

Form **990**

Return of Organization Exempt From Income Tax

OMB No 1545-0047

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

2008

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

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

A For the 2008 calendar year, or tax year beginning 07-01-2008 and ending 06-30-2009

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

Please use IRS label or print or type. See Specific Instructions.

C Name of organization
Island Institute

Doing Business As

Number and street (or P O box if mail is not delivered to street address) Room/suite
386 Main Street PO Box 648

City or town, state or country, and ZIP + 4
Rockland, ME 04841

D Employer identification number
22-2786731

E Telephone number
(207) 594-9209

G Gross receipts \$ 14,457,921

F Name and address of Principal Officer
Philip Conkling
386 Main Street PO Box 648
Rockland, ME 04841

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

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

H(c) Group Exemption Number ▶

I Tax-exempt status 501(c) (3) ▶ (insert no) 4947(a)(1) or 527

J Web site: ▶ www.islandinstitute.org

K Type of organization Corporation trust association other ▶

L Year of Formation 1983 | **M State of legal domicile** ME

Part I Summary

Activities & Governance	1 Briefly describe the organization's mission or most significant activities to be a voice for the balanced future of the islands and the waters of the gulf of maine		
	2 Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its assets		
	3 Number of voting members of the governing body (Part VI, line 1a)	3	21
	4 Number of independent voting members of the governing body (Part VI, line 1b)	4	21
	5 Total number of employees (Part V, line 2a)	5	61
	6 Total number of volunteers (estimate if necessary)	6	0
	7a Total gross unrelated business revenue from Part VIII, line 12, column (C)	7a	82,266
b 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)	3,238,270	3,375,536
	10 Investment income (Part VIII, column (A), lines 3, 4, and 7d)	169,627	202,453
	11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	544,526	162,158
	12 Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	370,232	159,739
		4,322,655	3,899,886
Expenses	13 Grants and similar amounts paid (Part IX, column (A), lines 1–3)	347,320	247,350
	14 Benefits paid to or for members (Part IX, column (A), line 4)		0
	15 Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10)	2,067,725	2,272,788
	16a Professional fundraising fees (Part IX, column (A), line 11e)		0
	b (Total fundraising expenses, Part IX, column (D), line 25 233,417)		
	17 Other expenses (Part IX, column (A), lines 11a–11d, 11f–24f)	1,438,874	1,527,813
18 Total expenses—add lines 13–17 (must equal Part IX, line 25, column (A))	3,853,919	4,047,951	
19 Revenue less expenses Subtract line 18 from line 12	468,736	-148,065	
Net Assets or Fund Balances		Beginning of Year	End of Year
	20 Total assets (Part X, line 16)	19,381,634	17,290,750
	21 Total liabilities (Part X, line 26)	375,689	528,224
22 Net assets or fund balances Subtract line 21 from line 20	19,005,945	16,762,526	

Part II Signature Block

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge

Signature of officer: _____ Date: 2010-06-30

Aaron Fuchs Vice President - Business Mgt
Type or print name and title

Paid Preparer's Use Only

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

Firm's name (or yours if self-employed), address, and ZIP + 4: Runyon Kersteen Ouellette, 20 Long Creek Drive, South Portland, ME 04106

Preparer's PTIN (See Gen Inst) _____ EIN ▶ _____ Phone no ▶ (207) 773-2986

May the IRS discuss this return with the preparer shown above? (See instructions) Yes No

Part III Statement of Program Service Accomplishments (See the instructions.)

1 Briefly describe the organization's mission

To be a voice for the balanced future of the islands and the waters of the Gulf of Maine

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 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 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 (4) organizations and 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 \$ 910,035 including grants of \$ 133,382) (Revenue \$)
community initiatives island school conferences, grants, fellowships, scholarships, affordable housing, and community and economic development

4b (Code) (Expenses \$ 558,675 including grants of \$ 13,915) (Revenue \$ 0)
ecological services and marine sciences aquaculture modeling, fisheries ecosystem management modeling, and field research

4c (Code) (Expenses \$ 597,745 including grants of \$) (Revenue \$ 0)
Crest - Provide the tools for students and teachers to create place-based learning experiences that use technology to answer community resource stewardship questions

(Code) (Expenses \$ 1,217,333 including grants of \$ 100,053) (Revenue \$ 157,232)

4d Other program services (Describe in Schedule O)
(Expenses \$ including grants of \$) (Revenue \$)

4e Total program service expenses \$ 3,283,788 *Must equal Part IX, Line 25, column (B).*

