Form **990-PF**

Department of the Treasury
Internal Revenue Service

Return of Private Foundation
or Section 4947(a)(1) Nonexempt Charitable Trust Treated as a Private Foundation

Note. The foundation may be able to use a copy of this return to satisfy state reporting requirements.

OMB No 1545-0052

2011

For calendar year 2011 or tax year beginning , and ending

Name of foundation
ISLANDS FUND
C/O JOHN MUNN

Number and street (or P O box number if mail is not delivered to street address): 6523 CALIFORNIA AVENUE SW — Room/suite: #137

City or town, state, and ZIP code: SEATTLE, WA 98136

A Employer identification number: 91-1663838

B Telephone number: (206) 283-4790

C If exemption application is pending, check here ▶ ☐

D 1 Foreign organizations, check here ▶ ☐

2 Foreign organizations meeting the 85% test, check here and attach computation ▶ ☐

E If private foundation status was terminated under section 507(b)(1)(A), check here ▶ ☐

F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here ▶ ☐

G Check all that apply: ☐ Initial return ☐ Initial return of a former public charity ☐ Final return ☐ Amended return ☐ Address change ☐ Name change

H Check type of organization: ☒ Section 501(c)(3) exempt private foundation ☐ Section 4947(a)(1) nonexempt charitable trust ☐ Other taxable private foundation

I Fair market value of all assets at end of year *(from Part II, col (c), line 16)* ▶$ 127,072,534.

J Accounting method: ☒ Cash ☐ Accrual ☐ Other (specify) *(Part I column (d) must be on cash basis)*

Part I Analysis of Revenue and Expenses (The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a))

		(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
Revenue	1 Contributions, gifts, grants, etc., received	25,901,737.		N/A	
	2 Check ▶ ☐ if the foundation is not required to attach Sch B				
	3 Interest on savings and temporary cash investments	1,029,634.	953,770.		STATEMENT 1
	4 Dividends and interest from securities	3,310,931.	3,191,523.		STATEMENT 2
	5a Gross rents				
	b Net rental income or (loss)				
	6a Net gain or (loss) from sale of assets not on line 10	33,786,831.			
	b Gross sales price for all assets on line 6a 65,279,607.				
	7 Capital gain net income (from Part IV, line 2)		33,786,831.		
	8 Net short-term capital gain				
	9 Income modifications				
	10a Gross sales less returns and allowances				
	b Less Cost of goods sold				
	c Gross profit or (loss)				
	11 Other income	9,516.	9,516.		STATEMENT 3
	12 **Total** Add lines 1 through 11	64,038,649.	37,941,640.		
Operating and Administrative Expenses	13 Compensation of officers, directors, trustees, etc	0.	0.		0.
	14 Other employee salaries and wages				
	15 Pension plans, employee benefits				
	16a Legal fees STMT 4	15,199.	0.		15,000.
	b Accounting fees STMT 5	9,320.	0.		0.
	c Other professional fees				
	17 Interest				
	18 Taxes STMT 6	409.	0.		0.
	19 Depreciation and depletion				
	20 Occupancy				
	21 Travel, conferences, and meetings				
	22 Printing and publications				
	23 Other expenses STMT 7	381,225.	321,006.		0.
	24 **Total operating and administrative expenses.** Add lines 13 through 23	406,153.	321,006.		15,000.
	25 Contributions, gifts, grants paid	6,900,000.			6,900,000.
	26 **Total expenses and disbursements.** Add lines 24 and 25	7,306,153.	321,006.		6,915,000.
	27 Subtract line 26 from line 12:				
	a Excess of revenue over expenses and disbursements	56,732,496.			
	b **Net investment income** (if negative, enter -0-)		37,620,634.		
	c **Adjusted net income** (if negative, enter -0-)			N/A	

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Part II Balance Sheets Attached schedules and amounts in the description column should be for end-of-year amounts only

		Beginning of year (a) Book Value	End of year (b) Book Value	(c) Fair Market Value
Assets	1 Cash - non-interest-bearing			
	2 Savings and temporary cash investments	3,223,405.	2,861,288.	2,861,288.
	3 Accounts receivable ▶			
	Less: allowance for doubtful accounts ▶			
	4 Pledges receivable ▶			
	Less: allowance for doubtful accounts ▶			
	5 Grants receivable			
	6 Receivables due from officers, directors, trustees, and other disqualified persons			
	7 Other notes and loans receivable ▶			
	Less: allowance for doubtful accounts ▶			
	8 Inventories for sale or use			
	9 Prepaid expenses and deferred charges			
	10a Investments - U.S. and state government obligations STMT 9	961,829.	3,992,966.	4,102,639.
	b Investments - corporate stock STMT 10	23,695,409.	22,521,945.	29,636,270.
	c Investments - corporate bonds STMT 11	13,102,381.	17,724,488.	18,416,303.
	11 Investments - land, buildings, and equipment basis ▶			
	Less accumulated depreciation ▶			
	12 Investments - mortgage loans			
	13 Investments - other STMT 12	46,156,478.	71,539,461.	72,056,034.
	14 Land, buildings, and equipment: basis ▶			
	Less accumulated depreciation ▶			
	15 Other assets (describe ▶)			
	16 **Total assets** (to be completed by all filers)	87,139,502.	118,640,148.	127,072,534.
Liabilities	17 Accounts payable and accrued expenses			
	18 Grants payable			
	19 Deferred revenue			
	20 Loans from officers, directors, trustees, and other disqualified persons			
	21 Mortgages and other notes payable			
	22 Other liabilities (describe ▶ STATEMENT 13)	118,750.	702,750.	
	23 **Total liabilities** (add lines 17 through 22)	118,750.	702,750.	
Net Assets or Fund Balances	**Foundations that follow SFAS 117, check here** ▶ ☐ **and complete lines 24 through 26 and lines 30 and 31**			
	24 Unrestricted			
	25 Temporarily restricted			
	26 Permanently restricted			
	Foundations that do not follow SFAS 117, check here ▶ ☒ **and complete lines 27 through 31**			
	27 Capital stock, trust principal, or current funds	263,158.	263,158.	
	28 Paid-in or capital surplus, or land, bldg., and equipment fund	0.	0.	
	29 Retained earnings, accumulated income, endowment, or other funds	86,757,594.	117,674,240.	
	30 **Total net assets or fund balances**	87,020,752.	117,937,398.	
	31 **Total liabilities and net assets/fund balances**	87,139,502.	118,640,148.	

Part III Analysis of Changes in Net Assets or Fund Balances

1	Total net assets or fund balances at beginning of year - Part II, column (a), line 30 (must agree with end-of-year figure reported on prior year's return)	1	87,020,752.
2	Enter amount from Part I, line 27a	2	56,732,496.
3	Other increases not included in line 2 (itemize) ▶	3	0.
4	Add lines 1, 2, and 3	4	143,753,248.
5	Decreases not included in line 2 (itemize) ▶ SEE STATEMENT 8	5	25,815,850.
6	Total net assets or fund balances at end of year (line 4 minus line 5) - Part II, column (b), line 30	6	117,937,398.

Part IV Capital Gains and Losses for Tax on Investment Income

	(a) List and describe the kind(s) of property sold (e.g., real estate, 2-story brick warehouse; or common stock, 200 shs. MLC Co.)	(b) How acquired P - Purchase D - Donation	(c) Date acquired (mo., day, yr.)	(d) Date sold (mo., day, yr.)
1a				
b	SEE ATTACHED STATEMENTS			
c				
d				
e				

	(e) Gross sales price	(f) Depreciation allowed (or allowable)	(g) Cost or other basis plus expense of sale	(h) Gain or (loss) (e) plus (f) minus (g)
a				
b				
c				
d				
e	65,279,607.		31,492,776.	33,786,831.

Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69

	(i) F.M.V. as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col. (i) over col. (j), if any	(l) Gains (Col. (h) gain minus col. (k), but not less than -0-) or Losses (from col. (h))
a				
b				
c				
d				
e				33,786,831.

2 Capital gain net income or (net capital loss) { If gain, also enter in Part I, line 7; If (loss), enter -0- in Part I, line 7 } — 2 — 33,786,831.

3 Net short-term capital gain or (loss) as defined in sections 1222(5) and (6):
If gain, also enter in Part I, line 8, column (c).
If (loss), enter -0- in Part I, line 8 — 3 — N/A

Part V Qualification Under Section 4940(e) for Reduced Tax on Net Investment Income

(For optional use by domestic private foundations subject to the section 4940(a) tax on net investment income.)

If section 4940(d)(2) applies, leave this part blank.

Was the foundation liable for the section 4942 tax on the distributable amount of any year in the base period? ☐ Yes ☒ No

If "Yes," the foundation does not qualify under section 4940(e). Do not complete this part.

