed), address, and ZIP + 4 ▶ CROWE HORWATH LLP
PO BOX 3697
OAK BROOK, IL 60522-3697

EIN ▶

Phone no ▶ 630-574-7878

Form **990** (2006)

SCHEDULE A
(Form 990 or 990-EZ)
Department of the Treasury
Internal Revenue Service

Organization Exempt Under Section 501(c)(3)

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

Supplementary Information - (See separate instructions.)

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

OMB No 1545-0047

2006

Name of the organization: INSTITUTE FOR THE INTERNATIONAL EDUCATION OF STUDENTS

Employer identification number: 36-2251912

Part I Compensation of the Five Highest Paid Employees Other Than Officers, Directors, and Trustees

(See page 2 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
SEE STATEMENT 23				
Total number of other employees paid over $50,000 . . ▶	24			

Part II-A 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
SEE STATEMENT 24		
Total number of others receiving over $50,000 for professional services . . . . . ▶	2	

Part II-B Compensation of the Five Highest Paid Independent Contractors for Other Services

(List each contractor who performed services other than professional services, whether individuals or firms If there are none, enter "None." See page 2 of the instructions.)

(a) Name and address of each independent contractor paid more than $50,000	(b) Type of service	(c) Compensation
SEE STATEMENT 25		
Total number of other contractors receiving over $50,000 for other services . . . . . ▶	NONE	

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 ▶ $ _____ (Must equal amounts on line 38, Part VI-A, or line i of Part VI-B)	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)? .SEE.990. PART V.	2d	X	
e	Transfer of any part of its income or assets?	2e		X
3a	Did the organization make grants for scholarships, fellowships, student loans, etc ? (If "Yes," attach an explanation of how the organization determines that recipients qualify to receive payments)	3a		X
b	Did the organization have a section 403(b) annuity plan for its employees?	3b	X	
c	Did the organization receive or hold an easement for conservation purposes, including easements to preserve open space, the environment, historic land areas or historic structures? If "Yes," attach a detailed statement	3c		X
d	Did the organization provide credit counseling, debt management, credit repair, or debt negotiation services?	3d		X
4a	Did the organization maintain any donor advised funds? If "Yes," complete lines 4b through 4g If "No," complete lines 4f and 4g	4a		X
b	Did the organization make any taxable distributions under section 4966?	4b		X
c	Did the organization make a distribution to a donor, donor advisor, or related person?	4c		X
d	Enter the total number or donor advised funds owned at the end of the tax year ▶			
e	Enter the aggregate value of assets held in all donor advised funds owned at the end of the tax year ▶			
f	Enter the total number of separate funds or accounts owned at the end of the tax year (excluding donor advised funds included on line 4d) where donors have the rights to provide advice on the distribution or investment of amounts in such funds or accounts ▶			
g	Enter the aggregate value of assets held in all funds or accounts included on line 4f at the end of the tax year ▶			

Part IV Reason for Non-Private Foundation Status (See pages 4 through 7 of the instructions.)

I certify that 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 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 otherwise meets the requirements of section 509(a)(3) Check the box that describes the type of supporting organization

☐ Type I ☐ Type II ☐ Type III - Functionally Integrated ☐ Type III - Other

Provide the following information about the supported organizations. (See page 7 of the instructions)

(a) Name(s) of supported organization(s)	(b) Employer identification number (EIN)	(c) Type of organization (described in lines 5 through 12 above or IRC section)	(d) Is the supported organization listed in the supporting organization's governing documents? Yes	(d) No	(e) Amount of support
Total ▶					

14 ☐ An organization organized and operated to test for public safety Section 509(a)(4) (See page 7 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.* NOT APPLICABLE

Calendar year (or fiscal year beginning in) ▶	(a) 2005	(b) 2004	(c) 2003	(d) 2002	(e) Total
15 Gifts, grants, and contributions received (Do not include unusual grants See line 28)					
16 Membership fees received					
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					
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					
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					
23 Total of lines 15 through 22					
24 Line 23 minus line 17					
25 Enter 1% of line 23					

26 Organizations described on lines 10 or 11:

a Enter 2% of amount in column (e), line 24 NOT APPLICABLE ▶ 26a

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 2002 through 2005 exceeded the amount shown in line 26a **Do not file this list with your return.** Enter the total of all these excess amounts ▶ 26b

c Total support for section 509(a)(1) test Enter line 24, column (e) ▶ 26c

d Add Amounts from column (e) for lines 18 _____ 19 _____ 22 _____ 26b _____ ▶ 26d

e Public support (line 26c minus line 26d total) ▶ 26e

f **Public support percentage (line 26e (numerator) divided by line 26c (denominator))** ▶ 26f %

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

NOT APPLICABLE

(2005) _____ (2004) _____ (2003) _____ (2002) _____

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 11b, 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

