



Auditor Communications

Finance Committee



Sarah Belliveau, Emily Parker, Joe Byrne | February 16, 2021





Discussion Outline

- ▲ **01** Financial Statement Audit
- ▲ **02** Key Financial Highlights
- ▲ **03** Required Auditor Communications
- ▲ **04** Emerging Issues
- ▲ **05** Opportunity for Executive Session

Financial Statement Audit

- Performed in accordance with U.S. generally accepted auditing standards
- Designed to obtain reasonable, not absolute, assurance
- Performed on a test basis
- Significant audit areas
- Requires understanding of internal control
- Surprise procedure

- **UNMODIFIED OPINION** on the financial statements



Financial Statement Highlights

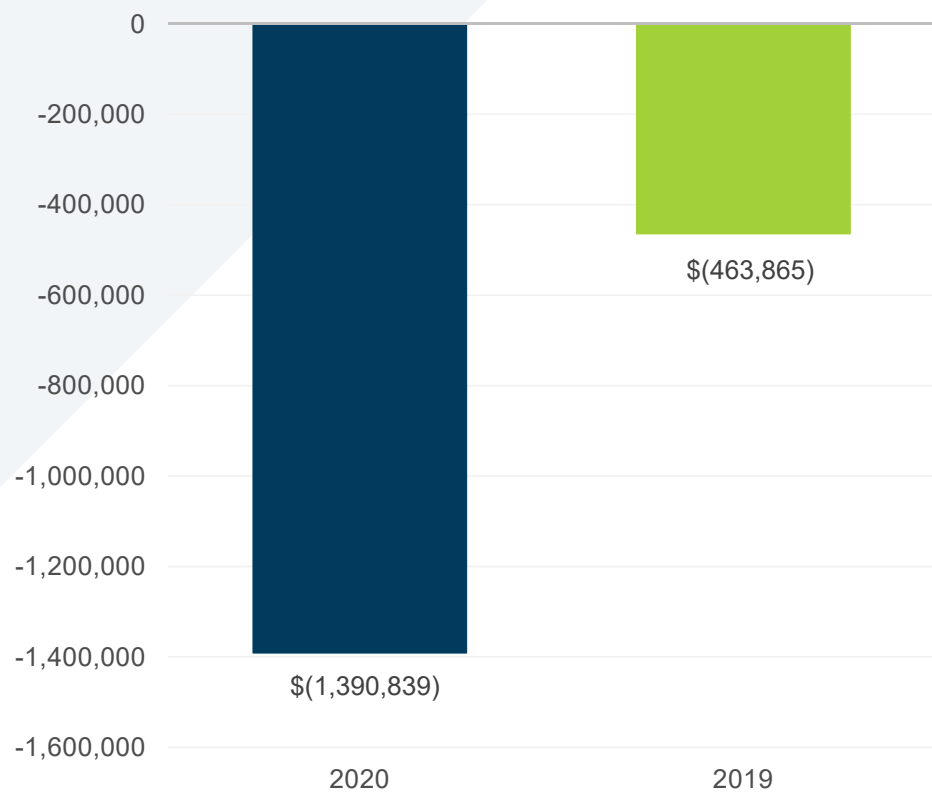
■ KEY CHANGES IN THE FINANCIAL STATEMENTS

- Net assets decreased by approximately \$1,400,000 in 2020
- Cash and cash equivalents decreased by approximately \$300,000 in 2020
- Pledge receivable decreased by approximately \$1.9 million in 2020
- Investments increased by approximately \$1.6M in 2020
- Long-term debt increased approximately \$592,000 in 2020, primarily due to PPP loan
- Contributions decreased by approximately \$738,000 in 2020 as a result of the capital campaign winding down in 2020
- Investment income decreased by approximately \$668,000 from prior year due to changing market conditions

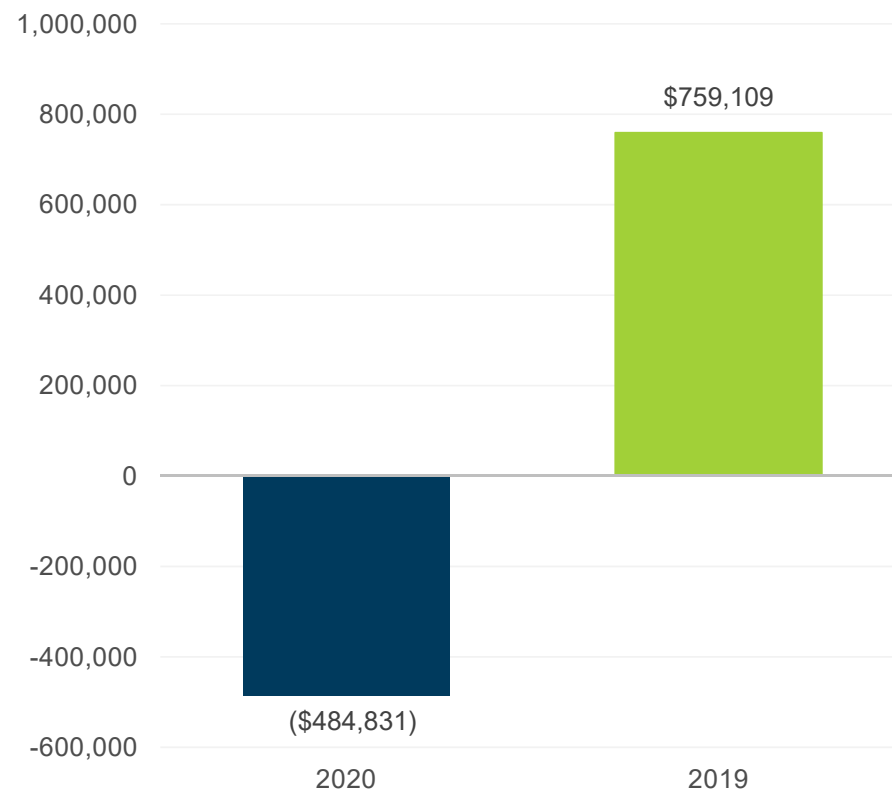


Financial Statement Highlights

CHANGE IN NET ASSETS

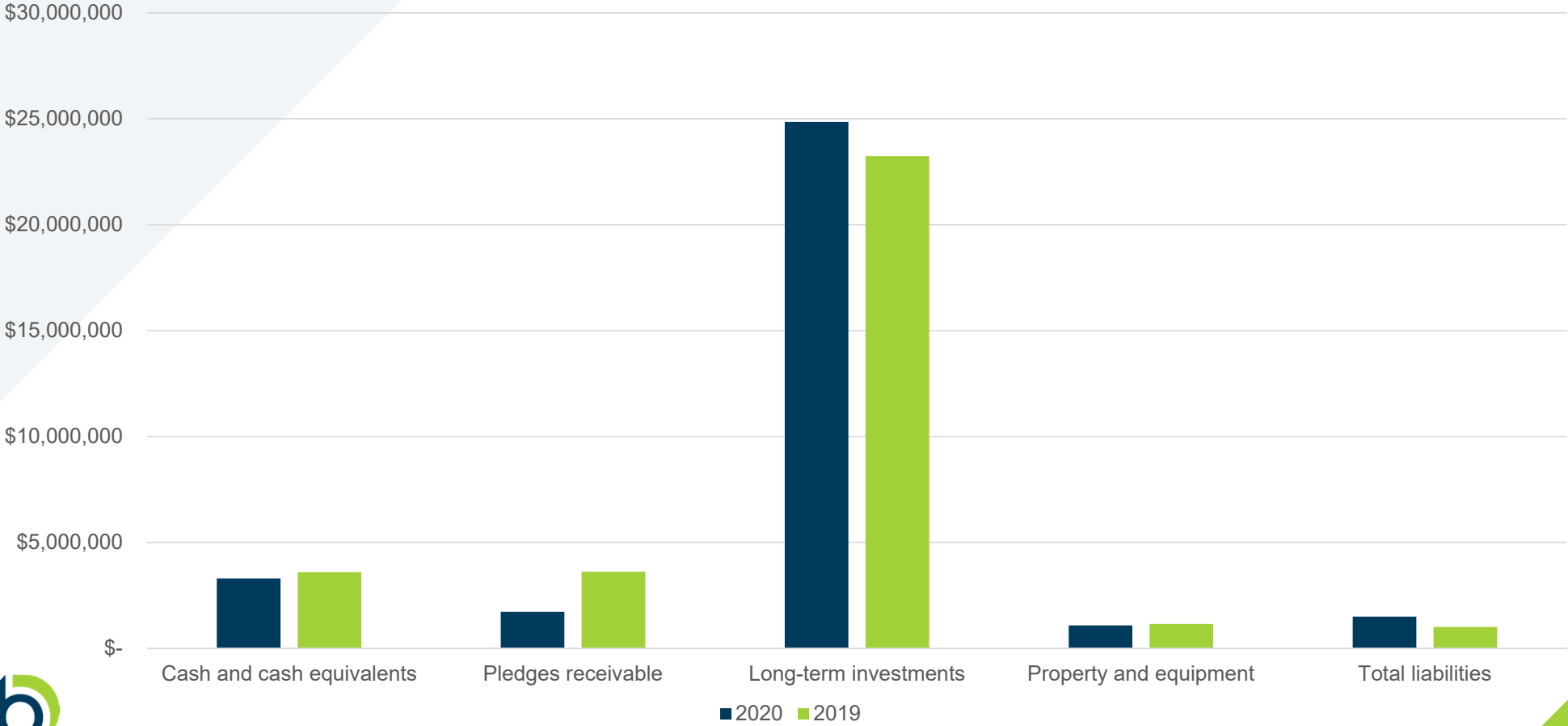


NET CASH PROVIDED FROM OPERATIONS



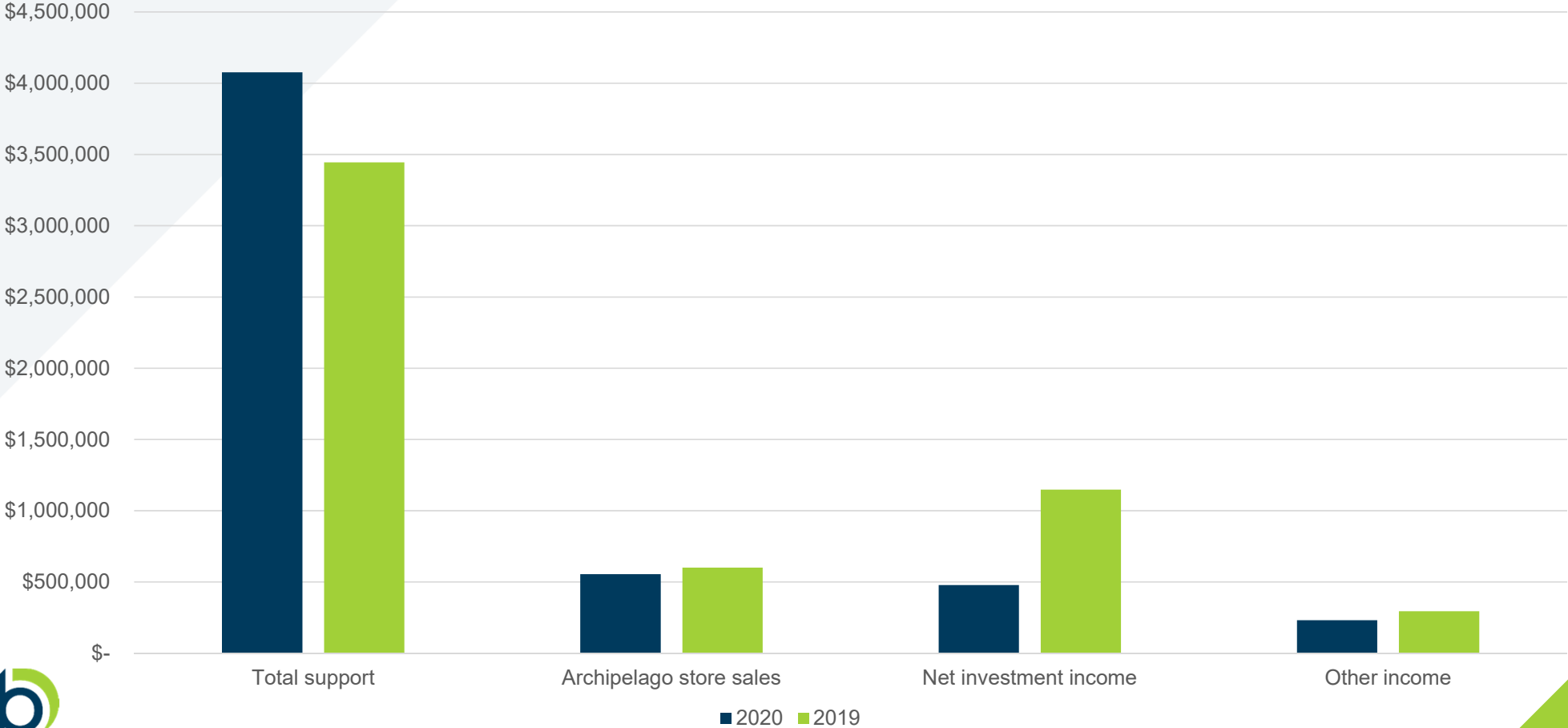
Statement of Financial Position

Assets and Liabilities



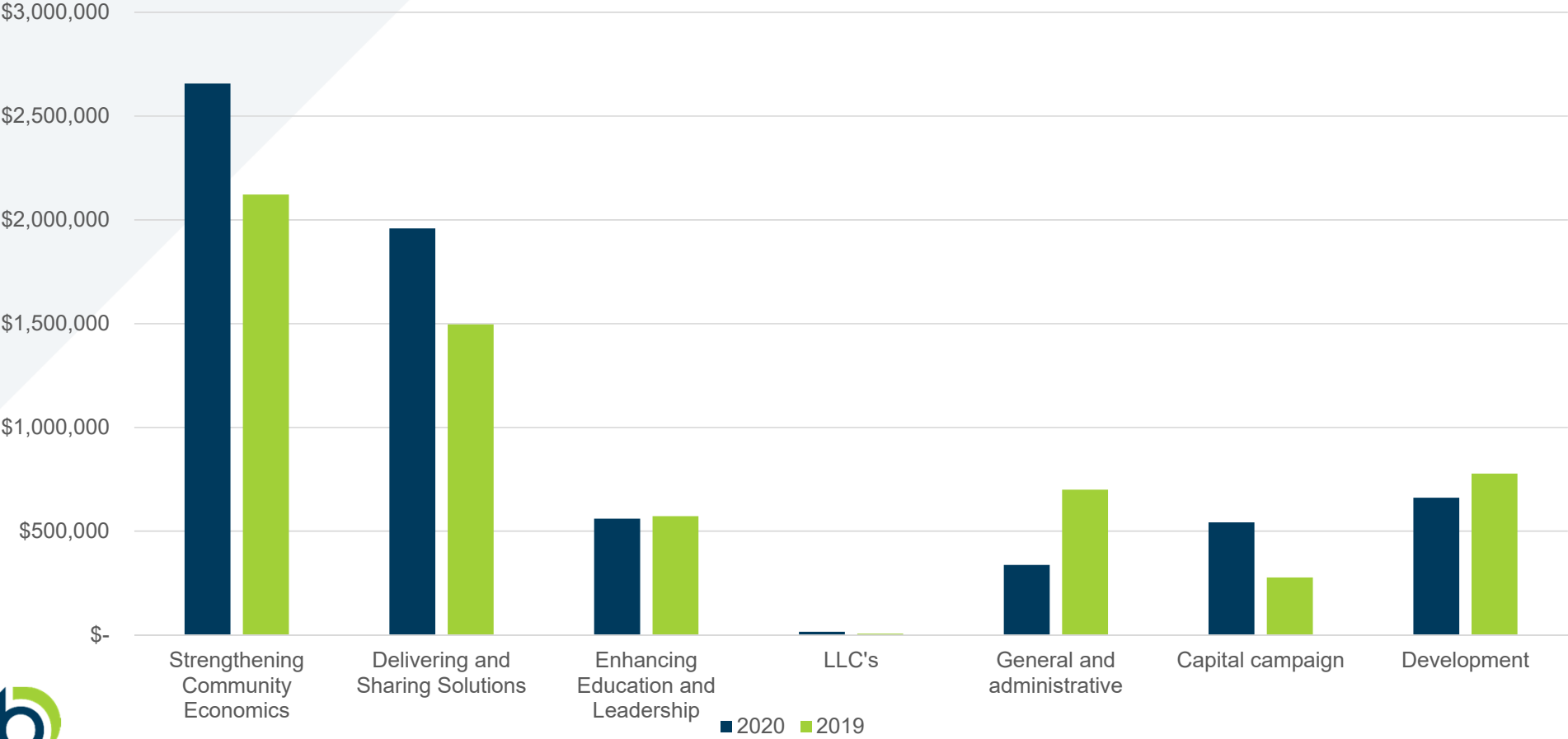
Statement of Activities

Total Support and Revenues



Statement of Activities

Total Expenses by Program



Financial Statement Footnotes

- Note 1 – *New Accounting Pronouncement, Restatement, Uncertainty*
- Note 3 – *Investments*
- Note 8 – *Restrictions and Limitations of Net Asset Balances*
- Note 16 – *Liquidity and Availability of Financial Assets*



Required Auditor Communications

DEFINITION OF MATERIAL WEAKNESS

- A deficiency in internal control such that a material misstatement of the financial statements may not be prevented, or detected and corrected, by the Organization's internal control.

DEFINITION OF SIGNIFICANT DEFICIENCY

- A deficiency in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

AUDIT RESULTS

- Bank Reconciliations
- IT Controls & Environment
- Advisory Comments
 - Board designated investment funds
 - Allocation basis



Required Auditor Communications

QUALITATIVE ASPECTS OF ACCOUNTING POLICIES

- Adopted FASB ASU No. 2018-08.
- No transactions lacked authoritative guidance

MANAGEMENT'S JUDGMENTS AND ESTIMATES

- Provision for depreciation
- Allowance for uncollectible pledges
- Cost allocations

CORRECTED AND UNCORRECTED MISSTATEMENTS

- No significant audit adjustments
- Five passed audit adjustments



Required Auditor Communications

DISAGREEMENTS OR DIFFICULTIES

- No disagreements with management
- No difficulties in performing the audit; management was well prepared and proactive during the audit

MANAGEMENT'S REPRESENTATIONS

- As part of the audit, we will obtain a signed letter from management attesting to certain representations made during the audit

CONSULTATIONS AND OTHER MATTERS

- We are not aware of management having consultations with other accountants. If it were to be the case, standards require those auditors check with us to ensure they have all the relevant facts
- We communicate with management throughout the year on a variety of matters. Those discussions were in the ordinary course of business and not a condition of our retention





Emerging Issues

- COVID-19 Accounting Standards Delays
- Gifts-in-Kind
- IRS Workplan

Contact US

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This communication is intended solely for the information and use of the Board of Directors, Finance Committee, and management and is not intended to be, and should not be, used by anyone other than these specified parties.



Island Institute

FINANCIAL STATEMENTS

June 30, 2020 and 2019

With Independent Auditor's Report



INDEPENDENT AUDITOR'S REPORT

Board of Trustees
Island Institute

We have audited the accompanying financial statements of Island Institute, which comprise the statement of financial position as of June 30, 2020 and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with U.S. generally accepted accounting principles; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with U.S. generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the 2020 financial statements referred to above present fairly, in all material respects, the financial position of Island Institute as of June 30, 2020, and the changes in its net assets and cash flows for the year then ended in accordance with U.S. generally accepted accounting principles.

Board of Trustees
Island Institute

Other Matter

Prior Period Financial Statements

The financial statements of the Island Institute as of and for the year ended June 30, 2019 were audited by other auditors whose report dated January 22, 2020 expressed an unmodified opinion on those statements.

As discussed in Note 1 to the financial statements, the June 30, 2019 financial statements have been restated to correct an error related to the allocation of net assets between those with donor restrictions and those without donor restrictions. Amounts previously reported as net assets with donor restriction were overstated by \$2,977,319 as of June 30, 2018 which caused donor restricted income (through allocation and net assets released from restriction) to be understated by \$249,889 for the year ended June 30, 2019. Accordingly, these amounts have been restated in the June 30, 2019 financial statements now presented. Our opinion is not modified with respect to this matter.

As part of our audit of the June 30, 2020 financial statements, we also audited the adjustments described above and in Note 1 that were applied to restate the 2019 financial statements. In our opinion, such adjustments are appropriate and have been properly applied. We were not engaged to audit, review, or apply any procedures to the 2019 financial statements of Island Institute other than with respect to the adjustments and, accordingly, we do not express an opinion or any other form of assurance on the 2019 financial statements as a whole.

