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Form 990  Department of the Treasury Internal Revenue Service	Return of Organization Exempt From Income Tax Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation) ▶ The organization may have to use a copy of this return to satisfy state reporting requirements	OMB No 1545-0047 2010 Open to Public Inspection
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A For the 2010 calendar year, or tax year beginning 09-01-2010 and ending 08-31-2011		
B Check if applicable <input type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial return <input type="checkbox"/> Terminated <input type="checkbox"/> Amended return <input type="checkbox"/> Application pending	C Name of organization Council International Study Programs Inc (ISP) Doing Business As CIEE International Number and street (or P O box if mail is not delivered to street address) Room/suite 300 Fore Street City or town, state or country, and ZIP + 4 Portland, ME 04101	D Employer identification number 13-4038907
		E Telephone number (207) 553-4000
		G Gross receipts \$ 91,490,098
	F Name and address of principal officer James P Pellow 300 Fore Street Portland, ME 04101	H(a) Is this a group return for affiliates? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
		H(b) Are all affiliates included? <input type="checkbox"/> Yes <input type="checkbox"/> No If "No," attach a list (see instructions) H(c) Group exemption number ▶
I Tax-exempt status <input checked="" type="checkbox"/> 501(c)(3) <input type="checkbox"/> 501(c) () ◀ (Insert no) <input type="checkbox"/> 4947(a)(1) or <input type="checkbox"/> 527		
J Website: ▶ www.ciee.org		
K Form of organization <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Trust <input type="checkbox"/> Association <input type="checkbox"/> Other ▶		L Year of formation 1999
M State of legal domicile DE		

Part I	Summary
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Activities & Governance	1 Briefly describe the organization's mission or most significant activities The furtherance of international study programs and student and professional intercultural exchange programs		
	2 Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets		
	3 Number of voting members of the governing body (Part VI, line 1a)	3	11
	4 Number of independent voting members of the governing body (Part VI, line 1b)	4	11
	5 Total number of individuals employed in calendar year 2010 (Part V, line 2a)	5	283
6 Total number of volunteers (estimate if necessary)	6	0	
7a Total unrelated business revenue from Part VIII, column (C), line 12	7a	0	
7b Net unrelated business taxable income from Form 990-T, line 34	7b	0	
Revenue	8 Contributions and grants (Part VIII, line 1h)	Prior Year	Current Year
	9 Program service revenue (Part VIII, line 2g)	0	0
	10 Investment income (Part VIII, column (A), lines 3, 4, and 7d)	83,422,165	88,967,126
	11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	636,693	622,390
	12 Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	0	0
		84,058,858	89,589,516
Expenses	13 Grants and similar amounts paid (Part IX, column (A), lines 1–3)	0	0
	14 Benefits paid to or for members (Part IX, column (A), line 4)	0	0
	15 Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10)	11,288,456	14,844,213
	16a Professional fundraising fees (Part IX, column (A), line 11e)	0	0
	b Total fundraising expenses (Part IX, column (D), line 25) ▶ ⁰		
	17 Other expenses (Part IX, column (A), lines 11a–11d, 11f–24f)		
	18 Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)	70,352,855	72,206,402
	19 Revenue less expenses Subtract line 18 from line 12	81,641,311	87,050,615
Net Assets or Fund Balances		2,417,547	2,538,901
		Beginning of Current Year	End of Year
	20 Total assets (Part X, line 16)	61,052,397	66,421,075
	21 Total liabilities (Part X, line 26)	31,591,044	33,118,797
	22 Net assets or fund balances Subtract line 21 from line 20	29,461,353	33,302,278

Part II	Signature Block
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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.

Sign Here	***** Signature of officer		2012-07-03 Date		
	Deanna Hamett CFO Type or print name and title				
Paid Preparer Use Only	Print/Type preparer's name Barbara J McGuan CPA	Preparer's signature Barbara J McGuan CPA	Date 2012-07-03	Check if self-employed <input type="checkbox"/>	PTIN
	Firm's name ▶ Berry Dunn McNeil & Parker LLC				Firm's EIN ▶
	Firm's address ▶ PO Box 1100 Portland, ME 041041100				Phone no ▶ (207) 775-2387
May the IRS discuss this return with the preparer shown above? (see instructions) <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No					

Part III

Statement of Program Service Accomplishments

Check if Schedule O contains a response to any question in this Part III

1

Briefly describe the organization's mission

To help people gain understanding, acquire knowledge, and develop skills for living in a globally interdependent and culturally diverse world

2

Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ?

Yes

checked

No

If "Yes," describe these new services on Schedule O

3

Did the organization cease conducting, or make significant changes in how it conducts, any program services?

Yes

checked

No

If "Yes," describe these changes on Schedule O

4

Describe the exempt purpose achievements for each of the organization's three largest program services by expenses

Section 501(c)(3) and 501(c)(4) organizations and section 4947(a)(1) trusts are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported

4a

(Code) (Expenses \$ 52,550,570 including grants of \$ 58,274) (Revenue \$ 67,829,430)

Council ISP maintains study center programs around the world, offering semester, summer and academic year programs in a variety of subject areas. These programs are jointly sponsored by the academic consortium, an association of over 300 institutions that endorse these programs to their students. The council also provides screening, placement, and registration assistance to students seeking to enroll in one of over 150 affiliated programs in over forty-five countries worldwide.

4b

(Code) (Expenses \$ 572,329 including grants of \$) (Revenue \$ 621,161)

Council ISP provides professional development programs for faculty and administrators, including international faculty development seminars and an annual conference on international education which attracts over 500 participants focusing on various aspects of the field. In addition, Council ISP is part of an association of international education organizations who collectively publish the journal of studies in international education, a quarterly publication of essays and research in the field of international education.

4c

(Code) (Expenses \$ 15,165,785 including grants of \$) (Revenue \$ 20,516,535)

The Organization operates various types of work and travel programs which are designed to make it possible for students to visit and become immersed in the cultures of countries other than their home country. These programs are educational and are related to the exempt purpose of the organization.

4d

Other program services (Describe in Schedule O)

(Expenses \$ including grants of \$) (Revenue \$)


















4e

Total program service expenses

\$ 68,288,684

Part IV

Checklist of Required Schedules

		Yes	No
1	Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? <i>If "Yes," complete Schedule A.</i> 	1	Yes
2	Is the organization required to complete Schedule B, Schedule of Contributors (see instruction)?	2	No
3	Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? <i>If "Yes," complete Schedule C, Part I.</i>	3	No
4	Section 501(c)(3) organizations. Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? <i>If "Yes," complete Schedule C, Part II.</i>	4	No
5	Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? <i>If "Yes," complete Schedule C, Part III.</i>	5	No
6	Did the organization maintain any donor advised funds or any similar funds or accounts where donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? <i>If "Yes," complete Schedule D, Part I.</i> 	6	No
7	Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas or historic structures? <i>If "Yes," complete Schedule D, Part II.</i> 	7	No
8	Did the organization maintain collections of works of art, historical treasures, or other similar assets? <i>If "Yes," complete Schedule D, Part III.</i> 	8	No
9	Did the organization report an amount in Part X, line 21, serve as a custodian for amounts not listed in Part X, or provide credit counseling, debt management, credit repair, or debt negotiation services? <i>If "Yes," complete Schedule D, Part IV.</i> 	9	No
10	Did the organization, directly or through a related organization, hold assets in term, permanent, or quasi-endowments? <i>If "Yes," complete Schedule D, Part V.</i> 	10	No
11	If the organization's answer to any of the following questions is 'Yes,' then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable		
a	Did the organization report an amount for land, buildings, and equipment in Part X, line 10? <i>If "Yes," complete Schedule D, Part VI.</i> 	11a	Yes
b	Did the organization report an amount for investments—other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part VII.</i> 	11b	No
c	Did the organization report an amount for investments—program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part VIII.</i> 	11c	No
d	Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part IX.</i> 	11d	Yes
e	Did the organization report an amount for other liabilities in Part X, line 25? <i>If "Yes," complete Schedule D, Part X.</i> 	11e	No
f	Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? <i>If "Yes," complete Schedule D, Part X.</i> 	11f	No
12a	Did the organization obtain separate, independent audited financial statements for the tax year? <i>If "Yes," complete Schedule D, Parts XI, XII, and XIII.</i> 	12a	No
b	Was the organization included in consolidated, independent audited financial statements for the tax year? <i>If "Yes," and if the organization answered 'No' to line 12a, then completing Schedule D, Parts XI, XII, and XIII is optional.</i> 	12b	Yes
13	Is the organization a school described in section 170(b)(1)(A)(ii)? <i>If "Yes," complete Schedule E.</i>	13	No
14a	Did the organization maintain an office, employees, or agents outside of the United States?	14a	Yes
b	Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, and program service activities outside the United States? <i>If "Yes," complete Schedule F, Parts I and IV.</i> 	14b	Yes
15	Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or assistance to any organization or entity located outside the U S? <i>If "Yes," complete Schedule F, Parts II and IV.</i> 	15	Yes
16	Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or assistance to individuals located outside the U S? <i>If "Yes," complete Schedule F, Parts III and IV.</i> 	16	No
17	Did the organization report a total of more than \$15,000, of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? <i>If "Yes," complete Schedule G, Part I (see instructions).</i>	17	No
18	Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? <i>If "Yes," complete Schedule G, Part II.</i>	18	No
19	Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? <i>If "Yes," complete Schedule G, Part III.</i>	19	No
20a	Did the organization operate one or more hospitals? <i>If "Yes," complete Schedule H.</i>	20a	No
b	If "Yes" to line 20a, did the organization attach its audited financial statement to this return? Note. Some Form 990 filers that operate one or more hospitals must attach audited financial statements (see instructions).	20b	

Part IV

Checklist of Required Schedules (continued)