1 Enter the appropriate amount in each column for each year; see instructions before making any entries.

(a) Base period years Calendar year (or tax year beginning in)	(b) Adjusted qualifying distributions	(c) Net value of noncharitable-use assets	(d) Distribution ratio (col. (b) divided by col. (c))
2010	4,185,618.	92,960,181.	.045026
2009	5,286,675.	85,594,253.	.061764
2008	6,031,910.	103,198,940.	.058449
2007	5,056,994.	118,382,598.	.042717
2006	5,434,604.	111,885,125.	.048573

2	Total of line 1, column (d)	2	.256529
3	Average distribution ratio for the 5-year base period - divide the total on line 2 by 5, or by the number of years the foundation has been in existence if less than 5 years	3	.051306
4	Enter the net value of noncharitable-use assets for 2011 from Part X, line 5	4	127,114,675.
5	Multiply line 4 by line 3	5	6,521,746.
6	Enter 1% of net investment income (1% of Part I, line 27b)	6	376,206.
7	Add lines 5 and 6	7	6,897,952.
8	Enter qualifying distributions from Part XII, line 4	8	6,915,000.

If line 8 is equal to or greater than line 7, check the box in Part VI, line 1b, and complete that part using a 1% tax rate. See the Part VI instructions.

Part VI Excise Tax Based on Investment Income (Section 4940(a), 4940(b), 4940(e), or 4948 - see instructions)

1a Exempt operating foundations described in section 4940(d)(2), check here ▶ ☐ and enter "N/A" on line 1. Date of ruling or determination letter: ________ **(attach copy of letter if necessary-see instructions)**				
b Domestic foundations that meet the section 4940(e) requirements in Part V, check here ▶ ☒ and enter 1% of Part I, line 27b			1	376,206.
c All other domestic foundations enter 2% of line 27b. Exempt foreign organizations enter 4% of Part I, line 12, col. (b).				
2 Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)			2	0.
3 Add lines 1 and 2			3	376,206.
4 Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)			4	0.
5 **Tax based on investment income** Subtract line 4 from line 3. If zero or less, enter -0-			5	376,206.
6 Credits/Payments:				
a 2011 estimated tax payments and 2010 overpayment credited to 2011	6a	29,960.		
b Exempt foreign organizations - tax withheld at source	6b			
c Tax paid with application for extension of time to file (Form 8868)	6c	400,000.		
d Backup withholding erroneously withheld	6d			
7 Total credits and payments. Add lines 6a through 6d			7	429,960.
8 Enter any **penalty** for underpayment of estimated tax. Check here ☒ if Form 2220 is attached			8	8,116.
9 **Tax due.** If the total of lines 5 and 8 is more than line 7, enter **amount owed** ▶			9	
10 **Overpayment.** If line 7 is more than the total of lines 5 and 8, enter the **amount overpaid** ▶			10	45,638.
11 Enter the amount of line 10 to be: **Credited to 2012 estimated tax** ▶	45,638.	**Refunded** ▶	11	0.

Part VII-A Statements Regarding Activities

		Yes	No
1a During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign?	1a		X
b Did it spend more than $100 during the year (either directly or indirectly) for political purposes (see instructions for definition)?	1b		X
If the answer is "Yes" to 1a or 1b, attach a detailed description of the activities and copies of any materials published or distributed by the foundation in connection with the activities.			
c Did the foundation file **Form 1120-POL** for this year?	1c		X
d Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year: **(1)** On the foundation. ▶ $ 0. **(2)** On foundation managers. ▶ $ 0.			
e Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers. ▶ $ 0.			
2 Has the foundation engaged in any activities that have not previously been reported to the IRS? *If "Yes," attach a detailed description of the activities*	2		X
3 Has the foundation made any changes, not previously reported to the IRS, in its governing instrument, articles of incorporation, or bylaws, or other similar instruments? *If "Yes," attach a conformed copy of the changes*	3		X
4a Did the foundation have unrelated business gross income of $1,000 or more during the year?	4a		X
b If "Yes," has it filed a tax return on **Form 990-T** for this year? N/A	4b		
5 Was there a liquidation, termination, dissolution, or substantial contraction during the year? *If "Yes," attach the statement required by General Instruction T.*	5		X
6 Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either: • By language in the governing instrument, or • By state legislation that effectively amends the governing instrument so that no mandatory directions that conflict with the state law remain in the governing instrument?	6		X
7 Did the foundation have at least $5,000 in assets at any time during the year? *If "Yes," complete Part II, col (c), and Part XV*	7	X	
8a Enter the states to which the foundation reports or with which it is registered (see instructions) ▶ WA			
b If the answer is "Yes" to line 7, has the foundation furnished a copy of Form 990-PF to the Attorney General (or designate) of each state as required by *General Instruction G? If "No," attach explanation*	8b	X	
9 Is the foundation claiming status as a private operating foundation within the meaning of section 4942(j)(3) or 4942(j)(5) for calendar year 2011 or the taxable year beginning in 2011 (see instructions for Part XIV)? *If "Yes," complete Part XIV*	9		X
10 Did any persons become substantial contributors during the tax year? If "Yes," attach a schedule listing their names and addresses STMT 14	10	X	

Part VII-A Statements Regarding Activities *(continued)*

			Yes	No
11	At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," attach schedule (see instructions)	11		X
12	Did the foundation make a distribution to a donor advised fund over which the foundation or a disqualified person had advisory privileges? If "Yes," attach statement (see instructions)	12		X
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application?	13		X

Website address ▶ N/A

14 The books are in care of ▶ MR. JOHN MUNN Telephone no. ▶ (206) 283-4790
Located at ▶ 6523 CALIFORNIA AVENUE SW, NO. 137, SEATTLE, WA ZIP+4 ▶ 98136

15 Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of Form 1041 - Check here ▶ ☐
and enter the amount of tax-exempt interest received or accrued during the year ▶ 15 N/A

			Yes	No
16	At any time during calendar year 2011, did the foundation have an interest in or a signature or other authority over a bank, securities, or other financial account in a foreign country?	16		X
	See the instructions for exceptions and filing requirements for Form TD F 90-22.1. If "Yes," enter the name of the foreign country ▶			

Part VII-B Statements Regarding Activities for Which Form 4720 May Be Required

File Form 4720 if any item is checked in the "Yes" column, unless an exception applies.

				Yes	No
1a	During the year did the foundation (either directly or indirectly):				
	(1) Engage in the sale or exchange, or leasing of property with a disqualified person?	☐ Yes ☒ No			
	(2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person?	☐ Yes ☒ No			
	(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person?	☐ Yes ☒ No			
	(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person?	☐ Yes ☒ No			
	(5) Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)?	☐ Yes ☒ No			
	(6) Agree to pay money or property to a government official? (**Exception**. Check "No" if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days.)	☐ Yes ☒ No			
b	If any answer is "Yes" to 1a(1)-(6), did **any** of the acts fail to qualify under the exceptions described in Regulations section 53.4941(d)-3 or in a current notice regarding disaster assistance (see instructions)?	N/A	1b		
	Organizations relying on a current notice regarding disaster assistance check here	▶ ☐			
c	Did the foundation engage in a prior year in any of the acts described in 1a, other than excepted acts, that were not corrected before the first day of the tax year beginning in 2011?		1c		X
2	Taxes on failure to distribute income (section 4942) (does not apply for years the foundation was a private operating foundation defined in section 4942(j)(3) or 4942(j)(5)):				
a	At the end of tax year 2011, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2011?	☐ Yes ☒ No			
	If "Yes," list the years ▶ ____, ____, ____, ____				
b	Are there any years listed in 2a for which the foundation is **not** applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to **all** years listed, answer "No" and attach statement - see instructions.)	N/A	2b		
c	If the provisions of section 4942(a)(2) are being applied to **any** of the years listed in 2a, list the years here. ▶ ____, ____, ____, ____				
3a	Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year?	☐ Yes ☒ No			
b	If "Yes," did it have excess business holdings in 2011 as a result of (1) any purchase by the foundation or disqualified persons after May 26, 1969; (2) the lapse of the 5-year period (or longer period approved by the Commissioner under section 4943(c)(7)) to dispose of holdings acquired by gift or bequest; or (3) the lapse of the 10-, 15-, or 20-year first phase holding period? *(Use Schedule C, Form 4720, to determine if the foundation had excess business holdings in 2011.)*	N/A	3b		
4a	Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?		4a		X
b	Did the foundation make any investment in a prior year (but after December 31, 1969) that could jeopardize its charitable purpose that had not been removed from jeopardy before the first day of the tax year beginning in 2011?		4b		X

Part VII-B Statements Regarding Activities for Which Form 4720 May Be Required *(continued)*

5a During the year did the foundation pay or incur any amount to:

(1) Carry on propaganda, or otherwise attempt to influence legislation (section 4945(e))? ☐ Yes ☒ No

(2) Influence the outcome of any specific public election (see section 4955); or to carry on, directly or indirectly, any voter registration drive? ☐ Yes ☒ No

(3) Provide a grant to an individual for travel, study, or other similar purposes? ☐ Yes ☒ No

(4) Provide a grant to an organization other than a charitable, etc., organization described in section 509(a)(1), (2), or (3), or section 4940(d)(2)? ☒ Yes ☐ No

(5) Provide for any purpose other than religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals? ☐ Yes ☒ No

b If any answer is "Yes" to 5a(1)-(5), did any of the transactions fail to qualify under the exceptions described in Regulations section 53.4945 or in a current notice regarding disaster assistance (see instructions)? **5b** No: X

Organizations relying on a current notice regarding disaster assistance check here ▶ ☐

c If the answer is "Yes" to question 5a(4), does the foundation claim exemption from the tax because it maintained expenditure responsibility for the grant? ☐ Yes ☒ No

If "Yes," attach the statement required by Regulations section 53 4945-5(d).