Portland, Maine
REPORT DATE

ISLAND INSTITUTE

Statements of Financial Position

June 30, 2020 and 2019

ASSETS

	<u>2020</u>	Restated <u>2019</u>
Current assets		
Cash and cash equivalents	\$ 3,299,442	\$ 3,599,321
Accounts receivable, net	113,316	151,479
Notes receivable, current portion	10,932	11,805
Pledges receivable, current portion	1,130,050	1,665,000
Prepaid expenses and deferred costs	100,260	83,065
Inventory	<u>240,553</u>	<u>275,850</u>
Total current assets	<u>4,894,553</u>	<u>5,786,520</u>
Other assets		
Long-term investments	24,850,521	23,232,384
Beneficial interest in perpetual trust	1,639,089	1,695,285
Pledges receivable, non-current portion, net	594,791	1,953,489
Notes receivable, non-current portion, net	32,756	32,353
Cash surrender value of life insurance policy	325,835	267,384
Other	318,287	341,285
Assets held for sale	<u>85,000</u>	<u>260,000</u>
Total other assets	<u>27,846,279</u>	<u>27,782,180</u>
Property and equipment		
Land and buildings	2,105,182	2,054,182
Boats	76,918	76,918
Electronic equipment	809,526	810,860
Furniture & fixtures	<u>202,349</u>	<u>204,644</u>
Total property and equipment	3,193,975	3,146,604
Less accumulated depreciation	<u>2,111,085</u>	<u>1,992,207</u>
Net property and equipment	<u>1,082,890</u>	<u>1,154,397</u>
Total assets	<u>\$ 33,823,722</u>	<u>\$ 34,723,097</u>

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

LIABILITIES AND NET ASSETS

	<u>2020</u>	Restated <u>2019</u>
Current liabilities		
Accounts payable	\$ 474,016	\$ 485,209
Accrued expenses	172,695	248,099
Deferred revenue	7,286	5,572
Long-term debt, current portion	727,059	-
Capital lease, current portion	<u>16,271</u>	<u>15,711</u>
Total current liabilities	<u>1,397,327</u>	<u>754,591</u>
Non-current liabilities		
Long-term debt, net of current portion	100,000	235,000
Capital lease, net of current portion	<u>4,157</u>	<u>20,429</u>
Total non-current liabilities	<u>104,157</u>	<u>255,429</u>
Total liabilities	<u>1,501,484</u>	<u>1,010,020</u>
Net assets		
Without donor restrictions		
Undesignated	2,130,981	1,956,561
Board-designated endowment	11,442,444	11,754,149
Net investment in property and equipment	<u>1,062,462</u>	<u>1,118,257</u>
Total net assets without donor restrictions	14,635,887	14,828,967
With donor restrictions	<u>17,686,351</u>	<u>18,884,110</u>
Total net assets	<u>32,322,238</u>	<u>33,713,077</u>
Total liabilities and net assets	<u>\$ 33,823,722</u>	<u>\$ 34,723,097</u>

ISLAND INSTITUTE

Statements of Activities

Years Ended June 30, 2020 and 2019

	<u>2020</u>			<u>Restated 2019</u>		
	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Support and revenue						
Support						
Grants	\$ -	\$ 211,119	\$ 211,119	\$ -	\$ 312,976	\$ 312,976
Contributions	2,310,663	1,549,871	3,860,534	1,480,066	1,642,926	3,122,992
Gifts in-kind	5,000	-	5,000	8,000	-	8,000
Total support	<u>2,315,663</u>	<u>1,760,990</u>	<u>4,076,653</u>	<u>1,488,066</u>	<u>1,955,902</u>	<u>3,443,968</u>
Revenue						
Publications	56,434	-	56,434	71,269	-	71,269
Earned income	134,745	-	134,745	155,220	-	155,220
Archipelago store sales	554,979	-	554,979	601,499	-	601,499
Net investment income	277,920	201,098	479,018	626,752	520,879	1,147,631
Bad debt recovery	-	-	-	22,789	-	22,789
Loan forgiveness	35,000	-	35,000	25,000	-	25,000
Change in beneficial interest in perpetual trust	-	(56,197)	(56,197)	17	-	17
Other income	61,627	-	61,627	20,650	-	20,650
Total revenue	<u>1,120,705</u>	<u>144,901</u>	<u>1,265,606</u>	<u>1,523,196</u>	<u>520,879</u>	<u>2,044,075</u>
Net assets released from restrictions	<u>3,103,650</u>	<u>(3,103,650)</u>	<u>-</u>	<u>2,998,990</u>	<u>(2,998,990)</u>	<u>-</u>
Total support and revenue	6,540,018	(1,197,759)	5,342,259	6,010,252	(522,209)	5,488,043
Expenses						
Program services						
Strengthening Community Economies	2,656,638	-	2,656,638	2,122,260	-	2,122,260
Delivering and Sharing Solutions	1,958,990	-	1,958,990	1,496,251	-	1,496,251
Enhancing Education and Leadership	559,845	-	559,845	572,143	-	572,143
Island Institute Fishing Permits, LLC	8,125	-	8,125	147	-	147
Island and Coastal Innovation Fund, LLC	7,662	-	7,662	6,727	-	6,727
Total program services	<u>5,191,260</u>	<u>-</u>	<u>5,191,260</u>	<u>4,197,528</u>	<u>-</u>	<u>4,197,528</u>

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

ISLAND INSTITUTE

Statements of Activities
(Concluded)

Years Ended June 30, 2020 and 2019

	<u>Without Donor</u> <u>Restrictions</u>	<u>2020</u> <u>With Donor</u> <u>Restrictions</u>	<u>Total</u>	<u>Without Donor</u> <u>Restrictions</u>	<u>Restated 2019</u> <u>With Donor</u> <u>Restrictions</u>	<u>Total</u>
Supporting services						
General and administrative	337,838	-	337,838	699,546	-	699,546
Capital campaign	542,934	-	542,934	277,301	-	277,301
Development	<u>661,066</u>	<u>-</u>	<u>661,066</u>	<u>777,543</u>	<u>-</u>	<u>777,543</u>
Total supporting services	<u>1,541,838</u>	<u>-</u>	<u>1,541,838</u>	<u>1,754,390</u>	<u>-</u>	<u>1,754,390</u>
Total expenses	<u>6,733,098</u>	<u>-</u>	<u>6,733,098</u>	<u>5,951,918</u>	<u>-</u>	<u>5,951,918</u>
Total change in net assets	<u>(193,080)</u>	<u>(1,197,759)</u>	<u>(1,390,839)</u>	58,334	(522,209)	(463,875)
Net assets beginning of year, as previously presented	14,828,967	18,884,110	33,713,077	11,793,314	22,383,638	34,176,952
Prior year adjustment	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,977,319</u>	<u>(2,977,319)</u>	<u>-</u>
Net assets beginning of year, as restated	<u>14,828,967</u>	<u>18,884,110</u>	<u>33,713,077</u>	<u>14,770,633</u>	<u>19,406,319</u>	<u>34,176,952</u>
Net assets, end of year	<u>\$ 14,635,887</u>	<u>\$ 17,686,351</u>	<u>\$ 32,322,238</u>	<u>\$ 14,828,967</u>	<u>\$ 18,884,110</u>	<u>\$ 33,713,077</u>

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

ISLAND INSTITUTE

Statement of Functional Expenses

Year Ended June 30, 2020

	Program Services					Supporting Services					Total
	Strengthening Community Economies	Delivering and Sharing Solutions	Enhancing Education and Leadership	Island Institute Fishing Permits, LLC	Island and Coastal Innovation Fund, LLC	Total Program Services	General and Administrative	Capital Campaign	Development	Total Supporting Services	
Salaries and other personnel expenses	\$ 1,188,190	\$ 847,011	\$ 280,980	\$ -	\$ -	\$ 2,316,181	\$ 862,413	\$ 389,113	\$ 365,435	\$ 1,616,961	\$ 3,933,142
Professional expenses	89,402	235,864	8,575	8,125	5,662	347,628	352,940	10,000	7,053	369,993	717,621
Printing and publications	13,719	158,183	63	-	-	171,965	334	-	38,486	38,820	210,785
Non-employee expenses	6,755	4,704	1,694	-	-	13,153	112	-	-	112	13,265
Cost of goods sold	327,062	-	-	-	-	327,062	-	-	-	-	327,062
Scholarships	-	-	74,275	-	-	74,275	-	-	-	-	74,275
Frenchboro historic building maintenance	-	23,271	-	-	-	23,271	-	-	-	-	23,271
Operating	96,390	206,367	12,356	-	-	315,113	95,625	34,872	31,423	161,920	477,033
Events, meetings, and programs	44,592	43,267	25,555	-	-	113,414	28,915	378	24,236	53,529	166,943
Building maintenance and cleaning	150	-	-	-	-	150	77,703	-	-	77,703	77,853
Allocation of media, policy, and talent costs	96,397	(97,365)	22,517	-	-	21,549	(52,427)	30,878	-	(21,549)	-
Sponsorship	12,125	10,555	-	-	-	22,680	-	-	-	-	22,680
Grant expense	260,278	8,000	5,673	-	-	273,951	-	-	-	-	273,951
Bank fees	30,379	1,064	741	-	-	32,184	2,427	-	3,916	6,343	38,527
Equipment costs	11,668	9,898	5,286	-	-	26,852	43,548	-	3,392	46,940	73,792
IT costs	13,553	46,122	2,827	-	-	62,502	60,421	127	34,886	95,434	157,936
Other expenses	<u>3,448</u>	<u>1,508</u>	<u>398</u>	<u>-</u>	<u>2,000</u>	<u>7,354</u>	<u>4,550</u>	<u>208</u>	<u>7,344</u>	<u>12,102</u>	<u>19,456</u>
Total expenses before depreciation and indirect allocation	2,194,108	1,498,449	440,940	8,125	7,662	4,149,284	1,476,561	465,576	516,171	2,458,308	6,607,592
Depreciation	<u>40,336</u>	<u>27,050</u>	<u>8,085</u>	<u>-</u>	<u>-</u>	<u>75,471</u>	<u>32,033</u>	<u>-</u>	<u>18,002</u>	<u>50,035</u>	<u>125,506</u>
Total expenses before indirect allocation	2,234,444	1,525,499	449,025	8,125	7,662	4,224,755	1,508,594	465,576	534,173	2,508,343	6,733,098
Indirect allocation	<u>422,194</u>	<u>433,491</u>	<u>110,820</u>	<u>-</u>	<u>-</u>	<u>966,505</u>	<u>(1,170,756)</u>	<u>77,358</u>	<u>126,893</u>	<u>(966,505)</u>	<u>-</u>
Total expenses	<u>\$ 2,656,638</u>	<u>\$ 1,958,990</u>	<u>\$ 559,845</u>	<u>\$ 8,125</u>	<u>\$ 7,662</u>	<u>\$ 5,191,260</u>	<u>\$ 337,838</u>	<u>\$ 542,934</u>	<u>\$ 661,066</u>	<u>\$ 1,541,838</u>	<u>\$ 6,733,098</u>

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

ISLAND INSTITUTE

Statement of Functional Expenses

Year Ended June 30, 2019

	Program Services					Supporting Services					Total
	Strengthening Community Economies	Delivering and Sharing Solutions	Enhancing Education and Leadership	Island Institute Fishing Permits, LLC	Island and Coastal Innovation Fund, LLC	Total Program Services	General and Administrative	Capital Campaign	Development	Total Supporting Services	
Salaries and other personnel expenses	\$ 890,929	\$ 725,288	\$ 268,260	\$ -	\$ -	\$ 1,884,477	\$ 777,486	\$ 156,289	\$ 420,187	\$ 1,353,962	\$ 3,238,439
Professional expenses	135,903	100,980	1,338	-	6,727	244,948	245,694	72,075	210,652	528,421	773,369
Printing and publications	5,145	131,802	459	-	-	137,406	2,224	1,445	23,166	26,835	164,241
Non-employee expenses	6,110	287	8,013	-	-	14,410	-	42	586	628	15,038
Cost of goods sold	341,709	-	-	-	-	341,709	-	-	-	-	341,709
Scholarships	24	-	110,122	-	-	110,146	-	-	-	-	110,146
Operating	135,298	185,542	20,350	-	-	341,190	126,091	46,806	25,149	198,046	539,236
Events, meetings, and programs	54,815	39,406	31,360	-	-	125,581	19,450	227	22,531	42,208	167,789
Building maintenance and cleaning	-	-	-	-	-	-	61,770	-	3,659	65,429	65,429
Sponsorship	2,500	2,400	-	-	-	4,900	-	-	-	-	4,900
Grant expense	138,667	-	8,500	-	-	147,167	-	-	-	-	147,167
Bank fees	19,574	2,254	147	-	-	21,975	8,957	-	2,338	11,295	33,270
Equipment costs	9,224	3,906	307	-	-	13,437	18,960	-	6,850	25,810	39,247
IT costs	8,212	26,388	2,952	-	-	37,552	97,096	-	31,997	129,093	166,645
Bad debt	-	-	-	-	-	-	-	-	14,000	14,000	14,000
Other expenses	<u>3,176</u>	<u>3,755</u>	<u>539</u>	<u>147</u>	<u>-</u>	<u>7,617</u>	<u>10,403</u>	<u>417</u>	<u>1,085</u>	<u>11,905</u>	<u>19,522</u>
Total expenses before depreciation and indirect allocation	1,751,286	1,222,008	452,347	147	6,727	3,432,515	1,368,131	277,301	762,200	2,407,632	5,840,147
Depreciation	<u>35,255</u>	<u>24,599</u>	<u>9,106</u>	<u>-</u>	<u>-</u>	<u>68,960</u>	<u>27,468</u>	<u>-</u>	<u>15,343</u>	<u>42,811</u>	<u>111,771</u>
Total expenses before indirect allocation	\$ 1,786,541	\$ 1,246,607	\$ 461,453	\$ 147	\$ 6,727	\$ 3,501,475	\$ 1,395,599	\$ 277,301	\$ 777,543	\$ 2,450,443	\$ 5,951,918
Indirect allocation	<u>335,719</u>	<u>249,644</u>	<u>110,690</u>	<u>-</u>	<u>-</u>	<u>696,053</u>	<u>(696,053)</u>	<u>-</u>	<u>-</u>	<u>(696,053)</u>	<u>-</u>
Total expenses	<u>\$ 2,122,260</u>	<u>\$ 1,496,251</u>	<u>\$ 572,143</u>	<u>\$ 147</u>	<u>\$ 6,727</u>	<u>\$ 4,197,528</u>	<u>\$ 699,546</u>	<u>\$ 277,301</u>	<u>\$ 777,543</u>	<u>\$ 1,754,390</u>	<u>\$ 5,951,918</u>

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

ISLAND INSTITUTE

Statements of Cash Flows
Years Ended June 30, 2020 and 2019

	<u>2020</u>	Restated <u>2019</u>
Cash flows from operating activities		
Change in net assets	\$ (1,390,839)	\$ (463,875)
Adjustments to reconcile change in net assets to net cash and cash equivalents (used) provided by operating activities		
Contributions restricted for long-term purposes	(509,990)	(72,500)
Forgiveness of loan	(35,000)	(25,000)
Depreciation	125,506	111,771
Change in pledge discounts	(79,602)	(99,725)
Change in beneficial interest in perpetual trust	56,197	(17)
Change in cash surrender value of life insurance policy	(58,451)	(57,200)
Net realized and unrealized gains on investments	(753)	(698,995)
Decrease (increase) in		
Accounts receivable	38,163	(28,232)
Notes receivable	470	15,637
Prepaid expense and deferred costs	(17,195)	45,340
Inventory	35,297	(10,299)
Pledges receivable	1,413,250	1,903,430
Other	22,998	(42,740)
Increase (decrease) in		
Accounts payable	(11,193)	3,913
Accrued expenses	(75,404)	175,692
Deferred revenue	1,714	1,909
Net cash (used) provided by operating activities	<u>(484,832)</u>	<u>759,109</u>
Cash flows from investing activities		
Purchases of property and equipment	(54,009)	-
Proceed from sale of permits	175,000	-
Purchases of investments	(2,686,945)	(1,207,424)
Proceeds from the sale of investments	1,069,570	910,070
Net cash used by investing activities	<u>(1,496,384)</u>	<u>(297,354)</u>
Cash flows from financing activities		
Payments on capital lease	(15,712)	(24,278)
Contributions restricted for long-term purposes	1,069,990	72,500
Proceeds from borrowings	627,059	-
Net cash provided by financing activities	<u>1,681,337</u>	<u>48,222</u>
Net (decrease) increase in cash and cash equivalents	(299,879)	509,977
Cash and cash equivalents, beginning of year	<u>3,599,321</u>	<u>3,089,344</u>
Cash and cash equivalents, end of year	<u>\$ 3,299,442</u>	<u>\$ 3,599,321</u>
Supplemental disclosure		
Cash paid for interest	<u>\$ 4,011</u>	<u>\$ 3,537</u>

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

ISLAND INSTITUTE

Notes to Financial Statements

June 30, 2020 and 2019

Background Information

Island Institute (the Institute) is a 36-year-old non-profit organization whose mission is to work to sustain Maine's island and coastal communities, and exchange ideas and experiences to further the sustainability of communities here and elsewhere. All of the Institute's programming is directly aligned to three strategic priorities informed by broad community input: strengthening community economies, enhancing education and leadership, and delivering and sharing solutions. Located in Rockland, Maine, the expert staff collaborate to meet community needs in an interdisciplinary and integrated way. The Institute acknowledges and responds to unexpected issues, and envisions a future where Maine islands and coastal communities thrive and lead as examples of sustainability.

The financial statements as of June 30, 2019 are reported on a consolidated basis as the June 30, 2019 financial statements of the Institute include activities and balances of two single-member LLCs; Island and Coastal Innovation Fund, LLC (ICIF), and Island Institute Fishing Permits, LLC (IIFP). During the year ended June 30, 2020, ICIF was dissolved. The final IIFP fishing permit was sold and the LLC was dissolved subsequent to June 30, 2020. All inter-entity balances were eliminated in the preparation of the June 30, 2019 consolidated financial statements.

1. Summary of Significant Accounting Policies**Basis of Accounting**

The financial statements of the Institute have been prepared on the accrual basis of accounting. As a result, revenues and gains are reported when earned and expenses and losses are recorded when incurred.

Basis of Presentation

Net assets and revenues, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified as follows:

Net assets without donor restrictions - Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Institute. These net assets may be used at the discretion of the Institute's management and Board of Trustees.

Net assets with donor restrictions - Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions on the Institute or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity. Generally, the donors of the assets permit the Institute to use all or part of the income earned on related investments for general or specific purposes.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statements of activities.

ISLAND INSTITUTE

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Cash and Cash Equivalents

Management considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents, with the exceptions of brokerage cash balances and money market accounts held to finance certain annuity obligations of the Institute and similar items held as components of endowment assets, which are reported as long-term investments and are not considered to be cash equivalents.

Pledges Receivable

Contributions are recognized as pledges receivable when a donor makes an unconditional promise to give to the Institute. All donor-restricted contributions are reported as increases in net assets with donor restrictions depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions that are temporary in nature are reclassified to net assets without donor restrictions. Pledges receivable, net of an estimated allowance for uncollectible amounts, are reported at the present value of estimated future cash flows using a discount rate commensurate with the risks involved. For the years ended June 30, 2020 and 2019, management considered all outstanding pledge balances to be fully collectible, thus an allowance for uncollectible amounts was not deemed necessary.

Accounts Receivable

Accounts receivable are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a charge to earnings and a credit to a valuation allowance based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable. For each of the years ended June 30, 2020 and 2019, the Institute maintained an allowance for doubtful accounts of \$997 as a general reserve, which is netted against accounts receivable within the statements of financial position.

Inventory

Inventory is valued at the lower of cost (first-in, first-out basis) or market (net realizable value) and consists of publications and gift shop products. Contributed inventory is recorded at fair value on the date the inventory was received.

Investments

Investments in equity securities with readily determinable fair values and all investments in debt securities are reported at fair value.

Investment securities are exposed to various risks, such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities and the level of uncertainty related to changes in the value of investment securities, it is at least reasonably possible that changes in value in the near term would materially affect the amounts reported in the statements of financial position.

ISLAND INSTITUTE

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Income and realized net gains on investments of endowment and similar funds are reported as increases in net assets with donor restrictions if 1) the term of the gift or the Board's interpretation of relevant state laws requires that they be added to the principal of a perpetual endowment fund, 2) the terms of the gift impose restrictions on the use of the income, or 3) absent donor stipulations, they are related to gifts of perpetual duration for which appropriation has not been made. Otherwise, income and realized net gains on investment of endowment and similar funds are reported as increases in net assets without donor restrictions.

Property and Equipment

Purchased land, buildings, and non-expendable equipment valued at \$5,000 or more individually are capitalized and recorded at cost. Donated property and equipment is recorded at its estimated fair value at the date of donation. Such donations are reported as support without donor restrictions unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted support. Absent donor stipulations regarding how long those donated assets must be maintained, the Institute reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. Buildings, boats, equipment, and furniture and fixtures are depreciated using the straight-line method over their estimated useful lives, which range from 5 to 30 years. Included in land and buildings is land in the amount of \$85,919 at both June 30, 2020 and 2019.

Assets Held for Sale

Assets held for sale consist of personal property donated to the Institute and available for sale, as well as certain purchased fishing permits, and are presented at net realizable value. One fishing permit remained unsold as of June 30, 2020, and was sold subsequent to that date.

Income Taxes

The Institute is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code (the Code). In addition, the Institute qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization other than a private foundation under Section 509(a)(2) of the Code.

U.S. generally accepted accounting principles (U.S. GAAP) require management to evaluate tax positions taken by the Institute and recognize a liability if the Institute has taken an uncertain position that more likely than not would not be sustained upon examination by the Internal Revenue Service and state taxing authorities. The Institute is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

Use of Estimates

The presentation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the

ISLAND INSTITUTE

Notes to Financial Statements

June 30, 2020 and 2019

reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Allocation of Expenses

The costs of providing program services and supporting services have been summarized on a functional basis in the statements of activities. Accordingly, certain costs have been allocated among the program and supporting activities based on estimated time spent and other statistical data.

New Accounting Pronouncements

During 2020, the Institute adopted Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) No. 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*, to clarify and improve the accounting guidance for contributions received and contributions made. The amendment in this ASU assists entities in (1) evaluating whether transactions should be accounted for as contributions (nonreciprocal transactions) within the scope of FASB Accounting Standards Codification (ASC) Topic 958, *Not-for-Profit Entities*, or as exchange (reciprocal) transactions subject to other accounting guidance, and (2) distinguishing between conditional contributions and unconditional contributions. This ASU was adopted by the Institute during the year ended June 30, 2020 and is reflected in the accompanying financial statements.

Restatement

During 2020, the Institute identified a misstatement in previously reported June 30, 2019 financial statements related to the amounts included in the net assets held for perpetuity. The June 30, 2019 financial statements have been restated to correct an error related to the allocation of net assets between those with donor restrictions and those without donor restrictions. Amounts previously reported as net assets with donor restriction were overstated by \$2,977,319 as of June 30, 2018 which caused donor restricted income (through allocation and net assets released from restriction) to be understated by \$249,889 for the year ended June 30, 2019. Accordingly, these amounts have been restated in the June 30, 2019 financial statements now presented.

Uncertainty

During the year ended June 30, 2020, local, U.S. and world governments encouraged self-isolation to curtail the spread of the global pandemic, COVID-19, by mandating the temporary shut-down of businesses in many sectors and imposing limitations on travel and the size and duration of group meetings. While these mandates have slowly become less restrictive in some areas, most sectors are still experiencing disruption to business operations and may feel further impacts related to volatility in investment returns and reduced philanthropic support. There is unprecedented uncertainty surrounding the duration of the pandemic, its potential economic ramifications, and any government actions to mitigate them. Therefore, while management expects this matter will negatively impact the Institute's operating results, the full financial impact and duration cannot be reasonably estimated at this time.

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The U.S. government has responded with relief legislation, including the Coronavirus Aid, Relief, and Economic Security (CARES) Act, which was enacted into law on March 27, 2020. One of the provisions of the CARES Act was the Paycheck Protection Program (PPP), which allowed the Institute to receive financial assistance (see Note 7). The Consolidated Appropriations Act was passed on December 27, 2020 and included additional relief funding to support businesses across the nation. Management plans to evaluate any potential benefits and limitations that may result from any funding.

Subsequent Events

In accordance with FASB ASC Topic 855-10, *Subsequent Events*, management has evaluated subsequent events for possible recognition or disclosure through , which is the date these financial statements were available to be issued.

2. Pledges Receivable

Pledges receivable are included in the financial statements and consisted of amounts due within the following time frames at June 30:

	<u>2020</u>	<u>2019</u>
Within one year	\$ 1,130,050	\$ 1,665,000
One and five years	631,699	1,969,999
Greater than five years	<u>-</u>	<u>100,000</u>
	1,761,749	3,734,999
Less discount at 4%	<u>(36,908)</u>	<u>(116,510)</u>
	<u>\$ 1,724,841</u>	<u>\$ 3,618,489</u>

3. Investments

The Institute reports its investments at fair value, other than its investment in closely-held stock which is carried at cost and its limited liability company member interest, which is valued using the equity method, both of which are not believed to differ materially from fair value. It is not practical to estimate the fair value of closely-held stock. The Institute identified no events or changes in circumstances that may have a significant adverse effect on the fair value of the closely-held stock.

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Notes to Financial Statements

June 30, 2020 and 2019

Investments were comprised of the following at June 30:

	<u>2020</u>	<u>2019</u>
Charitable gift annuity investments		
Money market funds	\$ 165,149	\$ 163,814
Other long-term investments		
Money market funds	803,628	59,155
Fixed income	7,855,540	7,108,335
Equities	15,944,457	15,819,333
Closely-held stock	<u>81,747</u>	<u>81,747</u>
Total other long-term investments	<u>24,685,372</u>	<u>23,068,570</u>
Total long-term investments	<u>\$24,850,521</u>	<u>\$23,232,384</u>

4. Endowment

At June 30, 2020 and 2019, the Institute held donor restricted and board designated endowments amounting to \$24,361,595 and \$22,925,444 respectively. The purpose of these endowment funds is to provide investment income and gains to further various activities of the Institute.

The Institute follows the provisions of FASB ASC Topic 958-205-50-1A, *Reporting Endowment Funds*. Accordingly, the Institute is required to classify and report net assets associated with endowment funds, including those designated by the Board of Trustees to function as endowments, based on the existence or absence of donor-imposed restrictions. The Institute is also required to provide the following disclosures relating to its endowment activities.

Interpretation of Relevant Law - In accordance with the Maine Uniform Prudent Management of Institutional Funds Act (UPMIFA), the Institute has interpreted UPMIFA to require investment return on endowment funds with donor-imposed restrictions that are perpetual in nature to be restricted until appropriated by the Board of Trustees. Accordingly, except for explicit donor stipulations specifying reinvestment of some or all net investment return, net investment return on endowment funds with donor-imposed restrictions that are perpetual in nature is available for appropriation and is reported as increases (decreases) in net assets with donor restrictions, in accordance with the donor's stipulations, if any, concerning the purposes for which ordinary income may be used.

Absent explicit donor stipulations to the contrary, the Institute has interpreted UPMIFA as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds. As a result of this interpretation, the Institute retains in perpetuity and classifies as net assets with donor restrictions (1) the original value of gifts donated to the perpetual endowment, (2) the original value of subsequent gifts to the perpetual endowment, and (3) accumulations to the perpetual endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not retained in perpetuity are subject to appropriation

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for expenditure by the Institute in a manner consistent with the standard of prudence by UPMIFA.