(2005) _____ (2004) _____ (2003) _____ (2002) _____

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 2002 through 2005, 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 9 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?	29	X	
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?	30	X	
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?	31	X	
	If "Yes," please describe, if "No," please explain (If you need more space, attach a separate statement) ADVERTISED AS CUSTOMARY PART OF PROMOTIONAL ACTIVITIES AND MATERIALS PROVIDED TO THE PUBLIC.			
32	Does the organization maintain the following			
a	Records indicating the racial composition of the student body, faculty, and administrative staff?	32a	X	
b	Records documenting that scholarships and other financial assistance are awarded on a racially nondiscriminatory basis?	32b	X	
c	Copies of all catalogues, brochures, announcements, and other written communications to the public dealing with student admissions, programs, and scholarships?	32c	X	
d	Copies of all material used by the organization or on its behalf to solicit contributions?	32d	X	
	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?	33a		X
b	Admissions policies?	33b		X
c	Employment of faculty or administrative staff?	33c		X
d	Scholarships or other financial assistance?	33d		X
e	Educational policies?	33e		X
f	Use of facilities?	33f		X
g	Athletic programs?	33g		X
h	Other extracurricular activities?	33h		X
	If you answered "Yes" to any of the above, please explain (If you need more space, attach a separate statement)			
34 a	Does the organization receive any financial aid or assistance from a governmental agency?	34a		X
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	34b		X
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	35	X	

Part VI-A **Lobbying Expenditures by Electing Public Charities** (See page 10 of the instructions.)
(To be completed **ONLY** by an eligible organization that filed Form 5768) NOT APPLICABLE

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 (The term "expenditures" means amounts paid or incurred)		(a) Affiliated group totals	(b) To be completed for all electing organizations
36 Total lobbying expenditures to influence public opinion (grassroots lobbying)	36		
37 Total lobbying expenditures to influence a legislative body (direct lobbying)	37		
38 Total lobbying expenditures (add lines 36 and 37)	38		
39 Other exempt purpose expenditures	39		
40 Total exempt purpose expenditures (add lines 38 and 39)	40		
41 Lobbying nontaxable amount Enter the amount from the following table -			
If the amount on line 40 is - **The lobbying nontaxable amount is -**			
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	41		
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		
43 Subtract line 42 from line 36 Enter -0- if line 42 is more than line 36	43		
44 Subtract line 41 from line 38 Enter -0- if line 41 is more than line 38	44		

Caution: *If there is an amount on either line 43 or line 44, you must file Form 4720*

4-Year Averaging Period Under Section 501(h)

(Some organizations that made a section 501(h) election do not have to complete all of the five columns below
See the instructions for lines 45 through 50 on page 13 of the instructions.)

	Lobbying Expenditures During 4-Year Averaging Period				
Calendar year (or fiscal year beginning in) ▶	(a) 2006	(b) 2005	(c) 2004	(d) 2003	(e) Total
45 Lobbying nontaxable amount					
46 Lobbying ceiling amount (150% of line 45(e))					
47 Total lobbying expenditures					
48 Grassroots nontaxable amount					
49 Grassroots ceiling amount (150% of line 48(e))					
50 Grassroots lobbying expenditures					

Part VI-B **Lobbying Activity by Nonelecting Public Charities** NOT APPLICABLE
(For reporting only by organizations that did not complete Part VI-A) (See page 13 of the instructions.)

During the year, did the organization attempt to influence national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of	Yes	No	Amount
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

Part VII **Information Regarding Transfers To and Transactions and Relationships With Noncharitable Exempt Organizations** (See page 13 of the instructions)

51 Did the reporting organization directly or indirectly engage in any of the following with any other organization described in section 501(c) of the Code (other than section 501(c)(3) organizations) or in section 527, relating to political organizations?

		Yes	No
a Transfers from the reporting organization to a noncharitable exempt organization of			
(i) Cash	51a(i)		X
(ii) Other assets	a(ii)		X
b Other transactions			
(i) Sales or exchanges of assets with a noncharitable exempt organization	b(i)		X
(ii) Purchases of assets from a noncharitable exempt organization	b(ii)		X
(iii) Rental of facilities, equipment, or other assets	b(iii)		X
(iv) Reimbursement arrangements	b(iv)		X
(v) Loans or loan guarantees	b(v)		X
(vi) Performance of services or membership or fundraising solicitations	b(vi)		X
c Sharing of facilities, equipment, mailing lists, other assets, or paid employees	c		X

d If the answer to any of the above is "Yes," complete the following schedule Column (b) should always show the fair market value of the goods, other assets, or services given by the reporting organization If the organization received less than fair market value in any transaction or sharing arrangement, show in column (d) the value of the goods, other assets, or services received

(a) Line no	(b) Amount involved	(c) Name of noncharitable exempt organization	(d) Description of transfers, transactions, and sharing arrangements
N/A			

52a Is the organization directly or indirectly affiliated with, or related to, one or more tax-exempt organizations described in section 501(c) of the Code (other than section 501(c)(3)) or in section 527? ▶ ☐ Yes ☒ No

b If "Yes," complete the following schedule.

