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Form **990-EZ**Department of the Treasury
Internal Revenue Service**Short Form
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)

▶ Sponsoring organizations of donor advised funds and controlling organizations as defined in section 512(b)(13) must file Form 990. All other organizations with gross receipts less than \$1,000,000 and total assets less than \$2,500,000 at the end of the year may use this form.

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

OMB No 1545-1150

2008**Open to Public
Inspection****A** For the 2008 calendar year, or tax year beginning **September 1**, 2008, and ending **August 31**, 20 **09****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**Turtle Island Children's Center, Inc.**

Number and street (or P.O. box, if mail is not delivered to street address) Room/suite

659 Elm St.

City or town, state or country, and ZIP + 4

Montpelier, VT 05602**D** Employer identification number**03 0358066****E** Telephone number**(802) 229-4047****F** Group ExemptionNumber ▶ **N/A**• **Section 501(c)(3) organizations and 4947(a)(1) nonexempt charitable trusts must attach a completed Schedule A (Form 990 or 990-EZ).****G** Accounting method: ☐ Cash ☒ Accrual
Other (specify) ▶**I** Website: ▶ **www.turtleislandvt.org****J** Organization type (check only one) — ☒ 501(c) (3) ◀ (insert no.) ☐ 4947(a)(1) or ☐ 527**H** Check ☐ if the organization is not required to attach Schedule B (Form 990, 990-EZ, or 990-PF).**K** Check ☐ if the organization is not a section 509(a)(3) supporting organization and its gross receipts are normally not more than \$25,000. A return is not required, but if the organization chooses to file a return, be sure to file a complete return.**L** Add lines 5b, 6b, and 7b, to line 9 to determine gross receipts. If \$1,000,000 or more, file Form 990 instead of Form 990-EZ ▶ \$ **902,403****Part I Revenue, Expenses, and Changes in Net Assets or Fund Balances** (See the instructions for Part I.)

Revenue	1	Contributions, gifts, grants, and similar amounts received	1	195,500
	2	Program service revenue including government fees and contracts	2	665,748
	3	Membership dues and assessments	3	0
	4	Investment income	4	2,228
	5a	Gross amount from sale of assets other than inventory	5a	9,921
	5b	Less: cost or other basis and sales expenses	5b	9,138
	5c	Gain or (loss) from sale of assets other than inventory (Subtract line 5b from line 5a) (attach schedule)	5c	783
	6	Special events and activities (complete applicable parts of Schedule G). If any amount is from gaming, check here <input type="checkbox"/>		
	6a	Gross revenue (not including \$ 0 of contributions reported on line 1)	6a	7,394
	6b	Less: direct expenses other than fundraising expenses	6b	1,354
Expenses	6c	Net income or (loss) from special events and activities (Subtract line 6b from line 6a)	6c	6,040
	7a	Gross sales of inventory, less returns and allowances	7a	0
	7b	Less: cost of goods sold	7b	0
	7c	Gross profit or (loss) from sales of inventory (Subtract line 7b from line 7a)	7c	0
	8	Other revenue (describe ▶ Schedule 2)	8	21,612
	9	Total revenue. Add lines 1, 2, 3, 4, 5c, 6c, 7c, and 8.	9	891,911
	10	Grants and similar amounts paid (attach schedule)	10	112,984
	11	Benefits paid to or for members	11	0
	12	Salaries, other compensation, and employee benefits	12	593,948
	13	Professional fees and other payments to independent contractors	13	9,229
Net Assets	14	Occupancy rent, utilities, and maintenance	14	119,523
	15	Printing, publications, postage, and shipping	15	3,778
	16	Other expenses (describe ▶ Schedule 4)	16	36,893
	17	Total expenses. Add lines 10 through 16	17	876,355
	18	Excess or (deficit) for the year (Subtract line 17 from line 9)	18	15,556
	19	Net assets or fund balances at beginning of year (from line 27, column (A)) (must agree with end-of-year figure reported on prior year's return)	19	537,388
	20	Other changes in net assets or fund balances (attach explanation)	20	-13,113
	21	Net assets or fund balances at end of year. Combine lines 18 through 20	21	539,831

Part II Balance Sheets. If Total assets on line 25, column (B) are \$2,500,000 or more, file Form 990 instead of Form 990-EZ.

(See the instructions for Part II.)