The Institute considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- Duration and preservation of the fund
- Purposes of the Institute and the donor-restricted endowment fund
- General economic conditions
- Possible effects of inflation and deflation
- Expected total return from income and the appreciation of investments
- Other resources of the Institute
- The Institute's investment policies

Endowment Spending Policy - The Board of Trustees has approved an annual distribution of up to 4% of the average value of the endowment fund over the preceding twelve quarters to support current operations. Investment income, net of fees, is appropriated for expenditure immediately.

From time to time, certain donor-restricted endowment funds may have fair values that are less than the amount required to be maintained by donors or by law (underwater endowments). The Institute has interpreted UPMIFA to permit spending from underwater endowments in accordance with prudent measures required under law. The Institute's current policy allows for continued spending from funds that are underwater. In accordance with U.S. GAAP, deficiencies of this nature are reported in net assets with donor restrictions. During the years ended June 30, 2020 and 2019, the Institute did not have any underwater endowment funds.

Endowment Investment Policy - The Institute's endowment assets are held in a variety of marketable securities including money market instruments, equities, fixed income obligations and a closely-held stock, aimed at providing an appropriate mix of current income, protection of principal and long-term growth.

The Institute's endowment fund balances were comprised of the following as of June 30, 2020:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Board-designated	\$ 11,442,444	\$ -	\$ 11,442,444
Donor-restricted endowments			
Original donor-restricted gift and amounts required to be maintained in perpetuity	-	11,826,527	11,826,527
Accumulated investment gains	<u>-</u>	<u>1,092,624</u>	<u>1,092,624</u>
Total	<u>\$ 11,442,444</u>	<u>\$ 12,919,151</u>	<u>\$ 24,361,595</u>

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Notes to Financial Statements

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Changes in the Institute's endowment fund balances for the year ended June 30, 2020 were as follows:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Endowment net assets, beginning of year	\$ 11,754,149	\$ 11,171,295	\$ 22,925,444
Contributions	170,000	1,869,990	2,039,990
Investment return, net	181,418	201,098	382,516
Amounts appropriated for expenditure	<u>(663,123)</u>	<u>(323,232)</u>	<u>(986,355)</u>
Endowment net assets, end of year	<u>\$ 11,442,444</u>	<u>\$ 12,919,151</u>	<u>\$ 24,361,595</u>

The Institute's endowment fund balances were comprised of the following as of June 30, 2019:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Board-designated	\$ 11,754,149	\$ -	\$ 11,754,149
Donor-restricted endowments			
Original donor-restricted gift and amounts required to be maintained in perpetuity	-	9,956,537	9,956,537
Accumulated investment gains	<u>-</u>	<u>1,214,758</u>	<u>1,214,758</u>
Total	<u>\$ 11,754,149</u>	<u>\$ 11,171,295</u>	<u>\$ 22,925,444</u>

Changes in the Institute's endowment fund balances for the year ended June 30, 2019 were as follows:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Endowment net assets, beginning of year	\$ 11,730,346	\$ 10,269,392	\$ 21,999,738
Contributions	180,000	622,115	802,115
Investment return, net	512,785	520,879	1,033,664
Amounts appropriated for expenditure	<u>(668,982)</u>	<u>(241,091)</u>	<u>(910,073)</u>
Endowment net assets, end of year	<u>\$ 11,754,149</u>	<u>\$ 11,171,295</u>	<u>\$ 22,925,444</u>

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5. Assets Measured at Fair Value on a Recurring Basis

In accordance with FASB ASC Topic 820-10 *Fair Value Measurement and Disclosure*, the Institute is required to disclose, for its assets and liabilities measured at fair value on a recurring basis, the sources and types of information, known as inputs, used to determine those fair value measurements.

Level 1: Level 1 inputs are quoted prices in active markets for identical assets and liabilities that an entity has the ability to access at a measurement date.

Level 2: Level 2 inputs are inputs other than quoted prices that are observable for the specific asset or liability, either directly or indirectly.

Level 3: Level 3 inputs are unobservable inputs for the asset or liability in which little or no market activity is available for the asset or liability at the measurement date.

The Institute follows the provisions of FASB ASU No. 2015-07: *Disclosure for Investments in Certain Entities That Calculate Net Asset Value Per Share (or Its Equivalent)*. This pronouncement removes the requirements to categorize within the fair value hierarchy all investments for which fair value is measured using the net asset value per share as a practical expedient and certain disclosure requirements.

Beneficial interest in perpetual trust are assets held by the Maine Community Foundation and are valued using the net asset value per share as a practical expedient. As discussed in the “beneficial interest in perpetual trust” note, upon transfer of the assets to the Maine Community Foundation, variance power over the assets is granted to the Maine Community Foundation, with no opportunity for redemption, and the Institute is designated the sole beneficiary.

The reported values of assets measured at fair value on a recurring basis are categorized as follows at June 30, 2020:

	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Investments				
Money market funds	\$ 968,777	\$ 968,777	\$ -	\$ -
Fixed income				
Investment grade	5,929,220	5,929,220	-	-
Other	1,926,320	1,926,320	-	-
Equities				
Domestic	10,543,667	10,543,667	-	-
International	<u>5,400,790</u>	<u>5,400,790</u>	<u>-</u>	<u>-</u>
Total investments	<u>\$24,768,774</u>	<u>\$ 24,768,774</u>	<u>\$ -</u>	<u>\$ -</u>
Beneficial interest in perpetual trust	<u>\$ 1,639,089</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,639,089</u>
Cash surrender value of life insurance policy	<u>\$ 325,835</u>	<u>\$ -</u>	<u>\$ 325,835</u>	<u>\$ -</u>

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June 30, 2020 and 2019

The reported values of assets measured at fair value on a recurring basis are categorized as follows at June 30, 2019:

	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Investments				
Money market funds	\$ 222,969	\$ 222,969	\$ -	\$ -
Fixed income				
Investment grade	5,754,510	5,754,510	-	-
Other	1,353,825	1,353,825	-	-
Equities				
Domestic	8,633,773	8,633,773	-	-
International	<u>7,185,560</u>	<u>7,185,560</u>	<u>-</u>	<u>-</u>
Total investments	<u>\$23,150,637</u>	<u>\$23,150,637</u>	<u>\$ -</u>	<u>\$ -</u>
Beneficial interest in perpetual trust	<u>\$ 1,695,285</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,695,285</u>
Cash surrender value of life insurance policy	<u>\$ 267,384</u>	<u>\$ -</u>	<u>\$ 267,384</u>	<u>\$ -</u>

Transfers between asset levels are recognized on the actual date of the event, or change in circumstances, that caused the transfer. There were no such transfers between levels during the years ended June 30, 2020 and 2019.

Fair value for cash surrender value of life insurance is equal to the cash surrender value of the life insurance policy and is categorized as Level 2 fair value measurement.

The level 3 assets are comprised of the Institute's allocable share of quoted market prices of the Maine Community Foundation's (MCF) pooled investment portfolio. MCF's portfolio is comprised primarily of marketable equities, fixed income funds, and real asset funds.

6. Beneficial Interest in Perpetual Trust

During 2003, the Institute was named an income beneficiary of a perpetual trust, which has subsequently been converted to an agency endowment fund held at the Maine Community Foundation. The Institute has granted variance power over these assets to the Maine Community Foundation, who may redirect distributions from this fund in the event that it deems distributions to the Institute to be, unnecessary, incapable of fulfillment, or inconsistent with the charitable needs of the community. The Institute has reported the fair value of the underlying assets, which approximates the present value of the expected future cash flows from these assets, as a beneficial interest in a perpetual trust in the statements of financial position. A percentage of the market value of the funds, as determined by Maine Community Foundation, will be distributed annually for operations.

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June 30, 2020 and 2019

Activity for 2020 and 2019 is as follows:

Balance, July 1, 2018	\$ 1,695,268
Withdrawals	(64,850)
Realized and unrealized gains	72,105
Investment income and expense	<u>(7,238)</u>
Balance June 30, 2019	1,695,285
Withdrawals	(66,580)
Realized and unrealized gains	26,230
Investment income and expense	<u>(15,846)</u>
Balance, June 30, 2020	<u>\$ 1,639,089</u>

7. Long-term Debt

The following is a summary of long-term debt at June 30:

	<u>2020</u>	<u>2019</u>
Fixed rate (1%) unsecured PPP note payable through April 2022. Under the PPP, the Small Business Administration will forgive the proceeds received if certain criteria are met, at which time the Institute would recognize the forgiven amount as income. This loan was forgiven, subsequent to year end.	\$ 627,059	\$ -
Limited recourse note payable, forgiven during the year ended June 30, 2020	-	35,000
Fixed rate (2%) limited recourse notes payable to be used to support the Institute's micro financing program for local businesses. Repayment of principal is deferred until maturities ranging from May 2021 to August 2021	<u>200,000</u>	<u>200,000</u>
	827,059	235,000
Less current portion	<u>(727,059)</u>	<u>-</u>
	<u>\$ 100,000</u>	<u>\$ 235,000</u>

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Scheduled principal payments on long-term debt for the next two years are as follows for the years ending June 30:

2021 (including \$627,059 forgiven)	\$	727,059
2022		100,000

The Institute has an unsecured line of credit agreement in the amount of \$900,000. Interest expense is payable monthly at the highest rate published in the Wall Street Journal (3.25% at June 30, 2020). There was no outstanding balance at June 30, 2020 and 2019 on this credit line.

8. Restrictions and Limitations of Net Asset Balances

Net assets with donor restrictions consist of the following:

	<u>2020</u>	<u>2019</u>
Endowment funds, with income restricted for		
Island education funds	\$ 2,859,875	\$ 2,859,875
Swan's Island Fellows	688,431	688,431
William Bingham Fellow	649,615	599,615
Deer Isle-Stonington Fellow	400,000	400,000
Vinalhaven Island Fellow	472,952	472,952
North Haven Fellow	200,000	200,000
Louis Cabot Fellow	750,000	750,000
Isleboro Fellow	250,000	250,000
Frenchboro Historical Building Maintenance Fund	200,000	200,000
Frenchboro Island Community Fund	100,000	100,000
Funds for Maine Islands	1,622,581	1,622,581
Kellogg Retirement Plan Fund	1,010,300	1,010,300
Isaac-DeFrancis Fund	102,783	102,783
Tom Glenn Community Impact Fund	<u>2,519,990</u>	<u>1,500,000</u>
Total endowment funds with income restricted	11,826,527	10,756,537
Pledges receivable restricted for endowment	640,000	1,199,984
Beneficial interest in perpetual trust	<u>1,639,089</u>	<u>1,695,285</u>
Total net assets to be held in perpetuity	<u>14,105,616</u>	<u>13,651,806</u>

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Subject to appropriation and expenditure when a specified event or time occurs:

Strengthening community economies	\$ 326,000	\$ 994,990
Enhancing education and leadership	550,233	574,355
Delivery and sharing solutions	95,000	5,000
Restricted excess endowment earnings	1,092,624	1,214,758
Shared allocation	<u>1,516,878</u>	<u>2,443,201</u>
Total subject to appropriation and expenditure	<u>3,580,735</u>	<u>5,232,304</u>
Total net assets with donor restrictions	<u>\$ 17,686,351</u>	<u>\$ 18,884,110</u>

9. Net Assets Released from Restrictions

Net assets released from donor restrictions are comprised of the following for the year ended June 30:

	<u>2020</u>	<u>2019</u>
Strengthening community economies	\$ 932,810	\$ 813,805
Enhancing education and leadership	407,073	414,611
Delivering and sharing solutions	40,000	108,775
Shared allocation	1,189,416	1,107,734
Restricted excess endowment earnings	323,232	241,091
Grant revenues	<u>211,119</u>	<u>312,974</u>
Total net assets released from restrictions	<u>\$ 3,103,650</u>	<u>\$ 2,998,990</u>

10. Notes Receivable

Notes receivable presented within the statements of financial position include other balances due under promissory notes amounting to \$43,688 and \$44,158 as of June 30, 2020 and 2019, respectively. These notes have been issued to local businesses as part of the Institute's economic development initiatives, and bear interest at fixed rates ranging from 5.5% to 7.0% and are repayable in monthly installments of principal and interest with final maturities extending through August 2023. The current portion of such notes receivable amounted to \$10,932 and \$11,805 at June 30, 2020 and 2019, respectively. Management has determined no allowance for uncollectible accounts is deemed necessary as of June 30, 2020 and 2019.

11. Concentrations of Credit Risk Arising From Cash Deposits in Excess of Insured Limits

The Institute maintains its cash in bank deposit accounts which, at times, may exceed federally insured limits. Risk on bank deposit accounts has been mitigated through overnight sweep arrangements with financial institutions, which by design address federal insurance limits. The Institute has not experienced any losses in such accounts. Management believes it is not exposed to any significant risk on cash and cash equivalents.

ISLAND INSTITUTE

Notes to Financial Statements

June 30, 2020 and 2019

12. Contingencies

The Institute participates in various intergovernmental grant programs, which may be subject to future program compliance audits by the grantors or their representatives. Accordingly, the Institute's compliance with applicable grant requirements may be established at some future date. The amount if any, of liabilities arising from the disallowance of expenditures or ineligibility of grant revenues cannot be determined at this time.

13. Retirement Benefit Plan

The Institute offers a Section 403(b) retirement plan to its eligible employees, and currently matches employee contributions up to 6% of eligible employees' compensation. For the years ended June 30, 2020 and 2019, contributions to the plan were \$128,938 and \$97,879, respectively.

14. Operating Leases

The Institute leases certain office equipment and rental space under the terms of operating leases with initial non-cancelable terms greater than one year. The lease agreements require monthly rental payments and expire in fiscal year 2021. Operating lease expense for the years ended June 30, 2020 and 2019 totaled \$71,085 and \$95,060, respectively. The minimum rental payment for fiscal year 2021 is \$4,400.

15. Capital Lease Obligations

During 2017, the Institute renewed an equipment lease under the terms of a capital lease. Accordingly, the Institute has capitalized equipment in the amount of \$76,621 with related accumulated depreciation on this equipment amounting to \$55,198 and \$36,798 as of June 30, 2020 and 2019, respectively. Future minimum lease payments required under this lease at June 30 are as follows:

2021	\$ 16,726
2022	<u>4,182</u>
Subtotal	20,908
Less imputed interest	480
Less current portion	<u>16,271</u>
Present value of net minimum lease payments, non-current	<u>\$ 4,157</u>

ISLAND INSTITUTE

Notes to Financial Statements

June 30, 2020 and 2019

16. Liquidity and Availability of Financial Assets

The Institute has the following financial assets available within one year of the statement of financial position date to meet cash needs for general expenditure:

	<u>2020</u>	<u>2019</u>
Cash and cash equivalents	\$ 3,299,442	\$ 3,599,321
Accounts receivable, net	113,316	151,479
Notes receivable, current portion	10,932	11,805
Pledges receivable, current portion, net	1,130,050	1,665,000
Endowment spending draw	<u>1,024,126</u>	<u>963,085</u>
 Total financial assets	 5,577,866	 6,390,690
 Less amounts not available to be used within one year:		
Cash restricted for perpetual investment	50,000	850,000
Current portion of pledges receivable restricted for long-term purposes	<u>510,000</u>	<u>560,000</u>
 Total financial assets available at year end for current use	 <u>\$ 5,017,866</u>	 <u>\$ 4,980,690</u>

Included within cash and cash equivalents are donor contributions restricted for endowment to be held in perpetuity of \$50,000 and \$850,000 as of June 30, 2020 and 2019, respectively. In addition, portions of the endowment spending draw are donor restricted as to use. None of the remaining financial assets are subject to donor or other contractual restrictions that make them unavailable for general expenditure within one year of the balance sheet date. The pledges receivable are subject to implied time restrictions but are expected to be collected within one year.

The Institute's endowment funds consist of donor-restricted endowments and Board-designated quasi-endowment. As described in Note 4, the Institute's Board of Trustees has adopted an endowment spending policy under which an annual distribution of up to 4% of the average value of the endowment fund over the preceding twelve quarters to support current operations is approved.

The Institute has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. As more fully described in Note 7, the Institute has one committed line of credit in the amount of \$900,000 which it could draw upon in the event of an unanticipated liquidity need. The Institute also maintains a Board-designated contingency reserve account within its invested funds, which is funded at \$150,000 per year and may be drawn upon as needed and under certain conditions. The balance of this fund was \$906,824 at June 30, 2020 and \$754,931 at June 30, 2019. Additionally, although the Institute does not intend to spend from its Board-designated quasi-endowment fund other than amounts appropriated for general expenditure as part of its annual distribution, amounts from its Board-designated quasi-endowment fund could be made available if necessary.



The Board of Trustees
Island Institute

We have audited the financial statements of Island Institute (the Institute) as of and for the year ended June 30, 2020, and have issued our report thereon dated **REPORT DATE**. Professional standards require that we communicate to you the following information related to our audit.

PART I – REQUIRED COMMUNICATIONS

Our Responsibility Under U.S. Generally Accepted Auditing Standards

As stated in our engagement letter dated May 22, 2020, our responsibility, as described by professional standards, promulgated by the American Institute of Certified Public Accountants is to express an opinion about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the financial statements does not relieve you or management of your responsibilities.

In planning and performing our audit, we considered the Institute’s internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Institute are described in Note 1 to the financial statements.

In 2020, the Institute adopted the provisions of Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) No. 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*, which provides guidance for determining when transactions should be accounted for as contribution (nonreciprocal) or as exchange (reciprocal) transactions and whether a contribution is conditional. The Institute’s adoption of FASB ASU No. 2018-08 did not have an impact on the Institute’s financial position or results of operations.

No other new accounting policies were adopted and the application of existing policies was not changed during 2020. We noted no transactions entered into by the Institute during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management’s knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were:

- Management’s allocations of costs - based on estimated time spent and other statistical data,
- Management’s estimate of the allowance for and discount of pledges receivable – based on historical payment history and donor terms, and

- Depreciation – based on the management’s assessment of the useful lives of the underlying assets.

We evaluated the key factors and assumptions used to develop the estimates in determining they are reasonable in relation to the financial statements taken as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the financial statements were:

- Note 1 – Restatement
- Note 1 – Uncertainty
- Note 16 – Liquidity and Availability of Financial Assets

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. The attached schedule summarizes uncorrected misstatements of the financial statements. Management has determined that their effects are immaterial, both individually and in the aggregate, to the financial statements taken as a whole. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate to the financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor’s report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated **REPORT DATE**.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a “second opinion” on certain situations. If a consultation involves application of an accounting principle to the Institute’s financial statements or a determination of the type of auditor’s opinion that may be expressed on those statements, our professional standards require the consulting

accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We discussed a variety of matters, including the application of accounting principles and auditing standards, with management this initial audit year prior to retention as the Institute's auditor. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

PART II – INTERNAL CONTROL MATTERS

In planning and performing our audit of the financial statements of the Institute as of and for the year ended June 30, 2020, in accordance with U.S. generally accepted auditing standards, we considered the Institute's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Institute's internal control. Accordingly, we do not express an opinion on the effectiveness of the Institute's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified deficiencies in internal control that we consider to be significant deficiencies.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the Institute's financial statements will not be prevented, or detected and corrected, on a timely basis.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the following deficiencies in the Institute's internal control to be significant deficiencies:

Bank Reconciliations

During our audit of cash, we noted the cash reconciliations are prepared and reviewed. However, when we inquired about a reconciling item of approximately \$16,000, it was determined cash was incorrectly stated and an adjustment was required for this amount.

We recommend the bank reconciliation review process be reevaluated to provide more scrutiny, including review of the support for reconciling items. The review should continue to be documented and dated at time of occurrence.

Management's Response

Management agrees with the importance of timely and thorough bank reconciliations as a critical element of the system of internal controls. For this reason, a complete set of bank reconciliations is completed and reviewed each month. The reconciling item referenced above was not corrected during the reconciliation process as it should have been, until it was questioned during the audit. Finance staff have been advised of the audit recommendation and will strive to ensure that all bank transactions have been properly reconciled to the general ledger, with all reconciling items identified and adjusted, going forward.

Internal Technology Controls and Environment

During our review of the IT controls and environment, we noted several areas for improvement. We recognize while these items individually may not be significant, in aggregate they pose a greater risk to the Institution's ability to effectively operate. Below is a list of the items identified:

- Management does not obtain and review a SOC 2 report for the Institution's investments.
- No formal incident management program or plan is currently in place.
- There is no security policy in place.
- User access rights are not reviewed periodically to be sure access is appropriate and aligned with adequate segregation of duties.
- Multi-factor authentication for logging into the system is not currently consistent across the Institute (though we understand this is in process).
- Secure encryption software is not being utilized to send sensitive information internally.
- Personnel laptop computers are not encrypted at the hard drive level to prevent sensitive information from being saved to personal laptops.
- Currently, no penetration or vulnerability scans are in place to monitor if systems security is adequate.
- There are no security trainings or phishing tests in place to educate employees. We understand a phishing attack took place over the summer.

In response to these concerns, we recommend management review current policies and procedures and consider implementing the following best practices:

- Management should obtain and review a SOC 2 report for the invested funds on an annual basis and document the Institute's responses to the user control considerations.
- Implement a formal incident management plan.
- Implement a formal security policy.
- Periodically review user access rights.
- Multi-factor authentication for logging into the system should be consistently implemented across the Institute.
- Secure encryption software should be utilized and required to send sensitive information internally.
- Personnel laptop computers used for Institute operations should be encrypted at the hard drive level and additional controls set in place to prevent sensitive information from being saved to personal laptops.
- Penetration and vulnerability scans should be performed by a third party to monitor if systems security is adequate.
- Security trainings and phishing tests should be implemented to educate employees and spread awareness of the risks of security breach.

Management's Response

Management agrees with the importance of a strong control environment as it relates to its information systems. Island Institute has invested heavily in its IT infrastructure, as well as in internal and external resources in an effort to safeguard its systems and data from exposure and loss.

The security incident which took place in June 2020 underscored the importance of ensuring that rigorous IT security policies are in place, and staff are properly trained to ensure the risk of data exposure has been minimized or eliminated. To that end, action steps have already been taken relative to the audit recommendations, as follows:

- *Island Institute has received SOC-1 and SOC-2 reports from investment and IT providers as a means of reviewing the control environments of organizations having access to important organizational assets.*
- *Island Institute is currently working with an IT consultant to develop an IT security policy (which will address review of access rights and penetration/vulnerability scans) and an incident management plan.*
- *Multi-factor authentication (MFA) has been established for all Office 365 accounts and the Great Plains accounting system. Salesforce has been configured with the Office 365 single sign-on (SSO), which makes it MFA-compliant. Other systems are being assessed on a case-by-case basis to determine whether MFA or SSO is the more appropriate option.*
- *Island Institute has contracted with its IT vendor, Systems Engineering, to provide a disk-drive encryption solution as part of a device management project currently underway.*
- *Island Institute has contracted with KnowB4 (through Systems Engineering) to provide a phishing and employee security training platform.*

Management's written responses to the significant deficiencies identified in our audit have not been subjected to the audit procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the responses.

PART III – ADVISORY COMMENTS AND EMERGING ISSUES

In connection with our audit, we noted matters for your consideration, both best practices recommendations and brief summaries of changes (current or upcoming). As the Institute's independent auditor, we are in a unique position to provide you with constructive ideas and insights. Despite our working relationship, we are, in fact, outsiders to the Institute and can therefore be objective in presenting to you our observations and suggestions. Our comments relate to matters noted as a by-product of our audit, and are not based on a detailed study of all aspects of the Institution's operations. Our comments are offered in the hope they will lead to a creative exchange of ideas, which will result in meaningful actions to enhance the Institution's growth and efficiency.

Board Designated Investment Funds

Over time, the Institute is the beneficiary of significant donations without donor restrictions. As the Board evaluates the best use of these funds, the decision may be made to put the unrestricted donations towards projects that also receive donor donations that are restricted in perpetuity. While the Board can and does have the ability to create funds in the investment accounts, board designated items, by definition, do not create funds which are donor restricted for perpetual duration. We recommend board designated balances be separately tracked in the endowment detail to streamline appropriate financial reporting.

Management's Response

Management agrees with the importance of properly tracking invested endowment funds, including those established through donor restriction or through board designation. A project was undertaken during the fiscal year to verify and document all such funds. As part of this project, those funds which were established by board designation have been properly identified and documented within the accounting records. Going forward, any new endowment funds will be similarly identified and documented.