(a) Name of organization	(b) Type of organization	(c) Description of relationship
N/A		

FORM 990 - GENERAL EXPLANATION ATTACHMENT

FOREIGN OFFICES
PART VI LINE 91C

THE ORGANIZATION HAS FOREIGN OFFICES IN THE FOLLOWING COUNTRIES:
ARGENTINA
AUSTRALIA
AUSTRIA
CHILE
CHINA
ECUADOR
FRANCE
GERMANY
INDIA
IRELAND
ITALY
JAPAN
NETHERLANDS
NEW ZEALAND
SPAIN
UNITED KINGDOM

FORM 990 - GENERAL EXPLANATION ATTACHMENT

FOREIGN FINANCIAL ACCOUNTS
PART VI LINE 91B

THE ORGANIZATION HAS FOREIGN FINANCIAL ACCOUNTS IN THE FOLLOWING COUNTRIES:

ARGENTINA
AUSTRALIA
AUSTRIA
CHILE
ECUADOR
FRANCE
GERMANY
IRELAND
ITALY
JAPAN
NETHERLANDS
SPAIN
UNITED KINGDOM

FORM 990, PART I - OTHER INCREASES IN FUND BALANCES

DESCRIPTION	AMOUNT
UNREALIZED GAIN ON INVESTMENTS	3,275,588.
FOREIGN CURRENCY TRANSLATION ADJUSTMENT	236,622.
UNREALIZED GAIN ON CURRENCY FORWARDS	763,962.
GAIN ON FOREIGN CURRENCY CONTRACTS	1,096,767.
TOTAL	5,372,939.

FORM 990, PART II - OTHER GRANTS AND ALLOCATIONS PAID DURING THE YEAR

RECIPIENT NAME AND ADDRESS	RELATIONSHIP TO SUBSTANTIAL CONTRIBUTOR AND FOUNDATION STATUS OF RECIPIENT	PURPOSE OF GRANT OR CONTRIBUTION	AMOUNT
GRANTS PAID			
STUDENT TUITION DISCOUNTS AND FINANCIAL AID	NONE	TUITION DISCOUNTS AND FINANCIAL AID AWARDED TO STUDENTS BASED ON ACADEMIC ACHIEVEMENT AND NEED	1,930,338.
		TOTAL CONTRIBUTIONS PAID	1,930,338.

FORM 990, PART II, LINE 25A - CURRENT OFFICER COMPENSATION SCHEDULE

CURRENT OFFICER NAME	PROGRAM SERVICES	MANAGEMENT AND GENERAL
MARY DWYER PHD		
COMPENSATION:	181,616.	181,616.
CONTRIBUTIONS TO BENEFIT PLANS:	21,207.	21,207.
GAYLY OPEM		
COMPENSATION:	95,350.	95,350.
CONTRIBUTIONS TO BENEFIT PLANS:	7,152.	7,152.
MICHAEL STEINBERG PHD		
COMPENSATION:	194,815.	
CONTRIBUTIONS TO BENEFIT PLANS:	22,237.	
MARTENS, WILLIAM		
COMPENSATION:		193,216.
CONTRIBUTIONS TO BENEFIT PLANS:		25,789.
ELLIS, RICHARD		
COMPENSATION:		166,720.
CONTRIBUTIONS TO BENEFIT PLANS:		20,190.
HOYE, WILLIAM		
COMPENSATION:		124,199.
CONTRIBUTIONS TO BENEFIT PLANS:		4,109.
JOHN COBLENTZ		
COMPENSATION:		1,231.
ROBERT MCNEILL		
COMPENSATION:		283.
KATHRYN M. MOORE PHD		
COMPENSATION:		332.
ALAN SCHWARTZ		
COMPENSATION:		312.
HUGO SONNENSCHEIN PHD		
COMPENSATION:		328.
TOTALS	522,377.	842,034.

STATEMENT 5

FORM 990, PART II - OTHER EXPENSES

DESCRIPTION	TOTAL	PROGRAM SERVICES	MANAGEMENT AND GENERAL
STUDENT HOUSING & MEALS	13,831,530.	13,831,530.	
FIELD TRIPS	2,757,189.	2,757,189.	
STUDENT SERVICES	987,491.	987,491.	
STUDENT & FACULTY AID	27,301.	17,283.	10,018.
STAFF DEVELOPMENT	96,690.	59,087.	37,603.
MARKETING & ADVERTISING	105,080.	103,108.	1,972.
BANK CHARGES	196,884.	85,823.	111,061.
DUES & SUBSCRIPTIONS	56,497.	28,438.	28,059.
STUDENT INSTRUCTION & TUITION	6,258,631.	6,253,475.	5,156.
DONATIONS	17,942.	15,409.	2,533.
MISC. CENTER RELATED	23,527.	13,097.	10,430.
STAFF RECRUITING	32,593.	2,924.	29,669.
BOARD EXPENSES	41,040.		41,040.
FUNDRAISING	112.		112.
CONSULTANTS	1,811,934.	641,188.	1,170,746.
CORPORATE TAXES	81,413.	79,648.	1,765.
TOTALS	26,325,854.	24,875,690.	1,450,164.