21	Did the organization report more than \$5,000 of grants and other assistance to governments and organizations in the United States on Part IX, column (A), line 1? <i>If "Yes," complete Schedule I, Parts I and II</i>	21		No
22	Did the organization report more than \$5,000 of grants and other assistance to individuals in the United States on Part IX, column (A), line 2? <i>If "Yes," complete Schedule I, Parts I and III</i>	22		No
23	Did the organization answer "Yes" to Part VII, Section A, questions 3, 4, or 5, about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? <i>If "Yes," complete Schedule J</i>	23	Yes	
24a	Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, that was issued after December 31, 2002? <i>If "Yes," answer lines 24b-24d and complete Schedule K. If "No," go to line 25</i>	24a		No
b	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?	24b		
c	Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?	24c		
d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?	24d		
25a	Section 501(c)(3) and 501(c)(4) organizations. Did the organization engage in an excess benefit transaction with a disqualified person during the year? <i>If "Yes," complete Schedule L, Part I</i>	25a		No
b	Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? <i>If "Yes," complete Schedule L, Part I</i>	25b		No
26	Was a loan to or by a current or former officer, director, trustee, key employee, highly compensated employee, or disqualified person outstanding as of the end of the organization's tax year? <i>If "Yes," complete Schedule L, Part II</i>	26		No
27	Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor, or a grant selection committee member, or to a person related to such an individual? <i>If "Yes," complete Schedule L, Part III</i>	27		No
28	Was the organization a party to a business transaction with one of the following parties? (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions)			
a	A current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i>	28a		No
b	A family member of a current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i>	28b		No
c	An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? <i>If "Yes," complete Schedule L, Part IV</i>	28c		No
29	Did the organization receive more than \$25,000 in non-cash contributions? <i>If "Yes," complete Schedule M</i>	29		No
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? <i>If "Yes," complete Schedule M</i>	30		No
31	Did the organization liquidate, terminate, or dissolve and cease operations? <i>If "Yes," complete Schedule N, Part I</i>	31		No
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? <i>If "Yes," complete Schedule N, Part II</i>	32		No
33	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? <i>If "Yes," complete Schedule R, Part I</i>	33		No
34	Was the organization related to any tax-exempt or taxable entity? <i>If "Yes," complete Schedule R, Parts II, III, IV, and V, line 1</i>	34	Yes	
35	Is any related organization a controlled entity within the meaning of section 512(b)(13)?	35		No
a	Did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? <i>If "Yes," complete Schedule R, Part V, line 2</i> <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
36	Section 501(c)(3) organizations. Did the organization make any transfers to an exempt non-charitable related organization? <i>If "Yes," complete Schedule R, Part V, line 2</i>	36		No
37	Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? <i>If "Yes," complete Schedule R, Part VI</i>	37		No
38	Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11 and 19? Note. All Form 990 filers are required to complete Schedule O	38	Yes	

Part V Statements Regarding Other IRS Filings and Tax Compliance			
Check if Schedule O contains a response to any question in this Part V <input checked="" type="checkbox"/>			
		Yes	No
1a	Enter the number reported in Box 3 of Form 1096. Enter -0- if not applicable.	1a	71
b	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable.	1b	0
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?	1c	Yes
2a	Enter the number of employees reported on Form W-3, <i>Transmittal of Wage and Tax Statements</i> filed for the calendar year ending with or within the year covered by this return.	2a	283
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns? Note. If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions).	2b	Yes
3a	Did the organization have unrelated business gross income of \$1,000 or more during the year?	3a	No
b	If "Yes," has it filed a Form 990-T for this year? If "No," provide an explanation in Schedule O.	3b	
4a	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)?	4a	Yes
b	If "Yes," enter the name of the foreign country: UK, AS, JA, TW, GM See instructions for filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts.		
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?	5a	No
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?	5b	No
c	If "Yes" to line 5a or 5b, did the organization file Form 8886-T?	5c	
6a	Does the organization have annual gross receipts that are normally greater than \$100,000, and did the organization solicit any contributions that were not tax deductible?	6a	No
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	6b	
7	Organizations that may receive deductible contributions under section 170(c).		
a	Did the organization receive a payment in excess of \$75 made partly as a contribution and partly for goods and services provided to the payor?	7a	No
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?	7b	
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?	7c	No
d	If "Yes," indicate the number of Forms 8282 filed during the year.	7d	
e	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?	7e	No
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?	7f	No
g	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?	7g	
h	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?	7h	
8	Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations. Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?	8	
9	Sponsoring organizations maintaining donor advised funds.		
a	Did the organization make any taxable distributions under section 4966?	9a	
b	Did the organization make a distribution to a donor, donor advisor, or related person?	9b	
10	Section 501(c)(7) organizations. Enter:		
a	Initiation fees and capital contributions included on Part VIII, line 12.	10a	
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities.	10b	
11	Section 501(c)(12) organizations. Enter:		
a	Gross income from members or shareholders.	11a	
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them).	11b	
12a	Section 4947(a)(1) non-exempt charitable trusts. Is the organization filing Form 990 in lieu of Form 1041?	12a	
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year.	12b	
13	Section 501(c)(29) qualified nonprofit health insurance issuers.		
a	Is the organization licensed to issue qualified health plans in more than one state? Note. See the instructions for additional information the organization must report on Schedule O.	13a	
b	Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans.	13b	
c	Enter the amount of reserves on hand.	13c	
14a	Did the organization receive any payments for indoor tanning services during the tax year?	14a	No
b	If "Yes," has it filed a Form 720 to report these payments? If "No," provide an explanation in Schedule O.	14b	

Part VI

Governance, Management, and Disclosure

For each "Yes" response to lines 2 through 7b below, and for a "No" response to lines 8a, 8b, or 10b below, describe the circumstances, processes, or changes in Schedule O. See instructions.
Check if Schedule O contains a response to any question in this Part VI

Section A. Governing Body and Management

			Yes	No
1a	Enter the number of voting members of the governing body at the end of the tax year	1a	11	
b	Enter the number of voting members included in line 1a, above, who are independent	1b	11	
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?	2		No
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person?	3		No
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?	4		No
5	Did the organization become aware during the year of a significant diversion of the organization's assets?	5		No
6	Does the organization have members or stockholders?	6	Yes	
7a	Does the organization have members, stockholders, or other persons who may elect one or more members of the governing body?	7a	Yes	
b	Are any decisions of the governing body subject to approval by members, stockholders, or other persons?	7b		No
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following			
a	The governing body?	8a	Yes	
b	Each committee with authority to act on behalf of the governing body?	8b	Yes	
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O	9		No

Section B. Policies

(This Section B requests information about policies not required by the Internal Revenue Code.)

			Yes	No
10a	Does the organization have local chapters, branches, or affiliates?	10a		No
b	If "Yes," does the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with those of the organization?	10b		
11a	Has the organization provided a copy of this Form 990 to all members of its governing body before filing the form?	11a	Yes	
b	Describe in Schedule O the process, if any, used by the organization to review this Form 990			
12a	Does the organization have a written conflict of interest policy? If "No," go to line 13	12a	Yes	
b	Are officers, directors or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	12b	Yes	
c	Does the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this is done	12c	Yes	
13	Does the organization have a written whistleblower policy?	13	Yes	
14	Does the organization have a written document retention and destruction policy?	14	Yes	
15	Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision?			
a	The organization's CEO, Executive Director, or top management official	15a	Yes	
b	Other officers or key employees of the organization	15b	Yes	
	If "Yes" to line 15a or 15b, describe the process in Schedule O (See instructions)			
16a	Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?	16a		No
b	If "Yes," has the organization adopted a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and taken steps to safeguard the organization's exempt status with respect to such arrangements?	16b		

Section C. Disclosure

17	List the States with which a copy of this Form 990 is required to be filed
18	Section 6104 requires an organization to make its Form 1023 (or 1024 if applicable), 990, and 990-T (501(c) (3)s only) available for public inspection. Indicate how you make these available. Check all that apply. <input type="checkbox"/> Own website <input type="checkbox"/> Another's website <input checked="" type="checkbox"/> Upon request
19	Describe in Schedule O whether (and if so, how), the organization makes its governing documents, conflict of interest policy, and financial statements available to the public. See Additional Data Table.
20	State the name, physical address, and telephone number of the person who possesses the books and records of the organization. Deanna Harnett 300 Fore Street Portland, ME 04101 (207) 553-4040

Part VII

Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors

Check if Schedule O contains a response to any question in this Part VII

Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

1a Complete this table for all persons required to be listed. Report compensation for the calendar year ending with or within the organization's tax year.

- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation, and **current** key employees. Enter -0- in columns (D), (E), and (F) if no compensation was paid.
- List all of the organization's **current** key employees, if any. See instructions for definition of "key employee."
- List the organization's five **current** highest compensated employees (other than an officer, director, trustee or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than \$100,000 from the organization and any related organizations.
- List all of the organization's **former** officers, key employees, and highest compensated employees who received more than \$100,000 of reportable compensation from the organization and any related organizations.
- List all of the organization's **former directors or trustees** that received, in the capacity as a former director or trustee of the organization, more than \$10,000 of reportable compensation from the organization and any related organizations.

List persons in the following order: individual trustees or directors; institutional trustees; officers; key employees; highest compensated employees; and former such persons.

☐ Check this box if neither the organization nor any related organization compensated any current officer, director, or trustee

(A) Name and Title	(B) Average hours per week (describe hours for related organizations in Schedule O)	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
(1) Thomas Mooney Director	1 00	X						0	0	0
(2) Robert E Fallon Chair	1 00	X		X				0	0	0
(3) Patti McGill Peterson Director	1 00	X						0	0	0
(4) Neal Sobania Director	1 00	X						0	0	0
(5) Michael Stohl Director	1 00	X						0	0	0
(6) Kenton Keith Vice-Chair	1 00	X		X				0	0	0
(7) Kathleen Cheek-Milby Director	1 00	X						0	0	0
(8) John H Yopp Director	1 00	X						0	0	0
(9) David Jones Director	1 00	X						0	0	0
(10) Charles Baquet Director	1 00	X						0	0	0
(11) Burch Ford Director	1 00	X						0	0	0
(12) Steven Schwartz Past Director	1 00	X						0	0	0
(13) Norman Neureiter Past Director	1 00	X						0	0	0
(14) Kathleen Sideli Past Director	1 00	X						0	0	0
(15) Stevan Trooboff Past President/CEO	40 00			X				1,084,905	0	64,915
(16) James P Pellow President/CEO	40 00			X				0	0	0

Part VII

Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees (continued)

(A) Name and Title	(B) Average hours per week (describe hours for related organizations in Schedule O)	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
(17) Phil Simon Vice President	40 00			X				125,315	0	33,697
(18) Molly Donovan Senior Vice President	40 00			X				169,309	0	37,784
(19) Deanna Harnett CFO/Senior VP	40 00			X				240,061	0	44,695
(20) Paul McLaughlin Executive Vice President	40 00				X			237,303	0	36,570
(21) Michael VandeBerg Vice President	40 00				X			201,955	0	45,637
(22) Martin Hogan Executive Vice President	40 00				X			233,447	0	43,343
(23) Elizabeth O'Neill Executive Vice President	40 00				X			230,091	0	36,494
(24) John Kitonis General Manager	40 00					X		108,313	0	18,395
(25) Anna Fincke General Manager	40 00					X		105,697	0	18,400
(26) Catharine Scruggs Program Director	40 00					X		111,453	0	31,981
1b Sub-Total										
c Total from continuation sheets to Part VII, Section A										
d Total (add lines 1b and 1c)								2,847,849	0	411,911

2

Total number of individuals (including but not limited to those listed above) who received more than \$100,000 in reportable compensation from the organization11

		Yes	No
3	Did the organization list any former officer, director or trustee, key employee, or highest compensated employee on line 1a? <i>If "Yes," complete Schedule J for such individual</i>		No
4	For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than \$150,000? <i>If "Yes," complete Schedule J for such individual</i>	Yes	
5	Did any person listed on line 1a receive or accrue compensation from any unrelated organization or individual for services rendered to the organization? <i>If "Yes," complete Schedule J for such person</i>		No

