

Return of Organization Exempt From Income Tax

OMB No 1545-0047

2003

Open to Public Inspection

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.

Department of the Treasury Internal Revenue Service

A For the 2003 calendar year, or tax year beginning JUL 1, 2003 and ending JUN 30, 2004

B Check if applicable: Address change, Name change, Initial return, Final return, Amended return, Application pending. C Name of organization: ISLAND INSTITUTE. D Employer identification number: 22-2786731. E Telephone number: 207-594-9209. F Accounting method: Accrual.

Section 501(c)(3) organizations and 4947(a)(1) nonexempt charitable trusts must attach a completed Schedule A (Form 990 or 990-EZ). H and I are not applicable to section 527 organizations.

G Website: WWW.ISLANDINSTITUTE.ORG

J Organization type: 501(c)(3). H(a) Is this a group return for affiliates? No. H(b) If "Yes," enter number of affiliates.

K Check here if the organization's gross receipts are normally not more than \$25,000. H(c) Are all affiliates included? N/A. H(d) Is this a separate return filed by an organization covered by a group ruling? No.

L Gross receipts: Add lines 6b, 8b, 9b, and 10b to line 12: 6,266,653. M Check if the organization is not required to attach Sch. B (Form 990, 990-EZ, or 990-PF).

Part I Revenue, Expenses, and Changes in Net Assets or Fund Balances

Table with 21 rows and 4 columns. Rows include: 1 Contributions, gifts, grants, and similar amounts received; 2 Program service revenue including government fees and contracts; 3 Membership dues and assessments; 4 Interest on savings and temporary cash investments; 5 Dividends and interest from securities; 6a Gross rents; 6b Less: rental expenses; 6c Net rental income or (loss); 7 Other investment income; 8a Gross amount from sales of assets other than inventory; 8b Less: cost or other basis and sales expenses; 8c Gain or (loss); 8d Net gain or (loss); 9 Special events and activities; 9a Gross revenue; 9b Less: direct expenses other than fundraising expenses; 9c Net income or (loss) from special events; 10a Gross sales of inventory, less returns and allowances; 10b Less: cost of goods sold; 10c Gross profit or (loss) from sales of inventory; 11 Other revenue; 12 Total revenue; 13 Program services; 14 Management and general; 15 Fundraising; 16 Payments to affiliates; 17 Total expenses; 18 Excess or (deficit) for the year; 19 Net assets or fund balances at beginning of year; 20 Other changes in net assets or fund balances; 21 Net assets or fund balances at end of year.

Part II Statement of Functional Expenses All organizations must complete column (A). Columns (B), (C), and (D) are required for section 501(c)(3) and (4) organizations and section 4947(a)(1) nonexempt charitable trusts but optional for others. Page 2

Do not include amounts reported on line 6b, 8b, 9b, 10b, or 16 of Part I.		(A) Total	(B) Program services	(C) Management and general	(D) Fundraising
22	Grants and allocations (attach schedule) cash \$ 63,201. noncash \$	22 63,201.	63,201.	STATEMENT 7	
23	Specific assistance to individuals (attach schedule)	23			
24	Benefits paid to or for members (attach schedule)	24			
25	Compensation of officers, directors, etc.	25 297,240.	83,054.	45,366.	168,820.
26	Other salaries and wages	26 1,080,604.	685,097.	240,031.	155,476.
27	Pension plan contributions	27 24,859.	13,854.	4,576.	6,429.
28	Other employee benefits	28 94,215.	52,506.	17,345.	24,364.
29	Payroll taxes	29 105,957.	59,050.	19,507.	27,400.
30	Professional fundraising fees	30			
31	Accounting fees	31 16,494.		16,494.	
32	Legal fees	32			
33	Supplies	33 20,660.	<2,467.>	14,469.	8,658.
34	Telephone	34 19,454.	5,509.	12,170.	1,775.
35	Postage and shipping	35 17,784.	2,475.	6,560.	8,749.
36	Occupancy	36 34,031.		34,031.	
37	Equipment rental and maintenance	37 32,438.	7,186.	25,252.	
38	Printing and publications	38 165,482.	145,845.	11,780.	7,857.
39	Travel	39 46,442.	34,974.	6,899.	4,569.
40	Conferences, conventions, and meetings	40 18,079.	17,855.	29.	195.
41	Interest	41 8,880.		8,880.	
42	Depreciation, depletion, etc. (attach schedule)	42 177,464.	74,864.	97,311.	5,289.
43	Other expenses not covered above (itemize):				
a		43a			
b		43b			
c		43c			
d		43d			
e	SEE STATEMENT 5	43e 906,398.	519,778.	<40,153.>	426,773.
44	Total functional expenses (add lines 22 through 43). Organizations completing columns (B)-(D), carry these totals to lines 13-15	44 3,129,682.	1,762,781.	520,547.	846,354.

Joint Costs. Check if you are following SOP 98-2.

Are any joint costs from a combined educational campaign and fundraising solicitation reported in (B) Program services? Yes No
 If "Yes," enter (i) the aggregate amount of these joint costs \$ _____; (ii) the amount allocated to Program services \$ _____; (iii) the amount allocated to Management and general \$ _____; and (iv) the amount allocated to Fundraising \$ _____.

Part III Statement of Program Service Accomplishments

What is the organization's primary exempt purpose? **SEE STATEMENT 6**

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

	Program Service Expenses (Required for 501(c)(3) and (4) orgs., and 4947(a)(1) trusts, but optional for others.)
a COMMUNITY INITIATIVES: ISLAND SCHOOL CONFERENCES, GRANTS, FELLOWSHIPS, SCHOLARSHIPS, AFFORDABLE HOUSING, AND COMMUNITY AND ECONOMIC DEVELOPMENT (Grants and allocations \$ 63,201.)	1,054,630.
b ECOLOGICAL SERVICES AND MARINE SCIENCES: AQUACULTURE MODELING FISHERIES ECOSYSTEM MANAGEMENT MODELING, AND FIELD RESEARCH (Grants and allocations \$ _____)	238,065.
c INFORMATION: ISLAND JOURNAL, MONTHLY NEWSPAPER, TECHNICAL BULLETINS, EDUCATIONAL AND HISTORICAL PUBLICATIONS, AND GEOGRAPHIC INFORMATION SYSTEMS (Grants and allocations \$ _____)	470,086.
d (Grants and allocations \$ _____)	
e Other program services (attach schedule) (Grants and allocations \$ _____)	
f Total of Program Service Expenses (should equal line 44, column (B), Program services)	1,762,781.