Allocation Basis

In order to allocate costs between functions, the Institute currently uses percentages determined during the budgeting process. While these budgeted metrics can be helpful, we understand time studies are not regularly performed to update these budgeted figures. Although management utilizes best efforts to allocate costs, best practice is to periodically update any basis used for allocation from a budgeted figure to actual results, for example, with actual time studies. Verifying these costs against actual time studies can reduce the risk of inaccuracies in functional reporting. We recommend the Institute analyze the basis for any cost allocation on a periodic basis in order to most accurately report expenses by function.

Management's Response

Management agrees with the importance of periodically substantiating allocations of wage-related costs to individual project cost centers. A periodic time study process was implemented in January 2021, with the intent of repeating it once each calendar quarter.

COVID-19 Accounting Standards Delays

As a result of the COVID-19 pandemic that was declared in March 2020, the FASB issued an ASU to delay the implementation of certain accounting standards that were set to go into effect as organizations were focused on adjusting their operations. FASB ASU No. 2020-05, *Revenue from Contracts with Customers (Topic 606), and Leases (Topic 842)*, was issued allowing organizations to defer the adoption of Topic 606 and Topic 842 by one year. Topic 606 will be effective for the year ending June 30, 2021 and Topic 842 will be effective for the year ending June 30, 2023.

Management's Response

Management has taken this Emerging Issues comment under advisement.

Gifts-in-Kind

On September 17, 2020, FASB approved ASU 2020-07, *Not-for-Profit Entities* (Topic 958): *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets* (Gifts-in-Kind) to increase transparency around contributed nonfinancial assets received by not-for-profit organizations, specifically focused on how they are valued. Examples include land, buildings, equipment, the use of fixed assets or utilities, materials and supplies (such as personal protective equipment), intangible assets and certain contributed services.

The ASU is intended to improve financial reporting by providing new presentation and disclosure requirements. It would not change the existing recognition and measurement requirements for those assets.

Significant requirements included in the ASU include:

- **Presenting** contributed nonfinancial assets as a separate line item in the statement of activities, apart from contributions of cash or other financial assets
- **Disclosing:**
 - Contributed nonfinancial assets received by category/type;
 - The organization's policy for monetizing rather than utilizing contributed nonfinancial assets;
 - A description of any donor restrictions on use of the nonfinancial assets;
 - A description of the evaluation techniques and inputs used to arrive at a fair value measurement; and
 - The principal market (or most advantageous market) used to arrive at the fair value measurement if it is a market in which the organization is prohibited by donor restrictions from selling or using the nonfinancial asset.

The amendments in this proposed ASU should be applied on a retrospective basis. The amendments will be effective for annual reporting periods beginning after June 15, 2021, with early adoption permitted.

Management's Response

Management has taken this Emerging Issues comment under advisement.

Internal Revenue Service (IRS) Work Plan

Each year, the Tax Exempt & Government Entities division within the IRS publishes its Compliance Strategies for priority work in the upcoming year. The Fiscal Year 2020 Compliance Strategies include (but are not limited to) the following:

- Private benefit and inurement: organizations that show indicators of potential private benefit or inurement to individuals or private entities, including private foundation loans to disqualified persons.
- Worker classification: misclassified workers may result in incorrectly treating employees as independent contractors.
- Forms W-2/1099 matches: compare payments reported on Form 1099-MISC, with wages reported on Form W-2, and subject to Federal Insurance Contributions Act tax and income tax withholding.

- Backup withholding: mismatched and/or missing taxpayer identification numbers on Form 1099 may indicate failure to comply with backup withholding requirements.
- Hospital organizations with unrelated business income: focus on unrelated business taxable income reported on Form 990-T where expenses materially exceed gross income.
- Internal Revenue Code (IRC) Section 403(b)/457 plans: examine 403(b) plans for universal availability, and examine both 403(b) and 457(b) plans for excessive contributions and proper use of catch-up contribution rules.
- Previous for-profit organizations formerly operated as for-profit entities prior to their conversion to IRC Section 501(c)(3) organizations.
- Tax Exempt Bonds (Variable Rate Bonds): determine whether the issuances comply with the rebate and yield restriction rules under IRS Section 148, the bond and investment yields were properly computed and rebate or yield reduction liability (if any) was correctly determined.
- Federal Unemployment Tax Act (FUTA): exempt organizations that are required to, but fail to file Form 940.

The last bullet above may apply in situations where an organization that is exempt under Internal Revenue Code Section 501(c)(3) acts as a common paymaster or payroll agent for an organization that is exempt under a different code section, such as Section 501(c)(4). The FUTA exclusion applies only to organizations exempt under Section 501(c)(3). We recommend consulting your tax advisor if any of the above situations may apply to your organization.

Management's Response

Management has taken this Emerging Issues comment under advisement.

* * * * *

We wish to thank Peter Rand and the staff for the cooperation and assistance extended to us during the course of our audit. This communication is intended solely for the information and use of the Board of Trustees and management of Island Institute and is not intended to be and should not be used by anyone other than these specified parties.

Portland, Maine
REPORT DATE

Island Institute
 Year End: June 30, 2020
 Passed Adjusting Journal Entries
 Date: 7/1/2019 To 6/30/2020

Preparer	Reviewer	PIC	2nd Partner
EBP 12/2/2020	SP 12/2/2020		

Number	Date	Name	Account No	Reference	Debit	Credit	Proposed Net Income (Loss)	Proposed Amount Chg	Recurrence	Misstatement
Net Income (Loss)							(1,390,838.63)			
PAJE01	6/30/2020	CGA liability	BD07 II	413A		31,530.30				
PAJE01	6/30/2020	GF-Unrestricted Net Assets-General	000-3000-000 II	413A	32,859.95					
PAJE01	6/30/2020	FINANCE-Other Revenue-	910-4053-000 II	413A		1,329.65				
Entry to book estimate of future CGA liability to pay out to donors.					32,859.95	32,859.95	(1,389,508.98)	1,329.65		
PAJE02	6/30/2020	PHILANTHROPY-Board Designated	800-4025-000 II	1302		49,990.00				
PAJE02	6/30/2020	PHILANTHROPY-PR-Individuals-Gle	800-4690-100 II	1302	49,990.00					
To remove the board designated gift from perm restricted to unrestricted.					49,990.00	49,990.00	(1,389,508.98)	0.00		
PAJE03	6/30/2020	GF-Unrestricted Net Assets-General	000-3000-000 II	1100	6,628.68					
PAJE03	6/30/2020	FACILITIES/ASSETS-Depreciation (F	945-6798-000 II	1100		2,295.00				
PAJE03	6/30/2020	FACILITIES/ASSETS-Depreciation (E	945-6799-000 II	1100		3,000.00				
PAJE03	6/30/2020	FACILITIES/ASSETS-Depreciation (E	945-7699-000 II	1100		1,333.68				
Passed audit adjustment to adjust depreciation the Trial balance to fixed assets support.					6,628.68	6,628.68	(1,382,880.30)	6,628.68		
PAJE04	6/30/2020	GF-CSV Founders Life Ins-General F	000-1551-000 II	415	50,097.00					
PAJE04	6/30/2020	FINANCE-Investment Earnings-	910-4095-000 II	415		50,097.00				
To increase value in line with confirmation.					50,097.00	50,097.00	(1,332,783.30)	50,097.00		
PAJE05	6/30/2020	GF-Accounts Payable-General Fund	000-2000-000 II	802		9,050.00				
PAJE05	6/30/2020	G&A Misc Business Exp	999-6490-000 II	802	9,050.00					
To recognize expenditure in proper period.					9,050.00	9,050.00	(1,341,833.30)	(9,050.00)		
						148,625.63	148,625.63	(1,341,833.30)	49,005.33	

Form 990
(Rev. January 2020)
Department of the Treasury
Internal Revenue Service

Return of Organization Exempt From Income Tax
Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except private foundations)
▶ Do not enter social security numbers on this form as it may be made public.
▶ Go to www.irs.gov/Form990 for instructions and the latest information.

OMB No. 1545-0047

2019
Open to Public Inspection

A For the 2019 calendar year, or tax year beginning **JUL 1, 2019** and ending **JUN 30, 2020**

B Check if applicable: Address change Name change Initial return Final return/terminated Amended return Application pending	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 province, country, and ZIP or foreign postal code Rockland, ME 04841	D Employer identification number 22-2786731
	F Name and address of principal officer: Robert Synder same as C above	E Telephone number 207-594-9209
	I Tax-exempt status: <input checked="" type="checkbox"/> 501(c)(3) 501(c) () ◀ (insert no.) 4947(a)(1) or 527	G Gross receipts \$ 6,598,363.
J Website: ▶ www.islandinstitute.org		H(a) Is this a group return for subordinates? Yes <input checked="" type="checkbox"/> No H(b) Are all subordinates included? Yes No If "No," attach a list. (see instructions)
K Form of organization: <input checked="" type="checkbox"/> Corporation Trust Association Other ▶		H(c) Group exemption number ▶
	L Year of formation: 1983	M State of legal domicile: ME

Part I Summary			
	1	Briefly describe the organization's mission or most significant activities: The Island Institute works to sustain Maine's island and coastal communities, and exchange ideas	
	2	Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets.	
Activities & Governance	3	Number of voting members of the governing body (Part VI, line 1a)	20
	4	Number of independent voting members of the governing body (Part VI, line 1b)	20
	5	Total number of individuals employed in calendar year 2019 (Part V, line 2a)	68
	6	Total number of volunteers (estimate if necessary)	23
	7a	Total unrelated business revenue from Part VIII, column (C), line 12	55,756.
	7b	Net unrelated business taxable income from Form 990-T, line 39	0.
	Revenue	8	Contributions and grants (Part VIII, line 1h)
9		Program service revenue (Part VIII, line 2g)	226,489.
10		Investment income (Part VIII, column (A), lines 3, 4, and 7d)	981,617.
11		Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	328,229.
12		Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12)	4,980,303.
Expenses		13	Grants and similar amounts paid (Part IX, column (A), lines 1-3)
	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)	3,112,588.
	16a	Professional fundraising fees (Part IX, column (A), line 11e)	0.
	b	Total fundraising expenses (Part IX, column (D), line 25) ▶ 1,043,942.	
	17	Other expenses (Part IX, column (A), lines 11a-11d, 11f-24e)	2,333,523.
	18	Total expenses. Add lines 13-17 (must equal Part IX, column (A), line 25)	5,708,324.
	19	Revenue less expenses. Subtract line 18 from line 12	-728,021.
Net Assets or Fund Balances	20	Total assets (Part X, line 16)	34,723,097.
	21	Total liabilities (Part X, line 26)	1,010,020.
	22	Net assets or fund balances. Subtract line 21 from line 20	33,713,077.

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.				
Sign Here	▶ Signature of officer Peter Rand, CFO Type or print name and title	Date		
Paid Preparer Use Only	Print/Type preparer's name Joseph R. Byrne	Preparer's signature Joseph R. Byrne	Date 02/04/21	Check if self-employed <input type="checkbox"/> PTIN P01289281
	Firm's name ▶ Berry Dunn McNeil & Parker, LLC	Firm's EIN ▶ 01-0523282		
	Firm's address ▶ 2211 Congress Street Portland, ME 04102	Phone no. (207) 775-2387		

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

Part III Statement of Program Service Accomplishments

Check if Schedule O contains a response or note to any line in this Part III [X]

1 Briefly describe the organization's mission: The Island Institute works to sustain Maine's island and coastal communities, and exchanges ideas and experiences to further the sustainability of communities here and elsewhere.

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 [X] No

3 Did the organization cease conducting, or make significant changes in how it conducts, any program services? [] Yes [X] No

4 Describe the organization's program service accomplishments for each of its three largest program services, as measured by expenses.

4a (Code:) (Expenses \$ 1,907,382. including grants of \$ 272,403.) (Revenue \$ 134,745.) Strengthening community economies through small business training and support, aquaculture business development, high-speed broadband access and digital literacy, access to affordable renewable energy, and helping island and coastal communities prepare for impacts from climate changes and sea level rise.

4b (Code:) (Expenses \$ 1,525,499. including grants of \$ 41,826.) (Revenue \$ 56,434.) Delivering & sharing solutions by building capacity through our island fellowships, and sharing information and resources through our publications, online and digital content, community research (The Working Waterfront Newspapers, Island Journal, Waypoints, What Works solutions library).

4c (Code:) (Expenses \$ 449,025. including grants of \$ 79,948.) (Revenue \$ 227,917.) Enhancing education & leadership through professional development programs for municipal and educational leaders, scholarships and support for island and coastal students, and workforce development for future leading industries.

4d Other program services (Describe on Schedule O.) (Expenses \$ 107,858. including grants of \$) (Revenue \$)

4e Total program service expenses 3,989,764.

Part IV Checklist of Required Schedules

Table with 3 columns: Question ID, Yes, No. Rows include questions 1 through 21 regarding organizational requirements and schedules A through I.

Part IV Checklist of Required Schedules (continued)

	Yes	No
22 Did the organization report more than \$5,000 of grants or other assistance to or for domestic individuals on Part IX, column (A), line 2? <i>If "Yes," complete Schedule I, Parts I and III</i>	X	
23 Did the organization answer "Yes" to Part VII, Section A, line 3, 4, or 5 about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? <i>If "Yes," complete Schedule J</i>	X	
24a Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, that was issued after December 31, 2002? <i>If "Yes," answer lines 24b through 24d and complete Schedule K. If "No," go to line 25a</i>		X
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), 501(c)(4), and 501(c)(29) 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>		X
b Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? <i>If "Yes," complete Schedule L, Part I</i>		X
26 Did the organization report any amount on Part X, line 5 or 22, for receivables from or payables to any current or former officer, director, trustee, key employee, creator or founder, substantial contributor, or 35% controlled entity or family member of any of these persons? <i>If "Yes," complete Schedule L, Part II</i>		X
27 Did the organization provide a grant or other assistance to any current or former officer, director, trustee, key employee, creator or founder, substantial contributor or employee thereof, a grant selection committee member, or to a 35% controlled entity (including an employee thereof) or family member of any of these persons? <i>If "Yes," complete Schedule L, Part III</i>		X
28 Was the organization a party to a business transaction with one of the following parties (see Schedule L, Part IV instructions, for applicable filing thresholds, conditions, and exceptions):		
a A current or former officer, director, trustee, key employee, creator or founder, or substantial contributor? <i>If "Yes," complete Schedule L, Part IV</i>		X
b A family member of any individual described in line 28a? <i>If "Yes," complete Schedule L, Part IV</i>		X
c A 35% controlled entity of one or more individuals and/or organizations described in lines 28a or 28b? <i>If "Yes," complete Schedule L, Part IV</i>		X
29 Did the organization receive more than \$25,000 in non-cash contributions? <i>If "Yes," complete Schedule M</i>	X	
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>		X
31 Did the organization liquidate, terminate, or dissolve and cease operations? <i>If "Yes," complete Schedule N, Part I</i>		X
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>		X
33 Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? <i>If "Yes," complete Schedule R, Part I</i>	X	
34 Was the organization related to any tax-exempt or taxable entity? <i>If "Yes," complete Schedule R, Part II, III, or IV, and Part V, line 1</i>		X
35a Did the organization have a controlled entity within the meaning of section 512(b)(13)?	X	
b If "Yes" to line 35a, did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? <i>If "Yes," complete Schedule R, Part V, line 2</i>		X
36 Section 501(c)(3) organizations. Did the organization make any transfers to an exempt non-charitable related organization? <i>If "Yes," complete Schedule R, Part V, line 2</i>		X
37 Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? <i>If "Yes," complete Schedule R, Part VI</i>		X
38 Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11b and 19?	X	

Note: All Form 990 filers are required to complete Schedule O

Part V Statements Regarding Other IRS Filings and Tax Compliance

Check if Schedule O contains a response or note to any line in this Part V

	Yes	No
1a Enter the number reported in Box 3 of Form 1096. Enter -0- if not applicable		
b Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable		
c Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?	X	

Part V Statements Regarding Other IRS Filings and Tax Compliance (continued)

Table with columns for question number, question text, and Yes/No response boxes. Includes questions 2a through 16 regarding employee counts, tax returns, unrelated business income, foreign accounts, prohibited transactions, and charitable contributions.

Part VI Governance, Management, and Disclosure For each "Yes" response to lines 2 through 7b below, and for a "No" response to line 8a, 8b, or 10b below, describe the circumstances, processes, or changes on Schedule O. See instructions.

Check if Schedule O contains a response or note to any line in this Part VI [X]

Section A. Governing Body and Management

Table with 3 columns: Question, Yes, No. Rows include 1a (20), 1b (20), 2, 3, 4, 5, 6, 7a, 7b, 8a, 8b, 9.

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

Table with 3 columns: Question, Yes, No. Rows include 10a, 10b, 11a, 11b, 12a, 12b, 12c, 13, 14, 15a, 15b, 16a, 16b.

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 Forms 1023 (1024 or 1024-A, if applicable), 990, and 990-T (Section 501(c)(3)s only) available for public inspection.
19 Describe on Schedule O whether (and if so, how) the organization made its governing documents, conflict of interest policy, and financial statements available to the public during the tax year.
20 State the name, address, and telephone number of the person who possesses the organization's books and records Peter Rand - 207-594-9209 386 Main Street, PO Box 648, Rockland, ME 04841

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

Check if Schedule O contains a response or note to any line in this Part VII

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

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

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

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

(A) Name and title	(B) Average hours per week (list any hours for related organizations below line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(1) Emily B. Lane Chair	1.00 0.00	X		X				0.	0.	0.
(2) Tom Tinsley Vice Chair	1.00 0.00	X		X				0.	0.	0.
(3) Douglas Henderson Treasurer	1.00 0.00	X		X				0.	0.	0.
(4) Michael P. Boyd Clerk	1.00 0.00	X		X				0.	0.	0.
(5) Charles Owen Verrill, Jr. Secretary	1.00 0.00	X		X				0.	0.	0.
(6) Natalie Ames Trustee	1.00 0.00	X						0.	0.	0.
(7) Sebastian Belle Trustee	1.00 0.00	X						0.	0.	0.
(8) Shey Conover Trustee	1.00 0.00	X						0.	0.	0.
(9) David Cousens Trustee	1.00 0.00	X						0.	0.	0.
(10) Megan McGinnis Dayton Trustee	1.00 0.00	X						0.	0.	0.
(11) Michael Felton Trustee	1.00 0.00	X						0.	0.	0.
(12) Luke Holden Trustee	1.00 0.00	X						0.	0.	0.
(13) Kristin Howard Trustee	1.00 0.00	X						0.	0.	0.
(14) Nathan Johnson Trustee	1.00 0.00	X						0.	0.	0.
(15) Bryan Lewis Trustee	1.00 0.00	X						0.	0.	0.
(16) Michael Sant Trustee	1.00 0.00	X						0.	0.	0.
(17) Barbara Sweet Trustee	1.00 0.00	X						0.	0.	0.

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

(A) Name and title	(B) Average hours per week (list any hours for related organizations below line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(18) Kate Vogt Trustee	1.00 0.00	X						0.	0.	0.
(19) Carol White Trustee	1.00 0.00	X						0.	0.	0.
(20) Donna Wiegler Trustee	1.00 0.00	X						0.	0.	0.
(21) Joseph R. Higdon Past Chair	1.00 0.00	X		X				0.	0.	0.
(22) Katherine Drew McGhee Past Trustee	1.00 0.00	X						0.	0.	0.
(23) Henry L. Miller Past Trustee	1.00 0.00	X						0.	0.	0.
(24) Hannah M. Pingree Past Trustee	1.00 0.00	X						0.	0.	0.
(25) Robert Snyder President	40.00 1.00			X				166,983.	0.	42,486.
(26) Peter Rand CFO	40.00 1.00			X				117,650.	0.	22,074.
1b Subtotal								284,633.	0.	64,560.
c Total from continuation sheets to Part VII, Section A								105,698.	0.	8,656.
d Total (add lines 1b and 1c)								390,331.	0.	73,216.

2 Total number of individuals (including but not limited to those listed above) who received more than \$100,000 of reportable compensation from the organization **3**

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

Section B. Independent Contractors

1 Complete this table for your five highest compensated independent contractors that received more than \$100,000 of compensation from the organization. Report compensation for the calendar year ending with or within the organization's tax year.

(A) Name and business address	(B) Description of services	(C) Compensation
Conkling & Associates 127 Sherman's Point Road, Camden, ME 04843	Consulting	104,040.

2 Total number of independent contractors (including but not limited to those listed above) who received more than \$100,000 of compensation from the organization **1**

See Part VII, Section A Continuation sheets

Part VIII Statement of Revenue

Check if Schedule O contains a response or note to any line in this Part VIII

			(A)	(B)	(C)	(D)	
			Total revenue	Related or exempt function revenue	Unrelated business revenue	Revenue excluded from tax under sections 512 - 514	
Contributions, Gifts, Grants and Other Similar Amounts	1 a Federated campaigns	1a					
	b Membership dues	1b	1,792,663.				
	c Fundraising events	1c					
	d Related organizations	1d					
	e Government grants (contributions)	1e	211,119.				
	f All other contributions, gifts, grants, and similar amounts not included above	1f	2,067,871.				
	g Noncash contributions included in lines 1a-1f	1g	\$ 28,610.				
	h Total. Add lines 1a-1f			4,071,653.			
Program Service Revenue	2 a Earned Income	Business Code					
		900099	134,745.	134,745.			
	b Other Income	900099	96,627.	96,627.			
	c Publications/Information	541800	56,434.	678.	55,756.		
	d						
	e						
	f All other program service revenue						
g Total. Add lines 2a-2f			287,806.				
Other Revenue	3 Investment income (including dividends, interest, and other similar amounts)		614,355.			614,355.	
	4 Income from investment of tax-exempt bond proceeds						
	5 Royalties						
	6 a Gross rents	6a	(i) Real				
			(ii) Personal				
	b Less: rental expenses	6b					
	c Rental income or (loss)	6c					
	d Net rental income or (loss)						
	7 a Gross amount from sales of assets other than inventory	7a	(i) Securities	1,069,570.			
			(ii) Other				
	b Less: cost or other basis and sales expenses	7b	1,013,373.				
	c Gain or (loss)	7c	56,197.				
d Net gain or (loss)			56,197.		56,197.		
8 a Gross income from fundraising events (not including \$ _____ of contributions reported on line 1c). See Part IV, line 18	8a						
b Less: direct expenses	8b						
c Net income or (loss) from fundraising events							
9 a Gross income from gaming activities. See Part IV, line 19	9a						
b Less: direct expenses	9b						
c Net income or (loss) from gaming activities							
10 a Gross sales of inventory, less returns and allowances	10a		554,979.				
b Less: cost of goods sold	10b	327,062.					
c Net income or (loss) from sales of inventory			227,917.	227,917.			
Miscellaneous Revenue	11 a	Business Code					
	b						
	c						
	d All other revenue						
	e Total. Add lines 11a-11d						
12 Total revenue. See instructions			5,257,928.	459,967.	55,756.	670,552.	

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).

Check if Schedule O contains a response or note to any line in this Part IX

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 domestic organizations and domestic governments. See Part IV, line 21	225,156.	225,156.		
2 Grants and other assistance to domestic individuals. See Part IV, line 22	169,021.	169,021.		
3 Grants and other assistance to foreign organizations, foreign governments, and foreign individuals. See Part IV, lines 15 and 16				
4 Benefits paid to or for members				
5 Compensation of current officers, directors, trustees, and key employees	396,454.	100,066.	181,754.	114,634.
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	2,925,587.	1,917,379.	440,519.	567,689.
8 Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)	109,576.	74,092.	15,019.	20,465.
9 Other employee benefits	244,003.	163,305.	35,626.	45,072.
10 Payroll taxes	250,072.	153,409.	45,782.	50,881.
11 Fees for services (nonemployees):				
a Management				
b Legal	541,835.	262,474.	266,485.	12,876.
c Accounting	25,500.	12,353.	12,541.	606.
d Lobbying				
e Professional fundraising services. See Part IV, line 17				
f Investment management fees	136,090.		136,090.	
g Other. (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Sch O.)	150,285.	72,801.	73,913.	3,571.
12 Advertising and promotion	38,501.	25,432.	7,718.	5,351.
13 Office expenses	192,909.	135,547.	31,630.	25,732.
14 Information technology	157,936.	62,502.	60,421.	35,013.
15 Royalties				
16 Occupancy	126,023.	47,330.	68,767.	9,926.
17 Travel	234,409.	158,351.	44,604.	31,454.
18 Payments of travel or entertainment expenses for any federal, state, or local public officials				
19 Conferences, conventions, and meetings	125,570.	85,307.	21,749.	18,514.
20 Interest				
21 Payments to affiliates				
22 Depreciation, depletion, and amortization	125,506.	75,471.	32,033.	18,002.
23 Insurance	23,253.		23,253.	
24 Other expenses. Itemize expenses not covered above (List miscellaneous expenses on line 24e. If line 24e amount exceeds 10% of line 25, column (A) amount, list line 24e expenses on Schedule O.)				
a Publications	210,785.	171,965.	334.	38,486.
b Equipment Cost & Other	102,801.	60,724.	0.	42,077.
c Employee Training & Dev	25,854.	17,079.	5,182.	3,593.
d _____				
e All other expenses _____				
25 Total functional expenses. Add lines 1 through 24e	6,537,126.	3,989,764.	1,503,420.	1,043,942.
26 Joint costs. Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation.				