FORM 990, PART III - ORGANIZATION'S PRIMARY EXEMPT PURPOSE

IES BLENDS THE BEST ELEMENTS OF FOREIGN HIGHER EDUCATION WITH AMERICAN UNIVERSITY REQUIREMENTS AND ENCOURAGES STUDENTS TO EXPLORE THE UNIQUE ELEMENTS OF FOREIGN COUNTRIES. IES IS COMPRISED OF A CONSORTIUM OF MORE THAN 170 COLLEGES AND UNIVERSITIES, AND ENROLLS OVER 5,100 STUDENTS IN UNIQUE PROGRAMS IN NEARLY 30 CITIES THROUGHOUT EUROPE, ASIA, AUSTRALIA, NEW ZEALAND AND SOUTH AMERICA. IES FOSTERS STUDENTS' PERSONAL AND ACADEMIC GOALS BY PROVIDING QUALITY STUDY ABROAD PROGRAMS WORLDWIDE.

FORM 990, PART III - PROGRAM SERVICE ACCOMPLISHMENTS

PROGRAM SERVICE ACCOMPLISHMENT A

PROVIDED EDUCATIONAL PROGRAMS OF FOREIGN STUDY FOR AMERICAN STUDENTS. TUITION DISCOUNTS AND FINANCIAL AID PAID TO OVER 1,300 STUDENTS BASED ON ACADEMIC ACHIEVEMENT AND FINANCIAL NEED.

IES IS COMPRISED OF A CONSORTIUM OF MORE THAN 170 COLLEGES AND UNIVERSITIES AND ENROLLS OVER 5,100 STUDENTS IN UNIQUE PROGRAMS IN NEARLY 30 CITIES THROUGHOUT EUROPE, ASIA, AUSTRALIA, NEW ZEALAND AND SOUTH AMERICA. IES FOSTERS STUDENTS' PERSONAL AND ACADEMIC GOALS BY PROVIDING QUALITY STUDY PROGRAMS WORLDWIDE.

FORM 990, PART IV - PREPAID EXPENSES AND DEFERRED CHARGES

DESCRIPTION	ENDING BOOK VALUE
PREPAID EXPENSES AND OTHER	1,273,707.
TOTALS	1,273,707.

FORM 990, PART IV - INVESTMENTS - PUBLICLY TRADED SECURITIES

DESCRIPTION	ENDING BOOK VALUE	COST OR FMV
CORPORATE BONDS	335,668.	FMV
CORP. EQUITY SEC.	26,376,907.	FMV
TOTALS	26,712,575.	

LAND, BUILDINGS, EQUIPMENT NOT HELD FOR INVESTMENT

ASSET DESCRIPTION	METHOD/ CLASS	FIXED ASSET DETAIL BEGINNING BALANCE	ADDITIONS	DISPOSALS	ENDING BALANCE	ACCUMULATED DEPRECIATION DETAIL BEGINNING BALANCE	ADDITIONS	DISPOSALS	ENDING BALANCE
LAND	L	3,012,150.			3,012,150.				
FURNITURE		2,881,245.			2,881,245.	2,450,365.			2,450,365.
COMP, EQUIP & TELEE		1,361,652.			1,361,652.	1,261,167			1,261,167.
LEASEHOLD IMPROVEM		2,219,464.			2,219,464.	1,213,872.			1,213,872.
BUILDINGS		30056634.			30056634.	5,227,911.			5,227,911.
BUILDING IMPROVEME		434,413.			434,413.	395,213.			395,213.
BUILDING CAP LEASE		31364725.			31364725.	3,031,922.			3,031,922.
TOTALS		71330283.			71330283.	13580450.			13580450.

FORM 990, PART IV - OTHER ASSETS

DESCRIPTION	ENDING BOOK VALUE
ACCRUED GAIN FOREIGN CUR. CON.	780,643.
TOTALS	780,643.

FORM 990, PART IV - DEFERRED REVENUE

DESCRIPTION	ENDING BOOK VALUE
DEFERRED TUITION REVENUE	4,585,209.
TOTALS	4,585,209.

FORM 990, PART IV - MORTGAGES AND OTHER NOTES PAYABLE

LENDER: HALIFAX BANK OF SCOTLAND

BEGINNING BALANCE DUE	24,040,900.
ENDING BALANCE DUE	26,105,300.
TOTAL BEGINNING MORTGAGES AND OTHER NOTES PAYABLE	24,040,900.
TOTAL ENDING MORTGAGES AND OTHER NOTES PAYABLE	26,105,300.

