Form **990**

Department of the Treasury
Internal Revenue Service

Return of Organization Exempt From Income Tax

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

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

OMB No 1545-0047

2008

Open to Public Inspection

A For the 2008 calendar year, or tax year beginning January 1, 2008, and ending December 31, 20 08

B Check if applicable
☐ Address change
☐ Name change
☐ Initial return
☐ Termination
☑ Amended return
☐ Application pending

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

C Name of organization: The Montana Land Reliance
Doing Business As: Montana Land Reliance
Number and street (or P.O box if mail is not delivered to street address): P.O. Box 355 | Room/suite:
City or town, state or country, and ZIP + 4: Helena, MT 59624-0355

D Employer identification number: 81 0369262
E Telephone number: (406) 443-7027
G Gross receipts $

F Name and address of principal officer. Lois Delger-DeMars "same as C above"

H(a) Is this a group return for affiliates? ☐ Yes ☑ No
H(b) Are all affiliates included? ☐ Yes ☐ No
If "No," attach a list (see instructions)
H(c) Group exemption number ▶

I Tax-exempt status ☑ 501(c) (3)◀ (insert no.) ☐ 4947(a)(1) or ☐ 527

J Website: ▶ www.mtlandreliance.org

K Type of organization: ☑ Corporation ☐ Trust ☐ Association ☐ Other ▶ **L** Year of formation: 1978 **M** State of legal domicile MT

Part I Summary

Activities & Governance

1 Briefly describe the organization's mission or most significant activities: The mission of The Montana Land Reliance is to provide permanent protection for private lands that are ecologically significant for agricultural production, fish and wildlife habitat, and open space.

2 Check this box ▶ ☐ if the organization discontinued its operations or disposed of more than 25% of its assets.

3	Number of voting members of the governing body (Part VI, line 1a)	3	9
4	Number of independent voting members of the governing body (Part VI, line 1b)	4	9
5	Total number of employees (Part V, line 2a)	5	27
6	Total number of volunteers (estimate if necessary)	6	0
7a	Total gross unrelated business revenue from Part VIII, line 12, column (C)	7a	0
b	Net unrelated business taxable income from Form 990-T, line 34	7b	0

INTERNAL REVENUE SERVICE
W&I FIELD ASSISTANCE
HELENA, MT 59626
MAY 14 2010

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		Prior Year	Current Year
Revenue			
8	Contributions and grants (Part VIII, line 1h)	1,750,124	1,620,605
9	Program service revenue (Part VIII, line 2g)	134	135
10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	845,256	811,264
11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	23,628	-8,333
12	Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	2,619,142	2,423,671
Expenses			
13	Grants and similar amounts paid (Part IX, column (A), lines 1–3)	0	0
14	Benefits paid to or for members (Part IX, column (A), line 4)	0	0
15	Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10)	911,746	1,001,136
16a	Professional fundraising fees (Part IX, column (A), line 11e)	0	0
b	Total fundraising expenses (Part IX, column (D), line 25) ▶ 114,735		
17	Other expenses (Part IX, column (A), lines 11a–11d, 11f–24f)	497,202	1,023,003
18	Total expenses. Add lines 13–17 (must equal Part IX, column (A), line 25)	1,408,948	2,024,139
19	Revenue less expenses. Subtract line 18 from line 12	1,210,194	399,532
Net Assets or Fund Balances		**Beginning of Year**	**End of Year**
20	Total assets (Part X, line 16)	12,733,010	13,134,300
21	Total liabilities (Part X, line 26)	61,188	62,946
22	Net assets or fund balances. Subtract line 21 from line 20	12,671,822	13,071,354

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
▶ George S. Olsen Sec-Treas | 5/13/10
Signature of officer | Date
▶ George S. Olsen Secretary-Treasurer
Type or print name and title

Paid Preparer's Use Only
Preparer's signature ▶ | Date | Check if self-employed ▶ ☐ | Preparer's identifying number (see instructions)
Firm's name (or yours if self-employed), address, and ZIP + 4 ▶ | EIN ▶ | Phone no ▶ ( )

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

For Privacy Act and Paperwork Reduction Act Notice, see the separate instructions. Cat No 11282Y Form **990** (2008)

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Part III **Statement of Program Service Accomplishments** (see instructions)

1 Briefly describe the organization's mission:
The mission of The Montana Land Reliance is to provide permanent protection for private lands that are ecologically significant for agricultural production, fish and wildlife habitat, and open space.

2 Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ? ☐ Yes ☑ No
If "Yes," describe these new services on Schedule O.

3 Did the organization cease conducting, or make significant changes in how it conducts, any program services? ☐ Yes ☑ No
If "Yes," describe these changes on Schedule O.

4 Describe the exempt purpose achievements for each of the organization's three largest program services by expenses. Section 501(c)(3) and 501(c)(4) organizations and section 4947(a)(1) trusts are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported.

4a (Code:) (Expenses $ 867,503 including grants of $ 0) (Revenue $ 0)
New Land Projects:
MLR worked directly with over 50 landowners in 2008 to provide permanent protection of their private lands to provide for continued agricultural production, open space, and natural habitat. A total of 21 of these landowners donated conservation easements to MLR in 2008. For a list of specific projects and costs, please see Schedule O.

4b (Code:) (Expenses $ 266,149 including grants of $ 0) (Revenue $ 0)
Stewardship & Monitoring:
MLR stewardship staff (consisting of the lands manager and 14 active land stewards) monitors each conservation easement held by MLR on an annual basis. This monitoring includes a visit to the property and discussions with all the landowners. The lands manager and land stewards also work with existing easement donors to supply natural resource information and contacts for the landowner to improve their land holdings in any way requested. Stewardship staff further works with legal counsel in regard to any potential issues that arise on any conservation easement held by MLR. Total expenditures for stewardship and monitoring activities include: salaries/benefits - 209,029; printing - 509; rent - 2,405; equipment - 6,356; insurance/licensing - 187; telephone - 3,655; contract - 500 (mapping); legal - 14,408; postage/supplies - 6,844; travel and per diem - 22,256.

4c (Code:) (Expenses $ 421,546 including grants of $ 0) (Revenue $ 135)
Outreach & Education:
MLR staff travel across the state of Montana conducting meetings with potential clients, county planning boards, county commissioners, various agricultural/trade groups/organizations to provide answers to their questions and conduct general educational activities focused on the benefits of conservation easements. For these outreach activities, MLR publishes various brochures and an annual report to provide information. Additionally, staff participates with numerous conservation groups to educate the general public about the land trust community's conservation efforts. Specific expenditures include: general outreach/education - 317,404; brochures - 520; annual report - 29,636; conservation organizations - 37,069; newsletter - 11,598; agricultural organization outreach - 16,646; legislative education/outreach - 8,673.

4d Other program services. (Describe in Schedule O.)
(Expenses $ 0 including grants of $ 0) (Revenue $ 0)

4e **Total program service expenses** ▶ $ 1,555,198 *(Must equal Part IX, Line 25, column (B).)*