6a Did the foundation, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract? ☐ Yes ☒ No

b Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract? **6b** No: X

If "Yes" to 6b, file Form 8870.

7a At any time during the tax year, was the foundation a party to a prohibited tax shelter transaction? ☐ Yes ☒ No

b If "Yes," did the foundation receive any proceeds or have any net income attributable to the transaction? N/A **7b**

Part VIII Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors

1 List all officers, directors, trustees, foundation managers and their compensation.

(a) Name and address	(b) Title, and average hours per week devoted to position	(c) Compensation (If not paid, enter -0-)	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
SEE STATEMENT 15		0.	0.	0.

2 Compensation of five highest-paid employees (other than those included on line 1). If none, enter "NONE."

(a) Name and address of each employee paid more than $50,000	(b) Title, and average hours per week devoted to position	(c) Compensation	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
NONE				

Total number of other employees paid over $50,000 ▶ 0

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Part VIII **Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors** *(continued)*

3 Five highest-paid independent contractors for professional services. If none, enter "NONE."

(a) Name and address of each person paid more than $50,000	(b) Type of service	(c) Compensation
NONE		
Total number of others receiving over $50,000 for professional services ▶		0

Part IX-A **Summary of Direct Charitable Activities**

List the foundation's four largest direct charitable activities during the tax year. Include relevant statistical information such as the number of organizations and other beneficiaries served, conferences convened, research papers produced, etc.	Expenses
1 N/A	
2	
3	
4	

Part IX-B **Summary of Program-Related Investments**

Describe the two largest program-related investments made by the foundation during the tax year on lines 1 and 2.	Amount
1 N/A	
2	
All other program-related investments. See instructions. 3	
Total. Add lines 1 through 3 ▶	0.

Part X **Minimum Investment Return** (All domestic foundations must complete this part Foreign foundations, see instructions)

1	Fair market value of assets not used (or held for use) directly in carrying out charitable, etc., purposes:		
a	Average monthly fair market value of securities	1a	121,618,578.
b	Average of monthly cash balances	1b	7,431,853.
c	Fair market value of all other assets	1c	
d	**Total** (add lines 1a, b, and c)	1d	129,050,431.
e	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation) — 1e: 0.		
2	Acquisition indebtedness applicable to line 1 assets	2	0.
3	Subtract line 2 from line 1d	3	129,050,431.
4	Cash deemed held for charitable activities Enter 1 1/2% of line 3 (for greater amount, see instructions)	4	1,935,756.
5	**Net value of noncharitable-use assets.** Subtract line 4 from line 3. Enter here and on Part V, line 4	5	127,114,675.
6	**Minimum investment return.** Enter 5% of line 5	6	6,355,734.

Part XI **Distributable Amount** (see instructions) (Section 4942(j)(3) and (j)(5) private operating foundations and certain foreign organizations check here ▶ ☐ and do not complete this part.)

1	Minimum investment return from Part X, line 6	1	6,355,734.
2a	Tax on investment income for 2011 from Part VI, line 5 — 2a: 376,206.		
b	Income tax for 2011. (This does not include the tax from Part VI.) — 2b:		
c	Add lines 2a and 2b	2c	376,206.
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	5,979,528.
4	Recoveries of amounts treated as qualifying distributions	4	0.
5	Add lines 3 and 4	5	5,979,528.
6	Deduction from distributable amount (see instructions)	6	0.
7	**Distributable amount** as adjusted. Subtract line 6 from line 5. Enter here and on Part XIII, line 1	7	5,979,528.

Part XII **Qualifying Distributions** (see instructions)

1	Amounts paid (including administrative expenses) to accomplish charitable, etc., purposes:		
a	Expenses, contributions, gifts, etc. - total from Part I, column (d), line 26	1a	6,915,000.
b	Program-related investments - total from Part IX-B	1b	0.
2	Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc., purposes	2	
3	Amounts set aside for specific charitable projects that satisfy the:		
a	Suitability test (prior IRS approval required)	3a	
b	Cash distribution test (attach the required schedule)	3b	
4	**Qualifying distributions.** Add lines 1a through 3b. Enter here and on Part V, line 8, and Part XIII, line 4	4	6,915,000.
5	Foundations that qualify under section 4940(e) for the reduced rate of tax on net investment income. Enter 1% of Part I, line 27b	5	376,206.
6	**Adjusted qualifying distributions** Subtract line 5 from line 4	6	6,538,794.

Note. The amount on line 6 will be used in Part V, column (b), in subsequent years when calculating whether the foundation qualifies for the section 4940(e) reduction of tax in those years.

Part XIII Undistributed Income (see instructions)

	(a) Corpus	(b) Years prior to 2010	(c) 2010	(d) 2011
1 Distributable amount for 2011 from Part XI, line 7				5,979,528.
2 Undistributed income, if any, as of the end of 2011				
a Enter amount for 2010 only			0.	
b Total for prior years: ____, ____, ____		0.		
3 Excess distributions carryover, if any, to 2011:				
a From 2006				
b From 2007				
c From 2008 652,376.				
d From 2009 1,063,612.				
e From 2010 272,584.				
f **Total** of lines 3a through e	1,988,572.			
4 Qualifying distributions for 2011 from Part XII, line 4: ▶ $ 6,915,000.				
a Applied to 2010, but not more than line 2a			0.	
b Applied to undistributed income of prior years (Election required - see instructions)		0.		
c Treated as distributions out of corpus (Election required - see instructions)	0.			
d Applied to 2011 distributable amount				5,979,528.
e Remaining amount distributed out of corpus	935,472.			
5 Excess distributions carryover applied to 2011 (If an amount appears in column (d), the same amount must be shown in column (a).)	0.			0.
6 **Enter the net total of each column as indicated below:**				
a Corpus Add lines 3f, 4c, and 4e Subtract line 5	2,924,044.			
b Prior years' undistributed income. Subtract line 4b from line 2b		0.		
c Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed		0.		
d Subtract line 6c from line 6b. Taxable amount - see instructions		0.		
e Undistributed income for 2010. Subtract line 4a from line 2a. Taxable amount - see instr.			0.	
f Undistributed income for 2011. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2012				0.
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3)	0.			
8 Excess distributions carryover from 2006 not applied on line 5 or line 7	0.			
9 **Excess distributions carryover to 2012.** Subtract lines 7 and 8 from line 6a	2,924,044.			
10 Analysis of line 9:				
a Excess from 2007				
b Excess from 2008 652,376.				
c Excess from 2009 1,063,612.				
d Excess from 2010 272,584.				
e Excess from 2011 935,472.				

Part XIV Private Operating Foundations (see instructions and Part VII-A, question 9) N/A

1 a If the foundation has received a ruling or determination letter that it is a private operating foundation, and the ruling is effective for 2011, enter the date of the ruling ▶

b Check box to indicate whether the foundation is a private operating foundation described in section ☐ 4942(j)(3) or ☐ 4942(j)(5)

	Tax year	Prior 3 years			
	(a) 2011	(b) 2010	(c) 2009	(d) 2008	(e) Total
2 a Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed					
b 85% of line 2a					
c Qualifying distributions from Part XII, line 4 for each year listed					
d Amounts included in line 2c not used directly for active conduct of exempt activities					
e Qualifying distributions made directly for active conduct of exempt activities. Subtract line 2d from line 2c					
3 Complete 3a, b, or c for the alternative test relied upon: a "Assets" alternative test - enter: (1) Value of all assets					
(2) Value of assets qualifying under section 4942(j)(3)(B)(i)					
b "Endowment" alternative test - enter 2/3 of minimum investment return shown in Part X, line 6 for each year listed					
c "Support" alternative test - enter: (1) Total support other than gross investment income (interest, dividends, rents, payments on securities loans (section 512(a)(5)), or royalties)					
(2) Support from general public and 5 or more exempt organizations as provided in section 4942(j)(3)(B)(iii)					
(3) Largest amount of support from an exempt organization					
(4) Gross investment income					

Part XV Supplementary Information (Complete this part only if the foundation had $5,000 or more in assets at any time during the year-see instructions.)

1 **Information Regarding Foundation Managers:**

a List any managers of the foundation who have contributed more than 2% of the total contributions received by the foundation before the close of any tax year (but only if they have contributed more than $5,000). (See section 507(d)(2).)

SARAH R. WERNER

b List any managers of the foundation who own 10% or more of the stock of a corporation (or an equally large portion of the ownership of a partnership or other entity) of which the foundation has a 10% or greater interest.