Check here if following SOP 98-2 (ASC 958-720)

Part X Balance Sheet

Check if Schedule O contains a response or note to any line in this Part X

		(A) Beginning of year		(B) End of year
Assets	1 Cash - non-interest-bearing	4,300.	1	61,618.
	2 Savings and temporary cash investments	3,817,990.	2	4,206,601.
	3 Pledges and grants receivable, net	3,618,489.	3	1,724,841.
	4 Accounts receivable, net	151,479.	4	113,316.
	5 Loans and other receivables from any current or former officer, director, trustee, key employee, creator or founder, substantial contributor, or 35% controlled entity or family member of any of these persons		5	
	6 Loans and other receivables from other disqualified persons (as defined under section 4958(f)(1)), and persons described in section 4958(c)(3)(B)		6	
	7 Notes and loans receivable, net	44,158.	7	43,688.
	8 Inventories for sale or use	275,850.	8	240,553.
	9 Prepaid expenses and deferred charges	83,065.	9	100,260.
	10a Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D	10a 3,193,975.		
	b Less: accumulated depreciation	10b 2,111,085.	10c	1,082,890.
	11 Investments - publicly traded securities	22,927,668.	11	23,799,997.
	12 Investments - other securities. See Part IV, line 11	81,747.	12	81,747.
	13 Investments - program-related. See Part IV, line 11		13	
	14 Intangible assets		14	
	15 Other assets. See Part IV, line 11	2,563,954.	15	2,368,211.
16 Total assets. Add lines 1 through 15 (must equal line 33)	34,723,097.	16	33,823,722.	
Liabilities	17 Accounts payable and accrued expenses	733,308.	17	646,711.
	18 Grants payable		18	
	19 Deferred revenue	5,572.	19	7,286.
	20 Tax-exempt bond liabilities		20	
	21 Escrow or custodial account liability. Complete Part IV of Schedule D		21	
	22 Loans and other payables to any current or former officer, director, trustee, key employee, creator or founder, substantial contributor, or 35% controlled entity or family member of any of these persons		22	
	23 Secured mortgages and notes payable to unrelated third parties		23	
	24 Unsecured notes and loans payable to unrelated third parties	235,000.	24	200,000.
	25 Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24). Complete Part X of Schedule D	36,140.	25	647,487.
	26 Total liabilities. Add lines 17 through 25	1,010,020.	26	1,501,484.
Net Assets or Fund Balances	Organizations that follow FASB ASC 958, check here <input checked="" type="checkbox"/> and complete lines 27, 28, 32, and 33.			
	27 Net assets without donor restrictions	14,828,967.	27	14,635,887.
	28 Net assets with donor restrictions	18,884,110.	28	17,686,351.
	Organizations that do not follow FASB ASC 958, check here <input type="checkbox"/> and complete lines 29 through 33.			
	29 Capital stock or trust principal, or current funds		29	
	30 Paid-in or capital surplus, or land, building, or equipment fund		30	
	31 Retained earnings, endowment, accumulated income, or other funds		31	
	32 Total net assets or fund balances	33,713,077.	32	32,322,238.
	33 Total liabilities and net assets/fund balances	34,723,097.	33	33,823,722.

Part XI Reconciliation of Net Assets

Check if Schedule O contains a response or note to any line in this Part XI

1	Total revenue (must equal Part VIII, column (A), line 12)	1	5,257,928.
2	Total expenses (must equal Part IX, column (A), line 25)	2	6,537,126.
3	Revenue less expenses. Subtract line 2 from line 1	3	-1,279,198.
4	Net assets or fund balances at beginning of year (must equal Part X, line 32, column (A))	4	33,713,077.
5	Net unrealized gains (losses) on investments	5	-55,444.
6	Donated services and use of facilities	6	
7	Investment expenses	7	
8	Prior period adjustments	8	
9	Other changes in net assets or fund balances (explain on Schedule O)	9	-56,197.
10	Net assets or fund balances at end of year. Combine lines 3 through 9 (must equal Part X, line 32, column (B))	10	32,322,238.

Part XII Financial Statements and Reporting

Check if Schedule O contains a response or note to any line in this Part XII

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

Form 990 (2019)

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

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

Section A. Public Support

Calendar year (or fiscal year beginning in) ▶	(a) 2015	(b) 2016	(c) 2017	(d) 2018	(e) 2019	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")	4415643.	10027234.	6613259.	3443968.	4071653.	28571757.
2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
3 The value of services or facilities furnished by a governmental unit to the organization without charge						
4 Total. Add lines 1 through 3	4415643.	10027234.	6613259.	3443968.	4071653.	28571757.
5 The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f)						7538425.
6 Public support. Subtract line 5 from line 4.						21033332.

Section B. Total Support

Calendar year (or fiscal year beginning in) ▶	(a) 2015	(b) 2016	(c) 2017	(d) 2018	(e) 2019	(f) Total
7 Amounts from line 4	4415643.	10027234.	6613259.	3443968.	4071653.	28571757.
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties, and income from similar sources	532,108.	477,865.	479,007.	549,262.	614,355.	2652597.
9 Net income from unrelated business activities, whether or not the business is regularly carried on	66,318.	70,913.	76,832.	70,211.	55,756.	340,030.
10 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part VI.)						
11 Total support. Add lines 7 through 10						31564384.
12 Gross receipts from related activities, etc. (see instructions)					12	2,750,660.
13 First five years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and stop here						▶

Section C. Computation of Public Support Percentage

14 Public support percentage for 2019 (line 6, column (f) divided by line 11, column (f))	14	66.64 %
15 Public support percentage from 2018 Schedule A, Part II, line 14	15	71.20 %
16a 33 1/3% support test - 2019. 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% support test - 2018. If the organization did not check a box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization		▶
17a 10% -facts-and-circumstances test - 2019. 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 VI how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization		▶
b 10% -facts-and-circumstances test - 2018. 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 VI how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization		▶
18 Private foundation. If the organization did not check a box on line 13, 16a, 16b, 17a, or 17b, check this box and see instructions		▶

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

(Complete only if you checked the box on line 10 of Part I or if the organization failed to qualify under Part II. If the organization fails to qualify under the tests listed below, please complete Part II.)

Section A. Public Support

Calendar year (or fiscal year beginning in) ►	(a) 2015	(b) 2016	(c) 2017	(d) 2018	(e) 2019	(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 through 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 \$5,000 or 1% of the amount on line 13 for the year						
c Add lines 7a and 7b						
8 Public support. (Subtract line 7c from line 6.)						

Section B. Total Support

Calendar year (or fiscal year beginning in) ►	(a) 2015	(b) 2016	(c) 2017	(d) 2018	(e) 2019	(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 June 30, 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 VI.)						
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 section 501(c)(3) organization, check this box and **stop here** ►

Section C. Computation of Public Support Percentage

15 Public support percentage for 2019 (line 8, column (f), divided by line 13, column (f))	15	%
16 Public support percentage from 2018 Schedule A, Part III, line 15	16	%

Section D. Computation of Investment Income Percentage

17 Investment income percentage for 2019 (line 10c, column (f), divided by line 13, column (f))	17	%
18 Investment income percentage from 2018 Schedule A, Part III, line 17	18	%

19a 33 1/3% support tests - 2019. 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% support tests - 2018. 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 Supporting Organizations

(Complete only if you checked a box in line 12 on Part I. If you checked 12a of Part I, complete Sections A and B. If you checked 12b of Part I, complete Sections A and C. If you checked 12c of Part I, complete Sections A, D, and E. If you checked 12d of Part I, complete Sections A and D, and complete Part V.)

Section A. All Supporting Organizations

	Yes	No
1 Are all of the organization's supported organizations listed by name in the organization's governing documents? <i>If "No," describe in Part VI how the supported organizations are designated. If designated by class or purpose, describe the designation. If historic and continuing relationship, explain.</i>		
2 Did the organization have any supported organization that does not have an IRS determination of status under section 509(a)(1) or (2)? <i>If "Yes," explain in Part VI how the organization determined that the supported organization was described in section 509(a)(1) or (2).</i>		
3a Did the organization have a supported organization described in section 501(c)(4), (5), or (6)? <i>If "Yes," answer (b) and (c) below.</i>		
b Did the organization confirm that each supported organization qualified under section 501(c)(4), (5), or (6) and satisfied the public support tests under section 509(a)(2)? <i>If "Yes," describe in Part VI when and how the organization made the determination.</i>		
c Did the organization ensure that all support to such organizations was used exclusively for section 170(c)(2)(B) purposes? <i>If "Yes," explain in Part VI what controls the organization put in place to ensure such use.</i>		
4a Was any supported organization not organized in the United States ("foreign supported organization")? <i>If "Yes," and if you checked 12a or 12b in Part I, answer (b) and (c) below.</i>		
b Did the organization have ultimate control and discretion in deciding whether to make grants to the foreign supported organization? <i>If "Yes," describe in Part VI how the organization had such control and discretion despite being controlled or supervised by or in connection with its supported organizations.</i>		
c Did the organization support any foreign supported organization that does not have an IRS determination under sections 501(c)(3) and 509(a)(1) or (2)? <i>If "Yes," explain in Part VI what controls the organization used to ensure that all support to the foreign supported organization was used exclusively for section 170(c)(2)(B) purposes.</i>		
5a Did the organization add, substitute, or remove any supported organizations during the tax year? <i>If "Yes," answer (b) and (c) below (if applicable). Also, provide detail in Part VI, including (i) the names and EIN numbers of the supported organizations added, substituted, or removed; (ii) the reasons for each such action; (iii) the authority under the organization's organizing document authorizing such action; and (iv) how the action was accomplished (such as by amendment to the organizing document).</i>		
b Type I or Type II only. Was any added or substituted supported organization part of a class already designated in the organization's organizing document?		
c Substitutions only. Was the substitution the result of an event beyond the organization's control?		
6 Did the organization provide support (whether in the form of grants or the provision of services or facilities) to anyone other than (i) its supported organizations, (ii) individuals that are part of the charitable class benefited by one or more of its supported organizations, or (iii) other supporting organizations that also support or benefit one or more of the filing organization's supported organizations? <i>If "Yes," provide detail in Part VI.</i>		
7 Did the organization provide a grant, loan, compensation, or other similar payment to a substantial contributor (as defined in section 4958(c)(3)(C)), a family member of a substantial contributor, or a 35% controlled entity with regard to a substantial contributor? <i>If "Yes," complete Part I of Schedule L (Form 990 or 990-EZ).</i>		
8 Did the organization make a loan to a disqualified person (as defined in section 4958) not described in line 7? <i>If "Yes," complete Part I of Schedule L (Form 990 or 990-EZ).</i>		
9a Was the organization controlled directly or indirectly at any time during the tax year by one or more disqualified persons as defined in section 4946 (other than foundation managers and organizations described in section 509(a)(1) or (2))? <i>If "Yes," provide detail in Part VI.</i>		
b Did one or more disqualified persons (as defined in line 9a) hold a controlling interest in any entity in which the supporting organization had an interest? <i>If "Yes," provide detail in Part VI.</i>		
c Did a disqualified person (as defined in line 9a) have an ownership interest in, or derive any personal benefit from, assets in which the supporting organization also had an interest? <i>If "Yes," provide detail in Part VI.</i>		
10a Was the organization subject to the excess business holdings rules of section 4943 because of section 4943(f) (regarding certain Type II supporting organizations, and all Type III non-functionally integrated supporting organizations)? <i>If "Yes," answer 10b below.</i>		
b Did the organization have any excess business holdings in the tax year? <i>(Use Schedule C, Form 4720, to determine whether the organization had excess business holdings.)</i>		

Part IV Supporting Organizations (continued)

	Yes	No
11 Has the organization accepted a gift or contribution from any of the following persons?		
a A person who directly or indirectly controls, either alone or together with persons described in (b) and (c) below, the governing body of a supported organization?		
b A family member of a person described in (a) above?		
c A 35% controlled entity of a person described in (a) or (b) above? <i>If "Yes" to a, b, or c, provide detail in Part VI.</i>		

Section B. Type I Supporting Organizations

	Yes	No
1 Did the directors, trustees, or membership of one or more supported organizations have the power to regularly appoint or elect at least a majority of the organization's directors or trustees at all times during the tax year? <i>If "No," describe in Part VI how the supported organization(s) effectively operated, supervised, or controlled the organization's activities. If the organization had more than one supported organization, describe how the powers to appoint and/or remove directors or trustees were allocated among the supported organizations and what conditions or restrictions, if any, applied to such powers during the tax year.</i>		
2 Did the organization operate for the benefit of any supported organization other than the supported organization(s) that operated, supervised, or controlled the supporting organization? <i>If "Yes," explain in Part VI how providing such benefit carried out the purposes of the supported organization(s) that operated, supervised, or controlled the supporting organization.</i>		

Section C. Type II Supporting Organizations

	Yes	No
1 Were a majority of the organization's directors or trustees during the tax year also a majority of the directors or trustees of each of the organization's supported organization(s)? <i>If "No," describe in Part VI how control or management of the supporting organization was vested in the same persons that controlled or managed the supported organization(s).</i>		

Section D. All Type III Supporting Organizations

	Yes	No
1 Did the organization provide to each of its supported organizations, by the last day of the fifth month of the organization's tax year, (i) a written notice describing the type and amount of support provided during the prior tax year, (ii) a copy of the Form 990 that was most recently filed as of the date of notification, and (iii) copies of the organization's governing documents in effect on the date of notification, to the extent not previously provided?		
2 Were any of the organization's officers, directors, or trustees either (i) appointed or elected by the supported organization(s) or (ii) serving on the governing body of a supported organization? <i>If "No," explain in Part VI how the organization maintained a close and continuous working relationship with the supported organization(s).</i>		
3 By reason of the relationship described in (2), did the organization's supported organizations have a significant voice in the organization's investment policies and in directing the use of the organization's income or assets at all times during the tax year? <i>If "Yes," describe in Part VI the role the organization's supported organizations played in this regard.</i>		

Section E. Type III Functionally Integrated Supporting Organizations

1 Check the box next to the method that the organization used to satisfy the Integral Part Test during the year (see instructions).		
a The organization satisfied the Activities Test. Complete line 2 below.		
b The organization is the parent of each of its supported organizations. Complete line 3 below.		
c The organization supported a governmental entity. Describe in Part VI how you supported a government entity (see instructions).		
2 Activities Test. Answer (a) and (b) below.		
a Did substantially all of the organization's activities during the tax year directly further the exempt purposes of the supported organization(s) to which the organization was responsive? <i>If "Yes," then in Part VI identify those supported organizations and explain how these activities directly furthered their exempt purposes, how the organization was responsive to those supported organizations, and how the organization determined that these activities constituted substantially all of its activities.</i>		
b Did the activities described in (a) constitute activities that, but for the organization's involvement, one or more of the organization's supported organization(s) would have been engaged in? <i>If "Yes," explain in Part VI the reasons for the organization's position that its supported organization(s) would have engaged in these activities but for the organization's involvement.</i>		
3 Parent of Supported Organizations. Answer (a) and (b) below.		
a Did the organization have the power to regularly appoint or elect a majority of the officers, directors, or trustees of each of the supported organizations? <i>Provide details in Part VI.</i>		
b Did the organization exercise a substantial degree of direction over the policies, programs, and activities of each of its supported organizations? <i>If "Yes," describe in Part VI the role played by the organization in this regard.</i>		

Part V Type III Non-Functionally Integrated 509(a)(3) Supporting Organizations

1 Check here if the organization satisfied the Integral Part Test as a qualifying trust on Nov. 20, 1970 (explain in Part VI). **See instructions.** All other Type III non-functionally integrated supporting organizations must complete Sections A through E.

Section A - Adjusted Net Income		(A) Prior Year	(B) Current Year (optional)
1	Net short-term capital gain	1	
2	Recoveries of prior-year distributions	2	
3	Other gross income (see instructions)	3	
4	Add lines 1 through 3.	4	
5	Depreciation and depletion	5	
6	Portion of operating expenses paid or incurred for production or collection of gross income or for management, conservation, or maintenance of property held for production of income (see instructions)	6	
7	Other expenses (see instructions)	7	
8	Adjusted Net Income (subtract lines 5, 6, and 7 from line 4)	8	

Section B - Minimum Asset Amount		(A) Prior Year	(B) Current Year (optional)
1	Aggregate fair market value of all non-exempt-use assets (see instructions for short tax year or assets held for part of year):		
a	Average monthly value of securities	1a	
b	Average monthly cash balances	1b	
c	Fair market value of other non-exempt-use assets	1c	
d	Total (add lines 1a, 1b, and 1c)	1d	
e	Discount claimed for blockage or other factors (explain in detail in Part VI):		
2	Acquisition indebtedness applicable to non-exempt-use assets	2	
3	Subtract line 2 from line 1d.	3	
4	Cash deemed held for exempt use. Enter 1-1/2% of line 3 (for greater amount, see instructions).	4	
5	Net value of non-exempt-use assets (subtract line 4 from line 3)	5	
6	Multiply line 5 by .035.	6	
7	Recoveries of prior-year distributions	7	
8	Minimum Asset Amount (add line 7 to line 6)	8	

Section C - Distributable Amount			Current Year
1	Adjusted net income for prior year (from Section A, line 8, Column A)	1	
2	Enter 85% of line 1.	2	
3	Minimum asset amount for prior year (from Section B, line 8, Column A)	3	
4	Enter greater of line 2 or line 3.	4	
5	Income tax imposed in prior year	5	
6	Distributable Amount. Subtract line 5 from line 4, unless subject to emergency temporary reduction (see instructions).	6	
7	Check here if the current year is the organization's first as a non-functionally integrated Type III supporting organization (see instructions).		

Part V Type III Non-Functionally Integrated 509(a)(3) Supporting Organizations (continued)

Section D - Distributions	Current Year
1 Amounts paid to supported organizations to accomplish exempt purposes	
2 Amounts paid to perform activity that directly furthers exempt purposes of supported organizations, in excess of income from activity	
3 Administrative expenses paid to accomplish exempt purposes of supported organizations	
4 Amounts paid to acquire exempt-use assets	
5 Qualified set-aside amounts (prior IRS approval required)	
6 Other distributions (describe in Part VI). See instructions.	
7 Total annual distributions. Add lines 1 through 6.	
8 Distributions to attentive supported organizations to which the organization is responsive (provide details in Part VI). See instructions.	
9 Distributable amount for 2019 from Section C, line 6	
10 Line 8 amount divided by line 9 amount	

Section E - Distribution Allocations (see instructions)	(i) Excess Distributions	(ii) Underdistributions Pre-2019	(iii) Distributable Amount for 2019
1 Distributable amount for 2019 from Section C, line 6			
2 Underdistributions, if any, for years prior to 2019 (reasonable cause required- explain in Part VI). See instructions.			
3 Excess distributions carryover, if any, to 2019			
a From 2014			
b From 2015			
c From 2016			
d From 2017			
e From 2018			
f Total of lines 3a through e			
g Applied to underdistributions of prior years			
h Applied to 2019 distributable amount			
i Carryover from 2014 not applied (see instructions)			
j Remainder. Subtract lines 3g, 3h, and 3i from 3f.			
4 Distributions for 2019 from Section D, line 7: \$			
a Applied to underdistributions of prior years			
b Applied to 2019 distributable amount			
c Remainder. Subtract lines 4a and 4b from 4.			
5 Remaining underdistributions for years prior to 2019, if any. Subtract lines 3g and 4a from line 2. For result greater than zero, explain in Part VI . See instructions.			
6 Remaining underdistributions for 2019. Subtract lines 3h and 4b from line 1. For result greater than zero, explain in Part VI . See instructions.			
7 Excess distributions carryover to 2020. Add lines 3j and 4c.			
8 Breakdown of line 7:			
a Excess from 2015			
b Excess from 2016			
c Excess from 2017			
d Excess from 2018			
e Excess from 2019			

Part VI **Supplemental Information.** Provide the explanations required by Part II, line 10; Part II, line 17a or 17b; Part III, line 12; Part IV, Section A, lines 1, 2, 3b, 3c, 4b, 4c, 5a, 6, 9a, 9b, 9c, 11a, 11b, and 11c; Part IV, Section B, lines 1 and 2; Part IV, Section C, line 1; Part IV, Section D, lines 2 and 3; Part IV, Section E, lines 1c, 2a, 2b, 3a, and 3b; Part V, line 1; Part V, Section B, line 1e; Part V, Section D, lines 5, 6, and 8; and Part V, Section E, lines 2, 5, and 6. Also complete this part for any additional information. (See instructions.)

Horizontal lines for supplemental information input.

DRAFT 2-4-21

Schedule B

(Form 990, 990-EZ, or 990-PF)

Department of the Treasury Internal Revenue Service

Schedule of Contributors

Attach to Form 990, Form 990-EZ, or Form 990-PF. Go to www.irs.gov/Form990 for the latest information.

OMB No. 1545-0047

2019

Name of the organization

Island Institute

Employer identification number

22-2786731

Organization type (check one):

Filers of:

Section:

Form 990 or 990-EZ

[X] 501(c)(3) (enter number) organization

4947(a)(1) nonexempt charitable trust not treated as a private foundation

527 political organization

Form 990-PF

501(c)(3) exempt private foundation

4947(a)(1) nonexempt charitable trust treated as a private foundation

501(c)(3) taxable private foundation

Check if your organization is covered by the General Rule or a Special Rule.

Note: Only a section 501(c)(7), (8), or (10) organization can check boxes for both the General Rule and a Special Rule. See instructions.

General Rule

For an organization filing Form 990, 990-EZ, or 990-PF that received, during the year, contributions totaling \$5,000 or more (in money or property) from any one contributor. Complete Parts I and II. See instructions for determining a contributor's total contributions.

Special Rules

[X] For an organization described in section 501(c)(3) filing Form 990 or 990-EZ that met the 33 1/3% support test of the regulations under sections 509(a)(1) and 170(b)(1)(A)(vi), that checked Schedule A (Form 990 or 990-EZ), Part II, line 13, 16a, or 16b, and that received from any one contributor, during the year, total contributions of the greater of (1) \$5,000; or (2) 2% of the amount on (i) Form 990, Part VIII, line 1h; or (ii) Form 990-EZ, line 1. Complete Parts I and II.

For an organization described in section 501(c)(7), (8), or (10) filing Form 990 or 990-EZ that received from any one contributor, during the year, total contributions of more than \$1,000 exclusively for religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals. Complete Parts I, II, and III.

For an organization described in section 501(c)(7), (8), or (10) filing Form 990 or 990-EZ that received from any one contributor, during the year, contributions exclusively for religious, charitable, etc., purposes, but no such contributions totaled more than \$1,000. If this box is checked, enter here the total contributions that were received during the year for an exclusively religious, charitable, etc., purpose. Don't complete any of the parts unless the General Rule applies to this organization because it received nonexclusively religious, charitable, etc., contributions totaling \$5,000 or more during the year

Caution: An organization that isn't covered by the General Rule and/or the Special Rules doesn't file Schedule B (Form 990, 990-EZ, or 990-PF), but it must answer "No" on Part IV, line 2, of its Form 990; or check the box on line H of its Form 990-EZ or on its Form 990-PF, Part I, line 2, to certify that it doesn't meet the filing requirements of Schedule B (Form 990, 990-EZ, or 990-PF).