Part IV Balance Sheets

Note: Where required, attached schedules and amounts within the description column should be for end-of-year amounts only.

		(A) Beginning of year		(B) End of year
Assets	45 Cash - non-interest-bearing	51,493.	45	347,398.
	46 Savings and temporary cash investments	220,612.	46	34,160.
	47 a Accounts receivable	47a 50,453.		
	b Less: allowance for doubtful accounts	47b 2,118.	47c	48,335.
	48 a Pledges receivable	48a 3,732,984.		
	b Less: allowance for doubtful accounts	48b 236,316.	48c	3,496,668.
	49 Grants receivable		49	
	50 Receivables from officers, directors, trustees, and key employees		50	
	51 a Other notes and loans receivable	51a 15,528.		
	b Less: allowance for doubtful accounts	51b 10,000.	51c	5,528.
	52 Inventories for sale or use		52	216,649.
	53 Prepaid expenses and deferred charges		53	31,987.
	54 Investments - securities STMT 8 <input type="checkbox"/> Cost <input checked="" type="checkbox"/> FMV		54	2,890,570.
	55 a Investments - land, buildings, and equipment: basis	55a		
	b Less: accumulated depreciation	55b	55c	
56 Investments - other		56	0.	
57 a Land, buildings, and equipment: basis	57a 4,680,208.			
b Less: accumulated depreciation	57b 968,163.	57c	3,712,045.	
58 Other assets (describe SEE STATEMENT 9)		58	1,431,573.	
59 Total assets (add lines 45 through 58) (must equal line 74)		59	12,214,913.	
Liabilities	60 Accounts payable and accrued expenses	180,968.	60	116,559.
	61 Grants payable	31,750.	61	36,000.
	62 Deferred revenue	2,446.	62	2,206.
	63 Loans from officers, directors, trustees, and key employees		63	
	64 a Tax-exempt bond liabilities		64a	
	b Mortgages and other notes payable		64b	
	65 Other liabilities (describe SEE STATEMENT 10)		65	84,242.
66 Total liabilities (add lines 60 through 65)		66	239,007.	
Net Assets or Fund Balances	Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 67 through 69 and lines 73 and 74.			
	67 Unrestricted	2,906,048.	67	2,895,103.
	68 Temporarily restricted	3,061,225.	68	2,101,450.
	69 Permanently restricted	3,490,189.	69	6,979,353.
	Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 70 through 74.			
	70 Capital stock, trust principal, or current funds		70	
	71 Paid-in or capital surplus, or land, building, and equipment fund		71	
	72 Retained earnings, endowment, accumulated income, or other funds		72	
	73 Total net assets or fund balances (add lines 67 through 69 or lines 70 through 72; column (A) must equal line 19; column (B) must equal line 21)		73	11,975,906.
	74 Total liabilities and net assets / fund balances (add lines 66 and 73)		74	12,214,913.

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

Part VI Other Information		Yes	No
76	Did the organization engage in any activity not previously reported to the IRS? If "Yes," attach a detailed description of each activity		X
77	Were any changes made in the organizing or governing documents but not reported to the IRS? If "Yes," attach a conformed copy of the changes.		X
78 a	Did the organization have unrelated business gross income of \$1,000 or more during the year covered by this return?	X	
b	If "Yes," has it filed a tax return on Form 990-T for this year?	X	
79	Was there a liquidation, dissolution, termination, or substantial contraction during the year? If "Yes," attach a statement		X
80 a	Is the organization related (other than by association with a statewide or nationwide organization) through common membership, governing bodies, trustees, officers, etc., to any other exempt or nonexempt organization?		X
b	If "Yes," enter the name of the organization <input type="checkbox"/> and check whether it is <input type="checkbox"/> exempt or <input type="checkbox"/> nonexempt.		
81 a	Enter direct or indirect political expenditures. See line 81 instructions <input type="text" value="81a"/> <input type="text" value="0 ."/>		
b	Did the organization file Form 1120-POL for this year?		X
82 a	Did the organization receive donated services or the use of materials, equipment, or facilities at no charge or at substantially less than fair rental value?	X	
b	If "Yes," you may indicate the value of these items here. Do not include this amount as revenue in Part I or as an expense in Part II. (See instructions in Part III.) <input type="text" value="82b"/>		
83 a	Did the organization comply with the public inspection requirements for returns and exemption applications?	X	
b	Did the organization comply with the disclosure requirements relating to quid pro quo contributions?	X	
84 a	Did the organization solicit any contributions or gifts that were not tax deductible?		X
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?		
85	501(c)(4), (5), or (6) organizations. a Were substantially all dues nondeductible by members?		N/A
b	Did the organization make only in-house lobbying expenditures of \$2,000 or less? If "Yes" was answered to either 85a or 85b, do not complete 85c through 85h below unless the organization received a waiver for proxy tax owed for the prior year.		N/A
c	Dues, assessments, and similar amounts from members <input type="text" value="85c"/> <input type="text" value="N/A"/>		
d	Section 162(e) lobbying and political expenditures <input type="text" value="85d"/> <input type="text" value="N/A"/>		
e	Aggregate nondeductible amount of section 6033(e)(1)(A) dues notices <input type="text" value="85e"/> <input type="text" value="N/A"/>		
f	Taxable amount of lobbying and political expenditures (line 85d less 85e) <input type="text" value="85f"/> <input type="text" value="N/A"/>		
g	Does the organization elect to pay the section 6033(e) tax on the amount on line 85f?		N/A
h	If section 6033(e)(1)(A) dues notices were sent, does the organization agree to add the amount on line 85f to its reasonable estimate of dues allocable to nondeductible lobbying and political expenditures for the following tax year?		N/A
86	501(c)(7) organizations. Enter: a Initiation fees and capital contributions included on line 12 <input type="text" value="86a"/> <input type="text" value="N/A"/>		
b	Gross receipts, included on line 12, for public use of club facilities <input type="text" value="86b"/> <input type="text" value="N/A"/>		
87	501(c)(12) organizations. Enter: a Gross income from members or shareholders <input type="text" value="87a"/> <input type="text" value="N/A"/>		
b	Gross income from other sources. (Do not net amounts due or paid to other sources against amounts due or received from them.) <input type="text" value="87b"/> <input type="text" value="N/A"/>		
88	At any time during the year, did the organization own a 50% or greater interest in a taxable corporation or partnership, or an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? If "Yes," complete Part IX		X
89 a	501(c)(3) organizations. Enter: Amount of tax imposed on the organization during the year under: section 4911 <input type="text" value="0 ."/> ; section 4912 <input type="text" value="0 ."/> ; section 4955 <input type="text" value="0 ."/>		
b	501(c)(3) and 501(c)(4) organizations. Did the organization engage in any section 4958 excess benefit transaction during the year or did it become aware of an excess benefit transaction from a prior year? If "Yes," attach a statement explaining each transaction		X
c	Enter: Amount of tax imposed on the organization managers or disqualified persons during the year under sections 4912, 4955, and 4958 <input type="text" value="0 ."/>		
d	Enter: Amount of tax on line 89c, above, reimbursed by the organization <input type="text" value="0 ."/>		
90 a	List the states with which a copy of this return is filed <input type="text" value="NONE"/>		
b	Number of employees employed in the pay period that includes March 12, 2003 <input type="text" value="90b"/> <input type="text" value="39"/>		
91	The books are in care of <input type="text" value="NORENE BISHOP"/> Telephone no. <input type="text" value="207-594-9209"/>		