NONE

2 **Information Regarding Contribution, Grant, Gift, Loan, Scholarship, etc., Programs:**

Check here ▶ ☒ if the foundation only makes contributions to preselected charitable organizations and does not accept unsolicited requests for funds. If the foundation makes gifts, grants, etc. (see instructions) to individuals or organizations under other conditions, complete items 2a, b, c, and d.

a The name, address, and telephone number of the person to whom applications should be addressed:

b The form in which applications should be submitted and information and materials they should include:

c Any submission deadlines:

d Any restrictions or limitations on awards, such as by geographical areas, charitable fields, kinds of institutions, or other factors:

Part XV Supplementary Information (continued)

3 Grants and Contributions Paid During the Year or Approved for Future Payment

Recipient Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
a Paid during the year				
ALOHA FOUNDATION 2968 LAKE MOREY ROAD FAIRLEE, VT 05045	N/A	501(C)(3)	TO MEET TAX EXEMPT PURPOSE	650,000.
ASPEN CENTER FOR ENVIORNMENTAL STUDIES 100 PUPPY SMITH ST. ASPEN, CO 81611	N/A	501(C)(3)	TO MEET TAX EXEMPT PURPOSE	335,000.
BELLEVUE SCHOOLS FOUNDATION 12241 MAIN STREET BELLEVUE, WA 98005	N/A	501(C)(3)	TO MEET TAX EXEMPT PURPOSE	25,000.
BERTSCHI SCHOOL 2227 10TH AVENUE EAST SEATTLE, WA 98102	N/A	501(C)(3)	TO MEET TAX EXEMPT PURPOSE	100,000.
BIG BROTHERS/BIG SISTERS OF CENTRAL OREGON 62895 HAMBLY ROAD BEND, OR 97701	N/A	501(C)(3)	TO MEET TAX EXEMPT PURPOSE	15,000.
Total SEE CONTINUATION SHEET(S)			▶ 3a	6,900,000.
b Approved for future payment NONE				
Total			▶ 3b	0.

Part XVI-A Analysis of Income-Producing Activities

Enter gross amounts unless otherwise indicated.	Unrelated business income (a) Business code	Unrelated business income (b) Amount	Excluded by section 512, 513, or 514 (c) Exclusion code	Excluded by section 512, 513, or 514 (d) Amount	(e) Related or exempt function income
1 Program service revenue:					
a					
b					
c					
d					
e					
f					
g Fees and contracts from government agencies					
2 Membership dues and assessments					
3 Interest on savings and temporary cash investments	523000	1,029,634.			
4 Dividends and interest from securities	523000	3,310,931.			
5 Net rental income or (loss) from real estate:					
a Debt-financed property					
b Not debt-financed property					
6 Net rental income or (loss) from personal property					
7 Other investment income	523000	9,516.			
8 Gain or (loss) from sales of assets other than inventory	523000	33,786,831.			
9 Net income or (loss) from special events					
10 Gross profit or (loss) from sales of inventory					
11 Other revenue:					
a					
b					
c					
d					
e					
12 Subtotal. Add columns (b), (d), and (e)		38,136,912.		0.	0.

13 Total. Add line 12, columns (b), (d), and (e) 13 38,136,912.

(See worksheet in line 13 instructions to verify calculations.)

Part XVI-B Relationship of Activities to the Accomplishment of Exempt Purposes

Line No. ▼	Explain below how each activity for which income is reported in column (e) of Part XVI-A contributed importantly to the accomplishment of the foundation's exempt purposes (other than by providing funds for such purposes).
4	EARNINGS USED TO MEET TAX EXEMPT PURPOSE

Part XVII Information Regarding Transfers To and Transactions and Relationships With Noncharitable Exempt Organizations

		Yes	No
1 Did the organization directly or indirectly engage in any of the following with any other organization described in section 501(c) of the Code (other than section 501(c)(3) organizations) or in section 527, relating to political organizations?			
a Transfers from the reporting foundation to a noncharitable exempt organization of:			
(1) Cash	1a(1)		X
(2) Other assets	1a(2)		X
b Other transactions:			
(1) Sales of assets to a noncharitable exempt organization	1b(1)		X
(2) Purchases of assets from a noncharitable exempt organization	1b(2)		X
(3) Rental of facilities, equipment, or other assets	1b(3)		X
(4) Reimbursement arrangements	1b(4)		X
(5) Loans or loan guarantees	1b(5)		X
(6) Performance of services or membership or fundraising solicitations	1b(6)		X
c Sharing of facilities, equipment, mailing lists, other assets, or paid employees	1c		X

d If the answer to any of the above is "Yes," complete the following schedule. Column (b) should always show the fair market value of the goods, other assets, or services given by the reporting foundation. If the foundation received less than fair market value in any transaction or sharing arrangement, show in column (d) the value of the goods, other assets, or services received.

(a) Line no	(b) Amount involved	(c) Name of noncharitable exempt organization	(d) Description of transfers, transactions, and sharing arrangements
		N/A	

2a Is the foundation directly or indirectly affiliated with, or related to, one or more tax-exempt organizations described in section 501(c) of the Code (other than section 501(c)(3)) or in section 527? ☐ Yes ☒ No

b If "Yes," complete the following schedule.

(a) Name of organization	(b) Type of organization	(c) Description of relationship
N/A		

Sign Here

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 taxpayer) is based on all information of which preparer has any knowledge

[signature] 05/30/12 Secretary

Signature of officer or trustee | Date | Title

May the IRS discuss this return with the preparer shown below (see instr)? ☒ Yes ☐ No

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check ☐ if self-employed	PTIN
Lee A. Hedge	[signature]	5/23/12		P00426327

Firm's name ▶ HEDGE + DETHLEFS, P.S. Firm's EIN ▶ 27-4689888

Firm's address ▶ 10900 NE 4TH STREET SUITE 2300 BELLEVUE, WA 98004 Phone no. (425) 637-3026

123622 12-02-11

Schedule B
(Form 990, 990-EZ, or 990-PF)
Department of the Treasury
Internal Revenue Service

Schedule of Contributors

▶ Attach to Form 990, Form 990-EZ, or Form 990-PF.

OMB No 1545-0047

2011

Name of the organization	Employer identification number
ISLANDS FUND C/O JOHN MUNN	91-1663838

Organization type (check one)

Filers of:	**Section:**
Form 990 or 990-EZ	☐ 501(c)( ) (enter number) organization
	☐ 4947(a)(1) nonexempt charitable trust **not** treated as a private foundation
	☐ 527 political organization
Form 990-PF	☒ 501(c)(3) exempt private foundation
	☐ 4947(a)(1) nonexempt charitable trust treated as a private foundation
	☐ 501(c)(3) taxable private foundation

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

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

General Rule

☒ For an organization filing Form 990, 990-EZ, or 990-PF that received, during the year, $5,000 or more (in money or property) from any one contributor Complete Parts I and II.

Special Rules

☐ For a section 501(c)(3) organization filing Form 990 or 990-EZ that met the 33 1/3% support test of the regulations under sections 509(a)(1) and 170(b)(1)(A)(vi) and received from any one contributor, during the year, a contribution of the greater of **(1)** $5,000 or **(2)** 2% of the amount on (i) Form 990, Part VIII, line 1h, or (ii) Form 990-EZ, line 1. Complete Parts I and II.

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

☐ For a section 501(c)(7), (8), or (10) organization filing Form 990 or 990-EZ that received from any one contributor, during the year, contributions for use *exclusively* for religious, charitable, etc., purposes, but these contributions did not total to more than $1,000 If this box is checked, enter here the total contributions that were received during the year for an *exclusively* religious, charitable, etc., purpose Do not complete any of the parts unless the **General Rule** applies to this organization because it received nonexclusively religious, charitable, etc , contributions of $5,000 or more during the year. ▶ $ ____________

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

Name of organization	Employer identification number
ISLANDS FUND C/O JOHN MUNN	91-1663838

Part I **Contributors** (see instructions). Use duplicate copies of Part I if additional space is needed

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
1	SARAH R. WERNER P.O. BOX 503 BELLEVUE, WA 98009	$ 25,901,737.	Person [X] Payroll [ ] Noncash [X] (Complete Part II if there is a noncash contribution)
		$	Person [ ] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution)
		$	Person [ ] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution)
		$	Person [ ] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution)
		$	Person [ ] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution)
		$	Person [ ] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution)

Name of organization	Employer identification number
ISLANDS FUND C/O JOHN MUNN	91-1663838

Part II **Noncash Property** (see instructions) Use duplicate copies of Part II if additional space is needed.