Name of organization Island Institute	Employer identification number 22-2786731
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Part I Contributors (see instructions). Use duplicate copies of Part I if additional space is needed.

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
<u>1</u>	 <hr/> <hr/> <hr/>	\$ <u>500,000.</u>	Person <input checked="" type="checkbox"/> Payroll Noncash (Complete Part II for noncash contributions.)
<u>2</u>	 <hr/> <hr/> <hr/>	\$ <u>500,000.</u>	Person <input checked="" type="checkbox"/> Payroll Noncash (Complete Part II for noncash contributions.)
<u>3</u>	 <hr/> <hr/> <hr/>	\$ <u>308,202.</u>	Person <input checked="" type="checkbox"/> Payroll Noncash (Complete Part II for noncash contributions.)
<u>4</u>	 <hr/> <hr/> <hr/>	\$ <u>251,000.</u>	Person <input checked="" type="checkbox"/> Payroll Noncash (Complete Part II for noncash contributions.)
<u>5</u>	 <hr/> <hr/> <hr/>	\$ <u>200,000.</u>	Person <input checked="" type="checkbox"/> Payroll Noncash (Complete Part II for noncash contributions.)
<u>6</u>	 <hr/> <hr/> <hr/>	\$ <u>194,050.</u>	Person <input checked="" type="checkbox"/> Payroll Noncash (Complete Part II for noncash contributions.)

Name of organization Island Institute	Employer identification number 22-2786731
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Part I Contributors (see instructions). Use duplicate copies of Part I if additional space is needed.

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
7	 <hr/> <hr/> <hr/>	\$ <u>150,000.</u>	Person <input checked="" type="checkbox"/> Payroll Noncash (Complete Part II for noncash contributions.)
8	 <hr/> <hr/> <hr/>	\$ <u>129,991.</u>	Person <input checked="" type="checkbox"/> Payroll Noncash (Complete Part II for noncash contributions.)
9	 <hr/> <hr/> <hr/>	\$ <u>119,215.</u>	Person <input checked="" type="checkbox"/> Payroll Noncash (Complete Part II for noncash contributions.)
10	 <hr/> <hr/> <hr/>	\$ <u>100,000.</u>	Person <input checked="" type="checkbox"/> Payroll Noncash (Complete Part II for noncash contributions.)
11	 <hr/> <hr/> <hr/>	\$ <u>100,000.</u>	Person <input checked="" type="checkbox"/> Payroll Noncash (Complete Part II for noncash contributions.)
12	 <hr/> <hr/> <hr/>	\$ <u>100,000.</u>	Person <input checked="" type="checkbox"/> Payroll Noncash (Complete Part II for noncash contributions.)

Name of organization Island Institute	Employer identification number 22-2786731
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Part I Contributors (see instructions). Use duplicate copies of Part I if additional space is needed.

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
13	<hr/> <hr/> <hr/>	\$ 90,000.	Person <input checked="" type="checkbox"/> Payroll Noncash (Complete Part II for noncash contributions.)
14	<hr/> <hr/> <hr/>	\$ 90,000.	Person <input checked="" type="checkbox"/> Payroll Noncash (Complete Part II for noncash contributions.)
15	<hr/> <hr/> <hr/>	\$ 87,275.	Person <input checked="" type="checkbox"/> Payroll Noncash (Complete Part II for noncash contributions.)
	<hr/> <hr/> <hr/>	\$ _____	Person Payroll Noncash (Complete Part II for noncash contributions.)
	<hr/> <hr/> <hr/>	\$ _____	Person Payroll Noncash (Complete Part II for noncash contributions.)
	<hr/> <hr/> <hr/>	\$ _____	Person Payroll Noncash (Complete Part II for noncash contributions.)
	<hr/> <hr/> <hr/>	\$ _____	Person Payroll Noncash (Complete Part II for noncash contributions.)

Name of organization Island Institute	Employer identification number 22-2786731
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Part II Noncash Property (see instructions). Use duplicate copies of Part II if additional space is needed.

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (See instructions.)	(d) Date received
		\$ _____	
		\$ _____	
		\$ _____	
		\$ _____	
		\$ _____	
		\$ _____	
		\$ _____	

Name of organization Island Institute	Employer identification number 22-2786731
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Part III Exclusively religious, charitable, etc., contributions to organizations described in section 501(c)(7), (8), or (10) that total more than \$1,000 for the year from any one contributor. Complete columns (a) through (e) and the following line entry. For organizations completing Part III, enter the total of exclusively religious, charitable, etc., contributions of **\$1,000 or less** for the year. (Enter this info. once.) ▶ \$ _____
Use duplicate copies of Part III if additional space is needed.

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held
(e) Transfer of gift			
Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee	
(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held
(e) Transfer of gift			
Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee	
(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held
(e) Transfer of gift			
Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee	
(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held
(e) Transfer of gift			
Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee	

SCHEDULE C
(Form 990 or 990-EZ)

Political Campaign and Lobbying Activities

OMB No. 1545-0047

2019

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

For Organizations Exempt From Income Tax Under section 501(c) and section 527
 ▶ **Complete if the organization is described below.** ▶ **Attach to Form 990 or Form 990-EZ.**
 ▶ **Go to www.irs.gov/Form990 for instructions and the latest information.**

If the organization answered "Yes," on Form 990, Part IV, line 3, or Form 990-EZ, Part V, line 46 (Political Campaign Activities), then

- Section 501(c)(3) organizations: Complete Parts I-A and B. Do not complete Part I-C.
- Section 501(c) (other than section 501(c)(3)) organizations: Complete Parts I-A and C below. Do not complete Part I-B.
- Section 527 organizations: Complete Part I-A only.

If the organization answered "Yes," on Form 990, Part IV, line 4, or Form 990-EZ, Part VI, line 47 (Lobbying Activities), then

- Section 501(c)(3) organizations that have filed Form 5768 (election under section 501(h)): Complete Part II-A. Do not complete Part II-B.
- Section 501(c)(3) organizations that have NOT filed Form 5768 (election under section 501(h)): Complete Part II-B. Do not complete Part II-A.

If the organization answered "Yes," on Form 990, Part IV, line 5 (Proxy Tax) (see separate instructions) or Form 990-EZ, Part V, line 35c (Proxy Tax) (see separate instructions), then

- Section 501(c)(4), (5), or (6) organizations: Complete Part III.

Name of organization

Island Institute

Employer identification number

22-2786731

Part I-A Complete if the organization is exempt under section 501(c) or is a section 527 organization.

1 Provide a description of the organization's direct and indirect political campaign activities in Part IV.

- 2 Political campaign activity expenditures ▶ \$ _____
- 3 Volunteer hours for political campaign activities _____

Part I-B Complete if the organization is exempt under section 501(c)(3).

- 1 Enter the amount of any excise tax incurred by the organization under section 4955 ▶ \$ _____
- 2 Enter the amount of any excise tax incurred by organization managers under section 4955 ▶ \$ _____
- 3 If the organization incurred a section 4955 tax, did it file Form 4720 for this year? **Yes** **No**
- 4a Was a correction made? **Yes** **No**
- b If "Yes," describe in Part IV.

Part I-C Complete if the organization is exempt under section 501(c), except section 501(c)(3).

- 1 Enter the amount directly expended by the filing organization for section 527 exempt function activities ▶ \$ _____
- 2 Enter the amount of the filing organization's funds contributed to other organizations for section 527 exempt function activities ▶ \$ _____
- 3 Total exempt function expenditures. Add lines 1 and 2. Enter here and on Form 1120-POL, line 17b ▶ \$ _____
- 4 Did the filing organization file **Form 1120-POL** for this year? **Yes** **No**
- 5 Enter the names, addresses and employer identification number (EIN) of all section 527 political organizations to which the filing organization made payments. For each organization listed, enter the amount paid from the filing organization's funds. Also enter the amount of political contributions received that were promptly and directly delivered to a separate political organization, such as a separate segregated fund or a political action committee (PAC). If additional space is needed, provide information in Part IV.

(a) Name	(b) Address	(c) EIN	(d) Amount paid from filing organization's funds. If none, enter -0-.	(e) Amount of political contributions received and promptly and directly delivered to a separate political organization. If none, enter -0-.

For Paperwork Reduction Act Notice, see the Instructions for Form 990 or 990-EZ. Schedule C (Form 990 or 990-EZ) 2019

Part II-A Complete if the organization is exempt under section 501(c)(3) and filed Form 5768 (election under section 501(h)).

- A** Check if the filing organization belongs to an affiliated group (and list in Part IV each affiliated group member's name, address, EIN, expenses, and share of excess lobbying expenditures).
- B** Check if the filing organization checked box A and "limited control" provisions apply.

Limits on Lobbying Expenditures (The term "expenditures" means amounts paid or incurred.)		(a) Filing organization's totals	(b) Affiliated group totals												
1a	Total lobbying expenditures to influence public opinion (grassroots lobbying)	0.													
b	Total lobbying expenditures to influence a legislative body (direct lobbying)	97,381.													
c	Total lobbying expenditures (add lines 1a and 1b)	97,381.													
d	Other exempt purpose expenditures	6,439,745.													
e	Total exempt purpose expenditures (add lines 1c and 1d)	6,537,126.													
f	Lobbying nontaxable amount. Enter the amount from the following table in both columns.	476,856.													
<table border="1" style="width: 100%;"> <thead> <tr> <th style="width: 50%;">If the amount on line 1e, column (a) or (b) is:</th> <th style="width: 50%;">The lobbying nontaxable amount is:</th> </tr> </thead> <tbody> <tr> <td>Not over \$500,000</td> <td>20% of the amount on line 1e.</td> </tr> <tr> <td>Over \$500,000 but not over \$1,000,000</td> <td>\$100,000 plus 15% of the excess over \$500,000.</td> </tr> <tr> <td>Over \$1,000,000 but not over \$1,500,000</td> <td>\$175,000 plus 10% of the excess over \$1,000,000.</td> </tr> <tr> <td>Over \$1,500,000 but not over \$17,000,000</td> <td>\$225,000 plus 5% of the excess over \$1,500,000.</td> </tr> <tr> <td>Over \$17,000,000</td> <td>\$1,000,000.</td> </tr> </tbody> </table>		If the amount on line 1e, column (a) or (b) is:	The lobbying nontaxable amount is:	Not over \$500,000	20% of the amount on line 1e.	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.		
If the amount on line 1e, column (a) or (b) is:	The lobbying nontaxable amount is:														
Not over \$500,000	20% of the amount on line 1e.														
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.														
g	Grassroots nontaxable amount (enter 25% of line 1f)	119,214.													
h	Subtract line 1g from line 1a. If zero or less, enter -0-	0.													
i	Subtract line 1f from line 1c. If zero or less, enter -0-	0.													
j	If there is an amount other than zero on either line 1h or line 1i, did the organization file Form 4720 reporting section 4911 tax for this year?	Yes	No												

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 separate instructions for lines 2a through 2f.)

Lobbying Expenditures During 4-Year Averaging Period					
Calendar year (or fiscal year beginning in)	(a) 2016	(b) 2017	(c) 2018	(d) 2019	(e) Total
2a Lobbying nontaxable amount	419,645.	447,344.	435,416.	476,856.	1,779,261.
b Lobbying ceiling amount (150% of line 2a, column(e))					2,668,892.
c Total lobbying expenditures	10,420.	0.	1,692.	97,381.	109,493.
d Grassroots nontaxable amount	104,911.	111,836.	108,854.	119,214.	444,815.
e Grassroots ceiling amount (150% of line 2d, column (e))					667,223.
f Grassroots lobbying expenditures					

Part II-B Complete if the organization is exempt under section 501(c)(3) and has NOT filed Form 5768 (election under section 501(h)).

	(a)		(b)
	Yes	No	Amount
1 During the year, did the filing organization attempt to influence foreign, national, state, or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of:			
a Volunteers?			
b Paid staff or management (include compensation in expenses reported on lines 1c through 1i)? ..			
c Media advertisements?			
d Mailings to members, legislators, or the public?			
e Publications, or published or broadcast statements?			
f Grants to other organizations for lobbying purposes?			
g Direct contact with legislators, their staffs, government officials, or a legislative body?			
h Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means?			
i Other activities?			
j Total. Add lines 1c through 1i			
2a Did the activities in line 1 cause the organization to be not described in section 501(c)(3)?			
b If "Yes," enter the amount of any tax incurred under section 4912			
c If "Yes," enter the amount of any tax incurred by organization managers under section 4912			
d If the filing organization incurred a section 4912 tax, did it file Form 4720 for this year?			

Part III-A Complete if the organization is exempt under section 501(c)(4), section 501(c)(5), or section 501(c)(6).

	Yes	No
1 Were substantially all (90% or more) dues received nondeductible by members?	1	
2 Did the organization make only in-house lobbying expenditures of \$2,000 or less?	2	
3 Did the organization agree to carry over lobbying and political campaign activity expenditures from the prior year?	3	

Part III-B Complete if the organization is exempt under section 501(c)(4), section 501(c)(5), or section 501(c)(6) and if either (a) BOTH Part III-A, lines 1 and 2, are answered "No" OR (b) Part III-A, line 3, is answered "Yes."

1 Dues, assessments and similar amounts from members	1	
2 Section 162(e) nondeductible lobbying and political expenditures (do not include amounts of political expenses for which the section 527(f) tax was paid).		
a Current year	2a	
b Carryover from last year	2b	
c Total	2c	
3 Aggregate amount reported in section 6033(e)(1)(A) notices of nondeductible section 162(e) dues	3	
4 If notices were sent and the amount on line 2c exceeds the amount on line 3, what portion of the excess does the organization agree to carryover to the reasonable estimate of nondeductible lobbying and political expenditure next year?	4	
5 Taxable amount of lobbying and political expenditures (see instructions)	5	

Part IV Supplemental Information

Provide the descriptions required for Part I-A, line 1; Part I-B, line 4; Part I-C, line 5; Part II-A (affiliated group list); Part II-A, lines 1 and 2 (see instructions); and Part II-B, line 1. Also, complete this part for any additional information.

SCHEDULE D
(Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements

▶ **Complete if the organization answered "Yes" on Form 990, Part IV, line 6, 7, 8, 9, 10, 11a, 11b, 11c, 11d, 11e, 11f, 12a, or 12b.**
▶ **Attach to Form 990.**

▶ **Go to www.irs.gov/Form990 for instructions and the latest information.**

OMB No. 1545-0047

2019

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" on Form 990, Part IV, line 6.

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

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

1 Purpose(s) of conservation easements held by the organization (check all that apply).
 Preservation of land for public use (for example, recreation or education) Preservation of a historically important land area
 Protection of natural habitat Preservation of a certified historic structure
 Preservation of open space

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

	Held at the End of the Tax Year
a Total number of conservation easements	2a
b Total acreage restricted by conservation easements	2b
c Number of conservation easements on a certified historic structure included in (a)	2c
d Number of conservation easements included in (c) acquired after 7/25/06, and not on a historic structure listed in the National Register	2d

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

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

5 Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds? Yes No

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

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

8 Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and section 170(h)(4)(B)(ii)? Yes No

9 In Part XIII, 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" on Form 990, Part IV, line 8.

1a If the organization elected, as permitted under FASB ASC 958, 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 XIII the text of the footnote to its financial statements that describes these items.

b If the organization elected, as permitted under FASB ASC 958, to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items:

(i) Revenue included on Form 990, Part VIII, line 1 ▶ \$ _____

(ii) Assets included in Form 990, Part X ▶ \$ _____

2 If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under FASB ASC 958 relating to these items:

a Revenue included on Form 990, Part VIII, line 1 ▶ \$ _____

b Assets included in Form 990, Part X ▶ \$ _____

LHA For Paperwork Reduction Act Notice, see the Instructions for Form 990. Schedule D (Form 990) 2019

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

- 3 Using the organization's acquisition, accession, and other records, check any of the following that make 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 program
 - e Other _____
- 4 Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIII.
- 5 During the year, did the organization solicit or receive donations of art, historical treasures, or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection? Yes No

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

- 1a Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X? Yes No
- b If "Yes," explain the arrangement in Part XIII and complete the following table:
- | | Amount |
|---------------------------------|--------|
| c Beginning balance | 1c |
| d Additions during the year | 1d |
| e Distributions during the year | 1e |
| f Ending balance | 1f |
- 2a Did the organization include an amount on Form 990, Part X, line 21, for escrow or custodial account liability? Yes No
- b If "Yes," explain the arrangement in Part XIII. Check here if the explanation has been provided on Part XIII

Part V Endowment Funds. Complete if the organization answered "Yes" on 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	22,925,444.	21,999,738.	19,597,518.	18,041,383.	13,384,255.
b Contributions	2,039,990.	803,396.	1,938,500.	711,300.	1,015,781.
c Net investment earnings, gains, and losses	382,516.	1,032,380.	1,468,450.	2,074,936.	-479,553.
d Grants or scholarships					
e Other expenditures for facilities and programs	986,355.	910,070.	1,004,730.	1,230,101.	879,100.
f Administrative expenses					
g End of year balance	24,361,595.	22,925,444.	21,999,738.	19,597,518.	18,041,383.

- 2 Provide the estimated percentage of the current year end balance (line 1g, column (a)) held as:
- a Board designated or quasi-endowment 46.96 %
 - b Permanent endowment 48.55 %
 - c Term endowment 4.49 %
- The percentages on lines 2a, 2b, and 2c should equal 100%.
- 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 | | X |
| (ii) Related organizations | | X |
| b If "Yes" on line 3a(ii), are the related organizations listed as required on Schedule R? | | |
- 4 Describe in Part XIII the intended uses of the organization's endowment funds.

Part VI Land, Buildings, and Equipment.

Complete if the organization answered "Yes" on Form 990, Part IV, line 11a. See Form 990, Part X, line 10.

Description of property	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land		85,919.		85,919.
b Buildings		2,019,263.	1,103,501.	915,762.
c Leasehold improvements				
d Equipment		1,011,875.	930,666.	81,209.
e Other		76,918.	76,918.	0.

Total. Add lines 1a through 1e. (Column (d) must equal Form 990, Part X, column (B), line 10c.) 1,082,890.

Part VII Investments - Other Securities.

Complete if the organization answered "Yes" on Form 990, Part IV, line 11b. 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
(1) Financial derivatives		
(2) Closely held equity interests		
(3) Other		
(A)		
(B)		
(C)		
(D)		
(E)		
(F)		
(G)		
(H)		
Total. (Col. (b) must equal Form 990, Part X, col. (B) line 12.) ▶		

Part VIII Investments - Program Related.

Complete if the organization answered "Yes" on Form 990, Part IV, line 11c. See Form 990, Part X, line 13.

(a) Description of investment	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
(1)		
(2)		
(3)		
(4)		
(5)		
(6)		
(7)		
(8)		
(9)		
Total. (Col. (b) must equal Form 990, Part X, col. (B) line 13.) ▶		

Part IX Other Assets.

Complete if the organization answered "Yes" on Form 990, Part IV, line 11d. See Form 990, Part X, line 15.

(a) Description	(b) Book value
(1) Beneficial Interest in Perpetual Trust	1,639,089.
(2) Assets Held For Sale	85,000.
(3) Cash surrender value of life insurance policy	325,835.
(4) Section 457(B) retirement plan assets	292,862.
(5) Other Assets	25,425.
(6)	
(7)	
(8)	
(9)	
Total. (Column (b) must equal Form 990, Part X, col. (B) line 15.) ▶	2,368,211.

Part X Other Liabilities.

Complete if the organization answered "Yes" on Form 990, Part IV, line 11e or 11f. See Form 990, Part X, line 25.

1. (a) Description of liability	(b) Book value
(1) Federal income taxes	
(2) Capital Lease Liability	20,428.
(3) CARES Act Funding	627,059.
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
Total. (Column (b) must equal Form 990, Part X, col. (B) line 25.) ▶	647,487.

2. Liability for uncertain tax positions. In Part XIII, provide the text of the footnote to the organization's financial statements that reports the organization's liability for uncertain tax positions under FASB ASC 740. Check here if the text of the footnote has been provided in Part XIII ...

Part XI Reconciliation of Revenue per Audited Financial Statements With Revenue per Return.

Complete if the organization answered "Yes" on Form 990, Part IV, line 12a.

1	Total revenue, gains, and other support per audited financial statements	1	5,342,259.
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12:		
a	Net unrealized gains (losses) on investments	2a	-55,444.
b	Donated services and use of facilities	2b	5,000.
c	Recoveries of prior year grants	2c	
d	Other (Describe in Part XIII.)	2d	270,865.
e	Add lines 2a through 2d	2e	220,421.
3	Subtract line 2e from line 1	3	5,121,838.
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	136,090.
b	Other (Describe in Part XIII.)	4b	
c	Add lines 4a and 4b	4c	136,090.
5	Total revenue. Add lines 3 and 4c . (This must equal Form 990, Part I, line 12.)	5	5,257,928.

Part XII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return.

Complete if the organization answered "Yes" on Form 990, Part IV, line 12a.

1	Total expenses and losses per audited financial statements	1	6,733,098.
2	Amounts included on line 1 but not on Form 990, Part IX, line 25:		
a	Donated services and use of facilities	2a	5,000.
b	Prior year adjustments	2b	
c	Other losses	2c	
d	Other (Describe in Part XIII.)	2d	327,062.
e	Add lines 2a through 2d	2e	332,062.
3	Subtract line 2e from line 1	3	6,401,036.
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	136,090.
b	Other (Describe in Part XIII.)	4b	
c	Add lines 4a and 4b	4c	136,090.
5	Total expenses. Add lines 3 and 4c . (This must equal Form 990, Part I, line 18.)	5	6,537,126.

Part XIII Supplemental Information.

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

Part V, line 4:

The purpose of the organization's endowment funds is to provide investment income and gains to further various activities of the institution, including a provision for financial aid and related expenses.

Part X, Line 2:

The Institute is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code (the Code). In addition, the Institute qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization other than a private foundation under Section 509(a)(2) of the Code.

Part XIII Supplemental Information (continued)

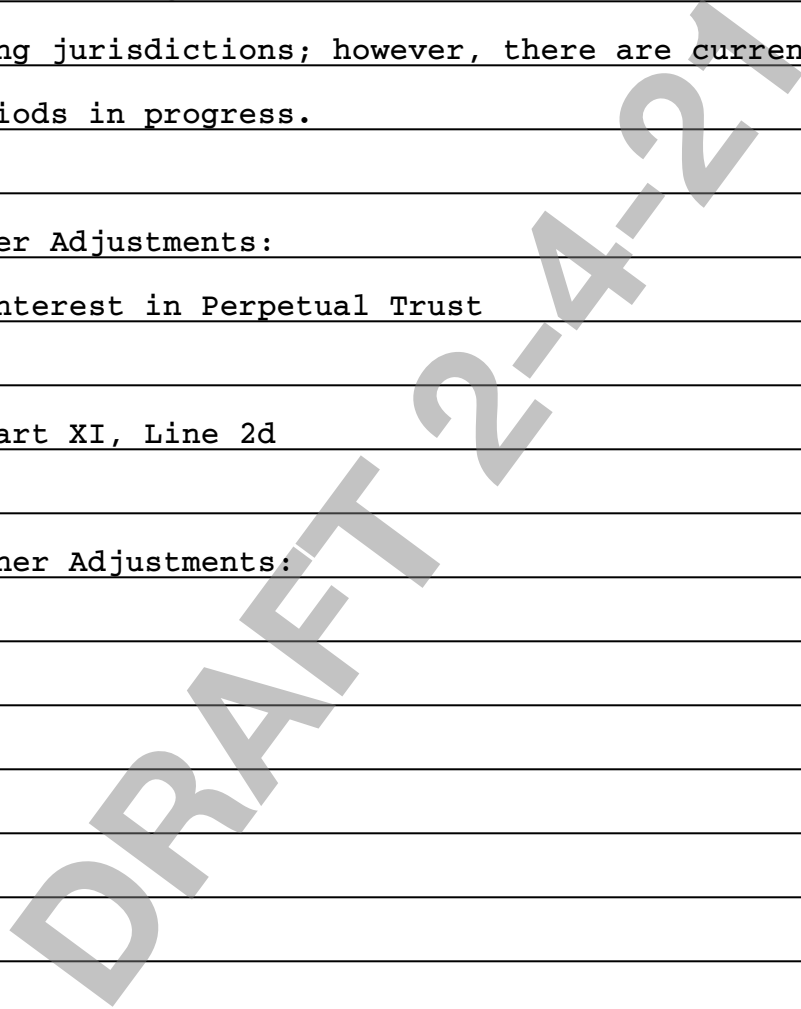
U.S. generally accepted accounting principles (U.S. GAAP) require management to evaluate tax positions taken by the Institute and recognize a liability if the Institute has taken an uncertain position that more likely than not would not be sustained upon examination by the Internal Revenue Service and state taxing authorities. The Institute is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

Part XI, Line 2d - Other Adjustments:

Change in Beneficial Interest in Perpetual Trust	-56,197.
Cost of Goods Sold	327,062.
Total to Schedule D, Part XI, Line 2d	270,865.