Located at ZIP + 4

92 Section 4947(a)(1) nonexempt charitable trusts filing Form 990 in lieu of Form 1041- Check here
and enter the amount of tax-exempt interest received or accrued during the tax year

Part VII Analysis of Income-Producing Activities (See page 33 of the instructions.)

Note: Enter gross amounts unless otherwise indicated.

	Unrelated business income		Excluded by section 512, 513, or 514		(E) Related or exempt function income
	(A) Business code	(B) Amount	(C) Exclu- sion code	(D) Amount	
93 Program service revenue:					
a INFORMATION	541800	77,498.			17,372.
b SPONSORSHIPS					750.
c MARINE RESOURCES					30,860.
d _____					
e _____					
f Medicare/Medicaid payments					
g Fees and contracts from government agencies					
94 Membership dues and assessments					82,690.
95 Interest on savings and temporary cash investments			14	3,794.	
96 Dividends and interest from securities			14	13,170.	
97 Net rental income or (loss) from real estate:					
a debt-financed property					
b not debt-financed property					
98 Net rental income or (loss) from personal property					
99 Other investment income					
100 Gain or (loss) from sales of assets other than inventory			18	<30,949.>	
101 Net income or (loss) from special events					
102 Gross profit or (loss) from sales of inventory					162,651.
103 Other revenue:					
a OTHER REVENUE - RELATED			01	8,170.	
b _____					
c _____					
d _____					
e _____					
104 Subtotal (add columns (B), (D), and (E))		77,498.		<5,815.>	294,323.
105 Total (add line 104, columns (B), (D), and (E))					366,006.

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

Part VIII Relationship of Activities to the Accomplishment of Exempt Purposes (See page 34 of the instructions.)

Line No. Explain how each activity for which income is reported in column (E) of Part VII contributed importantly to the accomplishment of the organization's exempt purposes (other than by providing funds for such purposes).

SEE STATEMENT 14

Part IX Information Regarding Taxable Subsidiaries and Disregarded Entities (See page 34 of the instructions.)

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

Part X Information Regarding Transfers Associated with Personal Benefit Contracts (See page 34 of the instructions.)

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

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

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

I am preparing this return on behalf of the organization, and to the best of my knowledge and belief, it is true, correct, and complete, and I am not aware of any information which precludes the filing of this return.

Date: 1/16/05 **Philip Cukling, President**
Type or print name and title.

Date: 1/16/05 Check if self- Preparer's SSN or PTIN

SCHEDULE A
(Form 990 or 990-EZ)

Organization Exempt Under Section 501(c)(3)

OMB No 1545-0047

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

2003

Department of the Treasury
Internal Revenue Service

Supplementary Information-(See separate instructions.)

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

Name of the organization: **ISLAND INSTITUTE** Employer identification number: **22 2786731**

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

(See page 1 of the instructions. List each one. If there are none, enter "None.")

(a) Name and address of each employee paid more than \$50,000	(b) Title and average hours per week devoted to position	(c) Compensation	(d) Contributions to employee benefit plans & deferred compensation	(e) Expense account and other allowances
<u>NORENE BISHOP</u> ----- 368 MAIN STREET ROCKLAND, ME 04841	FINANCE MGR. 40	57,596.	5,580.	0.
<u>DAVID PLATT</u> ----- 368 MAIN STREET ROCKLAND, ME 04841	INFO DIRECTOR 40	58,145.	1,820.	0.
<u>CHRIS BREHME</u> ----- 368 MAIN STREET ROCKLAND, ME 04841	PROG DIRECTOR 40	56,678.	5,927.	0.
<u>CORRIE ROBERTS</u> ----- 368 MAIN STREET ROCKLAND, ME 04841	PROG OFFICER 40	50,213.	5,449.	0.
----- ----- -----				
Total number of other employees paid over \$50,000 ▶	0			

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

(See page 2 of the instructions. List each one (whether individuals or firms). If there are none, enter "None.")

(a) Name and address of each independent contractor paid more than \$50,000	(b) Type of service	(c) Compensation
<u>DEMONT & ASSOCIATES, INC.</u> ----- 477 CONGRESS STREET PORTLAND, ME 04101	FUNDRAISING	209,945.
----- ----- -----		
----- ----- -----		
----- ----- -----		
Total number of others receiving over \$50,000 for professional services ▶	0	

Part III Statements About Activities (See page 2 of the instructions.)		Yes	No
1	During the year, has the organization attempted to influence national, state, or local legislation, including any attempt to influence public opinion on a legislative matter or referendum? If "Yes," enter the total expenses paid or incurred in connection with the lobbying activities ► \$ _____ \$ _____ (Must equal amounts on line 38, Part VI-A, or line i of Part VI-B.) Organizations that made an election under section 501(h) by filing Form 5768 must complete Part VI-A. Other organizations checking "Yes," must complete Part VI-B AND attach a statement giving a detailed description of the lobbying activities.		X
2	During the year, has the organization, either directly or indirectly, engaged in any of the following acts with any substantial contributors, trustees, directors, officers, creators, key employees, or members of their families, or with any taxable organization with which any such person is affiliated as an officer, director, trustee, majority owner, or principal beneficiary? (If the answer to any question is "Yes," attach a detailed statement explaining the transactions.) SEE STATEMENT 15		
a	Sale, exchange, or leasing of property?		X
b	Lending of money or other extension of credit?		X
c	Furnishing of goods, services, or facilities?		X
d	Payment of compensation (or payment or reimbursement of expenses if more than \$1,000)?	X	
e	Transfer of any part of its income or assets?		X
3 a	Do you make grants for scholarships, fellowships, student loans, etc.? (If "Yes," attach an explanation of how you determine that recipients qualify to receive payments.) SEE STATEMENT 16	X	
b	Do you have a section 403(b) annuity plan for your employees?		X
4	Did you maintain any separate account for participating donors where donors have the right to provide advice on the use or distribution of funds?		X

Part IV Reason for Non-Private Foundation Status (See pages 3 through 6 of the instructions.)