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
1	275,932 SHARES OF FEDEX COMMON STOCK (FDX) AT $93.87 PER SHARE BASED UPON STOCK EXCHANGE	$ 25,901,737.	01/01/11

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

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

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

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

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

Name of organization	Employer identification number
ISLANDS FUND C/O JOHN MUNN	91-1663838

Part III *Exclusively* religious, charitable, etc., individual contributions to section 501(c)(7), (8), or (10) organizations that total more than $1,000 for the year. Complete columns (a) through (e) and the following line entry. For organizations completing Part III, enter the total of *exclusively* religious, charitable, etc., contributions of $1,000 or less for the year. (Enter this information once) ▶ $

Use duplicate copies of Part III if additional space is needed

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held

(e) Transfer of gift

Transferee's name, address, and ZIP + 4	Relationship of transferor to transferee

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held

(e) Transfer of gift

Transferee's name, address, and ZIP + 4	Relationship of transferor to transferee

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held

(e) Transfer of gift

Transferee's name, address, and ZIP + 4	Relationship of transferor to transferee

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held

(e) Transfer of gift

Transferee's name, address, and ZIP + 4	Relationship of transferor to transferee

Part IV Capital Gains and Losses for Tax on Investment Income

	(a) List and describe the kind(s) of property sold, e.g., real estate, 2-story brick warehouse; or common stock, 200 shs. MLC Co.	(b) How acquired P - Purchase D - Donation	(c) Date acquired (mo., day, yr.)	(d) Date sold (mo., day, yr.)
1a	SPDR GOLD TRUST - 100,375 SHARES	P	VARIOUS	VARIOUS
b	SEE ATTACHED MERRILL LYNCH STMT 04014	P	VARIOUS	VARIOUS
c	SEE ATTACHED MERRILL LYNCH STMT 04014	P	VARIOUS	VARIOUS
d	SEE ATTACHED MERRILL LYNCH STMT 04014	P	VARIOUS	VARIOUS
e	SEE ATTACHED MERRILL LYNCH STMT 04014	P	VARIOUS	VARIOUS
f	SEE ATTACHED MERRILL LYNCH STMT 04308	P	VARIOUS	VARIOUS
g	SEE ATTACHED MERRILL LYNCH STMT 04308	P	VARIOUS	VARIOUS
h	SEE ATTACHED MERRILL LYNCH STMT 04387	P	VARIOUS	VARIOUS
i	SEE ATTACHED MERRILL LYNCH STMT 04387	P	VARIOUS	VARIOUS
j	SEE ATTACHED MERRILL LYNCH STMT 04387	P	VARIOUS	VARIOUS
k	SEE ATTACHED MERRILL LYNCH STMT 04393	P	VARIOUS	VARIOUS
l	SEE ATTACHED MERRILL LYNCH STMT 04393	P	VARIOUS	VARIOUS
m	SEE ATTACHED MERRILL LYNCH STMT 04395	P	VARIOUS	VARIOUS
n	SEE ATTACHED MERRILL LYNCH STMT 04395	P	VARIOUS	VARIOUS
o	SEE ATTACHED MERRILL LYNCH STMT 04395	P	VARIOUS	VARIOUS

	(e) Gross sales price	(f) Depreciation allowed (or allowable)	(g) Cost or other basis plus expense of sale	(h) Gain or (loss) (e) plus (f) minus (g)
a	9,872.		5,719.	4,153.
b	158,663.		160,466.	<1,803.>
c	1,870,464.		1,766,834.	103,630.
d	11,862,081.		10,089,075.	1,773,006.
e	20.			20.
f	2,542,306.		2,570,632.	<28,326.>
g	37,667,791.		7,951,622.	29,716,169.
h	107,977.		97,458.	10,519.
i	4,027,820.		2,540,450.	1,487,370.
j	44.			44.
k	436,572.		494,908.	<58,336.>
l	1,029,856.		720,277.	309,579.
m	1,163,546.		1,024,775.	138,771.
n	2,907,269.		2,916,937.	<9,668.>
o	50.			50.

Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69

	(i) F.M.V. as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col. (i) over col. (j), if any	(l) Losses (from col. (h)) Gains (excess of col. (h) gain over col. (k), but not less than "-0-")
a				4,153.
b				<1,803.>
c				103,630.
d				1,773,006.
e				20.
f				<28,326.>
g				29,716,169.
h				10,519.
i				1,487,370.
j				44.
k				<58,336.>
l				309,579.
m				138,771.
n				<9,668.>
o				50.

2	Capital gain net income or (net capital loss) { If gain, also enter in Part I, line 7 / If (loss), enter "-0-" in Part I, line 7 }	2	
3	Net short-term capital gain or (loss) as defined in sections 1222(5) and (6): If gain, also enter in Part I, line 8, column (c). If (loss), enter "-0-" in Part I, line 8	3	

Part IV Capital Gains and Losses for Tax on Investment Income

	(a) List and describe the kind(s) of property sold, e.g., real estate, 2-story brick warehouse; or common stock, 200 shs. MLC Co.	(b) How acquired P - Purchase D - Donation	(c) Date acquired (mo., day, yr.)	(d) Date sold (mo., day, yr.)
1a	SEE ATTACHED MERRILL LYNCH STMT 04396	P	VARIOUS	VARIOUS
b	SEE ATTACHED MERRILL LYNCH STMT 04396	P	VARIOUS	VARIOUS
c	SEE ATTACHED MERRILL LYNCH STMT 04396	P	VARIOUS	VARIOUS
d	CAPITAL GAINS DIVIDENDS			
e				
f				
g				
h				
i				
j				
k				
l				
m				
n				
o				

	(e) Gross sales price	(f) Depreciation allowed (or allowable)	(g) Cost or other basis plus expense of sale	(h) Gain or (loss) (e) plus (f) minus (g)
a	643,701.		624,785.	18,916.
b	665,292.		528,838.	136,454.
c	4.			4.
d	186,279.			186,279.
e				
f				
g				
h				
i				
j				
k				
l				
m				
n				
o				

	Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69			(l) Losses (from col. (h)) Gains (excess of col. (h) gain over col. (k), but not less than "-0-")
	(i) F.M.V. as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col. (i) over col. (j), if any	
a				18,916.
b				136,454.
c				4.
d				186,279.
e				
f				
g				
h				
i				
j				
k				
l				
m				
n				
o				

2	Capital gain net income or (net capital loss) { If gain, also enter in Part I, line 7; If (loss), enter "-0-" in Part I, line 7 }	2	33,786,831.
3	Net short-term capital gain or (loss) as defined in sections 1222(5) and (6): If gain, also enter in Part I, line 8, column (c). If (loss), enter "-0-" in Part I, line 8	3	N/A

FORM 990-PF INTEREST ON SAVINGS AND TEMPORARY CASH INVESTMENTS STATEMENT 1

SOURCE	AMOUNT
ACCRUED INTEREST PAID	<76,211.>
MERRILL LYNCH A/C 04014	3,251.
MERRILL LYNCH A/C 04308	1,053,682.
MERRILL LYNCH A/C 04387	710.
MERRILL LYNCH A/C 04393	1,719.
MERRILL LYNCH A/C 04395	811.
MERRILL LYNCH A/C 04396	15,942.
MERRILL LYNCH A/C 04396 (OID)	29,730.
TOTAL TO FORM 990-PF, PART I, LINE 3, COLUMN A	1,029,634.

FORM 990-PF DIVIDENDS AND INTEREST FROM SECURITIES STATEMENT 2

SOURCE	GROSS AMOUNT	CAPITAL GAINS DIVIDENDS	COLUMN (A) AMOUNT
FOREIGN TAX PAID ON DIVIDENDS	<54,108.>	0.	<54,108.>
MERRILL LYNCH A/C 04014	1,675,366.	58,763.	1,616,603.
MERRILL LYNCH A/C 04308	1,325,050.	126,429.	1,198,621.
MERRILL LYNCH A/C 04387	174,926.	0.	174,926.
MERRILL LYNCH A/C 04393	115,050.	1,087.	113,963.
MERRILL LYNCH A/C 04395	235,034.	0.	235,034.
MERRILL LYNCH A/C 04396	25,892.	0.	25,892.
TOTAL TO FM 990-PF, PART I, LN 4	3,497,210.	186,279.	3,310,931.

FORM 990-PF OTHER INCOME STATEMENT 3

DESCRIPTION	(A) REVENUE PER BOOKS	(B) NET INVEST-MENT INCOME	(C) ADJUSTED NET INCOME
CLASS ACTION SETTLEMENTS	9,516.	9,516.	
TOTAL TO FORM 990-PF, PART I, LINE 11	9,516.	9,516.	

FORM 990-PF	LEGAL FEES			STATEMENT 4
DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
LEGAL FEES	15,199.	0.		15,000.
TO FM 990-PF, PG 1, LN 16A	15,199.	0.		15,000.

FORM 990-PF	ACCOUNTING FEES			STATEMENT 5
DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
ACCOUNTING FEES	9,320.	0.		0.
TO FORM 990-PF, PG 1, LN 16B	9,320.	0.		0.

FORM 990-PF	TAXES			STATEMENT 6
DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
EXCISE TAX	25.	0.		0.
MISCELLANEOUS	384.	0.		0.
TO FORM 990-PF, PG 1, LN 18	409.	0.		0.