Part XII, Line 2d - Other Adjustments:

Cost of Goods Sold	327,062.
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**SCHEDULE I
(Form 990)**

Department of the Treasury
Internal Revenue Service

**Grants and Other Assistance to Organizations,
Governments, and Individuals in the United States**

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

▶ Attach to Form 990.

▶ Go to www.irs.gov/Form990 for the latest information.

OMB No. 1545-0047

2019

**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 Domestic Organizations and Domestic Governments. Complete if the organization answered "Yes" on Form 990, Part IV, line 21, for any recipient that received more than \$5,000. Part II can be duplicated 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
FB Environmental Associates 97A Exchange St., Ste. 305 Portland, ME 04101	26-3505442		19,740.	0.			Sea Level Rise
Monhegan Plantation 2 Odom Way, PO Box 322 Monhegan, ME 04852	01-0280086	Monhegan, ME	10,962.	0.			Sea Level Rise and Broadband Grant
National Audubon Society 12 Audubon Rd. Bremen, ME 04551	13-1624102	501(c)(3)	9,400.	0.			Sea Level Rise
Southern Maine Conservation Collaborative - 217 Commercial St., Ste. 302 - Portland, ME 04101	45-5011505	501(c)(3)	10,000.	0.			Sea Level Rise
St. George Community Development Corp - 47 Main St., Box 160 - Tenants Harbor, ME 04860	82-1977455	501(c)(3)	8,000.	0.			Covid-19 Relief
Town of North Haven PO Box 400 North Haven, ME 04853	01-6000299	North Haven, ME	10,000.	0.			Sea Level Rise

2 Enter total number of section 501(c)(3) and government organizations listed in the line 1 table **14.**

3 Enter total number of other organizations listed in the line 1 table **1.**

LHA For Paperwork Reduction Act Notice, see the Instructions for Form 990.

Schedule I (Form 990) (2019)

Part II Continuation of Grants and Other Assistance to Governments and Organizations in the United States (Schedule I (Form 990), Part II.)

(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
Town of Roque Bluffs 3 Roque Bluffs Rd. Roque Bluffs, ME 04654	01-6003490	Roque Bluffs, ME	26,680.	0.			Broadband Grant
Town of Searsport PO Box 499 Searsport, ME 04974	01-6000359	Searsport, ME	6,250.	0.			Broadband Grant
Town of South Thomaston PO Box 147 South Thomaston, ME 04858	01-6000374	South Thomaston,	10,000.	0.			Sea Level Rise
Town of Swan's Island 125 Harbor Rd. Swan's Island, ME 04685	01-6000391	Swan's Island, M	17,000.	0.			Broadband Grant and Energy Efficiency
Town of Vinalhaven PO Box 815 Vinalhaven, ME 04863	01-6000412	Vinalhaven, ME	15,000.	0.			Broadband Grant
Antioch New England Institute Center for Climate Preparedness - 40 Avon Street - Keene, NH 03431	31-0536640	501(c)(3)	10,000.	0.			Climate conference
Frenchboro Congregational Church 159 Mystic Avenue Rockport, ME 04856			11,635.	0.			Frenchboro historic building maintenance program support
Frenchboro Historical Society 23 High Road Frenchboro, ME 04635	20-0355988		5,818.	0.			Frenchboro historic building maintenance program support
Frenchboro School PO Box 60 Mount Desert, ME 04660	01-6000479		5,818.	0.			Frenchboro historic building maintenance program support

Schedule I (Form 990)

Part III Grants and Other Assistance to Domestic Individuals. Complete if the organization answered "Yes" on Form 990, Part IV, line 22.
Part III can be duplicated 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 noncash assistance
Aquaculture	9	13,696.	0.		Grant awards for aquaculture businesses and individuals.
Small Business Grants	55	75,550.	0.		Grant awards for small businesses and individuals.
COMPASS	11	5,500.	0.		Grant awards for workforce training.
Scholarships	57	74,275.	0.		Scholarship awards for students and teachers.

Part IV Supplemental Information. Provide the information required in Part I, line 2; Part III, column (b); and any other additional information.

Part I, Line 2

Grants and scholarship funds are monitored through continued relationships with the recipients.

**SCHEDULE J
(Form 990)**

Compensation Information

OMB No. 1545-0047

2019

Open to Public Inspection

For certain Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees
 ▶ Complete if the organization answered "Yes" on Form 990, Part IV, line 23.
 ▶ Attach to Form 990.
 ▶ Go to www.irs.gov/Form990 for instructions and the latest information.

Department of the Treasury
Internal Revenue Service

Name of the organization: **Island Institute**
 Employer identification number: **22-2786731**

Part I Questions Regarding Compensation

1a Check the appropriate box(es) if the organization provided any of the following to or for a person listed on Form 990, Part VII, Section A, line 1a. Complete Part III to provide any relevant information regarding these items.

- | | |
|---|---|
| First-class or charter travel | Housing allowance or residence for personal use |
| Travel for companions | Payments for business use of personal residence |
| Tax indemnification and gross-up payments | Health or social club dues or initiation fees |
| Discretionary spending account | Personal services (such as maid, chauffeur, chef) |

b If any of the boxes on line 1a are checked, did the organization follow a written policy regarding payment or reimbursement or provision of all of 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 directors, trustees, and officers, including the CEO/Executive Director, regarding the items checked on line 1a?

3 Indicate which, if any, of the following the organization used to establish the compensation of the organization's CEO/Executive Director. Check all that apply. Do not check any boxes for methods used by a related organization to establish compensation of the CEO/Executive Director, but explain in Part III.

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

4 During the year, did any person listed on Form 990, Part VII, Section A, line 1a, with respect to the filing organization or a related organization:

- a** Receive a severance payment or change-of-control payment?
- 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.

Only section 501(c)(3), 501(c)(4), and 501(c)(29) organizations must complete lines 5-9.

5 For persons listed on 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" on line 5a or 5b, describe in Part III.

6 For persons listed on 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" on line 6a or 6b, describe in Part III.

7 For persons listed on Form 990, Part VII, Section A, line 1a, did the organization provide any nonfixed payments not described on lines 5 and 6? If "Yes," describe in Part III

8 Were any amounts reported on Form 990, Part VII, paid or accrued pursuant to a contract that was subject to the initial contract exception described in Regulations section 53.4958-4(a)(3)? If "Yes," describe in Part III

9 If "Yes" on line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53.4958-6(c)?

	Yes	No
1b		
2	X	
4a		X
4b		X
4c		X
5a		X
5b		X
6a		X
6b		X
7		X
8		X
9		

LHA For Paperwork Reduction Act Notice, see the Instructions for Form 990.

Schedule J (Form 990) 2019

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

For each individual whose compensation must be reported on 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 aren't listed on Form 990, Part VII.

Note: The sum of columns (B)(i)-(iii) for each listed individual must equal the total amount of Form 990, Part VII, Section A, line 1a, applicable column (D) and (E) amounts for that individual.

(A) Name and Title		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Retirement and other deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation in column (B) reported as deferred on prior Form 990
		(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
(1) Robert Snyder President	(i)	166,983.	0.	0.	10,977.	31,509.	209,469.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							

DRAFT 2-4-21

**SCHEDULE M
(Form 990)**

Noncash Contributions

OMB No. 1545-0047

2019

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

- ▶ Complete if the organizations answered "Yes" on Form 990, Part IV, lines 29 or 30.
- ▶ Attach to Form 990.
- ▶ Go to www.irs.gov/Form990 for instructions and the latest information.

Name of the organization **Island Institute** Employer identification number **22-2786731**

Part I Types of Property

	(a) Check if applicable	(b) Number of contributions or items contributed	(c) Noncash contribution amounts reported on Form 990, Part VIII, line 1g	(d) Method of determining noncash contribution amounts
1 Art - Works of art				
2 Art - Historical treasures				
3 Art - Fractional interests				
4 Books and publications				
5 Clothing and household goods				
6 Cars and other vehicles				
7 Boats and planes				
8 Intellectual property				
9 Securities - Publicly traded	X	10	28,610	Stock Market Value
10 Securities - Closely held stock				
11 Securities - Partnership, LLC, or trust interests				
12 Securities - Miscellaneous				
13 Qualified conservation contribution - Historic structures				
14 Qualified conservation contribution - Other				
15 Real estate - Residential				
16 Real estate - Commercial				
17 Real estate - Other				
18 Collectibles				
19 Food inventory				
20 Drugs and medical supplies				
21 Taxidermy				
22 Historical artifacts				
23 Scientific specimens				
24 Archeological artifacts				
25 Other ()				
26 Other ()				
27 Other ()				
28 Other ()				

29 Number of Forms 8283 received by the organization during the tax year for contributions for which the organization completed Form 8283, Part IV, Donee Acknowledgement **29**

- 30a During the year, did the organization receive by contribution any property reported in Part I, lines 1 through 28, that it must hold for at least three years from the date of the initial contribution, and which isn't required to be used for exempt purposes for the entire holding period? **X**
- b If "Yes," describe the arrangement in Part II.
- 31 Does the organization have a gift acceptance policy that requires the review of any nonstandard contributions? **X**
- 32a Does the organization hire or use third parties or related organizations to solicit, process, or sell noncash contributions? **X**
- b If "Yes," describe in Part II.
- 33 If the organization didn't report an amount in column (c) for a type of property for which column (a) is checked, describe in Part II.

	Yes	No
30a		X
31	X	
32a		X

LHA For Paperwork Reduction Act Notice, see the Instructions for Form 990.

Schedule M (Form 990) 2019

SCHEDULE O
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990 or 990-EZ

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

▶ Attach to Form 990 or 990-EZ.

▶ Go to www.irs.gov/Form990 for the latest information.

OMB No. 1545-0047

2019

Open to Public
Inspection

Name of the organization

Island Institute

Employer identification number

22-2786731

Form 990, Part I, Line 1, Description of Organization Mission:

here and elsewhere.

Form 990, Part III, Line 4d, Other Program Services:

Programs conducted through Island Institute Fishing Permits, LLC (which
acquires, manages and otherwise deals with federal fishing permits) and
The Island and Coastal Innovation Fund, LLC (which assists in the
Institutes economic development initiatives).

Expenses \$ 107,858. including grants of \$ 0. Revenue \$ 0.

Form 990, Part VI, Section B, line 11b:

The board of trustees has delegated the detail review of the draft Form 990
prepared by independent accountants to their finance committee. Prior to
submission, the finance committee and management review and make comments
on the Form 990 and a copy of the Form 990 is provided to the entire board
of trustees.

Form 990, Part VI, Section B, Line 12c:

The organization monitors compliance with its conflict of interest policy
through ongoing communication with members of the board of trustees
throughout the year.

Form 990, Part VI, Section B, Line 15:

A subcommittee of the board is responsible for all trustee matters,
including a review of the president's performance. They meet with the
president and go over their formal evaluation. The entire board in

Name of the organization Island Institute	Employer identification number 22-2786731
--	--

executive session reviews the outcome of that meeting and then vote on the president's compensation, taking into account comparable compensation data obtained for other similar organizations. The president, with input from this committee, then determines compensation for other management officials. These deliberations and decisions are documented in meeting minutes and in budget materials.

Form 990, Part VI, Section C, Line 19:

The organization makes these documents available upon request.

Form 990, Part X, Line 10: Land, Buildings, and Equipment

Section 1.263(a)-3(n) Election:

Island Institute

386 Maine Street, PO Box 648

Rockland, ME 04841

EIN: 22-2786731

Section 1.263(a)-3(n) Election:

Island Institute is electing to capitalize repair and maintenance costs under Regulation Section 1.263(a)-3(n).

Form 990, Part X: Restatement of Prior Year Net Assets

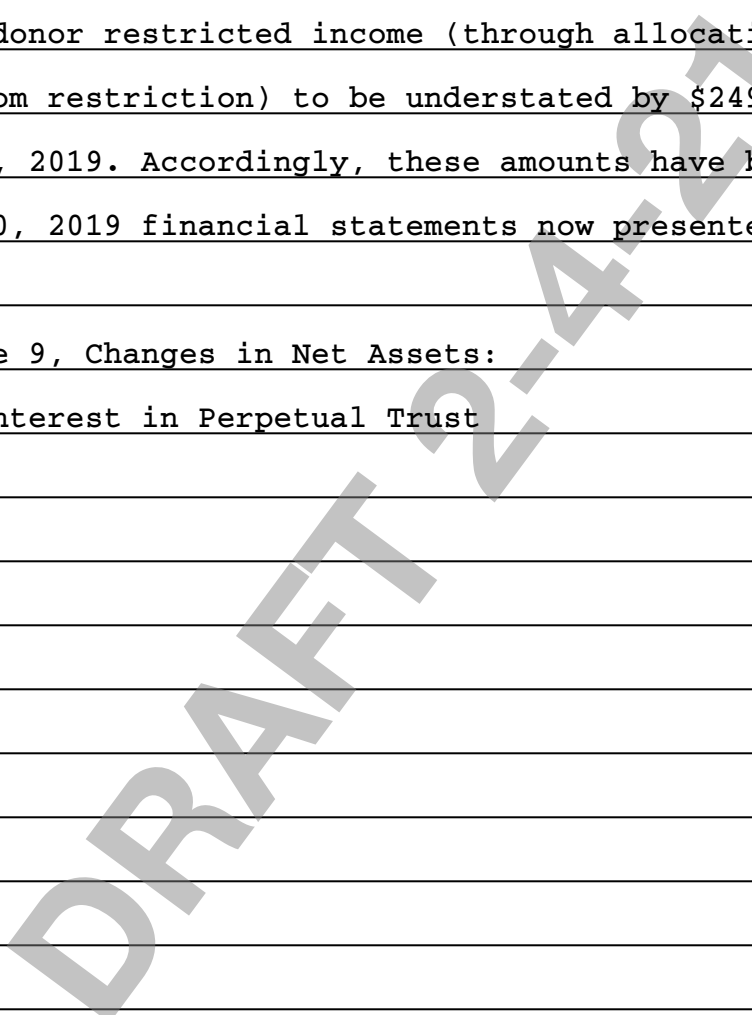
During 2020, the Institute identified a misstatement in previously reported June 30, 2019 financial statements related to the amounts included in the net assets held for perpetuity. The June 30, 2019

Name of the organization Island Institute	Employer identification number 22-2786731
---	---

financial statements have been restated to correct an error related to the allocation of net assets between those with donor restrictions and those without donor restrictions. Amounts previously reported as net assets with donor restriction were overstated by \$2,977,319 as of June 30, 2018 which caused donor restricted income (through allocation and net assets released from restriction) to be understated by \$249,889 for the year ended June 30, 2019. Accordingly, these amounts have been restated in the June 30, 2019 financial statements now presented.

Form 990, Part XI, line 9, Changes in Net Assets:

Change in Beneficial Interest in Perpetual Trust	-56,197.
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**SCHEDULE R
(Form 990)**

Department of the Treasury
Internal Revenue Service

Related Organizations and Unrelated Partnerships

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

▶ Go to www.irs.gov/Form990 for instructions and the latest information.

OMB No. 1545-0047

2019

Open to Public Inspection

Name of the organization **Island Institute** Employer identification number **22-2786731**

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

(a) Name, address, and EIN (if applicable) of disregarded entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Total income	(e) End-of-year assets	(f) Direct controlling entity
Island Institute Fishing Permits LLC One Monument Way, 2nd Floor Portland, ME 04101	To acquire, manage or otherwise deal with federal fishing permits	Maine	10,341.	356,085.	Island Institute
Island and Coastal Innovation Fund LLC One Monument Way, 2nd Floor Portland, ME 04101	To assist in the institute's economic development initiatives.	Maine	2,086.	0.	Island Institute

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled entity?	
						Yes	No

For Paperwork Reduction Act Notice, see the Instructions for Form 990.

Schedule R (Form 990) 2019

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

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

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

- a** Receipt of **(i)** interest, **(ii)** annuities, **(iii)** royalties, or **(iv)** rent from a controlled entity
- b** Gift, grant, or capital contribution to related organization(s)
- c** Gift, grant, or capital contribution from related organization(s)
- d** Loans or loan guarantees to or for related organization(s)
- e** Loans or loan guarantees by related organization(s)
- f** Dividends from related organization(s)
- g** Sale of assets to related organization(s)
- h** Purchase of assets from related organization(s)
- i** Exchange of assets with related organization(s)
- j** Lease of facilities, equipment, or other assets to related organization(s)
- k** Lease of facilities, equipment, or other assets from related organization(s)
- l** Performance of services or membership or fundraising solicitations for related organization(s)
- m** Performance of services or membership or fundraising solicitations by related organization(s)
- n** Sharing of facilities, equipment, mailing lists, or other assets with related organization(s)
- o** Sharing of paid employees with related organization(s)
- p** Reimbursement paid to related organization(s) for expenses
- q** Reimbursement paid by related organization(s) for expenses
- r** Other transfer of cash or property to related organization(s)
- s** Other transfer of cash or property from related organization(s)

	Yes	No
1a		
1b		
1c		
1d		
1e		
1f		
1g		
1h		
1i		
1j		
1k		
1l		
1m		
1n		
1o		
1p		
1q		
1r		
1s		

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

	(a) Name of related organization	(b) Transaction type (a-s)	(c) Amount involved	(d) Method of determining amount involved
(1)				
(2)				
(3)				
(4)				
(5)				
(6)				

Part VII Supplemental Information

Provide additional information for responses to questions on Schedule R. See instructions.

Lined area for supplemental information.

DRAFT 2-4-21

Extended to May 17, 2021
Exempt Organization Business Income Tax Return
(and proxy tax under section 6033(e))

2019

For calendar year 2019 or other tax year beginning JUL 1, 2019, and ending JUN 30, 2020

▶ Go to www.irs.gov/Form990T for instructions and the latest information.

▶ Do not enter SSN numbers on this form as it may be made public if your organization is a 501(c)(3).

Open to Public Inspection for 501(c)(3) Organizations Only

Department of the Treasury
Internal Revenue Service

A Check box if address changed		Name of organization (Check box if name changed and see instructions.) Island Institute	D Employer identification number (Employees' trust, see instructions.) 22-2786731
B Exempt under section <input checked="" type="checkbox"/> 501(c)(3) 408(e) 220(e) 408A 530(a) 529(a)	Print or Type	Number, street, and room or suite no. If a P.O. box, see instructions. 386 Main Street, PO Box 648	E Unrelated business activity code (See instructions.) 541800
		City or town, state or province, country, and ZIP or foreign postal code Rockland, ME 04841	

C Book value of all assets at end of year 33,823,722.	F Group exemption number (See instructions.) ▶	G Check organization type ▶ <input checked="" type="checkbox"/> 501(c) corporation	501(c) trust	401(a) trust	Other trust
--	---	---	--------------	--------------	-------------

H Enter the number of the organization's unrelated trades or businesses. ▶ 2 Describe the only (or first) unrelated trade or business here ▶ See Statement 1. If only one, complete Parts I-V. If more than one, describe the first in the blank space at the end of the previous sentence, complete Parts I and II, complete a Schedule M for each additional trade or business, then complete Parts III-V.

I During the tax year, was the corporation a subsidiary in an affiliated group or a parent-subsidiary controlled group? ▶ Yes No
If "Yes," enter the name and identifying number of the parent corporation. ▶

J The books are in care of ▶ Peter Rand Telephone number ▶ 207-594-9209

Part I Unrelated Trade or Business Income				(A) Income		(B) Expenses		(C) Net	
1a Gross receipts or sales			1c						
b Less returns and allowances		c Balance ▶	2						
2 Cost of goods sold (Schedule A, line 7)			3						
3 Gross profit. Subtract line 2 from line 1c			4a						
4a Capital gain net income (attach Schedule D)			4b						
b Net gain (loss) (Form 4797, Part II, line 17) (attach Form 4797)			4c						
c Capital loss deduction for trusts			5						
5 Income (loss) from a partnership or an S corporation (attach statement)			6						
6 Rent income (Schedule C)			7						
7 Unrelated debt-financed income (Schedule E)			8						
8 Interest, annuities, royalties, and rents from a controlled organization (Schedule F)			9						
9 Investment income of a section 501(c)(7), (9), or (17) organization (Schedule G)			10						
10 Exploited exempt activity income (Schedule I)			11	55,756.	45,857.			9,899.	
11 Advertising income (Schedule J)			12						
12 Other income (See instructions; attach schedule)			13	55,756.	45,857.			9,899.	
13 Total. Combine lines 3 through 12									

Part II Deductions Not Taken Elsewhere (See instructions for limitations on deductions.)
(Deductions must be directly connected with the unrelated business income.)

14 Compensation of officers, directors, and trustees (Schedule K)	14	
15 Salaries and wages	15	
16 Repairs and maintenance	16	
17 Bad debts	17	
18 Interest (attach schedule) (see instructions)	18	
19 Taxes and licenses	19	
20 Depreciation (attach Form 4562)	20	
21 Less depreciation claimed on Schedule A and elsewhere on return	21a	
22 Depletion	22	
23 Contributions to deferred compensation plans	23	
24 Employee benefit programs	24	
25 Excess exempt expenses (Schedule I)	25	
26 Excess readership costs (Schedule J)	26	9,899.
27 Other deductions (attach schedule)	27	
28 Total deductions. Add lines 14 through 27	28	9,899.
29 Unrelated business taxable income before net operating loss deduction. Subtract line 28 from line 13	29	0.
30 Deduction for net operating loss arising in tax years beginning on or after January 1, 2018 (see instructions)	30	0.
31 Unrelated business taxable income. Subtract line 30 from line 29	31	0.

Part III Total Unrelated Business Taxable Income

Table with 3 columns: Line number, Description, and Amount. Includes lines 32-39 for unrelated business taxable income calculation.

Part IV Tax Computation

Table with 3 columns: Line number, Description, and Amount. Includes lines 40-45 for tax computation.

Part V Tax and Payments

Table with 3 columns: Line number, Description, and Amount. Includes lines 46a-56 for tax and payments.

Part VI Statements Regarding Certain Activities and Other Information (see instructions)

Table with 3 columns: Line number, Description, and Yes/No columns. Includes lines 57-59 regarding foreign activities and tax-exempt interest.

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.

Sign Here: Signature of officer, Date, CFO Title, and a box for 'May the IRS discuss this return with the preparer shown below?' with Yes/No options.

Table for 'Paid Preparer Use Only' containing fields for name, signature, date, firm name, address, EIN, and phone number.

Schedule A - Cost of Goods Sold. Enter method of inventory valuation ► **N/A**

1	Inventory at beginning of year	1		6	Inventory at end of year	6	
2	Purchases	2					
3	Cost of labor	3		7	Cost of goods sold. Subtract line 6 from line 5. Enter here and in Part I, line 2	7	
4a	Additional section 263A costs (attach schedule)	4a		8	Do the rules of section 263A (with respect to property produced or acquired for resale) apply to the organization?		Yes No
b	Other costs (attach schedule)	4b					
5	Total. Add lines 1 through 4b	5					

Schedule C - Rent Income (From Real Property and Personal Property Leased With Real Property)

(see instructions)

1. Description of property

(1)	
(2)	
(3)	
(4)	

2. Rent received or accrued

(a) From personal property (if the percentage of rent for personal property is more than 10% but not more than 50%)	(b) From real and personal property (if the percentage of rent for personal property exceeds 50% or if the rent is based on profit or income)	3(a) Deductions directly connected with the income in columns 2(a) and 2(b) (attach schedule)
(1)		
(2)		
(3)		
(4)		
Total	0.	Total

(c) **Total income.** Add totals of columns 2(a) and 2(b). Enter here and on page 1, Part I, line 6, column (A)

(b) **Total deductions.** Enter here and on page 1, Part I, line 6, column (B) ... 0.