Part IV Checklist of Required Schedules

			Yes	No
1	Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? *If "Yes," complete Schedule A*	1	✓	
2	Is the organization required to complete Schedule B, Schedule of Contributors?	2	✓	
3	Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? *If "Yes," complete Schedule C, Part I*	3		✓
4	**Section 501(c)(3) organizations.** Did the organization engage in lobbying activities? *If "Yes," complete Schedule C, Part II*	4	✓	
5	**Section 501(c)(4), 501(c)(5), and 501(c)(6) organizations.** Is the organization subject to the section 6033(e) notice and reporting requirement and proxy tax? *If "Yes," complete Schedule C, Part III*	5		
6	Did the organization maintain any donor advised funds or any accounts where donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? *If "Yes," complete Schedule D, Part I*	6		✓
7	Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? *If "Yes," complete Schedule D, Part II*	7	✓	
8	Did the organization maintain collections of works of art, historical treasures, or other similar assets? *If "Yes," complete Schedule D, Part III*	8		✓
9	Did the organization report an amount in Part X, line 21; serve as a custodian for amounts not listed in Part X; or provide credit counseling, debt management, credit repair, or debt negotiation services? *If "Yes," complete Schedule D, Part IV*	9		✓
10	Did the organization hold assets in term, permanent, or quasi-endowments? *If "Yes," complete Schedule D, Part V*	10	✓	
11	Did the organization report an amount in Part X, lines 10, 12, 13, 15, or 25? *If "Yes," complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable*	11	✓	
12	Did the organization receive an audited financial statement for the year for which it is completing this return that was prepared in accordance with GAAP? *If "Yes," complete Schedule D, Parts XI, XII, and XIII*	12	✓	
13	Is the organization a school described in section 170(b)(1)(A)(ii)? *If "Yes," complete Schedule E*	13		✓
14a	Did the organization maintain an office, employees, or agents outside of the U.S.?	14a		✓
b	Did the organization have aggregate revenues or expenses of more than $10,000 from grantmaking, fundraising, business, and program service activities outside the U.S.? *If "Yes," complete Schedule F, Part I*	14b		✓
15	Did the organization report on Part IX, column (A), line 3, more than $5,000 of grants or assistance to any organization or entity located outside the United States? *If "Yes," complete Schedule F, Part II.*	15		✓
16	Did the organization report on Part IX, column (A), line 3, more than $5,000 of aggregate grants or assistance to individuals located outside the United States? *If "Yes," complete Schedule F, Part III*	16		✓
17	Did the organization report more than $15,000 on Part IX, column (A), line 11e? *If "Yes," complete Schedule G, Part I*	17		✓
18	Did the organization report more than $15,000 total on Part VIII, lines 1c and 8a? *If "Yes," complete Schedule G, Part II*	18	✓	
19	Did the organization report more than $15,000 on Part VIII, line 9a? *If "Yes," complete Schedule G, Part III*	19		✓
20	Did the organization operate one or more hospitals? *If "Yes," complete Schedule H*	20		✓
21	Did the organization report more than $5,000 on Part IX, column (A), line 1? *If "Yes," complete Schedule I, Parts I and II*	21		✓
22	Did the organization report more than $5,000 on Part IX, column (A), line 2? *If "Yes," complete Schedule I, Parts I and III*	22		✓
23	Did the organization answer "Yes" to Part VII, Section A, questions 3, 4, or 5? *If "Yes," complete Schedule J*	23		✓
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? *If "Yes," answer questions 24b–24d and complete Schedule K. If "No," go to question 25.*	24a		✓
b	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?	24b		✓
c	Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?	24c		✓
d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?	24d		✓
25a	**Section 501(c)(3) and 501(c)(4) organizations.** Did the organization engage in an excess benefit transaction with a disqualified person during the year? *If "Yes," complete Schedule L, Part I*	25a		✓
b	Did the organization become aware that it had engaged in an excess benefit transaction with a disqualified person from a prior year? *If "Yes," complete Schedule L, Part I*	25b		✓
26	Was a loan to or by a current or former officer, director, trustee, key employee, highly compensated employee, or disqualified person outstanding as of the end of the organization's tax year? *If "Yes," complete Schedule L, Part II*	26		✓
27	Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, or substantial contributor, or to a person related to such an individual? *If "Yes," complete Schedule L, Part III*	27		✓

Part IV Checklist of Required Schedules *(continued)*

			Yes	No
28	During the tax year, did any person who is a current or former officer, director, trustee, or key employee:			
a	Have a direct business relationship with the organization (other than as an officer, director, trustee, or employee), or an indirect business relationship through ownership of more than 35% in another entity (individually or collectively with other person(s) listed in Part VII, Section A)? *If "Yes," complete Schedule L, Part IV*	28a		✓
b	Have a family member who had a direct or indirect business relationship with the organization? *If "Yes," complete Schedule L, Part IV*	28b		✓
c	Serve as an officer, director, trustee, key employee, partner, or member of an entity (or a shareholder of a professional corporation) doing business with the organization? *If "Yes," complete Schedule L, Part IV*	28c		✓
29	Did the organization receive more than $25,000 in non-cash contributions? *If "Yes," complete Schedule M*	29		✓
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? *If "Yes," complete Schedule M*	30	✓	
31	Did the organization liquidate, terminate, or dissolve and cease operations? *If "Yes," complete Schedule N, Part I*	31		✓
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? *If "Yes," complete Schedule N, Part II*	32		✓
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? *If "Yes," complete Schedule R, Part I*	33		✓
34	Was the organization related to any tax-exempt or taxable entity? *If "Yes," complete Schedule R, Parts II, III, IV, and V, line 1*	34	✓	
35	Is any related organization a controlled entity within the meaning of section 512(b)(13)? *If "Yes," complete Schedule R, Part V, line 2*	35		✓
36	**Section 501(c)(3) organizations.** Did the organization make any transfers to an exempt non-charitable related organization? *If "Yes," complete Schedule R, Part V, line 2*	36		✓
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? *If "Yes," complete Schedule R, Part VI*	37		✓

Part V Statements Regarding Other IRS Filings and Tax Compliance

			Line	Yes	No
1a	Enter the number reported in Box 3 of Form 1096, Annual Summary and Transmittal of U.S. Information Returns. Enter -0- if not applicable	1a 3			
b	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable	1b 0			
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?		1c	✓	
2a	Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return	2a 27			
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns?		2b	✓	
	Note. If the sum of lines 1a and 2a is greater than 250, you may be required to *e-file* this return. (see instructions)				
3a	Did the organization have unrelated business gross income of $1,000 or more during the year covered by this return?		3a		✓
b	If "Yes," has it filed a Form 990-T for this year? *If "No," provide an explanation in Schedule O*		3b		
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?		4a		✓
b	If "Yes," enter the name of the foreign country: ▶				
	See the instructions for exceptions and filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts.				
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?		5a		✓
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?		5b		✓
c	If "Yes," to question 5a or 5b, did the organization file Form 8886-T, Disclosure by Tax-Exempt Entity Regarding Prohibited Tax Shelter Transaction?		5c		
6a	Did the organization solicit any contributions that were not tax deductible?		6a		✓
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?		6b		
7	**Organizations that may receive deductible contributions under section 170(c).**				
a	Did the organization provide goods or services in exchange for any quid pro quo contribution of more than $75?		7a	✓	
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?		7b	✓	
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?		7c		✓
d	If "Yes," indicate the number of Forms 8282 filed during the year	7d			
e	Did the organization, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?		7e		✓
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?		7f		✓
g	For all contributions of qualified intellectual property, did the organization file Form 8899 as required?		7g	✓	
h	For contributions of cars, boats, airplanes, and other vehicles, did the organization file a Form 1098-C as required?		7h	✓	
8	**Section 501(c)(3) and other sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations.** Did the supporting organization, or a fund maintained by a sponsoring organization, have excess business holdings at any time during the year?		8		✓
9	**Section 501(c)(3) and other sponsoring organizations maintaining donor advised funds.**				
a	Did the organization make any taxable distributions under section 4966?		9a		
b	Did the organization make a distribution to a donor, donor advisor, or related person?		9b		
10	**Section 501(c)(7) organizations.** Enter:				
a	Initiation fees and capital contributions included on Part VIII, line 12	10a			
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities	10b			
11	**Section 501(c)(12) organizations.** Enter:				
a	Gross income from members or shareholders	11a			
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them.)	11b			
12a	**Section 4947(a)(1) non-exempt charitable trusts.** Is the organization filing Form 990 in lieu of Form 1041?		12a		
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year	12b			

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

Section A. Governing Body and Management

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

			Yes	No
1a	Enter the number of voting members of the governing body . . . 1a 9			
b	Enter the number of voting members that are independent . . . 1b 9			
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?	2		✓
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person?	3		✓
4	Did the organization make any significant changes to its organizational documents since the prior Form 990 was filed?	4		✓
5	Did the organization become aware during the year of a material diversion of the organization's assets?	5		✓
6	Does the organization have members or stockholders?	6		✓
7a	Does the organization have members, stockholders, or other persons who may elect one or more members of the governing body?	7a		✓
b	Are any decisions of the governing body subject to approval by members, stockholders, or other persons?	7b		✓
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following:			
a	The governing body?	8a	✓	
b	Each committee with authority to act on behalf of the governing body?	8b	✓	
9a	Does the organization have local chapters, branches, or affiliates?	9a		✓
b	If "Yes," does the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with those of the organization?	9b		
10	Was a copy of the Form 990 provided to the organization's governing body before it was filed? All organizations must describe in Schedule O the process, if any, the organization uses to review the Form 990	10		✓
11	Is there any officer, director or trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? *If "Yes," provide the names and addresses in Schedule O*	11		✓

Section B. Policies

			Yes	No
12a	Does the organization have a written conflict of interest policy? *If "No," go to line 13*	12a	✓	
b	Are officers, directors or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	12b	✓	
c	Does the organization regularly and consistently monitor and enforce compliance with the policy? *If "Yes," describe in Schedule O how this is done*	12c	✓	
13	Does the organization have a written whistleblower policy?	13		✓
14	Does the organization have a written document retention and destruction policy?	14	✓	
15	Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision:			
a	The organization's CEO, Executive Director, or top management official?	15a		✓
b	Other officers or key employees of the organization?	15b		✓
	Describe the process in Schedule O. (see instructions)			
16a	Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?	16a		✓
b	If "Yes," has the organization adopted a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and taken steps to safeguard the organization's exempt status with respect to such arrangements?	16b		

Section C. Disclosure

17 List the states with which a copy of this Form 990 is required to be filed ▶ N/A

18 Section 6104 requires an organization to make its Forms 1023 (or 1024 if applicable), 990, and 990-T (501(c)(3)s only) available for public inspection. Indicate how you make these available. Check all that apply.
☐ Own website ☐ Another's website ☑ Upon request

19 Describe in Schedule O whether (and if so, how), the organization makes its governing documents, conflict of interest policy, and financial statements available to the public.