FORM 990-PF	OTHER EXPENSES			STATEMENT 7
DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
INVESTMENT MANAGEMENT FEES	315,243.	315,243.		0.
MANAGEMENT FEES	60,000.	0.		0.
MISC. EXPENSES	219.	0.		0.
MISC. INVESTMENT EXPENSES	5,763.	5,763.		0.
TO FORM 990-PF, PG 1, LN 23	381,225.	321,006.		0.

FORM 990-PF	OTHER DECREASES IN NET ASSETS OR FUND BALANCES	STATEMENT 8

DESCRIPTION	AMOUNT
AMORTIZATION/ACCRETION OF BOND PORTFOLIO	128,724.
ORIGINAL ISSUE DISCOUNT	29,730.
FEDERAL INCOME TAX PAYMENTS	31,589.
EXCESS OF FAIR MARKET VALUE OVER COST OF CONTRIBUTIONS	25,625,805.
ROUNDING	2.
TOTAL TO FORM 990-PF, PART III, LINE 5	25,815,850.

FORM 990-PF	U.S. AND STATE/CITY GOVERNMENT OBLIGATIONS	STATEMENT 9

DESCRIPTION	U.S. GOV'T	OTHER GOV'T	BOOK VALUE	FAIR MARKET VALUE
GOVERNMENT BONDS	X		3,992,966.	4,102,639.
TOTAL U.S. GOVERNMENT OBLIGATIONS			3,992,966.	4,102,639.
TOTAL STATE AND MUNICIPAL GOVERNMENT OBLIGATIONS				
TOTAL TO FORM 990-PF, PART II, LINE 10A			3,992,966.	4,102,639.

FORM 990-PF	CORPORATE STOCK	STATEMENT 10

DESCRIPTION	BOOK VALUE	FAIR MARKET VALUE
EQUITY SECURITIES	22,521,945.	29,636,270.
TOTAL TO FORM 990-PF, PART II, LINE 10B	22,521,945.	29,636,270.

FORM 990-PF	CORPORATE BONDS	STATEMENT 11

DESCRIPTION	BOOK VALUE	FAIR MARKET VALUE
CORPORATE BONDS	17,724,488.	18,416,303.
TOTAL TO FORM 990-PF, PART II, LINE 10C	17,724,488.	18,416,303.

FORM 990-PF	OTHER INVESTMENTS	STATEMENT 12

DESCRIPTION	VALUATION METHOD	BOOK VALUE	FAIR MARKET VALUE
MUTUAL FUNDS	COST	69,090,794.	68,296,665.
CD'S AND EQUIVALENT	COST	978,000.	1,020,794.
GOLD TRUSTS	COST	1,470,667.	2,507,835.
ACCRUED INTEREST	FMV	0.	230,740.
TOTAL TO FORM 990-PF, PART II, LINE 13		71,539,461.	72,056,034.

FORM 990-PF	OTHER LIABILITIES	STATEMENT 13

DESCRIPTION	BOY AMOUNT	EOY AMOUNT
OUTSTANDING GRANT CHECKS	115,000.	699,000.
OUTSTANDING EXPENSE CHECKS	3,750.	3,750.
TOTAL TO FORM 990-PF, PART II, LINE 22	118,750.	702,750.

FORM 990-PF LIST OF SUBSTANTIAL CONTRIBUTORS PART VII-A, LINE 10 STATEMENT 14

NAME OF CONTRIBUTOR	ADDRESS
SARAH R. WERNER	P.O. BOX 503 BELLEVUE, WA 98009

FORM 990-PF PART VIII - LIST OF OFFICERS, DIRECTORS TRUSTEES AND FOUNDATION MANAGERS STATEMENT 15

NAME AND ADDRESS	TITLE AND AVRG HRS/WK	COMPEN-SATION	EMPLOYEE BEN PLAN CONTRIB	EXPENSE ACCOUNT
SARAH R. WERNER 6523 CALIFORNIA AVENUE SW, NO 137 SEATTLE, WA 98136	DIRECTOR 1.00	0.	0.	0.
RICK S. WERNER 6523 CALIFORNIA AVENUE SW, NO 137 SEATTLE, WA 98136	DIRECTOR 1.00	0.	0.	0.
GEORGE G. GULICK 6523 CALIFORNIA AVENUE SW, NO 137 SEATTLE, WA 98136	DIRECTOR 1.00	0.	0.	0.
E. LEEDS GULICK 6523 CALIFORNIA AVENUE SW, NO 137 SEATTLE, WA 98136	DIRECTOR 1.00	0.	0.	0.
JAMES FLAGGERT 6523 CALIFORNIA AVENUE SW, NO 137 SEATTLE, WA 98136	DIRECTOR 1.00	0.	0.	0.
TOTALS INCLUDED ON 990-PF, PAGE 6, PART VIII		0.	0.	0.

Form **2220**

Department of the Treasury
Internal Revenue Service

Underpayment of Estimated Tax by Corporations

▶ See separate instructions.
▶ Attach to the corporation's tax return. FORM 990-PF

OMB No 1545-0142

2011

Name ISLANDS FUND
C/O JOHN MUNN

Employer identification number
91-1663838

Note: Generally, the corporation is not required to file Form 2220 (see Part II below for exceptions) because the IRS will figure any penalty owed and bill the corporation. However, the corporation may still use Form 2220 to figure the penalty. If so, enter the amount from page 2, line 38 on the estimated tax penalty line of the corporation's income tax return, but **do not** attach Form 2220.

Part I Required Annual Payment

1 Total tax (see instructions)			1	376,206.
2 a Personal holding company tax (Schedule PH (Form 1120), line 26) included on line 1	2a			
b Look-back interest included on line 1 under section 460(b)(2) for completed long-term contracts or section 167(g) for depreciation under the income forecast method	2b			
c Credit for federal tax paid on fuels (see instructions)	2c			
d **Total.** Add lines 2a through 2c			2d	
3 Subtract line 2d from line 1. If the result is less than $500, **do not** complete or file this form. The corporation does not owe the penalty			3	376,206.
4 Enter the tax shown on the corporation's 2010 income tax return (see instructions). **Caution: If the tax is zero or the tax year was for less than 12 months, skip this line and enter the amount from line 3 on line 5**			4	29,954.
5 **Required annual payment.** Enter the **smaller** of line 3 or line 4. If the corporation is required to skip line 4, enter the amount from line 3			5	29,954.

Part II Reasons for Filing

- Check the boxes below that apply. If any boxes are checked, the corporation **must** file Form 2220 even if it does not owe a penalty (see instructions).

6 ☐ The corporation is using the adjusted seasonal installment method.
7 ☐ The corporation is using the annualized income installment method.
8 ☒ The corporation is a "large corporation" figuring its first required installment based on the prior year's tax.

Part III Figuring the Underpayment

		(a)	(b)	(c)	(d)
9 **Installment due dates** Enter in columns (a) through (d) the 15th day of the 4th (**Form 990-PF filers:** Use 5th month), 6th, 9th, and 12th months of the corporation's tax year	9	05/15/11	06/15/11	09/15/11	12/15/11
10 **Required installments.** If the box on line 6 and/or line 7 above is checked, enter the amounts from Sch A, line 38. If the box on line 8 (but not 6 or 7) is checked, see instructions for the amounts to enter. If none of these boxes are checked, enter 25% of line 5 above in each column.	10	7,489.	180,615.	94,051.	94,051.
11 Estimated tax paid or credited for each period (see instructions). For column (a) only, enter the amount from line 11 on line 15	11	14,371.		8,099.	7,490.
Complete lines 12 through 18 of one column before going to the next column.					
12 Enter amount, if any, from line 18 of the preceding column	12		6,882.		
13 Add lines 11 and 12	13		6,882.	8,099.	7,490.
14 Add amounts on lines 16 and 17 of the preceding column	14			173,733.	259,685.
15 Subtract line 14 from line 13. If zero or less, enter -0-	15	14,371.	6,882.	0.	0.
16 If the amount on line 15 is zero, subtract line 13 from line 14. Otherwise, enter -0-	16		0.	165,634.	
17 **Underpayment** If line 15 is less than or equal to line 10, subtract line 15 from line 10. Then go to line 12 of the next column. Otherwise, go to line 18	17		173,733.	94,051.	94,051.
18 **Overpayment.** If line 10 is less than line 15, subtract line 10 from line 15. Then go to line 12 of the next column	18	6,882.			