	(A) Beginning of year	(B) End of year
22 Cash, savings, and investments	131,654	174,791
23 Land and buildings	459,039	451,678
24 Other assets (describe ▶ accounts receivable, prepaid expense)	32,009	6,807
25 Total assets	622,702	633,276
26 Total liabilities (describe ▶ Schedule 6)	85,314	93,445
27 Net assets or fund balances (line 27 of column (B) must agree with line 21)	537,388	539,831

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

Cat. No. 106421

Form **990-EZ** (2008)

SCANNED MAY 18 2009

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

Expenses

What is the organization's primary exempt purpose? **Child Care and Education**

Describe what was achieved in carrying out the organization's exempt purposes. In a clear and concise manner, describe the services provided, the number of persons benefited, or other relevant information for each program title.

(Required for 501(c)(3) and (4) organizations and 4947(a)(1) trusts; optional for others.)

28 Turtle Island Children's Center operates an early childhood care and education program for up to 90 infants through preschoolers. It also operates after school and summer camp programs for up to 30 school-aged children.

(Grants \$ **112,984**) If this amount includes foreign grants, check here ☐

28a	876,355
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29 During this fiscal year, Turtle Island received approximately \$46,960 in donated rent and \$75,920 in donated volunteer time.

(Grants \$) If this amount includes foreign grants, check here ☐

29a

30 _____

(Grants \$) If this amount includes foreign grants, check here ☐

30a

31 Other program services (attach schedule)

(Grants \$) If this amount includes foreign grants, check here ☐

31a

32 Total program service expenses (add lines 28a through 31a)

32	876,355
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Part IV List of Officers, Directors, Trustees, and Key Employees. List each one even if not compensated. (See the instructions for Part IV.)

[illegible]

Part V Other Information (Note the statement requirements in the instructions for Part VI.)

	Yes	No
33 Did the organization engage in any activity not previously reported to the IRS? If "Yes," attach a detailed description of each activity		✓
34 Were any changes made to the organizing or governing documents but not reported to the IRS? If "Yes," attach a conformed copy of the changes		✓
35 If the organization had income from business activities, such as those reported on lines 2, 6a, and 7a (among others), but not reported on Form 990-T, attach a statement explaining your reason for not reporting the income on Form 990-T.		
a Did the organization have unrelated business gross income of \$1,000 or more or section 6033(e) notice, reporting, and proxy tax requirements?		✓
b If "Yes," has it filed a tax return on Form 990-T for this year?		
36 Was there a liquidation, dissolution, termination, or substantial contraction during the year? If "Yes," complete applicable parts of Schedule N		✓
37a Enter amount of political expenditures, direct or indirect, as described in the instructions. ▶ 37a 0		
b Did the organization file Form 1120-POL for this year?		✓
38a Did the organization borrow from, or make any loans to, any officer, director, trustee, or key employee or were any such loans made in a prior year and still unpaid at the start of the period covered by this return?		✓
b If "Yes," complete Schedule L, Part II and enter the total amount involved 38b		
39 Section 501(c)(7) organizations. Enter:		
a Initiation fees and capital contributions included on line 9 39a		
b Gross receipts, included on line 9, for public use of club facilities 39b		
40a Section 501(c)(3) organizations. Enter amount of tax imposed on the organization during the year under: section 4911 ▶ 0 ; section 4912 ▶ 0 ; section 4955 ▶ 0		
b Section 501(c)(3) and (4) organizations. Did the organization engage in any section 4958 excess benefit transaction during the year or did it become aware of an excess benefit transaction from a prior year? If "Yes," complete Schedule L, Part I		✓
c Enter amount of tax imposed on organization managers or disqualified persons during the year under sections 4912, 4955, and 4958 ▶ 0		
d Enter amount of tax on line 40c reimbursed by the organization ▶ 0		
e All organizations. At any time during the tax year, was the organization a party to a prohibited tax shelter transaction? If "Yes," complete Form 8886-T.		✓
41 List the states with which a copy of this return is filed. ▶ <u>Vermont</u>		
42a The books are in care of ▶ <u>Turtle Island Children's Center</u> Telephone no. ▶ <u>(802) 229-4047</u> Located at ▶ <u>659 Elm St., Montpelier, VT</u> ZIP + 4 ▶ <u>05602</u>		
b 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)? 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 .	Yes	No
c At any time during the calendar year, did the organization maintain an office outside of the U.S.? If "Yes," enter the name of the foreign country: ▶ _____		✓
43 Section 4947(a)(1) nonexempt charitable trusts filing Form 990-EZ in lieu of Form 1041 —Check here ▶ <input type="checkbox"/> and enter the amount of tax-exempt interest received or accrued during the tax year ▶ 43		
44 Did the organization maintain any donor advised funds? If "Yes," Form 990 must be completed instead of Form 990-EZ		✓
45 Is any related organization a controlled entity of the organization within the meaning of section 512(b)(13)? If "Yes," Form 990 must be completed instead of Form 990-EZ		✓