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> <input checked="" type="checkbox"/>	Yes	
2 Is the organization required to complete Schedule B, Schedule of Contributors? <input checked="" type="checkbox"/>	Yes	
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>		No
4 Section 501(c)(3) organizations Did the organization engage in lobbying activities? <i>If "Yes," complete Schedule C, Part II.</i>		No
5 Section 501(c)(4), 501(c)(5), and 501(c)(6) organizations Is the organization subject to the section 6033(e) notice and reporting requirement and proxy tax? <i>If "Yes," complete Schedule C, Part III.</i>		
6 Did the organization maintain any donor advised funds or any 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> <input checked="" type="checkbox"/>		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>		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> <input checked="" type="checkbox"/>		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> <input checked="" type="checkbox"/>		No
10 Did the organization hold assets in term, permanent, or quasi-endowments? <i>If "Yes," complete Schedule D, Part V.</i> <input checked="" type="checkbox"/>	Yes	
11 Did the organization report an amount in Part X, lines 10, 12, 13, 15, or 25? <i>If "Yes," complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable.</i> <input checked="" type="checkbox"/>	Yes	
12 Did the organization receive an audited financial statement for the year for which it is completing this return that was prepared in accordance with GAAP? <i>If "Yes," complete Schedule D, Parts XI, XII, and XIII.</i> <input checked="" type="checkbox"/>	Yes	
13 Is the organization a school as described in section 170(b)(1)(A)(ii)? <i>If "Yes," complete Schedule E.</i>		No
14a Did the organization maintain an office, employees, or agents outside of the U.S.?		No
b Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, and program service activities outside the U.S.? <i>If "Yes," complete Schedule F, Part I.</i>		No
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 United States? <i>If "Yes," complete Schedule F, Part II.</i>		No
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 United States? <i>If "Yes," complete Schedule F, Part III.</i>		No
17 Did the organization report more than \$15,000 on Part IX, column (A), line 11e? <i>If "Yes," complete Schedule G, Part I.</i>		No
18 Did the organization report more than \$15,000 total on Part VIII, lines 1c and 8a? <i>If "Yes," complete Schedule G, Part II.</i>		No
19 Did the organization report more than \$15,000 on Part VIII, line 9a? <i>If "Yes," complete Schedule G, Part III.</i>		No
20 Did the organization operate one or more hospitals? <i>If "Yes," complete Schedule H.</i>		No
21 Did the organization report more than \$5,000 on Part IX, column (A), line 1? <i>If "Yes," complete Schedule I, Parts I and II.</i> <input checked="" type="checkbox"/>	Yes	
22 Did the organization report more than \$5,000 on Part IX, column (A), line 2? <i>If "Yes," complete Schedule I, Parts I and III.</i> <input checked="" type="checkbox"/>	Yes	
23 Did the organization answer "Yes" to Part VII, Section A, questions 3, 4, or 5? <i>If "Yes," complete Schedule J.</i> <input checked="" type="checkbox"/>	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 questions 24b-24d and complete Schedule K. If "No," go to question 25.</i>		No
b Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?		
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?		
d Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?		
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>		No
b Did the organization become aware that it had engaged in an excess benefit transaction with a disqualified person from a prior year? <i>If "Yes," complete Schedule L, Part I.</i>		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>		No
27 Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, or substantial contributor, or to a person related to such an individual? <i>If "Yes," complete Schedule L, Part III.</i>		No

Part IV Checklist of Required Schedules *(Continued)*

		Yes	No
28	During the tax year, did any person who is a current or former officer, director, trustee, or key employee		
a	Have a direct business relationship with the organization (other than as an officer, director, trustee, or employee), or an indirect business relationship through ownership of more than 35% in another entity (individually or collectively with other person(s) listed in Part VII, Section A)? <i>If "Yes," complete Schedule L, Part IV</i>		No
b	Have a family member who had a direct or indirect business relationship with the organization? <i>If "Yes," complete Schedule L, Part IV</i>		No
c	Serve as an officer, director, trustee, key employee, partner, or member of an entity (or a shareholder of a professional corporation) doing business with the organization? <i>If "Yes," complete Schedule L, Part IV</i>		No
29	Did the organization receive more than \$25,000 in non-cash contributions? <i>If "Yes," complete Schedule M</i>		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>		No
31	Did the organization liquidate, terminate, or dissolve and cease operations? <i>If "Yes," complete Schedule N, Part I</i>		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>		No
33	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations section 301.7701-2 and 301.7701-3? <i>If "Yes," complete Schedule R, Part I</i>		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>		No
35	Is any related organization a controlled entity within the meaning of section 512(b)(13)? <i>If "Yes," complete Schedule R, Part V, line 2</i>		No
36	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>		No
37	Did the organization conduct more than 5 percent 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>		No