20 State the name, physical address, and telephone number of the person who possesses the books and records of the organization: ▶ Lois Delger-DeMars, Montana Land Reliance, 324 Fuller Ave., Helena, MT 59601

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

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

1a Complete this table for all persons required to be listed. Use Schedule J-2 if additional space is needed.

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

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

☑ Check this box if the organization did not compensate any officer, director, trustee, or key employee.

(A) Name and Title	(B) Average hours per week	(C) Position (check all that apply): Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former	(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
Jerry Townsend President, Board of Directors	1	✓		✓				0	0	0
Carol Bibler Vice-President, Board of Directors	1	✓		✓				0	0	0
George S. Olsen Secretary/Treasurer, Board of Directors	1	✓		✓				0	0	0
Phil Rostad Director	1	✓						0	0	0
Allen Bjergo Director	1	✓						0	0	0
Roy O'Connor Director	1	✓						0	0	0
Judith Hutchins Director	1	✓						0	0	0
Rick Berg Director	1	✓						0	0	0
Millard Cox Director	1	✓						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	(C) Position (check all that apply): Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former	(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
1b Total ▶										

2 Total number of individuals (including those in 1a) who received more than $100,000 in reportable compensation from the organization ▶ 0

			Yes	No
3	Did the organization list any **former** officer, director or trustee, key employee, or highest compensated employee on line 1a? *If "Yes," complete Schedule J for such individual*	3		✓
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? *If "Yes," complete Schedule J for such individual.*	4		✓
5	Did any person listed on line 1a receive or accrue compensation from any unrelated organization for services rendered to the organization? *If "Yes," complete Schedule J for such person*	5		✓

Section B. Independent Contractors

1 Complete this table for your five highest compensated independent contractors that received more than $100,000 of compensation from the organization.

(A) Name and business address	(B) Description of services	(C) Compensation
N/A		

2 Total number of independent contractors (including those in 1) who received more than $100,000 in compensation from the organization ▶ 0

Part VIII Statement of Revenue

			(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512, 513, or 514
Contributions, gifts, grants and other similar amounts						
1a Federated campaigns	1a	0				
b Membership dues	1b	0				
c Fundraising events	1c	15,560				
d Related organizations	1d	0				
e Government grants (contributions)	1e	0				
f All other contributions, gifts, grants, and similar amounts not included above	1f	1,605,045				
g Noncash contributions included in lines 1a-1f: $ 1,038						
h **Total.** Add lines 1a–1f ▶			1,620,605			
Program Service Revenue		Business Code				
2a Publications, etc.			135	135	0	0
b						
c						
d						
e						
f All other program service revenue						
g **Total.** Add lines 2a–2f ▶			135			
Other Revenue						
3 Investment income (including dividends, interest, and other similar amounts) ▶			631,004	631,004	0	0
4 Income from investment of tax-exempt bond proceeds ▶			0	0	0	0
5 Royalties ▶			0	0	0	0
	(i) Real	(ii) Personal				
6a Gross Rents	0	0				
b Less: rental expenses	0	0				
c Rental income or (loss)	0	0				
d Net rental income or (loss) ▶			0	0	0	0
	(i) Securities	(ii) Other				
7a Gross amount from sales of assets other than inventory	3,700,660					
b Less: cost or other basis and sales expenses	3,520,400					
c Gain or (loss)	180,260					
d Net gain or (loss) ▶			180,260	180,260	0	0
8a Gross income from fundraising events (not including $ 15,560 of contributions reported on line 1c). See Part IV, line 18	a	28,230				
b Less: direct expenses	b	36,563				
c Net income or (loss) from fundraising events ▶			-8,333	-8,333	0	0
9a Gross income from gaming activities. See Part IV, line 19	a	0				
b Less: direct expenses	b	0				
c Net income or (loss) from gaming activities ▶			0	0	0	0
10a Gross sales of inventory, less returns and allowances	a	0				
b Less: cost of goods sold	b	0				
c Net income or (loss) from sales of inventory ▶			0	0	0	0
Miscellaneous Revenue		Business Code				
11a			0	0	0	0
b			0	0	0	0
c			0	0	0	0
d All other revenue			0	0	0	0
e **Total.** Add lines 11a–11d ▶			0			
12 **Total Revenue.** Add lines 1h, 2g, 3, 4, 5, 6d, 7d, 8c, 9c, 10c, and 11e ▶			2,423,671	2,423,671	0	0

Part IX Statement of Functional Expenses

Section 501(c)(3) and 501(c)(4) organizations must complete all columns.
All other organizations must complete column (A) but are not required to complete columns (B), (C), and (D).

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1 Grants and other assistance to governments and organizations in the U.S. See Part IV, line 21	0	0		
2 Grants and other assistance to individuals in the U.S. See Part IV, line 22	0	0		
3 Grants and other assistance to governments, organizations, and individuals outside the U.S. See Part IV, lines 15 and 16	0	0		
4 Benefits paid to or for members	0	0		
5 Compensation of current officers, directors, trustees, and key employees	0	0	0	0
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)	0	0	0	0
7 Other salaries and wages	783,934	525,026	212,995	45,913
8 Pension plan contributions (include section 401(k) and section 403(b) employer contributions)	87,129	60,990	21,783	4,356
9 Other employee benefits	58,773	41,141	14,693	2,939
10 Payroll taxes	71,300	49,910	17,825	3,565
11 Fees for services (non-employees):				
a Management	0	0	0	0
b Legal	27,140	21,231	5,909	0
c Accounting	14,161	7,213	5,790	1,158
d Lobbying	0	0	0	0
e Professional fundraising services. See Part IV, line 17	0			0
f Investment management fees	11,060	11,060	0	0
g Other	54,886	46,993	5,938	1,955
12 Advertising and promotion	36,985	20,847	5,000	11,138
13 Office expenses	75,538	50,178	11,203	14,157
14 Information technology	0	0	0	0
15 Royalties	0	0	0	0
16 Occupancy	41,496	31,393	6,276	3,827
17 Travel	101,013	65,548	17,484	17,981
18 Payments of travel or entertainment expenses for any federal, state, or local public officials	0	0	0	0
19 Conferences, conventions, and meetings	11,085	9,810	1,275	0
20 Interest	0	0	0	0
21 Payments to affiliates	0	0	0	0
22 Depreciation, depletion, and amortization	22,570	15,799	5,642	1,129
23 Insurance	17,068	2,110	13,425	1,533
24 Other expenses. Itemize expenses not covered above. (Expenses grouped together and labeled miscellaneous may not exceed 5% of total expenses shown on line 25 below.)				
a Equipment (Maintenance) Expenses	19,666	5,614	8,968	5,084
b Uncollectible Accounts	20,085	20,085		
c Conservation Acquisitions	570,250	570,250		
d				
e				
f All other expenses				
25 **Total functional expenses.** Add lines 1 through 24f	2,024,139	1,555,198	354,206	114,735
26 **Joint Costs.** Check here ▶ ☐ if following SOP 98-2. Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation				