Part VI Section 501(c)(3) organizations only. All section 501(c)(3) organizations must answer questions 46-49 and complete the tables for lines 50 and 51.

- 46 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 **46** ☐ Yes ☒ No
- 47 Did the organization engage in lobbying activities? If "Yes," complete Schedule C, Part II **47** ☐ Yes ☒ No
- 48 Is the organization operating a school as described in section 170(b)(1)(A)(ii)? If "Yes," complete Schedule E **48** ☐ Yes ☒ No
- 49a Did the organization make any transfers to an exempt non-charitable related organization? **49a** ☐ Yes ☒ No
- b If "Yes," was the related organization(s) a section 527 organization? **49b** ☐ Yes ☒ No
- 50 Complete this table for the five highest compensated employees (other than officers, directors, trustees and key employees) who each received more than \$100,000 of compensation from the organization. If there is none, enter "None."

(a) Name and address of each employee paid more than \$100,000	(b) Title and average hours per week devoted to position	(c) Compensation	(d) Contributions to employee benefit plans & deferred compensation	(e) Expense account and other allowances
None				
Total number of other employees paid over \$100,000 ▶				

- 51 Complete this table for the five highest compensated independent contractors who each received more than \$100,000 of compensation from the organization. If there is none, enter "None."

(a) Name and address of each independent contractor paid more than \$100,000	(b) Type of service	(c) Compensation
None		
Total number of other independent contractors each receiving over \$100,000 . . . ▶		

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 ▶ *Karl L. Lee* **Signature of officer** **4/14/2010** **Date**

▶ **Karl L. Lee, Executive Director** **Type or print name and title**

Paid Preparer's Use Only ▶ *D. Jill Arace* **Preparer's signature** **4/14/10** **Date** ☒ **Check if self-employed** ▶ **Preparer's Identifying Number (See instructions)**

Firm's name (or yours if self-employed), address, and ZIP + 4 ▶ **D. Jill Arace** **EIN** ▶ **3756 East Warren Rd., Waitsfield, VT 05673** **Phone no. ▶ (802) 496-9974**

May the IRS discuss this return with the preparer shown above? See instructions ▶ ☒ **Yes** ☐ **No**

Department of the Treasury
Internal Revenue Service

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

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

OMB No. 1545-0047

2008

Open to Public Inspection

Name of the organization

Turtle Island Children's Center, Inc.

Employer identification number

03

0358066

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 33 1/3 % of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions—subject to certain exceptions, and (2) no more than 33 1/3 % of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975. See **section 509(a)(2)**. (Complete Part III.)
- 10 ☐ An organization organized and operated exclusively to test for public safety. See **section 509(a)(4)**. (see instructions)
- 11 ☐ An organization organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2). See **section 509(a)(3)**. Check the box that describes the type of supporting organization and complete lines 11e through 11h.
- a ☐ Type I b ☐ Type II c ☐ Type III—Functionally integrated d ☐ Type III—Other
- e ☐ By checking this box, I certify that the organization is not controlled directly or indirectly by one or more disqualified persons other than foundation managers and other than one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2).
- f If the organization received a written determination from the IRS that it is a Type I, Type II, or Type III supporting organization, check this box
- g Since August 17, 2006, has the organization accepted any gift or contribution from any of the following persons?
- (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?
- (ii) A family member of a person described in (i) above?
- (iii) A 35% controlled entity of a person described in (i) or (ii) above?
- h Provide the following information about the organizations the organization supports.
- | | Yes | No |
|----------|-----|----|
| 11g(i) | | |
| 11g(ii) | | |
| 11g(iii) | | |

[illegible]