Part V Statements Regarding Other IRS Filings and Tax Compliance

		Yes	No
1a	Enter the number reported in Box 3 of Form 1096, <i>Annual Summary and Transmittal of U.S. Information Returns</i> . Enter -0- if not applicable		
	1a 194		
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?	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 61		
b	If at least one is reported in 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 this return.	Yes	
3a	Did the organization have unrelated business gross income of \$1,000 or more during the year covered by this return?	Yes	
b	If "Yes," has it filed a Form 990-T for this year? If "No," provide an explanation in Schedule O	Yes	
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)?		No
b	If "Yes," enter the name of the foreign country _____ See the instructions for exceptions and 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?		No
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?		No
c	If "Yes," to 5a or 5b, did the organization file Form 8886-T, <i>Disclosure by Tax-Exempt Entity Regarding Prohibited Tax Shelter Transaction</i> ?		
6a	Did the organization solicit any contributions that were not tax deductible?		No
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?		
7	<i>Organizations that may receive deductible contributions under section 170(c).</i>		
a	Did the organization provide goods or services in exchange for any quid pro quo contribution of \$75 or more?		
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?	Yes	
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?		No
d	If "Yes," indicate the number of Forms 8282 filed during the year		
	7d		
e	Did the organization, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?		No
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?		No
g	For all contributions of qualified intellectual property, did the organization file Form 8899 as required?		
h	For contributions of cars, boats, airplanes, and other vehicles, did the organization file a Form 1098-C as required?		
8	<i>Section 501(c)(3) and other sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations.</i> Did the supporting organization, or a fund maintained by a sponsoring organization, have excess business holdings at any time during the year?		
9	<i>Section 501(c)(3) and other sponsoring organizations maintaining donor advised funds.</i>		
a	Did the organization make any taxable distributions under section 4966?		
b	Did the organization make a distribution to a donor, donor advisor, or related person?		
10	<i>Section 501(c)(7) organizations.</i> Enter		
a	Initiation fees and capital contributions included on Part VIII, line 12		
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities		
11	<i>Section 501(c)(12) organizations.</i> Enter		
a	Gross income from members or shareholders		
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them)		
12a	<i>Section 4947(a)(1) non-exempt charitable trusts.</i> Is the organization filing Form 990 in lieu of Form 1041?		
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year		
	12b		

Part VI Governance, Management, and Disclosure (Sections A, B, and C request information about policies not required by the Internal Revenue Code.)

Section A. Governing Body and Management

For each "Yes" response to lines 2-7 below, and for a "No" response to lines 8 or 9b below, describe the circumstances, processes, or changes in Schedule O. See instructions.

		Yes	No
1a	Enter the number of voting members of the governing body		
1b	Enter the number of voting members that are independent		
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?		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?		No
4	Did the organization make any significant changes to its organizational documents since the prior Form 990 was filed?		No
5	Did the organization become aware during the year of a material diversion of the organization's assets?		No
6	Does the organization have members or stockholders?	Yes	
7a	Does the organization have members, stockholders, or other persons who may elect one or more members of the governing body?		No
7b	Are any decisions of the governing body subject to approval by members, stockholders, or other persons?		No
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following		
8a	the governing body?	Yes	
8b	each committee with authority to act on behalf of the governing body?	Yes	
9a	Does the organization have local chapters, branches, or affiliates?		No
9b	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?		
10	Was a copy of the Form 990 provided to the organization's governing body before it was filed? All organizations must describe in Schedule O the process, if any, the organization uses to review the Form 990		No
11	Is there any officer, director or 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		No

Section B. Policies

		Yes	No
12a	Does the organization have a written conflict of interest policy? If "No", go to line 13	Yes	
12b	Are officers, directors or trustees, and key employees required to disclose annually interests that could give rise to conflicts?		No
12c	Does the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this is done		No
13	Does the organization have a written whistleblower policy?		No
14	Does the organization have a written document retention and destruction policy?	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		
15a	The organization's CEO, Executive Director, or top management official?	Yes	
15b	Other officers or key employees of the organization? Describe the process in Schedule O	Yes	
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?		No
16b	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?		

Section C. Disclosure

- 17** List the States with which a copy of this Form 990 is required to be filed ME
- 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.
 own website another's website 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
 Aaron Fuchs
 386 Main Street PO Box 648
 Rockland, ME 04841
 (207) 594-9209

Part VIII Statement of Revenue

			(A) Total Revenue	(B) Related or Exempt Function Revenue	(C) Unrelated Business Revenue	(D) Revenue Excluded from Tax under IRC 512, 513, or 514	
Contributions, gifts, grants and other similar amounts	1a	Federated campaigns 1a					
	b	Membership dues 91,425					
	c	Fundraising events 1b					
	d	Related organizations 1c					
	e	Government grants (contributions) 1d 523,743					
	f	All other contributions, gifts, grants, and similar amounts not included above 1e 2,760,368					
	g	Noncash contributions included in lines 1a-1f \$ 129,787 1f					
	h	Total (Add lines 1a-1f) 3,375,536					
Program Service Revenue			Business Code				
	2a	Publications/Information 541,800	114,881	32,615	82,266		
	b	Fellowship & Other Professional 900,099	87,572	87,572			
	c						
	d						
	e						
	f	All other program service revenue					
g	Total. Add lines 2a-2f \$ 202,453						
Other Revenue	3	Investment income (including dividends, interest other similar amounts) 177,951				177,951	
	4	Income from investment of tax-exempt bond proceeds					
	5	Royalties					
	6a		(i) Real				
			(ii) Personal				
		b	Gross Rents				
		c	Less rental expenses				
	d	Net rental income or (loss)					
	7a		(i) Securities				
			(ii) Other				
		b	Gross amount from sales of assets other than inventory 10,358,433				
		c	Less cost or other basis and sales expenses 10,374,226				
d	Gain or (loss) -15,793						
e	Net gain or (loss) -15,793				-15,793		
8a	Gross income from fundraising events (not including \$ _____ of contributions reported on line 1c) See Part IV, line 18 Attach Schedule G if total exceeds \$15,000 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 Complete Schedule G if total exceeds \$15,000 a						
b	Less direct expenses b						
c	Net income or (loss) from gaming activities						
10a		Gross sales of inventory, less returns and allowances a 340,991					
	b	Less cost of goods sold b 183,809					
	c	Net income or (loss) from sales of inventory 157,182	157,182	157,182			
		Business Code					
11a	Miscellaneous Revenue	900,099	2,557	2,557			
b							
c							
d	All other revenue _____						
e	Total. Add lines 11a-11d \$ 2,557						
12	Total Revenue. Add lines 1h, 2g, 3, 4, 5, 6d, 7d, 8c, 9c, 10c, and 11e 3,899,886	3,899,886	279,926	82,266	162,158		