Part X Balance Sheet

			(A) Beginning of year		(B) End of year
Assets	1	Cash—non-interest-bearing	54,232	1	226,077
	2	Savings and temporary cash investments	429,006	2	308,506
	3	Pledges and grants receivable, net	0	3	0
	4	Accounts receivable, net	147,577	4	129,783
	5	Receivables from current and former officers, directors, trustees, key employees, or other related parties. Complete Part II of Schedule L	0	5	0
	6	Receivables from other disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B). Complete Part II of Schedule L	0	6	0
	7	Notes and loans receivable, net	0	7	0
	8	Inventories for sale or use	0	8	0
	9	Prepaid expenses and deferred charges	0	9	0
	10a	Land, buildings, and equipment: cost basis 10a 217,895			
	b	Less: accumulated depreciation. Complete Part VI of Schedule D 10b 172,987	55,039	10c	44,908
	11	Investments—publicly traded securities	12,040,109	11	11,920,783
	12	Investments—other securities. See Part IV, line 11	0	12	502,425
	13	Investments—program-related. See Part IV, line 11	0	13	0
	14	Intangible assets	0	14	0
	15	Other assets. See Part IV, line 11	7,047	15	1,818
	16	**Total assets.** Add lines 1 through 15 (must equal line 34)	12,733,010	16	13,134,300
Liabilities	17	Accounts payable and accrued expenses	61,188	17	62,946
	18	Grants payable	0	18	0
	19	Deferred revenue	0	19	0
	20	Tax-exempt bond liabilities	0	20	0
	21	Escrow account liability. Complete Part IV of Schedule D	0	21	0
	22	Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L	0	22	0
	23	Secured mortgages and notes payable to unrelated third parties	0	23	0
	24	Unsecured notes and loans payable	0	24	0
	25	Other liabilities. Complete Part X of Schedule D	0	25	0
	26	**Total liabilities.** Add lines 17 through 25	61,188	26	62,946
Net Assets or Fund Balances		**Organizations that follow SFAS 117, check here ▶ ☐ and complete lines 27 through 29, and lines 33 and 34.**			
	27	Unrestricted net assets	8,003,598	27	7,883,725
	28	Temporarily restricted net assets	4,376,504	28	4,805,424
	29	Permanently restricted net assets	291,720	29	382,205
		Organizations that do not follow SFAS 117, check here ▶ ☐ and complete lines 30 through 34.			
	30	Capital stock or trust principal, or current funds		30	
	31	Paid-in or capital surplus, or land, building, or equipment fund		31	
	32	Retained earnings, endowment, accumulated income, or other funds		32	
	33	Total net assets or fund balances	12,671,822	33	13,071,354
	34	Total liabilities and net assets/fund balances	12,733,010	34	13,134,300

Part XI Financial Statements and Reporting

			Yes	No
1	Accounting method used to prepare the Form 990: ☑ Cash ☐ Accrual ☐ Other			
2a	Were the organization's financial statements compiled or reviewed by an independent accountant?	2a	✓	
b	Were the organization's financial statements audited by an independent accountant?	2b	✓	
c	If "Yes" to lines 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant?	2c	✓	
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?	3a		✓
b	If "Yes," did the organization undergo the required audit or audits?	3b		

SCHEDULE A
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Public Charity Status and Public Support

To be completed by all section 501(c)(3) organizations and section 4947(a)(1) nonexempt charitable trusts.

▶ **Attach to Form 990 or Form 990-EZ.** ▶ **See separate instructions.**

OMB No 1545-0047

2008

Open to Public Inspection

Name of the organization	Employer identification number
The Montana Land Reliance	81 0369262

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

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

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

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

3 ☐ A hospital or a cooperative hospital service organization described in **section 170(b)(1)(A)(iii).** (Attach Schedule H.)

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

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

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

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

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

9 ☑ An organization that normally receives: (1) more than 33⅓ % of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions—subject to certain exceptions, and (2) no more than 33⅓ % of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975. See **section 509(a)(2).** (Complete Part III.)

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

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

a ☐ Type I **b** ☐ Type II **c** ☐ Type III–Functionally integrated **d** ☐ Type III–Other

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

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

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

		Yes	No
(i) A person who directly or indirectly controls, either alone or together with persons described in (ii) and (iii) below, the governing body of the supported organization?	11g(i)		
(ii) A family member of a person described in (i) above?	11g(ii)		
(iii) A 35% controlled entity of a person described in (i) or (ii) above?	11g(iii)		

h Provide the following information about the organizations the organization supports.

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

Part II Support Schedule for Organizations Described in 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.)

Section A. Public Support

Calendar year (or fiscal year beginning in) ▶	(a) 2004	(b) 2005	(c) 2006	(d) 2007	(e) 2008	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")						
2 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 1-3						
5 The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f)						
6 **Public support.** Subtract line 5 from line 4.						

Section B. Total Support

Calendar year (or fiscal year beginning in) ▶	(a) 2004	(b) 2005	(c) 2006	(d) 2007	(e) 2008	(f) Total
7 Amounts from line 4						
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
9 Net income from unrelated business activities, whether or not the business is regularly carried on						
10 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.)						
11 **Total support.** Add lines 7 through 10						

12 Gross receipts from related activities, etc (see instructions) . . . 12

13 **First five years.** If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and **stop here** ▶ ☐

Section C. Computation of Public Support Percentage

14 Public support percentage for 2008 (line 6, column (f) divided by line 11, column (f)) . . . 14 %

15 Public support percentage from 2007 Schedule A, Part IV-A, line 26f . . . 15 %

16a **33⅓% support test—2008.** If the organization did not check the box on line 13, and line 14 is 33⅓% or more, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶ ☐

b **33⅓% support test—2007.** If the organization did not check a box on line 13 or 16a, and line 15 is 33⅓% or more, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶ ☐

17a **10%-facts-and-circumstances test—2008.** If the organization did not check a box on line 13, 16a, or 16b, and line 14 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and **stop here.** Explain in Part IV how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization ▶ ☐

b **10%-facts-and-circumstances test—2007.** If the organization did not check a box on line 13, 16a, 16b, or 17a, and line 15 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and **stop here.** Explain in Part IV how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization ▶ ☐

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 9 of Part I.)

Section A. Public Support

Calendar year (or fiscal year beginning in) ▶	(a) 2004	(b) 2005	(c) 2006	(d) 2007	(e) 2008	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")	1,506,866	1,671,190	1,816,546	1,750,124	1,619,499	8,364,225
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	223	223	153	134	135	868
3 Gross receipts from activities that are not an unrelated trade or business under section 513	0	0	0	0	0	0
4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf	0	0	0	0	0	0
5 The value of services or facilities furnished by a governmental unit to the organization without charge	0	0	0	0	0	0
6 **Total.** Add lines 1-5	1,507,089	1,671,413	1,816,699	1,750,258	1,619,634	8,365,093
7a Amounts included on lines 1, 2, and 3 received from disqualified persons	0	0	0	0	0	0
b Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of 1% of the total of lines 9, 10c, 11, and 12 for the year or $5,000	0	0	0	0	0	0
c Add lines 7a and 7b	0	0	0	0	0	0
8 **Public support** (Subtract line 7c from line 6.)						8,365,093

Section B. Total Support

Calendar year (or fiscal year beginning in) ▶	(a) 2004	(b) 2005	(c) 2006	(d) 2007	(e) 2008	(f) Total
9 Amounts from line 6	1,507,089	1,671,413	1,816,699	1,750,258	1,619,634	8,365,093
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources	333,931	533,055	707,913	868,884	804,037	3,247,820
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975	0	0	0	0	0	0
c Add lines 10a and 10b	333,931	533,055	707,913	868,884	804,037	3,247,820
11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on	0	0	0	0	0	0
12 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.)	0	0	0	0	0	0
13 **Total support.** (Add lines 9, 10c, 11, and 12.)						11,612,913

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 2008 (line 8, column (f) divided by line 13, column (f)) — 15 — 72 %

16 Public support percentage from 2007 Schedule A, Part IV-A, line 27g — 16 — 75 %

Section D. Computation of Investment Income Percentage

17 Investment income percentage for **2008** (line 10c, column (f) divided by line 13, column (f)) — 17 — 27 %

18 Investment income percentage from **2007** Schedule A, Part IV-A, line 27h — 18 — 25 %

19a **33⅓ % support tests—2008.** If the organization did not check the box on line 14, and line 15 is more than 33⅓ %, and line 17 is not more than 33⅓ %, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶ ☑

b **33⅓ % support tests—2007.** If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33⅓ %, and line 18 is not more than 33⅓ %, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶ ☐

20 **Private foundation.** If the organization did not check a box on line 14, 19a, or 19b, check this box and see instructions ▶ ☐

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

MLR produces various publications for staff's use as outreach materials for potential new land conservation projects.

MLR also holds an art auction that helps raise funds to support the tax-exempt functions of the organization.

SCHEDULE C
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Political Campaign and Lobbying Activities

For Organizations Exempt From Income Tax Under section 501(c) and section 527

▶ **To be completed by organizations described below.**
▶ **Attach to Form 990 or Form 990-EZ.**

OMB No 1545-0047

2008

Open to Public Inspection

If the organization answered "Yes," to Form 990, Part IV, line 3, or Form 990-EZ, Part VI, 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," to 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," to Form 990, Part IV, line 5 (Proxy Tax), then

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

Name of organization	Employer identification number
THE MONTANA LAND RELIANCE	81 0369262

Part I-A To be completed by all organizations exempt under section 501(c) and section 527 organizations.
See the instructions for Schedule C for details.