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

Cat. No. 11285F

Schedule A (Form 990 or 990-EZ) 2008

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.")	34,473	68,314	184,591	157,745	201,540	646,663
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	640,285	765,936	714,798	514,410	665,748	3,301,177
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	674,758	834,250	899,389	672,155	867,288	3,947,840
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.)						3,947,840

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	674,758	834,250	899,389	672,155	867,288	3,947,840
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources	10,006	9,988	9,605	14,905	9,714	54,218
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	10,006	9,988	9,605	14,905	9,714	54,218
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.)	919	1,836	158	2,981	14,126	20,020
13 Total support. (Add lines 9, 10c, 11, and 12.)						4,022,078
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 ► <input type="checkbox"/>						

Section C. Computation of Public Support Percentage

15 Public support percentage for 2008 (line 8, column (f) divided by line 13, column (f))	15	98.2 %
16 Public support percentage from 2007 Schedule A, Part IV-A, line 27g	16	96.3 %

Section D. Computation of Investment Income Percentage

17 Investment income percentage for 2008 (line 10c, column (f) divided by line 13, column (f))	17	1.4 %
18 Investment income percentage from 2007 Schedule A, Part IV-A, line 27h	18	1.2 %

- 19a 33 1/3 % support tests—2008.** If the organization did not check the box on line 14, and line 15 is more than 33 1/3 %, and line 17 is not more than 33 1/3 %, check this box and **stop here**. The organization qualifies as a publicly supported organization ► ☒
- b 33 1/3 % support tests—2007.** If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3 %, and line 18 is not more than 33 1/3 %, check this box and **stop here**. The organization qualifies as a publicly supported organization ► ☐
- 20 Private foundation.** If the organization did not check a box on line 14, 19a, or 19b, check this box and see instructions ► ☐

Part IV **Supplemental Information.** Complete this part to provide the 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)

See Schedule 7

Area for supplemental information with horizontal dashed lines.

Schedule 1: Realized Gain on Sale of Assets

	Gross Sale Price	Cost Basis	Net Gain
200 shares of Abbot Laboratories	9,822	9,138	684
Vermont Community Foundation	99	-	99
Total to Form 990EZ, Part I, Line 5	9,921	9,138	783

Schedule 2: Other Revenue

Apartment Rental	6,079
Parking Lot Rental	1,407
Endowment Payment	3,000
Insurance Payment for damaged fence	6,731
Returned Consulting Fee from previous year	450
Tuition Payment written off in previous year	565
Forfeited Employee Section 125 withholdings	3,279
Miscellaneous	101
Total to Form 990EZ, Part I, Line 8	21,612

Schedule 3: Grants to Individuals (Tuition Reduction)

Multi-child Discounts	8,374	26 children
State of Vermont Child Care Subsidy	83,600	21 children
Community Scholarships	10,535	12 children
Vermont Community Preschool Collaborative	10,475	12 children
Total to Form 990 EZ, Part 1, Line 10	112,984	

Schedule 4: Other Expenses

Help Wanted	1,753
Program Supplies and Materials	11,513
Snacks	11,797
Telephone/Internet	4,671
Office Supplies	2,395
Memberships/Associations	160
Public Relations/Marketing	2,612
Meeting Expense	430
Bank Charges and Investment Expense	919
Miscellaneous	643
<hr/>	
Total to Form 990 EZ, Part 1, Line 16	36,893

Schedule 5: Explanation of other changes in net assets or fund balances

Unrealized Loss on Investments

Total to Form 990 EZ, Part 1, Line 20 **(13,113)**

Schedule 6: Liabilities

Note Payable	39,610
Accounts Payable	9,929
Tuition Deposits	20,500
Apartment Rental Security Deposit	750
Tuition Advance Payments	3,622
Deferred Revenue	17,045
Employee Section 125 Withholdings	1,990
<hr/>	
Total to Form 990 EZ, Part II, Line 26	93,445

Schedule 7: Other Income

	2004	2005	2006	2007	2008	Total
Endowment Payment					3,000	3,000
Insurance Payment for damaged fence					6,731	6,731
Returned Consulting Fee from previous year					450	450
Tuition Payment written off in previous year					565	565
Forfeited Employee Section 125 withholdings					3,279	3,279
Miscellaneous	919	1,836	158	2,981	101	5,995
Total to Form 990 EZ, Schedule A, Part III, Line 12	919	1,836	158	2,981	14,126	20,020