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

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

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

- 14 An organization organized and operated to test for public safety. Section 509(a)(4). (See page 6 of the instructions.)

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

Calendar year (or fiscal year beginning in)	(a) 2002	(b) 2001	(c) 2000	(d) 1999	(e) Total
15 Gifts, grants, and contributions received. (Do not include unusual grants. See line 28.)	4,361,775.	2,682,118.	3,116,360.	3,883,995.	14,044,248.
16 Membership fees received	62,365.	60,451.	62,343.	58,699.	243,858.
17 Gross receipts from admissions, merchandise sold or services performed, or furnishing of facilities in any activity that is related to the organization's charitable, etc., purpose	463,914.	562,302.	657,749.	434,650.	2,118,615.
18 Gross income from interest, dividends, amounts received from payments on securities loans (section 512(a)(5)), rents, royalties, and unrelated business taxable income (less section 511 taxes) from businesses acquired by the organization after June 30, 1975	20,191.	33,748.	36,153.	40,987.	131,079.
19 Net income from unrelated business activities not included in line 18					
20 Tax revenues levied for the organization's benefit and either paid to it or expended on its behalf					
21 The value of services or facilities furnished to the organization by a governmental unit without charge. Do not include the value of services or facilities generally furnished to the public without charge					
22 Other income. Attach a schedule. Do not include gain or (loss) from sale of capital assets	16,551.	525.	SEE STATEMENT 17	1,843.	18,919.
23 Total of lines 15 through 22	4,924,796.	3,339,144.	3,872,605.	4,420,174.	16,556,719.
24 Line 23 minus line 17	4,460,882.	2,776,842.	3,214,856.	3,985,524.	14,438,104.
25 Enter 1% of line 23	49,248.	33,391.	38,726.	44,202.	
26 Organizations described on lines 10 or 11: a Enter 2% of amount in column (e), line 24					26a 288,762.
b Prepare a list for your records to show the name of and amount contributed by each person (other than a governmental unit or publicly supported organization) whose total gifts for 1999 through 2002 exceeded the amount shown in line 26a. Do not file this list with your return. Enter the total of all these excess amounts					26b 2,841,714.
c Total support for section 509(a)(1) test: Enter line 24, column (e)					26c 14,438,104.
d Add: Amounts from column (e) for lines: 18 131,079. 19 _____ 22 18,919. 26b 2,841,714.					26d 2,991,712.
e Public support (line 26c minus line 26d total)					26e 11,446,392.
f Public support percentage (line 26e (numerator) divided by line 26c (denominator))					26f 79.2791%
27 Organizations described on line 12: a For amounts included in lines 15, 16, and 17 that were received from a "disqualified person," prepare a list for your records to show the name of, and total amounts received in each year from, each "disqualified person." Do not file this list with your return. Enter the sum of such amounts for each year: N/A	(2002)	(2001)	(2000)	(1999)	
b For any amount included in line 17 that was received from each person (other than "disqualified persons"), prepare a list for your records to show the name of, and amount received for each year, that was more than the larger of (1) the amount on line 25 for the year or (2) \$5,000. (Include in the list organizations described in lines 5 through 11, as well as individuals.) Do not file this list with your return. After computing the difference between the amount received and the larger amount described in (1) or (2), enter the sum of these differences (the excess amounts) for each year: N/A	(2002)	(2001)	(2000)	(1999)	
c Add: Amounts from column (e) for lines: 15 _____ 16 _____ 17 _____ 20 _____ 21 _____					27c N/A
d Add: Line 27a total _____ and line 27b total _____					27d N/A
e Public support (line 27c total minus line 27d total)					27e N/A
f Total support for section 509(a)(2) test: Enter amount on line 23, column (e)					27f N/A
g Public support percentage (line 27e (numerator) divided by line 27f (denominator))					27g N/A %
h Investment income percentage (line 18, column (e) (numerator) divided by line 27f (denominator))					27h N/A %

28 Unusual Grants: For an organization described in line 10, 11, or 12 that received any unusual grants during 1999 through 2002, prepare a list for your records to show, for each year, the name of the contributor, the date and amount of the grant, and a brief description of the nature of the grant. Do not file this list with your return. Do not include these grants in line 15.

NONE

Part V Private School Questionnaire (See page 7 of the instructions.)

N/A

(To be completed ONLY by schools that checked the box on line 6 in Part IV)

		Yes	No
29	Does the organization have a racially nondiscriminatory policy toward students by statement in its charter, bylaws, other governing instrument, or in a resolution of its governing body?		
30	Does the organization include a statement of its racially nondiscriminatory policy toward students in all its brochures, catalogues, and other written communications with the public dealing with student admissions, programs, and scholarships?		
31	Has the organization publicized its racially nondiscriminatory policy through newspaper or broadcast media during the period of solicitation for students, or during the registration period if it has no solicitation program, in a way that makes the policy known to all parts of the general community it serves? If "Yes," please describe; if "No," please explain. (If you need more space, attach a separate statement.)		

32	Does the organization maintain the following:		
a	Records indicating the racial composition of the student body, faculty, and administrative staff?	32a	
b	Records documenting that scholarships and other financial assistance are awarded on a racially nondiscriminatory basis?	32b	
c	Copies of all catalogues, brochures, announcements, and other written communications to the public dealing with student admissions, programs, and scholarships?	32c	
d	Copies of all material used by the organization or on its behalf to solicit contributions? If you answered "No" to any of the above, please explain. (If you need more space, attach a separate statement.)	32d	

33	Does the organization discriminate by race in any way with respect to:		
a	Students' rights or privileges?	33a	
b	Admissions policies?	33b	
c	Employment of faculty or administrative staff?	33c	
d	Scholarships or other financial assistance?	33d	
e	Educational policies?	33e	
f	Use of facilities?	33f	
g	Athletic programs?	33g	
h	Other extracurricular activities? If you answered "Yes" to any of the above, please explain. (If you need more space, attach a separate statement.)	33h	

34 a	Does the organization receive any financial aid or assistance from a governmental agency?	34a	
b	Has the organization's right to such aid ever been revoked or suspended? If you answered "Yes" to either 34a or b, please explain using an attached statement.	34b	
35	Does the organization certify that it has complied with the applicable requirements of sections 4.01 through 4.05 of Rev. Proc. 75-50, 1975-2 C.B. 587, covering racial nondiscrimination? If "No," attach an explanation	35	

Part VI-A Lobbying Expenditures by Electing Public Charities (See page 9 of the instructions.) **N/A**
 (To be completed **ONLY** by an eligible organization that filed Form 5768)

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

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

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

4-Year Averaging Period Under Section 501(h)

(Some organizations that made a section 501(h) election do not have to complete all of the five columns below. See the instructions for lines 45 through 50 on page 11 of the instructions.)