FORM 990, PART IV - OTHER LIABILITIES

DESCRIPTION	ENDING BOOK VALUE
CAPITAL LEASE OBLIGATION	31,212,918.
DEFERRED GAIN SALE LEASEBACK	1,079,367.
TOTALS	32,292,285.

FORM 990, PART IV-A - OTHER REVENUE ON BOOKS BUT NOT ON RETURN

DESCRIPTION	AMOUNT
FOREIGN CURRENCY TRANSLATION	236,622.
UNREALIZED GAIN ON FOREIGN	763,962.
GAIN ON FOREIGN CURRENCY	1,096,767.
TOTAL	2,097,351.

STATEMENT 16

FORM 990, PART V-A - CURRENT OFFICERS, DIRECTORS, AND TRUSTEES

NAME AND ADDRESS	TITLE AND TIME DEVOTED TO POSITION	COMPENSATION	CONTRIBUTIONS TO EMPLOYEE BENEFIT PLANS	EXPENSE ACCT AND OTHER ALLOWANCES
MARY DWYER PHD 33 N. LASALLE STREET 1500 CHICAGO, IL 60602	PRESIDENT 40.00	363,232.	42,412.	NONE
GAYLY OPEM 33 N. LASALLE STREET 1500 CHICAGO, IL 60602	EVP MARKETING 40.00	190,700.	14,303.	NONE
MICHAEL STEINBERG PHD 33 N. LASALLE STREET 1500 CHICAGO, IL 60602	EVP ACADEMIC PROGRAMS 40.00	194,815.	22,237.	NONE
MARTENS, WILLIAM 33 N. LASALLE STREET 1500 CHICAGO, IL 60602	CHIEF FINANCIAL OFFICER 40.00	193,216.	25,789.	NONE
ELLIS, RICHARD 33 N. LASALLE STREET 1500 CHICAGO, IL 60602	DIRECTOR GLOBAL REAL ESTATE 40.00	166,720.	20,190.	NONE
HOYE, WILLIAM	DIRECTOR LEGAL & ADMINISTRATIO 40.00	124,199.	4,109.	NONE

FORM 990, PART V-A - CURRENT OFFICERS, DIRECTORS, AND TRUSTEES

NAME AND ADDRESS	TITLE AND TIME DEVOTED TO POSITION	COMPENSATION	CONTRIBUTIONS TO EMPLOYEE BENEFIT PLANS	EXPENSE ACCT AND OTHER ALLOWANCES
33 N. LASALLE STREET 1500 CHICAGO, IL 60602				
JOHN COBLENTZ 33 N. LASALLE STREET 1500 CHICAGO, IL 60602	DIRECTOR	NONE	NONE	1,231.
KENNETH W. CUNNINGHAM 33 N. LASALLE STREET 1500 CHICAGO, IL 60602	DIRECTOR	NONE	NONE	NONE
DEBORA DE HOYOS 33 N. LASALLE STREET 1500 CHICAGO, IL 60602	DIRECTOR	NONE	NONE	NONE
PAMELA BROOKS GANN PHD 33 N. LASALLE STREET 1500 CHICAGO, IL 60602	DIRECTOR	NONE	NONE	NONE
JOHN J. GEAREN 33 N. LASALLE STREET 1500	DIRECTOR	NONE	NONE	NONE

FORM 990, PART V-A - CURRENT OFFICERS, DIRECTORS, AND TRUSTEES

NAME AND ADDRESS	TITLE AND TIME DEVOTED TO POSITION	COMPENSATION	CONTRIBUTIONS TO EMPLOYEE BENEFIT PLANS	EXPENSE ACCT AND OTHER ALLOWANCES
CHICAGO, IL 60602				
CHRISTINE R. HOEK 33 N. LASALLE STREET 1500 CHICAGO, IL 60602	DIRECTOR	NONE	NONE	NONE
HOMER J. HOLLAND PHD 33 N. LASALLE STREET 1500 CHICAGO, IL 60602	DIRECTOR	NONE	NONE	NONE
ROBERT MCNEILL 33 N. LASALLE STREET 1500 CHICAGO, IL 60602	DIRECTOR	NONE	NONE	283.
KATHRYN M. MOORE PHD 33 N. LASALLE STREET 1500 CHICAGO, IL 60602	DIRECTOR (CHAIR)	NONE	NONE	332.
OSCAR PAGE PHD 33 N. LASALLE STREET 1500 CHICAGO, IL 60602	DIRECTOR	NONE	NONE	NONE