1 Provide a description of the organization's direct and indirect political campaign activities in Part IV.
2 Political expenditures . . . ▶ $
3 Volunteer hours . . .

Part I-B To be completed by all organizations exempt under section 501(c)(3).
See the instructions for Schedule C for details.

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 To be completed by all organizations exempt under section 501(c), except section 501(c)(3).
See the instructions for Schedule C for details.

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 of direct and indirect exempt function expenditures. Add lines 1 and 2 and enter here and on Form 1120-POL, line 17b . . . ▶ $
4 Did the filing organization file **Form 1120-POL** for this year? . . . ☐ Yes ☐ No
5 State the names, addresses and employer identification number (EIN) of all section 527 political organizations to which payments were made. Enter the amount paid and indicate if the amount was paid from the filing organization's funds or were political contributions received and 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-

Part II-A **To be completed by organizations exempt under section 501(c)(3) that filed Form 5768 (election under section 501(h)).** See the instructions for Schedule C for details.

A Check ► ☐ if the filing organization belongs to an affiliated group.
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 (grass roots lobbying)	0	
b Total lobbying expenditures to influence a legislative body (direct lobbying)	3,720	
c Total lobbying expenditures (add lines 1a and 1b)	3,720	
d Other exempt purpose expenditures	2,020,419	
e Total exempt purpose expenditures (add lines 1c and 1d)	2,024,139	
f Lobbying nontaxable amount. Enter the amount from the following table in both columns.	251,206	

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.

	(a) Filing organization's totals	(b) Affiliated group totals
g Grassroots nontaxable amount (enter 25% of line 1f)	62,801	
h Subtract line 1g from line 1a. Enter -0- if line g is more than line a	0	
i Subtract line 1f from line 1c. Enter -0- if line f is more than line c	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 instructions for lines 2a through 2f of the instructions.)

Lobbying Expenditures During 4-Year Averaging Period

Calendar year (or fiscal year beginning in)	(a) 2005	(b) 2006	(c) 2007	(d) 2008	(e) Total
2a Lobbying non-taxable amount	214,676	226,447	215,895	251,206	908,224
b Lobbying ceiling amount (150% of line 2a, column(e))					0
c Total lobbying expenditures	41,981	36,164	27,054	3,720	108,919
d Grassroots non-taxable amount	53,699	56,612	53,974	62,801	227,086
e Grassroots ceiling amount (150% of line 2d, column (e))					0
f Grassroots lobbying expenditures	0	0	0	0	0

Part II-B **To be completed by organizations exempt under section 501(c)(3) that have NOT filed Form 5768 (election under section 501(h)).** See the instructions for Schedule C for details.

		(a) Yes	(a) No	(b) 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 other means?			
i	Other activities? If "Yes," describe in Part IV			
j	Total 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 **To be completed by all organizations exempt under section 501(c)(4), section 501(c)(5), or section 501(c)(6).** See the instructions for Schedule C for details.

			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 carryover lobbying and political expenditures from the prior year?	3		

Part III-B **To be completed by all organizations exempt under section 501(c)(4), section 501(c)(5), or section 501(c)(6) if BOTH Part III-A, questions 1 and 2 are answered "No" OR if Part III-A, question 3 is answered "Yes."** See Schedule C instructions for details.

1	Dues, assessments and similar amounts from members	1	
2	Section 162(e) non-deductible 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 (line 2c total minus 3 and 4)	5	

Part IV **Supplemental Information**

Complete this part to provide the descriptions required for Part I-A, line 1; Part I-B, line 4; Part I-C, line 5; and Part II-B, line 1i. Also, complete this part for any additional information.

Part IV **Supplemental Information** *(continued)*

SCHEDULE D (Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements

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

OMB No 1545-0047

2008

Open to Public Inspection

Name of the organization: THE MONTANA LAND RELIANCE

Employer identification number: 81 0369262

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

		(a) Donor advised funds	(b) Funds and other accounts
1	Total number at end of year		
2	Aggregate contributions to (during year)		
3	Aggregate grants from (during year)		
4	Aggregate value at end of year		

5 Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control? ☐ Yes ☐ No

6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds may be used only for charitable purposes and not for the benefit of the donor or donor advisor or other impermissible private benefit? ☐ Yes ☐ No

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

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

- ☐ Preservation of land for public use (e.g., recreation or pleasure)
- ☐ Preservation of an historically important land area
- ☐ Protection of natural habitat
- ☐ Preservation of certified historic structure
- ☑ Preservation of open space

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

			Held at the End of the Year
a	Total number of conservation easements	2a	715
b	Total acreage restricted by conservation easements	2b	810,055
c	Number of conservation easements on a certified historic structure included in (a)	2c	0
d	Number of conservation easements included in (c) acquired after 8/17/06	2d	90

3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the taxable year ▶ 17

4 Number of states where property subject to conservation easement is located ▶ 1

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

6 Staff or volunteer hours devoted to monitoring, inspecting, and enforcing easements during the year ▶ 7,329

7 Amount of expenses incurred in monitoring, inspecting, and enforcing easements during the year ▶ $ 266,149

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

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

1a If the organization elected, as permitted under SFAS 116, not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide, in Part XIV, the text of the footnote to its financial statements that describes these items.

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

(i) Revenues included in Form 990, Part VIII, line 1 ▶ $

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

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

a Revenues included in Form 990, Part VIII, line 1 ▶ $

b Assets included in Form 990, Part X ▶ $

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

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

a ☐ Public exhibition
b ☐ Scholarly research
c ☐ Preservation for future generations
d ☐ Loan or exchange programs
e ☐ Other

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

5 During the year, did the organization solicit or receive donations of art, historical treasures, or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection? ☐ Yes ☐ No

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

1a Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X? ☐ Yes ☐ No

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

		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? ☐ Yes ☐ No

b If "Yes," explain the arrangement in Part XIV.

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

	(a) Current year	(b) Prior year	(c) Two years back	(d) Three years back	(e) Four years back
1a Beginning of year balance	176,638				
b Contributions	90,485				
c Investment earnings or losses	5,248				
d Grants or scholarships	0				
e Other expenditures for facilities and programs	-3,000				
f Administrative expenses	0				
g End of year balance	269,371				

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

a Board designated or quasi-endowment ▶ 0 %

b Permanent endowment ▶ 100 %

c Term endowment ▶ %

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

		Yes	No
(i) unrelated organizations	3a(i)		✓
(ii) related organizations	3a(ii)		✓
b If "Yes" to 3a(ii), are the related organizations listed as required on Schedule R?	3b		

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

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

Description of investment	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Depreciation	(d) Book value
1a Land	0	0		0
b Buildings	0	0	0	0
c Leasehold improvements	0	0	0	0
d Equipment	0	217,895	172,987	44,908
e Other	0	0	0	0
Total. Add lines 1a–1e. *(Column (d) should equal Form 990, Part X, column (B), line 10(c).)* ▶				44,908

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

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation Cost or end-of-year market value
Financial derivatives and other financial products		
Closely-held equity interests		
Other 6300 Shares of First Interstate Bank stock (donated to MLR in December, 1994)	502,425	end-of-year market value
Total. *(Column (b) should equal Form 990, Part X, col. (B) line 12.)* ▶		

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

(a) Description of investment type	(b) Book value	(c) Method of valuation Cost or end-of-year market value
	0	
Total. *(Column (b) should equal Form 990, Part X, col. (B) line 13.)* ▶		

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

(a) Description	(b) Book value
Conservation Easements	715
Purchased Conservation Easement Options	1,100
Mineral/Water Rights	3
Total. *(Column (b) should equal Form 990, Part X, col. (B) line 15.)* ▶	1,818

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

(a) Description of liability	(b) Amount
Federal income taxes	
Total. *(Column (b) should equal Form 990, Part X, col. (B) line 25.)* ▶	

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

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

1	Total revenue (Form 990, Part VIII, column (A), line 12)	1	2,423,671
2	Total expenses (Form 990, Part IX, column (A), line 25)	2	2,024,139
3	Excess or (deficit) for the year. Subtract line 2 from line 1	3	399,532
4	Net unrealized gains (losses) on investments	4	-4,056,936
5	Donated services and use of facilities	5	0
6	Investment expenses	6	0
7	Prior period adjustments	7	0
8	Other (Describe in Part XIV)	8	330,956
9	Total adjustments (net). Add lines 4–8	9	-3,725,980
10	Excess or (deficit) for the year per financial statements. Combine lines 3 and 9	10	-3,326,448