Calendar year (or fiscal year beginning in)	Lobbying Expenditures During 4-Year Averaging Period				N/A
	(a) 2003	(b) 2002	(c) 2001	(d) 2000	(e) Total
45 Lobbying nontaxable amount					0.
46 Lobbying ceiling amount (150% of line 45(e))					0.
47 Total lobbying expenditures					0.
48 Grassroots nontaxable amount					0.
49 Grassroots ceiling amount (150% of line 48(e))					0.
50 Grassroots lobbying expenditures					0.

Part VI-B Lobbying Activity by Nonelecting Public Charities
 (For reporting only by organizations that did not complete Part VI-A) (See page 12 of the instructions.)

During the year, did the organization attempt to influence national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of:	Yes	No	Amount
a Volunteers		X	
b Paid staff or management (Include compensation in expenses reported on lines c through h.)		X	
c Media advertisements		X	
d Mailings to members, legislators, or the public		X	
e Publications, or published or broadcast statements		X	
f Grants to other organizations for lobbying purposes		X	
g Direct contact with legislators, their staffs, government officials, or a legislative body		X	
h Rallies, demonstrations, seminars, conventions, speeches, lectures, or any other means		X	
i Total lobbying expenditures (Add lines c through h.)			0.

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

**ISLAND INSTITUTE
DEPRECIATION SCHEDULE
6/30/2004**

EIN: 22-2786731

	Basis	Depreciation		Book Value	Method	Life
		Expense	Accum. Deprec			
Islands	1,822,948.62	-	-	1,822,948.62		
Land and buildings	1,774,156.64	46,842.93	186,179.99	1,587,976.65	S/L	30
Boats	212,120.89	7,898.76	195,032.47	17,088.42	S/L	5-7
Office equipment	316,587.29	56,303.50	232,062.92	84,524.37	S/L	5-7
Electronic equipment	554,394.23	66,419.64	354,888.01	199,506.22	S/L	5
	<u>4,680,207.67</u>	<u>177,464.83</u>	<u>968,163.39</u>	<u>3,712,044.28</u>		

FORM 990 GAIN (LOSS) FROM PUBLICLY TRADED SECURITIES STATEMENT 1

DESCRIPTION	GROSS SALES PRICE	COST OR OTHER BASIS	EXPENSE OF SALE	NET GAIN OR (LOSS)
VARIOUS SECURITIES	529,822.	553,896.	0.	<24,074.>
TO FORM 990, PART I, LINE 8	529,822.	553,896.	0.	<24,074.>

FORM 990 GAIN (LOSS) FROM SALE OF OTHER ASSETS STATEMENT 2

DESCRIPTION	DATE ACQUIRED	DATE SOLD	METHOD ACQUIRED		
VARIOUS	VARIOUS	VARIOUS	PURCHASED		
NAME OF BUYER	GROSS SALES PRICE	COST OR OTHER BASIS	EXPENSE OF SALE	DEPREC	NET GAIN OR (LOSS)
	4,000.	10,875.	0.	0.	<6,875.>
TO FM 990, PART I, LN 8	4,000.	10,875.	0.	0.	<6,875.>

FORM 990

INCOME AND COST OF GOODS SOLD
INCLUDED ON PART I, LINE 10

STATEMENT 3

INCOME

1. GROSS RECEIPTS	375,733	
2. RETURNS AND ALLOWANCES		
3. LINE 1 LESS LINE 2		375,733
4. COST OF GOODS SOLD (LINE 13)	213,082	
5. GROSS PROFIT (LINE 3 LESS LINE 4)		162,651

COST OF GOODS SOLD

6. INVENTORY AT BEGINNING OF YEAR	186,776	
7. MERCHANDISE PURCHASED	242,955	
8. COST OF LABOR		
9. MATERIALS AND SUPPLIES		
10. OTHER COSTS		
11. ADD LINES 6 THROUGH 10		429,731
12. INVENTORY AT END OF YEAR	216,649	
13. COST OF GOODS SOLD (LINE 11 LESS LINE 12).		213,082

FORM 990	OTHER CHANGES IN NET ASSETS OR FUND BALANCES	STATEMENT	4
DESCRIPTION		AMOUNT	
UNREALIZED GAIN ON INVESTMENTS		47,765.	
CHANGE IN BENEFICIAL INTEREST IN PERPETUAL TRUST		111,563.	
ROUNDING		<2.>	
TOTAL TO FORM 990, PART I, LINE 20		159,326.	

FORM 990	OTHER EXPENSES			STATEMENT	5
DESCRIPTION	(A) TOTAL	(B) PROGRAM SERVICES	(C) MANAGEMENT AND GENERAL	(D) FUNDRAISING	
OTHER EXPENSES -					
PROGRAMS	205,705.	205,705.			
FELLOWSHIP STIPENDS	100,505.	100,505.			
FELLOWSHIP - PROF					
DEVELOP	4,930.	4,930.			
FELLOWSHIP - ROOM &					
BOARD	35,894.	35,894.			
FELLOWSHIP					
HEALTH/LIFE					
INSURANCE	38,552.	38,552.			
FELLOWSHIP MEALS &					
ENTERTAINMENT	1,795.	1,795.			
FELLOWSHIP MISC					
EXPENSES	6,014.	6,014.			
GIFTS	1,172.	1,172.			
STAFF RECRUITMENT	2,933.	2,933.			
STAFF DEVELOPMENT	970.	970.			
DUES & SUBS	1,216.	1,216.			
BOATS/BOAT CHARTERS	35,773.	35,773.			
BAD DEBTS	<1,500.>	<1,500.>			
MISCELLANEOUS					
PROGRAM EXPENSES	5,153.	5,153.			
CONSULTING	5,943.		5,943.		
OTHER EXPENSES	9,455.		9,455.		
MISCELLANEOUS GIFT					
SHOP	10,217.		10,217.		
STAFF					
DEVELOPMENT/TRAINING	4,859.		4,859.		
BAD DEBTS	96.		96.		
TAXES AND INSURANCE	34,562.		34,562.		
MIS EXPENSES	2,194.		2,194.		
DIRECT PROJECT					
EXPENSES	14,794.			14,794.	