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	115,500	115,500		
2	Grants and other assistance to individuals in the U S See Part IV, line 22	131,850	131,850		
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	293,281	64,332	107,855	121,094
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	1,651,411	1,580,150		4,309
8	Pension plan contributions (include section 401(k) and section 403(b) employer contributions)	43,507	43,328	179	
9	Other employee benefits	208,023	180,990	17,503	9,530
10	Payroll taxes	76,566	64,471	7,160	4,935
11	Fees for services (non-employees)				
a	Management				
b	Legal	7,877		7,877	
c	Accounting	18,250		18,250	
d	Lobbying				
e	Professional fundraising See Part IV, line 17				
f	Investment management fees	88,456		88,456	
g	Other	317,115	283,523	33,592	
12	Advertising and promotion				
13	Office expenses	232,306	162,541	18,166	51,599
14	Information technology	27,784	13,283	14,501	
15	Royalties				
16	Occupancy	94,155	20,092	74,037	26
17	Travel	112,966	103,898	329	8,739
18	Payments of travel or entertainment expenses for any Federal, state or local public officials				
19	Conferences, conventions and meetings	53,148	51,528	444	1,176
20	Interest	772		772	
21	Payments to affiliates				
22	Depreciation, depletion, and amortization	93,359	73,932	14,256	5,171
23	Insurance	23,469		23,469	
24	Other expenses—Itemize expenses not covered above (Expenses grouped together and labeled miscellaneous may not exceed 5% of total expenses shown on line 25 below)				
a	Other expenses	181,227	129,308	41,030	10,889
b	Publications	78,340	71,126		7,214
c	Surveys	56,340	56,340		
d	Summer institute	54,671	54,671		
e	Research & Development	39,109	39,109		
f	All other expenses	48,469	43,816	-4,082	8,735
25	Total functional expenses. Add lines 1 through 24f	4,047,951	3,283,788	530,746	233,417
26	Joint Costs. Check <input type="checkbox"/> if following SOP 98-2 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	72,676	1	438,578
	2 Savings and temporary cash investments	3,248,822	2	879,098
	3 Pledges and grants receivable, net	2,130,455	3	1,184,252
	4 Accounts receivable, net	237,230	4	101,527
	5 Receivables from current and former officers, directors, trustees, key employees or other related parties <i>Complete Part II of Schedule L</i>		5	
	6 Receivables from other disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) <i>Complete Part II of Schedule L</i>		6	
	7 Notes and loans receivable, net	673,750	7	542,338
	8 Inventories for sale or use	228,137	8	274,892
	9 Prepaid expenses and deferred charges	47,873	9	26,964
	10a Land, buildings, and equipment cost basis	10a 2,328,844		
	b Less accumulated depreciation <i>Complete Part VI of Schedule D</i>	10b 1,118,330	1,257,372	10c 1,210,514
	11 Investments—publicly traded securities	9,733,105	11	11,154,824
	12 Investments—other securities See Part IV, line 11 <i>Complete Part VII of Schedule D</i>		12	
	13 Investments—program-related See Part IV, line 11 <i>Complete Part VIII of Schedule D</i>		13	
	14 Intangible assets		14	
	15 Other assets See Part IV, line 11 <i>Complete Part IX of Schedule D</i>	1,752,214	15	1,477,763
16 Total assets. Add lines 1 through 15 (must equal line 34)	19,381,634	16	17,290,750	
Liabilities	17 Accounts payable and accrued expenses	346,286	17	500,084
	18 Grants payable		18	
	19 Deferred revenue	3,565	19	6,943
	20 Tax-exempt bond liabilities		20	
	21 Escrow account liability <i>Complete Part IV of Schedule D</i>		21	
	22 Payable to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons <i>Complete Part II of Schedule L</i>		22	
	23 Secured mortgages and notes payable to unrelated third parties		23	
	24 Unsecured notes and loans payable		24	
	25 Other liabilities <i>Complete Part X of Schedule D</i>	25,838	25	21,197
	26 Total liabilities. Add lines 17 through 25	375,689	26	528,224
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	10,200,035	27	8,322,813
	28 Temporarily restricted net assets	734,992	28	458,286
	29 Permanently restricted net assets	8,070,918	29	7,981,427
	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	19,005,945	33	16,762,526	
34 Total liabilities and net assets/fund balances	19,381,634	34	17,290,750	