Section B. Independent Contractors

1	Complete this table for your five highest compensated independent contractors that received more than \$100,000 of compensation from the organization		
	(A) Name and business address	(B) Description of services	(C) Compensation
	JS McCarthy 15 Darrn Drive Augusta, ME 04330	Marketing/Consulting Services	266,451
	Neospire Inc 1807 Ross Avenue Ste 300 Dallas, TX 75201	Information Technology	146,047
	MM Identity Lab 3836 North 50th Place Phoenix, AZ 85018	Marketing/Consulting Services	123,735
	Berry Dunn 100 Middle Street PO Box 1100 Portland, ME 04104	Audit/Consulting Services	113,852
	Isaacson Miller Inc 263 Summer Street 7th Floor Boston, MA 02210	Search Firm Services	106,942
2	Total number of independent contractors (including but not limited to those listed above) who received more than \$100,000 in compensation from the organization 5		

Part VIII

Statement of Revenue

					(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512, 513, or 514	
Contributions, gifts, grants and other similar amounts	1a	Federated campaigns . . .	1a						
	b	Membership dues	1b						
	c	Fundraising events	1c						
	d	Related organizations	1d						
	e	Government grants (contributions)	1e						
	f	All other contributions, gifts, grants, and similar amounts not included above	1f						
	g	Noncash contributions included in lines 1a-1f \$							
	h	Total. Add lines 1a-1f							
	Program Service Revenue	2a							Business Code
		International Study Fe	611710	88,686,726	88,686,726				
b		Membership Fees	611710	280,400	280,400				
c									
d									
e									
f		All other program service revenue							
g		Total. Add lines 2a–2f			88,967,126				
Other Revenue		3	Investment income (including dividends, interest and other similar amounts)						
					528,095			528,095	
	4	Income from investment of tax-exempt bond proceeds . . .							
	5	Royalties							
	6a	(i) Real		(ii) Personal					
	b	Less rental expenses							
	c	Rental income or (loss)							
	d	Net rental income or (loss)							
	7a	(i) Securities		(ii) Other					
		1,994,877							
		1,900,582							
		94,295							
	d	Net gain or (loss)			94,295			94,295	
	8a	Gross income from fundraising events (not including \$ _____ of contributions reported on line 1c) See Part IV, line 18							
		a							
b Less direct expenses b									
c Net income or (loss) from fundraising events . . .									
9a	Gross income from gaming activities See Part IV, line 19 . . . a								
	b Less direct expenses b								
	c Net income or (loss) from gaming activities . . .								
10a	Gross sales of inventory, less returns and allowances								
	a								
b	Less cost of goods sold b								
c	Net income or (loss) from sales of inventory . . .								
Miscellaneous Revenue				Business Code					
11a									
b									
c									
d	All other revenue								
e	Total. Add lines 11a–11d								
12	Total revenue. See Instructions				89,589,516	88,967,126	0	622,390	

Part IX

Statement of Functional Expenses

Section 501(c)(3) and 501(c)(4) organizations must complete all columns.

All other organizations must complete column (A) but are not required to complete columns (B), (C), and (D).

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.		(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1	Grants and other assistance to governments and organizations in the U S See Part IV, line 21				
2	Grants and other assistance to individuals in the U S See Part IV, line 22				
3	Grants and other assistance to governments, organizations, and individuals outside the U S See Part IV, lines 15 and 16				
4	Benefits paid to or for members				
5	Compensation of current officers, directors, trustees, and key employees	2,865,520	1,765,809	1,099,711	
6	Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)				
7	Other salaries and wages	9,235,734	3,872,537	5,363,197	
8	Pension plan contributions (include section 401(k) and section 403(b) employer contributions)	413,000	192,973	220,027	
9	Other employee benefits	1,605,081	427,404	1,177,677	
10	Payroll taxes	724,878	424,510	300,368	
a	Fees for services (non-employees)				
	Management				
b	Legal	116,582		116,582	
c	Accounting	153,539		153,539	
d	Lobbying				
e	Professional fundraising services See Part IV, line 17				
f	Investment management fees	111,612	111,612		
g	Other	129,512		129,512	
12	Advertising and promotion	2,285,216	450,614	1,834,602	
13	Office expenses	3,100,125	156,463	2,943,662	
14	Information technology	713,197	28,284	684,913	
15	Royalties				
16	Occupancy	503,139		503,139	
17	Travel	1,026,692	38,643	988,049	
18	Payments of travel or entertainment expenses for any federal, state, or local public officials				
19	Conferences, conventions, and meetings	570,854	257,151	313,703	
20	Interest	311,940		311,940	
21	Payments to affiliates				
22	Depreciation, depletion, and amortization	2,146,529		2,146,529	
23	Insurance	38,679	22,924	15,755	
24	Other expenses Itemize expenses not covered above (List miscellaneous expenses in line 24f If line 24f amount exceeds 10% of line 25, column (A) amount, list line 24f expenses on Schedule O)				
a	Site Expenses	59,059,759	58,662,800	396,959	
b	Foreign Exchange Loss	1,868,677	1,868,677		
c	Bad Debt	62,067		62,067	
d	Market Adjustment - FX	8,283	8,283		
e					
f	All other expenses				
25	Total functional expenses. Add lines 1 through 24f	87,050,615	68,288,684	18,761,931	0
26	Joint costs. Check here <input checked="" type="checkbox"/> if following SOP 98-2 (ASC 958-720) Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation				

Part X

Balance Sheet

					(A)		(B)
					Beginning of year		End of year
Assets	1	Cash—non-interest-bearing			9,781,269	1	7,855,237
	2	Savings and temporary cash investments			12,806,781	2	13,600,107
	3	Pledges and grants receivable, net				3	
	4	Accounts receivable, net			630,003	4	798,599
	5	Receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L				5	
	6	Receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers, and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instructions). Schedule L				6	
	7	Notes and loans receivable, net				7	
	8	Inventories for sale or use				8	
	9	Prepaid expenses and deferred charges			3,931,068	9	5,020,871
	10a	Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D.	10a	21,731,750			
	b	Less: accumulated depreciation	10b	5,104,548	16,376,892	10c	16,627,202
	11	Investments—publicly traded securities			13,530,956	11	18,837,301
	12	Investments—other securities. See Part IV, line 11				12	
	13	Investments—program-related. See Part IV, line 11				13	
	14	Intangible assets				14	
	15	Other assets. See Part IV, line 11			3,995,428	15	3,681,758
16	Total assets. Add lines 1 through 15 (must equal line 34)			61,052,397	16	66,421,075	
Liabilities	17	Accounts payable and accrued expenses			8,585,685	17	9,270,392
	18	Grants payable				18	
	19	Deferred revenue			14,905,684	19	17,196,158
	20	Tax-exempt bond liabilities				20	
	21	Escrow or custodial account liability. Complete Part IV of Schedule D				21	
	22	Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L				22	
	23	Secured mortgages and notes payable to unrelated third parties			6,990,632	23	6,652,247
	24	Unsecured notes and loans payable to unrelated third parties				24	
	25	Other liabilities. Complete Part X of Schedule D			1,109,043	25	0
	26	Total liabilities. Add lines 17 through 25			31,591,044	26	33,118,797
Net Assets or Fund Balances	Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34.						
	27	Unrestricted net assets			29,461,353	27	33,302,278
	28	Temporarily restricted net assets				28	
	29	Permanently restricted net assets				29	
	Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 30 through 34.						
	30	Capital stock or trust principal, or current funds				30	
	31	Paid-in or capital surplus, or land, building or equipment fund				31	
	32	Retained earnings, endowment, accumulated income, or other funds				32	
	33	Total net assets or fund balances			29,461,353	33	33,302,278
34	Total liabilities and net assets/fund balances			61,052,397	34	66,421,075	

Part XI Reconciliation of Net Assets

Check if Schedule O contains a response to any question in this Part XI

1	Total revenue (must equal Part VIII, column (A), line 12)	1	89,589,516
2	Total expenses (must equal Part IX, column (A), line 25)	2	87,050,615
3	Revenue less expenses Subtract line 2 from line 1	3	2,538,901
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	29,461,353
5	Other changes in net assets or fund balances (explain in Schedule O)	5	1,302,024
6	Net assets or fund balances at end of year Combine lines 3, 4, and 5 (must equal Part X, line 33, column (B))	6	33,302,278

Part XII Financial Statements and Reporting

Check if Schedule O contains a response to any question in this Part XII

		Yes	No
1	Accounting method used to prepare the Form 990 <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> Other If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O		
2a	Were the organization's financial statements compiled or reviewed by an independent accountant?		No
b	Were the organization's financial statements audited by an independent accountant?	Yes	
c	If "Yes," to 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant? If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O	Yes	
d	If "Yes" to line 2a or 2b, check a box below to indicate whether the financial statements for the year were issued on a separate basis, consolidated basis, or both <input type="checkbox"/> Separate basis <input checked="" type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separated basis		
3a	As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?		No
b	If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits		

SCHEDULE A
(Form 990 or 990EZ)

Department of the Treasury
Internal Revenue Service

Public Charity Status and Public Support

Complete if the organization is a section 501(c)(3) organization or a section 4947(a)(1) nonexempt charitable trust.

► Attach to Form 990 or Form 990-EZ. ► See separate instructions.

OMB No 1545-0047

2010

Open to Public Inspection

Name of the organization
Council International Study Programs Inc (ISP)

Employer identification number
13-4038907

Part I Reason for Public Charity Status (All organizations must complete this part.) See instructions

The organization is not a private foundation because it is (For lines 1 through 11, check only one box)

1

☐

A church, convention of churches, or association of churches described in **section 170(b)(1)(A)(i).**

2

☐

A school described in **section 170(b)(1)(A)(ii).** (Attach Schedule E)

3

☐

A hospital or a cooperative hospital service organization described in **section 170(b)(1)(A)(iii).**

4

☐

A medical research organization operated in conjunction with a hospital described in **section 170(b)(1)(A)(iii).** Enter the hospital's name, city, and state

5

☐

An organization operated for the benefit of a college or university owned or operated by a governmental unit described in **section 170(b)(1)(A)(iv).** (Complete Part II)

6

☐

A federal, state, or local government or governmental unit described in **section 170(b)(1)(A)(v).**

7

☐

An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in **section 170(b)(1)(A)(vi)** (Complete Part II)

8

☐

A community trust described in **section 170(b)(1)(A)(vi)** (Complete Part II)

9

☒

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 exempt 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).** (Complete Part III)

10

☐

An organization organized and operated exclusively to test for public safety See**section 509(a)(4).**

11

☐

An organization organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2) See **section 509(a)(3).** Check the box that describes the type of supporting organization and complete lines 11e through 11h

a

☐

Type I

b

☐

Type II

c

☐

Type III - Functionally integrated

d

☐

Type III - Other

e

☐

By checking this box, I certify that the organization is not controlled directly or indirectly by one or more disqualified persons other than foundation managers and other than one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2)

f

☐

If the organization received a written determination from the IRS that it is a Type I, Type II or Type III supporting organization, check this box

g

☐

Since August 17, 2006, has the organization accepted any gift or contribution from any of the following persons?