DUES & SUBS -				
FUNDRAISING	311.			311.
STAFF DEVELOPMENT	155.			155.
MISCELLANEOUS - FR	1,228.			1,228.
MARKETING - FR	27,346.			27,346.
CAPITAL CAMPAIGN EXPENSES	367,444.			367,444.
OVERHEAD ALLOCATION	<18,822.>	73,162.	<107,479.>	15,495.
SUBCONTRACTS	4,179.	4,179.		
SCHOLARSHIP EXPENSES	3,325.	3,325.		
TOTAL TO FM 990, LN 43	906,398.	519,778.	<40,153.>	426,773.

FORM 990 STATEMENT OF ORGANIZATION'S PRIMARY EXEMPT PURPOSE STATEMENT 6
PART III

EXPLANATION

VOICE FOR THE BALANCED FUTURE OF THE ISLANDS AND WATERS OF THE GULF OF MAINE

FORM 990 CASH GRANTS AND ALLOCATIONS STATEMENT 7

CLASSIFICATION	DONEE'S NAME	DONEE'S ADDRESS	DONEE'S RELATIONSHIP	AMOUNT
SEE ATTACHED			NONE	63,201.
TOTAL INCLUDED ON FORM 990, PART II, LINE 22				63,201.

FORM 990 NON-GOVERNMENT SECURITIES STATEMENT 8

SECURITY DESCRIPTION	CORPORATE STOCKS	CORPORATE BONDS	OTHER PUBLICLY TRADED SECURITIES	OTHER SECURITIES	TOTAL NON-GOV'T SECURITIES
CORPORATE STOCKS	2,269,499.				2,269,499.
MONEY MARKET FUNDS/CD				529,422.	529,422.
MUTUAL FUNDS			91,649.		91,649.
TO 990, LN 54 COL B	2,269,499.		91,649.	529,422.	2,890,570.

FORM 990	OTHER ASSETS	STATEMENT	9
<u>DESCRIPTION</u>		<u>AMOUNT</u>	
ASSETS HELD FOR SALE			193,025.
BENEFICIAL INTEREST IN PERPETUAL TRUST			1,238,548.
TOTAL TO FORM 990, PART IV, LINE 58, COLUMN B			1,431,573.

FORM 990	OTHER LIABILITIES	STATEMENT	10
<u>DESCRIPTION</u>		<u>AMOUNT</u>	
ANNUITY OBLIGATIONS			54,242.
LOAN GUARANTEE PAYABLE			30,000.
TOTAL TO FORM 990, PART IV, LINE 65, COLUMN B			84,242.

FORM 990	OTHER REVENUE NOT INCLUDED ON FORM 990	STATEMENT	11
<u>DESCRIPTION</u>		<u>AMOUNT</u>	
COST OF GOODS SOLD			213,082.
TOTAL TO FORM 990, PART IV-A			213,082.

FORM 990	OTHER EXPENSES NOT INCLUDED ON FORM 990	STATEMENT	12
<u>DESCRIPTION</u>		<u>AMOUNT</u>	
COST OF GOODS SOLD			213,082.
ROUNDING			1.
TOTAL TO FORM 990, PART IV-B			213,083.

FORM 990

PART V - LIST OF OFFICERS, DIRECTORS,
TRUSTEES AND KEY EMPLOYEES

STATEMENT 13

NAME AND ADDRESS	TITLE AND AVRG HRS/WK	COMPEN- SATION	EMPLOYEE BEN PLAN CONTRIB	EXPENSE ACCOUNT
PHILIP CONKLING 386 MAIN STREET, PO BOX 648 ROCKLAND, ME 04841	PRESIDENT 40	109,607.	7,739.	0.
PETER RALSTON 386 MAIN STREET, PO BOX 648 ROCKLAND, ME 04841	EXECUTIVE VP 40	95,956.	7,275.	0.
HORACE A. HILDRETH, JR. 386 MAIN STREET, PO BOX 648 ROCKLAND, ME 04841	CHAIRMAN 1	0.	0.	0.
DONNA DAMON 386 MAIN STREET, PO BOX 648 ROCKLAND, ME 04841	SECRETARY 1	0.	0.	0.
JOHN BIRD 386 MAIN STREET, PO BOX 648 ROCKLAND, ME 04841	VICE CHAIR 1	0.	0.	0.
SAMUEL PARKMAN SHAW 386 MAIN STREET, PO BOX 648 ROCKLAND, ME 04841	TRUSTEE 1	0.	0.	0.
WILLIAM J. GINN 386 MAIN STREET, PO BOX 648 ROCKLAND, ME 04841	TRUSTEE 1	0.	0.	0.
ERIC DAVIS 386 MAIN STREET, PO BOX 648 ROCKLAND, ME 04841	TRUSTEE 1	0.	0.	0.
JOHN HIGGINS 386 MAIN STREET, PO BOX 648 ROCKLAND, ME 04841	TREASURER 1	0.	0.	0.
ELDON C. MAYER, JR. 386 MAIN STREET, PO BOX 648 ROCKLAND, ME 04841	TRUSTEE 1	0.	0.	0.
LOUIS W. CABOT 386 MAIN STREET, PO BOX 648 ROCKLAND, ME 04841	TRUSTEE 1	0.	0.	0.