Part XI Financial Statements and Reporting

		Yes	No
1	Accounting method used to prepare the Form 990 <input type="checkbox"/> cash <input checked="" type="checkbox"/> accrual <input type="checkbox"/> other		
2a	Were the organization's financial statements compiled or reviewed by an independent accountant?		No
2b	Were the organization's financial statements audited by an independent accountant?	Yes	
2c	If "Yes" to lines 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?	Yes	
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?	Yes	
3b	If "Yes," did the organization undergo the required audit or audits?	Yes	

SCHEDULE A
(Form 990 or 990EZ)

Public Charity Status and Public Support

2008

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

To be completed by all section 501(c)(3) organizations and section 4947(a)(1) nonexempt charitable trusts.
Attach to Form 990 or Form 990-EZ. See separate instructions.

Name of the organization
Island Institute

Employer identification number
22-2786731

Part I Reason for Public Charity Status (to be completed by all organizations) (See Instructions)

The organization is not a private foundation because it is (Please check only **one** organization)

- 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)**. (Attach Schedule H)
- 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)**. (See instructions)
- 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?

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

- (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 organizations the organization supports

(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 IRC 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.)

Public Support

Calendar year (or fiscal year beginning in)	(a) 2004	(b) 2005	(c) 2006	(d) 2007	(e) 2008	(f) Total
1 Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants")	6,557,007	4,091,533	4,553,540	3,238,270	3,375,536	21,815,886
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 line 1-3	6,557,007	4,091,533	4,553,540	3,238,270	3,375,536	21,815,886
5 The portion of total contribution by each person (other than a government unit or publicly supported organization) included on line 1 that exceed 2% of the amount shown on line 11, column (f)						2,113,212
6 Public Support subtract line 5 from line 4						19,702,674

Total Support

Calendar year (or fiscal year beginning in)	(a) 2004	(b) 2005	(c) 2006	(d) 2007	(e) 2008	(f) Total
7 Amounts from line 4	6,557,007	106,722	4,553,540	3,238,270	3,375,536	21,815,886
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources	45,386	106,722	320,035	544,526	177,951	1,194,620
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)						23,010,506
12 Gross receipts from related activities, etc (See instructions)					12	2,556,949
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						<input type="checkbox"/>

Computation of Public Support Percentage

14 Public Support Percentage for 2008 (line 6 column (f) divided by line 11 column (f))	14	85.620 %
15 Public Support Percentage for 2007 Schedule A, Part IV-A, line 26f	15	84.640 %
16a 33 1/3% Test - 2008. 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		<input checked="" type="checkbox"/>
b 33 1/3% Test - 2007. 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		<input type="checkbox"/>
17a 10% Facts and Circumstances Test - 2008. 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		<input type="checkbox"/>
b 10% Facts and Circumstances Test - 2007. 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		<input type="checkbox"/>
18 Private Foundation. If the organization did not check the box on line 13, 16a, 16b, 17a or 17b, check this box and see instructions		<input type="checkbox"/>

Part III Support Schedule for Organizations Described in IRC 509(a)(2)

(Complete only if you checked the box on line 9 of Part I.)

Section A. Public Support

Calendar year (or fiscal year beginning in)	(a) 2004	(b) 2005	(c) 2006	(d) 2007	(e) 2008	(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						
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 1-5						
7a Amounts included on lines 1, 2, and 3 received from disqualified persons						
b Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of 1% of the total of lines 9, 10c, 11, and 12 for the year or \$5,000						
c Total of lines 7a and 7b						
8 Public Support (Subtract line 7c from line 6)						

Total Support

Calendar year (or fiscal year beginning in)	(a) 2004	(b) 2005	(c) 2006	(d) 2007	(e) 2008	(f) Total
9 Amounts from line 6						
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after 30 June, 1975						
c Add lines 10a and 10b						
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.)						
13 Total Support (Add lines 9, 10c, 11 and 12)						
14 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 <input type="checkbox"/>						

Computation of Public Support Percentage

15 Public Support Percentage for 2008 (line 8 column (f) divided by line 13 column (f))	15	
16 Public Support Percentage for 2007 Schedule A, Part IV-A, line 27g	16	

Computation of Investment Income Percentage

17 Investment Income Percentage for 2008 (line 10c column (f) divided by line 13 column (f))	17	
18 Investment Income Percentage from 2007 Schedule A, Part IV-A, line 27h	18	

- 19a 33 1/3% Tests - 2008.** 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
- b 33 1/3% Tests - 2007.** 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
- 20 Private Foundation** If the organization did not check a box on line 14, 19a or 19b, check this box and see instructions