FORM 990, PART V-A - CURRENT OFFICERS, DIRECTORS, AND TRUSTEES

NAME AND ADDRESS	TITLE AND TIME DEVOTED TO POSITION	COMPENSATION	CONTRIBUTIONS TO EMPLOYEE BENEFIT PLANS	EXPENSE ACCT AND OTHER ALLOWANCES
DAVID H. PORTER PHD 33 N. LASALLE STREET 1500 CHICAGO, IL 60602	DIRECTOR	NONE	NONE	NONE
ALAN SCHWARTZ 33 N. LASALLE STREET 1500 CHICAGO, IL 60602	DIRECTOR	NONE	NONE	312.
HUGO SONNENSCHEIN PHD 33 N. LASALLE STREET 1500 CHICAGO, IL 60602	DIRECTOR	NONE	NONE	328.
MONICA VACHHER 33 N. LASALLE STREET 1500 CHICAGO, IL 60602	DIRECTOR	NONE	NONE	NONE
EZIO VERGANI 33 N. LASALLE STREET 1500 CHICAGO, IL 60602	DIRECTOR	NONE	NONE	NONE
ANA MARIA WISEMAN PHD	DIRECTOR	NONE	NONE	NONE

FORM 990, PART V-A - CURRENT OFFICERS, DIRECTORS, AND TRUSTEES

NAME AND ADDRESS	TITLE AND TIME DEVOTED TO POSITION	COMPENSATION	CONTRIBUTIONS TO EMPLOYEE BENEFIT PLANS	EXPENSE ACCT AND OTHER ALLOWANCES
33 N. LASALLE STREET 1500 CHICAGO, IL 60602				
	GRAND TOTALS	1,232,882.	129,040.	2,486.

FORM 990, PART VIII - ACCOMPLISHMENT OF EXEMPT PURPOSES

LINE NO.	EXPLANATION OF HOW EACH ACTIVITY FOR WHICH INCOME IS REPORTED IN COLUMN (E) OF PART VII CONTRIBUTED IMPORTANTLY TO THE ACCOMPLISHMENT OF EXEMPT PURPOSES
93A 94	TUITION AND FEES FROM STUDENTS - OUR EXEMPT PURPOSE MEMBERS ARE UNIVERSITIES WHO ENROLL OUR STUDENTS AS PART OF EXEMPT PURPOSE.
103B	OTHER FORMS OF REVENUE SUCH AS LATE FEES AND TRANSCRIPT FEES THAT ARE RECEIVED IN THE COURSE OF CONDUCTING ACTIVITIES RELATED TO OUR EXEMPT PURPOSE.

SCHEDULE A, PART I - COMPENSATION OF THE FIVE HIGHEST PAID EMPLOYEES

NAME AND ADDRESS	TITLE AND TIME DEVOTED TO POSITION	COMPENSATION	CONTRIBUTIONS TO EMPLOYEE BENEFIT PLANS	EXPENSE ACCOUNT
MEREL FRANK 33 N. LASALLE ST., SUITE 1500 CHICAGO, IL 60602	CONTROLLER 40.00	103,860.	17,556.	NONE
ROBIN WAGNER 33 N. LASALLE ST., SUITE 1500 CHICAGO, IL 60602	DEP. DIR. ACADEMICS 40.00	101,979.	17,014.	NONE
MICHAEL GREEN 33 N. LASALLE ST., SUITE 1500 CHICAGO, IL 60602	ASSOC. VP RECRUITING 40.00	100,592.	16,910.	NONE
BRUCE BROERMAN 33 N. LASALLE ST., SUITE 1500 CHICAGO, IL 60602	ASSOC. VP. ACADEMICS 40.00	93,851.	12,568.	NONE
JOHN TRUEMAN 33 N. LASALLE ST., SUITE 1500 CHICAGO, IL 60602	DIR GLOBAL REAL ESTA 40.00	207,820.	24,952.	NONE
	TOTAL COMPENSATION	608,102.	89,000.	NONE

SCH. A, PART II-A COMPENSATION OF THE 5 HIGHEST PAID FOR PROF. SERV.

OPEN FOUNDATION 1454 N. ORLEANS CHICAGO, IL 60610	IT CONSULTANTS	633,274.
TSI 119 HILLSHIRE DRIVE INVERNESS, IL 60010	IT CONSULTANTS	287,940.
NORTOC INC 1454 N. ORLEANS CHICAGO, IL 60610	IT CONSULTANTS	207,625.
JMB INSURANCE AGENCY INC 900 N. MICHIGAN CHICAGO, IL 60611	INSURANCE AGENT	167,996.
PUBLIC COMMUNICATIONS INC 35 EAST WACKER CHICAGO, IL 60601	MEDIA CONSULTING	59,770.
TOTAL COMPENSATION		1,356,605.

STATEMENT 24

SCH. A, PART II-B COMPENSATION OF THE 5 HIGHEST PAID FOR OTHER SERV.

