

Return of Organization Exempt From Income Tax

2007

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

Open to Public Inspection

Department of the Treasury Internal Revenue Service(77)

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

A For the 2007 calendar year, or tax year beginning 7/01, 2007, and ending 6/30, 2008

- 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 THE INDEPENDENT INSTITUTE 100 SWAN WAY #200 OAKLAND, CA 94621

D Employer Identification Number 94-3008370 E Telephone number (510) 632-1366 F Accounting method: Cash, Accrual, Other (specify)

Section 501(c)(3) organizations and 4947(a)(1) nonexempt charitable trusts must attach a completed Schedule A (Form 990 or 990-EZ).

- H and I are not applicable to section 527 organizations H(a) Is this a group return for affiliates? H(b) If 'Yes,' enter number of affiliates H(c) Are all affiliates included? H(d) Is this a separate return filed by an organization covered by a group ruling?

G Web site: N/A

J Organization type (check only): 501(c) 3

K Check here if the organization is not a 509(a)(3) supporting organization and its gross receipts are normally not more than \$25,000.

L Gross receipts Add lines 6b, 8b, 9b, and 10b to line 12: 4,780,818.

Part I Revenue, Expenses, and Changes in Net Assets or Fund Balances (See the instructions.)

Table with 21 rows and multiple columns for revenue, expenses, and net assets. Includes sub-rows for contributions, program service revenue, membership dues, interest, dividends, rents, sales of assets, special events, and fundraising. Total revenue is 3,060,320 and total expenses is 2,719,256.

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Part II Statement of Functional Expenses All organizations must complete column (A). Columns (B), (C), and (D) are required for section 501(c)(3) and (4) organizations and section 4947(a)(1) nonexempt charitable trusts but optional for others. (See *instructions*.)

Do not include amounts reported on line 6b, 8b, 9b, 10b, or 16 of Part I.	(A) Total	(B) Program services	(C) Management and general	(D) Fundraising
22a Grants paid from donor advised funds (attach sch) (cash \$ _____) non-cash \$ _____ If this amount includes foreign grants, check here <input type="checkbox"/>	22a			
22b Other grants and allocations (att sch) (cash \$ <u>190,320.</u>) non-cash \$ _____ If this amount includes foreign grants, check here <input type="checkbox"/>	22b	190,320.	190,320.	
23 Specific assistance to individuals (attach schedule)	23			
24 Benefits paid to or for members (attach schedule)	24			
25a Compensation of current officers, directors, key employees, etc. listed in Part V-A	25a	115,703.	94,552.	13,121.
b Compensation of former officers, directors, key employees, etc. listed in Part V-B	25b	0.	0.	0.
c Compensation and other distributions, not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)	25c	0.	0.	0.
26 Salaries and wages of employees not included on lines 25a, b, and c	26	992,723.	840,264.	67,668.
27 Pension plan contributions not included on lines 25a, b, and c	27			
28 Employee benefits not included on lines 25a - 27	28	80,554.	64,282.	7,572.
29 Payroll taxes	29	80,818.	64,493.	7,597.
30 Professional fundraising fees	30			
31 Accounting fees	31	11,550.	483.	11,047.
32 Legal fees	32			
33 Supplies	33	40,658.	32,896.	3,324.
34 Telephone	34	22,492.	17,519.	2,637.
35 Postage and shipping	35	292,326.	281,391.	5,024.
36 Occupancy	36	24,000.	19,731.	1,987.
37 Equipment rental and maintenance	37	28,361.	23,312.	2,349.
38 Printing and publications	38	463,385.	452,045.	2,036.
39 Travel	39	36,064.	18,194.	1,073.
40 Conferences, conventions, and meetings	40	17,871.	15,916.	335.
41 Interest	41			
42 Depreciation, depletion, etc (attach schedule)	42	13,552.	10,814.	1,274.
43 Other expenses not covered above (itemize)				
a ADVERTISING	43a	2,742.	2,300.	355.
b BANK CHARGES	43b	4,300.	3,826.	38.
c DUES & SUBSCRIPTIONS	43c	20,272.	12,904.	2,929.
d INSURANCE & OTHER	43d	18,787.	10,515.	6,849.
e OUTSIDE SERVICES	43e	262,778.	200,904.	48,710.
f _____	43f			
g _____	43g			
44 Total functional expenses. Add lines 22a through 43g (Organizations completing columns (B) - (D), carry these totals to lines 13 - 15)	44	2,719,256.	2,356,661.	185,925.

Joint Costs. Check if you are following SOP 98-2.

Are any joint costs from a combined educational campaign and fundraising solicitation reported in (B) Program services? Yes No
 If 'Yes,' enter (i) the aggregate amount of these joint costs \$ _____; (ii) the amount allocated to Program services \$ _____; (iii) the amount allocated to Management and general \$ _____; and (iv) the amount allocated to Fundraising \$ _____