Part XII Reconciliation of Revenue per Audited Financial Statements With Revenue per Return

1	Total revenue, gains, and other support per audited financial statements			1	2,805,694
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12:				
a	Net unrealized gains on investments	2a	0		
b	Donated services and use of facilities	2b	0		
c	Recoveries of prior year grants	2c	0		
d	Other (Describe in Part XIV)	2d	382,023		
e	Add lines **2a** through **2d**			2e	382,023
3	Subtract line **2e** from line **1**			3	2,423,671
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	0		
b	Other (Describe in Part XIV)	4b	0		
c	Add lines **4a** and **4b**			4c	0
5	Total revenue. Add lines **3** and **4c.** (This should equal Form 990, Part I, line 12)			5	2,423,671

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

1	Total expenses and losses per audited financial statements			1	6,132,142
2	Amounts included on line 1 but not on Form 990, Part IX, line 25:				
a	Donated services and use of facilities	2a	0		
b	Prior year adjustments	2b	0		
c	Losses reported on Form 990, Part IX, line 25	2c	0		
d	Other (Describe in Part XIV)	2d	4,108,003		
e	Add lines **2a** through **2d**			2e	4,108,003
3	Subtract line **2e** from line **1**			3	2,024,139
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	0		
b	Other (Describe in Part XIV)	4b	0		
c	Add lines **4a** and **4b**			4c	0
5	Total expenses Add lines **3** and **4c.** (This should equal Form 990, Part I, line 18.)			5	2,024,139

Part XIV Supplemental Information

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

PART II, line 3:

Of the 715 conservation easements MLR held at the end of 2008, 17 documents were modified (2% of total held). Nine modifications (corrections) occurred to correct inadvertent omissions and typographical errors in the original recorded easement documents. Eight easements were amended to: protect approximately 29 additional acres; remove the right to construct additional residences; cluster development within defined and appropriate areas on the easement properties; eliminate ambiguities in older easement terms to enable better monitoring of easement terms in the future; and combine properties for the purpose of consolidating them and requiring their transfer as one parcel only.

Part XIV Supplemental Information *(continued)*

Corrections:

1) Granger Ranches II -- This property is located within the Madison Valley, an area under ever increasing development pressure and used extensively by the general public recreating on the popular Madison River. The easement was originally donated on April 25, 2007, and protected 6,253 acres. The easement was corrected to reflect the accurate US Fish and Wildlife grant agreement number that was referenced. The correction was recorded in the public records of Madison County on May 20, 2008.

2) Iverson Property -- This 520-acre property was originally protected by conservation easement on December 28, 2006. The original easement contained an inadvertent drafting error that contained a redundant paragraph and was ambiguous with regard to permitted activities within the two development areas. These drafting errors were corrected in a Correction to Deed of Conservation Easement recorded on January 7, 2008, in the public records of Sweet Grass County.

3) Lippincott Property - This 151-acre property in the Swan Valley was originally protected by the donation of a conservation easement on December 23, 2004. That original document contained a drafting/mapping error that was discovered in 2008. The mapping/drafting error was corrected to appropriately delineated the "No Build Area" on the property. The correction was recorded in the public records of Missoula County on November 13, 2008.

4) Lorick Property -- This 379-acre property in the popular Greater Yellowstone Ecosystem was corrected to incorporate the donor's original desire to limit the size of a permitted structure on the property. This limitation was inadvertently left out of the easement recorded on December 18, 2007. The size limitation was incorporated into a Correction to Deed of Conservation Easement recorded on March 28, 2008, in the public records of Madison County.

5) Lundberg Property - Upon the death of the original donor of the easement on this 600-acre property in the Swan Valley, his heirs discovered that the map of the "No Development Area" erroneously included structures that existed at the time of the donation. The No Development Area was correctly mapped to reflect more accurately the area that their father intended to remain undeveloped in perpetuity when he donated the original easement on September 3, 2002. The Correction of Deed of Conservation Easement was recorded in the public records of Missoula County on October 2, 2008.

SUPPLEMENTAL INFORMATION FOR SCHEDULE D CONTINUES WITHIN SCHEDULE O ATTACHED HERETO

SCHEDULE G
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Supplemental Information Regarding Fundraising or Gaming Activities

▶ Attach to Form 990 or Form 990-EZ. Must be completed by organizations that answer "Yes" to Form 990, Part IV, lines 17, 18, or 19, and by organizations that enter more than $15,000 on Form 990-EZ, line 6a.

OMB No 1545-0047

2008

Open To Public Inspection

Name of the organization: THE MONTANA LAND RELIANCE

Employer identification number: 81 0369262

Part I Fundraising Activities. Complete if the organization answered "Yes" to Form 990, Part IV, line 17.

1 Indicate whether the organization raised funds through any of the following activities. Check all that apply.

a ☐ Mail solicitations
b ☐ Email solicitations
c ☐ Phone solicitations
d ☐ In-person solicitations
e ☐ Solicitation of non-government grants
f ☐ Solicitation of government grants
g ☐ Special fundraising events

2a Did the organization have a written or oral agreement with any individual (including officers, directors, trustees or key employees listed in Form 990, Part VII) or entity in connection with professional fundraising services? ☐ Yes ☐ No

b If "Yes," list the ten highest paid individuals or entities (fundraisers) pursuant to agreements under which the fundraiser is to be compensated at least $5,000 by the organization. Form 990-EZ filers are not required to complete this table.

(i) Name of individual or entity (fundraiser)	(ii) Activity	(iii) Did fundraiser have custody or control of contributions? Yes	No	(iv) Gross receipts from activity	(v) Amount paid to (or retained by) fundraiser listed in col (i)	(vi) Amount paid to (or retained by) organization
Total ▶						

3 List all states in which the organization is registered or licensed to solicit funds or has been notified it is exempt from registration or licensing.

Part II **Fundraising Events.** Complete if the organization answered "Yes" to Form 990, Part IV, line 18, or reported more than $15,000 on Form 990-EZ, line 6a. List events with gross receipts greater than $5,000.

		(a) Event #1 Art Auction (event type)	(b) Event #2 (event type)	(c) Other Events (total number)	(d) Total Events (Add col (a) through col. (c))
Revenue	1 Gross receipts	43,790	0	0	43,790
	2 Less: Charitable contributions	15,560	0	0	15,560
	3 Gross revenue (line 1 minus line 2)	28,230	0	0	28,230
Direct Expenses	4 Cash prizes	0	0	0	0
	5 Non-cash prizes	0	0	0	0
	6 Rent/facility costs	0	0	0	0
	7 Other direct expenses	36,563	0	0	36,563
	8 Direct expense summary. Add lines 4 through 7 in column (d) ▶				(36,563)
	9 Net income summary. Combine lines 3 and 8 in column (d) ▶				-8,333

Part III **Gaming.** Complete if the organization answered "Yes" to Form 990, Part IV, line 19, or reported more than $15,000 on Form 990-EZ, line 6a.

		(a) Bingo	(b) Pull tabs/Instant bingo/progressive bingo	(c) Other gaming	(d) Total gaming (Add col (a) through col (c))
Revenue	1 Gross revenue				
Direct Expenses	2 Cash prizes				
	3 Non-cash prizes				
	4 Rent/facility costs				
	5 Other direct expenses				
	6 Volunteer labor	☐ Yes ______% ☐ No	☐ Yes ______% ☐ No	☐ Yes ______% ☐ No	
	7 Direct expense summary. Add lines 2 through 5 in column (d) ▶				( )
	8 Net gaming income summary. Combine lines 1 and 7 in column (d) ▶				

			Yes	No
9	Enter the state(s) in which the organization operates gaming activities: ______			
a	Is the organization licensed to operate gaming activities in each of these states?	9a		
b	If "No," Explain: ______			
10a	Were any of the organization's gaming licenses revoked, suspended or terminated during the tax year?	10a		
b	If "Yes," Explain: ______			
11	Does the organization operate gaming activities with nonmembers?	11		
12	Is the organization a grantor, beneficiary or trustee of a trust or a member of a partnership or other entity formed to administer charitable gaming?	12		

			Yes	No
13 Indicate the percentage of gaming activity operated in:				
a The organization's facility	13a	%		
b An outside facility	13b	%		
14 Provide the name and address of the person who prepares the organization's gaming/special events books and records: Name ▶ Address ▶				
15a Does the organization have a contract with a third party from whom the organization receives gaming revenue?		15a		
b If "Yes," enter the amount of gaming revenue received by the organization ▶ $ ____ and the amount of gaming revenue retained by the third party ▶ $ ____ .				
c If "Yes," enter name and address: Name ▶ Address ▶				
16 Gaming manager information: Name ▶ Gaming manager compensation ▶ $ Description of services provided ▶ ☐ Director/officer ☐ Employee ☐ Independent contractor				
17 Mandatory distributions:				
a Is the organization required under state law to make charitable distributions from the gaming proceeds to retain the state gaming license?		17a		
b Enter the amount of distributions required under state law distributed to other exempt organizations or spent in the organization's own exempt activities during the tax year ▶ $				

SCHEDULE M (Form 990)

Department of the Treasury
Internal Revenue Service

NonCash Contributions

▶ To be completed by organizations that answered "Yes" on Form 990, Part IV, lines 29 or 30.
▶ Attach to Form 990.