GRAPHIC ARTS STUDIO INC 28 W 111 COMMERCIAL AVE BARRINGTON, IL 60010	PRINTING PUBLISHING	369,933.
NATIONAL ARCHIVE PUBLISHING COMPANY 6814 RELIABLE PARKWAY CHICAGO, IL 60686	COPYRIGHTS	136,554.
LOFTUS AND O'MEARA 135 S LASALLE CHICAGO, IL 60674	PLACEMENT AGENCY	57,258.
	TOTAL COMPENSATION	563,745.

STATEMENT 25

SCHEDULE D (Form 1041)

Department of the Treasury
Internal Revenue Service

Capital Gains and Losses

▶ Attach to Form 1041, Form 5227, or Form 990-T. See the separate instructions for Form 1041 (also for Form 5227 or Form 990-T, if applicable).

OMB No 1545-0092

2006

Name of estate or trust

INSTITUTE FOR THE INTERNATIONAL
EDUCATION OF STUDENTS

Employer identification number

36-2251912

Note: *Form 5227 filers need to complete **only** Parts I and II.*

Part I Short-Term Capital Gains and Losses - Assets Held One Year or Less

	(a) Description of property (Example 100 shares 7% preferred of "Z" Co)	(b) Date acquired (mo , day, yr)	(c) Date sold (mo , day, yr)	(d) Sales price	(e) Cost or other basis (see page 35)	(f) Gain or (Loss) for the entire year (col (d) less col (e))
1						

2	Short-term capital gain or (loss) from Forms 4684, 6252, 6781, and 8824	2	
3	Net short-term gain or (loss) from partnerships, S corporations, and other estates or trusts	3	
4	Short-term capital loss carryover Enter the amount, if any, from line 9 of the 2005 Capital Loss Carryover Worksheet	4	( )
5	**Net short-term gain or (loss).** Combine lines 1 through 4 in column (f) Enter here and on line 13, column (3) below ▶	5	

Part II Long-Term Capital Gains and Losses - Assets Held More Than One Year

	(a) Description of property (Example 100 shares 7% preferred of "Z" Co)	(b) Date acquired (mo , day, yr)	(c) Date sold (mo , day, yr)	(d) Sales price	(e) Cost or other basis (see page 35)	(f) Gain or (Loss) for the entire year (col (d) less col (e))
6						
	SEE STATEMENT 1			864,651.	24,544.	840,107.

7	Long-term capital gain or (loss) from Forms 2439, 4684, 6252, 6781, and 8824	7	
8	Net long-term gain or (loss) from partnerships, S corporations, and other estates or trusts	8	
9	Capital gain distributions	9	
10	Gain from Form 4797, Part I	10	
11	Long-term capital loss carryover Enter the amount, if any, from line 14 of the 2005 Capital Loss Carryover Worksheet	11	( )
12	**Net long-term gain or (loss).** Combine lines 6 through 11 in column (f) Enter here and on line 14a, column (3) below ▶	12	840,107.

Part III Summary of Parts I and II

Caution: *Read the instructions **before** completing this part.*

		(1) Beneficiaries' (see page 36)	(2) Estate's or trust's	(3) Total
13 **Net short-term gain or (loss)**	13			
14 **Net long-term gain or (loss):**				
a Total for year	14a			840,107.
b Unrecaptured section 1250 gain (see line 18 of the worksheet on page 36)	14b			
c 28% rate gain	14c			
15 **Total net gain or (loss).** Combine lines 13 and 14a ▶	15			840,107.

Note: *If line 15, column (3), is a net gain, enter the gain on Form 1041, line 4. If lines 14a and 15, column (2), are net gains, go to Part V, and **do not** complete Part IV If line 15, column (3), is a net loss, complete Part IV and the **Capital Loss Carryover Worksheet**, as necessary.*

Part IV Capital Loss Limitation

16 Enter here and enter as a (loss) on Form 1041, line 4, the **smaller** of
a The loss on line 15, column (3) **or**
b $3,000 . . . . . 16 ( )

*If the loss on line 15, column (3), is more than $3,000, **or** if Form 1041, page 1, line 22, is a loss, complete the **Capital Loss Carryover Worksheet** on page 39 of the instructions to determine your capital loss carryover*

Part V Tax Computation Using Maximum Capital Gains Rates (Complete this part **only** if both lines 14a and 15 in column (2) are gains, or an amount is entered in Part I or Part II and there is an entry on Form 1041, line 2b(2), **and** Form 1041, line 22 is more than zero.)