ROBERT E. CANDAGE 386 MAIN STREET, PO BOX 648 ROCKLAND, ME 04841	TRUSTEE 1	0.	0.	0.
JOSEE SHELLEY 386 MAIN STREET, PO BOX 648 ROCKLAND, ME 04841	VP FINANCE & OPERATIONS 40	5,139.	2,310.	0.
MICHAEL BOYD 386 MAIN STREET, PO BOX 648 ROCKLAND, ME 04841	CLERK 1	0.	0.	0.
POLLY GUTH 386 MAIN STREET, PO BOX 648 ROCKLAND, ME 04841	TRUSTEE 1	0.	0.	0.
NANCY HOPKINS-DAVISSON 386 MAIN STREET, PO BOX 648 ROCKLAND, ME 04841	TRUSTEE 1	0.	0.	0.
PETER QUESADA 386 MAIN STREET, PO BOX 648 ROCKLAND, ME 04841	TRUSTEE 1	0.	0.	0.
GEORGE SHAW 386 MAIN STREET, PO BOX 648 ROCKLAND, ME 04841	TRUSTEE 1	0.	0.	0.
BARBARA SWEET 386 MAIN STREET, PO BOX 648 ROCKLAND, ME 04841	TRUSTEE 1	0.	0.	0.
DAVID THOMAS 386 MAIN STREET, PO BOX 648 ROCKLAND, ME 04841	TRUSTEE 1	0.	0.	0.
NANCY JORDAN 386 MAIN STREET, PO BOX 648 ROCKLAND, ME 04841	TRUSTEE 1	0.	0.	0.
NANCY PUTNAM 386 MAIN STREET, PO BOX 648 ROCKLAND, ME 04841	TRUSTEE 1	0.	0.	0.
MATTHEW SIMMONS 386 MAIN STREET, PO BOX 648 ROCKLAND, ME 04841	TRUSTEE 1	0.	0.	0.
BART MORRISON 386 MAIN STREET, PO BOX 648 ROCKLAND, ME 04841	CHIEF OPERATING OFFICER 40	86,538.	4,566.	0.
TOTALS INCLUDED ON FORM 990, PART V		<u>297,240.</u>	<u>21,890.</u>	<u>0.</u>

FORM 990 PART VIII - RELATIONSHIP OF ACTIVITIES TO STATEMENT 14
 ACCOMPLISHMENT OF EXEMPT PURPOSES

LINE	EXPLANATION OF RELATIONSHIP OF ACTIVITIES
93B	EXHIBITS SPONSORED TO EDUCATE AND OUTREACH TO THE GENERAL PUBLIC
93C	CONDUCTED STUDIES ON MARINE RESOURCES, AQUACULTURE, AND OTHER PROJECTS
102	ARCHIPELAGO GIFT SHOP PROVIDES A VENUE FOR ISLAND AND COASTAL ARTISTS LIVING IN REMOTE COMMUNITIES TO OFFER ARTWORK AND HANDMADE CRAFTS EVOKING THE HERITAGE OF COASTAL MAINE
94	DEVELOPED AWARENESS OF MARINE RELATED ISSUES AND THE ROLE OF THE ISLAND INSTITUTE
93A	PRODUCED ISLAND AND MARINE ORIENTED PUBLICATIONS AND RAN CONFERENCES AND FORUMS TO EDUCATE THE PUBLIC AND FACILITATE THE RESOLUTION OF CRITICAL MARINE AND ISLAND ISSUES.

SCHEDULE A STATEMENT REGARDING ACTIVITIES WITH STATEMENT 15
 SUBSTANTIAL CONTRIBUTORS, TRUSTEES, DIRECTORS,
 CREATORS, KEY EMPLOYEES, ETC.,
 PART III, LINE 2

SEE FORM 990, PART V

SCHEDULE A EXPLANATION OF QUALIFICATIONS TO RECEIVE PAYMENTS STATEMENT 16
 PART III, LINE 3

A PERCENTAGE OF EACH CONTRIBUTION OF \$100 AS WELL AS CONTIBUTIONS DESIGNATED FOR SCHOLARSHIPS ARE PLACED INTO A SCHOLARSHIP FUND. SCHOLARSHIPS ARE AWARDED TO ISLAND STUDENTS ON A NEED BASIS BY THE RECOMMENDATION OF A COMMUNITY-BASED ADVISORY COMMITTEE.

SCHEDULE A OTHER INCOME STATEMENT 17

DESCRIPTION	2002 AMOUNT	2001 AMOUNT	2000 AMOUNT	1999 AMOUNT
MISC INCOME	16,551.	525.	0.	1,843.
TOTAL TO SCHEDULE A, LINE 22	16,551.	525.	0.	1,843.

ISLAND INSTITUTE
EIN # 22-2786731
990 Part II, Line 22

STATEMENT 18

Island Community Fund Grants 2003 -2004

Hope Jackson	295.00
Society for the Preservation of Free Will Baptist Church	1,660.00
North Haven Arts & Enrichment	1,280.00
Island Commons Resource Center	1,400.00
Vinalhaven School	900.00
Long Island School	225.00
North Haven Community School	1,000.00
Frenchboro School	500.00
North Haven Community School	1,000.00
Swan's Island Educational Society	705.00
Great Cranberry Historical Society	2,500.00
Islesford School	301.17
	<u>11,766.17</u>

McLane Scholarships 2003-2004

Kevin Russell	1,500.00
Ben MacDonald	1,000.00
Jasmine Tinker	1,500.00
Matt Webber	1,195.00
Katherine Hauprich	1,500.00
Charles Freidman	1,000.00
Emmett Deeney Huber	1,500.00
Bob Watts	40.00
John VaNess	40.00
Tom Bridges	40.00
Aaron Sheridan	850.00
Corbin Farnum	180.00
Field Leonard	145.00
Fiona Warren	1,500.00
Francis Warren	1,500.00
Joe Nelson	865.00
Oakley Jackson	200.00
Olivia Hunt Chilles	200.00
Shyanne Warren	180.00
Stephen Rosen	1,500.00
	<u>16,435.00</u>

EIN: 22-2786731
STATEMENT 18 (CONTINUED)