Go to Part IV on page 2 to figure the penalty. Do not go to Part IV if there are no entries on line 17 - no penalty is owed

Part IV **Figuring the Penalty**

		(a)	(b)	(c)	(d)
19 Enter the date of payment or the 15th day of the 3rd month after the close of the tax year, whichever is earlier (see instructions). (**Form 990-PF and Form 990-T filers:** Use 5th month instead of 3rd month.)	19				
20 Number of days from due date of installment on line 9 to the date shown on line 19	20				
21 Number of days on line 20 after 4/15/2011 and before 7/1/2011	21				
22 Underpayment on line 17 x $\frac{\text{Number of days on line 21}}{365}$ x 4%	22	$	$	$	$
23 Number of days on line 20 after 06/30/2011 and before 10/1/2011	23				
24 Underpayment on line 17 x $\frac{\text{Number of days on line 23}}{365}$ x 4%	24	$	$	$	$
25 Number of days on line 20 after 9/30/2011 and before 1/1/2012	25				
26 Underpayment on line 17 x $\frac{\text{Number of days on line 25}}{365}$ x 3%	26	$	$	$	$
27 Number of days on line 20 after 12/31/2011 and before 4/1/2012	27	SEE	ATTACHED W	ORKSHEET	
28 Underpayment on line 17 x $\frac{\text{Number of days on line 27}}{366}$ x 3%	28	$	$	$	$
29 Number of days on line 20 after 3/31/2012 and before 7/1/2012	29				
30 Underpayment on line 17 x $\frac{\text{Number of days on line 29}}{366}$ x *%	30	$	$	$	$
31 Number of days on line 20 after 6/30/2012 and before 10/01/2012	31				
32 Underpayment on line 17 x $\frac{\text{Number of days on line 31}}{366}$ x *%	32	$	$	$	$
33 Number of days on line 20 after 9/30/2012 and before 1/1/2013	33				
34 Underpayment on line 17 x $\frac{\text{Number of days on line 33}}{366}$ x *%	34	$	$	$	$
35 Number of days on line 20 after 12/31/2012 and before 2/16/2013	35				
36 Underpayment on line 17 x $\frac{\text{Number of days on line 35}}{365}$ x *%	36	$	$	$	$
37 Add lines 22, 24, 26, 28, 30, 32, 34, and 36	37	$	$	$	$

38 **Penalty.** Add columns (a) through (d) of line 37. Enter the total here and on Form 1120; line 33; or the comparable line for other income tax returns — 38 $ 8,116.

* Use the penalty interest rate for each calendar quarter, which the IRS will determine during the first month in the preceding quarter. These rates are published quarterly in an IRS News Release and in a revenue ruling in the Internal Revenue Bulletin. To obtain this information on the Internet, access the IRS website at **www.irs.gov**. You can also call 1-800-829-4933 to get interest rate information.

FORM 990-PF
UNDERPAYMENT OF ESTIMATED TAX WORKSHEET

Name(s)	Identifying Number
ISLANDS FUND C/O JOHN MUNN	91-1663838

(A) *Date	(B) Amount	(C) Adjusted Balance Due	(D) Number Days Balance Due	(E) Daily Penalty Rate	(F) Penalty
		-0-			
05/15/11	7,489.	7,489.			
05/15/11	<14,371.>	<6,882.>			
06/15/11	180,615.	173,733.	92	.000109589	1,752.
09/15/11	94,051.	267,784.			
09/15/11	<8,099.>	259,685.	15	.000109589	427.
09/30/11	0.	259,685.	75	.000082192	1,601.
12/14/11	<7,490.>	252,195.	1	.000082192	21.
12/15/11	94,051.	346,246.	16	.000082192	455.
12/31/11	0.	346,246.	136	.000081967	3,860.

Penalty Due (Sum of Column F). 8,116.

* Date of estimated tax payment, withholding credit date or installment due date.

112511
05-01-11

Part XV Supplementary Information

3 Grants and Contributions Paid During the Year (Continuation)

Recipient Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
BIG BROTHERS/SISTERS OF PUGET SOUND 1600 SOUTH GRAHAM ST SEATTLE, WA 98108	N/A	501(C)(3)	TO MEET TAX EXEMPT PURPOSE	40,000.
BOYS AND GIRLS CLUBS OF BELLEVUE 209 100TH AVENUE NE BELLEVUE, WA 98004	N/A	501(C)(3)	TO MEET TAX EXEMPT PURPOSE	50,000.
BRIDLE TRAILS PARK FOUNDATION 6619 132ND AVENUE NE #265 KIRKLAND, WA 98033	N/A	501(C)(3)	TO MEET TAX EXEMPT PURPOSE	30,000.
CHILL FOUNDATION 9606 SANTA MONICA BLVD THIRD FLOOR BEVERLY HILLS, CA 90210	N/A	501(C)(3)	TO MEET TAX EXEMPT PURPOSE	30,000.
CONSERVATION INTERNATIONAL 2011 CRYSTAL DRIVE SUITE 500 ARLINGTON, VA 22202	N/A	501(C)(3)	TO MEET TAX EXEMPT PURPOSE	30,000.
DARTMOUTH COLLEGE 6066 DEVELOPMENT OFFICE HANOVER, NH 03755	N/A	501(C)(3)	TO MEET TAX EXEMPT PURPOSE	10,000.
ECOTRUST 721 NW NINTH SUITE 200 PORTLAND, OR 97209	N/A	501(C)(3)	TO MEET TAX EXEMPT PURPOSE	500,000.
ENVIRONMENTAL RESOURCE CENTER 471 WASHINGTON AVENUE N KETCHUM, ID 83340	N/A	501(C)(3)	TO MEET TAX EXEMPT PURPOSE	30,000.
EXPLOYER WEST MIDDLE SCHOOL 10015 28TH AVENUE SW SEATTLE, WA 98146	N/A	501(C)(3)	TO MEET TAX EXEMPT PURPOSE	20,000.
FRIENDS OF NW AVALANCHE CENTER 15600 NE 8TH STREET #B1-711 BELLEVUE, WA 98008	N/A	501(C)(3)	TO MEET TAX EXEMPT PURPOSE	6,000.
Total from continuation sheets				5,775,000.

Part XV Supplementary Information

3 Grants and Contributions Paid During the Year (Continuation)

Recipient Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
FUTURE GENERATIONS HC 73 BOX 100 FRANKLIN, WV 26807	N/A	501(C)(3)	TO MEET TAX EXEMPT PURPOSE	1,025,000.
HIDDEN VILLA 26870 MOODY ROAD LOS ALTOS HILLS, CA 94022	N/A	501(C)(3)	TO MEET TAX EXEMPT PURPOSE	30,000.
ISLANDWOOD 4450 BLAKELY AVENUE NE BAINBRIDGE ISLAND, WA 98110	N/A	501(C)(3)	TO MEET TAX EXEMPT PURPOSE	35,000.
LAKE WASHINGTON ENVIRONMENT & ADVENTURE SCHOOL 8040 NE 132ND KIRKLAND, WA 98034	N/A	501(C)(3)	TO MEET TAX EXEMPT PURPOSE	20,000.
LAKESIDE SCHOOL 14050 1ST AVENUE NE SEATTLE, WA 98125-3099	N/A	501(C)(3)	TO MEET TAX EXEMPT PURPOSE	25,000.
LITTLE BIT THERAPEUTIC RIDING CENTER 19802 NE 148TH STREET WOODINVILLE, WA 98077	N/A	501(C)(3)	TO MEET TAX EXEMPT PURPOSE	25,000.
MUSEUM OF FLIGHT 9404 EAST MARGINAL WAY S. SEATTLE, WA 98108-4097	N/A	501(C)(3)	TO MEET TAX EXEMPT PURPOSE	40,000.
MUSEUM OF N.W. ART 121 SOUTH FIRST STREET LA CONNER, WA 98257	N/A	501(C)(3)	TO MEET TAX EXEMPT PURPOSE	35,000.
NATURE CONSORTIUM 4108 DELRIDGE WAY SW, SUITE 107 SEATTLE, WA 98106	N/A	501(C)(3)	TO MEET TAX EXEMPT PURPOSE	20,000.
NEW SUMMIT ACADEMY EDUCACION NUEVA CUMBRE, APTDO #159-4013 ATENAS, ALEJUELA, COSTA RICA	N/A	501(C)(3)	TO MEET TAX EXEMPT PURPOSE	50,000.
Total from continuation sheets				

Part XV | Supplementary Information

3 Grants and Contributions Paid During the Year (Continuation)

Recipient Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
NEXSTAGE THEATER P.O. BOX 3092 SUN VALLEY, ID 83353	N/A	501(C)(3)	TO MEET TAX EXEMPT PURPOSE	10,000.
NORTH CASCADES INSTITUTE 810 STATE ROUTE 20 SEDRO WOLLEY, WA 98284	N/A	501(C)(3)	TO MEET TAX EXEMPT PURPOSE	100,000.
NUEVA SCHOOL 6565 SKYLINE BLVD. HILLSBOROUGH, CA 94010	N/A	501(C)(3)	TO MEET TAX EXEMPT PURPOSE	100,000.
O'DEA HIGH SCHOOL 802 TERRY AVE. SEATTLE, WA 98104	N/A	501(C)(3)	TO MEET TAX EXEMPT PURPOSE	20,000.
OLYMPIC PARK INSTITUTE 111 BARNES POINT RD. PORT ANGELES, WA 98363				15,000.
OPEN WINDOW SCHOOL 6128 168TH PL. SE BELLEVUE, WA 98006	N/A	501(C)(3)	TO MEET TAX EXEMPT PURPOSE	100,000.
OUTDOORS FOR ALL FOUNDATION 2 NICKERSON STREET SUITE 101 SEATTLE, WA 98109-1652	N/A	501(C)(3)	TO MEET TAX EXEMPT PURPOSE	100,000.
OVERLAKE SCHOOL 20301 NE 108TH STREET REDMOND, WA 98053	N/A	501(C)(3)	TO MEET TAX EXEMPT PURPOSE	100,000.
PACIFIC SCIENCE CENTER 200 2ND AVENUE N SEATTLE, WA 98109-1652	N/A	501(C)(3)	TO MEET TAX EXEMPT PURPOSE	100,000.
PERIGRINE FUND 5668 W. FLYING HAWK LN. BOISE, ID 83709	N/A	501(C)(3)	TO MEET TAX EXEMPT PURPOSE	25,000.
Total from continuation sheets				