Part IV **Supplemental Information.** Complete this part to provide the information required by Part II, line 10; Part II, line 17a or 17b, or Part III, line 12. Provide and any other additional information. (see instructions)

Facts and Circumstances Test

Additional Data

Software ID:
Software Version:
EIN: 22-2786731
Name: Island Institute

Form 990, Part VII - Section Aaa

(A) Name and Title	(B) Average hours per week	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099MISC)	(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			
john bird , chairman	1 00	X		X				0	0	0
louis w cabot , vice chair	1 00	X		X				0	0	0
George t shaw , treasurer	1 00	X		X				0	0	0
michael p boyd , clerk	1 00	X		X				0	0	0
Nancy Jordan , secretary	1 00	X		X				0	0	0
david thomas , Islander Vice-Chair	1 00	X						0	0	0
Thomas K Glenn , Development Chair	1 00	X						0	0	0
barbara kinney sweet , Programs Chair	1 00	X						0	0	0
donna damon , trustee	1 00	X						0	0	0
polly guth , trustee	1 00	X						0	0	0
nancy hopkins-davisson , trustee	1 00	X						0	0	0
leila bisharat , trustee	1 00	X						0	0	0
douglas boynton , trustee	1 00	X						0	0	0
nancy b putnam , trustee	1 00	X						0	0	0
George W Cole , trustee	1 00	X						0	0	0
samuel parkman shaw , trustee	1 00	X						0	0	0
mathew r simmons , trustee	1 00	X						0	0	0
Joseph R Higdon , trustee	1 00	X						0	0	0
Ron L Philips , Trustee	1 00	X						0	0	0
Yvonne Thomas , Trustee	1 00	X						0	0	0
Philip Conkling , president	40 00			X				145,131	0	13,450
Peter M Ralston , executive Vp	40 00			X				85,656	0	10,391

SCHEDULE D (Form 990)

OMB No 1545-0047

Supplemental Financial Statements

2008

Department of the Treasury Internal Revenue Service

Attach to Form 990. To be completed by organizations that answered "Yes," to Form 990, Part IV, line 6, 7, 8, 9, 10, 11, or 12.

Open to Public Inspection

Name of the organization

Island Institute

Employer identification number

22-2786731

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.

Table with 3 columns: Line number, (a) Donor advised funds, (b) Funds and other accounts. Rows 1-4 for total number, aggregate contributions, aggregate grants, and aggregate value.

- 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?
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 other impermissible private benefit?

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)
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

Table titled 'Held at the End of the Year' with rows 2a, 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, violations, and enforcement of the conservation easements it holds?
6 Staff or volunteer hours devoted to monitoring, inspecting and enforcing easements during the year
7 Amount of expenses incurred in monitoring, inspecting, and enforcing 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)?
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
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

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 Trust, 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 why in Part XIV and complete the following table

	Amount
1c Beginning balance	
1d Additions during the year	
1e Distributions during the year	
1f Ending balance	

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	12,581,124				
b Contributions	1,278,390				
c Investment earnings or losses	-1,646,978				
d Grants or scholarships					
e Other expenditures for facilities and programs	309,969				
f Administrative expenses					
g End of year balance	11,902,567				

2 Provide the estimated percentage of the year end balance held as

- a** Board designated or quasi-endowment ▶ 62 000 %
- b** Permanent endowment ▶ 38 000 %
- c** Term endowment ▶

3a Are there endowment funds not in the possession of the organization that are held and administered for the organization by

	Yes	No
(i) unrelated organizations	3a(i)	No
(ii) related organizations	3a(ii)	No
b If "Yes" to 3a(ii), are the related organizations listed as required on Schedule R?	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) Depreciation	(d) Book value
1a Land		85,919		85,919
b Buildings		1,479,352	434,759	1,044,593
c Leasehold improvements				
d Equipment		592,465	512,462	80,003
e Other		171,108	171,109	-1
Total. Add lines 1a-1e (Column (d) should equal Form 990, Part X, column (B), line 10(c).)				1,210,514

Part VII Investments—Other Securities. See Form 990, Part X, line 12.

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation Cost or end-of-year market value
Financial derivatives and other financial products		
Closely-held equity interests		
Other		
Total. (Column (b) should equal Form 990, Part X, col (B) line 12) ▶		

Part VIII Investments—Program Related. See Form 990, Part X, line 13.

(a) Description of investment type	(b) Book value	(c) Method of valuation Cost or end-of-year market value
Total. (Column (b) should equal Form 990, Part X, col (B) line 13) ▶		

Part IX Other Assets. See Form 990, Part X, line 15.

(a) Description	(b) Book value
Assets held for sale	305,609
Beneficial interest in perpetual trust	1,172,154
Total. (Column (b) should equal Form 990, Part X, col.(B) line 15.) ▶	1,477,763

Part X Other Liabilities. See Form 990, Part X, line 25.