(i)

a person who directly or indirectly controls, either alone or together with persons described in (ii) and (iii) below, the governing body of the the supported organization?

(ii)

a family member of a person described in (i) above?

(iii)

a 35% controlled entity of a person described in (i) or (ii) above?

h

☐

Provide the following information about the supported organization(s)

	Yes	No
11g(i)		
11g(ii)		
11g(iii)		

(i) Name of supported organization	(ii) EIN	(iii) Type of organization (described on lines 1- 9 above or IRC section (see instructions))	(iv) Is the organization in col (i) listed in your governing document?		(v) Did you notify the organization in col (i) of your support?		(vi) Is the organization in col (i) organized in the U S ?		(vii) Amount of support
			Yes	No	Yes	No	Yes	No	
Total									

Part II

Support Schedule for Organizations Described in Sections 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)

(Complete only if you checked the box on line 5, 7, or 8 of Part I or if the organization failed to qualify under Part III. If the organization fails to qualify under the tests listed below, please complete Part III.)

Section A. Public Support						
Calendar year (or fiscal year beginning in) ▶	(a) 2006	(b) 2007	(c) 2008	(d) 2009	(e) 2010	(f) Total
1 Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants.")						
2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
3 The value of services or facilities furnished by a governmental unit to the organization without charge						
4 Total. Add lines 1 through 3						
5 The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f)						
6 Public Support. Subtract line 5 from line 4						

Section B. Total Support						
Calendar year (or fiscal year beginning in) ▶	(a) 2006	(b) 2007	(c) 2008	(d) 2009	(e) 2010	(f) Total
7 Amounts from line 4						
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
9 Net income from unrelated business activities, whether or not the business is regularly carried on						
10 Other income Do not include gain or loss from the sale of capital assets (Explain in Part IV)						
11 Total support (Add lines 7 through 10)						
12 Gross receipts from related activities, etc (See instructions)					12	
13 First Five Years If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a 501(c)(3) organization, check this box and stop here ▶						

Section C. Computation of Public Support Percentage						
14 Public Support Percentage for 2010 (line 6 column (f) divided by line 11 column (f))					14	
15 Public Support Percentage for 2009 Schedule A, Part II, line 14					15	
16a 33 1/3% support test—2010. If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization ▶						
b 33 1/3% support test—2009. If the organization did not check the box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization ▶						
17a 10%-facts-and-circumstances test—2010. If the organization did not check a box on line 13, 16a, or 16b and line 14 is 10% or more, and if the organization meets the "facts and circumstances" test, check this box and stop here. Explain in Part IV how the organization meets the "facts and circumstances" test The organization qualifies as a publicly supported organization ▶						
b 10%-facts-and-circumstances test—2009. If the organization did not check a box on line 13, 16a, 16b, or 17a and line 15 is 10% or more, and if the organization meets the "facts and circumstances" test, check this box and stop here. Explain in Part IV how the organization meets the "facts and circumstances" test The organization qualifies as a publicly supported organization ▶						
18 Private Foundation If the organization did not check a box on line 13, 16a, 16b, 17a or 17b, check this box and see instructions ▶						

Part IIISupport Schedule for Organizations Described in Section 509(a)(2)

(Complete only if you checked the box on line 9 of Part I or if the organization failed to qualify under Part II. If the organization fails to qualify under the tests listed below, please complete Part II.)

Section A. Public Support						
Calendar year (or fiscal year beginning in) ▶	(a) 2006	(b) 2007	(c) 2008	(d) 2009	(e) 2010	(f) Total
1 Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants.")						
2 Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose	47,103,393	56,912,983	81,177,755	83,422,165	88,967,126	357,583,422
3 Gross receipts from activities that are not an unrelated trade or business under section 513						
4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
5 The value of services or facilities furnished by a governmental unit to the organization without charge						
6 Total. Add lines 1 through 5	47,103,393	56,912,983	81,177,755	83,422,165	88,967,126	357,583,422
7a Amounts included on lines 1, 2, and 3 received from disqualified persons						0
b Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of \$5,000 or 1% of the amount on line 13 for the year						0
c Add lines 7a and 7b						0
8 Public Support (Subtract line 7c from line 6)						357,583,422

Section B. Total Support						
Calendar year (or fiscal year beginning in)	(a) 2006	(b) 2007	(c) 2008	(d) 2009	(e) 2010	(f) Total
9 Amounts from line 6	47,103,393	56,912,983	81,177,755	83,422,165	88,967,126	357,583,422
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources	1,002,766	872,105	417,065	442,135	528,095	3,262,166
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
c Add lines 10a and 10b	1,002,766	872,105	417,065	442,135	528,095	3,262,166
11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
12 Other income Do not include gain or loss from the sale of capital assets (Explain in Part IV)			1,758,019			1,758,019
13 Total support (Add lines 9, 10c, 11 and 12)	48,106,159	57,785,088	83,352,839	83,864,300	89,495,221	362,603,607
14 First Five Years If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section501(c)(3) organization, check this box and stop here <input type="checkbox"/>						

Section C. Computation of Public Support Percentage			
15 Public Support Percentage for 2010 (line 8 column (f) divided by line 13 column (f))	15	98.620 %	
16 Public support percentage from 2009 Schedule A, Part III, line 15	16	98.310 %	

Section D. Computation of Investment Income Percentage			
17	Investment income percentage for 2010 (line 10c column (f) divided by line 13 column (f))	17	0.900 %
18	Investment income percentage from 2009 Schedule A, Part III, line 17	18	1.120 %
19a	33 1/3% support tests—2010. If the organization did not check the box on line 14, and line 15 is more than 33 1/3% and line 17 is not more than 33 1/3%, check this box and stop here . The organization qualifies as a publicly supported organization <input checked="" type="checkbox"/>		
b	33 1/3% support tests—2009. If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3% and line 18 is not more than 33 1/3%, check this box and stop here . The organization qualifies as a publicly supported organization <input type="checkbox"/>		
20	Private Foundation If the organization did not check a box on line 14, 19a or 19b, check this box and see instructions <input type="checkbox"/>		

Part IV

Supplemental Information. Supplemental Information. Complete this part to provide the explanations required by Part II, line 10; Part II, line 17a or 17b; and Part III, line 12. Also complete this part for any additional information. (See instructions).

SCHEDULE D

(Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements

▶ **Complete if the organization answered "Yes," to Form 990, Part IV, line 6, 7, 8, 9, 10, 11, or 12.**
▶ **Attach to Form 990. ▶ See separate instructions.**

OMB No 1545-0047

2010

Open to Public Inspection

Name of the organization
Council International Study Programs Inc (ISP)

Employer identification number
13-4038907

Part I

Organizations Maintaining Donor Advised Funds or Other Similar Funds or Accounts. Complete if the organization answered "Yes" to Form 990, Part IV, line 6.

	(a) Donor advised funds	(b) Funds and other accounts
1	Total number at end of year	
2	Aggregate contributions to (during year)	
3	Aggregate grants from (during year)	
4	Aggregate value at end of year	
5	Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control? <div><input type="checkbox"/> Yes<input type="checkbox"/> No</div>	
6	Did the organization inform all grantees, donors, and donor advisors in writing that grant funds may be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit? <div><input type="checkbox"/> Yes<input type="checkbox"/> No</div>	

Part II

Conservation Easements. Complete if the organization answered "Yes" to Form 990, Part IV, line 7.

1

Purpose(s) of conservation easements held by the organization (check all that apply)

☐ Preservation of land for public use (e g , recreation or pleasure)

☐ Preservation of an historically importantly land area

☐ Protection of natural habitat

☐ Preservation of a certified historic structure

☐ Preservation of open space

2

Complete lines 2a–2d if the organization held a qualified conservation contribution in the form of a conservation easement on the last day of the tax year

a

Total number of conservation easements

b

Total acreage restricted by conservation easements

c

Number of conservation easements on a certified historic structure included in (a)

d

Number of conservation easements included in (c) acquired after 8/17/06

2a

Held at the End of the Year

2b

2c

2d

3

Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the taxable year ▶_____

4

Number of states where property subject to conservation easement is located ▶_____

5

Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds?

☐ Yes☐ No

6

Staff and volunteer hours devoted to monitoring, inspecting and enforcing conservation easements during the year ▶_____

7

Amount of expenses incurred in monitoring, inspecting, and enforcing conservation easements during the year ▶ \$ _____

8

Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and 170(h)(4)(B)(ii)?

☐ Yes☐ No

9

In Part XIV, describe how the organization reports conservation easements in its revenue and expense statement, and balance sheet, and include, if applicable, the text of the footnote to the organization's financial statements that describes the organization's accounting for conservation easements

Part III

Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets. Complete if the organization answered "Yes" to Form 990, Part IV, line 8.

1a

If the organization elected, as permitted under SFAS 116, not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education or research in furtherance of public service, provide, in Part XIV, the text of the footnote to its financial statements that describes these items

b

If the organization elected, as permitted under SFAS 116, to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items

(i)

Revenues included in Form 990, Part VIII, line 1

▶ \$ _____

(ii)

Assets included in Form 990, Part X

▶ \$ _____

2

If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under SFAS 116 relating to these items

a

Revenues included in Form 990, Part VIII, line 1

▶ \$ _____

b

Assets included in Form 990, Part X

▶ \$ _____

For Privacy Act and Paperwork Reduction Act Notice, see the Intructions for Form 990

Cat No 52283D

Schedule D (Form 990) 2010

Part III

Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets (continued)

3

Using the organization's accession and other records, check any of the following that are a significant use of its collection items (check all that apply)

a

☐ Public exhibition

b

☐ Scholarly research

c

☐ Preservation for future generations

d

☐ Loan or exchange programs

e

☐ Other

4

Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIV

5

During the year, did the organization solicit or receive donations of art, historical treasures or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection?

☐ Yes

☐ No

Part IV

Escrow and Custodial Arrangements. Complete if the organization answered "Yes" to Form 990, Part IV, line 9, or reported an amount on Form 990, Part X, line 21.

1a

Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X?

☐ Yes

☐ No

b

If "Yes," explain the arrangement in Part XIV and complete the following table

c

Beginning balance

d

Additions during the year

e

Distributions during the year

f

Ending balance

	Amount
1c	
1d	
1e	
1f	

2a

Did the organization include an amount on Form 990, Part X, line 21?

☐ Yes

☐ No

b

If "Yes," explain the arrangement in Part XIV

Part V

Endowment Funds. Complete if the organization answered "Yes" to Form 990, Part IV, line 10.

	(a)Current Year	(b)Prior Year	(c)Two Years Back	(d)Three Years Back	(e)Four Years Back
1a	Beginning of year balance				
b	Contributions				
c	Investment earnings or losses				
d	Grants or scholarships				
e	Other expenditures for facilities and programs				
f	Administrative expenses				
g	End of year balance				

2

Provide the estimated percentage of the year end balance held as

a

Board designated or quasi-endowment ▶

b

Permanent endowment ▶

c

Term endowment ▶

3a

Are there endowment funds not in the possession of the organization that are held and administered for the organization by

(i) unrelated organizations

(ii) related organizations

b

If "Yes" to 3a(ii), are the related organizations listed as required on Schedule R?