Part XV Supplementary Information

3 Grants and Contributions Paid During the Year (Continuation)

Recipient Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
PLANNED PARENTHOOD OF WESTERN WASHINGTON 2001 E. MADISON ST. SEATTLE, WA 98122	N/A	501(C)(3)	TO MEET TAX EXEMPT PURPOSE	80,000.
PLANT AMNESTY 7400 SAND POINT WAY NE SEATTLE, WA 98115-0377	N/A	501(C)(3)	TO MEET TAX EXEMPT PURPOSE	10,000.
POWERFUL VOICES 1620 18TH AVENUE SUITE 100 SEATTLE, WA 98122	N/A	501(C)(3)	TO MEET TAX EXEMPT PURPOSE	30,000.
PUGET SOUNDKEEPER ALLIANCE 5305 SHILSHOLE AVE. NW SUITE 150 SEATTLE, WA 98107	N/A	501(C)(3)	TO MEET TAX EXEMPT PURPOSE	5,000.
QQS (EYES) PROJECTS SOCIETY BOX 786 BELLA BELLA, BRITISH COLUMBIA, CANADA V0T 1Z0	N/A	501(C)(3)	TO MEET TAX EXEMPT PURPOSE	25,000.
RAINCOAST EDUCATION SOCIETY P.O. BOX 815 TOFINO, BRITISH COLUMBIA, CANADA V0R 2Z0	N/A	501(C)(3)	TO MEET TAX EXEMPT PURPOSE	21,000.
READING PARTNERS 106 LINDEN ST #202 OAKLAND, CA 94607	N/A	501(C)(3)	TO MEET TAX EXEMPT PURPOSE	25,000.
SEATTLE ACADEMY 1201 E. UNION STREET SEATTLE, WA 98122	N/A	501(C)(3)	TO MEET TAX EXEMPT PURPOSE	300,000.
SEATTLE ACQUARIUM 1483 ALASKAN WAY SEATTLE, WA 98101	N/A	501(C)(3)	TO MEET TAX EXEMPT PURPOSE	20,000.
SEATTLE ARBORETUM FOUNDATION 2300 ARBORETUM DRIVE E SEATTLE, WA 98122	N/A	501(C)(3)	TO MEET TAX EXEMPT PURPOSE	35,000.
Total from continuation sheets				

ISLANDS FUND
C/O JOHN MUNN 91-1663838

Part XV Supplementary Information

3 Grants and Contributions Paid During the Year (Continuation)

Recipient Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
SEATTLE REPERTORY THEATER 155 MERCER STREET SEATTLE, WA 98109	N/A	501(C)(3)	TO MEET TAX EXEMPT PURPOSE	40,000.
SEATTLE URBAN ACADEMY (CRISTA) 3800 S. OTHELLO STREET SEATTLE, WA 98118	N/A	501(C)(3)	TO MEET TAX EXEMPT PURPOSE	70,000.
SECRET HARBOR SCHOOL 1809 COMMERCIAL AVENUE ANACORTES, WA 98221	N/A	501(C)(3)	TO MEET TAX EXEMPT PURPOSE	15,000.
SOS OUTREACH P.O. BOX 2020 AVON, CO 81620	N/A	501(C)(3)	TO MEET TAX EXEMPT PURPOSE	10,000.
SPECIAL OLYMPICS WASHINGTON 2150 N. 107TH STREET SUITE 220 SEATTLE, WA 98133-9009	N/A	501(C)(3)	TO MEET TAX EXEMPT PURPOSE	100,000.
SPECTRUM DANCE THEATER 800 LAKE WASHINGTON BLVD. SEATTLE, WA 98122	N/A	501(C)(3)	TO MEET TAX EXEMPT PURPOSE	15,000.
STUDENT CONSERVATION ASSOCIATION 689 RIVER ROAD CHARLESTOWN, NH 03603-0550	N/A	501(C)(3)	TO MEET TAX EXEMPT PURPOSE	100,000.
TEXAS WOMENS UNIVERSTIY P.O. BOX 425589 DENTON, TX 76204	N/A	501(C)(3)	TO MEET TAX EXEMPT PURPOSE	100,000.
THE NATURE CONSERVANCY (CO) 4245 NORTH FAIRFAX DRIVE SUITE 100 ARLINGTON, VA 22203-1606	N/A	501(C)(3)	TO MEET TAX EXEMPT PURPOSE	150,000.
THE NATURE CONSERVANCY (MT) 4245 NORTH FAIRFAX DRIVE SUITE 100 ARLINGTON, VA 22203-1606	N/A	501(C)(3)	TO MEET TAX EXEMPT PURPOSE	150,000.
Total from continuation sheets				

ISLANDS FUND
C/O JOHN MUNN 91-1663838

Part XV Supplementary Information

3 Grants and Contributions Paid During the Year (Continuation)				
Recipient Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
THE NATURE CONSERVANCY (WA) 4245 NORTH FAIRFAX DRIVE SUITE 100 ARLINGTON, VA 22203-1606	N/A	501(C)(3)	TO MEET TAX EXEMPT PURPOSE	150,000.
THE ROCK SCHOOL 1101 SOUTH BROAD STREET PHILADELPHIA, PA 19147	N/A	501(C)(3)	TO MEET TAX EXEMPT PURPOSE	10,000.
THE SAN JUAN PRESERVATION TRUST P.O. BOX 327 LOPEZ ISLAND, WA 98261	N/A	501(C)(3)	TO MEET TAX EXEMPT PURPOSE	270,000.
THE SEATTLE FOUNDATION 1200 FIFTH AVENUE SUITE 130 SEATTLE, WA 98101-3151	N/A	501(C)(3)	TO MEET TAX EXEMPT PURPOSE	215,000.
THE SIERRA CLUB FOUNDATION 85 SECOND STREET SUITE 750 SAN FRANCISCO, CA 94105	N/A	501(C)(3)	TO MEET TAX EXEMPT PURPOSE	15,000.
THE THACHER SCHOOL 5025 THACHER ROAD OJAI, CA 93023	N/A	501(C)(3)	TO MEET TAX EXEMPT PURPOSE	100,000.
TRAILBLAZER CAMPS 45 EAST 20TH STREET 9TH FLOOR NEW YORK, NY 10003	N/A	501(C)(3)	TO MEET TAX EXEMPT PURPOSE	150,000.
TREEHOUSE FUND 2100 - 24TH AVENUE S. SUITE 200 SEATTLE, WA 98144	N/A	501(C)(3)	TO MEET TAX EXEMPT PURPOSE	100,000.
UCSC PREDATORY BIRD RESEARCH 100 SHAFFER ROAD SANTA CRUZ, CA 95060	N/A	501(C)(3)	TO MEET TAX EXEMPT PURPOSE	15,000.
VANCOUVER BOARD OF EDUCATION 1580 WEST BROADWAY VANCOUVER, BRITISH COLUMBIA, CANADA V6J 5K8	N/A	501(C)(3)	TO MEET TAX EXEMPT PURPOSE	18,000.
Total from continuation sheets				

ISLANDS FUND
C/O JOHN MUNN 91-1663838

Part XV Supplementary Information

3 Grants and Contributions Paid During the Year (Continuation)

Recipient Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
WASHINGTON BUSINESS WEEK 33305 1ST WAY S. SUITE B-212 FEDERAL WAY, WA 98003	N/A	501(C)(3)	TO MEET TAX EXEMPT PURPOSE	100,000.
WASHINGTON TRAILS ASSOCIATION 2019 THIRD AVENUE SUITE 100 SEATTLE, WA 98121	N/A	501(C)(3)	TO MEET TAX EXEMPT PURPOSE	100,000.
WELLESLEY COLLEGE 106 CENTRAL STREET WELLESLEY, MA 02481	N/A	501(C)(3)	TO MEET TAX EXEMPT PURPOSE	10,000.
YELLOWSTONE TO YUKON CONSERVATION INITIATIVE P.O. BOX 157 BOZEMAN, MT 59771-0157	N/A	501(C)(3)	TO MEET TAX EXEMPT PURPOSE	500,000.
Total from continuation sheets				