(a) Description of Liability	(b) Amount
Federal Income Taxes	
Annuity obligations	21,197
Total. (Column (b) should equal Form 990, Part X, col (B) line 25) ▶	21,197

In Part XIV, provide the text of the footnote to the organization's financial statements that reports the organization's liability for uncertain tax positions under FIN 48

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	3,899,886
2	Total expenses (Form 990, Part IX, column (A), line 25)	2	4,047,951
3	Excess or (deficit) for the year Subtract line 2 from line 1	3	-148,065
4	Net unrealized gains (losses) on investments	4	-1,725,924
5	Donated services and use of facilities	5	
6	Investment expenses	6	
7	Prior period adjustments	7	
8	Other (Describe in Part XIV)	8	-369,430
9	Total adjustments (net) Add lines 4 - 8	9	-2,095,354
10	Excess or (deficit) for the year per financial statements Combine lines 3 and 9	10	-2,243,419

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	1,906,135
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12		
a	Net unrealized gains on investments	2a	-1,725,924
b	Donated services and use of facilities	2b	
c	Recoveries of prior year grants	2c	
d	Other (Describe in Part XIV)	2d	-185,621
e	Add lines 2a through 2d	2e	-1,911,545
3	Subtract line 2e from line 1	3	3,817,680
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	82,206
b	Other (Describe in Part XIV)	4b	
c	Add lines 4a and 4b	4c	82,206
5	Total Revenue Add lines 3 and 4c . (This should equal Form 990, Part I, line 12)	5	3,899,886

Part XIII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return

1	Total expenses and losses per audited financial statements	1	4,149,554
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	Losses reported on Form 990, Part IX, line 25	2c	
d	Other (Describe in Part XIV)	2d	183,809
e	Add lines 2a through 2d	2e	183,809
3	Subtract line 2e from line 1	3	3,965,745
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	82,206
b	Other (Describe in Part XIV)	4b	
c	Add lines 4a and 4b	4c	82,206
5	Total expenses Add lines 3 and 4c . (This should equal Form 990, Part I, line 18)	5	4,047,951

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 XIV, 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

Identifier	Return Reference	Explanation
Part V, Line 4	Description of Intended Use of Endowment Funds	The purpose of the endowment funds is to provide investment income and gains to further various activities of the institute, including a provision for financial aid and related expenditures

**Schedule I
(Form 990)**

OMB No 1545-0047

**Grants and Other Assistance to Organizations,
Governments and Individuals in the U.S.**

2008

Department of the Treasury
Internal Revenue Service

Complete if the organization answered "Yes," on Form 990, Part IV, lines 21 or 22. Attach to Form 990.

**Open to Public
Inspection**

Name of the organization
Island Institute

Employer identification number
22-2786731

Part I General Information on Grants and Assistance

- 1** 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** Describe in Part IV the organization's procedures for monitoring the use of grant funds in the United States

Part II Grants and Other Assistance to Governments and Organizations in the United States. Complete if the organization answered "Yes" on Form 990, Part IV, line 21 for any recipient that received more than \$5,000. Check this box if no one recipient received more than \$5,000. Use Part IV and Schedule I-1 if additional space is needed

1(a) Name and address of organization or government	(b) EIN	(c) IRC section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
Islesford Neighborhood House Association PO Box 111 Islesford, ME 04646	01-0379683	501 (C) (3)	10,000				Sustainability of Maine's year-round Islands and remote coastal communities
Community Housing of Maine Inc 309 Cumberland Ave Suite 203 Portland, ME 04101	01-0490195	501 (C) (3)	15,000				Sustainability of Maine's year-round Islands and remote coastal communities
Town of Isle Au Haut PO Box 49 Isle Au Haut, ME 04645	01-6000213		20,000				Sustainability of Maine's year-round Islands and remote coastal communities
Davis Wharf 23 Crane RD Mt Desert, ME 04660	65-1263678		10,000				Sustainability of Maine's year-round Islands and remote coastal communities
Port Clyde Fishermen's Co-Op PO Box 381 Port Clyde, ME 04855	01-0319321	501 (C) (3)	55,000				Sustainability of Maine's year-round Islands and remote coastal communities

- 2** Enter total number of section 501(c)(3) and government organizations 4
- 3** Enter total number of other organizations 1

Part III Grants and Other Assistance to Individuals in the United States. Complete if the organization answered "Yes" on Form 990, Part IV, line 22.
Use Schedule I-1 (Form 990) if additional space is needed.

(a) Type of grant or assistance	(b) Number of recipients	(c) Amount of cash grant	(d) Amount of non-cash assistance	(e) Method of valuation (book, FMV, appraisal, other)	(f) Description of non-cash assistance
Scholarships	93	131,850			

Part IV Supplemental Information. Complete this part to provide the information required in Part I, line 2, and any other additional information.
See Additional Data Table

Identifier	Return Reference	Explanation
Procedure for Monitoring Grants in the U S	Part I, Line 2	Schedule I, Part I, Line 2 Grant funds are monitored through continued relationships with all of the grant recipients

Schedule J
(Form 990)

Compensation Information

OMB No 1545-0047

2008

Open to Public Inspection

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

▶ Attach to Form 990. To be completed by organizations that answered "Yes" to Form 990, Part IV, line 23.