MCF Scholarships 2003 - 2004

Lname	Fname	Town	
Damon	Rachel	Chebeague	500
Hamilton	Loretta	Chebeague	500
Johnson	Viktoria	Chebeague	500
Fernald	Cameron	Cranberry Isles	250
Fernald	Robin	Cranberry Isles	500
Gray	Joshua	Cranberry Isles	750
Gray	Seth	Cranberry Isles	250
Russell	Amy	Cranberry Isles	250
Samuel	Jasmine	Cranberry Isles	500
Spurling	Marya	Cranberry Isles	500
Thomas	Emily	Cranberry Isles	250
Thomas	Rachel	Cranberry Isles	500
Spratt	William	Frenchboro	500
Runge	Tucker	Isle au Haut	500
Bolduc	Annie	Islesboro	1,500
Bolduc	Jonathan	Islesboro	1,500
Daley	Krista	Islesboro	500
Diffin	Erika	Islesboro	1,500
Diffin	Rory	Islesboro	1,500
Harkins	Alexandra	Islesboro	2,000
Johnston	Melissa	Islesboro	500
Merritt	Charles	Islesboro	250
Rolerson	Nyiah	Islesboro	1,000
Tutor	Daniel	Islesboro	500
Carle	Emily	Long	500
Clark	Lynn	Long	250
Johnson	Kelcie	Long	250
Johnson	Morra	Long	500
Baribeau	Elizabeth	North Haven	500
Barrett	Laura	North Haven	250
Brown	April	North Haven	750
Curtis	Alexander	North Haven	500
Curtis	Jacqueline	North Haven	500
Hopkins	Molly	North Haven	250
Lovell	Elizabeth	North Haven	500
Cannon	Lana	Peaks	500
Flynn	Kathryn	Peaks	500
Huber	Evans	Peaks	500
McInerney	Katherine	Peaks	500
Mulkern	Shannon	Peaks	500
Oliver	Isaiah	Peaks	500
Radis	Katherine	Peaks	500
Schuit	Aaron	Peaks	500
Schuit	Jacob	Peaks	500
Van Der Steenhoven	Marieke	Peaks	500

EIN: 22-2786731
STATEMENT 18 (CONTINUED)

Walsh	James	Peaks	500
Walsh	Robert	Peaks	500
Kitchen (Grubbs)	Holly	Swan's	500
Martin	Karen	Swan's	250
Stanley	Abigail	Swan's	500
Beckman	Eric	Vinalhaven	500
Crossman	Brittany	Vinalhaven	1,000
Donahue	Emma	Vinalhaven	250
Gasperini	Eric	Vinalhaven	500
McCarthy	Keely	Vinalhaven	250
Mesko	Farley	Vinalhaven	1,000
Miller	Joshua	Vinalhaven	750
Osgood	Chelsea	Vinalhaven	500
Smith	Amy	Vinalhaven	500
Weller	Chris	Vinalhaven	750
			35,000

** No relationship exists between any grantee listed above to any person with an interest in the Island Institute

Application for Extension of Time To File an Exempt Organization Return

▶ File a separate application for each return.

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

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

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

Note: Form 990-T corporations requesting an automatic 6-month extension - check this box and complete Part I only
 All other corporations (including Form 990-C filers) must use Form 7004 to request an extension of time to file income tax returns. Partnerships, REMICs and trusts must use Form 8736 to request an extension of time to file Form 1065, 1066, or 1041.

Type or print	Name of Exempt Organization	Employer identification number
	ISLAND INSTITUTE	22-2786731
File by the due date for filing your return See instructions	Number, street, and room or suite no. If a P.O. box, see instructions.	
	386 MAIN STREET, PO BOX 648	
	City, town or post office, state, and ZIP code. For a foreign address, see instructions.	
	ROCKLAND, ME 04841	

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

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

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

- I request an automatic 3-month (6-month, for 990-T corporation) extension of time until FEBRUARY 15, 2005 to file the exempt organization return for the organization named above. The extension is for the organization's return for:
 - ▶ calendar year ____ or
 - ▶ tax year beginning JUL 1, 2003, and ending JUN 30, 2004.
- If this tax year is for less than 12 months, check reason: Initial return Final return Change in accounting period
- a If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions \$ _____
- b If this application is for Form 990-PF or 990-T, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit \$ _____
- c Balance Due. Subtract line 3b from line 3a. Include your payment with this form, or, if required, deposit with FTD coupon or, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions \$ N/A

Signature and Verification

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

Signature ▶ James Michael Title ▶ BERRY, DUNN, McNEIL & PARKER - 36 PLEASANT STREET BANGOR, MAINE 04401 - E.I.N. 01-0523282 Date ▶ 11/5/04
 LHA For Paperwork Reduction Act Notice, see instruction Form 8868 (12-2000)

If you are filing for an Additional (not automatic) 3-Month Extension, complete only Part II and check this box

Note: Only complete Part II if you have already been granted an automatic 3-month extension on a previously filed Form 8868.

If you are filing for an Automatic 3-Month Extension, complete only Part I (on page 1)

Part II Additional (not automatic) 3-Month Extension of Time - Must file Original and One Copy.		
Type or print.	Name of Exempt Organization ISLAND INSTITUTE	Employer identification number 22-2786731
File by the extended due date for filing the return See instructions	Number, street, and room or suite no. If a P.O. box, see instructions 386 MAIN STREET, PO BOX 648	For IRS use only
	City, town or post office, state, and ZIP code For a foreign address, see instructions ROCKLAND, ME 04841	

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

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

STOP: Do not complete Part II if you were not already granted an automatic 3-month extension on a previously filed Form 8868.

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

4 I request an additional 3-month extension of time until MAY 16, 2005

5 For calendar year _____, or other tax year beginning JUL 1, 2003 and ending JUN 30, 2004

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

7 State in detail why you need the extension
ADDITIONAL TIME IS NEEDED TO GATHER INFORMATION NECESSARY TO FILE A COMPLETE AND ACCURATE RETURN.

8a If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions \$ _____

b If this application is for Form 990-PF, 990-T, 4720, or 6069, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit and any amount paid previously with Form 8868 \$ _____

c Balance Due. Subtract line 8b from line 8a. Include your payment with this form, or, if required, deposit with FTD coupon or, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions \$ N/A

Signature and Verification

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

Signature Barbara McBean Title BERRY, DUNN, MCNEIL & PARKER - 36 PLEASANT STREET BANGOR, MAINE 04401 - E.I.M. 01-000202 Date 2/10/05

Notice to Applicant - To Be Completed by the IRS

- We have approved this application. Please attach this form to the organization's return.
- We have not approved this application. However, we have granted a 10-day grace period from the later of the date shown below or the due date of the organization's return (including any prior extensions). This grace period is considered to be a valid extension of time for elections otherwise required to be made on a timely return. Please attach this form to the organization's return.
- We have not approved this application. After considering the reasons stated in item 7, we cannot grant your request for an extension of time to file. We are not granting the 10-day grace period.
- We cannot consider this application because it was filed after the due date of the return for which an extension was requested.
- Other _____

Director _____ By: _____ Date _____

Alternate Mailing Address - Enter the address if you want the copy of this application for an additional 3-month extension returned to an address different than the one entered above

Type or print	Name BERRY, DUNN, MCNEIL & PARKER
	Number and street (include suite, room, or apt. no.) Or a P.O. box number 36 PLEASANT ST
	City or town, province or state, and country (including postal or ZIP code) BANGOR, ME 04401