OMB No 1545-0047

2008

Open To Public Inspection

Name of the organization: THE MONTANA LAND RELIANCE

Employer identification number: 81 : 0369262

Part I Types of Property

	(a) Check if applicable	(b) Number of contributions	(c) Revenues reported on Form 990, Part VIII, line 1g	(d) Method of determining revenues
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				
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)	✓	21	21	All valued at $1
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 | 12

		Yes	No
30a During the year, did the organization receive by contribution any property reported in Part I, lines 1-28 that it must hold for at least three years from the date of the initial contribution, and which is not required to be used for exempt purposes for the entire holding period?	30a		✓
b If "Yes," describe the arrangement in Part II.			
31 Does the organization have a gift acceptance policy that requires the review of any non-standard contributions?	31		✓
32a Does the organization hire or use third parties or related organizations to solicit, process, or sell noncash contributions?	32a		✓
b If "Yes," describe in Part II.			
33 If the organization did not report revenues in column (c) for a type of property for which column (a) is checked, describe in Part II.			

Part II **Supplemental Information.** Complete this part to provide the information required by Part I, lines 30b, 32b, and 33. Also complete this part for any additional information.

SCHEDULE R
(Form 990)

Department of the Treasury
Internal Revenue Service

Related Organizations and Unrelated Partnerships

▶ Attach to Form 990. To be completed by organizations that answered "Yes" to Form 990, Part IV, line 33, 34, 35, 36, or 37.
▶ See separate instructions.

OMB No. 1545-0047
2008
Open to Public Inspection

Name of the organization: THE MONTANA LAND RELIANCE
Employer identification number: 81 : 0369262

Part I Identification of Disregarded Entities

(A) Name, address, and EIN of disregarded entity	(B) Primary activity	(C) Legal domicile (state or foreign country)	(D) Total income	(E) End-of-year assets	(F) Direct controlling entity

Part II Identification of Related Tax-Exempt Organizations

(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
Ruby Habitat Foundation, PO Box 638, Sheridan, MT 59749	support organization	Montana	509(a)(3)-Type 1	N/A	N/A
EIN #45-0487621					

Part III Identification of Related Organizations Taxable as a Partnership

(A) Name, address, and EIN of related organization	(B) Primary activity	(C) Legal domicile (state or foreign country)	(D) Direct controlling entity	(E) Predominant income (related, investment, unrelated)	(F) Share of total income	(G) Share of end-of-year assets	(H) Disproportionate allocations?		(I) Code V—UBI amount in box 20 of Schedule K-1 (Form 1065)	(J) General or managing partner?	
							Yes	No		Yes	No

Part IV Identification of Related Organizations Taxable as a Corporation or Trust

(A) Name, address, and EIN of related organization	(B) Primary activity	(C) Legal domicile (state or foreign country)	(D) Direct controlling entity	(E) Type of entity (C corp, S corp, or trust)	(F) Share of total income	(G) Share of end-of-year assets	(H) Percentage ownership

Part V Transactions With Related Organizations

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

		Line	Yes	No
1	During the tax year, did the organization engage in any of the following transactions with one or more related organizations listed in Parts II–IV?			
a	Receipt of (i) interest (ii) annuities (iii) royalties (iv) rent from a controlled entity	1a		✓
b	Gift, grant, or capital contribution to other organization(s)	1b		✓
c	Gift, grant, or capital contribution from other organization(s)	1c		✓
d	Loans or loan guarantees to or for other organization(s)	1d		✓
e	Loans or loan guarantees by other organization(s)	1e		✓
f	Sale of assets to other organization(s)	1f		✓
g	Purchase of assets from other organization(s)	1g		✓
h	Exchange of assets	1h		✓
i	Lease of facilities, equipment, or other assets to other organization(s)	1i		✓
j	Lease of facilities, equipment, or other assets from other organization(s)	1j		✓
k	Performance of services or membership or fundraising solicitations for other organization(s)	1k		✓
l	Performance of services or membership or fundraising solicitations by other organization(s)	1l		✓
m	Sharing of facilities, equipment, mailing lists, or other assets	1m		✓
n	Sharing of paid employees	1n		✓
o	Reimbursement paid to other organization for expenses	1o		✓
p	Reimbursement paid by other organization for expenses	1p		✓
q	Other transfer of cash or property to other organization(s)	1q		✓
r	Other transfer of cash or property from other organization(s)	1r		✓

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

	(A) Name of other organization(s)	(B) Transaction type (a–r)	(C) Amount involved
(1)			
(2)			
(3)			
(4)			
(5)			
(6)			

Part VI Unrelated Organizations Taxable as a Partnership

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

(A) Name, address, and EIN of entity	(B) Primary activity	(C) Legal domicile (state or foreign country)	(D) Are all partners section 501(c)(3) organizations?		(E) Share of end-of-year assets	(F) Disproportionate allocations?		(G) Code V—UBI amount in box 20 of Schedule K-1 (Form 1065)	(H) General or managing partner?	
			Yes	No		Yes	No		Yes	No

SCHEDULE O
(Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990

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

OMB No. 1545-0047

2008

Open to Public Inspection

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PART III, line 4a (Specific expenditures related to new land projects):

General planning/preliminary discussions - 234,681; Watts - 2,605; Jackson Ranch - 358; Uihlein - 639; Strand - 18,572; Shaw - 3,345; Ross - 405; Goodworks/Dagger - 1,982; Round Mtn - 1,045; Swindelhurst - 503; AA Ranch - 616; Bruggeman - 471; Hirst - 1,804; Gates of the Mtns - 1,191; Jackson - 33; Aspen Ridge Ranch - 227; Williams - 285; Marxer - 61; Pribyl - 3,473; Tomasko - 377; Double NN Ranch - 570; Gould - 55; Anderson - 303,112; Witman - 994; Micks - 871; Teegardin - 310; Taylor - 337; Box Elder Ranch - 85; RV Ranch - 120; Beartooth Ranch - 1,066; Turner - 353; Nussbaum - 429; Call Ranch - 913; Garlick - 704; Bitterroot Springs - 708; Horder - 194; Quinn - 181; Foley - 1,969; Williams - 164; Leffingwell - 251,354; Wilson - 698; C-J Ranch - 13; Angiolillo - 291; Coulter - 84; Hutchins - 888; Nevada Spring Creek - 613; Absarokee-Beartooth - 51; Avis - 2,206; Heyneman - 412; Berg Ranch - 5,000; Uncollectible accounts from previous year - 20,085.

PART VI, Section B, line 12c:

MLR's conflict of interest policy covers any employee, board member, member of board or advisory committees, major donors, and individuals such as independent contractors or former employees who might have access to inside information (conflicted parties) and references conflicted parties' spouse, domestic partners, parents, grandparents, children, grandchildren, siblings or business entities (related parties). Conflicted parties must disclose the material facts of the transaction and his/her interest to the full board prior to any discussion, and shall note vote on or generally not be present for the discussion of an issue. Potential conflicts of interest are documented in the board minutes and discussed with legal counsel. A board transaction with a conflicted party is authorized, approved, or ratified if it receives the affirmative vote of majority of the directors who have no direct or indirect interest in the transaction. Each director and employee signs a statement which affirms he/she has received, read, understands, and agrees to comply in all respects with MLR's conflict of interest policy.