Department of the Treasury
Internal Revenue Service

Name of the organization
Island Institute

Employer identification number
22-2786731

Part I Questions Regarding Compensation

	Yes	No
1a		
1b		
2		
3		
4a		No
4b		No
4c		No
5a		No
5b		No
6a		No
6b		No
7		No
8		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.

<input type="checkbox"/> First class or charter travel	<input type="checkbox"/> Housing allowance or residence for personal use
<input type="checkbox"/> Travel for companions	<input type="checkbox"/> Payments for business use of personal residence
<input type="checkbox"/> Tax idemnification and gross-up payments	<input type="checkbox"/> Health or social club dues or initiation fees
<input type="checkbox"/> Discretionary spending account	<input type="checkbox"/> Personal services (e.g., maid, chauffeur, chef)

b If line 1a is 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

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?

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.

- | | |
|--|--|
| <input checked="" type="checkbox"/> Compensation committee | <input type="checkbox"/> Written employment contract |
| <input type="checkbox"/> Independent compensation consultant | <input type="checkbox"/> Compensation survey or study |
| <input type="checkbox"/> Form 990 of other organizations | <input type="checkbox"/> Approval by the board or compensation committee |

4 During the year, did any person listed in Form 990, Part VII, Section A, line 1a

a Receive a severance payment or change of control payment?

b Participate in, or receive payment from, a supplemental nonqualified retirement plan?

c Participate in, or receive payment from, an equity-based compensation arrangement?

If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III

501(c)(3) and 501(c)(4) organizations only must complete lines 5-8.

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?

b Any related organization?

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?

b Any related organization?

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

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

Part II Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees. Use Schedule J-1 if additional space 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) 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 compensation				
Philip Conkling	(i)	145,131			8,727	4,723	158,581	72,565
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							

SCHEDULE O
(Form 990)

Supplemental Information to Form 990

2008

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

▶ Attach to Form 990. To be completed by organizations to provide additional information for responses to specific questions for the Form 990 or to provide any additional information.

Name of the organization
Island Institute

Employer identification number
22-2786731

Identifier	Return Reference	Explanation
Form 990, Part III, line 4d	Other Program Services	Archipelago shop Provide a venue for island and coastal artists living in remote communities to offer artwork and crafts evoking the coastal Maine heritage Expenses \$ 197681 including grants of \$ 0 Revenue \$ 157232

Identifier	Return Reference	Explanation
Form 990, Part III, line 4d	Other Program Services	other programs Expenses \$ 599996 including grants of \$ 100000 Revenue \$ 0

Identifier	Return Reference	Explanation
Form 990, Part III, line 4d	Other Program Services	Information Island journal, monthly newspaper, technical bulletins, educational and historical publications, and geographic information systems Expenses \$ 419656 including grants of \$ 53 Revenue \$ 0

Identifier	Return Reference	Explanation
Form 990, Part VI, Section A, line 6		The Island Institute has members, however they have no voting or management privileges

Identifier	Return Reference	Explanation
Form 990, Part VI, Section A, line 10		This year the Finance Committee reviewed the form 990 after its submission because of a series of scheduling conflicts The Board intends to adhere to its policy of prior review in the future

Identifier	Return Reference	Explanation
Form 990, Part VI, Section B, line 15		A subcommittee of the board is responsible for all trustee matters This includes a review of the President's performance They meet with the President and go over their formal evaluation The entire board in executive session reviews the outcome of that meeting and vote on the President's compensation

Identifier	Return Reference	Explanation
Form 990, Part VI, Section C, line 19		These documents are available upon request

Identifier	Return Reference	Explanation
Form 990, Part XI, Line 2c Audit Oversight		The process has not changed

Identifier	Return Reference	Explanation
Form 990, Page 1, Amended Tax Return		The return is being amended to report two adjustments to our audited financial statements The first was the capitalization of \$50,000 of costs previously reflected in research and development costs The second was the redetermination of investment activities between endowment and non-endowment investments Capitalization of Research and Development Costs - Part IX, functional expenses, were updated to reflect the \$50,000 expense reduction and the resulting minor reclassification of depreciation expense between the functional categories Program expenses reported by program accomplishment (Part III) were updated to reflect the changes Also, Part VIII, line 10b was updated to reflect the \$50 change in allocated depreciation The balance sheet (Part X) was amended to reflect the additional \$50,000 in other assets and the corresponding change in unrestricted net assets Redetermination of Investment Activity - Schedule D, Part V, Endowment funds was updated to reflect the corrected amounts Total revenue, expenses and net assets were not impacted Other Corrections - Part VI, Section A - Question 6 regarding members was changed to yes and the applicable Schedule O disclosure was added Part VI, Section A - Question 10 regarding the review of the 990 was changed to no and the Schedule O disclosure was updated Part VIII, Statement of Revenues - The loss from the sale of publicly traded securities was moved from the exempt function column to the excluded from tax column