	Yes	No
3a(i)		
3a(ii)		
3b		

4

Describe in Part XIV the intended uses of the organization's endowment funds

Part VI

Investments—Land, Buildings, and Equipment. See Form 990, Part X, line 10.

Description of investment	(a) Cost or other basis (investment)	(b)Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land				
b Buildings		15,307,579	2,192,634	13,114,945
c Leasehold improvements		1,266,951	738,963	527,988
d Equipment		2,044,029	971,871	1,072,158
e Other		3,113,191	1,201,080	1,912,111
Total. Add lines 1a-1e (Column (d) should equal Form 990, Part X, column (B), line 10(c).) ▶				16,627,202

Part XI

Reconciliation of Change in Net Assets from Form 990 to Financial Statements

1	Total revenue (Form 990, Part VIII, column (A), line 12)	1	
2	Total expenses (Form 990, Part IX, column (A), line 25)	2	
3	Excess or (deficit) for the year Subtract line 2 from line 1	3	
4	Net unrealized gains (losses) on investments	4	
5	Donated services and use of facilities	5	
6	Investment expenses	6	
7	Prior period adjustments	7	
8	Other (Describe in Part XIV)	8	
9	Total adjustments (net) Add lines 4 - 8	9	
10	Excess or (deficit) for the year per financial statements Combine lines 3 and 9	10	

Part XII

Reconciliation of Revenue per Audited Financial Statements With Revenue per Return

1	Total revenue, gains, and other support per audited financial statements	1	
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12		
a	Net unrealized gains on investments	2a	
b	Donated services and use of facilities	2b	
c	Recoveries of prior year grants	2c	
d	Other (Describe in Part XIV)	2d	
e	Add lines 2a through 2d	2e	
3	Subtract line 2e from line 1	3	
4	Amounts included on Form 990, Part VIII, line 12, but not on line 1		
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a	
b	Other (Describe in Part XIV)	4b	
c	Add lines 4a and 4b	4c	
5	Total Revenue Add lines 3 and 4c. (This should equal Form 990, Part I, line 12)	5	

Part XIII

Reconciliation of Expenses per Audited Financial Statements With Expenses per Return

1	Total expenses and losses per audited financial statements	1	
2	Amounts included on line 1 but not on Form 990, Part IX, line 25		
a	Donated services and use of facilities	2a	
b	Prior year adjustments	2b	
c	Other losses	2c	
d	Other (Describe in Part XIV)	2d	
e	Add lines 2a through 2d	2e	
3	Subtract line 2e from line 1	3	
4	Amounts included on Form 990, Part IX, line 25, but not on line 1:		
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a	
b	Other (Describe in Part XIV)	4b	
c	Add lines 4a and 4b	4c	
5	Total expenses Add lines 3 and 4c. (This should equal Form 990, Part I, line 18)	5	

Part XIV

Supplemental Information

Complete this part to provide the descriptions required for Part II, lines 3, 5, and 9, Part III, lines 1a and 4, Part IV, lines 1b and 2b, Part V, line 4, Part X, Part XI, line 8, Part XII, lines 2d and 4b, and Part XIII, lines 2d and 4b. Also complete this part to provide any additional information.

Identifier	Return Reference	Explanation
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SCHEDULE F
(Form 990)

Statement of Activities Outside the United States

OMB No 1545-0047

2010

Open to Public Inspection

Name of the organization
Council International Study Programs Inc (ISP)

Employer identification number
13-4038907

Part I

General Information on Activities Outside the United States. Complete if the organization answered "Yes" to Form 990, Part IV, line 14b.

- 1 For grantmakers. Does the organization maintain records to substantiate the amount of the grants or assistance, the grantees' eligibility for the grants or assistance, and the selection criteria used to award the grants or assistance? ☒ Yes ☐ No
- 2 For grantmakers. Describe in Part V the organization's procedures for monitoring the use of grant funds outside the United States
- 3 Activites per Region (Use Part V if additional space is needed)

(a) Region	(b) Number of offices in the region	(c) Number of employees or agents in region or independent contractors	(d) Activities conducted in region (by type) (e g , fundraising, program services, investments, grants to recipients located in the region)	(e) If activity listed in (d) is a program service, describe specific type of service(s) in region	(f) Total expenditures for region/investments in region
East Asia and the Pacific	12	43	Program Services	Study abroad programs for students	7,300,000
Europe	23	96	Program Services	Study abroad programs for students	24,300,000
Middle East and N Africa	3	10	Program Services	Study abroad programs for students	3,000,000
Russia and the Newly Independent States	1	5	Program Services	Study abroad programs for students	1,400,000
South America	6	36	Program Services	Study abroad programs for students	6,000,000
Sub-Saharan Africa	6	21	Program Services	Study abroad programs for students	5,000,000
Central America and the Caribbean	6	27	Program Services	Study abroad programs for students	2,600,000
North America	1	2	Program Services	Study abroad programs for students	300,000
South Asia	2	4	Program Services	Study abroad programs for students	500,000
3a Sub-total	58	240			49,900,000
b Total from continuation sheets to Part I	2	4			500,000
c Totals (add lines 3a and 3b)	60	244			50,400,000

1

(i) Method of valuation (book, FMV, appraisal, other)

3 Enter total number of other organizations or entities ►

Part III **Grants and Other Assistance to Individuals Outside the United States.** Complete if the organization answered "Yes" to Form 990, Part IV, line 16.
Use Part V if additional space is needed.

[illegible]

Part IV Foreign Forms

- 1

Was the organization a U S transferor of property to a foreign corporation during the tax year? *If "Yes," the organization may be required to file Form 926 (see instructions for Form 926)*

☐

Yes

☒

No
- 2

Did the organization have an interest in a foreign trust during the tax year? *If " Yes," the organization may be required to file Form 3520 and/or Form 3520-A. (see instructions for Forms 3520 and 3520-A)*

☐

Yes

☒

No
- 3

Did the organization have an ownership interest in a foreign corporation during the tax year? *If "Yes," the organization may be required to file Form 5471, Information Return of U.S. Persons with respect to Certain Foreign Corporations. (see instructions for Form 5471)*

☐

Yes

☒

No
- 4

Was the organization a direct or indirect shareholder of a passive foreign investment company or a qualified electing fund during the tax year? *If "Yes," the organization may be required to file Form 8621, Return by a Shareholder of a Passive Foreign Investment Company or Qualified Electing Fund. (see instructions for Form 8621)*

☐

Yes

☒

No
- 5

Did the organization have an ownership interest in a foreign partnership during the tax year? *If "Yes," the organization may be required to file Form 8865, Return of U.S. Persons with respect to Certain Foreign Partnerships. (see instructions for Form 8865)*

☐

Yes

☒

No
- 6

Did the organization have any operations in or related to any boycotting countries during the tax year? *If "Yes," the organization may be required to file Form 5713, International Boycott Report (see instructions for Form 5713).*

☐

Yes

☒

No

Additional Data

Software ID:
Software Version:
EIN: 13-4038907
Name: Council International Study Programs Inc (ISP)

Part V

Supplemental Information
Complete this part to provide the information (see instructions) required in Part I, line 2, and any additional information.

Schedule J
(Form 990)

Compensation Information

OMB No 1545-0047

2010

Open to Public Inspection

For certain Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

▶ Complete if the organization answered "Yes" to Form 990, Part IV, question 23.

▶ Attach to Form 990. ▶ See separate instructions.

Name of the organization
Council International Study Programs Inc (ISP)

Employer identification number
13-4038907

Part I

Questions Regarding Compensation

		Yes	No
1a	Check the appropriate box(es) if the organization provided any of the following to or for a person listed in Form 990, Part VII, Section A, line 1a Complete Part III to provide any relevant information regarding these items		
	<div><div><input type="checkbox"/> First-class or charter travel</div><div><input checked="" type="checkbox"/> Housing allowance or residence for personal use</div><div><input type="checkbox"/> Travel for companions</div><div><input type="checkbox"/> Payments for business use of personal residence</div><div><input type="checkbox"/> Tax idemnification and gross-up payments</div><div><input type="checkbox"/> Health or social club dues or initiation fees</div><div><input type="checkbox"/> Discretionary spending account</div><div><input type="checkbox"/> Personal services (e g , maid, chauffeur, chef)</div></div>		
b	If any of the boxes in line 1a are checked, did the organization follow a written policy regarding payment or reimbursement or provision of all the expenses described above? If "No," complete Part III to explain	1b	Yes
2	Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all officers, directors, trustees, and the CEO/Executive Director, regarding the items checked in line 1a?	2	Yes
3	Indicate which, if any, of the following the organization uses to establish the compensation of the organization's CEO/Executive Director Check all that apply		
	<div><div><input type="checkbox"/> Compensation committee</div><div><input checked="" type="checkbox"/> Written employment contract</div><div><input checked="" type="checkbox"/> Independent compensation consultant</div><div><input checked="" type="checkbox"/> Compensation survey or study</div><div><input checked="" type="checkbox"/> Form 990 of other organizations</div><div><input checked="" type="checkbox"/> Approval by the board or compensation committee</div></div>		
4	During the year, did any person listed in Form 990, Part VII, Section A, line 1a with respect to the filing organization or a related organization		
a	Receive a severance payment or change-of-control payment from the organization or a related organization?	4a	No
b	Participate in, or receive payment from, a supplemental nonqualified retirement plan?	4b	Yes
c	Participate in, or receive payment from, an equity-based compensation arrangement?	4c	No
	If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III		
	Only 501(c)(3) and 501(c)(4) organizations only must complete lines 5-9.		
5	For persons listed in form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of		
a	The organization?	5a	No
b	Any related organization?	5b	No
	If "Yes," to line 5a or 5b, describe in Part III		
6	For persons listed in form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of		
a	The organization?	6a	No
b	Any related organization?	6b	No
	If "Yes," to line 6a or 6b, describe in Part III		
7	For persons listed in Form 990, Part VII, Section A, line 1a, did the organization provide any non-fixed payments not described in lines 5 and 6? If "Yes," describe in Part III	7	No
8	Were any amounts reported in Form 990, Part VII, paid or accrued pursuant to a contract that was subject to the initial contract exception described in Regs section 53 4958-4(a)(3)? If "Yes," describe in Part III	8	No
9	If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53 4958-6(c)?	9	

Part II **Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees.** Use duplicate copies if additional space is needed.