Part VI, Section B, line 15b:

The salaries of all MLR employees are determined by the Board following the recommendation of the Board's Compensation and Evaluation Committee based upon their review of salary/benefit surveys conducted on other

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conservation organizations across the country. These surveys are conducted annually by the Land Trust Alliance and by TREC (a nationally known survey organization). MLR staff may also be given cost-of-living increases that are based on the Social Security Administration's cost-of-living calculations. The Compensation and Evaluation Committe has the authority to revise proposed salaries if they determine that is necessary. The annual salary packages (along with a recommendation from the Compensation and Evaluation Committee) are presented to the full Board for final approval.

PART VI, Section C, line 19:

MLR provides its governing documents, conflict of interest policy, and audited financial statements to the general public upon request.

PART VII, Section A:

MLR did not compensate any officer, director, trustee, or key employee. MLR's Management Team (consisting of three managing directors, the operations manager, and the lands manager) salaries range from $81,611 to $68,897. These five staff members are responsible for the overall management of the organizations day-to-day activities.

Schedule D -- Part II, line 3 (continued from Part XIV of Schedule D):

6) Sixteen Mile Creek Ranch III -- This 2,154-acre property was protected by a conservation easement donated on December 20, 2007. During the 2008 monitoring visit, it was discovered that the legal description was incorrect and, in fact included land not owned by the donor. A Correction to Deed of Conservation Easement to correct the legal description of the subject property was completed and recorded on November 13, 2008, in the records of Meagher County.

7) Spear T Ranch -- The original easement on this ranch was donated on December 27, 2007, and listed the existing structures and limited any future structures within one area of the ranch. The document inadvertently omitted two existing structures within this area. The easement was corrected to accurately list all of the existing structures at the time of the donation. The Correction to Deed of Conservation Easement was recorded in Fergus County on September 19, 2008.

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SCHEDULE D, Part II, line 3 (continued from Part XIV of Schedule D):

8) Whitney Property III -- The original conservation easement, donated on November 29, 2007, contained an inadvertent error in the legal description that was corrected via a Correction to Deed of Conservation Easement recorded in Flathead County on January 11, 2008.

9) Wilson Property -- This 10,760-acre ranch is protected by a conservation easement that was recorded in Sweet Grass County on December 29, 2005. At the time of the donation the grantor had intended to protect the native rangelands on the property. An inadvertent drafting error omitted this provision from the easement. By a Correction to Deed of Conservation Easement, recorded on January 11, 2008, records of Sweet Grass County, farming activities on the property were limited to those areas where farming activities were historically practiced in order to protect and maintain the native rangelands.

Amendments:

1) Anderson Property -- This property borders the Smith River, a popular floating area for numerous members of the general public. The owner of this property, in 2008, elected to eliminate the retained right for any future residential construction on the property. Via an Amendment to Deed of Conservation Easement, recorded in the public records of Cascade County on December 8, 2008, the right to construct a residence on this 240-acre property was removed.

2) Ames Property -- An amendment was executed on this property to better define and relocate the development area to a more appropriate location on the 390-acre property. The location of the permitted structures (within the development area) was moved to an area with less impact to the conservation values. This easement property lies within the Yellowstone Valley, an area under increasing development pressure. The amendment was recorded on August 28, 2008, in the public records of Yellowstone County. The original easement was donated on December 20, 1999.

3) Bibler Property II -- This easement was originally donated to MLR on December 22, 2000, and protected 425 acres in the Flathead Valley. The successor landowner purchased a small (1-acre) lot that became available and was adjacent to the protected property. The 2000 easement was amended to incorporate this lot into the protected lands. The Amendment to Deed of Conservation Easement was recorded in the public records of Flathead County on June 10, 2008.

4) Bucklin Property -- An amendment to this easement, donated on December 24, 1997, was necessary to redefine the legal description of the two transferrable parcels and to more clearly define the areas in which permitted residences could be constructed. The Amendment to Deed of Conservation Easement on this 160-acre property was recorded in the public records of Powell County on September 19, 2008.

5) Chicken Creek Ranch -- This 164-acre property was protected by a conservation easement donated to MLR on October 31, 2002. The donor recently purchased a 28-acre parcel adjacent to his original holdings and requested an amendment to protect the additional acreage. The Amendment to Deed of Conservation Easement was recorded in the public records of Park County on December 17, 2008.

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6) Mize Property -- This 90-acre property is located within the Jocko Valley in Lake County. The donor requested an amendment to clarify and affirm the conditions under which she wanted to see any future building take place on the property. New structures on this property were confined to a specified development area. The original conservation easement was recorded on July 27, 1995, and the Amendment to Deed of Conservation Easement was recorded on March 28, 2008, all in the public records of Lake County.

7) Pfeiffer Property -- This easement (originally donated on December 23, 1996) was amended via an Amendment to Deed of Conservation Easement recorded on December 18, 2008, in the public records of Park County. The amendment eliminated the donors retained right to construct one single family residence and associated structures (that included a guest house) and further restricted transfer of this 320-acre property to one parcel that must be unified in title with an adjacent property also owned by the donor and protected by an easement. In total, 787 acres must now transfer together as one property.

8) Longhorn Ranch -- The successor owners of this ranch (protected by easement on October 25, 1982) completed an "Addendum and Ratification of Deed of Conservation Easement" on this 8,600-acre ranch to ensure that the conservation easement constituted a qualified real property interest. If the executors of the original donors' estate file for an election under Section 2031 (c)(6), the easement would qualify. The terms of the easement were ratified and amended to enhance and promote the permanent protection of the conservation values of the ranch. The Addendum and Ratification of Deed of Conservation Easement was recorded in the public records of Madison County on October 7, 2008.

SCHEDULE D -- Part II, Line 9

Conservation easements are recorded by MLR as in-kind donations with a value of $1. By a resolution of the Board of Directors, MLR values all conservation easements held at a nominal amount of $1 due to the fact that said easements cannot be sold, transferred, or borrowed against. Expenses incurred in "bargain" purchases of easements and other in-house expenses related to completion of conservation easements are expensed out in the year of the purchase and/or donation. The following is the text of the footnote used in prior years' audited financial statement (and that will be used in the 2008 audited financial statement upon completion of the formal audit): "MLR has acquired conservation easements from various contributors. Conservation easements represent rights to restrict the use of certain properties.
By accepting the easement contribution, MLR commits to protecting the easement restrictions in perpetuity. The easements have no market value in the hands of MLR. MLR can assign the easements only to another qualified conservation organization. Accordingly, they are represented in the financial statements at a nominal value of one dollar per easement. Purchased easements are expensed."

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SCHEDULE D -- Part V, Line 4

1) Conservation Fund -- A permanent, irrevocable endowment fund which provides an independent base of financial stability and source of revenue for: 1) outreach to landowners for land conservation work; and 2) research, public outreach, and education on private land conservation and the specific work of MLR. Corpus cannot be used; interest, dividend income, and realized capital gains may be used for direct costs of designated activities.

2) Traditions Fund -- A permanent, irrevocable endowment which provides a steady source of revenue for: 1) bridge capital for property acquisitions; 2) option purchases for all or a portion of threatened properties to be resold to a conservation buyer; and 3) conservation easement purchases. Corpus cannot be used; interest, dividend income, and realized capital gains may be used for: 1) fee purchase of property to be resold by MLR; 2) with other monies for fee purchase of property to be resold; 3) to purchase conservation easements; 4) to acquire options to purchase property; 5) as a loan to other entities exclusively for the purchase of property to be conserved (loan secured by an equity interest in the property); or 6) to insure the long-term stewardship and monitoring of easements acquired with funds from other investments.

GENERAL STATEMENT:

MLR staff made a mistake in believing that an "Application for Extension of Time to File an Exempt Organization Return" had been submitted on its behalf prior to the May 15, 2008, submittal date. Unfortunately, the application was not filed on time. Upon discovery of this error, staff began working on the return, but completion took longer than expected due to the complexity of the new form. MLR is in the process of having its annual financial audit completed and upon completion, intends to submit an amended return after thorough review by MLR's Financial Committee of the Board of Directors and completion of Schedule D, Parts XI, XII, and XIII by the independent auditors.

GENERAL STATEMENT REGARDING THIS AMENDED RETURN:

MLR's annual financial audit was completed in mid-September, 2009 Per the above statement, MLR is now filing an amended return that reflects the reconciliation of the audited financial statements to this return Parts XI, XII, and XIII are now complete with the following supplemental information provided

Schedule D, Part XI, Line 8

Net affect of audit adjustments

Schedule D, Part XII, Line 2d

Audit adjustment to reflect correct amount of realized gains

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Schedule D, Part XIII, Line 2d

Audit adjustments of $37,053 to adjust Split Interest Agreements to actual, $11,318 to adjust Compensated Absenses to actual, and $4,059,632 to adjust Unrealized Losses to actual