Schedule E - Unrelated Debt-Financed Income (see instructions)

1. Description of debt-financed property	2. Gross income from or allocable to debt-financed property	3. Deductions directly connected with or allocable to debt-financed property	
		(a) Straight line depreciation (attach schedule)	(b) Other deductions (attach schedule)
(1)			
(2)			
(3)			
(4)			
4. Amount of average acquisition debt on or allocable to debt-financed property (attach schedule)	5. Average adjusted basis of or allocable to debt-financed property (attach schedule)	6. Column 4 divided by column 5	7. Gross income reportable (column 2 x column 6)
(1)		%	
(2)		%	
(3)		%	
(4)		%	
Totals		Enter here and on page 1, Part I, line 7, column (A).	Enter here and on page 1, Part I, line 7, column (B).
Total dividends-received deductions included in column 8		0.	0.
			0.

Schedule F - Interest, Annuities, Royalties, and Rents From Controlled Organizations (see instructions)

1. Name of controlled organization	2. Employer identification number	Exempt Controlled Organizations			
		3. Net unrelated income (loss) (see instructions)	4. Total of specified payments made	5. Part of column 4 that is included in the controlling organization's gross income	6. Deductions directly connected with income in column 5
(1)					
(2)					
(3)					
(4)					

Nonexempt Controlled Organizations

7. Taxable income	8. Net unrelated income (loss) (see instructions)	9. Total of specified payments made	10. Part of column 9 that is included in the controlling organization's gross income	11. Deductions directly connected with income in column 10
(1)				
(2)				
(3)				
(4)				
			Add columns 5 and 10. Enter here and on page 1, Part I, line 8, column (A).	Add columns 6 and 11. Enter here and on page 1, Part I, line 8, column (B).
Totals			0.	0.

Schedule G - Investment Income of a Section 501(c)(7), (9), or (17) Organization (see instructions)

1. Description of income	2. Amount of income	3. Deductions directly connected (attach schedule)	4. Set-asides (attach schedule)	5. Total deductions and set-asides (col. 3 plus col. 4)
(1)				
(2)				
(3)				
(4)				
		Enter here and on page 1, Part I, line 9, column (A).		Enter here and on page 1, Part I, line 9, column (B).
Totals		0.		0.

Schedule I - Exploited Exempt Activity Income, Other Than Advertising Income (see instructions)

1. Description of exploited activity	2. Gross unrelated business income from trade or business	3. Expenses directly connected with production of unrelated business income	4. Net income (loss) from unrelated trade or business (column 2 minus column 3). If a gain, compute cols. 5 through 7.	5. Gross income from activity that is not unrelated business income	6. Expenses attributable to column 5	7. Excess exempt expenses (column 6 minus column 5, but not more than column 4).
(1)						
(2)						
(3)						
(4)						
		Enter here and on page 1, Part I, line 10, col. (A).	Enter here and on page 1, Part I, line 10, col. (B).			Enter here and on page 1, Part II, line 25.
Totals		0.	0.			0.

Schedule J - Advertising Income (see instructions)

Part I Income From Periodicals Reported on a Consolidated Basis

1. Name of periodical	2. Gross advertising income	3. Direct advertising costs	4. Advertising gain or (loss) (col. 2 minus col. 3). If a gain, compute cols. 5 through 7.	5. Circulation income	6. Readership costs	7. Excess readership costs (column 6 minus column 5, but not more than column 4).
(1)						
(2)						
(3)						
(4)						
Totals (carry to Part II, line (5))		0.	0.			0.

Part II **Income From Periodicals Reported on a Separate Basis** (For each periodical listed in Part II, fill in columns 2 through 7 on a line-by-line basis.)

1. Name of periodical	2. Gross advertising income	3. Direct advertising costs	4. Advertising gain or (loss) (col. 2 minus col. 3). If a gain, compute cols. 5 through 7.	5. Circulation income	6. Readership costs	7. Excess readership costs (column 6 minus column 5, but not more than column 4).
(1) The Working						
(2) Waterfront	55,756.	45,857.	9,899.	117,182.	381,458.	9,899.
(3)						
(4)						
Totals from Part I	0.	0.				0.
Totals, Part II (lines 1-5)	Enter here and on page 1, Part I, line 11, col. (A). 55,756.	Enter here and on page 1, Part I, line 11, col. (B). 45,857.				Enter here and on page 1, Part II, line 26. 9,899.

Schedule K - Compensation of Officers, Directors, and Trustees (see instructions)

1. Name	2. Title	3. Percent of time devoted to business	4. Compensation attributable to unrelated business
(1)		%	
(2)		%	
(3)		%	
(4)		%	
Total. Enter here and on page 1, Part II, line 14			0.

Form 990-T (2019)

DRAFT 2-14-21

**SCHEDULE M
(Form 990-T)**

**Unrelated Business Taxable Income from an
Unrelated Trade or Business**

Entity **1**

OMB No. 1545-0047

2019

For calendar year 2019 or other tax year beginning JUL 1, 2019, and ending JUN 30, 2020.

▶ Go to www.irs.gov/Form990T for instructions and the latest information.

▶ Do not enter SSN numbers on this form as it may be made public if your organization is a 501(c)(3).

Open to Public Inspection for
501(c)(3) Organizations Only

Department of the Treasury
Internal Revenue Service

Name of the organization

Island Institute

Employer identification number

22-2786731

Unrelated Business Activity Code (see instructions) ▶ **310000**

Describe the unrelated trade or business ▶ **S-Corporation K-1**

Part I Unrelated Trade or Business Income		(A) Income	(B) Expenses	(C) Net
1 a Gross receipts or sales				
b Less returns and allowances	c Balance ▶	1c		
2 Cost of goods sold (Schedule A, line 7)		2		
3 Gross profit. Subtract line 2 from line 1c		3		
4 a Capital gain net income (attach Schedule D)		4a		
b Net gain (loss) (Form 4797, Part II, line 17) (attach Form 4797)		4b		
c Capital loss deduction for trusts		4c		
5 Income (loss) from a partnership or an S corporation (attach statement) Statement 2		5 -2,206.		-2,206.
6 Rent income (Schedule C)		6		
7 Unrelated debt-financed income (Schedule E)		7		
8 Interest, annuities, royalties, and rents from a controlled organization (Schedule F)		8		
9 Investment income of a section 501(c)(7), (9), or (17) organization (Schedule G)		9		
10 Exploited exempt activity income (Schedule I)		10		
11 Advertising income (Schedule J)		11		
12 Other income (See instructions; attach schedule)		12		
13 Total. Combine lines 3 through 12		13 -2,206.		-2,206.

Part II Deductions Not Taken Elsewhere (See instructions for limitations on deductions.) (Deductions must be directly connected with the unrelated business income.)

14 Compensation of officers, directors, and trustees (Schedule K)		14		
15 Salaries and wages		15		
16 Repairs and maintenance		16		
17 Bad debts		17		
18 Interest (attach schedule) (see instructions)		18		
19 Taxes and licenses		19		
20 Depreciation (attach Form 4562)	20			
21 Less depreciation claimed on Schedule A and elsewhere on return	21a			21b
22 Depletion		22		
23 Contributions to deferred compensation plans		23		
24 Employee benefit programs		24		
25 Excess exempt expenses (Schedule I)		25		
26 Excess readership costs (Schedule J)		26		
27 Other deductions (attach schedule)		27		
28 Total deductions. Add lines 14 through 27		28		0.
29 Unrelated business taxable income before net operating loss deduction. Subtract line 28 from line 13		29		-2,206.
30 Deduction for net operating loss arising in tax years beginning on or after January 1, 2018 (see instructions)		30		0.
31 Unrelated business taxable income. Subtract line 30 from line 29		31		-2,206.

LHA For Paperwork Reduction Act Notice, see instructions.

Schedule M (Form 990-T) 2019

Form 990-T (M)

Income (Loss) from S Corporations

Statement 2

Description	Net Income or (Loss)
Black Dinah Chocolatiers LLC 26-0175909	0.
Manufacturing - Ordinary Business Income (loss)	-2,252.
Manufacturing - Interest Income	46.
Total Included on Schedule M, Part I, line 5	-2,206.

DRAFT 2-4-21

Application for Automatic Extension of Time To File an Exempt Organization Return

Department of the Treasury
Internal Revenue Service

▶ **File a separate application for each return.**
▶ **Go to www.irs.gov/Form8868 for the latest information.**

Electronic filing (e-file). You can electronically file Form 8868 to request a 6-month automatic extension of time to file any of the forms listed below with the exception of Form 8870, Information Return for Transfers Associated With Certain Personal Benefit Contracts, for which an extension request must be sent to the IRS in paper format (see instructions). For more details on the electronic filing of this form, visit www.irs.gov/e-file-providers/e-file-for-charities-and-non-profits.

Automatic 6-Month Extension of Time. Only submit original (no copies needed).

All corporations required to file an income tax return other than Form 990-T (including 1120-C filers), partnerships, REMICs, and trusts must use Form 7004 to request an extension of time to file income tax returns.

Type or print	Name of exempt organization or other filer, see instructions. Island Institute	Taxpayer identification number (TIN) 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	

Enter the Return Code for the return that this application is for (file a separate application for each return) 0 | 1

Application Is For	Return Code	Application Is For	Return Code
Form 990 or Form 990-EZ	01	Form 990-T (corporation)	07
Form 990-BL	02	Form 1041-A	08
Form 4720 (individual)	03	Form 4720 (other than individual)	09
Form 990-PF	04	Form 5227	10
Form 990-T (sec. 401(a) or 408(a) trust)	05	Form 6069	11
Form 990-T (trust other than above)	06	Form 8870	12

Peter Rand

- The books are in the care of ▶ **386 Main Street, PO Box 648 - Rockland, ME 04841**
Telephone No. ▶ **207-594-9209** Fax No. ▶ _____
- If the organization does not have an office or place of business in the United States, check this box _____ ▶
- If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN) _____. 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 TINs of all members the extension is for.

1 I request an automatic 6-month extension of time until **May 17, 2021**, 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, 2019**, and ending **JUN 30, 2020**.

2 If the tax year entered in line 1 is for less than 12 months, check reason: Initial return Final return
 Change in accounting period

3a If this application is for Forms 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions.	3a	\$	0.
b If this application is for Forms 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.	3b	\$	0.
c Balance due. Subtract line 3b from line 3a. Include your payment with this form, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions.	3c	\$	0.

Caution: If you are going to make an electronic funds withdrawal (direct debit) with this Form 8868, see Form 8453-EO and Form 8879-EO for payment instructions.

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Type or print	Name of exempt organization or other filer, see instructions. Island Institute	Taxpayer identification number (TIN) 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	

Enter the Return Code for the return that this application is for (file a separate application for each return) 0 | 7

Application Is For	Return Code	Application Is For	Return Code
Form 990 or Form 990-EZ	01	Form 990-T (corporation)	07
Form 990-BL	02	Form 1041-A	08
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Form 990-T (sec. 401(a) or 408(a) trust)	05	Form 6069	11
Form 990-T (trust other than above)	06	Form 8870	12

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Telephone No. ▶ **207-594-9209** Fax No. ▶ _____
- If the organization does not have an office or place of business in the United States, check this box
- If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN) _____. 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 TINs of all members the extension is for.

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 ▶ tax year beginning **JUL 1, 2019**, and ending **JUN 30, 2020**.

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 Change in accounting period

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b If this application is for Forms 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.	3b	\$	0.
c Balance due. Subtract line 3b from line 3a. Include your payment with this form, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions.	3c	\$	0.

Caution: If you are going to make an electronic funds withdrawal (direct debit) with this Form 8868, see Form 8453-EO and Form 8879-EO for payment instructions.

2019

MAINE CORPORATE INCOME TAX RETURN
FORM 1120ME



04

For calendar year 2019 or tax year

07 01 2019 to 06 30 2020
MM DD YYYY MM DD YYYY

541800

Check if you filed federal Form 990-T, 1120-C or 1120-H X

ISLAND INSTITUTE

Name of Corporation

Federal Business Code

386 MAIN STREET PO BOX 648

Address

22 2786731 ME

Federal Employer ID Number

State of Incorporation

ROCKLAND

ME

04841

City, Town or Post Office

State ZIP Code

Parent Company Employer ID Number

PETER

RAND

207

594 9209

Contact Person's First Name

Contact Person's Last Name

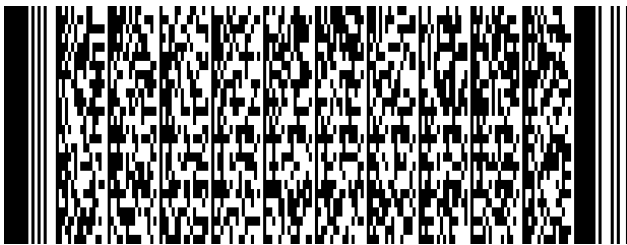
Telephone Number

Check this box if your address has changed.

Check this box if you are claiming an exemption from the Maine corporate income tax pursuant to PL 86-272.

Check this box if during the tax year any member of the combined group disposed of an interest in a pass-through entity doing business in Maine.

Check this box if any member of the combined group owned an interest in a pass-through entity doing business in Maine. If so, provide EIN of passthrough entity:



CHECK APPLICABLE BOXES:

- (1) Initial Return (2) Amended Return (3) Combined return (Attach Form CR)
(4) Final return If final, indicate the final business date and check the appropriate box below
(a) Ceased doing business in Maine (b) Dissolved (c) Merged, acquired or reorganized Successor EIN
(5) Member of an affiliated group filing a separate return (6) Based on a pro-forma

Table with 3 columns: Description, Code, Amount. Rows include FEDERAL CONSOLIDATED INCOME, TENTATIVE TOTAL TAX FILED ON FEDERAL FORM 7004, FEDERAL TAXABLE INCOME, SUBTRACTIONS FROM FEDERAL TAXABLE INCOME (NONTAXABLE INTEREST, FOREIGN DIVIDEND GROSS-UP, WORK OPPORTUNITY CREDIT, etc.), and NET OPERATING LOSS.



SUBTRACTIONS, cont:

i. STATE INCOME TAX REFUNDS (included in line 1 above)	2i.	.00
j. BONUS DEPRECIATION/SECTION 179 EXPENSE RECAPTURE	2j.	.00
k. MEDICAL MARIJUANA BUSINESS EXPENSES (see instructions)	2k.	.00
l. 50% OF APPORTIONABLE SUBPART F INCOME (see instructions)	2l.	.00
m. 80% OF APPORTIONABLE DEFERRED FOREIGN INCOME (see instructions)	2m.	.00
n. 50% OF GLOBAL INTANGIBLE LOW-TAXED INCOME (see instructions)	2n.	.00
o. OTHER (see instructions)	2o.	.00
p. TOTAL SUBTRACTIONS (add lines 2a through 2o)	2p.	.00
3. LINE 1 MINUS 2p. If negative, enter a minus sign in the box to the left of the number	3.	.00

ADDITIONS TO FEDERAL TAXABLE INCOME:

4 a. INCOME TAXES (imposed by Maine or any other state, attach schedule)	4a.	.00
b. DEFERRED FOREIGN INCOME (see instructions)	4b.	.00
c. PARTICIPATION EXEMPTION DEDUCTION ADD-BACK (see instructions)	4c.	.00
d. GLOBAL INTANGIBLE LOW-TAXED INCOME DEDUCTION ADD-BACK (see instructions)	4d.	.00
e. INTEREST FROM STATE AND MUNICIPAL BONDS (other than Maine)	4e.	.00
f. NET OPERATING LOSS ADJUSTMENT (see instructions)	4f.	.00
g. MAINE CAPITAL INVESTMENT CREDIT BONUS DEPRECIATION ADD-BACK	4g.	.00
h. BONUS DEPRECIATION ADD-BACK	4h.	.00
i. OTHER (see instructions)	4i.	.00
j. TOTAL ADDITIONS (add lines 4a through 4i)	4j.	.00
5. ADJUSTED FEDERAL TAXABLE INCOME (add lines 3 and 4j)	5.	0 .00

TAX:

6. GROSS TAX (from rate schedule on page 7 of instructions)	6.	0 .00
7 a. MAINE CORPORATE INCOME TAX (from line 6 above or Schedule A, line 5)	7a.	0 .00
b. CREDIT RECAPTURE: (see instructions)	7b.	.00
c. TOTAL TAX (add lines 7a and 7b)	7c.	0 .00



22 2786731

Federal EIN

PAYMENTS AND CREDITS:

Table with 3 columns: Description, Line Number, Amount. Rows include MAINE ESTIMATED TAX PAID, EXTENSION PAYMENT, TAX CREDITS, INCOME TAX WITHHELD, If amended, enter payments, If amended, enter overpayments, TOTAL PAYMENTS AND CREDITS, TAX AND CREDITS - TAX DUE OR OVERPAYMENT, Enter PENALTY, TOTAL DUE, OVERPAYMENT, Amount of line 12 to be, CREDITED to next year's estimated tax, REFUNDED.

Use EZ Pay at maine.gov/revenue. Check here if Form 2220ME block 5a is checked.

REFUND DEPOSITED DIRECTLY TO YOUR CHECKING ACCOUNT (\$20,000 or less). SEE INSTRUCTIONS.

Check this box if this refund will go to an account outside the United States. 13c. Routing Number, 13d. Checking Account Number

CORPORATION PRESIDENT'S NAME SOCIAL SECURITY NUMBER, TREASURER'S NAME SOCIAL SECURITY NUMBER, COMPANY'S WEB SITE ADDRESS

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

DATE 020121 OFFICER'S SIGNATURE BERRY DUNN MCNEIL & PARKER, LLC TITLE PORTLAND, ME 04102 SOCIAL SECURITY NUMBER P01289281

DATE SIGNATURE AND ADDRESS OF PREPARER (INDIVIDUAL OR FIRM) PREPARER'S SSN OR PTIN THIS RETURN MUST BE ACCOMPANIED BY A LEGIBLE COPY OF THE U.S. CORPORATE INCOME TAX RETURN, FEDERAL FORM 1120, PAGES 1-6, FOR THE SAME TAXABLE PERIOD.

Please submit forms in the following order:

- 1. Pages 1 through 6 of Form 1120ME, as required.
2. Form CR, if required, including affiliation schedule.
3. Other statements for the Maine income tax return.
4. A copy of federal Form 1120, pages 1 through 6.

If enclosing a check, make check payable to: Treasurer, State of Maine and MAIL WITH RETURN TO: MAINE REVENUE SERVICES P.O. BOX 1065 AUGUSTA, ME 04332-1065

If not enclosing a check, MAIL RETURN TO: MAINE REVENUE SERVICES P.O. BOX 1064 AUGUSTA, ME 04332-1064

CCH 955211 11-14-19

**MAINE CORPORATE INCOME TAX RETURN
SCHEDULE A - APPORTIONMENT OF TAX**



Do not complete this schedule if 100% of your business activity is attributable to Maine.
Schedules C and D may still be required.

All others must complete this schedule and enter amounts in columns A and B, even if those amounts are zero.
If this schedule is left blank or excluded, your Maine apportionment factor will be set at 100%. Round all dollar amounts to whole numbers.

Check if using an alternate apportionment as provided by 36 M.R.S. § 5211(17).

	(A) Within Maine		(B) Everywhere		(C) Apportionment Factor Line 1, Col. (A)/Col. (B) Rounded to 6 Decimals
1. Total Sales *	.00	÷		.00	=
2. Total Payroll	.00			.00	
3. Total Property	.00			.00	
4. GROSS TAX (Form 1120ME, line 6)				4.	.00
5. MAINE CORPORATE INCOME TAX (line 4 x line 1 column c factor. Enter here and on Form 1120ME, line 7a)				5.	.00
6. What amount of line 3, column A is TANGIBLE PERSONAL PROPERTY?				6.	.00

***Note:** Total Sales must exclude income claimed as a deduction on Form 1120ME, lines 2e, 2l, 2m and 2n. Other limitations apply. See Schedule A instructions for additional information.

**SCHEDULE B - ALTERNATIVE MINIMUM TAX
REPEALED FOR TAX YEARS BEGINNING ON OR AFTER JANUARY 1, 2018**

SCHEDULE C - See page 5

SCHEDULE D - MINIMUM TAX CREDIT

1. a. MINIMUM TAX CREDIT CARRYOVER FROM 2018 (2018 Form 1120ME, Schedule D, line 1f)	1a.	.00
b. REGULAR INCOME TAX LIABILITY FOR 2019 (Form 1120ME, line 7a minus all Schedule C credits except minimum tax credit)	1b.	.00
c. MINIMUM TAX CREDIT: enter the smaller of line 1a or line 1b here and on Schedule C, line 1j	1c.	.00
d. Maine minimum tax credit CARRYOVER TO 2020 (line 1a minus line 1c)	1d.	.00

SCHEDULE C - TAX CREDITS



(Attach worksheets. To get worksheets, see www.maine.gov/revenue/forms.)

Non-refundable Credits

1. a.	SEED CAPITAL INVESTMENT TAX CREDIT	1a.	.00
b.	JOBS AND INVESTMENT TAX CREDIT CARRYFORWARD	1b.	.00
c.	EMPLOYER-ASSISTED DAY CARE CREDIT AND QUALITY CHILD CARE INVESTMENT CREDIT CARRYFORWARD	1c.	.00
d.	EMPLOYER-PROVIDED LONG-TERM CARE BENEFITS CREDIT CARRYFORWARD	1d.	.00
e.	PINE TREE DEVELOPMENT ZONE REGULAR TAX CREDIT	1e.	.00
f.	MAINE CAPITAL INVESTMENT CREDIT	1f.	.00
g.	RESEARCH EXPENSE TAX CREDIT	1g.	.00
h.	SUPER CREDIT FOR SUBSTANTIALLY INCREASED RESEARCH AND DEVELOPMENT CARRYFORWARD	1h.	.00
i.	HIGH-TECHNOLOGY INVESTMENT TAX CREDIT CARRYFORWARD	1i.	.00
j.	MINIMUM TAX CREDIT (from Schedule D, line 1c)	1j.	.00
k.	EMPLOYER FAMILY AND MEDICAL LEAVE CREDIT	1k.	.00
l.	CREDIT FOR EDUCATIONAL OPPORTUNITY	1l.	.00
m.	WELLNESS PROGRAM CREDIT	1m.	.00
n.	CERTIFIED VISUAL MEDIA PRODUCTION CREDIT	1n.	.00
o.	BIOFUEL PRODUCTION TAX CREDIT CARRYFORWARD	1o.	.00
p.	RESERVED	1p.	.00
q.	CREDIT FOR DISABILITY INCOME PROTECTION PLANS	1q.	.00
r.	OTHER CREDITS (see instructions)	1r.	.00
s.	TOTAL NON-REFUNDABLE CREDITS: (add lines 1a through 1r)	1s.	.00
t.	TOTAL TAX (from Form 1120ME, line 7c)	1t.	.00
u.	ALLOWABLE NONREFUNDABLE CREDITS (Enter amount from line 1s or 1t, whichever is less. Add this line to line 2c and enter result on Form 1120ME, line 8c)	1u.	.00

Refundable Credits

2. a.	HISTORIC REHABILITATION CREDIT	2a.	.00
b.	NEW MARKETS CAPITAL INVESTMENT CREDIT	2b.	.00
c.	TOTAL REFUNDABLE CREDITS: (Add lines 2a and 2b. Add this line to line 1u and enter result on Form 1120ME, line 8c)	2c.	.00



SCHEDULE X - AMENDED RETURN ADJUSTMENTS

1. Reason for change:

- | | | | |
|-------------------------------|---|-------------------------------------|----------------------|
| a. IRS change | b. Net operating loss | c. Federal amended 1120X | d. Accounting change |
| e. Other (attach explanation) | f. Member of an affiliated group filing a separate return | g. Combined return (attach Form CR) | |
| (A) | (B) | (C) | (D) |
| Line Adjusted | As Most Recently Filed or Adjusted | Adjustment | Correct Amount |

- 2. a.
- b.
- c.
- d.
- e.
- f.
- g.
- h.
- i.
- j.
- k.
- l.
- m.
- n.
- o.
- p.
- q.
- r.
- s.
- t.

DRAFT 2-1-21