For each individual whose compensation must be reported in Schedule J, report compensation from the organization on row (i) and from related organizations, described in the instructions on row (ii) Do not list any individuals that are not listed on Form 990, Part VII

Note. The sum of columns (B)(i)-(iii) must equal the applicable column (D) or column (E) amounts on Form 990, Part VII, line 1a

(A) Name		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Retirement and other deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported in prior Form 990 or Form 990-EZ
		(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
(1) Stevan Trooboff	(i) (ii)	342,403 0	192,750 0	549,752 0	12,834 0	52,081 0	1,149,820 0	0 0
(2) Phil Simon	(i) (ii)	93,865 0	30,850 0	600 0	5,133 0	28,564 0	159,012 0	0 0
(3) Molly Donovan	(i) (ii)	111,559 0	57,750 0	0 0	6,083 0	31,701 0	207,093 0	0 0
(4) Deanna Harnett	(i) (ii)	158,193 0	77,750 0	4,118 0	7,917 0	36,778 0	284,756 0	0 0
(5) Paul McLaughlin	(i) (ii)	158,303 0	77,750 0	1,250 0	7,917 0	28,653 0	273,873 0	0 0
(6) Michael VandeBerg	(i) (ii)	154,905 0	47,050 0	0 0	7,904 0	37,733 0	247,592 0	0 0
(7) Martin Hogan	(i) (ii)	155,697 0	77,750 0	0 0	8,000 0	35,343 0	276,790 0	0 0
(8) Elizabeth O'Neill	(i) (ii)	152,341 0	77,750 0	0 0	7,750 0	28,744 0	266,585 0	0 0
(9)								
(10)								
(11)								
(12)								
(13)								
(14)								
(15)								
(16)								

Part III **Supplemental Information**

Complete this part to provide the information, explanation, or descriptions required for Part I, lines 1a, 1b, 4c, 5a, 5b, 6a, 6b, 7, and 8. Also complete this part for any additional information.

Identifier	Return Reference	Explanation
	Part I, Line 1a	A housing allowance of \$5,000 per month is provided to the president of the organization per a written agreement between the president and the Organization. The housing allowance is included in the W-2 of the president.
	Part I, Line 4b	The President/CEO, Stevan Trooboff, participated in a supplemental non-qualified retirement plan as described in the Internal Revenue Code Section 457(f).

SCHEDULE O

(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990 or 990-EZ

Complete to provide information for responses to specific questions on
Form 990 or to provide any additional information.
▶ Attach to Form 990 or 990-EZ.

OMB No 1545-0047

2010

Open to Public
Inspection

Name of the organization

Council International Study Programs Inc (ISP)

Employer identification number

13-4038907

Identifier	Return Reference	Explanation
Form 990, Part VI, Section A, line 6		The sole member of the Corporation is CIEE, Inc , a Delaware corporation

Identifier	Return Reference	Explanation
Form 990, Part VI, Section A, line 7a		Members of the Board of Directors of CIEE are elected by the Membership. Every member of CIEE has a voting representative. The Board nominates people to the Board and the Membership elects them via vote of the voting representatives.

Identifier	Return Reference	Explanation
Form 990, Part VI, Section B, line 11		The 990 Form is prepared by an independent public accounting firm from published materials of the Organization provided by management. All material contained in the 990 is covered by the Employee Handbook, Goal Setting and Performance Management system, compensation management system and budgeting and reporting processes. All of these materials are reviewed on a regular basis with the Board of Directors. A copy of the Form 990 is shared with both the Audit and Finance Committee of the Board and all members of the Board on an annual basis. Currently, a draft of the 990 is reviewed with the Board Audit and Finance Committee prior to filing.

Identifier	Return Reference	Explanation
	Form 990, Part VI, Section B, line 12c	Every member of the Board of Directors is required to sign and date, on an annual basis, a Conflict of Interest Statement which discloses any potential conflicts of interest. As of this writing, no such conflicts exist. Every officer of the Organization is a full time employee and subject to a conflict of interest policy, a gifts and gratuities policy and a nepotism policy which are part of the Organization's Employee Handbook. Vendor contracts are reviewed by at least two levels of management to assure that no conflicts of interest exist.

Identifier	Return Reference	Explanation
	Form 990, Part VI, Section B, line 15	The Organization has commissioned a compensation study every five years regarding compensation paid to the CEO and President who is the senior full time officer of the Organization. This study is comprehensive in nature and includes comparative data and substantiation of compensation. There is also an annual goal setting and performance appraisal process for this officer whose compensation is annually reviewed and set by the Executive Committee of the Board of Directors. All employees of the Organization are subject to an annual goal setting and performance appraisal process. Compensation levels are based on competitive analysis of jobs, and salaries of top officers have been regularly disclosed as part of the Form 990 process and discussed at Board meetings as part of the annual budget approval process.

Identifier	Return Reference	Explanation
	Form 990, Part VI, Section C, line 19	The form 990 has been a publicly available document for many years and is available on line, without cost, to anyone. In addition, the company's Employee Handbook including conflict of interest policy, gifts and gratuities and nepotism policy are all publicly available. All these documents are reviewed periodically by legal counsel to assure compliance with all policies and procedures of local and national authorities. Financial statements are regularly provided to banking and other partners and on request to interested individuals. No such request has ever been denied. Summary financial information is available on the Form 990 and a matter of public record. All Board members receive a copy of the financials and there is a regular review of both auditors and results of an annual audit (prepared by Certified Public Accountants) by the Board Audit and Finance Committee. The full Board votes annually regarding audit acceptance.

Identifier	Return Reference	Explanation
Changes in Net Assets or Fund Balances	Form 990, Part XI, line 5	Net unrealized gains on investments 1,302,024

Identifier	Return Reference	Explanation
Oversight of Audit	Form 990, Part XI, Line 2c	The Audit and Finance Committee are responsible for overseeing the financial statement audit and the selection of the independent accountant This process has not changed from the prior year

SCHEDULE R
(Form 990)

Related Organizations and Unrelated Partnerships

▶ Complete if the organization answered "Yes" to Form 990, Part IV, line 33, 34, 35, 36, or 37.
▶ Attach to Form 990. ▶ See separate instructions.

OMB No 1545-0047

2010

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

Name of the organization
Council International Study Programs Inc (ISP)

Employer identification number
13-4038907

Part I Identification of Disregarded Entities (Complete if the organization answered "Yes" on Form 990, Part IV, line 33.)

(a) Name, address, and EIN of disregarded entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Total income	(e) End-of-year assets	(f) Direct controlling entity
(1) International Exchange Travel Insurance Company LLC 300 Fore Street Portland, ME 04101 20-4458471	International Educational and Work Exchange Program Insurance	VT	0	0	CIEE Inc
(2) Montreal Street Realty LLC 300 Fore Street Portland, ME 04101 51-0414702	Student Housing	ME	0	0	CIEE Inc
(3) Quebec Street Realty LLC 300 Fore Street Portland, ME 04101 51-0414702	Student Housing	ME	0	0	CIEE Inc

Part II Identification of Related Tax-Exempt Organizations (Complete if the organization answered "Yes" on Form 990, Part IV, line 34 because it had one or more related tax-exempt organizations during the tax year.)

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled organization	
						Yes	No
(1) CIEE Inc 300 Fore Street Portland, ME 04101 51-0414702	Parent Company	DE	501(c)(3)	Line 11b, II	N/A		No
(2) CIEE Ping Foundation 300 Fore Street Portland, ME 04101 20-1698494	Scholarship and Advocacy	DE	501(c)(3)	Line 11a, I	CIEE Inc		No
(3) Council on International Educational Exchange 300 Fore Street Portland, ME 04101 13-5619649	HS Inbound programs and grants	NY	501(c)(3)	Line 9	CIEE Inc		No

Part III

Identification of Related Organizations Taxable as a Partnership (Complete if the organization answered "Yes" on Form 990, Part IV, line 34 because it had one or more related organizations treated as a partnership during the tax year.)

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Predominant income (related, unrelated, excluded from tax under sections 512- 514)	(f) Share of total income	(g) Share of end-of-year assets	(h) Disproprtionate allocations?		(i) Code V—UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner?		(k) Percentage ownership
							Yes	No		Yes	No	

Part IV

Identification of Related Organizations Taxable as a Corporation or Trust (Complete if the organization answered "Yes" on Form 990, Part IV, line 34 because it had one or more related organizations treated as a corporation or trust during the tax year.)

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of-year assets	(h) Percentage ownership
(1) CIEE Exchanges Inc 300 Fore Street Portland, ME04101 36-4528417	Inactive	DE	CIEE Inc	C			
(2) CIEE International Cayman Islands 300 Fore Street Portland, ME04101	Inactive	CJ	CIEE Inc	C			
(3) CIEE-Japan Cosmos Aoyama 5-53-67 Jingumae Shibuya-ku, Tokyo 150-8355 JA	Language Testing Programs & Exchange Programs	JA	CIEE Inc	C			
(4) CIEE Educational Information Consulting Co LTD Shanghai Industnal Investmt Bld Shanghai 200030 CH	Exchange Programs	CH	CIEE Inc	C			

Part V

Transactions With Related Organizations (Complete if the organization answered "Yes" on Form 990, Part IV, line 34, 35, 35A, or 36.)

Note. Complete line 1 if any entity is listed in Parts II, III or IV

1 During the tax year, did the organization engage in any of the following transactions with one or more related organizations listed in Parts II-IV?

a Receipt of (i) interest (ii) annuities (iii) royalties (iv) rent from a controlled entity

b Gift, grant, or capital contribution to other organization(s)

c Gift, grant, or capital contribution from other organization(s)

d Loans or loan guarantees to or for other organization(s)

e Loans or loan guarantees by other organization(s)

f Sale of assets to other organization(s)

g Purchase of assets from other organization(s)

h Exchange of assets

i Lease of facilities, equipment, or other assets to other organization(s)

j Lease of facilities, equipment, or other assets from other organization(s)

k Performance of services or membership or fundraising solicitations for other organization(s)

l Performance of services or membership or fundraising solicitations by other organization(s)

m Sharing of facilities, equipment, mailing lists, or other assets

n Sharing of paid employees

o Reimbursement paid to other organization for expenses

p Reimbursement paid by other organization for expenses

q Other transfer of cash or property to other organization(s)

r Other transfer of cash or property from other organization(s)

Yes

No

1a

1b

1c

1d

1e

1f

1g

1h

1i

1j

1k

1l

1m

1n

1o

1p

1q

1r

No

No

No

Yes

Yes

No

No

No

No

No

No

No

Yes

No

No

No

No

No

2 If the answer to any of the above is "Yes," see the instructions for information on who must complete this line, including covered relationships and transaction thresholds

(a) Name of other organization	(b) Transaction type(a-r)	(c) Amount involved	(d) Method of determining amount involved
(1) CIEE-Japan	E	244,470	FMV
(2)			
(3)			
(4)			
(5)			
(6)			

Schedule R (Form 990) 2010

Provide the following information for each entity taxed as a partnership through which the organization conducted more than five percent of its activities (measured by total assets or gross revenue) that was not a related organization. See instructions regarding exclusion for certain investment partnerships.