Note: *If line 14b, column (2) or line 14c, column (2) is more than zero, complete the worksheet on page 38 of the instructions and skip Part V Otherwise, go to line 17*

17 Enter taxable income from Form 1041, line 22 17
18 Enter the **smaller** of line 14a or 15 in column (2) but not less than zero 18
19 Enter the estate's or trust's qualified dividends from Form 1041, line 2b(2) 19
20 Add lines 18 and 19 20
21 If the estate or trust is filing Form 4952, enter the amount from line 4g, otherwise, enter -0- . . ▶ 21
22 Subtract line 21 from line 20 If zero or less, enter -0- 22
23 Subtract line 22 from line 17. If zero or less, enter -0- 23
24 Enter the **smaller** of the amount on line 17 or $2,050 24
25 Is the amount on line 23 equal to or more than the amount on line 24?
☐ **Yes.** Skip lines 25 through 27; go to line 28 and check the "No" box.
☐ **No.** Enter the amount from line 23 25
26 Subtract line 25 from line 24 26
27 Multiply line 26 by 5% (05) 27
28 Are the amounts on lines 22 and 26 the same?
☐ **Yes.** Skip lines 28 through 31; go to line 32
☐ **No.** Enter the **smaller** of line 17 or line 22 28
29 Enter the amount from line 26 (If line 26 is blank, enter -0-) 29
30 Subtract line 29 from line 28 30
31 Multiply line 30 by 15% (15) 31
32 Figure the tax on the amount on line 23. Use the 2006 Tax Rate Schedule on page 23 of the instructions 32
33 Add lines 27, 31, and 32 33
34 Figure the tax on the amount on line 17. Use the 2006 Tax Rate Schedule on page 23 of the instructions 34
35 **Tax on all taxable income.** Enter the **smaller** of line 33 or line 34 here and on line 1a of Schedule G, Form 1041 35

Schedule D Detail of Long-term Capital Gains and Losses

Description	Date Acquired	Date Sold	Gross Sales Price	Cost or Other Basis	Long-term Gain/Loss
CAPITAL GAINS (LOSSES) FROM SECURITIES					
CAPITAL GAINS DIVIDENDS			838,078.		838,078.
SALES OF SECURITIES			26,573.	24,544.	2,029.
TOTAL CAPITAL GAINS (LOSSES) FROM SECURITIES			864,651.	24,544.	840,107.
Totals			864,651.	24,544.	840,107.

JSA
6F0970 2 000

Form **8868**
(Rev April 2007)
Department of the Treasury
Internal Revenue Service

Application for Extension of Time To File an Exempt Organization Return

▶ File a separate application for each return.

OMB No 1545-1709

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

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

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

Section 501(c) corporations required to file Form 990-T and requesting an automatic 6-month extension - check this box and complete Part I only . . . . . ▶ ☐

All other corporations (including 1120-C filers), partnerships, REMICs, and trusts must use Form 7004 to request an extension of time to file income tax returns

Electronic Filing ***(e-file)*** Generally, you can electronically file Form 8868 if you want a 3-month automatic extension of time to file one of the returns noted below (6 months for section 501(c) corporations required to file Form 990-T) However, you cannot file Form 8868 electronically if (1) you want the additional (not automatic) 3-month extension or (2) you file Forms 990-BL, 6069, or 8870, group returns, or a composite or consolidated From 990-T. Instead, you must submit the fully completed and signed page 2 (Part II) of Form 8868 For more details on the electronic filing of this form, visit *www.irs gov/efile* and click on *e-file for Charities & Nonprofits*

Type or print	Name of Exempt Organization	Employer identification number
File by the due date for filing your return See instructions	INSTITUTE FOR THE INTERNATIONAL EDUCATION OF STUDENTS	36-2251912
	Number, street, and room or suite no If a P O box, see instructions 33 N. LASALLE STREET	
	City, town or post office, state, and ZIP code For a foreign address, see instructions CHICAGO, IL 60602	

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

X	Form 990	☐	Form 990-T (corporation)	☐	Form 4720
☐	Form 990-BL	☐	Form 990-T (sec 401(a) or 408(a) trust)	☐	Form 5227
☐	Form 990-EZ	☐	Form 990-T (trust other than above)	☐	Form 6069
☐	Form 990-PF	☐	Form 1041-A	☐	Form 8870

- The books are in the care of ▶ MR. W. MARTENS

Telephone No ▶ 312 944-1750 FAX No ▶

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

1 I request an automatic 3-month (6 months for a section 501(c) corporation required to file Form 990-T) extension of time until 02/15, 2008, to file the exempt organization return for the organization named above The extension is for the organization's return for:

▶ ☐ calendar year _____ or
▶ X tax year beginning 07/01, 2006, and ending 06/30, 2007

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

3a	If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions	3a	$	NONE
b	If this application is for Form 990-PF or 990-T, enter any refundable credits and estimated tax payments made Include any prior year overpayment allowed as a credit.	3b	$	NONE
c	**Balance Due.** Subtract line 3b from line 3a Include your payment with this form, or, if required, deposit with FTD coupon or, if required, by using EFTPS (Electronic Federal Tax Payment System) See instructions.	3c	$	NONE

Caution. If you are going to make an electronic fund withdrawal with this Form 8868, see Form 8453-EO and Form 8879-EO for payment instructions

For Privacy Act and Paperwork Reduction Act Notice, see Instructions. Form **8868** (Rev 4-2007)