[illegible]

Part VII

Supplemental Information

Complete this part to provide additional information for responses to questions on Schedule R (see instructions)

Identifier	Return Reference	Explanation
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CIEE, INC. AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS

August 31, 2011

With Independent Auditors' Report

CIEE, INC. AND SUBSIDIARIES

August 31, 2011

TABLE OF CONTENTS

	<u>Page(s)</u>
Independent Auditors' Report	1
Consolidated Financial Statements	
Consolidated Statement of Financial Position	2
Consolidated Statement of Activities	3
Consolidated Statement of Cash Flows	4
Notes to Consolidated Financial Statements	5 – 14



INDEPENDENT AUDITORS' REPORT

The Board of Directors
CIEE, Inc. and Subsidiaries

We have audited the consolidated statement of financial position of CIEE, Inc. and Subsidiaries as of August 31, 2011, and the related consolidated statements of activities and cash flows for the year then ended. These financial statements are the responsibility of the management of CIEE, Inc. and Subsidiaries. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with U.S. generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of CIEE, Inc. and Subsidiaries as of August 31, 2011, and the consolidated changes in their net assets and their consolidated cash flows for the year then ended in conformity with U.S. generally accepted accounting principles.

Berry Dunn McNeil & Parker, LLC

Portland, Maine
December 20, 2011

CIEE, INC. AND SUBSIDIARIES**Consolidated Statement of Financial Position****August 31, 2011****ASSETS**

Current assets	
Cash and cash equivalents	\$ 31,347,448
Accounts receivable, net of allowance for doubtful accounts of approximately \$104,000	2,431,229
Program advances and other receivables	3,458,044
Prepaid expenses	5,498,994
Other current assets	<u>1,040,324</u>
Total current assets	43,776,039
Property and equipment, net	16,721,251
Investments	21,237,465
Other assets	<u>588,189</u>
Total assets	<u>\$ 82,322,944</u>

LIABILITIES AND NET ASSETS

Current liabilities	
Current maturities of note payable	\$ 353,000
Accounts payable	1,027,992
Accrued expenses	8,796,331
Deferred revenue	17,399,703
Self-insured claims and premium reserve	2,476,419
Other current liabilities	<u>1,540,846</u>
Total current liabilities	31,594,291
Long-term liabilities	
Note payable, net of current maturities	<u>6,299,248</u>
Total liabilities	<u>37,893,539</u>
Commitments and contingencies (Notes 5, 7 and 8)	
Unrestricted net assets	
Board designated for investment	21,237,465
Other	<u>23,191,940</u>
Total unrestricted net assets	<u>44,429,405</u>
Total liabilities and net assets	<u>\$ 82,322,944</u>

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

CIEE, INC. AND SUBSIDIARIES
Consolidated Statement of Activities
Year Ended August 31, 2011

Operating revenue	<u>\$108,824,698</u>
Operating expenses	
Program	
Work and study	26,021,601
Study abroad	55,878,777
Management and administrative	<u>20,485,598</u>
Total operating expenses	<u>102,385,976</u>
Excess of revenue over expenses from operations	6,438,722
Other expense, net of other income	(266,090)
Return on investments	2,063,300
Interest income	60,606
Foreign exchange loss	<u>(1,863,054)</u>
Excess of revenue over expenses before net translation gains	6,433,484
Net translation gains	<u>230,581</u>
Change in unrestricted net assets	6,664,065
Unrestricted net assets, beginning of year	<u>37,765,340</u>
Unrestricted net assets, end of year	<u>\$ 44,429,405</u>

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

CIEE, INC. AND SUBSIDIARIES**Consolidated Statement of Cash Flows****Year Ended August 31, 2011**

Cash flows from operating activities	
Change in unrestricted net assets	\$ 6,664,065
Adjustment to reconcile change in unrestricted net assets to net cash provided by operating activities	
Depreciation and amortization	2,189,017
Net realized and unrealized gain on investments	(1,692,249)
Decrease (increase) in	
Accounts receivable	(652,259)
Program advances and other receivables	628,683
Prepaid expenses	(1,159,104)
Other current assets	(153,552)
Other assets	(3,878)
Increase (decrease) in	
Accounts payable	153,411
Accrued expenses	1,235,263
Deferred revenue	2,216,213
Self-insured claims reserve	(286,794)
Other current liabilities	<u>(74,394)</u>
Net cash provided by operating activities	<u>9,064,422</u>
Cash flows from investing activities	
Acquisition of property and equipment	(2,408,411)
Property deposit and acquisition of other assets	(125,015)
Proceeds from sale of investments	2,241,382
Purchase of investments	<u>(5,612,049)</u>
Net cash used by investing activities	<u>(5,904,093)</u>
Cash flows from financing activities	
Principal payments on note payable	<u>(338,383)</u>
Net cash used by financing activities	<u>(338,383)</u>
Effect of exchange rate changes on cash and cash equivalents	<u>(1,110)</u>
Net increase in cash and cash equivalents	2,820,836
Cash and cash equivalents, beginning of year	<u>28,526,612</u>
Cash and cash equivalents, end of year	<u>\$ 31,347,448</u>

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

CIEE, INC. AND SUBSIDIARIES

Notes to Consolidated Financial Statements

August 31, 2011

Nature of Business

CIEE, Inc and Subsidiaries ("CIEE") is a membership organization founded in 1951 under the predecessor of the Not-for-Profit Corporation law of the State of New York. Its membership consists primarily of U.S. colleges and universities and international organizations, associations and other entities which support international educational exchange.

CIEE is engaged in administering international education and experiential learning programs in Africa, Asia, Australia, Eastern and Western Europe, Latin America, the Middle East, and North America. CIEE has three program units organized into two operating divisions. International Study Programs ("Outbound") which administers study abroad programs principally for U.S. college students, and Public Diplomacy Work Exchange Programs ("Inbound") which administers two U.S. government sanctioned programs operating under the auspices of the Fulbright Hays Act. These include Summer Work and Travel and Trainee programs. The third division is the Gateway programs whose major component includes the USA High School Annual Year program. The inbound programs and the majority of Gateway programs involve bringing non-U.S. nationals to the U.S.

The Outbound division operates study centers in approximately 41 countries and offers over 130 different programs. These study centers administer and coordinate Outbound's relationships and programs with the various international educational institutions and educators through which study programs are offered as well as providing student support services. In conjunction with the operation of the international study centers, cash balances are maintained at the centers, primarily in local financial institutions, for the operating costs of the center.

The Inbound and High School Gateway programs distribute their programs through independent agents in over 35 countries.

CIEE also has a significant office in Japan which is involved in exchange activities and distributing products in Japan for Educational Testing Service.

The CIEE Ping Foundation is a wholly-owned subsidiary of CIEE which was formed in September 2004 to support the advocacy, research and scholarship interests of CIEE.

International Exchange Travel Insurance Company, LLC (IEXTICO), a wholly-owned for-profit subsidiary of CIEE, was formed in August 2006 as a captive insurance entity to manage the inbound travel and health insurance needs of CIEE.

Due to the numerous foreign cash accounts maintained in local currencies by the Outbound division and due to the Japan division which maintains assets and liabilities in its respective local functional currency, the combined CIEE entity is subject to foreign currency exchange risk due to changes in foreign currency rates. Total cash maintained in foreign currencies amounted to approximately \$5,900,000 at August 31, 2011.

CIEE is also subject to various local statutory, tax and legal requirements due to the numerous international jurisdictions in which it operates. CIEE uses external legal counsel to help manage its exposures and risks.

CIEE, INC. AND SUBSIDIARIES

Notes to Consolidated Financial Statements

August 31, 2011

1. Summary of Significant Accounting Policies

Principles of Consolidation

The consolidated financial statements include the accounts of CIEE and all of its subsidiaries. All intercompany balances and transactions have been eliminated in consolidation.

Use of Estimates

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could differ from those estimates.

Definition of Operations

The statement of activities includes an excess of revenue over expenses from operations. Changes in unrestricted net assets which are excluded from the excess of revenue over expenses from operations include investment-related income, gains and losses from sale of property and equipment, interest expense, investment fees, foreign exchange and net translation gains and losses, nonrecurring costs and losses, and other items not directly related to providing programs.

Cash and Cash Equivalents

Cash equivalents are short-term, highly liquid investments with original maturities of three months or less, excluding those held in the investment portfolio.

CIEE has cash deposits with various banks consisting principally of demand deposits and time deposits, the amounts of which may at times exceed the federally insured deposit limits. CIEE has not experienced any losses on its cash deposits

Accounts Receivable, Program Advances and Other Receivables

Accounts receivable, program advances and other receivables are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a charge to earnings and a credit to a valuation allowance based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable, program advances and other receivables.

CIEE, INC. AND SUBSIDIARIES

Notes to Consolidated Financial Statements

August 31, 2011

Revenue Recognition

CIEE recognizes revenue when it is earned. Revenue related to administering international education programs is recognized when such programs have been delivered. For the fall semester, students generally attend the programs from September to December. CIEE bills for the fall semester prior to August 31 and includes the amounts in deferred revenue, since the program has not been delivered. Expenses related to the fall semester which have been incurred prior to August 31 are reported as prepaid expenses. Revenue pertaining to administering international work experience programs is recognized upon CIEE's completion of its legal and contractual obligations required by such destination countries. Revenues received from grants are recognized as unrestricted revenue when such funds are used for their specified purposes. All revenue is thus classified as unrestricted.

Property and Equipment

Property and equipment are stated at cost and are depreciated over the useful lives of the assets using the straight-line method. Leasehold improvements are amortized over the shorter of the useful life or the life of the lease. The cost of maintenance and repairs is charged to expense as incurred; significant renewals and betterments are capitalized. The related costs and accumulated depreciation of disposed assets are eliminated and any gain or loss on disposition is reported in the statement of activities separately from the excess of revenue over expenses from operations.

CIEE capitalizes certain costs incurred to develop and obtain software for internal use. Costs that are capitalized include external direct costs of services and materials as well as internal costs for employees directly associated with a software development project including compensation and employee benefits. Capitalized software costs are amortized using the straight-line method over the useful life of the software. Amounts for the year ended August 31, 2011, approximated:

Software costs capitalized	\$1,052,000
Amortization expense	707,000

Investments

Investments are presented in the financial statements at fair value since all have readily determinable fair values.

CIEE, INC. AND SUBSIDIARIES

Notes to Consolidated Financial Statements

August 31, 2011

Foreign Currency Translation

Assets and liabilities of foreign operations are translated at year-end rates of exchange, and the consolidated statement of activities is translated at the average rates of exchange for the year. Accumulated losses resulting from translating financial statements denominated in currencies other than the U.S. dollar are reflected as a component of net assets and totaled approximately \$1,056,000 at August 31, 2011. Net translation gains for the year ended August 31, 2011, totaled approximately \$231,000 and have been reflected in the consolidated statement of activities.

Hedging Instruments

Derivative financial instruments are recorded at fair value in the consolidated statement of financial position as either assets or liabilities. Changes in the fair value of derivatives are recorded as changes in net assets within the consolidated statement of activities. There were no derivative financial instruments outstanding at August 31, 2011.

Allocation of Costs

Costs are allocated to programs based on actual or estimated usage of resources. Payroll costs are directly allocated to applicable programs. Other costs are allocated based on direct labor, physical usage of facilities or specific identification.

Self-Insurance Plans

CIEE is partially self-insured with respect to health benefits of eligible employees and their eligible dependents. Estimated unpaid claims and unearned premiums have been recorded as a liability and are included in accrued expenses in the statement of financial position.

CIEE is also partially self-insured with respect to various coverages offered by CIEE (through IEXTICO) in conjunction with its work and study programs. Estimated unpaid claims and claims adjustments have been recorded as a liability and reported as a self-insured claims reserve in the statement of financial position. Management believes that its self-insured claims reserve at August 31, 2011, represents its best estimate. However, because of the limited population of insured risks, limited historical data, economic conditions, judicial decisions, legislation and other matters, it is not presently possible to determine whether actual loss experience will conform to the assumptions used in estimating the liability. As a result, the actual liability could differ significantly from the amount indicated in the consolidated financial statements. As adjustments to these estimates become necessary, such adjustments will be reported in current operations in a future year.

CIEE, INC. AND SUBSIDIARIES

Notes to Consolidated Financial Statements

August 31, 2011

Advertising

CIEE expenses the costs of advertising as incurred. Advertising expense totaled approximately \$750,000 for the year ended August 31, 2011, and primarily includes on-line advertising, print ads and other printed promotional materials and brochures.

Income Taxes

CIEE, Inc., its U.S. Outbound and Inbound subsidiaries, and CIEE Ping Foundation are not-for-profit corporations as described in Section 501(c)(3) of the Internal Revenue Code and are exempt from federal income taxes on related income.

IEXTICO is a single member Limited Liability Company which is considered to be a disregarded, related-purpose entity and is reported within CIEE Inc.'s Federal tax information return. As such, IEXTICO does not incur income tax.

Subsidiaries in Japan and Taiwan are taxed by those countries independently. Income tax expense differed from that which would result from applying U.S. statutory rates to income before income taxes because of foreign tax rates which differ from those of the U.S. Such income taxes are not material to the overall financial statements.

Subsequent Events

For purposes of the preparation of these financial statements in conformity with U.S. generally accepted accounting principles, CIEE's management has considered transactions or events occurring through December 20, 2011, which was the date that the financial statements were available to be issued.

2. Property and Equipment

Property and equipment consisted of the following at August 31, 2011:

	<u>Estimated Useful Life</u>	
Building	20 years	\$ 14,653,080
Office furniture and equipment	3-11 years	2,601,390
Leasehold improvements	5-20 years	1,643,435
Computer equipment and software	1-5 years	<u>3,803,251</u>
		22,701,156
Less accumulated depreciation and amortization		<u>5,979,905</u>
		<u>\$ 16,721,251</u>

A \$25,000 deposit on the purchase of additional space in CIEE's Portland, Maine headquarters building is included in other assets in the statement of financial position at August 31, 2011. Management expects to complete the \$1,300,000 cash purchase in late December 2011.

CIEE, INC. AND SUBSIDIARIES

Notes to Consolidated Financial Statements

August 31, 2011

3. Investments

A summary of CIEE's unrestricted investments at fair value at August 31, 2011, follows:

	<u>Cost</u>	<u>Fair Value</u>
Invested cash and cash equivalents	\$ 528,717	\$ 528,717
Marketable equity securities	11,057,554	11,473,408
Mutual funds	258,856	429,625
Corporate debt and government obligations	5,369,813	5,635,752
Private offering interests	<u>2,002,705</u>	<u>3,169,963</u>
	<u>\$ 19,217,645</u>	<u>\$ 21,237,465</u>

The following summarizes return on investments for the year ended August 31, 2011

Interest and dividend income	\$ 494,284
Investment advisory, management and custodial fees	(123,233)
Net realized gain on investments	86,346
Net unrealized gain on investments	<u>1,605,903</u>
	<u>\$ 2,063,300</u>

4. Fair Value Measurements

Fair value is the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. A fair value hierarchy requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The three levels of inputs that may be used to measure fair value are:

Level 1: Quoted prices (unadjusted) for identical assets or liabilities in active markets that the entity has the ability to access as of the measurement date.

Level 2: Significant other observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities, quoted prices in markets that are not active, and other inputs that are observable or can be corroborated by observable market data.

Level 3: Significant unobservable inputs that reflect an entity's own assumptions about the assumptions that market participants would use in pricing an asset or liability.

CIEE, INC. AND SUBSIDIARIES

Notes to Consolidated Financial Statements

August 31, 2011

Assets measured at fair value on a recurring basis as of August 31, 2011, are summarized below by level of input:

	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Investments				
Marketable equity securities				
Consumer discretionary and staples	\$ 1,058,260	\$ 1,058,260	\$ -	\$ -
Energy	1,546,011	1,546,011	-	-
Financial institutions	1,247,616	1,247,616	-	-
Healthcare	883,146	883,146	-	-
Industrial	1,257,862	1,257,862	-	-
Information technology	1,500,343	1,500,343	-	-
Materials	755,011	755,011	-	-
Real estate investment trust	483,924	483,924	-	-
Other stocks	311,936	311,936	-	-
Small cap equity funds	276,805	276,805	-	-
International equity funds	<u>2,152,494</u>	<u>2,152,494</u>	-	-
Total marketable equity securities	<u>11,473,408</u>	<u>11,473,408</u>	-	-
Mutual funds				
Energy	<u>429,625</u>	<u>429,625</u>	-	-
Corporate debt and government obligations				
- preservation of value				
Corporate bonds	2,932,760	-	2,932,760	-
Government bonds	1,026,243	-	1,026,243	-
U.S. Government agency and asset backed securities	469,598	-	469,598	-
Bond funds	541,327	-	541,327	-
Other assets	<u>665,824</u>	-	<u>665,824</u>	-
Total corporate debt and government obligations	<u>5,635,752</u>	-	<u>5,635,752</u>	-
Private offering interests - long-term growth				
CF Multi-Strategy Equity Investors, LLC	1,167,330	-	1,167,330	-
Princeton Futures Fund, LP	994,478	-	-	994,478
Cross Shore Overseas Fund, Ltd	952,828	-	-	952,828
Other	<u>55,327</u>	-	-	<u>55,327</u>
Total other investments	<u>3,169,963</u>	-	<u>1,167,330</u>	<u>2,002,633</u>
Total investments	<u>\$ 20,708,748</u>	<u>\$ 11,903,033</u>	<u>\$ 6,803,082</u>	<u>\$ 2,002,633</u>

CIEE, INC. AND SUBSIDIARIES

Notes to Consolidated Financial Statements

August 31, 2011

Activity in Level 3 investments for the year ended August 31, 2011 is as follows

Level 3 investments at September 1, 2010	\$ -
Purchases	2,056,957
Unrealized losses (included in return on investments in the statements of activities)	<u>(54,324)</u>
Level 3 investments at August 31, 2011	\$ <u>2,002,633</u>
Unrealized depreciation from Level 3 investments still held as of August 31, 2011	\$ <u>(54,324)</u>

Level 2 corporate debt and government obligation investments are valued based on quoted market prices for similar assets. The fair value of Level 2 and Level 3 limited liability company and limited partnerships is based on the net asset values per share of the respective funds as reported in the financial statements of the related interest. The classification of Common (CF) Fund Multi-Strategy Equity Investors, LLC changed from Level 1 in 2010 to Level 2 in 2011 to more accurately reflect the method used in determining the fair value of the asset.

5. Retirement Plans

Title I 403(b) Plan

CIEE maintains a defined contribution 403(b) plan for eligible employees. Under this plan, CIEE contributes 2.5% of compensation during an employee's first year of eligibility and 5% thereafter. During the year ended August 31, 2011, CIEE contributed approximately \$454,000 to the 403(b) plan.

Postretirement Benefits Other than Pensions

CIEE has an unfunded postretirement medical plan, covering all eligible U.S. employees. The plan pays the cost of medical coverage with a premium cap for those employees who retire after age 65 with 25 or more years of service.

The accumulated postretirement benefit obligation is approximately \$2,333,000 at August 31, 2011, and is included in accrued expenses in the statement of financial position. Related expense and benefits paid are not material.

For measurement purposes, a health care cost trend rate assumption of 7.5% was used for 2011, which remains level through 2019 with slight decreases in the rate thereafter. The weighted average discount rate used in determining the projected postretirement benefit obligation was 5.75%.

CIEE, INC. AND SUBSIDIARIES

Notes to Consolidated Financial Statements

August 31, 2011

6. Debt

The note bears interest at 4.5% and is payable to a bank in monthly installments of \$54,194, including interest, through August 2019 when all remaining principal is due. The note is collateralized by all real and personal property of CIEE.

Principal maturities for the next five fiscal years and thereafter are as follows:

2011	\$ 353,000
2012	374,000
2013	392,000
2014	410,000
2015	428,000
Thereafter	<u>4,695,248</u>
Total	<u>\$ 6,652,248</u>

The loan agreement contains certain restrictive financial covenants. CIEE was in compliance with those financial covenants at August 31, 2011.

Total interest expensed and paid in 2011 was approximately \$312,000.

7. Self-Insured Claims and Premiums Reserve

CIEE, through IEXTICO, provides international travel assistance coverage on an occurrence basis with limits of \$100,000 per occurrence and \$5,500,000 in the aggregate. Pursuant to a stop loss reinsurance agreement, losses in excess of \$2,751,763 will be borne by the reinsurer. As of August 31, 2011, incurred claims and estimated unpaid claims have not reached the stop loss attachment point.

Management has determined that the insurance agreement for the year ended August 31, 2011, does not subject CIEE to a reasonable possibility of realizing a significant loss. The balance in self-insured claims and unearned premiums reserve at August 31, 2011, reflects:

Unpaid and incurred but not reported claims liability	\$ 1,380,930
Unearned premiums	1,216,697
Reinsurance recoverable	<u>(121,208)</u>
	<u>\$ 2,476,419</u>

CIEE, INC. AND SUBSIDIARIES

Notes to Consolidated Financial Statements

August 31, 2011

8. Contingencies

Litigation

In the normal course of business, CIEE may become involved in disputes and claims incidental to its business. It is CIEE's policy to accrue for amounts related to such legal matters if it is probable a liability has been incurred and an amount can be reasonably estimated. Although the ultimate outcome of any legal matter cannot be predicted with certainty, management believes potential losses, if any, associated with current disputes and claims would not have a material impact on the cash flow, changes in net assets or financial position on a consolidated basis and will be reported in the period incurred.

Federal Contracts and Regulations

CIEE sponsors qualifying non-U.S. citizen students in obtaining educational exchange visas when traveling to the U.S. under its work and study programs. In this role, CIEE is subject to extensive federal visa-related policies, procedures, and regulations imposed by the U S Department of State (DOS) and the Student and Exchange Visitor Information System program. From time-to-time, the DOS may query CIEE on documentation submitted with applications or challenge the qualifications of students sponsored. CIEE's management makes every effort to address and resolve DOS concerns without sanction when notification of potential sanction is received. During the year ended August 31, 2011, no material penalties, fines or restrictive sanctions were imposed on CIEE.

